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BAOYE

BAOYE GROUP COMPANY LIMITED
寶業集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)
(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股票代號：2355



2025 環境、社會及管治報告
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR MISSION
我們的使命

From
Construction to Manufacturing
從建造到製造

leads construction industry towards industrialisation in China.

帶領中國建築業走向產業化



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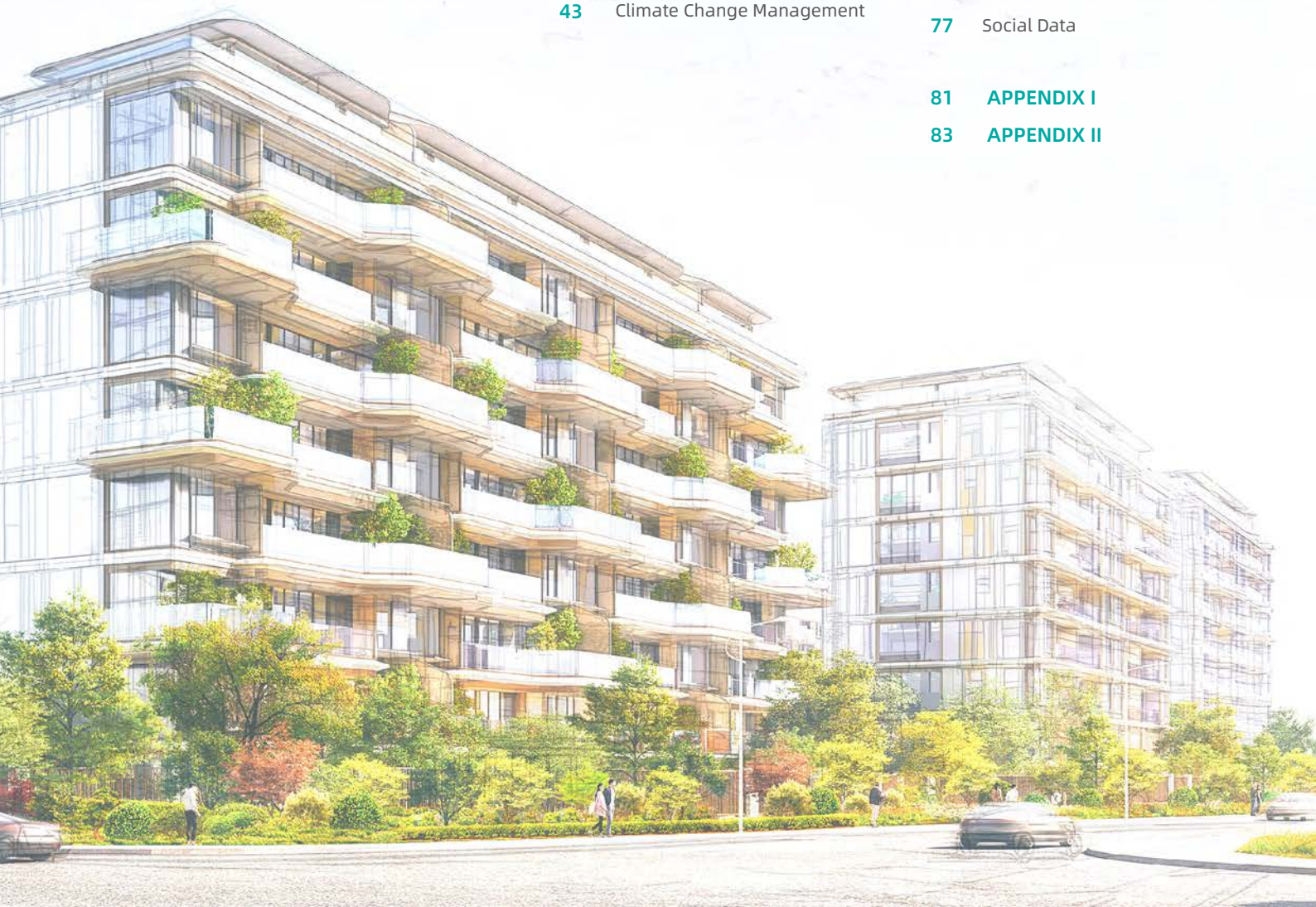
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ABOUT THIS REPORT

This Environmental, Social and Governance ("ESG") Report (this "Report") is the tenth ESG report issued by Baoye Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group" , "Baoye Group" , "Baoye" or "we"), which aims to report the Group's ESG management performance and impacts, thereby strengthening communication with stakeholders. Please refer to the "Corporate Governance Report" section of the *Annual Report 2025 of Baoye Group Company Limited* for more details on the Group's corporate governance structure and practices.

REPORTING SCOPE

Unless otherwise specified, this Report covers the period from 1 January 2025 to 31 December 2025 (the "Reporting Period").

Unless otherwise specified, the information and data disclosed in this Report cover the Company and its major subsidiaries, which are consistent with the consolidated financial statements in the Annual Report 2025 of Baoye Group Company Limited. The scope of this Report covers three of the Group's principal activities:

- Construction – provision of construction services;
- Property development – development and sale of properties; and
- Building materials – manufacture and distribution of industrialized construction materials.

For the convenience of expression, the following expressions in this Report have the following meanings:

- Anhui Baoye: Baoye Anhui Company Limited, a subsidiary of the Company
- Baoye Construction: Zhejiang Baoye Construction Group Company Limited, a subsidiary of the Company
- Baoye Industrialization: Zhejiang Baoye Building Materials Industrialization Company Limited, a subsidiary of the Company
- Baoye Real Estate: Zhejiang Baoye Real Estate Group Company Limited, a subsidiary of the Company
- Hubei Baoye: Baoye Hubei Construction Group Company Limited, a subsidiary of the Company
- Zhejiang Baoye Modern Building Industrial: Zhejiang Baoye Modern Building Industrial Manufacturing Company Limited
- Hubei Baoye Building Industrial: Hubei Baoye Building Industrial Company Limited

PREPARATION BASIS

The Group has prepared this Report in accordance with Appendix C2 **Environmental, Social and Governance Reporting Code** (the "*ESG Code*") set out in the **Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited** (the "*Listing Rules*") issued by The Stock Exchange of Hong Kong Limited ("SEHK"). The Group has complied with all mandatory disclosure requirements and the "comply or explain" provisions in the *ESG Code*. In addition, this Report has been prepared in adherence with the Reporting Principles set out in the *ESG Code*, including:

- **Materiality: ESG reporting on environmental, social and governance matters may have a significant impact on investors and other stakeholders.**

  During the preparation of this Report, the Group communicated with stakeholders through various channels to understand their expectations regarding the Group's sustainable development and conducted a materiality assessment to identify key issues of critical importance to the Group and prioritize ESG topics for disclosure.

- **Quantitative: Key performance indicators relating to historical data shall be measurable.**

  The Group has continuously recorded and disclosed quantitative indicators related to its business in compliance with the requirements of the *ESG Code*. In addition, the Group has disclosed the standards, methodologies, and assumptions used in the calculation of environmental and social data, as well as the sources of conversion factors used.

- **Balance: Avoiding selections, omissions, or presentation formats that may inappropriately influence the decisions or judgments of readers of the Report.**

  This Report impartially discloses the Group's ESG performance during the Reporting Period, including its achievements, impacts, challenges faced, and plans to address them.

- **Consistency: Using consistent disclosure statistical methods so that ESG data can be meaningfully compared in the future.**

  During the Reporting Period, there were no significant changes in the nature of the Group's principal business or the scope of business reported in this Report. Unless otherwise stated, this Report adopts data statistical and calculation methods consistent with previous reports to make meaningful comparisons of data.

Appendix II of this Report provides the content index of the *ESG Code* for readers' easier reference.

CONFIRMATION & APPROVAL

The Board of Directors of the Company (the "Board") has reviewed and approved this Report to confirm the reliability, accuracy and completeness of the information disclosed in this Report.

YOUR FEEDBACK

We value the opinions of our stakeholders and take into consideration the feedback from all stakeholders to drive the Group's sustainable development. Should you have any suggestions regarding the Group's ESG performance and this Report, you are welcome to contact us through the Investor Relations Department.

Investor Relations Department:
TEL: 86-575-84135837
FAX: 86-575-84118792
EMAIL: irbaoye@baoyegroup.com

Chairman's Statement

To the Shareholders:

On behalf of the Board, I am pleased to report the audited financial results of Baoye Group Company Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended December 31, 2025. For the year ended December 31, 2025, the Group achieved audited consolidated revenue of approximately RMB19,946,668,000, representing a decrease of approximately 10.7% as compared to last year; profit attributable to owners of the Company amounted to approximately RMB289,644,000, representing a decrease of approximately 29.3% as compared to last year; earnings per share was RMB0.56, representing a decrease of approximately 29.1% as compared to last year. In 2025, the economic landscape remained complex and challenging. Having experienced rapid development over more than three decades, the broader construction industry – in which the Group operates – has entered a new phase featuring green and low-carbon transition, intelligent industrialization, restructuring of market dynamics, business model upgrading, and enterprise to live or die. By staying committed to construction industrialization, green manufacturing, and the development philosophy of "operating within our capacity", Baoye has been able to endure amid the industry's profound restructuring and survival of the fittest. The Board recommends the payment of a final dividend of RMB0.085 per share in respect of the year ended December 31, 2025. Details of operating and financial performance of the Group will be discussed in the "Management Discussion and Analysis" section of this Annual Report.

Looking back at 2025, uncertainties persisted in the external economic environment, and internal structural transformation pressures continued. In the face of an increasingly severe market and challenging development tasks, we recognize that only by building more robust foundations in finance and business can we embark on a new stage of high-quality development. The Group has remained steadfast in its commitment to reducing costs and enhancing efficiency through fine management, reinforcing security defenses through risk prevention and control, and driving systematic improvement in organizational capability. In adherence to the philosophy of "upholding long-termism to navigate through economic cycles", Baoye has built upon its existing business foundation to actively explore vertical extension and synergistic development across the industrial chain. These efforts have not only elevated the Group's competitive position in the market, but also laid a solid foundation for its long-term sustainable development.

Changing landscapes never favor those who hesitate or speculate, but chances are always for those who act with conviction and ambition. Amid a volatile market, we should neither pin all our hopes on market environment nor fall into disarray in the face of change and uncertainty. Instead, we should strive to grow upward and take root downward while gathering strength in quiet consolidation, which means making solid advances to be well-positioned for an even greater leap forward.

ENHANCING BRAND BUILDING

Over two decades ago, the Group put forward that "Baoye builds good houses", placing particular emphasis on the innovation and upgrading of construction techniques. At present, the "one-hundred-year housing" developed by Baoye has achieved industrialization at an integration rate of 87.5%. In 2025, many of the Company's property projects earned authoritative industry certifications such as "Good Houses", "Good Communities" and "High-Quality Residences", which have earned high recognition from government and clients, and provided exemplary practices of good houses for the industry to follow and spread. In October 2025, the Company organized the "2025 China High-Quality Residential Development Forum" hosted by the China Real Estate Association. In the same month, the Company participated in the Zhejiang Provincial "Good Houses" Exhibition held by the Zhejiang Construction Industry Association, featuring a separate exhibition hall to display its long-lasting "one-hundred-year housing" developed through an integrated full-industrial-chain model as well as a manufacturing approach, which drew widespread attention at the event. In November 2025, Rui Garden of Baoye Four Seasons Garden was showcased at the "Good Houses" Technology Exhibition held by the Ministry of Housing and Urban-Rural Development in Beijing. "Baoye builds good houses" is more than just a long-standing commitment to quality upheld by Baoye; it has evolved into a quality brand built upon technological innovation, quality practices and market validation.

PURSUING THE PATH OF SCIENTIFIC AND TECHNOLOGICAL INNOVATION FOR TRADITIONAL INDUSTRIES

A race to the bottom among conventional players will inevitably lead to fierce competition. Regardless of market fluctuations, enterprises who seek lasting success in today's complex and fast-changing world must become long-termists, stay committed to doing what is difficult yet right, and refuse to be swayed by short-term gains. As I mentioned at the Symposium on Scientific and Technological Development in early 2025, Baoye's scientific and technological achievements in building energy efficiency have reached a leading position domestically while being internationally competitive. Building on our research and application of overall building Q-value technology, we have accumulated more data and conducted more practical verifications in extreme climate zones, the relevant data of which is providing technical support for the iteration of national, industrial and association standards. Furthermore, these achievements were cited in the Opinions of the CPC Central Committee and the State Council on Promoting High-Quality Urban Development, published on the front page of People's Daily on August 29, 2025. Meanwhile, the project of China Building Energy Efficiency Research Center is progressing steadily, which fully applies Baoye's construction industrialization integration technologies and green building materials developed over years. It will establish tech innovation demonstrations such as a zero-energy exhibition hall, serving as a key platform for the Company's building energy efficiency and carbon reduction technologies from lab experiments to practical application.

The integration of corporate platforms with science and technology provides strong support for the Group's high-quality development.

UPGRADING "ONE-HUNDRED-YEAR GOOD HOUSING" PRODUCTS, BRINGING LOW-CARBON AND ENERGY-EFFICIENT "GOOD HOUSES" TECHNOLOGICAL PRODUCTS FROM LAB TO MARKET

The Group has not only undertaken many high-level, sophisticated and cutting-edge projects, but also has applied its technology and product systems to property projects, by leveraging the strengths in building energy efficiency technology and construction industrialization covering the entire industrial chain. We have our own testing grounds—four "one-hundred-year housing" good houses demonstration projects, namely Baoye · Xinqiao Fengqing, Daban Green Garden, Rui Garden of Baoye Four Seasons Garden, and Chunying Tangqianyuan, showcase Baoye's innovative achievements in building energy efficiency technology research and construction industrialization integration of the entire industrial chain from the perspectives of safety, comfort, sustainability and intelligence. These projects have steadily enhanced product performance, represented the continuous iteration and technological upgrades of the Group's "one-hundred-year housing" from Version 1.0 to 4.0, and have realized a closed loop of the entire process from technology to marketplace. Throughout this process, the Group has consistently refined its high-quality "one-hundred-year housing" building system, featuring the pursuit of building longevity, excellent quality, green and low-carbon through construction industrialization. The core of achieving these goals is the integrated manufacturing of construction industrialization. Comprising 80,000 parts produced on assembly lines, a house can be built in the same way as car manufacturing, which can improve building quality, shorten construction period, and save water, energy and materials. Currently, Baoye adopts the approach of "energy conservation in technology and management", and takes the lead in piloting "carbon credits" incentive programs in two ongoing property projects in Keqiao and Shaoxing. These initiatives aim to foster the awareness of energy conservation and carbon reduction among residents and the wider community, by offering carbon credit rewards for saving electricity, energy and water, thereby contributing to energy conservation and carbon reduction during the building operation phase.

