



宏信建发  
CDHORIZON

# 2024

## Sustainability & Environmental, Social and Governance Report



Incorporated in the Cayman Islands with limited liability  
Stock Code:09930.HK



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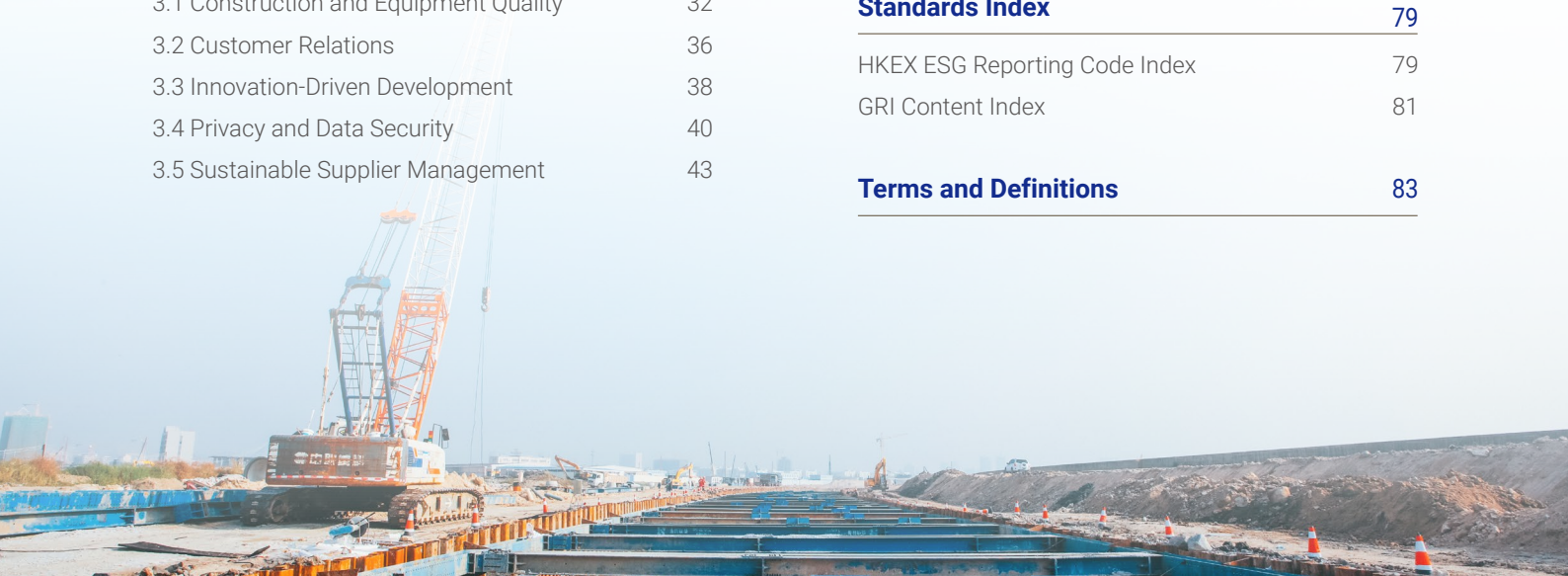
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# Statement on Preparation of the Report

This is the first sustainability report and the second Environmental, Social, and Governance (ESG) Report (the "Report") released by Horizon Construction Development Limited ("Horizon Construction Development" or the "Company", Stock Code: 09930.HK, together with its subsidiaries collectively, the "Group"). It states the ESG philosophy, ESG management practices, and achievements in 2024, as well as the progress made in environmental, social, and governance aspects of the Group. The board of directors (the "Board" or the "Board of Directors") of Horizon Construction Development is accountable for the authenticity and integrity of the Report.

## ○ Reporting Scope

Scope of the organisation: The Report covers Horizon Construction Development and its subsidiaries. Unless otherwise stated, the Report shares the same scope as the Consolidated Financial Statement of the Company for the reporting period.

Time frame: Unless otherwise stated, the Report covers the period from January 1, 2024, to December 31, 2024.

## ○ Reference Basis

The Report is compiled according to *Appendix C2: Environmental, Social and Governance Reporting Code* (effective on January 1, 2025) to the *Listing Rules* of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (excluding "Part D: Climate-related Disclosures"), with reference to the *Sustainability Reporting Standards* (2021) issued by the Global Reporting Initiative (GRI). Please see the "Standards Index" for details.

## ○ Report Languages

This Report is available in both Simplified Chinese and English. In case of discrepancies between the two versions, the Simplified Chinese version shall prevail.

## ○ Data Specification

The data and cases in the report are cited from official records of the Company's actual operations. Unless otherwise stated, the amounts of money involved in the Report are denominated in RMB. Unless otherwise stated, the relevant text and data in this Report are statistically consistent with the Company's Annual Consolidated Financial Statements.

## ○ Principles of Reporting

The Report discloses information in accordance with the reporting principles of the *Environmental, Social and Governance Reporting Code* of the Stock Exchange, including:

### Materiality

Based on the principle of materiality, the Report determines the major topics to be responded to herein and provides key disclosures of environmental, social and governance matters with potentially significant impacts on the investors and other stakeholders through stakeholder research and materiality analysis.

### Quantitative

Based on the principle of being quantitative, the Report discloses the quantitative key performance indicators ("KPIs"), gives the description of such KPIs, and provides the calculation basis and assumptions.

### Balance

Based on this principle, the Report reflects objective facts and discloses both positive and negative information related to the indicators.

### Consistency

Based on the principle of consistency, the Report gives the description of the ESG quantitative KPIs, provides the calculation basis and assumptions, and maximises the consistency of indicators used for different reporting periods to reflect the tendency of performance level.

## ○ Report Release and Feedback

The PDF electronic file of this Report can be downloaded from the [HKEXnews website](#) and the [Company's official website](#). If you have any comment or advice on the Report, please send an email to [hcd-ir@fehorizon.com](mailto:hcd-ir@fehorizon.com).





# Key ESG Performance in 2024

## Economic Performance



Total assets	Profit before tax	Basic earnings per share	Total tax paid
RMB 36,434 million	RMB 1.20 billion	RMB 0.282	RMB 815 million

## Social Performance



Number of employees	Training hours per employee	Number of suppliers	Total investment in community welfare
4,929 Persons	24.68 Hours	6,066 Entities	RMB 140 thousand

## Environmental Performance



Metric(Unit)	Target	2024	Completion status
Greenhouse gas emissions per unit of revenue (Scope 1, Scope 2) tCO <sub>2</sub> e/RMB1 million	Down 2% from 2023 (4.22)	3.60	Down 14.69 from 2023 Completed
Energy consumption per unit of revenue tce/RMB1 million	Down 4% from 2023 (1.87)	1.53	Down 18.18% from 2023 Completed
Water consumption per unit of revenue m <sup>3</sup> /RMB1 million	Down 3% from 2023 (29.20)	21.01	Down 28.05% from 2023 Completed





# ESG Management Statement from the Board of Directors

The year 2024 marks a critical period for Horizon Construction Development to forge ahead and drive innovation. The Group remains steadfast in executing the "3+3+3" strategy, continuously adopting a deep market penetration approach, expanding network coverage, and integrating industry resources. At the same time, leveraging its full-cycle, multi-category integrated equipment solutions, the Group actively fosters the incubation of new products and new markets, cultivating new growth drivers.

The Group upholds the ESG philosophy of "Be global for shared prosperity" establishing and continuously refining a top-down ESG governance structure. ESG factors are integrated into corporate strategy and daily operations, ensuring the creation of long-term sustainable value for stakeholders.

The Board of Directors serves as the highest decision-making and supervisory body for ESG management and it has established an ESG Committee. In 2024, the Board of Directors convened four regular Board meetings, fully performing its review, decision-making, and oversight responsibilities regarding ESG matters. Through identification, selection, evaluation, and prioritisation, the Group identified 17 material topics, which were prioritised for management in 2024, with management targets set and progress regularly reviewed. With cross-departmental collaboration, the Group updated and released 5 key ESG-related statements, including the *Health, Safety, and Environment (HSE) Policy* and the *Employee Rights Protection Policy Statement*, outlining its philosophies and policies on ESG topics and reaffirming its commitment to sustainable development and ESG initiatives.

## Responding to Climate Change and Promoting Green Development

The Group actively supports the national "Carbon Peaking" and "Carbon Neutrality" goals and considers climate change response as a core component of ESG management. In 2024, the Group enhanced its greenhouse gas emissions management system, conducted physical risk scenario analysis, identified the potential impact of climate change on business operations, and formulated corresponding response strategies to enhance corporate climate resilience. By optimising energy structure, improving energy efficiency, and promoting green equipment, the Group effectively reduced its greenhouse gas emission intensity. Additionally, the Group increased investments in clean energy and low-carbon technologies, driving the transition toward a green and low-carbon business model, laying a solid foundation for achieving carbon neutrality.

## Ensuring Equipment Quality and Enhancing Service Excellence

Equipment quality and service excellence are the Group's core competitive strengths and key factors in earning customer trust and achieving sustainable development. In 2024, the Group optimised its equipment quality control process by incorporating advanced quality testing technologies and equipment, strengthening daily maintenance and regular inspections, and significantly reducing equipment failure rates. The Group further enhanced its customer service system by optimising customer feedback mechanisms and strengthening after-sales service management, ensuring timely responses to customer needs and issue resolution, thereby improving customers' satisfaction.

Furthermore, the Group prioritised sustainable supplier management, incorporating ESG standards into the supplier evaluation system to encourage suppliers to continuously improve in environmental protection, social responsibility, and other areas, collectively fostering a sustainable supply chain.

## Prioritising Employee Development and Building a Harmonious Enterprise

Employees are the Group's most valuable asset. Committed to building a fair, impartial and open competitive growth platform,

the Group has always placed great emphasis on employee rights protection and career development. In 2024, the Group actively fostered a positive working environment, prioritising employee well-being through various employee care initiatives, strengthening employees' sense of belonging and cohesion, and creating a harmonious and stable corporate environment. Meanwhile, the Group continued to enhance its employee training system, providing diverse training opportunities to help employees develop professional skills and overall competencies. Additionally, the Group optimised its performance management mechanism and established a scientific and reasonable remuneration system to motivate employees and inspire them to contribute proactively to the Company's growth.

The Group actively fulfils its social responsibilities, engages in public welfare initiatives, and contributes to rural revitalisation. In 2024, the Group actively participated in and supported various social welfare activities, making contributions to social harmony and development through donations, volunteer services, and other means.

## Adhering to Prudent Business Management and Demonstrating Corporate Value

The Group adopts a prudent and solid business and management model, continuously deepening and promoting the diversity and professionalism of the Board of Directors, optimising and improving the director performance evaluation system. The Group safeguards investor rights, ensuring that all shareholders, especially minority shareholders, receive equal treatment and can fully exercise their legitimate rights.

The Group has always regarded compliance operations as the lifeline of corporate development, strictly complying with domestic and international laws and regulations and adhering to business ethics principles. In 2024, it further enhanced the compliance management system, strengthened compliance training for employees, ensuring that all employees strictly comply with laws, regulations, and internal policies of the Company in business activities. At the same time, it actively advanced anti-corruption efforts by establishing a comprehensive whistleblowing mechanism and strengthening audit and supervision, effectively preventing and combating illegal activities and safeguarding its corporate image and reputation.

Looking forward, the Group will continue to uphold its vision of becoming a "world-class global company", continuously deepening ESG management practices, implementing strategic upgrades and system transformations, reshaping its core competitiveness, and creating greater value for all stakeholders while achieving high-quality and sustainable corporate development.





# About Horizon Construction Development

## Company Profile

Horizon Construction Development Limited (“Horizon Construction Development” or the “Company”) and its subsidiaries (collectively, the “Group”) is a comprehensive equipment operation service company committed to delivering one-stop “product+service” solutions for clients in the construction and industrial industry, continuously creating value for users.

Since its establishment in 2011, the Group has grown into China’s largest and most comprehensive equipment operation service provider, globally ranking 14<sup>th</sup> in the IRN100 list and 2<sup>nd</sup> in Access 50 of Global Aerial Work Machinery Leasing (ACCESS50), establishing 581 outlets across China and all over the world, and serving over 325,000 clients cumulatively.

### Basic Information of Horizon Construction Development



宏信建发  
CDHORIZON

**Company name in Chinese** 宏信建设发展有限公司

**Company name in English** Horizon Construction Development Limited



**Year of Establishment**  
2011



**Headquarters address**  
Tianjin, China



**Listing date**  
May 2023



**Stock code**  
09930.HK



**Total revenue**  
RMB11,581 million



**Number of employees**  
4,929





## Fields of Business

Horizon Construction Development is one of China's leading equipment operation service providers, with a comprehensive equipment portfolio and strong service capabilities. The Group's business covers equipment leasing, engineering construction, agency sales and so on, providing one-stop "product+service" solutions for clients in construction and industrial industry.

**Horizon Construction Development's Business Structure**







## Global Business Network

Headquartered in Tianjin, the Company has **4** permanent operating bases in Jinshan and Jiading districts in Shanghai, Wuqing district in Tianjin, and Nansha district in Guangzhou

**528** service outlets across the mainland China and Hong Kong, covering over **220** cities

**53** overseas business outlets covering Malaysia, Vietnam, Indonesia, Thailand, Saudi Arabia, the UAE and Turkey



\*This map is an artistic representation for illustrative purposes. Actual geographic information is subject to officially published data.

## Industry Organisation Membership and Status

### Organisation

### Status

• International Powered Access Federation (IPAF)	Member
• National Standardisation Technical Committee for Lifting Platforms	Committee member
• China Materials Rental Contractor Association	Vice president
• China Formwork and Scaffold Association	Executive director
• China International Contractors Association	Council member
• Guangzhou Exploration & Design Association	Governing Unit
• Shanghai Construction Hardware, Doors and Windows Industry Association	Vice-chairman
• Trust and Integrity Enterprise Alliance	Member unit
• Shanghai Jinshan District Ecological Environment and Energy Association	Member
• Wuxi Construction Machinery Association Formwork Scaffolding Branch	Member
• Jiading District Federation of Industry and Commerce (General Chamber of Commerce)	Member unit





## Honors and Awards Received in 2024



- Global Construction Machinery Top 50 Summit Organising Committee

China Top 10 MEWP Rental Company



- San Gong International Credit Rating (Beijing) Co. Ltd.

AAA in enterprise credit evaluation



- Shanghai SME Development Service Centre, Beijing Great Wall Enterprise Institute

2024 Shanghai Key Listed Unicorn Enterprise



- Shanghai Jiading District People's Government

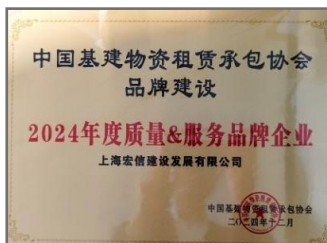
Top 50 Enterprises in Modern Service Industry (2024)



- Shanghai Jiading District People's Government, CPC Waigang Town Committee of Jiading District, Shanghai  
2024 Waigang Town Outstanding Enterprise Benchmark Demonstration Award



- China Machinery Industrial Internet Conference and Brand Event TOP10 Organising Committee  
CMIIC 2024 Leasing Pioneer Enterprise



- China Construction Materials Rental and Contractor Association

2024 Quality & Service Brand Enterprise



- Global Leasing Industry Competitive-ness Forum

Leading Operating Leasing Enterprise – 2024 (Seventh) China Financial Lease "Take-off Award"



- China Formwork And Scaffold Association

2024 China Formwork And Scaffold Industry Quality Enterprise







# 01

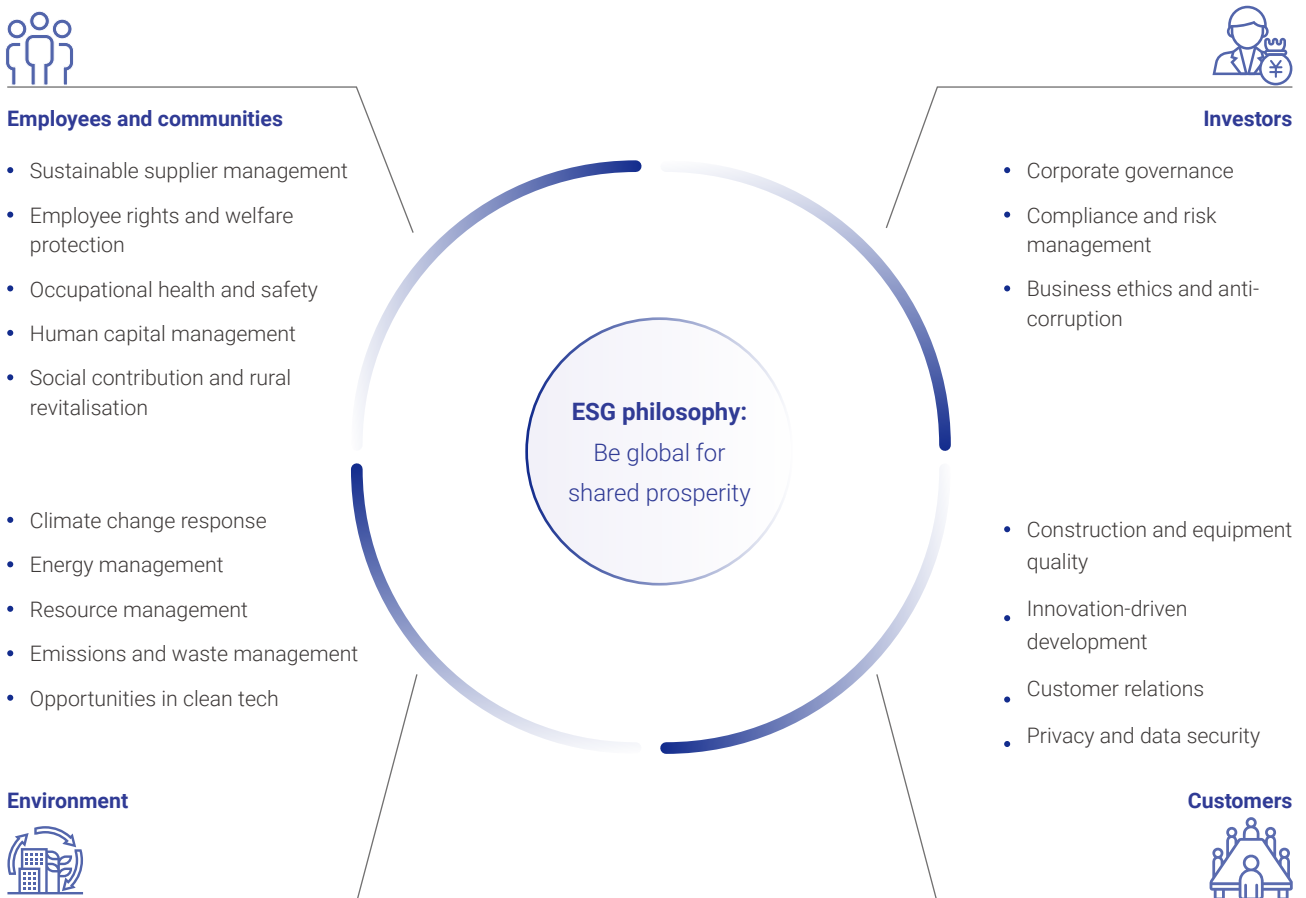
## Sustainability Governance



### 1.1 ESG Management Philosophy

Based on the environmental, social and governance (ESG) philosophy of “Be global for shared prosperity,” Horizon Construction Development is committed to becoming a trusted integrated equipment operation service provider. At the same time, the Group focuses on addressing the key concerns of important stakeholders, including investors, customers, the environment, employees, and communities. By continuously enhancing its ESG management capabilities the Group strives to create long-term sustainable shared value for all stakeholders.

#### Horizon Construction Development's ESG management model







## 1.2 ESG Governance Structure

Horizon Construction Development has established a top-down ESG governance structure with clear powers and responsibilities. The Board of Directors is the highest decision-making body for the Company's ESG governance and is responsible for ESG management and overall practices. Under the Board of Directors, an ESG Committee has been established, and the [Terms of Reference of the Environmental, Social and Governance Committee](#) have been formulated to define the committee's scope of authority.

In 2024, the Company established an ESG Committee at the Management level, which is fully managed by the Chief Operating Officer ("COO"). Under the Management-level ESG Committee, an ESG Group was set up, consisting of a group leader and executive members. The group leader is the General Manager of the Strategy Centre, while the executive members are the primary contacts appointed by the executing departments (i.e. ESG-related departments). The ESG Group has developed the *ESG Management Guidelines* to clarify the ESG topics and KPIs for which each executing department is responsible.

**ESG governance structure of Horizon Construction Development**

Decision-Making Supervision Level	Board of Directors	<ul style="list-style-type: none"> <li>Identifying and assessing the Company's ESG-related risks (including climate-related risks);</li> <li>Developing, adopting and reviewing the Company's ESG vision, policies and goals.</li> </ul>
	ESG Committee of the Board of Directors	<ul style="list-style-type: none"> <li>Guiding, reviewing and formulating the Company's ESG management policies, strategies, principles and vision to ensure that they keep pace with the times, meet needs and comply with applicable legal and regulatory requirements;</li> <li>Supervising the formulation and implementation of the Company's ESG goals, including: setting the Company's ESG management performance goals; reviewing the progress of goal achievement and providing recommendations on actions needed to achieve the goals;</li> <li>Monitoring external ESG trends and reporting to the Board of Directors important trends that affect the Company's ESG policies, strategies, and goal setting;</li> <li>Guiding and reviewing the identification and prioritisation of important ESG topics of the Group;</li> <li>Reviewing the annual ESG report and other ESG-related disclosures, and making recommendations to the Board of Directors for approval;</li> <li>Identifying ESG risks and opportunities relevant to the Company, assessing the impact of such risks or opportunities on the Group, and providing recommendations to the Board of Directors on how to respond to risks or opportunities;</li> <li>Performing other duties assigned by the Board of Directors.</li> </ul>
Management Level	ESG Committee of the Management	<ul style="list-style-type: none"> <li>Focusing on laws, regulations, and policy guidelines related to ESG that are relevant to the Company, ensuring compliance whilst providing recommendations on the direction of the Company's ESG efforts;</li> <li>Leading the development of the Company's ESG strategic plan, goals, and policies, as well as management improvement;</li> <li>Identifying and assessing ESG-related risks and opportunities that could potentially impact the Company's business and finances, and guiding the Management to take appropriate response measures to address these risks and opportunities;</li> <li>Reviewing the Company's annual ESG report and making decisions on its public disclosure;</li> <li>Reviewing the Company's annual ESG ratings and providing recommendations for improvement;</li> <li>Reviewing and making decisions on any other material ESG matters.</li> </ul>
Execution Level	ESG Group	<ul style="list-style-type: none"> <li>Being responsible for studying, formulating and recommending the Company's ESG policies and practices;</li> <li>Preparing annual ESG report;</li> <li>Following up on ESG performance;</li> <li>Participating in and maintaining ESG ratings;</li> <li>Identifying ESG risks and fully implementing the Company's ESG activities.</li> </ul>

During the reporting period, the Company's Board of Directors held four regular Board meetings, during which it listened to reports regarding the Company's ESG-related work and matters. Additionally, it tracked the progress of ESG initiatives through the monthly Board reports presented, ensuring the full fulfilment of its ESG management responsibilities.





## 1.3 Communication with Stakeholders and Analysis of Material Topics

### Communication with Stakeholders

Maintaining continuous communication with various stakeholders to clarify the key priorities of the Company's ESG management is the foundation of the Group's ESG management.

The Group attaches great importance to the demands and concerns of stakeholders. Based on its business operations and activities, the Group has identified seven key stakeholder groups, including investors, government and regulatory authorities, the environment and others. It has also explored diversified ways of communication and actively responded to stakeholders' concerns in its day-to-day management and operations.

