



# 泓盈城市運營服務集團股份有限公司

## HOLLWIN URBAN OPERATION SERVICE GROUP CO., LTD

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2529

# 2024 Environmental, Social and Governance Report



# 2024 Environmental, Social and Governance Report

## CONTENT

<b>ABOUT THIS REPORT</b>	<b>2</b>
<b>ABOUT THE GROUP</b>	<b>4</b>
<b>STATEMENT OF THE BOARD OF DIRECTORS</b>	<b>8</b>
<b>1. SUSTAINABLE DEVELOPMENT MANAGEMENT</b>	<b>9</b>
1.1 ESG GOVERNANCE	9
1.2 STAKEHOLDER ENGAGEMENT	9
1.3 MATERIALITY ASSESSMENT FOR ESG ISSUES	10
<b>2. GOVERNANCE IN COMPLIANCE WITH LAWS AND INTEGRITY-BASED OPERATIONS</b>	<b>11</b>
2.1 COMPLIANCE AND RISK MANAGEMENT	11
2.2 INTEGRITY AND BUSINESS ETHICS	11
2.3 INFORMATION SECURITY AND PRIVACY PROTECTION	13
2.4 RESPONSIBLE PROCUREMENT PRACTICES	14
<b>3. PROVIDING EXCEPTIONAL SERVICE AND CULTIVATING A CULTURE OF CARE</b>	<b>16</b>
3.1 STRIVING FOR EXCELLENCE IN SERVICE DELIVERY	16
3.2 BUILDING A VIBRANT COMMUNITY CULTURE THROUGH ENGAGING INITIATIVES	18
3.3 UPHOLDING PUBLIC WELFARE AND GIVING BACK TO THE COMMUNITY	19
<b>4. COMBINING STRENGTHS AND PUTTING PEOPLE FIRST</b>	<b>21</b>
4.1 EMPLOYMENT PRACTICES	21
4.2 EMPLOYEE RIGHTS PROTECTION	23
4.3 OCCUPATIONAL HEALTH AND SAFETY	25
4.4 TRAINING AND DEVELOPMENT OF EMPLOYEES	26
<b>5. GREEN PRACTICES AND LOW-CARBON OPERATIONS</b>	<b>30</b>
5.1 COPING WITH CLIMATE CHANGE	30
5.2 RATIONAL UTILISATION OF RESOURCES	33
5.3 EMISSIONS MANAGEMENT	36
<b>ESG REPORTING CONTENT INDEX</b>	<b>38</b>
<b>COMMENTS AND FEEDBACK</b>	<b>44</b>

# 2024 Environmental, Social and Governance Report

## ABOUT THIS REPORT

### Introduction

This is the first Environmental, Social and Governance Report (the “**ESG Report**” or “**report**”) issued by Hollwin Urban Operation Service Group Co., Ltd. (hereinafter referred to as “**Hollwin**”, the “**Group**”, the “**Company**” or “**we**”). The ESG Report aims to present the Group’s management policies in environmental and social aspects and its ESG performance and practices in 2024.

### Reporting period

This report is an annual report that covers the period from 1 January to 31 December 2024 (the “**reporting period**”). To enhance the readability of the report, some contents or data refer to previous years or subsequent years.

### Reporting Organisational structure

This report covers the Group and each of its subsidiaries.

### Data in this report

The data and examples used in the report have been obtained from the Group’s internal documents, statistical reports and relevant performance summaries and statistics.

### Basis of preparation

The report has been prepared in accordance with Appendix C2: Environmental, Social and Governance Reporting Code (“**ESG Reporting Code**”) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) released by the Stock Exchange of Hong Kong Limited (“**HKEX**”). The report outlines our ESG performance in respect of environmental protection, employment and labour practices, corporate governance, and other fields.

# 2024 Environmental, Social and Governance Report

## Reporting principles

This report has been prepared in compliance with the “mandatory disclosure requirements” and “comply or explain” provisions set out in the ESG Reporting Code. The Group considers the following reporting principles to ensure the quality of the disclosed information:

- **Materiality:** We identify major ESG topics through a materiality assessment, and the relevant processes and results have been disclosed in the report.
- **Quantitative:** This report provides quantitative disclosure of key performance indicators using historical data in the environmental and social aspects in accordance with the requirements of the “Key Performance Indicators” set out in the ESG Reporting Code under the Listing Rules released by HKEX, and provides quantitative disclosure of forward-looking information, such as targets, to the extent possible. We will continue to improve our measurement process to eventually realise full disclosure of our performance.
- **Balance:** The report aims to provide an objective, fair and truthful representation of the Group’s achievements and practices in environmental and social matters in 2024, and discloses the problems encountered and improvement measures in a responsible manner.
- **Consistency:** We follow a consistent statistical method of disclosure. In respect of ESG information disclosed for the first time in this report, we will adopt a consistent statistical method to disclose such information in subsequent years to facilitate meaningful comparisons from year to year.

## Access to the report and feedback

This report will be published on HKEX’s website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the official website of the Group (<https://www.hollwingroup.com>). This report is published in both Chinese and English. If you have any comments or suggestions regarding this report or the Group’s ESG performance, please email us at [ir@hollwingroup.com](mailto:ir@hollwingroup.com).

# 2024 Environmental, Social and Governance Report

## ABOUT THE GROUP

### Overview of the Group

We are a state-owned urban service and operations provider with business operations primarily based in Changsha, Hunan province. We provide a wide range of services to our customers, forming a cohesive business structure rooted in urban areas.

As a provider of urban services, Hollwin was founded in September 2015 and was formerly known as Changsha Urban Property Development Co., Ltd. Urban services run through the Company's DNA. In the early stages, with property services as its cornerstone, the Company was mainly responsible for the property management of Yanghu National Wetland Park and the Xiangjiang Times Office Building, among other properties. At the same time, we made every effort to open up the market, and we obtained the Class 1 national property management qualification and Class 2 landscaping qualification, which further strengthened our market expansion capabilities. In 2019, the Company incorporated urban lighting and municipal sanitation businesses into its offerings, enabling it to provide operations services for Xingcheng (星城) and marking a key step in the Company's operational diversification.

"With the opportunities arising from the further reform of state-owned enterprises, we have strategically upgraded, and we are focusing on urban property and public property as our main business, with residential property and diversified operations playing supporting roles. After significantly improving our brand value and overall business, we have been selected into the Company Reserve for Listing in Hunan Province." A member of Hollwin's management explained that the Company further consolidated the business management, gardening and parking lot operations of CSUD Co., Ltd (CSUD). By combining these resources with the original property and lighting businesses, the Company established five professional subsidiaries, becoming a state-owned urban operations service provider in Changsha.

Our services can be divided into three categories: (i) property management services, including different property management services and value-added services for public properties, commercial properties, and residential properties; (ii) urban services, including landscaping and engineering, lighting system operations, parking lot operations, and municipal sanitation services; and (iii) commercial operations services. In the early stages, we mainly engaged in property management services, while CSUD focused on urban construction and development. Due to CSUD's role, we have been involved in managing public urban spaces since Hollwin's establishment. We mainly provide property management services for publicly owned and commercial properties, with residential properties accounting for a smaller share. As we continue to grow, we are leveraging our experience in property management services to consolidate our competitive strengths in urban services.

# 2024 Environmental, Social and Governance Report

## Corporate culture

Our mission	Make city life better
Our core values	Enterprise, Responsibility, Innovation and Excellence
Our vision	We strive to be a first-rate urban operations service provider in China
Our business philosophy	Integrity-based, Quality first, Efficiency-driven, and Cooperation for win-win results
Our management philosophy	Leading role of Party building, well-defined authority and responsibilities, and sound decision-making Advanced systems, efficient coordination and keeping risks under control Professionalism, dedication, integrity and work-life balance
Our talent strategy	Our people are capable and ethical; our people are assigned roles they are fit for; our people feel empowered; and our people can realise their full potential

## Awards and Honors

In recent years, Hollwin has continuously improved its strengths and brand impact, and the Group has won recognition from leading organisations. This recognition is a testament to the Company's market position, and it has also improved the Company's reputation and visibility. Going forward, we will forge ahead in our effort to become a first-rate comprehensive urban service provider in China.

### Awards

A Top 100 Property Management Service Enterprise in China in 2024

### Certificates





# 2024 Environmental, Social and Governance Report

## Awards

An Excellent State-owned Property Management Service Enterprise in China in 2024

## Certificates



A Leading Property Management Service Provider with Chinese Characteristics in 2024



# 2024 Environmental, Social and Governance Report

## Awards

A Leading Smart Service Provider in China in 2024

## Certificates



An Excellent Property Manager in Hunan in 2023



\* Only parts of awards and honors are listed on the table



# 2024 Environmental, Social and Governance Report

## STATEMENT OF THE BOARD OF DIRECTORS

Our Board of Directors is responsible for the Company's ESG governance and reporting, and is able to identify, assess and determine relevant ESG risks and ensure the effectiveness of the Company's ESG risk management and internal supervision systems. The Board of Directors and all the directors of the Group hereby warrant that the contents of the report do not contain any false representations, misleading statements or material omissions and take joint and several liability for the truthfulness, accuracy, and completeness of the contents.

