



POWERLONG

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2022

寶龍地產控股有限公司

POWERLONG REAL ESTATE HOLDINGS LIMITED
(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

Stock code:1238



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About the Report

Powerlong Real Estate Holdings Limited (the “**Company**” or “**Powerlong**”) (stock code: 1238.HK) and its subsidiaries (collectively the “**Group**”, “**we**” or “**our**”) are pleased to issue its seventh Environmental, Social and Governance Report (the “**Report**”).

The Report details the latest performances of the Group in terms of environmental, social and governance (“**ESG**”) aspects in 2022, and its future planning and goals. The Report mainly covers the major business segments of the Group, including property development, property investment, commercial operation and residential property management, and other property development related businesses. The Group also endeavours to disclose all available key performance indicators (“**KPI**”) in the Report with supplementation of descriptions, thereby establishing baselines, and facilitating comparisons. For details of Powerlong’s businesses, please refer to Powerlong’s Annual Report 2022.



Reporting Period and Scope

Unless otherwise stated, the Report covers the period from 1 January 2022 to 31 December 2022 (the “**Reporting Period**”), with the time period for relevant parts of the Report suitably extended. The reporting content in the Report is based on the principle of operational control, which covers all business segments under the Group.

Reporting Guideline

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“**ESG Reporting Guide**”) under Appendix 27 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and based on the reporting principles of materiality, quantitative, balance, and consistency. The disclosure in the Report complies with the provisions of “mandatory disclosure requirement” and “comply or explain” set out in the ESG Reporting Guide issued by the Stock Exchange.

In the course of preparing the Report, the Group applied the reporting principles in the aforementioned ESG Reporting Guide as the following:

Materiality: Materiality review and assessment was conducted to review the Group’s materiality issues for the Reporting Period and to focus on the identified materiality issues in the preparation of the Report;

Quantitative: The standard and methodologies used in the calculation of relevant data in the Report, as well as the applicable assumptions were disclosed; and

Consistency: The preparation approach of the Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

Reporting Declaration

The Group attaches great importance in the materiality, balance, and consistency of the Report. The Report comprehensively introduces the philosophy and policy, as well as the management process of ESG related issues of Powerlong. The Group ensures the reliability, authenticity, objectivity, and timeliness of the Report. By publishing the Report, the Group looks forward to enhancing the communication and collaboration with its stakeholders, and further promoting the sustainable development of the Group in terms of environment, social and economy. The disclosure content of the Report is mainly determined based on the materiality assessment and stakeholder engagement. Please refer to the chapter “ESG Management” for details of the process.

Confirmation and Approval

The Report was reviewed, confirmed, and approved by the Board (the “**Board**”) of the Company on 30 March 2023.

Report Availability and Feedback

The electronic version of the Report can be accessed and downloaded at the website of the Stock Exchange (www.hkexnews.hk) and the Group’s website (www.powerlong.com).

You are welcome to provide comments and suggestions on the Report or the Group’s ESG work through email at boardteam@powerlong.com.



Chairman

Mr. Hoi Kin Hong

Preface

2022 was a year full of challenges. Against the complicated and ever-changing international environment, the continual resurgence of COVID-19 pandemic at home, and the continual persistence of unexpected factors, the economy of China weathered through pressure to achieve progress while maintaining stability. It continued to solidify the trend of recovery, showcasing its remarkable resilience and vast potentials. The real estate industry underwent intense adjustments. Under the general keynote of properties being for residential dwellings instead of speculation, city-specific policies that support the rigid and upgraders' housing needs, timely delivery of products and stabilizing people's livelihood, easing policies adopted by local governments were being optimized throughout the year. From demand side to enterprises' side, supportive policies have been increasingly fortified. With adequate assessment of the situation, real estate enterprises remained steadfast to "ensuring timely delivery of products, redemption of debts and sale of products", which contributed to the steady and healthy development of the real estate market in China.

As at 31 December 2022, the Group had developed, owned and operated 206 real estate projects, held and managed 60 shopping malls and managed 9 asset-light shopping malls, owned and managed 8 international brand hotels and 12 self-owned brand chain hotels. Its commercial projects cover the series of "Powerlong One Mall", "Powerlong City", "Powerlong Plaza" and "Powerlong Land" products, while its residential projects cover various formats including middle and high class commodity housings and villas, complemented by high-standard office buildings, hotel and apartment projects with comprehensive service support. With its diversified and multi-dimensional business scope, Powerlong has been improving the retail supporting facilities and thereby enhancing the quality of local cities.

Faced with the challenges and opportunities presented by intense adjustments of the real estate industry in China, the Group will capture the market in a timely manner and grasp the policy window, under the development theme of "Marching forward for newer landscape" (一往無前，萬象再生), with the thorough implementation of the principles of "Focus on projects, breakthrough in sales, reshaping of credit, activation of asset management" (聚焦項目、突破銷售、重塑信用、激活資管) in operations and management. The focus will be on eight key tasks as follows: "Cityspecific policies, activation of assets, securing sales, safeguarding financing, restoration of investment, intensification of asset management, business efficiency enhancement, and hotel renovation". In the adversity of a difficult macro-environment, the Group will hold firm to sound operation and to the principle of responsibilities and

remain committed to being a responsible enterprise. With the concerted efforts of all staff members in overcoming difficulties, adhering to "ensuring timely delivery of products, redemption of debts, and sale of products", and by holding firm to the principles of quality and responsibilities, the Group will enhance its scientific management holistically, refine and quantify targets and responsibilities, continually foster the optimization and uplift of products and services, with a view to fostering the stable and healthy development and hence the virtuous cycle of the real estate market.

The Group has continued to implement the concept of green development. As a property developer and urban complex operator in China, the Group not only complies with local and national environmental laws and regulations, but also continuously improves environmental management systems, implements green development and green operations, and actively introduces green building design concepts in building development, so as to co-exist with the city and society.

The Group has continued to take an active role in social responsibility, contributing to social and community development as a "corporate citizen". The Group has invested its efforts and funds in the areas of arts, culture, sports, poverty alleviation and rural revitalisation to support and help the physical and spiritual well-being of the surrounding communities and the public. In the face of the recurring and severe pandemic, the Group continues to cooperate with the local government and strictly implement pandemic prevention measures to ensure the health and safety of our staff and customers, and to contribute to the normal operation of the society. At the same time, the Group integrated its own business characteristics and incorporated cultural and artistic genes into its projects to promote the dissemination and development of traditional culture and modern art, and to give back to the community through art.

In the future, the Group will continue to be committed to being a responsible enterprise and following a path of highquality sustainable development. It will adhere to the corporate mission of "create space full of love", follow the corporate values of "simple, truthful, prosper together, forward forever", and continue to live up to the corporate philosophy of "honest, modest, innovative and devoted". It will firmly gather the wisdom and power of all fellow folks of Powerlong, with the same goals and paths and embracing difficulties, to contribute to fostering the steady and healthy development and virtuous cycle of the industry, with a view to continually creating further values for the corporation, its society and the country.

01

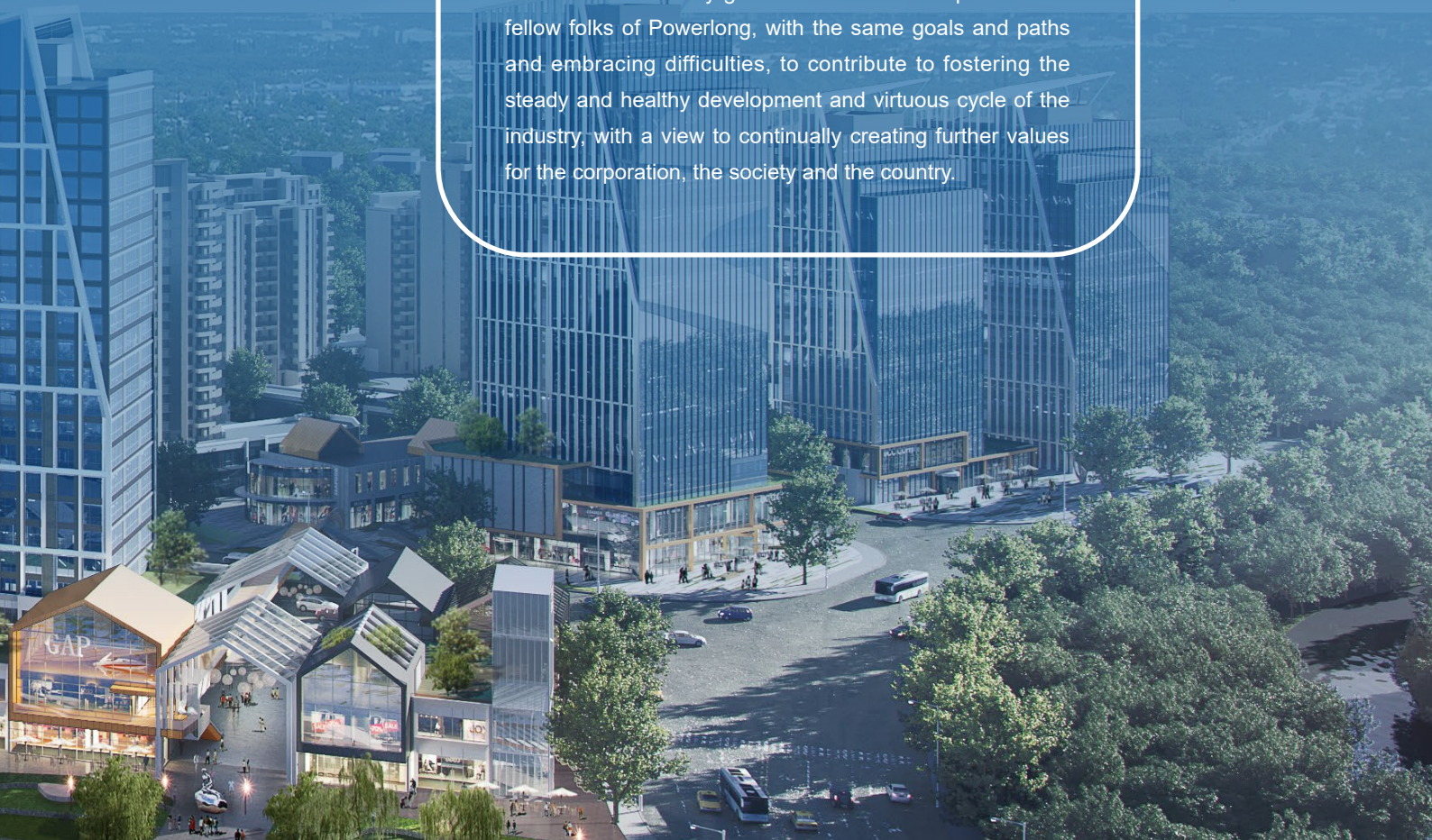
Group Overview





The Group's industrial operations have continued to expand, forming a collaborative development pattern of property, commercial and property management services, hotels, culture and arts and other diversified industries. On 14 October 2009, the Company was listed on the Main Board of the Stock Exchange. On 30 December 2019, Powerlong Commercial Management Holdings Limited (9909.HK) ("**Powerlong CM**"), a subsidiary of the Company, was successfully listed on the Main Board of the Stock Exchange, as the first service provider in commercial management and operation on the Stock Exchange that operated based on an asset-light model.

The successful development of the Group is attributable to the innovative vision of the Chairman of the Board, Mr. Hoi Kin Hong, who has instilled his insights and visions since the beginning of the Group's corporate development and driven its evolvement along the way. The Group will adhere to the corporate mission of "create space full of love", follow the corporate values of "simple, truthful, prosper together, forward forever", and continue to live up to the corporate philosophy of "Honest, Modest, Innovative and Devoted". It will firmly gather the wisdom and power of all fellow folks of Powerlong, with the same goals and paths and embracing difficulties, to contribute to fostering the steady and healthy development and virtuous cycle of the industry, with a view to continually creating further values for the corporation, the society and the country.



Prudent Operation

As of 31 December 2022, the Group conducted its business activities in the following major business segments, namely (i) property development; (ii) property investment; (iii) commercial operation and residential property management; and (iv) other property development related businesses. During the Reporting Period, property development remained as the main revenue stream of the Group.