As Darwin famously noted, "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change." Leveraging its forward-looking vision, Baoye has achieved healthy growth by pivoting with the times. Looking ahead, the Company will uphold the progressive belief of "striving for renewal every day" to drive continuous innovation in management, proactively pursue breakthroughs in business, and explore boldly in technology. We will integrate our development into the broader context of national strategies and urban development, seize opportunities and expand our operations by contributing to urban construction, governance, renewal and security.

The Group has been publishing its environmental, social and governance report since 2016. We employ professional third-party agencies to help us to disclose qualitative and quantitative indicators that meet industry characteristics in a more detailed manner. In corporate governance, we incorporate ESG training into the training for Board members and include climate-related risks and opportunities faced by the Company in the terms of reference of the Environmental, Social and Governance Committee. The Group is dedicated to preserve its longstanding operational philosophy in providing and disclosing transparent information that would bring our business partners in sync with our corporate direction. The Group has taken various activities and steps toward its responsibility for environment and society, details of which are shown on the "Environmental, Social and Governance Report 2025" published at the same day.

APPRECIATION

Sound corporate governance relies on effective communication between the company, its shareholders and investors. In the Corporate Governance Report, we have set out the procedures for shareholders to propose candidates for election as directors. The Nomination Committee of the Board regularly reviews the structure, size and composition of the Board, and identifies suitable candidates to join the Board. We also welcome nominations from shareholders, and the selection of ethical and competent talents from the management team to participate in the election of directors and even the appointment of the Chairman of the board. We warmly welcome and invite outstanding talents from the society to join Baoye. Last but not least, I, on behalf of the Board, would like to extend my sincerest thanks to our shareholders, investors, customers, vendors, banks, and other intermediaries for their continuous patronage and support; special thanks to our loyal employees for their hard work and dedication to achieving success, and together, we look forward to many more rewarding years for our shareholders, to witnessing the evolution of China's construction industry, and to making meaningful contributions to society.

Mr. Pang Baogen
Chairman of the Board
March 27, 2026



Striving for Excellent Governance

- 3.1 Sustainability Governance
- 3.2 Stakeholder Engagement
- 3.3 Materiality Assessment





03

Sustainability Governance

GOVERNANCE STRUCTURE

The Group has established an Environmental, Social and Governance Committee (the "ESG Committee" or the "Committee"), which is responsible for coordinating and overseeing the Group's sustainability-related matters. During the Reporting Period, to further strengthen sustainability governance effectiveness and align with the Group's strategic development and business realities, the *Terms of Reference of the Environmental, Social and Governance Committee* was comprehensively revised to further strengthen the sustainability governance structure and ensure that the relevant governance is more standardized, transparent and effective.

The ESG Committee is composed of members appointed by the Board from among its directors, comprising one executive director and two independent non-executive directors, with the chairman elected by Committee members. During the Reporting Period, based on the revised terms of reference, the core responsibilities of the ESG Committee were expanded and upgraded from the existing foundation, with a particular emphasis on strengthening climate-related management functions. Specifically, these include: taking the lead in formulating and regularly reviewing the Group's ESG and climate-related responsibility vision, strategic objectives and policy framework; guiding and reviewing the identification and prioritization of material ESG issues; optimizing information reporting processes to ensure policy implementation; tracking and assessing core ESG and climate trends within the industry; reporting significant impact factors to the Board in a timely manner and updating management policies in response to evolving circumstances to ensure compliance with relevant laws, regulations and regulatory requirements; comprehensively identifying and assessing ESG and climate-related risks and opportunities, evaluating their impact on the Group's strategy and operations, and proposing targeted response recommendations; overseeing the formulation and implementation of ESG and climate-related targets throughout the entire process, reviewing action plans and tracking their execution; reviewing the annual ESG report and climate-related disclosures to ensure compliance with the *ESG Code*, and making recommendations to the Board for report enhancement; organizing Committee members to attend relevant professional training to ensure supervisory competence, and seeking external expert support when necessary; and performing other related duties as delegated by the Board. In addition, the ESG Committee continues to fulfil its core supervisory responsibilities, including raising inquiries on significant operational matters that affect social responsibility fulfilment and urging rectification, monitoring communication mechanisms with stakeholders, consolidating feedback, guiding the analysis of material ESG issues, promoting a "top-down" sustainable development culture, and fully integrating ESG and climate considerations into all business decisions.

To ensure the effective execution of the Committee's responsibilities and establish a closed-loop management system of "decision-making, execution and supervision", the Committee has established the ESG Working Team (the "**Working Team**") as its executive body. The Working Team is led by a team leader appointed by the Committee, with members comprising heads of functional departments and subsidiary companies. During the Reporting Period, the responsibilities of the Working Team were further refined and clarified, specifically including: assisting the Committee in formulating and dynamically reviewing ESG and climate-related governance policies and strategies, and incorporating climate change management into the Group's overall ESG framework; coordinating ESG and climate-related work across all levels of the Group to ensure the implementation of policies and plans; formulating and driving specific implementation plans in accordance with the Group's strategy and Committee requirements; establishing regular communication mechanisms with stakeholders to enhance sustainability information transparency; assessing and prioritizing material ESG and climate-related matters, evaluating business impacts and proposing risk mitigation and opportunity recommendations; assisting in setting ESG and climate-related performance targets and regularly reporting progress and improvement recommendations to the Committee; and coordinating the preparation of the annual ESG report and related disclosures to ensure compliance with SEHK requirements and submission to the Committee for review. In addition, the Working Team convenes regular meetings to summarize progress, analyse issues and formulate improvement measures, continuously optimizing the ESG and climate management system. At the same time, the Working Team proactively tracks the latest ESG policies and disclosure requirements, collects best practice cases within the industry and compiles them into information booklets for management reference, strictly implements all ESG policies, ensures smooth management alignment between the Group and its subsidiaries, and promotes the deep permeation of sustainable development concepts across the entire Group

ESG Risk Management

- The Board reviews and confirms ESG risks based on materials submitted by the Working Team, and discusses preventive measures to address risks
- Internal audits primarily focus on ESG cost risks arising from potential risks, mitigating various project risks

ESG Target Setting

- The Board authorizes the Working Team to carry out ESG target management
- The Board considers updating the disclosure of other quantitative or directional targets based on annual changes in material topics

ESG Performance Monitoring

- The Board monitors the Group's progress in achieving environmental targets based on reports from the Working Team
- Prior to the annual publication of the ESG report, the Board reviews the content of the Group's report, conducts year-on-year comparisons with previous reports, examines the reasons for data changes,and formulates targeted improvement policies accordingly

RISK MANAGEMENT

The ESG risks and key internal management measures of the Group are summarized as follows:

ESG Risks	The Group's Key Internal Management Measures
Climate Risk	• Implement flexible working hours, and ensure doors, windows, and power sources are closed daily • Arrange day and night shift rotations for staff to monitor typhoons and other sudden wind-related risks • Keep abreast of cutting-edge construction technologies, striving to build high-performance, highly comfortable, low-energy-consumption green buildings
Safety Production Risk	• Strictly monitor construction materials harmful to human health and the environment • Continuously monitor radiation intensity to ensure compliance with national standards • Conduct rigorous quality inspections at construction sites to ensure project quality meets standards
Supply Chain Management	• Prioritize suppliers listed in the *List of Qualified Suppliers* • Conduct comprehensive assessments of suppliers across various indicators, such as qualifications, supply capacity, pricing, safety, environmental protection, and quality management system certifications
Technology and Innovation	• Actively pursue green building practices and proactively participate in developing industry technical standards
Infectious Disease Prevention	• Set up a pandemic emergency management team • Set up health records for every employee, with regular check-ups to update employees' health status
Occupational Health and Safety	• Establishment of labor safety and health system • Conduct occupational health and safety education • Establishment of occupational disease prevention and control mechanisms

STAKEHOLDER ENGAGEMENT

During the Reporting Period, the Group continued to deepen communication and cooperation with various stakeholders through multiple channels to ensure efficient information dissemination and gain a comprehensive understanding of stakeholders' development dynamics and actual needs. This communication mechanism provided an important basis for us to formulate practical sustainable development plans and effectively improved operational efficiency. Meanwhile, we established close cooperative relationships with stakeholders, jointly exploring and resolving potential issues, creating more opportunities for sustainable development and achieving mutual benefits.

Key Stakeholders	Issues of Concern	Communication Channels
Shareholders / Investors	• Compliance operation • Employee health and safety • Quality of products & services	• General meetings • Information disclosure • Interim or annual results presentation and other activities
Government and Regulatory Authorities	• Employee health and safety • Anti-corruption	• Government meetings • Reporting and regulation
Employees	• Employee health and safety • Employee development and training • Employee diversity and equal opportunity • Employment policies and employee benefits	• Interviews • Training • Employee activities
Customers	• Quality of products and services • Use of resources • Green procurement	• Customer complaint mechanism • Customer satisfaction survey
Suppliers / Subcontractors	• Green procurement • Supply chain management • Compliance operations	• Email communication • Telephone interviews • Site visits
Community and the Public	• Quality of products and services • Technological R&D and innovation	• Community participation • Charity donation
Media	• Environment and natural resources • Compliance operations	• Press conferences • Email communication • Telephone interviews

Through diverse and multi-layered engagement activities with various stakeholders, we gained an in-depth understanding of their development status and actual needs, successfully incorporating their demands and opinions into the Group's development plans, promoting collaborative development and achieving mutual benefits.

CASE In-depth Dialogue and Collaboration with Stakeholders



Business Operations Meeting



Technology Development Symposium



Shareholders' Liaison Team Visit to Hubei Baoye for Research and Inspection



Financial Management, Management Accounting, and Three-calculation Management (Three-stage Cost Management (budgeting, tendering, and final accounts) Training Session



China High-Quality House Development Forum



Wuhan Construction Industry Association Visit to Baoye for Exchange

MATERIALITY ASSESSMENT



To gain an in-depth understanding of stakeholders' key concerns and expectations regarding the Group's ESG issues, the Group conducted an ESG materiality assessment during the Reporting Period to identify material issues closely related to the Group's sustainable development. The materiality assessment mainly comprised the following three steps:

Identification : Based on the *ESG Code*, peer-focused topics, and past communication outcomes with stakeholders, ESG issues relevant to the Group were identified. After screening by the Group's senior management, a total of **31** ESG issues were shortlisted.

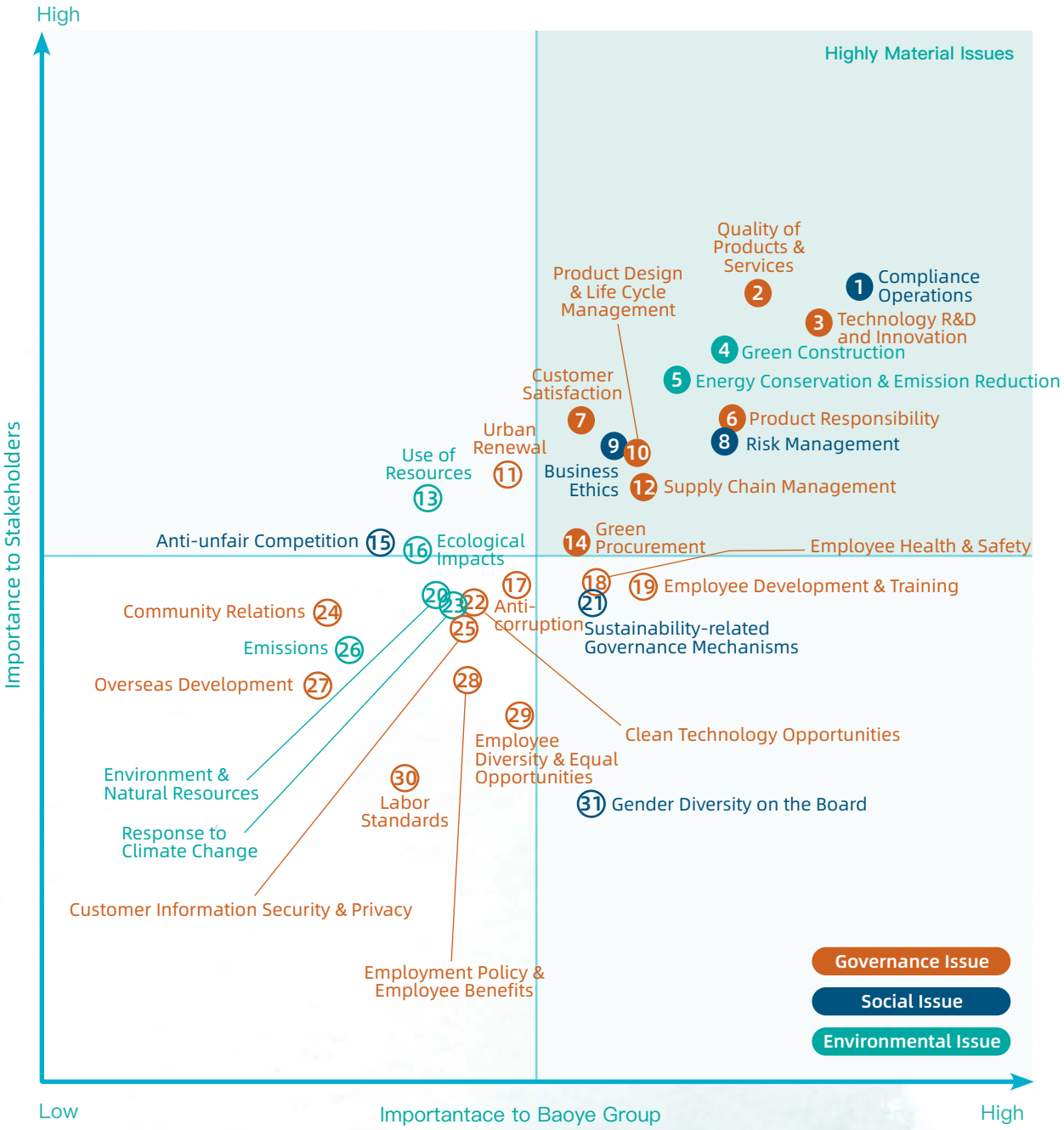
Prioritization: Stakeholders were invited to evaluate the importance of each ESG issue through an online questionnaire. A total of **238** stakeholders participated in the survey, representing the Board of Directors, management, employees, shareholders and investors, government and regulatory bodies, customers, suppliers, community members, and the media.

