



WEIYE HOLDINGS LIMITED

偉業控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)

Hong Kong Stock Code : 1570



2024 Sustainability Report

** For identification purpose only*

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ABOUT THIS REPORT

Weiye Holdings Limited (the “Company” together with its subsidiaries, hereinafter referred to as the “Group”, “Weiye” or “we”) is pleased to present our Sustainability Report (the “Report”) for the year ended 31 December 2024 (the “Reporting Period” or “2024”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance (“ESG”) issues.

The board (the “Board”) of directors (the “Directors”) of the Company has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. For details on corporate governance, please refer to the “Corporate Governance Report” of the Group’s 2024 Annual Report.

Reporting Period

The Report illustrates the Group’s initiative and performance regarding the environmental and social aspects during 2024.

Reporting Scope

This Report covers certain subsidiaries of the Group with core business that principally engaged in property development for residential and commercial properties in the People’s Republic of China (the “PRC”). Among the business segment of property development, we disclosed certain key performance indicators (“KPIs”) for those entities with actual equity interest of over 50% and with completed project progress of over 50% during the Reporting Period (the “Reporting Scope”). The Reporting Scope of this Report is the same as that of the Group’s 2023 Sustainability Report for the year ended 31 December 2023 (“2023”).

Henan Province

- Henan Weiye Construction Development Group Co., Ltd.
- Henan Xingwei Zhuolian Property Co., Ltd.
- Henan Tiandao Assets Management Co., Ltd.

Hainan Province

- Weiye Holdings Group (Hainan) Co., Ltd.
- Wanning Yingde Property Co., Ltd.

Guangdong Province

- Huizhou Dayawan Pengrun Industrial Development Co., Ltd.

Zhejiang Province

- Hangzhou Junwei Real Estate Co., Ltd.

Reporting Basis

The Report is prepared in accordance with the ESG Reporting Guide (the “ESG Reporting Guide”) set out by Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group has complied with the mandatory disclosure requirement and the “comply or explain” provisions set out in the ESG Reporting Guide. The Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

Reporting Principles

The Group attaches great importance to the materiality, quantitative and consistency during the preparation for this Report, and the Group has applied these reporting principles in the aforementioned ESG Reporting Guide as the following:

Materiality: After collecting the opinions of stakeholders, the Group re-evaluated the importance and priorities of various issues to the Group, thereby defining the disclosure focus of this Report and providing accurate and detailed responses to the issues that stakeholders are most concerned about. For details, please refer to the sections of “Stakeholder Engagement” and “Materiality Assessment”.

Quantitative: The Group sets targets for the indicators and presents quantitative data in this Report. The Group used the data collection tools to continuously record environmental and social performance during the Reporting Period, and to monitor the progress. In order to present the Group’s annual performance changes, this Report continued to contain some historical data of the Group. The change of standards, methodologies and applicable assumptions used in the calculation of data were supplemented by explanatory notes where appropriate.

Consistency: The Report adopted the consistent standards, tools, assumptions and/or source of conversion factors used, as well as explanations of any inconsistencies to the Group’s 2023 Sustainability Report, where appropriate.

Information and Feedback

The Group values your views on this Report. Should you have any comments or suggestions, please feel free to email us at weiyegroup@weiyeholdings.com.

SUSTAINABILITY MANAGEMENT

Introduction of the Company

Founded in 1999, Weiye Holdings Limited is principally engaged in developing large-scale and multi-phased property projects in the PRC. The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) in August 2011 and dual primary listed on the Stock Exchange in April 2016. In August 2018, the Company voluntarily delisted from the SGX-ST.

After more than 20 years of development, Weiye has become the leading green living lifestyle provider and operator in the PRC. With the enterprise mission of “carrying people’s dream of living in peace and drawing pictures of happy life for people” and the enterprise development theme of “environment-friendly housing investment and development”, Weiye firmly seizes the historical opportunity of the rapid rise of the Henan Economic Zone and the vigorous development of Hainan International Tourism Island. Weiye has completed its strategic layout from Henan to Hainan, and successfully entered China’s first tier metropolitan areas such as the Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta region, with products covering industrial bases, tourism real estate, high-end residences, commercial offices and commercial complexes.

At at 31 December 2024, the Group's portfolio comprised of 29 property development projects which were either completed or under various stages of development in the PRC, the development of which is set out below:

Project Type	Number	Total Gross Floor Area ("GFA") (ten thousand square meters)
Completed	27	314.56
Under development	1	3.01
Held for future development	1	6.29

In addition to developing its own real estate projects, the Group also engages in joint real estate development projects and provides project management services for partner landholders in real estate development.

Due to its quality standards in construction and management, the Group has built the brand and attained numerous awards from past years such as "Henan Top 50 Real Estate Development Enterprise" (河南房地產開發企業綜合實力50強單位), "Zhengzhou City Leading Property Development Enterprises" (鄭州市房地產開發先進單位), "Zhengzhou City Real Estate Development Enterprise Excellence" (鄭州市房地產開發優秀企業), "Kaifeng City Best Residential Landscape" (開封市最佳人居景觀設計獎), "Economy Development Contribution Enterprise Excellence" (紅旗區經濟發展突出貢獻企業獎), "Zhengzhou Annual Green Residence Award" (鄭州年度綠色人居樓盤大獎) and "China Elite Science and Technology Award – Green Community" (中國精銳科學技術獎—綠色社區).

During the Reporting Period, the Group was awarded the title of "Advanced Unit in Supporting the Construction of Old Revolutionary Areas in Henan Province" by the Henan Province Old Revolutionary Area Construction Association on March 2024.

