



**中原建業有限公司**  
**CENTRAL CHINA MANAGEMENT COMPANY LIMITED**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9982



**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT 2023**





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## ABOUT THIS REPORT

### INTRODUCTION

The Environmental, Social and Governance Report 2023 of CENTRAL CHINA MANAGEMENT COMPANY LIMITED (the "Report") is the third Environmental, Social and Governance ("ESG") Report published by CENTRAL CHINA MANAGEMENT COMPANY LIMITED (the "Company" or "CCMGT" , and together with its subsidiaries, the "Group" or "we"). The purpose of the Report is to respond to the expectations of stakeholders and demonstrate CCMGT's philosophy, management, actions and results in environmental, social and governance areas in 2023.

### REPORTING SCOPE

The Report covers the progress and performance of the Group on ESG issues from 1 January 2023 to 31 December 2023 (the "Reporting Period"). The key performance indicators (KPIs) in the Report cover the project management services of the Group in China. Economic KPIs and social KPIs cover all the entities within the scope of the Group's financial statements. The scope of the environmental performance indicators covers the entire office area of the Group's head office and its subsidiaries, including a total of 18 city companies of the Group. Unless otherwise stated in the Report, the statement shall prevail.

### REPORTING STANDARDS

The Report is prepared in accordance with all the "mandatory disclosure requirements" and the "comply or explain" provisions set out in the Environmental, Social and Governance Reporting Guide (the "Guide") in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") published by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The index of subject areas, aspects, general disclosures and KPIs under the Guide is set out in detail in "Appendix I: Index of ESG Reporting Guide" and "Appendix II: Index of KPIs" for quick reference.

### REPORTING PRINCIPLES

The Report upholds the following principles for reporting:

**Materiality:** The Company invited internal and external stakeholders to engage in the assessment of the importance of issues, and a materiality analysis was conducted on sustainability issues, as a response to the principle of "materiality". A total of 21 material issues were disclosed in the Report. The board of directors has ultimate responsibility for the outcome of the materiality assessment.

**Quantitative:** Where appropriate, the Report provides a quantitative analysis of the Group's environmental and social performance for effective assessment. Quantitative information disclosed in the Report is accompanied by a narrative, explaining its purpose and impacts.

**Balance:** With an unbiased picture of the Group's performance, the Report avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

**Consistency:** The Report adopts consistent disclosure and statistical methodologies for the Reporting Period and subsequent periods to allow for meaningful comparisons of data over time.

### SOURCE OF INFORMATION

All data and materials disclosed in the Report are derived from the Group's statistical reports and internal documents. The board of directors is responsible for supervising the contents of the Report to ensure no false representations or misleading statements contained in, or material omissions from the Report, and is responsible for the truthfulness, accuracy and completeness of its contents.

### ACCESS TO THE REPORT

The Report is prepared in both Chinese and English and published in electronic form on the Stock Exchange's website at <https://www.hkexnews.hk> and the Company's official website at <http://www.centralchinamgt.com>. In the event of any discrepancy between the Chinese and English versions of the Report, the Chinese version shall prevail.

## ABOUT CCMGT

### COMPANY PROFILE

The newly contracted gross floor area (GFA) in 2023 reached **7.16 million sq.m.**

The Group newly contracted **57** management projects in 2023

The projects under management had an aggregate GFA of **31.69 million sq.m.** as at the end of 2023

The Group had 36 projects under management outside Henan as at the end of 2023, with an aggregate GFA of **3.93 million sq.m.**

CCMGT (stock code: 9982.HK) got listed on the Main Board of the Stock Exchange on 31 May 2021. Currently, the Company mainly provides commercial project management service, and is expanding in government project management, capital project management, and special management consulting services.

The Group is dedicated to expanding project investments in the Greater Central China region. Since 2021, we have expanded our businesses to the Greater Central China region with Zhengzhou as the centre and a radius of 500 kilometres. The Greater Central China region with a broad market has brought many opportunities for the development of the Group. Guided by the "Greater Central China" strategy, the Group has improved its core competitiveness and expanded its businesses out of Henan Province while consolidating its leading position in Henan. In 2023, in addition to Henan Province, the Group has successfully expanded its business presence in other provinces, launching the CCMGT's brand to a number of provinces and autonomous regions including Anhui, Shanxi, Shaanxi, Hebei, Xinjiang, Hainan, Inner Mongolia, Hubei and Shandong.

The Group, which adheres to its core values of "taking roots in Central China and conferring benefit on the people", constantly offers first-class products and services to customers in the Greater Central China region with high working standards and standardised corporate governance. The Group has expanded businesses in various regions and worked with local partners to improve the construction level of cities, which has won the unanimous recognition of society and partners. We are on the way to become a future leader in the Chinese project management industry, as our market share grows in the industry.



## ABOUT CCMGT

### DEVELOPMENT HISTORY

Operating revenue for 2023 was  
**RMB468 million**

Net profit for 2023 amounted to  
**RMB201 million**

Total assets for 2023 reached  
**RMB3,126 million**

**2015**

- CCMGT began to explore asset-light business.

**2017**

- Xincai Osmanthus Palace in Zhumadian, the first asset-light project, was delivered successfully.

**2018**

- CCMGT's accumulated sales topped RMB10 billion. CCMGT signed a contract on its 100th project in the same year.

**2019**

- CCMGT established its Shaanxi regional branch, marking the start of project expansion in the province.

**2020**

- CCMGT tapped into Urumuqi, Xinjiang.
- It was ranked second among 2020 Leading Brands of China Project Management Companies by China Real Estate Top10 Research Group.

**2021**

- CCMGT (stock code: 9982.HK) got listed on the Main Board of The Stock Exchange of Hong Kong Limited on 31 May 2021.

**2022**

- CCMGT was rated one of "Outstanding Project Management Companies in China's Real Estate Sector for 2022" at the Research Results Release Conference of 2022 China Top100 Real Estate Developers/ the 19th Summit of China Top100 Real Estate Entrepreneurs.

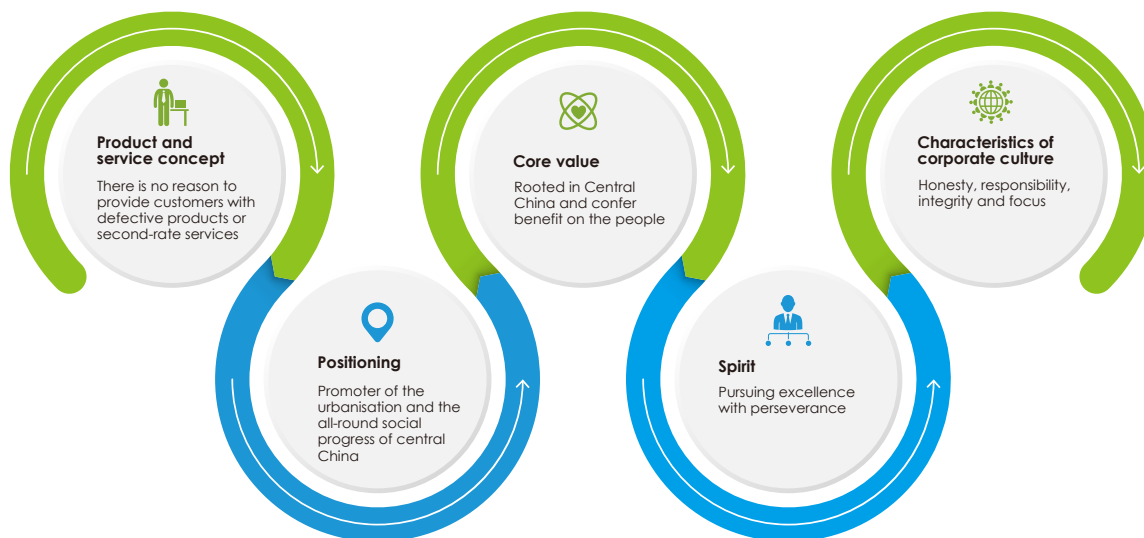
**2023**

- CCMGT was awarded the Top 10 Brands of China Real Estate Estate Project Management Enterprises for 2023 at the 13th China Real Estate Brand Development Conference for 2023 jointly held by China Real Estate Business and China Urban & Regional Governance Research Institute.
- Total contracted GFA was over 50 million sq. m..



## ABOUT CCMGT

### CORPORATE CULTURE



### HONOURS AND RECOGNITIONS

#### March 2023

- Outstanding Project Management Companies in China's Real Estate Sector for 2023 at a conference organised by China Enterprise Evaluation Association, Institute of Real Estate Studies of Tsinghua University, and Information Technology Research Institute of Beijing China Index Academy and co-organised by China Real Estate Top10 Research Group under Information Technology Research Institute of Beijing China Index Academy

#### August 2023

- 2023 China's Top 5 Project Management Service Providers with Comprehensive Strength by EH Consulting
- Top 10 Brands of China Real Estate Estate Project Management Enterprises for 2023 jointly organised by China Real Estate Business and China Urban & Regional Governance Research Institute
- Outstanding Commercial Project Management Enterprises in China's Real Estate Sector in the First Half of 2023 organised by CRIC Research Centre

#### September 2023

- Leading Project Management Brands in China's Real Estate Sector for 2023, Leading Government Project Management Brands in China's Real Estate Sector for 2023 and Leading Green Project Management Brands in China's Real Estate Sector for 2023 organised by China Enterprise Evaluation Association, Institute of Real Estate Studies of Tsinghua University, and Information Technology Research Institute of Beijing China Index Academy and co-organised by China Real Estate Top10 Research Group under Information Technology Research Institute of Beijing China Index Academy

## CHAIRMAN'S STATEMENT

In 2023, the global macro-environment remained complex and volatile with evolving risks such as geopolitical conflicts and climate change, further increasing international uncertainties. In China, the domestic real estate market experienced profound adjustments during the year. As a result, investment in real estate development and the area of new construction across the country declined significantly and the saleable area and sales of commercial housing both decreased, showing a general sluggish industry sentiment. Under such circumstances, the Chinese government has taken a series of measures to stabilise the market, such as relaxing the restrictions on home purchases and optimising the purchase restriction policy, to continue to alleviate the pressure on the real estate sector and to facilitate the market to recovery steadily. In the face of the market situation where challenges and opportunities coexist, CCMGT adheres to the core value of "taking roots in central China and conferring benefit on the people", continues to consolidate the capacity building of its project management business, actively adjusts its product development and marketing strategies to adapt to the market changes, and further promotes the "asset-light" mode of operation. With the quality assurance as the bottom line and the spirit of innovation as the guide, the Group is able to navigate uncertainty and adapt through changing cycles.

We collaborate with all parties with trust as the cornerstone of our development. We have long taken the principle of "good people and good land". By utilising our own business advantages and credit advantages, we have integrated resources from all parties. Leveraging an efficient cooperation chain through innovation in both business and management modes, we strive to establish the brand image of "a trustworthy project management service provider", share development with partners and join hands in building high-quality products for our customers. In 2023, we satisfied customers' multi-dimensional needs through quality project delivery and property services, and by virtue of our good market performance, we were awarded the honour of Outstanding Project Management Companies in China's Real Estate Sector for 2023 by China Index Academy (CIA).

We actively fulfil our social responsibilities and take practical actions to create a sustainable future. We are convinced that good corporate governance is fundamental to the Company's high-quality and sustainable development. We have made it a core goal of "don't dare, are unable, and have no desire to be corrupt", taking various measures to continuously strengthen a culture of integrity. We value our employees as the "source of momentum" for the development of the enterprise. Guided by a people-oriented approach, we are committed to protecting the rights and interests of our employees, supporting their career development, enhancing their competitiveness, and sharing in their growth while overcoming challenges together. We follow the national policy and actively respond to the "dual-carbon" strategy. To this end, we continue to explore green construction modes that are in harmony with nature, as well as to raise the awareness of green and sustainable development among all employees by implementing green office and green operation, contributing to the promotion of the sustainable development and the green transformation of the society.

Perseverance triumphs over challenges. Facing challenges, CCMGT has remained steadfast in its confidence, adhered to its original intention and forged ahead with determination. We will continue to focus on customer needs, further strengthen the foundation of trust with all sectors of society and partners, and work with all parties to create quality delivery and services for customers; At the same time, we will further consolidate our corporate governance, enhance our risk response capability, build a solid talent team, and work with our employees to promote the Company's sustainable development and fulfil our commitment to green development. Looking ahead, we will move forward with perseverance, humility, and pragmatism, unite our strength to tackle challenges, actively fulfil our social responsibilities, and continue to contribute to the prosperity of society.