Analysis and Validation: Each issue was analyzed across two dimensions: "importance to stakeholders" and "importance to the Baoye Group," and a materiality matrix was constructed based on the survey results.

A total of **12** material issues were identified this year. The analysis results were submitted to the board of directors for review, and subsequently verified and confirmed by the board of directors as the Group's material issues for 2025.

The following presents the analysis results and the material issues for 2025. We will focus on disclosing the management approaches, specific measures and performance related to these issues in this Report, to comprehensively demonstrate the Group's commitments and practices in the field of sustainable development.

Materiality Matrix



Commitment to Responsible Operation

- 4.1 Strengthening the Foundation of Quality Control
- 4.2 Crafting Homes with Excellence
- 4.3 High-Efficiency Industrialized Construction
- 4.4 Enhancing Interactive Collaboration
- 4.5 Creating Sustainable Supply
- 4.6 Integrity Drives Sustainable Growth





04

The Group adheres to quality as its foundation and innovation as the driver of high-quality development, continuously integrating green and low-carbon practices, intelligent construction and responsible business principles throughout its entire operations. The Group is fully committed to advancing building energy conservation and carbon neutrality goals. Leveraging its digital management system and construction industrialization advantages, we continuously strengthen technological research and development and practical applications, striving to provide society with safe, reliable, green, energy-efficient and livable integrated construction solutions, facilitating the industry's green transformation and high-quality development.

During the year, the Group's Architectural Design and Research Institute closely aligned with the "Dual Carbon" goals and public livelihood needs, achieving continuous breakthroughs in green technology, quality living and urban renewal, and delivering multiple high-quality demonstration projects.

Cases The Ziyang Subdistrict Shanglan Appartment Trade Union Service Station

The Ziyang Subdistrict Shanglan Appartment Trade Union Service Station, guided by green, digital and smart renovation concepts, integrates low-carbon technologies and public convenience service functions to create an efficient, energy-saving and comfortable public service space. The Hangzhou Shuihe Headquarters Building combines aesthetic creativity, construction quality and sustainable features, achieving harmonious integration of architecture with the city and nature.







Focusing on quality living enhancement, the Group won the second prize in the Shaoxing "Good House" Design Competition with the "Boundary-Free Garden Community • Future Ecological Oasis" project, adopting the Fourth-Generation Stereoscopic Ecological Architecture concept to create safe, comfortable, green and smart all-age livable spaces, further enriching the "Good House" and "One-Hundred-Year Housing" product system. Concurrently, multiple key projects including the Shaoxing Second Hospital Lanting Campus, Xuancheng Innovation & Entrepreneurship Building, Rongyuan and Ruiyuan of Baoye Four Seasons Garden have been successively completed, covering healthcare, office and residential sectors, delivering on the commitment to product and service quality through high-standard design and construction.

Looking ahead, the Group will continue to uphold its commitment to sustainable development, supported by intelligent construction and green technologies, practicing responsible operations through high-standard projects, and striving to become a pioneer in building energy conservation, carbon reduction and high-quality development, contributing greater efforts to the industry's long-term sustainable development.

In Domestic Construction

The Group also achieved breakthroughs. The Keqiao District Talent Apartment project undertaken by the Group was successfully selected as one of the first batch of intelligent construction pilot projects in Zhejiang Province. Through full-process BIM-based digital management and intelligent construction technology applications, the project realized construction process visualization, real-time data interoperability and efficient resource allocation, forming a replicable and scalable model of intelligent construction and green construction, further enhancing the Group's digital and intelligent construction capabilities.

In Overseas Construction

The Group actively contributed to the high-quality development of the "Belt and Road" initiative, with the Office Building of the Ministry of Environment and Tourism and the A10 Retail Shopping Centre undertaken in Botswana being successively completed and delivered. As important local government facilities and commercial hubs respectively, the two projects effectively enhanced urban service functions and residents' quality of life, fully demonstrating the Group's high-standard construction capabilities and sustainable construction standards in overseas projects.

In Technological Innovation & Social Practice

In terms of technological innovation and social practice, the Group continued to deepen its expertise in building energy conservation, low-carbon construction and construction industrialization, continuously strengthening its technology reserves and achievement transformation. During the year, the Group was awarded the "National Civilized Unit" title for its comprehensive strength and achievements in civilized development and was concurrently designated as a "China Architecture Society Science Popularization Education Base", playing an active role in promoting green building knowledge dissemination, technology promotion and industry demonstration.



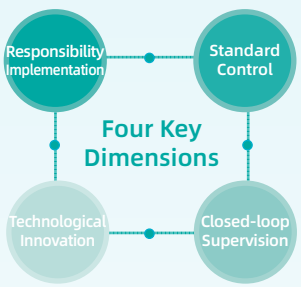


STRENGTHENING THE FOUNDATION OF QUALITY CONTROL

PROJECT QUALITY



We attach great importance to the stability and reliability of project quality and continuously provide customers with high-quality construction products and services. Various departments and project teams across the Group work closely together, each fulfilling their respective responsibilities, to jointly deliver quality projects. To ensure project quality, the Group has established a comprehensive project quality responsibility system, clearly defining the responsibilities and authorities of management, functional departments and project managers, and improving the quality accountability mechanism to ensure that relevant personnel assume corresponding responsibilities in accordance with laws and regulations. The Group has formulated the *Evaluation of Project Quality Management and Performance Appraisal* to standardize quality management throughout the entire project lifecycle, covering key stages including preliminary planning, process control and inspection acceptance, comprehensively safeguarding project quality and construction safety. The Group also strictly complies with national laws and regulations related to project quality, fully implementing the *Quality Management System (ISO 9001:2015)* and the *Quality Management of Engineering Construction Enterprises (GB/T 50430)* and other national standards, ensuring the standardization and effectiveness of project quality management. We regularly conduct quality training and skills enhancement activities to strengthen quality awareness across all staff, ensuring that personnel at all positions are proficient in quality management standards and operating procedures, and continuously improving project management standards.



To continuously optimise the quality management system and consolidate the quality and safety defense line, the Group closely aligns with its high-quality development goals and has introduced targeted measures across four key dimensions: responsibility implementation, standard control, technological innovation and closed-loop supervision, to progressively reinforce quality responsibilities and comprehensively enhance construction product quality. The Quality and Safety Team of the parent company and the Building Industrialization Office fully exercise their supervisory inspection functions, ensuring that all work is supported by data, guided by standards and backed by clear accountability. From management to frontline workers across all units and subsidiary project departments, quality and safety responsibilities are reinforced at every level, on-site control is strengthened and product quality is comprehensively enhanced.

We adhere to the approach of model-based guidance, establishing physical craft models on-site to make quality standards visible and tangible and acceptance criteria concrete, while simultaneously strengthening the implementation of quality standards and specifications. We strictly implement regular quality inspections and self-inspection mechanisms, conduct scoring evaluations and issue analysis, urge rectification and improvement, ensuring the consistent operation of the quality management system regardless of changes in project teams or staffing.

Furthermore, to address the three major conflicts among construction techniques, progress and quality control, we have strengthened full-process closed-loop management: utilizing 3D software to optimise technical briefings, establishing a tiered authorization mechanism for design changes, building material sample libraries and craft methodology models, strictly enforcing concealed acceptance of key processes and on-site inspections, promptly correcting deviations, and ensuring a high degree of consistency between design outcomes and construction quality.

Driven by technological innovation to advance quality iteration, we have promoted the comprehensive upgrade of the One-Hundred-Year Housing product from version 1.0 to 4.0, focusing on the core standards of safety, comfort, green and intelligence to improve quality and efficiency. Innovative applications of the SI (Skeleton Infill System) pipeline separation, dual prefabricated renovation and same-floor drainage and other new processes have been adopted to overcome industry quality pain points, achieving near-zero hollow spots and zero leakage in high-standard construction.

During the Reporting Period, the Group's Engineering Management Department coordinated the annual special project quality and safety inspection, forming professional inspection teams to conduct multiple rounds of on-site inspections at construction projects, industrialization bases, rental markets and other business premises in Hubei, Zhejiang and other regions. The inspections were conducted in accordance with the *Engineering Quality and Safety Manual of the Ministry of Housing and Urban-Rural Development*, national construction engineering standards and the Group's internal quality and safety management systems, focusing on key areas including the prevention and treatment of common quality defects, identification of major hazard sources, prevention of hazardous construction projects, standardized civilized construction implementation and project documentation management. Through a full-process management approach comprising on-site evidence collection, issuance of rectification notices, tracking closed-loop reinspection and best practice promotion, the Group comprehensively assessed the quality and safety management of each project, driving all units to implement rectification requirements and strengthen process control to ensure the standardization and safety of the entire construction process. Notably, the Zheshang Intelligent Manufacturing Park achieved cost reduction and efficiency improvement through construction process optimization and received high recognition from both the Group and the project owner during the "Quality Month" campaign. The renovation and expansion project of Hangzhou Jingcang Electronics Co., Ltd. continued to improve its quality and safety management standards, strictly implementing the Group's standards in key processes such as roofing construction, concrete curing and basement anti-seepage, maintaining stable and reliable physical quality and achieving normalized high-standard civilized construction management.

For projects where quality control gaps and significant safety hazards were identified during inspections, the inspection team issued rectification notices on a case-by-case basis, clearly specifying the responsible persons and deadlines for rectification, requiring the relevant units to conduct comprehensive hazard investigations. Through the "look-back" reinspection mechanism, rectification closure was enforced, urging project management teams to strengthen quality and safety risk awareness and improve control measures. Throughout the year, the special inspections achieved overall control of quality and safety risks across all projects, with civilized construction standardization levels continuously improving and significant results in the prevention and treatment of common quality defects, fostering a positive management atmosphere of "compare, learn, catch up and excel" within the Group.

Pre-construction Planning

The Group comprehensively carries out pre-construction planning based on the scale, nature, technical characteristics, design documents, and site conditions of each project, and formulates scientific and reasonable construction plans. For each project, we define quality objectives and detail implementation plans to ensure quality control from the source.

Process Inspection

The Group attaches great importance to engineering inspection work, strictly conducting comprehensive inspections of construction materials, semi-finished products, and equipment in accordance with relevant standards and requirements to ensure their quality meets the standards. At the same time, we pay special attention to the inspection of installation procedures, especially key procedures related to building safety, to ensure that each stage meets design requirements. In addition, the Group's Shareholders' Liaison Team conducts both surprise and regular inspections of construction projects and property projects to ensure that project quality is always under control.

Through these measures, we are committed to building a quality and safety management system with clear responsibilities, strong execution and continuous improvement, providing solid assurance for delivering high-quality projects.

STRENGTHENING THE FOUNDATION OF QUALITY CONTROL

QUALITY OF CONSTRUCTION MATERIALS

The quality of construction materials is the cornerstone of construction quality. The Group treats full-process quality management of construction materials as a key lever for project quality control, strictly implementing control requirements at every stage. To ensure that construction material quality and environmental performance meet high industry and corporate standards, the Group has established the Special Inspection Team for Quality, Safety, and Environmental Protection to comprehensively coordinate and advance material quality supervision, sampling inspection and management. At the same time, the Group actively implements energy conservation and consumption reduction measures guided by the green construction philosophy, practicing the corporate sustainable development philosophy through refined material management.

In terms of quality management, the Group maintains rigorous quality control throughout the entire process from raw material procurement to product assessment. We have formulated the *Quality Certification and Inspection Procedures for Building Materials*, implementing strict management of raw materials including steel reinforcement, sand, cement, gravel, admixtures and truss reinforcement. Upon arrival at the site, raw materials must be recorded in ledgers with quality assurance certificates to ensure traceability of origin and quality. Subsequently, raw materials undergo laboratory testing through submission records and sample retention records, with inspection reports issued for key raw materials to ensure compliance with standards. Re-inspection is conducted when necessary to ensure quality stability. Quality issues identified during the inspection process are recorded in the embedded parts inspection record form as a basis for subsequent improvements. Based on the test results, we conduct concrete mix ratio design to ensure that concrete quality meets project requirements. Finally, products that pass the assessment proceed to the next stage, while non-conforming products are returned with documented reasons.

In addition, we have formulated the *Regulations on Quality and Safety Production Management*, establishing comprehensive and standardized management measures covering quality management, safety production, warehouse and workshop fire safety and other aspects. Through stringent systems and inspection mechanisms, we ensure the reliability and traceability of product quality, laying a solid foundation for high-quality project delivery. Going forward, we will continue to advance quality management with high standards and strict requirements, contributing to the delivery of more quality projects.

Cases **National Good House Pilot " Ruiyuan of Baoye Four Seasons Garden ": High-Standard Quality Control of Construction Materials**

As a dual pilot project for National Good House and One-Hundred-Year Housing, Ruiyuan of Baoye Four Seasons Garden implements high-standard full-process quality control of construction materials centerd on the SI (Skeleton Infill System) residential system. For customized construction materials such as double-sided composite wall prefabricated panels and electrophoretic-coated steel beams and columns, the project strictly implements a "three-tier control" approach of "full factory pre-inspection + on-site traceability acceptance + sample sealing and retention," with comprehensive quality assurance records and testing documentation. For integrated exterior wall panels, proprietary system windows and doors, and modular bathroom components and other green energy-saving components, each batch undergoes environmental indicator and testing report verification, with a dedicated auxiliary materials sample library established for specialized testing. Through closed-loop control from material source to application, the project builds project quality from the materials level, extending the structural design service life of buildings to 100 years. Meanwhile, the systematic application of green construction materials practices low-carbon development, making it a demonstration project for the Group's high-standard quality control of construction materials.



Prefabricated layered steel support of the project



Actual Interior View of the Project

CRAFTING HOMES WITH EXCELLENCE

Upholding the original aspiration and craftsmanship spirit of "Good House, Made by Baoye", the Group takes meticulous construction as its foundation, deepening its focus on the refinement and innovation of residential products while consolidating the quality foundation of construction engineering. As one of the Group's core businesses, the property development segment consistently upholds high-quality standards and innovative design at its core. We place human-centric innovative design at the center, deeply integrating green building technologies with contemporary living needs, crafting comfortable, low-carbon, smart and livable high-quality residences with dedication and expertise. We respond to customer expectations through product excellence, integrating green and sustainable concepts throughout the entire development process, practicing our homebuilding mission with craftsmanship, and driving the green, high-quality and sustainable development of the construction industry.