**Communications with and Response to Horizon Construction Development's Key Stakeholders**

Key stakeholders	Importance	Topics of concern	Communication and responses
<b>Investors</b>	We must create value for our shareholders	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance and risk management</li> </ul>	<ul style="list-style-type: none"> <li>General meeting</li> <li>Information disclosure</li> <li>Compliance training</li> <li>Risk management system</li> </ul>
<b>Government and regulatory authorities</b>	Government regulates our business operations	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance and risk management</li> <li>Business ethics and anti-corruption</li> <li>Climate change response</li> <li>Social contribution and rural revitalisation</li> </ul>	<ul style="list-style-type: none"> <li>Policy implementation</li> <li>Information disclosure</li> <li>Reporting channels</li> <li>Release of "carbon peaking and carbon neutrality" target</li> <li>Rural-revitalisation donations</li> </ul>
<b>Environment</b>	Our business operations will have an impact on the environment	<ul style="list-style-type: none"> <li>Climate change response</li> <li>Energy management</li> <li>Resource management</li> <li>Emissions and waste management</li> <li>Opportunities in clean tech</li> </ul>	<ul style="list-style-type: none"> <li>Release of "carbon peaking and carbon neutrality" target</li> <li>Energy saving and emission reduction actions</li> <li>Packaging material reduction action</li> <li>Clean technology investment and R&amp;D</li> <li>HSE management system</li> </ul>
<b>Customers</b>	Protecting the rights and interests of our clients is the basis for our business development	<ul style="list-style-type: none"> <li>Construction and equipment quality</li> <li>Innovation-driven development</li> <li>Customer relations</li> <li>Privacy and data security</li> </ul>	<ul style="list-style-type: none"> <li>After-sales service and complaints</li> <li>Customer satisfaction survey</li> <li>Information security</li> </ul>
<b>Partners</b>	Partners and we must share the same values regarding ESG	<ul style="list-style-type: none"> <li>Compliance and risk management</li> <li>Business ethics and anti-corruption</li> <li>Sustainable supplier management</li> </ul>	<ul style="list-style-type: none"> <li>Supplier review and evaluation</li> <li>Strategic cooperation negotiation</li> <li>Supplier meeting</li> <li>Exchanges and visits</li> </ul>
<b>Employees</b>	Employees are the most important cornerstone of our development	<ul style="list-style-type: none"> <li>Employee rights and welfare protection</li> <li>Occupational health and safety</li> <li>Human capital management</li> </ul>	<ul style="list-style-type: none"> <li>Daily operations of the labour union</li> <li>Hongzhusheng Plan</li> <li>HSE management system</li> <li>Hierarchical employee training system</li> </ul>
<b>Community and the public</b>	Our business operations have the potential to impact community development	<ul style="list-style-type: none"> <li>Social contribution and rural revitalisation</li> </ul>	<ul style="list-style-type: none"> <li>Community activities</li> <li>Charitable activities</li> </ul>



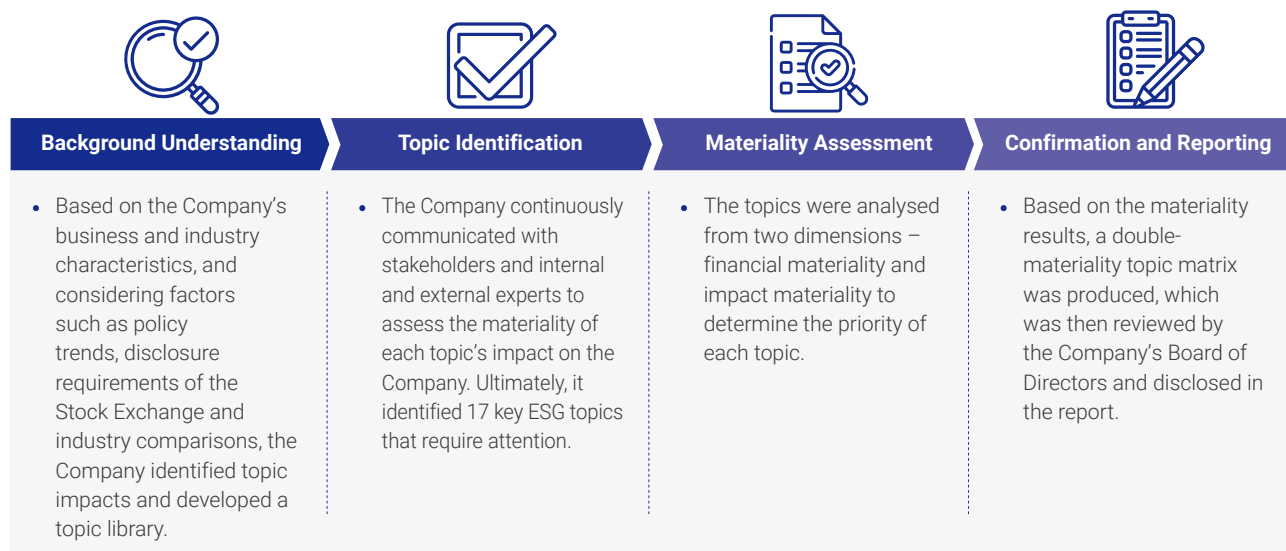


## Identification and Analysis of Material Topics

Material topics are the foundation and key driver of ESG management and information disclosure. The Group has identified and selected material topics through internal procedures such as due diligence and risk management, taking into account policy trends, disclosure requirements of the Stock Exchange, and the concerns of capital market rating agencies. Additionally, based on stakeholder communication and an analysis of the Company's actual operations, the Group has produced a library of material topics and conducted a double-materiality analysis.

The Group has identified 17 key ESG topics requiring attention and has established a project team consisting of internal and external experts. With expert participation, a double-materiality assessment has been conducted on the topics from the perspectives of financial and impact materiality. The financial materiality assessment included the likelihood of impact occurring in the short-, medium-, and long-term, as well as the degree of the financial impact. The impact materiality assessment included the likelihood of impact occurrence and severity (impact scale, scope, and irreversibility).

### Analysis Procedures of Material Topics of Horizon Construction Development



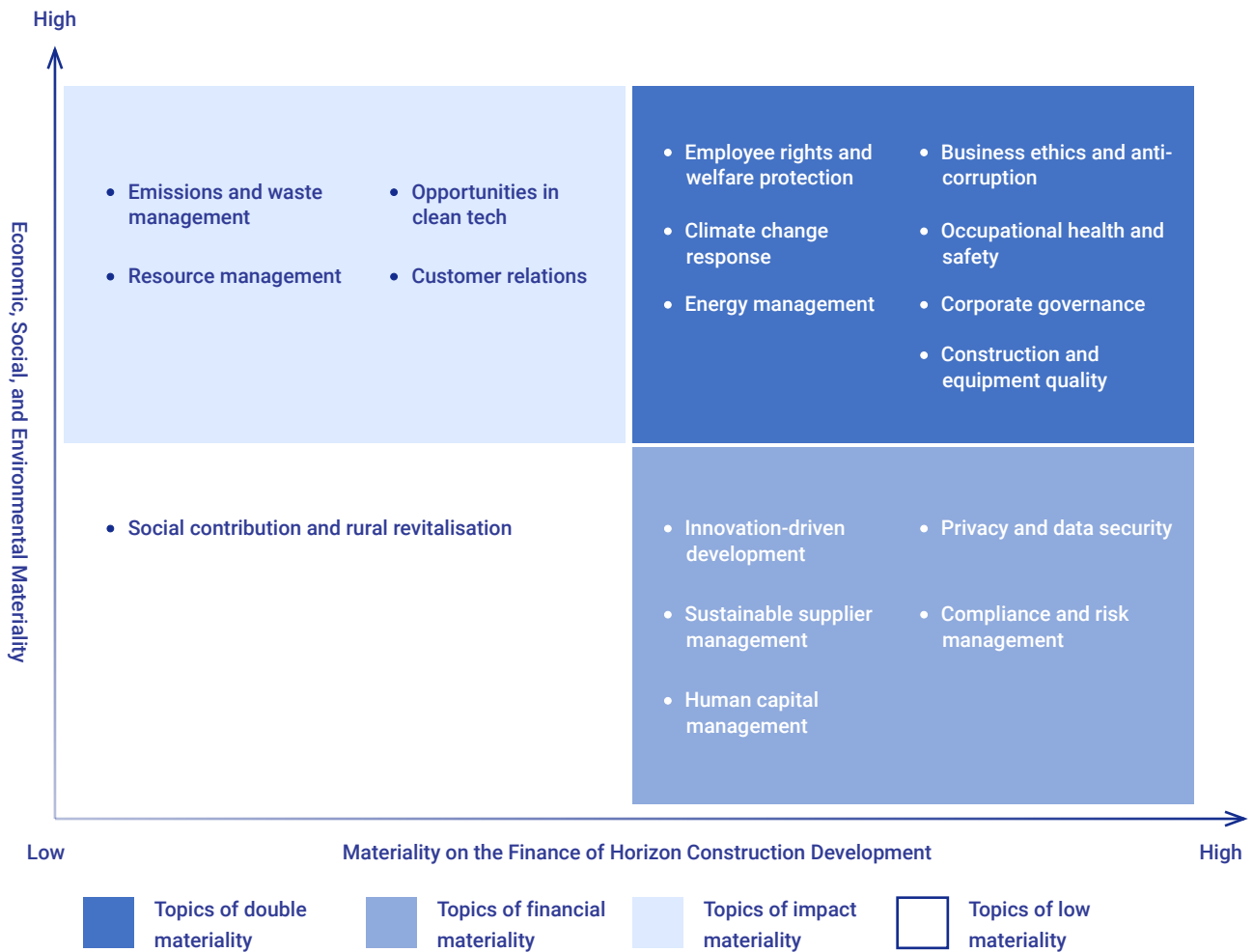
### Major Changes to Horizon Construction Development's Material Topics in 2024

Material topic in 2024	Material topic in 2023	Changes	Reasons for changes
Climate change response	Climate change mitigation and adaptation	Wording refinement	The wording of this topic has been revised based on the latest standards and the Company's management practices
Customer relations	Customer service and satisfaction	Wording refinement	The wording of this topic has been revised based on the latest standards and the Company's customer relationship management practices.
Innovation-driven development	Technological innovation	Wording refinement	As the Company's business primarily involves service-related innovation, the topic has been revised to "Innovation-driven development" to better reflect the Company's operational realities.
Human capital management	Human capital development	Wording refinement	The wording of this topic has been revised based on the latest standards and the Company's talent management practices.
Social contribution and rural revitalisation	Community communication and development	Topic combination	Topics have been combined based on the Company's management practices.
	Rural revitalisation and charity		
Occupational health and safety	Safe production	Topic combination	Topics have been combined based on the latest standards and the Company's safety management practices.
	Occupational health and safety		
--	Economic performance	Topic deletion	The Company's economic performance will be disclosed in detail in the Company's annual report and will not be repeated in this Report.







## Materiality Matrix of Horizon Construction Development in 2024













The Group has conducted an in-depth analysis and assessment of the impacts, risks, and opportunities associated with material topics. Management strategies have been formulated for financially material topics, and targeted management has been implemented. This Report, based on the four-element framework of the International Sustainability Standards Board ("ISSB") - "Governance, Strategy, Risk Management, and Metrics and Targets" - discloses the Company's sustainability-related practices in financially material topics to ensure transparency and accountability. Except for the topic of "Climate change mitigation and adaptation," the "Strategy" elements of each financially material topic have been presented in the table below, while the "Governance," "Risk Management," and "Metrics and Targets" elements will be detailed in their respective chapters.

## Analysis of Risks and Opportunities Associated with Horizon Construction Development's Topics of High Financial Materiality in 2024

Topic of high financial materiality	Impacted process	SDGs aligned	Main risks and opportunities	Time horizon <sup>1</sup>	Financial impact	Response strategy
Business ethics and anti-corruption	Upstream value chain and own operations		Reputational risk and liability risk	Short, medium, and long term	Operating costs ↑ Revenue ↓	<ul style="list-style-type: none"> <li>Strengthen internal controls, proactively inspect risks, improve the supervision system, enhance employee awareness of integrity, and comprehensively prevent and combat corruption.</li> </ul>
Climate change response	Upstream value chain, own operations, and downstream value chain		Market risk and policy risk; market opportunities, and product and service opportunities	Medium and long-term	See "2.1 Climate Change Response" chapter for details.	





Topic of high financial materiality	Impacted process	SDGs aligned	Main risks and opportunities	Time horizon <sup>1</sup>	Financial impact	Response strategy
<b>Energy management</b>	Own operations		Policy risk and technology risk	Medium and long-term	Operating costs ↑	<ul style="list-style-type: none"> <li>Establish an energy management system, standardise energy management processes, and promote green development.</li> </ul>
<b>Construction and equipment quality</b>	Upstream value chain, own operations, and downstream value chain		Product and service opportunities and market opportunities	Short, medium, and long term	Revenue ↑	<ul style="list-style-type: none"> <li>Build and implement a full-process mechanism covering equipment quality control to ensure effective control and continuous optimisation of equipment quality throughout its lifecycle from procurement to reuse.</li> </ul>
<b>Innovation-driven development</b>	Own operations		Product and service opportunities, resource efficiency opportunities, and energy source opportunities	Short, medium, and long term	Operating costs ↓ Revenue ↑	<ul style="list-style-type: none"> <li>Integrate resources, coordinate cooperation, and lead technological innovation and application.</li> </ul>
<b>Privacy and data security</b>	Own operations and downstream value chain		Reputational risk and liability risk	Short term	Operating costs ↑	<ul style="list-style-type: none"> <li>Build a comprehensive and systematic privacy and data security management mechanism to improve privacy and data security management across the board.</li> </ul>
<b>Sustainable supplier management</b>	Upstream value chain		Product and service opportunities, and resource efficiency opportunities	Short, medium, and long term	Revenue ↑	<ul style="list-style-type: none"> <li>Adhere to the principles of "effective separation, stratification and categorisation, transparency, and continuous optimisation," and establish a supplier management system to ensure standardised and transparent processes.</li> </ul>
<b>Employee rights and welfare protection</b>	Own operations		Reputational risk and liability risk	Medium and long term	Operating costs ↑	<ul style="list-style-type: none"> <li>Focus on and protect employees' basic rights, respect and encourage individual differences, and create a fair, just, and transparent working environment.</li> </ul>
<b>Occupational health and safety</b>	Upstream value chain and own operations		Liability risk and reputational risk	Short, medium, and long term	Operating costs ↑ Revenue ↓	<ul style="list-style-type: none"> <li>Build a comprehensive occupational health and safety management system covering overall operations and contractors under the Group's supervision, creating and maintaining a safe and healthy workplace to avoid safety accidents and occupational diseases.</li> </ul>
<b>Human capital management</b>	Own operations		Reputational risk	Medium and long term	Operating costs ↑	<ul style="list-style-type: none"> <li>Adhere to the "four no limits" talent philosophy (regardless of age, length of service, length of service for the Company, or educational background), value each employee's potential and contributions, use a scientific performance evaluation system, fairly evaluate employees' work outcomes and behaviours, and stimulate employee potential to drive the Company's continuous development.</li> </ul>
<b>Corporate governance</b>	Own operations		Reputational risk and business compliance risk	Short, medium, and long term	Operating costs ↑ Revenue ↓	<ul style="list-style-type: none"> <li>Continuously ensure the scientific and standardised nature of governance structures, improving decision-making efficiency and transparency.</li> </ul>
<b>Compliance and risk management</b>	Own operations		Market risk, policy risk, technology risk, reputational risk, and liability risk	Medium and long term	Operating costs ↑	<ul style="list-style-type: none"> <li>Continuously optimise risk management strategies, build and improve a comprehensive risk management system, and identify, measure, assess, monitor, report, mitigate, and control various risks to ensure compliance with regulations.</li> </ul>

Note 1: The time horizon is defined as: Short term (within 1 year [inclusive]), medium term (1 to 5 years [inclusive]), and long term (more than 5 years).





# 02 *Fostering Green Development and Creating a Sustainable Vision*

## Material topics addressed

Climate change  
response

Energy  
management

Resource  
management

Emissions and waste  
management

Opportunities in clean  
tech

## Metrics and targets

Metric	Target for 2024	Progress in 2024	
Greenhouse gas emissions per unit of revenue (tCO <sub>2</sub> e/RMB1 million)	Down 2% from 2023 (4.22)	3.60, down 14.69% from 2023	Completed
Energy consumption per unit of revenue (tce/RMB1 million)	Down 4% from 2023 (1.87)	1.53, down 18.18% from 2023	
Water consumption per unit of revenue (m <sup>3</sup> / RMB1 million)	Down 3% from 2023 (29.20)	21.01, down 28.05% from 2023	





## 2.1 Climate Change Response

Global climate change has not only increased the frequency and intensity of extreme weather events but has also had profound impacts on economic and social activities. The Group recognises the importance of addressing climate change and continuously optimises its climate change management system and environmental management framework to minimise the environmental impact of its operations.

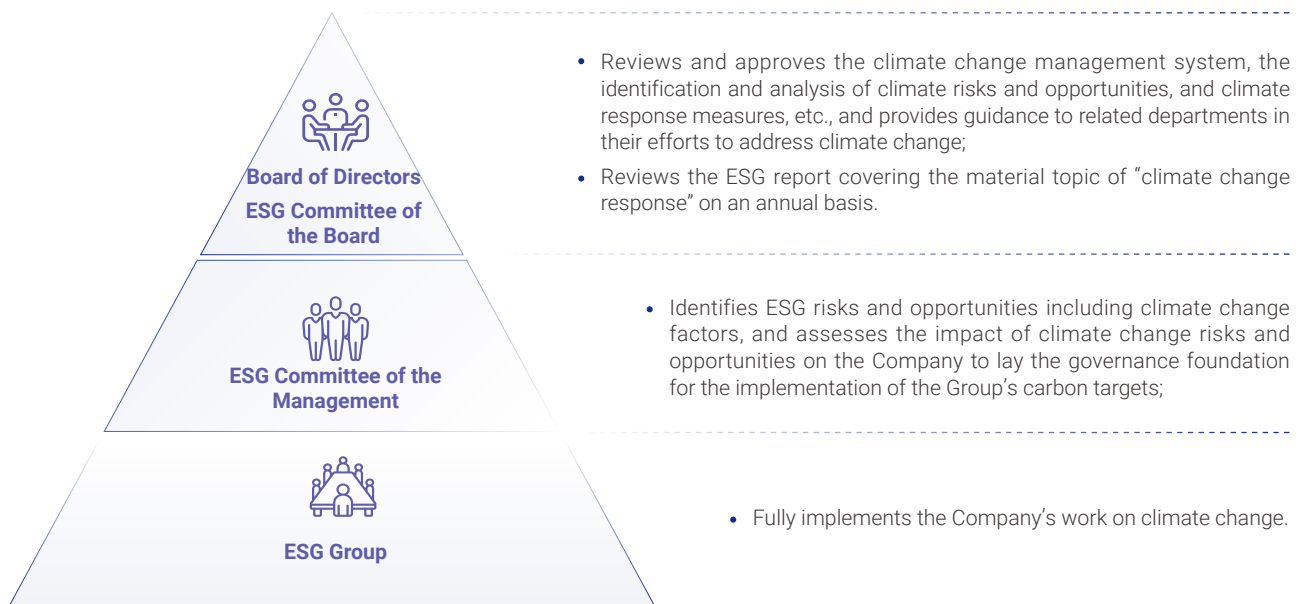
### Climate Change Response

In accordance with the recommendations and four key pillars of the International Sustainability Standards Board's (ISSB) *International Financial Reporting Sustainability Disclosure Standard 2 - Climate-related Disclosures* (IFRS S2), the Group identifies, assesses and analyses climate change-related risks and opportunities, and improves the management system based on the results to mitigate the impact of climate change on the Group's operating activities.

#### Governance

To strengthen climate governance, the Group integrates climate responsibility into its overall ESG governance framework, establishing a top-down governance structure. Each level follows policies such as the *Terms of Reference of the ESG Committee* and the *Guidance Manual for ESG Management* to systematically implement climate governance and management initiatives.

#### Horizon Construction Development's Climate Change Governance Structure



The Group has incorporated greenhouse gas reduction targets into the performance evaluation metrics for departments responsible for climate change initiatives within the ESG Group.

#### Strategy

The Group identifies and analyses significant climate-related risks and opportunities, assesses their potential operational and financial impact on the Group, sets carbon neutrality targets and corresponding action paths, and commits to working towards full value chain carbon neutrality by 2050.





## Risk Management

The Group is committed to enhancing climate resilience, proactively identifying climate risks and opportunities, and developing climate risk management measures and response strategies. The Group conducts material climate risk and opportunity identification and scenario analysis to support its climate risk management and adaptation efforts.

### Approaches to Analyse Climate Change Risks and Opportunities



#### Identification

- Identifying climate-related risks and opportunities in accordance with ISSB S2's unified framework for climate change-related disclosures.



#### Assessment

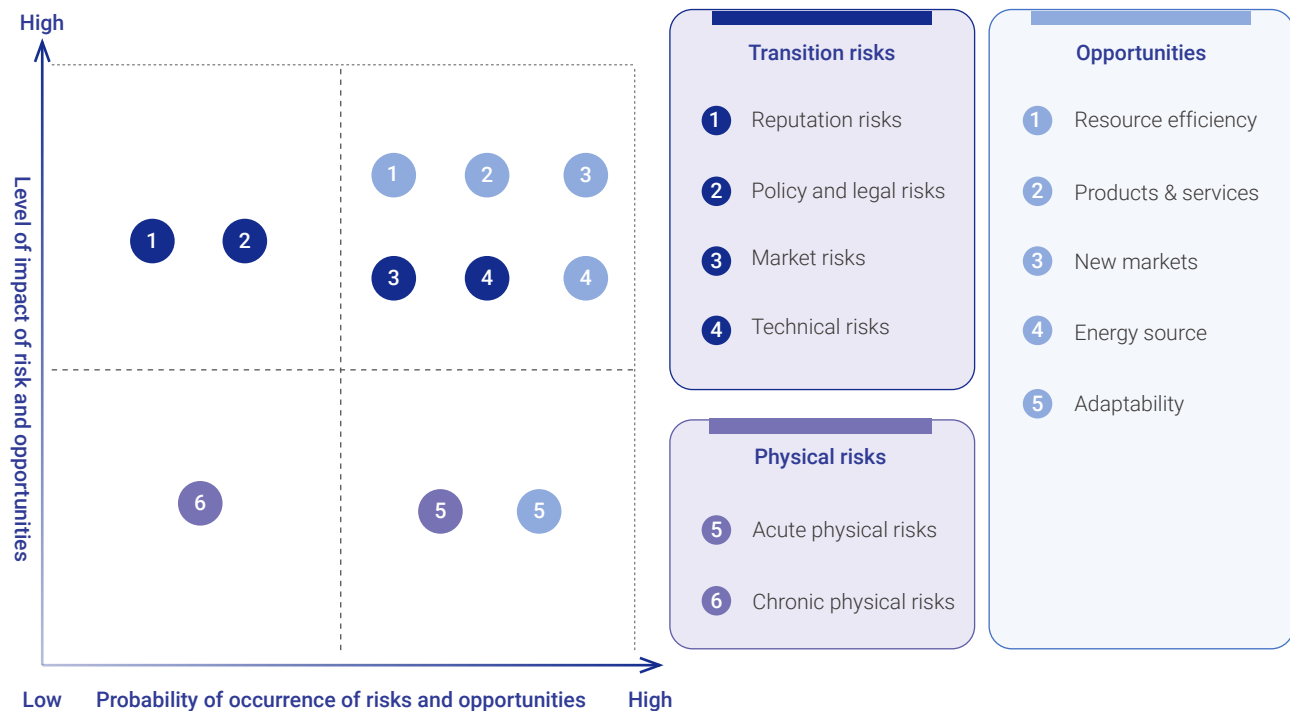
- Comprehensively assessing the impact of climate change risks and opportunities on the Group's financial and strategic aspects based on the Company's business and strategy and taking into account expert opinions.