**Wu Po Sum**  
Chairman  
9 January 2025



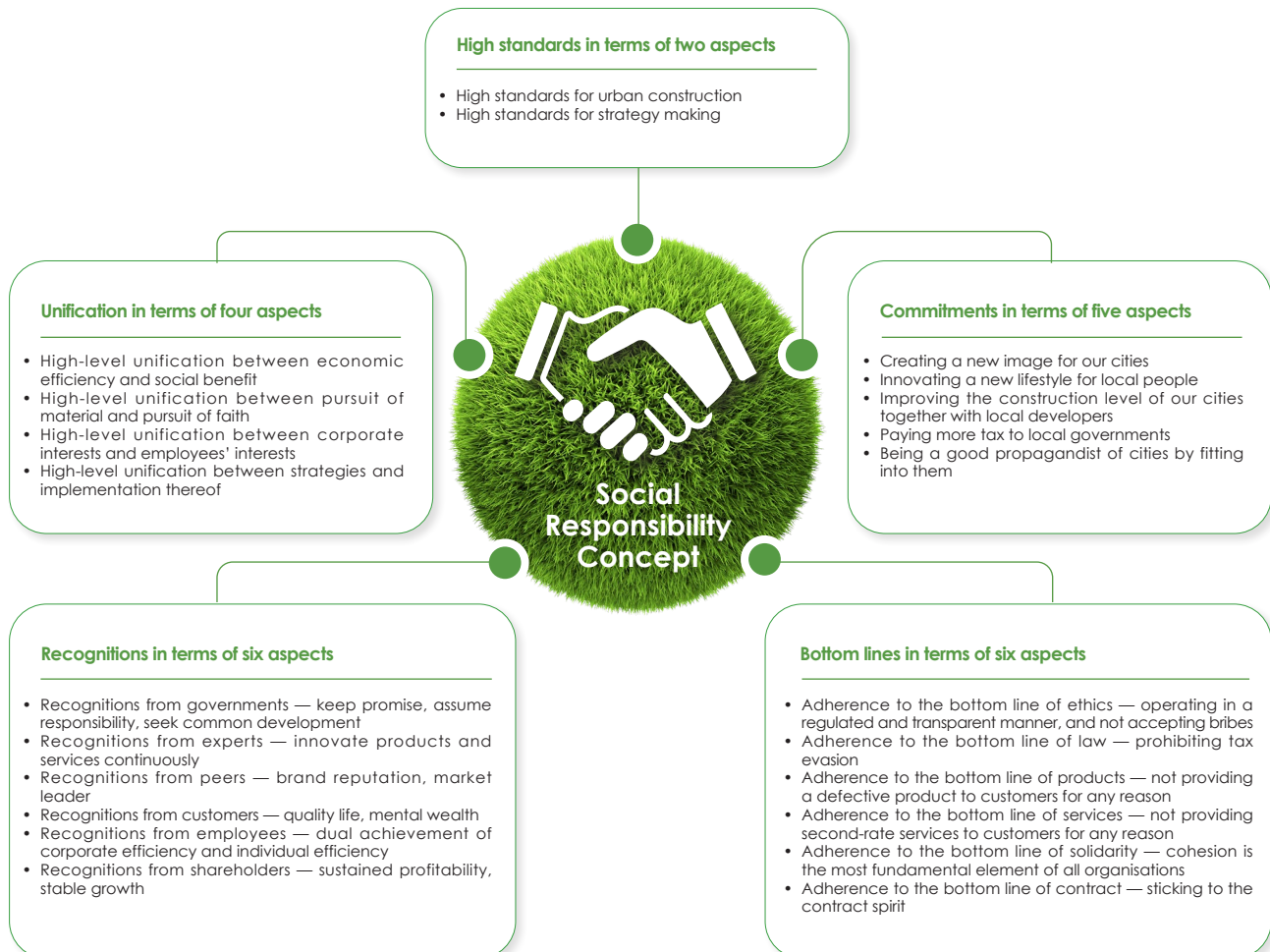
## SUSTAINABLE DEVELOPMENT MANAGEMENT

Sustainability is an important condition for an enterprise to attain long-term development. Since the implementation of the “Greater Central China” strategy, CCMGT has continuously provided customers with quality products and services to generate both social and the environmental benefits by relying on its well-known “Jianye” brand, attaching equal importance to sustainable development and long-term business growth, and integrating the concept of sustainability into its operations.

### STATEMENT OF THE BOARD OF DIRECTORS

Always committed to its core values of “taking roots in central China and conferring benefit on the people”, CCMGT attaches high importance to the crucial role of sustainable development management in its business and operation decisions and upholds a concept of sustainable social responsibility. Keenly aware that ESG governance is the key for us to attain long-lasting development, withstand risks, and seize opportunities, we strictly follow the ESG governance requirement of the Stock Exchange to incorporate ESG performance into the management of daily business activities. While raising our ESG governance standards and improving related management framework, we are dedicated to advancing the urbanisation in central China and promoting the coordinated development of society and the environment in the region.

#### Social responsibility concept of CCMGT



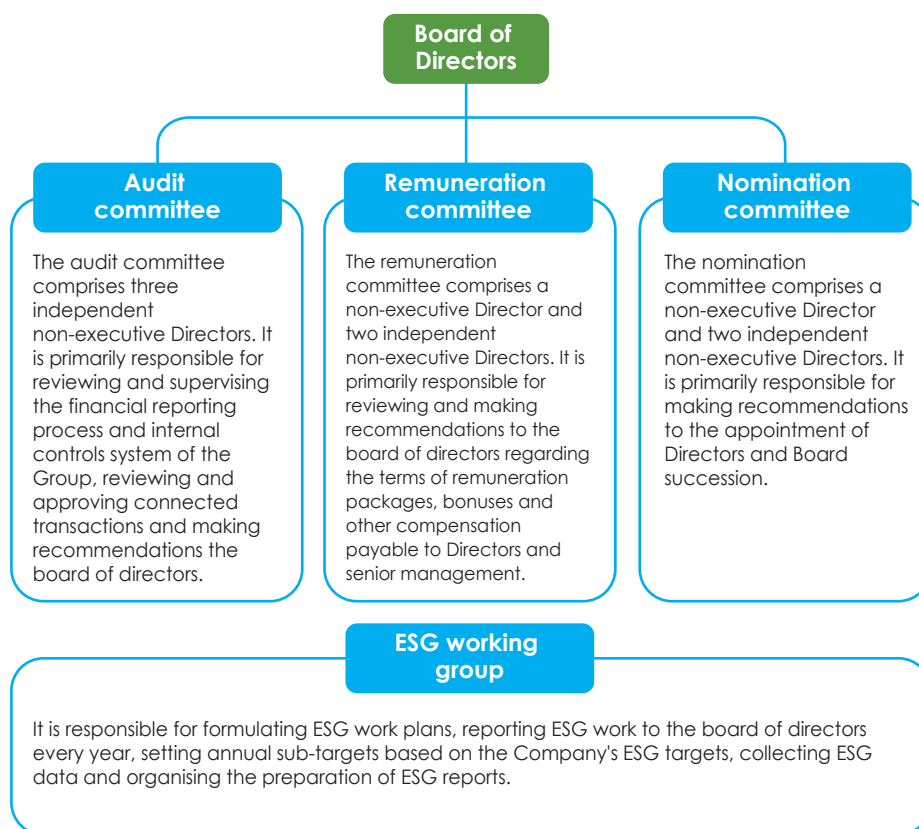


## SUSTAINABLE DEVELOPMENT MANAGEMENT

The Group has established a scientific and modern corporate governance framework to ensure that ESG governance could play a better role in its corporate organisation and operations. The Board of the Group coordinates its ESG matters as a whole, which is responsible for assessing and determining the Group's ESG-related risks and opportunities; ensuring that appropriate and effective ESG risk management and internal control systems are in place; formulating the Group's annual ESG management approach, strategies, priorities and targets; regularly reviewing the Group's performance against ESG-related targets; and approving disclosures in the Group's ESG report. In the meantime, the board of directors has established three committees in accordance with the requirements of the Hong Kong Listing Rules. The committees select candidates for directors based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational

background, professional experience, skills, knowledge and length of service. The nomination committee will continuously oversee the implementation of the board's diversity policy.

Since listing, we have established an ESG working group with the authorisation of the board of directors to coordinate, manage and report ESG matters. The ESG working group is responsible for ensuring that the Group has appropriately skilled people, policies and measures to manage ESG matters, and for regularly reporting to the board of directors on the management effectiveness of the Group's ESG strategies and related measures. Through continuous improvement of corporate governance, we build a corporate culture of trust and responsibility to protect the legitimate rights and interests of stakeholders and enhance corporate value.



ESG governance structure of CCMGT

## SUSTAINABLE DEVELOPMENT MANAGEMENT

### STAKEHOLDER ENGAGEMENT

Keenly aware that communication with stakeholders is a key part of sustainable development management and an important reference for us to improve our operation management and sustainability, CCMGT attaches great importance to the suggestions and feedback of stakeholders and has set up a variety of communication channels to hear the stakeholder voice and ensure that information is open and transparent and the communication process is efficient.


Stakeholders	Expectations and demands	Communication and response
<b>Employees</b>	Equal employment Compensation and benefits protection Career development and promotion Healthy working environment Protecting the legitimate rights and interests of employees	Ensuring employment compliance Offering competitive compensation Optimising employee development and promotion mechanism Carrying out safety education for employees Establishing barrier-free communication channels for employees
<b>Investors/shareholders/ capital markets analysts</b>	Protecting shareholders' rights and interests Getting returns on investment Disclosing important information	Holding general meetings of shareholders Improving the continuous profitability of the Company Daily information disclosure
<b>Customers/property owners</b>	Product and service quality Customer service experience Information Security Business integrity Compliance operations	Continuously improving the quality of products and services Carrying out customer communication and survey Strictly following the requirements on customer information confidentiality Reasonable publicity and promotion Optimising risk and internal control management
<b>Suppliers/contractors/ partners</b>	Fair competition Win-win cooperation	Standardising supplier bidding process Improving supplier evaluation and communication mechanism
<b>Local communities/ neighbourhood committees</b>	Protecting community environment Devoting to social welfare undertakings Creating a harmonious community Promoting community development	Comprehensively practising green operation Carrying out public welfare projects Actively participating in community building Optimising community infrastructure

## SUSTAINABLE DEVELOPMENT MANAGEMENT

Stakeholders	Expectations and demands	Communication and response
<b>Industry associations/ public welfare organisations</b>	Industry experience exchange Intellectual property protection Paying attention to disadvantaged groups Charity and philanthropy	Participating in industry seminars Applying for patent protection Volunteer services Carrying out public welfare projects
<b>Governments/regulatory authorities</b>	Compliance with laws and regulations Paying taxes in accordance with law Promoting employment Upholding anti-corruption and integrity practices	Legal operation and compliance management Actively paying taxes Creating employment opportunities Conducting anti-corruption supervision and training

## MATERIALITY ASSESSMENT

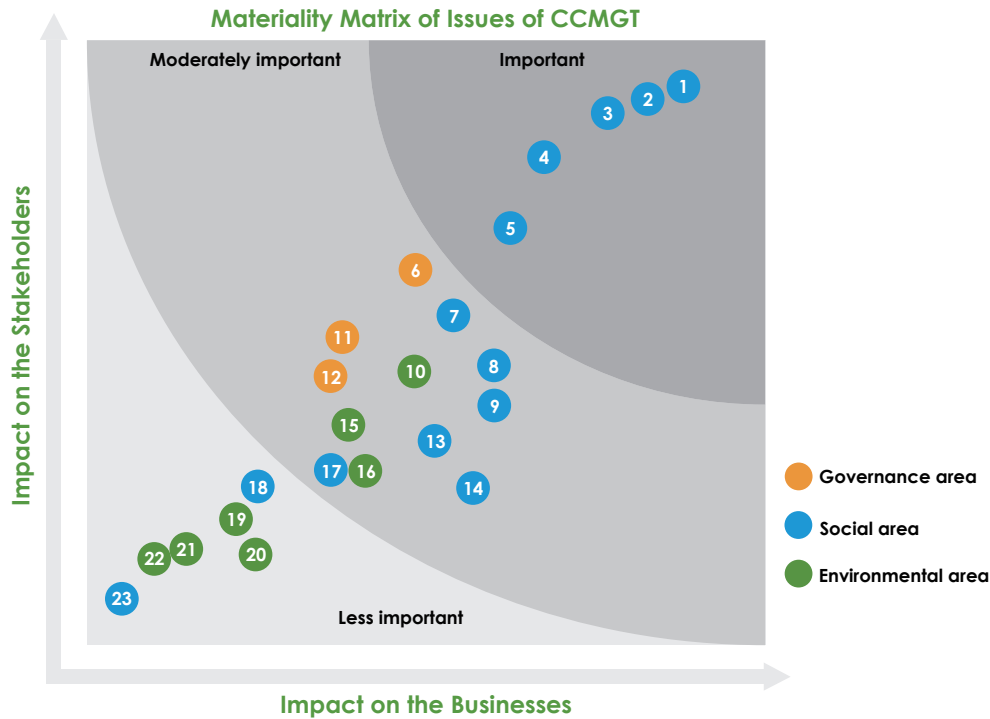
Combining our own development, industry characteristics and national policy environment with the expectations of stakeholders, we formulated a detailed and comprehensive materiality assessment scheme to assess the materiality of issues in 2023 through close communication with stakeholders, feedback from them, industry analysis, etc.

 <b>Assessment of material issues</b>	<b>Identification of material issues</b>	<b>Stakeholder engagement</b>	<b>Assessment of material issues</b>	<b>Response to material issues</b>
	The Group identified 21 material issues according to the Guide of the Stock Exchange and in combination with its business development and the policy environment.	Through communication with stakeholders through different channels, the Group collected their feedback and expectations on its ESG performance in 2023.	Based on the assessment of the analysis results, material issues were prioritised and a materiality matrix was developed.	Based on the opinions of stakeholders and the results of materiality analysis, the Group determined the focus of disclosure of the Report and made a response in the Report.



