



**JY GRANDMARK HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 2231

# 2024

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT









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# 1. ABOUT JY GRANDMARK

JY Grandmark Holdings Limited (stock code: 2231.HK) listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 5 December 2019.

As a property developer, operator and property management service provider based in the PRC, JY Grandmark has established business bases in Guangdong, Hainan, Yunnan, Jiangsu and Hunan provinces and runs four principal businesses, including (i) property development and sales, (ii) hotel operations, (iii) property management and (iv) commercial property investment.

JY Grandmark positions itself as an “Eco-friendly and People-oriented Property Developer”, relying on the natural resources, unique landscape features, and profound cultural heritage of the project locations selected by the Group, we strive to develop homes and communities that the Group considers to be truly livable for buyers. As at 31 December 2024, the gross floor area of JY Grandmark’s land bank amounted to approximately 3.58 million sq.m.





### Corporate Philosophy

#### Ethics

The Group establishes its reputation by constructing properties and providing lifestyle services with business ethics and the spirit of the craftsman, thus building its trustworthiness and brand equity. It goes far with a prudent approach to business.

#### Thoughtfulness

The Group always tries to innovate and actively explore new ways to develop its business in the new era. It makes progress by developing products and services that can improve life dramatically.

#### Integrity

The Group attaches great importance to integrity and remains committed to its original aspirations, and as such, it provides lifestyle services, undertakes urban development and contributes to society's development with the spirit of the craftsman and kindness.



## 2. ABOUT THIS REPORT

JY Grandmark Holdings Limited (the “Company” or “JY Grandmark”) together with its subsidiaries (the “Group” or “we”) are pleased to release its sixth Environmental, Social and Governance Report (this “Report”). This Report provides a true and detailed disclosure of the Group’s policies, management guidelines, action plans and key performance in environmental, social and governance (“ESG”) in response to the concerns and expectations of various stakeholders on the sustainability management of the Group.

### 2.1 Reporting Scope

The reporting period of this Report is from 1 January 2024 to 31 December 2024 (the “Year”). This Report mainly focuses on the ESG management issues related to the businesses of the JY Grandmark. Unless otherwise stated, the environmental and social key performance disclosures in this Report cover the actual business scope of JY Grandmark.

### 2.2 Reporting Guideline

This Report is prepared by the Group in accordance with Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) issued by the Stock Exchange, and has duly complied with the “mandatory disclosure requirements” and “comply or explain” provisions of the ESG Reporting Guide. This Report has been reviewed by the board of directors of the Group (the “Board”) to ensure that it comprehensively covers the ESG issues that stakeholders focus on, and presents the relevant content in an accurate, complete, quantifiable and comparable manner for publication.

JY Grandmark confirms that there are no false records, misleading statements or material omissions in the contents of this Report, and that it strictly adheres to the four reporting principles of materiality, quantitative, balance and consistency mentioned in the ESG Reporting Guide.

| Reporting Principles |   | Response in the ESG Report of the Year on the Four Reporting Principles   |
|----------------------|---|---|
| <b>Materiality</b>   | This Report should disclose the process of identifying material ESG factors and the criteria for selection, as well as the process and results of stakeholder engagement. | We identify and assess the materiality of various ESG issues to the Group and make detailed disclosure on material ESG issues after communicating continuously with stakeholders, and considering its development strategy as well as industry and business conditions. For more details, please refer to the sub-sections of “Stakeholder Involvement” and “Materiality Assessment” under the section of “Integration of Mind and Action for Sustainable Development”. |



### 2.2 Reporting Guideline (continued)

| Reporting Principles |   | Response in the ESG Report of the Year on the Four Reporting Principles  |
|----------------------|---|--|
| <b>Quantitative</b>  | This Report discloses data on the standards, methodologies, assumptions and/or calculation tools used for reporting emissions/energy consumption and the sources of the conversion factors used.  | This Report makes quantitative disclosure about the information of key performance indicators and presents it on an annual comparative basis. The calculation standards and methodologies referenced in the key data are disclosed under the section of "ESG Key Performance Data Tables".                     |
| <b>Balance</b>       | This Report should provide an unbiased picture of the performance of the Group, avoiding choices, omissions or presentation formats that might unduly influence the decision or judgment of the reader of this Report.                                  | Based on objective information and facts, this Report provides a true and accurate disclosure of the ESG performance of the Group, covering relevant policies, objectives and specific practices to facilitate the reasonable analysis and comparison.   |
| <b>Consistency</b>   | The Group should ensure the consistent disclosure principle is adopted for this Report, to help stakeholders make analysis and assessment of the performance at different time points. The Group should explain about any change of disclosure methods. | Unless otherwise stated, the scope of disclosure and reporting methodology in this Report remain consistent with that of previous years, and any changes in statistical methodology or key performance indicators or any other relevant factors affecting meaningful comparisons will be explained in writing. |

### 2.3 Feedback

This Report is available in Traditional Chinese and English. In the event of any discrepancy between the Chinese version and the English version, the Traditional Chinese version shall prevail. The electronic version of this Report is available on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Group's website ([www.jygrandmark.com](http://www.jygrandmark.com)).

We place great importance on the opinions and suggestions of stakeholders and appreciate it if readers would contact us through the following methods. Your valuable comments will have a positive impact on our further improvement of the ESG Report and the enhancement of the Group's overall performance in sustainable development.

E-mail address: [ir@jygrandmark.com.hk](mailto:ir@jygrandmark.com.hk)

Mailing address: Suites 3008–10, 30/F, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

### 3. ANNUAL HONORS

The Group won a number of domestic industry awards for its excellent operational capability and sound management during the Year, which fully demonstrated the recognition of the Group's brand by various sectors. The following table shows the annual honors we have received:

| Photos of awards  | Award   | Companies<br>be awarded                                 | Awarding body  |
|---|---|---|--|
|    | Outstanding<br>Contribution Units<br>to the High-Quality<br>Development of<br>Tourism in Baiyun<br>District in 2023<br>(2023年度白雲區<br>旅遊高質量發展<br>突出貢獻單位) | Guangzhou<br>Zhuo Si Dao B&B<br>Management Co., Ltd.    | Culture, Radio,<br>Television, Tourism<br>and Sports Bureau<br>of Baiyun District,<br>Guangzhou<br>(廣州市白雲區文化<br>廣電旅遊體育局) |
|   | Kapok Two-Star<br>Award<br>(紅棉二星)   | Guangzhou<br>Zhuo Si Dao B&B<br>Management Co., Ltd.    | Guangzhou Star<br>Tourism B&B Rating<br>Committee<br>(廣州市星際旅遊民宿<br>評定委員會)  |
|  | 2024 Gold Customer  | Yingde Shanhuju Real<br>Estate Development<br>Co., Ltd. | Agricultural Bank<br>of China Limited,<br>Qingyuan Branch  |



### 3. ANNUAL HONORS (CONTINUED)

| Photos of awards  | Award  | Companies<br>be awarded  | Awarding body   |
|---|--|--|---|
|    | 2024 South China<br>Regional Digital<br>Marketing Excellence<br>Award for 618<br>(2024年度618华南区域<br>数字化营销卓越奖) | Guangzhou<br>Zhuosida Hotel<br>Management Co.,<br>Ltd., Conghua Branch | Beijing Zhiketong<br>Technology Co., Ltd.<br>(北京直客通<br>科技有限公司)                      |
|  | 2024 Excellent Partner   | Just Stay Resort in<br>Conghua District                                | Dongguan Youth<br>International Travel<br>Service Co., Ltd.<br>(东莞市青年国际<br>旅行社有限公司) |
|  | 2024 Hot Spring<br>Bathing Hotel Ranking   | Just Stay Resort in<br>Conghua District                                | Dongguan Youth<br>International Travel<br>Service Co., Ltd.<br>(东莞市青年国际<br>旅行社有限公司) |

## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT

### 4.1 Sustainable Development Approach

The Group recognizes that sustainable corporate development has long-term positive impacts on the environment, society and the economy, and the establishment of a comprehensive and robust ESG management approach not only helps us to improve operational efficiency and avoid potential ESG risks, but also helps us to fulfill our commitment to sustainable development and corporate social responsibility, and to satisfy the expectations and requirements of our stakeholders. Our sustainability approach can be summarized in the following four dimensions:

#### 1. Adherence to Compliance Operation



JY Grandmark has always regarded compliance as its top priority, paying close attention to the dynamic changes in external policies and market environment, and continuously strengthening its internal management system. While promoting sustainable development, we ensure that all business operations strictly comply with the policies and regulations of the regions in which they are conducted, laying a solid foundation for the Group's sound development.

#### 2. Focus on Quality Control



JY Grandmark upholds strict quality control standards for every aspect of its business operations. From project development to property service to hospitality services, the Group always focuses on the improvement of product and service quality, and is committed to creating a healthy and beautiful living environment for its customers and owners, and to helping them to realize the pursuit of a high quality of life.

#### 3. Green Operation and Dealing with Climate Change



JY Grandmark actively responds to the opportunities and challenges brought about by climate change by implementing green construction, exploring environmentally friendly carbon reduction technologies and conducting equipment energy-saving retrofit. Meanwhile, the Group sets its energy-saving and emission-reduction targets, promotes the conservation and recycling of resources, and raises the awareness of emission reduction among all employees so as to contribute to the achievement of the sustainable development goals.

#### 4. Fulfilling social responsibilities



JY Grandmark has always been enthusiastic about public welfare and actively fulfills social responsibility. We make long-term involvement in poverty alleviation and public welfare donations, and actively fulfill our corporate social responsibility, deepen our efforts in rural revitalization, public education and other social welfare undertakings, and play our own strength back to society.



## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.2 Board Statement

JY Grandmark has always emphasized on sustainable development. Through the establishment of a sound ESG governance structure, the Group is committed to continuously enhancing the ESG management mechanism, clarifying the ESG responsibilities and strengthening the participation in and supervision of ESG-related matters of the Board, while the Board is responsible for controlling and supervising the overall ESG management strategy and identifying major ESG-related issues of the Group. In addition, the Board regularly updates the status of ESG work from the ESG working group, receives reports on the progress and performance of ESG management, reviews the achievement of annual ESG key performance indicator(s) (“KPI(s)”) and targets, and reviews the results of materiality analyses and the annual ESG report.

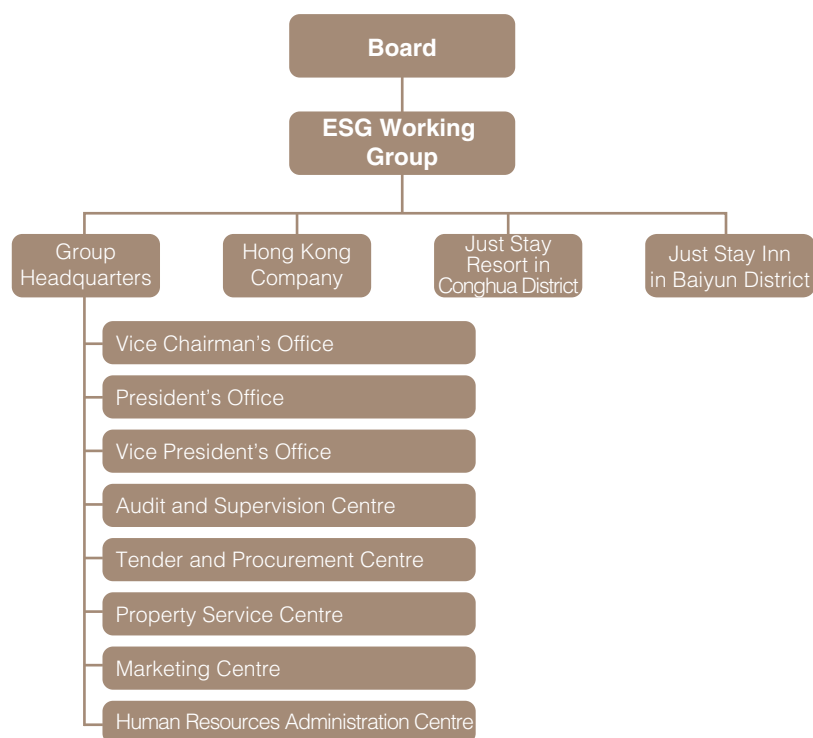
By identifying and managing ESG and climate-related risks and opportunities, the Group ensures that its sustainability approach and management methodology are closely aligned with its major decisions and actual situation, and strives to balance the multiple relationships between the environment and socio-economics in its day-to-day construction and operations, thereby moving towards a more robust and sustainable future.

### 4.3 ESG Management Structure

The Group has adopted a top-down ESG management structure centred on the Board. As the decision-making level for ESG management, the Board oversees the ESG and climate management efforts, strategies and implementation measures. The Board has set up an ESG working group comprising the heads of various business divisions. At the organizational level, the ESG working group is responsible for identifying business-related environmental and social risks, communicating with stakeholders on ESG issues on a regular basis, mobilising with various business lines and functional divisions to implement the key ESG issues of the Group and promote the implementation of related work to ensure that appropriate and effective ESG risk management and internal control processes and systems are in place, and regularly report to the Board on the progress and performance of ESG management to constantly review its own ESG work and make timely adjustments to the direction of ESG management. The organizational structure of the Group is set out in the chart below:

## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.3 ESG Management Structure (continued)



#### The Board's ESG Responsibilities

- Developing the Group's ESG management approaches, strategies and objectives
- Identifying and making decisions on ESG material issues and related risk opportunities for the Group
- Overseeing the progress of ESG work by receiving reports from the ESG working group
- Reviewing the achievement of key annual ESG targets
- Reviewing and approving the ESG Report of the Group



#### ESG Working Group's Responsibilities

- Implementing the ESG work of the Group
- Communicating with stakeholders of the Group on ESG material issues
- Ensuring that appropriate and effective environmental, social and governance risk management and internal control processes and systems are in place
- Providing regular reports to the Board on the progress of ESG work and making appropriate recommendations



## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.4 Stakeholder Involvement

The Group attaches great importance to timely communication with various stakeholders. We communicate closely and diversely with various stakeholders, including government and regulatory authorities, investors and shareholders, customers, employees, suppliers and partners, industry associations and media, and communities, to proactively understand their concerns and opinions on the ESG work, and listen carefully and respond positively to their needs and expectations. The following table lists the major stakeholder categories related to the Group, as well as the corresponding communication mechanisms and interaction methods.

| Category of Stakeholders                     | Concerns and Expectations   | Communication and Response   | Means of Communication  |
|--|---|--|---|
| <b>Government and regulatory authorities</b> | <ul style="list-style-type: none"> <li>Compliance with the laws and regulations in the course of business</li> <li>Implementation of national policies</li> <li>Project strategic cooperation</li> </ul>  | <ul style="list-style-type: none"> <li>Actively responding to the national call for carbon neutrality</li> <li>Legitimate operation and implementing the government's management requirements</li> <li>Accepting investigation and supervision</li> </ul>            | <ul style="list-style-type: none"> <li>Timely notification</li> <li>Regular inspection</li> </ul>   |
| <b>Investors and shareholders</b>            | <ul style="list-style-type: none"> <li>Continuing sound operation</li> <li>Protection of shareholders' rights</li> <li>Achieve investment return</li> <li>Risk prevention and control</li> <li>Transparent disclosure of information</li> </ul> | <ul style="list-style-type: none"> <li>Improving profitability and brand power</li> <li>Continuously improving the risk management capability</li> <li>Regular disclosure of operating results and ESG issues and performance</li> </ul>                             | <ul style="list-style-type: none"> <li>Convening shareholders' meetings regularly</li> <li>Enhance daily communication (by mail, telephone, etc.)</li> <li>Announcements and circulars</li> </ul> |
| <b>Customers</b>                             | <ul style="list-style-type: none"> <li>Product and service quality</li> <li>Customer information protection</li> <li>Customer interests protection</li> <li>Responsible marketing</li> </ul>  | <ul style="list-style-type: none"> <li>Optimising customer service process</li> <li>Enhancing product and service quality</li> <li>Strengthening information security and monitoring system</li> <li>Standardising and strengthening marketing management</li> </ul> | <ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer service mobile application</li> <li>Property service centre and sales office in communities</li> </ul>      |

## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.4 Stakeholder Involvement (continued)

| Category of Stakeholders      | Concerns and Expectations   | Communication and Response   | Means of Communication  |
|-------------------------------|---|--|---|
| <b>Employees</b>              | <ul style="list-style-type: none"> <li>• Protection of employees' legitimate rights and interests</li> <li>• Fair remuneration and benefits</li> <li>• Staff training and development</li> <li>• Healthy and safe working environment</li> <li>• Listening to the voice of employees</li> </ul> | <ul style="list-style-type: none"> <li>• Complying with relevant regulations, protecting employees' rights and interests</li> <li>• Improving the employees' remuneration system and the welfare mechanism</li> <li>• Protecting the safety and health of employees</li> <li>• Conducting employees' training activities, improving promotion mechanism</li> <li>• Creating comfortable and harmonious corporate culture and environment</li> <li>• Establishing and optimising a multichannel employees' communication mechanism</li> </ul> | <ul style="list-style-type: none"> <li>• Staff training</li> <li>• Complaints and feedback</li> <li>• Performance management</li> <li>• Team building and welfare activities</li> </ul> |
| <b>Suppliers and partners</b> | <ul style="list-style-type: none"> <li>• Just and fair negotiation</li> <li>• Establishing long-term cooperative relationships</li> <li>• Ensuring quality of projects and services</li> </ul>  | <ul style="list-style-type: none"> <li>• Improving supplier review and evaluation mechanism</li> <li>• Expansion and continuous collaboration in business area</li> <li>• Creating green supply chain development together</li> </ul>  | <ul style="list-style-type: none"> <li>• Project cooperation and negotiation</li> <li>• Assessment and investigation</li> <li>• Daily business communication and meetings</li> </ul>    |

## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.4 Stakeholder Involvement (continued)

| Category of Stakeholders                 | Concerns and Expectations  | Communication and Response   | Means of Communication  |
|--|--|--|---|
| <b>Industrial associations and media</b> | <ul style="list-style-type: none"> <li>Industry exchange and discussion</li> <li>Transparent and open information sharing</li> <li>Joint efforts towards industry advancement</li> </ul> | <ul style="list-style-type: none"> <li>Actively participating in industry seminars</li> <li>Optimising disclosure and publicity mechanism</li> <li>Promoting industry standardisation</li> </ul> | <ul style="list-style-type: none"> <li>Media releases and interviews</li> <li>Regular meetings and field trips</li> </ul> |
| <b>Community</b>                         | <ul style="list-style-type: none"> <li>Social charity activities</li> <li>Rural poverty alleviation</li> </ul>   | <ul style="list-style-type: none"> <li>Actively conducting social charity activities</li> <li>Supporting poverty alleviation efforts and helping those in difficulties</li> </ul>                | <ul style="list-style-type: none"> <li>Charity events</li> <li>Community bulletin board</li> </ul>                        |

### 4.5 Materiality Assessment

In order to ensure that our business decisions and operations are consistent with our sustainable development approach and to meet the requirements and expectations of our stakeholders regarding our ESG efforts, we regularly identify ESG material issues and conduct materiality assessment. Our ESG materiality assessment process is summarized in the following four steps:

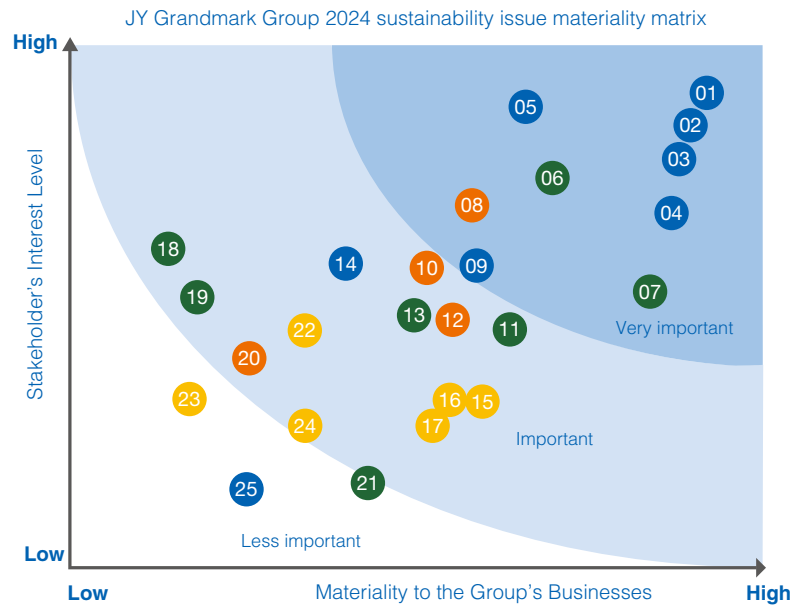
The Group reviewed the ESG material issues of the previous year during the Year. As there were no significant changes in the Group's business and operation environment, and the results of the materiality assessment of the previous year could still respond to the expectations of our stakeholders, the Board of the Group has confirmed that the results of the materiality assessment of the previous year are still applicable to the Year, and disclosed the highlights of the assessment separately in this Report.