As at 31 December 2022, the Group had 206 projects across China, among which 153 projects were located in the Yangtze River Delta region, accounting for approximately 74.3% of the total number of the Group's projects nationwide. The Group focuses on the Yangtze River Delta and adheres to the precise layout in key strategic cities and premium projects, value investment at reasonable cost, and diversified expansion, with stepped-up resources integration and strategic cooperation with leading enterprises in the industry. As at 31 December 2022, the Group had a quality land bank amounting to a total gross floor area ("GFA") of approximately 27.4 million square meters, approximately 67.1% of the Group's land bank are located in the Yangtze River Delta region.

Property Development

The Group provides commercial operation and residential property management services to the projects developed by the Group and other third parties. For commercial operation service, it includes market positioning and business tenant sourcing services, commercial operation and management services and other value-added services. For residential property management service, it includes pre-sale management service, property management service and community value-added services.

Commercial Operational Services and Residential Property Management Services

Property Investment

As at 31 December 2022, the Group had an aggregate GFA of approximately 7,743,836 square meters held as investment properties (including properties completed and under construction), representing an increase of approximately 6.3% as compared with 2021.

Hotel Business

The Group continued to develop its hotel business as a source of long-term recurring income, including the core businesses of international branded hotels and self-owned branded chain hotels. As of 31 December 2022, the Group owned and managed 8 international branded hotels and 12 self-owned branded chain hotels.

Upholding Integrity

The Group expects every employee to be able to remain true to their original aspirations and embody integrity and self-discipline during daily operation. The Group has formulated the Employee Integrity and Self-discipline Rules and the Powerlong Properties Accountability Rules and Regulations according to relevant laws and regulations and the Group's actual situation, and resolutely resists any forms of bribery, extortion, fraud and tax evasion, money laundry and other malpractices. The Group strictly complies with laws and regulations in its operation locations related to prevention of bribery, extortion, fraud, and money laundry. For more information, please refer to the chapter "Laws and Regulations that the Group has Complied with During the Reporting Period" of the Report.

New employees are required to undergo training related to integrity and self-discipline upon joining the Group. All personnel above the department manager level, and the employees of the procuring and the tendering department, are required to sign the Employee Self-discipline Commitment. Meanwhile, all relevant suppliers and contractors of the Group are required to sign the Integrity and Law-Abiding Commitment before bidding and undertaking any business.

In addition, the Group also provides clear internal complaint and reporting channels (including internal reporting hotlines and mailboxes), a petitioning system and ensures the independence and confidentiality of the petitioning process, to protect the safety and smoothness of employee complaint and reporting channels. The Group has established a dedicated reporting platform "Sunshine Powerlong" to further expand reporting channels, encouraging employees to report corruption involving

bribery and other acts, strengthening mutual supervision within the Group, and giving whistle-blowers certain bonus incentives subject to certain situations. The Group has also formulated relevant internal audit management policies to stipulate the processing of reporting.

The Group has established a protection policy in accordance with relevant laws to protect employees who report crimes and ensure that the whistle-blower will not be subject to unlawful retaliation or discrimination due to his or her lawful reporting behaviour or participation in relevant investigations. If an employee believes that he or she has been subjected to any of the aforesaid unlawful retaliation or discrimination, he or she may file a complaint through the aforesaid reporting procedure and the Group will deal seriously with any person who retaliates or discriminates against the employee. During the Reporting Period, the Group did not receive any cases of corruption proceedings against the Group and its employees.

In order to promote the Group's integrity construction work, on 9 December 2022, the Group launched the "International Anti-Corruption Day and Sunshine Powerlong" online promotion activity, in which the Group's internal audit department compiled the Sunshine Powerlong promotion document, that the Board members and all staff actively studied it. The content of the activity included a speech on the International Anti-Corruption Day, an explanation of the "Integrity Promotion Manual", the viewing of the Integrity Video and the signing of the Integrity Convention. In addition, the Group will also promote anti-corruption posters in the platform "Sunshine Powerlong" to regularize the promotion of integrity.

Case

Regular Holiday Anti-Corruption Promotion

In order to strengthen the Group's integrity building and raise the anti-corruption awareness of our directors, management and all staff, the Group has adopted a creative approach to promote anti-corruption awareness into the Group's daily operations, so as to fully penetrate the integrity awareness and build up a clean corporate culture.



02

ESG Management





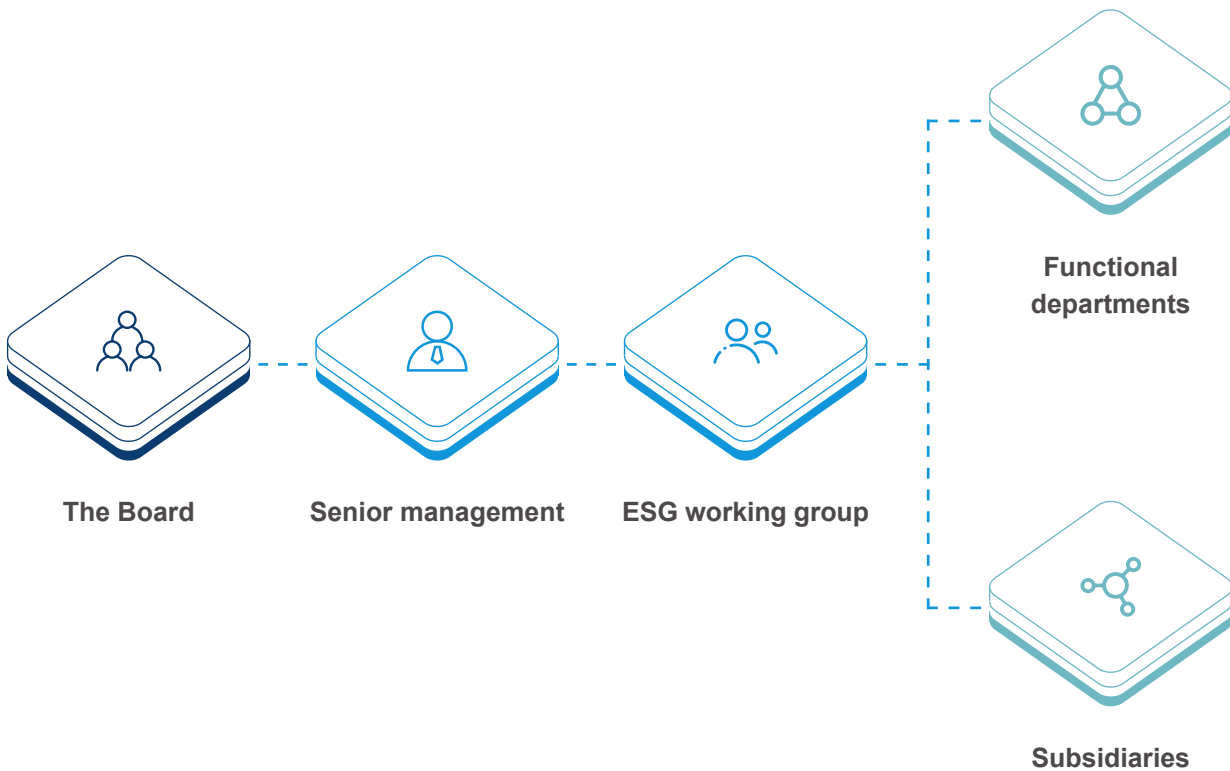
The Group is committed to fulfilling its corporate social responsibilities by building a sound ESG management system and implementing the corporate mission of “simple, truthful, prosper together, forward forever”. The Group continues to promote the implementation of ESG strategies and ESG management, maintains active communication with stakeholders, listens and responds to the expectations and demands of different stakeholders, and adjusts the Group’s sustainable development plan in a timely manner.



ESG Management System

In order to effectively implement and manage the Group's ESG work, the Group incorporates ESG issues into the consideration of its own corporate development strategy and the Board is responsible for the formulation, updating and reporting of the Group's ESG strategy. The Group has formed a multi-level ESG management system consisting of the Group's management, functional departments and subsidiaries with clear responsibilities for each level. The Board has established an ESG working group and appointed the relevant personnel of the Board Secretary Office of the Group to be responsible for the management of the Group's ESG matters. Following the decision-making, deployment, requirements and job assignment of the Board and senior management, the ESG working group coordinates and promotes ESG strategic planning and is responsible for the implementation of other related work.

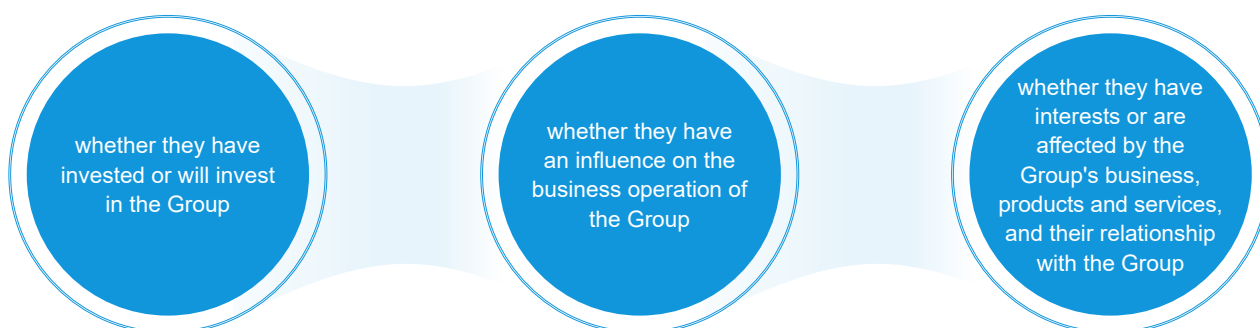
The Board is responsible for supervising the ESG-related issues, providing top-down oversight, supervising and approving ESG management strategies and approaches. Meanwhile, the Board is in charge of the identification and assessment of the ESG-related risks and other significant ESG-related issues, as well as ESG-related risk management, to ensure that the ESG-related risks are integrated into the Group's risk management and internal control systems. In response to the risks identified, the Group has taken specific countermeasures to manage the risks and, on this basis, will further consider the management and response to ESG risks to ensure stable corporate development. In addition, The Board is also responsible for approving and reviewing the progress on ESG targets and other material ESG matters. The senior management of the Group is responsible for supervising the robustness, rationality, and implementation of the ESG management system, and the senior management needs to assess and review the Group's ESG strategic planning, risk management and control and other related matters, as well as major ESG management matters, and reports to the Board. The senior management is also responsible for supervising the ESG working group to perform relevant duties. Meanwhile, the ESG working group is responsible for coordinating and supervising the implementation of policies and measures related to ESG issues, and regularly reporting the work progress and performance to the senior management.





Stakeholder Engagement

The Group attaches great importance to the communication with its major stakeholders, actively listening and responding to the requests of different stakeholders through various channels, thereby further achieving the sustainable development of the Group while improving its internal management.

Powerlong mainly determines whether relevant person or group are its key stakeholders through the following three aspects:



Key Stakeholders	Expectations and Requests	Responses
 Governmental Departments	Policy implementation Tax contribution Environmental protection Information disclosure	Accept governmental supervision and inspection Proactive tax payment Construction of green building Disclosure of information on a regular base
 Investors (Shareholders)	Return on investment Risk control Operational regulation Sustainable development	General meeting Annual report and periodic reports Company website Corporate communication Delegations One-on-one conference Investment banking forum International roadshow

Key Stakeholders	Expectations and Requests	Responses
 <p>Employees</p>	<ul style="list-style-type: none"> Remuneration and benefits Occupational health Career development Equal opportunities 	<ul style="list-style-type: none"> Annual dinner Employee training Employee physical examinations Employee activities
 <p>Clients (shopping mall and hotel customers, residents in residential property and commercial building tenants)</p>	<ul style="list-style-type: none"> Quality of product and services Information protection Safety and environmental protection 	<ul style="list-style-type: none"> Client satisfaction surveys Client privacy protection policy Interactive activities with clients Emergency and disaster relief drills Waste separation and recycling
 <p>Suppliers, Contractors, and Partners</p>	<ul style="list-style-type: none"> Mutual benefit and win-win Transparency and equality Business integrity 	<ul style="list-style-type: none"> Bidding policy Supplier selection system Consider environmental and social factors in supplier reviews
 <p>Communities and the Public</p>	<ul style="list-style-type: none"> Community environment Maintain stability Harmonious development Rural Revitalization 	<ul style="list-style-type: none"> Public donation Community building Community activities Rural area construction
 <p>Media</p>	<ul style="list-style-type: none"> Timely communication 	<ul style="list-style-type: none"> Organise media events on a regular basis
 <p>Commercial Tenants</p>	<ul style="list-style-type: none"> Mutual benefit and win-win Transparency and equality Timely communication 	<ul style="list-style-type: none"> Examine and verify commercial tenants before settlement Screening of commercial tenants Commercial tenant activities

Materiality Assessment

In order to enable the Report to mostly reflect the Group's influences on the three aspects (environmental, social and governance), and taking into account the key stakeholders' informational needs of the Group in relation to the above areas, the Group used a materiality review and assessment approach to identify materiality issues during the Reporting Period, including reviewing the applicability of previous materiality assessment results, as well as reviewing and confirming the materiality of the issues identified.

