



四海國際集團有限公司
Cosmopolitan
International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 120)

2024

SUSTAINABILITY REPORT





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About This Report

Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) (formerly named as the Environmental, Social and Governance Reporting Guide) in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

Reporting Principles

In the preparation of the report, the Group adopted the four fundamental reporting principles to facilitate effective communication and constructive decision making:

- **Materiality:** A materiality assessment was conducted to identify our environmental, social and governance (“ESG”) priorities among the 21 material ESG issues which are also addressed by our industry peers.
- **Quantitative:** Environmental and social data were collected and reviewed to evaluate the effectiveness of environmental and social initiatives.
- **Balance:** All achievements and improvement plans were disclosed in this report in a transparent and balanced manner to provide an unbiased view on our ESG performance.
- **Consistency:** Consistent reporting methodologies are adopted to present an effective year-on-year performance comparison. Any changes in the methodologies and reporting scope are explained in remarks for stakeholders’ reference.

Reporting Scope and Boundary

This is the ninth annual standalone Sustainability Report of Cosmopolitan International Holdings Limited (“Cosmopolitan” or the “Company”, and together with its subsidiaries, the “Group” or the “Cosmopolitan Group”). This report covers the performance on ESG topics that are material to the Group’s ongoing property development projects in Mainland China.

Reporting Period

Unless otherwise stated, this report presents the highlights of our progress and performance on material ESG topics for the period from 1 January 2024 to 31 December 2024 (the “reporting period”).

Accessibility of the Report and Feedback

An electronic copy of this report can be accessed on Cosmopolitan’s website at www.cosmoholdings.com. Should you have any enquiries about the report or opinions regarding Cosmopolitan’s ESG performance, please feel free to contact us via info@cosmoholdings.com.

Board Approval

This report has been reviewed and approved by the Board of Directors of the Company (the “Board”) on 28 April 2025.

Our Business

The Cosmopolitan Group was established in 1991 and is listed on the Main Board of the Stock Exchange, with the Group's core businesses focused on property development, property investment, financial investment and other investments. As a subsidiary of the Century City International Holdings Limited ("Century City", and together with its subsidiaries, the "Century City Group"), Cosmopolitan focuses on property development projects in Mainland China. We are involved in large-scale property development projects, including upmarket residential properties, top-grade offices, high-class hotel and shopping centres in Mainland China.

At Cosmopolitan, we strive to create long term values for our stakeholders. We are progressing unwaveringly with major property projects, which contribute to creating economic benefits and promoting the long term development of the communities in which they are situated.

Guided by Century City, Cosmopolitan has long been pursuing sustainable development and believes that sustainability is essential to our success. We are dedicated to operating in a socially and environmentally responsible manner. This includes minimising our environmental footprint and actively engaging the community through charitable initiatives.

Our Presence

Headquartered in Hong Kong, the business of Cosmopolitan principally comprises of two composite property development projects in Chengdu and Tianjin in Mainland China.

Chengdu Project – Regal Cosmopolitan City

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed-use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet). Further details of the project are set out in the Company's Annual Report for 2024 (the "2024 Annual Report").



Regal Xindu Hotel, hotel development at Regal Cosmopolitan City

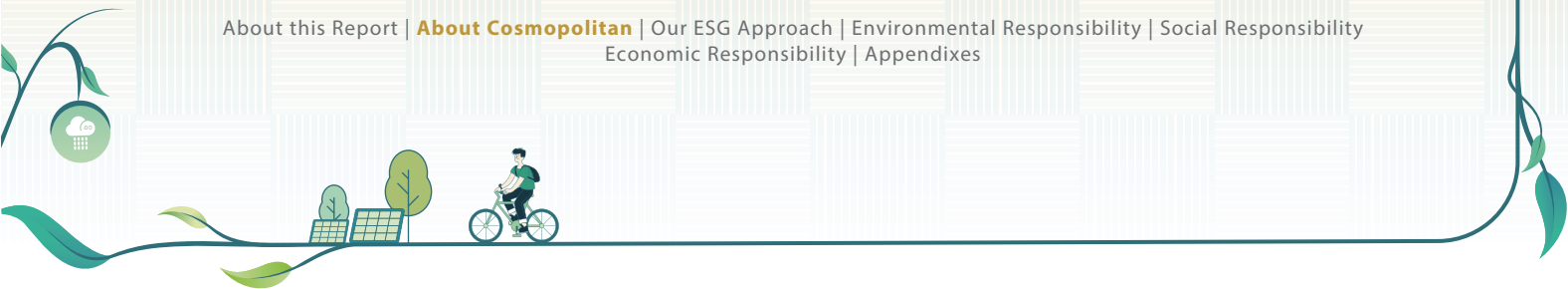


Commercial/office towers of Regal Cosmopolitan City



Regal Xindu Hotel, Chengdu and Fortune City One





Tianjin Project – Regal Renaissance

Located in the Hedong District in Tianjin, this project is a mixed-use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet). Further details of the project are set out in the 2024 Annual Report.



Regal Renaissance, a composite commercial/office/residential development in a prime location of Hedong District, Tianjin





Our ESG Approach

Embracing the core values of sustainability, the Group is devoted to integrating sustainable practices into our daily operations. We pledge to ensure that every aspect of our work reflects a commitment to a sustainable future.

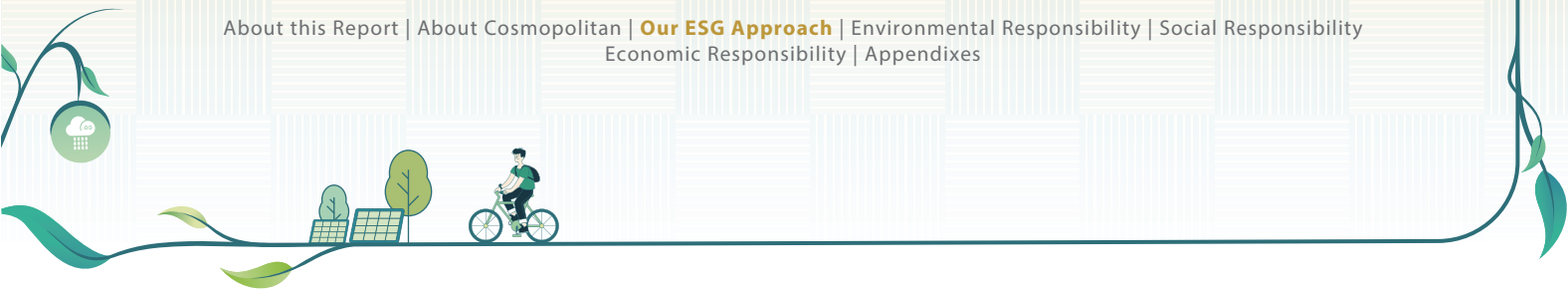
Board Statement on ESG Matters

The Board of Cosmopolitan is responsible for the oversight of the ESG matters of the Group's operations. The Board has the responsibilities in guiding the development of the Group's ESG values, approaches, strategies and policies, reviewing the identification, evaluation and management of ESG-related issues (including ESG risks). Additionally, the Board is also responsible for reviewing and monitoring the progress made against ESG related goals and targets. The preparation of the Sustainability Report is delegated to the executive committee to ensure balanced disclosure of ESG performance and compliance with all applicable Listing Rules.

The Group identifies, assesses and prioritises the ESG matters and their importance to Cosmopolitan and its internal and external stakeholders through stakeholder engagement under the guidance of the Board. In this report, we have reported our development of ESG initiatives and measures and the implementation in accordance with the assessed materiality of various ESG matters. Please refer to "Stakeholder Engagement" section of this report for details of the stakeholder engagement process and the results of the materiality analysis.

Corporate Governance

Cosmopolitan is committed to maintaining a high standard of corporate governance system as one of our key business operation principles. The Group has comprehensively complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, which outlines the best practices of corporate governance. The Group has a strong and robust corporate governance structure in place. The Board is supported by three board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. The board committees are mainly responsible for overseeing and regularly monitoring corporate governance practices to ensure compliance. New policies and measures are implemented whenever necessary.



Sustainability Governance

Cosmopolitan has prioritised sustainability as one of the Group's key objectives. The Group highly values the views of our stakeholders and is committed to establishing sustainability strategies that integrate into our daily operations and balancing their interests with our goals.

Our Group has a sustainability governance framework in place to ensure an effective sustainability management. The Board is responsible for overseeing and regularly evaluating the sustainability performance of the Group. The Executive Directors, with the assistance of senior managers from key divisions, are delegated with responsibilities of implementing the Group's sustainability planning under three major objectives: environmental sustainability, social sustainability and economic sustainability. The sustainability plan will then be executed by different operating divisions of the Group, with the aim of achieving the goals and priorities set. Our overall sustainability governance structure is outlined below:

Our Governance Structure	Key ESG responsibilities
Board of Directors	<ul style="list-style-type: none"> Oversee and regularly evaluate the sustainability performance of the Group Guide the development of the Group's ESG values, approaches, strategies and policies Review the identification, evaluation and management of ESG-related issues (including ESG risks) Engage with key divisions to execute the Group's sustainability planning under three major objectives: environmental sustainability, social sustainability and economic sustainability
Senior Managers	<ul style="list-style-type: none"> Support executive directors to execute the Group's sustainability planning under three major objectives: environmental sustainability, social sustainability and economic sustainability
The Sustainability and Business Transformation Taskforce of the Group	<ul style="list-style-type: none"> Support the annual sustainability reporting exercises
Operating divisions of the Group	<ul style="list-style-type: none"> Implement sustainability initiatives and measures





Stakeholder Engagement

To understand the opinions and needs of different stakeholder groups, different transparent and diverse channels have been established to facilitate meaningful interactions. We ensure their views are effectively collected and well considered. Through the regular communication and engagement exercises, the Group gathers and understands their expectations on our sustainability performance. The major engagement channels for each stakeholder group are listed as follows:

Stakeholder Group Engaged		Methods of Engagement
Internal Stakeholders	Management	<ul style="list-style-type: none"> Regular meetings
	Employees	<ul style="list-style-type: none"> Regular meetings Orientation activities Notice boards Annual appraisal meetings Employee engagement activities
External Stakeholders	Customers	<ul style="list-style-type: none"> Guest satisfaction surveys Corporate website Day-to-day communication with front-line employees Customer feedback mechanism Hotlines
	Investors/Shareholders	<ul style="list-style-type: none"> Analyst briefings Investor meetings General meetings Annual and interim reports Press releases/announcements
	Media	<ul style="list-style-type: none"> Press releases Corporate website
	Industrial Associations	<ul style="list-style-type: none"> Industry forums
	Suppliers/Contractors/ Business Partners	<ul style="list-style-type: none"> Regular meetings Progress meetings

Materiality Assessment

Cosmopolitan regularly reviews the ESG topics related to the sustainable development and performance on the Group. A three-step materiality assessment was adopted to identify the relevant ESG topics that are important to our business. The materiality assessment results also align with the Group's strategies and the expectations of the stakeholders. The prioritisation of the material topics follows the principles defined in the ESG Reporting Code, and the steps are summarised as follows:





The Group consistently conducts thorough reviews of material topics to ensure continuous monitoring of sustainability issues. The Group has identified the following 21 topics that are considered material based on the results of the materiality assessment and the review this year. The topics are discussed in detail throughout this report:





Environmental Responsibility

The Cosmopolitan Group recognises that its business activities impact the environment where it operates. As a result, we are committed to reducing these impacts and fostering the growth of sustainable and resilient communities.

