

DEVGREAT GROUP LIMITED

大方廣瑞德集團有限公司

(formerly known as Shanghai Zendai Property Limited 上海証大房地產有限公司)

(incorporated in Bermuda with limited liability)

Stock Code:00755

2024

**ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2024

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I. PREAMBLE

In 2024, the Chinese government continued to strengthen its green economy policies, promoting the transformation of the energy structure and the dual control of carbon emissions, increasing investment in renewable energy, and improving the carbon market system. At the same time, it introduced multiple measures to support low-carbon technologies, accelerated the green upgrade of key industries, and hastened the transition to smart energy-saving and zero-carbon operations, requiring industries to reshape their competitiveness according to ESG standards. The Chinese government further clarified emission reduction targets for the latter part of the 14th Five-Year Plan and continued to deepen international climate cooperation.

DevGreat Group Limited (the “Company” or “DevGreat”) actively follows the core meaning of the 14th Five-Year Plan. The Company, in line with the country’s new development concept of “innovation, coordination, green, openness and sharing”, unswervingly implements the sustainable transformation and development approach of the enterprise business model and pursues green development, with an aim to drive the rapid, healthy and sustainable corporate development comprehensively and creatively. Meanwhile, it hope to develop a new pattern of dual circulation economy to facilitate mutual development. The Company and its subsidiaries (collectively the “Group”) are committed to fostering new drivers of corporate development under new objectives and opportunities through systematic management, controllable improvement, and quantifiable outcomes.

The Group is principally engaged in commercial and hotel management, property management, and property development services in China. With comprehensive capabilities in construction, operation, and management, as well as independent teams specializing in planning and development, investment attraction and design, operations, and property management, DevGreat has established a business footprint centered in Shanghai, with the Yangtze River Delta as its core region.

The Group remains steadfast in integrating Environmental, Social, and Governance (“ESG”) management practices with its strategic development and operations, striving to incorporate green development principles into both strategic planning and all business activities. We are committed to advancing sustainability across our organization, value chain partners, and the broader industry. With the vision of becoming a green real estate enterprise, the Group will continuously optimize its governance framework while enhancing product and service capabilities. Through multidimensional integration of premium resources, we maintain unwavering commitments to environmental protection and social contribution, driving the development of complete and healthy communities that fulfill aspirations for better living.

II. ABOUT THIS REPORT

The Group is pleased to present its Environmental, Social, and Governance (ESG) Report for the fiscal year 2024 (the "ESG Report"), prepared in accordance with the requirements and disclosure recommendations of Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the "Environmental, Social, and Governance Reporting Guide." This ESG Report demonstrates the Group's policies and performance in ESG management and corporate sustainability for the twelve months ended December 31, 2024 (the "2024 Fiscal Year"). The information disclosed in this ESG Report has been collected and compiled through various channels, including the Group's internal policy documents and data, feedback on the implementation of ESG practices, stakeholder surveys, and relevant information gathered from online questionnaires regarding the Group's sustainability initiatives. A comprehensive content index is provided at the end of this ESG Report for readers to verify its completeness. This report is prepared in both Chinese and English (if there is any discrepancy between the Chinese and English versions of this report, the Chinese version shall prevail) and is published alongside the Annual Report on the Group's website at www.zendaiproperty.com or the Hong Kong Stock Exchange's website www.hkexnews.hk.

Reporting Scope

Based on the principle of materiality, the Group defines the reporting scope of this ESG report using the operation control approach to facilitate stakeholders' understanding of the impact of operations of the Group on the economy, environment and society. For the purpose of this report, the disclosure covers the main business of the Group, namely the Group's commercial property and hotel operation business, property management business, property development business, in the PRC and ordinary operations of the office located in Hong Kong. This report covers DevGreat Group Limited and its subsidiaries, aligning with the scope of the Annual Report.

Reporting Period

This report reflects the facts and circumstances of the Group for the financial year ended 31 December 2024. We are not obligated to consider subsequent events and therefore will not update this report as a result of changes in subsequent events or status.

Reporting Principles

Following the latest guidance of the Stock Exchange, the ESG Report identifies, prepares and presents the information to be disclosed and the disclosure method on the basis of four principles of "materiality", "quantification", "balance" and "consistency".

Materiality

The Group recognises that the principle of materiality is critical to the effectiveness of ESG management and information disclosure. Therefore, in light of multiple uncertainties in the

operation environment particularly, the Group, considering the adjustments adopted in the short-term development strategies, regularly conducts materiality assessments and communicates with stakeholders to identify sustainability issues that are vital to the Group for more targeted deployment and management in the future. Please refer to the “Materiality Assessment” section for more details.

Quantification

The ESG report applies the principle of “quantification” in various aspects and conducts objective, authentic and accurate analyses upon the data, including the calculation and disclosure of key performance indicators in the environmental and social areas . The corresponding data calculation tools, methods and sources of conversion coefficients have also been marked under each performance table.

Balance

The Group follows the principle of balance and reports its positive and negative performance transparently and comprehensively to ensure that readers can assess the Group’s overall ESG performance in a rational and objective manner. In addition, to implement the principle of balance, the Group identifies, analyzes and effectively discloses the ESG-related risks and opportunities it faces, and objectively evaluates and analyzes the accomplishment progress of its goals and the implementation effectiveness of ESG policies in order to truly reflect the Group's sustainable development performance in FY 2024 to readers.

Consistency

In order to facilitate long-term comparison, to make sure all information and data in the report are more coherent and comparable and to provide maximum reference value for its stakeholders, the ESG report adopted the same scope setting principles, data collection process, data calculation method and reporting framework as those for the previous disclosures. For policy implementation and disclosure priorities with major changes, the Group has also made a full description and explanation, striving to provide its stakeholders with valuable ESG information.

III. SUSTAINABILITY MANAGEMENT STRATEGY

The Group's core strategy focuses on creating high-quality urban living spaces and commercial operation services, while continuously strengthening its commercial operation capabilities and brand value in new consumption scenarios. In this process, we deeply recognize the necessity of integrating sustainability principles into our corporate strategic framework and earnestly fulfilling environmental and social responsibilities.

Under the leadership of the Group's Board of Directors (the "Board"), and based on a sound governance structure and consistent governance principles, the Group has incorporated the enhancement of ESG governance into its strategic planning and established a responsibility implementation mechanism covering all organizational levels.

As the core of strategic decision-making, the Board will continue to advance the following initiatives:

- a. Building an effective internal control system to ensure the execution of sustainability strategies;
- b. Dynamically optimizing the implementation pathways for sustainable development;
- c. Conducting comprehensive assessments of ESG risks and opportunities;
- d. Establishing a performance tracking mechanism;
- e. Improving stakeholder engagement mechanisms.

Additionally, the Group continues to elevate its sustainability practices by engaging external professional think tanks and conducting industry benchmarking, maintaining cutting-edge insights within the sector.

Board

- Coordinate sustainable development affairs, and participate in the formulation and implementation of sustainable development strategies;
- Review and understand the actual and potential impacts of the Group on the environment and society;
- Monitor the implementation of the Group's ESG management strategies and policies, and make informed decisions on business development based on ESG and climate-related factors;
- Promote barrier-free communication throughout the Group to ensure the integration of ESG concepts and management models into business development and operation.

Management

- Assist the Board in understanding the Group's material ESG issues;
- Oversee the implementation of ESG policies in the operation of the Group's property, commercial management and hotel businesses at the operational level
- Track and report to the Board the progress of achieving ESG goals and the risk management process through internal meetings of the Group;
- Provide support to front-line employees and operation teams to ensure the effectiveness of policy implementation.

Business Department

- Participate in the execution and implementation of the ESG plan proposed by the management;
- Realise changes and breakthroughs through innovative practices;
- Assess and report ESG-related risks in daily operations;
- Endeavour to fulfil corporate responsibilities and make contributions to the construction of social welfare undertakings.

IV. BOARD STATEMENT

In 2025, the Group will steadfastly advance the transition to a green economy and fully deliver on its sustainability commitments. Through innovative applications of green technologies, optimization of low-carbon operational models, and strengthening of the ESG governance framework, we will systematically drive green transformation across our entire production and operational processes. This initiative will serve as an opportunity for the enterprise to achieve a win-win scenario of both economic and environmental benefits, injecting green momentum into high-quality development.

Our management policy and strategy

The Group has established a corporate governance-based sustainable development management system, implementing a "top-level design - layered implementation" management model to ensure that business decisions at all levels holistically consider economic, social, and environmental benefits, thereby achieving strategic alignment. The Board of Directors is deeply involved in the formulation and execution of sustainability strategies, overseeing policy implementation and guiding the Group's development direction.

A dedicated ESG management team has been established to oversee and advance daily sustainability initiatives. Its primary responsibilities include coordinating ESG policy implementation across business units, guiding sustainability practices, monitoring ESG performance, and managing disclosures.

Through shareholder meetings, communications, and periodic reports, the Board identifies and prioritizes material ESG issues. To respond to market dynamics and stakeholder expectations, the Group has instituted an annual stakeholder engagement and materiality assessment mechanism, enabling continuous refinement of sustainability strategies and policy frameworks.

This ESG Report was approved by the Board of the Company on 28 March 2025. For details of the company's corporate governance, please refer to the "Corporate Governance Report" of the company's annual report for the year ended 31 December 2024.

Our goals and actions

In 2025, the Group will continue to uphold ESG principles as one of its core strategic directions, comprehensively building a green, inclusive, and sustainable business ecosystem. In the commercial and hotel operations sector, we will focus on creating low-carbon smart commercial spaces to achieve green premium value and long-term asset appreciation. The hotel management division will set industry benchmarks for sustainable services, balancing luxury experiences with ecological responsibility. Meanwhile, our property management services and property development endeavors will strive to become platforms that empower sustainable communities, fostering harmonious coexistence between human habitats and nature. Through synergistic upgrades across all business lines, we will explore pioneering sustainable business models with exemplary significance.

Looking ahead, the Group will adhere to its vision of "creating a better life," continuously enhancing its commercial operation service system to develop living spaces that embody greater humanistic care and ecological intelligence. We remain committed to innovation-driven development and responsibility-led progress, aspiring to become a key catalyst for high-quality urban and rural development. By contributing our corporate strength to building a beautiful China, we will join hands with partners from all sectors to co-create a sustainable and promising future.

Huang Yuhui

Chairman of the Board

V. STAKEHOLDER ENGAGEMENT

The Group considers stakeholder engagement a core component of its sustainability strategy and has established a systematic stakeholder participation mechanism. We believe that effective stakeholder interaction not only fosters steady business growth but also serves as a critical driver for long-term value creation. The Group's key stakeholders encompass both internal and external parties. Based on the nature of mutual influence and engagement intensity, we have identified the following core groups:

- Internal operations: Employees and management
- Capital markets: Investors and shareholders
- Value chain: Customers and suppliers
- Regulatory bodies: Relevant government authorities

This classification takes into account both the influence these groups exert on the Group's operations and the tangible impact the Group's business has on them.