On the basis of consolidating the development and construction of real estate projects, the Company takes financial capital and intelligent technology as two wings, and extends its business to several fields at home and abroad at the same time, such as air purification equipment business.

In the future, Weiye will continue to create high quality environment-friendly products from the perspective of the user. Weiye will also continuously carry out product innovation to improve product quality, and realize people's dream of having great housing by providing an environment-friendly and healthy living environment. To become a world-class green residential and living industry group trusted by the public with more responsibility and value, Weiye is contributing to the promotion of urban and rural construction and sustainable social development.

Sustainability Strategy

The Group recognizes the significance of ESG governance structure to build long-lasting business success. Members of the Board are equipped with the skills, experience and knowledge needed for overseeing the ESG strategy of the Group. The Board endorses the sustainability reports and assumes full responsibility for overseeing the Group's key ESG issues including material ESG risks associated with the business operations and their integration with the Group's ESG strategies, policies, procedures and initiatives. The Board discusses at least annually to set the direction and details of the Group's ESG strategy, review and monitor the assessment and management of the Group's material ESG issues.

Senior management of the Group has been delegated by the Board to review and monitor the management and implementation effectiveness of relevant ESG-associated issues including implementation of goals and targets. Senior management from different business operations discusses and reports to the Board at least annually on ESG-related issues and progress, and assists the Board in monitoring and reviewing of material ESG-related issues, associated business risks and progress and implementation of ESG policies, procedures and targets.

In addition, with the aim to demonstrate the steadfastness of the Group on sustainable development, the Group has set its environmental targets since 2021 and implemented the latest ESG-related policies and guidelines for complying with the latest applicable laws and regulations. To achieve the targets, the Group implements various environmental protection measures and raises employees' awareness on ESG issues. We believe that these targets and environmental protection measures can help enhance employees' environmental awareness and enhance the Group's ESG performance to meet stakeholder expectations.

As a premium property developer, the Group fully understands the importance of sustainability-driven operation to its long-term business development. While pursuing economic growth and meeting consumer needs, we also focus on protecting the environment, caring for our employees, serving the community, and creating a healthy and comfortable living environment. We are committed to maintaining communication and cooperation with our stakeholders to mitigate environmental and social risks in our business operations, to enhance our environmental and social benefits, and to drive a long-term stable development of our business.

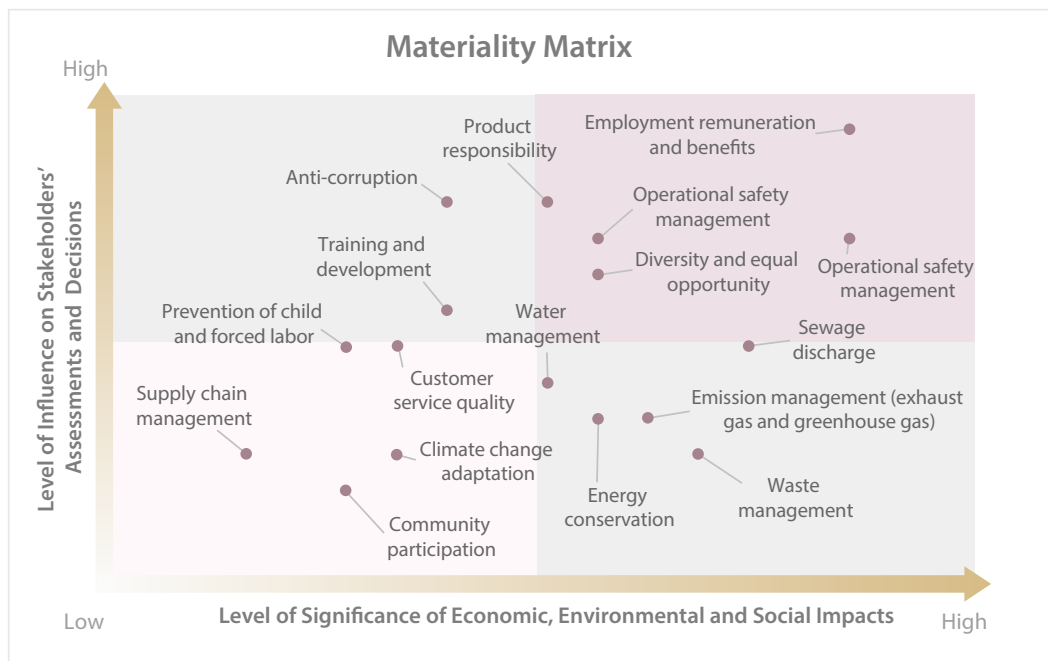
Stakeholder Engagement

The Group is well aware of the interaction and importance of its business operations with internal and external stakeholders. Thus, we set up and constantly improve our effective communication mechanisms to understand and manage the expectations and needs of our key stakeholders through various channels and to maintain a collaborative relationship with stakeholders for the long term.