We comply with the Environmental Protection Law of the People's Republic of China, along with all the relevant environmental regulations. Throughout project development, construction, operation, and maintenance processes, we take strict measures to conserve energy, land, water, and materials, while protecting the environment. Our projects meet the criteria for energy-saving, planning, municipal infrastructure, and completion acceptance, ensuring compliance with the required standards for construction materials and environmental safeguards. According to the Environmental Impact Report from Chengdu Academy of Environmental Sciences, our Chengdu Project has effective measures on wastewater treatment, fume treatment and noise, which can help achieve the objectives of pollution prevention and environmental protection. Currently, we are undergoing quality assurance and maintenance, following the standards applied during the construction phase. If any environmental issues arise, we take immediate action to mitigate the impact.

During the reporting period, we fully complied with all laws and regulations¹ regarding air pollutants, GHG emissions, discharges into water and land, as well as the generation of hazardous and non-hazardous waste.

Environmental Management

Cosmopolitan has environmental policies in place for all property development projects aimed at reducing environmental impacts while providing high-quality products and services.

In the Tianjin office, we incorporate resource conservation in our daily operations. Before the commencement of any maintenance or construction work, we coordinate with the property management and construction teams to manage water and electricity connections, metre readings, and provide guidelines for energy and water savings. After construction, we took water and electricity metre readings to ensure the consumption meets efficiency standards. If usage exceeds these standards, the construction unit is responsible for paying an additional fee based on the excess and must maintain low-energy operations. In Chengdu, our design and construction projects meet local environmental regulations and requirements as in the Environmental Impact Assessment Report for the Century City Cultural and Creative Commercial Park of Zhifu Investment and Development (Chengdu) Co. Ltd, ensuring that we reduce the environmental impacts of our activities. For example, we specify the use of oil fume purification equipment in our Heating, Ventilation, and Air Conditioning ("HVAC") construction and require that the processing of cooking fumes must comply with the current national standards when considering the design of air conditioning and ventilation systems.

¹ The environmental laws and regulations that might be significant to Cosmopolitan include Environmental Protection Law, Water Pollution Prevention and Control Law, Atmospheric Pollution Prevention and Control Law, the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes and the Emission Standard of Environment Noise for Boundary of Construction Site of the People's Republic of China.



We evaluate our performance and update our policies regularly to align with changing regulations and industry standards, ensuring that we meet our environmental objectives. To support this, we work with property management to conduct inspections of residential, commercial and underground areas on a daily basis. These inspections monitor the usage of equipment and facilities, such as air conditioning, fire safety systems, tap water, and curtain walls. If any issues are found, property management quickly arranges for maintenance and control measures.

Furthermore, we are conducting a reforestation project in Urumqi, Xinjiang Uygur Autonomous Region, which involves reforesting and granting land for an area of approximately 7,600 mu, in compliance with the relevant local laws and policies. By the reporting period, we have successfully reforested around 4,300 mu within the project site, following the relevant government regulations of Urumqi.

Environmental Targets

Cosmopolitan is committed to supporting China to achieve carbon neutrality by 2060 and adheres to the established short and mid term environmental targets, for emissions, energy and waste management.

The Board oversees and monitors progress on these targets, while evaluating our environmental performance, and each department integrates these targets into their day-to-day decision-making and work plans.

Key Aspects	Targets	Details	Status/Action Plan
GHG Emissions	Short Term	Have at least 10 parking spaces with EV chargers in its current projects.	Reserved EV parking slots with 1,250 kVA chargers in the Chengdu Project.
		Reduce GHG emissions of AB tower and its associate buildings, commercial street and residential buildings in its Tianjin Project by 2% in 2025 using 2024 as baseline.	Will continue to implement emissions reduction measures and monitor the carbon emissions of the Project.
	Mid Term	Increase the number of parking spaces with electric vehicles ("EVs") chargers.	Will continue to increase parking spaces with EVs chargers.
Energy Efficiency	Short Term	Reduce energy consumption intensity by 2% in 2025 in Tianjin Project, using 2024 as baseline.	Use of energy-saving office furniture and equipment.
			Restrict usage of office vehicles.



Key Aspects	Targets	Details	Status/Action Plan
Water Management	Short Term	Reduce water consumption intensity by 1% in 2025 in Tianjin Project, using 2024 as baseline.	Will continue to implement transformation projects to reduce water consumption.
Waste Management	Short Term	Achieve 50% waste diversion rate and 50% waste recycling rate for residential buildings, commercial streets and AB tower and podium buildings in 2025.	<p>Centralised and collected wood and packaging cartons in the construction site to facilitate recycling by paper mills.</p> <p>Scrap steels were collected and recycled by steel production enterprises.</p> <p>Bricks were mainly used for backfilling of roadbeds.</p>

Our Response to Climate Change

Governance

Cosmopolitan recognises that climate change presents a significant challenge to our property development operations. As a result, managing climate-related risks have become a key priority in our environmental management strategy. We are dedicated to developing and implementing robust management approaches and action plans to enhance the climate adaptability and resilience across our operations. The Board is committed to taking actions to mitigate and adapt to the risks across the business units.

For more details on sustainability governance, please refer to the “Sustainability Governance” section of this report.

Strategy

The Group is committed to mitigating climate change impacts to the business and the environment.

To drive climate change awareness across the Group, and to align actions with the Group’s organisational strategy, the Group has set environmental targets to work towards a net-zero economy, with supporting efforts highlighted in “Energy Efficiency and Emissions”, “Water Management”, “Waste Management” and “Noise Control” sections of the report as some of the key themes. During the reporting period, the Group has engaged a third-party consultant to conduct a climate-related assessment and understand climate-related risks and opportunities. Through green offerings and construction management practices, the Group may leverage these opportunities to foster trust and credibility and strengthen stakeholder relationships. Further details on climate-related risk and the Group’s risk management strategies are outlined in the next section.





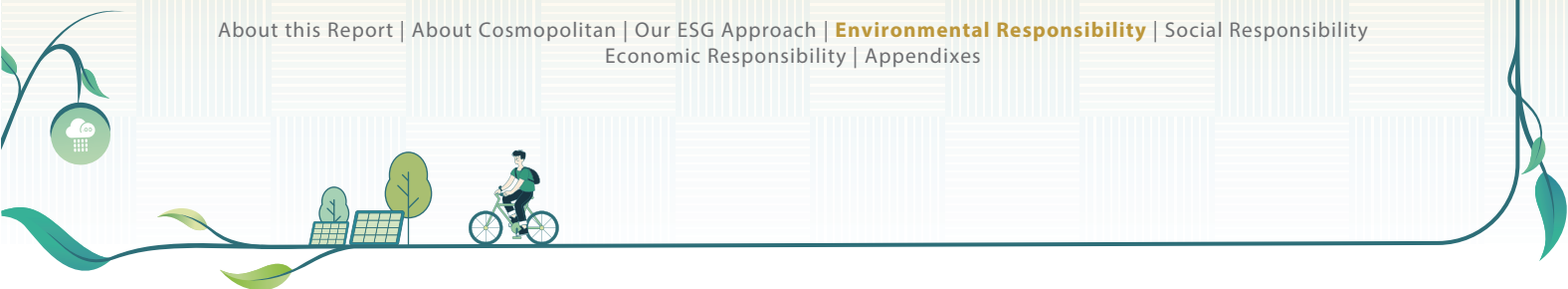
Risk Management

We have identified climate-related risks and opportunities that could materially affect our business under the different scenarios, and they are outlined in the table below. The risk list was built through reviewing publications of international research organisations and peer companies. Risks identified are being reviewed regularly by Board members.

Impacts to Material Physical and Transition Risks

Physical Risk Drivers	Potential Impacts to the Group
Flooding	<ul style="list-style-type: none"> Increased costs for repairs and maintenance Disrupted construction timelines
Extreme Heat	<ul style="list-style-type: none"> Increased wear and tear on building materials and infrastructure Increased heat stress for construction workers Increased energy consumption Higher operational costs for retrofitting or running cooling systems
Water Scarcity	<ul style="list-style-type: none"> Increased operational costs for water management Reduced demand for development projects
Cyclones/Typhoons	<ul style="list-style-type: none"> Increased risks of structural damage such as broken windows and roof leaks Higher likelihood of damage to machinery and tools, and inventory of raw and finished products
Transition Risk Drivers	Potential Impacts to the Group
Policy and Legal	<ul style="list-style-type: none"> Stricter building regulations and net-zero targets may increase construction costs Carbon pricing schemes and taxes (e.g. Carbon Pricing Schemes, Environmental Protection Tax) may increase operational costs² China's dual carbon goals (i.e. peak carbon emissions before 2030 and achieve carbon neutrality by 2060) may increase costs for transitioning to cleaner energy sources
Market	<ul style="list-style-type: none"> Volatility in energy prices due to low-carbon transitions may lead to higher costs for utilities, heating and cooling in buildings Shift in consumer preferences for sustainable and energy-efficient properties may affect competitiveness
Reputation	<ul style="list-style-type: none"> Increased drive to develop green buildings

² The National Emissions Trading Scheme ("ETS") in China was launched in 2021 to reduce carbon emissions by capping annual CO₂ allowances for covered entities and enabling trading of emission permits. The Environmental Protection Tax was introduced in 2018, replacing a prior fee system, to tax enterprises discharging air/water/solid waste pollutants and noise, with rates tied to pollution volume and local regulations. While the ETS sets a market-driven carbon price, the tax directly penalises conventional pollutants.



Climate-Related Scenario Analysis

Leveraging on findings from climate risk assessment in previous years, the Group engaged a third-party consultant to conduct a more in-depth assessment, including a climate-related scenario analysis to better understand the impacts of the climate risks and opportunities of our property and hotel developments as well as property management operations.