The Board of Directors attaches great importance to sustainability. The Group has established an effective multi-level ESG management system and mechanism in accordance with the requirements of the ESG Reporting Code of the Stock Exchange of Hong Kong, steadily improved the ESG governance hierarchy, and strengthened the Board's supervision, and its participation in ESG-related matters. We listen to stakeholders, effectively integrate industry resources, and leverage our unique advantages to create value for shareholders and clients.

We have also established an Environmental Protection and Construction Safety Committee. The Group has defined responsibilities at all levels so that our people can work together to promote ESG. Each year, the Environmental Protection and Construction Safety Committee reports to the Board of Directors on the Company's performance and progress in major issues and conducts reviews of ESG issues and the Company's ESG governance.

We are committed to providing first-rate services and solutions for our clients and have adopted a robust and pragmatic strategy to achieve our sustainable development goals. At the same time, we adhere to the green, low-carbon and environmental protection concepts, actively promote business transformation, and constantly explore new business models that drive energy savings and emissions reduction. We actively fulfil our corporate social responsibility, make contributions to our communities, and protect the environment to demonstrate our corporate character and strengths.

Going forward, Hollwin will continue to step up its sustainability goals and evaluation system, and continuously optimise its internal management structure and ESG transparency. We will also actively improve the Company's operations and management to respond to stakeholder expectations, and flexibly adjust our green strategy to pave the way for the long-term development of the Company.

Board of Directors of Hollwin Urban Operation Service Group Co., Ltd.  
April 2025

# 2024 Environmental, Social and Governance Report

## 1. SUSTAINABLE DEVELOPMENT MANAGEMENT

### 1.1 ESG Governance

The Group has implemented sound environmental, social and governance principles to generate long-term returns for its stakeholders. To ensure the effectiveness of our ESG actions, our Board of Directors is responsible for overseeing our ESG governance, including formulating our vision, direction and strategy for ESG, developing clear procedures for ESG and climate-related risk management, and reviewing our ESG performance to ensure alignment with our initiatives. To further strengthen our management in relation to environmental protection and safety construction, the Environmental Protection and Construction Safety Committee was established in August 2023, which is composed of key members of the management team, including the chairman of the Board of Directors and the executive directors. The committee is responsible for resolving important ESG matters. It holds a special meeting at least once a year, reports our progress and achievements in environmental protection and safety construction to the Board of Directors, and reviews the Group's reports on safety and environmental protection.

### 1.2 Stakeholder Engagement

The Group attaches great importance to engagement with internal and external stakeholders. For this reason, we have put in place various channels, such as official platforms, social media networks and WeChat accounts, to ensure the openness, transparency, and timeliness of information and understand and respond to the expectations of various stakeholders. In this way, we can continuously improve ESG management.

Stakeholders	Shareholders and investors	Employees	Clients
<b>Objectives and concerns</b>	<ul style="list-style-type: none"> <li>Business strategy</li> <li>Operating performance</li> <li>Protection of shareholders' rights and interests</li> <li>Business sustainability</li> <li>Corporate transparency</li> </ul>	<ul style="list-style-type: none"> <li>Employee benefits</li> <li>Protection of employees' rights and interests</li> <li>Career development</li> <li>Health and safety</li> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Service quality</li> <li>Timely response</li> <li>Privacy protection</li> <li>Personalised service</li> </ul>
<b>Communication and exchanges</b>	<ul style="list-style-type: none"> <li>Shareholders' meetings</li> <li>Investor consultation and communication</li> </ul>	<ul style="list-style-type: none"> <li>Customer officer system</li> <li>Employee survey</li> <li>Increased feedback</li> </ul>	<ul style="list-style-type: none"> <li>Customer survey and feedback</li> <li>Customer satisfaction survey</li> <li>Customer Service Centre and Complaint Hotline</li> </ul>
<b>Key actions</b>	<ul style="list-style-type: none"> <li>Regular shareholders' meetings</li> <li>Regular board meetings</li> <li>Meetings with investors</li> <li>Timely disclosures of statutory matters</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened technical training for employees</li> <li>Working and living conditions for employees</li> <li>Employee rights and well-being</li> <li>Employee health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced service quality</li> <li>Regular satisfaction surveys</li> <li>Timely feedback on and handling of customer complaints</li> <li>Protection of customer privacy</li> </ul>

# 2024 Environmental, Social and Governance Report

Stakeholders	Shareholders and investors	Employees	Clients
<b>Key performance indicators</b>	<ul style="list-style-type: none"> <li>Stock value, dividends and bonuses</li> </ul>	<ul style="list-style-type: none"> <li>Employee training</li> <li>Compensation and benefits system</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Customer privacy programme</li> </ul>

## 1.3 Materiality Assessment for ESG topics

In order to better understand the expectations of stakeholders, we have solicited their input in the assessment of material sustainability issues to identify topics that are important to the Group's business and stakeholders, so that we can manage them as a special category and focus on them in our report. Based on our identification, screening and evaluation, and through questionnaires and interviews with stakeholders, a total of 22 material issues have been identified, of which 6 are considered highly important, 4 important and 12 related.

Material ESG topics		
Highly important topics		
Addressing climate change	Service quality and management	Employee management
Health and safety	Development and training	Anti-commercial bribery and anti-corruption
Important topics		
Energy utilisation	Water utilisation	Data security and client privacy protection
Labour standards		
Related topics		
Pollutant discharge	Waste disposal	Environmental compliance management
Green property management practices	Giving back to society	Technological development and innovation
Supply chain management	Customer relationship management	Diversity and equal opportunity
Intellectual property protection	Respect for human rights	ESG management

# 2024 Environmental, Social and Governance Report

## 2. GOVERNANCE IN COMPLIANCE WITH LAWS AND INTEGRITY-BASED OPERATIONS

### 2.1 Compliance and Risk Management

The Group has developed the Internal Audit Management System and the Basic Risk Management System in strict compliance with the China Internal Audit Standards, the Professional Practice Standards for Internal Audit and the Professional Ethics Code for Internal Auditors. We have introduced standards for risk identification, assessment, monitoring and control in operations and management, and defined the principles, personnel and procedures for internal audit and the scope of internal audit. The internal audit department makes recommendations on how to remedy and handle breaches of laws and disciplinary rules in business activities, as well as on how to improve the management of business activities.

We regularly carry out internal compliance inspections, enforce accountability internally, implement compliance practices through consultation, and conduct compliance training, to ensure that compliance is integrated into our day-to-day work and processes and establish expectations for compliance in personal behaviour across the Group.

### 2.2 Integrity and Business Ethics

The Group upholds laws and integrity in its business activities and has established a sound integrity and compliance management system. The Group has a zero-tolerance policy for corruption and violations of business ethics and has formulated the Management Measures for Anti-fraud and Whistleblowing, which stipulates the procedures for the prevention, identification, reporting, monitoring and handling of fraud, bribery, money laundering, corruption, violations and other misconduct. At the same time, the Group complies with the Anti-money Laundering Law of the People's Republic of China, the Administrative Measures for Payment Services of Non-financial Institutions, and other laws and regulations related to anti-money laundering. Moreover, we have implemented the Administrative Measures for Accountability (2023 Revision) and use common cases to educate employees and enhance their awareness, with the goal of building an integrity culture.

Strengthening our commitment to integrity	Each year, we sign a Letter of Commitment to Integrity with employees in key positions, covering senior executives, mid-level managers and all Party members of the Group and its subsidiaries. The Group and its subsidiaries at all levels hold at least three meetings on integrity and anti-corruption every year; and the management, directors and supervisors, and all staff, are required to attend.
Channels for complaints and whistleblowing	We have set up a number of channels for reporting cases of corruption, including the Group's corporate mailbox and hotline; and leads submitted in writing, e-mail and other forms are welcome. The Group forbids any retaliation against whistle-blowers, and anyone who discloses a whistle-blower's information or takes retaliation against a whistle-blower will be subject to severe disciplinary action.