## SUSTAINABLE DEVELOPMENT MANAGEMENT

Based on the results of the above assessment, the Group has developed a materiality matrix of ESG issues to reflect the importance of each issue to stakeholders and its businesses, and prioritised the identified issues as follows:



Important	Moderately important	Less important
1 Customer feedback and satisfaction management 2 Brand value and service quality 3 Product quality control 4 Employee health and safety 5 Employee compensation and benefits protection	6 Customer information security 7 Product research & development capability building 8 Employment management and compliance 9 Employee training and development 10 Green and sustainable supply chain 11 Compliance operations 12 Anti-corruption and integrity building 13 Employees' rights and interests and diversity 14 Reasonable marketing 15 Development of green buildings and green communities 16 Material use 17 Intellectual property protection	18 Promoting community development 19 Waste management 20 Water resources and water use efficiency 21 Energy conservation, emission reduction and response to climate change 22 Exhaust management 23 Charity & philanthropy and volunteer service

## SUSTAINABLE DEVELOPMENT MANAGEMENT

The results of the materiality assessment in 2023 showed that stakeholders were most concerned about "customer feedback and satisfaction management", "brand value and service quality", "product quality control", "employee health and safety", and "employee compensation and benefits protection". In the Report, we will accordingly enhance the disclosure of our work and performance in these aspects, and highlight the top-ranked issues. We will use the results as an important reference for next year's sustainable development plan to enhance our management capabilities in environmental, social and governance areas and deepen our sustainable development practices.

## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

CCMGT Group is committed to “not providing defective products and second-rate services”. It is dedicated to advancing product iteration and enhancing product competitiveness through the innovation and application of new materials and processes based on customer needs. We have improved our management system to strictly control the quality of our products, and at the same time, we have deepened the integration of resources with our partners to standardise the management of our supply chain. We continue to optimise our customer satisfaction assessment process and create a modern, high-quality living experience for our customers with our craftsmanship and attentive services.

### Material issues in the section:

Customer feedback and satisfaction management, brand value and service quality, product quality control, product research & development capability building, green and sustainable supply chain, reasonable marketing, and intellectual property protection

### KPIs covered in the section:

B5.1/B5.2/B5.3/B5.4/B6.2/B6.3/B6.4/B6.5

## PRODUCT QUALITY AND SAFETY

In August 2023, the Company was awarded the honorary title of Outstanding Project Management Companies in China's Real Estate Sector for 2023 by CIA

CCMGT prioritises product safety as its core corporate value, and consistently places product quality management at the forefront of its development. We strictly monitor the quality of our products and actively promote research and development and innovation, striving to achieve excellence in products and services to meet the residents' aspirations and expectations for a high-quality lifestyle.

As an enterprise specialising in real estate development and construction, we are committed to strictly complying with the Construction Law of the People's Republic of China, the Regulations on the Quality Management of Construction Works, the Uniform Standards for the Acceptance of Construction Works, and other construction regulations and standards of the country and regions in which we operate to ensure that all our projects meet or exceed the quality requirements stipulated by the government. Through the implementation of a comprehensive quality management system, we strictly control the quality of each step from design, construction to supervision. By utilising cutting-edge construction techniques and materials, we strive to enhance the durability, safety and comfort of our buildings. In terms of production safety management, we have strengthened preventive measures and formulated emergency plans and risk control measures to minimise the occurrence of accidents. Furthermore, we provide regular staff training to ensure that each employee has the necessary professional knowledge and safety awareness. In addition, we have established a comprehensive after-sales service system, responding to customer feedback and suggestions in a timely manner and taking proactive measures to resolve problems.



## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

For product quality control, we have established a complete project quality and safety assessment system. Through a combination of internal and external assessments, we continue to monitor and assess the safety of the project from the top down, including inspections of underground projects, acceptance of model guides, quality assessment, safety and civilisation assessment and delivery assessment, so as to strictly avoid project defects and ensure product quality.



### At the Group level

Third-party evaluation agencies are appointed to carry out process evaluation and delivery evaluation on projects under construction and projects to be delivered. Based on relevant systems, the Company conducts special inspection and acceptance for specific projects. Experience of excellent projects is promoted.



### At the region head office level

It organises and carries out monthly comparative evaluation on projects. Based on relevant systems, the Company conducts special inspection and acceptance for specific projects. It urges and supervises the rectification and improvement of all projects on site.

#### Project quality and safety assessment system of CCMGT

In order to exercise control over quality risks regarding projects and safe and civilised operations, we have formulated and strictly follow a number of internal documents, such as the Project Inspection Management Policy, the Implementation Standards for "Must-check Points of Projects", and the Implementation Standards for Project Quality Model Guides, which could instruct specialists to inspect the must-check points of projects. Meanwhile, we conduct inspections on projects to be delivered according to the Delivery Standards, and require each project to make rectifications and improvements within the prescribed time limit according to related suggestions. We issue shutdown or rectification warnings to projects in accordance with the established Measures for Traffic Lights-like Management for Projects and the results of evaluation by third parties, as efforts to strictly control product quality and safety. In addition, we have also refined an incentive and disincentive mechanism in regards to product quality, where violations of the relevant product management policies or the laws and regulations should receive different levels of punishment (economic punishment, demotion and salary reduction, or notification of criticism) according to the severity of the situation, and economic rewards or notification of praise will be given to the projects ranking high in the third-party assessments and special inspections.

## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

To respond to and deal with all kinds of emergencies faster and better, we have formulated and implemented the Management Measures for Emergency Response Plans, under which the principles of "proper handling according to law, unified command of action, and coordinated rapid response" would be followed in the face of emergencies with a view to minimising the damage caused to manpower, property, resources, and brand image. The emergency response is led by the chief executive officer (CEO) of the Company, with the cooperation of the leading groups for emergency response set up by the branches with reference to the headquarters of the Group. In the event of an emergency, the person concerned or the responsible person shall immediately report it to the competent department that will then make a report to the leading group for emergency response after summarising related information. The leading group for emergency response will initiate emergency response plans without any delay, formulate measures, and direct how the emergency is dealt with. After the emergency response work finishes, relevant departments will review and summarise the situation in a timely manner, identify and correct deficiencies, sum up the lessons learned, and improve the management policies concerned, in a bid to do better in addressing similar incidents in the future.

We regularly organise employees to share and learn excellent projects of the Group, including the exploration and application of advanced technology and the optimisation of waterproofing construction, so as to raise the quality awareness of our staff in all aspects and better assure product quality. Besides, we insist on appointing professional third parties to conduct scientific assessments and supervise improvements around different risk points at various stages of construction and delivery, in a bid to create high-quality architectural works. At the same time, we mobilise our staff to study the excellent cases and experiences within CCMGT and other real estate companies and apply them to our projects.

"Zero" accident in  
2023

During the year, we endeavoured to ensure a high standard of delivery cycle and quality by launching specific quality and safety projects, such as the "Ensure the delivery of buildings, ensure stability and Protect people's livelihood" campaign, to enhance our deliverability, to better fulfil our promises to our customers, and to implement stringent control over the quality and safety requirements of our projects. In addition, we have implemented effective quality management programs and production safety measures, including but not limited to comprehensive safety training, regular equipment inspections and stringent on-site supervision, to prevent and minimise the occurrence of site accidents.

Through these measures, we have improved the efficiency of the project and ensured that every detail of the construction process meets the highest standards of safety and quality. By delivering some of the project batches ahead of schedule, we demonstrated the Company's excellent ability in terms of schedule and quality control, which is not only a demonstration of the results of the optimisation of internal management processes, but also a firm commitment to the market.

## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT



Early delivery of the Xinxiang Huojia Jianye City Project



Early Delivery of the Shangqiu Yucheng Jianye Shihefu Project

## PRODUCT R&D AND INNOVATION

Relying on Central China Group's over 30 years of experience in product R&D and community service, CCMGT integrates superior resources to create "trusted brands, solid houses, smart residences, friendly communities, and rich experience" for customers. In this way, we could constantly expand the implications of "homes" and devise humane living scenarios.

We adhere to the product and service concept that "there is no reason to provide customers with defective products and second-rate services", and with this goal in mind, we carry out product R&D and innovation, covering architectural style, facade design, house design, landscape design, intelligent design, etc., and drive product iteration and upgrading with innovation to build the core competitiveness of CCMGT's products. Additionally, we have applied for special funds for product R&D and innovation to provide more high-quality resources, while fully leveraging the resources of design houses in cooperation with us and raising innovation awareness of these design houses to provide strong technical support for our ever-growing R&D and innovation capabilities. Within the Group, detailed R&D plans and assessment requirements have been developed to assign R&D work to persons. Externally, we increase communication and exchanges with our peers to become keenly aware of the development trends in the industry. All of these steps could boost our R&D practices to generate innovative results of higher quality.



## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

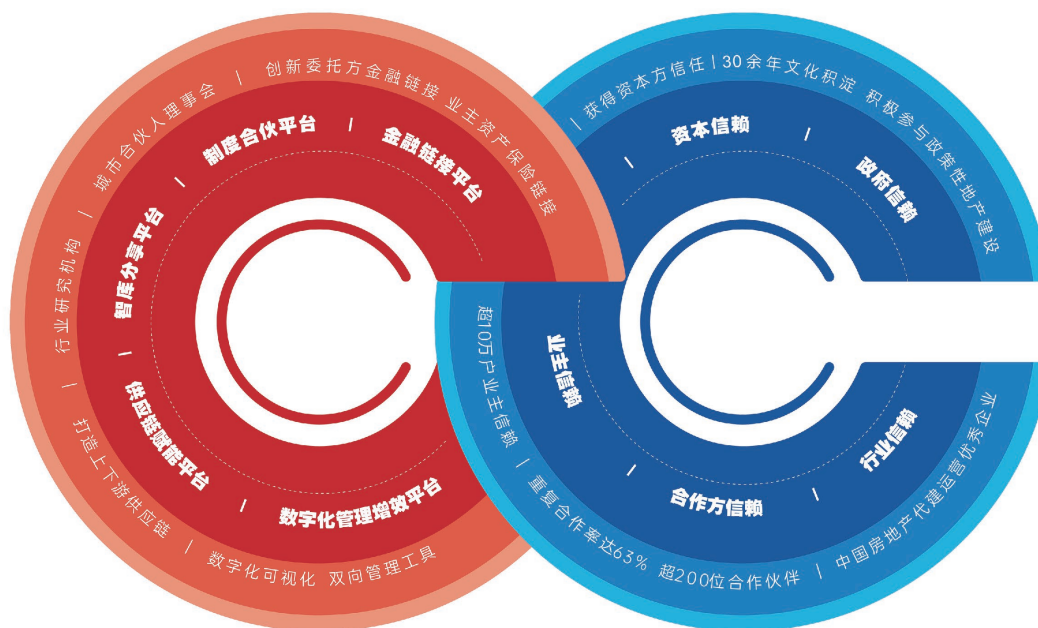
As per the basic principle of "leading by the headquarters and coordination by divisions", we have optimised our product development system in phases, with multiple specialities, and throughout the whole process, and established a management mechanism to grade and categorise projects for science-based and efficient management. Sensitive to market demand, we define innovation benchmarks according to project characteristics and conduct R&D innovation as actually needed by projects, to ensure the feasibility of innovation results. With close attention paid to the market adaptability of R&D results, we convert the existing innovation results into practical use. Additionally, we regularly review innovation projects to identify problems and make adjustments, with a view to better meeting what customers need. Green building practices and technologies are introduced as appropriate to contribute to the sustainable development of the environment.

### Full-process product innovation and upgrading

In this year's development of the Jianye City Project in Dancheng, Zhoukou, we conducted in-depth market research to ensure that our product innovations met market demand. Relying on our design resources, we have innovated house types after many rounds of scheme comparison and several facade upgrades, reaching an overall usable area ratio of 100%. Our integrated design of the demonstration area, including innovative design of architecture, landscape and decoration, has been highly recognised by the market and the industry, and was awarded the 2023 CSA Landscape Design Award — Silver.

In 2023, we adhered to our core service concepts, further strengthened our platformisation mindset, integration of capabilities and resources, and explored and experimented with a whole new direction of development. We formally launched the CCMGT' trust system — Project Management C Platform, aiming to build a more dimensional project management business platform. This platform will link all elements of project management, such as land, finance, supply chain and design, and is committed to ensuring that partners maximise the use of resources, achieving win-win cooperation and jointly promoting the innovation and development of the project management industry.

## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT



Model drawing of CCMGT's Project Management C Platform

In 2023, there was no major disputes or lawsuits related to infringement of intellectual property rights

Meanwhile, CCMGT works hard to protect its intellectual property rights (IPRs). We have established and complied with the Trademark Protection Mechanism for CCMGT in strict accordance with the Intellectual Property Protection Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and other pertinent laws and regulations as well as regulatory requirements in the country and regions in which we operate in order to ensure the stringent protection of copyrights, patents and trademarks, require compliant use of trademarks by employees, and avoid risks of infringement.

## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

### SUSTAINABLE SUPPLY CHAIN

CCMGT is committed to creating a healthy, promising and sustainable supply chain ecosystem with our suppliers. In strict compliance with the pertinent laws and regulations as well as regulatory requirements in the country and regions in which we operate including the Tendering and Bidding Law of the People's Republic of China and the Regulations on the Implementation of the Tendering and Bidding Law of the People's Republic of China, we have formulated and optimised the Supplier Management Rules to set out three basic principles and procedures for supplier management, realising the effective output of high-quality resources. We have three types of suppliers, that is, engineering, cost consulting, and design. As of 31 December 2023, we had 2,129 suppliers in our reserve, all of which are located in China. The distribution of suppliers by region is shown in Appendix II.

Principle of objectivity and fairness	Principle of information traceability	Principle of green procurement
During each step of supplier management, relevant participants must review and judge based on objectively presented data and information, evaluate all suppliers equally and independently, and truthfully reflect objective facts.	The supplier resource and information database are subject to supervision by all parties. Relevant data and information throughout the process shall be kept to ensure that the process can be traced back and the results can be scrutinised.	Taking environmental protection-related laws and regulations and national and industry standards as green procurement standards, CCMGT collects information on violations of laws and regulations in relation to environment released by government environmental protection departments, and manages suppliers in accordance with relevant conventions on the green supply chain of real estate.