To support the Group in making informed decisions under different plausible climate futures and consider appropriate strategies to mitigate risks and leverage opportunities associated with climate change, two contrasting scenarios ("Turquoise Scenario" and "Brown Scenario") are constructed with reference to four publicly available pathways issued by the Intergovernmental Panel on Climate Change ("IPCC") and Network for Greening the Financial System ("NGFS"). The two contrasting scenarios are further adopted for climate scenario analysis across three time horizons. The table below illustrates the assessment framework and the four selected pathways:

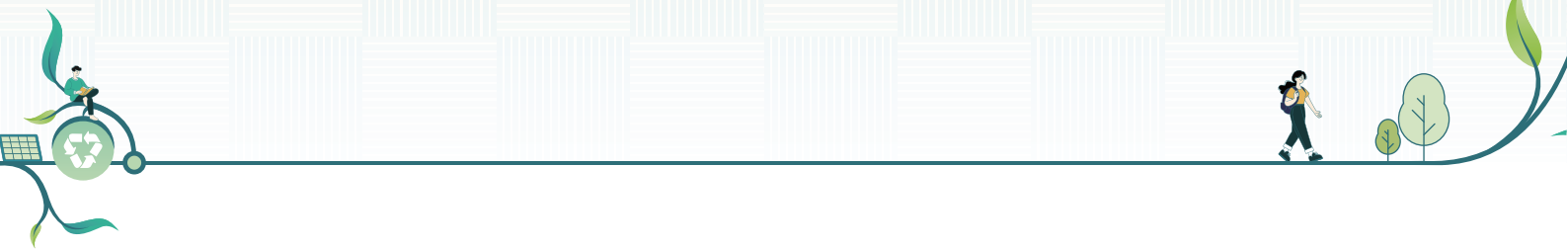
Assessment Framework

Scope of Properties:	2 composite developments in Mainland China
Time Horizons:	Short Term: 2021-2040; Medium Term: 2041-2070; Long Term: 2071-2100

Climate Scenarios and Selected Pathways

Turquoise Scenario:	A global mean temperature rise of 1.5 °C to 2 °C by 2100
Brown Scenario:	A global mean temperature rise of above 3 °C by 2100
Physical Risk Pathways:	Shared Socio-Economic Pathway 1-2.6 ("SSP 1-2.6") Shared Socio-Economic Pathway 5-8.5 ("SSP 5-8.5")
Transitional Risk Pathways:	Net Zero 2050 Current Policies





	Turquoise Scenario	Brown Scenario
Pathways associated with climate-related physical risks	<p>SSP1-2.6³</p> <p>A low-emissions pathway limiting warming to ~1.8°C by 2100. This scenario aligns with the Paris Agreement's 2°C target through rapid decarbonisation and sustainable development.</p>	<p>SSP5-8.5⁴</p> <p>A very high-emissions pathway projecting 4.4°C warming by 2100. Considered a high-risk, fossil-fuel-intensive pathway, it exceeds Paris goals and involves catastrophic impacts such as significant habitat loss and extreme weather.</p>
Pathways associated with climate-related transition risks	<p>Net Zero 2050⁵</p> <p>This limits global warming to 1.5°C through immediate, stringent climate policies and rapid technological innovation, achieving net-zero CO₂ emissions by 2050. It requires sectoral transformations and carbon pricing to balance transition risks via coordinated decarbonisation.</p>	<p>Current Policies⁶</p> <p>This maintains climate measures that are currently implemented, leading to high emissions and 3°C + warming. Transition risks escalate in the post-2030 as delayed action forces abrupt policy shifts. Limited negative emissions result in higher long-term costs, contributing to instability in the financial system.</p>

We use scenario analysis to better understand various physical and transition risks the Group may encounter under different global warming trajectories for selected assets across our portfolio. Exposure levels are ranked to determine which physical and transition risks will be selected for further analysis.

^{3,4} Pathways adopted are from IPCC's sixth assessment report.

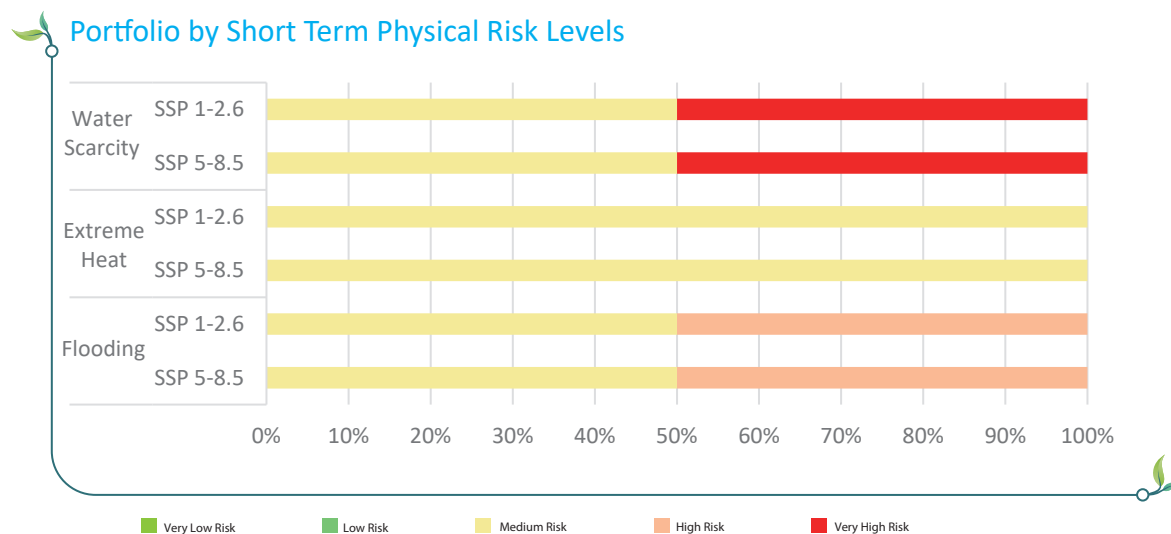
^{5,6} Pathways adopted are from NGFS.

Physical risks

Asset-level modelling of the physical risks has been conducted. Historical data and projected climate variables, such as temperature and precipitation from suitable global climate models, and local meteorological data, were adopted to assess the potential implications to the Group under different climate scenarios. The data has allowed us to evaluate the exposure to specific assets and operations in the short, medium and long term.

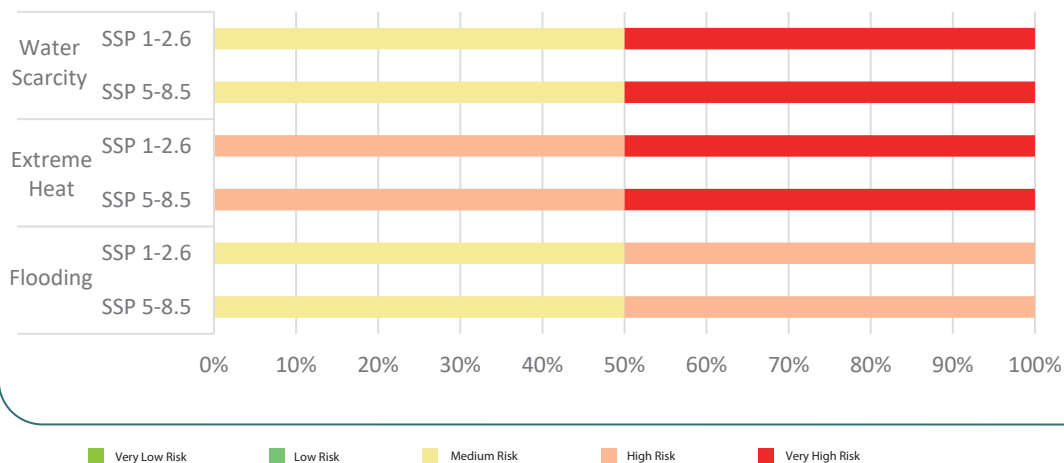
The project evaluates the 2 key assets (i.e. our property development projects in Chengdu and Tianjin) in Mainland China to ensure a holistic view of Cosmopolitan's exposure to climate-related risks. By mapping projected climate changes to asset locations, we assessed overall risks by incorporating exposure to specific hazards, with charts illustrating the proportion of portfolio at different risk levels under contrasting scenarios below. Exposure is determined based on an indicative analysis in consideration of the severity and likelihood of the climate risks. More pertinent climate hazards identified in the assessment are water scarcity and extreme heat.

Water scarcity, extreme heat and flooding risks

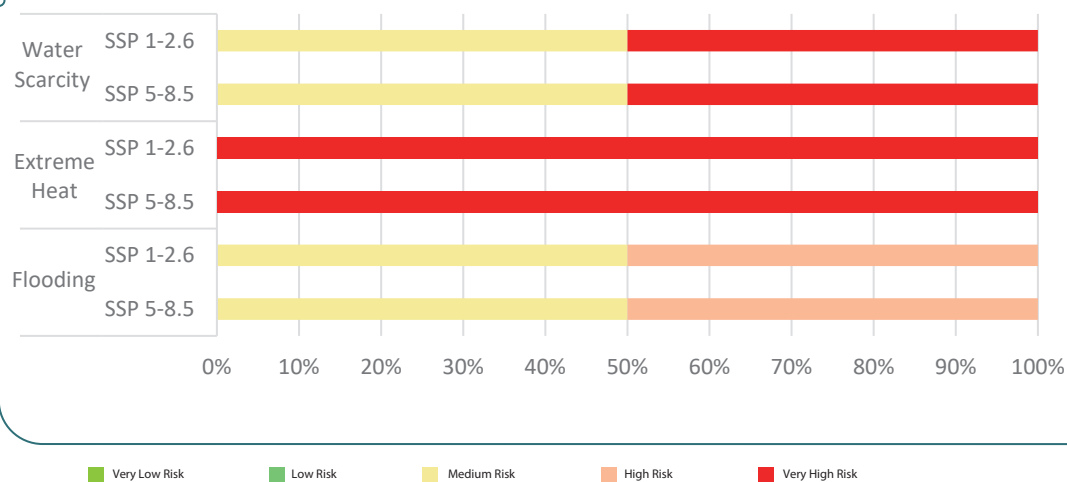




Portfolio by Medium Term Physical Risk Levels



Portfolio by Long Term Physical Risk Levels



Typhoon risks

The severity of typhoons is expected to intensify with windspeed increasing. The frequency of these events may either decrease or remain constant under different projections from different models. It is noted that according to the IPCC, projections on typhoon risk is “inconclusive because of limited reliable simulations”, and we will further explore the feasibility and reliability of conducting scenario analysis on typhoon risk based on the availability of relevant simulation models.

Transition risks

The transition risk scenarios incorporate policies, environmental, economic, social, and technology indicators and market trends. We seek to stress-test our business against several plausible future scenarios. The scenarios cover the short, medium and long-term, and include both global and region-specific (Mainland China) indicators.

