# Shenyang Public Utility Holdings Company Limited

Stock code: 747

# 2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT


DEFINITION AND INTERPRETATION . . . . . 3

OVERVIEW

(I) Purpose . . . . . 4

(II) Scope of Report . . . . . 4

(III) Basis of Preparation . . . . . 5

(IV) Corporate Goals and Visions . . . . . 5

(V) ESG Management. . . . . 5

A. ENVIRONMENTAL ASPECTS

1.1 Environmental Area Overview . . . . . 11

1.2 Environmental Aspects . . . . . 13

A1. Emissions . . . . . 14

A2. Use of Resources . . . . . 18

A3. The Environment and Natural Resources . . . . . 20

A4. Climate Change . . . . . 21

B. SOCIAL ASPECTS

1.1 Social Area Overview . . . . . 27

1.2 Social Aspects . . . . . 28

B1. Employment . . . . . 28

B2. Health and Safety . . . . . 33

B3. Development and Training . . . . . 34

B4. Labour Standards . . . . . 35

B5. Supply Chain Management . . . . . 36

B6. Product Responsibility . . . . . 37

B7. Anti-corruption. . . . . 38

B8. Community Investment. . . . . 39

## DEFINITION AND INTERPRETATION

Throughout this report, the following terms, except where the context otherwise requires, have the following meanings:

| | |
|---|---|
| • **Group/We, our or us:** | Shenyang Public Utility Holdings Company Limited and its subsidiaries |
| • **ESG:** | Environmental, Social and Governance |
| • **Appendix C2 or ESG Reporting Code:** | the Appendix C2 — Environmental, Social and Governance Reporting Code of the Listing Rules |
| • **Hong Kong:** | The Hong Kong Special Administrative Region of the People's Republic of China, including Hong Kong Island, Kowloon and the New Territories |
| • **The PRC or China:** | The People's Republic of China |
| • **KPIs:** | Key Performance Indicators |
| • **Listing Rules:** | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| • **HKEX:** | The Stock Exchange of Hong Kong Limited |
| • **Reporting Period or 2025:** | 1 January 2025 – 31 December 2025 |
| • **Last Reporting Period or 2024:** | 1 January 2024 – 31 December 2024 |

## OVERVIEW

### (I) Purpose

In accordance with the requirements of HKEX, listed companies are required to provide an annual Environmental, Social and Governance Report ("**ESG Report**"). This ESG Report is compiled in accordance with the ESG Reporting Code in Appendix C2. This report outlines the Group's performance during the Reporting Period of its KPIs regarding environmental and social issues for internal assessment and management control, and communicating to the internal and external stakeholders.

### (II) Scope of Report

Shenyang Public Utility Holdings Company Limited and its subsidiaries (the "**Group**") are principally engaged in infrastructure construction and development of properties. As compared to the last year's reporting scope, this year's reporting scope does not include Zhongfang Chaozhou Investment Development Company Limited (中房潮州投資開發有限公司) ("**Zhongfang Chaozhou**"), which ceased to have an office in late 2024; however, two new subsidiaries have been added. Apart from covering the ESG policies and KPIs of our two existing subsidiaries in the People's Republic of China ("**China**"), i.e. Shennongjia Da Jiu Hu Hotel Company Limited (神農架大九湖賓館有限公司) ("**Shennongjia Hotel**") and Shenzhen Shenhe Chuangli Investment* (深圳市深合創立投資發展有限公司) ("**Shenhe Chuangli**"), Guangzhou Zhudao Property Management Company Limited*(廣州市珠島物業管理有限公司) ("**Zhudao Property**") and Shijiazhuang Luquan District Runhua Property Service Company Limited* (石家莊市鹿泉區潤華物業服務有限公司) ("**Runhua Property**") are also included in this year's report. Consequently, this year's data cannot be directly compared with last year's. In the coming year, the Group will continue to review our environmental and social performance and consider including more business operations in this report.

During the Reporting Period, the Group's property investment business has continued to be distributed in the cities such as Sanhe City, Guangzhou City, Shennongjia Forest District City and Beijing City, the PRC for investment and rental purposes. Our property management business is located in Guangzhou City and Shijiazhuang City.

This ESG Report covers the main operation and activities of the Group which are Zhudao Property, Runhua Property, the construction process of Shennongjia Hotel and our administrative offices for these activities in the PRC. As our office in Hong Kong is a small representative office and the office does not generate water and electricity consumption, relevant data is not available, and in any event, would be minimal and immaterial. The number of employees recorded in Hong Kong will be discussed in Section B.

## (III) Basis of Preparation

This report was compiled in accordance with the ESG Reporting Code. The contents of this report include two main subject areas as outlined and required by the ESG Reporting Code, being Area A — Environmental and Area B — Social, and includes disclosure of climate change related issues which have or may impact our Group.

This ESG Report, which was reviewed and approved by the board of directors of the Company (the "**Board**"), who reviews and reports the core business operations and activities of the Group and follows the principles of materiality, quantitative, balance and consistency to disclose relevant statistics and information.

## (IV) Corporate Goals and Visions

The Group's corporate goals and visions are to continue the development of our core business whilst maximising returns for our shareholders, achieving continual and sustainable developments for the society and environment, and providing and maintaining a healthy and safe working environment for the employees.

## (V) ESG Management

Our Group attaches great value and importance in ESG matters and policies when formulating and implementing our corporate goals and business objectives. We believe that successful and sustainable achievements in ESG matters are vital and essential to the growth and development of the Group in the long run. We strive to operate our business with the objectives as follows:

- Lessen the impact on the environment;
- Provide a safe and cozy working environment for our employees;
- Comply with legal and regulatory requirements; and
- Adhere to high ethical standards and contribute back to the communities in which we operate.

This year, in the light of the growing global concern regarding climate change, we have gradually incorporated "climate change" into our sustainability policies and strategies, thereby enabling us to better address climate change and comply with relevant regulatory requirements.

1. The Board will continue to review and amend relevant strategies and policies which are incorporated with the environmental and social issues contained in the ESG Reporting Code. The Board has assigned various senior management to implement the ESG policies relevant to their operations and activities;

2. Through their routine communication channels, the senior management report directly to the chairman, who has the responsibility to monitor the effective execution of the Board's strategies and policies. Meanwhile, the management must continue to research and establish appropriate and necessary KPIs for future monitoring or to implement goals and measures aligned with the Group's direction at the appropriate time;

3. It is incumbent on the Group's chairman and the chief executive officer and/or operation management (collectively known as, the "**Management Team**") are responsible to examine and address all the environmental and social issues spelt out in the aspects and subject areas in the ESG Reporting Code; and

4. The Board oversees matters related to sustainable development and climate issues, including, but not limited to, updating and monitoring climate-related policies and strategies, establishing and reviewing performance indicators, and managing climate-related risks.

For the purpose of the preparation of this report, only operating activities which are considered material and significant to the environment and our activities are included. Overall, the Group takes on an active role in ensuring sustainable and environmentally friendly operating processes are in place. This is achieved by taking all reasonable measures to comply with all the relevant national laws, industry standards and operating practices.

The Group fully recognizes the importance of internal controls and risk management, which a robust internal control and risk management system serves as a vital foundation for the Company's sustainable development. In light of various existing and potential environmental and social risks and opportunities, the Board will conduct timely risk identification, covering risk identification and assessment across multiple dimensions, including operations, finance, compliance, environmental protection, and climate-related matters. Following a scientific and effective analysis, the Group will establish relevant principles and policies regarding acceptable risk, and designated personnel will formulate specific risk management measures for the identified risks. After the designated personnel implement and execute the relevant ESG management plans, the Board will periodically review and optimize the Group's sustainable development strategies and goals based on the reports and feedback, as well as various KPIs. For detailed information regarding the Group's risk management and internal control framework, please refer to the "Risk Management and Internal Control" section of the "Corporate Governance Report" in the Group's 2025 Annual Report.