Cases Baoye Daban Low-carbon Garden ": Low-Carbon Technology Living Benchmark



Inheriting the "One-Hundred-Year Housing" genes, "Baoye Daban Low-carbon Garden" crafts approximately 36,000 square meters of high-comfort, low-energy-consumption, low-carbon residential works. The project constructs an integrated technology residential system with 80,000 precision components, integrating design, construction, equipment, and decoration throughout the entire process to achieve energy conservation, environmental protection, and smart integration. The interior carefully refines residential details, introducing the LIXIL kitchen system to optimise cooking circulation, innovating the "900 Storage" multi-functional storage solution, equipped with a 24-hour fresh air system, adopting Japanese ECOCARAT breathing bricks and low-formaldehyde eco-friendly materials, creating a healthy and comfortable high-dimensional technology residence that drives urban organic renewal and sustainable architectural development with fine craftsmanship. The project has won the 11th Guangsha Award and received multiple individual awards including the Excellent Award for Public Facilities and Property Services, the Excellent Award for Industrialization Technology Application, and the Excellent Award for Engineering Quality, establishing itself as an industry benchmark for low-carbon technology living.

Cases "Baoye Chunying Tangqianyuan": One-Hundred-Year Housing 4.0 New Work, Low-Density Garden Residential Paradigm



"Baoye Chunying Tangqianyuan" is located in Yuecheng District, Shaoxing, with a site area of approximately 43,000 square meters and with a planned construction area of approximately 79,000 square meters, and is a high-quality low-density garden community developed by the Group. Adjacent to both Tashan and Fushan parks, surrounded by commercial landmarks such as Intime Department Store and Shaoxing Tiandi, as well as cultural, tourism, and educational resources including Lu Xun's Former Residence and Shaoxing University, the project enjoys mature amenities and beautiful natural scenery, achieving a harmonious integration of urban prosperity and natural poetry. As the Group's latest One-Hundred-Year Housing 4.0 masterpiece, the project distills the brand's product accumulation and technological refinement from version 1.0 to 4.0, representing not only an iterative upgrade of construction technology but also a profound reflection on the essence of living. From the dimensions of safety, comfort, green, and smart, the project embodies the core concept of "high comfort, low energy consumption, and return to nature" in Good House, aligning with the transformation trend of the real estate industry from "availability" to "quality," both creating a new benchmark for urban living in Shaoxing and providing a replicable practical model for industry transformation and upgrading.

HIGH-EFFICIENCY INDUSTRIALIZED CONSTRUCTION

The Group has always been committed to the research and development and application of high-tech construction technologies, continuously improving project quality and efficiency by transforming advanced technologies into practical achievements. During the Reporting Period, driven by the dual engines of technological innovation and engineering practice, the Group received numerous national and provincial-level awards and honours. Among them, the Company was awarded the "National Civilized Unit" title and was selected as one of the "Top 500 Private Enterprises of China" and a "Zhejiang Eagle Enterprise". Baoye Construction was listed among the "Top 100 Private Enterprises in the Yangtze River Delta" and the "Top 100 Enterprises in Zhejiang Province". Hubei Baoye received the "Top 100 Enterprises in Hubei Province" award and was recognized as a "Hubei Province Workers' Pioneer" unit, a "Social Responsibility Benchmark Enterprise" and a "Construction Integrity Model Enterprise". Anhui Baoye was awarded the "Top 100 Enterprises in Anhui Province" and the "Outstanding Contribution Award for Housing and Urban-Rural Development". These honours fully demonstrate the Group's comprehensive competitiveness and leading brand position.

The Group's building energy conservation technology achievements were featured in a special report by *People's Daily* in August 2025, showcasing its outstanding contributions in the field of green and low-carbon technologies. During the same period, the *Research on Key Technologies for Next-Generation Green and Low-Carbon Public Buildings* was successfully incorporated into the Zhejiang Provincial Science and Technology Plan, and approval was granted to establish the "Engineering Research Center of Building Energy Conservation Technology of Zhejiang Province", providing strong technological support for the research, development and application of high-efficiency energy-saving buildings. In terms of technological innovation, the Group received 1 national-level QC achievement and over 20 provincial-level QC achievements, with a cumulative total of nearly 100 authorized national patents. Multiple technological achievements have been incorporated into industry innovation cases and green building standards, demonstrating outstanding independent innovation and research capabilities. In the field of engineering construction, numerous benchmark projects have received the "Luban Award", "Huangshan Cup", "Jinji Cup" and other national and provincial-level quality awards, and have been recognized multiple times as "Quality Projects" and "Benchmark Demonstration Sites", fully reflecting the Group's comprehensive strength in construction quality management and project excellence. In cluster manufacturing and industrialization, the three major production bases in Hubei, Anhui and Quzhou have all obtained national-level Three-Star Green Building Materials certification and were successfully selected as "Provincial Enterprise Research Institutes for Prefabricated Green Construction" and designated as "High-Tech Enterprises".

These honours not only attest to the Group's deep technological accumulation in green manufacturing and intelligent construction but also mark a significant leap forward in our efforts to drive the efficient, low-carbon transformation of the construction industry.

Cases "Baoye Puyuan" & "Baoye Qinyuan": Awarded the National "2025 Dream Home 'Good House'"

The Group's "Baoye Puyuan" and "Baoye Qinyuan," two "Garden" series works, deeply implement the Group's residential philosophy of "high comfort, low energy consumption, and return to nature," crafting quality forest-living communities with ingenuity. With outstanding performance across multiple dimensions including product planning, spatial design, green construction, and smart services, both projects were honored with the "2025 Dream Home 'Good House'" title. Among them, Baoye Puyuan has become a regional benchmark for quality living with its fine craftsmanship and innovative residential design; Baoye Qinyuan has won dual recognition from the market and customers through its nature-integration concept and comprehensive community amenities. This simultaneous award for both projects not only affirms the high quality and brand strength of Baoye Group's products, but also demonstrates the Group's exemplary leading role in the real estate industry transformation and upgrading process, further consolidating Baoye's benchmark position in the premium residential sector.



Cases "Rongheng Jiayuan" Establishing an Industry Benchmark for Safety and Green Construction

The Jieshou Rongheng Jiayuan resettlement project, constructed by Anhui Baoye, was successfully selected for the China Construction Industry Association's "2025 Construction Project Safety Production Standardization Site Learning and Exchange Project" list, winning the highest honour in the national construction industry for safe and civilized construction - the "National Green Construction Site" title. The project has a total construction area of approximately 200,000 square meters, with complete ancillary facilities including independent commercial spaces, property management offices, and power distribution rooms. This recognition represents a national-level authoritative certification of the project's excellent management across all aspects including safety production, green construction, and smart construction, and is the result of implementing standardized and refined management throughout the entire construction process, providing a replicable and scalable practical model for high-quality development of the industry.



INTELLIGENT CONSTRUCTION

In advancing intelligent construction and high-efficiency industrialized transformation, the Group is driven by new quality productivity, supported by full industrial chain collaboration, and continuously optimizing its manufacturing structure and industrial layout. The Group's bases leverage their industrial chain advantages to proactively align with government policies, expand general contracting and high-quality residential development projects, and develop new industrial growth areas including wood products, concrete components, doors and windows, and mortar logistics in accordance with local conditions, continuously enhancing profitability and market resilience.

The Group focuses on transformation and upgrading with refined management, actively driving the upgrading of manufacturing segments including wood products, curtain walls and concrete components towards intelligence and green development, using the establishment of smart factories, green factories and future factories as key initiatives, implementing in stages and progressing steadily.

In terms of technological innovation, the Group has strengthened the leading role of its research institutes, clarifying research directions and achievement responsibilities, establishing assessment and incentive mechanisms for researchers to activate innovation-driven momentum. Concurrently, the Group has introduced an enterprise standard system focusing on the three dimensions of safety, energy conservation and health, improving energy consumption management and energy management standards, and launching the "Baoye One-Hundred-Year Housing" standard that exceeds industry benchmarks, creating a new model of sustainable architectural development.

Looking ahead, the Group will continue to deepen its expertise in building energy conservation technologies and carbon credits application technologies, using Shaoxing, Wuhan, Shanghai, Hefei and other locations as innovation and experimentation bases, accelerating the translation of research insights into practical applications promoting the convergence of intelligent construction and green low-carbon development, and contributing Baoye's strength to the national "Dual Carbon" strategic goals and industry quality upgrading.

HIGH-EFFICIENCY INDUSTRIALIZED CONSTRUCTION

CONSTRUCTION INDUSTRIALIZATION

Baoye Group has long been deeply engaged in the field of construction industrialization component manufacturing. Since entering this field in 1994 and with over thirty years of dedication and practice, the Group has achieved remarkable accomplishments in energy conservation, environmental protection and construction industrialization. The Group has established a modern construction industrialization system covering the entire process from research and design, production and manufacturing, procurement and construction to operations management, fully demonstrating its comprehensive strength and professional advantages in the Engineering, Procurement, and Construction (EPC) general contracting field. Meanwhile, in the design, layout and manufacturing of Industry 4.0 smart manufacturing factories, the Group has actively promoted the deep integration of automation, informatization and green low-carbon technologies, generating multiple independent innovation achievements and setting benchmarks for the intelligent and green transformation of the construction industry.

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During the Reporting Period, the Group conducted research projects at various levels. As of the current date, the Group has been awarded 43 Luban Awards, 55 National Excellence Awards, 7 "Zhan Tianyou Awards", over 1,000 provincial and ministerial-level awards, the National May Day Labor Certificate, and was recognized among the Top 50 Competitive Chinese Private Enterprises, demonstrating significant achievements in construction technology research.

Looking ahead, Baoye will continue to adhere to the path of technological innovation for traditional industries in line with new quality productivity development requirements, maintaining domestic leadership and international competitiveness in the fields of construction industrialization integration and building energy conservation and carbon reduction, striving towards the goal of "tech craftsmen, industry leaders", and endeavoring to become a vital contributor to the nation's energy strategy and "Dual Carbon" goals.

01 Establishment of a National-level Construction Industrialization Research Institute

Baoye Group invested in the construction of a national-level Construction Industrialization Research Institute in Shaoxing City in 2006. It is the only research institution in China capable of simulating various climate conditions across the country's 9.6 million square kilometers. The Research Institute possesses nine core functions, covering wind and rain resistance, structural, seismic, fire resistance, sound insulation, durability, energy consumption testing, indoor environment testing, and curtain wall testing.

02 Led and Participated in the Compilation of Multiple National and Local Standards

Baoye Group has obtained over 110 patents in the construction industrialization category (including 2 international patents) and has led the compilation of local standards for Zhejiang Province, Shanghai, Anhui Province, and Hubei Province.

03 Operating and preparing multiple intelligent manufacturing bases

In the field of smart manufacturing base operations and construction, the Group has successfully operated and is establishing multiple construction industrialization smart manufacturing bases in Shanghai, Zhejiang Province, Anhui Province, Hubei Province, Jiangxi Province, and Jiangsu Province, building a strategic industrial layout covering the Yangtze River Delta and Central China regions, providing strong support for regional construction industrialization development.

Meanwhile, the Group has engaged in comprehensive economic and technical cooperation with Fortune Global 500 companies, including Daiwa House of Japan and Sievert Company in Germany, successfully developing construction industrialization products suited to China's conditions, including light steel prefabricated structures for low and multi-storey buildings, composite slab shear wall structures for high-rise buildings, and sleeve-connected shear wall structures (over 100 meters), providing diverse solutions for the industry and promoting the innovation and application of construction industrialization technology.

04 Completed over 50 million square meters of construction projects

In the field of construction projects, Baoye Group has successfully completed over 50 million square meters of construction industrialization projects, widely applied in public infrastructure, underground utility tunnels, real estate development, new rural construction, and affordable housing, among other sectors. With its outstanding products and technologies, the Group's business has expanded to overseas markets including Djibouti and Botswana in Africa, India, and Australia, contributing Chinese wisdom and strength to global construction industrialization development.

ENHANCING INTERACTIVE COLLABORATION

The Group attaches great importance to customer feedback and voice, regarding customer satisfaction as the core criterion for measuring service quality. To this end, we have established a convenient and efficient two-way communication mechanism, consistently delivering truthful and reliable information to customers during the marketing phase, continuously consolidating the foundation of customer trust. Meanwhile, we implement strict filing and tracking management of customer information and enforce comprehensive privacy protection measures to safeguard customer data security.

CUSTOMER COMMUNICATION

The Group has always upheld a "customer-centric" service philosophy, committed to building and maintaining long-term, stable strategic partnerships. Through establishing diversified communication channels, we comprehensively listen to customer voices, deeply understand customer needs and feedback, and ensure the continuous optimization and enhancement of the customer experience.

Department	Handling Method
Engineering Management Department	• For construction-related complaints, the Engineering Management Department is responsible for overall coordination. Upon receipt of a complaint, the project manager must immediately dispatch personnel to handle the matter. In cases involving significant quality or safety hazards that may trigger mass incidents, the Group's leadership will lead the relevant departments to the site immediately. • For general complaints regarding schedule delays or common quality issues, a resolution plan must be submitted within two business days of acceptance.
Business Contract Department	• Upon receiving a complaint, the Business Contract Department must notify the relevant responsible unit within 24 hours. The responsible unit must then confirm the complaint details and complete the *Engineering Complaints Register* within 48 hours, followed by submission to the Engineering Management Department. When necessary, the Group's senior management will organize relevant departments and personnel to visit the site to guide and supervise the implementation of rectification measures. • All construction complaint handling must clearly designate the primary person responsible for rectification, formulate a rectification plan, set completion deadlines, and provide feedback on rectification results to the complainant and relevant responsible units. The Operations Department must register each complaint incident, establish a ledger recording the time, content, cause and resolution of each complaint, and regularly summarize lessons learned to prevent similar incidents from recurring.
Product & After-Sales Department	• For negative feedback regarding products, the Group similarly implements a standardized handling process. For minor issues (such as minor cracks or corner damage), we respond promptly and dispatch professional personnel for on-site handling. For serious issues (such as penetrating cracks, production errors or reinforcement size discrepancies), more stringent measures are adopted for handling and follow-up visits, with enhanced supervision to prevent recurrence.