	Change in carbon price ⁷			Change in energy price ⁸		
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
Net Zero 2050						
Current Policies						

Level of Decrease ■ Very Low ■ Low ■ Medium ■ High ■ Very High

Level of Increase ■ Very Low ■ Low ■ Medium ■ High ■ Very High

Overall, it is anticipated that there will be an increase in financial impacts on Cosmopolitan’s portfolio stemming from the identified transition and physical climate risks. Despite this, Cosmopolitan has developed a set of climate adaptation and mitigation strategies to tackle the impacts from climate risks.

^{7, 8} Changes are gauged against baseline year 2020.



Mitigation and Adaptation

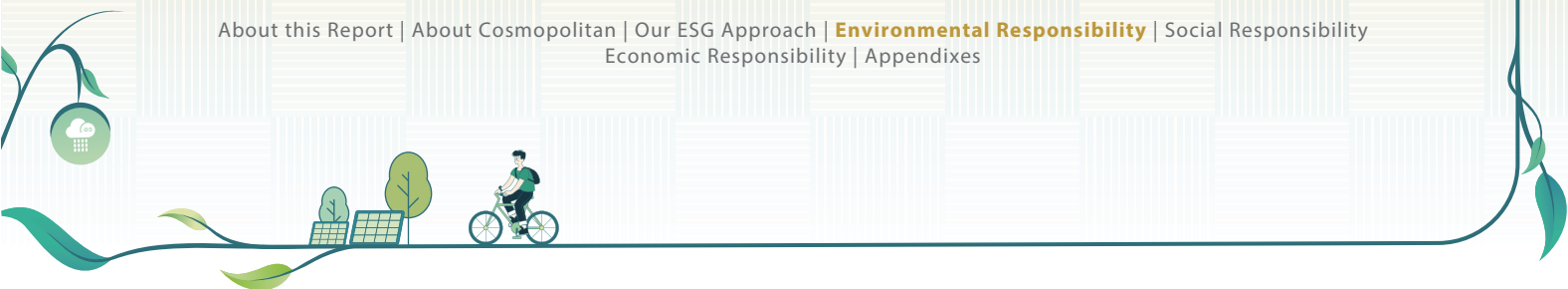
Chengdu project developed comprehensive safety plans to ensure effective management and mitigation of climate-related risks. Special Plan for Construction during the Winter Rainy Season of the Zhifu Times Center Project and Special Plan for Summer Heatstroke Prevention and Cooling Safety of the Fortune Times Center Project have been established to address seasonal challenges during the winter rainy season and summer heat, respectively. These plans serve as a robust foundation for maintaining safety and operational efficiency throughout the year.

To align with China's 14th Five-Year Plan and its blueprint for sustainable development of the country, local authorities implemented some measures to achieve its carbon emissions targets and carbon neutrality goal. In construction projects, retrofitting equipment and enhanced facilities are utilised, which may lead to higher operating costs in the medium term. We continue to actively monitor and respond to the regulatory changes related to our business operations.

To enhance resilience, the Group has incorporated mitigation and adaptation measures into our development projects and construction activities. For instance, Tianjin Project has established protocols for flood risk mitigation, including regular inspections of sewage pumps and pipes to ensure efficient drainage. They routinely check the conditions of gate doors, heating and insulation systems to prepare for cold weather. Routine inspections of air-conditioning units, fire extinguishers, mechanical systems, building facades, and signal lamps are also conducted to ensure resilience of properties against extreme weather events. Any abnormalities in these systems are promptly reported for repairs. Chengdu Projects has formulated a plan for flood control and safety during rainy season, a construction plan for winter under low temperatures, and a plan for heat prevention and cooling during summer to ensure the health and safety of employees and functionality of facilities and equipment.

Metrics and Targets

Cosmopolitan closely monitors climate-related metrics and discloses progress annually in our Sustainability Report. These metrics are available under "Environmental Performance" in "Appendix I – Performance Tables". We have set a wide range of climate-related targets, including those related to GHG emissions, energy and water usage, and waste diversion. For further information regarding the detail of the targets set and their progress, please refer to the "Environmental Targets" section.



Energy Efficiency and Emissions

Cosmopolitan is committed to reducing GHG emissions generated from construction sites and building energy use. Short term energy efficiency and emissions targets have been established for Tianjin commercial projects:

1. Reduce GHG emission of AB tower and its associate buildings, commercial street and residential buildings in its Tianjin Project by 2% in 2025 using 2024 as baseline.
2. Reduce energy consumption intensity by 2% in 2025 in Tianjin Project, using 2024 as baseline.

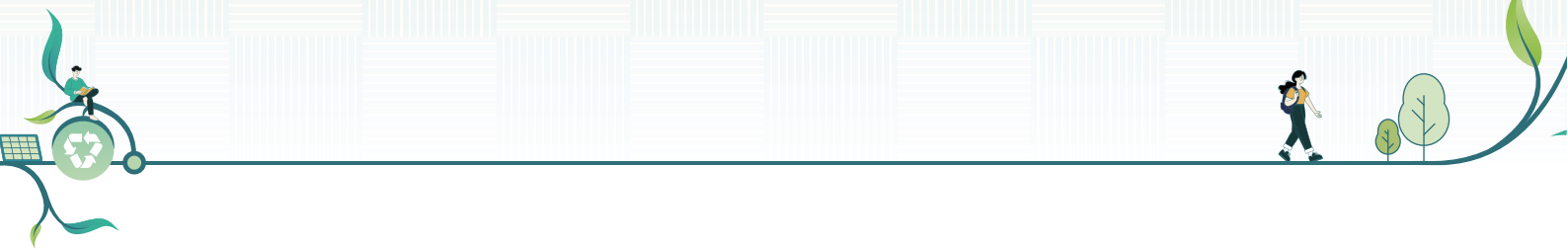
To meet these goals, a variety of initiatives is adopted by Tianjin and Chengdu Projects to minimise energy consumption and GHG emissions.

In Tianjin, energy consumption reduction targets are integrated into operational phase departmental work plans. In 2024, detailed analysis of energy consumption data collected from existing metre monitoring points was conducted to identify trends and highlight areas for improvement. Landscaping and greenery projects are also enhanced to provide natural cooling effect to reduce building energy demand.

The designs of both Tianjin and Chengdu Projects strictly adhere to the Design Standard for Energy Efficiency of Public Buildings and the Design Standard for Energy Efficiency of Residential Buildings of the national Guo Biao (GB) Standards. These standards outline specific requirements for energy efficiency in lighting, heating, ventilation, and cooling.

During quality assurance, construction, and maintenance stages, all activities strictly follow environmental regulations and design standards to ensure safety, reliability, and environmental friendliness. We maintain a high acceptable quality level of 95% and achieve 100% zero pollution discharge.





We have implemented several energy-efficient measures across our projects:

Building Design and Material

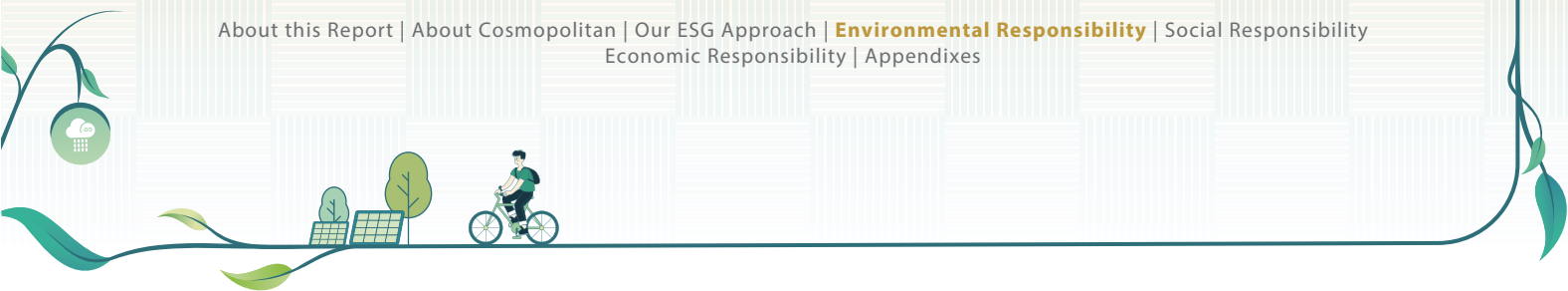
- Low-E glass is introduced in residential buildings to improve insulation and reduce energy needed for air conditioning.
- Bridge-cut aluminium is used in the Tianjin Project for enhanced thermal insulation, reducing heat loss due to thermal bridging and lowering air-conditioning energy consumption.
- Construction materials and components with Construction Energy Efficiency Performance Labelling Certificates are used to further reduce energy consumption.

HVAC

- Natural ventilation is introduced to underground car parks by installing louver outlets in residential landscapes, minimising the need for mechanical ventilation and lowering electricity consumption.
- A heat recycling system is deployed in the hotel of Chengdu Project. Systems recycle heat from hot water supply to support the chiller system, reducing energy consumption for water heating.

Energy Efficiency Building Equipment and Operations

- Water pumps with varying power ratings are installed in residential buildings to cater to different demands. During off-peak periods, pumps with lower power ratings are activated to conserve energy.
- Energy-intensive equipment, including air conditioners, is managed via a building automation system to prevent unnecessary energy used.
- Energy-efficient project designs such as variable water volume system, variable speed driver chillers, and variable refrigerant flow systems are implemented to maintain optimal energy consumption.



Energy Efficiency Building Equipment and Operations

- Daily inspections are conducted to monitor the discharge of domestic waste, GHG emissions, wastewater, and other waste from residential and commercial operations. Abnormalities are promptly addressed by the customer service, property management, and property company teams.
- In office operations, our Tianjin Project prioritises energy-saving furniture, equipment and supplies.
- A systematic process is followed for usage planning, approval, procurement, distribution, registration, inventory management, maintenance, reutilisation, and proper disposal of office supplies.
- Equipment's operating time has been synchronised with office hours to conserve energy during holidays.
- Office vehicles usage is discouraged unless deemed essential and necessary.

Lighting

- Motion sensors are installed in selected residential lift lobbies. These sensors automatically dim lights to a basic level when no one is present. Lift lighting is switched off when not in use.
- Energy-saving technologies such as light-emitting diode ("LED") lighting and other high-efficiency equipment are installed.

Transportation

- EV charging stations are provided in underground car parks to promote the use of EVs and reduce emissions. Residents are encouraged to adopt low-carbon transportation to support a sustainable lifestyle.

We have strict control measures in place to mitigate air pollution for all phases of Tianjin Project, including construction, maintenance, operations, and office activities. All projects comply with local environmental protection requirements and standards for air pollutants. In Chengdu, we adhere to Chengdu City Heavy Pollution Weather Emergency Response Plan and implement internal policies in Chengdu Project.