The following shows the materiality assessment matrix and material issues of the Group. Of the 25 material issues identified, there are 9 very material issues, 13 material issues and 3 less material issues. In the future, we will continue to closely understand the concerns of our stakeholders about the Group's material issues, and deepen ESG management into multiple aspects of our business, so as to lay a solid foundation for the sound and long-term development of the Group, and jointly promote the balanced development of ESG.



## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.5 Materiality Assessment (continued)



#### Environmental protection

- 06 Green operation
- 07 Energy efficiency and carbon emission reduction
- 11 Responding to climate change
- 13 Construction waste management
- 18 Green building
- 19 Water resources management
- 21 Reasonable development and ecosystem protection

#### Compliance operation

- 01 Product quality and safety
- 02 Compliance and sound operation
- 03 Anti-corruption and integrity training
- 04 Responsible marketing
- 05 Customer service and satisfaction
- 09 Supply chain environmental and social risk management
- 14 Customer privacy and information security
- 25 Intellectual property protection

#### Employment management

- 15 Child labour and forced labour are prohibited
- 16 Employees' interests protection
- 17 Employees' training and development opportunity
- 22 Occupational health and safety
- 23 Talent recruitment and team building
- 24 Employees' remuneration and benefits

#### Social contribution

- 08 Protecting the rights of local residents
- 10 Promoting local economic development
- 12 Public charity and social services
- 20 Powering urban renewal

## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)


### 4.6 In Response to the United Nations Sustainable Development Goals

In order to effectively respond to the negative impacts on the climate and ecosystem caused by human social activities, the United Nations adopted the 2030 Agenda for Sustainable Development in 2015 and set out 17 Sustainable Development Goals (SDGs). Guided by the UN SDGs and with due consideration to its own strategic planning, JY Grandmark has identified and actively responded to ten of the SDGs that are relevant to the Group. By combining these ten SDGs with the ESG concepts of the Group and deeply integrating them into every aspect of our business operations, we are committed to becoming an “Eco-friendly and People-oriented Property Developer”. We conduct business activities in a responsible manner, create long-term environmental, social and economic benefits, continue to enhance our sustainable development capability, fulfill our corporate social responsibility and respond positively to the concerns and expectations of our internal and external stakeholders.



## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.6 In Response to the United Nations Sustainable Development Goals (continued)

| UN SDGs   | Key ESG Scopes and Issue Concerns  | Response of JY Grandmark  |
|---|--|---|
|  <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>                | <p>Employment management</p> <ul style="list-style-type: none"> <li>– Occupational health and safety</li> </ul>  | <p>The Group attaches great importance to the health and safety of its employees, implements a health and safety management system, strengthens occupational health training and takes care of the physical and mental health of its employees.</p>   |
|  <p><b>5</b> GENDER EQUALITY</p>                           | <p>Employment management</p> <ul style="list-style-type: none"> <li>– Employees' interests protection</li> </ul>   | <p>The Group insists on gender equality, creates a diversified and inclusive working atmosphere, and establishes a sound mechanism for equal communication and appeal.</p>  |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>          | <p>Employment management</p> <ul style="list-style-type: none"> <li>– Employees' remuneration and benefits</li> <li>– Employees' training and development opportunity</li> <li>– Talent recruitment and team building</li> </ul> | <p>The Group is committed to providing competitive salaries and benefits to its employees, continuing to improve the employee benefits system and enriching the types of benefits, and actively improving the employee communication mechanism to ensure the stable retention and sustainable development of outstanding talents.</p> |
|  <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | <p>Environmental protection</p> <ul style="list-style-type: none"> <li>– Green building</li> </ul>   | <p>The Group actively responds to the call of the state, continues to pay attention to green building-related policies and technical specifications, promotes the research and practice of green building, and promotes the high-quality development of green building.</p>   |
|  <p><b>10</b> REDUCED INEQUALITIES</p>                   | <p>Social contribution</p> <ul style="list-style-type: none"> <li>– Public charity and social services</li> </ul>  | <p>The Group has the courage to assume social responsibilities and strives to devote itself to public welfare and charitable undertakings such as rural revitalization and environmental protection, contributing to the realisation of common prosperity.</p>  |

## 4. INTEGRATION OF MIND AND ACTION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### 4.6 In Response to the United Nations Sustainable Development Goals (continued)

| UN SDGs   | Key ESG Scopes and Issue Concerns  | Response of JY Grandmark  |
|---|--|---|
|  <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>       | <p>Environmental protection</p> <ul style="list-style-type: none"> <li>– Reasonable development and ecological protection</li> </ul> <p>Social contribution</p> <ul style="list-style-type: none"> <li>– Promoting local economic development</li> </ul>   | <p>As a practitioner of “Eco-friendly and People-oriented Property Developer”, the Group attaches importance to the protection of the ecological environment and cultural relics during the construction process, and maximises the construction of high-quality buildings in which people and nature coexist harmoniously.</p>   |
|  <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>   | <p>Compliance operation</p> <ul style="list-style-type: none"> <li>– Product quality and safety</li> </ul> <p>Compliance operation</p> <ul style="list-style-type: none"> <li>– Responsible marketing</li> </ul> <p>Environmental protection</p> <ul style="list-style-type: none"> <li>– Construction waste management</li> </ul> <p>Compliance operation</p> <ul style="list-style-type: none"> <li>– Intellectual property protection</li> </ul>                    | <p>The Group is firmly committed to high quality products and services, and adopts an operational method and management approach characterised by high-quality, safety, health, and responsible operation, thoroughly implementing a sustainable business model.</p>  |
|  <p><b>13</b> CLIMATE ACTION</p>                         | <p>Environmental protection</p> <ul style="list-style-type: none"> <li>– Water resources management</li> </ul> <p>Environmental protection</p> <ul style="list-style-type: none"> <li>– Energy efficiency and carbon emission reduction</li> </ul> <p>Environmental protection</p> <ul style="list-style-type: none"> <li>– Green operation</li> </ul> <p>Environmental protection</p> <ul style="list-style-type: none"> <li>– Dealing with climate change</li> </ul> | <p>The Group has continued to improve the management measures for environmental factors throughout the lifecycle of various projects to minimise the generation and emission of pollutants and to implement the concept of green and low-carbon operations. At the same time, the Group has incorporated the response to climate change into its business development planning and has taken corresponding control measures to mitigate the impact of climate change on its business.</p> |
|  <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> | <p>Compliance operation</p> <ul style="list-style-type: none"> <li>– Compliance and sound operation</li> </ul> <p>Compliance operation</p> <ul style="list-style-type: none"> <li>– Anti-corruption and integrity training</li> </ul>  | <p>The Group adheres to the bottom line of compliance, holds multiple internal compliance interpretation and learning training to firmly resist corruption, and establishes an ethos of integrity and justice.</p>  |
|  <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>             | <p>Compliance operation</p> <ul style="list-style-type: none"> <li>– Supply chain environmental and social risk management</li> </ul>  | <p>The Group continuously optimises and implements the screening and access process and system for suppliers, strictly controls product quality, and practices responsible and green purchasing behaviour.</p>  |



## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS

JY Grandmark has always been adhering to the brand concept of “Eco-friendliness and People Orientation” and pursuing the service philosophy of “customer satisfaction at the core”. Against the backdrop of the real estate industry's vigorous transition towards low-carbon and green development, we are well aware of the significance of product quality and safety as well as technological innovation. A well-established quality and safety management system helps us continuously enhance the efficiency of business operations and customer satisfaction. While promoting the high-quality development of the industry, such system also ensures that we deliver healthy and safe residential products to customers, effectively improving the well-being of residents throughout the entire life cycle of buildings.

### ESG issues included in this section

Green building  
Reasonable development and ecological protection  
Product quality and safety  
Customer service and satisfaction  
Customer privacy and information security  
Responsible marketing  
Intellectual property protection

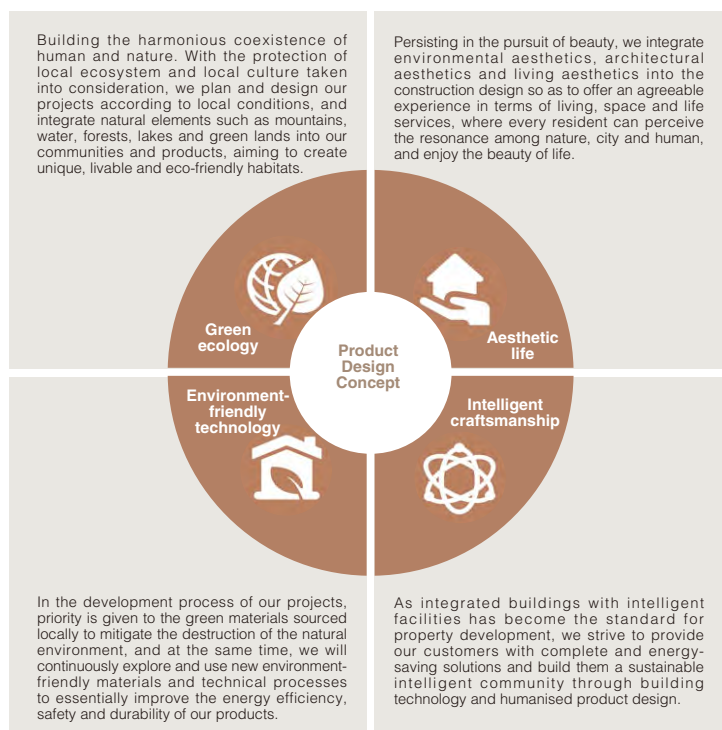
### SDGs goals addressed in this section



## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.1 Product Design

“Green Ecology, Environment-friendly Technology, Aesthetic Life, and Intelligent Craftsmanship (綠色生態、環保科技、美學生活、智能匠心)” is the core product design concept of the Group, and is of great significance for the construction field to strive towards the direction of the “emission peaking and carbon neutrality” goal. JY Grandmark follows national standards related to green, low-carbon and sustainable buildings, including the Assessment Standard for Green Building (GB50378-2019) (《綠色建築評價標準GB50378-2019》), the General Specifications for Energy Conservation and Renewable Energy Utilisation in Buildings (GB55015-2021) (《建築節能與可再生能源利用通用規範GB55015-2021》) and the General Specifications for Water Supply, Drainage and Conservation in Buildings (GB55020-2021) (《建築給水排水與節水通用規範GB55020-2021》), striving to implement the highest standards of green building practices. The Group strictly adheres to the Outline for Nature Conservation of the People's Republic of China (《中華人民共和國自然保護綱要》), the Regulations on Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), the Cultural Relics Protection Law of the People's Republic of China (《中華人民共和國文物保護法》), the Regulations for the Implementation of the Cultural Relics Protection Law of the People's Republic of China (《中華人民共和國文物保護法實施條例》) and other laws and regulations. The Group focuses on protecting the local ecological environment, natural resources and cultural relics. While meeting the needs of different regional markets and a diverse population, we actively promote the development and application of green building technologies, skillfully integrate cultural heritage with natural ecosystems, and steadfastly uphold our core development concept of “Eco-friendliness and People Orientation”.



Product Design Concept of JY Grandmark

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.1 Product Design (continued)

To ensure the quality of project design and construction, we have integrated the technical specifications of the construction industry and implemented a standardised product design management system, including both design standardisation and process standardisation. By establishing rigorous internal process management systems, the Group adheres to its original philosophy of “Improving Quality and Enhancing Brand (創質量·鑄品牌)”. Through scientific and standardised management practices, we continuously refine deliverables to ensure orderly execution of key nodes in scheme, progress, quality and standard, etc., thereby effectively enhancing the competitiveness of its products and customer satisfaction.

#### Design Standardisation

- **Product design management:** strictly implement the “Guidelines on Standard Practice of Architectural Design of JY Grandmark” and other systems
- **Update the design error collection:** sort out the common issues and difficulties in the design process to prevent the recurrence of the same problems

#### Process Standardisation

- **Design change process:** strictly implement the “Administrative Measures for Design Change”
- **Design review process:** send the design drawings to the institutions with audit qualifications for review, and complete the closed internal audit among design professionals to improve the quality of drawings
- **Drawings delivery process:** develop standard process guidance to ensure standardised design information matching between the Group and the project
- **On-site design inspection:** timely issue design inspection reports and urge on-site rectifications of the project, ensuring that the design effects are perfectly presented

Product Design Management System

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.1 Product Design (continued)

#### Case

Practising the design concept of green building by effectively reducing energy consumption in buildings

In the JY Gaoligong Town in Tengchong, the Group has given full consideration to the orientation of each building to maximise the use of natural light. At the same time, taking into account Tengchong's unique climatic characteristics, which feature a comfortable temperature but a significant diurnal temperature variation, the Group has tailored a configuration plan that fits its features. By installing a hydronic underfloor heating system, there is no need for air conditioning, which not only ensures a comfortable experience for residents but also effectively saves energy.



JY Gaoligong Town in Tengchong

In the Clearwater Bay No. 3 in Hainan, the Group designed and installed flat-plate split solar energy systems on the rooftops, equipped with pressure-bearing thermal storage tanks and solar circulation pumps, aiming to maximise the utilisation of solar energy resources. To meet the needs of around-the-clock water usage, the Group has configured electric heating devices inside the water tanks to supplement the heat source. The operation status of the equipment is automatically controlled by the set water temperature, ensuring the convenience of water use while achieving energy conservation and efficient utilisation.



Solar Energy Systems Installed in the Clearwater Bay No. 3 in Hainan



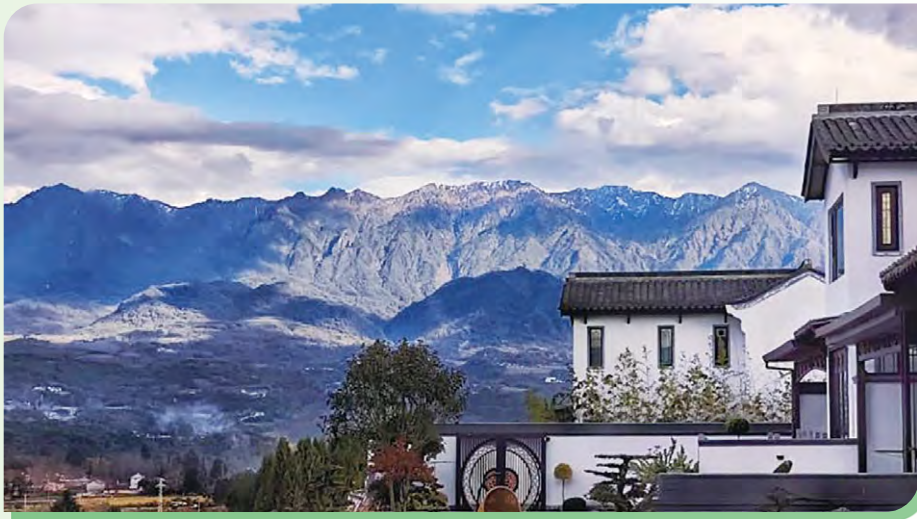
## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.1 Product Design (continued)

#### Case

#### Building a sustainable development town through ecological protection and cultural inheritance

The JY Gaoligong Town in Tengchong focuses on natural ecology protection and culture inheritance. By taking into account the surrounding ecological status through on-site inspection, the project incorporates the habitats of flora and fauna as well as ecological red lines into its considerations, which ensures the preservation of original vegetation and distinctive landforms, while also rationally avoiding environmentally sensitive areas. The entire process of project advancement adheres to the principle of sustainable development, dedicated to protecting the habitats of living organisms. The project integrates the characteristics of Hui-style architecture and Suzhou gardens in the South of the Yangtze River, delving deep into the historical culture and architectural style of Tengchong's lanes and alleys. It builds upon traditional styles with creativity and improvements, and is committed to the protection of China's excellent traditional crafts and culture.



JY Gaoligong Town in Tengchong

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.1 Product Design (continued)

In alignment with the economic development trends of globalisation, intelligence and informatisation, the Group has actively embraced the wave of digital transformation by applying it in smart communities, smart property services, and construction of smart construction sites. As a critical aspect for future urban development, promoting the modernization and digitalization of community governance plays a pivotal role in improving residents' quality of life. Therefore, JY Grandmark has established a set of smart community system standards by configuring various systems such as visitor intercom system, access control system, parking lot management system, video surveillance system, public address system, electronic inspection system, perimeter intrusion alarm system and elevator intercom system, enabling all community members to enjoy more convenient, efficient and intimate services.

In the field of smart property service, the Group widely applies the Enterprise Resource Planning (ERP) system. This system is highly efficient in the quality inspection module, capable of monitoring the frequency and content of project inspections to prevent fraud in quality inspection work. Additionally, ERP provides inspection data in a clear and intuitive manner, enabling property service personnel to have a clear understanding of the on-site conditions and the performance of frontline staff in their daily inspections, making the daily inspection records of property staff more efficient and convenient, thereby enhancing the efficiency of property services and property owners' satisfaction. The inspection rate of key points has reached 100%, and the number of spot checks on managed floors has increased by 30%, making the inspection data displayed by the system be presented more clearly. The efficiency of data statistics in inspection reports has improved by 60%, with an accuracy rate of 100%.

At the construction project site, we have implemented two digital management technologies, the "Real-name System at the Access to the Sites" and the "Visual Video Surveillance System", by transforming personnel management of the project and construction scenarios into electronic visual records, thereby achieving refined management of the project.

#### Real-name System at the Access to the Sites

- Assistance is provided in the real-name registration of personnel entering the sites, including key information such as identity information and times of entry and exit, which helps preventing unauthorised individuals from entering the construction sites and reducing safety hazards.

#### Visual Video Surveillance System

- During the construction process, visual video surveillance is widely adopted in various projects to promptly understand the on-site construction conditions, thereby enhancing the handling level of safety and emergency incidents.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety

By continuing to uphold the principle of “quality comes first”, the Group strictly complies with the Construction Law of the People’s Republic of China (《中華人民共和國建築法》), the Quality Law of the People’s Republic of China (《中華人民共和國質量法》), the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) and other relevant laws and regulations, and implements various regulations related to engineering construction standards such as the Quality Management Ordinance for Construction Projects (《建設工程質量管理條例》), the Administrative Regulations on the Work Safety of Construction Projects (《建設工程安全生產管理條例》) and the Standard for Safety Inspection of Building Construction (《建築施工安全檢查標準》) in implementing the work of “ensuring people’s livelihood, delivery and quality (保民生、保交付、保質量)”. The Group has formulated and implemented the “Quality Management System”, the “Construction Technology Management System”, the Management Methods for Safe and Environmentally Friendly Construction, the Project Management Manual and other internal rules and regulations. We actively implement engineering safety measures and have established a comprehensive engineering safety management system, which clarifies the specific responsibilities, key control points and management processes of each functional department and representative in every aspect of our projects, thereby standardising the safety production and construction quality management, ensuring orderly progress of our construction projects, and constantly optimising the delivery process and experience with customers. During the Year, adhering to its production safety policy known as “safety-foremost with prevention-oriented and comprehensive treatment”, the Group did not have any major construction safety incidents, nor had there been any violation of laws and regulations related to construction safety or product quality.

Safety production work is an important part of the Group’s operation and management. We have implemented a comprehensive quality control system, clarifying the system construction with the Project Management Manual as the core. Additionally, we have developed a series of internal guidelines to standardise the standard processes and operations in construction projects. Through irregular quality inspections, we monitor the entire construction process of each project, and identify, prevent and control hazards and risks, effectively eliminating the hidden dangers in product safety and quality.