Stakeholders		Communication Channels	Concerns	Frequency
Internal Stakeholders	The Board	Board meeting Reporting to the Board	Compliance with laws and regulations	Quarterly Throughout the year
	Employees	Intranet, email and meetings Employee trainings Employee activities	Remuneration and benefits	Throughout the year
External Stakeholders	Government and regulatory agencies	Regular information reporting	Compliance with rules and laws	Monthly
	Shareholders and investors	Announcements and newsletters	Investment returns Risk management	Throughout the year
		Annual General Meeting Company website		Annually Throughout the year
	Customers	Customer service center and hotline	Customer service quality	Throughout the year
		Customer satisfaction survey Social media platforms (such as WeChat public account)		Upon project handover Throughout the year
	Suppliers	Bidding process	Long-term partnership	Throughout the year
	Community	Social media platforms (such as WeChat public account)	Health and safety	Throughout the year

Materiality Assessment

The Group's Directors, senior management and general staff in major functions are involved in the preparation of the sustainability reports. They have assisted the Group to review its operations, identify material ESG issues, and assess the importance of those relevant issues to its businesses and stakeholders. The Group has compiled a materiality assessment survey in accordance with the identified material ESG issues. Relevant stakeholders of the Group were invited to complete the survey. The Group evaluated and prioritized the ESG issues, and compiled a materiality matrix based on the results of survey. Details of materiality matrix are as follows:



EMISSIONS

The Group fully acknowledges that, as a company engaged in property development, construction and use of buildings will generate certain emissions and its business activities will inevitably cause environmental impacts. Therefore, in response to the government requirements, the Group undertakes to minimize negative impacts on the environment during its business operations. The Group implements stringent oversight of emissions, such as sewage discharge, dust control, construction waste management and noise control. In addition, project managers regularly communicate with construction contractors to review the environmental compliance on the construction sites.

The Group's construction and residential sewage discharge strictly complies with national and local standards, and sewage is precipitated before being discharged into the municipal sewage pipe network. To reduce dust, we adopt the water-based dust control method to carry out ground works by spraying water regularly and setting fog cannon spray machine in the construction site. The construction site is covered with dust filter materials. We monitor the real-time air pollution index by using site dust monitoring system. To store and dispose waste, we place and classify construction waste in specific areas to take measures to manage different types of waste and recycle them where practicable. For toxic materials such as chemicals and oils, seepage control is applied to storage sites. We require the waste cleaning and transportation unit to obtain a transportation permit and sign a garbage removal agreement. Transportation vehicles are completely blanketed to prevent the overflow of waste and flying dust during transportation. The cleaning equipment is installed at the entrance of the construction site to ensure that the incoming and outgoing vehicles are cleaned. Due to the nature of our business, the amount of hazardous waste directly generated by the Group during the Reporting Period was not significant. Yet, all hazardous waste was filtered and passed to a qualified chemical waste collector to lawfully handle and dispose.

In order to reduce the impact of noise on the surrounding environment during construction, we not only deploy a dense network of acoustic barriers for the buildings, but also measure the noise level of the construction site in accordance with the relevant standards so that the daytime noise level of the construction site is strictly controlled within the standard limits. We have also taken steps to reduce fuel emissions, such as using smaller vehicles and performing regular maintenance to ensure optimal engine performance and fuel use.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations on environmental protection, including but not limited to the Environmental Protection Law of the PRC, Law of the PRC on Environmental Impact Assessment, Law of the PRC on the Prevention and Control of Atmospheric Pollution and Law of the PRC on Prevention and Control of Pollution from Environmental Noise.

USE OF RESOURCES

Green Building

The Group actively applies environmental protection elements to its property development. The Group also draws on and adopts the experiences of leading companies in the industry in the architectural design, construction and operation to develop environmental management plans and emergency rescue plans. The Group takes effective measures to reduce environmental load while improving performance.

Property development projects of the Group are designed based on the "Code for Green Design of Civil Buildings" 《民用建築綠色設計規範》, "Assessment Standard for Green Building" 《綠色建築評價標準》, "Green Building Evaluation Technical Rules" 《綠色建築評價技術細則》, "Supplementary Instructions to Green Building Evaluation Technical Rules" 《綠色建築評價技術細則補充說明》, "Design Standard for Energy Efficiency of Buildings" 《建築節能設計準則》 and green building and energy saving standards at provincial level. In order to meet the requirements of energy efficiency standards, the materials such as hollow bricks, aerated concrete, thermal insulation material of exterior walls and aluminum alloy windows are used in the construction of the Group's property projects to improve the insulation performance of the building.

We also take various measures to improve the water efficiency, including but not limited to the followings:

- A map is prepared to show water distribution around the construction site;
- Regular inspections are conducted on water pipes and equipment to prevent leakage;
- A recycling pool is set up to collect water for washing machines, equipment, and vehicles; and
- Promotion of new materials or processes to improve water efficiency is prioritized.

Due to the nature of the Group's business, the Group did not have any issues in sourcing water.

Given that lighting energy consumption accounts for a large proportion, the Group has replaced incandescent lamps for all property projects with energy-efficient LED lamps. In addition to the lighting system, we also reduce energy consumption by optimizing heating and cooling system, setting constant air conditioning temperature in summer, adopting municipal unified heating in winter, disposing of company public vehicles and promoting public transport and ride-hailing.

Green Office

To promote cost-effective office values and reduce waste of resources, the Group has developed the "Office Supplies Management Policy", which stipulates that office supplies, as needed, shall be purchased, distributed and managed. The Group also maintains a 3R policy (Reduce, Recycle and Reuse). We have fully implemented the electronic information approval system, actively promoted paperless office and facilitated group communication via the WeChat platform. We reduce long-haul flights by means of video and telephone conferences. In addition, we encourage our staff to turn off electricity and water equipment when they are not in use. Furthermore, double-sided printing is encouraged for delivery of documents and waste papers are used for printing informal documents.

Due to the nature of the Group's business, the Group does not consume a significant amount of packaging material used for finished products.