#### Analysis

- Analysing the occurrence probability and impact of risks and opportunities, and determining the priorities of risks and opportunities.

### Matrix of Climate Change Risks and Opportunities







### Analysis of and Response Measures for the Financial Impact of Climate Change Risks

Type of risk	Description	Potential financial impact	Response measures
① Reputation risk	With the introduction of the "carbon peaking and carbon neutrality" goal and carbon neutrality-related policies, stakeholders expect the Group to take proactive management actions to address climate change and improve the transparency of information disclosure. If the Group fails to adequately respond to the demands of stakeholders for green operations, green equipment, etc., there may be some adverse impact on its reputation.	Operating costs ↑ Revenue ↓	<ul style="list-style-type: none"> <li>Communicating with stakeholders about the Company's response to the topic of "climate change response" through ESG reports, the Company's official website and other channels;</li> <li>Implementing energy-saving policies and measures, such as requiring employees to turn off lights after work or during lunch breaks, turn on air conditioning or heating only when the temperature reaches a certain level, and use alternative energy;</li> <li>Keeping a close eye on recent energy-saving and environmentally friendly technologies from equipment manufacturers, and purchasing more electric equipment to replace traditional fuel-driven equipment to reduce carbon emissions;</li> <li>Establishing a full-process management system from early warning, emergency response to disposal in response to extreme weather and other climate change risks; formulating systematic documents for guiding practical operations such as the "Guidance Manual for Inquiry and Feedback of Abnormal Early Warning Information" "Guidance Manual for Emergency Defence in Disastrous Weather" and "Guidance Manual for Typhoon Preparedness"; taking climate factors into account in the selection of business locations and in day-to-day operation.</li> </ul>
② Policy & legal risk	As the government tightens environmental regulatory requirements and continues to introduce policies relating to climate change information disclosure, the Group and its suppliers may be exposed to the risk of being held legally liable, subject to regulatory measures, disciplinary sanctions, property damage or loss of business reputation for failure to comply with climate-related policies or laws, as well as to the risk of an increase in the Group's operating costs due to the opening of the carbon market and an increase in the pricing of clean energy.	Operating costs ↑ Revenue ↓	
③ Market risk	Against the backdrop of the "carbon peaking and carbon neutrality" target, customers' demand for energy-saving products continues to increase. If the Group and its suppliers fail to provide low-energy-consumption products or equipment, the Group may face reduced demand for products and services; rising fuel prices may lead to an increase in the Group's operating costs.	Operating costs ↑ Revenue ↓	
④ Technical risk	With the development and application of energy-saving equipment and energy-saving technologies, traditional energy and high-energy-consuming equipment may be replaced. Suppliers and the Group's equipment operation business may experience an increase in operating costs due to the replacement of low-energy-consuming equipment and the application of energy-saving and emission reduction technologies.	Operating costs ↑ Fixed asset value ↓	
⑤ Acute physical risk	With the frequent occurrence of extreme weather events such as heavy rains and typhoons, the Group may be subject to operational interruptions due to such events, resulting in economic losses.	Operating costs ↑ Revenue ↓ Fixed asset value ↓	
⑥ Chronic physical risk	Persistent hot weather caused by climate change may interrupt the business operations of the Group's construction segment, such as project delays and an increase in the number of work-related injuries involving personnel at construction sites. Long-term drought and severe water shortages could increase water prices, reduce equipment efficiency, and ultimately impact revenue and operating costs.	Operating costs ↑ Revenue ↓ Fixed asset value ↓	





## Horizon Construction Development's Physical Risk Scenario Analysis

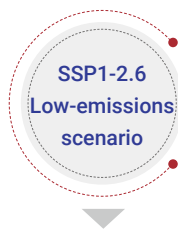
The Group selected four assets for physical risk scenario analysis based on direct impact on the Company, business segment coverage, and asset holding period.

### Timeframe and scenarios used

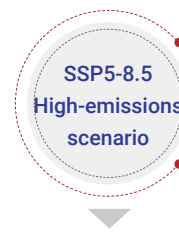
The Group assessed the potential impact of physical climate risks on the Company's operations in the baseline period, mid-term (2030), and long-term (2050) and prepared mitigation measures accordingly.

To compare low-emissions orderly scenarios and high-emissions disorderly scenarios, the Group selected two scenarios for physical risk assessment, both derived from the Shared Socioeconomic Pathways (SSPs) in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).

### Physical Risk Scenario Descriptions



- Global temperature rise stays below 2°C by 2100, aligning with Paris Agreement commitments.
- Nations shift towards sustainable development, with an emphasis on environmental protection and reduced global inequality.
- Increased investments in education and healthcare accelerate demographic transitions.
- Consumption patterns prioritise resource efficiency and reduced energy consumption.



- CO<sub>2</sub> emissions triple by 2100.
- Follows the "business-as-usual" approach, assuming no changes in climate policy.
- Nations focus on economic competition, relying on technological and human capital investments for development.
- Countries continue to exploit fossil fuels, maintaining resource- and energy-intensive lifestyles.
- Rapid global economic growth, with population peaking in the 21st century before gradually declining.





### Risk Types and Indicators

Indicators used in physical risk assessment

#### Physical Risk Assessment Indicators

Climate hazard type	Climate indicator	Unit
Extremely high temperatures	Heatwave duration index	Day
Extremely low temperatures	Coldwave duration index	Day
River flooding	River flooding inundation depth	Metre
Extreme rainfall & flooding	Five-day maximum rainfall	Millimetre
Coastal flooding	Coastal flooding inundation depth	Metre
Tropical cyclones	Maximum wind speed of tropical cyclones	Knot
Wildfires	Forest fire risk index	Day
Rainfall-induced landslides	Rainfall-induced landslide index	Day
Water stress & drought	Water stress index	/

### Assessment Results and Response Measures

Based on scenario analysis results, physical risks show an overall increasing trend, except for extreme cold risks, which are expected to decline. Under the high-emissions scenario (SSP5-8.5), the increase in climate risks is more pronounced, especially in the long term (2050). Among all physical risks, the four primary risks affecting the Company's assessed assets are water stress & drought, flooding, tropical cyclones, and extremely high temperatures.

The asset valuation results are as follows:

#### Physical Risk Assessment Results

Asset name	Baseline	2030 (SSP1-2.6)	2050 (SSP1-2.6)	2030 (SSP5-8.5)	2050 (SSP5-8.5)
Shanghai Jiading Base Project	Low	Medium	Medium	High	High
Shanghai Jinshan Base (New Plant) Project	Medium	High	High	High	High
Shanghai Jinshan Base (Old Plant) Project	Medium	Medium	Medium	Medium	High
Tianjin Wuqing Base Project	Medium	Medium	Medium	Medium	Medium





## Financial Impact Analysis of Climate Change Opportunities and Response Measures

Type of opportunity	Description	Potential financial impact	Response measures
① Resource efficiency	Improving the efficiency of resource use, including the use efficiency of energy, water resources, etc., will help the Group reduce costs in the operation process.	Operating costs ↓	<ul style="list-style-type: none"> <li>Upgrading equipment and production lines to improve energy efficiency;</li> <li>Actively developing and applying energy-saving and environmentally friendly equipment and other environmentally friendly products, and developing fully prefabricated, recyclable green steel structure technology;</li> <li>Preferentially choosing clean electric equipment for aerial work; Where diesel equipment must be used, preference should be given to environmentally friendly equipment that meets emission standards;</li> <li>Expanding into overseas markets, selecting locally suitable equipment and construction solutions to support green development abroad;</li> <li>Conducting ESG assessments of suppliers and selecting environmentally friendly suppliers.</li> </ul>
② Products and services	In the context of low-carbon economic transformation, customers' preference for low-carbon products will lead to increased demand for energy-saving and environmentally friendly products. Green products and services can bring room for the Group's the revenue growth.	Revenue ↑ Fixed asset value ↑	
③ New markets	Under the favourable environment of the carbon neutrality policy, the low-carbon and environmentally friendly turnover materials of the Group's equipment operation business will be more preferred by customers, creating room for growth in revenue. Additionally, climate change impacts in overseas markets increase demand for equipment and construction solutions, providing growth opportunities for market penetration abroad.	Revenue ↑ Fixed asset value ↑	
④ Energy sources	With the popularisation of green technology innovation and application, the cost of low-carbon and renewable energy continues to decrease. Increasing the application of low-carbon and renewable energy in operational activities will help reduce operating costs.	Operating costs ↓	
⑤ Resilience	The Group's participation in renewable energy projects, adoption of energy efficiency measures, and selection of environmentally friendly suppliers can enhance the Group's resilience to climate change.	Operating costs ↓	

## Metrics and Targets

In active response to the *Paris Agreement* and the carbon neutrality goals of Chinese mainland and the Hong Kong SAR, Horizon Construction Development has set emission reduction and carbon neutrality goals based on its own positioning and strategy, planned the implementation paths of the goals, and measured the carbon neutrality costs under different implementation paths, so as to ensure that the goals are scientific, reasonable and practicable. The Group will continue to study and refine the action plan for low-carbon transformation, and accumulate strategic reserves for the implementation of the Group's carbon goals.

## Details of Horizon Construction Development's carbon goals

Short and medium-term goals	Taking 2021 as the base year, GHG emissions per unit of revenue will decrease linearly by 2% per year between 2023 and 2025			
Long-term goals	Striving to achieve carbon neutrality across the entire value chain by 2050			
Base year	2021			
Base-year carbon emission intensity	6.1 tCO <sub>2</sub> e/RMB1 million			
Organisation scope covered by the goals	The scope of consolidated statements determined using the operational control method			
Scope of carbon emissions covered by the goals	Scope 1 + Scope 2	Scope 1 + Scope 2	Scope 1 + Scope 2	Scope 1 + Scope 2 + Scope 3
Target year	2023	2024	2025	2050
Target-year carbon emission intensity	5.8 tCO <sub>2</sub> e/RMB1 million	5.7 tCO <sub>2</sub> e/RMB1 million	5.6 tCO <sub>2</sub> e/RMB1 million	---





### Horizon Construction Development's Carbon Target Implementation Path

Scope of emission reduction	Main emission sources		Major emission reduction actions
Scope 1 + Scope 2	<ul style="list-style-type: none"> <li>• Diesel consumption</li> <li>• Gasoline consumption</li> <li>• Office electricity consumption</li> </ul>		<ul style="list-style-type: none"> <li>• Measures to increase the utilisation rate of new energy products</li> <li>• Internal energy saving initiatives</li> <li>• Purchasing or developing green electricity</li> <li>• Purchasing carbon sinks and low-carbon assets</li> </ul>
Scope 3	Upstream	<ul style="list-style-type: none"> <li>• Equipment and raw material procurement</li> <li>• Upstream equipment and material transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Improving equipment and material turnover rate, so as to reduce total equipment/material procurement</li> </ul>
	Midstream	<ul style="list-style-type: none"> <li>• Business sales travel</li> </ul>	<ul style="list-style-type: none"> <li>• Adopting a greener approach for business travel</li> </ul>
	Downstream	<ul style="list-style-type: none"> <li>• Downstream equipment and material transportation</li> <li>• Subsequent use of rental equipment</li> <li>• Subsequent use of sold equipment</li> <li>• Waste treatment and disposal</li> </ul>	<ul style="list-style-type: none"> <li>• Optimising warehouse network planning and shortening average transportation distance</li> <li>• Emission reduction and clean energy transition for vehicles and equipment</li> <li>• Exploring more innovative projects such as green energy storage</li> <li>• Waste recycling and reuse measures</li> </ul>

### Horizon Construction Development's Carbon Target Implementation Status in 2024

Metric	Unit	Target for 2024		Progress in 2024
Greenhouse gas emissions per unit of revenue (Scope 1, Scope 2)	tCO <sub>2</sub> e/ RMB1 million	Down 2% from 2023 (4.22)	3.60	Down 14.69% from 2023 Completed

For other greenhouse gas emissions data, please refer to the "ESG Data Sheet and Notes" section in the Report.

## Environmental Management

With "adhering to energy conservation, emission reduction, low-carbon production and sustainable development" as its environmental management philosophy, Horizon Construction Development strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*, and other relevant laws and regulations, to ensure that all of its activities comply with the stringent requirements of the state on environmental protection.

The Group has established an environmental management framework supervised by the Board of Directors, guided by the ESG Committee, and executed by the HSE Management Department of the Asset Centre, and issued key environmental management policies and guidelines including the "[Health, Safety, and Environment \(HSE\) Policy](#)" (*HSE Policy*), the "Management Measures for Environmental Protection", the "*HSE Incident (Event) Emergency Management Measures*", and the "*Guidance Manual for ESG Management (HSE Direction)*", to support the Group's ongoing commitment to improving environmental performance.





## Key Aspects of Horizon Construction Development's Environmental Management

### Management Scope

- Regulating energy and resource use, waste gas and waste water discharge, and hazardous and non-hazardous waste disposal.

### Key Management Measures

- Environmental protection target setting:** Setting environmental management targets and continuously monitoring their achievement.
- Environmental awareness and training:** Promoting and keeping compliance with environmental laws, regulations, standards, and guidelines issued by the national and local government as well as other regulatory authorities, and conducting environmental protection trainings to ensure all the employees understand the environmental impact of their activities and actively and strictly comply with and implement environmental requirements.
- Environmental emergency management:** Developing emergency response plans for production, storage, and transportation activities that may pose environmental pollution risks, equipping emergency pollution control materials and ensuring their availability, and conducting regular emergency trainings and drills among employees.

The Group's environmental management system covers all production, operations, and business facilities, and all sectors related to the Company's products, services and logistics operations. The Group's subsidiaries Shanghai Horizon Equipment & Engineering Co., Ltd. and Shanghai Hongjin Equipment & Engineering Co., Ltd. have obtained ISO14001:2015 environmental management system certification, which covers 50% of the Group's self-owned bases.

In 2024, the Group did not have any incidents of being penalised for violating environmental protection laws or regulations.



Shanghai Horizon Equipment & Engineering Co., Ltd.  
Environmental management system certification



Shanghai Hongjin Equipment & Engineering Co., Ltd.  
Environmental management system certification







## 2.2 Energy Management

The Group's energy consumption in the course of its operations mainly comes from engineering equipment and daily office work. The types of energy involved are electricity, gasoline and diesel used by its own vehicles, and diesel used by engineering equipment, etc.

### Governance

The Group strictly abides by the *Energy Conservation Law of the People's Republic of China* and other relevant national and local laws and regulations. It has established an energy management framework with oversight from the Board of Directors, guidance from the ESG Committee, and execution by the HSE Management Department of the Asset Centre. The Group has also formulated the "Guidance Manual for Energy Conservation" to standardise energy management and promote green development.

#### Horizon Construction Development's Energy Conservation Principles

- 1 Continuous improvement: Identify opportunities for energy conservation and carbon reduction, improving energy efficiency.
- 2 Impact reduction: Implement energy management practices to minimise environmental impact, particularly carbon emissions.
- 3 Behavioural standardisation: Ensure the rational and regulated use of energy across all activities of the Company.

### Risk Management

The Group reduced energy consumption while promoting green and efficient energy through measures such as energy saving and efficiency enhancement and green renovation on the business side as well as the use of new energy on the operation side.







## Horizon Construction Development's Energy Management Measures

Type	Measure		Outcome
Business end	<ul style="list-style-type: none"> <li><b>Fuel-to-Electric transition:</b> Increasing the procurement proportion of electric aerial work platforms ("AWPs"), publicising their advantages to customers, and encouraging them to choose to rent electric AWPs to replace fuel-driven AWPs and reduce the use of fossil energy.</li> </ul>		<ul style="list-style-type: none"> <li>In 2024, electric AWPs accounted for over <b>90%</b> of domestic AWP procurement.</li> </ul>
	<ul style="list-style-type: none"> <li><b>Logistics efficiency improvement:</b> Optimising vehicle transfer routes to enhance efficiency and reduce trips, implementing optimized transportation order pattern to reduce travel distance, and minimise fuel consumption.</li> </ul>		<ul style="list-style-type: none"> <li>Transfer optimisation: In 2024, optimised transfers saved <b>71,700</b> transport times, reducing travel distance by <b>3.25</b> million km, and saving <b>1.03</b> million litres of fuel.</li> <li>Optimize order: Reducing <b>930,000</b> km in travel distance, saving <b>210,000</b> litres of fuel</li> </ul>
	<ul style="list-style-type: none"> <li><b>Fuel monitoring system:</b> Installing fuel monitoring devices on equipment to track fuel usage, detect anomalies, and reduce waste.</li> </ul>		<ul style="list-style-type: none"> <li>In 2024, <b>129</b> fuel monitoring devices were installed, ensuring efficient fuel usage and saving <b>RMB687,000</b>.</li> </ul>
Operation end	Use of clean energy	<b>Solar energy</b> <ul style="list-style-type: none"> <li>Using solar-powered street lamps at the bases and solar water heating systems for hot water in wash basins to increase the utilisation of new energy.</li> </ul>	<ul style="list-style-type: none"> <li><b>15</b> solar-powered street lamps were applied in bases.</li> </ul>
		<b>Geothermal energy</b> <ul style="list-style-type: none"> <li>Installing ground source heat pump air conditioning systems at the Jiading base and Wuqing base, which utilise shallow geothermal energy to reduce electricity consumption.</li> </ul>	<ul style="list-style-type: none"> <li>More energy efficient than traditional air conditioning systems.</li> </ul>
	Electricity conservation management	<b>Enhancing energy-saving awareness</b> <ul style="list-style-type: none"> <li>Conducting regular energy management training to promote energy conservation, and carbon emissions reduction and other environmental protection concepts.</li> </ul>	<ul style="list-style-type: none"> <li>In 2024, one energy-saving awareness campaign was held online, receiving <b>952</b> views.</li> </ul>
		<b>Code for electricity-saving conduct</b> <ul style="list-style-type: none"> <li>Turn off lights when leaving offices, meeting rooms, or workstations for extended periods.</li> <li>Outdoor lighting in bases should only be turned on when illumination levels are insufficient, and be switched off at sunrise.</li> <li>The air conditioning temperature should be set to <math>\geq 26^{\circ}\text{C}</math> in summer and <math>\leq 20^{\circ}\text{C}</math> in winter. Air conditioning may only be turned on when the temperature exceeds <math>30^{\circ}\text{C}</math> or falls below <math>15^{\circ}\text{C}</math>.</li> <li>Avoid opening doors or windows when air conditioning is in use. When leaving for an extended period, turn off the air conditioning.</li> </ul>	

## Metrics and Targets

## Horizon Construction Development's Energy Management Metrics and Targets for 2024

Metric	Unit	Target for 2024	Progress in 2024	
Energy consumption intensity per unit of revenue	tce/RMB1 million	Down 4% from 2023 (1.87)	1.53	Down 18.18% from 2023 Completed

For additional performance data, please refer to the "ESG Data Sheet and Notes" section of the Report.






## 2.3 Resource Management

### Water Resource Management

The types of water sources used by the Group during its operations include municipal water supply and rainwater. Strictly abiding by relevant national and local laws and regulations such as the *Water Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Regulation of the People's Republic of China on Water Conservation*, the Group has established a complete water resources management system and strengthened water resources management. In 2024, the Group paid water resources fees on time and had no significant environmental impact in terms of water consumption.

The Group has developed and refined its water conservation mechanism, and improved its overall water resource management through rainwater recycling, car washer upgrades, and employee water conservation initiatives.

#### Horizon Construction Development's Water Resource Management Measures

Type	Measure	Outcome
Rainwater recycling	<ul style="list-style-type: none"> <li>Setting up rainwater collection and recycling systems at Jiading and Nansha bases to use the collected rainwater for fountains, car washing and other purposes after treatment.</li> </ul>	<ul style="list-style-type: none"> <li>According to the design, the total amount of rainwater recoverable by Jiading Base in 2024 is estimated to be about <b>68m<sup>3</sup></b>/ year.</li> </ul>
Car washer upgrades	<ul style="list-style-type: none"> <li>Upgrading car washers by installing automatic shut-off valves, reducing water wastage caused by manual handling.</li> </ul>	<ul style="list-style-type: none"> <li>Water consumption per wash order decreased from <b>0.51</b> tons to <b>0.25</b> tons, and car wash water costs reduced by <b>12.6%</b> year-on-year in 2024.</li> </ul>
Employee water conservation initiatives	<ul style="list-style-type: none"> <li>Formulating the code of conduct for water conservation: Turning off taps or water-using equipment after use reporting leaks and unattended running taps immediately for repair, and shutting off valves in time.</li> <li>Conducting regular training on water efficiency management to enhance water conservation awareness among employees.</li> </ul>	<ul style="list-style-type: none"> <li>In 2024, one water conservation awareness campaign was conducted online, receiving <b>952</b> views.</li> </ul> 

#### Horizon Construction Development's Water Resource Management Metrics and Targets for 2024

Metric	Unit	Target for 2024	Progress in 2024
Water consumption per unit of revenue	m <sup>3</sup> /RMB1 million	Down 3% from 2023 (29.20)	21.01 Down 28.05% from 2023 Completed

For additional performance data, please refer to the "ESG Data Sheet and Notes" section of the Report.

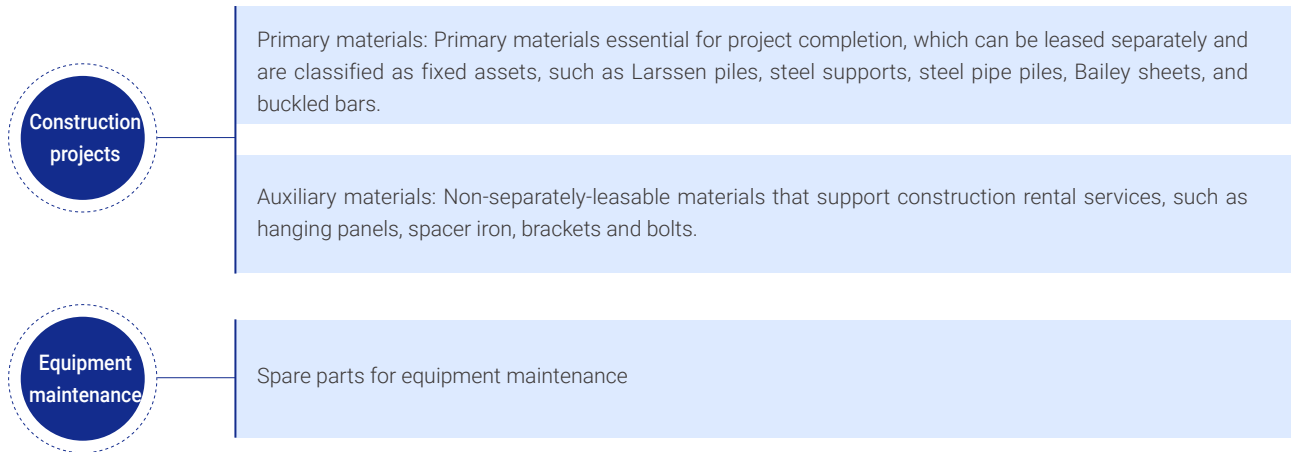




## Raw Materials and Packaging Management

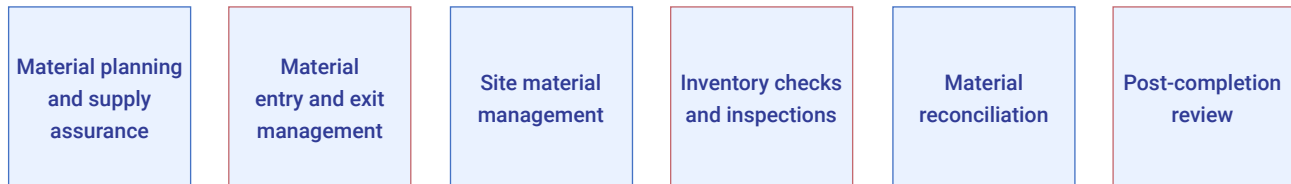
Raw materials involved in the Group's operations are mostly primary materials and auxiliary materials used in construction projects, as well as spare parts for equipment maintenance.