The Group consistently regards customer satisfaction as the core criterion for measuring service quality, comprehensively collecting customer feedback through a systematic customer satisfaction survey control program. We distribute survey forms through multiple channels to ensure convenient customer participation, and identify improvement directions based on the analysis results, covering dimensions such as product design, service quality and delivery speed. For identified improvement items, we formulate specific measures and assign them to relevant departments and teams to ensure efficient problem resolution. Meanwhile, we maintain detailed records of survey results and compile analysis reports, summarizing customer feedback and improvement measures to provide a scientific basis for internal management and lay a solid foundation for ongoing optimization.

ENHANCING INTERACTIVE COLLABORATION

TRUTHFUL ADVERTISING

The Group consistently upholds the principle of integrity in its marketing activities, ensuring that information provided to customers and potential customers is truthful and accurate, and resolutely prohibiting any form of fraudulent sales practices. We always prioritize customer rights, committed to maintaining market fairness and transparency, creating a safe and reliable trading environment for customers, and adhering to social and professional ethics. In advertising, we clearly indicate the performance, origin, purpose, quality, price, manufacturer, validity period, commitments and service content, format, quality, price and commitments of products. Where promotions or services are accompanied by free gifts, we specify the types and quantities of such gifts, fully safeguarding consumers' right to know. All data, statistical information, survey results, excerpts and quotations used in advertisements are verified for truthfulness and accuracy, with sources clearly indicated. For products or methods involving patents, we strictly indicate the patent number and type, and never falsely claim patent rights when none have been obtained, eliminating false advertising. We also ensure that advertisements are clearly identifiable as such, enabling consumers to recognize them as advertisements, while avoiding disparagement of competitors' products to maintain a fair competitive market environment and effectively protect consumers' legitimate rights and interests.

INFORMATION MANAGEMENT

The Group always regards information security and customer privacy protection as an important aspect of corporate development. We strictly comply with national laws, regulations and rules, and have established comprehensive information security and confidentiality management systems and operating procedures. We implement a strict information security and confidentiality accountability system, following the principle of "whoever is in charge bears the responsibility", clearly defining responsible persons and their duties, refining work measures and processes, and ensuring the systematic and effective management of information security.

In the *Human Resources Management System*, we specifically emphasize employees' confidentiality obligations and explicitly prohibit the disclosure of customer information. Specific measures include: without customer authorization, the Group will not disclose any information related to customers' personal identity, unless otherwise required by law or legal proceedings; we commit to ensuring that user information will not be lost during the term of agreements signed with users; and we strictly follow user account registration and access rights management systems to ensure dedicated management and confidentiality of user information, with unauthorized disclosure strictly prohibited.

WARRANTY RECTIFICATION

In project warranty and issue rectification work, the Group consistently upholds the principles of rigor, pragmatism and closed-loop efficiency, using quarterly production and operation management inspections as a key mechanism to ensure timely response and thorough resolution of all project issues. The Group's designated leaders take charge of coordinating project rectification work. For project issues identified during inspections and reported through customer feedback, a dedicated disposition process is initiated, with relevant departments organized to conduct on-site verification and comprehensive review of root causes to identify core issues. On this basis, precise rectification plans and completion deadlines are formulated, responsible departments and persons are designated, and the entire rectification process is followed up and supervised. On-site guidance and process control are strengthened to ensure that all rectification measures are effectively implemented and meet the required standards, safeguarding customer rights and interests through high-standard warranty and rectification services. Meanwhile, we have established a tracking mechanism to verify and evaluate rectification outcomes, ensuring that issues are fundamentally resolved and providing customers with high-quality service assurance.



CUSTOMER RETENTION

The Group consistently prioritizes customer relationship management, continuously enhancing brand reputation through high-quality project delivery and multi-sector business synergies, and deepening various sectors' understanding of Baoye Group's values and technological capabilities through in-depth government-enterprise and university-enterprise exchanges and cooperation. During the Reporting Period, to further deepen industry-university-research collaboration and empower product quality through technological innovation, the Group signed a strategic cooperation agreement with Shaoxing Institute of Technology. Both parties reached strong alignment on key topics including collaborative education, faculty development and technological innovation cooperation, and conducted a thematic lecture on "Good House", addressing customers' core needs for high-quality living from the perspectives of technological research and talent cultivation.

In project construction and brand recognition, the Group's various key projects have received high recognition from governments at all levels, industry bodies and overseas partners. The CPPCC leadership of Keqiao District led a delegation to inspect the China Building Energy Efficiency Technology Research Center, the Second Affiliated Hospital of Zhejiang University Medical School (Keqiao Branch) and other projects, fully recognizing the Group's practical achievements in building energy conservation, low-carbon technology integration and project quality management. Government leaders from Maoji Experimental Zone of Huainan City, Yeji District of Lu'an City and other regions successively visited the Group for exchanges, giving high praise to Baoye's technological capabilities in construction industrialization and green construction. Meanwhile, the Office Building of the Ministry of Environment and Tourism and A10 Retail Shopping Center in Botswana, two key projects undertaken by the Group, were successfully completed and delivered, becoming benchmark projects for local urban functionality enhancement. Local governments gave high recognition to the project quality, construction efficiency and social value. These achievements demonstrate Baoye Group's outstanding capabilities and social responsibility both domestically and internationally, further deepening trust and recognition of the Group's brand across all sectors.



ENHANCING INTERACTIVE COLLABORATION

INTELLECTUAL PROPERTY MANAGEMENT

The Group attaches great importance to intellectual property protection, establishing a comprehensive intellectual property protection system to safeguard the enterprise's innovation achievements and legitimate rights through systematic planning. In terms of management mechanisms, we have established dedicated intellectual property management positions and built an intellectual property data management platform to monitor industry trends and intellectual property information in real time, effectively preventing infringement risks while protecting the enterprise's legitimate rights through legal means. Tailored to the characteristics of different types of intellectual property, we implement differentiated protection strategies.

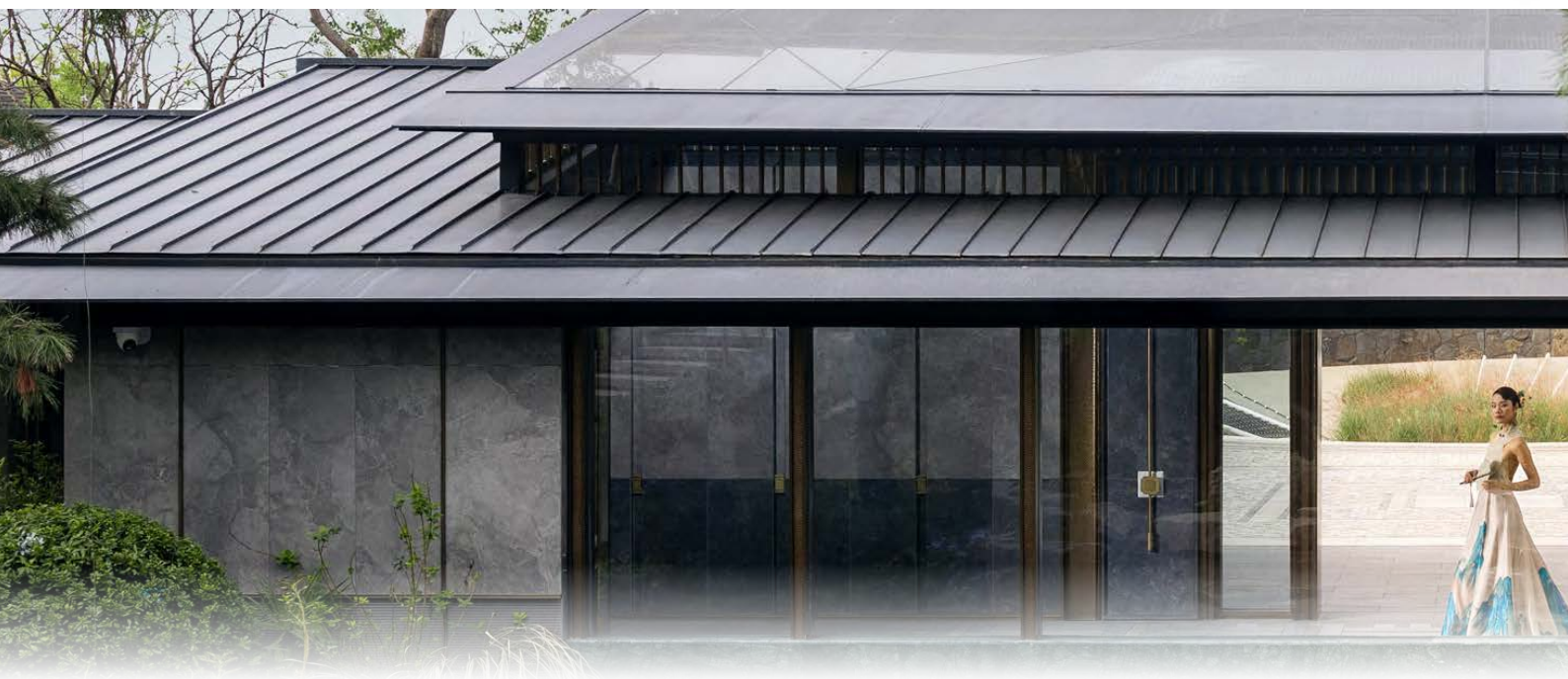
For key intellectual property rights including trademarks, patents, copyrights and domain names

We prioritize engaging professional agencies for application and maintenance to maximize the protection of rights.

In industry-university-research collaboration and business activities

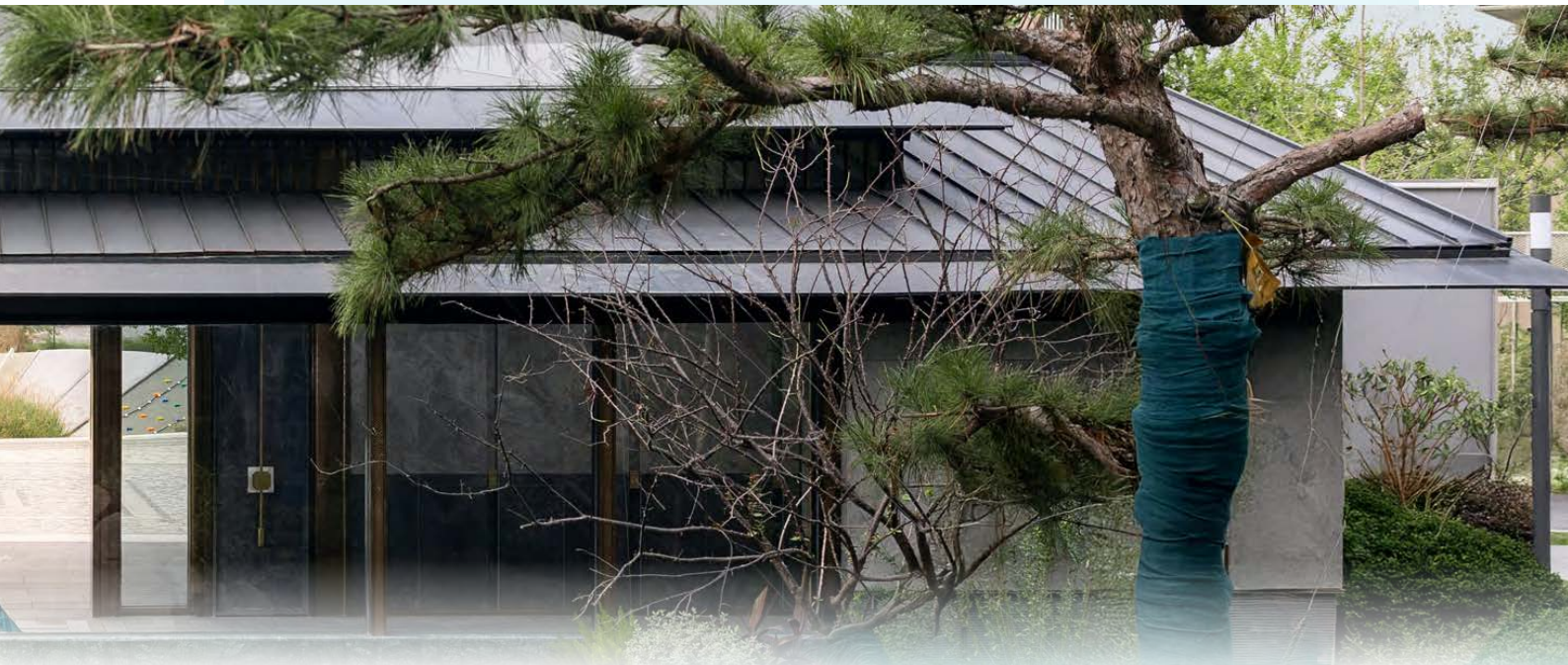
we clearly define the ownership attribution, scope of use, duration and subsequent research and development achievement allocation mechanisms of intellectual property rights, solidifying the rights and obligations of all parties through legally binding agreements.

To build a robust information security defense line, we have established a tiered confidentiality mechanism. Internally, we have formulated comprehensive confidentiality rules and regulations, requiring all employees to sign confidentiality agreements, standardizing the management processes for technical documents and core data. Externally, we clearly define the confidentiality obligations and confidentiality periods for both parties in agreements with partners, comprehensively mitigating the risk of information leakage. In the event of a confidentiality breach, we engage notary public officers to notarize relevant evidence, focus on collecting factual materials and witness testimony, and promptly engage professional lawyers to develop effective resolution plans, minimizing corporate losses.



During the Reporting Period, Baoye Group achieved remarkable results in the field of intellectual property, laying a solid foundation for the enterprise's comprehensive protection management. During the Reporting period, Baoye Group obtained 8 invention patent authorizations while applying for 5 invention patents. In addition, the Group obtained 24 utility model patent authorizations. As of 31 December 2025, Baoye Group held a total of 1,058 patents, including 1,007 authorized patents, 518 valid patents, and 51 computer software copyrights.