#### CCMGT's supplier management principles

In 2023, **100%** of the cooperative suppliers complied with the environmental and social laws and regulations of the country and regions where it operates, and followed ISO 14001 environmental management system and ISO 45001 safety management system

On the basis of ensuring the quality of project works, we are vigorously promoting the construction of a sustainable supply chain. In the stage of supplier admission, we have formulated and implemented the Access Criteria for General Contractors and Subcontractors of Projects to strictly regulate the supplier selection and onboarding processes, ensure that all selected suppliers and related personnel has relevant qualifications to support the smooth implementation of projects. Meanwhile, to ensure the full utilisation of land resources, we require our construction teams to maximise the efficiency of land use considering local planning requirements and to avoid waste of resources by reducing the consumption of materials, such as rebars and concrete, through quota setting and cost optimisation. During the stage of project implementation, we strictly comply with the Environmental Protection Law of the People's Republic of China, collect information on violations of laws and regulations in relation to environment released by government departments in charge of environmental protection, use the ISO 14001 environmental management system and ISO 45001 safety management system as green procurement standards, and restrain suppliers in accordance with relevant conventions on the green supply chain of real estate to ensure that all suppliers can comply with the environmental laws and regulations in the places where they operate. Meanwhile, we actively explore scenarios in which new materials and new processes can be applied, and support suppliers to jointly explore a variety of cutting-edge eco-friendly materials and technologies such as ecological stone, new waterproof material called high density polyethylene (HDPE), and ground source heat pump, in the hope of reducing the consumption of non-renewable resources and practising the green concepts.

## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

To strengthen the management of suppliers and improve the quality of supplies for projects, we have set up a stringent supplier evaluation mechanism in which professional staff from urban companies and project companies lead and organise the relevant management works, including monitoring and evaluating the products delivered by suppliers and how they fulfil contracts. The targets under assessment are three milestones, i.e., basement structure, top-out of main structure, and acceptance check of a project completed. After the completion of the evaluation, project companies will send their evaluation results to the suppliers under assessment by email. The finalised supplier evaluation results will be used as one of the important references in future bidding and procurement processes.

In the future, we will continue to advance sustainable supply chain management, intensify the practice of circular economy at the level of corporate and value chain; we will optimise the use of resources via efficiency enhancement of supply chain, promote the standardisation of projects and products, and use green materials and processes to protect the environment; we will strengthen the management of supplier access, help suppliers in their capacity enhancement, and optimise supplier evaluation methods; and we will create value for our clients while assuming social responsibility with our partners to advance green transformation of their supply chain.

### CUSTOMERS' RIGHTS AND INTERESTS AND SATISFACTION

To achieve the original goal of meeting customer needs, CCMGT standardises its service process to fully protect customers' rights and interests, establishes a sound satisfaction survey system based on its asset-light model, listens carefully to customers' voices, and continuously improves the quality of its customer services.

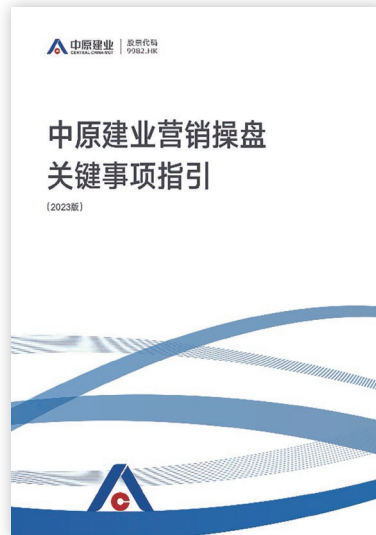
### Responsible marketing

Spearheaded by the "customer-centred" service concept, CCMGT strictly follows the pertinent laws and regulations as well as regulatory requirements in the country and regions in which we operate such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Advertising Law of the People's Republic of China, and has formulated and implemented a number of internal documents including the Operation Guide for Prevention of Legal Risks in Marketing for Commercial Housing and the Notice on Standardising the Use of Templates for CCMGT's Sales Agreements and Contracts. We ensure the compliance of commercial housing advertising and pre-sale promotion, and require that all projects shall conduct marketing and promotion activities in accordance with the template of Group and clearly set out the terms and conditions concerning the developer and the entrusted manager in a contract, with a view to eliminate the risk of false and excessive advertising and ensure marketing legality.

We continue to enrich forms of marketing and promotion to better reach customers. We will, before a project is signed, conduct thorough market research to understand the local customer base and the status of competing products, and precisely pinpoint the target customers of our product. In the later promotion stage, we will combine the characteristics of the city and the project to carry out diversified marketing and promotional activities through targeted means for higher efficiency. In 2023, we prepared and implemented a series of management and guideline documents, such as the Guidelines on Key Marketing Operations (Version 2023), Guidelines on 24-Hour Work in Sales Offices (Version 2023) and Management Rules on the Formulation of Sales Pitch (Version 2023), aiming to standardise, refine and streamline the management and control of marketing work, and to enhance the level of standardisation of the Group's marketing efforts.



## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT



Guidelines on Key Marketing Operations (Version 2023)

### Expanding brand influence via new media

We continue to explore diversified marketing channels, make full use of the dissemination function of the self-media, and actively build a self-media dissemination platform to expand the influence of our brand. In 2023, we joined hands with professional training organisations to hold the Douyin Online Marketing Skills Competition to enhance the professional ability of

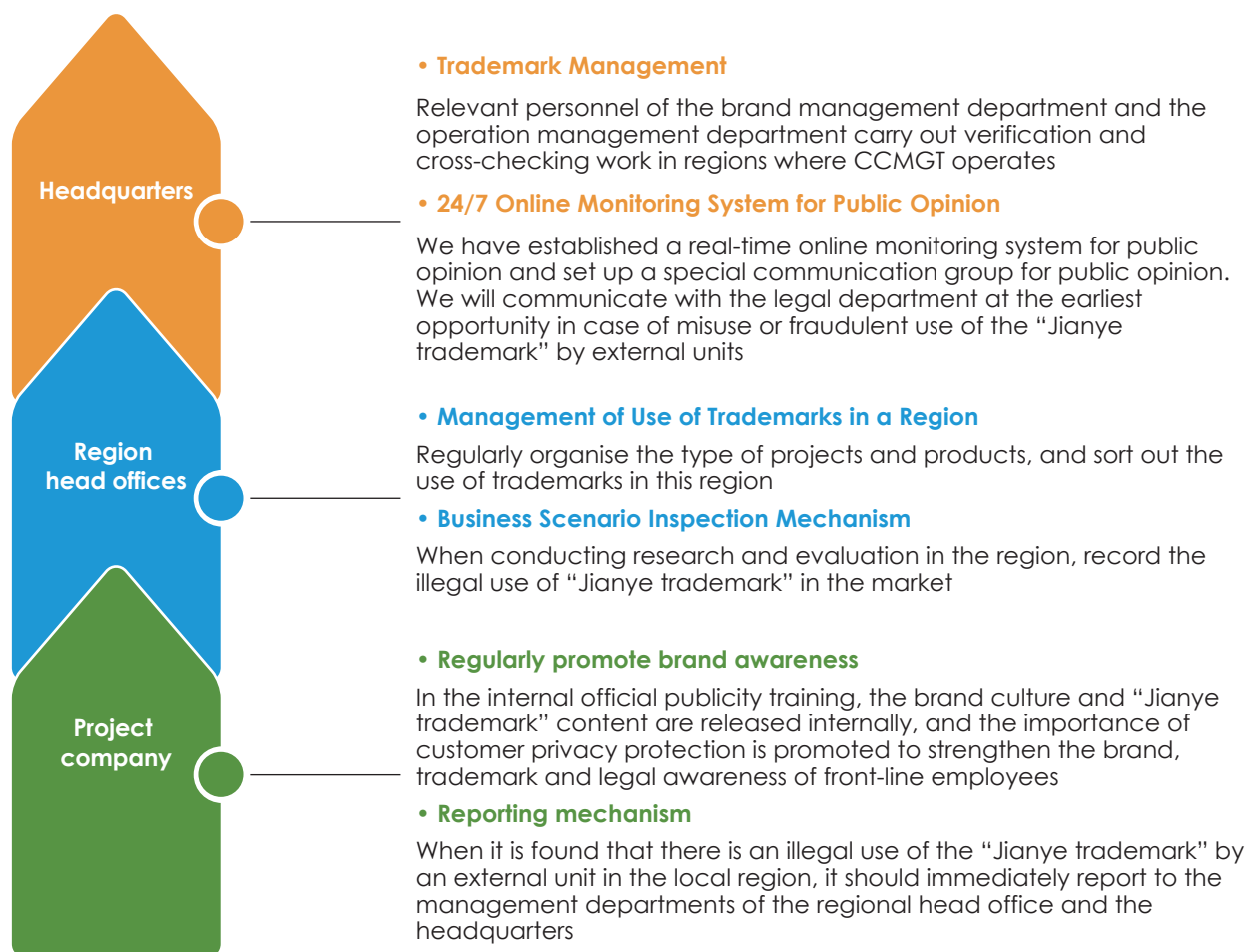
marketing personnel and stimulate their creativity through short video training and online competitions, with an aim to disseminate hotspots via the self-media platform, and to strive for a leading position in information dissemination at the kick-off stage of home purchase at hometown, which will help brand promotion and performance breakthroughs.

During the event, there were 89 projects in the competition, with more than 400 frontline participants, more than 2,000 uploaded entries, and millions of views from relevant videos with the keyword, "CCMGT's Star Live-streamer". This online media empowerment campaign has significantly increased the exposure of CCMGT's products, and we will further enhance the Group's brand communication capabilities through resource introduction and enhanced training.



## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

While actively launching a series of brand building activities, in order to guarantee a consistent and standardised brand identity system, we have formulated and implemented the Trademark and Information Protection Norms, which would bring the use of trademarks by the Group's headquarters, divisions and project companies under tiered management to ensure compliance of trademark use. At the same time, monitoring, inspection and reporting mechanisms have been established for the purpose of effective brand protection. If partners use the "Jianye" trademark for publicity and sales in other companies' projects without authorisation to obtain extra-contractual benefits, we will send them correspondences, such as the Letter of Trademark Infringement and the Lawyer's Letter, asking them to stop the infringement. For those who do not stop their acts, we will apply for arbitration or file a lawsuit to protect our legitimate rights and interests.



CCMGT's branding management measures

## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

### IMPROVING CUSTOMER SATISFACTION

CCMGT fully respects customers' rights and interests and listens attentively to customers' needs. CCMGT has formulated and implemented a number of internal documents such as the Customer Satisfaction Improvement Manual and the Key Points of Customer Satisfaction Surveying Management to continuously consolidate the foundation of customer satisfaction management system, establish inspection and supervision policies, provide proper pre-sales, in-sales and after-sales services, strengthen quality control, and eliminate irregularities such as making false promises or refusal to fulfil promises. In 2023, we newly compiled the "Community Force" Customer Care Business Guidebook and the "Siji Zhongyuan" Community Customer Care Practice Manual to build a "Community Force" customer care management system.

We set customer satisfaction targets and include them in our management indicators for assessment. We have broken down the customer satisfaction management work into four levels, that is, the Group's headquarters, divisions, project groups and projects. The headquarters supervises tasks of each division, project group and the implementation of projects on a monthly basis. At the same time, we organise training on customer satisfaction management every month to help employees enhance the service awareness, develop the "customer-centric" concept, and do better in customer satisfaction management. During the year, we commissioned a third-party organisation to conduct an annual customer satisfaction survey to understand our customers through a more accurate, focused and specific research method. Based on the results of the survey, we initiated a special analysis and took timely and targeted improvement measures to achieve closed-loop optimisation.

### Organising colourful property owners' events

On 19 August 2023, there was an event held for over a thousand owners starting a journey in the Jianye Movie Town. On the day of the event, the staff made early preparations and thoughtfully provided tea and snacks for the property owners awaiting departure. After a brief wait, the project staff organised the property owners to gather in an orderly manner and board the exclusive bus. Under the guidance of the project team, they smoothly arrived at the movie town. After taking photos at the entrance of the town, a time travel journey officially began, creating a memorable experience for the property owners.



## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

In 2023, we formulated the "Two Inspections" Management Rules for Service Quality. Through joint inspection and interactive inspection, we conducted comprehensive checks on the sales sites and delivery parks, enhancing communication and coordination with our partners and property companies. This allowed us to identify and resolve problems in a timely manner, strengthening our control over delivery quality. Our commitment is to continuously improve the quality of our products and services, with the goal of providing our customers with a satisfactory experience.

### Delivery management requirements of CCMGT

Carry out comprehensive risk screening	Strictly control the delivery quality	Design and plan the delivery process meticulously	Handle requests for repair promptly
Conduct delivery risk screening at different stages, such as 1 year, 180 days, 60 days and 15 days before delivery, review how the risk of customer complaints is handled and controlled, and ensure the problems raised by customers could be effectively solved before delivery.	Entrust a third-party company to carry out the delivery assessment before a project is delivered, and deliver the project only after the assessment is passed. Make a special plan for delivery quality improvement one month before delivery, and increase funding to ensure the quality of the project to be delivered.	A delivery kick-off meeting is held 45 days before a project is delivered to discuss the plan of delivery activities and make comprehensive arrangements for delivery planning, delivery packaging, delivery personnel, delivery process, gifts, etc. Engineering, marketing and property personnel are available to provide many-to-one value-added services during delivery.	A repair team is established 15 days before a project is delivered. The completion rate of reported repairs within one month of centralised delivery needs to reach more than 95%. Where customers raise problems upon delivery, dedicated persons will be arranged to follow up and enhance customer satisfaction.