# 2024 Environmental, Social and Governance Report

Integrity culture	We take actions to build an integrity culture and carry out integrity campaigns that cover all the staff of the Group and its subsidiaries. Directors, senior management, and employees are educated about conflicts of interest. In 2024, we delivered a total of 30 hours of training on anti-corruption for employees at all levels, with a coverage rate of 100%. During the year, the Group did not have any major case of corruption or fraud.
-------------------	--

The Group formulated the Key Points for Party Conduct and Integrity Culture Building and Anti-corruption Efforts in 2024, requiring the Group and its subsidiaries to regularly hold special meetings, warning and education sessions on Party conduct and integrity, integrity-centric talks before festivals, training sessions on how to report on the performance of job and integrity-related responsibilities, regular integrity-focused talks and pre-appointment talks, so as to create a comprehensive pro-integrity atmosphere. At the same time, in line with our goal of building an integrity-driven Hollwin, we adopt a “Supervision + Service” approach. Under this approach, we ensure the role of supervision in implementation and development, regularly carry out criticism and self-criticism in organisational life meetings, strive to use findings from supervision to drive efficiency in governance, take further measures to create a pro-integrity climate, and help the Group move towards high-quality development.

After the Group has received a lead from a whistle-blower, discipline inspection personnel carry out a series of procedures such as recording, verification, investigation and collection of evidence, handling, and making return calls, and they investigate any case involving bribery, corruption or other misconduct or fraud. If any misconduct is verified, the Group takes disciplinary action or reports it to the relevant regulator, as appropriate, and may take legal action to recover any losses caused by such misconduct.

E-mail address	jubao@hollwingroup.com
Postal code	410217
Postal address:	Room 2017, Floor 20, Building T1, West Centre, No. 49 Fenglin Third Road, Yuelu District, Changsha

The Group believes that intellectual property is critical to its success. In order to protect our intellectual property rights, we mainly rely on laws and regulations related to trademarks and copyrights, and contractual obligations in respect of our employees and third parties, to maintain confidentiality and avoid unfair competition.

In 2024, the Group did not have any corruption legal cases occurred or concluded.

# 2024 Environmental, Social and Governance Report

## 2.3 Information Security and Privacy Protection

In order to ensure the Group's data security, safeguard the rights of data owners, and define the responsibilities and obligations of stakeholders, the Group has formulated the Data Security Management System in line with the principles of management by category, multi-level protection and authorised use. This system has been devised in accordance with the Data Security Law, the Cybersecurity Law, the Personal Information Protection Law and national cybersecurity protection requirements. In addition, the Company has established a leading group for cybersecurity and information technology, which is responsible for coordinating the Company's cybersecurity management and information technology construction. Meanwhile, the Information Centre is responsible for coordinating the Company's data security management, identifying and determining data types and sensitivity levels, implementing management measures and safeguards according to the different levels, delivering training on data use, carrying out regular self-inspections and submitting reports, and cooperating with investigators in cases involving data security violations.

### Key points from the Data Security Management System

- In each stage of the data security lifecycle, including data collection, storage, use and destruction, data shall be protected and processed according to its level.
- The Company is committed to protecting user information and privacy, and shall not disclose, tamper with, damage, sell or illegally provide any user information to third parties. Nor shall any such information be disclosed publicly.
- The data managers shall exercise control over, and audit, the use of data, and shall stop any breaches in a timely manner and handle them in accordance with the provisions.
- Security awareness education and training shall be carried out. The Information Centre is responsible for delivering such education and training for employees, and it shall develop training plans for different functions, with a focus on information security fundamentals and functional operating procedures. Employees shall be informed of their responsibilities in relation to security and gain an understanding of the Company's disciplinary measures.
- The Company has signed confidentiality clauses related to information security with employees, including in respect of technical solutions, engineering design, source code and trade secrets. During their period of employment, employees shall not use or disclose any confidential information to a third party and shall abide by clients' confidentiality requirements.
- To process personal information, there must be a valid business reason, and in doing so, the Company shall follow the law, act with integrity and stay clear of any misleading practices, fraud or coercion.



# 2024 Environmental, Social and Governance Report

In April 2024, the Group briefed employees on the Municipal Cyberspace Office’s document on cybersecurity emergency drills and read out CSUD’s Notice on Doing Well in the Global R&D Centre’s Urban Cybersecurity Emergency Drill. Moreover, we carried out special training sessions on cybersecurity and data security to enhance employees’ information security awareness and improve the Group’s information security protection. During the reporting period, the Group did not have any major information security cases or privacy leaks.

## 2.4 Responsible Procurement Practices

The Group attaches great importance to supply chain management, adheres to the concept of responsible procurement, continues to standardise and optimise the bidding process, and comprehensively manages suppliers by category. We have defined the criteria for the assessment and evaluation of suppliers, and we closely monitor potential risks in the supply chain to improve supplier management.

The Group uses to promote environmentally preferable products and services when selecting suppliers. By establishing the concept of green development, enhancing the understanding of procurement managers in purchasing green products, and improving the selection of energy-saving and environmentally friendly products. In the future, we will increase the purchase percentage on the environmentally preferable products and services.

Standardising procurement practices	We implement supplier list management in accordance with the relevant requirements of CSUD’s Detailed Rules for the Implementation of Supplier List Management. Procedures for the selection of suppliers, procurement, and verification of purchased products and services have been clearly specified. The Company follows the government’s requirements on competitive bids for the procurement of projects, goods or services in day-to-day production and operations. At the same time, we engage in communication to consolidate and expand our partnerships with suppliers, stabilise our supply chain and ensure the quality of supplies.
Supplier assessment	Every year, each department with procurement needs organises an annual evaluation of suppliers. A supplier scoring 95 or above is evaluated as excellent; a supplier scoring from 90 to 95 (exclusive) is evaluated as good; one scoring from 80 to 90 (exclusive) needs to improve; and any supplier scoring less than 80 is considered unqualified. As part of the annual evaluation, suppliers are assessed fairly and objectively based on their performance obligations.

## 2024 Environmental, Social and Governance Report

Contractor safety management	<p>The Group and its subsidiaries actively prepare for the admission of contractors and define their respective management responsibilities for production safety and safety measures. The contractor management department regularly inspects and supervises contractors' operations and processes, puts a stop to violations during construction on a timely basis, and supervises contractors' compliance with the Company's safety management systems and regulations. Moreover, the contractor management department organises and implements safety training for contractors' management personnel, covering safety requirements and regulations, main hazards in the operating environment, safety precautions and safety techniques. In addition, safety clauses are included in contracts, which are required to cover production safety goals and internal management responsibilities for procurement contracts to ensure health and safety at suppliers during the term of the contract.</p>
------------------------------	--

### *Distribution of the Group's suppliers*

Geographical distribution	2023	2024
Total number of suppliers	589	<b>534</b>
Including: number of suppliers in Hunan province	325	<b>294</b>
Including: number of suppliers in other provinces and municipalities	264	<b>240</b>

# 2024 Environmental, Social and Governance Report

## 3. PROVIDING EXCEPTIONAL SERVICE AND CULTIVATING A CULTURE OF CARE

### 3.1 Striving for Excellence in Service Delivery

We are dedicated to enhancing the quality of life in urban spaces. We put our customers at the heart of everything we do, uphold quality as our core value, and harness innovation to drive our growth. We are continuously refining and expanding our service offerings – with a focus on diverse urban spaces, including public, commercial and residential properties – in an effort to meet the growing demand for a better and more comfortable living experience. In the urban services sector, we align with the trend towards modernising urban governance systems and capabilities. The Group actively provides a range of urban services, including landscaping, lighting, parking and sanitation, to fulfil citizens’ aspirations for a better and more comfortable living environment and create a vibrant and liveable cityscape.

In our day-to-day operations, the Group has meticulously planned and implemented a series of comprehensive and thorough measures, leveraging scientific maintenance methods to manage facilities and ensure stable operations. In terms of urban environment maintenance, we are committed to enhancing environmental quality – from landscape design to sanitation. At the Group, each individual is dedicated to their roles and provides high-quality services with professionalism and enthusiasm.

#### *Implementing Robust Standards for Service Quality Management*

The Group has developed a standardised project management manual that provides detailed guidance and oversight for the service quality of each subsidiary and project. The manual includes multiple internal standards, guidelines and technical guidance for specific business operations. To ensure our work quality meets the relevant standards, subsidiaries and project managers regularly review attendance records, work execution and work standards. Additionally, the Group has established a set of general quality management principles that each subsidiary refines and adjusts according to its specific business needs and customised requirements from both the Group and customers.

The Group continuously optimises its internal standards to meet the evolving needs of its customers.

Training and education	We regularly train employees on after-sales service procedures to familiarise them with various policies and operating processes. Using case studies, simulated exercises and other methods, we enhance employees’ service awareness and problem-solving skills.
Supervision and assessment	We have established monitoring teams to conduct daily supervision and inspections of after-sales service work. Employee performance is evaluated through customer feedback, internal inspections and other methods, and the results are linked to their performance reviews.
Information management	We use property management software to digitise the administration of after-sales service tasks, which enables us to effectively manage task allocation, track progress and provide feedback, enhancing efficiency and transparency.