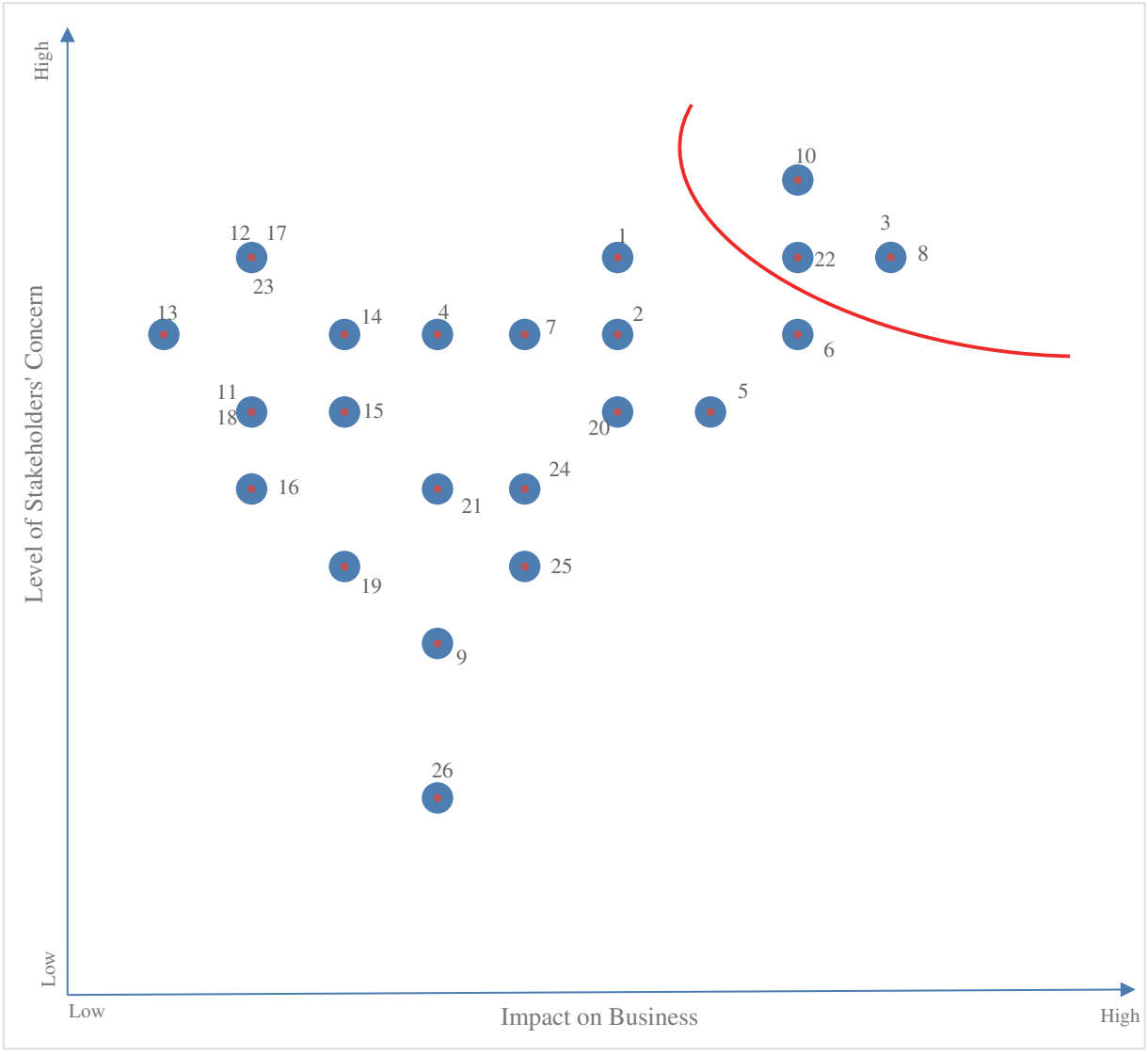
## STAKEHOLDER COMMUNICATION AND MATERIALITY

In managing the priorities, the Group continues to ensure its operations are in compliance with its environmental and social responsibilities and obligations. The Group also continues to take into account of the opinions and views, and strive to address their concerns with the various stakeholders through the stated communication channels as listed below:

| Stakeholders | Communication Channels |
|---|---|
| **Shareholders/Investors** | • General meetings<br>• Group announcement on HKEX<br>• Direct emails or phone enquiries<br>• Dispatched documents |
| **Employees** | • Direct meetings with the management executives<br>• Email and phone contact<br>• Annual and regular appraisal<br>• Organized functions and activities for the employees |
| **Customers** | • Day-to-day communication through front line staff<br>• Emails<br>• Official websites |
| **Suppliers/service providers/ professional advisors** | • Day-to-day communication through front line staff<br>• Regular review of the signed arrangements by the management |
| **Residents/Landlords** | • Offline service centers<br>• Suggestion Box<br>• WeChat Group<br>• Bulletin Board |

The following materiality matrix demonstrates the relative importance and significance of the ESG areas selected for our stakeholders and business.

## Materiality Matrix



| Materiality Issues | Areas |
|---|---|
| **Service Obligation** | 1. Service Quality<br>2. Product Safety and Responsibility<br>3. Customer Service and Satisfaction (Including Complaints Handling and Protection of Customer Privacy, etc.)<br>4. Management of Intellectual Property Rights (Practices in Relation to Upholding and Protecting Intellectual Property Rights, for instance, Management of Customer Information) |
| **Working Environment Practice** | 5. Equal Opportunity, Diversity and Anti-discrimination<br>6. Employee Relations and Communication<br>7. Occupational Safety and Health<br>8. Training and Development<br>9. Prevention of Child and Forced Labour<br>10. Employee Benefits |
| **Environmental Protection and Green Operation** | 11. Air Emissions (Management and Monitoring of Air Pollutants such as Use of Vehicles and Air Emissions during the Manufacturing Process)<br>12. Waste Management (Measures for Disposal and Reduction of Waste Generated during the course of Operation)<br>13. Carbon Emission and Energy (Fuel and Electricity Consumed in the course of Operation)<br>14. Use of Water Resources (How to Use Water Resources and What Measures to Raise Efficiency of Use of Water Resources or Reduce Consumption)<br>15. Sewage Discharge<br>16. Risks of Climate Change (Including Impact on Operation and Cost of Stricter Compliance Caused by Extreme Weather and Natural Disasters, etc.)<br>17. Consumption of Packaging Materials<br>18. Green Procurement (Alleviation of Environmental Impact are Taken into Account when Purchasing Goods and Services)<br>19. Environmental Impact Caused by Supply Chain (Including Whether Suppliers Use More Environmentally-friendly Materials/Machines in the Manufacturing Process) |

| Materiality Issues | Areas |
|---|---|
| **Operational Practice** | 20. Suppliers Management (Including Procedures for Selecting Suppliers)<br>21. Social Responsibility of Supply Chain (Ensuring That Raw Materials are from Responsible and Reliable Suppliers)<br>22. Anti-fraud and Anti-corruption (Setting Up of Precautionary Measures and Internal Monitoring Systems to Prevent Acts of Corruption, Bribery, Extortion, Fraud and Money Laundering, etc., Building up Anti-corruption Reporting Channels and Procedures and Provision of Anti-corruption Trainings for Directors and Employees)<br>23. Emergency Policy under Disasters |
| **Contribution to Community** | 24. Community Investment (Understanding the Needs of the Communities where our Operations are Located to Ensure that Community Interests are Taken into Account in its Business Activities)<br>25. Participation in Charity Events<br>26. Charity Donation |

In the course of materiality analysis for 2025, the Group identified an aggregate of 26 ESG issues in connection with its business. As compared to last year, "Customer Service and Satisfaction" and "Training and Development" have replaced "Service Quality" and "Product Safety and Responsibility" as the key topics of focus this year, which signifies that the Group is placing greater emphasis on value-added issues such as customer experience and employee development in the new year, with a commitment to pursuing higher-quality sustainable development. The Group shall review our analysis of materiality areas based on the results of our stakeholder communication activities annually.

Through the Group's established management structure, process, policies and guidelines as aforementioned and described, the above ESG material areas and aspects have been strictly managed and monitored and herein are summarized below:

## A. ENVIRONMENTAL ASPECTS

### 1.1 Environmental Area Overview

The Group's principal operations are mostly conducted in the office environment and mainly involve providing management and other related services to clients. Therefore, the amount of hazardous gas, pollutants, polluted water or wastes that are produced, emitted, or discharged during daily operation is immaterial. The business activities of the Group mainly generate indirect greenhouse gas emissions which are considered harmless through the consumption of electricity, while other general wastes such as office residuals, used paper and packaging materials are also considered as immaterial.

As a corporation that values environmental responsibility, the Group has continued to implement relevant policies and has taken various measures to achieve a balance between maximizing returns to our shareholders and minimizing any adverse impact on the environment. The Group has fully complied with the national and local environmental laws. In the last 3 years, the Group did not receive any complaints, warning and fines from environmental authorities.

The Group's "Environmental Protection and Sustainability Policy and Procedures" are summarised below:

***Purpose***

To establish and maintain policies and procedures to identify, evaluate and determine the significance of environmental aspects and impacts by and on the company and ensuring compliance with all relevant national and local environmental laws and regulations including but not limited to:

- Environmental Protection Law of the PRC (中華人民共和國環境保護法);
- Law of the PRC on Environmental Impact Assessment (中華人民共和國環境影響評價法);
- Law of the PRC on Prevention and Control of Water Pollution (中華人民共和國水污染防治法);
- Atmospheric Pollution Prevention and Control Law of the PRC (中華人民共和國大氣污染防治法);
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste Law (中華人民共和國固體廢物污染環境防治法);

- Emission Standard for Community Noise (社會生活環境噪聲排放標準)；
- Guangzhou Property Management Regulations (廣州市物業管理條例);
- Shijiazhuang Property Management Regulations (石家莊市物業管理條例)；and
- Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例).

***Procedure***

(i) The Board and the Management Team shall identify and evaluate the environmental aspects for business activities that are most likely to give rise to material environmental impacts to determine their relevant environmental aspects.

(ii) The Board and the Management Team shall analyze and discuss with other related parties and classify all the work projects under normal, unusual and emergency situation based on the activity nature as follows:

- Normal situation is defined as a routine work that is carried out on a daily and ongoing basis as part of a standard process;
- Unusual situation refers to non-routine work that occurs under unexpected circumstances; and
- Emergency situation refers to an occurrence of an event that will cause a drastic impact to the environment and immediate action must be taken. For example: major leakage and spillage, fire, etc.