## STRIVING FOR PERFECTION FOR METICULOUS MANAGEMENT

### Strict implementation of the "Two Inspections System"

In 2023, Shangqiu City Company of CCMGT actively responded to and implemented the "Two Inspections System" and launched 10 rounds of bimonthly inspections in the year, completing property service quality inspection for 19 projects. Inspection activities mainly focus on safety management, green management, equipment maintenance, service centre experience, cleaning services and renovation supervision and other core aspects of the assessment, and conduct multi-dimensional assessment on the quality of the project's property services through the "inspection + rectification + service contact evaluation" mode. In addition, through the rankings in the official documents and project support, we draw attention to inspections at subsidiaries, encouraging active rectification and fostering an atmosphere of competition, learning, mutual support, and continuous improvement. Through the strict implementation of the "Two Inspections System", Shangqiu City Company has achieved a steady increase in customer satisfaction in terms of break-in period and stable period compared to 2022.



We are dedicated to building up customer service capabilities by formulating and implementing the Guide for Management and Control of Customer Complaint Risks in Time Points to standardise the service standards and handling process of customer complaints, hear out customer feedback, quickly respond to what customers demand, comprehensively sort out and inspect important time points prone to customer complaints, and compile work reports on customer complaints, all of which are crucial to improving customer service quality and customer satisfaction. During the Reporting Period, the Group dealt with a total of 4,856 pieces of customer feedback with the complaint response rate of 100% and the complaint resolution rate of 97%.

In the future, we are committed to achieving management goals of improving delivery quality of products, enhancing delivery management mechanism and guaranteeing smooth delivery of projects. With the new asset-light satisfaction survey mode, we are able to promptly understand customers' needs and quickly respond to their feedback, thereby enhancing customer satisfaction with our delivery.

## MORAL EXCELLENCE, COMPLIANT OPERATION

CCMGT's firm commitment is to complying with the laws and regulations of the country and regions in which it operates, and a zero-tolerance policy has been established towards any form of corruption and bribery and other illegal and improper behaviour. We are committed to building a comprehensive and complete compliance management system and working with our partners to create an open and transparent business environment. In addition, we emphasise information security construction and enhance the level of information protection. Moreover, through continuous compliance training and publicity and education, we strengthen our staff's awareness of compliance and improve their ability to operate in compliance, so as to ensure that our operations are always lawful and compliant.

### Material issues in the section:

Compliant operation, anti-corruption and integrity building, customer information security

### KPIs covered in the section:

B7.1/B7.2/B7.3

There were **0** concluded legal cases regarding corrupt practices brought against the Group or its employees in 2023

## ANTI-CORRUPTION AND INTEGRITY BUILDING

CCMGT is committed to building a transparent and clean corporate culture to eradicate any form of corruption. We strictly comply with the laws and regulations and regulatory requirements of the country and regions where it operates, including the Company Law of the People's Republic of China, and regulate the behaviour of employees in accordance with the internal regulations and systems, including the Measures for Accountability of Violations of Rules and Regulations, the Supervision and Management System and the Employee Conflict of Interest Declaration and Filing System.

Aiming to establish a corruption-free mechanism in which our employees "don't dare, are unable, and have no desire to be corrupt", we guide them to practice the corporate spirit of "honesty, responsibility, integrity, focus, and concession". Dealing with both symptoms and root causes and attaching equal importance to punishment and prevention, we strive to establish a long-term and effective anti-corruption mechanism and create a clean and upright workplace. We require all new employees to report conflicts of interest and sign the Integrity Initiative, so as to regulate their professional conduct at the beginning. We emphasise the role of the management as role models and require them to set a good example to actively fulfill our commitment to integrity. In our dealings with external partners, we advocate corruption-free and honest partnerships, sign the Sunshine Agreement on Cooperation with all partners, and promise to "never give or accept bribes", aiming to jointly purify business environment based on good faith. In addition, by establishing risk data models in the spheres of procurement and marketing, we determined risk dimensions and indicators corresponding to the risk points of front-end business, facilitating systematic identification and automatic push of risks, and enabling us to intervene in reviews at both the prior and intermediate stages to effectively prevent and control risks, and to ensure the transparency and compliance of cooperation.

## MORAL EXCELLENCE, COMPLIANT OPERATION

1,800 minutes of anti-corruption training delivered to directors and employees in 2023

We formulated the Anti-Fraud and Reporting System in order to prevent fraud, strengthen corporate governance and internal control, and safeguard the legitimate rights and interests of the Company and shareholders. The office of the board of directors is responsible for managing the hotline and e-mail for reporting fraud cases, and designating a person to receive real-name or anonymous reports from employees or external third parties. We protect complainants and whistleblowers in the process of cooperating with investigations, in a bid to prohibit any illegal discrimination or retaliation.

We actively organised integrity-themed trainings to continuously strengthen the compliance awareness and ethical standards of our board members and all employees. We require our directors and employees to take courses related to the corporate culture of integrity at least once a year to warn them of various types of misconduct, and strengthen employees' awareness of anti-corruption through post-training tests. We set up a column of integrity on the official website of the Company, and actively promoted the corporate culture of integrity through channels like WeChat official accounts and internal office platform to create a good atmosphere of integrity.

## PRIVACY PROTECTION AND DATA SECURITY

CCMGT is committed to creating a secure and efficient digital management environment to safeguard information assets. We strictly comply laws and regulations of the country and regions where it operates, including the Personal Information Protection Law of the People's Republic of China, and have formulated internal documents, such as the Information Security Management Measures (Trial), the Management Measures for Digital Intelligent Intellectual Property Rights and the Information Asset Management System, covering the Group's organisations at all levels to guide privacy protection and data security.

In order to strengthen our privacy protection and data security capabilities, keep information controllable and under control, and ensure the effective protection and safe operation of important information, we established a comprehensive information security organisational structure responsible for the work related to privacy protection and data security, which is expounded as below:

- Digital intelligence leading group: It is responsible for reviewing and approving information security policies, systems and system plans, arranging establishment of information security systems, and ensuring business data security.
- Group headquarters operation department: It is the management department responsible for privacy protection and data security, working out information security policies, standards, management systems and system plans, organising information security trainings and enhancement projects, and supervising the implementation of information security work.
- Branches and subsidiaries: They are responsible for the management of privacy protection and data security of business units, publicising and implementing relevant policies and standards, ensuring the safe operation of the information systems of business units, carrying out information security inspections, and tracking and investigating information security violations of business units.

## MORAL EXCELLENCE, COMPLIANT OPERATION

In order to ensure data security from the source, we formulated the Table of Comparison of Post Authorities to clarify the correspondence and the mutual exclusion principle between each post and system authorities, and standardise the management of each post's data authorities, in a bid to ensure the safety of each business system. We classify employee accounts into three categories: general accounts, privileged accounts and super user accounts for management. A systematic application process was established for each category of accounts, specifying the requirements for account opening and related privileges, so as to ensure data security and increase the operational efficiency. Staffers are designated to conduct an annual review on accounts and privileges at the application system

level to verify the authority allocation mechanism and redundant accounts, etc. In the meantime, we have signed a security and confidentiality agreement with the external information system contractor to ensure the safe and smooth operation of our business.

We endeavor to protect customer privacy and personal data throughout the data lifecycle, prohibit any personnel from extracting customer information from both the enterprise and client sides, encrypt personal information in accordance with the GB/T 39786-2021 Information Security Technology — Baseline for Information System Cryptography Application, a national standard, and formulate corresponding policies and carry out data security-related work at each stage of the data lifecycle.



CCMGT's Data Lifecycle Management Initiatives



## MORAL EXCELLENCE, COMPLIANT OPERATION

We have built a digital marketing management system that manages customer information and business information by level and permission, and prevent information leakage through system watermarks. During the year, we organised security management training on project data risk points for employees based on the new system, aiming to raise their awareness of information security, teach how to identify and prevent risks, and ensure data security.

In order to reduce the risk of information security incidents, we classified information security incidents that lead to the loss or damage of information assets, affect the normal operation of information systems or even cause business interruption into four levels, namely extraordinarily serious incidents (Level I), serious incidents (Level II), major incidents (Level III) and ordinary incidents (Level IV). Besides, we also worked out emergency response plans for security incidents, determined the responsibilities of the persons in charge of businesses, technical support personnel and management personnel, and required timely actions to be taken from the very beginning of an incident, with a view to minimising the negative impacts brought about by incidents.

## TALENTS GATHER TOGETHER AND ADVANCE TOGETHER

CCMGT has always adhered to “people orientation” and strives to create a diversified, inclusive and equal employment atmosphere and a safe and healthy working environment for its employees. We continuously improved our human resources management system, protected the basic rights and interests of our employees, and supported their sustainable growth, striving to work with them to create a better future. We provide rich vocational training courses for our employees, smoothen employee development channels, and strengthen the support for outstanding talents, striving to provide challenging job opportunities with broad development space for them. Meanwhile, we fully affirm the value of employees and provide them with competitive compensation and benefits in the industry and care for them. No major labour disputes have occurred since the Group's inception.

### Material issues in the section:

Employee health and safety, employee compensation and benefits protection, employment management and compliance, employee training and development and employees' rights and interests and diversity

### KPIs covered in the section:

B1.1/B1.2/B2.1/B2.2/B2.3/B3.1/B3.2/B4.1/B4.2

## EMPLOYMENT MANAGEMENT AND COMPLIANCE

CCMGT regards talents as the source water for its development. We adhere to the value concept of “honesty, responsibility, integrity and focus”, uphold the employment principle of “stressing both integrity and competence, putting integrity first”, and attract outstanding talents on an equal and diverse basis, aiming to create an open and win-win talent system. We are committed to creating a diversified and inclusive working environment and development path for all employees, selecting and appointing talents in a fair and transparent manner, respecting and protecting the human rights of employees, and providing equal working opportunities for all job applicants without treating them differently because of geography, ethnicity, race, gender, nationality, language and religion.

## TALENTS GATHER TOGETHER AND ADVANCE TOGETHER

In 2023, **no** child labour or forced labour was found in the Group

We strictly comply with laws and regulations of the country and regions where we operate, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law on the Protection of Minors of the People's Republic of China, the Law on the Protection of Rights and Interests of Women and Children of the People's Republic of China, and the Provisions on the Prohibition of Using Child Labour. We have formulated and implemented a series of internal management systems and policies, such as the Recruitment Management System, the Labour Contract Management Rules, the Management System of Human Resources Changes and the Attendance Management Rules, in order to ensure equal treatment for employees in recruitment, promotion, salary, benefits, training, appraisal, relationships, communication and more, and put an end to forced labour and child labour. In order to protect the legality and compliance of employment, we strictly check the age and identity of new hires when they join us. If one is found to have provided false information, we will immediately terminate his/her employment procedures and disqualify him/her from employment. Since our inception, we have signed labor contracts with all our employees based on the principles of equality, voluntariness and consensus. According to the characteristics of the positions, we adopt the work system of eight hours a day, five days a week. In case of voluntary overtime work due to emergency, we will give employees certain days off or overtime pay, in order to protect their legitimate rights and interests.

We continue to optimise our talent coordination plan and improve our talent system. The Human Resources and Administration Department is responsible for scientifically and reasonably formulating employment demand plans in accordance with our annual development strategy and employment structure, and making dynamic adjustments in light of the actual employment situation. Through rational planning and practical actions, we promote the construction of the talent team in all aspects to ensure sufficient talents, excellent quality and reasonable structure. During the year, we mainly recruited employees through shared recruitment platforms, online media, campus recruitment and internal referrals, etc. Meanwhile, we continuously paid attention to and endeavored to retain our existing outstanding talents and strengthened the setup of our reserve talent echelon.

To enhance staffing stability, we offered a series of incentives, such as long service awards and dividends. We also conducted regular interviews to understand staff's views and suggestions on our business operations and talent management, and regularly analysed and summarised the reasons for staff departures so as to take timely measures to solve the management problems that have led to their departures.

In addition, we care for our workers on the verge of retirement. The Management Measures for Retirement of Employees was formulated in accordance with national laws, regulations and policies, including the Labour Contract Law of the People's Republic of China, and the Provisional Measures of the State Council on Retirement and Resignation of Workers. More than that, we have formulated and implemented on a trial basis the Management Measures for Retirement of Employees in the light of our actual situation. We have effectively protected the legitimate rights and interests of retired employees by promoting the institutionalisation and standardisation of the conditions and benefits for retirement, review and approval procedures and staff requirements.