# 2024 Environmental, Social and Governance Report

## ***Constantly Refining and Enhancing Our Services***

The Group leverages advanced technologies such as big data, the Internet of Things (IoT) and artificial intelligence (AI) to empower property management and related services. We continuously focus on the diverse needs of different customer segments and proactively develop personalised and differentiated services. We use these cutting-edge technologies to enhance the overall efficiency and effectiveness of our property management operations and services.

Promoting intelligent services	Through big data analysis, we identify customer needs and behavioural patterns so that we can deliver precise and targeted services. Leveraging IoT technology, we conduct real-time monitoring and remote control of facilities and equipment, thereby enhancing management efficiency and providing owners with an intelligent and convenient service experience.
Demonstrating care through our services	We are committed to designing personalised services for our senior residents. To this end, we provide thoughtful daily care services, regular health check-ups and home visits to these individuals to demonstrate our concern. We strive to anticipate and address their needs and ensure that we meet their individual requirements.

## **Comprehensive After-Sales Service Mechanisms**

Rapid response mechanism	We have established a 24-hour service hotline to ensure that residents' concerns are promptly addressed. After receiving their requests, relevant personnel are immediately assigned to follow up and handle the issues.
Collaboration mechanism	For after-sales services involving multiple departments, the Group has set up a collaborative working mechanism to clarify responsibilities and cooperation methods for each department. For example, in respect of maintenance services, the engineering department and the customer services department coordinate closely.
Data analysis mechanism	We conduct regular analysis of after-sales service data to identify issues of concern to residents, weak service areas and other key points, with a view to improving our services. For example, by analysing complaint data, we can identify particular areas where aging facility issues are concentrated, enabling us to arrange for renovations in a timely manner.
Continuous improvement mechanism	Based on the results of data analysis and residents' feedback, we develop measures to improve our service quality, optimise our after-sales service system and processes, and continually enhance our service standards.

# 2024 Environmental, Social and Governance Report

## Customer Complaints and Satisfaction

In our day-to-day operations, we actively listen to our customers' voices and collect their feedback through our service hotline and various complaint channels. Tenants and owners can provide us with suggestions and complaints by calling our service hotline or communicating directly with staff managing the property. If issues involve damaged service equipment or facilities, customers can contact our call centre to inquire about issues with our subsidiaries' business departments and report faults for repair.

The Group requires that staff handling cases maintain positive communication with customers until the issues are resolved. On the service front, we continuously optimise service standards and have established a rigorous and efficient customer feedback mechanism that enables us to make timely improvements to service processes and content based on customer feedback. In 2024, the Group received a total of 887 pieces of feedback through different platforms such as the Hollwin Urban Services Changsha platform, Xiangjiang New Area's 12345 government service hotline, the mayor's hotline, the 12315 hotline, micro-suggestions and government-enterprise communication, which included 97 complaints, with 100% response to complaints in the stipulated timeframe.

In 2024, the Group achieved a customer satisfaction rate of 98.72%.

## 3.2 Building a Vibrant Community Culture through Engaging Initiatives

The Group proactively organises a wide range of community activities to foster a harmonious and uplifting cultural atmosphere in the properties and communities that it serves, with the goal of enhancing residents' sense of belonging and satisfaction. These activities include, but are not limited to, summer childcare, craft-making sessions and other family-oriented events that provide a warm platform for interaction and communication among family members. During traditional festivals such as Double Ninth Festival, Mid-Autumn Festival and Spring Festival, we organise celebratory events, gatherings and basketball tournaments to create a festive atmosphere.

In 2024, our subsidiary, Chengfa Property, created 24 activity themes and hosted 242 events, and it strived to ensure that each event and gathering brought joy and warmth to our customers. We also held "Jiu Ling Qi" ("907") Service Day, offering helpful services to our residents for the fourth consecutive year.

Convenient community services	By installing shared pet leashes, we promote responsible pet ownership and safety. Meanwhile, protective nets have been installed over manhole covers to safeguard security, and filters have been placed in gutters to prevent leaves and debris from clogging drainage systems. These small yet thoughtful initiatives add a touch of warmth and care to every corner of our community.
Health Revitalisation Programme	We invited renowned traditional Chinese medicine (TCM) experts to provide consultations on the "Three Reductions and Three Healthy Conditions" lifestyle, promoting TCM wellness and health preservation methods. Using AI, we offered body constitution identification and shoulder and neck massage services. This event aimed to popularise TCM wellness practices, raise awareness about health among our residents, and demonstrate the Group's commitment to the physical and mental well-being of its residents.

# 2024 Environmental, Social and Governance Report

Summer Camp for Young Residents	In the Star Ya Yun community, we organised a fun summer camp during the school holidays. Each morning, our staff led young residents in early exercise and jogging sessions to improve their physical fitness and foster healthy exercise habits. We also conducted safety workshops on topics such as drowning prevention and anti-abduction awareness to enhance young residents' safety awareness.
---------------------------------	---



Chengfa Property offered a free clinic with TCM experts for community residents.

## 3.3 Upholding Public Welfare and Giving Back to the Community

The Group places great emphasis on maintaining regular communication with the communities in which it provides services. In conducting our business activities, we consider the interests of these communities, and we organise and participate in various activities such as voluntary blood donation drives, community health clinics and Lei Feng volunteer activities. We are also actively involved in social welfare causes, and we contribute to a variety of disaster relief, assistance programmes and childcare initiatives. Our employee volunteers have enthusiastically participated in neighbourhood clean-up efforts and health education campaigns. In 2024, we organised 44 public welfare activities, drawing approximately 700 volunteers who contributed a total of 1,834 hours of volunteer services.



# 2024 Environmental, Social and Governance Report

Volunteer assistance	The Group has established a team of volunteers who actively engage in community work, and the Group directly listens to residents’ needs within the community. During the year, our employees participated in a group blood donation drive organised by the Changsha municipal government, with over 10 employees donating blood. Additionally, our employees spontaneously organised a donation event, raising more than RMB1,300.
Paired collaboration and development	Through paired collaboration with community Party organisations, the Group has gained insight into residents’ concerns regarding community governance, the environment and employment, among other issues. In 2024, various Party branches jointly organised 12 activities with five communities, including Open Days for aid stations, free clinics, Lei Feng volunteer activities, fire and electrical safety awareness campaigns, repairing street and residential area lights, and removing old utility poles. These activities have reached more than 300 residents.

The Group’s subsidiaries also actively engage in public welfare and charitable programmes that are tailored to local community needs, with the goal of conveying warmth and support to those in need.

- In February 2024, Chengfa Commercial collaborated with the Bashajing community on Chengnan street in Tianxin district, Changsha, to organise the “Spring Festival Warmth and Love in Action” event in support of local families in need.
- In March 2024, Landscaping Company organised a themed Party day titled “Party Building Leadership Adds New Greenery: Planting for a Verdant Spring.” This voluntary tree-planting and greening event – which was held at the Xin Shaoshan South Road project site – aimed to reinforce the concept among Party members and cadres that “lucid waters and lush mountains are invaluable assets.”



# 2024 Environmental, Social and Governance Report

## 4. COMBINING STRENGTHS AND PUTTING PEOPLE FIRST

### 4.1 Employment Practices

The Group adheres to a talent-centric management philosophy, formulating and refining human resource strategies in alignment with its business development needs. We strive to offer competitive remuneration packages, well-defined career progression pathways, and a positive working environment and culture, thereby effectively attracting and retaining talent while fostering mutual growth between employees and the Group.

#### *Ensuring Compliance in Employment*

Prior to recruitment, the Group implements hiring requirements that explicitly stipulate a minimum age threshold of 18 years or above, eliminating any risk of child labour exploitation. During the CV screening phase, candidates failing to meet this criterion are automatically excluded from interview consideration. Furthermore, all recruitment activities are conducted on a strictly voluntary basis, with no incidence of forced labour. To reinforce this commitment, the Group implements rigorous measures – including background checks, identity verification, CV assessment, and in-person interviews – to guarantee compliance with child labour prohibitions. The Group maintains a zero-tolerance stance toward any form of child or forced labour. Should violations be identified, such employment arrangements will immediately be terminated, the relevant authorities informed, and thorough reviews conducted of internal management procedures.

Employee selection is based solely on professional qualification, with the Group actively promoting equal opportunities and the eradication of discrimination – regardless of gender, age, ethnicity, religion, or other social or personal characteristics. Throughout the reporting period, the Group rigorously adhered to employment and workplace safety legislation, with no incidents that materially adversely affected operations.