In the selection and management of construction units, the Group gives priority to those that have obtained professional certifications and demonstrate good social and environmental performance. We collaborate with relevant departments to conduct performance appraisal on construction units and project departments in various regions, and the results are linked to performance bonuses. By establishing a multi-dimensional supervision and evaluation process, the Group aims not only to ensure quality and safety throughout the entire project lifecycle but also to help construction units enhance their sustainability, striving to build stable, resilient and long-standing cooperative relationships.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)

|                               |  |
|-------------------------------|--|
| <b>System Construction</b>    | <ul style="list-style-type: none"><li>• Establish a quality management system with the Project Management Manual as the core;</li><li>• Formulate and implement internal management systems, including the “Administrative Measures for Technical Solutions”, “Technical Inspection Guidelines”, “Quality Management System”, “Construction Technology Management System” and “General Standard Atlas” to control and regulate its engineering management behaviours in all aspects.</li></ul>   |
| <b>Quality Accountability</b> | <ul style="list-style-type: none"><li>• Implement the quality accountability system to ensure the quality of its construction projects and upkeep the principle of “separating inspection and evaluation, strengthening acceptance, optimising means and process control” for the quality acceptance of construction projects, and strictly implement the lifelong accountability system for construction quality.</li></ul>   |
| <b>Sample First</b>           | <ul style="list-style-type: none"><li>• Implement the sample-oriented system: conduct sample acceptance firstly to ensure quality and efficient implementation before starting a large-scale construction;</li><li>• Execute physical measurement for projects, and make the measurement data covering dozens of engineering items such as civil engineering, landscaping, plumbing and electricity, fully decorated properties and aluminium windows, to control the project quality through data.</li></ul>  |
| <b>Quality Inspection</b>     | <ul style="list-style-type: none"><li>• Strictly manage the whole process from project quality to safe and eco-friendly construction through such as special inspection, project self-inspection, supervisors inspection and construction units self-inspection;</li><li>• The findings during the inspection are subject to rectification within a certain period; follow-up and oversight to ensure the effective implementation of the rectification plan, so as to achieve a closed-loop management of problems and eliminate the hidden dangers in project quality.</li></ul> |



## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)

|                             |   |
|-----------------------------|---|
| <b>Qualification Review</b> | <ul style="list-style-type: none"><li>Construction units are required to provide solutions for on-site safety, civilisation and environmental management, as well as product certifications and inspection reports, with priority given to construction units certified to ISO9001 quality management system, ISO14001 environmental management system, and GB/T28001 occupational health and safety management system. Currently, there are 13 units within the Group's database that have certified to the above "three-systems".</li></ul>   |
| <b>Assessment Mechanism</b> | <ul style="list-style-type: none"><li>Implement the assessment of new units, initial order assessment and performance evaluation, in conjunction with a multi-dimensional objective assessment and annual grading by relevant departments on the construction units;</li><li>The performance of construction units and project departments in various regions is included in the evaluation and assessment, and the results are linked to employees' performance bonuses, effectively ensuring the quality baseline standards.</li></ul>  |
| <b>Optimal Management</b>   | <ul style="list-style-type: none"><li>Strengthen the management of construction units in terms of social responsibility, including the implementation of the pre-construction organisational design solution approval system;</li><li>Supervise and inspect the legality of labour employment by construction units, requiring them to implement real-name management to ensure the authenticity and legality of workers' identities; monitor the distribution of workers' wages through dedicated accounts;</li><li>Strictly require construction units to purchase relevant liability insurance;</li><li>For the use of construction materials, through the system requirements on brand products that are designated by party A and supplied by party B, constraints are placed on construction units to use high-quality brand products recognised by the Group that meet national and industry standards, ensuring the construction quality.</li></ul> |

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)



On-site Quality Inspections



Sample-oriented Quality Control Displays

In its stringent quality control procedures, the Group recognizes that quality awareness of employees is key to improving product quality. This is because only when they understand and appreciate the importance of engineering quality will they strive for excellence in their daily work, ensuring that every aspect of construction complies with our systems and standards. By conducting quality training for every employee, employees are given the opportunity to delve into and study best practices from peers, including quality management models and successful cases, which effectively enhances employees' sense of product responsibility, prevents and reduces the occurrence of construction safety accidents, and fully safeguards the personal safety of employees and the quality of construction projects.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)

#### Case

#### Regular Comprehensive Inspections by Property Centers

Property centers conduct pre-holiday inspections for each project on a monthly basis or before major holidays. Department heads and key personnel carry out inspections on the order, environment and operation of facilities and equipment within the community, and strengthen the inspection and control of outsourced units such as greening and elevator maintenance, effectively enhancing the public environment and improving the service quality and sense of responsibility of outsourced personnel.



Outsourced Units Inspections

#### Safe and Eco-friendly Construction

In order to further manage safe and eco-friendly construction and to implement the disclosure and preventive measures of project safety production technology, we have established a Production Safety Committee. The legal representative of the Company serves as the director of the Production Safety Committee, responsible for exercising the highest supervisory authority over safety construction management. The vice president in charge of safety production and the safety director of the Company serve as deputy directors, and persons in charge of production, technology, safety, equipment, cost, finance and other relevant departments are members of the Production Safety Committee, responsible for implementing relevant management systems and safety measures. Through the collaborative efforts of various departments, we aim to enhance the overall level of safe and eco-friendly construction management of the Group's projects under construction.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)

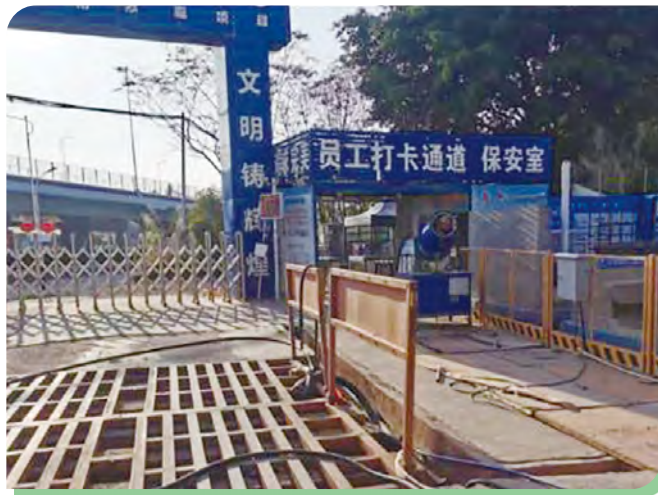
Safe and Eco-friendly Construction (continued)

#### Clarifying safety responsibilities

- **Implementing construction management systems:** The Group clarified the responsibilities of constructors, supervisors and project owners in project management, and formulated and implemented its “Management System of Project Supervisors” to strengthen the management of supervisors and give full play to their supervisory and management roles in construction project;
- **Construction briefing meetings:** In accordance with the project engineering management requirements, the project engineering department organises and presides over the first construction briefing meeting before the commencement of the projects, uniformly conducting safety supervision and construction briefings for supervisors and constructors, and clarifying the safe and eco-friendly construction objectives and requirements of the projects.

#### Strictly controlling construction safety

- **Enclosed and real-name site management:** The construction sites are enclosed and under strict real-name management measures. All the staff must enter the site via the access control systems, and any unintentional entry of outsiders is strictly prohibited.



Real-name System Control at the Access to the Site



## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)

Safe and Eco-friendly Construction (continued)

#### Routine construction safety measures

- **Construction safe passages:** Safe passages are installed throughout the construction site, which connect each of the buildings under construction, and therefore, can reduce the occurring probability of safety accidents such as injuries from falling objects.



Construction Safe Passage

- **Guidelines for safe construction:** Before entering each of the building under construction, our workers are required to visit the production safety experience zone for operation training that showcases various guidelines and regulations for safe and eco-friendly operation during the construction process to remind our workers to maintain safety awareness and vigilance at all times.



Production Safety Experience Zone



Showcase of Guidelines for Safe and Eco-friendly Operation

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)

#### Safe and Eco-friendly Construction (continued)

- **Fire safety management:** Fire emergency plans are formulated and implemented, and a certain number of fire-fighting equipment are equipped at fixed locations, areas for the storage of flammable and combustible materials are rationally delineated with clear signs for reminders. Non-compliant operations are prohibited.



Fire Equipment Concentration Point



Storage Area for Flammable and Combustible Materials

#### Improving safety inspection

- **Hidden safety danger investigations:** Implementing the multi-level inspection mechanism, the Group conducts routine safety inspections and hidden danger investigations on the construction site of projects through such as group inspection, special inspection, project self-inspection, supervisors inspection and construction units self-inspection, and strictly controls the whole process from project quality to safe and eco-friendly construction;
- **Timely rectifications and follow-ups:** Findings during the inspection are subject to rectification within a certain period, and follow-ups and oversights to ensure the effective implementation of the rectification plan and to timely identify and eliminate safety hazards, ensuring construction safety.

#### Conducting safety publicity and implementation

- **Simulating construction environment:** We have set up safety education and training areas and experience zone on the construction site, such as a safety protection equipment display area, a construction environment experience zone, a safety operation demonstration area, a safety knowledge publicity area, a simulated rescue exercise area, etc. By simulating a real construction environment, workers can learn safety knowledge and enhance their safety awareness through practical operations;
- **Safety knowledge training:** We actively carries out training and drills on safety management systems and standards to ensure that the employees understand safety management standards and to improve the safety quality and awareness of the unit's main person in charge, production safety management personnel, other employees and employees of the supplier units (constructors and supervisors), so as to enhance their ability to deal with public emergencies.



## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.2 Product Quality and Safety (continued)

Safe and Eco-friendly Construction (continued)



Various Safety Trainings and Drill Activities Conducted

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction

JY Grandmark is committed to prioritizing customer needs and experiences, continuously enhancing the service quality of its hotels and properties. We strive to provide diversified, personalized and attentive services to customers. We continue to improve our service management system, and while exploring and thinking about service modes that keep pace with the times, we strive for excellence in every detail of our services to satisfy the diverse needs of our customers and promote the high-quality development of the industry.

#### High-Quality Hotel Services

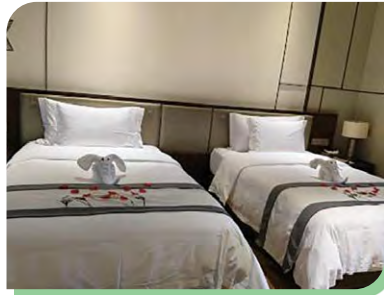
To continuously enhance the experience of our guests, the Group's hotels consistently prioritize interactive communication with them, promptly understanding their needs, and provide sincere and warm personalized services to make them feel at home, which demonstrates the high standard of service quality of the Group's hotels. During the Year, we have further improved service quality and implemented the following initiatives to build strong and lasting relationships with our guests, thereby solidifying our reputation and brand image in the industry. Additionally, our Conghua Hot Spring Hotel offers birthday gifts to guests celebrating their birthdays during their stay. We prepare their rooms in advance and present them with a gift. Through the provision of meticulous services, we truly embody the principle of "making guests feel at home".

| Hotel Service Quality Improvement Measures           |  |
|--|--|
| <b>Establishing Villa Guest Service Groups</b>       | <ul style="list-style-type: none"><li>After obtaining consent from villa guests, our front desk staff will create a WeChat service group, and invite the guests and the relevant operation department staff to join the group. Guests can directly raise any aspect of their needs in the group, and the corresponding staff will respond and follow up at the first time, ultimately forming a "many-to-one" service effect to enhance the guest's experience during their stay.</li></ul>  |
| <b>Customized Services</b>                           | <ul style="list-style-type: none"><li>We offer tailored services for guests with special needs, including providing welcome cards for important guests, arranging rooms according to the requirements of group guests, and preparing customized meals for guests with specific dietary needs due to religious or other reasons. We strive to meet the unique needs of every guest to the best of our ability.</li></ul>  |
| <b>Proactively Inquiring About Guest Preferences</b> | <ul style="list-style-type: none"><li>During the check-in process, we proactively ask guests about their room preferences. Based on room availability, current occupancy rates, and guests' requests for factors such as floor level and natural lighting, we actively arrange the best available room within the same category. Additionally, when hotel conditions permit, we proactively inquire if guests would like a late check-out. By considering the guests' perspective, we aim to provide thoughtful and attentive service.</li></ul> |
| <b>Creating Guest History Profiles</b>               | <ul style="list-style-type: none"><li>We have established guest history profiles, where the system records the room preferences and historical feedback of returning guests, to ensure that our service staff provide accurate and appropriate services and enhance customer satisfaction.</li></ul>   |

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction (continued)

#### High-Quality Hotel Services (continued)



Gifting snacks, pre-arranging rooms, and gifting birthday rice paintings for hotel guests

#### High-Quality Property Services

In terms of property services, we integrate care, attention, respect, and proactivity into our daily operations as service standards. By improving property services across four dimensions, i.e., staff service training, community environment quality, diverse convenience services, and community cultural activities, we are committed to continuously enhancing a comfortable and enjoyable living experience for property owners and tenants. We strive to meet their daily needs and thoughts as far as possible.

#### Property Service Quality Improvement Measures

##### Improving the Service Management System

- Detailed service standards, service specifications, and standards for polite language, etc. were established and trainings were provided to property service staff in the form of morning meetings and regular meetings. Property personnel are required to perform strictly in accordance with the standards, so as to provide property owners with standardized, regulated, and professional property services.



Post Etiquette Training




Environment Department Training



5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS  
(CONTINUED)

5.3 Customer Service and Satisfaction (continued)

High-Quality Property Services (continued)

| Property Service Quality Improvement Measures                                       |  |
|---|--|
| <b>Community Environmental Quality Improvement</b>                                  | <ul style="list-style-type: none"><li>• Special environmental rectification actions were organised in the communities to clean up fallen leaves, weeds, and other waste from the green strips along the main and secondary pathways within the communities, and carry out disinfection for eliminating the four pests to ensure a clean and tidy environment in the communities;</li><li>• Renovation on the buildings, greening and roads in the communities was conducted; the management of bicycle parking was strengthened, implementing weekly and monthly on-site quality inspection mechanisms, with an aim to enhance the overall image and charm of the communities.</li></ul> |
|  |  |
| Zhuzhou Carpet Shampooing Activity  |  |
| <b>Providing Diverse Convenience Services</b>                                       | <ul style="list-style-type: none"><li>• We provided attentive and considerate people-oriented services, and regularly push out warm tips on severe and extreme weather conditions in the WeChat group of property owners, advising on precautions for extreme weather like typhoons, torrential rains, thunderstorms and heatwaves;</li><li>• We responded promptly to the property owner's repair requests and assisted them in resolving daily maintenance problems;</li><li>• We counted the elderly living in the community and visited them to deliver care regularly.</li></ul>  |

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction (continued)

#### High-Quality Property Services (continued)

##### Property Service Quality Improvement Measures

##### Enriching Community Cultural Activities

- We enriched the lives of property owners with warm-hearted services, organised and carried out various forms of community cultural activities and provided multi-level and multi-type services and entertainment options for property owners of different ages and needs, enhancing the emotional connection with property owners, and creating harmonious neighbourhood relationships.



Zhuzhou Lantern Festival



Lychee Town Peak Park Picnic



Lunar New Year  
Celebration Activities



Lychee Town Parent-Child  
Swimming Gala

##### Hotel Satisfaction Enhancement

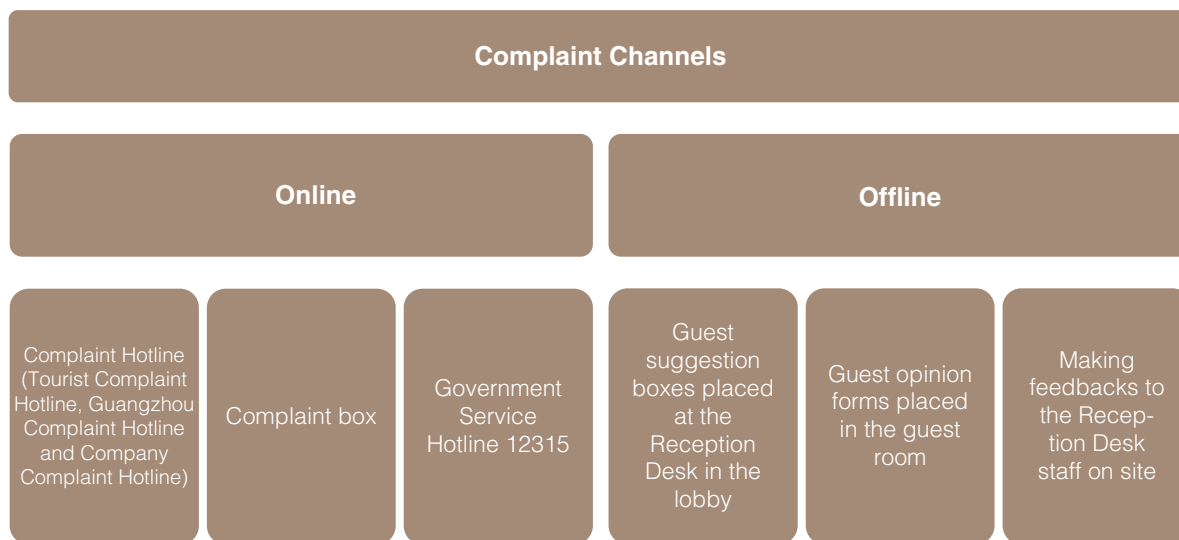
Customer satisfaction has always been the driving force behind the continuous improvement of the Group's hotels. In order to enhance service satisfaction, we have set up a multi-channel online and offline complaint channel. When customers have any suggestions or dissatisfaction with our services, they can raise them to the front desk staff on site, and our front desk managers will immediately follow up on the spot and strive to solve the customers' problems on the spot. For customers with high quality service requirements, we will take the initiative to add their contact information to provide one-to-one customized service and notify all operating departments to provide joint services. We will listen to their feedback in a timely manner, maintain close communication with them and take effective measures to improve the relevant services. The front office manager and relevant departments are responsible for handling guest complaints in a timely manner on a daily basis and following up on the progress of the case. In addition to resolving each complaint, we will also reflect on the complaint and hold a monthly meeting to analyze the complaint, report to the relevant leaders and propose improvement measures to prevent the recurrence of the same incident and continuously improve the quality of service.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction (continued)

#### Hotel Satisfaction Enhancement (continued)

During the Year, the Group's hotels received a total of 16 complaints from customers, of which 16 were properly addressed, with 100% complaint completion rate.



At the same time, our hotel combines online and offline satisfaction surveys to analyze the overall customer satisfaction from multiple perspectives, such as establishing guest service groups and providing guest opinion forms, etc., in order to obtain valuable suggestions from customers on the hotel's services and management, and then process them in a timely manner and provide feedback. Based on the results of our research and analysis, we have adopted targeted measures such as strengthening the complaint prevention mechanism, customer education programs, and improving the process mechanism, covering various processes such as publicity, service delivery, and schedule operation, to ensure that we can enhance our service quality in all aspects. During the Year, the results of our customer satisfaction survey are as follows, which inspire us to continuously optimize our service experience, gain a deeper understanding of the real needs of our customers, and provide a comfortable and enjoyable accommodation experience.

| Online Satisfaction Survey   | Offline Satisfaction Survey  |
|--|--|
| <ul style="list-style-type: none"> <li>Scope of the survey: Ctrip check-in customers</li> <li>Method of survey: Call-back</li> <li>Result of survey: A total of 814 guest feedbacks were collected, of which 329 were five-point positive reviews, and a total of 218 were five-point positive reviews for specific items</li> </ul> | <ul style="list-style-type: none"> <li>Scope of the survey: Hotel guests</li> <li>Methods of survey: Guest feedback forms placed in guest rooms; field inquiry investigation</li> <li>Result of survey: A total of 4,152 guest feedbacks were collected, of which 3,834 were positive reviews, up by 9.8% as compared to 2023</li> </ul> |

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction (continued)

#### Property Satisfaction Enhancement

The Group emphasizes on detailed service enhancement. We believe that meticulous and considerate service is an important foundation for winning the trust of our customers. We have upgraded our public facilities, such as ballpark lighting, according to the needs of different groups of property owners and organized various cultural and sports activities from time to time to enrich the spare time life of our property owners and enhance their sense of well-being.