## TALENTS GATHER TOGETHER AND ADVANCE TOGETHER

As of 31 December 2023, the Group had **877** full-time employees

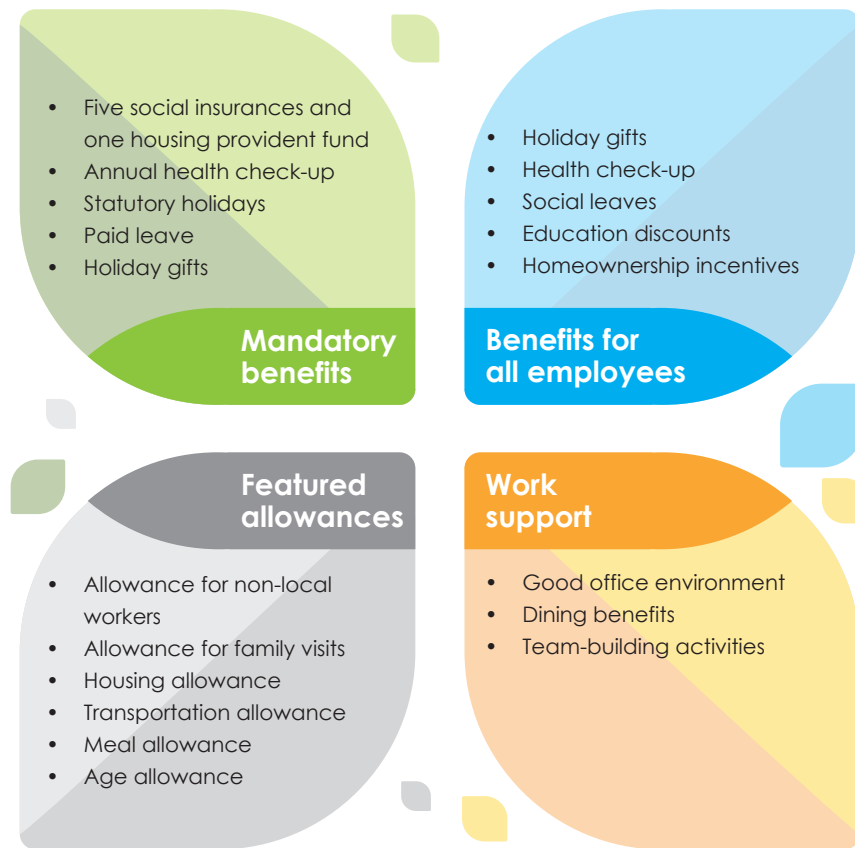
As of 31 December 2023, the Group had 877 full-time employees. The number of employees by gender, employee rank, age group and geographical region is shown in Appendix II.

We strive to provide our employees with competitive labour compensation to ensure that their labour output matches their compensation. Continued efforts were made to strengthen the construction of the remuneration and benefits system. Through the implementation of the Management Rules for Accounting and Payment of Remuneration, we have constructed a differentiated remuneration system that is commensurate with responsibilities and abilities, adapts to our business, takes into account market competition, and is linked to business performance. We have established a multi-level remuneration system of "basic salary + performance salary + bonus + allowance" to provide employees with industry-competitive remuneration. At the same time, we set the pay mix according to the different job ranks of our staff and adjust salaries when appropriate to improve their working enthusiasm.

We provide employees with statutory benefits in accordance with laws and offer additional benefits to demonstrate our humanistic care and enhance their sense of belonging. The Employee Welfare Management System has been in place, under which we make contributions to five social insurances and one housing fund in full and on time for all employees, and offer statutory benefits like paid holidays. We attach great importance to value sharing with our employees and provide them with a series of additional benefits, such as housing subsidies, transportation subsidies, employer's liability insurance, employee medical checkups, holiday benefits, to enhance our attractiveness to outstanding talents.



## TALENTS GATHER TOGETHER AND ADVANCE TOGETHER



CCMG'T'S EMPLOYEE WELFARE SYSTEM

We effectively evaluate the performance of our employees through a scientific and reasonable talent review, and closely integrate our performance, employee performance and employee income. The Group evaluates the performance of its employees in a year by means of debriefing, performance evaluations, and so forth, and assesses their business capabilities through professional behavioral assessments or professional examinations. In order to help our employees further enhance their work competence, after the completion of the talent review, we carried out targeted labour efficiency enhancement and talent echelon training based on performance feedback and competency assessment, with which they improve their personal effectiveness, achieve their value, and lay a solid foundation for the continuous growth of our performance.

## TALENTS GATHER TOGETHER AND ADVANCE TOGETHER

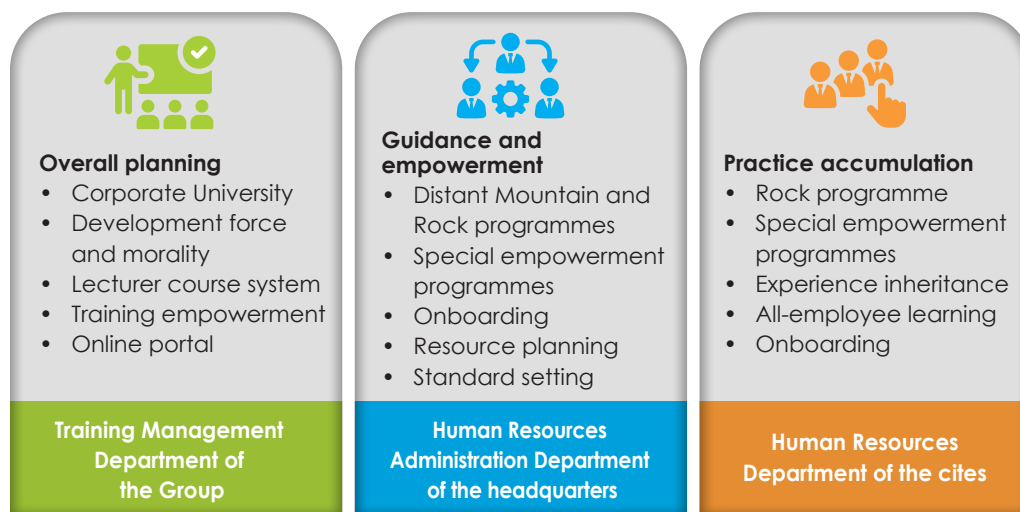
### EMPLOYEE TRAINING AND DEVELOPMENT

In line with the Group's strategy and business development direction, CCMGT, aiming to train qualified managers and professionals, seeking to be systematic, proactive, and diversified and adhering to three orientations, has built a diversified talent training system for different levels and sequences, and provided a platform for employees to learn and grow. We have established a sound "city-headquarters-Group" three-tier training management system, continuously built and managed our in-house team of lecturers, improved the quality of training courses, expanded the coverage of training, enriched the learning resources, and taken various measures to enhance specialization and career development of our employees. In 2023, we formulated and published internal policies, such as the Daily Work Management Mechanism (Version 2023), the Training Management Measures (Version 2023), the Cadre Management Measures (Version 2023) and the Talent Selection and Cultivation Management Measures (Version 2023), to further improve the institutional foundation for talent management.

For new incomers, we provided two major types of training, namely comprehensive training and segment training, to help them fully understand our business and culture before they join us. Targeted training activities were held on professional skills and vocational qualities for our employees according to the needs of each position. Moreover, we have gradually stepped up efforts to train excellent internal talents by establishing the talent training plan comprised of Star Programme, Vast Ocean Programme, Distant Mountain Programme and Rock Programme. We accurately customised reserve training plans for senior, middle and grassroots managers based on our strategic plan and development needs, mulled over promotion routes for employees at all levels, and assisted them in clearly identifying the direction of their growth.

In 2023, the total number of employees trained by the Group was **877**, with the percentage of employees trained of **100%**

In 2023, the Group's employees received a total of **14,032** hours of training, with the average training hours completed per employee of **16.00** hours



The "cities-headquarters-the group" three-level training system of CCMGT

## TALENTS GATHER TOGETHER AND ADVANCE TOGETHER

### Special training for employees

In 2023, we dispatched the heads of the Business Development Department, the Brand Marketing Department, the Audit and Supervision Department and the Integrated Management Department of the Group's head office to participate in project management-related learning and exchanges in Guangzhou, who wrote a report of nearly 10,000 words, enabling the departmental heads to broaden their mindset, enhance their horizons, and learn about dynamics. In addition, we organised a training program for our management themed on "Learning from the PLA on culture shaping and execution", aiming to improve organisational standing and leadership. All staffers were required to learn the spirit of the Group's annual management meeting, which was conveyed to the Group's headquarters, city companies and project departments.

In order to examine the training results, after each training session, we encourage staff to evaluate the courses and programs in the online evaluation platform of the Jianye College, and require the trainees to fill in training evaluation forms through an online questionnaire and archive them. According to the evaluation results, we optimise and adjust our training programs to ensure the effective implementation of training, helping our employees to enhance their business capabilities and providing human resources support for the stable implementation of our business strategies.

## TALENTS GATHER TOGETHER AND ADVANCE TOGETHER

### EMPLOYEE HEALTH AND SAFETY

CCMGT sees its employees as the core competitiveness of its sustainable development. We endeavor to create a healthy and safe working environment and provide all-round practical protection for them to enhance their sense of belonging and happiness.

In 2023, **100%** of the Group's employees underwent medical checkups

With great importance attached to the physical and mental health of our employees, we have formulated internal systems, such as the Employee Care Management Rules, to protect their occupational safety. We cooperate with top-ranked hospitals in the regions where we operate to arrange annual free medical checkups for our employees and provide services related to health report interpretation, consultation and reexamination. In addition, in order to enhance humanistic care and encourage employees to carry forward the spirit of mutual assistance, we have set up a "family aid fund" to provide assistance to employees who are impoverished due to illness.

We advocate the concept of "healthy work, happy life" and support our employees in achieving work-life balance. In order to protect the work convenience and health of our employees, we carry out a variety of activities to enrich their spare life and deepen the interaction and communication among them.

In 2023, the Group saw no serious work-related injuries

In view of the risks that may be caused by extreme weather, we set up a leading group for flood control during rainy periods, formulated the Flood Control Emergency Plan, and carried out flood control at three levels, namely, "cities, city companies and projects". We emphasise safety management by providing fire extinguishers for office areas, dormitories, company cars and so on, and raise awareness of safety precautions through fire drills.

## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

With an attitude of proactive commitment to social responsibility and the concept of sustainable development, CCMGT strives to build a business ecology that is in harmony with nature, in order to pursue economic benefits and minimise adverse impacts on the environment by taking effective measures. We actively carry out green practices in building design, material selection, construction and other phases to promote the popularization and construction of green buildings and provide the public with a more comfortable and environmentally friendly living environment. We also advocate green operations, take practical actions to fulfill our environmental commitments, and enhance resource use efficiency as far as possible to minimise resource wastage and avoid unnecessary carbon emissions.

### Material issues in the section:

Development of green buildings and green communities, material use, waste management, water resources and water use efficiency, energy conservation, emission reduction and response to climate change, and exhaust management

### KPIs covered in the section:

A1.5/A1.6/A2.3/A2.4/A3.1/A4.1/B5.4

## GREEN BUILDINGS

CCMGT actively develops green buildings, integrates factors, including greenness, energy conservation, safety and health factors, into the whole process of a project from design and planning to production and construction, and adheres to green balance to optimise the living environment of owners and promote the low-carbon and sustainable development of the industry. Meeting the green building rating standards, we actively responded to the regulations and policies of the regions where we operate, such as the Regulations on Promoting the Development of Green Buildings in Henan, the Three-Year Action Plan for Promoting Stable and Good Ecological Quality in Henan Province (2023-2025), the 14th Five-Year Plan for Ecological Environmental Protection and Ecological Economy Development in Henan Province, the Guidelines for Investigation of Soil Pollution Status of Land for Construction in Zhengzhou City (Trial), and the Management Measures for Key Supervisory Units for Soil Pollution in Zhengzhou (Trial), and strictly satisfied the relevant

requirements in the areas of consultation, design, supervision, and quality control. We adopted the materials, equipment, and systems that satisfy the requirements for star rating of green buildings for the elements, such as walls, windows and door systems, the heating, cooling, and ventilation systems, and the lighting equipment, in order to advance the construction of green buildings.

### Green Design

We, which uphold the design concept of science, eco-friendliness and health, adheres to the integrated design of architecture, landscape and decoration, and breaks through barriers to focus on multi-disciplinary, full-process design, with the overall design based on "green" and "health", with a view to creating a new low-carbon and livable residential community. We actively utilise green technologies and concepts in our product design process, such as natural lighting design, use of building insulation materials, installation of a ventilation system, use of new energy sources, and expansion of green space, to enhance the environmental performance of buildings on all fronts. At the same time, we also follow the principle of people centeredness, attach importance to the feelings of building users, and adopt a diverse approach to build a healthy, comfortable and high-quality living environment, aiming to convey the belief of sustainable development to the public through visual and usage details.

### Green Materials

We strictly control the selection of raw materials, control the quality of buildings from the source and their impacts on the environment, and practically integrate the concepts of environmental protection and ecology into projects. We fully consider eco-friendliness factors in the procurement of building materials, add environmental protection clauses in the contract terms to bind suppliers, and conduct stringent reviews on all materials. A four-tier material inspection mechanism from the Group to projects, with inspections at all levels, ensures that eco-friendly material grades comply with the relevant national standards. Furthermore, we also continuously track and evaluate the environmental performance of our products through our technical department, in order to promote the application and improvement of green building materials.



## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

### Interior Basic Building Materials

Concrete and other basic building materials used indoors must undergo stringent testing by authoritative environmental departments. Such materials can be put into use only when they have relevant certificates such as factory certificates, factory test reports, and re-testing reports, so as to ensure that the content of radioactive substances is lower than the national standard limit, and ensure the safety and harmlessness of users' living environment.

### Facade Insulation, Coating Materials and Decorative Materials for Public Areas

In the selection of exterior insulation, coating materials and decorative materials such as ceramic tiles for public areas, we insist on selecting the products of renowned domestic and foreign suppliers, and establish long-term partnerships with brands that have a good record of environmental protection. With their high standards of environmental certification and good market reputation, we require them to meet the requirements for aesthetics and durability and minimise the impact on the environment, in a bid to ensure a green and eco-friendly living space and comfortable user experience.

### Energy-Saving Materials

Energy-saving materials and components shall pass third-party testing to ensure compliance with environmental requirements. The testing agency conducts on-site energy-saving tests before house delivery to strictly ensure that the key materials meet the energy-saving standards.