#### *Optimising Talent Acquisition*

The Group recognises that an experienced management team and employees are pivotal to our success. We are committed to attracting and nurturing talent from diverse sectors, each bringing distinctive competencies that drive the Company's dynamic growth. Meanwhile, we provide employees with various training programmes and expansive development opportunities, underpinned by market-competitive compensation, benefits, and incentives.

Our recruitment processes and job descriptions undergo periodic reviews to identify and update the desired skills and attributes for roles across all managerial levels. This ensures we onboard candidates aligned with our operational ethos and corporate culture.

The senior management team (comprising approximately 27% of our employees), is possessed with a shared strategic vision, boasts extensive expertise in property management, commercial operations, and related sectors. We are dedicated to filling our talent pool with gifted and well-suited employees. We have also built thorough internal policies and procedures to direct each stage of our efforts as part of our attempts to hire the best in our industry. As at the end of the reporting period, the Group's employees averaged 38 years of age, with over 80% holding an associate degree or higher qualification. From 2023 to 2024, we have all full-time employees and no part-time employees of the number of employees divided by employment type.

# 2024 Environmental, Social and Governance Report

## Staff composition of the Group

Category		2024 (persons)
Total number of employees		562
Number of employees by age	Aged 18–30	84
	Aged 31–40	256
	Aged 41–50	159
	Aged 51–60	63
Number of employees by category	General staff	432
	Middle management	108
	Senior Management	22
Number of employees by gender	Male	321
	Female	241
Number of employees by region	Hunan province	556
	Other provinces in China	6

The Group has implemented a comprehensive array of measures designed to bolster employee retention, placing particular emphasis on refining communication channels and prioritising employee wellbeing. By adopting different approaches, including robust training programmes alongside other strategic interventions, we seek to cultivate heightened levels of staff loyalty and engagement. These concerted efforts not only serve to reduce the turnover rate but also establish a solid foundation for the Group’s sustainable development through employee stability.

## Employee turnover rate of the Group

Metrics	Category	2024
Total turnover rate	/	2.28%
Employee turnover rate by gender	Male	2.15%
	Female	2.45%
Employee turnover rate by age	Aged under 30	9.41%
	Aged 31–40	0.38%
	Aged 41–50	0.63%
	Aged 51–60	3.17%
Employee turnover rate by Region	Hunan province	2.32%
	Other provinces in China	0

# 2024 Environmental, Social and Governance Report

## 4.2 Employee Rights Protection

With unwavering commitment to legal compliance, the Group rigorously adheres to the Labour Law of the People's Republic of China, the Civil Code of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, the Law of the People's Republic of China on the Protection of Disabled Persons, and the Provisions on the Prohibition of Child Labour. Our policies actively uphold employees' participatory and supervisory rights while maintaining scrupulously fair treatment across all demographics, regardless of gender, geographical origin, ethnicity, or religious affiliation. This approach enables the continuous development of a genuinely diverse and equitable workforce that reflects our core values.

Our existing recruitment, training and assessment procedures enable us to identify professionals who share our fundamental principles and possess the specialised skills that enable the delivery of professional customer services. These procedures distinguish us markedly within the competitive landscape. Employee promotion and development within the Group are facilitated through three channels: professional grading, internal job postings, and merit-based promotions. The Group systematically implements its annual employee advancement and incentive schemes in accordance with established plans.

### ***Compensation and Performance***

We have established a competitive compensation structure and a performance assessment system for motivating our employees to contribute to our growth. Our compensation structure comprises a basic salary, a performance-based salary, allowances, and welfare. We assess performance-based salaries with respect to key performance indicators including business, key tasks, routine work, attitude, and ability. According to the performance appraisal management measures, the performance coefficient and assessment cycle of different appraisal levels are distinct. Special incentives are given to organisations and individuals showing excellent performance and teams that achieve a better work performance. The results of the annual appraisal of employees can be used as a reference basis for promotion. Employee promotion is comprehensively evaluated from the dimensions of morality, ability, diligence, performance, and incorruptibility, and carried out through a dual-channel development mechanism comprising competitive recruitment and professional position grade evaluation.

We have adopted market-oriented talent retention mechanisms, including a multi-dimensional talent development system that caters to employees of different positions and at different stages of development. The Group systematically implements its annual employee advancement and incentive schemes in accordance with established plans. Employee promotion and development within the Group are facilitated through three channels: professional grading, internal job postings, and merit-based promotions.

# 2024 Environmental, Social and Governance Report

## ***Communication and Feedback***

We conduct employee satisfaction surveys through periodic interviews that cover aspects such as corporate systems, compensation and benefits, performance evaluation, management models, and corporate culture. These surveys enable us to understand employees' genuine opinions and receive reasonable suggestions, allowing for targeted diagnostics and optimisations based on the interviews. In 2024, our employee satisfaction survey achieved a 100% satisfaction rate.

The Group has established mechanisms and channels for matters related to performance evaluations, internal job postings, and promotions, with dedicated disciplinary personnel available to receive and address employee reports at any time. We ensure transparent, fair, open, and impartial handling of employee grievances to maintain a positive and ethical work environment. Additionally, the Group operates a labour union that actively assists in resolving complaints and disputes. Upon receiving feedback, the Group promptly verifies and coordinates with relevant subsidiary management to reach a resolution, completing the process by providing feedback to the Group headquarters, forming a closed-loop management system.

During the reporting period, all employee complaints and disputes were resolved satisfactorily, achieving a 100% resolution rate.

## ***Benefits and Care***

The Group and its subsidiaries strictly implement the Employee Benefit Policy, which covers salary benefits, social insurance, paid leave, training programmes, and employee care initiatives, all designed to enhance staff motivation, job satisfaction, and overall corporate cohesion and competitiveness. We distribute welfare packages to employees during traditional festivals including Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival. In addition to standard benefits, we also provide birthday gifts, annual gatherings, and festive events.



The Group's Dragon Boat Festival employee family day event

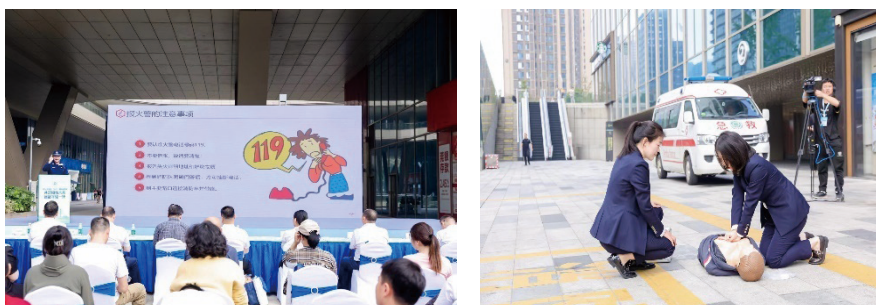
# 2024 Environmental, Social and Governance Report

## 4.3 Occupational Health and Safety

The Group complies with the Law of the People's Republic of China on Work Safety and other relevant laws and regulations. The Group has established an Environmental Protection and Safety Committee, comprising key members of the Group's management team including the Chairman of the Board and Executive Directors. This committee oversees the development and implementation of environmental protection and safety accountability systems, risk classification and controls, hazard investigation mechanisms, and emergency response frameworks. It also organises regular drills for environmental and safety contingency plans.

To prevent work-related injuries, the Group has established the Work-Related Injury Management Policy and Safety Management Regulations, enforcing detailed safety management across the Group and its subsidiaries. Safety management includes comprehensive health check-ups, specialised medical examinations for female staff, monthly safety training sessions, daily pre-shift meetings, weekly and monthly safety briefings, and the procurement of appropriate protective equipment. In 2024, the Group intensified the frequency of safety training, conducted assessments, and performed regular hazard inspections. To further safeguard lives and property, we organised fire drills to enhance awareness, familiarise evacuation procedures, and improve emergency response capabilities.

### Case: 2024 Fire Drill for the Hengwei Xiangjiang FFC Project



### Case: Safety awareness for all, emergency preparedness for everyone

In June 2024, Hollwin Urban Operation Service Group Co., Ltd. collaborated with relevant authorities and departments to conduct a joint fire drill at the Nanjiao Project as part of the "Work Safety Month" initiative. This fire drill significantly enhanced all participants' fire safety awareness while demonstrating the potential hazard of fire incidents and appropriate evacuation procedures. Through this fire drill, employees further improved their emergency response capabilities for office building evacuations, actively acquired first-aid knowledge, and reinforced their understanding of the importance of workplace safety.



# 2024 Environmental, Social and Governance Report

## Case: Responsibility implementation, defence strengthening, and safety vigilance maintenance

The training programme employed various methodologies including expert lectures, case studies, and experience sharing sessions to empower employees and address gaps in the Company's work safety practices. By strengthening safety management and continuously elevating staff safety awareness, the training effectively enabled safety officers to fulfil their responsibilities, thereby safeguarding the Company's stable and secure development.