Through diversified communication channels (as outlined in the table below), we continuously gather stakeholder feedback on ESG issues and dynamically refine our ESG management system. Notably, our stakeholder engagement policy incorporates a periodic evaluation mechanism to ensure timely responses to stakeholder concerns, fostering a mutually beneficial and sustainable development framework.

Category of stakeholder	Expectations and Concerns	Communication Channels
Government and regulatory authorities	<ul style="list-style-type: none"> ■ Legal business operation ■ Anti-corruption policies ■ Give full play to the role of industry benchmark and lead the sound development of the industry 	<ul style="list-style-type: none"> ■ Compliance with local laws and regulations ■ Regular reports and tax payments ■ Response to policy documents issued by the government
Shareholders	<ul style="list-style-type: none"> ■ Return on investment ■ Corporate governance ■ Business compliance 	<ul style="list-style-type: none"> ■ Regular corporate reports and announcements ■ General Meetings ■ Official website of the Group
Employees	<ul style="list-style-type: none"> ■ Promote a diverse, inclusive and fair working environment ■ Development prospects and training plans ■ Strengthen safety education and training ■ Accelerate the creation of a paperless and environmentally friendly office environment ■ Respond to the impact of intelligence and automation on the market to ensure the 	<ul style="list-style-type: none"> ■ Employee performance appraisal ■ Regular meetings and trainings ■ Emails, notice boards, hotline and team building activities between employees and management

	stability of positions	
Customers	<ul style="list-style-type: none"> ■ Product safety and risk control ■ Strengthen the implementation of energy conservation and emission reduction measures ■ Integrity performance ■ Privacy protection ■ High-quality and considerate services 	<ul style="list-style-type: none"> ■ Customer satisfaction survey ■ Face-to-face meetings and on-site survey ■ Interaction on the social network platforms ■ Customer service hotline and email
Suppliers	<ul style="list-style-type: none"> ■ Equality, mutual benefit and win-win outcome ■ Open, fair and transparent procurement and supply system ■ Supply chain risk management ■ Continuous innovation and keeping pace with the times 	<ul style="list-style-type: none"> ■ Open tendering ■ Supplier satisfaction survey ■ Telephone discussion ■ Face-to-face meetings and on-site survey ■ Industry seminars
The public	<ul style="list-style-type: none"> ■ Engagement in community welfare activities ■ Common community governance ■ Business compliance ■ Compliance with business ethics ■ Caring for the environment ■ Pay attention to social feedback and receive information in a timely manner 	<ul style="list-style-type: none"> ■ Press conference and inquiry response ■ Social welfare activities ■ Face-to-face interview

Sustainability is a core long-term strategy of the Group, deeply embedded in our corporate decision-making systems and end-to-end business process management. In response to global sustainability trends, the Group has systematically integrated the United Nations Sustainable Development Goals ("SDGs") into our business strategy framework, positioning them as key drivers for long-term value creation.

In FY 2024, the Group continued to conduct a survey of its internal employees and external stakeholders on the SDGs through questionnaires, with a view to identifying stakeholders' concerns on achieving the SDGs and making solid contributions to the corresponding SDGs.

According to the survey results, Goal 3: Good Health and Well-Being, Goal 11: Sustainable Cities and Communities, Goal 1: No Poverty, Goal 6: Clean Water and Sanitation and Goal 4: Quality Education continue to be the most important sustainability goals for the Group's stakeholders.

Goal 3

The health and well-being of our employees is always one of the Group's top priorities for sustainable development. Adhering to the core value of 'people-oriented', the Group has been improving its management policies and optimizing the office environment to ensure that employees can get along with each other and demonstrate their skills in a safe environment.

Goal 11

The Group continues to provide sustainable solutions for urban development, combining artistic taste and local culture to enhance the sustainability value of its products and services. Based on the key tasks defined in the "14th Five-Year Plan" for the Development of Energy Savings in Buildings and Green Buildings (《「十四五」建築節能與綠色建築發展規劃》), the Group will continue to assess the impact of its business development and operations on the local culture, natural heritage and ecological environment, and continuously improve its working model and practices with the aim of enhancing the overall health and quality of life of the community.

Goal 1

The Group has been actively responding to the national guidelines to consolidate and enhance the achievements of poverty eradication, actively participating in the charitable events in the community and has made use of its own resources to help the disadvantaged groups and the needy in the community.

Goal 6

The Group is committed to promoting a water-saving production and lifestyle, and is making every effort to promote water conservation in the community through proper treatment, discharge and reuse of wastewater. During the year, the Group vigorously promoted the value of Saving Water in its daily operations in the property development business, property management service and operations of commercial properties and hotels business, and further enhanced its wastewater resource utilisation to improve water efficiency and protect the water-related ecosystem.

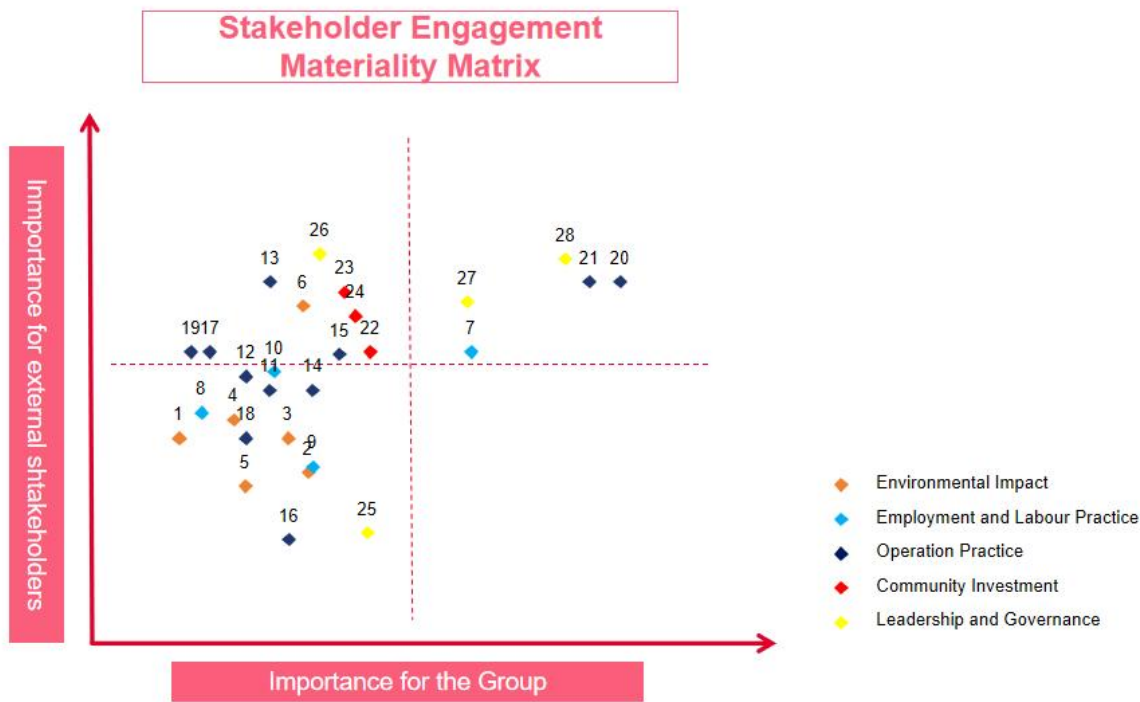
Goal 4

In line with the national direction of deepening the structural reform on the supply side of human resources, the Group has a complete training system and adheres to its training principle of "encouragement of employees to attend internal and external training related to work content, combination of self-training and imparting training, and combination of on-the-job training and professional training". Through providing different professional vocational training, we provide a strong talent guarantee for the economic and social development while realising employees' aspirations.

Materiality Assessment

The Group regards the identification and management of sustainability issues as a strategic priority for achieving long-term stable development. Based on this, we have established an ESG management system centered on the "principle of materiality." Through an annual stakeholder engagement mechanism, we systematically collect feedback from internal and external stakeholders to accurately understand their key concerns, expectations, and perceptions regarding ESG issues. This ensures that our sustainability strategy aligns closely with stakeholder expectations.

In FY 2024, the Group invited its key stakeholders to participate in a standardized, stakeholder-centric materiality assessment survey. The Group selected its internal and external stakeholders based on their influence on the Group and their level of dependence on the Group. The invited key stakeholders, including internal general employees, middle and senior management, as well as external suppliers and partners, provided feedback on a series of pre-identified corporate ESG management and related topics through the Group's designed ESG questionnaire.



ESG-related issues in materiality analysis:

<div>1 GHG Emissions</div> <div>2 Energy Management</div> <div>3 Water Resources and Wastewater Management</div> <div>4 Solid Waste Management</div> <div>5 Climate Change Mitigation and Adaptation</div> <div>6 Renewable and Clean Energy</div> <div>7 Labour Practices</div> <div>8 Employee Remuneration and Benefits</div> <div>9 Occupational Health and Safety</div> <div>10 Employee Development and Training</div>	<div>12 Engagement with Suppliers</div> <div>13 Environmental and Social Risk Management of Supply Chain</div> <div>14 Supply Chain Adaptation to External Risks</div> <div>15 Product/Service Quality and Safety</div> <div>16 Customer Privacy Protection and Data Security</div> <div>17 Marketing and Promotion</div> <div>18 Intellectual Property Protection</div> <div>19 Labelling Relating to Products/ Services</div>	<div>20 Business Ethics and Anti-Corruption</div> <div>21 Internal Grievance Mechanisms</div> <div>22 Engagement in Philanthropy</div> <div>23 Cultivation Local Employment</div> <div>24 Support of Local Economic Development</div> <div>25 Business Model Adaptability and Resilience to Environmental, Social, Political And Economic Risks and Opportunities</div> <div>26 Response to and Management Measures for Changes in Legal and Regulatory Environment (Legal Compliance Management)</div>
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Through this materiality analysis, the Group identified “Business Ethics and Anti-Corruption”, “Internal Grievance Mechanisms” ,”systematic Risk Management (e.g. Financial Crisis)” , “Critical Incident Risk Responsiveness” and “Labour Practices” as ESG issues that are more important to the Group. The results have been reviewed by the Board to ensure that the results can help the Group adjust its operating practises and strategies, and guide the Group to prioritise and devote more resources to the research on relevant sustainability issues.

Stakeholder Feedback

In pursuit of excellence, the Group is open to stakeholders' feedback and opinions in respect of ESG approach and performance improvement, particularly feedback about ESG issues the Group deems as highest materiality. Readers are also welcome to share their views on ESG issues with the Group through the Group's Email (info@zhengdaglobal.com) .

VI. ENVIRONMENTAL SUSTAINABLE DEVELOPMENT

The next five years will serve as a strategic window for China to advance the comprehensive green transformation of its economy and society. The Group actively responds to the nation's strategic initiatives to foster green productivity, focusing on a new development paradigm that integrates "carbon reduction and pollution control, ecological optimization, and value growth." We are systematically embedding green development principles into our strategic planning and operational practices, striving to propel the coordinated progress of China's high-quality economic and social development alongside ecological civilization advancement.