In order to ensure the best living experience for property owners, we will proactively care for and respond to their needs and opinions, continuously improve our service processes, and strive to create a warm and welcoming home for them and build a long-lasting relationship of trust. Through the implementation of property owners' complaint management system, we have set up both online and offline complaint channels, clarified the responsibilities and areas of management of each department in handling property owners' complaints, and standardized the process and methods of handling complaints, so as to ensure that the property centres can receive and handle feedback in a timely and efficient manner.

When we receive property owners' complaints, our staff at the property service centre would immediately contact the property owner to confirm and record the details of the complaints, so as to ensure that it is followed up within the stipulated time. Next, our staff would quickly relay the property owner's request to the responsible department to ensure that the complaint is handled as soon as possible, and the result and suggestion would be fed back to the property owner within 24 hours. For the issues that cannot be resolved within 24 hours, the staff will promptly report it to the director or supervisor and explain the situation to the property owner. In response to common, key and complex complaint issues, we will conduct in-depth retrospective analysis and investigate the root causes and formulate targeted solutions to prevent the recurrence of similar problems. In case of any ineffective handling of complaints, the property service centre will pay special attention and provide solutions or improvement measures to property owners as soon as possible to ensure that they are satisfied with the outcome. Finally, the property service centre will conduct follow-up visits to each complaint and record all complaints in the complaint information record book. We will issue complaint statistical analysis report every quarter based on the content of the complaints, the timeliness of the handling and the satisfaction of property owners, etc., thereby continuously strengthening the management of complaints and actively enhancing the living experience and satisfaction of property owners.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

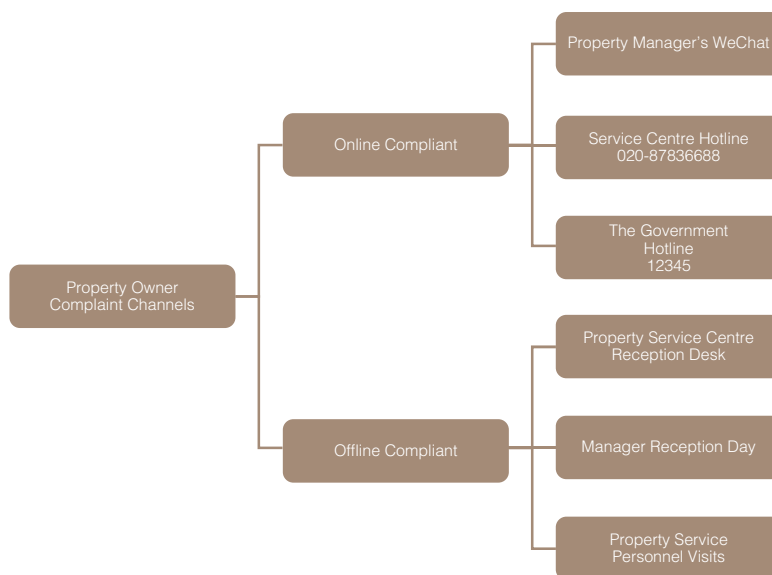
### 5.3 Customer Service and Satisfaction (continued)

#### Property Satisfaction Enhancement (continued)

During the Year, the property service centre received a total of 449 complaints from property owners, of which 449 were properly addressed, with a completion rate of 100%, and an overall customer satisfaction rate of around 80%.



Property Service Personnel Visits and Property Owner Seminar



Property Owner Complaint Channels



## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction (continued)

#### Hotel Health and Safety Services

Health and safety management is a very important aspect of hotel business operations, as safety and security are related to the physical and mental health, living experience and personal interests of every customer. In order to ensure that hotel guests can enjoy a safe and comfortable environment from check-in to check-out, the Group has implemented security measures in various aspects, including real-name check-in registration, surveillance system inspection, security personnel patrols, safety hazard investigation, equipment and facility repair and maintenance, fire drills and staff safety culture training, etc., to ensure strict compliance with the safety management standards in every aspect. The Group's Conghua Hot Spring Hotel carries out daily inspections, conducts fire safety inspections in key areas and resolves to eliminate fire safety hazards.



Fire Drills and Safety Training

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction (continued)

#### Hotel Health and Safety Services (continued)

##### Real Name Registration

- The hotel front desk assists guests with registration in the hotel management system and confirms the number of guests and has them sign a “Reminder for Real Name Registration”. Additionally, the front desk conducts real name registration checks on guests who are currently staying at the hotel. If any discrepancies are found during the check, the front desk foreman is responsible for following up with the concerned guests to complete the registration and consolidating the results of the check to report any findings.

##### Surveillance System Checks

- The security department personnel conduct daily inspections of the hotel’s entire surveillance system records, checking the coverage area of the monitoring, the timestamps of the recordings, and the clarity of the images.

##### Security Personnel Patrol

- The security department personnel conduct routine patrols every two hours to ensure the safety of the hotel’s areas and floors.

##### Investigation of Potential Safety Hazards

- The security department personnel carry out routine safety inspections of key areas, such as the kitchen, machinery rooms and electrical rooms. Additionally, they conduct monthly safety hazard investigation to ensure the implementation of safe production practices.

##### Maintenance of Equipment and Facilities

- The hotel enters into cooperative agreements with third-party professional maintenance companies to conduct 1 to 3 fire safety maintenance checks per month, ensuring the normal operation of the fire protection system.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.3 Customer Service and Satisfaction (continued)

#### Hotel Health and Safety Services (continued)

##### Safety Culture Publicity

- The hotel organises fire safety training and evacuation drills to ensure that all hotel staff have a fundamental understanding of necessary fire safety knowledge and possess the skills for organising evacuation and self-rescue in case of emergencies;
- The hotel organises staff participation in fire facility operator certification exams to enhance their fire safety operation skills.

#### Property Safety and Health Services

In terms of property, we have taken the protection of property owners' health and safety as a key focus of our work and integrated it into the daily service of our staff. To ensure the safety of residents from multiple dimensions and enhance their sense of security and well-being, we continuously strengthen safety measures in community public areas. The property management center conducts inspections of the community facilities monthly and before major holidays to ensure the quality of the public environment and the services provided by outsourced personnel. We remain committed to delivering high-quality products and excellent property services.



##### Professional Security Services

- The Group strengthens armed night patrols by having security personnel fully equipped to conduct comprehensive patrols within the communities, thereby enhancing the sense of security among residents.



##### Maintenance of Equipment and Facilities

- The Group conducts regular inspections of machine rooms and other equipment with the aim of promptly identifying potential safety hazards, equipment malfunctions, and environmental anomalies, ensuring the stable, secure, and reliable operation of the equipment.



##### Fire Safety Management

- The Group implements staff training on monitoring fire safety systems, clearly defines the responsibilities of fire safety officers, and prepares fire emergency plans in advance to prevent and reduce the occurrence of preventable cases and public security disasters.



##### Safety Culture Publicity

- The Group carries out property safety management training for property service staff, covering theoretical knowledge of property safety management, safety management systems and operational procedures. The Group also organises fire drills and issues safety reminders to the property owners, working together with them to create safe communities.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.4 Customer Privacy and Information Security

We strictly comply with the laws and regulations such as the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), which are related to information security, and formulate and implement internal systems such as Management Regulations on the Protection of Customer Information (《客戶信息保護管理規範》), Information Management Guide (《信息管理指引》), and Document Management Measures (《檔案管理要求》), to comprehensively regulate and promote the construction of information security.

The Group has established a sound mechanism and measures for the management of customer privacy and information security. Through the five dimensions of enhancing information system construction, optimizing authority management settings, implementing hierarchical management of information, organizing information security training and initiating information security supervision, the Group has regulated the collection, storage and use of customer information that it will come into contact within the course of its daily operations. The Group has been controlling information security risks and strictly enforcing the confidentiality system to protect the privacy and information rights of customers and the Group.

#### Information system construction

- Configuring security certificates for the property ERP system as required to ensure the security of information and links on the staff side and the client side;
- The hotels have upgraded their systems as required by the data collection system, deactivating the function for familiar customer inquiries, and enhanced the elevator control system, such that customers can use their room key cards to take the elevators.

#### Authority management setting

- Implementing the requirements for delegating exclusive administration rights to designated persons, to minimise the access of non-essential personnel, and effectively reducing the information flow and the leakage risk during the paper registration.

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.4 Customer Privacy and Information Security (continued)

#### Hierarchical management of information

- Enhancing the mechanism for hierarchical management of information usage, where the access to information materials must be categorised and approved according to different authorization levels. For instance, sensitive owner information requires joint approval from the property service and customer service supervisors before it can be borrowed or photocopied.

#### Information security training

- Strengthening staff training and improving the information security awareness of relevant staff, to prevent the occurrence of information security incidents;
- Advocating the customer privacy protection policies and precautions to hotel staff, with an emphasis on the strict prohibition of disclosing customer private information to external personnel.

#### Information security supervision

- Strengthening supervision and management by establishing a penalty mechanism and regularly inspecting every aspect of the use of information files. Strict punishment will be imposed according to relevant standards once any non-compliance identified, so as to prevent information leaks.

During the Year, the Group adopted a series of updated optimization and upgrading measures to protect the security and privacy of customer information:

- Optimization of information system construction: The Group has continuously strengthened the construction of its information system by adopting advanced encryption technology to ensure the security of customer information in the process of transmission and storage, and also upgraded the customer information protection system to prevent the leakage of customer information both internally and externally.
- Setting up management privileges: The Group has set up strict internal management privileges to ensure that only authorized personnel can access customer information.
- Research on system data export: The Group strictly complies with international data protection regulations and implements strict data management procedures for system data to prevent illegal export and use of customer information.



## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.4 Customer Privacy and Information Security (continued)

| Enhance staff training on guest privacy awareness   | Confidential Check-in and Restricted Access  | Information System Management   |
|---|--|---|
| <p>1. Do not disclose personal information of guests in public</p> <p>A. Employees shall not call guests by their full names when checking in for them, but shall address them as Mr./Ms;</p> <p>B. Employees shall not call out the room number when guiding the guest to the room location, but shall introduce the room area and floor;</p> <p>2. Do not disclose the personal information of the guest to third parties</p> <p>A. If an external call requests to be transferred to a room, the receiving staff should first verify the information. Once the information matches, they should call the guest to confirm if it is convenient to take the call. Under no circumstances should the staff disclose the guest's room number or other information to third parties.</p> <p>B. Do not disclose the check-in information and billing invoices and other information of the guest to third parties.</p> | <p>We provide confidential check-in and restricted access services for guests. If a visitor inquiries about a guest and the inquirer is not on the guest's access list, the front desk staff must politely state that no such guest is registered.</p> | <p>The Group's information system is led by the government and upgraded to a government cloud platform, streamlining the check-in process while ensuring the security of guest information.</p> |

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.4 Customer Privacy and Information Security (continued)

In the event of any information leakage, the Group will immediately initiate an investigation. Depending on the severity of the incident, we have the right to claim damages from the responsible party for all direct or indirect losses incurred. In serious cases, we will refer the cases to the local law enforcement authorities for further action.

During the Year, the Group has organized a total of 2 training sessions on information security and property owners' privacy, each of which lasted for 1.5 hours.



Customer Privacy Protection Training

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.5 Responsible Marketing

We strictly comply with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Consumer Rights Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法》), and other marketing-related laws and regulations, regulating all announcements, advertisements, promotional materials, and messages displayed across our official website, sales centres, construction sites, and other venues. We have established and implemented internal documents including the Guidelines for Mitigating Legal Risks in Advertising (《廣告宣傳法律風險防範指引》) and the Marketing Risk Alert & Response Protocol (《營銷風險問題通報及對策》), consistently upholding the four core principles – truthfulness, accuracy, completeness, and legal compliance – throughout the Group's marketing operations. Our rigorous focus includes identifying improper commitments or hyperbolic claims in sales advertisements, clearly delineating business red line for marketing management to ensure all customers receive uniformly truthful and reliable information. This approach prevents information bias and disparate treatment, empowering customers to make informed purchasing decisions, protects consumers' legitimate rights and interests, and protects the reputation and brand image of the Group.

In order to adapt to the changes of the times, we have developed a more visual, experiential, and diversified marketing approach by utilising digital marketing channels such as Douyin and WeChat Video Official Accounts. During the year, the Group focused on customer acquisition through short videos and live streaming. Through online traffic generation and offline collaboration, combined with live streaming house viewings, VR on-site demonstrations, we conveyed to the public the Group's community culture of fostering neighborhood interactions and pursuing a better life, promoted our projects more effectively, communicated brand stories and event information in an intuitive manner, and enabled homeowners to gain a clearer understanding of project progress and product quality. The Group has implemented measures in three areas – training, compliance monitoring, and content review – to ensure digital marketing is conducted with reasonable, accurate, and efficient adherence:

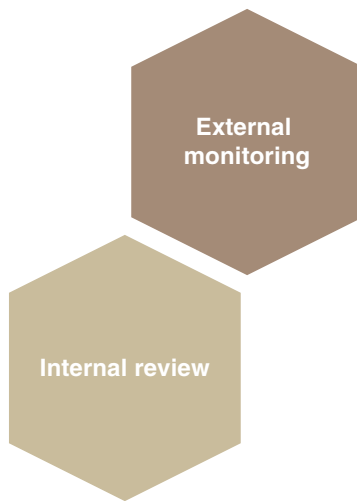
| Providing Training and Guidance  | Strengthening Sales Supervision   | Establishing a Content Review Team  |
|--|---|---|
| <ul style="list-style-type: none"><li>Constructing a comprehensive training system to ensure that sales personnel are kept up-to-date with the latest regulatory changes and industry standards;</li><li>Strengthening guidance on professional terminology and platform rules for sales staff to ensure compliant operations.</li></ul> | <ul style="list-style-type: none"><li>Implementing a stringent regulatory mechanism that encompasses various aspects such as onsite inspections and data analysis to ensure the compliance of sales activities.</li></ul> | <ul style="list-style-type: none"><li>Responsible for conducting comprehensive reviews on digital marketing materials, regularly scrutinising marketing content to promptly identify and rectify any inappropriate information. This ensures the timeliness and accuracy of the information, and upholding the compliance of marketing materials.</li></ul> |

## 5. DEDICATE TO PROVIDING QUALITY-ORIENTED SERVICES TO OUR CUSTOMERS (CONTINUED)

### 5.6 Intellectual Property Protection

The Group strictly complies with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》), Patent Law of the People's Republic of China (《中華人民共和國專利法》), and other intellectual property-related laws and regulations. We have established standardised management processes for trademark registration and usage through internal standardised measures, demonstrating our strong commitment to safeguarding intellectual innovation. Meanwhile, we ensure no infringement of third-party patents, trademarks, copyrights, or other forms of intellectual property rights throughout our operations.

The Group regularly reviews the trademark registration ledger to ensure the completeness of the ledger and the timeliness of the trademark term to protect its own legal rights and interests.



The Group's legal team regularly monitors for any infringement of the Company's registered trademarks by external units, and once the infringement is detected, the Group will protect its intellectual property interests in accordance with the law.

Intellectual Property Protection Measures

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES

“Building green space, practising green operation” remains the green and low-carbon development concept that JY Grandmark steadfastly upholds. This philosophy guides the Group in implementing comprehensive environmental management mechanisms and methods across building design, construction, project operations and office. The Group has set green development targets in the areas of carbon emissions & energy efficiency, water efficiency and waste reduction, while proactively identifying and responding to the risks and opportunities associated with climate change, with a view to implementing the national environmental protection concept of “lucid waters and lush mountains are invaluable assets”, striving to minimise the adverse impacts on the environment that may be caused by the Group in its business development and operation. The Group also collaborated with its partners in advancing the real estate sector’s transition toward a low-carbon economy.

### ESG issues included in this section

Water resources management

Energy efficiency and carbon emissions reduction

Green operation

Dealing with climate change

### SDGs goals addressed in this section





## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.1 Green Building

JY Grandmark fully leverages its technological strengths in the industry to advance green construction and drive the sector's low-carbon transition, while insisting on integrating national green building standards across all phases – from product design and development to operation and management. The Group aims to reduce the environmental impact of buildings throughout their full lifecycle by adopting advanced low-carbon and energy-saving construction methods, applying green construction technologies, and enhancing sustainable site management. These efforts strengthen product competitiveness while allowing customers to experience the changes in their lives brought about by green technology.

#### Green Construction Technology

As a green construction technology, assembled construction usually transfers a lot of on-site operations to factory operations compared to traditional construction methods. The Ministry of Housing and Urban-Rural Development of PRC has issued the “14th Five-Year Plan” for the Development of the Construction Industry (《「十四五」建築業發展規劃》), which explicitly proposes that by 2025, the proportion of assembled buildings in new construction will reach 30%. This means that the State will vigorously promote the application of assembled buildings to support the transformation of enterprises to new building products and production methods that maximise the value in terms of energy-saving, environmental protection, and the whole life cycle.

Therefore, the Group has actively responded to the call of the State to widely apply the assembled construction technology in its own projects under construction. During the Year, a number of our projects, such as Mountain Lake Gulf Phase II and Phase III, Jing Ye Square Phase I and Phase II, JY Uniworld in Zengcheng and JY Well-being Valley, have adopted the assembled construction technology, using construction methods such as the laminated floor, prefabricated stairs, prefabricated interior partition wallboards, integrated decoration, integrated bathrooms, integrated kitchens and aluminium moulding, striving to realise a low-carbon and environmentally-friendly industrialised construction mode. Assembled construction not only significantly enhances construction quality and efficiency while minimising material wastage, but also maintains safe and civilised construction practices to lower on-site accident rates. Additionally, it curtails the generation of pollutants and construction waste, thereby enhancing environmental protection in surrounding areas.



Application of Assembly Building Technology

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.1 Green Building (continued)

#### Green Construction Technology (continued)

| Improve Construction Quality  | Improve Construction Efficiency   | Safe and Civilised Construction   | Energy Saving and Environmental Protection Construction   |
|---|---|---|---|
| <ul style="list-style-type: none"> <li>Correcting quality problems such as wall cracking and leakage, and improving the overall safety, fire resistance and durability of the housing.</li> </ul> | <ul style="list-style-type: none"> <li>Transferring traditional “site operations” to “factory operations”, reducing the impact of weather conditions on construction and speeding up the progress of construction.</li> </ul> | <ul style="list-style-type: none"> <li>Reducing the construction site building materials and construction waste stacking, making the excessive construction noise controllable, as well as reducing the site safety accident rate.</li> </ul> | <ul style="list-style-type: none"> <li>By significantly reducing original on-site casting operations, we strictly control construction flying dust pollution, reduce the consumption of energy such as water, electricity and fuel, and decrease the emission of pollutants and waste.</li> </ul> |

Advantages of Assembled Building

As of the end of December 2024, the status of the Group's projects implementing assembled construction is as follows:

| Project Name                                | Total Capacity Area<br>(10,000 m <sup>2</sup> ) | Assembled Area<br>(10,000 m <sup>2</sup> ) | Percentage of Floor Area of Assembled Buildings |
|---|---|--|---|
| Zhuzhou Mountain Lake Gulf Phase II         | 17.23   | 2.86                                       | 16.60%  |
| Zhuzhou Mountain Lake Gulf Phase III        | 21.30   | 11.96                                      | 56.15%  |
| Zhuzhou Jing Ye Square Phase I and Phase II | 9.07  | 4.54                                       | 50.06%  |
| Zengcheng JY Uniworld                       | 8.08  | 3.74                                       | 46.29%  |
| JY Well-being Valley (04# Lot)              | 6.18  | 6.16                                       | 99.68%  |
| JY Well-being Valley (07# Lot)              | 7.17  | 7.10                                       | 99.02%  |

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.1 Green Building (continued)

#### Green Construction Technology (continued)

In addition to the application of assembled green construction technology, the Group has introduced innovative self-leveling flooring technology in floor decoration, fully demonstrating its environmental friendliness and resource-efficient characteristics. Compared to traditional methods, this technology enables automated precision leveling, ensuring a flawlessly even surface post-construction while achieving significant material savings. Featuring superior bonding properties and high hardening strength, this technology eliminates risks of hollowing or cracking, and delivers high compressive strength, abrasion resistance, moisture-proof and sound insulation capabilities. These advantages allow rational timeline adjustments and streamlined construction efficiency. Moreover, the self-leveling process generates zero radiation emissions and releases no hazardous substances such as methanol or benzene throughout construction. This safeguards workers' occupational health and safety while substantially reducing emissions of hazardous gases in building projects.