Based on the materiality issues for 2021, the Group has assessed the materiality issues for 2022 with reference to its own strategic and business characteristics, national policy development trends and capital market concerns, as well as relevant standards or guidelines and key concerns of peers, which were reviewed and confirmed by the Board. The Report focused on these materiality issues and provides key disclosures.

Environmental Issues	Social Issues	Governance Issues
<ul style="list-style-type: none"> 01. Development and operation of green projects 02. Protection of ecological environment and natural resources 03. Greening of surrounding areas of projects 04. Use of energy and conservation 05. Use of water resources and conservation 06. Respond to climate change 07. Wastewater discharge and management 08. Solid waste disposal and management 09. Air emission and management 10. Greenhouse Gas ("GHG") emission and management 	<ul style="list-style-type: none"> 11. Product and service quality 12. Protection of legitimate rights and interests of employees 13. Occupational health and safety 14. Abide by statutory labour standards 15. Vocational development and training of employees 16. Health and safety of clients 17. Supply chain management 18. Community investment and involvement in surrounding areas of projects 19. Employment and employee welfare 20. Client information protection 	<ul style="list-style-type: none"> 21. Social and economic compliance 22. Corporate disclosure of compliance information 23. Corporate operational risk and crisis handling 24. Financial performance and investor interests 25. Internal corporate anti-corruption 26. Resist from unethical commercial competition

03

Sincere Service





The Group is dedicated to providing quality services to clients, insisting on satisfying clients' needs in all segments from the development of properties to the operation of the management of properties. The Group has established a brand management system based on the Brand Management System Compilation to ensure the clear and consistent recognition and communication of the Group's brand image.

The Group strictly complies with laws and regulations in the locations where it operates related to health and safety of products and services, advertising, labelling and privacy matters, and relevant remedial actions. For more information, please refer to the chapter "Laws and Regulations that the Group has Complied with During the Reporting Period" of the Report.



High-quality Property Development

The Group clearly understands that product quality is the lifeline of the Group and that the quality and safety of its products have a significant impact on clients, society and corporate reputation. The Group considers “Quality Products” as its working direction, and is committed to setting up a quality system, instilling the notion of quality into the Group’s gene, thus continuously improving its brand image.

The Group strictly implements laws, regulations, and standards on building design, raw materials, engineering construction, completion acceptance, and maintenance within the statutory warranty period, thereby ensuring the products with the best quality are offered to clients and assuming its social responsibility.

The Group has established the internal Project Management Policy to specify the requirements for projects from their planning to construction, as well as detailed quality control and final delivery inspection. The Group has set up a system for regular working meetings with contractors and material suppliers during the construction process. Through regular meetings, the project status, progress, and issues can be negotiated and solved in time to avoid damages to the project caused by quality problems.

The Group has established a set of sound quality assurance systems and completion acceptance systems, such as the Operating Guidance of Quality Management Requirements, the Quality Acceptance Management in Construction Process, and the Operating Guidance of Completion Management Requirements, and is committed to implementing quality system certification standards and other management. Comprehensive inspections before acceptance are carried out for each stage and item of the project to ensure that the products meet the national standards and can be delivered with outstanding quality. In addition, the Group has adopted stringent monitoring standards for regular inspections on the quality of projects under construction.

Quality control measures of the Group's property development projects:

Preparation of project construction

- Carry out project design according to the Project Management Policy, and comprehensively review the project construction plan, including detailed review of the design and construction drawings.



Project construction

- The engineering department of the project company is responsible for the daily management and control of the contractors and the resident supervisors, and is also responsible for the implementation and execution of relevant policies.



Management and control of the construction quality

- The technical management centre is responsible for the formulation of the Group's internal process methods and practice standards to ensure that the Group's product quality and technology maintain the leading position in the industry;
- The Group entrusts third-party organisations to carry out independent quality surveys, issue inspection reports, and propose improvement suggestions and measures for the quality system.



Project inspection and acceptance

- Upon the completion of the project, the project head shall conduct a completion inspection according to the Operating Guidance of Quality Management Requirements, the Quality Acceptance Management in Construction Process, the Operating Guidance of Completion Management Requirements, and other acceptance standards of project completion, jointly with heads of the engineering department and other departments, and relevant personnel;
- Before delivery of the project, the engineering department shall comprehensively assess the construction work to ensure that the work aligns with major sections of the design and construction quality requirements, thereby reducing the risk of complaints caused by housing quality issues after delivery.



The Group not only focuses on the quality of the property but also wishes to leave behind products with historical significance, warmth, taste, beauty and heritage in each city. Therefore, the Group has taken into account the health and comfort of our customers and has actively obtained the relevant green building certification.

Case

Zhuhai Powerlong JUNTELS (珠海寶龍藝瑤酒店)

Breaking away from the “single-brand and streamlined” hotel design style, Zhuhai Powerlong JUNTELS combines the urban culture of the area it is located in with art as its core, continuing, innovating and interpreting the local culture to create an irreplaceable “new landmark of urban arts and culture”. After a professional judging process and a public showcase, Zhuhai Powerlong JUNTELS was awarded the “Best Humanistic Art Hotel” in the GBE Hotel Design Awards.



Considerate Client Services

Adhering to the concept of healthy living, the Group is committed to improving the indoor environment quality of its projects and strictly controlling the indoor noise, lighting, and air quality. The Group also create a green and liveable urban public space to create a healthy and comfortable environment experience for every client of the Group's shopping malls, hotels, residential properties, and office buildings.

Also, with the aim to improve the quality of the Group's products and services, the Group has conducted a series of client satisfaction surveys during the Reporting Period through various means including but not limited to the following:



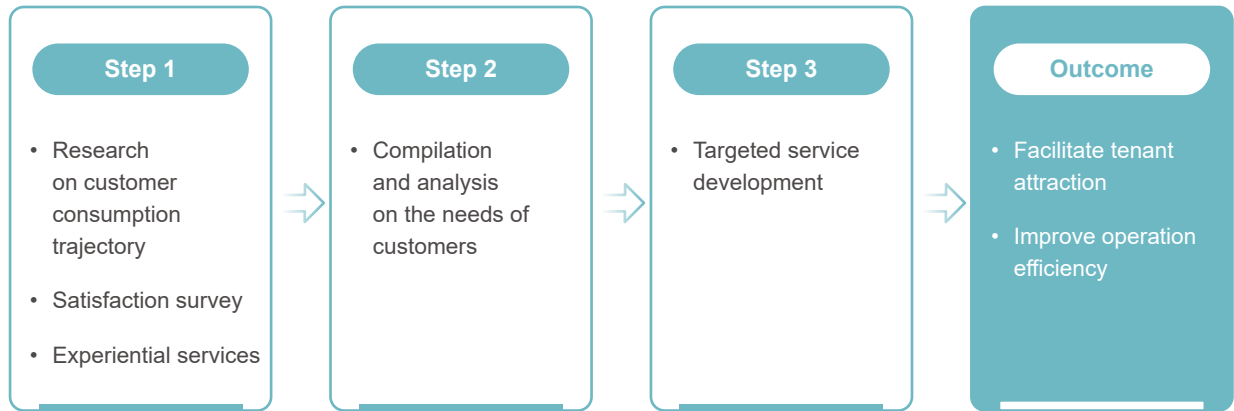
Commercial and Property Management Business Operation

Commercial Operation

The Group always places clients' satisfaction with the Group's services as the priority. The Group has continued to implement the "Customer-oriented Programme", so as to constantly strengthen its relationship with clients. The business operation centre of the Group also conducts

investigations. Corrective and preventive measures are taken with reference to comments and suggestions put forward by clients regarding the management and services, thereby improving the content and quality of services.

The Group's procedures to improve the operation efficiency of commercial property:



Case Xiamen Tong'an Powerlong Plaza (廈門同安寶龍廣場)

In December 2022, Xiamen Tong'an Powerlong Plaza opened on schedule. The project adopted the "multi-level space design with mall + water commercial street", integrating the cultural history and river features into modern commerce, creating the first roof garden and the first heart-warming promenade in Tong'an and other special spaces, allowing commerce to extend to life, experience and social, empowering a better life.



Case Hangzhou Tech City Powerlong Plaza (杭州科技城寶龍廣場)

In September 2022, the grand opening of Hangzhou Tech City Powerlong Plaza took place. The project brought 1,000 square metres water-side landscape of the Beijing-Hangzhou Grand Canal into the shopping centre, blending the natural landscape of Hangzhou with vibrant trendy elements to create a "vibrant water street" with a Jiangnan flavour.



Property Management

In terms of property management, the Group carries out various property management services in the residential properties and office buildings of the Group and regularly collects opinions and suggestions from the residents in residential properties and tenants in office buildings. Up-to-date property information are also sent to residents in residential properties and tenants in office buildings through the Group's official account on WeChat and other platforms. The Group strives to optimise the infrastructure and community environment.

In addition, the Group regularly arranges fire drills for properties to enhance the emergency response capacity of the residents in commercial and residential properties and tenants in office buildings. The Group also organises a wide range of activities for residents in residential properties and tenants in office buildings, thereby providing a communication platform for residents and tenants to create a harmonious atmosphere. The Group also sponsored and cooperated with the government in launching fire drills.

Case

Launch of "119" Fire Prevention Month and Publicity Meeting held in Quanzhou Taiwan Business Investment Zone (泉州台商投資區)

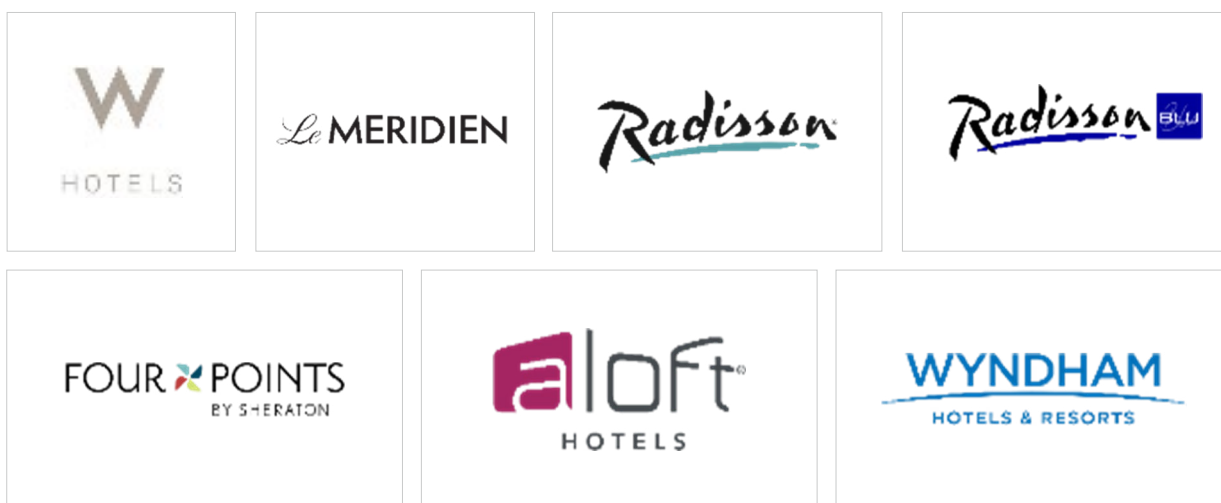
In November 2022, Quanzhou Taiwan Investment Zone held the "Fire Safety for High Quality Development" 119 Fire Prevention Month Launching Ceremony and Fire Prevention Theme Publicity Day at Powerlong Plaza. At the event, firefighters conducted fire safety training to the public and merchants, helping more employees of the Group's projects and the surrounding communities to understand fire safety-related knowledge and assisting in the steady progress of local fire safety work.