The Group is committed to developing and implementing different management approaches and systems for each of its operations, as well as complying with the environment-related laws and regulations in the PRC in its daily operations, including but not limited to:

Environmental Protection Law of the People's Republic of China	Law of the People's Republic of China on Environmental Impact Assessment
Water Pollution Prevention and Control Law of the People's Republic of China	Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes
Administrative Measures on Duplicated Form for Hazardous Wastes Movement	Energy Conservation Law of the People's Republic of China

This section discloses the Group's policies, practices and quantitative data about emissions, use of resources, the environment and natural resources as well as climate change in FY 2024.

A.1. Emissions

In FY 2024, the Group observed national and local environmental laws in respect of emissions in the ordinary operation. There was no violation of laws and regulations that had significant impact on the Group, including air and greenhouse gas emission, discharging wastes to water and land, discharging hazardous and non-hazardous wastes, and noise.

In view of characteristics of each business section of the Group, the air emission of the Group is mainly produced by the fuel consumption of business-purpose vehicles and the use of boilers in the operation of hotels and commercial properties. In FY 2024, the Group produced 8 kg of sulphur oxide ("SOX"), 362 kg of nitrogen oxide ("NOX") and 76 kg of particulate matter ("PM"). In the year under review, the greenhouse gases ("GHG") of the Group were mainly from fuel consumption of business-purpose vehicles, energy consumption of operating boilers and electricity consumption in the course of operation. During the year, the total greenhouse gas emission of the Group was 26,685 tonnes CO₂e, and the intensity was 86.4 tonnes CO₂e per person. In addition, the Group also produces certain solid wastes and wastewater in the course of operation, which mainly include commercial wastes, construction wastes, waste paper and commercial wastewater. During the operation in the year, the Group produced a total of 8,940 tonnes non-hazardous solid wastes and 242,268 m³ non-hazardous wastewater. During the year under review, the Group did not produce any hazardous wastes. Table 1 summarises the emission data of the Group in FY 2024.

Table 1. Summary of the Group's FY 2024 Emissions Information⁸

Types of emission	Key Performance Indicators	Unit	Total Amount in FY 2024	Intensity in FY 2024 (Unit/person) ¹	Total Amount in FY 2023	Intensity in FY 2023 (Unit/person) ²
Air emissions ³	SO _x	kg	8	0.02	10	0.02
	NO _x	kg	362	1.1	582	1.2
	PM	kg	76	0.2	141	0.3
GHG emission	Scope 1 (direct emission) ⁴	Tonne CO ₂ e	1,886	5.6	3,006	6.2
	Scope 2 (indirect emission of energy) ⁵	Tonne CO ₂ e	26,596	80.1	39,200	80.8
	Scope 3 (other indirect emission) ⁶	Tonne CO ₂ e	173	0.5	331	0.6
	Total emission (Scope 1, 2 and 3)	Tonne CO ₂ e	28,685	86.4	42,517	87.7
Non-hazardous waste	Solid waste	tonne	8,940	26.9	13,328	27.5
	Wastewater ⁷	m ³	242,268	729.7	417,374	860.6

1. The emission intensity of FY 2024 is equal to air, GHG and other emission produced by the Group in FY 2024 divided by the total of 332 employees of the Group at the end of FY 2024;
2. The emission data for FY 2023 is extracted from the Group's ESG report for FY 2023, and the intensity data is based on the total number of employees of 485 at the end of FY 2023;
3. The waste gas emission includes air pollutants the Group produced in the course of utilizing business-purpose vehicles and the use of boilers in the operation of hotels and properties;
4. Scope 1 (direct emission) of the Group only includes emission from energy consumption of vehicle operation and boiler use in the operation of hotels and properties;
5. Scope 2 (in direct energy emission) of the Group only includes emissions from electricity consumption and coal burning for heating;
6. The Group's scope 3 (other in direct emission) only includes waste paper disposed of at landfills, and the GHG emissions caused by the use of electricity to treat potable water and wastewater by government departments as well as the emission generated by business travel flights;
7. The amount of wastewater generated by the Group is based on strict wastewater statistics of its subsidiaries. For the operation sites of the Group where part of the wastewater is managed uniformly by the property building, the wastewater volume is calculated based on 100% of the water consumption; and
8. The approach adopted in reporting the greenhouse gas emission stated above is based on the 'How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs' issued by Hong Kong Exchanges and Clearing Limited and the emission factor database of Intergovernmental Panel on Climate Change (IPCC).

Hotel Operations

The main emission sources in our business operations include domestic sewage, solid waste, and greenhouse gases. To effectively manage our environmental footprint, the commercial and hotel business divisions have established a systematic energy-saving and emission-reduction target framework. This system is uniformly monitored and managed by the engineering department, which guides operational teams in implementing emission reduction measures through scientifically validated energy efficiency improvement solutions.

Air and greenhouse gas

The greenhouse gas emissions from our business operations primarily originate from energy consumption in commercial projects and boiler operations in hotels. To systematically manage emission sources, we strictly comply with local environmental regulations such as the Boiler Air Pollutant Emission Standard (DB31/387-2018) and have implemented the following comprehensive energy-saving and emission-reduction measures:

1. Compliance Management Mechanism

- Annual boiler emission inspections by environmental authorities
- Licensed operations to ensure compliant emissions
- Dedicated personnel patrol and inspection system for boiler equipment
- Regular professional maintenance

2. Energy Efficiency Improvement Projects

- LED retrofitting of lighting systems in commercial spaces
- Energy-saving optimization of high-consumption equipment
- Comprehensive building energy efficiency retrofits

3. Long-Term Mechanism Development

- Specialized employee training on energy conservation awareness
- Establishment of an energy consumption data monitoring platform
- Department-level energy efficiency performance indicators

By synergistically advancing technological upgrades, management optimization, and cultural cultivation, the Group is continuously enhancing the sustainability of its operations, laying a solid foundation for achieving carbon neutrality goals.

Wastewater and Waste Oil

All domestic wastewater generated by our operations is channeled into the regional sewage treatment system through municipal pipelines. For kitchen waste oil, we implement specialized management practices including categorized storage and dedicated container placement, with certified professional agencies contracted for standardized recycling and treatment. Guided by the environmental principle that "water conservation equals emission reduction," we continuously enhance our water management system through establishing water conservation standards and regulations, promoting water-saving equipment and innovative solutions and conducting targeted training for staff and guests to foster water conservation habits. This integrated approach enables systematic reduction in water consumption, achieving simultaneous improvements in wastewater reduction and water-use efficiency.

Solid Wastes

In our operations, in addition to general domestic waste, we generate special solid waste such as food waste and used batteries. We have established a comprehensive waste sorting and collection system in compliance with local government regulations, based on which general waste is collected and transported by licensed waste management companies, and food waste is processed on-site by government-designated recycling units. We continuously optimize our resource recycling mechanisms by implementing reusable alternatives for consumables in commercial and hotel public areas/guest rooms, and expanding touch-free soap and paper towel dispensers to reduce single-use items (e.g. slippers, toiletries). For hazardous waste like used batteries, we strictly follow local regulations and engage certified third-party processors for professional recycling, enhancing our comprehensive solid waste sorting and resource recovery capabilities.

Property Management Business and Office

The business has established and implemented Quality, Environment, Occupational Health and Safety Management System, and through implementation of policies and procedures including Environmental Identification and Evaluation Control Procedures, Pollution Source Control Procedures, Energy Saving and Consumption Reduction Control Procedures, the business directs each property operation department to carry out energy saving monitoring, and conducts regular inspections and assessments.

Air and GHG

As emissions of air under this business are mainly related to business-purpose vehicles and business travels, this business has conducted the reform of the norms regarding the management of business vehicles, pushing forward the gradual transit from the use of vehicles held by the business to adopt the specialised travelling services provided by the third-party suppliers and encouraging the employees to use the mass transport services, such as the subway and high-speed train, in all reasonable circumstances, while encouraging employees to reduce unnecessary business travel, promote office digitalisation, and make more use of

technologies such as online meetings. In addition, given that the greenhouse gas emissions of this business are closely related to the use of electricity, the Group has implemented a series of electricity-saving and energy-saving measures. For more details, please refer to the sections headed “Electricity” and “Other Energy Resources”.

Wastewater

Wastewater from this business mainly involves not only the domestic wastewater that is generated by employees, but also the sewage discharge from tenants of restaurants. In order to ensure that the discharged sewage will not pollute the environment or natural water bodies, this business follows the Regulations on Management of Daily Cleaning and the Regulations on the Management of Rainwater Wells, sets up an oil separation tank for tenants engaged in the catering industry, and regularly employs professional vendors to clean up the oil. In addition, in terms of sewage disposal, the third-party company conducts sewage disposal inspection and issues written conformity reports for properties of this business every year, and the local city administration bureau also conducts sampling inspection of sewage twice a year and publishes the conformity reports on the website. In addition, in order to contribute to water-saving society, the Group has adopted water saving measures and continued to promote training on the awareness of water-saving among employees of the office, with the desire to further reduce the discharge of wastewater. For details, please refer to the section headed “Water”.

Solid wastes

The solid waste generated by our operations primarily includes daily household waste from property owners, construction waste from renovation projects, and special solid waste such as discarded light tubes, batteries, and circuit boards. To systematically enhance solid waste management standards and promote source reduction, we have established a comprehensive policy framework, including standardized regulations such as the "Waste Room Classification Handling and Implementation Standards," "Waste Removal Management Regulations," "Renovation Management Regulations," and "Waste Control Procedures." These policies fully cover the classification, temporary storage, transportation, and disposal requirements for all types of solid waste throughout the entire management process.

At the implementation level, we strictly adhere to national and local regulations on waste classification, disposal, and wastewater discharge. This year, we have intensified oversight of property renovation projects by implementing advance reporting systems and increasing on-site inspections by engineering personnel. In daily operations, we combine daily household checks by security personnel with weekly photographic inspections and records by customer service teams, while regularly organizing environmental management training for shop operators. From the source at shops to the final waste rooms, we fully enforce classification requirements and engage third-party agencies to conduct monthly quality inspections, with results publicly displayed on an online platform.

For general solid waste generated in office areas, we strictly comply with municipal management requirements by disposing of non-recyclable office and household waste in designated government collection containers for professional removal and treatment by

sanitation departments. Simultaneously, we continue to optimize the configuration of internal waste classification facilities and strengthen employee environmental awareness training to ensure all aspects of waste management meet environmental compliance standards.

Property Development Business

In FY 2024, this business, as compared with last year, has significantly scaled down, during which no property development project was under construction. The property development business of the Group does not produce other hazardous emissions.

Performance

In summary, the Group's air and GHG emissions mainly come from use of natural gas for boiler operation, electricity consumption for commercial properties and hotel operations and the use of vehicles. Compared with FY 2023, the Group's emissions of sulfur oxides, nitrogen oxides and particulate matters in FY 2024 decreased by 20%, 38% and 46%, respectively, which was mainly due to a decrease in the scale of property management service projects and leasable commercial area during the year, coupled with essentially unchanged shop occupancy rates and hotel occupancy rates compared to the previous year.