Ozone Pollution Prevention Measures

- Enhance the control of volatile organic compounds (“VOCs”) and accelerate the progress of leak detection and repair in petrochemical production facilities.
- Analyse the status and characteristics of ozone pollution in cities or regions to determine the regional occurrence of ozone pollution.
- Prohibit outdoor spray painting and carry out specialized law enforcement inspections.
- Improve the optimization of road traffic in key areas.

Dust Prevention Measures

- The construction area is closed or isolated. A dust-proof mesh netting is installed with height exceeding 1.2 metres above the site.
- Utilise landscaping to absorb pollutants, regularly spray water over construction sites and cover dust-prone waste with cloth.
- Prohibit onsite burning of rubbish and other debris.
- Require all vehicles to pass through washing bays and undergo power washing before leaving construction sites.
- Ensure all concrete and mortar used onsite are premixed.

In cases of severe air pollution, we strictly adhere to the local emergency response plan and implement mitigation measures. When air pollution reaches a “serious level”, to prevent additional harmful impacts to the environment and public health, we mandate our construction sites to suspend construction activities, such as earthworks and cement grinding. Real-time dust monitoring systems are in place to ensure dust concentration remains within acceptable limits.

Water Management

Cosmopolitan acknowledges water as a vital resource for our daily operations and is committed to its conservation through various initiatives.

The Cosmopolitan Group’s projects comply with the Standard for Water Saving Design in Civil Building, and we have taken a top-down approach to engage employees in meetings to enhance awareness of water conservation. This will allow us to manage water consumption more effectively in the long term. In our landscaping, we select drought-resistant plants and utilise drip irrigation method, along with durable, corrosion-resistant pipes to reduce water consumption and prevent water leakage.



For the Tianjin Project, we aim to decrease water consumption intensity by 1% compared to 2024 level in the upcoming year. To achieve the target, we have transformation projects in place, including the installation of water metres to monitor consumption data. We pay close attention to monitor water consumption trends, especially in high-water-consumption facilities such as showers, and will implement water-saving initiatives. Regular water seepage assessments, for example, daily inspections of water supply networks and facilities are performed to reduce water leakage risk. In the Chengdu Project, we have installed a 493m³ rainwater cistern in 2022 to adopt the “Sponge City” concept, enabling us to recycle rainwater and further reduce water consumption.

We treat wastewater discharge properly and cautiously by applying stringent treatment process to protect water quality and reduce contamination to the water bodies and the environment. We strive to collect and handle wastewater in an onsite water treatment tank before discharging effluent into the municipal sewage system while reusing wastewater where possible. We comply with the relevant standards to ensure the quality of the effluent and water.

Waste Management

At Cosmopolitan, we strive to reduce waste in our construction and operation activities of our properties. In alignment with the government’s “Circular Economy” initiatives, Tianjin has integrated waste diversion and recycling as a Key Performance Indicator for project management and set the following short term waste diversion and recycling targets:

1. Achieve 50% municipal waste diversion rate for residential buildings in 2025.
2. Achieve 50% commercial waste diversion rate for commercial streets in 2025.
3. Achieve 50% commercial waste diversion rate for AB tower and podium buildings in 2025.
4. Achieve 50% waste recycling rate for residential buildings, commercial streets, and AB tower and podium buildings.

Cosmopolitan has waste management policies in place aimed at reducing and recycling waste, with our engineering teams focusing on monitoring and enhancing waste recycling performance. The implementation of effective waste management measures is a critical and significant component of our sustainability efforts.

In the Chengdu Project, we adhere strictly to the 14th Five-Year Construction Industry Development Plan issued by the Ministry of Housing and Urban-Rural Development. We also limit construction waste discharge to under 300 tons. Similarly, for the Tianjin Project, we comply with Regulations of Tianjin Municipality on the Administration of Domestic Waste. To further reduce material waste, we utilise ready-mix concrete and ready-mix mortar throughout the entire project.





Moreover, to reduce the consumption of disposable materials and limit construction waste, we prioritise brick formwork for foundations. We have introduced a prototype guidance system that requires approval from relevant departments before construction is able to proceed. In the Chengdu Project, we centralise the collection of wood and packaging cartons on-site to facilitate recycling by paper mills. The collected scrap steel is recycled by steel production enterprises, and bricks are mainly used for backfilling roadbeds. Our Chengdu office strictly complies with the National Hazardous Waste List for the disposal of hazardous waste. In the Tianjin Project, we actively engage with different departments to divert waste from residential and commercial buildings away from landfills and incinerators whenever possible. Waste is promptly managed and transported by dedicated cleaning personnel. We conduct regular inspections to reduce the need for demolition and maintenance. A tentative waste list is prepared to control construction waste produced during maintenance and refurbishment. Property management has enhanced oversight by conducting daily inspection and maintaining communication with tenants to ensure construction waste is handled properly and promptly. We also monitor the environmental impacts caused by third parties within our operations vicinity in real time, documenting any violation and notifying responsible parties to take corrective actions.

We have standard procedures in place for handling non-recyclable and nonreusable construction waste. General waste is collected in garbage chambers in each building and transported to collection points daily. Qualified service vendors regularly handle construction waste, including building debris and waste engine oil. Sludge is also regularly cleared and sent to landfills. We are committed to enhancing waste classification and garbage transportation to ensure responsible waste disposal.

Noise Control

Noise pollution from construction and operation activities is also a major concern to the nearby area. As such, we strictly comply with relevant laws and regulations. We have identified powered mechanical equipment, machines and vehicles as the main sources of noise pollution from our operations and an acoustic consultant is appointed to reduce noise pollution and maintain a low standard of impact.

During construction, we cautiously place our noise-generating equipment and maintain appropriate distance from nearby residence. We have also built green buffer zone surrounding the construction sites to lower noise levels. Honking and night-time construction works are strictly prohibited. Chengdu Project also implemented other measures, for example, the air conditioning systems and other fixed noise producing machines in the Chengdu Project are situated on the underground level to minimise noise levels to the building occupants, while the water pump room is installed with soundproofing features to reduce noise. Cooling towers are positioned on the roof with noise reduction measures in place.



Social Responsibility

The Group acknowledges the importance of assessing the impact of our operations on the surrounding environment and community. To maintain our brand reputation and integrate community well-being into our operations, we are committed to embracing local culture and enhancing the living environment in the regions where we operate.

During the reporting period, the Group remains dedicated to giving back to the society through various activities and volunteer efforts. We actively encourage our employees to participate in volunteer programmes. Recognising the unique characteristics of each community, we develop different community investment strategies to support respective neighbourhoods.

Our companies' success depends on the resources and infrastructure of the markets in which they operate. In turn, we strive to create long term positive changes that bring shared and enduring value to our stakeholders. To promote community inclusiveness and social well-being in Chengdu and Tianjin, Cosmopolitan aims to demonstrate our care and support for the needy and underprivileged.

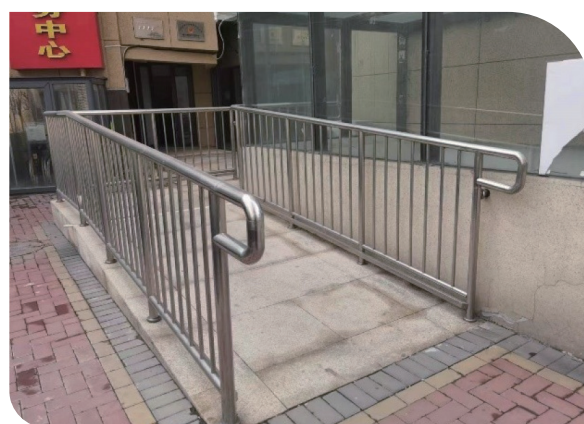
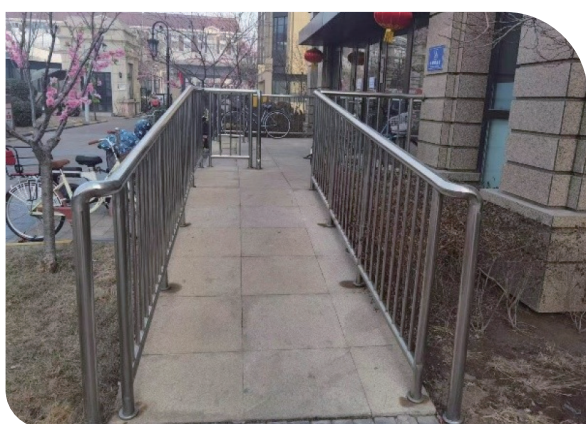
Fostering Community Engagement

Cosmopolitan is dedicated to supporting and participating in programmes that promote social well-being. In line with our corporate culture of creating wealth and values, Tianjin office collaborated with local neighbourhood committees to organise sports competition within the community during the reporting period. We also coordinated a volunteering team to serve the community wholeheartedly. Multiple initiatives and activities were introduced, including public fitness and festive events, to demonstrate the Group's mission to fulfil corporate social responsibility.



Social Inclusion

We are committed to fostering an inclusive environment by ensuring equal access for all. We have incorporated accessibility features and elements into our development projects. For instance, ramps were installed for the convenience of disabled persons and the elderly. In our Tianjin Project, we created an accessible environment for wheelchair users by designing spacious barrier-free restrooms, lowering lift buttons, and creating accessible parking spaces. These inclusive designs contribute to building a community with pleasant environment.



Caring for the Community

The Group extends beyond its core business operations to prioritise the well-being of local communities and assist the underprivileged. Our Tianjin office invested in initiatives such as providing clean drinking water, improving the environment, and expanding greenery coverage to enhance our commitment to environmental protection.



Expanding greenery coverage in Tianjin Project

We encourage our employees to donate voluntarily and actively participate in volunteering services for the elderly and disabled, such as assisting the neighbourhood committee in setting up a canteen specifically for the elderly in the community. We engage with the local community to understand their needs and concerns while exploring opportunities to serve the underprivileged and create shared value in the society.





Economic Responsibility

At Cosmopolitan, we are committed to advocating for a fair and equitable business environment while ensuring our interests and upholding honesty and integrity. We strive to minimise operational risks, grow our reputation among customers and suppliers, and provide customers with high-quality goods and services. We aspire to provide a safe, healthy, and inclusive workplace for our employees with promising career development, which in turn enabling us to deliver exceptional customer service. We are determined to achieve economic outcomes for our shareholders and create positive impacts for our customers and operating communities.