### Horizon Construction Development's Raw Material Types



To enhance raw material management in construction projects, the Group has formulated the "Measures for Engineering Project Site Material Management" to enhance site material management and ensure standardised, policy-based, and accountable material management.

### Key Aspects of Engineering Project Site Material Management



The Group actively explores raw material conservation measures through precision cutting and innovative reuse of steel pipes, as well as scientific filter maintenance rules, striving to achieve efficient utilisation and cost savings across all stages of raw material usage.

### Horizon Construction Development's Raw Material Management Measures

Usage	Measure	Outcome
Construction projects	<ul style="list-style-type: none"> <li>Precision cutting of steel pipes: Scrap length must not exceed one meter.</li> <li>Innovative reuse of steel pipes: Steel pipes under three meters can be used as primary materials.</li> </ul>	<ul style="list-style-type: none"> <li>Annual savings of RMB<b>1.75</b> million from optimised steel pipe use and reuse.</li> </ul>
Equipment maintenance	<ul style="list-style-type: none"> <li>Reduction of filter use: Since used filters are more effective than new ones, a scientific maintenance policy was adopted. Diesel and air filters were replaced as needed and hydraulic oil filters were replaced based on indicator colour.</li> </ul>	<ul style="list-style-type: none"> <li>In 2024, <b>70,412</b> filters were used, with <b>51%</b> reduction compared to 2023.</li> </ul>





In terms of packaging material management, the Company primarily uses packing racks for construction materials in its operations. To reduce packaging waste, the Group has independently developed reusable packing racks, utilising buckled vertical and horizontal bars as structural components. These racks can be reused, significantly reducing the use of traditional "channel racks".

#### ○ Horizon Construction Development's Packaging Material Reduction Performance in 2024

By using reusable packing racks, the Group saved **20,000** tons of purchased channel racks annually.

### ○ Other Resource Management

The Group integrates resource conservation principles into its entire production and operational processes by promoting digital contracts, significantly reducing paper usage in contract execution. Additionally, through the implementation of the Huilianyì digital system, the Group encourages green travel, minimises paper-based reimbursement forms, corporate payment slips, and invoice printing, and achieves paperless management in business travel and expense reporting, contributing to the sustainable development of its operations.

#### ○ Horizon Construction Development's Digital Contract Performance in 2024

Digital contracts concluded in 2024 accounted for

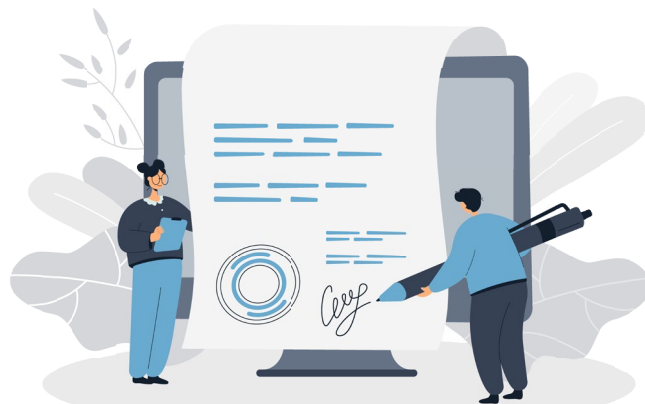
**30.44%**

With an increment of

**49.95** percentages from the previous year

Digital contracts saved **2.7** million pages of paper in 2024

Paperless operations through the Huilianyì system reduced carbon emissions by **7,129.27** kgCO<sub>2</sub>e in 2024.







## 2.4 Emissions and Waste Management

In compliance with the *Law of the People's Republic of China on Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*, the *Catalogue for the Classification and Codes of Solid Waste*, the Regulations on the Administration of Ozone-Depleting Substances and other relevant national and local laws and regulations, the Group manages exhaust gas, wastewater as well as hazardous and non-hazardous wastes generated from its production and operation processes in strict accordance with its "Management Measures for Environmental Protection" "Guidance Manual for ESG Management (HSE Direction)", and "Measures for Hazardous Waste Management", and actively implements the responsibility for environmental protection.

The Group will gradually improve the identification and statistics of sources of non-hazardous waste and hazardous waste, and control the production of non-hazardous waste and hazardous waste at a low level.

**Types, Sources, Emissions, and Treatment/Disposal of Horizon Construction Development's Wastes**

Type	Source	Treatment/Disposal
<b>Exhaust gas</b> <ul style="list-style-type: none"> <li>Dusty exhaust gas</li> <li>Welding exhaust gas</li> <li>Vehicle exhaust</li> </ul>	<ul style="list-style-type: none"> <li>Produced by grinding, testing, and welding during steel cutting and repair processes</li> <li>Generated from vehicle operations</li> </ul>	<ul style="list-style-type: none"> <li>Welding fumes are treated by electrostatic purification and then discharged</li> <li>Welding dust is collected in a dust collector and discharged after treatment</li> <li>The exhaust gas collected from the spray paint is filtered through ultraviolet photolysis, activated carbon adsorption, and catalytic converter before being discharged</li> </ul>
<b>Wastewater</b> <ul style="list-style-type: none"> <li>Factory cleaning wastewater</li> <li>Domestic sewage</li> </ul>	<ul style="list-style-type: none"> <li>Wastewater generated from equipment cleaning and car washing in and out of the factory</li> <li>Domestic sewage generated during daily operations</li> </ul>	<ul style="list-style-type: none"> <li>Discharged to municipal sewage pipe network</li> </ul>
<b>Hazardous waste</b> <ul style="list-style-type: none"> <li>Waste batteries</li> <li>Waste mineral oil</li> <li>Waste oil contaminants</li> </ul>	<ul style="list-style-type: none"> <li>Generated during maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Classified and temporarily stored in designated facilities or locations</li> <li>A qualified professional disposal company is engaged for disposal</li> </ul>
<b>Non-hazardous waste</b> <ul style="list-style-type: none"> <li>Scrap metal</li> </ul>	<ul style="list-style-type: none"> <li>Produced during blanking and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>A qualified company is engaged for collection and disposal</li> </ul>

In addition to conventional emissions and waste disposal, the Group actively reduces emissions and promotes recycling by adopting advanced technologies and improving operational efficiency.





## Horizon Construction Development's Emission Reduction and Waste Recycling Measures

### Exhaust gas

- **New steel cutting method:** Plasma cutting is used to replace the "propane or acetylene + oxygen" chemical cutting method for steel cutting, which reduces waste gas emissions in the cutting process

### Wastewater

- **Reuse of cleaning wastewater:** Factory cleaning wastewater is reused for cleaning equipment entering the factory.

Since 2017, according to the design, it is estimated that the reuse of cleaning wastewater can reduce **350**m<sup>3</sup> of sewage per year..

### Hazardous waste

- **Reduction of oil leakage:** Fuel-saving trays and oil-absorbing sponges are introduced in the operating environments and locations with oil leakage risks, and employees are required to use them.
- **Battery reuse initiative:** A battery management warehouse is built to categorise used batteries into testing, charging, screening, reusable, and scrap zones. Batteries with over 50% residual capacity are stored in the reusable zone for reuse.

In 2024, approximately **3,600** used batteries were identified, saving an estimated **RMB2.16 million** in procurement costs.

### Non-hazardous waste

- **Tire retreading:** Repair supplier channels are established for retreading of discarded tires, where old used tires are stripped and retreaded into carbon-enhanced tires to extend tire lifespan and reduce new tire purchases.
- **Recycling, repair and reuse of old items:** Old items with secondary use value are recycled, repaired and reused.

In 2024, **55,000** old items (excluding batteries and tires) were recycled, with **11,000** high-value repairable components identified. Among them, **2,957** items were repairable, and **2,654** had been repaired and restocked, achieving a **90%** repair success rate.

In 2024, the value of restored old items reached approximately **RMB2.63 million**, marking a **292%** increase, amounting to **RMB1.96 million** from 2023.

The Group continues to implement training programmes on pollution and waste reduction, continuously enhancing environmental awareness and capabilities across all employees.





## 2.5 Opportunities in Clean Tech

Adhering to the philosophy of “understanding the limitations of nature, respecting the ecosystem, and avoiding over-exploitation and pollution”, the Group regards clean technology innovation as its core development strategy, and actively explores and seizes clean technology opportunities.

The Group’s support and formwork business has high growth potential in the clean technology market. To capitalise on this, the Group has actively invested in developing a fully prefabricated, recyclable green steel structure technology. Compared to traditional construction methods, this technology’s recyclable nature allows for multiple reuse cycles. Additionally, with the axial compression compensation system, the technology is advancing toward intelligent, digital, and information-based solutions.

### Green Benefits of Horizon Construction Development’s Fully Prefabricated, Recyclable Green Steel Structure Technology

Category	Description	Impact
<b>Low carbon emissions</b>	Carbon emissions from fully prefabricated, recyclable green steel structures primarily occur during the production phase. More material turnover cycles significantly reduce overall carbon emissions.	Over the past three years, the Group’s projects adopting this technology have achieved an 88% reduction in carbon emissions compared to traditional excavation methods.
<b>Minimal impact on surrounding construction sites</b>	Traditional excavation support systems generate dust, noise, and construction waste during dismantling. In contrast, fully prefabricated, recyclable green steel structures primarily use bolted steel connections, eliminating the need for cast-in-place operations. This results in a fire-free, water-free, dust-free, and odour-free construction site with no welding, cement, or scaffolding, significantly reducing energy consumption and environmental pollution.	This construction system achieves: 100% water savings, 70% energy savings, 20% material savings and 20% land savings.

### Green Benefit Comparison of Horizon Construction Development’s Fully Prefabricated Recyclable Green Steel Structures and Peer Products

Technology name	Prefabrication rate	Recycling rate	Carbon emissions reduction compared to concrete products	Carbon emissions reduction compared to steel structures <sup>1</sup>
Steel sheet piles	100%	100%	86-95%	15-20%
Combined steel plates	100%	100%	85-92%	20-25%
Section steel support system	98%	96%	85-91%	20-25%
Steel pipe support system	98%	96%	84-92%	20-30%
Combined H-beam strut system	98%	96%	84-92%	20-25%
Trench support system	100%	100%	—	30-40%

<sup>1</sup> Mainly reflected in carbon emission reductions during transportation, construction, and dismantling stages.





# 03 *Expanding Internationally to Deliver High-Quality Services*



## Material topics addressed

Construction and  
equipment quality

Customer relations

Innovation-driven  
development

Privacy and data  
security

Sustainable supplier  
management

## Metrics and targets

Metric	Target for 2024	Progress in 2024	
On-time repair rate	96%	96%	Completed
Maintenance completion rate	97%	97%	
Regulatory violations related to product and service quality & safety	0 cases	0 cases	
400 customer service call satisfaction rate	95%	96.75%	
Customer order follow-up satisfaction rate	90%	94.82%	
Integrity clause coverage for newly signed suppliers	100%	100%	





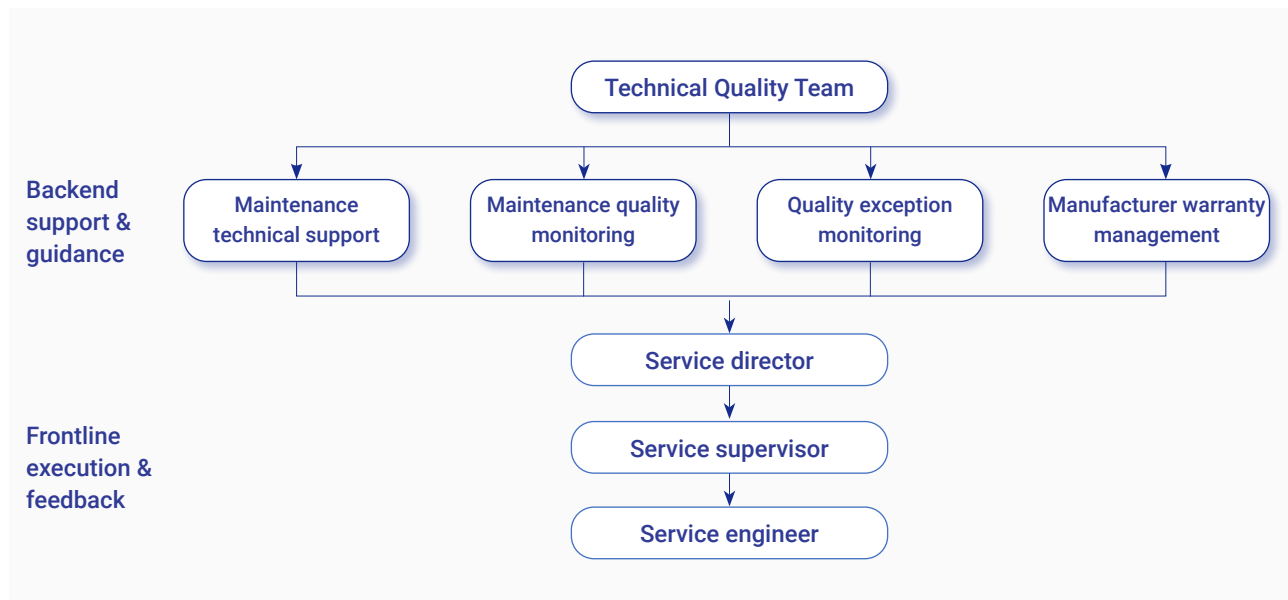
## 3.1 Construction and Equipment Quality

### Governance

Horizon Construction Development strictly complies with the *Product Quality Law of the People's Republic of China* and has established a comprehensive quality management system that covers the entire equipment lifecycle. This system includes key policies such as "*Equipment Receiving Inspection Management Standards*", and "*General Maintenance Management Standards*".

The Group has implemented a quality management framework with centralised oversight by the Technical Quality Team, backed by support departments and frontline execution teams. With high-performance machinery and a strong technical service team, the Group contributes to the smart, efficient, and environmentally friendly transformation of urban construction in China.

**Horizon Construction Development's Quality Management Structure**



### Risk Management

The Group has developed and implemented a comprehensive quality control mechanism for equipment management, ensuring effective control and continuous optimisation throughout the entire lifecycle — from procurement to reuse by carefully sorting out the management requirements and operating standards in each process and strictly enforcing the corresponding specifications.

**Horizon Construction Development's equipment quality control process**







In 2024, the Group prioritised quality control enhancement for key equipment and conducted systematic quality training programmes, further improving overall quality management efficiency.

## Horizon Construction Development's 2024 Key Equipment Quality Management Improvement and Results

### Key equipment quality control improvement

- Identified high-failure components in scissor lifts and boom lifts, and developed operation and maintenance standards for key components, including 8 inspection diagrams and 18 work instructions.
- Through focused quality control, the repair order ratio for key components in scissor lifts decreased from 75.4% at the beginning of 2024 to 69.9% by year-end, while for boom lifts, the ratio dropped from 35.3% to 32.1%.

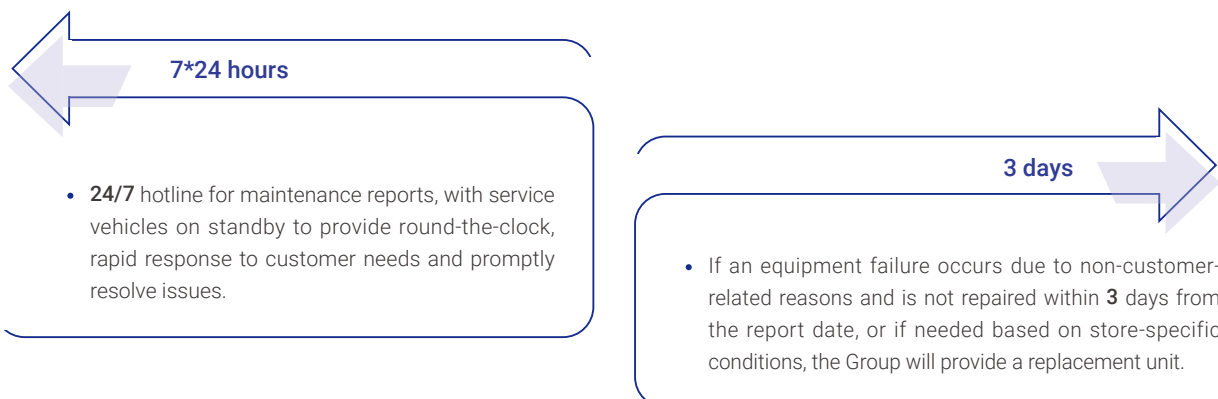
### Comprehensive quality training

The Group provided quality-focused training for service engineers using multiple training methods, covering 5,644 participants and achieving 100% coverage:

- Conducted over 30 systematic training sessions on equipment operation and maintenance, training 450+ participants.
- Organised 13 hybrid online/offline public courses covering glass installation robots, track vehicles, and more, with 1,230+ participants trained.
- Delivered Lean Manufacturing and management training, including about 40 Lean Manufacturing book study sessions, 10+ Quality & Cost training sessions, and about 30 5S implementation workshops
- Launched 7 industry fundamentals and operational training courses on the E-learning platform, reaching 3,000+ participants with a 66% completion rate.

Additionally, the Group has established a highly efficient repair response mechanism, setting clear response time standards and equipping equipment with smart inspection and remote diagnostics systems. This allows for online detection and resolution of minor issues, creating a closed-loop management system that significantly enhances response efficiency for quality issues.

### Horizon Construction Development's Equipment Repair Response Time Standards







In addition, working together with suppliers to focus on equipment quality, the Group has built a strategic supplier quality co-management model, and established a hierarchical meeting mechanism to discuss special quality management issues on a regular basis.

### Horizon Construction Development's Supplier Quality Co-governance Model



As of the end of 2024, the quality management systems of the Group's wholly-owned subsidiaries Shanghai Horizon Equipment & Engineering Co., Ltd. and Shanghai Hongjin Equipment & Engineering Co., Ltd. had been certified to comply with ISO 9001:2015 requirements and had obtained the corresponding certification certificates.

### Horizon Construction Development's Subsidiaries that have Obtained ISO 9001:2015 Certification



Shanghai Horizon Equipment & Engineering Co., Ltd.



Shanghai Hongjin Equipment & Engineering Co., Ltd.







## Metrics and Targets

The Group sets annual construction and equipment quality management targets to guide quality improvement initiatives, aiming to enhance overall equipment quality and service efficiency.

### Horizon Construction Development Construction and Equipment Quality Management Metrics and Targets

Metric	Target for 2024	Progress in 2024
On-time repair rate	96%	96% Completed
Maintenance completion rate	97%	97% Completed
Regulatory violations related to product and service quality & safety	0 cases	0 cases Completed

For additional performance data, please refer to the "ESG Data Sheet and Notes" section of this Report.







## 3.2 Customer Relations

Staying customer centred, Horizon Construction Development puts customers' needs at the core of business development, establishes a customer service management system covering product consultation, after-sales service, and customer satisfaction management, and formulates corresponding systems and processes to continuously improve the efficiency of customer service, and devotes itself to providing customers with all-round, multi-functional, and full-lifecycle services.

### Horizon Construction Development's Customer Service Philosophy



#### Core values

Customer first, hard work, win-win cooperation



#### Corporate mission

Make customers' production and operations safer and more efficient



#### Work orientation

All work for customers



#### Customer satisfaction principle

Customers are the core element of the Company's operations. For any issues related to the operation of business, it is important to satisfy customers to the best of our ability while taking into account the Company's norms and principles

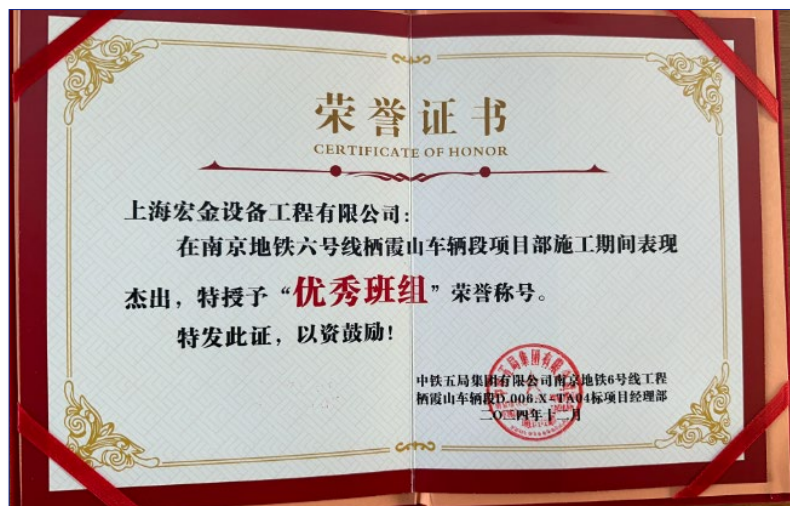
### Horizon Construction Development's Customer Service Management System and 2024 Management Progress

Aspect	Management mechanism	Outcome of key management actions in 2024
Customer lead acquisition & follow-up	<p><b>Diverse customer attraction channels:</b> Offline stores, mini-programmes, 400 customer service hotline, and online sales channels.</p> <p><b>Dedicated service team:</b> Established customer manager teams for professional follow-up.</p>	<ul style="list-style-type: none"> <li>24,549 leads from 400 pushed offline stores.</li> <li>Silent customer re-engagement campaign with 1,733 orders converted.</li> </ul>
Product consultation and after-sales service	<p><b>Multiple communication channels:</b> telephone callback, SMS sending, "400" customer service hotline, APP and public account online reception, etc.</p> <p><b>Professional service team:</b> 7*12- hour customer service provided by a professional customer service team.</p>	<ul style="list-style-type: none"> <li>Revised "400 Customer Service SOP Manual", enhancing hotline service standards.</li> <li>Conducted training on service communication, onboarding, new products, and customer follow-up scripts.</li> </ul>
Equipment usage guidance for customers	<p><b>Equipment handover training:</b> Equipment operation training provided to customers before equipment delivery</p> <p><b>Online learning platform:</b> Training in equipment safety, operation, standardised use and other aspects provided through online videos.</p>	<ul style="list-style-type: none"> <li>100% service engineers who provide handover training to customers passed their qualification training, and a total of about 1,401 people were trained.</li> <li>The online learning platform served a total of more than 48,900 customers.</li> </ul>





Aspect	Management mechanism	Outcome of key management actions in 2024
Customer satisfaction management	<p><b>Customer satisfaction survey:</b> Post-call customer service satisfaction evaluation, and regular visits to investigate satisfaction with the order on a sampling basis.</p> <p><b>Regular visits:</b> Customers are visited regularly to collect their comments and suggestions.</p>	<ul style="list-style-type: none"> <li>The rate of after-call satisfaction reached 96.75%.</li> <li>Satisfaction follow-up visits were conducted for 3,011 orders of neo-excavation support system, neo-formwork system, aerial work platform, etc., finding a satisfaction rate of 94.82%.</li> <li>A number of projects were highly recognised by customers through thank-you letters, banners, and honorary certificates.</li> </ul>
<p><b>The process of handling customer complaints</b></p> <pre> graph LR     A[Hand up] --&gt; B[Notify processor]     B --&gt; C[Notify the handler by phone]     C --&gt; D[Upgrade one lever]     D --&gt; E[Follow-up processing results]     E --&gt; F[Upgrade on the customer service side. Upgrade on the human side.]     F --&gt; G[Follow-up treatment solution. Closed loop processing result.] </pre>		
Customer/400 customer Service hangup sorting problem description	Feishu message notification	Unread/unread after notification of Feishu message
		If no connection is made, call again at an interval of 30 minutes. If no connection is made twice, the information will be transferred to the person in charge of the next level
		Follow up the latest processing progress before 17:00 on the same day
		If no effective solution has been found for more than two days, upgrade the corresponding processor
		Follow up the processing progress daily according to the project progress



Awarded Outstanding Team by the Nanjing Metro Line 6 Qixiashan Depot Project Department







## 3.3 Innovation-Driven Development

### Governance


Horizon Construction Development has established R&D management policies, including the "Specification for the Management of Technological Renovation Projects" and "Patent Management Standards". Based on the ESG governance framework, the Engineering Management Department is responsible for integrating resources, coordinating interdepartmental collaboration, and leading technological innovation and application, providing a solid organisational foundation for continuous innovation.