The Group's GHG emission model in FY 2024 is the same as that in the last year. In particular, scope 2 (indirect energy emission) accounts for the largest proportion (approximately 93%). On the whole, the total greenhouse gas emissions in FY 2024 saw a decrease of 33% as compared with last year, which was primarily attributable to the reduction in both the scale of property management service projects and leasable commercial area during the reporting year. The Group's business travel during the year recorded a certain decrease, therefore scope 3 (other indirect emissions) decreased by 48% as compared to last year.

The Group continues to attach great importance to the sorting and treatment of solid wastes. In FY 2024, the Group produced 8,940 tonnes of solid wastes, a significant decrease of 33% as compared with last year, which was mainly due to the downsize of property management service projects of the Group. In light of above, the Group still actively manages solid waste effectively and strives to reduce waste at source in the operations of commercial properties, hotels and property management services.

At the same time, as the Group further controlled the treatment of non-hazardous wastewater and strengthened the reuse of wastewater during the Year, the amount of wastewater discharged during the Year decreased by 42% as compared with the same period of last year, and the total amount of wastewater reused was 120,060 cubic metres. The Group will continue to comprehensively improve the utilisation efficiency and effectiveness of water resources, and put more efforts to guide water conservation

A.2. Use of Resources

In FY 2024, resources consumed by the Group mainly included electricity, gasoline, natural gas, water, paper, raw materials in the operations of commercial properties and hotels, such as daily necessities, construction materials and packaging materials. The Group consumes a small amount of diesel for its emergency generator of the building and business vehicles. As the diesel consumption was minimal, the Group has not discussed the specific relevant control measures according to the principle of materiality. During this financial year, each business segment of the Group attached great importance to the effective utilisation of raw materials, energy and resources, and established relevant policies and improved the management systems, including but not limited to the “Energy Management System”, the “Regulations on Energy Conservation and Consumption Reduction” and the “Regulations on Maintenance of Diesel Generators”, to further improve the energy efficiency and to reduce emissions and the reliance on fossil energy. The Group's use of various types of resource in FY 2024 is set out in Table 2 below.

Table 2. Overview of the Group's Resource Utilisation Information for FY 2024

Use of Resources	Key Performance Indicators	Unit	Total Amount in FY 2024	Intensity in FY 2024 (Unit/person) ¹	Total Amount in FY 2023	Intensity in FY 2023 (Unit/person) ²
Energy ³	Electricity	thousand kWh	40,134	120.9	64,719.5	133.4
	Petrol	thousand kWh	121	0.4	223.0	0.5
	Diesel	thousand kWh	8	0.02	10.0	0.02
	Natural Gas	thousand kWh	9,636.00	29	14,486.0	29.9
	Heating	thousand kWh	2,863.00	8.6	4,278.0	8.8
	Total	thousand kWh	52,762.16	158.9	83,716.4	172.6
Water	Water	m ³	443,873	1337	819,988	1690.7
Raw materials	Paper	tonne	28.11	0.08	44.2	0.1
	Plastic	tonne	0.01	3 x 10 ⁻⁵	0.04	8.2 x 10 ⁻⁵
	Soil	tonne	0.05	1.5x 10 ⁻⁴	0.1	2.1 x 10 ⁻⁴
	Metals	tonne	0.3	9 x 10 ⁻⁴	0.6	1.2 x 10 ⁻³
	Cement	tonne	0.06	1.8x 10 ⁻⁴	0.1	2.1 x 10 ⁻⁴
	Others ⁴	tonne	-	-	-	-
Packaging Materials	Plastic products	tonne	-	-	-	-
	Paper products	tonne	0.6	1.8 x 10 ⁻³	1.0	2.1 x 10 ⁻³

1. Intensity for FY 2024 is calculated by dividing the amount of resources consumed by the Group in FY 2024 by the number of employees of the Group at the end of FY 2024 of 332;
2. The data for FY 2023 is calculated by dividing the amount of resources consumed by the Group in FY 2023 by the number of employees of the Group in FY 2023 of 485;
3. Energy conversion of resources consumed is based on 'How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs' issued by the Stock Exchange; and
4. Other raw materials include lifestyle consumables such as towels and disposable toiletries. In FY 2023 and FY 2024, due to the evolving pandemic prevention policies affecting the normal operation of the hotels, the Group was unable to record accurate consumption of hotel consumables during the year and therefore decided not to make relevant disclosure in this annual report. The Group is committed to continue to optimise its data collection methods and make accurate relevant data disclosure as early as possible in the future.

Electricity

Electricity consumption of the Group is mainly for daily operation of office and each business segment. All business segments of the Group have complied with relevant regulations and the Group's electricity saving policies. To further reduce energy consumption and the associated greenhouse gas emission, the Group implements the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, and continuously improves its environmental performance in a systematic way.

The Group has deeply integrated energy conservation principles into its corporate operations system. Through systematic implementation of multiple measures including high-efficiency equipment upgrades, continuous optimization of energy management mechanisms, and enhanced employee energy-saving awareness training, we have comprehensively improved energy use efficiency. Key energy-saving technical renovation projects implemented in 2024 include:

Adjust the temperature of air conditioning or heating in the office according to the weather	Install voice-activated electric lights in the corridor
Set thermometers at air vents to detect and adjust the indoor temperature more accurately	Improve and replace building automation equipment and reduce refrigeration energy consumption
Label the energy consuming status on all switches and valves in the commercial properties, hotels and offices. Labels need to present the direction and location of switches and valves when in the status of ON or OFF, and for switches of lighting system, the scheduled timing of ON and OFF should also be presented with information about the corresponding lighting devices, which enables employees to precisely operate the switches.	Clean up the coil system of the air conditioners at least once per year, and clean up the dust-proof nets of the split-type air conditioners at least once per week
Set up the lighting systems in hotels reasonably to efficiently control the lighting devices in the places, such as closets, corridors and lavatories of the guest rooms, to ensure the lighting devices are switched off when are not being used, for the purpose of reducing the waste of electricity	Enhance the maintenance of the electricity consuming devices and inspect in time to reduce the electricity consumption and save more electricity
Monitor the electricity consumption of each project through the electricity meter on a monthly basis, and compare the consumption increase/ decrease proportion on a month-on-month basis and the consumption with the same period of previous years. Place the focus of follow-up on projects and operating locations with significant increases, clarify specific reasons and make rectifications in a timely manner to achieve emission reduction targets	Carry out energy-saving renovation of new projects in light of China's vision for green buildings

In FY 2024, the total electricity consumption of the Group remains flat as compared with the last financial year, with a decrease of 38%, which was mainly due to the downsize in property management services and leasable commercial area, while electricity consumption by operating subsidiaries across all regions remained largely consistent with the previous fiscal year.

Other Energy and Resources

Energy and resources consumed by the Group in daily operation (including the transportation, business-purpose vehicles and operation of commercial properties and hotels) include gasoline, diesel and natural gas. The Group has been committed to reducing the consumption of traditional fuels for a long term, vigorously promotes replacing traditional energy with clean energy, and actively responds to the call of the State to effectively improve the internal operation model and the equipment, therefore realising sustainable development and actively achieving the goal of Carbon Neutral.

In FY 2024, gasoline consumption of the Group decreased slightly by 46% as compared with last year, mainly due to the recovery of the social economic activities after the pandemic, the re-bounce of the volume of business of the hotels and commercial properties, and the frequency of the use of business-purpose vehicles being controlled after the management improvement. In order to better maintain the Group's outstanding performance in fuel saving, the Group continued to advocate and promote green travel among employees to encourage employees to effectively control the use of gasoline by business vehicles, and gradually sell the vehicles held by project companies while adopting the specialised travelling services provided by the third-party suppliers. As for the use of diesel, the Group's diesel consumption continuously decreased by 20% as compared to the last year, mainly due to the contraction in the Group's property development project scale, property management services, and leasable commercial area, and the major consumption of diesel belongs to the back-up generator of the hotel.

On the other hand, the Group's natural gas consumption decreased by approximately 33% during the year, mainly attributable to the contraction in the Group's property management services and leasable commercial area. In order to improve the Group's control over the use of natural gas, the Group promises to adjust the boiler temperature more flexibly according to the seasonal temperature, install energy-saving combustion devices, and turn off unsuitable equipment at any time, so as to save energy as much as possible, provided that normal use is ensured.

The Group has proactively responded to the national policy directives outlined in the "14th Five-Year Plan for Modern Energy Systems", accelerating the electrification and low-carbon transformation of construction projects while collaborating with the government to develop non-fossil energy systems. We have systematically advanced the practical application of renewable energy, including the comprehensive deployment of solar lighting systems across our proprietary projects. Additionally, through tenant engagement mechanisms, we encourage the adoption of clean energy sources such as solar power and natural gas, thereby building a comprehensive green energy application ecosystem.

Water

Water resources are indispensable to the society and the Group's operations. Therefore, the Group regularly monitors the use of water and evaluates water-related risks to minimise the Group's impact on water-related issues. In FY 2024, the Group did not experience any problems in sourcing water that is fit for purpose.

The Group has established a rigorous water management system, appointing dedicated water resource management personnel to implement comprehensive water efficiency monitoring throughout all processes. Concurrently, we consistently conduct water conservation awareness campaigns to encourage employees and tenants to adopt water-saving practices. We are progressively implementing water recycling technologies, such as reclaimed water reuse, to systematically enhance water resource utilization efficiency. Key water conservation measures adopted in 2024 include:

Repair dripping taps immediately to prevent any leakage in the water supply system	Display labels "Save water resources" at conspicuous positions to encourage employees and customers to cherish water resources
Promote the importance of saving water to employees through internal training and workshops	Set monthly, quarterly and annual water consumption goals, and strictly monitor the implementation of specific water-saving measures
Collect wastewater for reuse in floor and site cleaning as much as possible	Guide guests with reminder cards on reducing the laundry volume of duvets and towels to use the cotton textiles inside the guest rooms repeatedly
Standardise the operating rules for greening and cleaning water, and require relevant employees to implement relevant regulations in a standardised manner	Control the water pressure in the public use area of the property
Device water-conservation taps, based on the demands and characteristics, in the water consuming places of the hotels	Inspect the leakage of the water supply pipeline network regularly
Change the way of providing drinking water in both guest rooms and meeting rooms to reduce the waste of drinking water	

In FY 2024, the Group's total water consumption decreased by 46% as compared to FY 2023, which was mainly attributable to the contraction in the Group's property management services and leasable commercial area. The Group is committed to continue its efforts in promoting water conservation and optimising water usage.

Raw Materials and Packaging Materials

The Group recognises that its environmental footprint is closely related to the solid waste generated in the course of operation. Therefore, the Group strictly controls the consumption of raw materials and packaging materials, actively promotes the practice of environment-friendly services and the “sustainable development” concept to employees and customers. The Group is committed to continuously improving and innovating construction methods to reduce consumption in property development. Hotels and the property management business of the Group also take actions, and advocate effective utilisation of materials by purchasing recycled materials and renewable materials.