New Self-levelling Technology Application

#### Green Construction Management

The Group strictly abides by the Technical Guidelines for Green Construction (Trial) (《綠色建造技術導則(試行)》) and other related policies, formulates and implements Management Methods for Safe and Environmentally Friendly Construction of JY Grandmark Group (《景業名邦集團安全文明施工管理辦法》) and other internal rules and regulations, to advocate green construction and minimise the adverse impacts on the environment caused by construction activities as far as possible.

By considering the impact of the construction site on the surrounding environment and community residents, we have implemented the following eight types of green construction management measures, striving to ensure construction quality and safety of the building environment, while realising the conservation of materials, energy and water resources, reducing noise and dust, protecting water and soil, as well as preventing the pollution of wastes and craftsmanship, in an effort to create a safe, comfortable and clean construction environment.

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.1 Green Building (continued)

#### Green Construction Management (continued)

##### Material conservation

- We choose recyclable materials such as concrete iron and copper products for architectural project design;
- Projects are encouraged to adopt the aluminium formwork and climbing frame process system to reduce the use and loss of wooden squares and wooden formwork;
- The proportion of prefabricated components in building development is increased, including prefabricated shear walls, prefabricated laminated panels, prefabricated stair slabs, etc.;
- In the construction process, plastic formwork with higher turnover times is popularised to reduce the loss of turnover materials;
- All construction processes use ready-mixed concrete and commercial mortar to reduce environmental pollution and material losses at the construction sites;
- Some projects make full use of the integrated design of building, civil engineering, and decoration.

##### Energy conservation

- Solar street lamps are used for lighting in the construction of some projects;
- Centralised and time-limited lighting devices are arranged for the construction of some projects.



Site Solar Application

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.1 Green Building (continued)

#### Green Construction Management (continued)

##### Noise control

- Construction noise is monitored in real time and make sure it does not exceed the level required by the Emission Standard of Environmental Noise for Boundary of Construction Site (《建築施工場界環境噪聲排放標準》);
- Sound insulation measures, e.g. temporary barriers for sound insulation and vibration isolation, are also taken.

##### Dust control

- “Wet operation” is required for demolition, blasting, excavation and other processes;
- The use of bulk cement is prohibited and the use of commercial concrete is popularised;
- Dust detection facilities are set up at the site to monitor and control the dust within the construction site, and the proven gas emission standards are strictly implemented to ensure compliance with the secondary standards for air pollutants;
- Spraying systems are also set up around tower cranes, walls, outer shelves, etc., and the main construction areas are equipped with fog cannons or sprinklers.



Dust Monitoring Devices



Spraying Facilities for Dust Reduction at Construction Sites



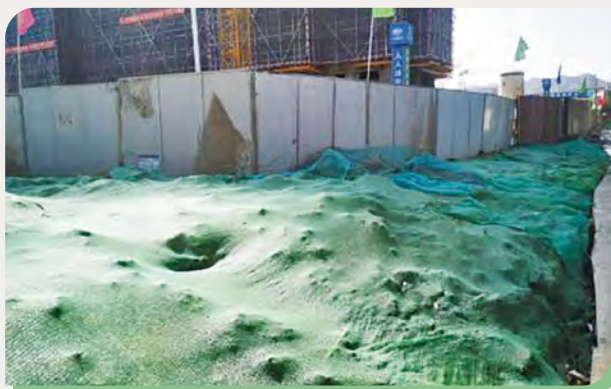
## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.1 Green Building (continued)

#### Green Construction Management (continued)

##### Soil protection

- The construction site requires that exposed soil be covered with dense mesh netting for comprehensive coverage or landscaping treatment;
- The ground surface of the main roads, operation areas and living areas at the construction site are fully hardened and compacted.



Exposed Soil Coverage on Site

##### Sewage treatment

- The entrances and exits are equipped with flushing equipment, the vehicles go out after being cleaned and covered to strictly prevent the vehicles from carrying sediment out of the site, and the car wash wastewater is discharged into municipal sewage pipelines only after going through the three-stage sedimentation;
- Drainage ditches have been dug along the on-site roads, material stacking sites and mixing stations to control sewage flow, with sedimentation tanks set up to ensure that sewage is discharged into municipal sewage pipelines only after sedimentation.

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.1 Green Building (continued)

#### Green Construction Management (continued)

##### Waste treatment

- Construction waste generated during the construction process are categorised and placed on-site, and dumping and indiscriminate landfilling are strictly prohibited;
- The construction waste is handed over to professional organisations for uniform recycling and compliant treatment.

##### Prevention of process-related pollution

- All wood veneer products supporting the decoration project are delivered to the site for assembly after the painting process is completed in the factory, and onsite painting is prohibited;
- All veneer products for interior doors selected by the bidders are of paint-free veneer;
- Environment-friendly primers and glues are uniformly selected for indoor wallpapering, while nitro varnishes are not allowed to be used as primers;
- Painting process of aluminium windows, railings, etc., are completed in professional production workshops utilising the “powder spraying” process, to avoid pollution caused by traditional painting processes.

### 6.2 Green Operation

During its operations, JY Grandmark has consciously complied with the Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》), the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) and other laws and regulations related to environmental protection and emission. It has established green development goals and implemented specific measures to achieve refined management in energy utilisation, water resources conservation and waste disposal. By integrating sustainable development concepts into daily office operations and business processes, the Group advocates energy conservation and emission reduction, committed to delivering high-quality products and services while fulfilling its corporate environmental responsibilities as a real estate developer. During the Year, the Group did not identify any violations related to exhaust emissions, discharges into water and soil, or the generation of hazardous and non-hazardous waste.

#### Green Development Targets

To clarify environmental management direction and enhance management efficiency, the Group adheres to green and low-carbon operations. By deeply considering how to integrate business development with daily operational realities, it has formulated three major green development targets, namely carbon emission and energy use efficiency target, water efficiency target, waste reduction target. It has promoted the implementation of relevant action plans in various dimensions, including green operation and office, green construction and green building, etc., and has maintained ongoing monitoring and documentation of effectiveness of its environmental management, actively propelling the successful attainment of established targets.

#### Green Development Targets



Carbon emission and energy use efficiency target

The Group proactively conducts operations in an energy-saving and consumption-reducing way, increases energy use efficiency and decreases greenhouse gas emissions.



Water efficiency target

The Group reinforces the daily maintenance of water facilities and equipment, publicises the awareness of water conservation, reasonably uses water resources and optimises the utilisation efficiency of water resources.



Waste reduction target

In response to waste sorting, the Group deepens the awareness of material recycling and relentlessly presses ahead with reducing waste, recycling waste and harmlessly treating waste.

Greenhouse gas emissions, electricity consumption, total energy consumption and total non-hazardous waste also decreased during the Year compared to last year, and we are making good progress towards these targets. Water consumption was slightly higher than last year, and we will actively implement water conservation measures in the future to achieve our water efficiency target.

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.2 Green Operation (continued)

#### Energy Efficiency and Carbon Emission Reduction

In terms of energy management, we mainly utilise energy saving management strategies and the application of energy saving technologies to effectively reduce energy consumption, enhance energy efficiency and reduce carbon emissions generated from our operations and construction processes, thereby striving to achieve the carbon emission and energy efficiency targets we have set and actively responding to the national goal of carbon neutrality.

#### Energy saving

- The air-conditioning system of the hot spring resort in Conghua is controlled in terms of its switch-on time. The air-conditioning system of the resort lobby and the hot spring area is switched off from 11 p.m. to 7 a.m. in the following morning, so that the switch-on time of the air-conditioning system is reduced, thus achieving the purpose of energy saving and consumption reduction.
- The hot spring resort in Conghua has added solar-powered streetlights to save electricity.
- The Zhaoqing project has implemented a timed control power supply for corridor lighting to turn it on at scheduled times.
- The Lychee project has removed the light tubes from idle and unsold parking spaces in the underground garage, and reduced the number of light tubes in the residential centre's office area, decreasing lighting energy consumption by nearly 20% compared to the same period last year.
- During the cooling season from June to October designated by us, we implemented an air conditioning waste heat recovery system by installing heat recovery equipment. This initiative successfully generated 9,320 tonnes of reclaimed hot water throughout the Year, resulting in approximately RMB55,000 in electricity cost savings.

#### Gas-to-electricity energy-saving project

- Since the end of 2018 and July 2020, the Just Stay Resort in Conghua District has invested a total of more than RMB3,400,000 in the gas-to-electricity energy-saving project, which has changed the original gas boiler constant temperature system into an air energy heat pump and an electromagnetic heater for constant temperature. After nearly four years of operation, a total of RMB7,221,700 was saved in energy consumption after the renovation compared with that before the renovation.



## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.2 Green Operation (continued)

#### Energy Efficiency and Carbon Emission Reduction (continued)

##### Enhancement of energy saving publicity

- The project incorporated practical work requirements and launched thematic training on energy saving and consumption reduction for staff to impart knowledge and skills on energy saving, so as to enhance their awareness and ability in energy saving.

#### Water Resources Management

The Group attaches great importance to the use and management of water resources and has formulated relevant water management measures in compliance with the water conservation policies stipulated by the local governments of each project. At the same time, we have implemented various water conservation measures in an effort to achieve water efficiency targets. These include inspection and maintenance of daily water equipment, priority selection of water-saving equipment and promotion of the concept of water conservation, with a view to reducing the amount of water withdrawn, reusing water resources and preventing water pollution, thereby promoting the rationalised use of water resources. During the Year, the Group had no issue in sourcing water that is fit for purpose.

##### Enhanced Equipment Management

Enhance the daily inspection and maintenance of water equipment, and replace ageing water equipment in a timely manner to prevent the occurrence of “running, bubbling, dripping and leaking” and other issues and reduce the waste of water resources.

##### Launching Water Conservation Retrofits

Priority should be given to water-saving equipment and water-saving appliances, and water supply and water use devices are designed and installed in accordance with relevant national specifications and product standards.

##### Raising Awareness of Water Conservation

Water conservation slogans are posted at water outlets, and daily publicity is conducted to raise awareness of water conservation.

#### Case

##### Leakage Remediation for Hot Spring Pools in Villa Zone and Main Pool Area at the Tot Spring Resort in Conghua

During the Year, the Group implemented leakage repairs and remediation for hot spring pools in the villa zone and the main pool area at the hot spring resort in Conghua. The project involved pinpointing leak points in water supply and drainage pipelines and pool structures, regrouting tiles and applying waterproofing treatments, effectively reducing water resource wastage caused by seepage. Post-remediation efforts achieved a daily reduction of approximately 15 tonnes in water wastage.



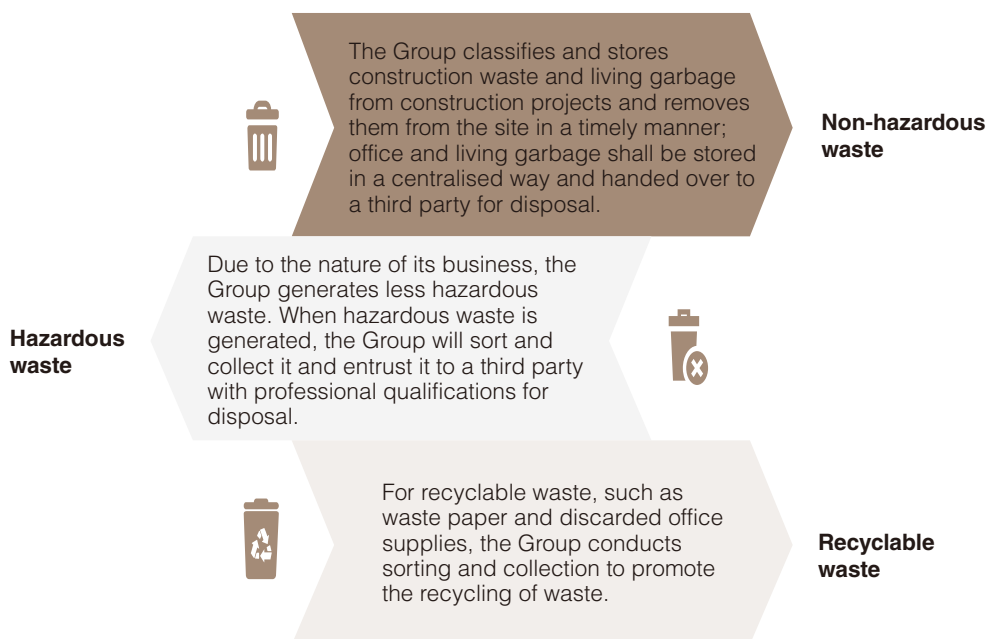
## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.2 Green Operation (continued)

#### Waste Management

We strictly abide with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Administrative Measures for Urban Living Garbage (《城市生活垃圾管理辦法》) and other laws and regulations related to waste management, adopt management methods of reduction, recycling and harmlessness for waste generated at construction sites, and rigorously implement the processes of waste discharge, classification, and disposal in each business segment. At project sites, the Group requires construction units to conduct centralised recycling and treatment of all waste on a general basis, and regularly transports specific construction waste to off-site locations for harmless treatment. In addition, we promote the priority use of green and environmentally friendly materials during the construction process to reduce waste generation from the source, and strive to create green and civilised construction sites.

Apart from the construction waste, garden waste and living garbage produced during the construction and office work, none of the Group's projects have produced any other waste that could significantly affect the surrounding environment and natural resources. During the Year, the Group took actions to achieve the waste reduction, details of which are set out below:



## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.2 Green Operation (continued)

#### Waste Management (continued)

In the hotel sector, the Group has optimised regulations on garbage classification and a daily management system, requiring staff to do a good job in garbage classification according to recyclable garbage, non-recyclable garbage and other garbage when cleaning the garbage in guest rooms. At the same time, the Group also appointed dedicated personnel to collect paperwork and information, regularly launched special conferences, special activities, and publicity and training on waste separation, and posted signs of refusal to waste in prominent locations such as the catering department of the hotels, so as to enhance the awareness of resources conservation and garbage classification as well as the sense of responsibility among all staff members.



Poster of Classification of Living Waste; Publicity on Refusal of Wasting

#### Conghua Hot Spring Hotel Established an Internal Organisation of Waste Classification

The Group's Conghua Hot Spring Hotel established an internal organisation of waste classification, with dedicated personnel responsible for collecting paperwork and information, regularly conducting special conferences, special activities, and publicity and training on waste classification to help employees understand the knowledge and importance of waste classification, cultivate their awareness of waste classification, thereby better popularising its comprehensive promotion and implementation. The Conghua Hot Spring Hotel also formulated management regulations and daily management systems of waste classification, and kept the proper registration of daily, monthly, and annual records.

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.2 Green Operation (continued)

#### Waste Management (continued)

In the property sector, the Group focuses on promoting and building green and waste-free communities by requiring each property project to proactively cooperate with requirements of the local government to operate properly in garbage classification and environmental management. Each property project sets garbage classification stations, and organises community publicity activities themed on garbage classification, advocating owners and tenants to practise the concepts of green living and low-carbon environmental protection, working together to safeguard our beautiful home.



Publicity Campaign on the Theme of Waste Classification

#### Green Office

JY Grandmark is committed to implementing the concept of green office. Adhering to the principles of broadening sources of income and reducing expenditure as well as eliminating waste, the Group has thoroughly launched the implementation of various special measures of energy saving, consumption reduction and low-carbon office, promoting the cultivation of employees' awareness of resource conservation and environmental protection, and the scientific utilisation of resources, to effectively reduce consumption and increase efficiency, control its office costs, and create a low-carbon and environmentally friendly office environment.

During the Year, the Group's relevant green office initiatives included but were not limited to:

#### Electricity conservation

- Conducting spot-check on the power-saving situation in each office area through unscheduled inspections, calling attention to the situation of failing to turn off the power when leaving the office and resulting in equipment waste, and promoting the departments and employees to gradually cultivate their awareness of power-saving;
- Installing intelligent power-saving switches in office spaces that automatically turn off lighting equipment one hour after the end of the workday to avoid empty consumption of lighting equipment;
- Hotels require housekeeping staff to effectively implement the practices of energy-saving and environmental protection by turning off the lights, air conditioning, and television when they leave the rooms;
- Controlling the air-conditioning temperature in the office at 26°C in summer to avoid excessive air-conditioning energy consumption.

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.2 Green Operation (continued)

#### Green Office (continued)

##### Water conservation

- Reducing water waste by installing water dispensers instead of purchasing bottled water;
- Eliminating the phenomenon of “long flow of water” in the tea rooms and the toilets;
- If there is “leakage and dripping” of water, notify the relevant department for maintenance in time.

##### Saving paper

- Fully popularising paperless office;
- Using double-sided printing for documents and reusing printing paper;
- Using paper of relatively light grammage;
- Encouraging employees to adjust the page layout and control the number of colour prints before printing.

##### Cyclic utilisation

- Recycling office supplies for the second time to share resource and reduce the waste of office consumables;
- Employees are recommended to bring their own water cups at the meeting to reduce the use of disposable cups.

##### Green campaign

- Carrying out office culture promotion of green office from time to time, strengthening the staff’s awareness of green office behaviour through posters, push of long articles on official account and other forms of publicity;
- In order to better remind guests to save food, the restaurant of the Conghua Hot Spring Hotel places “empty plate” and other promotional signs on each table, and staff also offer timely suggestions to guests when taking orders, to avoid waste.

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.3 Responding to Climate Change

JY Grandmark realizes that climate change has become a severe challenge that real estate enterprises cannot afford to ignore. The risks related to climate change typically possess the features of urgency, sudden occurrence, and wide-ranging influence, and may directly or indirectly disturb corporate operations, damage tangible assets, influence business decision-making processes or affect the financial position of the enterprise. In this context, as a responsible enterprise, we incorporated the response to climate change into our business development plans, and reviewed our governance and operational practices with reference to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The Group identified and evaluated the possible risks on and opportunities for its business operation arising from climate change, and actively devised corresponding mitigation and response plans.



Climate Disclosure Framework of TCFD Recommendations

#### Governance

In the face of climate-related risks and opportunities, the Group has implemented a series of guidelines, standards and action plans that govern our daily construction and operations referring to national policies and local government requirements. The board of directors and the ESG Working Group of the Group are responsible for leading the formulation of sustainable development strategies, including response to climate change issues, and regularly reviewing the implementation. At the same time, the ESG Working Group is also responsible for supervising and evaluating the Group's performance in addressing climate change risks during its operation, and ensure that our environmental protection and energy-saving and emission-reduction measures are effectively carried out, so as to reduce the environmental burden and strengthen the Group's resilience against climate change.



## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.3 Responding to Climate Change (continued)

#### Strategy

The Group has performed a systematic climate change analysis to comprehend and discuss the climate-related risks and opportunities that may exert substantial and potential adverse impact on its business, strategies and financial arrangements. The Group has also incorporated climate change into its ESG management strategic plans. By assessing from the two aspects, i.e. the probability of events occurring and the extent of their impact on the Group, the table below summarized the significant physical and transition risks to the Group, and corresponding measures to alleviate them.

| Risk Category        | Name of Risk   | Extent of Impact  | Mitigation Measures   |
|----------------------|--|---|---|
| <b>Physical Risk</b> | Extreme weather events (including rainstorms, earthquakes, typhoons, etc.) | <ul style="list-style-type: none"> <li>Increasing frequency and severity of extreme weather events lead to an increased demand for electricity and water, resulting in higher operating costs</li> <li>Impose a burden on the health of employees and the durability of equipment, resulting in reduced productivity</li> </ul> | <ul style="list-style-type: none"> <li>Develop extreme weather emergency plans, such as flood-control and typhoon-prevention emergency plans, and set up emergency response teams</li> <li>Send kind reminders to residents/clients regarding typhoon and rainstorm prevention, and effectively carry out publicity on wind protection safety precautions</li> <li>Intensify the all-round inspection of facilities like drainage and power supply within the project area</li> <li>Conduct regular training on emergency drills</li> <li>Adopt more durable and firm facilities and materials</li> <li>Carry out green building project, and test the building's anti-seismic ability to ensure that it reaches the level of local anti-seismic grades</li> <li>Formulate safety risk prevention and control measures to fully ensure the health and safety of employees</li> <li>Build strong relationships with suppliers to ensure the timely delivery of products</li> </ul> |

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.3 Responding to Climate Change (continued)

Strategy (continued)

| Risk             |                          |   |   |
|------------------|--------------------------|---|---|
| Category         | Name of Risk             | Extent of Impact  | Mitigation Measures   |
| Transition Risks | Policies and regulations | <ul style="list-style-type: none"> <li>Increasingly stringent carbon emission management requirements and requirements for green building design lead to an increase in operating and project construction costs</li> </ul> | <ul style="list-style-type: none"> <li>Pay close attention to market trends and policy trends</li> <li>Promote innovative investment in projects with green and low-carbon characteristics</li> <li>Enhance the research and practise on green building</li> </ul>  |
|                  | Technology               | <ul style="list-style-type: none"> <li>Higher technical demand for resource use efficiency and waste discharge management leads to an increase in operating and project construction costs</li> </ul>                       | <ul style="list-style-type: none"> <li>Intensive use of prefabricated buildings to achieve the effect of energy saving and consumption reduction</li> <li>Continue to explore new technologies for energy-saving transformation to help energy-saving and efficiency-enhancing</li> <li>Promote the use of renewable energy, for instance, deploy solar photovoltaic system on roofs and facades to increase the use of solar energy</li> </ul> |
|                  | Market and reputation    | <ul style="list-style-type: none"> <li>Less competitive advantage compared to competitors with better sustainability performance leads to an impairment of revenue and market reputation</li> </ul>                         | <ul style="list-style-type: none"> <li>Prioritise sustainability in renovation design and new development projects</li> <li>Keep a close eye on customer satisfaction</li> </ul>  |

### 6.3 Responding to Climate Change (continued)

Strategy (continued)

#### Case

#### Pay Attention to Extreme Weather and Respond to Risks in a Timely Manner

In 2024, Typhoon “Yagi” landed in Hainan, greatly influencing the southern coastal areas of China. Three days before the typhoon arrived, JY Grandmark had already made full preparations for wind and flood prevention and stocked up daily essentials. The Property Centre issued warnings through various channels, including mini-programs, WeChat groups, QQ groups, publicity boards, etc., and also informed some customers individually at their doors to take preventive measures. In addition, we carried out special inspections of key and potential risk areas in the park, especially detailed indoor inspections of vacant houses. Thanks to our daily training and the comprehensive emergency response plans and drills, this typhoon hardly brought any losses to the community.



Precautions before and Restoration after the Typhoon by the Property Centre

## 6. GREEN TRANSFORMATION, CONSTRUCTING SUSTAINABLE COMMUNITIES (CONTINUED)

### 6.3 Responding to Climate Change (continued)

#### Strategy (continued)

Meanwhile, the Group has also identified opportunities related to climate change based on its own actual operating, actively drawn up targeted development plans, looking forward to seizing the development opportunities arising from the global low-carbon transition process.



#### Risk Management

The issues related to climate change, energy efficiency, greenhouse gas emissions, water resources supply and waste management, etc. have been included in the climate-related risk assessment of the Group's risk management system. Utilizing multiple channels including interviews, surveys and meetings, we have carried out an in-depth environmental impact evaluation and investigative analysis of new and ongoing projects in relation to these climate issues, and identified potential negative impacts of climate risks on the business and strategies of the Group. Subsequently, we actively formulate relevant alleviation measures to manage these identified climate change risks, and the relevant business departments are responsible for supervising and checking the implementation of specific measures regularly. For detailed action plans aimed at addressing climate-related risks, please refer to the subsections headed "Green Building" and "Green Operation" in this chapter.

#### Metrics and Targets

According to the climate risks and opportunities identified above and their influences, the Group sets environmental targets in three aspects including low-carbon and energy conservation, water efficiency and waste reduction, and continues to disclose Scope 1 and Scope 2 greenhouse gas emission data, while constantly focusing on measures to reduce greenhouse gas emissions in Scope 3. These measures include but are not limited to encouraging employees to give priority to public transportation when travelling, thereby reducing carbon emissions generated during commuting activities and business travels by means of green travel. We expect to gradually lessen the environmental footprint in our daily operations, actively carry out management approaches to facilitate the realization of environmental goals, and achieve sustainable and green development.

## 7. STICK FIRMLY TO INTEGRITY, WITH ZERO TOLERANCE TOWARDS CORRUPTION

The Group is well aware that sustainable development of an enterprise is closely intertwined with good business ethics and integrity. In our daily operations and supervision process, we have a zero-tolerance policy towards all forms of fraudulent activities, including commercial collusion, unauthorized power abuse, bribery, blackmail, corruption and money laundering. Through the comprehensive establishment of an anti-corruption supervision and management system that covers all employees, the Group implements its internal management systems for anti-corruption, bribery, extortion, fraud and money laundering, and carries out employee integrity training regularly. We also offer open and transparent reporting channels to encourage employees to report any collusive and corrupt behaviour in a timely manner, effectively fortifying anti-corruption defences from aspects including ideological and moral standards, professional ethics, and business norms. Adhering to the business ethics spirit of “upholding integrity as the foundation and compliance as a pledge”, along with the working principles of “having rules to follow, strictly enforcing the rules, and investigating any violations”, we aim to foster an honest, clean, efficient and transparent working atmosphere and business environment, so as to ensure the long-term and healthy development of the enterprise and maintain the good reputation of the Group.

### ESG issues included in this section

Compliance and Sound Operation  
Anti-corruption and Integrity Training

### SDGs goals addressed in this section





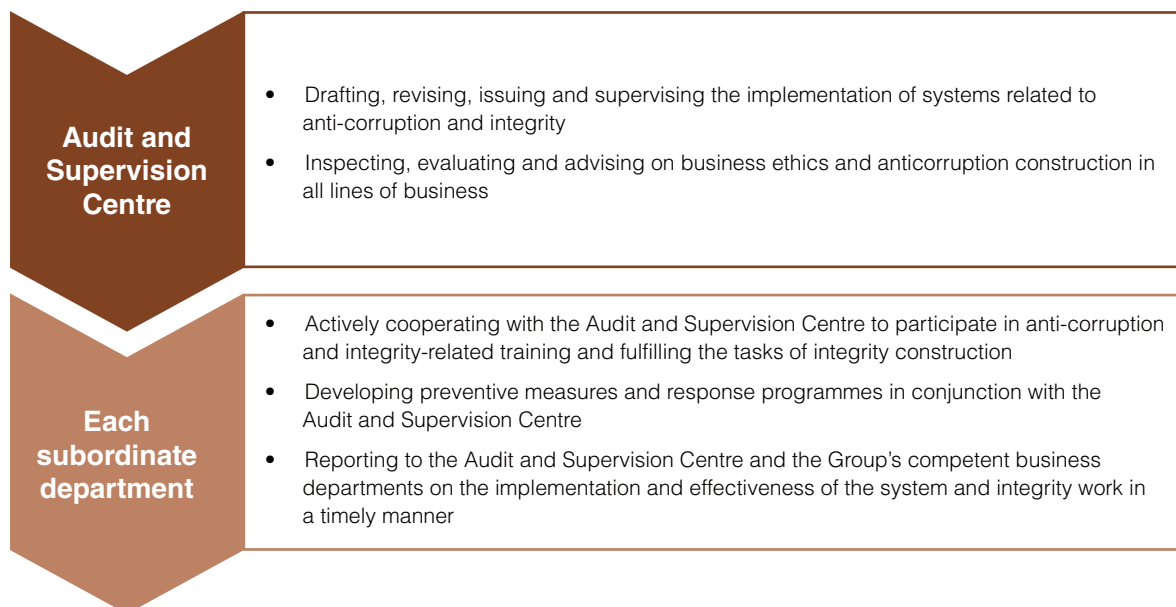
## 7. STICK FIRMLY TO INTEGRITY, WITH ZERO TOLERANCE TOWARDS CORRUPTION (CONTINUED)

### 7.1 Anti-corruption Supervision and Management System

JY Grandmark consistently upholds the lofty standards of national laws, regulations and business ethics, and exercises stringent control over the risks of fraud, bribery and corruption to guarantee the legality and compliance of all its operations. The Group rigorously follows the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) and other laws and regulations. Moreover, the Group has formulated a series of internal policies and systems related to business ethics, such as the JY Grandmark Group Probity System (《景業名邦集團廉政制度》) and the Administrative Measures for Dereliction of Duty and Accountability of JY Grandmark Group (《景業名邦集團失職問責管理辦法》), committed to preventing money laundering, corruption and unfair competition. During the Year, the Group did not experience any violations of laws and regulations related to bribery, extortion, fraud and money laundering, and there were no identified incidents of corruption or public legal cases relating to the Group or its employees.

The Group requires each employee to sign the Employee Integrity Pledge (《員工廉政承諾書》) and make a commitment to their own business ethics and proper conduct. Once corruption or fraud is detected, the employee involved will be promptly transferred to judicial authorities for further action. In terms of the supply chain, we would sign the Probity Agreement (《廉政協議書》) with partner companies, clearly requiring them to comply with national anti-corruption laws and regulations as well as the Group's anti-corruption requirements. No form of solicitation or acceptance of bribes is allowed, and employees are prohibited from disclosing any confidential information that could benefit suppliers, regardless of the reason. For suppliers failing to meet the contractual obligations, the Group will terminate cooperation and seek compensation for their breach of contract.

In addition, to better regulate integrity-related work and enhance supervision, the Group has established a well-developed internal integrity management framework and set up the Audit and Supervision Centre, which is responsible for formulating the systems related to anti-corruption and integrity, overseeing the implementation of business ethics and integrity construction in daily operational processes, and requiring all subordinate departments to cooperate in conducting relevant anti-corruption and integrity-related training to ensure that business conduct standards are effectively enforced. Moreover, each subordinate department should need to communicate closely with the Audit and Supervision Centre, participating in formulating anti-corruption measures and responsive plans, and regularly report the developments and results of integrity work.



## 7. STICK FIRMLY TO INTEGRITY, WITH ZERO TOLERANCE TOWARDS CORRUPTION (CONTINUED)

### 7.2 Anti-corruption and Integrity Training

In order to enhance the awareness of integrity in work among our employees, and ensure that any disciplinary violations are dealt with in a legal and compliant manner, directors and all employees regularly participate in anti-corruption training and integrity ethics education. During the Year, the Group launched a two-hour integrity training, in which a total of 3 directors and 180 employees participated. The integrity culture education activities we launched adopt a combination of online and offline methods to promote the implementation of important documents on the Group's integrity construction, including the Probity System (《廉政制度》), the Administrative Measures for Dereliction of Duty and Accountability (《失職問責管理辦法》) and the Employee Integrity Pledge (《員工廉政承諾書》). These sessions enable employees to have a clear understanding of our internal compliance regulations and conduct guidelines, as well as misconduct and punitive measures. By leveraging both internal and external resources, the Group aims to put implement its anti-corruption philosophy and continuously strengthen the building of an integrity and honest culture.



Scenes of Integrity Promotion and Training

### 7.3 Integrity Whistle-blowing Channels

To motivate stakeholders, including employees, customers, business partners, to actively report and expose any disciplinary violations in a secure and efficient way, the Group has established multiple open and transparent whistle-blowing channels, such as hotline, email, complaint mailbox, etc. We have also clearly implemented the Principles for Handling Reports on Anti-corruption (《反貪污舉報處理原則》), holding a zero-tolerance stance towards commercial bribery, corruption, and fraudulent behaviours, aiming to safeguard our integrity and good reputation.



**Integrity whistle-blowing  
phone number**

020-85827683



**Integrity whistleblowing  
email address**

lian Zheng@jygrandmark.com



**Letter, courier delivery address**

Audit and Supervision Centre, 10/F, Block 5, Huangpu  
Innovation Centre, 14 Hengshazhihui Street, Huangpu  
District, Guangzhou (Postal Code: 510705)

## 7. STICK FIRMLY TO INTEGRITY, WITH ZERO TOLERANCE TOWARDS CORRUPTION (CONTINUED)

As stated in the Principles for Handling Reports on Anti-corruption (《反貪污舉報處理原則》), upon receipt of an anonymous report, we will act promptly to verify the information provided. Once misconduct is detected, the Group will immediately conduct detailed investigation and internal control assessment, and take appropriate measures on the relevant businesses and units involved. For employees or units that are proven to have committed fraud, the Group will deduct their corresponding performance bonuses in accordance with the Administrative Measures for Dereliction of Duty and Accountability (《失職問責管理辦法》), and will, depending on the circumstances, impose sanctions ranging from demerit, demotion and reassignment, major demerit to dismissal. In the event of illegal acts, the Group will resolutely transfer the relevant persons to the judicial authorities to ensure that it is handled fairly and impartially. When the case is settled, we will also conduct reviews and reflections, formulate rectification measures, and ensure that the same incident does not occur again.

The Group encourages every employee to get involved in the construction of integrity work. To protect the whistle blowers, JY Grandmark has established and improved the Whistle Blower Protection Mechanism (《舉報人保護機制》), ensuring that the personal information of both real-name and anonymous whistle-blowers are strictly protected, and the dissemination of the reported information is also under strict control. All materials in the investigation process are kept confidential to prevent any form of retaliation. For any detected cases of retaliation, the Group will take severe measures to address it. Additionally, we have established a sound whistle-blower incentive mechanism. For those units and individuals who make remarkable contributions in discovering, preventing and correcting disciplinary violations in a timely manner, the Group will, depending on circumstances, offer certain forms of honour and incentives as an acknowledgment, with the aim of jointly creating a fair, just, and transparent business environment.

During the Year, the Group did not have any lawsuits involving corruption or fraud.

## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER

Talent is the essence of an enterprise and a vital impetus for the enterprise to promote innovation and progress. The Group has established a thorough human resources management system, highly emphasized the legality, compliance and rationality of its employment relationship. We safeguard employees' legitimate rights and interests in recruitment, promotion, training, working hours, remuneration, benefits and other aspects, provide equal and diversified development opportunities and working environment, show concerns for employees' physical and mental well-being, so as to ensure the sustainable growth of our human capital.

### ESG issues included in this section

Occupational health and safety  
Employees' interests protection  
Employees' remuneration and benefits  
Employees' training and development opportunity  
Talent recruitment and team building

### SDGs goals addressed in this section



## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.1 Talent Recruitment and Team Building

The Group strictly follows the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》), the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) and other labour-related laws and regulations of the place where it operates. Based on the actual operation conditions of the Group, we have also formulated a set of employment management measures, to safeguard the legitimate rights and interests of employees in various aspects of the workplace, including recruitment, promotion, resignation, dismissal, rest periods, working hours, remuneration and benefits, equal opportunity, diversity, anti-discrimination, welfare. During the Year, the Group did not discover any illegal activities in labour practices such as recruitment, promotion, child labour or forced labour, equal opportunity, diversity and anti-discrimination.

JY Grandmark is committed to fostering a fair, inclusive and diverse workplace. We firmly condemn any form of employment discrimination, and make sure that every employee is treated with respect and has their rights safeguarded. In the recruitment process, the Recruitment Management System (《招聘管理制度》) implemented within the Group regulates employee recruitment management, highlighting the principle of equal and fair employment. We respect and embrace the diverse backgrounds of our employees, and do not discriminate against candidates due to differences in gender, ethnicity, region, religion, marital status, etc. Moreover, we support the equal employment of vulnerable groups to ensure that all employees enjoy fair working and promotion prospects. As of the end of 2024, the overall proportion of female employees of the Group was approximately 51%, and the Group's Just Stay Resort in Conghua District has provided employment opportunities for 2 disabled persons. Meanwhile, in cases where the Group cannot directly offer job positions to the disabled, it has taken practical actions to support the development of disabled person's cause by declaring and contributing to the Employment Security Fund for Disabled Persons in accordance with national regulations and policies.

Furthermore, the Group strictly forbids any business units or related parties in the value chain from engaging in any form of child labour employment or forced labour. Before entering into labour contracts, we will conduct detailed background investigation on the candidates. In the event that a child labourer is inadvertently hired, we will immediately terminate the labour contract with him/her, and contact his/her legal guardian for further handling. After that, we will assess the responsibilities of relevant departments and units, and carry out reviews and draw lessons to prevent similar incidents from happening again. We are committed to entering into labour contracts with its employees on voluntary basis, which clearly specify rights and obligations of both parties, including the position, location, working hours, compensation and other details. The Group does not force the extension of working hours or advocate overtime. We have clearly defined the timecard and attendance requirements for different types of employees in the Attendance Management Regulations (《考勤管理辦法》). Employees should submit a timely application when they need to work overtime due to exceptional circumstances, and it will only be valid upon approval. On the other hand, employees can request compensatory time off depending on the situation. When an employee applies for resignation, the human resources department will conduct an interview and attempt to retain the employee. If he/she decides to leave, we will settle his/her wages and complete necessary procedures as required to safeguard the employee's legal rights.

During the Year, the Group did not have any incidents involving the employment of child labour or forced labour.



## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.1 Talent Recruitment and Team Building (continued)

As of 31 December 2024, the Group had 552 employees in total, with the breakdown by gender, employment, age group and geographical region shown below:

|                        |  | Number of Employees (persons) |
|------------------------|--|-------------------------------|
| By Gender              | Male                                     | 265                           |
|                        | Female                                   | 287                           |
| By Employment Type     | Full time                                | 552                           |
|                        | Part time                                | 0                             |
| By Age Group           | Below 30 years old                       | 87                            |
|                        | 31-40 years old                          | 263                           |
|                        | 41-50 years old                          | 160                           |
|                        | Above 50 years old                       | 42                            |
| By Geographical Region | Mainland China                           | 548                           |
|                        | Overseas and Hong Kong, Macao and Taiwan | 4                             |

### 8.2 Employees' Training and Development Opportunity

The Group highly values the growth and development of employees. We make great efforts to establish diverse development platforms for employees, provide open promotion mechanisms as well as learning and training opportunities, thus helping employees enhance their professional competitiveness and gain long-term development. By constantly improving the talent cultivation mechanism, we aim to stimulate employees' work enthusiasm, explore their potential, and achieve the mutual growth between the Group and its employees. During the Year, the training details of the Group's employees were as follow:



The Group has provided targeted training courses and programs to employees at different levels and job positions, including general skill training, specialised training, marketing training, property training and introduction training. We adhere to the training management principle of "classification at different levels, building on strengths and offsetting weaknesses", closely match the actual business requirements of our projects, aiming to improve employees' both hard and soft skills and increase their work efficiency. For example, general skill training includes file management training, legal risk training and other aspects, which can effectively raise frontline employees' basic work capabilities and safety awareness. In the future, the Group will continue its efforts to offer employees with multi-level and diverse learning and development opportunities, with the goal of building an outstanding talent team that can provide robust support for its sustainable and high-quality development.

## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.2 Employees' Training and Development Opportunity (continued)

#### Case

#### Training on Digital Marketing in the Marketing Line of JY Grandmark Group

In January 2024, JY Grandmark organized all members of the Group's marketing centre and the marketing teams of various projects to participate in training sessions via online and offline approaches. The sessions centred on the introduction to short video live streaming content and operation systems, as well as the use of AI in intelligent short video production and the creation of blockbusters. Spanning three days, the training enabled the employees to gain a deeper insight into new media marketing, and upgrade their short video marketing proficiency, helping them enhance their own capabilities and meanwhile, boosting the Group's business performance.

#### Case

#### Training on Information Security and Owner Privacy in the Property Centre

During the Year, the Property Centre of JY Grandmark arranged for customer service and security staff from different projects to attend two training sessions on information security and owner privacy. Each session spanned 1.5 hours, aiming to increase the employees' awareness and knowledge about information security and privacy, so as to double efforts to safeguard owners' privacy.

## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.2 Employees' Training and Development Opportunity (continued)

In terms of career promotion and development, the Group adheres to the employment principle of “Capability and virtue, Openness and fairness, Talent-post matching and Selecting the best of the best”, establishes the performance appraisal and employee promotion and retention mechanisms, and launch the Administrative Measures for Employee Performance (《員工績效管理辦法》) to regulate the regular evaluation standards and processes for employees' performance. In doing this, we can fairly and accurately identify core personnel with potential for cultivation at all levels and departments, boost their motivation to stay, and fully explore the potential of each talent, thus realizing a win-win situation where individual values are fulfilled and the enterprise prospers. Our Employee Promotion Management Regulations (《員工晉升管理辦法》) details the evaluation requirements and procedures for promotions, helps us promote outstanding employees under the principle of “Openness and fairness, Capability and virtue, Talent-post matching and Selecting the best of the best”, and ensures the vitality and abilities of the Group's talent team.

| <input type="checkbox"/> Performance Appraisal   | <input type="checkbox"/> Employee Promotion and Retention  |
|--|--|
| <input type="checkbox"/> Formulate and strictly implement internal regulations such as the Administrative Measures for Employee Performance (《員工績效管理辦法》) | <input type="checkbox"/> Accurately identify reserve core personnel with potential for cultivation at all levels and majors based on performance appraisal and talent review   |
| <input type="checkbox"/> Regularly compile statistics on performance indicators for key tasks, routine tasks and key positions                           | <input type="checkbox"/> In the event of an internal vacancy in a core position, the Group will give priority to filling it through internal competition and job rotation, fully stimulating the motivation of employees to remain in office |

### 8.3 Occupational Health and Safety

The Group is committed to building a safe and healthy working environment for every employee, and continuously optimise its project safety management system to safeguard the employee's sense of safety at work and to ensure that all operation activities are conducted on a safe and orderly basis. We strictly comply with the laws and regulations related to occupational health and safety in the locations where we operate, such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Measures for Classified Administration of Occupational Diseases and Hazards in Connection with Construction Projects (《建設項目職業病危害分類管理辦法》) and the Administrative Measures for Monitoring Occupational Health (職業健康監護管理辦法). We have formulated and implemented internal management systems such as the Management Methods for Safe and Environmentally Friendly Construction of JY Grandmark Group (《景業名邦集團安全文明施工管理辦法》), fully promoted the responsibility system for safe production, implemented various measures for safety guarantee, and continually monitored the implementation of internal safety management system, to comprehensively ensure the physical health and safety of employees. During the Year, there were 289.5 lost days due to work injury. Over the past three years (including the Year), the Group did not experience any work-related injuries or deaths of employees nor did it have any serious violations of occupational health and safety laws and regulations.

### 8.3 Occupational Health and Safety (continued)

深圳市环通认证中心有限公司  
职业健康安全管理体系认证证书

编号: 0242353226813213M

广州卓都物业管理有限公司  
(统一社会信用代码: 914401132041682608)  
(地址: 广州市海珠区瑞康路11号广州建院北院附楼5楼)  
(或: 场所所在地地址)

职业健康安全管理体系符合标准:  
GB/T 45001-2020/ISO 45001:2018  
职业健康安全管理体系要求标准

●物业管理服务及相关管理活动●

发证日期: 2023-09-26 证书有效期至: 2026-09-25  
下次复证日期: 2024-09-22

(本证书颁发机构内部审核合格有效, 证书和资质有效性可通过国家认证认可公共服务平台查询。)

机构印章: (Red circular stamp of Shenzhen Huantong Certification Center Co., Ltd. with a star in the center)

签发人: (Signature of the issuing officer)

第一负责人: 李国平 (Li Guoping)  
总经理/负责人: 李国平 (Li Guoping)

认证依据: GB/T 45001-2020/ISO 45001:2018  
认证范围: 物业管理服务及相关管理活动

ISO 45001 IAF CNAS  
中国合格评定国家认可委员会  
中国认证认可协会  
MANAGEMENT SYSTEM  
CNAS C224-M

扫一扫, 验证证书有效性  
扫一扫, 验证证书有效性

In addition, we highly emphasise on cultivating the employees' awareness of occupational health and safety. We regularly organise safety training for all staff, providing guidance on identification and prevention of safety risks. Focusing on the daily operating activities of our properties and hotels, we conducted fire safety drills to improve employees' awareness and skills in fire safety. Through case presentations and analysis, our employees are able to fully understand the safety requirements and protective measures, and the common occupational health and safety hazards in the industry had effectively reduced. Meanwhile, we also conduct regular inspection on facilities and equipment, such as the fire service host, fire water system, smoke emission and alarm system to detect any potential fire hazards, so as to ensure the normal operation of the fire service system, and protect the personal and property security of employees and customers.

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## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.3 Occupational Health and Safety (continued)

#### Case

##### Fire Safety Training and Drill of the Year Conducted at the Property Centre

During the Year, a fire drill was conducted at the property centre of the Group. This activity simulated a fire accident occurring in the community's underground passage. After the fire monitoring centre's broadcasting system issued an emergency evacuation notice, the residents evacuated quickly and orderly to the nearest emergency exit along the pre-determined escape routes. This activity also simulated the emergency rescue of injured and mobility-impaired individuals, fully testing the performance of the fire-extinguishing equipment in the community.

#### Case

##### Fire Drill Organised by Conghua Hot Spring Hotel

During the Year, Conghua Hot Spring Hotel also actively organised fire drill. Employees from various departments of the hotel actively participated in the safety drill, and they could achieve the escape and self-rescue within the estimated time with their precise control over the evacuation time. In terms of the use of fire extinguishers and gas masks, employees took the initiative to try out the relevant equipment and listened attentively to the explanations provided by the fire personnel. The drill activities enhanced the employees' awareness of fire safety and their ability to respond to emergencies, ensuring a safer environment for the hotel guests.





## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.4 Employees' Remuneration and Benefits

In order to regulate the construction of employee remuneration standard and welfare systems, the Group has introduced internal remuneration and benefit management systems, including the "Welfare Management System", covering all business segments. Through comprehensively considering the factors such as the value of the position, regional differences, level of contribution, labour intensity, work skills and competence, together with the national and market salary level, we are able to ensure that our employees receive compensation that aligns with their market competitiveness and is internally fair. To inspire the enthusiasm of employees and attract and retain excellent talents, the Group has developed a performance incentive system. Through conducting performance evaluations and referring to industry averages and position requirements, we annually identify employees with excellent performance and reward them with appropriate bonuses.

According to the welfare system we established, employees can receive robust and rational welfares. Apart from the legal rights and benefits such as the statutory social insurance, housing provident funds, and high temperature subsidies, we also offer a diverse range of corporate benefits, including position-based subsidies, cash and non-cash benefits, and vacations, to effectively enhance the employee's senses of well-being and belonging.

| Statutory Benefits  | Corporate Benefits   |
|---|--|
| <ul style="list-style-type: none"><li>• Social insurance</li><li>• Housing provident funds</li><li>• High temperature subsidies</li></ul> | <ul style="list-style-type: none"><li>• <b>Position-based subsidies</b><ul style="list-style-type: none"><li>• vehicle subsidies</li></ul></li><li>• <b>Cash and non-cash benefits</b><ul style="list-style-type: none"><li>• length of service subsidies, meal subsidies, and night shift subsidies</li><li>• annual physical examination</li><li>• holiday benefits, wedding red envelope and birth gift</li></ul></li><li>• <b>Vacation</b><ul style="list-style-type: none"><li>• statutory holiday, public holiday and annual leave</li><li>• marriage leave, maternity leave, abortion leave and breastfeeding leave</li></ul></li></ul> |

At the same time, we expect to continuously improve the remuneration standard and welfare systems while maintaining team stability. Therefore, we regularly collect and analyse the turnover of employees, promptly understand the reasons for employees' resignation, and closely monitor their needs in terms of work and life. When an employee submits a resignation application, we proactively conduct exit interviews in this regard to understand the core reasons for their resignation, such as personal development pursuits, salary satisfaction, family factors, commuting distance and other factors. The Group is willing to provide all-round support and assistance to employees who may be inclined to resign due to living factors such as changes in home address, including but not limited to optimising the working conditions of employees, providing company bus benefits and strengthening internal communication and collaboration mechanisms.

## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.5 Communicating with and Caring for Employees

The Group always pays attention to employees' opinions and feedback, and focuses on communicating closely with employees through various channels, opening up internal communication channels, standardising the internal complaint process, and fully protecting employees' rights to know, participate, express and supervise, striving to provide an open and inclusive corporate atmosphere for our employees. In daily work, the Group regularly convenes regular meetings and special meetings to facilitate the exchange and sharing of internal information, ensuring that issues requiring attention or cross-departmental collaboration are properly addressed. To improve work efficiency, we use the office automation (OA) system to simplify the approval process of leave, reimbursement and procurement. Through the WeChat platform, we can issue real-time reminders and temporary notices to ensure that employees are promptly informed of important matters of the Company.

During the Year, we continued to focus on the physical and mental health of each employee, provided employees with warm corporate care and solid support by organizing internal meal gatherings, distributing New Year's start-up benefits, and sending birthday and anniversary greetings, to enhance the job satisfaction and sense of belonging of employees in multiple aspects, including but not limited to:

- (1) Hold the activities like the distribution of New Year's start-up benefits at significant moments such as the start of the New Year, to strengthen the employee's team experience of celebrating together with the Company.
- (2) Organise team-building activities, basketball games, badminton games, table tennis games, and others according to actual conditions of local projects, to enhance team spirit and cohesion.
- (3) As a benefit to those in need, the Group seeks discounted rental rates for apartments in the headquarters park for employees with long commuting times and high commuting costs.
- (4) Continuing our cultural heritage, the Group sent electronic greeting cards on employees' birthdays and employment anniversaries to express care in a more environmentally friendly way.
- (5) We also actively participate in external cultural and sports activities, striving to establish a positive corporate image and convey the connotation of the JY Grandmark's corporate culture.

## 8. PUT PEOPLE FIRST AND PROGRESS HAND IN HAND TOGETHER (CONTINUED)

### 8.5 Communicating with and Caring for Employees (continued)

#### Case

#### Blessing on Employment Anniversaries and Birthdays

The Group places emphasis on the inheritance of corporate culture, and send personalised electronic greeting cards to employees every year on their birthdays and employment anniversaries, conveying our sincere blessings and gratitude, and creating a wonderful corporate culture atmosphere.



## 9. RESPONSIBLE PROCUREMENT IS OF GREAT SIGNIFICANCE AND REQUIRES LONG-TERM EFFORTS

The Group adheres to the core principle of choosing the best with the highest quality and efficiency, continuously improve and optimise our supply chain management system based on national and industry standards, and implement supplier admission mechanism and assessment mechanism. We actively promote responsible and green procurement, integrating ESG principles and sustainability requirements throughout our supplier management and the entire procurement process, comprehensively identify and manage environmental and social risks across all sections of the supply chain, to ensure the stability, reliability, and sustainability of product materials and quality, laying a solid foundation for the sustainable development of JY Grandmark. At the same time, we adhere to a fair and just attitude in procurement activities, firmly opposing and prohibiting any improper practices such as counterfeiting, misrepresentation, or dissemination of false information. We strive to grow together with our suppliers and business partners, to achieve a harmonious situation of mutual benefit, trust, and support.

### **ESG issues included in this section**

Supply chain environmental and social risk management

### **SDGs goals addressed in this section**

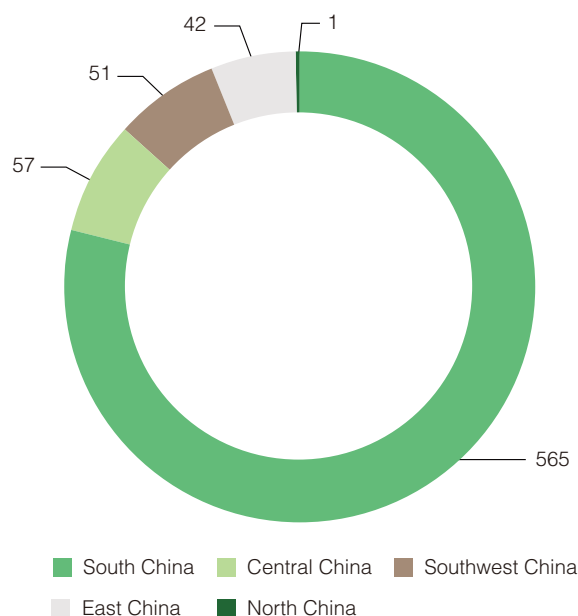


## 9. RESPONSIBLE PROCUREMENT IS OF GREAT SIGNIFICANCE AND REQUIRES LONG-TERM EFFORTS (CONTINUED)

### 9.1 Management System of Supply Chain

JY Grandmark strictly abides by the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Law of the People's Republic of China on Government Procurement (《中華人民共和國政府採購法》) and other laws and regulations while formulating and implementing the internal regulations and systems related to the management of supply chain, such as the Management Code for Suppliers and the Management System for Material Suppliers, clearly defining the specific requirements and procedures for all aspects including tendering and bidding, supplier selection and evaluation, and procurement activities, implementing comprehensive management of suppliers. While safeguarding the rights and interests of suppliers, we strictly control the supplier base, continuously refine the admission and evaluation mechanisms for suppliers, to ensure that suppliers properly fulfill their environmental and social responsibilities, and thereby, continuously improving the quality of our products and services, promoting the establishment of a stable, responsible, and sustainable supply chain ecosystem. During the reporting period, the Group had a total of 716 suppliers. During the Year, the Group did not notice any tender and procurement malpractices.

The number of suppliers by geographical location





## 9. RESPONSIBLE PROCUREMENT IS OF GREAT SIGNIFICANCE AND REQUIRES LONG-TERM EFFORTS (CONTINUED)

### 9.1 Management System of Supply Chain (continued)

Based on the supply chain management system established by the Group, the steps of tendering and bidding, admission review, acceptance inspection, and risk assessment are in line with the nature of the Group's business development and its sustainability strategy. We are committed to cooperating with responsible suppliers through systematic screening and management methods, continuously optimising the supply chain environment and the assessment requirements regarding social responsibility, regularly reviewing the regulatory requirements applicable to all suppliers and updating such requirements when necessary to minimise environmental and social risks in the supply chain. We expect to enhance the management efficiency of supply chain lifecycle, strengthen suppliers' ability to fulfil their obligations and responsibilities, and promote the sustainable development throughout the upstream and downstream of the supply chain. The main content of the supplier admission and evaluation mechanisms implemented by the Group are:



#### Admission mechanism

- We establish an evaluation group for the supplier introduction, and the Tender and Procurement Centre will conduct in-depth discussions with the Engineering Centre, Design Centre and Finance Centre and other core departments, to select the potential suppliers;
- When introducing suppliers, we will conduct preliminary screening in terms of qualifications, performance capabilities, technical level and other aspects, and also conduct on-site inspection and information review;
- We give precedence to and select the candidates who obtained relevant environmental or quality-related certifications such as ISO system certification.



#### Assessment mechanism

- For suppliers in the database, the Group conducts half-yearly and annual assessments, involving quality, delivery, economic and service capabilities and other key indicators;
- In order to ensure that all construction units fully complies with the Group's quality requirements, the Group carried out annual assessment for partners under construction from multiple aspects including contract signing and performance, progress reporting, project progress and the quality of on-site construction;
- We classify the suppliers into four grades, being excellent, good, qualified and unqualified, according to the assessment results, and implements a grade-to-grade management for suppliers; for unqualified suppliers, the Group will terminate the cooperative relationships and will not cooperate with them within two years, and they will have to go through the introduction process as a new candidate if they request to participate in our project bidding again after 2 years.

## 9. RESPONSIBLE PROCUREMENT IS OF GREAT SIGNIFICANCE AND REQUIRES LONG-TERM EFFORTS (CONTINUED)

### 9.2 Integrity Management in Supply Chain

The Group strictly complies with laws and regulations related to anti-corruption in the place where we operate, and prohibits any acts of corruption, bribery, fraud, or other irregularities in the course of cooperation with suppliers. To achieve a collaborative and mutually beneficial relationship, the Group requires all supply chain partners to sign an anti-corruption agreement during the supplier qualification review and contract signing stages, strictly regulating tendering and procurement activities, clarifying the code of conduct and integrity requirements for procurement personnel, and binding both parties to maintain integrity during the procurement process, to promote fair and compliant operations as well as long-term and stable cooperation, and jointly create a transparent supply chain environment. For any irregularities identified during the procurement process, the Group reserves the right to terminate the contract and claim the liability of default, includes the involved suppliers into a blacklist and rejects them from admission forever.

We will continue to focus on and promote the integrity building of the supply chain to ensure that all business partners comply with the same high standards of ethics and compliance as we do. During the Year, the Group had signed the anti-corruption agreement with 68 cooperating suppliers. Meanwhile, the Group did not notice any tender and procurement malpractices in the Year.



#### Fair and just competition

- The Group is committed to maintaining a fair and just competitive environment. With the number of bidders being “not less than 2N+1” in principle, it carries out bidding activities in an orderly manner with reference to the prevailing industrial practices, ensuring sufficient competition and preventing potential conflicts of interest or monopolistic situations.



#### Supervision of the whole bidding process

- The Cost Centre is responsible for management of bidders, bidding list and base price, which will assign different teams to handle bidders and base prices, to avoid risks of corruption;
- The Group requires bidders to negotiate prices and strictly follow the bidding procedures and prohibits from careless or intentional leakages.



#### Corruption report

- The Group sets up corruption report channels, an anti-corruption agreement as well as the contact information of the Audit and Supervision Centre will be included in the bidding contract;
- For any unfair issues that occurred during the bidding process, the bidders can directly report and disclose them to the Audit and Supervision Centre;
- As for bidders conspiring in illegal bidding activities, the Group will deprive their bidding qualifications, and file at the Tender and Procurement Centre, such bidders will not be allowed to participate in any of the Group’s project biddings and quotations for at least three years.

## 9. RESPONSIBLE PROCUREMENT IS OF GREAT SIGNIFICANCE AND REQUIRES LONG-TERM EFFORTS (CONTINUED)

### 9.3 Quality Management of Supply Chain

In order to further ensure the quality of our products and services, we strictly control the quality and product materials of suppliers, carefully selecting partners with certification through multiple requirements. We advocate the implementation of localised procurement strategies, aiming to promote quality improvement and efficiency enhancement, reduce environmental pollution caused by the transportation of materials, and support the local economy and jointly fulfil corporate environmental responsibilities. In addition, the Group insists on green procurement, prioritising environmentally friendly materials and products, and conducting irregular inspections of suppliers' materials, to comprehensively control and ensure that product quality meets the Group's standards.

#### Strict control the quality of the materials and products

- The Group highly focuses on the review of the suppliers' qualifications, and requires suppliers to implement green construction and ensure occupational safety, and encourage the suppliers to actively fulfil their corporate social responsibilities, and jointly explore for green development;
- As of 31 December 2024, among the suppliers database of the Group, a total of 86 suppliers obtained the ISO certification, including ISO9001, ISO14001, ISO45001.

#### Local procurement

- On the premise of ensuring the quality of our products, the Group actively encourages internal departments to prioritise the engagement of suppliers nearby, so as to reduce unnecessary waste and emissions during transportation of materials, support to the local economy and reduce the environmental pollution.



#### Green procurement practice

The Group gives a priority to selecting green and environmentally friendly materials and products, actively practises green procurement, and devotes itself to building a beautiful environment.

#### Enhance inspection on supplier's materials

- The Group's Tender and Procurement Centre and demanding departments will work closely to jointly conduct onsite inspections on materials;
- The inspection will cover five aspects, such as the amount, outer packaging, storage, structure and appearance, use and installation of the materials;
- The suppliers are required by the Group to rectify the issues identified during the inspection immediately, so as to ensure that the quality of the materials and products were effectively controlled and fully safeguarded.

## 9. RESPONSIBLE PROCUREMENT IS OF GREAT SIGNIFICANCE AND REQUIRES LONG-TERM EFFORTS (CONTINUED)

### 9.4 Communication with suppliers

The Group is dedicated to building long-term and close business partnership with suppliers. Through communication mechanisms such as phone calls, emails, on-site visits and industry exhibitions, we have enhanced our interactions with suppliers. We are committed to creating a fair competitive environment for suppliers, to achieve a win-win cooperation.