### Risk Management

The Group adheres to the "industry-academia-research" integration approach. In product and technology R&D, it follows the "Specification for the Management of Technological Renovation Projects", continuously innovating products and processes to deliver safer, more economical, and environmentally friendly solutions for customers. In IT system R&D, the Group has established an innovation R&D management mechanism, focusing on software system upgrades and smart hardware development to provide efficient, cost-effective, and seamless technological support for corporate management.

In 2024, the Group remained committed to external customer solutions and internal management technology support, driving technological upgrades and innovation development to enhance corporate technological competitiveness through continuous exploration and application of cutting-edge technologies.

#### Horizon Construction Development's R&D Management Measures and Outcome in 2024

Aspect	Management measures	Outcome in 2024
Product R&D	Continued increased investment in R&D, with R&D expenditure of RMB380 million in 2024.	<ul style="list-style-type: none"><li>Developed and introduced new formwork products, including "Long Top Support," "Truss Beam," and "Lightweight Support Beam," deployed across 15 projects.</li><li>Completed innovations such as "Unbalanced Earth Pressure Construction Method for Eccentric Steel Cofferdams" and "Innovative Construction Method for Side-Span Cast-in-Place Beam Supports."</li></ul>
Technical research	<ul style="list-style-type: none"><li>Conducted industry-academia-research collaboration with Shandong University to calculate horizontal load-sharing ratios for steel sheet piles and H-beams and study composite steel plate stress models.</li><li>Collaborated with East China Architectural Design &amp; Research Institute Co., Ltd., Sun Yat-sen University, and others on support technology research in flowing soft soil experimental environments.</li></ul>	
Innovation Environment	<ul style="list-style-type: none"><li>Established the "Patent Management Standards" and introduced a patent incentive programme to encourage employees to continuously identify technological innovations.</li><li>Facilitated talent sharing and optimised resource allocation across the industry chain through technical exchanges, training, project collaborations, and talent-sharing initiatives.</li></ul>	
<div></div> <p>Two support technologies certified by Guangdong provincial science and technology authorities</p>		





### Technical Standards and Specifications Co-developed by Horizon Construction Development

Standard name	Standard category
Technical Standard for Prefabricated Steel Support in Excavation Engineering	Shanxi Provincial Standard
Prefabricated Steel Support for Excavation Engineering in Shanxi Province	Shanxi Provincial Standard
Technical Code for Deep Excavation Steel Sheet Pile Support	Guangdong Provincial Standard
Green Technology Standard for Excavation Support in Building and Municipal Engineering	Shandong Provincial Standard
Technical Code for Prefabricated H-Beam Composite Structure Excavation Support	Shandong Provincial Standard
Technical Code for Prefabricated Excavation Support Structures	Liaoning Provincial Standard
Technical Standard for Prefabricated Prestressed Steel Support in Excavation Engineering	Shenzhen Municipal Standard
Technical Standard for Construction Scaffolding Safety in Shenzhen	Shenzhen Municipal Standard
Technical Guide for Internal Excavation Support and Temporary Bridge Decks	Wuhan Municipal Standard
Technical Code for Steel Pipe Scaffolding Support Applications	China Association for Engineering Construction Standardisation Group Standard
Technical Code for High-Strength Ringlock Scaffolding Applications	China Association for Engineering Construction Standardisation Group Standard
High-Strength Ringlock Scaffolding Components	China Association for Engineering Construction Standardisation Group Standard
Construction Standard for Plug-in Ringlock Steel Pipe Scaffolding	China Association for Engineering Construction Standardisation Group Standard
Technical Code for Fully Recyclable Excavation Engineering	China Association for Engineering Construction Standardisation Group Standard
Technical Code for Permanent Support Structures in Deep Excavation	China Association for Engineering Construction Standardisation Group Standard
Technical Code for Tower Support Frames	China Formwork and Scaffold Association Group Standard

In terms of intellectual property protection, the Group strictly complies with the *Patent Law of the People's Republic of China* and the *Measures for the Registration of Computer Software Copyright*, among other relevant laws and regulations. The Group has established a comprehensive intellectual property management system covering patent classification, application procedures, daily management, and operational oversight, ensuring full legal protection of its innovations while preventing intellectual property infringement.

## Metrics and Targets

In 2024, the Group continued its active participation in industry technical standard development, achieving significant progress in innovation-driven development. There were new applications of 6 software copyrights and 42 patents (including 7 invention patents), and new approvals of 8 software copyrights and 27 patent authorisations (including 9 invention patents). The Group has placed emphasis on the compliance of intellectual property management throughout the process, and no infringement incidents occurred.





## 3.4 Privacy and Data Security

With the large-scale development of the industrial Internet, the data security risks behind various technological applications have become increasingly prominent. Horizon Construction Development regards ensuring data security and customer privacy as an important basis for corporate survival and development.

### Governance

The Group strictly complies with the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. It has established a privacy and data security framework centred on the "Information Security Management Measures", covering all employees and suppliers. The Group has also set up an Information Security Management Team, led by the General Manager of the Strategy Centre, to coordinate security officers across departments and oversee the implementation of privacy and data security measures.

### Risk Management

The Group is committed to building a comprehensive and systematic privacy and data security management mechanism, covering network infrastructure, data security protection strategies, emergency response mechanisms, cross-border data management regulations, and customer privacy protection principles. These measures collectively enhance the Group's privacy and data security management capabilities.

#### Horizon Construction Development's Privacy and Data Security Management Mechanism

##### Network infrastructure development

- Implement real-time network monitoring to detect abnormal traffic fluctuations, issue alerts, and ensure timely intervention and resolution of network failures.
- Network engineers conduct regular backups of firewalls, switches, and other critical infrastructure, ensuring all network configuration changes follow IT maintenance protocols.
- Security engineers perform monthly scans on core business applications and publicly accessible applications, logging and tracking vulnerabilities via the ZenTao management system. New system deployments or major updates require vulnerability scanning and penetration testing before going live.
- Engage external professional agencies for compliance assessments (e.g., every two years for secondary-level protection reassessments of the Horizon Construction Development Equipment Aerial Work Platform Mini Programme and annually for third-level protection reassessments of the Tianjin Lahuole Freight Network Platform). These assessments evaluate security controls against legal and regulatory requirements and include third-party vulnerability scanning and penetration testing.

##### Emergency reporting and response mechanism

- Establish the "Phishing Email Emergency Response Process", requiring employees to immediately report suspicious emails to the IT Service Desk, Information Security Officer, or Security Management Team. If confirmed as a phishing email, emergency procedures are initiated, including but not limited to deleting the email, issuing a company-wide warning, and reporting the phishing website for blocking requests.
- Develop the "Ransomware Emergency Response Plan", conducting tabletop exercises to ensure that all personnel understand their responsibilities. Regular anti-ransomware drills are conducted to validate and enhance the effectiveness of security measures.





### Data security protection strategy

- Establish a detailed data backup plan, including daily, monthly, off-site backups, and quarterly data recovery tests, supported by real-time monitoring logs to ensure data integrity.
- Implement strict access authorisation mechanisms, granting each employee only the necessary data permissions for their role. Any additional access requires a formal request process and is limited to a maximum validity of one year.
- Classify and categorise company-critical data, compiling a confidential document list that specifies storage, transmission, and sharing protocols for sensitive files.
- Require third-party vendors handling company data or external system integrations to sign confidentiality agreements, outlining liability clauses for breaches. Additionally, suppliers must demonstrate security measures in identity authentication, access control, and audit logging before system approval.
- Mandate that employees sign a Confidentiality Agreement upon onboarding and a Confidential Information Non-Disclosure Commitment upon resignation, with legal consequences for breaches. Unauthorised distribution of top-secret company documents results in immediate termination.
- Integrate "Information Security Risk Assessment and Management" into relevant employees' performance evaluation system. In the event of a major cybersecurity attack, affected employees face deductions in their performance scores.

### Cross-border data management guidelines

- Revise the "Information Security Management Measures", incorporating detailed requirements for overseas data collection, and translated them into English to align with localised and international regulatory requirements.
- Require employees to sign an informed consent agreement for cross-border data transfers, ensuring they fully understand and agree to the specific content and purpose of data transmission.
- Post monitoring notices in prominent locations across operational bases to increase employee awareness of overseas data processing activities.
- Implement information security controls in overseas markets, including network isolation, disabling external devices, mandatory security training and testing, installation of data leakage prevention software, and advancing zero-trust VPN strategies to ensure network security in remote work scenarios.

### Customer privacy protection principles

- Designate responsible departments for privacy data management by business domain, with the Information Security Management Team providing technical solutions and oversight on data sharing and export processes. Each designated department acts as the primary custodian of the privacy data under its jurisdiction and is responsible for ensuring its security.
- Require users to acknowledge privacy agreements before using mini-programmes, apps, and other applications, and provided legal disclosures regarding data collection, storage, transmission, and destruction methods, as outlined in the "Horizon Construction Development Equipment Aerial Work Platform Mini-Programme" [Privacy Policy](#).
- Implement encryption storage, encrypted transmission, desensitised display, and access control measures to protect sensitive customer data, such as ID numbers, phone numbers, and email addresses, from unauthorised access, use, or modification.
- Conduct internal audits to verify the personal data protection measures outlined in the privacy policy, ensuring proper desensitised display, encrypted transmission, encrypted storage, and export restrictions for sensitive personal data.

Additionally, the Group continuously promotes cybersecurity awareness through new employee trainings, regular security officer trainings, security awareness newsletters, posters, and stickers, fostering a culture of cybersecurity participation across all employees.





## Metrics and Targets

The Group's management goal is to ensure that no privacy and data security violations occur within China that affect users, customers, or cause reputational harm. The Group remains committed to integrating privacy and data security management into daily operations, ensuring that every employee fully understands and strictly follows security protocols, thereby establishing a strong foundational defence for privacy and data protection while providing robust support for the Company's stable development.

### Horizon Construction Development 2024 Privacy and Data Security Management Performance

**In 2024, the Group successfully achieved its target of "no privacy or data security violations occurred within China that affected users, customers, or caused reputational harm."**

A total of **31** security vulnerabilities were identified through regular penetration testing and vulnerability scans

Including **8** high-risk vulnerabilities

Including **23** medium-risk vulnerabilities

**All above were fully resolved.**

The Group engaged external agencies to conduct a comprehensive audit and evaluation of the Group's IT team management, policies, and systems.

The Group's major external-facing systems "Horizon Construction Development Equipment Aerial Work Platform Mini-Programme" and "Tianjin Lahuole Freight Network Platform" passed the Level 2 Protection Assessment (Classified Cybersecurity Protection), and the Level 3 Protection Assessment, respectively, and completed reassessment.

All new employees underwent mandatory information security training and passed the required exams.

The Group conducted information security awareness training and exams for all overseas employees, achieving **100%** participation.

The Group published **11** cybersecurity awareness newsletters covering phishing emails, workplace security, and data security, providing daily security guidance for employees.

The Group conducted **1** phishing email emergency drill, with all affected employees required to complete security training and an assessment.

The Group performed **1** ransomware recovery drill on the WMS warehouse database, validating network isolation of the backup server and ensuring backup data integrity and effectiveness.





## 3.5 Sustainable Supplier Management

The Group is a company in the operational leasing industry, and its suppliers are mainly suppliers of equipment, materials, spare parts, tools, oil, gas, liquids, engineering services, production services, and administrative services.

### Governance

The Group strictly complies with the *Bidding Law of the People's Republic of China* and the *Government Procurement Law of the People's Republic of China*, adhering to the principles of "separation of management and use, hierarchical classification, openness, transparency, and continuous optimisation." A regulatory framework has been established with the "Supplier Management Measures" as the core, along with the "[Supplier Code of Conduct](#)." Under the supervision of senior management, the Supply Assurance Centre leads supplier management to ensure regulated and transparent processes, continuously improving efficiency and effectiveness.

### Risk Management

The Group standardises the entire supplier lifecycle, including sourcing, onboarding, evaluation, development, suspension, and exit. Throughout this process, the Group monitors ESG management practices among suppliers, assessing their performance in environmental protection and social responsibility, incorporating these factors into procurement strategy decisions.

- Established an Internal Procurement Control Department to manage supply chain corruption risks and internal controls. Regular internal training ensures procurement personnel understand ESG management requirements for suppliers.
- Implemented ESG and quality compliance reviews during supplier onboarding, assessing environmental and business relevance for each supplier type. Incorporated anti-corruption clauses into supplier contracts, requiring suppliers to sign the "Anti-Bribery and Corruption Agreement" to ensure alignment with the "[Supplier Code of Conduct](#)".
- Integrated third-party data platforms (TianYanCha, QiChaCha) to monitor supplier business status, administrative penalties, and other risk indicators in real time, ensuring timely identification of hidden supply chain risks.
- Promoted anti-corruption awareness among suppliers through the issuance of integrity commitment letters and anti-bribery training.
- Suspended business with suppliers who fail to meet the Group's anti-corruption and ESG requirements.
- Considered both economic and environmental benefits in procurement processes for engineering projects, IT equipment, office furniture, and computers, requiring suppliers to meet national and industry standards for green procurement and prioritising suppliers offering energy-efficient and environmentally friendly products.



**Horizon Construction Development's 2024 Key Sustainable Supplier Management Initiatives**





## Metrics and Targets

The Group is committed to achieving "zero procurement violations", ensuring that all procurement activities comply with regulations and maintain transparency. By continuously refining processes and implementing strict standards, the Group aims to foster long-term and stable cooperation with suppliers, advancing towards sustainable development together.

### Horizon Construction Development's sustainable supplier management targets and 2024 monitoring metrics

**In 2024, the Group successfully achieved the target of "zero procurement violations."**

**6,066** registered suppliers, including **7** strategic suppliers.

**100%** of Integrity clause coverage rate for newly signed suppliers.

Conducted supplier anti-corruption training, covering **1,329** suppliers, including **100%** of the Group's strategic suppliers.

**1,329** suppliers underwent ESG assessments covering environmental, labour, and ethical factors, and all **1,329** were deemed compliant. The Group found no instances of supplier corruption.

For additional performance data, please refer to the "ESG Data Sheet and Notes" section of this report.







# 04 *Working Together to Build a Harmonious Community*



## Material topics addressed

Employee interest and  
welfare protection

Occupational health and  
safety

Human capital  
management

Social contribution and rural  
revitalisation

## Metrics and targets

Metric	Target for 2024		Progress in 2024
Annual occupational disease incidence rate	0%	0%	Completed
Accident fatality rate	0%	0%	
Number of occupational diseases	0	0	
Number of major production safety accidents	0	0	
Violations of occupational health and safety regulations resulting in regulatory penalties	0	0	
Employee training coverage rate	100%	100%	
Employees receiving regular performance and career development evaluations	100%	100%	





## 4.1 Employee Rights and Welfare Protection

### Governance

Horizon Construction Development strictly complies with the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. The Group has formulated key policies such as the "Employee Handbook" and the "[Employee Rights Protection Policy Statement](#)", ensuring that employees' fundamental rights are safeguarded while respecting and fostering individual differences. The Group is committed to creating a fair, impartial, and open workplace environment.

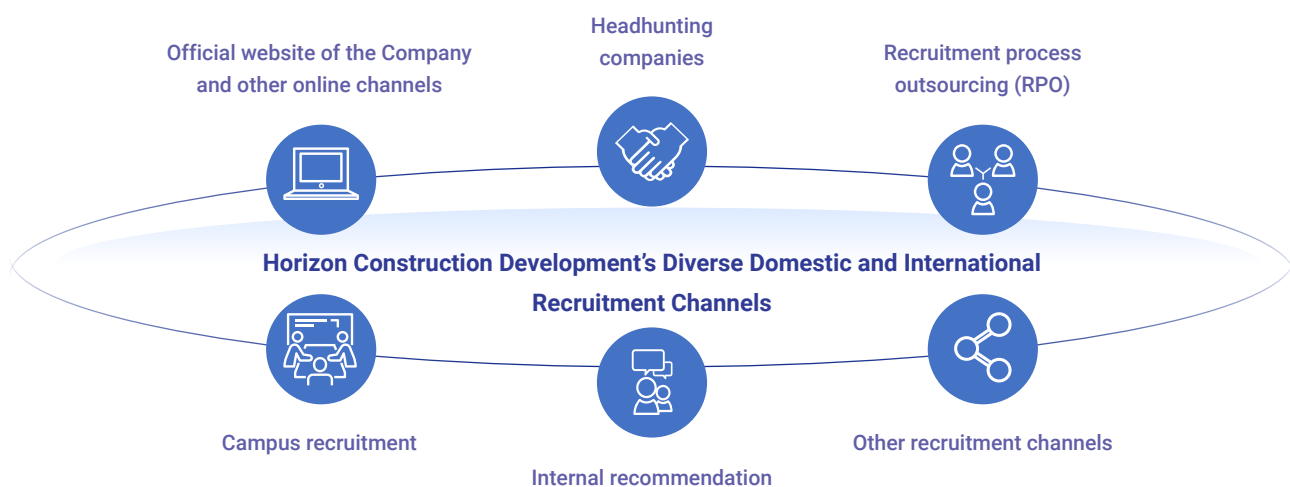
The Board of Directors, as the highest decision-making body, is fully responsible for the strategic direction of employee interest and welfare protection. The Group's management team has established an ESG Committee to oversee policies and practices related to employee rights, social responsibility, and sustainability. The Human Resources Department is responsible for employee recruitment, employment, rights protection, and employee care initiatives.

### Risk Management

#### Employee Recruitment and Employment

Adhering to the policy of "first-class talents, first-class performance and first-class returns", the Group has established a recruitment and employment management system with the "Recruitment Management Measures" as the core, defined the principles of recruitment, standardised the entire process of talent recruitment and set up diversified recruitment channels to continuously strengthen the introduction of outstanding talents at all levels, creating a spectacular talent team and making talents the creators of the Group's value and the guardians of its corporate culture.

In 2024, the Group set "talent upgrading" as a key goal, supporting its globalisation strategy by expanding international recruitment channels to attract top overseas talent. Through a multi-channel recruitment strategy, the Group continues to strengthen its employer brand image.







### "Hongzhu Phase IV" Global Campus Recruitment Plan

As part of its 2025 campus recruitment efforts, the Group upgraded its global recruitment strategy and strengthened the "Hongzhusheng" brand, launching a strategic talent seed project valued at tens of millions of RMB. This programme aims to recruit 100 outstanding graduates from both domestic and international markets. The "Hongzhusheng" plan offers industry-competitive compensation and benefits, with a 1.5-year development phase and a 5-year growth plan. A systematic training mechanism is designed to fast-track new employees into highly capable, high-performing professionals.

In 2024, the Group expanded its international recruitment, starting with Malaysia. Collaborating with Tunku Abdul Rahman University of Management and Technology (TAR UMT), the Group successfully hosted two offline recruitment events, attracting 245 students and faculty members. The events opened seven international positions, receiving over 40 applications on-site.



Overseas Recruitment Event Highlights

The Group strictly adheres to legal employment practices, complying with the *Law on the Protection of Minors and the Provisions on the Prohibiting the Use of Child Labour*, and other relevant regulations. The Group rigorously verifies the age of all incoming employees, strictly prohibiting child labour and forced labour. The Group is committed to fair employment opportunities and workplace diversity, ensuring equal opportunities in recruitment, training and development, promotions, compensation, and benefits. Employees are hired regardless of age, gender, race, or educational background.







## Employee Interest Protection

Horizon Construction Development upholds the principle of a fair, impartial and open workplace, establishing a comprehensive and standardised human resource management system that clearly defines working hours, leave policies, compensation, and benefits, fully protecting employees' legal rights and well-being.

### Horizon Construction Development's Employee Interest and Welfare Protection System



#### Working hours and holidays

- **Working Hours:** "Employee Attendance Management Measures" are formulated to ensure that the Group complies with applicable laws and industry standards regarding working hours.
- **Leave Policies:** Includes paid annual leave, marriage leave, bereavement leave, maternity leave, sick leave, parental leave (five days per year for both parents), and leave for attending children's parent-teacher meetings.



#### Salary and benefits

- **Salary:** "Salary Management Measures" are formulated to provide a competitive salary package based on employees' qualifications, abilities, performance and comparable market data, which generally includes basic wage, pension plan contributions and talent retention bonuses.
- **Statutory benefits:** The Company pays five insurances and one fund for all employees.
- **Non-statutory benefits:** Employees receive supplementary medical insurance, group accident insurance, holiday bonuses, parental support stipends, meal allowances, and additional commercial insurance for expatriate employees.



#### Anti-discrimination & anti-harassment

- **Commitment:** The Group ensures that no employee is discriminated against or denied opportunities based on gender, race, religion, ethnicity, sexual orientation, age, marital status, family status, disability, pregnancy, or any other legally protected characteristic.
- **Regulations:** Employees must not engage in harassment or discrimination against colleagues, business partners, or the company based on gender, race, marital status, pregnancy, breastfeeding status, disability, or family status.
- **Complaint and Reporting Mechanisms:** Employees who believe they have experienced discrimination are encouraged to file complaints through the channels outlined in the "Employee Handbook". If an employee experiences or witnesses harassment, they should report it to the Human Resources Department immediately. The Group has zero tolerance for any form of explicit or implicit threats, intimidation, stalking, or violence.

The Group implements democratic management, establishing a democratic participation system centred on the Employee Representative Conference and the Labour Union. It has also set up employee communication and feedback mechanisms, a rationalisation suggestion platform and a "Tea Bar" to encourage employees to express their opinions freely and openly and make suggestions on the Group's operation and management.

In 2024, the Group conducted an organisational climate survey, covering employee engagement and satisfaction, to gain a comprehensive understanding of employees' professional status, including job satisfaction, career goals, well-being, and stress levels, from the perspectives of corporate culture and vision, leadership effectiveness, career development, and work rewards. Improvement plans were formulated for areas with lower satisfaction, with quarterly follow-ups and reviews, continuously enhancing employee engagement and strengthening their sense of professional fulfilment.





## Employee Care and Activities

The Group attaches great importance to caring for employees. It has formulated the "Labour Union Welfare Standard", regularly carries out union welfare activities, provides employees with necessary support through care, condolences, assistance and other means, fully cares about their lives, enhances their happiness and cohesion, and is committed to building a growth platform that employees trust and are willing to work for.

### Horizon Construction Development's Key Employee Care and Activity Measures

#### Employee care

- Employee birthday benefits, Women's Day benefits, Children's Day benefits, employee wedding benefits, etc.

#### Labour union condolences

- Compensation for voluntary blood donation, condolences for serious illnesses, condolences for work injuries and accidents, condolences for relatives' funerals, aid for special difficulties, etc.

#### Labour union assistance

- Natural disaster relief, etc.

#### Female employees' rights and interests

- "Contracts for the Protection of Special Interests of Female Employees" are signed, female care activities are held, and lactation rooms are provided.

#### Cultural and sports activities

- Employee gyms and sports facilities are provided, and departments are encouraged to organise team-building activities.





## Metrics and Targets

The Group continues to advance employee recruitment, employment practices, and welfare protection, strengthening employee belonging and loyalty, laying a solid foundation for the Group's sustainable development.

### Horizon Construction Development's employee interest and welfare protection performance in 2024

Recruiting  
**2,816** market-driven and professional talents

About **680**  
overseas employees

Avoiding employee discrimination incidents, child labour violations, or forced labour violations.