THE ENVIRONMENT AND NATURAL RESOURCES

According to the Group's "Environmental Policy", the Group raises staff's awareness on environmental issues through education and training, and enlist employees' support in improving the Group's performance. The Group also promotes environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability. In addition, the Group evaluates regularly and monitors the impact of past and present business activities on health, safety and environment. During the Reporting Period, the Junwei Project continued to increase artificial vegetation in order to improve the environment surrounding its construction. With the integration of policies and measures mentioned in sections "Emissions" and "Use of Resources", the Group strives to minimize the impacts to the environment and natural resources.

CLIMATE CHANGE

Climate change poses escalating risks and challenges to the global economy, and such risks may negatively impact the Group's business. As a result, the Group is aware of the importance of identifying and mitigating any major impacts caused by climate change. Pursuant to the International Recommendations from Task Force on Climate-Related Financial Disclosures ("TCFD") established by the Financial Stability Board, the management of the Group has evaluated and recognized the impact of climate-related risks on the Group's business. Corresponding risks and actions taken to manage them are as follows:

Climate Risks

Physical Risks

Potential impact on the Group's business

For acute risks, the increasing frequency and severity of extreme weather events, such as heat waves, typhoons, floods, and rainstorms etc., may cause physical damage to the Group's property, thus increasing the Group's maintenance costs and disaster response costs. In worse cases, it may seriously threaten the safety of building management personnel and building users, causing a negative impact on the reputation of the Group. For chronic risks, potential flooding due to the rise of sea level will cause damage to infrastructures and facilities, increasing the cost of repairing damaged properties.

Management strategies

In order to prevent disasters caused by extreme weather, the responsible property management teams of the Group make preparations from the following aspects:

1. According to the geographical location of the project, the management should determine the probability of possible severe rainfall, sandstorm, blizzard, extreme cold, extreme heat, and other extreme weather, and deal with such events based on the probability.
2. Formulate emergency plans for different kinds of extreme weather, conduct drills for prevention, and purchase flood prevention sandbags, warm quilts, and other materials in advance.
3. The relevant responsibility should be assigned to specific person and preventative measures should be taken to prevent accidents before they happen. Accurately grasp the weather conditions, and communicate emergency information in a timely manner through different channels, such as mobile phone short messages, community radio, and Wechat group notices.
4. When disasters happen, the management team should respond promptly, and recover the damaged property as well as reputation losses.

For chronic physical risks, such as rising sea level, the Group actively avoids choosing locations that are prone to such chronic risks, during the initial site selection of the project. In the project planning and design stage, the Group fully considers the conditions for disaster prevention and control. The Group would formulate the emergency plan to respond to emergencies in a timely manner. In addition, measures such as energy saving and green commuting are taken by the Group to combat climate change in order to mitigate such chronic risks in the long term.

Transition Risks

Potential impact on the Group's business

For transition risks, the Group expects policies and regulations related to climate change to become stricter. If the Group's existing compliance procedures and business operations would not fully comply with the new legal and regulatory requirements, it might incur additional compliance costs and increase reputation risk of the Group. Additionally, tenants and customers are gradually turning to enterprises that incorporate sustainable development concepts into their operations. If the Group fails to integrate sustainable development into business operations in a timely manner and effectively respond to the problems caused by climate change, it may risk losing its competitiveness in the market.

Management strategies

To manage the above transition risks, the Group has taken an array of actions. First, the Group's management regularly monitors existing and emerging climate-related trends, policies and regulations and seeks compliance consulting services to reduce legal risks. Second, the Group ensures that all products of the Group meet the current national policy requirements for energy conservation and green construction. By learning the concept of sustainable development from leading property developers, the Group will gradually enhance its product competitiveness regarding sustainability.

ENVIRONMENTAL KPIs

During the Reporting Period, the total area of the business operations included in the Reporting Scope of this Report is shown in Table 1, which is used to calculate the intensity data. During the Reporting Period, the Group's environmental data covers data related to offices, sales department (or marketing center), staff canteens and dormitories at office buildings, construction sites, and staff canteens and dormitories at worksites. The changes in the intensity of greenhouse gas ("GHG") emissions, energy consumption, non-hazardous waste and water consumption were due to the different stages of construction activities of the Group's projects. Due to the nature of our business, the amount of hazardous waste generated by the Group during the Reporting Period was not significant. Yet, all hazardous waste was filtered and passed to a qualified chemical waste collector to lawfully handle and dispose.

Table 1

Category	Data Unit	Remarks
Total area	94.68 ten thousand m ²	The total GFA and total office area of subsidiaries included in the Reporting Scope of this Report.

Table 2

The major source of the Group's air emissions is from the use of vehicles. The Group's air emissions are set out as follows:

Air Emissions

	Unit	2024	2023
Nitrogen oxides (NO _x)	kg	3.62	9.65
Sulphur oxides (SO _x)	kg	0.08	0.19
Particulate matters (PM)	kg	0.27	0.76

Note:

The calculation of the air emissions is based on, but not limited to, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Table 3

The Group's GHG emissions are set out as follows:

GHG Emissions

	Unit	2024	2023
Scope 1: Direct GHG emissions	tonnes of CO ₂	15.51	35.38
	equivalent ("tCO ₂ e")		
Scope 2: Energy indirect GHG emissions	tCO ₂ e	293.98	783.50
Total	tCO ₂ e	309.49	818.88
Intensity	tCO ₂ e/ ten thousand m ²	3.27	8.65

Note:

The calculation of the GHG is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, “Announcement on the Release of Electricity Carbon Footprint Factors for the Year 2023” published by the Ministry of Ecology and Environment of PRC, and the “Global Warming Potential Values” from “The Sixth Assessment Report” of the United Nations Intergovernmental Panel on Climate Change. The GHG data only includes data directly related to the Group’s operations and excludes the GHG emitted by the Group’s outsourced vendors.