Metrics	Unit	2022	2023	2024
Number of work-related deaths	Person	0	0	0
Number of work-related injuries	Person	2	1	3
Loss of workdays due to work-related injuries	Day	10	50	50

### 4.4 Training and Development of Employees

We believe that our employees are fundamental to service excellence and customer satisfaction. The provision of a clear career progression pathway coupled with ongoing technical skills enhancement training represents the foundation of our long-term talent retention and motivation strategy.

Our training system delivers organisation-wide development opportunities through well-designed annual training plans that address the specific operational requirements across all business lines. The curriculum comprises financial management, integrated administration, product safety management, and fire drills, spanning technical disciplines including electrical engineering, specialised operations, and workplace safety compliance. The Group also provides different types of training programmes, including new employee induction training, regular training, and external training. On-going skills training is mandatory for all personnel regardless of position or seniority.

## 2024 Environmental, Social and Governance Report

New employee induction training	The Group provides orientation training for all new employees, guiding them through cooperative working methodologies while instructing them on service standards and procedures.
Regular training	We provide bespoke training for our employees, which meet the exact requirements of each position and the associated responsibilities. For technical personnel operating in specialised roles, the training syllabus comprises instruction on project management, equipment handling, and illumination-related technical skills including development and control system operations for electrical systems and street lighting infrastructure. Employees engaged in commercial service delivery receive extensive management skills training covering the full spectrum of project operations administration, residential property leasing management, asset management, engineering and construction project management, as well as contractual agreement management. Furthermore, we provided trainings for personnel of the Parking Company to enhance their regulatory compliance capabilities and information technology proficiency.
External training	The Group actively encourages employees to participate in essential external professional training programmes. This includes supporting financial personnel and project leaders in attending finance-related courses and property management related trainings organised by accredited organisations. Additionally, we engage external specialists to deliver training on office software applications, business writing, negotiation techniques and management development programmes.

In October 2024, the Group held the 8th Golden Butler Selection Contest. The contest was designed according to the principle of “knowledge – skill – application”, with carefully crafted assessment questions focusing on critical business scenarios and core competencies. The successful execution of this contest has not only identified a group of outstanding talents but has also infused into our service teams new professional and standardised vitality. Moving forward, we will remain focused on our corporate mission of “Creating Better Urban Living” to deliver even more exceptional experiences for our customers.

# 2024 Environmental, Social and Governance Report

## Case: The First Internal Trainer Development Programme

In 2024, the Group launched its first Internal Trainer Development Programme. Participants who successfully completed the programme have subsequently contributed to innovation in fundamental business operations, enhanced project team management capabilities, and facilitated the improvement of professional skills.



# 2024 Environmental, Social and Governance Report

## Case: Chengfa Property held the Property Management Service Skills Contest

In October 2024, Chengfa Property held its 7th Property Management Service Skills Contest. The contest was designed to comprehensively enhance employees' professional competencies and unlock their potential, while fostering a workplace culture of "learning through contests" and "emulating the best to surpass others". The contest successfully achieved its management objectives of "promoting learning through competition" and "strengthening skills through contests". We encourage all project teams to build upon this contest's achievements, continuously consolidating its outcomes to further elevate all staff members' service capabilities, thereby enabling them to deliver more professional and higher-quality services to our customers in their respective roles.



Category	2023		2024	
	Number of employees trained (persons)	Total training duration (hours)	Number of employees trained (persons)	Average total training duration (hours)
Male	158	674	324	1,005
Female	104	304	244	407
General staff	210	744	438	955
Middle management	42	178	22	382
Senior management	10	56	108	84

# 2024 Environmental, Social and Governance Report

## 5. GREEN PRACTICES AND LOW-CARBON OPERATIONS

### 5.1 Addressing Climate Change

Climate change presents both risks and opportunities for our sustainable development. The Group focuses on climate-related issues and has adopted the Task Force on Climate-Related Financial Disclosures (TCFD) framework to systematically assess potential climate-related risks and opportunities. This involves conducting current state reviews, formulating strategies, managing risks, identifying key metrics and targets, and assessing relevant aspects.

#### Governance

The Group’s Board of Directors bears ultimate responsibility for overseeing environmental and social matters, including precise risk assessment and effective risk management. Working closely with relevant departments, the Board thoroughly examines the potential impacts of climate change on business operations to fully understand climate-related risks and opportunities.

The Group has established a Corporate Environmental Protection and Safety Committee, which regularly reviews annual climate performance and tracks progress against targets to ensure effective climate risk management. The Committee assists the Board in comprehensively supervising, reviewing, and addressing sustainability issues, including climate change mitigation. It also conducts detailed reviews of the Group’s annual climate performance and target achievements to guarantee efficient implementation of climate risk management measures.

#### Strategy

In addressing climate change challenges, we recognise both physical risks (such as floods, extreme weather events, and rising temperatures) and transition risks from market shifts, regulatory changes, and policy developments. The Group actively applies TCFD’s recommended risk classification methodology to conduct in-depth risk identification and analysis, holding to consideration our business model, operational characteristics, national policies, industry trends, and stakeholder concerns. We have developed tailored response strategies to minimise the negative impacts of climate change on our operations and financial performance.

Risk category		Climate-related risks	Respond measures
Physical risks	Acute	Extreme weather events may cause equipment damage and threaten employee safety, significantly disrupting production	Implement comprehensive natural disaster response plans; conduct regular facility inspections and maintenance; enhance infrastructure resilience.
	Chronic	Rising temperatures, sea levels, and water scarcity may lead to long-term resource constraints, increased costs, and regulatory limitations.	We adopt innovative water-saving technologies to reduce consumption and treatment costs; we actively promote renewable energy adoption.

## 2024 Environmental, Social and Governance Report

Risk category		Climate-related risks	Respond measures
<b>Transition risks</b>	Policy and legal risks	As policies become increasingly refined and implemented, regulators will inevitably intensify greenhouse gas (GHG) emission controls and strictly mandate corporate emissions disclosures.	We maintain vigilant monitoring of policy developments and regulatory changes, adapting our strategies with agility to meet evolving requirements.
	Technology risk	During the adoption of new technologies and equipment, we may encounter challenges including immature technologies, equipment failures, and prohibitive maintenance costs.	Routine comprehensive maintenance and meticulous inspections of equipment are conducted to ensure optimal operational performance.
	Market risk	Driven by policy and market trends, coupled with growing public awareness of low-carbon and environmental protection, market demand will progressively shift towards greener products and services.	Procurement policies have been established to mitigate excessive resource consumption.
	Reputational risk	Failure to meet stakeholder expectations or any related regulatory violations could precipitate significant reputational damage.	We actively monitor stakeholder expectations and implement climate-responsive initiatives through sustained engagement.

### **Risk Management**

Given the Group's principal activities in property management, extreme weather events, including typhoons, torrential rainfall and high temperatures, may adversely affect managed properties to varying degrees, necessitating prudent management. We have instituted multiple mitigation measures to prevent operational disruptions. For example, we have a Quality and Environmental Manual that incorporates pollution control procedures, hazardous chemical management procedures, and environmental performance monitoring systems. Our fundamental approach to pollution management centres on implementing clean production technologies while prioritising the use of raw materials and chemicals. Our risk management measures strictly adhere to waste classification regulations and wastewater treatment standards. To mitigate climate-related risks, particularly increasingly frequent extreme weather events, we have established a comprehensive emergency response plan. This three-phase plan includes preventive controls, standardised operational procedures, and business recovery protocols, forming an institutionalised management system. Timely notifications are issued to employees and relevant personnel to implement appropriate countermeasures when required. Given the nature of our group's business, we believe that there will be no significant impact in financial position, financial performance and cash flows.



# 2024 Environmental, Social and Governance Report

## Targets and Metrics

The following table presents our major indirect GHG emissions during the Track Record Period, including operational emissions under Scope 1 and 2:

Source of emissions	2023	2024
Scope 1: Direct GHG emissions <sup>1</sup> (tonnes of CO <sub>2</sub> e)	1,334.07	<b>1,380.28</b>
Scope 2: Indirect GHG emissions <sup>2</sup> (tonnes of CO <sub>2</sub> e)	11,185.43	<b>14,557.12</b>
Total GHG emissions <sup>2</sup> (tonnes of CO <sub>2</sub> e)	12,519.50	<b>15,937.39</b>
GHG emissions per unit of GFA under management (tonnes of CO <sub>2</sub> e/thousand square metres of GFA under management)	1.1	<b>1.3</b>

The following table lists out our major indirect GHG emissions (Scope 3) at the tenant end during the reporting period. As the relevant emissions are actually generated by our customers in properties under our management, they are generally regarded as Scope 3 emissions – Category 13: Downstream leased assets.