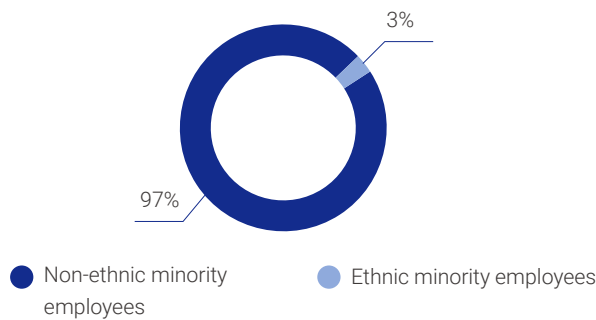
Total employees:  
**4,929**

Including  
**161** ethnic minority employees

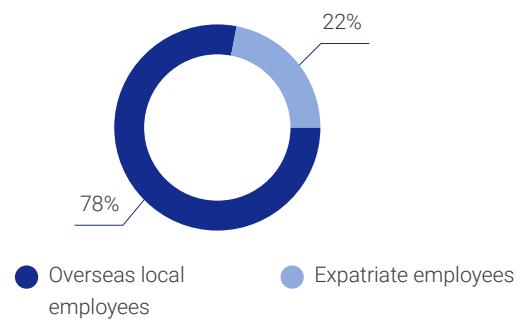
Overseas workforce localisation rate:  
**78%**

reflecting a diverse workforce and localised hiring practices in international markets.

Employee Ethnic Composition in 2024



Overseas Workforce Localisation Rate in 2024



Employing **34** disabled individuals, assigning them to archival management, gift production, and other roles.

Holding  
**2** Employee Representative Conferences

With approximately  
**200** employee representatives participating

Receiving **1,359** suggestions through the rationalisation suggestion platform.

Conducting an employee engagement survey, with an engagement rate of **80.39%**, ranking at an excellent market level.

For additional performance data, please refer to the "ESG Data Sheet and Notes" section of the Report.





## 4.2 Occupational Health and Safety

### Governance

Horizon Construction Development regards occupational health and safety management as the foundation of the Group's survival and sustainable development.

The Group strictly complies with the *Work Safety Law of the People's Republic of China*, the *Safety Regulations for Confined Space Operations in Industrial and Trade Enterprises*, and other relevant laws and regulations. It has established a comprehensive occupational health and safety management system, incorporating policies such as the "Work Safety Responsibility Management Measures," "Occupational Health Management Measures," and [Health, Safety, and Environment \(HSE\) Policy](#)." This system covers all operations and extends to contractors under the Group's supervision, aiming to create and maintain a safe and healthy workplace, preventing accidents and occupational diseases.

The Group has established an HSE committee as the highest leading and decision-making body for the Group's all-round HSE management. An asset centre & HSE management department is set up under the committee to take charge of the daily HSE-related work.

**Horizon Construction Development's Organizational Structure of HSE Management**

<b>HSE Committee</b>	<p><b>Top leading and decision-making body</b></p> <p>General manager serves as director; heads and responsible persons of each department serve as members</p>	<ul style="list-style-type: none"> <li>Organising and promoting HSE management; reviewing and making decisions on major HSE matters</li> </ul>
<b>HSE Management Department under the Asset Centre</b>	<p><b>Daily office of HSE Committee</b></p>	<ul style="list-style-type: none"> <li>Establishing and improving HSE management rules and regulations; carrying out daily HSE management that covers target management, responsibility management, risk management, operation control and modules</li> </ul>

### Risk Management

#### HSE Risk Prevention and Control Mechanism

The Group prioritises HSE risk management in addressing occupational health and safety risks. Specifically, the Group conducts regular HSE risk identification, utilises the risk matrix method to evaluate risks based on likelihood of occurrence and severity of impact, and implements tiered and targeted risk mitigation measures accordingly.





## Horizon Construction Development's Regular Management Measures For HSE Risk Prevention and Control

### Identification of HSE risks

- A total of 2,388 hazard sources were identified in the Group's business operation, including 592 major risks, mainly concentrated in major risks such as lifting injuries, mechanical injuries, and collapses.

### HSE risk management and control mechanism

- Work instructions for high-risk operating procedures were formulated, policy promotion and implementation carried out for front-line engineering personnel, and special supervision, regular on-site inspection, and problem correction were conducted;
- Qualification standards for personnel in typical operating procedures were formulated, requiring them to undergo skills and safety knowledge training and pass corresponding assessments before taking up their posts;
- A three-level management mechanism for safety inspections was implemented, and the hidden dangers identified were tracked and dealt with in accordance with the following principles:

- 1 Full coverage of company-level monthly inspections for high-risk operations, full coverage of quarterly inspections for medium-risk operations, and full coverage of annual inspections for low-risk operations;
- 2 Department-level inspections conducted on a monthly basis;
- 3 Team-level inspections conducted on a daily basis.

In 2024, the Group adapted its HSE management system to overseas operations, focusing on equipment/material loading and unloading, maintenance, and hoisting as high-risk activities. Through clear role accountability, structured HSE training for overseas employees, and systematic HSE issue resolution, the Group strengthened operational safety in international markets.

### Safe Production

The Group strictly implemented its responsibility for workplace safety, practiced the Four "Don't Let It Go" principles in accident handling, and built a strong defence line for safe production through improving the responsibility system, maintaining construction facilities, and creating a cultural environment that is "close to reality, close to production and close to employees" for the Group's safe production and construction.

#### Horizon Construction Development's Four "Don't Let It Go" Principles for Accident Handling

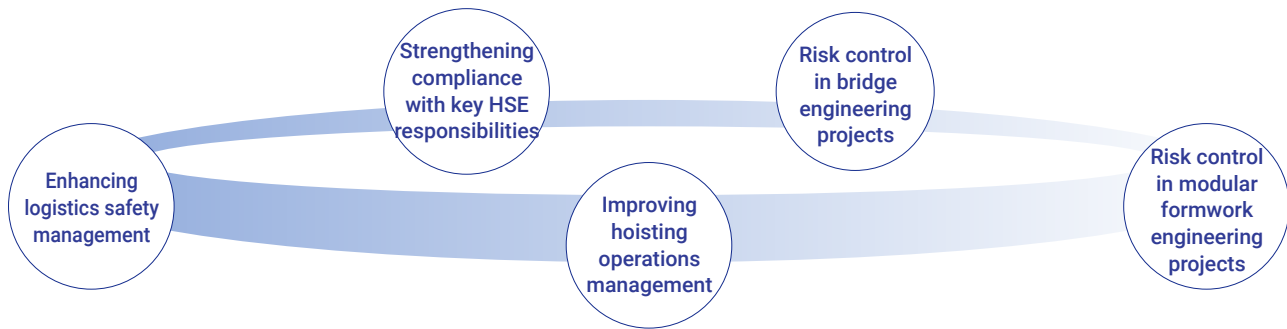
- |   |  |   |   |
|---|--|---|---|
| 1 | Don't let it go unless the cause of the accident has been clearly investigated | 3 | Don't let it go unless the people involved have learned the lessons from the accident |
| 2 | Don't let it go unless the person responsible has been punished                | 4 | Don't let it go unless corrective and preventive measures have been in place          |

In 2024, the Group prioritised five key areas to enhance workplace safety, ensuring every detail is properly executed so that all employees can work in a safe and reliable environment.





### Horizon Construction Development's Key Focus Areas in Safe Production in 2024



### Horizon Construction Development's Key Safe Production Guarantee Measures

#### Improving safe production responsibility system

- Clearly designating the person responsible for safety, signing a safety responsibility letter, conducting regular safety hazard inspections, and eliminating safety hazards from the source;
- Reporting the discovered safety risks online and requiring rectification be made within a time limit.

#### Strengthening the construction and maintenance of safety facilities

- Adopting six technical measures to enhance safety protection, including pipe guard baffles, protective enclosures for pressure equipment, arc flash protective baffles, robotic welding arc flash baffles, two-hand press safety devices, and punch flywheel guard, ensuring employee safety.
- Carrying out regular maintenance and inspection of production equipment and protective facilities, having dedicated personnel responsible for management, and truthfully recording the maintenance to ensure the normal operation of safety equipment and protective facilities;
- Using the means of IoT to install an intelligent 24/7 monitoring system on more than 58 piling machines, which achieved standardised visualisation, integrated management, and flattened control of piling machinery.

#### Creating a cultural atmosphere of safe production

- 64 production safety training and publicity were conducted through a combination of theory and practice, including safe production knowledge training, production operation skills training, fire protection knowledge training, etc.;
- Enriching training formats and innovating the training system. Through the Horizon Construction Development Learning Platform, 29 online production safety training sessions were organised, with 15,267 participants. Additionally, promotion of production safety was carried out 35 times through designated push, covering 53,451 people, including all front-line employees. Across the entire group, both production and non-production department safety training sessions reached 78,718 participants.
- In response to the National Work Safety Month and Fire Protection Awareness Month, 293 emergency drills were carried out to improve employees' safety awareness and emergency handling capabilities.





### Establishment of a Safety Supervision System for Bridge Engineering

The Group has developed bridge engineering safety management standards, with enhanced monitoring for high-risk operations such as hoisting and water-based construction. Through real-time monitoring and corrective actions, the Group is committed to controlling key safety risks and preventing major accidents.

In 2024, all supervisory personnel completed 100% of self-inspections, deficiency checks, and corrective actions, ensuring that all inspection results were either reported or rectified, significantly improving safety compliance across all processes.

Throughout 2024, the Group strictly implemented the bridge project safety supervision system, and no major fatal accidents occurred due to regulatory loopholes.



A Bridge Engineering Project



### Enhancement of Safety Management for Logistics Loading and Unloading

To effectively control loading and unloading risks for logistics drivers and prevent fatal accidents, the Group established a comprehensive safety control system, which includes sending safety reminders via SMS or App before operations, implementing driver qualification certification to enhance safety awareness and skills, installing video monitoring systems for real-time supervision of loading and unloading operations, and developing a detailed loading and unloading process manual to standardise designated unloading areas and personal protective equipment (PPE) requirements.

In 2024, the Group audited 4,195 drivers, achieving a 97.8% compliance rate for PPE usage, while identifying 37 cases of operational violations.

Since launching this safety initiative, the Group has eliminated fatal logistics driver accidents, successfully achieving its expected safety management goals.



Logistics Loading and Unloading Risk Audits





In 2024, the Group invested approximately RMB43 million in safety initiatives, including protective measures, emergency management, PPE, safety inspections, consulting, training, safety incentives, and hazard rectifications. As of the end of 2024, the Group's two major subsidiaries successfully obtained ISO 45001:2018 occupational health and safety certification.

#### Horizon Construction Development's Subsidiaries that have Passed ISO 45001:2018 Certification



Shanghai Horizon Equipment & Engineering Co., Ltd.



Shanghai Hongjin Equipment & Engineering Co., Ltd.



## Occupational Health Management

The Group's operations pose occupational health risks related to noise, dust, and high temperatures. To mitigate these risks, the Group regularly conducts risk identification across all operational bases, monitors occupational hazards, and strengthens employee health protection through equipment upgrades and preventive health measures.

### Horizon Construction Development's Key Occupational Health Guarantee Measures in 2024

#### Equipment improvement

- Selecting semi-automatic welding equipment, installing smoke collection pipes and ten large exhaust fans to prevent the spread of welding smoke;
- Optimising processes, technology, and equipment, and acquiring two welding robots in 2024 to reduce workers' exposure to occupational hazards.

#### Disease prevention

- Providing PPE for employees based on identified occupational disease risks.
- Conducting annual occupational health checkups, with 77 employees in high-risk roles receiving specialised examinations.
- Organising three occupational health training sessions, covering 5,092 employees, focusing on the Group's occupational health policies, disease prevention, and heat stress management.





## Metrics and Targets

The Group has established occupational health and safety targets, implementing a robust occupational health and safety management system, and applying effective risk control measures to ensure target achievement, support corporate stability, and uphold social responsibility commitments.

### Horizon Construction Development's Occupational Health and Safety Metrics and Targets

Metric	Target	Progress in 2024	
Annual occupational disease incidence rate	0%	0%	Completed
Accident fatality rate	0%	0%	
Number of occupational diseases	0	0	
Number of major work safety accidents	0	0	
Regulatory penalties for occupational health and safety violations	0	0	

For additional performance data, please refer to the "ESG Data Sheet and Notes" section of the Report.







## 4.3 Human Capital Management

### Governance

Talent is the foundation and driving force behind value creation. Establishing a comprehensive and structured human capital management system is essential for talent development and enhancing corporate competitiveness.

Horizon Construction Development treats all employees on an equal basis, regardless of age, seniority, work experience, and education background, valuing each employee's potential and contributions. Based on the ESG governance framework, the Talent Development Department under the Human Resources Department enhances employees' professional skills through comprehensive training plans. The Group also adopts a scientific performance evaluation system to fairly assess employees' achievements and behaviours, unlocking their full potential and driving the company's long-term growth.

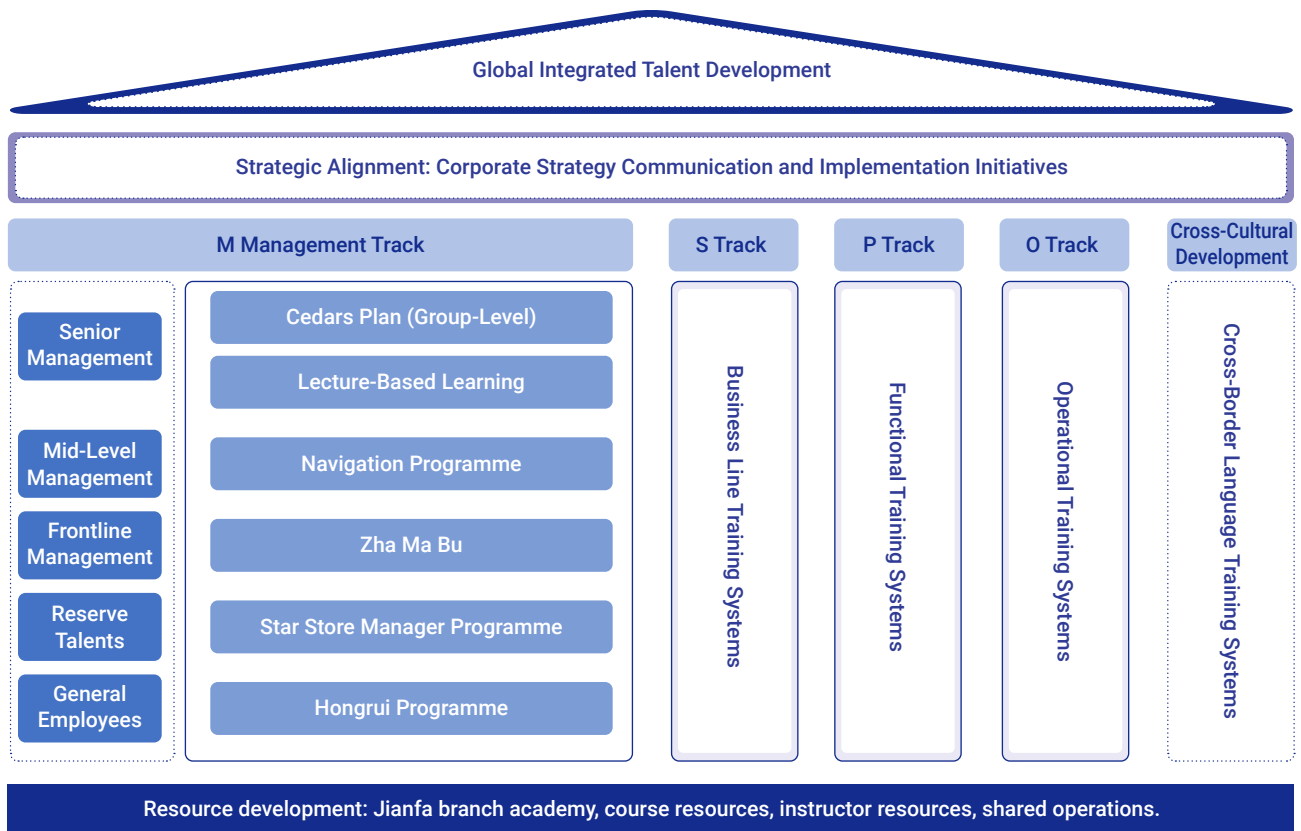
### Risk Management

#### Employee training

Horizon Construction Development is committed to helping every employee enhance their skills and maximise their professional value.

The Group focuses on leadership development for managers, onboarding training for new employees, and the enhancement of general and professional skills. By integrating training resources, it has built a dynamic talent development system managed at the headquarters level, supported by business divisions, and implemented through a tiered and structured approach, ensuring the steady growth of intellectual capital across the organisation.

#### Horizon Construction Development's Talent Development Framework





**Horizon Construction Development's Major Training Projects and Achievements in 2024**

Training project	Participant	Frequency	Training achievements in 2024
<b>Zamabu Project</b>	Business unit heads	<ul style="list-style-type: none"> <li>Twice a year</li> </ul>	<ul style="list-style-type: none"> <li>Practical training on strategic direction, business operations, and organisational development. 71 business general managers/directors trained.</li> </ul>
<b>Hongrui Project</b>	High-Potential business managers	<ul style="list-style-type: none"> <li>Annually or biannually</li> </ul>	<ul style="list-style-type: none"> <li>46 high-potential business managers selected, fostering a competitive learning environment.</li> </ul>
<b>Hongqi Project</b>	Lateral hires (new employees)	<ul style="list-style-type: none"> <li>Daily online learning roadmap</li> <li>2-3 offline training sessions per month</li> </ul>	<ul style="list-style-type: none"> <li>30 training sessions conducted, covering 1,761 new employees.</li> </ul>
<b>Hongzhusheng Plan</b>	Campus recruits	<ul style="list-style-type: none"> <li>Once per year</li> <li>1.5-year structured mentorship programme</li> </ul>	<ul style="list-style-type: none"> <li>39 business trainees from the third cohort onboarded.</li> <li>General direction trainees: Earliest independent deal closed on Day 2.</li> <li>Support track trainees: Earliest independent deal closed in 12 days.</li> </ul>

Additionally, the Group supports continuous learning and professional development by establishing an online learning platform, providing IPAF (International Powered Access Federation) training certification, and offering construction industry qualification subsidies. These initiatives foster a self-driven, self-improving learning culture, promoting lifelong learning and skill enhancement across the organisation.

In 2024, the Group invested nearly RMB20,000 to support employees' IPAF training, and an additional RMB20,000 was granted as subsidies for two employees obtaining construction industry qualification certifications.

**Employee Performance Management**

The Group has established a structured performance management mechanism, ensuring that performance evaluations serve both as a motivational tool and a regulatory framework. This system aligns the Group's vision, strategy, and objectives with individual employee performance, striving for shared success at the corporate, team, and personal levels.

**Horizon Construction Development's Performance Management System****Performance evaluation mechanism**

- Results-oriented and based on the balanced scorecard, the overall strategic objectives of the Group are decomposed to each department and employee in each position;
- Key performance indicators (KPI) and key success factors (KSF) are set to determine the performance objectives of employees, and evaluate their performance results accordingly;
- Year-round performance management cycle, including goal setting, execution planning, evaluation, coaching, performance reviews, feedback sessions, and result applications, forming a closed-loop management system.
- The results of employee performance evaluation are widely used in salary incentives, job position adjustments, training and development, annual evaluation, etc.





### Performance-related grievance mechanism

- If an employee has any objection to the results of performance evaluation, he/she can file a complaint with the Human Resources Department. The Human Resources Department shall handle the complaint prudently in accordance with relevant regulations and procedures and give corresponding feedback to the complaining employee in a timely manner.

To motivate key talent essential to achieving corporate objectives, the Group has implemented a stock incentive plan covering senior executives, mid-level managers, and other core employees.

In 2024, after deliberation and approval by the Board of Directors, the Group established an equity incentive plan (including a restricted share award plan and a share option plan) during the year. During the reporting period, under the relevant incentive schemes, the Group granted a total of 35.71 million restricted shares and gave 49 share option grantees the right to subscribe for a total of 15.33 million shares.

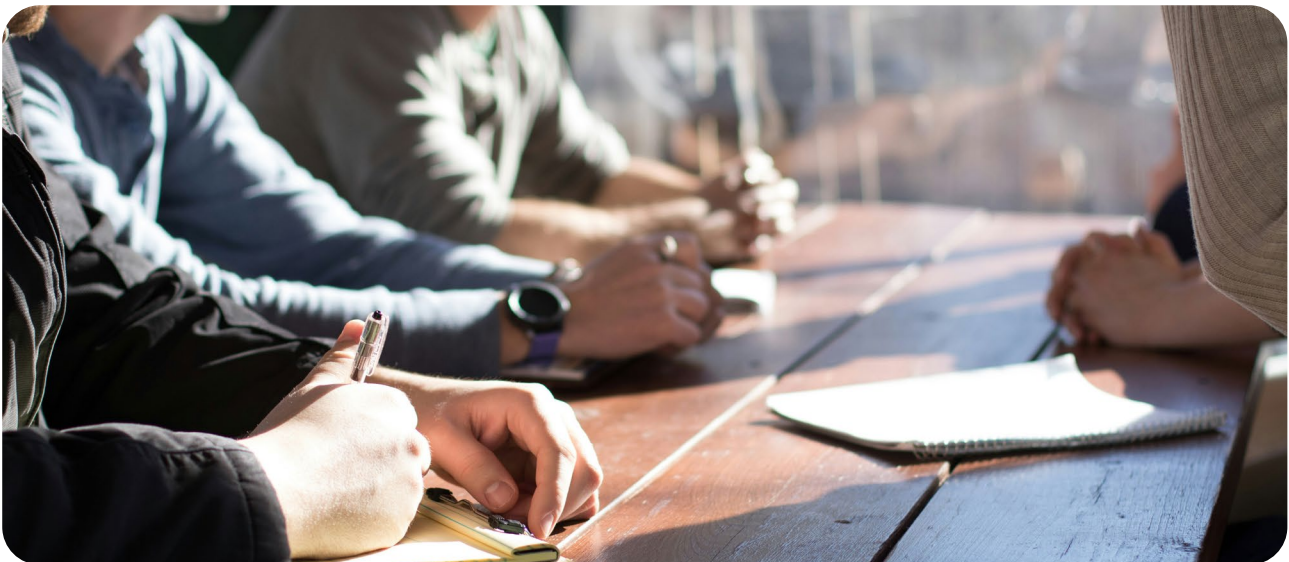
## Metrics and Targets

The Group is committed to building a comprehensive training, performance evaluation, and career development assessment system for all employees, ensuring that employees continuously progress in their careers while strengthening overall corporate competitiveness.

### Horizon Construction Development's Human Capital Management Metrics and Targets

Metric	Target for 2024	Progress in 2024	
Employee training coverage rate	100%	100%	Completed
Employees receiving regular performance and career development evaluations	100%	100%	

For additional performance data, please refer to the "ESG Data Sheet and Notes" section of the Report.







## 4.4 Social Contribution and Rural Revitalisation

In active response to the call of “promoting rural revitalisation in an all-round way”, and strictly abiding by the *Charity Law of the People’s Republic of China*, the *Donation Law of the People’s Republic of China for Public Welfare* and other laws and regulations, Horizon Construction Development is deeply engaged in social contribution and rural revitalisation .

In 2024, the Group actively participated in and supported various public welfare initiatives, contributing to economic, educational, and healthcare development in rural areas, in an effort to create corporate value while promoting sustainable social development. In 2024, the Group’s total charitable and public welfare donations amounted to RMB140 thousand.

### Horizon Construction Development’s Key Social Contribution and Rural Revitalisation Initiatives in 2024

- The Group organised employees to participate in voluntary blood donation events in Jinshan District and Jiading District, Shanghai, with a total of 23 employees donating blood.



Employee Participation in Voluntary Blood Donation

#### Voluntary blood donation campaign

- The Group visited the Fire Brigade in Jinshan District, Shanghai, delivering refreshments such as saline soda drinks and hygiene supplies to express appreciation for the firefighters' dedication.