Scope 1: Direct emissions are from petrol used by vehicles owned by the Group and natural gas used in the staff dormitory.

Scope 2: Energy indirect emissions are from the generation of purchased electricity consumed by the Group.

Table 4

The Group’s non-hazardous waste generated is set out as follows:

Non-hazardous Waste

	Unit	2024	2023
Non-hazardous waste	tonnes	188.30	2,168.80
Intensity	tonnes/ ten thousand m ²	1.99	22.90

Table 5

The Group’s energy consumption is set out as follows:

Energy Consumption

	Unit	2024	2023
Direct energy consumption			
Petrol	kWh	55,860.99	127,974.38
Gaseous natural gas	kWh	627.53	1,255.07
Indirect energy consumption			
Purchased electricity	kWh	473,779.20	1,373,844.47
Total	kWh	530,267.72	1,503,073.92
Intensity	kWh/ ten thousand m ²	5,600.63	15,870.28

Note:

The calculation of unit conversion refers to the “Energy Statistics Manual” issued by the International Energy Agency.

Table 6

Water consumption by the Group is set out below:

Water Consumption

	Unit	2024	2023
Water	m ³	12,334.12	23,640.54
Intensity	m ³ /ten thousand m ²	130.27	249.61

TARGET SETTING ON ENVIRONMENTAL ASPECTS

The table below summarizes the Group's sustainability targets:

Aspect	Upcoming Targets	Progress
GHG	In the year ending 31 December 2025 ("2025"), reduce the GHG emissions intensity by 2% compared with the level in 2021 (5.13 tCO ₂ e/ten thousand m ²).	<ul style="list-style-type: none"> • In progress • Continue to implement GHG emissions reduction measures in offices and construction sites
Non-hazardous waste	In 2025, reduce the non-hazardous waste intensity by 2% compared with the level in 2021 (1.18 tonnes/ten thousand m ²).	<ul style="list-style-type: none"> • In progress • Continue to implement waste reduction measures in offices and construction sites
Energy	In 2025, reduce the energy consumption intensity by 2% compared with the level in 2021 (9,318.62 kWh/ten thousand m ²).	<ul style="list-style-type: none"> • In progress • Continue to implement energy reduction measures in offices and construction sites
Water	In 2025, reduce the water consumption intensity by 2% compared with the level in 2021 (362.59 m ³ /ten thousand m ²).	<ul style="list-style-type: none"> • In progress • Continue to implement water reduction measures in offices and construction sites

SUPPLY CHAIN MANAGEMENT

Supply chain management is an important factor in ensuring the quality of products and services. The Group regards supplier management as partner management, as a good partner could ensure the smooth progress of property projects. Therefore, the Group aims to optimize supply chain operations to ensure all processes from procurement to delivery of products to customers can operate in an efficient and cost-effective way. Starting from the aspects of supplier selection, supplier performance evaluation and supplier classification management, we work closely with high-quality suppliers and contractors to effectively manage supply quality and engineering quality, and actively promote the sustainable development of the supply chain.

The supplier selection of the Group is open to the public, and all suppliers can recommend themselves or be recommended to participate in the construction of the resource library. According to our own needs and “Supplier Management Measures”, we conduct reviews on the information of the required suppliers, conduct on-site visits to such suppliers when the suppliers meet the requirements of the Group, and the decision to admit a supplier is based on the on-site inspection evaluation score and interviews with its senior management. We implement dynamic hierarchical management based on the supplier’s competitive advantages and performance evaluation. When considering inclusion of a supplier into our resource library, the management system certification obtained by the supplier will be one of the evaluation factors. At the time of bidding, we explicitly request the bidders to formulate detailed environmental protection management systems and measures in the technical tender, which will also be an important part of the review. We also specify environmental protection agreements in the contract with the suppliers, including the management of environmental impact factors, such as noise and dust. When the construction process has an impact on the surrounding environment, we will strictly stop and urge the constructors to make timely rectification and strengthen supervision and management in a timely manner. We also reduce the negative impact of the construction on the environment by purchasing or leasing dust-reducing equipment. At the same time, we monitored and disclosed the use of water, electricity and fuel of certain subsidiaries during the Reporting Period to assess the efficiency of resource utilization in relation to the construction. For relevant data, please refer to the section headed “Environmental KPIs”.

The Group has formulated the “Management Measures for Bidding and Procurement” and “Supplier Management Measures” to regulate the bidding procurement workflow and conduct dynamic management of qualified suppliers to improve the supervision and management and risk prevention mechanisms for bidding and procurement, thus increasing the cooperation efficiency with suppliers and contractors and the quality of bidding and procurement. We include the track records of the suppliers, such as credit, non-compliance records or conflicts of interest, in the assessment. In the future, the Group will continue to improve the supply chain management to reduce environmental and social risks in the supply chain.

Additionally, the Group endeavors to support local economies and prioritizes the procurement from local and regional suppliers to lower the carbon footprint during transportation. The Group also gives priority to suppliers that use environmentally preferable products and services in the selection process, and strives to minimize potential environmental and social risks in the supply chain. The Group will continue to review its supply chain periodically with regard to the suppliers’ performance and environmental and social standards. Any material violation of laws and regulations may lead to the termination of supplier contracts.

During the Reporting Period, the Group had engaged a total of 122 major suppliers, which were all located in PRC (2023: 122 major suppliers located in PRC), and all major suppliers are subject to the above evaluation and monitoring regularly.

PRODUCT RESPONSIBILITY

Product Quality

Adhering to the principle of “integrity, pragmatism, professionalism and innovation”, the Group aims to build a high-end brand and deliver quality housing and services.