In FY 2024, the Group's consumption of raw materials and packaging materials continued to decrease by 37% as compared to that of last year, mainly due to the significant scale down of the property development business of the Group. Specifically, the volume of metals, soil and cement decreased by 50%, 50% and 40% respectively during the year. In addition, as the Group is committed to reducing the impact of its packaging materials on the environment, the consumption of plastic packaging materials remains zero, while the consumption of paper packaging materials maintains flat as compared to the last year. In future, the Group will still strongly advocates and practises sustainable management methods to reduce the environmental impact of its use of materials year by year.

As for paper, as the Group continues to strictly implement the management mode in paper collection and sorting in FY 2024, the usage of paper raw materials decreased by 40% during the year as compared with last year. the Group also made efforts to recycle office paper, with a total of 33kg of paper recycled during the year. Other measures taken by the Group to effectively control paper usage include:

Advocate paperless office, and adopt double-sided black and white printing when printing is necessary	Arrange the administrative and human resources department to carry out environmental protection education for all members of the Group every year
Encourage employees to use recycled paper for reimbursement vouchers	Use environmentally friendly bamboo products as the main raw materials for hotel rooms in design
Use guests' digital signatures at the front desk of hotels to reduce paper consumption	Pay attention to the application of the 3R “reduction, reuse and recycling” principle of office supplies

Goals and actions

In line with the national roadmap of carbon peaking and carbon neutrality and the key tasks specified in the “14th Five-Year Plan’ for the Development of Energy Savings in Buildings and Green Buildings” (《「十四五」建築節能與綠色建築發展規劃》), the Group has set and adjusted the corresponding environmental goals in accordance with the policies of each region where it operates, using the national goals as the basic framework to continuously improve its environmental performance.

Area	Goal	Examples of initiative
Waste gas emission	Taking FY 2021 as the baseline, air pollutant emissions of the Group will not increase by more than 10% by FY 2025.	<ul style="list-style-type: none"> ■ Optimise the fleet of the Company to ensure that emissions comply with the national standard ■ Educate drivers to keep good driving habits ■ When changing the fleet and equipment, give priority to the equipment powered by clean energy ■ Strengthen the control of use of gas for boilers
Greenhouse gas emissions	Taking FY 2021 as the baseline, the total greenhouse gas emission intensity of the Group will decrease by approximately 18% by FY 2025. ¹	<ul style="list-style-type: none"> ■ Strengthen the education of employees and tenants to enhance their awareness of energy conservation and emission reduction ■ Strengthen the control of use of electricity, gas and oil
Solid waste	Taking FY 2021 as the baseline, total solid waste emissions of the Group will decrease by 10% by FY 2025.	<ul style="list-style-type: none"> ■ Strengthen the classification, recovery and division of solid waste ■ Encourage tenants and residents to reduce the use of unnecessary disposable goods and reduce waste from the source ■ Introduce intelligent waste reduction technology
Water and wastewater	Taking FY 2021 as the baseline, by FY 2025, the amount of water used and the total amount of wastewater discharged by the Group will decrease by 5% year by year.	<ul style="list-style-type: none"> ■ Accelerate the business water cycle ■ Reduce unnecessary water waste in operation by improving staff management and water equipment ■ Adopt systems for saving water
Electricity	Taking FY 2021 as the baseline, electricity consumption of the Group will decrease by 10% by FY 2025.	<ul style="list-style-type: none"> ■ Promote energy-saving buildings of new projects ■ Optimise the existing property equipment ■ Conduct energy audits to identify areas where energy efficiency can be enhanced
Other Energy	Taking FY 2021 as the baseline, the total energy consumption intensity of the Group will decrease by approximately 13% by FY 2025. ¹	<ul style="list-style-type: none"> ■ Strengthen the control of the use of energy-consuming equipment ■ Replace with new equipment with more energy efficiency ■ Conduct in-depth analysis of energy supply management and energy saving

1. According to the National Planning Outline, during the “14th Five-Year Plan” period, China will reduce energy consumption and carbon dioxide emissions per unit of GDP by 13.5% and 18% respectively.

A.3. Environment and Natural Resources

In 2024, the Group actively responded to the national "Green Development, Harmonious Coexistence" strategic orientation outlined in the 14th Five-Year Plan, further deepening the construction and implementation of a green, low-carbon, and circular development model. We strictly implemented internal management systems such as the *List of Significant Environmental Aspects*, *Environmental Aspect Identification and Evaluation Control Procedure*, and *Environmental, Occupational Health and Safety Monitoring and Measurement Control Procedure*, while continuously enhancing the practical application of ISO 14001 Environmental Management Systems and ISO 50001 Energy Management Systems across our operations. Currently, the majority of our properties have obtained relevant international certifications. Based on annual business sector adjustments and characteristic analysis, the Group's primary environmental impacts in FY 2024 were concentrated in greenhouse gas emissions from electricity consumption and the treatment of non-hazardous waste generated during operations. To address these, we optimized our energy conservation and emission reduction management systems by establishing standardized operational processes and dedicated supervision mechanisms. We also actively introduced advanced energy management solutions in commercial project renovations to comprehensively improve energy-saving and environmental performance, driving our operations toward net-zero carbon goals.

In waste management, the Group strictly adhered to institutional documents such as the Waste Control Procedure and Pollution Source Control Procedure, continuously improving the classification and treatment systems for domestic and food waste to thoroughly implement circular economy principles. The hotel business sector employed water recycling technologies to meet pool and water feature quality requirements while strengthening water conservation management. Initiatives like the "Clean Plate Campaign" reduced food waste, reusable items were disinfected and repurposed, and eco-friendly wheat straw-based consumables were prioritized to minimize environmental impact. For property management operations, the Group collaborated closely with government agencies to optimize intelligent waste processing systems and partnered with professional recycling service providers to enhance resource recovery rates. Additionally, through our self-developed "Easy Disposal" and "Recycle Now" online platforms, we offered residents convenient door-to-door recycling services with cash or point-based rewards, establishing an intelligent and user-friendly waste management system.

A.4. Climate Change

For recent years, the negative effects of global climate change are beginning to spread around the world, with frequent occurrence of extreme climate events. As the second largest economy of the world, China, as a responsible international member, is committed to the core goal of mitigating climate change, thus, the effective establishment of the green and low-carbon circular economic development system and a clean, low-carbon, safe and efficient energy system has become much urgent.

In line with the green and low-carbon transformation of the national economy and society, the “14th Five-Year Plan” has set a number of binding targets for energy saving, emission reduction and ecological protection, and has explicitly proposed to “promote the clean, low-carbon, safe and efficient use of energy, and further promote the low- carbon transformation of industry, construction and transportation” , focusing on the four 'hardest hit areas' in the field of carbon emissions in China, namely energy, industry, construction and transportation.

To this end, the Group has actively aligned with national policy directives by integrating climate risk management into its strategic decision-making framework and continuously improving climate governance mechanisms. We consistently regard climate change as a core risk factor impacting business sustainability, systematically incorporating climate-related risks into our medium-to-long-term strategic planning while embedding mitigation measures across all operational initiatives. In FY 2024, the Group rigorously adhered to the Task Force on Climate-related Financial Disclosures (TCFD) framework requirements. We conducted forward-looking scenario analyses to comprehensively assess physical and transition risks along with their potential impacts. Based on these evaluations, we developed targeted climate adaptation and mitigation action plans to ensure synchronized progress between business development and climate resilience building.

Risks		Potential impact
Acute physical risk	<ul style="list-style-type: none"> ■ Extreme weather events such as severe storms 	<ul style="list-style-type: none"> ■ Affect the engineering and property structure and bring significant safety hazards to potential safety hazards to construction workers, residents and tenants ■ Decrease in revenue due to delay in construction projects due to extreme weather ■ Increased capital expenditure to implement the required mitigation measures
Chronic physical risk	<ul style="list-style-type: none"> ■ Continuous high temperature – and rainfall pattern change ■ Sea level rise 	<ul style="list-style-type: none"> ■ Continued rainfall may lead to flooding, resulting in an increase in maintenance costs ■ Ongoing high temperature may affect the daily travel and travel plans of the public and affect the revenue of hotel business ■ Exposure to ongoing risks resulting in lower asset value
Transition risk	<ul style="list-style-type: none"> ■ Updates on policies and regulations further tightened environmental requirements for the real estate industry and the property management industry ■ Increase in stakeholders' expectations 	<ul style="list-style-type: none"> ■ To cope with the stringent regulations, it is expected to increase the operating costs of the property management projects and the renovation costs of the commercial property operation
Opportunity	Potential opportunity	
Green building	<p>With the “14th Five-Year Plan” proposing to optimise energy consumption in urban and rural construction and promote green building, the Group continues to enhance the environmental performance of its existing properties and carry out energy- saving construction for new projects, which is expected to reduce subsequent operating costs and open up new business opportunities.</p>	

After careful evaluation, the Group's management has determined that current climate risks do not yet pose a direct material threat to operations. Nevertheless, we maintain high vigilance by strengthening climate resilience through comprehensive extreme weather prevention and emergency response mechanisms. We have established a series of standardized protocols including the *Stormwater and Sewage Pump Management Regulations*, *Flood Prevention Regulations*, and *Emergency Incident Response Management System*. Regular emergency drills are conducted to enhance operational readiness, providing all business units with clear extreme weather response standards and procedures. Furthermore, the Group leverages commercial project renovations as strategic opportunities to prioritize climate-adaptive energy-saving technologies and risk mitigation solutions within cost-effective parameters. This systematic approach enhances the disaster resilience of building infrastructure, ensuring operational continuity amid climate change challenges.

VII. SUSTAINABLE SOCIAL DEVELOPMENT

Employment and Labour Practices

B.1. Employment

The Group consistently upholds a "people-oriented" management philosophy, committed to building a high-quality workplace environment that promotes employee well-being and enhances work efficiency. We strictly adhere to the Labor Employment Management Standards and, in alignment with the development strategies of various business sectors, systematically implement employee professional competency development programs. By creating tailored career pathways and providing diversified on-the-job practice platforms, we continuously cultivate elite teams with shared visions and interdisciplinary skills.

As of 31 December 2024, the Group had a total of 332 employees. Please refer to Table 3 below for the breakdown of employees.