Source of emissions	2023	2024
Indirect GHG emissions (Scope 3) – downstream leased assets (tonnes of CO <sub>2</sub> e) <sup>3</sup>	33,374.30	<b>41,569.99</b>

In terms of carbon emissions, we plan to reduce the greenhouse gas emissions intensity (tons of CO<sub>2</sub>e/million RMB of revenue) of our operations by 3% by 2025, using 2022 as the base year. We have implemented several methods to attach the targets by raise tenants' awareness of carbon emissions issues and advocate for a low-carbon lifestyle through promotional activities, by adopting efficient equipment, energy-saving lighting fixtures, and insulated building exterior walls, we further reduce energy waste. From 2022 to 2024, our GHG emissions intensity has shown a downward trend.

<sup>1</sup> Direct greenhouse gas emissions: the Group's gasoline consumption is multiplied by the corresponding emissions factor, and the emissions factor refers to ① China Energy Statistical Yearbook ② IPCC2006.

<sup>2</sup> Indirect GHG emissions: the Group's purchased electricity consumption is multiplied by the corresponding emissions factor. The emissions factor in 2023 refers to the *Notice on Priorities Related to the Management of Corporate Greenhouse Gas Emission Reporting in 2022*; and the emission factor in 2024 refers to the *Notice on Issuing Carbon Dioxide Emission Factors for Electric Power in 2022* issued by the Ministry of Ecology and Environment of the People's Republic of China.

<sup>3</sup> Emissions from downstream leased assets were calculated based on the total electricity consumption data withheld and paid by us on behalf of the tenants multiplied by the national grid average emission factor. With reference to the *Notice on Priorities Related to the Management of Corporate Greenhouse Gas Emission Reporting in 2022* and the *Notice on Issuing Carbon Dioxide Emission Factors for Electric Power in 2022* issued by the Ministry of Ecology and Environment of the People's Republic of China, the national grid average emissions factor that we have adopted are 0.5703 tons of CO<sub>2</sub>e per MWh (for use in 2023), and 0.5366 tons CO<sub>2</sub>e per MWh (for use in 2024), respectively.

# 2024 Environmental, Social and Governance Report

## 5.2 Rational Utilisation of Resources

In the course of daily operations and development, the Group consistently emphasises the importance of environmental protection and actively implements green, low-carbon development strategies. We strictly comply with laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law on Energy Conservation of the People's Republic of China. Each subsidiary has established relevant documentation, including engineering energy consumption management measures, to ensure the rational utilisation of energy, reduce energy consumption, lower operational costs, and integrate energy conservation and emissions reduction into the Group's development strategy, management systems, and daily operations, thereby continuously enhancing environmental awareness across the organisation.

### *Conserving Energy and Reducing Emissions*

We require all levels of the Group to implement energy conservation and emissions reductions in business operations, collectively safeguarding a green and sustainable ecosystem. This includes reducing the consumption of water, electricity, and paper; minimising waste that pollutes the environment, adopting eco-friendly materials, designs, technologies, and raw materials to conserve energy and reduce waste; providing environmental training for employees.

We continuously improve and maintain energy management records, ensuring the proper organisation, analysis, and archiving of various documents and data. We also conduct monthly summaries and analyses on energy consumption management reports submitted by project teams, with management controls applied based on findings. Additionally, energy-saving measures are implemented across projects, covering organisational management, the selection of measurement instruments, energy consumption data analysis, facilities and equipment operations, daily management, and performance evaluations. The Group has no significant impacts of activities on the environment and natural resources.

Energy-saving management for lighting	Energy-efficient lighting should be used in public and office areas. In zones with sufficient natural light, daylight should be fully utilised during the daytime. Lighting circulates in public areas should be equipped with time or light-controlled switches, with regular inspections conducted to identify and rectify issues on a timely basis.
Interval control for underground car park lighting	During peak commuting hours, the illumination rate in underground car parks should be maintained between 30%–50%. If the car park features skylights, the illumination rate may be further reduced depending on actual conditions.
Office electricity conservation management	Clear power management protocols for computers and office equipment must be established. Energy-saving modes should be activated when devices are idle, and unused equipment should be powered off to reduce standby consumption.
Strict enforcement of air conditioning regulations	During summer, the minimum air conditioning temperature must not be lower than 26°C. Air conditioning should be turned off in unoccupied spaces, and windows and doors must be closed when air conditioning is in operation.

# 2024 Environmental, Social and Governance Report

Further, the Group has formulated the commercial Fit-Out Management Guidelines, which specify installation requirements for grease traps and fume purifiers in leased commercial properties under our management. We will continue to adopt various measures throughout operational processes, including stringent source control, clean production practices, rational resource utilisation, responsible handling of waste and wastewater discharges, and pollution reduction. In 2024, our total wastewater discharge amounted to 1,302,528 tonnes.

We are committed to fostering an environmentally conscious corporate culture and collaborating closely with business partners to build an environmentally friendly ecosystem.

## Energy Utilisation

By strengthening energy efficiency management, implementing energy conservation and emissions reduction strategies across our portfolio, and promoting eco-friendly and green office initiatives to tenants, we are poised to achieve the aforementioned objectives. We will also closely monitor our industry peers' energy-saving practices and benchmark our targets accordingly, conducting periodic reviews and adjustments as necessary.

In terms of energy consumption, we plan to reduce our energy intensity (energy consumption per unit of revenue) by 3% by the year 2025, using 2022 as the base year. This target aims to enhance our energy efficiency in support of the national “dual carbon” strategy and climate change resilience.

Information about the Group's energy consumption in operations is as follows:

Metrics	2023	2024
Purchased electricity (MWh)	19,613.23	27,128.43
Gasoline consumption (L)	16,994.95	13,825.35
Diesel consumption (L)	474,300.11	493,742.56
Total energy consumption <sup>4</sup> (MWh)	24,597.80	32,283.53
Energy consumption intensity (MWh/ thousand square metres of GFA under management)	2.08	2.65

We are responsible for metre reading and utility bill collection from the majority of the tenants in our management properties. The table below presents statistics on electricity consumption and energy consumption intensity generated by customers across our property management services and commercial operations services during 2023–2024.

<sup>4</sup> Comprehensive energy consumption is calculated according to the conversion factor in the National standard of China's General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

# 2024 Environmental, Social and Governance Report

Metric	2023	2024
Purchased electricity (MWh)	58,520.61	<b>77,469.24</b>
Total energy consumption (MWh)	58,520.61	<b>77,469.24</b>
Energy consumption intensity (MWh/ thousand square metres of GFA under management)	4.96	<b>6.36</b>

## Water Resource Usage

The Company has internal water conservation measures, while exploring new approaches to water saving across multiple aspects.

There were no significant issues related to the sourcing of suitable water sources during the Reporting Period.

Inspecting water facilities	The Company is continually strengthening the daily maintenance and management of water equipment to prevent continuous water flow. Pipeline valves, water pressure, and pipe joints are examined to avoid leakage, spillage, and dripping. Regular inspections are conducted on landscaping and cleaning water pipes to ensure no damage or uncontrolled water discharge. The Company diligently performs pipeline network checks, with particular attention paid to the condition of buried pipes, while promptly addressing any issues to eliminate leaks and wastage.
Promoting water saving	The Company displays water -saving reminder signs in prominent locations. We advocate water recycling, encouraging the use of rainwater or reclaimed water for green spaces. Seasonal irrigation plans have been formulated, and water-efficient irrigation methods such as sprinkler, micro-, and drip irrigation are promoted.
Water usage analysis	Dedicated personnel are assigned to record water metre readings at scheduled intervals. The Company conducts comparative analysis of water consumption and immediately performs pipeline inspections if abnormal usage is detected, while implementing corrective measures as necessary.

The Group's operational water consumption statistics are as follows:

Metrics	2023	2024
Water consumption by the Group (cubic metres)	1,046,888	<b>983,745</b>
Water intensity of the Group (cubic metres/ thousand square metre of GFA under management)	88.4	<b>80.8</b>

# 2024 Environmental, Social and Governance Report

Water consumption statistics of the Group's tenants are as follows:

Metrics	2023	2024
Water consumption by external tenants (cubic metres)	557,169	724,846
Water intensity of external tenants (cubic metres/square metre of GFA under management)	0.05	0.06

In terms of water consumption, we plan to reduce our water consumption intensity (per unit revenue) by 5% by 2025, using 2022 as the base year. This target aims to facilitate our efforts to improve water resource utilisation efficiency and promote the conservation and protection of water resources.