(iii) During the process of identifying the environmental aspects, all activities that are likely to cause environmental impact or improve general sustainability are considered, including but not limited to the following:

- Gas emissions;
- Water discharge;
- Waste disposal;
- Land contamination;
- Sustainability and the efficient use of raw materials, energy, water and other natural resources;
- Other local environmental issues; and
- National and local laws and regulations.

(iv) At least once every year, the Board and the Management Team shall review the environmental aspects comprehensively, which the relevant content will be regularly updated based on new laws and regulations, internal organizational work activities and processes, and updated knowledge obtained through incidents or accidents, external organizational or other requirements.

(v) For each environmental aspect, the Management Team shall identify and assess the environmental impacts, and the following shall be considered:

- Global warming;
- Water pollution;
- Air pollution;
- Waste generation;
- Land/Soil contamination;
- Noise pollution; and
- Natural resources conservation.

**1.2 Environmental Aspects**

The Group places great emphasis on the concept of sustainable development and recognizes its profound significance for the long-term operation of its business and its activities. To achieve its environmental protection goals, the Group has implemented a series of relevant policies. On one hand, these policies ensure full compliance of relevant regulations regarding exhaust gas emissions, effluent water treatment, and solid waste disposal; on the other hand, they actively minimize the potential environmental impact during operations.

In terms of resource conservation, the Group is committed to implementing strict monitoring and control mechanisms for electricity and water consumption. By improving energy efficiency, we not only achieve cost savings but also effectively reduce indirect emissions. At the same time, the Group requires all employees to fully recognize their responsibilities and roles in energy conservation and the protection of natural resources, and to actively participate in environmental protection efforts.

The KPIs established previously remain valid and are reviewed and revised during various internal meetings. The current KPIs are integrated with the Group's operational objectives and undergone regular and ongoing comprehensive reviews to ensure they remain aligned with business development and environmental goals.

## A1. Emissions

### *Types of Emissions*

During the Reporting Period, we directly generated greenhouse gas and air pollutants emissions, including sulphur oxides ("**$SO_x$**"), nitrogen oxides ("**$NO_x$**") and particulate matters ("**PM**"), primarily from the use of motor vehicles. Comparative data on air pollutant emissions for this year were presented as follows:

| | Year ended 31 December | | | |
|---|---|---|---|---|
| **Items of emissions** | **2025** | **2024** | **Unit** | **Changes** |
| $NO_x$ | 6.31 | 5.89 | kg | 7.13% |
| $SO_x$ | 0.06 | 0.14 | kg | (57.14)% |
| PM | 0.48 | 0.43 | kg | 11.63% |

### *Greenhouse Gas Emissions*

Comparative data on exhaust gas and greenhouse gas emissions for this year were presented as follows:

| | Year ended 31 December | | | |
|---|---|---|---|---|
| **Greenhouse Gas Emissions** | **2025** | **2024** | **Unit** | **Changes** |
| Scope 1 (Direct Emission) | 10.86 | 24.89 | $CO_2e$ (tonnes) | (56.37)% |
| Scope 2 (Indirect Emission) | 46.98 | 21.70 | $CO_2e$ (tonnes) | 116.50% |
| Scope 3[1] (Other Indirect Emission) | 0.47 | N/A | $CO_2e$ (tonnes) | – |
| **Greenhouse Gas Emissions in Total (Scope 1 and Scope 2)** | 57.84 | 46.59 | $CO_2e$ (tonnes) | 24.15% |
| **Greenhouse Gas Emissions in Total (Scope 1, Scope 2 and Scope 3)** | 58.31 | 46.59 | $CO_2e$ (tonnes) | 25.16% |
| Intensity of Total Greenhouse Gas Emissions[2] | 0.40 | 1.33 | $CO_2e$ (tonnes)/ employee | (69.92)% |

[1] The reporting scope of this year includes new disclosures on indirect greenhouse gas emissions (Scope 3) which is applicable to the Group's value chain, covering emissions data related to business travel.

[2] The intensity of total greenhouse gas emissions presented by the Group is calculated by dividing the total emissions by the total number of employees in the China region at the end of 2025and 2024.

The Group did not breach any laws, rules or regulations and did not receive any notice of fine or warning from any governmental agencies in relation to its emissions in China and Hong Kong, thus there were no adverse impact on the environment and the Group for the Reporting Period.

Looking forward to the coming year, the Group shall continue to strive to maintain and gradually reduce its fuel consumption, aiming at lowering carbon emissions for contribution to a greener future.

***(i) Noise Pollution Emission***

The operations and activities of our offices in the PRC and Hong Kong do not generate and emit any noises. Residential property units located in Guangzhou City and Shijiazhuang City strictly control community noise, ensure compliance with construction noise permits, regulate daily renovation hours and the volume of square dancing, and address complaints regarding construction noise. The Group has complied with all the national and local laws, rules and regulations to ensure noise emission is under strict control.

The Group did not receive any complaints related to noise emission for the Reporting Period, and targets to achieve the same performance in the coming year.

***(ii) Light Emission***

The operations and activities of our offices in the PRC and Hong Kong do not generate and emit any light pollution as well. Residential property units in Guangzhou and Shijiazhuang are prohibited from installing bright spotlights, laser lights, or colorful LED strips that shine directly out the windows; restrictions are placed on bright nighttime lighting, and residents are encouraged to use low-intensity warm lighting; the use of highly reflective glass is regulated to prevent sunlight reflection from disturbing neighbors.

The Group did not receive any complaints related to light emissions for the Reporting Period, and targets to achieve the same performance in the coming year.

***(iii) Water Pollution and Discharge***

During the Reporting Period, water consumption fees of Hong Kong office, Shenhe Chuangli and Shennongjia Hotel are included in the office management fees, we therefore do not have the water consumption data for such. Both the water consumed in residential property units in Guangzhou City and Shijiazhuang City are for domestic purpose; effluent water is treated through the municipal sewer system, resulting in no water pollution. Data on water usage at these properties has been included in the statistics since August of this year.

The Group's operations and activities only generate living and hygiene water used by our employees, which is neither harmful nor toxic by nature. The water is supplied from the relevant city supply network and is discharged through the central sewage system. Water consumption by administrative offices in the PRC is stated in Section A2(ii).

The Group did not receive any complaints or warnings relating to the discharge of polluted water for the Reporting Period, and targets to achieve the same performance in the coming year.

***(iv) Hazardous and Non-hazardous Waste Discharge and Disposal***

Given the nature of the Group's business, there have been no operations or activities involving hazardous waste to date. The majority of waste generated from the Group's daily operations is non-hazardous in nature, primarily consisting of office paper, stationery and packaging materials, general office waste, construction and renovation debris (excluding paint, coatings, etc.), and employees' daily household waste. A small portion of hazardous waste generated by residential property units in Guangzhou and Shijiazhuang, such as paint, coatings, thinners, waste fluorescent tubes, and waste chemicals, is collected at designated renovation waste collection points, managed separately, sealed, and stored before being handed over to qualified entities for disposal. Throughout the reporting period, the Group strictly complied with relevant waste management regulations and did not experience any non-compliance incidents or penalties from regulatory authorities. All domestic waste was disposed of in designated waste bins in accordance with regulations, centrally stored at waste collection stations, and collected and processed daily by local municipal waste management departments.

In terms of environmental management, the Group continues to strengthen its environmental responsibilities, adhering to the core principles of waste reduction, resource recycling, and material reuse as long-term guidelines. Since waste paper accounts for the largest proportion of the Group's non-hazardous waste, we actively promote internal paper-saving measures, including encouraging employees to fully implement double-sided printing, enforcing operational guidelines for efficient photocopying, and promoting the reuse of envelopes, folders, and other stationery. Through these measures, the non-hazardous waste generated by the Group during the reporting year continued to consist primarily of waste paper and a small amount of household waste. The overall volume remained at a relatively low level, resulting in a relatively limited environmental impact.

During the reporting year, a total of 0.283 tonnes (2024: 0.112 tonnes) of non-hazardous waste were produced for daily office operations. The amount of paper disposal was 0.228 tonnes (2024: 0.086 tonnes) while the amount of domestic waste disposal was 0.050 tonnes (2024: 0.026 tonnes). The intensity of total non-hazardous waste was 0.0019 tonnes (2024: 0.0033 tonnes) per employee.[3]

[3] The intensity of total non-hazardous waste volume presented by the Group is calculated by dividing the total waste volume by the total number of employees in the China region at the end of 2025 and 2024.

*(v) Mitigation Measures*

The Group maintained relatively low level of the overall hazardous emission and discharges in daily operations and activities. As a corporation with sustainable development as its core value, we have strictly adhered to applicable national and local environmental laws and industry regulations for a long time, and have proactively implemented numerous green initiatives within our operational systems to mitigate potential environmental risks associated with our operations. By continuously optimizing energy and water efficiency, as well as promoting waste reduction at the source and resource recycling, the Group is progressively establishing a more resilient and environmentally friendly operational model.

- Set up positions for environmental management to regularly inspect our offices and operations facilities, monitor the usage of water to avoid wastage, power is turned off when works are not being carried out, and replace air- conditioning in allowable conditions with the usage of natural ventilation;

- Simplify arrangement of business trips and promoted the use of digital communication tools such as video conferencing to reduce the carbon emission related to transportation;

- Promote green commuting policy to encourage employees to take public transport to minimise the use of private vehicles and taxis;

- Continuously invest in energy and water saving equipment, such as fully replacing lighting systems with LED lights to improve energy efficiency; and

- Implement a complete waste-classification system and promote the practice of recycling use of resources especially the implementation of double-sided printing and recycling of printing papers.