In order to supervise the quality and safety level of real estate projects, strengthen the program control of the project schedule, quality and safety of real estate projects, further improve the project management level of each regional group and the projects under its control, pre-control the project management risks of each project, and promote the substantial improvement of the project quality of each project, the Group has developed relevant policies, such as the “Structure Safety and Function Quality Control Measures”, the “Production Safety Management Measures”, the “Operation Results Management Measures”, the “Construction Supervision Management Policy”, the “Engineering Inspection and Assessment Management Measures”, and the “Display Area Quality Acceptance Scores Measures”. The Group regularly carries out sample checks on safety, construction and bidding process, and completes and reviews necessary documentation. In order to ensure the safety and effective operation of the facilities, we also require the responsible departments to record and properly maintain the construction plans, equipment maintenance plans and test records, fire protection system, water pipes and water pressure test records, and water supply pipe flushing and disinfection records.

The Group’s Operation Management Division, regional group and project Team are engaged in product quality management to meet the expectations of different internal stakeholders. The Operation Management Division and the project team are responsible for supervising project compliance to ensure that the projects follow the Group’s internal policies and procedures, and comply with the standards such as the “Unified Standards for Constructional Quality Acceptance of Building Engineering” and various engineering construction quality acceptance specifications. Throughout the project construction process, the regional team is responsible for monthly checking and evaluating the quality level and safety of projects under construction in respective regions according to the acceptance standards, while the Operation Management Division is responsible for performing quarterly inspections. As for the project team, the Group requires the project manager to monitor the quality of raw materials through sample inspections, and to check the factory certification or inspection and test reports for new equipment. At the same time, we also carry out the supervision and management of the projects under construction during the process by engaging professional supervision companies, to ensure that the quality complies with the construction project management regulations.

Since the Group predominately engages in developing and sales of large-scale and multi-phased property projects, it was not involved in sales of consumer products during the Reporting Period. Therefore, the disclosure on the total products sold or shipped subject to recalls for safety and health reasons does not apply to the Group.

Customer Services

The Group views customer satisfaction as a tool to understand customers’ demands and improve the quality of our products and services.

The Group focuses on building long-term relationships with our clients and hence puts much effort in providing clients with one-stop services including after-sales maintenance and product warranty management. The Group pursues consistency and standardization in customer service. We have established the “After-Sales Maintenance Management Policy”, “Member Management Manual” and “Measures to Establish, Manage, and Use Customer Resource Library”, with a view to delivering consistent and well managed services to our customers, including after-sales maintenance, product warranties, managing and resolving customers’ complaints, and improving relations with the members of the Club. For example, the “After-Sales Maintenance Management Policy” stipulates that the maximum turn-around time to respond to a customer’s report or complaint is three work days. Apart from that, the policy also clarifies the scope of maintenance work, supervision, quality requirements, warranty period, maintenance flow chart and time required, and standard operating procedures to ensure that all complaints are addressed and resolved professionally.

The Group's sales and marketing service center has set up a call center to provide a platform to collect customer enquiries and feedback in order to optimize customer relationships and improve customer service standard. We have established a "Call Center Management System". The call center handles matter such as sales complaints, maintenance, property delivery complaints, and property owners' enquiries. The sales support center is responsible for tracking the repair and maintenance process, and supervising the third parties and suppliers during repair and maintenance. In addition, they collect feedback from clients regarding their satisfaction of the maintenance work. During the Reporting Period, the Group has not received any major complaints regarding its services. If there are any complaint cases, such cases will be handled by responsible function of the Group in a timely manner.

In the process of publicity and sales, the Group abides by the Advertising Law of the People's Republic of China and other relevant laws and regulations, strives to provide accurate information on promotional materials, and prohibits employees from making any false, misleading or inaccurate statements in any form of marketing activities.

The Group actively responds to the protection of intellectual property, strictly abides by the Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China and other relevant laws and regulations. The Group publicizes intellectual property laws and regulations and advocates employees to safeguard other people's intellectual property. For any materials involving other people's patents and intellectual property, we shall use them carefully within the legal scope after being authorized so as to reduce the risk of infringing other people's intellectual property.

The Group abides by Personal Information Protection Law of the People's Republic of China by strictly prohibiting any collection, use, disclosure or transfer of the Group's internal and customer data to other entities without prior consent from the management. Unauthorized access and misuse of information are also strictly prohibited. Any violations are major misconduct that shall be subjected to disciplinary action. In addition, a proper review mechanism has been established to approve any amendments to any data and privacy protection procedures to reduce risks of unauthorized access grants and reduce uncertainties of potential data misuse.

During the Reporting Period, the Group was not aware of any material non-compliance with related relevant laws and regulations regarding health and safety, advertising, labeling, and privacy matter, including but not limited to the Advertising Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China.

EMPLOYMENT AND LABOUR STANDARDS

Overview of Employees

The Group is committed to safeguarding the legitimate rights and interests of its employees. Employees are entitled to have equal opportunities and benefits in compensation and dismissal, recruitment, promotion, advancement, and personal development regardless of gender, age, ethnicity and cultural background. During the Reporting Period, the Group was not aware of non-compliance with the relevant laws and regulations on labour in the jurisdiction where it operates, including but not limited to the Labour Contract Law of the People's Republic of China ("Labour Contract Law").