Caring for Our Employees

Human capital represents a critical component in our value creation, enabling the provision of quality products and services. We attract and retain talent through a comprehensive human resources management system that protects employee rights and interests throughout the employment journey. Our human resources system safeguards employee interests across recruitment, remuneration, benefits, promotion, leave, and resignation. We oppose to any form of discrimination, with organisational commitments firmly anchored in principles of workplace inclusivity and diversity. We maintain strict compliance through a series of regulations and policies including “Compilation of Human Resources Systems”, “Compilation of Administrative Systems”, “Employee Handbook and related tools”, “Reward and Punishment Management System”, “Recruitment Management System”, and “Attendance Management System”.

Cosmopolitan strictly complies with the laws and regulations⁹ relating to employment and labour, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. To prevent labour policy violations, we exclude all underaged applicants during the application screening process. We also verify personal identification documents through multiple channels and register applicant information on government platforms. When employees sign employment contracts, they must fully understand and willingly comply with the terms and conditions of their roles, ensuring legal employment. If child labour cases are identified, immediate actions are taken to provide necessary assistance and support. Upon discovering the employment of underaged workers, we report the cases to the local labour administrative department, conduct health checks, and provide safety education and training to ensure their well-being under relevant laws and regulations. Additionally, we use a quarterly monitoring form for underaged employees to maintain accountability and ensure lawful employment practices. During the reporting period, there were no non-compliance cases of employment and labour reported, including recruitment, compensation, training, promotion, equal opportunity, diversity, anti-discrimination, provision of benefits and welfare, safe working environment, and child and forced labour.

⁹ The employment and labour laws and regulations that might be significant to Cosmopolitan include Labour Law, Labour Contract Law of the People’s Republic of China, Law of the People’s Republic of China on Protection of Minors and Tianjin City Minor Protection Law.



Recruitment, Retention and Benefits

Cosmopolitan is dedicated to fostering a collaborative and respectful workplace by promoting diversity and equality. Discrimination of any form, whether based on gender, age, or background, is strictly prohibited in recruitment and promotion processes. We maintain a merit-based recruitment system, focusing on candidates' skills, expertise, and experience. Further elaborations of acceptable and unacceptable workplace behaviours are illustrated in our Employee Handbook.

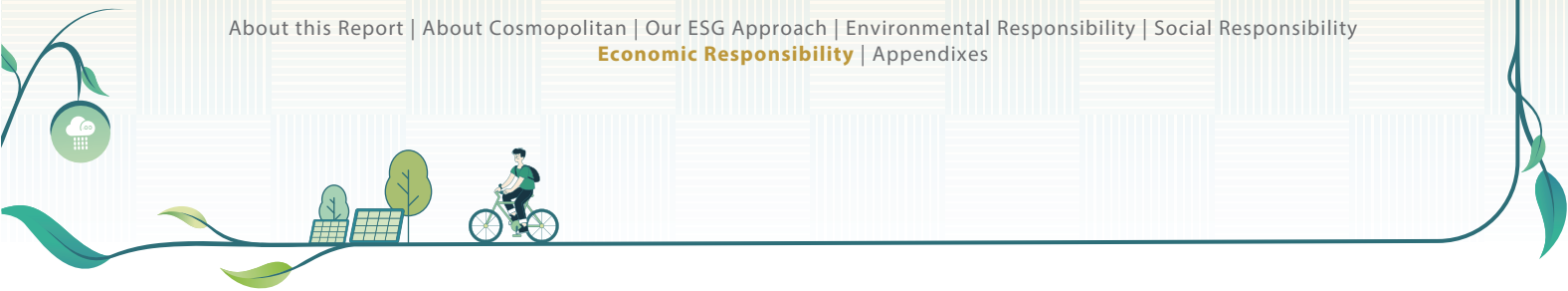
To attract and retain talent, we offer competitive remuneration packages and recognise employees' contributions through various benefits. These include monetary rewards for major holidays and birthdays, job security insurance, and special leave entitlements such as parental and wedding leave.

Learning and Career Development

Personal development and career progression of our staff are aligned with organisational goals through the implementation of the "Training Management Regulations" and a comprehensive training system within the Chengdu office. Supplementary external learning opportunities are also provided to our staff, enabling comprehensive skills enhancement across professional capacities.

Employee Well-being

Prioritising the physical and mental well-being of employees is of utmost importance to the Group. In addition to providing annual health check-ups, we also conduct safety training sessions to cultivate a culture of safety within the workplace.



Workplace Health and Safety

The Group prioritises employee health and safety through workplace environment management. Following the “Tianjin Safety Production Regulations”, the Tianjin office has developed a management framework within the “Compilation of Human Resources Systems”, including sections on “Employee Health and Safety”, “Safety Measures for Natural Disasters”, and “Fire Safety Measures”. Policies and procedures are in place to maintain safety standards. A Safety Construction Management Policy and emergency guidelines support the Group to address potential workplace incidents. In 2024, Chengdu Project has published two manuals, “Ozone Pollution Prevention and Mitigation Manual” and “Construction Dust Prevention and Reduction Manual”, to outline the associated risks and preventive measures, which raised workers’ awareness and aligned the project’s approach in handling health and safety risks. Our operations are in full compliance with the occupational health and safety related laws and regulations¹⁰ in Mainland China. Our effort made to ensure the health and safety of employees has been acknowledged by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China and the Tianjin Municipal People’s Government.

During the reporting period, there were no non-compliance cases of occupational health and safety reported in our operations.

To safeguard the health and safety of our employees, the Group is committed to minimising health and safety related risks through regularly identifying and monitoring material safety issues or risks in our offices and construction sites. In case of any deficiencies discovered, remedial actions will be carried out to ensure proper execution of our safety measures. We have conducted multiple occupational safety trainings for employees in our Tianjin office, achieving a 100% coverage rate. Workers are not eligible to work on-site unless being qualified in passing our safety trainings. In addition to safety trainings, we utilise different engagement channels to remind employees of safety precautions by distributing safety leaflets and placing warning signs with preventive measures about operating vehicles and machines, accidents, fire, and other major hazards. We also actively engage with our contractors through meetings, workshops and trainings, requiring them to provide compulsory safety training to ensure all new workers are equipped with safety knowledge before working on-site.

Fire safety is also one of our safety concerns within our operations. The Group has set up a fire-prevention system which fully complies with relevant legal requirement in Mainland China. The system is reviewed and maintained regularly by qualified professionals. We have carried out multiple fire and gas leak evacuation drills in our Tianjin office to help employees to familiarise with safety procedures in case of emergency.

Additionally, we strive to enhance the indoor air quality in our offices to improve our employees’ health. Monitoring of VOCs’ concentration level and formaldehyde is carried out regularly. We have appointed qualified personnel for removal of such substances effectively whenever necessary.

¹⁰ The occupational health and safety laws and regulations that might be significant to Cosmopolitan include the Law on the Prevention and Control of Occupational Diseases, Work Safety Law, Regulation on Work-Related Injury Insurance and Measures for the Administration of Occupational Health Examination of the People’s Republic of China.





Caring for Our Customers

Cosmopolitan prioritises customer needs by providing quality living spaces. The Group adheres strictly to laws and regulations concerning health and safety, advertising, labelling, and customer privacy. During the reporting period, no non-compliance case was reported in our operations regarding health and safety, advertising, labelling and privacy matters relating to products and services provided.

Product and Service Quality

For our property development projects, we have implemented strict quality assurance and monitoring systems to ensure our product and service quality. We operate in accordance with the Law of the People's Republic of China on Construction, Quality Management of Construction Projects in Mainland China and the Law of the People's Republic of China on Management of Urban Real Estate to maintain the order of the real estate market, protect the legitimate rights and interests of real estate rights holders, and promote the healthy development of the real estate industry. To further understand and respond to our customers' needs, we actively engage with customers through multiple communication channels regularly and collect their feedback for continuous improvement. During the year, we have carried out customer satisfaction surveys, which cover a wide spectrum of aspects including employee attitude, technical skills and professional quality. We further analyse the survey results and formulate plans in key areas for continuous improvement.

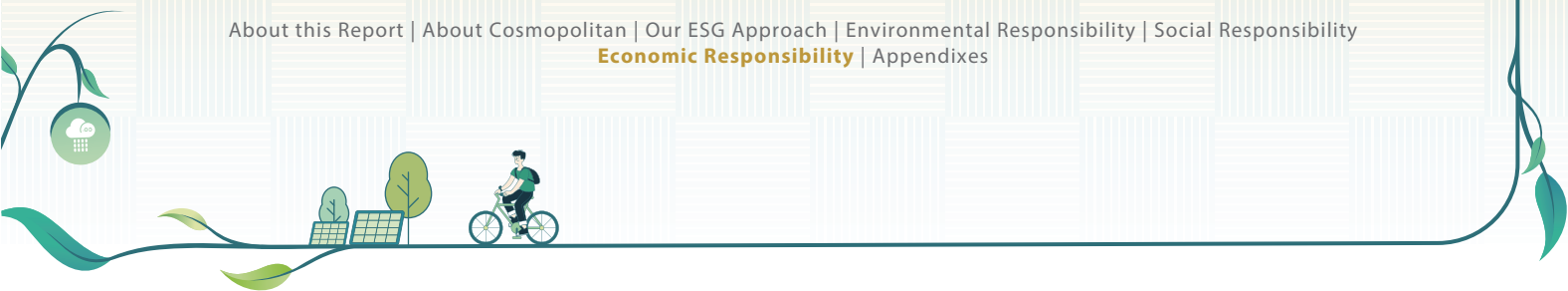
During the reporting period, no non-compliance cases of product and service quality were reported in our operations.

We have implemented a four-phase quality management approach covering construction from initial planning to post-handover, which emphasises safety and quality standards and ensures high standards of building quality.

Our Quality Management approach:

Pre-construction phase

Building plans and construction materials are the main focus of our quality control. Building plans are reviewed, construction sites are examined, and project developments are monitored by architectural, geologic hazard and construction professionals. All issues identified in the plans are properly addressed before progressing to the next stage. Approaches include assessment of radon concentration of construction sites to evaluate the impact of soil to the environment. Further site investigation is conducted to determine the location of basement and assess the geological conditions, ensuring foundational safety of the construction. To prevent development on unfavourable geological conditions such as rocky cliffs, collapse of slopes and mudslides, we place great effort on the selection of geologically stable areas for development projects. Compliance certificates and assessment reports for construction materials including steel bars, concrete and cement are also reviewed to ensure the use of quality materials in construction.