Table 3 Number of Employees of the Group by Age Group, Gender, Employment Type, Position Type and Geographical Location in FY 2024 ¹

UNIT:NUMBER OF EMPLOYEES	AGE				
	30 YEARS OLD OR BELOW	31-40 YEARS OLD	41-50 YEARS OLD	51 YEARS OLD OR ABOVE	TOTAL
MALE	4	28	38	110	180
FEMALE	5	35	28	84	152
TOTAL	9	63	66	194	332

UNIT:NUMBER OF EMPLOYEES	POSITION			TOTAL
	GENERAL STAFF	MIDDLE MANAGEMENT	SENIOR MANAGEMENT AND DIRECTORS	
MALE	167	3	10	180
FEMALE	149	2	1	152
TOTAL	316	5	11	332

EMPLOYMENT TYPE		
FULL-TIME	PART-TIME	TOTAL
332	0	332

LOCATION	
LOCATION	NUMBER OF EMPLOYEES
PRC	331
HONG KONG	1
TOTAL:	332

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report-Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Compliance with the laws

Since its establishment, the Group's employment policy has been continuously updated and revised to cater for social changes and comply with relevant laws and regulations. In FY 2024, the Group has complied with relevant laws and regulations on employment management, including the following:

Employment Ordinance (Cap. 57 of the laws of Hong Kong)	Employees' Compensation Ordinance (Cap. 282 of the laws of Hong Kong)
Minimum Wage Ordinance (Cap. 608 of the laws of Hong Kong)	Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong)
Disability Discrimination Ordinance (Cap. 487 of the laws of Hong Kong)	Race Discrimination Ordinance (Cap. 602 of the laws of Hong Kong)
Sex Discrimination Ordinance (Cap. 480 of the laws of Hong Kong)	Labour Law of the People's Republic of China
Employment Promotion Law of the People's Republic of China	Labour Contract Law of the People's Republic of China
Social Insurance Law of the People's Republic of China; and	Provision on Minimum Wage

The human resources department of the Group regularly reviews and updates relevant policies within the Company in accordance with the latest laws and regulations. The Group purchases five national statutory social insurances including basic endowment insurance, basic medical insurance, employment injury insurance, maternity insurance and unemployment insurance as well as housing fund for the employees in Mainland China and makes contributions to the mandatory provident fund for its employees in Hong Kong.

Recruitment and Promotion

The Group strictly complies with the *Employee Recruitment and Hiring Management Procedures*, leveraging diversified recruitment channels and standardized processes to attract top talent. Our talent selection adheres to the assessment principle of "integrating character with competence while prioritizing potential," valuing both candidates' professional ethics and expertise, as well as the balance between their professional capabilities and developmental

potential. To build a stable talent pipeline, we have established a performance-based, fair and transparent promotion mechanism that provides advancement opportunities to outstanding employees in alignment with their individual development plans. Concurrently, we implement a regular and objective performance evaluation system that delivers corresponding incentives based on work achievements. All hiring and promotion decisions strictly follow internal management policies and procedures to ensure the professionalism and impartiality of human resource management.

Compensation and Dismissal

The Group continuously optimizes its compensation management system by conducting systematic salary evaluations based on corporate performance, employee achievements, and industry market benchmarks. This ensures our compensation structure maintains both internal equity and external competitiveness. We have established scientific compensation principles and mechanisms, submitting comprehensive remuneration analysis reports annually to the Compensation Committee. Our salary structure undergoes dynamic adjustments aligned with industry standards, while strictly standardized execution criteria govern all compensation processes - including hiring salary determination, payroll administration, and salary adjustments. These measures guarantee full compliance with internal policies while maximizing incentive effectiveness.

The Group prohibits any unfair or unreasonable dismissal and requires that all termination of labour contracts must be based on reasonable grounds and strictly implemented in accordance with internal policies. The Group has formulated the Employment Management Norms to clearly regulate the dismissal procedures. Employees wishing to quit need to apply in advance and fill out the Resignation Application Form, specifying the reason for leaving. After the application is approved by the management, relevant employees shall timely submit the same to the human resources department and obtain the approval from the human resources department before going through the resignation procedures. For employees who violate the Group's employment policies, the Group will give a verbal warning to them before issuing a warning letter. For employees who repeatedly make the same mistakes after receiving any warning, the Group will terminate their employment contracts in accordance with relevant national laws and regulations.

In FY 2024, the Group's employee turnover rate was 46%. For more details on employee turnover, please refer to Table 4 below.

Table 4 Employee turnover rate by age group, gender and geographical location in FY 2023¹

UNIT:NUMBER OF EMPLOYEES	AGE				
GENDER	30 YEARS OLD OR BELOW	31-40 YEARS OLD	41-50 YEARS OLD	51 YEARS OLD OR ABOVE	TOTAL
MALE	2	23	15	66	106
EMPLOYEE TURNOVER RATE (PERCENTAGE)	50%	82%	39%	60%	59%
FEMALE	1	13	3	30	47
EMPLOYEE TURNOVER RATE (PERCENTAGE)	20%	37%	11%	36%	31%
TOTAL	3	36	18	96	153
EMPLOYEE TURNOVER RATE (PERCENTAGE)	33%	57%	27%	49%	46%

LOCATION		
LOCATION	EMPLOYEE TURNOVER	EMPLOYEE TURNOVER RATE
PRC	153	46%
HONG KONG	0	-

- The turnover data was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employee turnover in FY 2024 by the number of employees in FY 2024. The methodology adopted for turnover data set out above was based on "How to Prepare an ESG Report-Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Working hours and holidays

The Group has formulated corresponding policies in its employee manual in accordance with local employment laws, including the State Council Regulations on Working Hours of Employees 《〈國務院關於職工工作時間的規定〉》. The Group exercises strict control over the attendance time of employees and has put in place incentive and punishment rules relating to attendance. In addition to the basic paid annual leave and statutory holidays under employment laws promulgated by central and local governments, employees are also entitled to marriage leave, maternity leave, funeral leave and other additional vacations. When asking for leave, an employee is required to complete the Employee Leave Application Form stating the reason and

time for leave, which will take effect after being signed and approved by his/her superiors.

Equal Opportunity and Anti-Discrimination

The Group actively promotes diversity in the workplace and is committed to creating an inclusive and supportive workplace for all employees. To this end, the Group regulates its day-to-day human resources and employment decision-making practices by treating all business units' training and promotion opportunities, termination and retirement decisions regardless of age, gender, marital status, pregnancy status, family status, disability, race, colour, descent, minority or ethnicity, nationality, religion or any other non-work-related factors, aiming to view everyone equally.

Other Entitlements and Benefits

The Group believes in a caring culture and is committed to helping employees to achieve work-life balance, and to improving employee satisfaction and retaining talents by giving proper care and rewards. During the year, the Group strengthened performance management, and distributed performance bonuses to employees based on their performance management levels. In addition to providing insurance and provident fund for employees in accordance with relevant national laws and regulations, the Group also keeps good communication between management and employees through social media, e-mail, telephone, collaborative management software system. Besides those, the Group also carries out team building activities from time to time and provides other company benefits, including annual dinners, annual physical examination, travel and development activities, holiday cash gifts, birthday gifts and other benefits to enhance employee interaction and team cohesiveness.

In FY 2024, the Group has strictly complied with relevant laws and regulations regarding remuneration and dismissal, recruitment and promotion, working hours, vacations, equal opportunities, diversification, anti-discrimination, other entitlements and benefits and other laws and regulations that have a significant impact on the Group.

B.2. Health and Safety

The Group places a high priority on the health and safety of its employees and takes pride in its safety-first work culture. In FY 2024, the Group implemented strict safety and health policies and strictly complied with relevant PRC laws and regulations, including but not limited to:

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)	Law of the People's Republic of China on Occupational Disease Prevention
Work Injury Insurance Ordinance	Law of the People's Republic of China on Production Safety
Labour Law of the People's Republic of China	Law of the People's Republic of China on Fire Prevention
Standardisation Law of the People's Republic of China	

The Group has established and continuously improved its safety management system, including "Control Procedures for Environmental and Occupational Health and Safety Management Program", the "Fire Safety Management System", the "Hot Work Management Regulations", the "Safety Operation Rules", and the "Safety Management Regulations for High-altitude Operations", etc., in order to maintain a healthy and safe working environment. In addition, the Group insisted to thoroughly implement the laws, regulations, policies and standards on prevention and treatment of occupational diseases of the PRC, to improve the management of the prevention and control of occupational diseases. This year, the Group further optimised the specific measures to implement the management systems above by analysing and learning from the cases regarding employee's health risks, and is committed to ensure the physical, mental health and safety of all employees and each position. The Group has also developed, implemented and monitored its "Occupational Health and Safety System" in accordance with the ISO 45001:2018, and has been certified since 2017.

In order to ensure the safety of employees, the Group strictly supervises and urges the management and employees to carry out safety production and safety and civilisation inspection in accordance with the Notice on the Control of Safe and Civilised Construction of Each Project, so as to eliminate production safety accidents. Once any hazardous accident or condition is found in the workplace, the Group requires all employees to immediately report to their superiors and the local production safety supervision and management authority, to organise all departments to promptly take effective measures to reduce or eliminate the hazardous factors of occupational diseases, and to take follow-up actions to prevent accidents and ensure the safe operation of all sites and facilities.

The Group not only provides employees with occupational disease protection facilities and personal protective equipment that meet the requirements of occupational disease prevention and control, but also adopts a rotation working system, meanwhile, tightens the punishment upon the behaviour that violates laws and regulations on prevention and treatment of occupational diseases and endangering life and health, including the issue of a circulated notice in the Group in order to raise the vigilance of all employees. In addition, the Group requires all employees to receive emergency management and occupational health and safety training, during which, typical and frequent cases of safety incidents occurred across different business sections are specifically analysed, in order to prevent the reoccurrence of similar

incidents. The Group also requires all employees engaged in special types of work to accept special training and are only allowed to work with a permit.

Moreover, the Group's Administration and Human Resources Department is responsible for organizing annual health examination and occupational disease diagnosis and treatment services. In order to monitor the effective implementation and coverage of occupational safety measures, the Group's Quality Assurance Department is responsible for monitoring and measuring the achievement of environmental and occupational health and safety objectives, targets and management plans, and organizing all relevant departments to carry out supervision and inspection activities on the operation and performance of environmental and occupational health and safety systems, as well as monitoring and inspecting the safety awareness and training of employees and related parties.

Benefiting from the Group's unrelenting efforts, the Group has not recorded any work-related fatalities in the past three years (including this reporting year). During the year under review, the Group recorded two work-related injury accidents, thus the number of working days lost during the year was 299. The Group conducts accident investigations to identify the causes of accidents so that measures can be taken to prevent the recurrence of similar incidents. The Group is committed to preventing work-related accidents and strives to achieve zero harm.

In FY 2024, the Group complied with relevant laws and regulations on providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group in providing a safe working environment and protecting employees from occupational hazards.

B.3. Development and Training

The Group adheres to the talent philosophy of "mutual development between the enterprise and its employees," regarding continuous employee education as a strategic investment for long-term growth. We have established a diversified training system to foster comprehensive employee development by integrating internal and external training resources. Professional instructors and internal experts jointly deliver all-encompassing training programs covering professional skills, business knowledge, policy compliance, and software/hardware applications. Under the framework of the *Employee Training Policy*, we have implemented standardized management mechanisms: the HR Administration Department coordinates cross-departmental training plans, monitors implementation processes, and maintains training records. Additionally, we innovatively utilize digital platforms like Tencent to build mobile learning systems that support flexible self-directed learning.