The Group's recruitment, allocation and promotion management practices are developed to meet the Group's strategic development needs, which aims to establish high-quality workforce, optimize talent allocation, improve talent selection and stimulate work motivation. Following the principle of "openness, fairness and justice", the Group recruits external staff by using diversified recruitment channels and selects appropriate talents in accordance with the recruitment and probation process in accordance with the law. In addition, the Group follows its "Performance Assessment Measures" to assess employees' performance with principles such as strategy-oriented, result-oriented in an objective, impartial, and transparent manner.

The “Remuneration and Benefit Policy” of the Group follows a fair and motivational principle of providing employee with rewards based on positive contributions, appraisals and performance. In addition, the “Award and Penalty Policy” is designed to stimulate the enthusiasm and potential of employees. We strictly abide by the minimum wage requirements in each place of operation, and comply with laws and regulations in terms of social insurance, paid annual leave, and salary and benefits during work-related injuries. In terms of promotion and advancement, the Group provides employees with a two-channel promotion system for technical and management positions, where employees can choose their development based on individual needs. In terms of demission and dismissal, the Group strictly follows the Labour Law of the People’s Republic of China (“Labour Law”) and the Labour Contract Law. The Group will not tolerate unjustifiable dismissal of employees under any circumstances. Any termination of employment contract will be based on reasonable and lawful reasons and internal policies. The Group strictly prohibits any forms of unfair or unreasonable dismissal.

As far as labour standards are concerned, the Group strictly abides by the Labour Law. During the Reporting Period, the Group has not aware of any non-compliance with related laws and regulations on equal opportunity, diversity, anti-discrimination and other treatment and benefits, nor has there been any violation of child labour or forced labour. In terms of working hours, the Group adopts 5 working days per week and 7 working hours per day. The Group also provides various holidays for employees, including annual leave, study leave, marriage leave, paternity and bereavement leave, work-related injury leave, maternity leave, sick leave, etc. The application, use and payment of various holidays are detailed in the related policies of employee leave management.

During the Reporting Period, the Group had a total number of 40 employees within the Reporting Scope and all employees are full-time employees based in the PRC. Below is a detailed breakdown of our employees by gender, age group and employee category:

	as at 31 December 2024		as at 31 December 2023	
	Number of staff	% of total	Number of staff	% of total
By gender				
Male	21	52	43	61
Female	19	48	27	39
Total	40	100	70	100
By age group				
Below 30	2	5	2	3
30–50	31	77	62	88
51 or above	7	18	6	9
Total	40	100	70	100
By employee category				
Senior	10	25	10	14
Middle	10	25	20	29
Normal	20	50	40	57
Total	40	100	70	100

During the Reporting Period, the turnover rate in the PRC is approximately 46% (2023: approximately 57% in the PRC) within the Reporting Scope. Below is a detailed breakdown of our employee’s turnover rate by gender and age group:

	2024	2023
Turnover rate by gender		
Male	53%	58%
Female	33%	56%
Turnover rate by age group		
Below 30	50%	100%
30–50	48%	52%
51 or above	17%	–

Note:

The turnover rate for employee (or employee by category) is calculated by the following formula:

$$\frac{\text{Number of employees (or employees by category) left during the financial year}}{\text{Number of employees (or employees by category) at the beginning of the financial year}} \times 100\%$$

Labour Standards

The Group strictly adheres to the Labour Law during recruitment and daily operations. During the Reporting Period, the Group was not aware of any non-compliance with child or forced labour related laws and regulations that would have a significant impact on the Group, including but not limited to the Labour Contract Law.

Guided by the “Labour Standards Recruitment Procedures”, the use of child or forced labour are strictly prohibited within the Group. During the recruitment process, we conducted the employee background check through inspection of identification documents and background investigation prior to offering of the employment contract. If there is any infringement, the Group will terminate the contract with the corresponding employee and report to relevant governmental authorities if necessary. Such procedures will be reviewed regularly by the Group’s management to comply with the latest laws and regulations.

To prevent forced labour practices, the Group has clearly stated the working hours and rest periods in accordance with the gazette public holidays. The Group would not force any employees to work overtime against their will in any form or subject them to any form of work-related physical punishment or coercion. Similarly, the Group avoids engaging the administrative vendors and contractors who have a poor record in using child and forced labour. When the violation case is confirmed, the Group will conduct investigation and take disciplinary actions against any staff members who are responsible for the cause of the incident. Such procedures will be reviewed regularly by the Group’s management to comply with the latest laws and regulations.

Health and Safety

The Group regards employees as the most important asset and promises to provide a safe and healthy working environment for each employee. Safety operation is listed as one of the Group's KPIs. It is the responsibility of the regional manager to ensure that the Group's overall safety levels across the business are monitored and managed effectively. We prevent occupational health and safety risks by purchasing accident and injury insurance and providing annual health checks to our employees.

In order to strengthen the safety management at the workplace, the Group has designated safety inspectors to conduct daily safety inspections of offices and workplaces in accordance with the "Regulations Governing the Use of Office by Employees and their Responsibilities", "Office Environment, Office Order and Safety Management System", and "Office Order Management Regulations" to ensure the normal operation of infrastructures such as windows, emergency exits, wires, and electrical equipment. We also provide firefighting training to all employees to improve their fire response capacity and fire prevention awareness. We engage a professional cleaning company for the daily cleaning of the office and install an indoor air purification system in areas with poor air quality to ensure a comfortable and healthy working environment.

At the construction sites, we attach great importance to the occupational health and safety of construction workers and ensure construction safety by implementing the following measures:

- Set up occupational health and safety management objectives and establish safety management organizations;
- Organize pre-job training and establish the certificate-for-job system;
- Strictly implement the rules and regulations on work safety, and establish a safety production responsibility system for management staff at different positions;
- Develop implementation rules on safety production and safety fire management;
- Prepare an emergency rescue plan for safety production accidents;
- Divide the living quarters of workers and implement environmental and health protection measures;
- Implement health protection measures on food storage and processing;
- Implement detailed dust control measures; and
- Implement measures to reduce the hazards of vibration and noise.