Hotel Operation

The Group's hotel business revolves around international branded hotels and self-owned branded chain hotels as the core for the continuous promotion of the "dual-track" compound development. In recent years, the hotel group under the Group has integrated the concepts of culture and art with traditional hotel operation, putting forward its vision of "Sighting Arts at the Hotel, Immersing Arts in Life" in hopes that each of the Group's hotel guests can be immersed in an elegant and artistic atmosphere within the comforts of the hotel's environment.

The Group has cooperated with numerous well-known international hotel brands to create a series of high-end hotels to satisfy clients' needs. Such hotel brands include W, Le Meridien, Radisson, Radisson Blu, Four Points by Sheraton, Aloft, and Wyndham, etc.



Taking "JUNTELS", "ARTELS+ Collection", "ARTELS+", and "ARTELS" as the product brand line of the Group's self-owned branded chain hotels, the Group intricately constructed every detail from the design and planning of hotels, construction and decoration to hotel facilities. The Group is committed to reflecting the city's distinct charm where the hotel is located and incorporating the local

culture, style, and history, allowing guests to enjoy and relax in a sensational artistic atmosphere. As of the end of the Reporting Period, the Group has opened a total of 12 self-owned branded chain hotels, which constitute a complete product line of the Group's self-owned branded chain hotels.



Sincere Rights and Interests Protection

In terms of after-sales service and warranty period maintenance, the Group has established the property management department for the work related to property management and repair and maintenance after the completion of projects. The Guidelines on Property Opening, Handover, and Handover after the Expiration of Warranty Period formulated by the Group ensures the quality of the property maintenance after the handover of properties. Indicators such as property design, property quality, and property repair are evaluated through client satisfaction surveys, thus allowing us to understand clients' comments on the property and to follow up and solve any quality issues of the property.

Continuous care from looking for the house to living in the house:



In terms of property operation and hotel operation, the Group has developed a diversified client feed back system based on different business formats and handles complaints instantly through channels such as service counter, service hotline and WeChat. In response to issues with intensified complaints from clients, we will convene meetings to study and analyse the issues, and respond to clients' needs in a timely manner and protect legitimate rights and interests of clients through improving the current policies and following up the rectification details of services.

The Group attaches great importance to protecting data and information related to clients. The client data and information obtained during business operation will only be used in providing services for clients, and it will not be disclosed to third-party organisations or be used for other purposes without clients' consent. The Group has established internal management systems such as the Client Information Management Working Instruction to standardise the collection, protection, and management of client-related data. By establishing normal channels for information publishing between business sectors and clients, the Group assures the credibility, authenticity, and validity of information, as well as the standardisation and uniformity when publishing information.



During the course of property operation and hotel operation, we stringently protect the safety of clients and require all employees to perform and uphold their duty of ensuring public safety. The Group provides clients with safe and secure living and staying experiences at residential properties and hotels through strict management and control of outsiders, detailed interrogation of strangers, registration, and check-in for temporary entry into residential properties, real-time monitoring centre for screening visitors, and other approaches.

In addition, the Group respects and protects the patent of suppliers and contractors, and delivers its best in keeping the information obtained during business activities confidential and protecting intellectual property rights of suppliers and contractors. Intending to effectively protect intangible assets, the Group has developed and implemented a management system for intellectual property rights, with the Group's legal affairs department responsible for following up and managing intellectual property rights-related issues.

04

Green Development





Fully acknowledging its environmental responsibilities as a corporate citizen, the Group continues to improve its environmental management system, jointly tackling climate change and other environmental issues through utilisation of expertise in green construction and other areas.

The Group strictly complies with laws and regulations in its operation locations related to air emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise control. For more information, please refer to the chapter “Laws and Regulations that the Group has Complied with During the Reporting Period” of the Report.

In terms of environmental management, the Group takes reference from standards in China and locations where it operates, integrates the ISO14001 Environmental Management System, and adopts the “PDCA¹” model, thus formulating environmental policies based on the Group’s actual operating conditions. The Group aims to reduce air emissions and waste generation and enhance energy and water efficiency. Through implementing and executing relevant policies and continuously evaluating the results achieved by the implementation of policies, the Group further optimises relevant policies and determines future working plans, thereby ensuring continuous improvement of the Group’s environmental performance.

¹ 即 Plan（計劃），Do（執行），Check（評估），Act（優化）。

Green Property Development

The Group adheres to the concept of green development, with the spirit of “craftsmanship” and innovative technology to create “warm” spaces that coexist with the city and the community.

The Concept of Green Building

During the Reporting Period, the Group has upgraded its construction system with green empowerment to introduce more sustainable elements in its development projects. The Group has adopted roof rainwater harvesting system, solar photovoltaic and other green roof elements in project planning and construction, which not only reduce the overall energy consumption of the projects, but also enable the clients to experience the natural indoor space with maximum environmental comfort, further leading them to the concept of green living and working.

Energy Saving and Energy Utilisation of Buildings

In order to reduce energy consumption and improve the energy efficiency of buildings during daily use as far as possible, the Group has developed a comprehensive and detailed construction environmental standards, including:



Municipal heat sources are used for central heating, where all heating is metered by households. The heat consumption and heat transfer ratio of the hot water circulating pump in the heating system and the air volume per power consumption of the ventilation system are both lower than the limits required by the current national standards;



Thick reinforced concrete and thick extruded polystyrene foam plastic board are used in building roofs, while the exterior walls are made of thick Grade-A EPS modified polystyrene board, allowing more robust thermal insulation;



Energy-saving lightings are used for street lighting in residential properties, and hierarchical control is adopted and implemented by divisions. All systems are automatically controlled to set specific lighting time periods;



Efficient sound-light controlled energy-saving LED lights are used for internal public lighting.

Improvement in Water Utilisation of Buildings

In order to enhance the water efficiency of each project, the Group has formulated a series of water management policies:



- Water-saving irrigation is implemented, and water metres are set according to their purpose;
- Large-scale green area and permeable brick are designed and used in outdoor areas to increase rainwater infiltration. Low-terrain green space is set up on both sides of the roads in residential properties to facilitate local rainwater absorption.

Greening Public Area

The Group actively introduces gardening to each project through reasonable landscaping, thereby alleviating the urban heat island effect around the project:



- Diversity of local plant species are selected for plantation;
- The design principle of people-oriented has been adopted in the gardening of residential properties, thereby striving to create a livable environment.

As of the end of the Reporting Period, the Group owned 11,360 trees with a height of 5 metres and above.

Optimising the Use of Materials and Resources

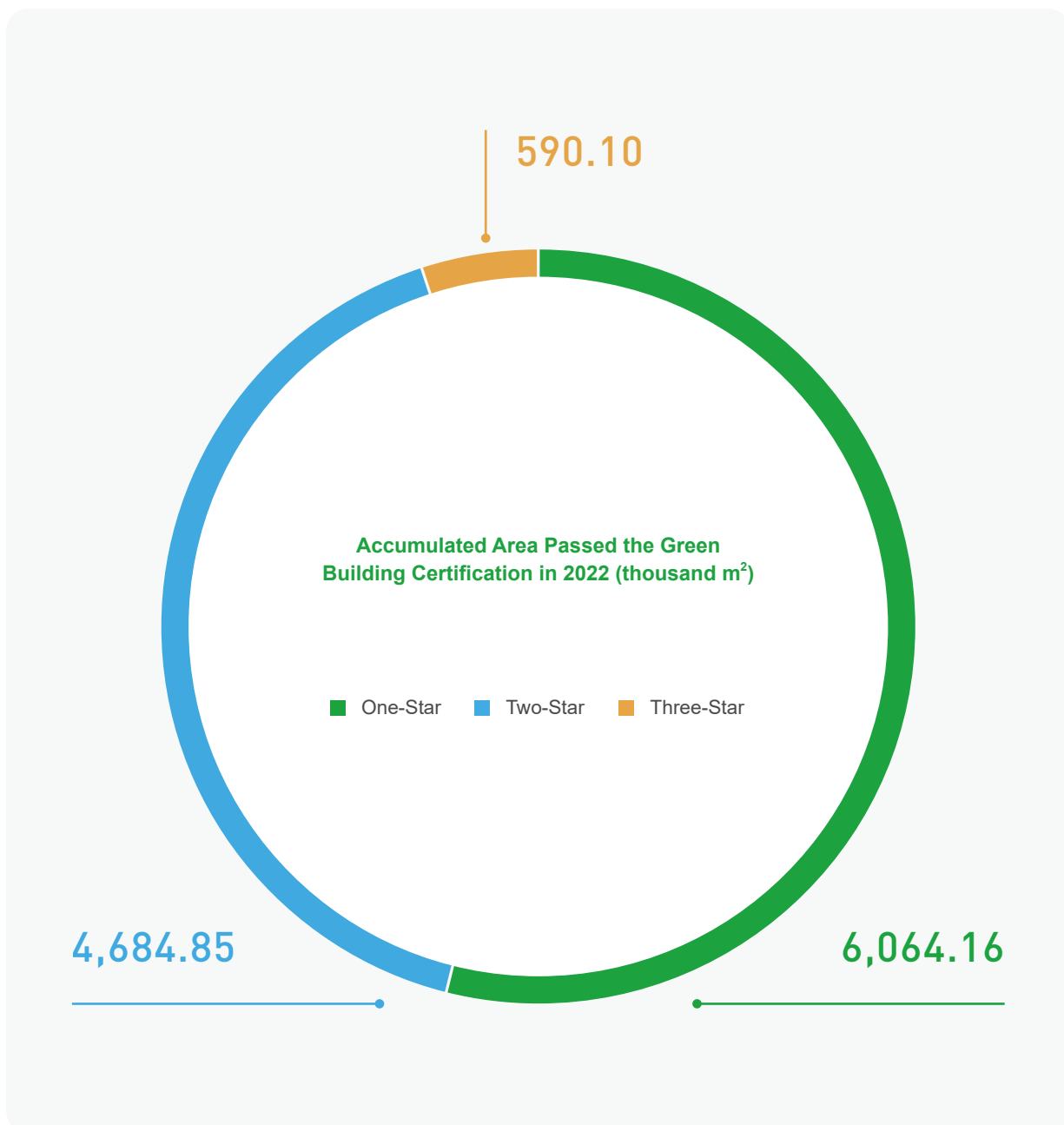
The Group also considers the reasonable use of various building materials and resources in the project construction process:



- Local procurement is implemented for purchasing construction materials to reduce energy consumption due to long-distance transportation;
- Shear wall structure is adopted, while aerated block materials with lighter weight are used for filling wall, and premixed concrete is used.

Green Building Certification

The Group actively participated in the certification of international and domestic authoritative building institutions and related standards and integrate environmental goals with them, therefore, to achieve sustainable development and the goals.



Green Construction Management

In the course of property development, the Group strictly abides by relevant environmental laws in the locations where it operates and adopts control measures to reduce crucial environmental impact arising from constructions through formulating and implementing green construction requirements, thereby minimising the adverse impact of project construction on the surrounding environment.



Dust and air pollutant control

- Nebulising spraying equipment is set up in and around the construction site; selfmade water spraying vehicles are arranged to spray water daily, and high-pressure spraying equipment is installed across the floor, thus minimising the impact of dust to the atmosphere and the surroundings;
- Site hardening and greening of surfaces are carried out to cover the bare soil surface and prevent dust pollution;
- Vehicles entering the site are required to meet the national annual inspection requirements, thus reducing air emissions during transportation.



Construction material management and reuse

- Aerated concrete blocks are crushed and reused to reduce the disposal of solid waste;
- The storage and collection of waste formworks and squared timbers are centralised, and storage area and garbage pool for small material are set up to standardise the storage of materials;
- The remaining concrete is used to process beams and precast materials for reasonable recycling and reuse of the residual materials.



Water use and wastewater discharge

- Water-saving indicators and water consumption quota are developed to achieve refined use of water;
- Water-saving facilities are utilised. For example, energy-saving measures are implemented for nebulising sprinklers, thus improving water efficiency;
- Drainage ditches are set up in construction sites to separate the on-site discharge of rainwater and sewage, thus reducing the pressure of sewage treatment plants and facilitating rainwater collection and utilization.



Energy saving and management

- Materials are placed properly on-site to minimise unnecessary energy consumption caused by secondary handling;
- The overall heat outlet is installed with an overall heat device, in which a separate heat meter is set up for each household, enabling micromanagement of energy consumption.



Noise control

- Regular noise monitoring is conducted to reduce ambient noise pollution.



Prevention of light pollution

- Directional lampshades are installed on the lamps of tower cranes to reduce the impact of lights on the surroundings;
- Hoods are used for welding operations, thus reducing light pollution at night.