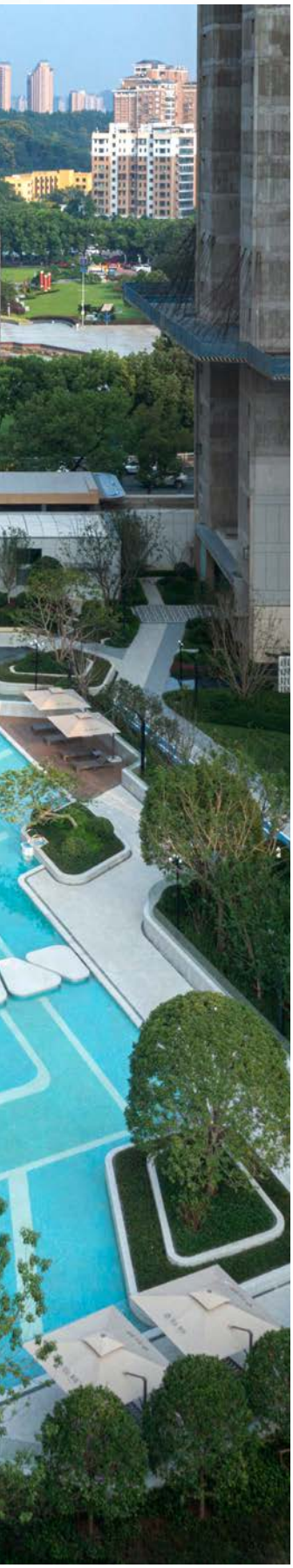
CREATING SUSTAINABLE SUPPLY

The Group firmly believes that stable and long-term corporate development relies on a reliable and high-quality team of suppliers and contractors. To this end, we have always regarded building a sustainable and high-performance supply chain system as a core business priority, and have accordingly formulated a comprehensive set of internal management systems, including the Project General (Sub) Contract Bidding Management System, the *Project Materials (Equipment) Procurement Management System*, the *Fragmentary Materials (Equipment) Procurement System* and the *Guiding Opinions on the Establishment of Baoye's Internal Credit Investigation System*, among others. These are designed to standardize the bidding and procurement process for suppliers, clarify the responsibilities of subsidiaries and departments in supplier management, and ensure transparency and compliance in supply chain management.

To further improve project management standards, the Group issued the *Notice on Regulations Regarding Direct Operation of Construction Projects, Material Procurement, and Labor Subcontracting*, explicitly requiring that material procurement, equipment leasing, labor subcontracting and other activities for directly operated projects must go through a bidding process to select the best partners. Detailed records of bid evaluation and inquiry processes must be maintained and uploaded to the direct operation project network platform. Each subsidiary must establish a management system for directly operated projects to ensure policy transparency and open operations. Execution teams must sign management responsibility agreements before construction commences, clearly defining responsibilities, authorities and benefits to achieve profit incentives and risk sharing. Construction business undertaken by employees is treated as directly operated projects, allowing inclusion in execution teams with profit incentive eligibility. For cases of non-compliance with bidding requirements or fraudulent bidding practices, strict penalties will be imposed, with substantial rewards provided to whistleblowers.

In terms of supplier management, the Group's procurement departments have established dedicated supplier background databases and multi-source supply selection mechanisms, ensuring at least three suppliers are available for selection. Through the Bidding and Evaluation Leadership Team, supplier credit assessments are conducted and annual outstanding suppliers are selected. When selecting suppliers, we give priority to enterprises listed in the *List of Qualified* Suppliers, with the evaluation process focusing on key aspects including supplier qualifications, supply capacity, pricing, safety, environmental protection, corporate reputation and quality performance, to identify and mitigate environmental and social risks in the supply chain. Through these systematic management measures, we are committed to building an efficient and sustainable supply chain system, laying a solid foundation for the enterprise's long-term development.





The Group consistently treats the management of suppliers and subcontractors as a key component of supply chain sustainable development, ensuring through systematic evaluation and supervision mechanisms that partners meet high standards in terms of quality, safety, environment and social responsibility. To gain a comprehensive understanding of suppliers' performance in products, services and cooperation, we have formulated the *Supplier Satisfaction Evaluation Form*. This evaluation form covers multiple dimensions including supplier basic information, product quality, installation quality control, personnel organization, on-site safety and civilized management, and warranty and maintenance services, ensuring objective and fair evaluation of suppliers' overall performance and promoting sustainable supply chain development.

For subcontractors, we pay particular attention to their project quality management capabilities, requiring them to possess not only the appropriate enterprise qualifications but also comply with the requirements of the *Quality Management of Engineering Construction Enterprises (GB/T 50430)* and maintain a comprehensive quality management system. At the same time, we require subcontractors to provide technical training and assessment for construction personnel, ensuring dual assurance of construction quality and safety management. Through these measures, we are committed to building an efficient and sustainable supply chain system, laying a solid foundation for the enterprise's long-term development.

Furthermore, the Group has formulated the *Guidelines on Green Procurement to actively guide* and establish a green supply chain and comprehensively promote green procurement. In the green procurement process, we consistently adhere to the following principles:

Balancing Economic & Environmental Benefits

In procurement activities, units should fully consider environmental benefits, giving priority to purchasing environmentally friendly, energy-efficient, low-consumption raw materials, products and services that facilitate comprehensive resource utilization, while balancing both economic and environmental benefits.

Building a Green Supply Chain

Units should continuously improve procurement standards and systems, comprehensively considering energy conservation and environmental protection factors across multiple stages including product design, procurement, production, packaging, logistics, sales, service, recycling and reuse, jointly practicing environmental protection and energy conservation and emission reduction responsibilities with upstream and downstream partners to build a green supply chain.

Combining Enterprise Leadership With Government Guidance

Adhering to market-oriented operations with enterprises as the main body, fully leveraging the leading role of enterprises. The government promotes enterprise green procurement through institutional reform, policy guidance, information disclosure and industry standardization. The bridging and connecting role of industry associations is fully utilized to strengthen industry self-discipline.

CREATING SUSTAINABLE SUPPLY

REQUIREMENTS FOR QUALIFIED SUBCONTRACTOR

The Bidding and Evaluation Leadership Team of the Group regularly organizes relevant departments to conduct qualification reviews of qualified contractors. The review criteria include contract performance, cooperation track record, changes in technical capabilities and financial capacity. Contractors that fail to meet the required standards are promptly removed from the list of qualified contractors to ensure partner quality and compliance. As of the end of the Reporting Period, the Group[1] had established cooperative relationships with 5,792 suppliers, all of whom are managed in accordance with relevant practices. The geographical distribution of suppliers is as follows:

- **Law-abiding operations with standardized management**
- **Strong technical and financial capabilities**
- **Honoring contracts and maintaining good creditworthiness**
- **No major quality or safety incidents in the past three years**
- **No litigation, fraud, bribery, bid-rigging or other violations in the past three years**

Zhejiang	Shanghai	Hubei
1,580	713	2,338

Anhui	Other Regions in China	Other Regions
247	911	3

[1] The types of suppliers include subcontractors, production suppliers, raw material suppliers, equipment suppliers, supporting suppliers, and service suppliers.



INTEGRITY DRIVES SUSTAINABLE GROWTH

The Group consistently upholds the principles of integrity, fairness, justice and transparency in corporate governance, strictly complying with relevant laws and regulations and resolutely combating corrupt practices, including the prevention of bribery, extortion, fraud and money laundering. To reinforce this policy, we have formulated the Human Resources Management System, clearly regulating employee conduct and implementing a whistleblower protection policy to ensure that reported information is kept strictly confidential within the scope permitted by law, preventing employees from suffering retaliation or discrimination for exposing illegal activities or participating in investigations.

The Audit Committee of Baoye Group has established a detailed employee whistleblowing policy, encouraging employees to report accounting irregularities, internal control issues, audit concerns or other misconduct within the Group. Employees may file reports anonymously or under their real names via mail or email. The Group strictly maintains the confidentiality of reported information and conducts thorough investigations. We explicitly prohibit any form of retaliation or discrimination against good-faith whistleblowers, while taking stern measures against employees who maliciously provide false information, ensuring the fairness and effectiveness of the whistleblowing mechanism.

To safeguard the compliance and integrity of corporate operations, the Group has established a robust supervisory system, conducting regular and ad hoc audits focusing on the appointment and performance evaluation of senior management, the management of supplier and partner relationships, and the bidding process and contract performance, to effectively prevent corrupt practices. We have established a whistleblowing hotline and reporting mailbox, with the Shareholders' Liaison Team and the Audit Department responsible for following up on reported matters and taking appropriate disciplinary measures based on the severity of the circumstances. Cases involving illegal conduct are referred to judicial authorities to ensure the comprehensive enforcement of legal liability. Furthermore, directors and regional heads regularly receive anti-corruption training at the annual business meetings and engage in in-depth discussions on related topics, further enhancing anti-corruption awareness and accountability across all staff.

To further strengthen supervision, the Group has established the Baoye Group Shareholders' Liaison Team as a bridge for communication with material suppliers, subcontractors and employees in key management positions. This initiative aims to reduce unexpected losses arising from misconduct, regulatory violations and quality and safety issues. The Shareholders' Liaison Team also implements strict privacy protection measures for individuals who report issues, ensuring that whistleblowers' legitimate rights and interests are fully safeguarded.

During the Reporting Period, the Group did not receive any concluded corruption-related legal cases brought against the Group or its employees.

Crafting Century Residences

As a pioneer in the field of construction industrialization, Baoye Group actively supports the national "Dual Carbon" policy, embedding sustainable development into the Group's core strategy and integrating it into day-to-day operational decision-making. Through technological innovation and systematic management, we honour our emission reduction commitments, drive the industry's transformation toward an environmentally friendly and low-carbon direction, support the achievement of the national carbon neutrality goals, and continue to create value for society.

- 5.1 Shared Responsibility for Ecological Stewardship
- 5.2 Building a Sustainable Future with Green Innovation
- 5.3 Climate Change Management



05

SHARED RESPONSIBILITY FOR ECOLOGICAL STEWARDSHIP

GREEN CONSTRUCTION

As a vital component of the Group's core business, construction plays a pivotal role throughout the entire building lifecycle. The Group strictly adheres to national construction management regulations and has established a comprehensive and systematic environmental management framework for construction activities, encompassing the *Civilized Construction and Environmental Protection Management System*, the *Green Construction Management System for Project Engineering*, the *Noise Pollution Management System*, and the *Construction of Environmental Protection Management System for Ready-mixed Concrete Enterprises*, among others, to effectively control resource consumption, conserve production resources to the greatest extent possible, and mitigate the environmental impact of construction activities. For each construction project, we complete environmental impact assessments and submit them to local government authorities for review, ensuring full compliance with applicable environmental regulations.

REDUCING AIR POLLUTANT EMISSIONS

The Group's air pollutant emissions primarily originate from fuel combustion by vehicles and construction machinery during the construction phase. We strictly comply with applicable national and local emission standards, mandating that emissions from all construction equipment and processes meet the requirements of relevant laws and regulations. Through the implementation of a series of comprehensive management and control measures, we have effectively reduced pollutant emissions and comprehensively enhanced our dust management capabilities.

In accordance with the *Integrated Emission Standard of Air Pollutants*, the *Emission Standard for Air Pollutants for the Cement Industry*, and other relevant regulatory requirements, the Group has implemented a range of environmental measures across all construction sites to reduce dust pollution:

Vehicle washing facilities are installed at construction site entrances and exits to reduce soil and sediment carry-out



Excavation areas and dust-prone work sites are covered or sprinkled with water to reduce fugitive dust emissions



Sufficient water-spraying equipment is deployed along construction access roads and work areas, with regular sweeping and road wetting to maintain a clean environment

Dust-prone materials such as cement and fine aggregates are covered or moderately sprinkled with water, and workers are provided with appropriate protective equipment

GREENHOUSE GAS EMISSION MANAGEMENT

The Group's Scope 1 greenhouse gas ("GHG") emissions primarily originate from non-road mobile sources (including construction machinery and diesel generator sets, among others), while Scope 2 GHG emissions mainly arise from purchased electricity. During the Reporting Period, China Building Energy Efficiency Technology Research Center of Baoye Group, with the Three-Star Green Building certification standard as its core focus, leveraged integrated construction industrialization technologies along with energy-saving, energy-generating, and energy-storage products. Through technological innovation, equipment optimization, and management upgrades, significant progress was achieved in GHG emission reduction, alongside technological breakthroughs and demonstrative leadership.

Actions	Achievements
Building an Ultra-low Energy Consumption Building System	• The center project fully adopts the domestically pioneered double-sided sandwich insulation composite panel technology, controlling the heat transfer coefficient of the building envelope to 0.24W/(m^2·K), combined with a high-efficiency energy-saving building envelope with a heat transfer coefficient of approximately 1.5-1.8W/(m^2·K), significantly reducing heating and cooling energy consumption of buildings, thereby lowering greenhouse gas emissions from energy consumption. • Applying assembled monolithic composite panel technology to achieve energy savings during construction 30% and material savings 70%, effectively reducing carbon emissions from building material production and on-site construction processes.
Promoting Clean Energy Application	• Building3 is equipped with a building-integrated photovoltaic (BIPV) curtain wall on its facade, achieving a renewable energy electricity substitution rate of 23.8%, directly reducing carbon emissions from conventional electricity consumption. • Researching and applying ground-source heat pump underground energy-assisted air conditioning technology, bearing the building's 40% heating and cooling loads, replacing the high energy consumption of conventional HVAC systems and further reducing GHG emission intensity.
Strengthening Technology R&D and Demonstration	• Leveraging the center's technical expertise, building operational energy consumption is reduced by 53.9% compared to prevailing standards, reaching an industry-leading level and providing technical support and a demonstration model for large-scale greenhouse gas emission reduction in the construction sector. • The project is equipped with high-efficiency equipment including total heat recovery fresh air handling units and variable frequency drives, achieving non-conventional water source 100% recycling and reuse. Rooftop ecological landscaping further contributes to carbon and energy reduction. The project has also achieved significant results in technology R&D and application. Besides being selected as a demonstration project under the National Key R&D Program of the "14th Five-Year Plan" , it was awarded in July 2025 a national invention patent for "Variable Window-to-Wall Ratio Openable Intelligent Building Envelope System and Its Construction Method" , providing replicable and scalable practical experience for innovation and integrated application of building energy-saving technologies in the industry.

Cases China Building Energy Efficiency Technology Research Center of Baoye Group





SHARED RESPONSIBILITY FOR ECOLOGICAL STEWARDSHIP

ENERGY CONSERVATION

To enhance energy efficiency and reduce electricity consumption, the Group has developed and implemented the *Energy Conservation and Energy Use Management System*, providing a systematic energy management framework for daily operations. This framework covers equipment selection, operation and maintenance, construction organization, and on-site energy management. Each construction site has established clear power usage control targets, supported by regular review and analysis mechanisms to monitor energy consumption performance. When anomalies or deviations from targets are identified, corrective procedures are promptly initiated and the results are documented, ensuring the long-term stability of energy-saving outcomes. During the Reporting Period, we piloted a carbon credits metering system based on "energy consumption per unit area" at the Daban Low-carbon Garden.