During the Reporting Period, the Group was not aware of any non-compliance with related laws and regulations in terms of health and safety, including but not limited to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Fire Law of the People's Republic of China. There were no work-related fatalities that occurred in each of the past three years including the Reporting Period and there were no records of lost days due to work injury during the Reporting Period (2023: zero lost days).

Development and Training

Employees play an important role in the growth and development of the Group. The Group attaches great importance to the professional development and personal growth of its employees. Through the enhancement of internal training, the Group strengthens the overall quality and learning capabilities of its employees.

Guided by the Group's sustainable development strategy, the Group has included a employee development and training section in "Employee Handbook" and established a training system combining internal training and external training with the goal of improving employees' business skills and management ability. Internal training focuses on corporate culture, institutional process and professional knowledge in order to stimulate employees' innovation ability, sense of belonging and sense of urgency, and constantly enhance the vitality and cohesion of the Group. It is mainly applicable for middle management, normal employees and new employees.

External training focuses on improving the management concept, ideology, innovation, and resource management, so as to improve the comprehensive quality and management ability of employees. It is mainly applicable for middle and senior management of the Group.

The Group regards training as its routine management in which different types of training will be held 2–3 times a month on average and require every employee receiving at least 4 hours training a month. The training data mentioned in this section does not include anti-corruption training, the details of which is further elaborated in the section headed "Anti-corruption".

During the Reporting Period, approximately 60% of employees received training with an average training hour of approximately 31 hours.

Note:

The percentage of total trained employees is calculated by the following formula:

$$\frac{\text{Number of employees trained during the financial year}}{\text{Total number of employees as at the end of the financial year}} \times 100\%$$

The average training hours per employees is calculated by the following formula:

$$\frac{\text{Total number of training hours for employees during the financial year}}{\text{Total number of employees as at the end of the financial year}}$$

Below is a detailed breakdown of trained employees by gender and employee category:

	2024		2023	
	Number of staff	% of total	Number of staff	% of total
By gender				
Male	16	67	7	64
Female	8	33	4	36
By employee category				
Senior	3	13	–	–
Middle	9	37	–	–
Normal	12	50	11	100

Note:

The percentage of trained employees by category is calculated by the following formula:

$$\frac{\text{Number of employees trained in this category during the financial year}}{\text{Total number of employees trained during the financial year}} \times 100\%$$

Below is a detailed breakdown of the average training hours for employees by gender and employee category:

	2024 Hours per employee	2023 Hours per employee
By gender		
Male	54	8
Female	48	8
By employee category		
Senior	61	0
Middle	58	0
Normal	45	8

Note:

The average training hours per employee is calculated by the following formula:

$$\frac{\text{Total number of training hours for employees in this category during the financial year}}{\text{Number of employees trained in this category during the financial year}}$$

ANTI-CORRUPTION

The Group has consistently adopted a zero-tolerance policy on all forms of corruption, bribery, fraud and money laundering, and strictly complies with laws and regulations in the PRC and the Prevention of Bribery Ordinance in Hong Kong. The Group has formulated rules and regulations such as the “Code of Conduct”, the “Conflict of Interest Policy”, the “Whistle-blowing Policy”, the “Regulations on Business Discipline Ordinance”, the “Independent Commission against Corruption Policy”, and so on, which detail out the guidelines for employees to prevent various illegal and improper behaviors and to avoid potential conflict of interests with related parties, as well as the provisions for supervision and verification in bidding and procurement. The terms of the commitment to integrity will be stated when entering into business contracts with our customers, suppliers and other partners, to eliminate any violations of business integrity.

The Legal Department of the Group is responsible for updating the internal policies according to the latest changes with the relevant laws and regulations, and informing relevant teams to prevent violations. The Group has set up independent mailbox, e-mail and hotline to encourage its employees to report any concerns about misconduct, malpractice or irregularities in any matters related to the Group. After the preliminary evaluation of the whistle-blowing, an investigation group with professionals will be established to conduct investigation and submit reports to the Group’s management for further handling. Every reasonable effort will be made by us to maintain the confidentiality of all whistle-blower, and thorough investigation procedures will be carried out. Such procedures will be regularly reviewed by the management to ensure its effectiveness.

Apart from above mentioned preventive mechanism, we have also provided anti-corruption training to the Board and employees at least annually, and required all newly recruited employees to undergo the “Code of Conduct” training. During the Reporting Period, 11 employees took a total of 33 hours of anti-corruption courses, covering topics such as the Group’s internal anti-corruption systems and other anti-corruption and business ethics matters. During 2024, the Group was not aware of any non-compliance with laws and regulations related to bribery, extortion, fraud and money laundering, including but not limited to the Criminal Law of the People’s Republic of China, the Company Law of the People’s Republic of China, and the Law of the People’s Republic of China on Tenders and Bids, which had a significant impact on the Group. During the Reporting Period, the Group had no concluded legal case (2023: zero case) regarding corrupt practices brought against the Group or its employees.

COMMUNITY INVOLVEMENT

The Group rewards society through charitable donations and participation in poverty alleviation organized by government. The Group attaches great importance to the investment and construction of the community, and encourages regional companies to actively fulfill corporate social responsibility. In accordance with the internal policies of the Group, social welfare programs are initiated and implemented by each region, and are reviewed and supervised by the Group.