Condolence Activities for Fire Brigade of Jinshan District

#### Heatwave relief activities





- The Group engaged with the Qixia Street Community in Qixia District, Nanjing, distributing educational materials and gifts to raise awareness about safety in daily life and work environments. Employees also volunteered in community clean-up efforts, assisting with garbage collection and landscaping maintenance.



Community-based Public Welfare Activities in Qixia Sub-district

### Community-based public welfare activities

- The Group participated in targeted assistance programmes for disadvantaged families, conducting on-site visits to two families in Shijin Village, providing both financial aid and essential supplies, including rice, eggs, and cooking oil.



Assistance for Disadvantaged Families in Waigang Town

- The Group formed a partnership with disadvantaged women in Waigang Town, Jiading District, Shanghai, offering financial support to a recipient undergoing cancer treatment.



Waigang Town Assistance Programme Ceremony

### Pairing assistance programme





# 05 *Standardising Governance for a Sustainable Future*

## Material topics addressed

Corporate governance

Compliance and risk management

Business ethics and anti-corruption

## Metrics and targets

Metric	Target	Progress in 2024	
Board Meeting Attendance Rate	75%	100%	Completed
Compliance Training Coverage Rate	100%	100%	
Employee Signing Rate for "Confidentiality and Trade Secret Protection Agreement"	100%	100%	





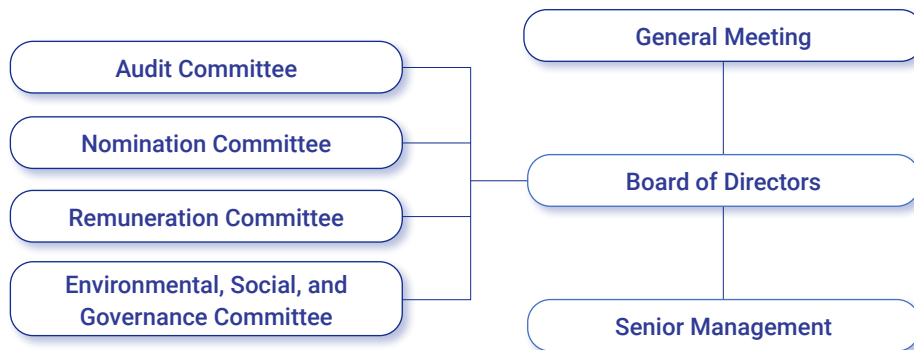
## 5.1 Corporate Governance

### Governance

Horizon Construction Development strictly complies with the *Company Law of the People's Republic of China*, the *Securities Listing Rules of the Stock Exchange of Hong Kong Limited*, and regulations issued by the China Securities Regulatory Commission (CSRC), the Hong Kong Securities and Futures Commission (SFC), and the Hong Kong Stock Exchange (HKEX). The Group has established a comprehensive set of internal governance policies, including the "[Memorandum and Articles of Association](#)", the "Rules of Procedure of the Board of Directors", the "Rules on Securities Transactions by Directors and Senior Managers" and the "[Board Diversity Policy](#)". A top-down governance structure has been implemented, consisting of the General Meeting of Shareholders, the Board of Directors (the "Directors"), and the management, ensuring scientific, standardised, and efficient decision-making while enhancing governance transparency and supporting the Company's stable development.

The Board of Directors is the highest governance body of the Company, responsible for and reporting its work to the General Meeting of Shareholders. The Board of Directors consists of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Environmental, Social and Governance Committee. Each of these committees performs its duties and does its best to ensure that the decision-making of the Board of Directors is normative, scientific and effective.

**Horizon Construction Development's Corporate Governance Structure**



### Risk Management

Horizon Construction Development strictly adheres to corporate governance requirements for listed companies, ensuring regular convening of general meetings and Board meetings to strengthen Directors' duties and corporate governance effectiveness, as well as ongoing improvements in disclosure standards, with transparent investor communication channels in place to protect stakeholder rights and interests and ensure shareholders benefit from the Company's performance.





Corporate Governance

Governance Performance of Horizon Construction Development in 2024

General Meeting of Shareholders

- The Company strictly convened the General Meeting in accordance with corporate governance regulations, ensuring the protection and maintenance of shareholders' legal rights and interests.
- In 2024, the Company held one general meeting.

Board of Directors

- The Board of Directors is accountable to the General Meeting, overseeing four specialised committees, each with defined operating rules to ensure clear responsibilities and effective decision-making.
- In 2024, the Board of Directors held four Board meetings, reviewed 11 proposals, and convened nine meetings of specialised committees. The Board meeting attendance rate was 100%.

**Board composition:** The Board consists of 11 Directors, including 2 executive Directors, 5 non-executive Directors, 4 independent non-executive Directors (constituting over one-third of the Board). The Board Chairman is Mr. Kong Fanxing (non-executive Director) and the Chief Executive Officer (CEO) is Mr. Zhan Jing.

**Election validity:** All Directors (including executive Directors, non-executive Directors and independent non-executive Directors) serve for three years and shall be subject to re-election at least once every three years. To fill temporary vacancies or appoint new Directors, individuals may be elected through an ordinary resolution. In 2024, the average tenure of Directors was 2.64 years.

**Diversity and expertise:** The Company has implemented a "[Board Diversity Policy](#)" considering gender, age, ethnicity, cultural and educational background, professional experience, skills, and tenure when electing board members and conducting periodic self-assessments. This approach ensures a diverse range of professional skills and expertise among board members.

**Remuneration for Directors, supervisors and senior managers:**

- The General Meeting determines the remuneration policies for Directors and supervisors (including executive Directors) and grants the Board authority to implement them.
- The Board's Remuneration Committee is responsible for advising on the overall remuneration policy and structure for Directors and senior managers, ensuring transparent and structured remuneration policies.
- The senior management incentive plan includes remuneration structure and levels and performance appraisal standards and processes. In 2024, the CEO's salary-to-average employee salary ratio was 24.5.

Note: The CEO is the current CEO of the Company.







### Board Members and Appointment of Horizon Construction Development

Name	Position	Gender	Tenure starting time	Professional background			
				Industry experience <sup>1</sup>	Financial accounting experience	Risk management	Legal experience
KONG Fanxing	Board Chairman (Non-Executive Director)	Male	2020	✓			
ZHAN Jing	Chief Executive Officer (CEO) Executive Director	Male	2024	✓	✓		
TANG Li	Co-Chief Financial Officer (Co-CFO) Executive Director	Male	2021	✓	✓		
XU Huibin	Non-Executive Director	Male	2020	✓		✓	
HE Ziming	Non-Executive Director	Male	2021	✓			
YUAN Shaozhen	Non-Executive Director	Male	2024	✓			
GUO Lina	Non-Executive Director	Female	2021	✓			
LIU Jialin	Independent non-Executive Director	Male	2021	✓			
XU Min	Independent non-Executive Director	Male	2021		✓		
JIN Jinping	Independent non-Executive Director	Female	2021				✓
SUM Siu Kei	Independent non-Executive Director	Male	2021		✓	✓	

Note 1: Industry experience refers to backgrounds in management, academia, consulting, or research related to the sector. In 2024, eight Directors had industry experience, all the Directors industry experience covering three key areas: accounting, risk management, and legal expertise.

### Protection of Investors' Rights and Interests

The Company prioritises the protection of investors' legitimate rights and interests strictly adheres to the "*Information Disclosure Management Measures*", and continuously refines its information disclosure system to ensure accuracy, completeness, timeliness, and fairness. In 2024, the Company published 42 announcements on the HKEX disclosure platform, fulfilling its disclosure obligations with no false records, misleading statements, or material omissions.

The Company has implemented the "[Shareholder Communication Policy](#)", "*Investor Relations Management Policy*" and "[Dividend Policy](#)" to maintain open communication channels with investors through various means, including annual and interim results briefings, investor roadshows, broker strategy meetings, reverse roadshows, and one-on-one and group meetings. The Company ensures standardised dividend distribution procedures. In 2024, the Company engaged with 689 investors.

### Contact Information of Horizon Construction Development for Investors



**Tel**

400-821-8001



**Email**

hcd-ir@fehorizon.com





## Metrics and Targets

The Company places great emphasis on corporate governance effectiveness, setting governance targets and indicators with ongoing monitoring to ensure completion.

**Corporate governance metrics and targets of Horizon Construction Development**

Metric	Target	Progress in 2024	
Number and proportion of non-executive Directors on the Board	Increase Board independence	5 non-executive Directors, accounting for 45%	Completed
Number and proportion of independent non-executive Directors on the Board		4 independent non-executive Directors, accounting for 36%	
Number and proportion of female Directors on the Board	Improve Board diversity	2 female Directors, accounting for 18%	
Board meeting attendance rate	≥75%	100%	

For detailed corporate governance information, please refer to the chapter "Corporate Governance Report" in the "Horizon Construction Development 2024 Annual Report".





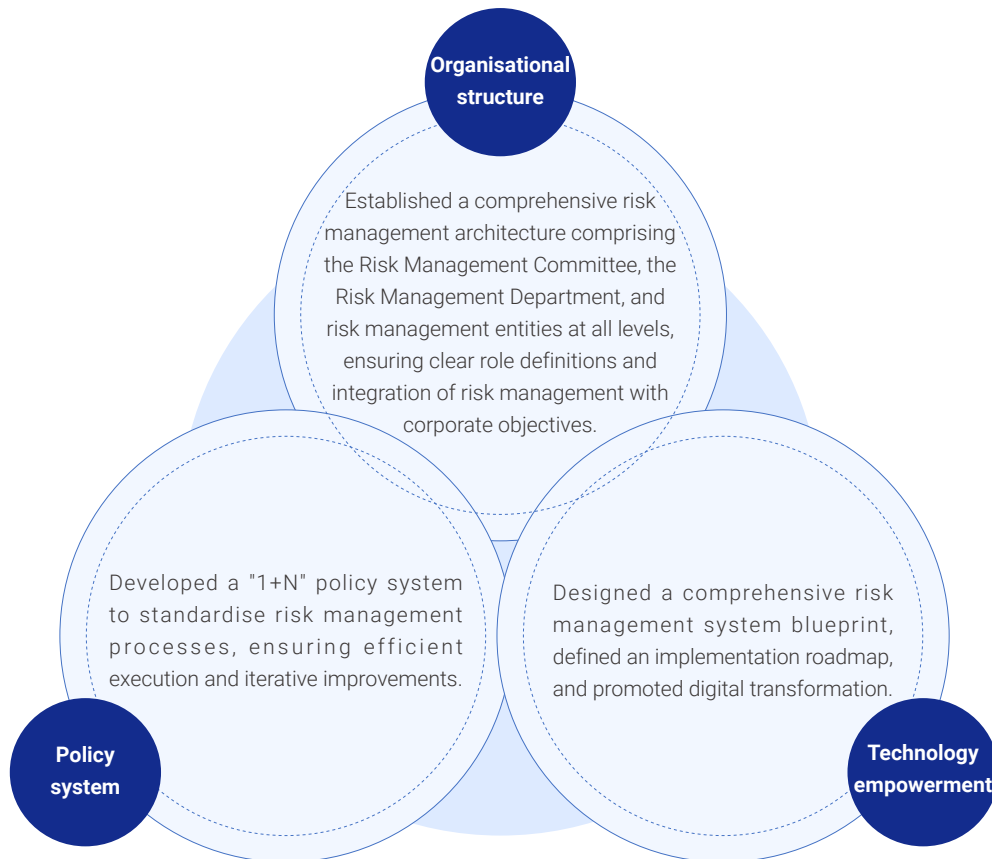


## 5.2 Compliance and Risk Management

### Governance

Horizon Construction Development strictly complies with the *Company Law of the People's Republic of China*, the *Regulations on the Implementation of the Audit Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the relevant laws and regulations in all overseas operating regions. The Group continuously optimises risk management strategies, establishes and refines a comprehensive risk management system, and ensures compliant operations by identifying, measuring, assessing, monitoring, reporting, mitigating, and controlling various risks.

#### Risk Management Framework of Horizon Construction Development



In daily risk management, the Group has built a mechanism of three lines of defence for risk management, identifying and addressing potential and specific risks while ensuring the prevention of major risks at each stage.

#### Three Lines of Defence of Horizon Construction Development for Compliance and Risk Management

<b>First line of defence</b>	Business and functional departments identify potential risks within daily operations.
<b>Second line of defence</b>	The Risk Management Department identifies, analyses, and evaluates specific risks, proposes mitigation plans, and monitors risk mitigation effectiveness in collaboration with other departments.
<b>Third line of defence</b>	The Internal Audit Department monitors compliance, ensuring that no regulatory violations occur.





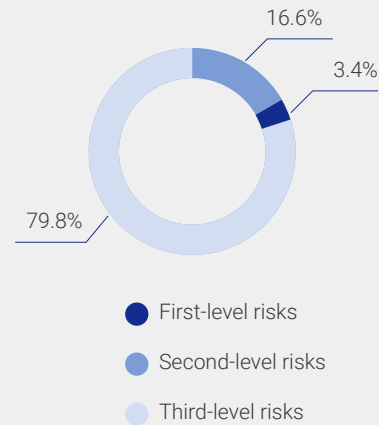
## Risk Management

### Comprehensive Risk Management

Horizon Construction Development integrates risk management principles into daily operations, continuously innovating and introducing new products and services to maintain market competitiveness while minimising risks.

The Group leverages advanced computing technology to enhance the precision and efficiency of risk identification, assessment, and control through digital transformation. In 2024, the Group conducted four risk assessments across all primary departments, identifying 173 domestic and international risks, and classified risks into three levels based on criticality and control priority, ensuring continuous monitoring of first-level risks. Four key first-level risks were identified, including information disclosure risk, procurement management risk, HSE (Health, Safety, and Environment) risk, and operational risk. At the same time, key risks facing the Group in overseas markets include legal and compliance risks, customer credit risks, and labour and employment compliance risks.

Three-Level Risk Classification of Horizon Construction Development in 2024



### Risk Management Measures of Horizon Construction Development

#### Daily risk management

- Quarterly assess accounts receivable balances, track overdue payments, classify receivables into different risk levels based on past recovery rates, aging analysis, and economic trends, and make corresponding provisions.
- Implement a risk review and debt control linkage mechanism: High-risk customers are flagged using a blacklist system, and on-site evaluations are conducted when necessary to ensure timely collection of receivables.

#### Technology empowerment

- Develop a Key Risk Metric (KRI) early warning model, use predefined KRIs to monitor risk changes in real time, and trigger alerts for proactive risk control.
- Continuously apply the "Horizon Score" model for quantitative risk assessment of customers, and incorporate historical transactions, external monitoring data, and internal cooperation records.

#### Risk culture development

- Share daily risk management insights and operational management updates through the Operations Center Service Desk.
- Integrate company-wide risk awareness training into corporate culture, ensuring a unified understanding of risk management; organize tailored training sessions via Feishu for specific business units and functions.





### Application of KRI Early Warning Model – Bid Deposit Overdue Risk

The Group identified bid deposit overdue risks and established a Key Risk Indicator (KRI) early warning model. The percentage of bid deposits outstanding for more than 180 days is the key indicator of the model, and data is derived from the deposit ledger from online reports. The threshold is set at 10% or less before triggering an alert. Based on the monitoring results in Q3 2024, the materials business accounted for 10.44% in terms of the bid deposit overdue risk, triggered the early warning. To address this, the Group optimised bid deposit management processes and strengthened collection efforts, reducing overdue deposits and ensuring timely fund recovery to mitigate financial risks.

With evolving global regulations and technological advancements, the Group faces new risk challenges. In 2024, the Group identified and actively managed three emerging risks.

### Identified Emerging Risks and Mitigation Measures of Horizon Construction Development in 2024

Risk type	Description	Financial impact	Mitigation measures
<b>Innovation development risk</b>	Rapid advancements in emerging technologies create significant opportunities but also introduce development risks, potentially affecting strategic decisions, operational efficiency, and long-term competitiveness.	Shortened technology lifecycle; high development costs and immature business models; increased compliance costs due to stringent regulatory scrutiny; talent shortages in specialised fields, raising recruitment and training costs.	<ul style="list-style-type: none"> <li>The Finance Centre conducted comprehensive evaluations of innovation projects, including financial, tax, and audit assessments, ensuring appropriate capital allocation</li> <li>The Operations Centre managed business risk, legal compliance, and policy adaptation, adjusting project strategies as needed.</li> <li>Account managers conducted customer due diligence, and department heads implemented business approval; lifecycle risk management was conducted in phases, and the Risk Management Department of the Operations Centre took the lead in monitoring; specialised talent was aligned for risk assessment and project execution.</li> </ul>
<b>Geopolitical risk</b>	Events such as the Russia-Ukraine conflict, economic divergence in Southeast Asia, U.S. trade policy shifts, and South China Sea tensions pose risks to global security and stability.	Continuing geopolitical tensions and rising commodity and energy prices increased the Group's costs and exposed the Group to many uncertainties in its operations and investments.	<ul style="list-style-type: none"> <li>Conducted pre-market feasibility assessments for overseas expansion, strengthened compliance evaluation for cross-border operations, implemented the "Overseas Business Customer Onboarding Management Policy", reinforced multi-dimensional risk assessments, and cautiously managed the proportion of overseas business in the portfolio.</li> </ul>
<b>Data security risk</b>	Global data compliance regulations are becoming stricter, but varying international laws on data collection, storage, transmission, and user consent create legal and operational challenges.	Data security compliance is a core safeguard for the Group's business and may have impacts on the Group in terms of legal liability, payment of large-amount fines and business disruption.	<ul style="list-style-type: none"> <li>Addressed the issue from both legal and technical perspectives, ensuring regulatory compliance while maintaining operational feasibility.</li> </ul>





## Compliance Management

In the belief that “compliance brings us value”, Horizon Construction Development has formulated compliance management policies such as “Provisions on Responsibility Identification and Punishment”, “Business Introduction Avoidance Management Measures”, and “Rules on the Surrender of Gifts and Gratuities”. In addition, the Group has structured its compliance management architecture into front-office, middle-office, and back-office functions, continuously enhancing compliance oversight and reinforcing controls over critical processes to build a long-term compliance management mechanism.

### Horizon Construction Development's Compliance Management Framework

<b>Front office</b>	<ul style="list-style-type: none"> <li>The front office is responsible for compliance-related matters during business operations and development.</li> </ul>
<b>Middle office</b>	<ul style="list-style-type: none"> <li>The operations centre is responsible for compliance-related matters in business operation management.</li> <li>The asset centre is responsible for compliance-related matters in equipment and asset management.</li> </ul>
<b>Back office</b>	<ul style="list-style-type: none"> <li>The back office is responsible for compliance-related logistics support and services.</li> <li>Internal Audit Department supervises and audits whole-process compliance performance of all departments.</li> </ul>

In 2024, the Group tailored its audit and inspection focus to its operational characteristics, conducting targeted audits on major financial expenditures, significant fund recovery, and high-risk business areas.

### Key Compliance Management Initiatives of Horizon Construction Development in 2024

Area	Compliance issues identified	Response measures
<b>Procurement</b>	Identified violations where individuals acted against the Group's interests	Pursued legal action against violations, and implemented regular supplier rotations.
<b>Fund recovery</b>	Identified compliance risks in fund recovery and debt settlement through asset transfers	Rectified and improved internal controls and processes.
<b>Engineering</b>	Detected cases of supplier bribery	Enforced anti-bribery agreements to protect the Group's interests, and terminated cooperation with non-compliant suppliers.

The Group prioritises employee compliance management by incorporating penalty deductions for non-compliance incidents into performance assessments, reinforcing disciplinary accountability within teams. Additionally, the Group actively conducts compliance training to strengthen employee awareness of compliance requirements.

## Metrics and Targets

The Group aims to advance its comprehensive risk management system, optimize management processes, and enhance operational efficiency, ensuring that all business activities remain measurable, controllable, and compliant.

### Compliance and Risk Management Metrics and Targets of Horizon Construction Development in 2024

Metric	Target	Progress in 2024
Number of compliance training sessions	Advance the comprehensive risk management system roadmap, developing a four-layer digitalised and intelligent risk control framework	39 sessions
Number of compliance participants		3,648 participants
Compliance training coverage rate		100%





## 5.3 Business Ethics and Anti-corruption

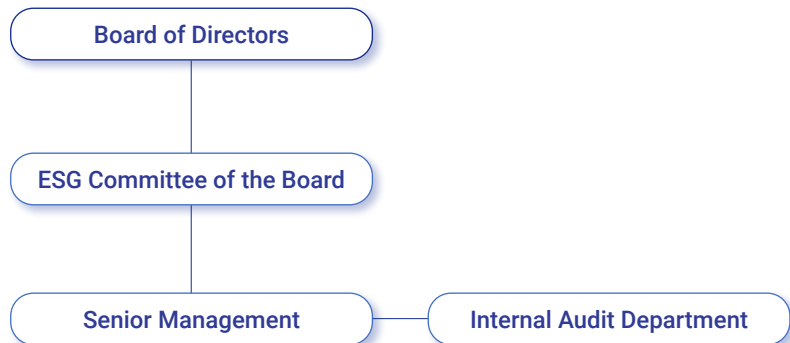
### Governance

Horizon Construction Development adheres to business ethics, attaches great importance to business integrity, and strictly abides by the *Criminal Law of the People's Republic of China*, *Regulations on the Prevention of Bribery* and other laws and regulations. It has formulated the "Provisions on Anti-Fraud Work Management", "Provisions on Responsibility Identification and Punishment", and "Management Measures for Complaints, Reporting and Supervision" and other institutional documents, clarifying that Internal Audit Department is the permanent body for anti-corruption and anti-fraud work, establishing, improving and effectively implementing anti-corruption and anti-fraud management mechanisms, and preventing, detecting and correcting corruption and fraud in a timely manner.

The Board of Directors oversees anti-corruption management, directing the ESG Committee to establish effective control procedures and mechanisms. The ESG Committee designates the Internal Audit Department and the Supervision and Audit Department as permanent anti-corruption units, handling internal and external corruption reports, conducting investigations, and making recommendations.

In 2024, the Group released policies such as the "[Supplier Code of Conduct](#)", "[Anti-Corruption Management Statement](#)" and "[Anti-Money Laundering and Counter-Terrorism Financing Statement](#)" to strengthen anti-corruption mechanisms and combat money laundering and terrorist financing.

#### Business Ethics Governance Framework of Horizon Construction Development



### Risk Management

To enhance transparency and integrity, the Group has reinforced internal controls, proactively identified risks, improved supervisory mechanisms, strengthened employee integrity awareness, and implemented comprehensive anti-corruption measures.



**Business Ethics Management Measures of Horizon Construction Development**

Aspect	Specific measures	Results
<b>Business integrity</b>	<ul style="list-style-type: none"> <li>The "Employee Handbook" mandates that all employees uphold integrity, comply with the Group's Code of Conduct, and sign and abide by the "Business Secret Protection Agreement".</li> <li>Employees received integrity training, while audit personnel participated in exchange programmes to enhance auditing skills.</li> <li>The Internal Audit Department continuously monitored high-value transactions and asset-intensive areas, strictly investigating any corrupt activities that violate Group policies or damage its reputation and interests.</li> </ul>	<ul style="list-style-type: none"> <li>100% of employees signed the "Business Secret Protection Agreement".</li> <li>Conducted 39 anti-bribery and anti-corruption training sessions, covering 3,648 participants, with a total training duration exceeding 2,700 hours.</li> <li>Identified two suppliers involved in improper financial dealings with employees.</li> </ul>
<b>Procurement integrity management</b>	<ul style="list-style-type: none"> <li>Established a compliance briefing mechanism for key positions in the Supply Assurance Department, and revised the "Management Guidelines on Compliance Briefing of Key Positions of the Supply Assurance Department".</li> <li>Updated supplier contract terms to include anti-bribery clauses and required signing of the "Anti-Bribery Agreement".</li> </ul>	<ul style="list-style-type: none"> <li>Conducted systematic compliance briefings between anti-fraud experts and key procurement personnel.</li> </ul>
<b>Whistleblowing mechanism</b>	<ul style="list-style-type: none"> <li>Established multiple reporting channels, allowing employees and suppliers to report corruption and fraud via hotlines, 400-reporting system, email, the "Xiaohongren" one-click reporting platform, and the Company's online whistleblowing portal.</li> <li>Ensured strict confidentiality and classified management of whistleblowing information, following principles of dedicated handling, full case acceptance, categorised management, closed-loop resolution, and confidentiality protection. Provided rewards for substantiated whistleblower reports.</li> </ul>	<ul style="list-style-type: none"> <li>Issued incentives to two employees for valid whistleblower reports.</li> </ul>

**Metrics and Targets**

The Group remains committed to anti-bribery and anti-corruption education for all employees, maintaining a zero-tolerance policy toward corruption while requiring both employees and suppliers to uphold integrity and compliance with the law.