Green Operation

The Group contributed to energy saving, reducing the use of resources, and reducing air emissions through implementing various internal policies and systems on energy saving and emission reduction.

The pollution prevention and control work of the Group mainly focuses on construction management and waste management in accordance with the characteristics of the Group's business segments. In terms of commercial operation, residential property management, and hotel operation, the Group reduces equipment's energy consumption and achieves energy conservation through reinforcing equipment management and maintenance to keep the equipment at the most economical operation condition. In addition, the Group will also actively engage in sustainable marketing activities in the course of its operation, such as DIY and recycled fashion shows, to help promote green living and awareness among consumers while communicating the company's green operation concepts.

In the area of
responding to
climate change

Responding to climate change, as a real estate developer, the Group's impact on climate change is mainly related to energy consumption, atmospheric emissions and greenhouse gas emissions. Climate change may also present certain risks to the Group's business operations. The Group has established internal policies and procedures to identify climate-related risks and assess the actual and potential impact of climate-related risks and opportunities on the Group's operations, such as the increase in the probability and frequency of extreme weather, hurricanes, floods, etc., which may have an impact on the Group's operations.

In this regard, the Group has formulated a series of countermeasures which considered the nature of our own business and relied on the general direction of the environment-related goals of the United Nations Sustainable Development Goals ("SDGs"), and we endeavour to promote the realization of our environmental goals. In terms of climate change, we focus on SDG-13 "Climate Action - Take Urgent Actions to Combat Climate Change and Its Impact" and are committed to reducing GHG emissions intensity in daily operations through measures such as investing in green buildings, improving system efficiency, and optimising energy use. On the one hand, these measures further alleviate the environmental impact caused by the Group's business operations, and on the other hand, it helps enhance the Group's ability to cope with climate change and minimising the impact on climate change.

By formulating the Guidelines for Energy Management and other internal management policies, each shopping mall, hotel, residential property, and office building carry out classified comprehensive energy management from the aspects of lighting, heating, cooling, use of domestic water, and power distribution. The Group's shopping malls, hotels, residential properties, and office buildings implement refined management during daily operations, to which the engineering director is entrusted for the overall energy management to achieve the targets of energy-saving and emission reduction. In order to reduce the use of non-renewable energy, the Group prioritises the use of solar water heating system and uses natural gas as an auxiliary heat source.

In the area
of water
resources use

In the area of water resources use, the Group is committed to conserving the use of water resources in a practical manner. The Group referred to the SDG-6 goal of "Ensure availability and sustainable management of water and sanitation for all", and has implemented diverse measures to improve the water use efficiency in different business aspects ranging from property development, construction management to daily operation, so as to achieve the goal of saving water usage as much as possible. Additionally, the Group also strengthens the daily maintenance and management of water appliances, conducting non-scheduled inspections on the water usage of each district to prevent overflowing and long-time flowing of water taps. Due to the Group's business nature, municipal water and circulating water are used in all operating properties owned by the Group, and thus did not face any issues in sourcing water that is fit for purpose.

As of the end of the Reporting Period,



the energy consumption amount per income in thousand RMB from property rental, development and management services was

0.13 MWh

Green Management

The Group pays close attention to the materials used in construction projects and applies environmental-friendly principles in the project design process. The Group strives to reduce the environmental impacts at the locations where it operates and requires contractors to use precast materials that are poured integrally and with a modular design. The Group's hotel and commercial operation segments have established long-term cooperation with qualified waste recycling companies to ensure that domestic waste and hazardous waste are properly disposed of.

In terms of administrative management,

the headquarters of the Group and offices of each business sectors continuously advocate the concept of “green office” and implement policies of reduction, reuse, and recycling for office waste such as paper and ink cartridges. As for the headquarters of the Group and offices of each project and business department, the Group has also established the Green Office Policy, which sets out a series of energy-saving and emission-reduction measures applicable to the office and manages the energy consumption of the headquarters office area, so as to minimise the negative impact of daily operations on the environment. At the same time, in accordance with the unified advocacy of the Group, the hotels and projects of the Group have set corresponding waste reduction targets according to their own business and operation conditions. For example, Shanghai Qibao project has set a target for controlled recycling of public area and commercial waste, with a recyclable rate of 30% during the Reporting Period. In conjunction with its operations, Xixiang ARTELS+ has set a target to reduce total waste by 5% by 2022 as compared to last year.



Relying on SDG-12 “Responsible Consumption and Production” in the United Nations SDGs, the Group ensures the adoption of a sustainable production model in the production and operation process, and is

committed to the goal of reducing the waste generation as much as possible, and to contributing to environmental protection and the realization of the SDGs.

The Group has established specific waste management policies and strategies according to the characteristics of different business segments:

Property development

- Use precast that is poured integrally and with modular design
- Optimise the use of recycled building materials as much as possible
- Purchase materials from surrounding areas

Property management

- Systematically collect and manage the domestic waste
- Carry out classification and recycling of hazardous and non-hazardous wastes
- Carry out recycling activities for old clothes and other materials

Hotel management

- Recycle and reuse hotel consumables
- Advocate waste-reducing behaviour of consumers, such as equipping guestrooms with recycling bins and eco-cards
- Purchase appropriate amount of food ingredients according to the daily occupancy of hotels

Office of headquarters

- Advocate the concept of “green office”
- Implement the policies of reducing, reusing, and recycle for paper and ink cartridges

As of the end of the Reporting Period,



the amount of produced non-hazardous waste per income in thousand RMB from property rental, development and management services was

1.16 kg

Green Supply Chain

The group adheres to the concept of win-win cooperation with suppliers, and maintains long-term cooperative relationships with outstanding suppliers. The Group advocates fair, just and open procurement principles and highly transparent procurement sections, insists on taking the environmental and social performance of suppliers into consideration in the selection criteria for procurement, so as to effectively manage environmental and social risks in the supply chain.

The Group has formulated a “7+4” control system to evaluate and manage suppliers from two aspects: “general dimension” and “special dimension”. The general dimension includes consideration of the Company’s situation and reputation, business scale, labour force and local resources, while the special dimension includes the Company’s local experience, labour and employment situation in similar cooperation status. To ensure the effective implementation of the above principles, the Group internally issued and strictly implemented the Operation Guide of Supplier Resource Management, Operation Guide of Bidding and Purchasing, Guidelines for Recommendations and Invitation of Bids and Operation Guide of Whole-process Management for Strategic Procurement. During the selection of business partners, the Group will first conduct a background check, including a credit check, and only companies with no illegal record can be shortlisted. The Group will also investigate the historical performance of suppliers and review their performance in labour protection and human rights protection. The Group will conduct on-site inspections of potential partners, and take quality, safety, and environmental protection as inspection standards. All partners face uniform entry criteria to ensure fairness and impartiality. The Group currently uses a transparent and open online platform to call for tenders, and also has clear integrity and law-abiding clauses and complaint reporting channels in the contract and official website.

The Group believes its green development is inseparable from the support of its partners. In order to improve the overall environmental management ability of corporate operations, identify and avoid environmental risks, and promote sustainable development, the Group voluntarily joined the “Green Supply Chain in Real Estate Industry in China” (“**Green Supply Chain**”), focusing on the monitoring of the environmental impact and control from manufacturers of cement, steel, aluminium alloy, glass, and coating, as well as the control of formaldehyde in interior decoration materials and finished products. When selecting wood products, priorities will be given to member companies of the Global Forest & Trade Network to support responsible and sustainable enterprises in the forest product industry. The Group has included relevant terms on environmental protection in its contracts with suppliers, as well as a series of clauses requiring payment to migrant workers and protection of their rights and interests.



As a participant of the Green Supply Chain, the Group follows the procurement principles for operation materials from the White Papers of Purchasing Standards for Green Supply Chain in Real Estate Industry in China, and earnestly complies with the following principles in the process of major business operations:

Balance economic and environmental benefits and consider the development stage of the industry to establish practical green procurement standards for real estate. Prioritise the procurement of raw materials, products and services that are environmental-friendly, energy-efficient, and easy to recycle and reuse.



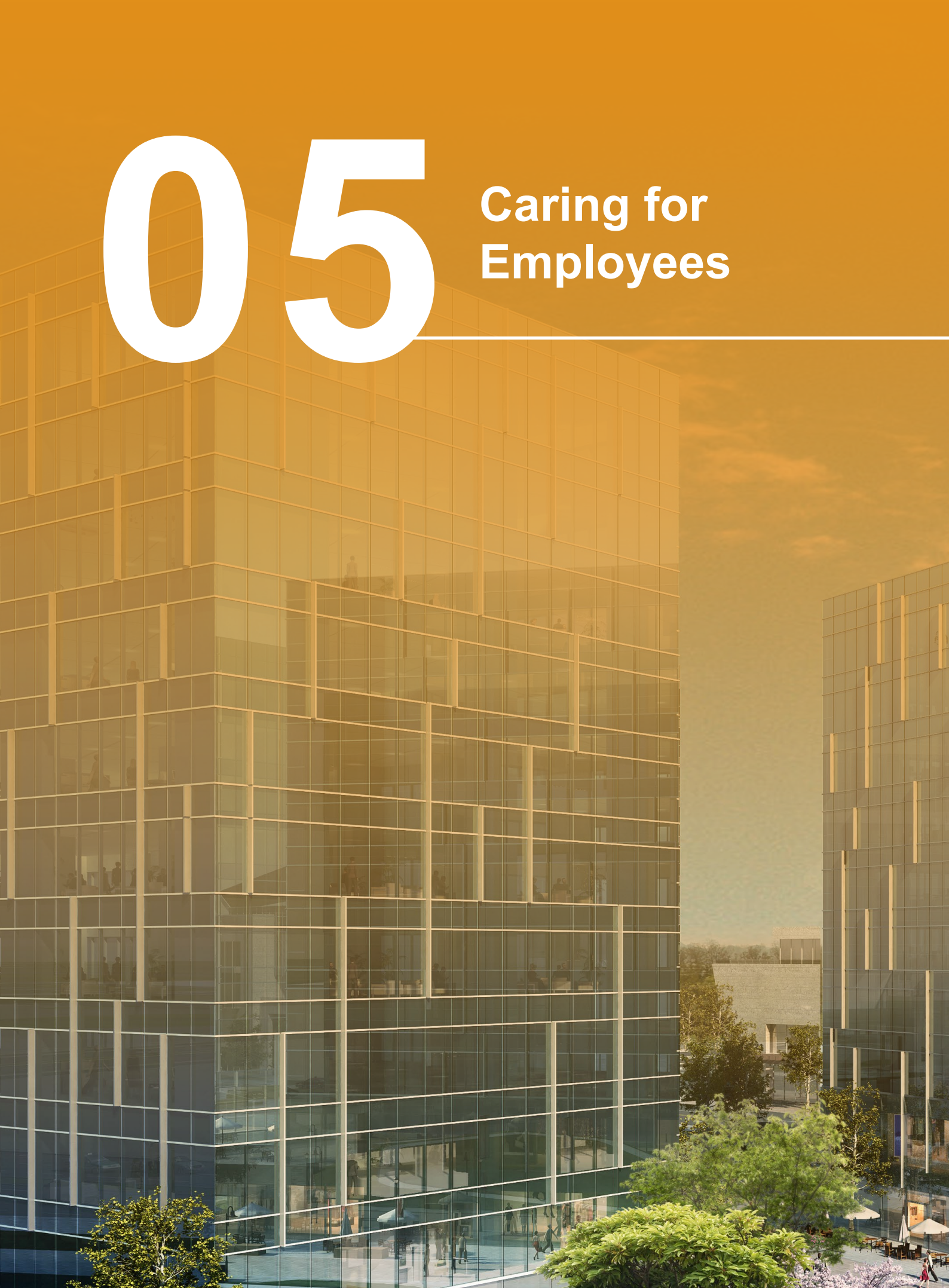
Create a green supply chain and establish a transparent and fair green assessment system and standards. Continuously optimise the procurement standards and systems and comprehensively consider energy-saving and environmental-friendly factors in the aspects of product design, procurement, production, packaging, logistics, sales, service, recycling, and reuse, to undertake the social responsibility of environmental protection, energy-saving, and emission reduction, with the upstream and downstream corporates.