During the Year, the Group participated in communication activities organised by suppliers, details of which are as follows:

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On 20 March 2024, the Group appointed representatives to attend the International Furniture Fair (Guangzhou)



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On 12 June 2024, the Group appointed representatives to attend the Guangzhou International Lighting Exhibition



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On 10 July 2024, the Group appointed representatives to attend the CBD Fair (Guangzhou)



## 10. PROMOTE A HARMONIOUS SOCIETY WITH PERSISTENT EFFORT

JY Grandmark has always upheld the goal of achieving coordinated development between the enterprise and the surrounding communities, and has proactively undertaken the important task of promoting community development and social progress. We actively support and plan various social activities, respond positively to community needs and residents' demands, participate in public charity activities and environmental protection activities, and call on all employees to join in the actions for ecological environment protection, aiming to contribute to the sustainable development of the whole society through practical actions and to practice the corporate philosophy of "Ethics, Thoughtfulness and Integrity (卓行、善思、有道)". During the Year, the Group invested an amount of RMB28,800 in aggregate in terms of community affairs.

### ESG issues included in this section

Promoting local economic development  
Public charity and social services

### SDGs goals addressed in this section





## 10. PROMOTE A HARMONIOUS SOCIETY WITH PERSISTENT EFFORT (CONTINUED)

### 10.1 Public Welfare and Charity

The Group has actively participated in social public welfare and charitable activities for years by integrating the corporate social responsibility into our sustainability strategy. The Group continuously engage in public welfare and charitable activities, promote and deepen rural revitalisation, advance the progress of infrastructure construction, and stimulate local economic development, giving back to society through concrete actions.

During the Year, the key public welfare activities of the Group are as follows:

#### Case

#### Assist the Housing and Urban-rural Construction Bureau of Yingde City in Organising and Holding Cultural Creative Activity in Community

In 2024, Yingde Shanhuju Real Estate Development Co., Ltd. assisted the Housing and Urban-rural Construction Bureau of Yingde to organise and hold a cultural event titled “Cultural Creative Activity Enters the Community” at the JY Grand Garden community, in which the company provided on-site support and relevant materials, with staff from the marketing department and development department of the project actively participated to ensure its smooth implementation. The items of event included artistic performances, publicity of civilisation creation materials, and an interactive quiz with prizes, bringing civility and harmony into the community and offering residents of the JY Grand Garden community a unique experience of civilised living.

## 10. PROMOTE A HARMONIOUS SOCIETY WITH PERSISTENT EFFORT (CONTINUED)

### 10.2 Environmental Protection

Protecting the environment and pursuing sustainable development is another key focus of the Group in the area of social participation. Through organising diverse and widely-covered environmental protection activities, we are committed to providing the public with more diversified and attractive ways and channels to participate in such activities, enhancing people's environmental awareness and initiative, and practicing the concept of ecological and environmental protection through concrete actions, to create a sustainable future for the next generation.

During the Year, the Group organised its employees to carry out various social service activities related to environmental protection.

#### Case

#### Participating in Voluntary Tree-Planting to Collectively Build a Better Future

On 15 March 2024, a total of 17 employees from Guangzhou Zhuosidao Hotel Management Co., Ltd. (Conghua Branch) participated in the 2024 Voluntary Tree-Planting Event organised by the management committee of LiuXi Hot Spring. Through practical actions, we collectively built a beautiful green environment, protected the ecosystem, and enhanced employees' green, healthy, and low-carbon lifestyle.



Voluntary Tree-Planting Event

# APPENDIX I: ESG KEY PERFORMANCE DATA TABLES

## Environmental Areas

|                                      | KPI  | Unit                               | 2022       | 2023       | 2024       |
|--------------------------------------|--|------------------------------------|------------|------------|------------|
| <b>Air Emissions</b>                 | Sulphur dioxide emissions                    | kg                                 | 0.80       | 0.22       | 0.33       |
|                                      | Nitrogen oxides emissions                    | kg                                 | 155.93     | 144.98     | 204.02     |
|                                      | Particulate matter emissions                 | kg                                 | 4.38       | 4.93       | 19.33      |
| <b>Greenhouse Gas Emissions</b>      | Greenhouse gas emissions (Scope 1)           | tCO <sub>2</sub> e                 | 399.08     | 274.81     | 462.40     |
|                                      | Greenhouse gas emissions (Scope 2)           | tCO <sub>2</sub> e                 | 6,611.82   | 6,330.20   | 5,219.46   |
|                                      | Greenhouse gas emissions (Scope 1 + Scope 2) | tCO <sub>2</sub> e                 | 7,010.90   | 6,605.01   | 5,681.86   |
|                                      | Greenhouse gas emission intensity            | tCO <sub>2</sub> e/million revenue | 13.66      | 12.86      | 1.66       |
| <b>Hazardous Waste</b>               | Total hazardous waste                        | Tonnes                             | 2.40       | 2.02       | 0.07       |
|                                      | Intensity of hazardous waste                 | Tonne/million revenue              | 0.005      | 0.004      | 0.00       |
| <b>Non-hazardous Waste</b>           | Total non-hazardous waste                    | Tonnes                             | 717.59     | 560.44     | 496.17     |
|                                      | Intensity of non-hazardous waste             | Tonne/million revenue              | 1.40       | 1.09       | 0.14       |
| <b>Energy Consumption</b>            | Total energy consumption                     | MWh                                | 13,094.59  | 12,379.76  | 11,376.62  |
|                                      | Direct energy consumption                    | MWh                                | 1,714.16   | 1,279.98   | 1,649.71   |
|                                      | Indirect energy consumption                  | MWh                                | 11,380.43  | 11,099.78  | 9,726.91   |
|                                      | Energy consumption intensity                 | MWh/million revenue                | 25.51      | 24.11      | 3.32       |
|                                      | Electricity consumption                      | MWh                                | 11,380.80  | 11,099.78  | 9,726.91   |
|                                      | Gasoline                                     | Litre                              | 54,438.00  | 15,711.52  | 22,747.98  |
|                                      | Diesel                                       | Litre                              | 266.00     | 621.00     | 935.00     |
|                                      | Liquefied petroleum gas                      | kg                                 | 368.84     | 0.00       | 0.00       |
|                                      | Pipelined natural gas                        | m <sup>3</sup>                     | 125,000.00 | 115,210.32 | 132,749.00 |
| <b>Consumption of Water Resource</b> | Water consumption                            | m <sup>3</sup>                     | 582,116.45 | 550,061.12 | 609,528.04 |
|                                      | Water consumption intensity                  | m <sup>3</sup> /million revenue    | 1,134.07   | 1,071.28   | 177.88     |

### Environmental Areas (continued)

Description of environmental data and factors:

1. The time span of the environmental data is from 1 January 2024 to 31 December 2024; the scope of environmental data collection has changed slightly this year and is updated as follows: the Group's head office area; the office and sales area of branches in six cities; the office and sales area of two project companies; the office and public area of eight property companies; the office and operational area of two hotels.
2. Greenhouse gas emissions (Scope 1) mainly derived from fuel and gas consumption of official vehicles and fixed equipment; while greenhouse gas emissions (Scope 2) derived from consumption of purchased electricity. The relevant data is derived from relevant fee bills and administrative ledgers. Emission factors of greenhouse gas of purchased electricity are based on The Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factors (關於發佈2022年電力二氧化碳排放因子的公告) and The Notice on the Reporting and Verification of Enterprise Greenhouse Gas Emission in Key Industries from 2023-2025 (《關於做好2023-2025年部分重點行業企業溫室氣體排放報告與核查工作的通知》) issued by the Ministry of Ecology and Environmental of PRC; and emission factors for other energy are based on the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange.
3. The types of energy consumed by the Group in 2024 include fuel and gas of official vehicles and fixed equipment and purchased electricity. The relevant data is derived from relevant fee bills and administrative ledgers. The energy consumption factors are subject to conversion factors provided by the International Energy Agency and the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008) (《GB/T 2589-2008 綜合能耗計算通則》).
4. The Group mainly uses municipal tap water and hot spring water, and there is no shortage of water supply or any issue in sourcing water is fit for purpose. The relevant data is derived from financial record and administrative ledgers.

## APPENDIX I: ESG KEY PERFORMANCE DATA TABLES (CONTINUED)

### Social Areas

| KPI   |  | 2023                          |                | 2024                          |                |
|---|--|-------------------------------|----------------|-------------------------------|----------------|
| Total workforce by gender, employment type, age group and geographical region |  |                               |                |                               |                |
|   |  | Number of Employees (persons) | Percentage (%) | Number of Employees (persons) | Percentage (%) |
| By Gender   | Male                                     | 383                           | 51.55          | 265                           | 48.01          |
|   | Female                                   | 360                           | 48.45          | 287                           | 51.99          |
| By Employment Type  | Full time                                | 743                           | 100.00         | 552                           | 100.00         |
|   | Part time                                | 0                             | 0.00           | 0                             | 0.00           |
| By Age Group  | Below 30 years old                       | 112                           | 15.07          | 87                            | 15.76          |
|   | 31–40 years old                          | 347                           | 46.70          | 263                           | 47.64          |
|   | 41–50 years old                          | 215                           | 28.94          | 160                           | 28.99          |
|   | Above 50 years old                       | 69                            | 9.29           | 42                            | 7.61           |
| By Geographical Region  | Mainland China                           | 708                           | 95.29          | 548                           | 99.28          |
|   | Overseas and Hong Kong, Macao and Taiwan | 35                            | 4.71           | 4                             | 0.72           |
| Total Number of Employees   |  | 743                           | /              | 552                           | /              |

#### Employee turnover rate by gender, age group and geographical region<sup>1</sup>

|                               |  |                                       |                   |                                       |                   |
|-------------------------------|--|---------------------------------------|-------------------|---------------------------------------|-------------------|
|                               |  | Number of Employee Turnover (persons) | Turnover Rate (%) | Number of Employee Turnover (persons) | Turnover Rate (%) |
| <b>By Gender</b>              | Male                                     | 100                                   | 13.46             | 85                                    | 15.40             |
|                               | Female                                   | 118                                   | 15.88             | 83                                    | 15.04             |
| <b>By Age Group</b>           | Below 30 years old                       | 64                                    | 8.61              | 39                                    | 7.07              |
|                               | 31–40 years old                          | 100                                   | 13.46             | 73                                    | 13.22             |
|                               | 41–50 years old                          | 41                                    | 5.52              | 37                                    | 6.70              |
|                               | Above 50 years old                       | 13                                    | 1.75              | 19                                    | 3.44              |
| <b>By Geographical Region</b> | Mainland China                           | 218                                   | 29.34             | 168                                   | 30.43             |
|                               | Overseas and Hong Kong, Macao and Taiwan | 0                                     | 0.00              | 0                                     | 0.00              |

#### Health and Safety

|   |   |       |
|---|---|-------|
| <b>Number of work-related fatalities occurred in the past three years (persons)</b> | 0 | 0     |
| <b>Lost days due to work injury (days)</b>  | 0 | 289.5 |

<sup>1</sup> Turnover rate (per category) = Employees in the specified category leaving employment/Number of employees in the specified category\*100.



## APPENDIX I: ESG KEY PERFORMANCE DATA TABLES (CONTINUED)

### Social Areas (continued)

| KPI  |   | 2023   |  | 2024   |  |
|--|---|--|--|--|--|
| The percentage of employees trained <sup>2,3</sup> and average training hours <sup>4</sup> by gender and employment type |   |  |  |  |  |
|  |   | Percentage<br>of Employees<br>Trained<br>(%) | Training<br>Hours Per<br>Employee<br>(hours) | Percentage<br>of Employees<br>Trained<br>(%) | Training<br>Hours Per<br>Employee<br>(hours) |
| By Gender  | Male  | 34.37  | 11.80  | 48.01  | 6.10   |
|  | Female  | 65.63  | 6.73   | 51.99  | 6.50   |
| By Position  | Senior management   | 0.39   | 8.67   | 1.27   | 3.14   |
|  | Middle management   | 3.88   | 11.98  | 2.54   | 1.21   |
|  | General employee  | 95.74  | 8.33   | 96.20  | 6.38   |
| Supplier Management  | North China (suppliers)   |  | 1  |  | 1  |
|  | East China (suppliers)  |  | 42   |  | 42   |
|  | South China (suppliers)   |  | 565  |  | 565  |
|  | Central China (suppliers)   |  | 57   |  | 57   |
|  | Southwest China (suppliers)   |  | 51   |  | 51   |
|  | Number of suppliers where relevant policies (especially environmental protection and social policies) are being implemented (suppliers) |  | 86   |  | 86   |
|  | Number of suppliers signed the Integrity Agreement (suppliers)  |  | 128  |  | 68   |
|  |   |  |  |  |  |
| Customer service data  |   |  |  |  |  |
| Number of complaints (times)   |   |  | 543  | 449  |  |
| Number of callbacks after complaint processing (times)   |   |  | 670  | 449  |  |
| Number of customer service outbound calls (times)  |   |  | 8,928  | 20,105                                       |  |
| Anti-corruption training   |   |  |  |  |  |
| Training times (times)   |   |  | 1  | 1  |  |
| Number of training participants (persons)  |   |  | 31   | 183  |  |
| Total training hours for the year (hours)  |   |  | 15.50  | 366  |  |
| Community Investment   |   |  |  |  |  |
| Amount invested (RMB)  |   |  | 67,000                                       | 28,800                                       |  |

<sup>2</sup> Due to rounding off, the direct calculation results may not be equal.

<sup>3</sup> The percentage of trained employees = the number of trained employees of the category/total number of trained employees

<sup>4</sup> The average training hours = the total number of training hours of employees of the category/total number of employees of the category

## APPENDIX II: ESG REPORTING GUIDE INDEX OF THE STOCK EXCHANGE

| ESG Indicators         |                    |   | Disclosures                                 | Corresponding Sections                                     |
|------------------------|--------------------|---|---|--|
| A. Environmental Areas |                    |   |   |  |
| A1: Emissions          | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Disclosed                                   | Green Transformation, Constructing Sustainable Communities |
|                        | A1.1               | The types of emissions and respective emissions data.   | Disclosed                                   | Appendix I   |
|                        | A1.2               | Total direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.  | Disclosed                                   | Appendix I   |
|                        | A1.3               | Total hazardous waste produced and intensity.   | Disclosed                                   | Appendix I   |
|                        | A1.4               | Total non-hazardous waste produced and intensity.   | Disclosed                                   | Appendix I   |
|                        | A1.5               | Description of emissions target(s) set and steps taken to achieve them.   | Disclosed                                   | Green Transformation, Constructing Sustainable Communities |
|                        | A1.6               | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.  | Disclosed                                   | Green Transformation, Constructing Sustainable Communities |
| A2: Use of Resources   | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials.  | Disclosed                                   | Green Transformation, Constructing Sustainable Communities |
|                        | A2.1               | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.  | Disclosed                                   | Appendix I   |
|                        | A2.2               | Water consumption in total and intensity.   | Disclosed                                   | Appendix I   |
|                        | A2.3               | Description of energy use efficiency target(s) set and steps taken to achieve them.   | Disclosed                                   | Green Transformation, Constructing Sustainable Communities |
|                        | A2.4               | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.  | Disclosed                                   | Green Transformation, Constructing Sustainable Communities |
|                        | A2.5               | Total packaging material used for finished products and with reference to per unit produced.  | N/A (The Group's business does not involve) |  |

## APPENDIX II: ESG REPORTING GUIDE INDEX OF THE STOCK EXCHANGE (CONTINUED)

| ESG Indicators                            |                    |   | Disclosures | Corresponding Sections   |
|---|--------------------|---|-------------|--|
| A3: The Environment and Natural Resources | General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources.   | Disclosed   | Green Transformation, Constructing Sustainable Communities     |
|   | A3.1               | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.   | Disclosed   | Green Transformation, Constructing Sustainable Communities     |
| A4: Climate Change                        | General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.  | Disclosed   | Green Transformation, Constructing Sustainable Communities     |
|   | A4.1               | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.  | Disclosed   | Green Transformation, Constructing Sustainable Communities     |
| <b>B. Social Areas</b>                    |                    |   |             |  |
| B1: Employment                            | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Disclosed   | Put People First and Progress Hand in Hand Together            |
|   | B1.1               | Total workforce by gender, employment type, age group and geographical region.  | Disclosed   | Put People First and Progress Hand in Hand Together Appendix I |
|   | B1.2               | Employee turnover rate by gender, age group and geographical region.  | Disclosed   | Put People First and Progress Hand in Hand Together Appendix I |
| B2: Health and Safety                     | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.   | Disclosed   | Put People First and Progress Hand in Hand Together            |
|   | B2.1               | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | Disclosed   | Appendix I   |
|   | B2.2               | Lost days due to work injury.   | Disclosed   | Appendix I   |
|   | B2.3               | Description of occupational health and safety measures adopted, and how they are implemented and monitored.   | Disclosed   | Put People First and Progress Hand in Hand Together            |

## APPENDIX II: ESG REPORTING GUIDE INDEX OF THE STOCK EXCHANGE (CONTINUED)

| ESG Indicators               |                    |  | Disclosures | Corresponding Sections  |
|------------------------------|--------------------|--|-------------|---|
| B3: Development and Training | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  | Disclosed   | Put People First and Progress Hand in Hand Together                             |
|                              | B3.1               | The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).   | Disclosed   | Appendix I  |
|                              | B3.2               | The average training hours completed per employee by gender and employee category.   | Disclosed   | Appendix I  |
| B4: Labour Standards         | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Disclosed   | Put People First and Progress Hand in Hand Together                             |
|                              | B4.1               | Description of measures to review employment practices to avoid child and forced labour.   | Disclosed   | Put People First and Progress Hand in Hand Together                             |
|                              | B4.2               | Description of steps taken to eliminate such practices when discovered.  | Disclosed   | Put People First and Progress Hand in Hand Together                             |
| B5: Supply Chain Management  | General Disclosure | Policies on managing environmental and social risks of the supply chain.   | Disclosed   | Responsible Procurement is of Great Significance and Requires Long-Term Efforts |
|                              | B5.1               | Number of suppliers by geographical region.  | Disclosed   | Appendix I  |
|                              | B5.2               | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.                  | Disclosed   | Responsible Procurement is of Great Significance and Requires Long-Term Efforts |
|                              | B5.3               | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.   | Disclosed   | Responsible Procurement is of Great Significance and Requires Long-Term Efforts |
|                              | B5.4               | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.                      | Disclosed   | Responsible Procurement is of Great Significance and Requires Long-Term Efforts |

## APPENDIX II: ESG REPORTING GUIDE INDEX OF THE STOCK EXCHANGE (CONTINUED)

| ESG Indicators             |                    |   | Disclosures   | Corresponding Sections  |
|----------------------------|--------------------|---|---|---|
| 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. | Disclosed (labelling of products and services is not applicable to the business of the Group) | Dedicate to Providing Quality-Oriented Services to Our Customers  |
|                            | B6.1               | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | N/A (The Group's business does not involve)   |   |
|                            | B6.2               | Number of products and service related complaints received and how they are dealt with.   | Disclosed   | Dedicate to Providing Quality-Oriented Services to Our Customers  |
|                            | B6.3               | Description of practices relating to observing and protecting intellectual property rights.   | Disclosed   | Dedicate to Providing Quality-Oriented Services to Our Customers  |
|                            | B6.4               | Description of quality assurance process and recall procedures.   | Disclosed (product recall is not applicable to the business of the Group)                     | Dedicate to Providing Quality-Oriented Services to Our Customers  |
|                            | B6.5               | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | Disclosed   | Dedicate to Providing Quality-Oriented Services to Our Customers  |
| B7: Anticorruption         | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.  | Disclosed   | Stick Firmly to Integrity, with Zero Tolerance Towards Corruption |
|                            | B7.1               | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.  | Disclosed   | Stick Firmly to Integrity, with Zero Tolerance Towards Corruption |
|                            | B7.2               | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.  | Disclosed   | Stick Firmly to Integrity, with Zero Tolerance Towards Corruption |
|                            | B7.3               | Description of anti-corruption training provided to directors and staff.  | Disclosed   | Stick Firmly to Integrity, with Zero Tolerance Towards Corruption |

## APPENDIX II: ESG REPORTING GUIDE INDEX OF THE STOCK EXCHANGE (CONTINUED)

| ESG Indicators           |                    |  | Disclosures | Corresponding Sections                              |
|--------------------------|--------------------|--|-------------|---|
| 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. | Disclosed   | Promote a Harmonious Society with Persistent Effort |
|                          | B8.1               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | Disclosed   | Promote a Harmonious Society with Persistent Effort |
|                          | B8.2               | Resources contributed to the focus area.   | Disclosed   | Promote a Harmonious Society with Persistent Effort |





JY GRANDMARK HOLDINGS LIMITED