## A2. Use of Resources

Water and electricity are the major resources used by the Group. Water and electricity usage at residential property units in Guangzhou and Shijiazhuang is limited to property management offices and does not include consumption in other common areas of the communities. Furthermore, the business activities of the Group do not entail significant consumption of raw materials and resources. The Group remains committed to the principle of enhancing resource efficiency and actively promotes the conservation and optimization of energy, water, and other materials given the modest size and scale of our current operations. The 3-R principle of reuse, recycling and reduction of wastes is fully implemented throughout the Group to minimize the environmental impact of our operations.

### *(i) Electricity and Fuel Consumption*

The Group uses electricity fully supplied from the local city grids, which provides a stable supply without any interruptions or supply issues. To save operational costs and to combat climatic changes by reducing the emission of $CO_2$ and other pollutants, the Group has already implemented various measures to reduce energy consumptions and encourage employees to conserve energy. For example, staff are requested to shut down computers as well as switch off monitors and other personal electronic devices before leaving offices.

The energies involved in the Group's operations mainly include petrol for automobiles and purchased electricity for office operations. Comparative data on the Group's energy consumption is set out below:

| **Energy Consumption** | **2025** | **2024** | **Unit** | **Changes** |
|---|---|---|---|---|
| Purchased Electricity | 89,204.00 | 49,437.43 | kWh | 80.44% |
| Petrol | 35,892.10 | 85,202.24 | kWh | (57.87)% |
| Diesel[4] | 1,354.50 | – | kWh | – |
| **Total Energy Consumption** | 126,450.60 | 134,639.67 | kWh | (6.08)% |
| Total Energy Consumption Intensity[5] | 866.10 | 3,846.85 | kWh/employee | (77.49)% |

[4] This year, we have added vehicle usage data for the Zhudao Property and Runhua Property, which were acquired in late July 2025.

[5] The intensity of total energy consumption presented by the Group is calculated by dividing the total energy consumption by the total number of employees in the China region at the end of 2025 and at end of 2024.

The Group shall strive to maintain or gradually reduce its energy consumption by encouraging employees to reduce the use of electricity and shall lessen its reliance on fossil fuels in the future, aiming at lowering energy consumption and carbon emissions to alleviate the negative impact on the environment.

***(ii) Water Consumption***

Water and electricity are the key elements which are considered to have a significance impact on the natural resource and environment. Through continuous employees' education and internal promotion, the Group reminds employees to treasure natural resources during their daily work. We encourages employees to save water in offices such as turning off faucets after use and prioritize in using water-saving products.

Urban water supply is the sole water source that the Group could find for our business locations concerned. Currently there is no other practicable means or viable substituting sources available. The Group enjoys stable and reliable water supply from the urban system that provides continuous support for the operation. All polluted water discharges are connected to the municipal drainage systems in accordance with regulations and comply with relevant regulatory requirements. We use water mainly for our employees' daily drinking, general cleaning and hygiene needs. All our offices use water supplied from the cities' central water supply network and we do not have any interruptions or supply difficulties in procuring water resources.

| | | Year ended 31 December | | |
|---|---|---|---|---|
| **Water Consumption by Geographical Region[6]** | **Cubic Meter ($m^3$)** | **2025** | **2024** | **Changes** |
| Shenyang | $m^3$ | – | 2 | (100)% |
| Chaozhou | $m^3$ | – | 22 | (100)% |
| Guangzhou | $m^3$ | 67 | – | – |
| Shijiazhuang | $m^3$ | 546 | – | – |
| **Total** | **$m^3$** | **613** | **24** | **2,454.17%** |
| Intensity ($m^3$/employee)[7] | | 4.20 | 0.69 | 508.70% |

6 The Shenyang office moved to a new location in the second half of 2024, and that office did not have any water usage. This year, water usage data for the Zhudao Property and Runhua Property that acquired in late July 2025 has been added.

7 The intensity data presented by the Group is calculated by dividing the total water consumption by the total number of employees in the China region at the year end.

The Group continued to promote water conservation as water is one of the most precious and scarce resources on our planet. We regularly inspect to ensure all the water taps are turned off when not in use and immediately fix any water leakage. In the future, the Group will continue to maintain or gradually reduce water consumption by raising employees' awareness to conserve water and optimizing the internal facilities to decrease water consumption and continue to move toward a more sustainable business model.

***(iii) Paper, Packaging Material and Other Raw Material Consumption***

The operation nature of the Group decided that no packaging materials would be involved in the operation process. The Group has continued to implement various measures, and encouraged employees to cooperate and reduce paper consumption to further reduce resources consumption:

- Widely applying digital technology including management of documents in electronic version, communication tools via emails and messages to replace paper consumption through digital methods;

- Promoting the reuse of stationery such as envelopes, folders as possible; and

- Requiring or encouraging the use of duplex printing for printing documents, and promoting the reuse of single-side printed papers for drafts or internal purposes.

**A3. The Environment and Natural Resources**

The Group places great importance on environmental protection and the sustainable use of the Earth's resources, and fully recognizes their long-term value. Due to the nature of its business, the Group's carbon footprint generated during daily operations is relatively limited, and its operational scale is not particularly large; therefore, its overall impact on the environment is relatively minor. Nevertheless, the Group remains committed to further reducing its burden on the environment and natural resources, and believes that employee education and the implementation of company policies are the most direct and effective ways to advance environmental management.

During the Reporting Period, water and electricity were regarded as the two elements having the greatest impact on the environment, including the offices of property operation. We continuously supporting all measures to reduce, reuse, recycle and substitute the use of resources including energy-efficient lighting in residential communities, retrofitting water-saving fixtures, sorting and recycling construction and renovation waste, and water-efficient irrigation for landscaping in accordance with the requirements of the Environmental Policy and Measures of the Group. We actively adopt these measures whenever operationally feasible to accomplish our goals of conserving natural resources and reducing environmental impact.

The Group has adopted the following measures to further reduce the impact of its business activities on the environment:

- Where applicable, conference calls or other digital communication methods were used in lieu of business trips and face-to-face meetings to reduce carbon emission related to transportation;
- Temperature of air conditioners in offices was set at 24°C to 26°C to reduce electricity consumption while ensuring comfort;
- Employees are required to shut down all idling photocopiers, printers and computers and turn on their sleeping mode if they are not in use temporarily;
- Double-sided printing and double-sided copying should be utilized as long as it is possible to reduce the waste of paper; and
- Employees are encouraged to reuse office stationery such as envelopes, folders and paper bags as long as it is possible to extend the lifespan of resources and reduce waste generation.

## A4. Climate Change

Climate change and global warming are major environmental problems in the world. The Group is fully aware of the potential impact these trends may have on its business operations and is therefore actively promoting the identification, assessment, and management of climate-related risks. Through continuous monitoring and the implementation of various mitigation measures, the Group is committed to reducing the physical and transition risks that climate factors may pose, and has formulated corresponding strategies to enhance operational resilience. The table below details the key climate risks relevant to the Group, as well as the corresponding actions taken to mitigate their impact:

| Types of Climate Risks | Duration of Impact | Risk Description | Actions Taken for Risk Management |
|---|---|---|---|
| **Physical Risks** | | | |
| Acute Physical Risks: Extreme Weather | Short term (0–1 year) | The increasing frequency of extreme weather events such as typhoons, torrential rains, and floods may lead to work stoppages on infrastructure projects under construction and damage to building structures; properties that have already been delivered face risks of equipment failure, power outages, and flooding, thereby increasing maintenance costs and resulting in lost rental income. | Establish a united emergency response mechanism for extreme weather warnings for the Group; ensure that wind and rain reinforcement work on ongoing construction projects is completed ahead of schedule; conduct regular inspections of property facilities to prevent flooding and leaks; and stockpile emergency repair supplies to ensure rapid resumption of operations following a disaster. |

| Types of Climate Risks | Duration of Impact | Risk Description | Actions Taken for Risk Management |
|---|---|---|---|
| Chronic Physical Risks: Ecological Changes | Short to medium -term (1–3 years) | Global warming has led to an expansion in the range of pests and diseases, resulting in higher landscaping maintenance costs in property management (such as increased frequency of pest control); at the same time, rising temperatures may accelerate the deterioration of building materials (such as asphalt softening and concrete cracking), thereby increasing the frequency of routine repairs and long-term maintenance costs for properties. | Strengthen landscaping maintenance by selecting heat-tolerant, drought-resistant, and pest- and disease-resistant plant varieties; increase the frequency of inspections and monitoring; and adopt integrated pest management strategies to reduce the frequency of pesticide applications. Enhance the heat resistance of building facilities by strengthening inspections and repairs of heat-vulnerable areas such as roofs, exterior walls, and road surfaces; replace materials with heat-resistant alternatives; and perform regular maintenance on air conditioning and cooling systems. |
| Chronic Physical Risks: Global Warming | Medium to long-term (3–10 years) | Rising global temperatures are leading to more frequent heat waves and droughts, which are disrupting the stable supply of building materials; high temperatures increase the cooling load on buildings, causing a sharp rise in electricity consumption, while also posing health risks to employees working in hot conditions. | Incorporate green building design during the project planning phase, utilizing insulating materials and natural ventilation systems to optimize energy efficiency and cooling performance; develop contingency water supply plans for construction during the dry season, provide frontline staff with heat-protective gear, and adjust work schedules. |