The Group takes the interests of clients as the priority. The Group adopts standards that are higher than the national level when selecting some of the decoration materials and evaluates the quality and safety of project deliver. The Group also analyses clients' opinions and feedback on the project, and promptly rectify the problem. Cooperation opportunities will not be given to project suppliers with low evaluation scores. If the construction quality of the supplier does not meet the standards listed in contracts, or the supplier's service is being complained about by clients, the Group will communicate with the responsible supplier and charge a fine according to the contract.

05

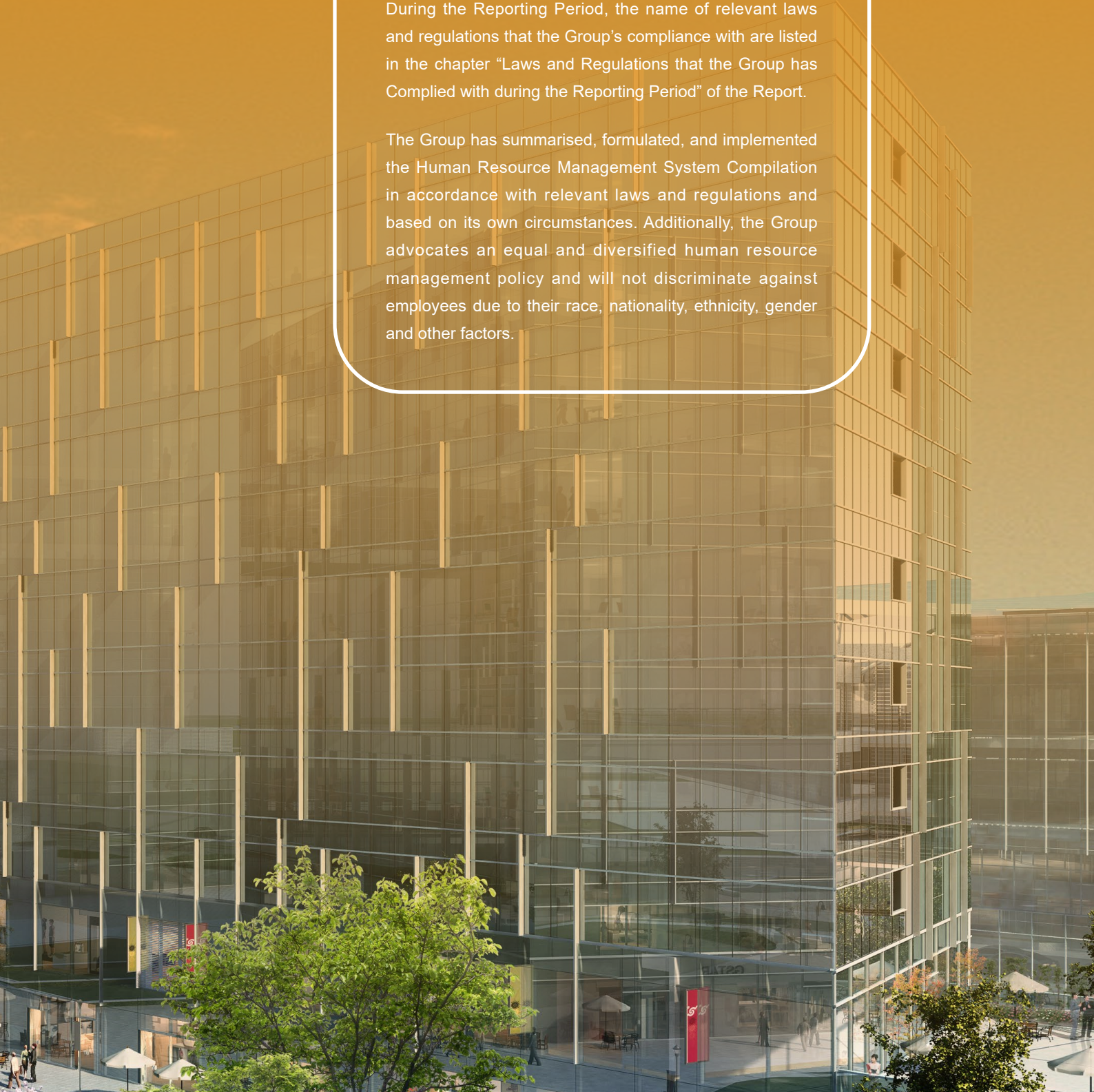
Caring for Employees





The Group strictly complies with laws and regulations in its operation locations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, and discrimination, and other benefits and welfare, and laws and regulations related to the prevention of child labour and forced labour. During the Reporting Period, the name of relevant laws and regulations that the Group's compliance with are listed in the chapter "Laws and Regulations that the Group has Complied with during the Reporting Period" of the Report.

The Group has summarised, formulated, and implemented the Human Resource Management System Compilation in accordance with relevant laws and regulations and based on its own circumstances. Additionally, the Group advocates an equal and diversified human resource management policy and will not discriminate against employees due to their race, nationality, ethnicity, gender and other factors.



Optimising Employment Management

Attaching Importance to Talent Recruitment

The Group adheres to the principle of “Open Recruitment, Position Competition, Selected Hiring, Optimised Allocation” and has established an evaluation system in combination with the situation to objectively assess candidates for recruitment. At the same time, the Group strictly examines the information of all applicants during the recruitment process, thus ensuring the applicants have reached the legal age for employment, and resolutely refraining from employing child labour. If violation is found, handling actions will be taken immediately according to relevant laws and regulations.

During the probation period, employees of the Group can propose to terminate the labour contract, however a written report must be submitted at least three days in advance. If, during the probation, any employee is found to be unqualified for the employment requirement, in violation of laws and regulations, or in violation of the Group’s rules and regulations and labour discipline, the Group may unilaterally terminate the labour contract.

Competitive Remuneration and Benefits

The Group has established a comprehensive compensation and welfare system. The Group has specified in the internal management system, the Guidelines for Salary Management, that the Group adheres to the principle of “Salary is Consistent with One’s contribution” to objectively offer different salary levels according to employees’ actual capabilities and responsibilities.

In terms of the formulation of remuneration, the Group regularly organises annual salary reviews. In addition to the general salary adjustment plan, the individual remuneration adjustment range is determined by each department based on the ability, performance, and incentives of employees.

In addition, the Group conducts annual performance appraisals and assessments for all employees and arranges salary adjustments and promotions according to the work capacity, performance, and other factors of each employee. For employees with poor performance in the assessment consecutively, the Group may demote the employees or change their postings. If the assessment of the employees still fails to meet the standard, the Group may negotiate with relevant employees to terminate the labour contract and pay them reasonable severance in accordance with applicable laws.

In terms of employee benefits and welfare, we provide employees with catering at canteens, purchase traffic accident insurance for employees engaged in special works, and provide special benefits such as birthday gifts, wedding gifts, childbirth gifts, condolences subsidy, and flight tickets and accommodation subsidies for visiting relatives. The Group ensures that employees to enjoy paid leaves and other statutory holidays in accordance with the law, and regularly reviews the working hours of employees, implementing strict management of overtime work, in which overtime work must be approved by relevant management. All employees who worked overtime may apply for a subsequent compensation leave. The Group encourages employees to maintain work-life balance and ensure employees adequate rest and maintain their well-being and health. Also, we attach importance to democratic communication, and listen to employees’ opinions through staff seminars, helping them solve problems that they may encounter during work.

The Group pays attention to coordinating the work-life balance of employees, creating a blissful and festive atmosphere during major festival and holidays to allow employees to feel relaxed, and organising a number of entertainment activities to provide employees with a platform for mutual communication. The Group also holds birthday celebration parties for employees, and encourages employees to participate in various family activities.



Comfortable lounge area and intimate birthday parties

Ensuring Occupational Health and Safety

Attaching great importance to the safety and health of employees in the workplace, the Group strictly abides by laws and regulations in the locations where it operates relevant to a safe working environment and protection of employees from occupational hazards. For more information, please refer to the chapter “Laws and Regulations that the Group has Complied with During the Reporting Period” of the Report.

With the safety and health of employees in mind, the Group has formulated a series of systems, ensuring the safety of employees from numerous perspectives. The systems include the requirements on providing a safe workplace for employees, protecting employees from occupational hazards, as well as more stringent and detailed requirements for the safety prevention and management of employees engaging in engineering and other high-risk industries.

During the Reporting Period,



the number of work-related fatalities in the Group was

0



the number of working days lost due to work-related injuries was

0

Provision of safe workplace and protecting employees from occupational hazards

In order to prevent, control and eliminate occupational hazards, prevent and treat occupational disease, protect the safety of workers, and promote economic development, the Group has formulated occupational hazards programmes for the implementation of classified management and integrated control.

Occupational health management system

The Group organises annual unified body check for employees and arranges health screenings for new employees to allow proper job allocation for employees with occupational contraindications and allergies. Protective equipment and regular health checks are provided and arranged for registered employees who are exposed to toxic and hazardous substances. Treatments for patients with diagnosed occupational diseases are actively arranged by the Group.

Engineering management system

The Group requires the main contractor to formulate a safety construction plan in accordance with the laws and regulations in China and locations where the project operates, as well as the contract requirements, which the safety construction plan can only be implemented after obtaining approval of the supervision unit and the project company. The section of Regulations on Safety Supervision in the plan ensures the safety of employees through strengthening the emphasis on safety by both the main contractor and the supervision unit.

In daily operations, the headquarters of the Group and its subsidiaries regularly inspect fire-fighting facilities and safety signs and arrange for employees to participate in fire drills, thus enhancing their self-protection awareness. The employees of the engineering department regularly hold sharing seminars with the theme of safety management by combining their own experiences and external cases, so as to strengthen the approach and awareness of safety management.

Improving Vocational Training

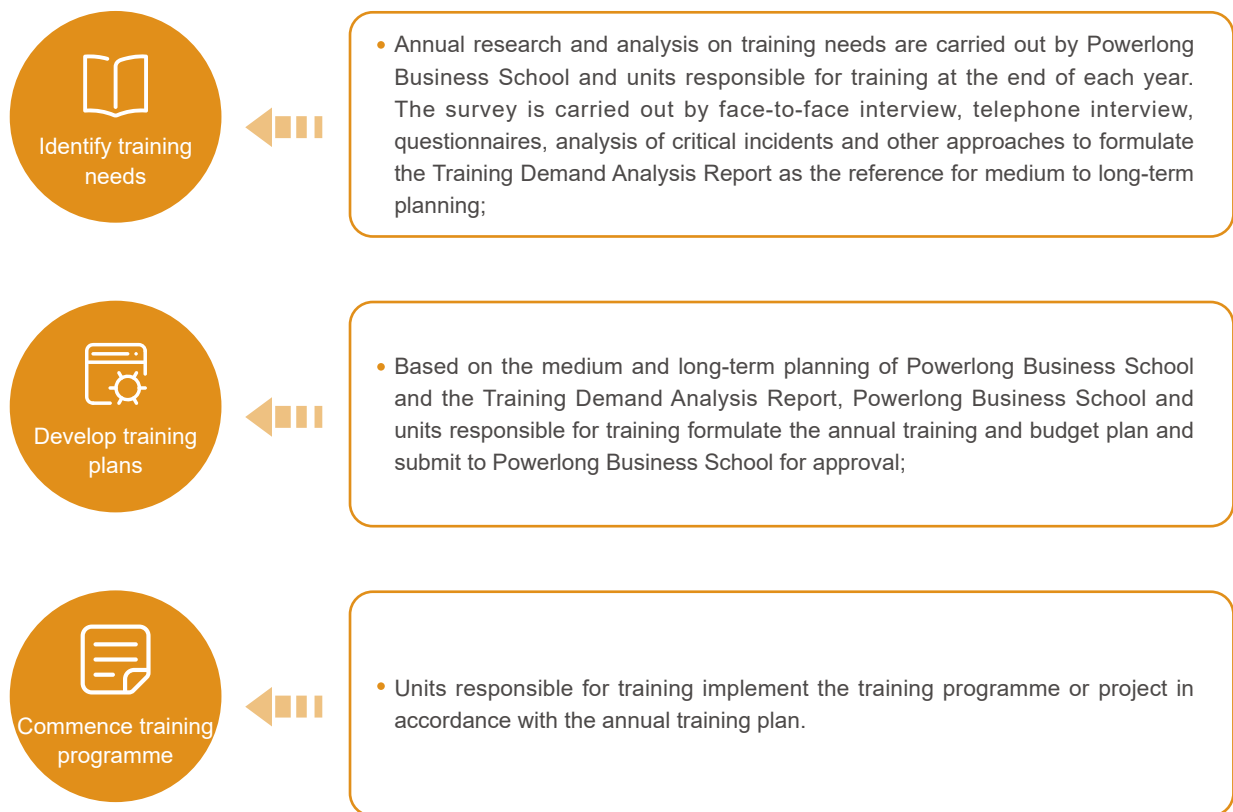
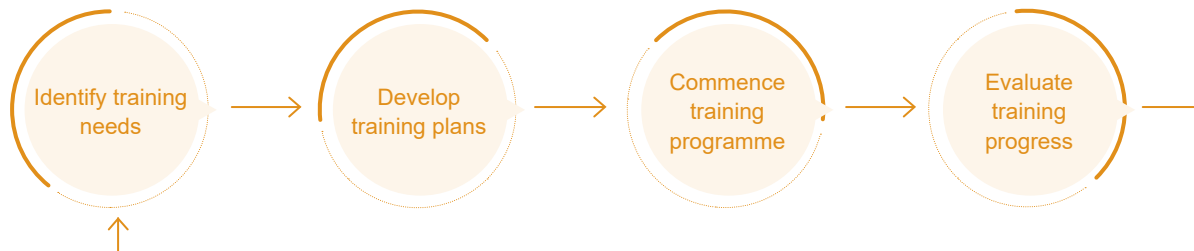
The Group attaches great importance to the nurturing of employees and has established the Powerlong Business School to cultivate entrepreneurial talent. The talent training includes various themed training for employees

of different professions and positions from top-down. The Group has developed three types of training programmes: standardised training, echelon training and professional skills enhancement training.