CCMG's green material selection management measures

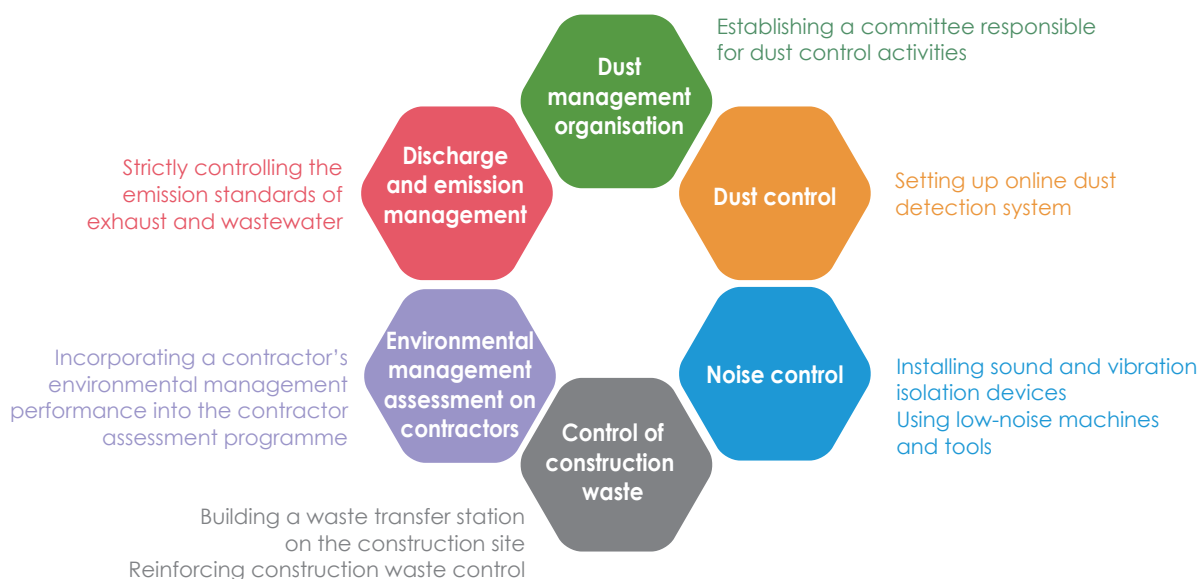
## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

We prioritise the use of new environmentally friendly materials instead of traditional ones to better implement the concept of green buildings. By replacing traditional cement mortar with gypsum mortar, we improve the construction quality of wall surfaces and ensure the firmness and smoothness of the wall plastering layer. Beyond these, low carbon, recycling, low pollution, and heat insulating properties help save energy and minimise emissions during the construction and use of buildings and thus reduce the impact on the environment. We use non-curing waterproof materials and take advantage of their long-lasting and stable waterproof performance to minimise the need for frequent repairs due to waterproofing failures at a later stage, thus reducing repeated environmental disturbances and resource consumption during the construction process. Their low volatility ensures that they have a low impact on air quality.

### Green Construction

As a project management service provider appointed by a project owner, we are responsible for advising project owners on the compliance requirements related to environmental protection, and supervising and urging contractors to take proper environmental protection measures during the construction process, although we do not take any responsibility for the projects under management that violate relevant environmental laws and regulations.

We formulated the Operation Directive for Management of Ineffective Cost to guide project selection, ensuring that construction projects will not cause serious damage to the natural environment, and seeking to achieve harmony between people and the natural environment, and between buildings and the natural environment, and opted for reasonable construction technology solutions and construction organisational arrangements to further cut the scrap rate. Moreover, we have formulated and implemented the laws and regulations of the country and regions where projects under management are located, including the Standards on Safe and Civilized Construction and the Management Measures for Investigation into Constructors, based on the Law on the Prevention and Control of Noise Pollution of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China, the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China, and the Regulations on Environmental Protection Management for Construction Projects. All project companies and contractors are required to optimise construction procedures and take advanced measures to meet dust control, noise control, air emissions and wastewater discharge control standards and various environmental protection requirements.



CCMGT's Safe and Civilised Construction Control Measures

## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

We continue to explore environmental protection and energy-saving opportunities in the construction field, starting from the details with innovative means, integrating ecology and technology, providing energy-saving and environmental protection solutions for projects while ensuring quality, and putting the concept of sustainable development into practice. For example, during the construction process, we have adopted floor-free flooring technology to simplify the construction process and material usage, reduce resource consumption and waste generation. While improving construction efficiency and reducing costs, since there is no need for a thicker floor structure, it is also beneficial to save internal building space to a certain extent, indirectly reducing the impact of building expansion caused by space requirements on the environment; By optimising the construction process of the basement roof, we have upgraded from the previous slope-finding layer to structural slope-finding, which greatly reduces the loss of resources and labor input in the construction work. To address the poor drainage, a longstanding problem facing traditional garages, we have introduced the siphon drainage system to drain the excess water from the garage roof given the pressure differences of water columns and collect it for greening irrigation, which could serve the dual purpose of eliminating potential hazards and reclaiming water resources.

### GREEN INDUSTRY

We actively explored during the process of practice, taking multiple measures to extend the green concept to the entire industry chain. We worked with upstream and downstream partners to create a sustainable business ecosystem. At the same time, we will deepen industry exchanges and cooperation through various forms and make unremitting efforts to promote the green transformation of the industry and even the society.

We are vigorously promoting investment in the industrialisation of housing, which can not only reduce the consumption of building materials and energy, but also effectively shortens the construction period. The development of industrialisation can also continuously improve the practicability of projects and the livability of the environment. In recent years, we have continuously increased the investment in product research and development, focused on promoting product standardisation and industrialisation, and achieved the target of energy conservation in projects through efficient construction schemes and designs.

By adhering to the concept of openness and win-win, we have been on the road of platform building and improvement, and are committed to building a platform for co-creation and sharing. In 2023, we launched a new business model of project management — the Project Management C Platform, which aims to link financial institutions, AMC institutions, upstream and downstream suppliers, etc. through platform thinking to jointly promote green buildings and sustainable development.

We also actively participated in industry events related to green buildings, shared cutting-edge industry information and best practices with partners and professionals in the field, and jointly explored green and sustainable solutions. We are committed to enabling the green transformation of the industry and promoting green development of the industry.

## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

### CCMGT attended the 14th China Real Estate Scientific Development Forum

On 22 November 2023, CCMGT was invited to attend the 14th China Real Estate Scientific Development Forum organised by the China Real Estate Association. The theme of the Forum was "New Stage, New Model", and the China Real Estate Association's Project Management Branch was established to promote internal self-discipline in the industry and connect more industrial resources. On 23 November, CCMGT attended the project management forum and discussed new models and new developments with government and association leaders, industry experts, and representatives of construction agency companies. They jointly explored green and sustainable solutions to lead the industry to develop new models, and move towards a new stage of joint sustainable development. In the future, CCMGT will give full play to its own advantages in brand, resources, system, experience and management, and fully support the development of the Project Management Branch of the China Real Estate Association, so that project management can contribute new strength to the transformation of real estate to a new sustainable development model.



## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

Our leading position and service quality in the field of green buildings have been highly recognised by all walks of life and have won many honours. In 2023, CCMGT was awarded the title of "2023 Leading Brand of China Real Estate Green Agent Construction Companies".



2023 Leading Brand of China Real Estate Green Agent Construction Companies



## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

As of 31 December 2023, our businesses were in compliance with the applicable national and local environmental laws and regulations in all material aspects, and we were not severely punished due to violations of existing environmental laws or regulations.

### GREEN OPERATION

Adhering to the operation concept of green, clean and low-carbon, CCMGT continues to strengthen its management capabilities for resources and emissions within its own office areas and the operating scope of managed projects, optimises the energy structure, promotes the development of a circular economy, and is committed to reducing the negative environmental impacts that may be caused by advanced operation processes, ensuring a clean and environmentally friendly operating environment, and actively fulfilling its environmental protection responsibilities. Our primary water source is from municipal water supply and we have no difficulty in obtaining water sources. We save energy, land, water and materials to the maximum extent in all business operations to protect the environment and reduce pollution, and are committed to providing healthy, applicable and efficient use space for stakeholders.

We strictly abide by the Environmental Protection Law of the People's Republic of China and other laws, regulations and regulatory requirements of the countries and regions where we operate, formulate and implement the Office Environment Management Measures, and encourage employees to practice green office behaviours and create a green office environment. According to the Office Environment Management Measures, we clearly require all employees to consciously enhance their environmental awareness for saving electricity and water. Specifically, employees are required to power off devices when leaving the workplace and never leave lights on and keep water tap running. Moreover, we standardise the production of all kinds of printed matter and strictly prohibit issuing paper invitations and greeting cards within our Group. Any one who violates the Office Environment Management Measures will be criticised within the Group. The misconduct will be included into his/her performance appraisal.

We also call on employees to take the initiative to become practitioners and enablers of low-carbon offices through low-carbon office publicity and advocacy. We encourage paperless offices and only print documents on both sides when necessary to save office paper. Sterilised ceramic drinkware is used where there is a visitor, and employees are encouraged to bring their own drinking cups or glasses to minimise the use and waste of disposable paper cups. At the same time, we actively take measures to save energy and reduce emissions to promote environmental improvement projects, with a view to reducing air and greenhouse gas emissions, reducing waste generation, and improving energy and water use efficiency.

### RESPONSE TO CLIMATE CHANGE

CCMGT pays ongoing attention to global climate risks. We are dedicated to identifying and evaluating risks related to climate change and formulating coping strategies to enhance our ability to respond to climate change and help achieve the national goal of "peaking carbon dioxide emissions by 2030 and achieving carbon neutrality by 2060". Meanwhile, to further respond to the concerns of the public, we have systematically disclosed our governance, strategies, risk management, and indicators and targets for addressing climate change with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), providing relevant information for stakeholders.

## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

### Governance

The Board of the Company, as the highest decision-making body, is responsible for coordinating climate change-related matters across the Group, assessing the major climate risks and opportunities facing the Group, reviewing climate change-related policies, and overseeing the implementation of such policies to ensure that the Group could effectively manage climate change risks and opportunities during its operations. At the same time, our ESG working group is responsible for assessing climate risks and formulating policies to address them. By formulating plans, mobilising resources and cooperating with other departments to implement the relevant policies, the Group, as an executive, will do a good job in coping with climate risks, thereby mitigating the negative impacts of climate change on the Group's sustainable development.

### Strategies

In order to withstand climate risks such as floods, heavy rainfall, and extreme heat and cold, we incorporate climate change into the stages of project design and material selection with a view to ensuring that our construction projects are resistant to all types of climate extremes throughout their life cycle. In addition, we have formulated emergency response plans for flood control during the rainy season and heat relief in summer to ensure that our project sites can handle all kinds of acute weather extremes with ease, to effectively prevent and handle all kinds of natural disasters following catastrophic weather events, and to minimise the unexpected damage caused by such events.



Construction sites are designed to be 1-1.5 metres higher than the surrounding municipal roads to cope with the impacts of possible extreme weather events, such as flood disasters and heavy rainfalls, in the future.



We choose materials with good water permeability, such as pervious concrete and small stones, which can effectively improve the infiltration of rainwater, thereby effectively reducing the loss caused by floods.



The property management staff cleaned up the drainage facilities, such as ditches and rainwater grates, in the ecological forest land in time to avoid the hidden danger of waterlogging.



A landscape ecological woodland system was established and integrated into the rain garden to effectively collect, store and discharge rainwater during the rainy season. We reduce the impact of extreme weather on residential areas by improving and optimising the microclimate.



We initiate winter construction measures in low-temperature weather, which include the use of antifreeze, reasonable arrangement of work processes, and creation of a small temperature-friendly environment for key processes.



In response to high temperatures, building materials with excellent thermal insulation properties, such as low-E tempered glass, are used.

#### CCMG's moves to cope with extreme weather events

## COEXIST WITH NATURE, AND INTEGRATE WITH ECOLOGY

In addition, we will actively answer the national call to seize business opportunities brought about by climate risks, study and implement the “double carbon” policies, optimise our business flows to save energy and cut emissions, and promote green buildings to form a harmonious ecosystem.

### Risk management

We have identified the risks and opportunities related to climate change with reference to the TCFD recommendations, and explored the opportunities and challenges facing it in its pursuit of sustainable development amid global warming. In terms of climate risk, we have divided climate risks into two dimensions for assessment, that is, physical risks and transition risks; Specifically, physical risks include but are not limited to hurricanes, earthquakes, droughts, extremely cold and hot weather events, landslides and mudslides, and extreme rainfall. These climate risks could cause acute hazards and huge losses to entities. Transition risks include but are not limited to the risks related to goal of “peaking carbon emissions and achieving carbon neutrality”, carbon trading market, green building, and other relevant policies. Since these risks tend to have a long-term and far-reaching impact on the business, we will gradually incorporate them into our strategic planning and explore coping measures and initiatives.

In the future, we will continue to assess the potential hazards of climate risks and formulate corresponding measures, gradually clarify climate risk response goals, formulate a roadmap for responding to climate risks, and implement measures to comprehensively enhance climate resilience.

### Indicators and targets

We will develop quantitative targets around green operations and green buildings in a progressive way, continuously improve internal resource utilisation efficiency for the purpose of energy conservation and emission reduction, and explore the application of green innovative technologies to reduce pollution on the environment and mitigate the impact of climate change.