| Types of Climate Risks | Duration of Impact | Risk Description | Actions Taken for Risk Management |
|---|---|---|---|
| **Transitional Risk** | | | |
| Policy and Legal Risks | Medium to long-term (3–10 years) | It is expected that the government will introduce stricter carbon reduction and green building standards, mandating that new construction projects achieve net-zero emissions targets, which will lead to higher compliance costs and longer project approval cycles. | Establish a dedicated team to monitor developments in green building regulations and carbon emissions policies, and incorporate green building certification standards into project planning at an early stage; maintain communication with industry associations and regulatory bodies to ensure that new projects comply with future regulatory requirements. |
| Technical Risks | Long term (5–10 years) | As energy-saving technologies and renewable energy applications become increasingly widespread, traditional construction techniques face the risk of becoming obsolete, existing equipment may lose value, and additional investment in technological upgrades will be required. | Prioritize the use of green technologies, such as solar power generation and smart energy-saving systems, in new projects; provide green technology training for project teams to enhance their technical capabilities; and establish a mechanism for evaluating equipment upgrades. |
| Market Risks | Short to medium -term (1–3 years) | Market demand for green buildings is growing rapidly, while the market competitiveness of traditional, non-eco-friendly projects is declining; price fluctuations in low-carbon building materials may affect the stability of project budgets. | Position green building as a core product offering and proactively seek green building certification to enhance the project's market appeal; enter into long-term procurement agreements with key suppliers to lock in prices for low-carbon building materials and mitigate the risk of cost volatility. |

Although these risks do not currently have a material impact on the Group's overall operations, the Group will continue to monitor, assess, and update relevant measures to ensure that risks are effectively managed and to maintain the stability and sustainable development of its business.

In light of the above risks, the Company will proactively seize the following key opportunities and transform them into drivers of business growth and value enhancement:

| Types of opportunities | Details |
|---|---|
| Product and Service Upgrades | Develop resilient infrastructure (sponge cities, flood control facilities), healthy buildings (antimicrobial materials, ventilation systems), and zero-carbon smart communities to enhance product value and market competitiveness |
| New Business Development | Provide services such as climate emergency management, energy-saving retrofits, ecological restoration, and ESG compliance consulting to develop new sources of revenue through a light-asset business model |
| Green Finance and Capital Operations | Issue green bonds and sustainability-linked loans to reduce financing costs; boost investor confidence and enhance valuations through strong ESG performance |
| Accessing Policy Benefits | Prioritize the development of "dual carbon" support projects, such as affordable housing and green industrial parks, to secure tax incentives, subsidies, and low-interest loans |
| Supply Chain Optimization | Build green supply chains, prioritize the use of low-carbon building materials and renewable energy, mitigate transition risks, and meet customers' sustainable procurement requirements |

As a company deeply rooted in China's urban property services sector, we fully recognize that climate change is not only a global issue but is also closely linked to China's "dual carbon" goals, policies on green infrastructure development, and the stability of regional public service provision. Although frequent extreme weather events in recent years have posed potential challenges to property management and operations systems, and climate change involves significant uncertainties due to factors such as policy adjustments, the evolution of green technologies, and regional variations in natural environments, we consistently address these challenges through a scientific approach. We utilize the internationally recognized climate models of the IPCC (Intergovernmental Panel on Climate Change) to conduct climate scenario analyses, comprehensively assessing the short-, medium-, and long-term impacts of climate change across the Group's entire business chain.

In terms of physical risks, the Group's operations encompass residential and commercial property projects across multiple cities, as well as supporting public facilities within these complexes (such as power and water supply systems, landscaping, public lighting, and parking facilities). Furthermore, the Group's operations are closely tied to the stability of local water and electricity supplies and public services. However, with our domestic diversification strategy — where property projects span multiple key urban clusters, covering first- to third-tier cities and core urban districts, the impact of extreme weather events in any single region (such as localized flooding, heatwaves, freezing conditions, or severe typhoons) on our overall business remains relatively limited. Historical data indicates that past extreme weather events have not caused significant disruptions to the Group's core business, and there have been no instances of widespread paralysis of campus infrastructure or interruptions in property services.

Based on the results of the scenario analysis, future physical risks will primarily stem from damage to property infrastructure caused by extreme weather (such as heavy rainfall leading to clogged drainage systems and flooding in underground parking garages, or high temperatures causing power supply equipment overloads and air conditioning system failures) and disruptions to water and electricity supplies, which in turn will impact the continuity of property services. In response, we have established a comprehensive response system: we have developed detailed business continuity plans and equipped key campuses with emergency power generators, water storage tanks, and green energy storage systems to ensure that elevator operations, fire safety facilities, and residents' basic electricity and water needs remain unaffected by short-term outages; we are continuously upgrading the protection standards of campus infrastructure, optimizing drainage system designs, installing protective devices for outdoor equipment against heavy rain and high temperatures, and establishing a smart monitoring platform to track the operational status of power and water supply equipment, landscaping, and underground spaces in real time; we have established emergency coordination mechanisms with local power, water resources, and meteorological departments to receive disaster warnings in advance and deploy protective measures, thereby minimizing the negative impact of physical risks on business operations.

At the same time, the upgrading of green building evaluation standards and stricter requirements for low-carbon property service certification have placed higher demands on the Group's business transformation. In response, the Group has proactively initiated a green transition: encouraging residents to adopt eco-friendly transportation, improving the infrastructure for electric vehicle charging stations within the communities, and reducing overall carbon emissions; providing residents with low-carbon lifestyle services, such as planting greenery within the communities and recommending energy-efficient appliances, to promote the development of a low-carbon ecosystem in the communities. As domestic green energy supply capacity increases and the cost of low-carbon operations decreases, these green projects will achieve "low-cost carbon reduction and efficiency gains", effectively controlling carbon emissions and compliance costs. At the same time, the green transition has also created new growth opportunities for the Group, such as securing more low-carbon property management services and green park operation projects.

Addressing climate change is a systemic endeavor. Across the country, climate governance pathways, carbon emissions accounting standards, and support measures for green infrastructure are still in a state of dynamic evolution. At the same time, the pace of green technology updates, the speed at which regional environmental governance standards are raised, and the extent of adjustments to relevant policies may all contribute to ongoing uncertainty. Therefore, the actual evolution of future climate scenarios and their specific impacts on the Group's operations will require continuous monitoring and assessment.

Against this backdrop, the Group will continue to focus on the Chinese market and closely align with the national "dual carbon" strategy and the overall plan for the green transformation of infrastructure. We will establish a flexible policy monitoring mechanism to capture the latest developments in climate, environmental, and regulatory fields in real time, and use this as a basis to dynamically optimize the Group's green development path. At the operational level, the Group will promote environmentally friendly management models across the entire value chain, covering multiple aspects such as facility operation and maintenance, customer service, energy consumption control, and the recycling of obsolete equipment, thereby comprehensively enhancing the depth and breadth of low-carbon management.

In addition, the Group will further strengthen collaboration with government agencies, industry associations, research institutions, and industry partners to jointly explore low-carbon property operation and maintenance technologies and solutions tailored to the Chinese market. We will also actively participate in the discussion and formulation of industry green standards, driving greater synergy and mutual benefit across the entire property services industry chain as it undergoes its green transformation.

***Goal Setting***

Based on our past environmental performance and the specific characteristics of our office operations, we have established environmental goals. Using 2025 as the baseline year, by 2033 or earlier,

1) The Company commits to reducing Scope 1 and Scope 2 greenhouse gas emissions by 1% compared to the baseline year by 2033.

2) Ensure that 100% of new investment projects comply with national green building standards and continue to increase the coverage of green building certifications.

3) Comprehensively promote energy-saving renovations in property management and gradually increase the proportion of renewable energy use and the level of green operations.

During the reporting period, the Group has not yet fully disclosed certain climate-related information, specifically including quantitative financial impact analyses, scenario analysis results, and specific transition and physical risk indicators; furthermore, an internal carbon pricing mechanism has not yet been incorporated into the decision-making process.

The above situation is primarily due to the following reasons: First, the Group currently faces certain limitations in terms of internal expertise, data coverage, and climate risk assessment models and tools ("**capacity exemption**"); second, provided that this does not result in unreasonable costs or undue additional effort, sufficient, reasonable, and verifiable supporting evidence for certain necessary information is currently unavailable, including industry benchmarks, the investee company's carbon emissions data, and data on the impact of climate risks ("**reasonable data exemption**"); third, there is currently no unified, reliable standard within the industry for the financial quantification of climate-related risks and opportunities, making it impossible to accurately quantify the relevant financial impacts at this time ("**financial impact exemption**").