Powerlong Vocational Training Programme

Training Category	Project	Objective	Frequency
Standardised Training	Training for new employees Standardized promotion General skills sharing Lecture sharing	Helping new employees to integrate better into the corporate environment Training on various new processes and systems Level-specific training on general workplace skills Sharing of excellent cases and experiences in various lines	Monthly / Real Time Real Time Real Time Monthly
Echelon Training	Training for traders Training for two-line functional general managers Training for other functional general manager	Specialised business and management skills enhancement training	Monthly
Professional Skills Enhancement Training	Training of enhancing competency for business lines Cross-line professional communication Stage-by-stage training on operational difficulties	On-the-job professional skills upgrading for employees Associated business interface training Review and discussion of recent specialised business difficulties	Quarterly Quarterly Real Time

The Group's training system is operated according to the ISO10015 International Standard Project Management Process and has realised the closed-loop operation.



The Group also strongly encourages and supports employees to actively participate in general or professional upgrading programmes organised by external institutions or professional organisations, and to undertake part of the cost of such training. The Group will fully cover the cost of any training or qualification examinations related to the Group's business that are taken by employees on their own initiative, subject to verification.

06

Giving Back to the Society





As a socially responsible corporate citizen, the Group has always put “social responsibility” as an essential part of strategic development. In addition to the ongoing welfare and charity work, the Group also supports the long-term community investment through the operation of projects to strengthen its linkage with the communities where projects are located.

The Group has formulated and strictly implemented various internal management policies relating to operation-related community communication. Currently, the Group’s community investments are mainly focused on pandemic prevention, poverty alleviation, social care, culture and education, medical and health care, environmental protection, and artistic development. The Group seeks to assist the social development and construction at relevant areas where the projects locate through its operation and charitable donations at the project locations.



Fighting the Pandemic Together for Love in Shanghai

During the Reporting Period, a severe pandemic swept through many cities across China. Shanghai was faced with an unprecedented challenge in the prevention and control of the pandemic. As a member of the community, the Group responded to the call of the state and immediately activated the pandemic prevention

and control work system, and worked with its project companies to fully deploy the pandemic prevention work to protect the health of our customers. As a result, a letter of appreciation was received from the Shanghai Civil Affairs Bureau.

Case

Helping with Nucleic Acid Testing and Keeping the Front Line of the Fight against the Pandemic

In order to help the medical staff to share the large amount of nucleic acid testing needs, the Group's volunteers took the initiative to set up the testing site tent, pull up the isolation tape and plan the nucleic acid testing route. In addition, the volunteers also provided patient guidance to the residents and urged them to wear masks and protect themselves, ensuring orderly crowd control and maintaining order at the site.



Cultivating Culture through Business and Promoting Business through Culture

Under the leadership of Mr. Hoi Kin Hong, Chairman of the Board of Directors, the Group has continued to implement its corporate mission of "create space full of love", further integrating the business environment with the humanistic environment, using business to support cultural heritage and culture to sustain business vitality.

Case

Shu Cang Lou Museum of Art

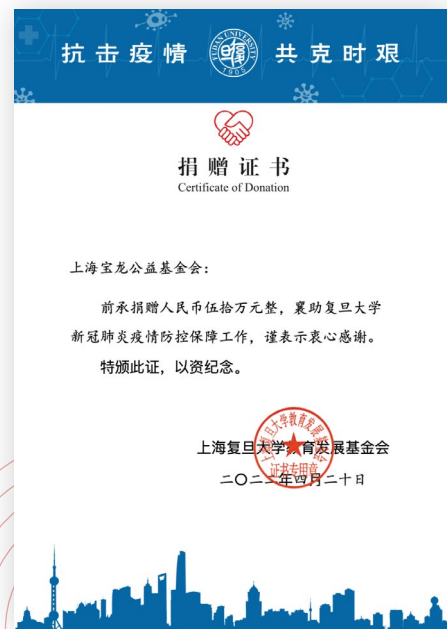
Mr. Hoi Kin Hong invested RMB120 million to support the construction of a beautiful village in his hometown of Xibian Village, helping to change the poor and backward appearance of his hometown. One of the most striking features is the Shu Cang Lou Museum of Art, which is a combination of Minnan and modern styles. Mr. Hoi Kin Hong exhibited many world-renowned paintings in the Shu Cang Lou Museum of Art, which is open to visitors free of charge throughout the year. He hopes that the establishment and opening of the Shu Cang Lou Museum of Art, will bring the essence of traditional Chinese culture into the development of his hometown and allow more residents to have direct and in-depth access to the subtleties of art and the charm of culture.



Committing to Public Services and Spreading Love

The Group's two philanthropic funds continued to focus on family support, elderly care services, medical research-related philanthropic projects, as well as philanthropic projects related to the civil affairs business, in order to develop a more comprehensive approach to social philanthropy. During the reporting period, the Group continued its good deeds and its efforts to spread warmth and love to the community.

In April 2022, Powerlong Foundation donated RMB500,000 to the Fudan University Pandemic Prevention and Control Protection Fund, which strongly supported Fudan University's work in pandemic fighting and campus protection, and inspired students, faculty and staff during the lockdown of the campus.



07

Performance Summary





The statistical data and calculation methods used in the Report have been properly presented. Historical data and information of some indicators have been sorted out and presented. Environmental data covers properties held and operated by the Group. During the Reporting Period, the Group further improved its data collection and statistical system, thus there were differences for some data as compared with the previous year due to changes in both the data collection items and the scope of projects covered in the Reporting Period compared to 2021. "N/A" in each column indicates that the relevant data have not been disclosed in the respective year. Unless other stated, the data provided in this chapter are the annual summary data for the corresponding year or data as at 31 December of the corresponding year.



Steady Operation

Prevention of bribery and corruption:

Indicators	2022	2021	2020	Unit
Number of cases involving bribery, extortion, fraud, and money laundering	0	0	0	Case

Sincere Services

Operational performance:

Indicators	2022	2021	2020	Unit
Number of operation litigation cases related to safety and health	0	0	0	Case
Number of operation litigation cases related to intellectual property infringement	0	0	0	Case
Number of complaints due to leakage of client information	0	0	0	Case

Client satisfaction:

Indicators	2022	2021	2020	Unit
Average customer satisfaction of the commercial sector	96.2	96.2	95.2	%
Average resident satisfaction of the residential property management centre	87.3	87.2	86.0	%
Average customer satisfaction of the hotel operation	93.0	93.2	93.5	%

Green Development

Emissions

Atmospheric pollutants²:

Indicators	2022	2021	2020	Unit
Nitrogen oxides (NO _x)	6.90	8.50	8.99	Tonne
Sulfur oxides (SO _x)	0.92	1.05	1.08	Tonne
Particulates Matter (PM)	0.006	0.008	0.017	Tonne

GHG emissions:

Indicators	2022	2021	2020	Unit
Collective GHG emissions	351,494.14	341,603.39	396,531.95	Tonne CO _{2eq}
Direct emission (Scope 1) ³	9,514.88	11,578.89	13,844.79	Tonne CO _{2eq}
Indirect emission (Scope 2) ⁴	342,240.53	330,285.78	382,498.75	Tonne CO _{2eq}
Reduced GHG emissions by owned trees ⁵	261.28	261.28	188.42	Tonne CO _{2eq}
Collective GHG emissions (Scope 1 and 2) per income in thousand RMB from property rental, development and management services ⁶	0.07	0.07	0.10	Tonne CO _{2eq}

² The atmospheric pollutants data included the natural gas emission from stationary sources, the fossil fuel consumption from on-road vehicles and non-road mobile source. The calculation was based on the Calculation Manual of Pollutant Production and Emissions Coefficients for Boiler, Technical Guidelines for the Preparation of Air Pollution Emission Inventory from Road Motor Vehicles (Trial) and the Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial) issued by the Ministry of Ecology and Environment of the PRC. Since the calculation of air pollutants from stationary sources was based on the Calculation Manual of Pollutant Production and Emissions Coefficients for Boiler and the emission total particulate matter is not included, the emission data of atmospheric pollutants were presented in three categories: nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulate matter (PM).

³ The direct GHG emission data were calculated according to the consumption data of stationary sources, road mobile sources, non-road mobile sources, as well as relevant conversion factors in the Guidelines for Accounting and Reporting GHG Emissions by China Public Building Operation Units (Enterprises) (Trial) and the Guidelines for Accounting and Reporting GHG Emissions by China Land Transportation Enterprises (Trial) in Mainland China.

⁴ The grid emission factors used in the 2022 GHG emissions calculation for purchased electricity are derived from the Notice on the Management of Greenhouse Gas Emission Reports of Enterprises in the Power Generation Industry for 2023-2025 issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁵ Refers to the total amount of GHG reduced by trees with height of 5 metres and above held by the Group. The GHG emission reduction data were calculated based on the relevant conversion factors in the Guidelines to Account for and Report on GHG Emissions and Removals for Buildings (Commercial, Residential or Public Use) in Hong Kong.

⁶ Refers to the total income of the Group's annual income from rental income from investment properties, the income from provision of commercial operational services and residential property management services, as well as the income from other property development related businesses.

Produced non-hazardous wastes:

Indicators	2022	2021	2020	Unit
Total amount of produced non-hazardous waste	5,690.09	8,043.65	53,150.61	Tonne
Domestic waste ⁷	4,707.19	6,270.28	50,698.07	Tonne
Food waste ⁸	982.90	1,773.37	2,452.55	Tonne
Amount of produced non-hazardous waste per income in thousand RMB from property rental, development, and management services	1.16	1.65	13.26	Kilogramme

Produced hazardous waste:

Indicators	2022	2021	2020	Unit
Total produced amount of hazardous waste	15.63	16.81	24.95	Tonne
Electronic waste	2.76	3.93	10.71	Tonne
Waste battery	3.28	3.10	1.83	Tonne
Waste lamp containing mercury	6.16	7.30	10.32	Tonne
Used cartridge	0.95	0.62	0.81	Tonne
Chemical container	2.48	1.87	1.28	Tonne
Amount of produced hazardous waste per income in thousand RMB from property rental, development, and management services	0.003	0.003	0.01	Kilogramme

Wastewater discharge⁹:

Indicators	2022	2021	2020	Unit
Wastewater discharge	7,282,334.62	7,256,688.43	8,898,437.78	Tonne

Emissions and discharge compliance:

Indicators	2022	2021	2020	Unit
Number of cases involving the illegal discharge of pollutants into the environment	0	0	0	Case

⁷ The statistics and calculation scope of domestic waste have excluded wastes generated by commercial tenants in shopping malls, tenants in office buildings, and residents in the residential properties, but have included wastes generated in hotel guestrooms.

⁸ The statistics and calculation scope of food wastes have excluded wastes generated by restaurants in the shopping malls, tenants in office buildings, and residents in residential properties, but have included wastes generated by hotel kitchens.

⁹ The data of water discharge were calculated based on the total water usage data and the Manual of Accounting Methods and Calculation Factors for Pollutant Production and Discharge from Domestic Sources.