**Business Ethics and Anti-Corruption Metrics and Targets of Horizon Construction Development in 2024**

Metric	Target	Progress in 2024
Number of employees trained in anti-bribery and anti-corruption	<ul style="list-style-type: none"> <li>Enhance compliance awareness across all employees and foster a strong corporate compliance culture.</li> <li>Proactively identify and rectify violations of laws and business ethics, ensuring all business operations adhere to regulations.</li> <li>Conduct annual performance supervision for management personnel to improve governance efficiency.</li> </ul>	3,648 employees
Total hours of anti-bribery and anti-corruption training for employees		2,736 hours
Number of corruption lawsuits filed and concluded against the issuer or its employees <sup>1</sup>		3 cases <sup>1</sup>
Total financial impact of corruption lawsuits involving suppliers or their employees		RMB1.78 million
Employee signing rate for the "Business Secret Protection Agreement"		100%
Supplier signing rate for the "Anti-Bribery Agreement"		95% <sup>2</sup>

Note 1: Among the three concluded corruption litigation cases of the Group in 2024, two involved employees violating the law by infringing on the interests of the Company during the procurement process, and one involved an employee illegally reselling the Company's assets. To address identified management gaps, the Group has implemented corrective actions, including enhancing procurement and warehouse management regulations, strengthening risk monitoring with targeted assessments of critical risks, optimising workflow checkpoints and access permissions, and expanding anti-corruption training coverage and enforcement efforts. These measures reinforce a robust integrity framework, ensuring corporate compliance and ethical business practices.

Note 2: The supplier signing rate for the "Anti-Bribery Agreement" reflects domestic suppliers only.





# ESG Data Sheet and Notes

## Economic Performance

Indicator	Unit	2022	2023	2024
Profit before tax	RMB100 million	8.94	12.27	12.00
Total tax paid	RMB100 million	2.27	5.71	8.15
Total assets	RMB100 million	302.92	312.37	364.34

## Environmental Performance

	Indicator	Unit	2022	2023	2024
Greenhouse gas emissions <sup>1</sup>	Scope-1 greenhouse gas emissions	tCO <sub>2</sub> e	29,707.00	32,970.00	35,109.24
	Scope-2 greenhouse gas emissions	tCO <sub>2</sub> e	5,755.00	7,578.00	6,549.60
	Total greenhouse gas emissions (Scopes 1 and 2)	tCO <sub>2</sub> e	35,462.00	40,548.00	41,658.84
	Greenhouse gas emissions per unit of revenue (Scopes 1 and 2)	tCO <sub>2</sub> e/ RMB1 million	4.50	4.22	3.60
Energy consumption	Total energy consumption	tce	16,142.89	18,004.70	17,662.35
	Energy consumption per unit of revenue	tce/ RMB1 million	2.05	1.87	1.53
	Gasoline consumption by self-owned vehicles/mobile equipment	liter	1,556,038.00	2,355,428.00	2,421,674.32
	Diesel consumption by self-owned vehicles/mobile equipment	liter	9,793,896.22	10,106,603.00	10,823,130.26
	Total power consumption	MWh	10,090.42	13,285.00	12,205.75
	Power consumption per unit of revenue	MWh/ RMB1 million	1.30	1.38	1.05
Water resources utilisation	Total water consumption	m <sup>3</sup>	296,906.00	280,552.40	243,297.84
	Amount of recycled water	m <sup>3</sup>	470	350	68 <sup>2</sup>
	Water consumption per unit of revenue	m <sup>3</sup> / RMB1 million	37.69	29.20	21.01
Solid waste	Total solid waste generation	ton	336	1,723	1,290
	Solid waste generation per unit of revenue	t/RMB1 million	0.04	0.18	0.11





Indicator		Unit	2022	2023	2024
Hazardous waste	Total amount of hazardous waste generated	ton	74.00	157.60	204.60 <sup>3</sup>
Mobile source exhaust gas	SO <sub>2</sub>	kg	534.13	197.00	209.85
	NO <sub>2</sub>	kg	14,260.51	24,524.00	25,232.27
	PM	kg	1,327.74	2,350.00	2,417.74
Raw materials and packaging materials	Total consumption of packaging materials for finished products	ton	170	149	156
	Amount of recycled packaging materials for finished products	ton	49	49	44
	Proportion of reusable materials and recyclable materials	%	28.8	32.9	39.4

Note 1: Scope-1 greenhouse gas emissions are the direct emissions from the consumption of gasoline and diesel oil; Scope-2 greenhouse gas emissions are the indirect emissions from the consumption of purchased electricity. For emission factors, please refer to *Appendix II to the Environmental, Social and Governance Report: Guidelines for Reporting on Environmental KPIs* of the Stock Exchange of Hong Kong and announcement of the Ministry of Ecology and Environment and the National Bureau of Statistics on the Release of Power Carbon Dioxide Emission Factors in 2022 and the GHG Protocol.

Note2: In 2024, the rainwater recovery system of Nansha base was paralyzed and not put into use, so the amount of recycled water decreased significantly. In the future, we will repair the system to ensure that the rainwater collection and utilization capacity is restored.

Note3: The size of the Group's assets continued to expand and the size of older assets increased, resulting in a significant increase in hazardous waste.

## Employee Hiring and Training Performance

Indicator		Unit	2022	2023	2024
<b>Employee hiring</b>					
Total number of employees <sup>1</sup>		person	4,249	4,563	4,929
By Gender	Number of female employees	person	493	453	458
	Number of male employees	person	3,756	4,110	4,471
By Age	Number of employees over 50 years old	person	15	18	25
	Number of employees aged 30 to 50	person	2,293	2,852	3,472
	Number of employees under 30 years old	person	1,941	1,693	1,432
By Region	Number of employees working in Chinese mainland	person	4,230	4,501	4,201
	Number of employees working in Hong Kong, Macao, Taiwan regions of China and overseas <sup>2</sup>	person	19	62	728 <sup>2</sup>
Number of ethnic minority employees		person	180	182	161
Number of employees with disabilities		person	0	27	34
Employee turnover rate <sup>3</sup>		%	30.21	24.58	33.89 <sup>4</sup>





Indicator		Unit	2022	2023	2024
By Gender	Male employee turnover rate	%	27.26	22.12	31.53 <sup>4</sup>
	Female employee turnover rate	%	5.49	4.02	4.96
By Age	Turnover rate of employees over 50 years old	%	0.33	0.11	0.20
	Turnover rate of employees aged 30 to 50	%	19.33	16.15	24.41 <sup>4</sup>
	Turnover rate of employees under 30 years old	%	15.96	11.67	15.80
By Region	Turnover rate of employees working in Chinese mainland	%	30.18	24.50	32.24 <sup>4</sup>
	Turnover rate of employees working in Hong Kong, Macao, Taiwan regions of China and overseas	%	0.05	0.13	3.56 <sup>4</sup>
Number of labour disputes <sup>5</sup>		case	10	25	23
Total number of employee discrimination incidents		case	0	0	0
Number of incidents in which the Company was penalised for violating laws and regulations regarding employee recruitment and dismissal		case	0	0	0
Number of incidents in which the Company was penalised for violating laws and regulations on anti-discrimination and employee diversity		case	0	0	0
Number of employees covered by collective bargaining agreements (end-of-period number)		person	4,249	4,563	4,929
Proportion of employees protected by collective bargaining agreements		%	100.00	100.00	100.00
<b>Employee training</b>					
Total expenditure on employee training		RMB10,000	224.0	252.7	110.9 <sup>6</sup>
Coverage of employee training <sup>7</sup>		%	100.00	100.00	100.00
By Gender	Proportion of male employees covered by training	%	88.24	90.07	90.71
	Proportion of female employees covered by training	%	11.76	9.93	9.29
By Employee Type	Proportion of senior management employees covered by training	%	0.05	0.22	0.20
	Proportion of middle management employees covered by training	%	0.60	0.50	0.63
	Proportion of junior employees covered by training	%	99.35	99.28	99.17
Average duration of training received by employees <sup>8</sup>		hour	26.40	29.70	24.68
By Gender	Average duration of training received by male employees	hour	27.50	30.50	24.81
	Average duration of training received by female employees	hour	18.10	22.00	23.38





Indicator		Unit	2022	2023	2024
By Employee Type	Average duration of training received by senior management	hour	13.50	17.40	44.72
	Average duration of training received by middle management	hour	13.80	17.80	36.41
	Average duration of training received by junior employees	hour	26.40	29.80	24.56
Percentage of employees receiving regular performance and career development appraisals		%	100.00	100.00	100.00

Note 1: The total number of employees refers to the total number of full-time employees with fixed-term contracts.

Note 2: In 2024, the Group vigorously explored overseas markets, so the number of employees working in Hong Kong, Macao, Taiwan regions of China and overseas increased significantly.

Note 3: The turnover rate of each category of employees = the number of employees of that category who resigned during the year / (the total number of employees at the end of the year + the total number of employees of that category who resigned during the year). Based on the characteristics of the industry in which the Group operates, the overall employee turnover rate was normal in the industry.

Note 4: In 2024, the Group adjusted its employment model, adopting flexible employment for certain basic positions. As a result, approximately 1,000 employees were reclassified from full-time employees to outsourced workers, leading to an increase in the turnover rate.

Note 5: In 2024, labour disputes arising within the Group primarily fell into two categories: performance-related disputes and position-related disputes. The specific causes, management measures and improvement plans are as follows:

Type of dispute	Cause of dispute	Management measures	Improvement plan
Performance-related dispute	Work requirements, performance appraisals, personal performance and other performance results are related to some bonuses, thus giving rise to disputes.	The Group has a relatively complete performance evaluation system and adheres to the principle of objectivity, impartiality and fairness in performance evaluation; however, there may still be inaccuracies in the degree of recognition of work performance when it comes down to the individual.	To improve the performance evaluation system, be more open and transparent, promote the transformation of projects from being qualitative to being quantitative, and reduce the gap between the Company's recognition and the individual's recognition.
Job-related dispute	Some business layout adjustments affect the positions of some personnel, and disputes arise when job changes are made.	Disputes are resolved through negotiated termination or job adjustment.	To negotiate job adjustments as much as possible according to business adjustments, and optimise the adjustment process so as to avoid disputes.

Note 6: In 2024, the Group's training expenses decreased primarily due to three factors: 1. Internalising and consolidating externally sourced resources; 2. Utilising AI technology to develop and produce standardised courses; 3. Centralised procurement and shared use of certain course resources by the parent company, Far East Horizon, such as the development of overseas cross-cultural course series and the sharing of China-Europe leadership course resources.

Note 7 Training coverage for each category of employees = number of employees of that category receiving training/total number of employees receiving training.

Note 8: Average duration of training received by employees of each category per year = the total number of hours of training received by employees of that category during the year/the number of employees of that category receiving training.

## Occupational Health and Safety Performance

Indicator	Unit	2022	2023	2024
Employee physical examination coverage	%	100	100	100
Number of employees who died due to work-related injuries	person	0	0	0
Number of working days lost due to work-related injuries	day	360	376	589 <sup>1</sup>
Number of safety inspections	number	1,921	2,534	2,638
Number of emergency drills	number	135	339	293
Number of safety training and publicity	person time	65,774	63,450	78,718

Note 1: In 2023, the number of work-related injury cases was 9, while in 2024, it increased to 14, resulting in a significant rise in lost workdays due to injuries. The Group will strengthen safety management measures to reduce the occurrence of employee work-related injuries.





### Product Quality Performance

Indicator	Unit	2022	2023	2024
The total amount of fines due to violation of laws and regulations related to products and services	RMB10,000	0	0	0
Number of violations of laws and regulations related to products and services	case	0	0	0

### Customer Service Performance

Indicator	Unit	2022	2023	2024
Customer satisfaction (in percentage)	%	91.00	95.20	94.82
Number of customer hotline inquiries	piece	— <sup>2</sup>	48,343	49,303
Total number of complaints received about products and services <sup>1</sup>	piece	— <sup>2</sup>	1,383	1,074
Percentage of complaints that have been handled regarding products and services	%	— <sup>2</sup>	100	100
Number of confirmed complaints about infringement of customer privacy and loss of customer data	piece	0	0	0

Note 1: The total number of complaints refers to the number of complaints received by the customer hotline.

Note 2: Due to departmental adjustments, this data was not collected in 2022.

### Performance in Community Welfare and Volunteer Service

Indicator	Unit	2022	2023	2024
Total investment in community welfare	RMB10,000	4.4	26.0	14.0
Number of employees participating in volunteer services	person	12	12	12
Total hours of employee volunteer service	hour	48	48	48

### Performance in Supplier Management

Indicator	Unit	2023 年	2024 年
Total number of suppliers	number	5,721	6,066
Number of suppliers in China (including Hong Kong, Macao and Taiwan)	number	5,692	5,930
Number of overseas suppliers	number	29	136
Number of suppliers assessed in terms of environment, labour, ethics, etc.	number	566	1,828
Number of qualified suppliers assessed in terms of environment, labour, ethics, etc.	number	563	1,828



**Business Ethics and Anti-Corruption Performance**

Indicator	Unit	2022	2023	2024
Number of corruption litigation cases filed and concluded against the issuer or its employees during the reporting period	case	0	3	3 <sup>1</sup>
Number of employees participating in anti-corruption training	person	2,214	2,356	3,648 <sup>2</sup>
Total duration of anti-corruption training received by employees	hour	1,107	1,767	2,736 <sup>2</sup>

Note 1: Among the three concluded corruption litigation cases of the Group in 2024, two involved employees violating the law by infringing on the interests of the Company during the procurement process, and one involved an employee illegally reselling the Company's assets. After that, the Group carefully analysed the exposed management problems and took corresponding remedial measures, including improvement of procurement and warehouse management rules, scanning of key risks, optimisation of process nodes and authority, and enhancement of the strength and coverage of integrity training publicity, in order to weave a tight net of integrity protection.

Note 2: In 2024, the Company increased anti-corruption training efforts to foster a clean and ethical corporate environment.





# Standards Index

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Reporting Scope	Statement on Preparation of the Report

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A1.4	ESG Data Sheet and Notes	B2.1	ESG Data Sheet and Notes
A1.5	2.4 Emissions and Waste Management	B2.2	ESG Data Sheet and Notes
A1.6	2.4 Emissions and Waste Management	B2.3	ESG Data Sheet and Notes
<b>A2. Use of Resources</b>	2.2 Energy Management 2.3 Resource Management	<b>B3. Development and Training</b>	4.3 Human Capital Management
A2.1	ESG Data Sheet and Notes	B3.1	ESG Data Sheet and Notes
A2.2	ESG Data Sheet and Notes	B3.2	ESG Data Sheet and Notes
A2.3	2.2 Energy Management	<b>B4. Labour Standards</b>	4.1 Employee Rights and Welfare Protection
A2.4	2.3 Resource Management	B4.1	4.1 Employee Rights and Welfare Protection
A2.5	2.3 Resource Management	B4.2	4.1 Employee Rights and Welfare Protection
<b>A3. Environment and Natural Resources</b>	2. Fostering Green Development and Creating a Sustainable Vision	<b>Operational Practices</b>	
A3.1	2. Fostering Green Development and Creating a Sustainable Vision	<b>B5. Supply Chain Management</b>	3.5 Sustainable Supplier Management
<b>B. Social</b>		B5.1	ESG Data Sheet and Notes
<b>Employment and Labour Practices</b>		B5.2	3.5 Sustainable Supplier Management ESG Data Sheet and Notes





Section C: "Comply or Explain" Provisions			
Level, General Disclosure and KPIs	Location	Level, General Disclosure and KPIs	Location
B5.3	3.5 Sustainable Supplier Management	<b>B7. Anti-Corruption</b>	5.3 Business Ethics and Anti-corruption
B5.4	3.5 Sustainable Supplier Management	B7.1	5.3 Business Ethics and Anti-corruption
<b>B6. Product Responsibility</b>	3.1 Construction and Equipment Quality As the Group's primary business is equipment leasing, it is not involved in product responsibility matters such as advertising and labelling.	B7.2	5.3 Business Ethics and Anti-corruption
B6.1	As the Group's primary business is equipment leasing, product recalls are not applicable.	B7.3	ESG Data Sheet and Notes
B6.2	3.2 Customer Relations ESG Data Sheet and Notes	<b>Community</b>	
B6.3	3.3 Innovation-Driven Development	<b>B8. Community Investment</b>	4.4 Social Contribution and Rural Revitalisation
B6.4	3.1 Construction and Equipment Quality	B8.1	4.4 Social Contribution and Rural Revitalisation
B6.5	3.4 Privacy and Data Security	B8.2	4.4 Social Contribution and Rural Revitalisation ESG Data Sheet and Notes
Section D: Climate-Related Disclosures			
The disclosure requirements in this section have not yet entered the mandatory reporting phase. We have disclosed greenhouse gas emission data (scope 1 and scope 2) in the "ESG Data Sheet and Notes" section and disclosed significant climate-related matters, policies, actions and physical risk scenario analyses that may affect the Group in the "2.1 Climate Change Response" section.			





## GRI Content Index

GRI Content Index	
Statement of Use	Horizon Construction Development has prepared this report with reference to the GRI Standards, covering the reporting period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1- Foundation 2021

GRI Standards	Disclosure	Location
<b>GRI 2- General Disclosures 2021</b>	2-1	About Horizon Construction Development
	2-2	Statement on Preparation of the Report
	2-3	Statement on Preparation of the Report
	2-4	Statement on Preparation of the Report
	2-6	About Horizon Construction Development
	2-7	ESG Data Sheet and Notes
	2-8	ESG Data Sheet and Notes
	2-9	About Horizon Construction Development 1.2 ESG Governance Structure 5.1 Corporate Governance
	2-10	5.1 Corporate Governance
	2-11	5.1 Corporate Governance
	2-12	1.1 ESG Management Philosophy 1.2 ESG Governance Structure 5. Standardising Governance for a Sustainable Future
	2-13	1.2 ESG Governance Structure
	2-14	ESG Management Statement from the Board of Directors
	2-16	1.2 ESG Governance Structure
	2-17	ESG Management Statement from the Board of Directors
	2-22	ESG Management Statement from the Board of Directors

GRI Standards	Disclosure	Location
<b>GRI 2- General Disclosures 2021</b>	2-27	ESG Management Statement from the Board of Directors
	2-28	About Horizon Construction Development
	2-29	1.3 Communication with Stakeholders and Analysis of Material Topics
<b>GRI 3- Material Topics 2021</b>	3-1	1.3 Communication with Stakeholders and Analysis of Material Topics
	3-2	1.3 Communication with Stakeholders and Analysis of Material Topics
	3-3	1.3 Communication with Stakeholders and Analysis of Material Topics
<b>GRI 201- Economic Performance 2016</b>	201-1	Key ESG performance in 2024
	201-2	2.1 Climate Change Response
<b>GRI 203- Indirect Economic Impacts 2016</b>	203-1	4.4 Social Contribution and Rural Revitalisation
<b>GRI 205- Anti-corruption 2016</b>	205-1	3.5 Sustainable Supplier Management
	205-2	
	205-3	
<b>GRI 206- Anti-competitive Behaviour 2016</b>	206-1	5.3 Business Ethics and Anti-corruption





GRI Standards	Disclosure	Location
<b>GRI 302- Energy 2016</b>	302-1	2. Fostering Green Development and Creating a Sustainable Vision ESG Data Sheet and Notes
	302-2	
	302-3	
	302-4	
	302-5	
<b>GRI 303- Water and Effluents 2018</b>	303-1	2.3 Resource Management 2.4 Emissions and Waste Management ESG Data Sheet and Notes
	303-2	
	303-3	
	303-4	
	303-5	
<b>GRI 305- Emissions 2016</b>	305-1	2. Fostering Green Development and Creating a Sustainable Vision ESG Data Sheet and Notes
	305-2	
	305-3	
	305-4	
	305-5	
	305-7	
<b>GRI 306 Waste 2020</b>	306-1	2.4 Emissions and Waste Management ESG Data Sheet and Notes
	306-2	
	306-3	
	306-4	
<b>GRI 401- Employment 2016</b>	401-1	4.1 Employee Interest and Welfare Protection ESG Data Sheet and Notes
	401-2	
	401-3	

GRI Standards	Disclosure	Location
<b>GRI 403- Occupational Health and Safety 2018</b>	403-1	4.2 Occupational Health and Safety ESG Data Sheet and Notes
	403-2	
	403-3	
	403-5	
	403-6	
	403-7	
	403-8	
<b>GRI 404- Training and Education 2016</b>	404-1	4.3 Human Capital Management ESG Data Sheet and Notes
	404-2	
	404-3	
<b>GRI 405- Diversity and Equal Opportunity 2016</b>	405-1	4.1 Employee Rights and Welfare Protection 5.1 Corporate Governance
<b>GRI 408- Child Labour 2016</b>	408-1	4.1 Employee Rights and Welfare Protection
<b>GRI 409- Forced or Compulsory Labour 2016</b>	409-1	4.1 Employee Rights and Welfare Protection
<b>GRI 413- Local Communities 2016</b>	413-1	4.4 Social Contribution and Rural Revitalisation
	413-2	
<b>GRI 418- Customer Privacy 2016</b>	418-1	ESG Data Sheet and Notes





# Terms and Definitions

Terms	Definition
Aerial work platform	Mobile machinery and equipment used to perform operations at a certain height
Excavation support system	Temporary enclosure structures built in foundation pits or cofferdams to protect workers and equipment during underground or underwater construction
Formwork system	Mold frame and scaffolding systems for construction support and enclosure on the ground
Neo-excavation support system	A steel support system mainly used for underground or underwater construction to protect the safety of workers and equipment
Neo-formwork system	Ringlock scaffolding mainly used for above-ground construction support and maintenance, and for building the main facilities of temporary support and enclosure protection systems
Ringlock scaffolding	A new type of scaffolding that can be applied to materials of different building structures during the construction process
Subletting	A business model for equipment operation service providers to lease equipment from suppliers and then rent it to customers
Ground source heat pump air conditioning system	A high-efficient and energy-saving air conditioning system that utilises solar energy and geothermal energy absorbed from shallow water sources (such as groundwater, rivers and lakes) and soil sources on the earth's surface, and adopts the heat pump principle to provide both heating and cooling
Fully assembled steel cofferdam system	A cofferdam system that optimises and improves the brackets, articulated bull legs, and force transmitting parts in traditional all-steel cofferdams to achieve the purpose of improving the utilisation rate of material turnover, reducing material loss, and facilitating disassembling and assembling
Steel sheet piles	Structural materials widely used in construction and civil engineering, primarily for earth retention, waterproofing, and foundation reinforcement. Typically made of high-strength steel, they offer excellent bending resistance and durability
Section steel support system	A structural system using section steel (e.g., H-beam, I-beam) for construction support, commonly applied in deep foundation pit shoring and formwork bracing
H-beam	A steel support material used for deep foundation pit construction with good bending resistance and a cross-section similar to a capital letter H
Prefabrication	A construction and manufacturing approach where various components or parts of a product are prefabricated in a factory or prefabrication site and then transported to the construction site for rapid assembly
Strategic supplier	Suppliers who have mastered the core competitiveness of their products, established interdependent strategic cooperative relationship with the Group and have specific cooperative projects





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