During the Reporting Period, the Group's capital expenditures, financing, and investments related to climate risks were of a relatively small scale and did not have a material impact on its overall operating results or financial position. To continuously strengthen its ESG governance capabilities, the Group has launched targeted internal training programs, specifically including a specialized course on "The Impact of Listed Companies' ESG Performance on Corporate Financial Performance," to help management and the core team understand the potential linkages between climate-related risks and opportunities and operating performance; Concurrently, the Group organized training on "Practical Preparation of ESG Strategy Reports for Listed Companies," complemented by human resources and employee ESG literacy enhancement programs, to systematically improve the team's professional capabilities in ESG data collection, analysis, and reporting. Additionally, the Group regularly organizes sessions for relevant personnel to study the Hong Kong Stock Exchange's ESG-related policies, thereby strengthening the knowledge base for addressing climate risks. In addition, the Group has initiated climate scenario analysis to lay the groundwork for enhancing future disclosures.

Moving forward, the Group will continue to advance the development of its ESG framework, focusing on improving the availability of climate-related data and optimizing risk assessment processes and modeling tools. By leveraging the outcomes of existing specialized training and scenario analysis, the Group will gradually enhance the breadth and depth of its climate-related disclosures. At the same time, the Group's compensation policies are not currently linked to climate-related factors or performance; plans to address this will be incorporated into the future refinement of the ESG governance framework.

## B. SOCIAL ASPECTS

### 1.1 Social Area Overview

The Group maintains open communication with all stakeholders — including employees, customers, suppliers, professional service providers, local communities, and regulatory authorities — and is committed to fostering harmonious, mutually beneficial partnerships. When formulating ESG strategies and policies, the Group takes into account both the company's short-term and long-term development goals while balancing the overall interests of stakeholders and society. Transparency, mutual respect, and integrity are the core pillars of the Group's business philosophy. These principles are embedded in every aspect of the Group's daily operations and serve as a vital foundation for driving sustainable development.

## 1.2 Social Aspects

Pursuant to ESG Reporting Code, social aspects include "Employment And Labour Practices" and "Operation Practices And Community Investment", which is reported as follows:

## B1. Employment

### *(a) Policy*

The Group highly values its employees and regards them as an invaluable asset in driving business growth. It is the Group's policy to strictly comply with the Labor Law of the PRC(中華人民共和國勞動法) , the Labor Contract Law of the PRC (中華人民共和國勞動合同法), the Property Management Regulations (物業管理條例), the Surveillance Regulations on Labour Protection (勞動保障監察條例) and other applicable laws and regulations in the PRC, while also fully complying with all statutory requirements of the Employment Ordinance of Hong Kong.

The Group takes all measures to ensure that our statutory duties and responsibilities as an employer are duly complied with in our operating locations and continuously monitors the related situation of compliance. The Group particularly adopts a serious view on compliance with laws relating to all the labour laws on employment, employee compensation and other relevant employment issues. Employment of child labour and forced labour is expressly and totally forbidden. Management conducts regular inspections, and no anomalies have been detected or reported.

In this connection, the Group has formulated a series of policies and regulations on employment, welfare and protection matters which include but not limited to compensation and dismissal, recruitment and promotion, working hours, rest arrangements, equal opportunity, diversity, anti-discrimination and other employment benefits.

The Group aims to provide equal opportunity for our staff in recruitment, promotion, compensation and benefits and to continuously fostering a fair, harmonious, and mutually respectful work environment to promote the long-term development of our employees and the overall stability of the Group.

***(b) Compliance with the relevant laws and regulations that have a significant impact on the Group***

Within the limits of its existing resources and capabilities, the Group makes every effort to ensure full compliance with all labor protection regulations, employment laws, and relevant statutory requirements. By implementing a performance management system, the Group effectively motivates employees to pursue continuous growth and assists them in developing clear career plans, thereby achieving the long-term goals of talent pipeline development and the Group's sustainable operations. At the same time, the Group is committed to providing employees with an equitable, safe, and healthy work environment, strictly adhering to relevant local laws and regulations, fostering harmonious labor-management relations, and building a high-quality corporate culture.

All employment contracts are signed jointly by the Group and the employees. Employment terms and conditions and welfare provisions are spelt out in the employment contract. In formulating our policies, complying with the prevalent statutory requirements on labour protection, employment and welfare is the fundamental principle and bottom line of the Group. The Group provides and improves employment welfare and benefits to our staff, including but not limited to housing provident fund, medical insurance and work injury insurance, and takes all necessary measures to ensure due compliance.

Human resources department is charged with the duty and responsibility of all employment and employee welfare matters. Recruitment and appointment are based on objective merits. Employee remunerations are determined with reference to the prevailing market level as well as the competency, qualification and experience of the individual employee. The Group provides and maintains employment welfare and benefits to our staff, including but not limited to housing provident fund, medical insurance and work injury insurance.

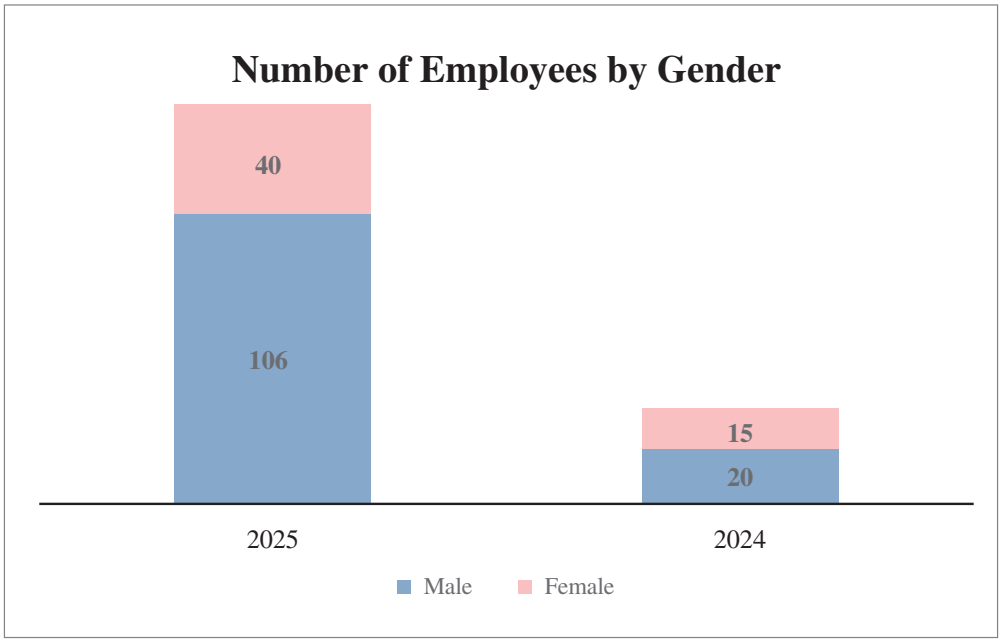
The Group is committed to creating a fair employment environment with equal opportunity. All applications for vacancies, transfers and promotions will receive fair consideration with no regard to age, race, religion, gender, sexual orientation, disability or other discriminating basis. Relevant education qualifications, skills, professional or technical qualifications and relevant experience and performance form the basis of selection criteria for appointment and promotion. Recruitment or promotion is carried out by the recruitment department and the human resources department in an open, transparent and compliance manner.

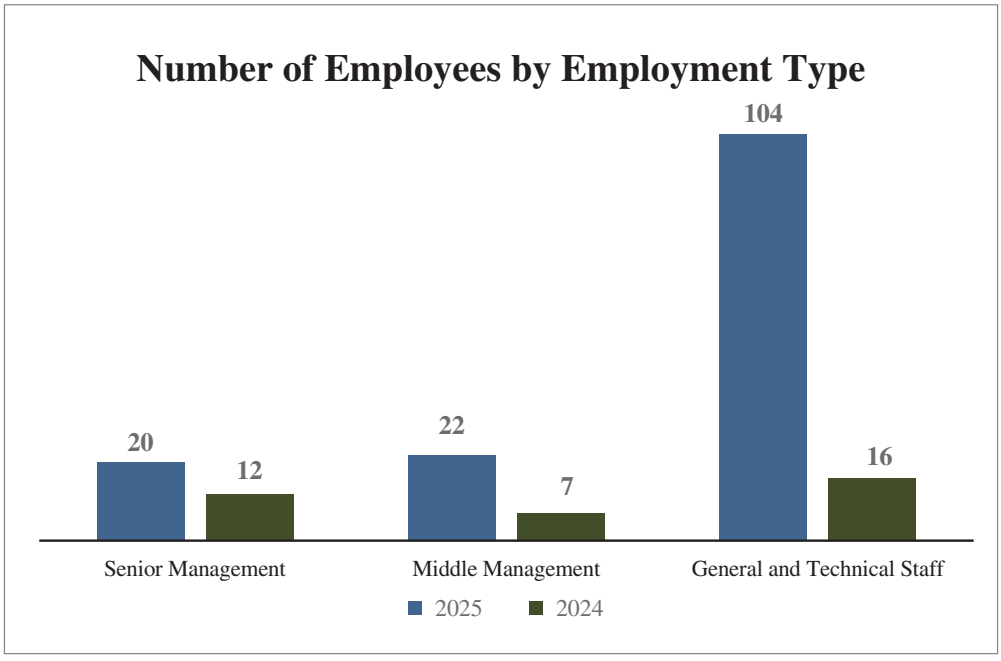
During the Reporting Period, the Group received no complaints, warnings, litigations or fine from the law enforcing agents or employees, indicating that the Group maintains a strong track record of labor compliance.