Resource use

Energy consumption¹⁰:

Indicators	2022	2021	2020	Unit
Total energy consumption	647,500.56	626,163.88	597,050.76	MWh
Direct resource use				
Natural gas	46,571.76	56,717.03	53,115.42	MWh
Gasoline	688.84	855.42	960.75	MWh
Diesel	133.82	113.33	103.51	MWh
Indirect resource use				
Purchased electricity	600,106.14	568,478.10	542,871.08	MWh
Energy consumption amount per income in thousand RMB from property rental, development, and management services	0.13	0.13	0.15	MWh

Water consumption:

Indicators	2022	2021	2020	Unit
Total water usage ¹¹	8,091,482.91	8,062,987.15	9,887,153.09	m ³
Consumption of municipal water ¹²	7,677,784.91	7,729,827.65	9,578,146.90	m ³
Consumption of circulating water (reclaimed water and cooling water)	413,698.00	333,159.50	309,006.19	m ³
Amount of water discharged into the natural environment after self-pretreatment and meeting discharge standard	687,312.32	971,835.84	1,053,035.94	m ³
Total water consumption ¹³	6,990,472.59	6,758,012.81	8,525,110.96	m ³
Water consumption amount per income in thousand RMB from property rental, development, and management services	1.65	1.39	2.13	m ³

¹⁰ The data of resource consumption were calculated based on the amount of purchased electricity and the consumption of natural gas, gasoline and diesel, and converting coefficients from the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises in Other Industries (Trial) issued by the National Development and Reform Commission of the PRC.

¹¹ Refers to the sum of total usage of municipal water and circulating water.

¹² According to the business characteristics of the Group in real estate industry, source of water withdrawal by the Group is mainly municipal water (domestic water).

¹³ Refers to the difference between the usage of municipal water and the amount of water discharge.

Mitigating natural and environmental impact

Amount of recycled waste materials during operation:

Indicators	2022	2021	2020	Unit
Recycled plastic bottle	50.76	58.40	51.65	Tonne
Recycled soap	0.68	0.53	0.55	Tonne
Recycled toothbrush	0.20	0.16	0.83	Tonne
Recycled toothpaste	0.20	0.22	0.33	Tonne
Recycled metal	16.50	22.74	21.21	Tonne
Recycled paper	81.80	107.67	51.65	Tonne
Recycled glass bottle	8.82	9.14	47.56	Tonne

Environmental greening:

Indicators	2022	2021	2020	Unit
Number of trees owned by the Group with a height of 5 metres and above	11,360	11,360	8,182	Tree

Environmental compliance:

Indicators	2022	2021	2020	Unit
Number of cases involving damage to the natural environment	0	0	0	Case

Supply Chain:

Indicators	Number of suppliers by region			Unit
	2022	2021	2020	Number
Region				
Mainland China	7,377	31,796	N/A	Number
Hong Kong China	0	0	N/A	Number
Number of suppliers to whom the practice has been implemented	7,377	31,796	N/A	Number

Caring for Employees

Employment

Employee composition:

Indicators	2022	2021	2020	Unit
Total number of employees	10,046	13,212	11,517	Person
By gender				
Male	5,661	7,881	6,797	Person
Female	4,385	5,331	4,720	Person
By employment category				
Full-time	10,046	13,212	11,517	Person
Part-time	0	0	0	Person
By region				
Mainland China	10,043	13,206	11,511	Person
Hong Kong China	2	4	4	Person
Other regions	1	2	2	Person
By age				
Above 50	466	542	458	Person
41-50	1,774	2,104	1,935	Person
31-40	4,680	5,905	5,171	Person
21-30	3,086	4,561	3,860	Person
20 or below	40	100	93	Person
By educational background				
Master's Degree and above	260	507	434	Person
Bachelor's Degree	3,822	4,677	4,093	Person
College Degree	3,296	4,142	3,399	Person
Secondary school	1,083	1,398	1,296	Person
Other	1,585	2,488	2,295	Person

Employment turnover rate¹⁴:

Indicators	2022	2021	2020	Unit
By gender				
Male	46.6	35.5	32.9	%
Female	40.9	33.3	31.0	%
By region				
Mainland China	43.3	34.6	32.1	%
Hong Kong China	33.3	0	20.0	%
Other region	50.0	0	0	%
By age				
Above 50	38.2	24.4	22.4	%
41-50	37.6	24.9	22.5	%
31-40	42.0	33.0	29.7	%
21-30	50.3	40.4	38.9	%
20 and below	57.9	52.4	54.9	%

Occupational health and safety**Employee health and safety:**

Indicators	2022	2021	2020	Unit
Number of work-related fatalities	0	0	0	Person
Number of employees that were unable to go to work due to work-related injuries	0	0	0	Person
Number of lost days due to work-related injuries	0	0	0	Day

¹⁴ The employee turnover rates were calculated according to "the number of turnovers of the category / (the total number of employees of the category + the number of turnovers of the category)"

Development and training

Employee training:

Indicators	2022	2021	2020	Unit
Person-times of employees receiving training related to career development ¹⁵				
Male	3,858	4,645	8,836	Person
Female	2,677	3,626	7,085	Person
Senior level	555	901	807	Person
Middle level	1,190	1,354	2,609	Person
General employees	5,608	5,583	12,505	Person
Average training hours per employee of the Group receiving training related to career development ¹⁶				
Male	15.3	10.1	23.8	Hours
Female	13.3	8.9	25.8	Hours
Senior level	587.7	646.9	13.7	Hours
Middle level	45.9	44.1	17.1	Hours
General employees	11.9	7.4	27.0	Hours

Giving Back to society

Community investment

Public charity:

Indicators	2022	2021	2020	Unit
Amount of money invested for community ¹⁷	25,896	34,564	68,892	RMB'000

¹⁵ According to the statistical system of the Group, the calculation unit of trained employees was "person-times", and the Group does not have the statistics of total number of trained employees in the unit "person". The Group will consider about the improvement of the statistical system in the future, and calculate and disclose the data of the percentage of trained employees in "person".

¹⁶ From 2021, the Group calculated the average training hours completed per employee by employee category based on the relevant guidelines and calculation methods from the Reporting Guidance on Social KPIs of How to Prepare an ESG Report issued by the Stock Exchange, and the formula was "the total number of training hours of employees in relevant category/the total number of employees in that category". In 2020, the calculation formula of average training hours completed per employee by employee category was "the total number of training hours of employees in relevant category/the total person-times of employees receiving training in that category"

¹⁷ Including charitable and other donations made by the Group.

Laws and Regulations that the Group has Complied with During the Reporting Period

Corresponding laws and regulations ¹⁸ to the ESG Reporting Guide		The Group's compliance status
A. Environmental		
Aspect A1: Emissions		
Mainland China	Environmental Protection Law of the PRC Prevention and Control of Atmospheric Pollution of the PRC Environmental Protection Tax Law of the PRC Regulations on the Implementation of the Environmental Protection Tax Law of the PRC Water Pollution Prevention Law of the PRC Prevention and Control of Environmental Pollution by Solid Wastes Law of the PRC Environmental Impact Assessment Law of the PRC Prevention and Control of Environmental Noise Pollution Law of the PRC Regulations on Environmental Protection Management of Construction Projects Urban Drainage and Sewage Treatment Regulations	During the Reporting Period, the Group did not violate any laws and regulations relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, and noise control that have significant impacts on the Group.
Hong Kong, China	Water Pollution Control Ordinance Waste Disposal Ordinance	
B. Social		
Aspect B1: Employment		
Mainland China	Company Law of the PRC ¹⁹ Labour Law of the PRC ²⁰ Labour Contract Law of the PRC Regulations on the Implementation of the Labour Contract Law of the PRC Social Insurance Law of the PRC Employee Paid Annual Leave Regulations Protection of Women's Rights and Interests Law of the PRC ²¹ Protection of Minors law of the PRC ²² Labour Dispute Mediation and Arbitration Law of the PRC Protection of Disabled Persons Law of the PRC Employment Regulations for Disabled Persons	During the Reporting Period, the Group did not violate any laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits that have significant impacts on the Group.
Hong Kong, China	Employment Ordinance ²³ Employee Compensation Ordinance Minimum Wage Ordinance	

¹⁸ The Group's operation complies with laws and regulations, which the laws and regulations the Group has complied with including but not limited to the content listed in this chapter.

¹⁹ To avoid repetitive statement, the law and regulation also apply to "Aspect B7" in this chapter.

²⁰ To avoid repetitive statement, the law and regulation also apply to "Aspect B2" and "Aspect B4" in this chapter.

²¹ To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this chapter.

²² To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this chapter.

²³ To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this chapter.

Corresponding laws and regulations ¹⁷ to the ESG Reporting Guide		The Group's compliance status
Aspect B2: Health and Safety		
Mainland China	Work Safety Law of the PRC Provisions on Workplace Occupational Health Supervision and Administration Fire Protection Law of the PRC Occupational Disease Prevention Law of the PRC Work Injury Insurance Regulations Labour Insurance Regulations of the PRC Safety Production License Regulations	During the Reporting Period, the Group did not violate any laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impacts on the Group.
Hong Kong, China	Occupational Safety and Health Ordinance	
Aspect B4: Labour Standard		
Mainland China	Prohibition of Child Labour	During the Reporting Period, the Group did not violate any laws and regulations relating to preventing child and forced labour that have significant impacts on the Group.
Aspect B6: Product Responsibility		
Mainland China	Trademark Law of the PRC Protection of Consumer Rights and Benefits Law of the PRC Advertising Law of the PRC Patent Law of the PRC Land Administration Law of the PRC Construction Law of the PRC Urban Real Estate Management Law of the PRC Interim Measures for the Administration of Store Advertising Urban Real Estate Development and Management Regulations	During the Reporting Period, the Group did not violate any laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that have significant impacts on the Group.
Aspect B7: Anti-corruption		
Mainland China	Criminal Law of the PRC Against Unfair Competition Law of the PRC Bidding and Tendering Law of the PRC Anti-Money Laundering Law of the PRC Interim Provisions on Prohibiting Commercial Bribery	During the Reporting Period, the Group did not violate any laws and regulations relating to bribery, extortion, fraud and money laundering that have significant impact on the Group.
Hong Kong, China	Prevention of Bribery Ordinance	

Content Index of the ESG Reporting Guide of the Stock Exchange

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the Board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	ESG Management
Reporting Principles	<p>Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p>	About the Report - Reporting Guideline ESG Management
	<p>Describe or explain how the reporting principles were applied in the ESG report</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p>	
	<p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	About the Report - Reporting Period and Scope

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
"Comply or explain" Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Development Laws and Regulations that the Group has Complied with During the Reporting Period
KPI A1.1	The types of emissions and respective emissions data.	Performance Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Development
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development Due to the Group's business nature, matters related to packaging materials are not applicable to the Group.
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development
KPI 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.	Green Development
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the Group's business nature, matters related to packaging materials are not applicable to the Group.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Development
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development
KPI 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.	Green Development
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Employees Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Caring for Employees Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Summary
KPI B2.2	Lost days due to work injury.	Performance Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for Employees
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Caring for Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary The Group currently only counts the person-time of employees receiving training, thus only the person-time of employees receiving training during the Reporting Period will be disclosed. The Group will consider disclosing relevant data in the future.
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Summary

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring for Employees Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Green Development
KPI B5.1	Number of suppliers by geographical region.	Performance Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Green Development Performance Summary
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Green Development
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Development
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) 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.	Sincere Services Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the Group's business nature, this is not applicable to the Group.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Sincere Services In accordance with the "materiality" principle, for relevant data, please refer to the Environmental, Social and Governance Report 2022 of Powerlong CM, the subsidiary of the Group.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Sincere Services

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
KPI B6.4	Description of quality assurance process and recall procedures.	Sincere Services Due to the nature of the Group's business, the recall procedure is not applicable to the Group.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Sincere Services
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Group Overview Laws and Regulations that the Group has Complied with During the Reporting Period
KPI 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.	Group Overview
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Group Overview
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Group Overview
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to the Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to the Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to the Society



ESG REPORT

POWERLONG 2022

POWERLONG TOWER
1399 XINZHEN ROAD
MINHANG DISTRICT
SHANGHAI
PRC

UNIT 3303, 33RD FLOOR
WEST TOWER, SHUN TAK CENTRE
168-200 CONNAUGHT ROAD CENTRAL
HONG KONG

Website: www.powerlong.com