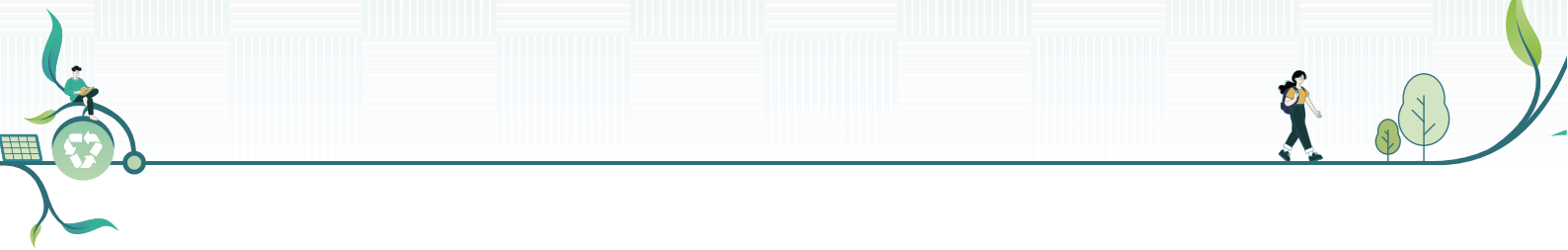
Construction phase	We maintain a close monitoring of the structural work to ensure alignment with construction drawings and high quality of our products. In the construction and maintenance stages, management objectives are set up for various project milestones to elevate our construction management and risk control levels. Our standards generally align or even exceed national requirements to provide safe and satisfactory products for our customers. Following the construction contract and drawings, inspections on all raw materials, equipment brands, models and specifications are conducted to ensure they meet respective technical requirements and standards. Issues concerning misalignments between concealed processes and construction drawings are rectified by responsible construction units to ensure full compliance with project requirements.
Post-construction phase	Comprehensive quality inspection is carried out two months before handover to rectify issues and the rectification process is monitored.
Post-handover phase	After property handover, relevant construction units are notified to carry out following up actions and rectification according to issues raised by property owners within warranty period.

Customer Privacy

The Group fully respects the privacy of our customers' personal data. The collection and handling of customers' information fully comply with applicable laws and regulations¹¹ concerning personal data privacy in Mainland China. We secure confidential information of our customers through implementing various security measures such as setting passwords for all electronic files. Employees are required to sign a confidentiality agreement to accept the accountability of legal responsibility in unauthorised use or disclosure of internal and personal information, such as trade and customer information. We also require our employees to comply with all internal guidelines regarding the collection, processing, transfer, retention and deletion of customer personal data.

¹¹ The personal data privacy laws and regulations that might be significant to Cosmopolitan include the Personal Data (Privacy) Ordinance of Hong Kong Special Administrative Region, Cybersecurity Law of the People's Republic of China and General Data Protection Regulation.





Advertisement

The Group is dedicated to delivering transparent and precise product and service information for our customers. We comply with “Advertising Law of the People’s Republic of China” and all applicable laws and regulations, ensuring that all advertising language is truthful and lawful, thereby protecting the legitimate rights and interests of our consumers. Our customers’ information is managed by dedicated personnel in the sales backend, and a customer information ledger is established to strictly safeguard the security of customer information. Our promotional materials are crafted using legally compliant language to ensure the protection of customers’ legitimate rights and interests. Relevant information is systematically managed within a sales backend system by dedicated team and a customer information ledger has been established to ensure the security of customer data.

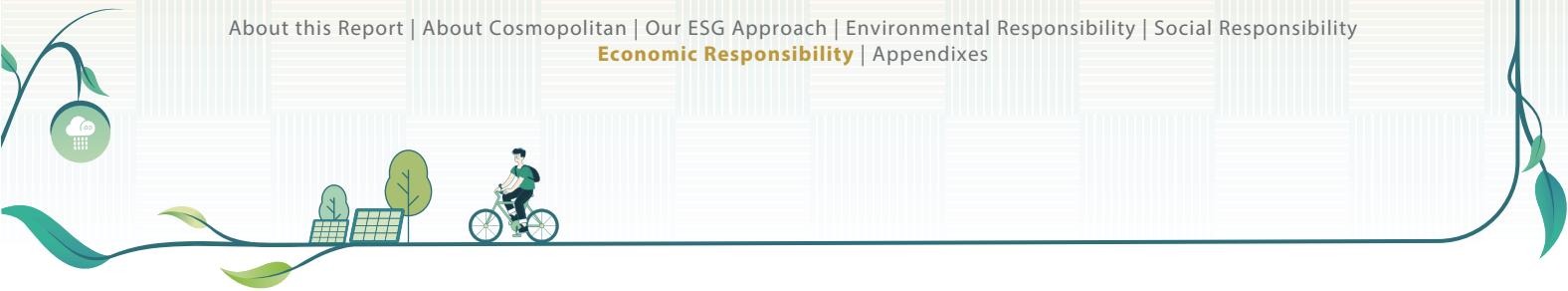
Dishonest and misleading selling techniques are strictly forbidden. To help customers make informed and confident purchasing decisions, we have trained our employees in professional sales practices, ensuring they provide sales and leasing services in a professional manner. All the Group’s promotional materials are carefully prepared and reviewed to avoid publishing any misleading information.

In the Chengdu Project, our salespersons are provided with standardised promotional materials to ensure consistency in the sales information delivered. If any misconduct such as using inappropriate selling tactics occurs, the involved salesperson will face penalties as per disciplinary procedures. Remedial actions will be taken when inaccuracies in the sales process are identified. To enhance employees’ awareness of proper selling practices, daily debriefings are conducted with salespersons after business hours to align their expectations with those of the Company.

Supply Chain Management

The Group is dedicated to fostering a sustainable supply chain while upholding the highest ethical standards among our suppliers and contractors. The Group’s “Supplier Management Policy” serves as a policy framework for addressing potential risks within the supply chain. In the supplier selection process, we give precedence to those suppliers who exhibit a strong dedication to responsible ethical behavior and a competitive business environment.

During the reporting period, our supply chain management strategies and actions have consistently adhered to core ESG principles, effectively identifying and monitoring environmental and social risks within the Group. We ensure that all procurement and tendering processes fully comply with our environmental and social policies. The performance and ESG commitment of suppliers are key factors in our selection and rating processes, which helps sustain our operations. For example, we give preference to local businesses during the tendering process to reduce carbon emissions through local sourcing, while also promoting job creation, community support, and economic growth.



We strive to conduct procurement and tendering procedures transparently and fairly. By adopting a holistic approach, we decentralise tender management and decision-making tasks. Various levels and groups handle different supply chain management tasks, ensuring coordinated efforts across functions. Cost control functions at different operational levels serve as key communicators within the management system. Close collaboration among all departments is essential to monitor financial policies and maintain a well-organised and transparent tendering process.

The Group diligently oversees and engages with our supply chain through a three-stage assessment system, which includes qualifying assessment, ongoing assessment, and post-performance assessment. The qualifying assessment evaluates new suppliers based on their background and performance in line with our Supplier Management Policy. During this stage, we use our supplier selection criteria to review their qualifications, technical expertise, management capabilities, business size, financial performance over the past three years, after-sales services, pricing, and reputation. Suppliers are chosen from the Qualified Supplier List during the procurement bidding process to ensure high-quality products. Priority is given to qualified suppliers who are government-licensed and possess certified management systems, such as ISO 9001 and ISO 14001. We also conduct regular reviews of suppliers' business operations and sustainability performance for future tendering considerations.

During the process assessment stage, we maintain effective management by performing quarterly evaluations and complaint investigations to closely monitor and assess the work attitude and quality of supplier operations. We ensure that all raw materials meet the required standards for our construction projects. Our complaint mechanism guarantees satisfactory customer service by providing multiple complaint channels and promptly addressing customer needs to resolve underlying issues.

After contracts are completed, suppliers undergo a post-performance assessment using a quantitative scoring system to evaluate their work attitude and quality. This assessment determines their final rating, with suppliers who receive higher ratings being given priority in the procurement process.

The Group prioritises business ethics and integrity of our suppliers and contractors. There is no tolerance of any forms of corruption and misconduct. To avoid any corruption or misconduct during business collaboration, all our suppliers and contractors are required to attest to our Supply Chain Management Procedure and Honesty Agreement. To further avoid any cases of misconduct, a targeted total transaction value or targeted unit value is predefined for internal reference before the tendering process. Apart from that, all our partners are required to respect and protect the intellectual property rights of others. As written on the contracts, suppliers are required to guarantee that their products do not infringe third party's intellectual property rights, trademark rights or industrial design rights. If the intellectual property rights are not owned by the supplier, the Group will require the supplier to provide supporting authorisation documents for our inspection.

We welcome all suggestions, complaints, and whistleblowing from suppliers and contractors. We have set up a feedback mechanism and a telephone hotline to receive any feedback. During the reporting period, there were no material incidents of corruption reported related to our group, our employees, and the supply chain.





Intellectual Property Rights

Every business unit within Cosmopolitan adheres to policies and procedures designed to protect and respect intellectual property rights. Our suppliers are also committed to upholding these rights under procurement contracts, ensuring that the components they provide do not infringe upon third-party intellectual property, trademarks, or industrial design rights. If the rights do not belong to the suppliers, verification proof is required for compliance assurance. The Group places significant importance on protecting brand assets and strictly follows relevant laws and regulations. We have implemented a range of measures that include trademark and patent management, copyright protection, and regular brand monitoring to safeguard our brand assets.

Business Ethics

Maintaining a high standard of business ethics is essential to our operations. We place a strong emphasis on anti-corruption and anti-bribery practices as key principles of the Group. Our policies are created in accordance with relevant laws and regulations¹² to mitigate compliance risks in the bidding and procurement process. Our Anti-corruption Policy has been established to provide guidance on prohibition on improper payments and other forms of bribery, prohibition on soliciting and/or accepting advantages, prohibition on offering advantages, charitable contributions and sponsorships, entertainment and conflict of interests.

As outlined in the Code of Conduct of Workplace in the Employee Handbook, employees must follow legal and ethical work practices when interacting with affiliated units. We strictly prohibit any violations of the code of conduct and any inappropriate behaviour, such as bribery and other unethical methods to gain benefits.

To increase employees' awareness of work ethics, the Group conducted training sessions on fair competition and anti-corruption for all staff in accordance with the Anti-Unfair Competition Law of the People's Republic of China. Furthermore, all newly appointed leaders at the Tianjin office are required to have a pre-employment discussion with human resources administration managers to familiarise themselves with the office's business ethics requirements. Additionally, we have set up multiple communication guidelines and channels to help employees identify and address any violations of legal requirements.

During the reporting period, no cases of corruption or bribery lawsuit were recorded in Tianjin and Chengdu.

¹² The anti-corruption laws and regulations that might be significant to Cosmopolitan include the Criminal Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on Prohibition of Commercial Bribery established by the State Administration for Industry and Commerce of the People's Republic of China and Integrity Cooperation Agreement.