With respect to office premises, the Group has developed the *Office Energy Conservation Guidelines*, systematically promoting green office practices and energy-saving habits. Measures include maximizing the use of natural lighting, adopting LED and other high-efficiency lighting, optimizing energy-saving settings for air conditioning and office equipment, implementing intelligent power management, and switching off unnecessary power sources and equipment during non-working hours. Through the combination of the above systems and practices, we continue to enhance energy efficiency, supporting the achievement of the Group's overall energy conservation targets.

WATER CONSUMPTION AND DRAINAGE MANAGEMENT

To enhance water resource efficiency and strengthen drainage management, the Group treats water resource management as a key focus area of its sustainable development strategy. Through a series of technical measures and institutional arrangements, we continuously reduce total water consumption and optimise water recycling.

During the Reporting Period, construction water operations remained stable with no abnormal incidents.

In Production Workshops

Separation & Recycling + Sedimentation Tanks

We have adopted a rainwater diversion and drainage system that directs rainfall in an orderly manner from building roofs and ground slopes to drainage channels, which are then connected to municipal drainage networks, thereby improving rainwater collection and drainage efficiency and reducing rainwater waste. For wastewater generated from equipment and transport vehicle cleaning, the Group has installed "sand and gravel separation and recycling systems + sedimentation tanks" for treatment. Muddy wastewater is separated and settled before being recycled for dust suppression on factory roads and site cleaning, achieving full wastewater recycling and zero external discharge. A portion of the treated water is pumped to storage facilities for reuse, while the remainder is discharged in compliance with applicable standards.

At Construction Sites

We have likewise strengthened on-site drainage and water quality management by installing dedicated sedimentation tanks. All construction-generated wastewater and surface runoff must undergo sedimentation treatment and meet the required standards before being discharged into the municipal drainage system, ensuring compliance with environmental regulations and minimizing the impact on surrounding water bodies. Additionally, the Group monitors water consumption at each project through routine inspections and water usage data tracking.

STRENGTHENING WASTE MANAGEMENT

The Group regards waste management as an integral part of fulfilling its environmental responsibilities. Through the development and implementation of the *Construction Waste Management Plan*, the Group systematically controls the generation, classification, recycling, and disposal of waste. At construction sites, designated storage areas and sorting and recycling facilities are established for the effective management of various types of construction waste. Recyclable concrete residues are processed and converted into recycled materials for use in other operational processes, while non-recyclable waste is regularly handled by qualified professional waste collection companies, maximizing resource efficiency and minimizing environmental impact.

In respect of hazardous waste management, the Group has entered into *Technical Consulting Service Agreements for Hazardous Waste Disposal and Hazardous Waste Entrusted Disposal Contracts* with specialized third-party agencies in accordance with applicable regulatory requirements, ensuring that hazardous materials such as waste lubricating oil and used water-reducing agent containers are safely collected and disposed of by qualified entities. We also strictly implement the *Regulations for the Storage of Flammable, Explosive, Toxic, and Hazardous Materials*, applying standardized management to the storage of chemicals and oils, and maintain detailed hazardous waste management records to minimise the risk of leakage and contamination.

During the Reporting Period, no hazardous material leakage incidents occurred within the Group. All construction waste was properly processed and disposed of in full compliance with national environmental policies, with no adverse impact on the surrounding environment.



SHARED RESPONSIBILITY FOR ECOLOGICAL STEWARDSHIP

REDUCING RAW MATERIAL CONSUMPTION

The Group actively incorporates Building Information Modelling ("BIM") technology in the engineering planning and construction implementation processes, enabling early identification of design conflicts and potential construction risks, optimization of construction plans and process coordination, and reduction of construction errors and rework from the source, thereby lowering material waste and additional construction costs. BIM also facilitates accurate calculation of project quantities and material requirements, preventing over-procurement and unnecessary consumption, and enhances collaborative management among all participating parties. These efforts ensure project quality and progress while reducing environmental impact, supporting the achievement of green construction and sustainable development goals.

PROTECTING THE LAND AND NATURAL ENVIRONMENT

The Group is deeply aware of the potential adverse impacts that construction activities may have on land resources and the surrounding ecological environment, including damage to green spaces, soil erosion, and surface disturbance. Accordingly, land protection has been incorporated into the Group's environmental management framework as a key focus area. To strengthen relevant controls, we have developed and implemented the *Land Conservation and Construction Land Protection System* and the *Soil Conservation Management System*, establishing clear requirements across all stages from preliminary project planning and design optimization to construction management, so as to minimise disturbance to existing landforms and vegetation. We also enhance protective measures for existing landscaping and vegetation to reduce unnecessary clearance and damage. The Group further develops targeted ecological protection plans based on the nature of each project and its location.

GREEN OPERATION

The Group has integrated the concept of green operation into its overall development strategy, viewing it as an essential foundation for driving long-term growth alongside environmental responsibility. Through the establishment of a comprehensive institutional framework and the continuous optimization of management measures, we have formulated and implemented the *Management System for Wastewater, Air Emission, and Wastes, the Energy Saving and Consumption Reduction Management System*, and the *Office Energy Conservation Guidelines*, among other internal policies. These policies cover areas including waste management, energy efficiency improvement, and green office practices, progressively building a low-carbon operating model across production and office functions, and continuously strengthening resource recycling and environmental risk management.



At the office operations level, the Group focuses on reducing paper and consumable usage and promoting recycling and reuse. Through initiatives such as encouraging double-sided printing and replacing physical document circulation with digital files, paper consumption was effectively reduced during the Reporting Period, with 8.75 tons of waste paper recycled. For printer consumables, used ink cartridges are recycled through the supplier's closed-loop recycling system, while other recyclable hazardous waste with potential environmental risks is handled by qualified agencies to ensure compliant disposal and controlled risk. At building materials production facilities, the main types of waste include scrap iron, other metals, and concrete residues. Through a "sorting and recycling - reprocessing - reuse" approach, these materials are recycled. During the Reporting Period, through professional recyclers and factory processing, the Group recycled a total of 0.54 tons of waste plastic, 10,420.53 tons of scrap iron[2] , and 341.85 tons of other metal materials.

[2] During the Reporting Period, the amount of scrap iron increased correspondingly as the Group undertook more construction projects and expanded its construction scale, mainly due to the higher consumption of engineering materials.

Concurrently, the Group optimizes office energy consumption performance across multiple dimensions, including rationalizing lighting configurations, reducing unnecessary lighting fixtures, setting electronic device screen brightness within appropriate ranges, enhancing equipment maintenance to extend service life, and regulating air conditioning temperature settings to avoid excessive energy consumption. We also encourage the adoption of online meetings to reduce the frequency of in-person meetings and business travel, thereby lowering the associated carbon emissions. In terms of water conservation, we control water usage by lowering restroom cistern water levels, posting water-saving reminders, and promoting water conservation awareness. Furthermore, the Group gives priority to procuring energy-certified equipment and progressively phasing out high energy-consuming facilities.



BUILDING A SUSTAINABLE FUTURE WITH GREEN INNOVATION

While committed to reducing the environmental impact of its own operations, the Group actively participates in the research, development, and application of green building and low-carbon construction technologies, striving to support the industry's transformation and upgrading. Through strengthened pollution control measures, we continuously reduce the environmental footprint of construction and production processes, while simultaneously increasing investment in energy-efficient design, eco-friendly building materials, and other resources, promoting the practical application of related achievements in actual projects to enhance overall resource efficiency and environmental performance.

GREEN ENGINEERING

Precast Concrete ("PC") Structure	Light Steel Prefabricated Structure
Reduces construction water usage by over 36%	Saves 20% of materials
Reducing timber consumption by nearly 70%	Saves 60% of water
Reducing material waste by over 20%	Energy saving of 63%
Reducing construction waste generation by approximately 71%	Reduces carbon emissions by over 70%
Reducing overall construction energy consumption by over 70%	60% of building materials can be recycled

The Group regards technological innovation as a key driver for advancing the green and low-carbon transformation of the construction industry. We actively develop modern construction approaches such as Precast Concrete ("PC") structures and light steel prefabricated structures, and continue to refine the associated design, manufacturing, and construction support systems. Compared to traditional methods, these technologies effectively enhance material utilization accuracy and construction efficiency, reduce carbon emissions and waste generation during the construction process, and thereby mitigate the environmental impact of construction activities. Through ongoing advancements in technological research and project implementation, the Group is committed to improving project quality and safety performance, promoting resource recycling and energy conservation and emission reduction, and contributing to the green and low-carbon development of the construction industry.

Currently, the Group's proprietary Precast Concrete structure system achieves an assembly rate of over 90% and is widely applied in projects including shopping malls, hotels, office buildings, affordable housing, and building basements. The light steel prefabricated structure system comprises two product lines: closely spaced column-supported steel structures (for low-rise buildings) and steel frame structures (for multi-storey buildings), commonly applied in high-end low- to mid-rise buildings, shopping malls, hotels, office buildings, and power engineering projects.

Cases Precast Concrete ("PC") Structure



Hangzhou Normal University Cangqian Campus Phase II



Hangzhou Qingshanhu Science and Technology City International Business Center

Cases Light Steel Prefabricated Structure



Keqiao Jidong Elderly Care Home



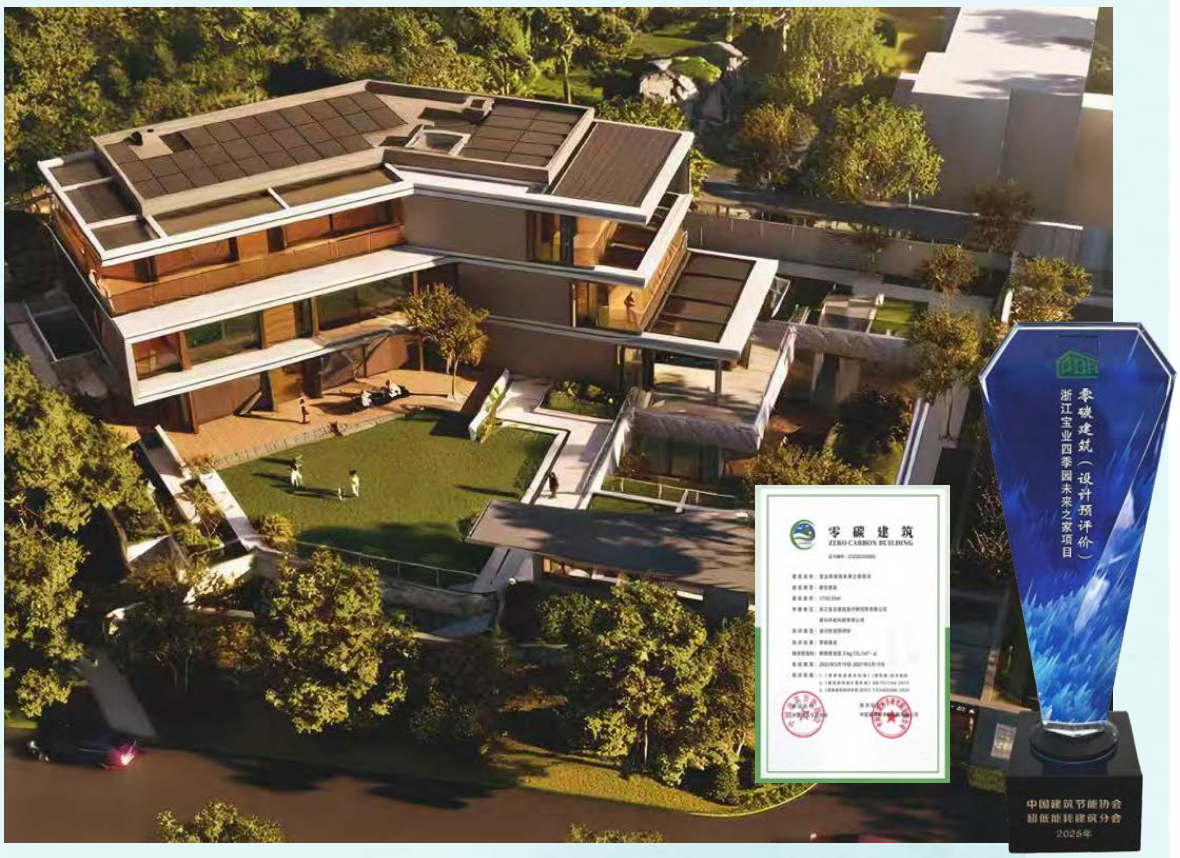
Keqiao Yangxunqiao Zhuyuan Tongcun Beautiful Countryside Construction Project

GREEN STANDARDS

The Group continues to monitor the green transformation of the construction industry and actively participates in the research, formulation, and promotion of relevant technical standards and industry specifications. Drawing on its practical experience in green construction and efficient resource utilization, the Group promotes the application and adoption of advanced construction technologies within the industry, drives improvements in environmental management standards across the construction sector, and contributes to the sustainable development of the construction industry.

Cases "Baoye Four Seasons Garden Future Home" Awarded the Nation's First Zero-Carbon Residential Building Design Label

During the Reporting Period, the "Baoye Four Seasons Garden Future Home" project, developed by Shaoxing Baoye Four Seasons Garden Real Estate Co., Ltd., a subsidiary of Baoye Group, successfully obtained the "Zero-Carbon Building" design label jointly issued by the China Academy of Building Research and Zhejiang Baoye Architectural Design and Research Institute, becoming the first residential building project in China to receive this distinction. The project is expected to be completed in 2026 and will create a future living space that combines demonstration and practicality with the philosophy of high technology, comfort, and harmonious coexistence with nature. This project fully demonstrates the Group's forward-looking vision in promoting green buildings and low-carbon living, establishing a new benchmark for future living environments through the deep integration of innovative architectural design and energy-saving technologies.