To incentivize professional development, the Group has established a training reimbursement mechanism. Employees can obtain financial support for external training and certification exams upon approval, with exam-related leave treated as regular attendance. Through this dual-driven approach combining institutional safeguards and resource investment, we continuously cultivate employee growth momentum to achieve synergistic development between individuals and the organization.

In FY 2024, the Group provided a total of 2,408 hours of training courses to 60% of our employees. For details, please refer to Table 5 and 6 as below. During the year, the Group organised a wide variety of training programs, including corporate culture and induction training for new employees. For current staff, the Group organised functional training to enhance professionalism, management system training to familiarise with business processes, emergency management and fire safety training to enhance occupational health and safety awareness, as well as leadership training for management staff.

Table 5 Number and percentage of employees trained of the Group by gender and position type in FY 2024¹

	TOTAL
TOTAL NUMBER OF TRAINED EMPLOYEES	227
TOTAL NUMBER OF EMPLOYEES AT THE END OF THE YEAR	332
PERCENTAGE OF TRAINED EMPLOYEES	68%

UNIT: NUMBER OF TRAINEES	POSITION			
	GENERAL STAFF	MIDDLE MANAGEMENT	SENIOR MANAGEMENT AND DIRECTORS	TOTAL NUMBER OF TRAINED EMPLOYEES
MALE	123	3	10	136
PERCENTAGE OF TRAINED EMPLOYEES	74%	100%	100%	76%
FEMALE	88	2	1	91
PERCENTAGE OF TRAINED EMPLOYEES	59%	100%	100%	60%

	GENERAL STAFF	MIDDLE MANAGEMENT	SENIOR MANAGEMENT AND DIRECTORS
TOTAL NUMBER OF TRAINED EMPLOYEES	211	5	11
PERCENTAGE OF TRAINED EMPLOYEES	67%	100%	100%

1. The number of trained employees is obtained from the Human Resources Department of the Group. It refers to the number of employees participated in the vocational training during FY 2024. The method used to report the number and percentage of trained employees above is based on the "How to Prepare an ESG Report-Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table 6 Training hours of employees of the Group by gender and position type in FY 2024¹

UNIT: HOUR	POSITION			
	GENERAL STAFF	MIDDLE MANAGEMENT	SENIOR MANAGEMENT AND DIRECTORS	TOTAL
MALE	1,276	9	30	1,315
AVERAGE TRAINING HOURS	8	3	3	7
FEMALE	1,084	6	3	1,093
AVERAGE TRAINING HOURS	7	3	3	7
TOTAL	2,360	15	33	2,408
AVERAGE TRAINING HOURS	7	3	3	7

1. The number of trained employees is obtained from the Human Resources Department of the Group. The method used to report the number and percentage of trained employees above is based on the "How to Prepare An ESG Report-Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

B.4. Labour Standards

The Group respects the rights and interests of workers and prohibits any employment of child labour or forced labour. In FY 2024, the Group complied with the Law of the People's Republic of China on the Protection of Minors, the Labour Law of the People's Republic of China, the Regulations on the Prohibition of Child Labour in the People's Republic of China and other relevant labour laws and regulations in China. In order to strictly prevent any form of forced labour, coerced labour, bonded labour or illegal employment of workers under the legal working age, the Group continues to improve the standards of human resources management, and requires the Human Resources Department to strictly control the recruitment and interview process and require all applicants to provide valid identification document and other relevant documents to ensure applicants can be legally hired. In addition, the Group also has a legal department, which regularly checks whether there is child labour or forced labour through annual audit. Once the Group discovers any violation of labour standards, it will not only terminate the relevant employment immediately, but also initiate relevant punishment measures to punish the persons involved, and once again emphasise the importance of legal and reasonable employment throughout the Group.

In FY 2024, the Group did not violate any relevant laws and regulations that have a significant impact on the Group in preventing child labour or forced labour.

Operating Practices

B.5. Supply Chain Management

In order to ensure that the suppliers used by the Group are in compliance with regulations, act in good faith and meet the Group's philosophy of sustainable development, the Group is committed to maintaining good and smooth two-way communication with its suppliers to facilitate creation of a sustainable supply chain. At the same time, each of the Group's business segments has put in place stringent supplier selection and evaluation criteria so as to early identify and control potential environmental and social risks in each link of the supply chain.

In FY 2024, the Group worked with 467 suppliers, of which 452 were located in the PRC and 15 in Hong Kong. The supply chain management policy described below applies to key suppliers of key businesses, accounting for approximately 20% of the total number of suppliers.

Property management, property development and commercial property operation business

In accordance to the nature of the business, key suppliers of the Group's property management service, property development business and commercial property operation comprise suppliers of life services, equipment maintenance, engineering and office supplies. The business operation departments and Procurement and Cost Management Department are responsible for maintaining effective and continuous communication with key suppliers through on-site interview, telephone communication and WeChat communication.

In order to identify and reduce environmental and social risks in the supply chain, and to minimise the possibility of monopoly or conflict of interest, the business generally adopts an open and transparent approach to partner selection in procurement. To further regulate the bidding procedure management, the Group issued in 2023 the Notice on Regulations of Bidding Evaluation and Selection, according to which, an application should be submitted by the business operation departments, then Procurement and Cost Management Department, as the leading role, is responsible for instructing and monitoring the business operation department to conduct the bidding process, based on the Cost and Procurement Management Norms.

After submitting an application to the administration and human resources department, the asset management department will conduct a bidding process in accordance with the Tender Management Measures. As required by the "Management Procedures for Selection and Evaluation of Supplier", all suppliers need to meet the internal product/service standards of the Group and comply with the relevant national and local market regulations. Procurement and Cost Management Department is responsible for conducting the procedures of enterprise information inquiry, supplier qualification pre-examination, business license examination, original qualification certificate examination, account information examination and supervision and evaluation of qualified suppliers and check and ratify the qualification before they can be included into the list of qualified suppliers and participate in the bidding procedure subsequently. In order to ensure that the process of engaging suppliers is compliant and complete, the legal department is involved in each process, including the preliminary background checking and contract signing, so as to avoid possible risks.

The business continuously monitors the performance and compliance status of suppliers on the approved list, and Procurement and Cost Management Department is required to conduct daily inspection, unscheduled and annual evaluations, based on which, any supplier found out with incidents, such as severely lost business creditworthiness, shortage of funds and severe quality incidents, etc., will be blacklisted. If non-conforming products or services are found, the business will take measures to shut down and make emergency maintenance of the related equipment, and will turn on the equipment after the manufacturer and professional organisation assess that the products or services are conforming.

In order to promote sustainable procurement and to facilitate the procurement of more environmentally-friendly products and services, the business clearly incorporated the value of green economy development into the criterion of selection and gives priority to enterprises with green environmental protection certificates recognised by the state and local supplier when selecting suppliers and products to be supplied. During the year under review, the business 's green procurement principle coverage rate was nearly 20% .

Hotel operations

The main materials purchased by the Group's hotel operations are hotel-related items, including daily food ingredients, condiments, beverages, washing supplies, engineering maintenance items and accessories, lamps, guest room linen, office supplies and computer consumables. Our suppliers mainly include food suppliers, beverage suppliers and suppliers of daily necessities.

To eliminate and strictly monitor supply chain risks, the business establishes supplier qualifications and evaluation indicators based on the service standards of the hotel management group and national product standards. In accordance with "Supplier Qualification Assessment and Audit Procedures", Procurement and Cost Management Department conducts the evaluation on the qualifications of each supplier and potential business partner, requesting suppliers to present the business license, tax registration certificate, organisation code, product 's production license and other business certificates and only the qualified ones can be included into the list of qualified suppliers. The Group also conducts particular evaluation upon the suppliers of special industries, which are required to provide industry-related operating permits, such as product 's test report, chemical medicine 's production license, hygienic license, food safety quarantine certificate, and alcohol wholesale license.

All procurements involved in this business must be carried out by the procurement department in accordance with the Procurement Procedures . Procurement should be conducted in such way that partners are selected in a transparent, fair and effective manner through supervision such as price comparison. At the same time, the procurement department of this business also maintains stable communication with suppliers through the hotel's PICC supply chain management system, email, telephone, WeChat and interview. The use department of the business and Procurement and Cost Management Department jointly conduct an annual evaluation of their suppliers, and conduct daily supervision on them through on-site inspection and communication. Once a supplier is found not to rectify those failures identified in such inspection and evaluation, the supplier will be blacklisted and become not eligible for providing any products or services for this business.

In view of the large number of disposable products for hotel guests involved in the operation of the business, the business is committed to persistently promoting green procurement by giving priority to suppliers using environment-friendly raw materials in selecting partners and giving priority to local suppliers who have obtained environmental protection credentials to support local economy and reduce carbon emission from transportation through centralised procurement. For example, the disposable paper cups and dinning plates currently purchased by the business are made of biodegradable materials, reducing the burden of disposable consumables on the environment. During the year under review, the green supplier policy coverage of this business was close to 20% . Further, given that 100% of the business ’s major hotel suppliers are already local ones.

B.6. Product Responsibility

Based on the concept of "pragmatism, integrity, innovation and development" , with regard to the health and safety, advertising, labelling and privacy matters of the Group’s products and services, the Group complied with relevant PRC laws, regulations and standards during FY 2024, including but not limited to:

Law of the People's Republic of China on Product Quality	Law of the People's Republic of China on Fire Prevention
Law of the People's Republic of China on Construction	Law of the People's Republic of China on Production Safety
Law of the People's Republic of China on the Protection of Consumer ’s Rights and Interests	Law of the People's Republic of China on Intellectual Property Rights
Law of the People's Republic of China on Advertising	Administrative Regulations on Production Safety of Construction Works
Property Management Regulations	Price Law of the People's Republic of China

Property management, property development and commercial property operation business

Dedicated to providing excellent services and products to our customers, the business continues to implement a strict management system adopted, including ISO 9001 - Quality Management System, ISO 14001-Environmental Management System, OHSAS 18001 - Occupational Health and Safety Management System Certification and ISO 27001 - Information Security Management System, etc. It focuses on protecting customer privacy, carries out marketing in a responsible manner, and thoroughly implements the service concept of "people-oriented, customer first" .

Quality and Safety

In accordance with the principle of "Building a Better Future with Considerate Services", the Group always puts the health and well-being of our customers first, works together with our contractors in the development of properties to develop and create buildings and environments that promote the health of our residents or visitors, and strives to develop property products that meet the need of people and the requirements of the time based on the in-depth analysis of the hit products on the market.

In terms of follow-up property operation management and commercial property operation, the Group has created a set of standardised management models and mechanisms with DevGreat's characteristics, and strictly complied with the Property Management Regulations and other local management regulations. All operating business units are covered with commercial public liability insurance, and strictly according to the requirements of related laws, the Group also installs all-round monitoring equipment, arranges 24-hour security patrol, and ensures that the fire control room is on duty 24 hours so as to protect the safety of all property owners and tenants, in order to build a ultimate relaxed and safe places.