### 5.3 Emissions Management

The Group has formulated the Changsha Chengfa Property Management Co., Ltd. Domestic Waste Disposal Management Measures in accordance with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Regulations on the Administration of City Appearance and Environmental Sanitation, and the Changsha Municipal Domestic Waste Management Regulations. We closely cooperate in the implementation of waste reduction initiatives and require the participation of relevant stakeholders. The Company's administration department supervises and inspects responsible parties for domestic waste sorting, collection, transportation, and treatment, and circulates the findings of such inspections. Project teams must promptly notify waste collection and transportation organisations to ensure its segregated handling. Domestic waste must be uniformly delivered to designated waste stations for categorised collection, with the mixing of already sorted waste being strictly prohibited. In terms of non-hazardous waste, we plan to reduce the non-hazardous waste intensity (tons of CO<sub>2</sub>e/million RMB of revenue) of our operations by 2% by 2027, using 2023 as the base year.

We actively advocate the classified management of domestic waste, fostering a collaborative approach across the Group:

- Project teams and individuals should enhance awareness of waste reduction and sorting at source, comply with waste management regulations, and fulfil their obligations on minimising and properly disposing of waste.
- By implementing source reduction measures, we encourage and urge project teams and individuals to adopt green and healthy production and lifestyle practices, thereby reducing domestic waste generation.
- We promote the economical use and re-use of office supplies, minimise the consumption of disposable items and single-use cups, increase the proportion of recycled paper usage, and advocate for paperless operations.

## 2024 Environmental, Social and Governance Report

Metric	2023	2024
Total non-hazardous waste (tonnes)	73,680	<b>79,412</b>
Density of non-hazardous waste (tonnes/ thousand square metre of GFA under management)	6.22	<b>6.52</b>

During routine property management operations, the Company's hazardous waste primarily comprises used ink cartridges, spent light tubes, discarded batteries, and a small quantity of waste paint containers, mainly originating from office administration, equipment maintenance, and facility repairs. Additionally, the Company currently uses thinner (paint solvent) during paint work in equipment rooms and parking spaces, with strict control measures in place to ensure proper sealing and segregated storage in dedicated areas. While the Company is not presently involved in handling hazardous waste that requires mandatory reporting, we continue to advance green office initiatives, energy-efficient retrofits, and refined maintenance practices. Examples include replacing fluorescent lights with LED energy-saving lamps, promoting duplex printing to reduce consumable usage, and adopting digital tools to minimise paper consumption. These measures aim to decrease hazardous waste generation and carbon emissions, driving sustainable green development.

Metric	2024
Total hazardous waste (kg)	<b>11,457.1</b>
– Paint (kg)	<b>1,415</b>
– Spray paint (kg)	<b>106.2</b>
– Spent light tubes (kg)	<b>8,303</b>
– Discarded batteries (kg)	<b>174.5</b>
– Diluent (kg)	<b>1,430</b>
– Used ink cartridges (kg)	<b>28.4</b>
– Density of hazardous waste (kg/ thousand square metre of GFA under management)	<b>0.9</b>

# 2024 Environmental, Social and Governance Report

## ESG REPORTING CONTENT INDEX

Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited – Appendix C2: ESG Reporting Code

Aspect	Content	Section in the report
Appendix B: Mandatory Disclosure Requirements		
	Board of Directors Statement	Board of Directors Statement
	Reporting Principles	About this report
	Reporting Boundary	About this report
Appendix C: “Comply or Explain” Provisions		
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green practices and low-carbon operations
	A1.1 The types of emissions and respective emissions data.	Green Practices and Low-carbon Operations
	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)	Green Practices and Low-carbon Operations
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Practices and Low-carbon Operations
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Practices and Low-carbon Operations
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Green Practices and Low-carbon Operations
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Practices and Low-carbon Operations



# 2024 Environmental, Social and Governance Report

Aspect	Content	Section in the report
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Green Practices and Low-carbon Operations
	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).	Green Practices and Low-carbon Operations
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Practices and Low-carbon Operations
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Practices and Low-carbon Operations
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Practices and Low-carbon Operations
	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	N/A
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Practices and Low-carbon Operations
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Practices and Low-carbon Operations
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Practices and Low-carbon Operations
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Practices and Low-carbon Operations

# 2024 Environmental, Social and Governance Report

Aspect	Content	Section in the report
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.	Combining Strengths and Putting People First
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Combining Strengths and Putting People First
	B1.2 Employee turnover rate by gender, age group and geographical region.	Combining Strengths and Putting People First
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.	Combining Strengths and Putting People First
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Combining Strengths and Putting People First
	B2.2 Lost days due to work injury.	Combining Strengths and Putting People First
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Combining Strengths and Putting People First
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Combining Strengths and Putting People First
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Combining Strengths and Putting People First
	B3.2 The average training hours completed per employee by gender and employee category.	Combining Strengths and Putting People First

## 2024 Environmental, Social and Governance Report

Aspect	Content	Section in the report
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.	Combining Strengths and Putting People First
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Combining Strengths and Putting People First
	B4.2 Description of steps taken to eliminate such practices when discovered.	Combining Strengths and Putting People First
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Providing Exceptional Service and Cultivating a Culture of Care
	B5.1 Number of suppliers by geographical region.	Providing Exceptional Service and Cultivating a Culture of Care
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Providing Exceptional Service and Cultivating a Culture of Care
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Providing Exceptional Service and Cultivating a Culture of Care
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Providing Exceptional Service and Cultivating a Culture of Care

# 2024 Environmental, Social and Governance Report

Aspect	Content	Section in the report
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.	Providing Exceptional Service and Cultivating a Culture of Care
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Providing Exceptional Service and Cultivating a Culture of Care
	B6.2 Number of products and service related complaints received and how they are dealt with.	Providing Exceptional Service and Cultivating a Culture of Care
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Governance in Compliance with Laws and Integrity-based Operations
	B6.4 Description of quality assurance process and recall procedures.	Providing Exceptional Service and Cultivating a Culture of Care
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Governance In Compliance with Laws and Integrity-Based Operations
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.	Governance In Compliance with Laws and Integrity-Based Operations
	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.	Governance In Compliance with Laws and Integrity-Based Operations
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Governance In Compliance with Laws and Integrity-Based Operations
	B7.3 Description of anti-corruption training provided to directors and staff.	Governance In Compliance with Laws and Integrity-Based Operations

# 2024 Environmental, Social and Governance Report

Aspect	Content	Section in the report
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.	Providing Exceptional Service and Cultivating a Culture of Care
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Providing Exceptional Service and Cultivating a Culture of Care
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Providing Exceptional Service and Cultivating a Culture of Care
Appendix D: Climate-related Disclosures		
D-I Governance	The governance body(s) responsible for oversight of climate-related risks and opportunities	Green Practices and Low-carbon Operations
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Green Practices and Low-carbon Operations
D-II Strategy	Climate-related risks and opportunities	Green Practices and Low-carbon Operations
D-III Risk Management	Financial position, financial performance and cash flows	Green Practices and Low-carbon Operations
D-IV Metrics and Targets	Greenhouse gas emissions	Green Practices and Low-carbon Operations
	Climate-related transition risks	Green Practices and Low-carbon Operations
	Climate-related physical risks	Green Practices and Low-carbon Operations

Note: Given that the amendments to the Listing Rules and the Code adopted in the "Consultation Conclusions on the Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework" published by the Hong Kong Stock Exchange in April 2024 (the "2024 Amendments") become effective for the financial years commencing on or after 1 January 2025, the Company will continue to focus on the phased approach for the new climate-related disclosure requirements (the New Climate Requirements) set out in Part D of Appendix C2 and consider appropriate disclosure in future financial years.

# 2024 Environmental, Social and Governance Report

## COMMENTS AND FEEDBACK

Dear Readers,

We hope everything is going well. Thank you for reading this report. To continuously improve the Group's sustainability management, we sincerely hope to listen to your valuable opinions and suggestions. Please help us by completing this page and returning your feedback in the following ways:

Hollwin Urban Operation Service Group Co., Ltd.  
Address: 20/F, West Centre T1, No. 49 Fenglin Third Road, Yuelu District, Changsha, Hunan Province  
Tel: +852 3594 6407  
Website: <https://www.hollwingroup.com>  
Email: [ir@hollwingroup.com](mailto:ir@hollwingroup.com)

1. Your general evaluation of this report:  
☐ Excellent   ☐ Good   ☐ Average
2. What do you think about the clarity, accuracy and completeness of the information and data disclosed in this report?  
☐ Good   ☐ Average   ☐ Low
3. What do you think of this report's presentation of the Group's impact on the society and environment?  
☐ Good   ☐ Average   ☐ Not satisfying
4. What do you think about the Group's performance in safeguarding stakeholder interests?  
☐ Excellent   ☐ Good   ☐ Average
5. Your opinions and suggestions on the Group's sustainability management:



泓盈集團  
HOLLWIN