## COMMUNITY CO-BUILDING BY YOUR SIDE

Guided by the corporate value of "taking roots in central China, conferring benefit on the people", CCMGT undertakes corporate social responsibility, continuously pays attention to social needs, and gives back to the society in a variety of ways. We integrate internal and external resources, and while providing quality services to our customers, we consciously assume the responsibility of corporate citizenship, and are committed to improving the quality of life of the people, seeking welfare for the people, and contributing to society through practical actions.

### Material issues in the section:

Promoting community development, Philanthropy and volunteer services

### KPIs covered in the section:

B8.1/B8.2

CCMGT sincerely fulfils its social citizenship responsibilities and is committed to creating a safe, secure and harmonious community atmosphere. It devotes itself to community services with practical actions, provides convenience for the community, provides warm services to people, and adds warmth to the community with its love and sincerity for the city. We actively carry out colourful community activities, such as housekeeper visits, owner film festivals, knife sharpening services, health examinations, community flea markets, children's painting competitions, photography competitions, etc., and provide some surprise services from time to time to enrich the community life of owners to create a warm and friendly community culture, and help owners achieve a happy life.

## COMMUNITY CO-BUILDING BY YOUR SIDE

In accordance with the newly revised "Siji Zhongyuan" Community Customer Care Practice Manual, we carry out a variety of community care activities oriented to the needs of owners, including care for festivals, special weather, important moments, special group, housing eco-node, and people-friendly service, etc., so as to enhance the quality of life of the owners in a multi-pronged manner.



CCMGT "Siji Zhongyuan" Community Care Service



## APPENDIX I: INDEX FOR THE ESG REPORTING GUIDE

ESG indicators		Disclosure	Corresponding Sections
Area: Environmental			
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.	Disclosed	Coexist with Nature, and Integrate with Ecology
A1.1	The types of emissions and respective emissions data.	Disclosed	APPENDIX II
A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions and intensity.	Disclosed	APPENDIX II
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Disclosed	APPENDIX II
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Disclosed	APPENDIX II
A1.5	Description of emission target(s) set and steps taken to achieve them.	Disclosed	Coexist with Nature, and Integrate with Ecology
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of measures to reduce waste produced and the results achieved.	Disclosed	Coexist with Nature, and Integrate with Ecology

## APPENDIX I: INDEX FOR THE ESG REPORTING GUIDE

ESG indicators		Disclosure	Corresponding Sections
A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Coexist with Nature, and Integrate with Ecology
A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total and intensity.	Disclosed	APPENDIX II
A2.2	Water consumption in total and intensity.	Disclosed	APPENDIX II
A2.3	Description of energy efficiency programme(s) and the results achieved.	Disclosed	Coexist with Nature, and Integrate with Ecology
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency programme(s) and the results achieved.	Disclosed	Coexist with Nature, and Integrate with Ecology
A2.5	Total packaging material used for finished products and, with reference to per unit produced.	The KPI is not applicable since the Group's operations do not involve the use of packaging materials	
A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Coexist with Nature, and Integrate with Ecology
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Coexist with Nature, and Integrate with Ecology

## APPENDIX I: INDEX FOR THE ESG REPORTING GUIDE

ESG indicators		Disclosure	Corresponding Sections
<b>A4: Climate Change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	Coexist with Nature, and Integrate with Ecology
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.	Disclosed	Coexist with Nature, and Integrate with Ecology
<b>Area: Social</b>			
<b>B1: Employment</b>			
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, antidiscrimination, and other benefits and welfare.	Disclosed	Talents Gather Together and Advance Together
B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed	APPENDIX II
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	APPENDIX II

## APPENDIX I: INDEX FOR THE ESG REPORTING GUIDE

ESG indicators		Disclosure	Corresponding Sections
<b>B2: Health and Safety</b>			
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.	Disclosed	Talents Gather Together and Advance Together
B2.1	Number and rate of work-related fatalities.	Disclosed	APPENDIX II
B2.2	Lost days due to work injury.	Disclosed	APPENDIX II
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Talents Gather Together and Advance Together
<b>B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Talents Gather Together and Advance Together
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Disclosed	APPENDIX II
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	APPENDIX II

## APPENDIX I: INDEX FOR THE ESG REPORTING GUIDE

ESG indicators		Disclosure	Corresponding Sections
<b>B4: Labour Standards</b>			
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.	Disclosed	Talents Gather Together and Advance Together
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Talents Gather Together and Advance Together
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Talents Gather Together and Advance Together
<b>B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Striving for Perfection for Meticulous Management
B5.1	Number of suppliers by geographical region.	Disclosed	APPENDIX II
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.	Disclosed	Striving for Perfection for Meticulous Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Striving for Perfection for Meticulous Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Striving for Perfection for Meticulous Management



## APPENDIX I: INDEX FOR THE ESG REPORTING GUIDE

ESG indicators		Disclosure	Corresponding Sections
<b>B6: Product Responsibility</b>			
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.	Disclosed	Striving for Perfection for Meticulous Management
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The KPI is not applicable since the Group's operations do not involve products subject to recalls for safety and health reasons	
B6.2	Number of products and service-related complaints received and how they are dealt with.	Disclosed	Striving for Perfection for Meticulous Management
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Striving for Perfection for Meticulous Management
B6.4	Description of quality assurance process and recall procedures.	Disclosed	Striving for Perfection for Meticulous Management
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Striving for Perfection for Meticulous Management

## APPENDIX I: INDEX FOR THE ESG REPORTING GUIDE

ESG indicators		Disclosure	Corresponding Sections
<b>B7: Anti-corruption</b>			
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.	Disclosed	Moral Excellence, Compliant Operation
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.	Disclosed	Moral Excellence, Compliant Operation
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Moral Excellence, Compliant Operation
B7.3	Description of anti-corruption training provided to directors and staff	Disclosed	Moral Excellence, Compliant Operation
<b>B8: Community Investment</b>			
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.	Disclosed	Community Co-building by Your Side
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Community Co-building by Your Side
B8.2	Resources contributed (e.g., money or time) to the focus area.	Disclosed	Community Co-building by Your Side

## APPENDIX II: INDEX FOR KPIS

### ENVIRONMENTAL PERFORMANCE

KPIs		Unit	2023 <sup>(1)(2)</sup>
A1.1	NO <sub>x</sub> emissions <sup>(3)</sup>	Kg	800.75
	SO <sub>x</sub> emissions <sup>(3)</sup>	Kg	1.56
	Particulate matters <sup>(3)</sup>	Kg	77.16
A1.2	Total GHG emissions (Scope 1 + Scope 2) <sup>(3)(4)</sup>	tCO2e	466.27
	GHG emissions (Scope 1) <sup>(3)(4)</sup>	tCO2e	281.51
	GHG emissions (Scope 2) <sup>(3)(4)</sup>	tCO2e	184.76
	GHG emissions intensity (Total GHG emissions/number of employees) <sup>(8)</sup>	tCO2e/person	0.53
A1.3	Total hazardous waste produced <sup>(5)</sup>	Tonne	0.23
	Hazardous waste intensity (Total hazardous waste produced/number of employees) <sup>(8)</sup>	Tonne/person	0.00055
	Waste battery weight	Tonne	0.03
	Discarded ink cartridge/toner cartridge weight	Tonne	0.20
A1.4	Non-hazardous waste produced <sup>(6)</sup>	Tonne	1.57
	Non-hazardous waste intensity (Total non-hazardous waste produced/ number of employees) <sup>(8)</sup>	Tonne/person	0.0018
	General office waste weight	Tonne	0.68
	Weight of office waste paper	Tonne	0.89

## APPENDIX II: INDEX FOR KPIS

KPIs		Unit	2023 <sup>(1)(2)</sup>
A2.1	<b>Total energy consumption<sup>(3)</sup></b>	<b>kWh in '000s</b>	<b>1,323.00</b>
	<b>Energy consumption intensity (Total energy consumption/number of employees)<sup>(8)</sup></b>	<b>kWh in '000s/person</b>	<b>1.51</b>
	Non-renewable fuel (direct) consumption <sup>(3)</sup>	kWh in '000s	982.88
	Piped natural gas consumption <sup>(3)</sup>	kWh in '000s	1.08
	Total petrol consumption <sup>(3)</sup>	kWh in '000s	894.18
	Total diesel consumption <sup>(3)</sup>	kWh in '000s	87.63
	Purchased energy (indirect) consumption <sup>(3)</sup>	kWh in '000s	340.12
	Electricity consumption <sup>(3)</sup>	kWh in '000s	287.26
	Heat consumption <sup>(3)</sup>	kWh in '000s	52.86
A2.2	<b>Total water consumption<sup>(7)</sup></b>	<b>Cubic metre</b>	<b>1,260.61</b>
	<b>Water consumption intensity (Total water consumption/number of employees)<sup>(8)</sup></b>	<b>Cubic metre/person</b>	<b>1.44</b>
	Municipal water consumption	Cubic metre	1,260.61

### Descriptions of Environmental KPIs:

- <sup>(1)</sup> The time range for the disclosure of environmental KPIs covers 1 January 2023 to 31 December 2023.
- <sup>(2)</sup> The entity scope of the disclosure of environmental KPIs covers the Group's headquarters, and all office areas of its subsidiaries, including 18 urban companies.
- <sup>(3)</sup> Sources of emission factors: when calculating emissions, the emission factors for piped natural gas were applied with reference to the "Manual on methods and coefficients for calculating pollution production and emission from emission source statistics survey" issued by the Ministry of Ecology and Environment, and emission factors for company cars were applied with reference to the Reporting Guidance on Environmental KPIs of the Stock Exchange; when calculating greenhouse gas emissions, the emission factors for piped natural gas and thermal emission factors were applied with reference to the Guidance on Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Building Operating Companies issued by the National Development and Reform Commission of the People's Republic of China, the emission factors for electricity were applied with reference to the grid emission factors in the Notice on the Management of Greenhouse Gas Emission Reporting of Enterprises in the Power Generation Industry in 2023–2025 issued by the Ministry of Ecology and Environment, while the emission factors for other energy resources were applied with reference to the Reporting Guidance on Environmental KPIs of the Stock Exchange; and the conversion factors of energy consumption were applied with reference to the Guidance on Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Building Operating Companies issued by the National Development and Reform Commission of the People's Republic of China.

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- <sup>(4)</sup> The GHG emissions (Scope 1) in 2023 came from the direct emissions from the combustion of automobile petrol, diesel and piped natural gas; and the GHG emissions (Scope 2) came from the indirect emissions of greenhouse gases from purchased electricity and purchased heat.
- <sup>(5)</sup> Hazardous wastes are waste batteries and waste ink cartridges/toner cartridges.
- <sup>(6)</sup> The non-hazardous waste represents the office waste generated by administrative offices and office waste paper.
- <sup>(7)</sup> The total water consumption came from municipal water.
- <sup>(8)</sup> Greenhouse gas emission intensity, hazardous waste intensity, non-hazardous waste intensity, energy consumption intensity and water consumption intensity are calculated with the number of employees of the Group as of 31 December 2023, as the denominator.

### SOCIAL PERFORMANCE <sup>(1)(2)</sup>

B1 Employment			
Category		B1.1 Number of employees as of year end (Unit: person)	B1.2 Employee turnover rate <sup>(3)</sup>
By gender	Male	614	7.65%
	Female	263	7.60%
By age group	30 and below	104	25.00%
	30-50	687	5.97%
	50 and above	86	0.00%
By employee category	Senior management	4	25.00%
	Middle management	43	11.63%
	Ordinary employees	830	7.35%
By geographical region of working place <sup>(3)</sup>	Chinese mainland	877	7.64%
	Hong Kong, Macao and Taiwan	0	0.00%
Total		877	7.64%

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B2 Health and Safety			
Year	Number of work-related fatalities (Unit: person)		Rate of work-related fatalities
2023	0		0%
2022	0		0%
2021	0		0%
Year	Number of lost days due to work injury (Unit: day)		
2023	0		
B3 Development and Training			
Category		Percentage of employees trained <sup>(4)</sup>	Average training hours completed per employee <sup>(4)</sup> (Unit: hour/person)
By gender	Male	100.00%	16.00
	Female	100.00%	16.00
By employee category	Senior management	100.00%	16.00
	Middle management	100.00%	16.00
	Ordinary employees	100.00%	16.00
Total		100.00%	16.00
B5 Supply Chain Management <sup>(4)</sup>			
Category		Number (Unit: supplier)	Percentage
By geographical region	In Henan Province	2,004	94.13%
	Out of Henan Province	125	5.87%
Total		2,129	100.00%



## APPENDIX II: INDEX FOR KPIS

B6 Product Responsibility	
Number of products and service-related complaints received (Unit: case)	4,856
Customer complaint response rate (Unit: %)	100
Complaint resolution rate (Unit: %)	97
B7 Anti-corruption	
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period (Unit: case)	0
Training hours of staff for anti-corruption (minutes)	1,800

### Descriptions of social KPIS:

- <sup>(1)</sup> The social KPIS cover all the entities included in the scope of the Group's financial statements.
- <sup>(2)</sup> Unless otherwise specified, the criteria, calculation methods, assumptions and/or calculation tools used in the social KPIS follow the "Appendix III: Reporting Guidance on Social KPIS" to the "How to Prepare an ESG Report" issued by the Stock Exchange in March 2020.
- <sup>(3)</sup> During the Reporting Period, all employees of the Group worked in Chinese mainland and the Hong Kong Special Administrative Region of the PRC.
- <sup>(4)</sup> Description of the number of suppliers by geographical region: The Group divides suppliers by region in Henan Province. For the geographical locations of suppliers outside Henan Province, we uniformly define them as "other regions".
- <sup>(5)</sup> The data on social investment only includes the quantifiable statistics.



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