Appendix I – Performance Tables

Environmental Performance¹³

	Units	2023	2024
Air emissions			
Nitrogen oxide (NO _x)	kg	20.44 ¹⁴	19.87
Sulphur oxide (SO _x)	kg	0.04	0.04
Particulate matters (PM)	kg	1.96 ¹⁵	1.90
Greenhouse gas (GHG) emissions			
Total GHG emissions	tonnes of CO ₂ equivalent (tCO ₂ e)	317	266
Direct GHG emissions (Scope 1) ¹⁶	tCO ₂ e	8	7
Indirect GHG emissions (Scope 2) ¹⁷	tCO ₂ e	309	259
GHG emission intensity ¹⁸	kg CO ₂ e/m ²	0.92	0.94
Energy consumption			
Total energy consumption	MWh	571	508
Electricity	MWh	543	482
Liquefied petroleum gas	MWh	0	0
Petrol	MWh	29	26
Energy intensity ¹⁸	MWh/m ²	0.002	0.002

¹³ The environmental performance data only covers the operations in Chengdu Project and Tianjin Project.

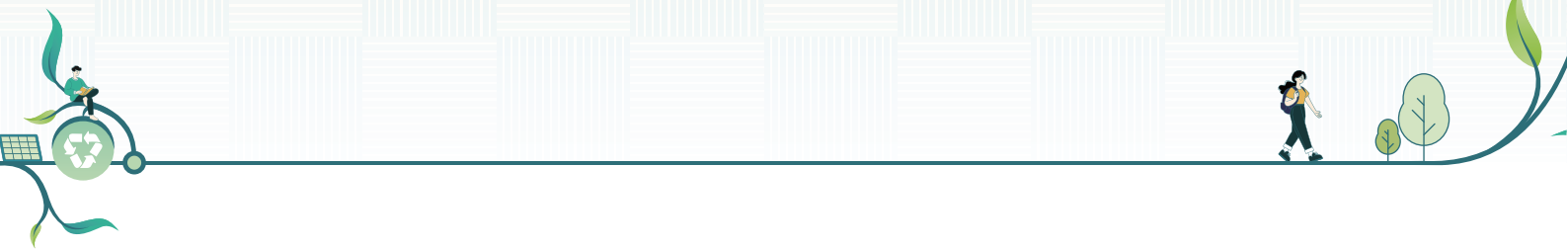
¹⁴ The amount of NO_x has been restated due to the updating of the calculation methodology.

¹⁵ The amount of PM has been restated due to the updating of the calculation methodology.

¹⁶ Direct GHG emissions (Scope 1) were generated from fuel consumption, including petrol consumption for transportation.

¹⁷ Indirect GHG emissions (Scope 2) were originated from the generation of purchased electricity consumed by Cosmopolitan. The emission figures were calculated with reference to the latest National Power Grid average emission factor published in 2024.

¹⁸ The GHG emission intensity and energy figures were calculated as the total GHG emissions and total energy consumption divided by the total gross floor area of Cosmopolitan's development projects, respectively.



	Units	2023	2024
Water consumption			
Total water consumption	m ³	652	607
Water intensity	m ³ /m ²	0.002	0.002
Waste disposal			
General waste disposed	tonnes	0.03	0.01
Non-hazardous waste intensity	kg/m ²	0.0001	0.00004
Waste recycled			
Wood	kg	110	0
Metals	kg	850	350
Old concrete	kg	800	500
Paper	kg	200	110
Glass	kg	0	0
Other construction materials	kg	50,000	0 ¹⁹
Hazardous waste disposed			
Filler	kg	0.4	0.2
Filler containers	pieces	21	11
Paint and solvent containers	pieces	13	3

¹⁹ There were no other construction materials recycled as Tianjin's development project is completed within 2024.

Social Performance²⁰

Employment Practice

	Units	2023	2024
Total workforce by employment contract			
Permanent	number of people	18	1
Contract	number of people	71	71
Trainee	number of people	0	0
Total workforce	number of people	89	72
Total workforce by gender			
Male	number of people	51	37
Female	number of people	38	35
Total workforce by age group			
Under 25	number of people	1	1
25 – less than 40	number of people	38	26
40 – less than 55	number of people	43	35
55 or above	number of people	7	10
Total workforce by employment category			
Senior management	number of people	1	0
Middle management	number of people	22	14
General employees	number of people	66	58
Total workforce by geographical region			
Hong Kong	number of people	3	1
Mainland China	number of people	86	71
Employee turnover by gender			
Male	%	16	30
Female	%	5	21
Employee turnover by age group			
Under 25	%	0	0
25 – less than 40	%	8	31
40 – less than 55	%	16	26
55 or above	%	0	10
Employee turnover by geographical region			
Hong Kong	%	33	200
Mainland China	%	10	23

²⁰ The social performance data covers Hong Kong corporate office, Shenzhen corporate office, Chengdu Project and Tianjin Project.

Occupational Health and Safety

	Units	2022	2023	2024
Total number of work-related fatalities	number of people	0	0	0
Rate of work-related fatalities	%	0	0	0
Total number and rate of lost days ²¹ due to work injuries	number of days	0	0	0

Development and Training²²

	Units	2023	2024
Percentage of employees trained by gender			
Male	%	53	36
Female	%	47	64
Percentage of employees trained by employment category			
Senior management	%	7	0 ²³
Middle management	%	40	9
General staff	%	53	91
Average training hours by gender²⁴			
Male	number of hours	3	1
Female	number of hours	4	1
Average training hours by employment category²⁴			
Senior management	number of hours	35	0
Middle management	number of hours	5	1
General employees	number of hours	2	1

Supply Chain Management

	Units	2023	2024
Number of suppliers by geographical region			
Mainland China	number of suppliers	192	6 ²⁵
Number of products and service-related complaints received	number of complaints	0	0

²¹ Lost days refer to sick leave due to all types of work-related injuries.

²² For the purpose of disclosure in this report, senior management excludes the corporate general managers and directors.

²³ There is no senior management employee this year.

²⁴ Average training hours were calculated as "Total number of training hours for employees in the specified category/Number of employees in the specified category".

²⁵ A major operation in the Chengdu Project has been completed this year, resulting in a drop in number of suppliers.

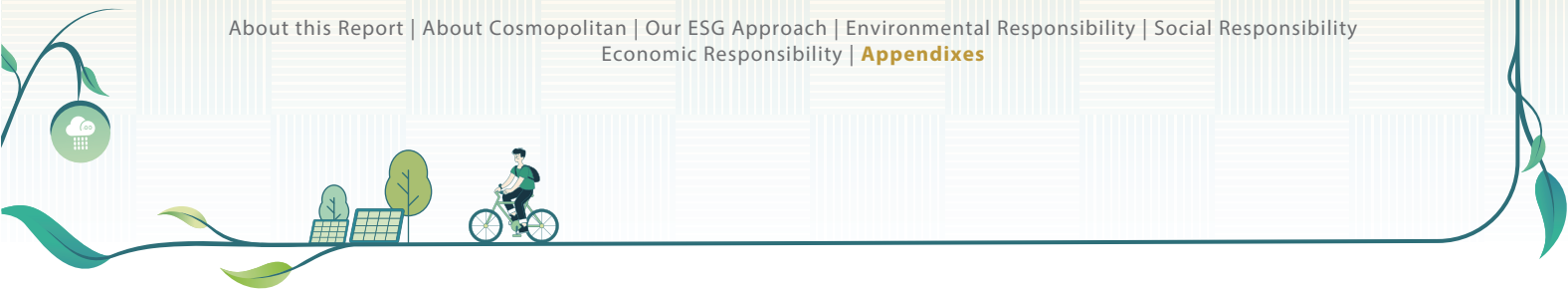
Appendix II – The Stock Exchange of Hong Kong Limited's ESG Reporting Code Content Index

Indicators		Section/ Statement
A. Environmental		
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management; Energy Efficiency and Emissions; Water Management; Waste Management
	KPI A1.1 The types of emissions and respective emissions data.	Environmental Performance
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Environmental Management; Energy Efficiency and Emissions; Water Management; Waste Management
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management



Indicators		Section/ Statement
A. Environmental		
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management; Energy Efficiency and Emissions; Water Management
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Efficiency and Emissions
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Management; Environmental Targets
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	During the reporting period, Cosmopolitan had no issues related to sourcing water for operations. Not applicable to the core business of Cosmopolitan





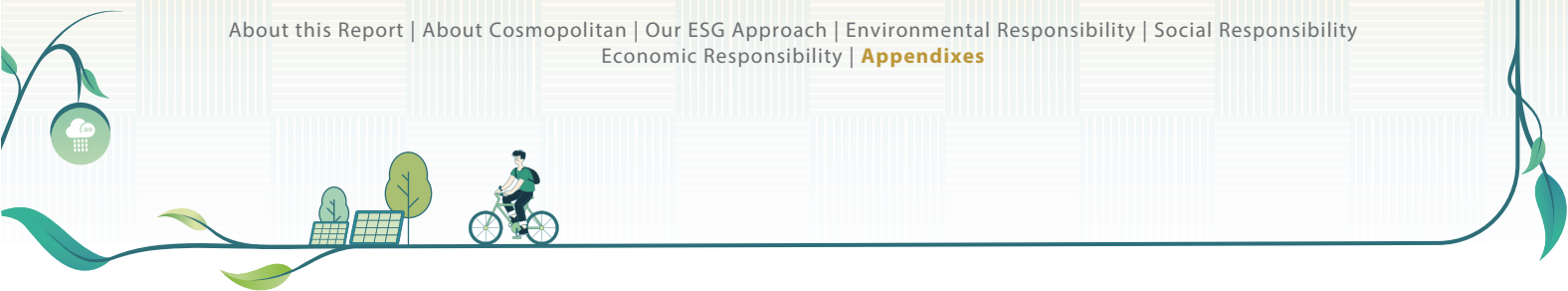
Indicators		Section/ Statement
A. Environmental		
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management; Noise Control
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management; Noise Control
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Response to Climate Change
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Response to Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Our Employees
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Social Performance





Indicators		Section/ Statement
B. Social		
Employment and Labour Practices		
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Caring for Our Employees
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Performance
	KPI B2.2 Lost days due to work injury.	Social Performance
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for Our Employees
Aspect B3: Development and Training	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Caring for Our Employees
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Social Performance
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring for Our Employees
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Caring for Our Employees
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Caring for Our Employees





Indicators		Section/ Statement
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	KPI B5.1 Number of suppliers by geographical region.	Social Performance
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Caring for Our Customers
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	There were no products sold or shipped subject recalled for safety and health reasons during the reporting period.
	KPI B6.2 Number of products and service-related complaints received and how they are dealt with.	Social Performance
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Supply Chain Management
	KPI B6.4 Description of quality assurance process and recall procedures.	Caring for Our Customers
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Caring for Our Customers





Indicators		Section/ Statement
B. Social		
Operating Practices		
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	Business Ethics
Community		
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Responsibility
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Social Responsibility





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