***Employee Overview***

As of 31 December 2025, the Group had a total of 146[8] (2024: 35) employees, when 146 full-time employees and 0 part-time employees (2024: 33 full-time employees and 2 part-time employees) were hired.[9]

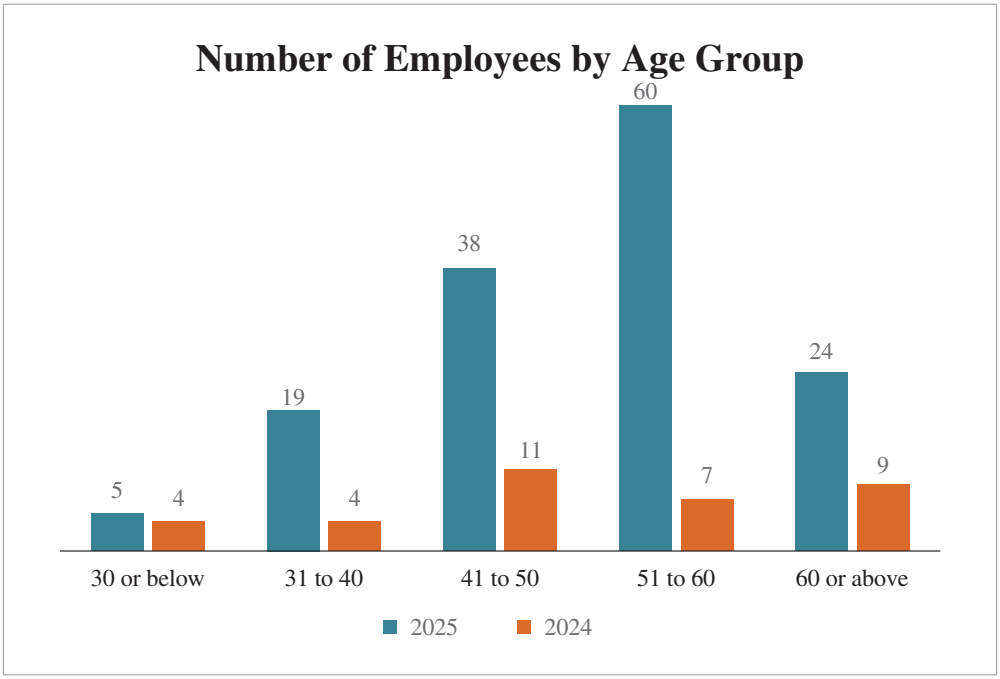
The number of employees of the Group by category are as follows:

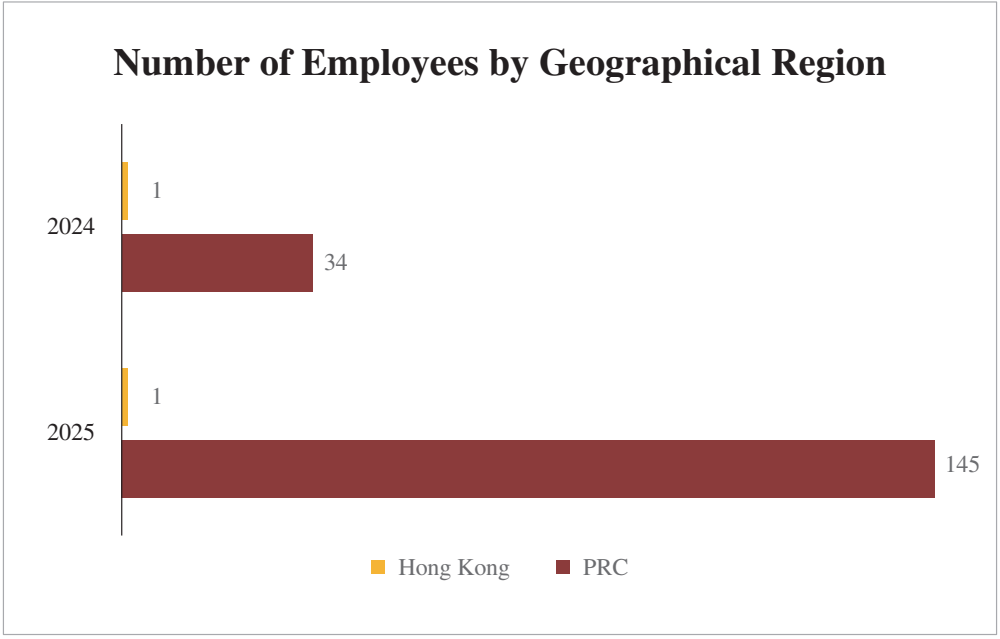



8 The increase in the number of employees this year is due to the addition of staff from Zhudao Property and Runhua Property.

9 The number of employees presented by the Group for 2025and 2024 is calculated based on the number of employees at the end of the Reporting Period, and excludes employees who terminated during the Reporting Period.


Number of Employees by Age Group
60
38
24
19
11
9
7
5
4
4
30 or below
31 to 40
41 to 50
51 to 60
60 or above
2025
2024


Number of Employees by Geographical Region
2024
1
34
2025
1
145
Hong Kong
PRC

*(i) Employment Turnover Rates*[10]

The Group's employee turnover rates by gender, age group and geographical region for 2025 and 2024 are distributed as follows:

| Year | Employee Turnover Rate (%) | By Gender (%) | | By Age Group (%) | | | | | By Geographical Region (%) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Male | Female | 30 or below | 31–40 | 41–50 | 51–60 | 61 or above | Hong Kong | PRC |
| **Current Year (2025)** | **4.11** | **2.83** | **7.50** | **20.00** | **10.53** | **–** | **3.33** | **–** | **–** | **4.14** |
| Previous Year (2024) | 51.43 | 55.00 | 46.67 | – | 275.00 | 9.09 | 57.14 | 22.22 | – | 52.94 |

## B2. Health and Safety

The Group consistently prioritizes employee well-being and is committed to creating a safe, healthy, and comfortable work environment. Through a comprehensive risk management system, we identify and eliminate various potential occupational hazards to comprehensively safeguard employees' occupational health. All of the Group's office premises are equipped with adequate, standard-compliant safety facilities and amenities to ensure that employees can perform their duties in a safe and convenient environment. For property management units, we require standardized procedures for high-risk operations such as high-altitude exterior wall cleaning, landscaping maintenance, equipment repairs, and confined space work, enforcing work approval processes, on-site supervision, and a two-person work system. At the same time, the Employees' Handbook (僱員手冊) sets out general safety policies and operating procedures applicable to all employees in detail. It serves not only as a safety guide for employees' daily work but also as a crucial basis for the Group's implementation of safety management, ensuring that safety measures are fully and effectively implemented.

The Group highly values the compliance of laws and regulations related to health and safety, important regulations such as the Surveillance Regulations on Labour Protection (勞動保障監察條例), the Work Safety Law of the PRC (中華人民共和國安全生產法), the Labour Law of the PRC (中華人民共和國勞動法) and the Prevention and Control Law on Occupational Disease of the PRC (中華人民共和國職業病防治法) are included. All permanent staff have been covered with social, medical and accidental insurance as required by local laws to ensure comprehensive coverage during their employment is received.

[10] The employee turnover rate presented by the Group for 2025and 2024 is calculated based on the number of employees at the end of the Reporting Period.

All employees are required to strictly observe the health and safety policies, instructions and guidance and to follow the same at work and to put safety as their priority. The management and supervisors are charged with the responsibility of ensuring that safety policies, rules and practices are still meeting safety standards.

For the Reporting Period, the Group did not have any work-related serious fatalities or injuries. There was only one work-related injury that resulted in 12 lost workdays. In fact, no fatal work accidents or lost working day due to work-related injuries is recorded in the past three years. For the coming year, we will continuously monitor and audit our safety performance closely and are confidential to maintain zero-accident for all our business activities.

**B3. Development and Training**

The Group's recruitment policy centers on professional qualifications, practical work capabilities, and relevant skills as core selection criteria, ensuring that new hires are capable of meeting the requirements of their positions. For employees at all levels, the Group has also established comprehensive training programs that provide tailored courses based on the skill requirements and knowledge thresholds of each position. These programs not only help employees develop the capabilities necessary to fulfill their duties but also ensure workplace safety by providing professional guidance to mitigate health and safety risks on the job. For example, in the area of property management, corresponding fire safety training is conducted, including theoretical instruction and practical exercises, to ensure that every employee is competent to perform their duties and protect the lives and property of residents and property owners.

The Group dedicates itself to creating a healthy, comfortable, and high-performance work environment where employees can fully utilize their strengths in a positive atmosphere, while fostering both personal and professional growth. We actively support and encourage employees to participate in various training programs, continuously invest resources in human resource development, and provide well-defined career advancement pathways and development opportunities. In addition, employees may apply for paid leave and training allowances to participate in external training courses, thereby enhancing their professional skills through continuous learning and improving their competitiveness in the workplace.