The property management business of the Group insist on establishing a quality, environmental, and occupational health and safety management system, and has set specific targets and quantitative indicators for the environment, quality, and occupational health and safety in accordance with the relevant Management Manuals, including customer satisfaction, timely maintenance, hazardous waste recovery rate, and emergency incident rate. The quality assurance department monitors the performance of these areas and conducts unscheduled spot examination and comprehensive annual evaluation in accordance with the newly revised Management System of the Quality Management Department to strengthen the professionalism of property management. In addition, the quality assurance department conducts annual owner satisfaction surveys to identify the items that need to be rectified by understanding the opinions of owners, and issues rectification letters to monitor the implementation of the relevant rectification.

Handling of Customer Comments and Complaints

The business is committed to carefully listen to the sincere suggestions of the owners and timely implement the resolutions by consistently improving the complaint management system, in order to better understand customer expectations, identify areas for improvement and improve service quality. The business continues to optimise the standard service process of handling complaints, which guides the front-line customer service employee to appropriately and efficiently resolve the complaints. In addition, in response to complaints from owners, the quality assurance department and business operation department will follow up complaints to confirm on-site matters upon the requirements of the customer service department, deal with them in a timely manner, and provide solutions to customers as soon as possible.

In FY 2024 the business did not receive any substantive complaints. All complaints received in the past involving property management were resolved within three days after learning about the situation and communicating effectively with the owners on the same day.

Advertising and Promotion

The business strictly prohibits all false or exaggerated advertising. Through the establishment of relevant advertising management policies and the effective involvement of the internal audit and legal department, the business persistently adopts the no-tolerance principle towards the behaviours above and adheres to the related laws, regulations and guidance of the industry, as well as strives to provide transparent and accurate information to ensure the truthfulness and reliability of advertisements.

Customer Privacy

This business attaches great importance to the information security and privacy of customers, and establishes an information security management system to effectively handle and protect all sensitive information, including the information of tenants and owners. This business sets information user permissions, and implements the management mode of one file for one customer for all customer information, under which any person or unit other than designated department in charge of custody must submit the relevant authority application for borrowing and inquiring. The management team of the Group inspects the implementation of various systems every quarter. In FY 2024, there was no information leakage in this business, and no substantive complaints related to the privacy of guests were received.

Hotel operations

The business is committed to providing customers with high-quality check-in and dining experience. Through the implementation of departmental responsibility system, the business has established a systematic management model, and has put the service concept of "being proactive and caring for people" in mind and firmly practised the concept in daily operations, to create a high-quality hotel management service standard with DevGreat's characteristics.

Quality and Safety

In order to ensure the quality of service, the business has established and implemented various operational disciplines and policies, including Room Cleaning, Food Cooking, and Hotel Courtesy Language Specification. In order to ensure the dining safety of our customers, the business, acting in strict accordance with national laws, regulations and policies, is also committed to ensuring the quality of food by regularly checking the ingredients and food samples in the warehouse and strictly controlling the cooking environment and equipment such as refrigerator temperature. This business gives priority to local but non-imported ingredients, and strictly controls the quality of ingredients according to the Supplier Qualification Evaluation and Audit Procedure to ensure that all supplies meet the quality requirements of the hotel.

In addition, in order to ensure the security of customers during their stay at the hotel, the Group regularly conducts third-party inspections on all safety equipment in the hotel, and establishes policies such as Fire Hazard Rectification System, the Management and Maintenance Mechanism of Fire Hydrant System, the Management System of Safe Evacuation Facility, Procedures Concerning the Disposal of Suspected Explosives Items/ Intimidated Phone Calls

to ensure effective and rapid emergency treatment.

The quality control specialist, assigned by the commercial property and hotel management team of the headquarter, is responsible for the quality tracking, supervision and inspection of all operations and services of this business. If it is found that the quality of operation or service fails to meet the standard, the quality control specialist will immediately take measures according to the standardised working process to adjust the relevant operation plan. At the same time, the quality of goods from suppliers is subject to joint appraisal by the user department and the receiving department. If any substandard products are found, they will be returned immediately to maintain the service quality of the hotel.

Advertising and Promotion

This business mainly publicises hotel information by sharing them on WeChat, mobile phone applications and other platforms, and forwards hotel related products. This business complies with the Advertising Law of the People's Republic of China, and has established internal policies to supervise the marketing information it publishes, including the description and standards of advertisements, the design and standards of printed matter, the standards of news release, and the application of hotel names and logos in publicity.

Handling of Guest Comments and Complaints

The Group places paramount importance on the strategic value of customer feedback for business development, requiring all hotel staff to uphold the service philosophy of "pursuing excellence and continuous refinement." We proactively listen to customer needs and consistently optimize complaint handling mechanisms through a tiered accountability system that ensures every concern receives timely responses and progress updates from designated personnel. Through regular customer satisfaction surveys and systematic data analysis, we continuously refine operational management models and enhance staff training. During the reporting period, this approach achieved exceptional performance with zero substantive service quality complaints. In response to historical feedback regarding room facilities and dining options, we implemented proactive improvement measures including off-season room upgrades and seasonal ingredient updates, while innovatively introducing surprise service initiatives to persistently elevate customer experience and satisfaction levels.

Guest Privacy

The business is committed to protecting the privacy of its customers by establishing and fully implementing strict internal management policies and installing supporting software to ensure that it complies with the laws and regulations governing the privacy of personal information in the regions in which it operates and that it does its best to ensure that information regarding its guests is never disclosed. The business has established different levels of access rights, and only authorised staff can access personal information of guests. Personal information is collected for membership maintenance purposes only and is used only with the guest's consent. All the information related to the stay of hotel guests must be kept in the computer system. All information is kept strictly confidential except for disclosure based on the legal certification provided by the relevant governmental authority.

The Group's internal policy clearly governs the management of computers and files and the relevant employees are required by the Group to sign and execute the confidential agreement for implementing the confidentiality of daily work. The internal policies of the Group clearly stipulate the management of computers and files, and all employees must strictly abide by the same, and it is strictly forbidden to disclose any confidential information (such as name, company, account, and payment information) to outside parties without the authorisation of the customer. The Group's hotels strictly implement the policy that visitors must obtain their consent before they can be referred. During the year under review, the Group did not receive any complaints about customer data leakage.

In FY 2024, the Group neither violated any relevant laws and regulations concerning the health and safety, advertising, labelling and privacy matters of its products and services that have a significant impact on the Group, nor did it have any recall incidents for safety and health reasons. In view of the nature of the Group's business, issues such as product recycling procedures, intellectual property rights and patents are considered irrelevant to the Group's operations. Therefore, based on the principle of materiality, related matters will not be disclosed in this report.

B.7. Anti-corruption

The Group adheres to high-standard business ethics and insists on adopting zero tolerance for any form of corruption and other misconduct. In FY 2024, the Group complied with the local laws and regulations relating to anti-corruption and bribery where it operates, including but not limited to:

Anti-Corruption Law of the People's Republic of China	Anti-Money Laundering Law of the People's Republic of China
Article 274 of the Criminal Law of the People's Republic of China on extortion	Article 387 of the Criminal Law of the People's Republic of China on illegally accepting properties of other persons
Interim Provisions on Prohibition of Commercial Bribery	Law of the People's Republic of China on Unfair Competition
Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)	Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)

The Group requires all employees in all positions to uphold the values of high ethical standards and ensure that their conduct is in line with business ethics. To this end, the Group has formulated and strictly enforced its anti-corruption policy, requiring employees to sign sunshine agreements and integrity pledges, etc., in order to regulate the professional conduct of employees, clarify their duties and responsibilities in business activities, use of resources and confidentiality obligations, follow internal and external communication guidelines, and comply with the requirements of personal interests and corporate interests, so as to eliminate any fraud.

The Group has established a comprehensive anti-corruption governance system, with dedicated oversight departments such as the Audit & Legal Department and Human Resources Department systematically preventing and monitoring all forms of bribery and corrupt practices. These units are responsible for formulating and implementing the Group's whistleblowing mechanism. We have developed a holistic internal whistleblowing management framework covering reporting channels, departmental responsibilities, investigation procedures, and protection/reward mechanisms. Employees are actively encouraged to report suspicious activities through multiple avenues including hotlines, email, in-person meetings, or delegated reporting. All reported cases are centrally handled by the Group Headquarters' Audit & Legal Department and reported directly to the Executive Director. Upon receiving a report, the department immediately initiates investigation and verification procedures to analyze the nature of the violation, develop targeted rectification measures, and formulate disciplinary actions against responsible parties upon Executive Director approval - ensuring every case receives impartial and timely resolution.

The Group has further strengthened anti-corruption management in its supply chain by mandating all suppliers to sign the Supplier Code of Conduct and Anti-Bribery and Anti-Corruption Commitment. These documents clearly define anti-corruption behavioral standards and reinforce supplier compliance management throughout procurement processes.

In order to enhance the ethical awareness and behaviour of the Group's employees in all functional departments, the Group regularly arranges relevant training for its employees. In FY 2024, the Group arranged 1 sessions of 3 hours in total of relevant training for 124 general staff and 16 management staff to enhance their sensitivity to non-compliance with the law and to strengthen their awareness of compliance with the law.

In FY 2024, the Group did not violate any relevant laws and regulations that have a significant impact on the prevention of bribery, extortion, fraud and money laundering, nor did it record any litigation cases against the Group or its employees that were related to corruption and were closed.

Community

B.8. Investment in Community Activities

As an enterprise with a strong sense of social responsibility, the Group consistently upholds sustainable development principles and has established strategic partnerships with government agencies, non-governmental organizations, and community stakeholders. Through four core initiatives—"Co-creating Community Civilization," "Promoting Social Inclusion," "Supporting Vulnerable Groups," and "Boosting Regional Economic Development"—we actively participate in building a distinctive Chinese social culture and contribute corporate strength to constructing a harmonious society. We maintain continuous focus on genuine community needs, organically integrating business operations with social value creation. While driving high-quality economic development, we emphasize enhancing humanistic care and social welfare to achieve synergistic progress between the enterprise and communities.

In 2024, the Group deepened its involvement in various community development projects, earning widespread acclaim from customers and community members.

Moving into 2025, we will further refine our community engagement strategy under the guiding principle of "Community Rootedness, Service to People's Livelihood." By systematically implementing diverse public welfare programs, we will prioritize optimizing grassroots community services and addressing livelihood improvement needs. The Group remains committed to facilitating regional economic recovery and social development, faithfully fulfilling our corporate citizenship responsibilities to create better living environments and social value for community residents.

VIII. REPORT DISCLOSURE INDEX

Index of ESG Reporting Guidelines of the Stock Exchange

HKEx ESG Reporting Guide Index

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	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	39-41
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	39-41
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 .	41
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons .	42-43
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	42,44
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	43
	KPI B6.4	Description of quality assurance process and recall procedures .	41-44
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	43,45

Aspects	ESG Indicators	Description	Page
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.	46
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases .	47
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	46-47
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	47
Community			
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.	48
	KPI B8.1	Focus areas of contribution (e. g . , education, environmental concerns, labour needs, health, culture, sport) .	48
	KPI B8.2	Resources contributed (e.g., money or time) to the focus area .	48