During the Reporting Period, the Group made arrangement with regard to on-line training for employees in the following areas:

- anti-corruption practices for listed companies
- sustainability strategies and planning guidelines
- an analysis of directors' duties and liabilities under the new company law
- continuing education training in accounting in Guangdong Province

The percentage of trained employees and the average training hours per employee of 2025 and 2024 of the Company are summarized as follows:

| Category | Percentage of Trained Employees (%)[11] | | Average Training Hours Per Employee | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| **By Gender:** | | | | |
| Male | 69.23 | 47.06 | 1.64 | 9.90 |
| Female | 30.77 | 52.94 | 4.59 | 18.20 |
| **By Employee Type:** | | | | |
| Senior Management | 34.61 | 41.18 | 5.45 | 12.08 |
| Middle Management | 23.08 | 17.64 | 4.64 | 15.79 |
| General and Technical Staff | 42.31 | 41.18 | 1.43 | 13.47 |

During the reporting year, we provided a total of 360 hours of training to our employees (2024: 471 hours); and the average training hours per employee was 2.47 hours (2024: 13.46 hours). The percentage of total trained employees was 17.81% (2024: 48.57%).

## B4. Labour Standards

The Group strictly complies with all the applicable requirements and legal standards in law during daily operations. All relevant statutory requirements and laws are adopted as our minimum labour standard on labour protection and welfare. The Group is committed to ensuring their full compliance of statutory duties and obligations and all management and supervisory levels are made aware of this to maintain high level of compliance.

The Group abides by all responsibilities to its employees (including payment of salaries, benefits, remuneration and insurance premiums) and has always maintained frank communication with its employees, and no disputes or litigations on labour matters or labour welfare were reported for the Reporting Period.

Banning the employment of child labor, illegal workers and forced labour is achieved through the recruitment and employment process by the human resources department. All job applicants are required to submit their credentials such as academic qualifications, professional skill certificates, references and identity card for verification and record purpose during recruitment. Such information is kept by the human resources department as the employee's personal file for record and future reference and government inspection.

[11] The training data presented by the Group is calculated based on the total number of employees at the end of the reporting year and excludes employees who terminated during the reporting year.

The head of the human resources department and the heads of relevant department are charged with the duty of overseeing its compliance and are also responsible for ensuring that all labor protection and welfare obligations are complied with. Should any potential violations of legal requirements be identified, they must be reported immediately to senior management for follow-up and resolution.

During the Reporting Period, the Group has not employed any child labour or forced labour. It will strictly follow relevant laws and regulations, including the Minor Protection Law of the PRC (中華人民共和國未成年人保護法), the Provisions on Prohibition of Employing Child Labour (禁止使用童工規定), the Labour Law of the PRC (中華人民共和國勞動法) and the Surveillance Regulations on Labour Protection (勞動保障監察條例).

**B5. Supply Chain Management**

Our most important business — large-scaled infrastructure construction project is operating under the model of "sub-contracting out on turnkey basis", and this means that all the purchases are handled by the sub-contractors. Therefore, the Group's own direct procurement is relatively limited in scale, focusing primarily on daily office supplies (such as stationery), and is mostly sourced from local or nearby suppliers. When selecting suppliers, the Group gives priority to those with a good reputation who incorporate environmental protection measures into their operations and production processes. For property management units, our suppliers provide cleaning services, fire safety maintenance, elevator maintenance, waste collection and disposal, and parking system maintenance, primarily responsible for ensuring the safety and comfort of residents and property owners. Other items, such as landscaping and office supplies, are purchased on-site by the property management units and do not have fixed suppliers.

We adhere to the principles of fair and transparent procurement and do business only with partners who have robust environmental and social responsibility management systems in place and share our Group's ethical standards. At the same time, we also encourage our suppliers to improve resource efficiency, enhance their environmental performance, and actively fulfill their corporate social responsibilities. Given the current structure of our supply chain, the Group believes that our supply sources do not pose any significant potential risks to our business operations.

In line with the procurement strategy adopted over the past three years, the Group continued to source raw materials and components primarily from local suppliers in China during the reporting period. This arrangement not only helps reduce overall costs and enhance supply chain efficiency but also shortens delivery lead times, while supporting the development of local industries and the economy. By maintaining close ties with long-term suppliers, the Group has been able to ensure a stable and reliable supply of materials. Throughout the reporting period, the subsidiaries within the reviewing scope of this report maintained good working relationships with all suppliers, and no contractual disputes, commercial disputes, or legal proceedings of any kind arose. Supply chain operations remained stable and smooth, and did not have any adverse impact on the operations of each subsidiary.

The subsidiaries within the reviewing scope of this report did not have any disputes or involve in any litigation with any suppliers during the Reporting Period.

| Region | Number of Major Suppliers | |
|---|---|---|
| | 2025 | 2024 |
| PRC | 7 | 9 |

## B6. Product Responsibility

The Group takes all reasonable steps to ensure that our products and services are safe and that the services delivered meet with all agreed or legally required standards. In addition, regarding residential property units in Guangzhou and Shijiazhuang, residents and property owners may monitor service quality and file complaints through offline property service centers, WeChat groups, suggestion boxes, and other channels. Leveraging its solid reputation and commitment to high-quality service, the Group continues to enhance its service standards to meet the various challenges of the future market. Regarding large-scale infrastructure construction projects and contract works related to property leasing, the Group fully recognizes that the timely and high-quality completion of projects is critical to both clients and the business, and is confident that current measures are sufficient to fulfill contractual obligations and safeguard client interests.

Compliance of the relevant contract requirements of our large-scaled infrastructure construction project is the part which the Group cares the most, as it has significant impact on the Group. In the course of contract administration, the projects that we rendered are subject to the close supervision and monitoring of a third-party professional agency. The relevant phases of the project have been granted with the relevant completion acceptance records issued with no defects or complaints and have been accepted by the client. The Group is confident that our businesses have met with all the legal and contract requirements.

During the Reporting Period, the Group did not record any complaints in its large-scaled infrastructure construction project, which has been granted or issued with the relevant completion and compliance certificates at each relevant stage.

The Group's business does not consist of manufacturing and selling products, and therefore no product recall has arisen because of safety and health.

### *Intellectual Property Right*

The Group greatly emphasizes the protection of intellectual property rights and complies with relevant laws and regulations such as the Management Practices on Corporate Intellectual Property Rights (企業知識產權管理規範) and the Copyright Law of the PRC (中華人民共和國著作權法) to ensure that no intellectual property rights are infringed. If there are any disputes related to intellectual property rights, we shall contact our legal advisor with immediate follow-up by taking corrective measures to minimize the negative impact inflicted. During the Reporting Period, there were no complaints or allegations received on intellectual property rights infringement.

***Privacy***

The Group places utmost importance to client and project data and privacy. We maintain such personal data in a confidential manner with restrictive and limited access with relevant laws and regulations being followed, including the Personal Information Protection Law of the PRC (中華人民共和國個人信息保護法). Access to data is granted only to personnel who need to know such information for business purposes, and a robust system is in place to ensure that data is used in compliance with established guidelines.

There were no privacy complaint or report received during the Reporting Period.

**B7. Anti-corruption**

The Group is well aware of the importance of honesty, integrity and fairness in our business operations has therefore established a comprehensive anti-corruption policy. The Company regularly reminds employees at all levels to remain vigilant against corrupt practices during various meetings and in internal documents, and prohibits the acceptance or offering of any form of improper benefit. Employees must proactively disclose any situations that may constitute a conflict of interest while performing their duties. By establishing these systems and guidelines, the Group aims to encourage all employees to conduct their work with integrity and to strictly comply with relevant laws and regulations.

Residential property management companies strictly adhere to the relevant Measures on the Special Funds for Residence Maintenance (住宅專項維修資金管理辦法), which stipulate that the use of maintenance funds requires the approval of two-thirds of the owners, must be publicly disclosed throughout the process, and must be used exclusively for their intended purpose. At the same time, the Property Management Regulations (物業管理條例) requires that public revenues be managed in separate accounts and disclosed regularly; the misappropriation, private distribution, or unauthorized collection of such funds is prohibited.

Employees must report any potential or actual conflicts of interest that arise while performing their duties in accordance with established regulations. Through clear rules and guidelines, the Group encourages employees to maintain the highest standards of integrity and comply with national anti-bribery laws and regulations. Any conduct that may violate this policy must be reported immediately to management so that necessary follow-up or investigations can be conducted. Transactions involving significant amounts are processed through banks and are signed off by authorized personnel at the appropriate level based on the transaction amount to ensure transparency and compliance.

The Company provides anti-corruption information to its employees and directors through regular internal trainings, ensuring that they receive training on preventing bribery at least once a year, so that they can maintain a high degree of integrity in the course of operation, perform their duties, and create a good business environment.

In the Reporting Period, no bribery or corruption cases or litigations in relation to its employees were identified.

**B8. Community Investment**

The Group fully understands the social responsibilities it bears and the importance of continuously giving back to society. Through regular communication with local government agencies and industry representatives, the Group continually explores and evaluates what contributions it can make to the community and society within its capabilities, as well as how to enhance the depth and breadth of those contributions.

In addition, the Group gives priority to local talent in its recruitment efforts and actively encourages employees to participate in various charitable activities, providing volunteer and charitable support to remote areas and communities in need, such as tutoring, environmental initiatives, and community clean-up campaigns. By supporting employees' involvement in charitable and volunteer services, the Group aims not only to play a more active role in corporate social responsibility but also to strengthen employees' sense of belonging and teamwork. These initiatives help foster a positive corporate culture, enhance the company's public image, and deliver tangible, long-term value to local communities.