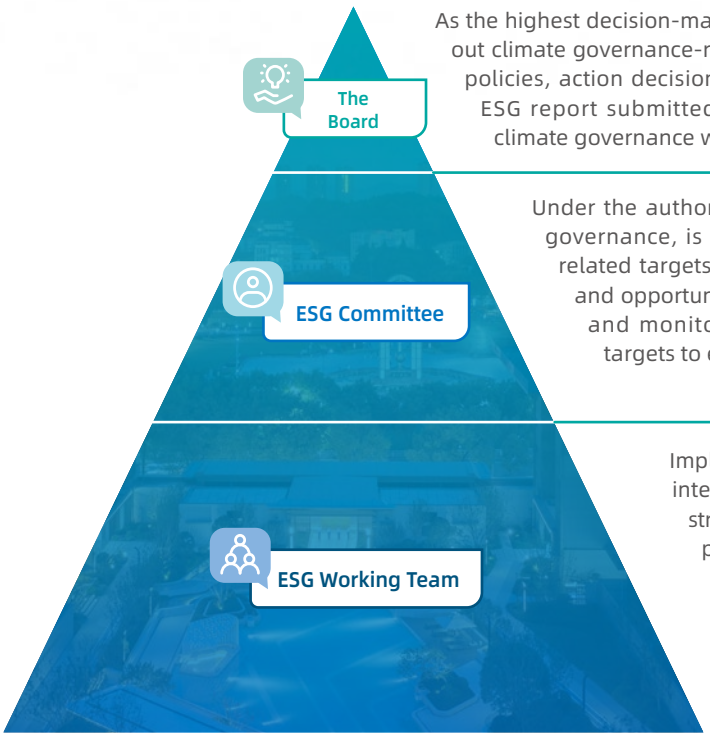


CLIMATE CHANGE MANAGEMENT

As the impact of climate change becomes increasingly pronounced, addressing climate change is no longer solely an environmental issue but has become an indispensable component of corporate sustainable development management. In pursuit of the national "Dual Carbon" goals and related policy requirements, the Group actively advances its climate action agenda, demonstrating corporate social responsibility and commitment to sustainable development. With reference to the climate-related disclosure requirements set out in Part D of the *ESG Code*, the Group identifies and discloses climate risks and opportunities closely related to its business operations across four core areas: "Governance", "Strategy", "Risk Management", and "Metrics and Targets", analyses their potential financial impacts, and formulates corresponding response measures.

GOVERNANCE

To further strengthen and standardize the Group's management of climate change matters, the Group has formally incorporated climate governance roles into its overall ESG governance structure, clearly defining the management requirements and division of responsibilities for climate-related work. The Group's climate governance structure operates through the Board providing overarching decision-making, the ESG Committee coordinating and advancing initiatives, and the ESG Working Team executing specific tasks, forming a top-down climate management accountability system that ensures the effective implementation of climate-related strategies, targets, and actions.



As the highest decision-making body, authorizes the ESG Committee to carry out climate governance-related work, approves climate-related strategies, policies, action decisions, and climate disclosure content in the annual ESG report submitted by the ESG Committee, and receives regular climate governance work reports from the ESG Committee.

Under the authorization of the Board, leads the Group's climate governance, is responsible for formulating/reviewing climate-related targets, strategies, and policies, assessing climate risks and opportunities and making recommendations to the Board, and monitoring the implementation progress of climate targets to ensure the compliance of climate disclosures.

Implement all climate governance operational tasks, integrate climate management into the Group's ESG strategy, formulate and execute climate-related work plans, coordinate departments in implementing climate-related tasks, communicate climate matters with stakeholders, prepare and submit climate-related disclosure materials to the Committee for review, and regularly report to the Committee on the progress of climate target implementation.

The Group is committed to deepening climate governance capacity building by providing systematic climate change governance training for relevant personnel to continuously enhance their professional knowledge. In the future, we will also prudently explore the feasibility of incorporating climate performance indicators into the remuneration framework to further strengthen the driving force behind climate action. For details on how climate governance roles are integrated into the Group's overall ESG governance structure, please refer to the "3. Striving for Excellent Governance" section, sub-section "3.1 Sustainability Governance" of this Report.

STRATEGY

At the strategic level, the Group has systematically integrated climate change-related risks and opportunities into its overall development strategy and business decision-making. In alignment with the national "Dual Carbon" goals and industry development trends, we coordinate business deployment, investment directions, and operational management. Concurrently, based on different climate scenarios, we further identify and analyse the potential impacts of climate risks and opportunities on business activities, and conduct related financial impact assessments to enhance resilience and capacity in addressing climate change, fully supporting the Group's long-term sustainable development.



Climate Risk and Opportunity Identification, Assessment and Management

In respect of the identification, assessment, and management of climate-related risks and opportunities, the Group evaluates climate risks and opportunities along two dimensions: "the impact of the risk/opportunity" and "the likelihood of the risk/opportunity occurring", to determine the potential effects of each climate risk and opportunity on business and operations. During the Reporting Period, the Group identified 3 physical risks, 3 transition risks, and 4 potential opportunities as material climate risks and opportunities and further optimised the relevant management measures and response strategies to enhance the Group's overall climate resilience.

The table below sets out in detail the types of material climate risks/opportunities identified, the descriptions of risks/opportunities and their potential impacts, the time horizon of impact, the degree of impact, and the response measures adopted by the Group.

Risk/ Opportunity Type	Impact Period	Impact on Strategy/Business Model	Risk Response Measures/Action Plan
Physical Risk			
Acute Physical Risk - Extreme Heat	Short -to- Medium Term	The increasing frequency of extreme high temperatures and heatwaves may adversely affect the health and operational safety of construction workers, increase the risks of heatstroke and safety accidents while reduce construction efficiency. High-temperature conditions may also affect construction quality control, increase cooling and electricity demands at construction sites, raise operating costs, and pose challenges to the schedule and cost management of real estate projects and construction engineering.	• Adjust construction schedules during high-temperature seasons by adopting staggered work hours and necessary heatstroke prevention and cooling measures to safeguard workers' health and safety. • Strengthen management of construction quality and equipment operation under high-temperature conditions to reduce quality risks and efficiency losses caused by extreme heat. • Mitigate the impact of high temperatures on electricity demand and operating costs through optimized site management and energy consumption control.

CLIMATE CHANGE MANAGEMENT

Risk/ Opportunity Type	Impact Period	Impact on Strategy/Business Model	Risk Response Measures/Action Plan
Physical Risk			
Chronic Physical Risk - Average Temperature Rise	**Medium -to- Long Term**	As global climate warms, the sustained rise in average temperatures accompanied by increased high-temperature weather may pose long-term challenges to the health and safety of construction workers, increase the difficulty of labor intensity management, and potentially reduce construction efficiency. Meanwhile, the increased demand for cooling and ventilation in real estate projects during the operational phase drives up energy consumption and operating costs. Prolonged high-temperature environments may also accelerate the ageing of construction materials, increasing maintenance frequency and costs, and adversely affecting the long-term operational performance and value stability of real estate assets.	• Implement control measures throughout the entire real estate development and construction process to address the various impacts of rising average temperatures, fully integrating energy-efficient design, prefabricated construction, and smart management systems into every stage. By optimizing the efficiency of energy, water resources, and building materials, reduce per-project resource consumption and operating costs. • Continuously reduce GHG emissions to enhance resource utilization efficiency and economic returns across the full project lifecycle, addressing operational energy consumption and material degradation issues arising from temperature increases at the source, and building a robust climate risk response framework.
Chronic Physical Risk - Changes in Precipitation Patterns	**Medium -to- Long Term**	Climate change may alter the spatial and temporal distribution of rainfall, with increased frequency of alternating extreme rainfall events and drought periods. Persistent heavy rainfall may affect construction progress, increase the difficulty of construction organization and on-site management, and impose higher requirements on the drainage systems and waterproofing structures of completed properties. Meanwhile, seasonal changes in rainfall patterns may also affect project development schedules and maintenance plans, driving up infrastructure maintenance and operational management costs, thereby having a long-term impact on overall project returns and asset values.	• Strengthen hydrological analysis and climate risk assessment during project planning and design stages; reasonably raise flood prevention and drainage design standards for sites and buildings. • Improve stormwater storage, drainage systems, and waterproofing structures to enhance project resilience to heavy and unpredictable rainfall. During construction and operation, strengthen routine inspection and maintenance of drainage facilities, waterproofing systems, and related equipment. • Establish early warning mechanisms linked with meteorological departments to proactively adjust construction plans and operational arrangements, reducing the impact of persistent or abnormal rainfall on project progress and asset operations. Gradually develop standardized management and technical measures by summarizing practical experience from different projects in rainfall response, enhancing long-term operational stability under climate change.

Risk/ Opportunity Type	Impact Period	Impact on Strategy/Business Model	Risk Response Measures/Action Plan
Transition Risk			
Policy and Legal Risk - Facing Legal Litigation Risk	Short-to-Medium Term	Failure to comply with environmental protection, building energy efficiency or climate-related regulations may expose the Group to administrative penalties, litigation, substantial fines, project shutdowns or reduced government subsidies during real estate development or construction. It may further undermine the trust of customers and partners, ultimately leading to revenue losses.	• Progressively improve projects' adaptability to higher energy efficiency and emission reduction standards by optimizing architectural design, construction processes, and material selection, enhancing product and service compliance amid tightening policy environments. • Continuously track changes in national and local low-carbon, zero-carbon policies and regulatory requirements in the construction sector, proactively incorporating energy conservation, emission reduction, and green building requirements into project planning and decision-making processes.
Market Risk - Changes in Customer Preferences	Medium-to-Long Term	Under the low-carbon transition trend, real estate customers and project owners increasingly prefer green, low-energy and sustainable building products and construction services. If Baoye Group fails to timely adjust its product structure and construction plans, it may weaken its competitiveness in real estate sales and project contracting markets. Meanwhile, the growth in green building demand also presents opportunities for the Company to expand into high-quality projects.	• Leveraging its advantages in building energy-saving technologies and the full industrial chain of construction industrialization, Baoye Group adopts a full-chain model of "self-acquired land, development, and operation" to create the "One-Hundred-Year Housing / Good House" core product, whose comprehensive performance far exceeds that of traditional buildings, successfully achieving differentiated development and breaking free from industry homogenization.
Reputational Risk - Growing Concern from Stakeholders over Negative Feedback	Medium-to-Long Term	As public, customer, investor and regulatory attention to climate change and environmental protection continues to increase, if Baoye Group falls short of stakeholders' expectations in low-carbon target setting, energy conservation and emission reduction effectiveness, or climate information disclosure, it may trigger negative public opinion, affect the corporate brand image and market reputation, and potentially have an adverse impact on customer development and project cooperation.	• Strengthen compliance management and internal coordination mechanisms, enhance the ability to rapidly respond to relevant policy changes, effectively reduce the impact of policy adjustments on project cost structures and delivery schedules, and mitigate reputational risks arising from policy execution deviations at the source.

CLIMATE CHANGE MANAGEMENT

Risk/ Opportunity Type	Impact Period	Impact on Strategy/Business Model	Risk Response Measures/Action Plan
Opportunity			
Resource Efficiency Improvement	**Short-to-Medium-to-Long Term**	In the process of real estate development and construction, by improving the efficiency of energy, water resources and building material usage, Baoye Group can simultaneously achieve energy conservation, emission reduction and cost savings. Promoting energy-efficient design, prefabricated construction, intelligent management systems and water-saving measures within projects helps reduce operating costs, decrease resource consumption and simultaneously lower GHG emission levels.	● In the process of real estate development and construction, continuously advance energy-efficient design, prefabricated construction and intelligent management system applications. By optimizing the efficiency of energy, water resources and building material usage, reduce per-unit project resource consumption and operating costs while simultaneously reducing GHG emission levels, enhancing resource utilization efficiency and economic performance throughout the project life cycle.
Green Branding and Partnership Opportunities	**Short-to-Medium-to-Long Term**	Against the backdrop of the "Dual Carbon" policy and sustained growth in green building demand, Baoye Group strengthens its green building, prefabricated construction and low-carbon construction capabilities, continuously enhancing ESG management and climate governance levels. This helps build a green brand image, attract environmentally conscious customers, financial institutions and partners, thereby expanding sustainable development-related business opportunities.	● Through continuously advancing green building, prefabricated construction and low-carbon construction practices, strengthen ESG management and climate governance capacity building, enhance the green brand image and market recognition, attract customers, financial institutions and partners committed to sustainable development, and expand related business cooperation opportunities.
Low-Carbon Construction Technology	**Medium-to-Long Term**	As the low-carbon transition in the construction industry accelerates, prefabricated construction and low-carbon construction methods are gaining policy support and market recognition. Baoye Group can leverage its accumulated technical expertise in construction to expand the application scope of prefabricated construction and green construction technologies, improve construction efficiency, reduce construction waste emissions and develop a differentiated competitive advantage.	● Leveraging accumulated technical expertise in the construction sector, continuously advance prefabricated construction and low-carbon construction technology applications. By optimizing construction techniques and technical solutions, improve construction efficiency, reduce construction waste and carbon emissions, and gradually develop replicable low-carbon construction capabilities and a differentiated competitive advantage.
Resilience (Reducing the Risk of Project Interruption Caused by Extreme Weather)	**Medium-to-Long Term**	Expand building material supplier sources and logistics routes and diversify construction project deployment based on regional climate risk differences. Baoye Group can ensure the continuity of real estate project construction, avoid the impact of extreme weather in a single region on overall operations, and enhance the risk resilience of the entire business chain.	● By expanding building material supplier sources and logistics routes, optimizing project deployment based on regional climate risk differences, and improving construction organization and emergency coordination mechanisms, reduce the impact of extreme weather on project construction continuity and delivery schedules, and enhance the overall business chain's risk resilience.

Enhancing Climate Resilience

To proactively address climate change, the Group has developed targeted climate resilience enhancement measures in conjunction with its overall operational management framework, covering the pre-planning, construction, and operation phases of real estate projects.



01 Project Pre-planning Phase

- Focusing on avoiding inland flood and fire risks caused by extreme heat and drought at the source: jointly conducting hydrological and geological surveys and flood risk assessments with professional institutions, precisely avoiding high flood-risk areas, and reserving sufficient flood prevention elevation for underground works.
- Simultaneously optimizing flood prevention design for buildings, municipal sites and building material production bases by raising key elevations, adding flood control facilities and improving drainage system standards.
- Scientifically planning the layout of construction sites and building material production workshops, dividing fire zones and functional areas, setting up fire barriers, standardizing the layout of storage yards and high-temperature operation areas, and planning heat insulation and cooling measures, establishing climate risk prevention foundations at the site selection and design levels.

CLIMATE CHANGE MANAGEMENT







02 Project Construction Phase

- Strengthening whole-process management and control over flood and fire risks during construction. In terms of flood prevention: establishing flood season construction management systems, developing special emergency response plans and conducting regular drills.
- Before the flood season, adjusting construction plans and reinforcing key areas such as foundation pits and slopes, equipping construction sites and building material factories with flood prevention materials and emergency equipment, establishing external rescue coordination mechanisms, and implementing flood prevention measures for temporary facilities, pipelines, building materials and construction machinery.
- Implementing special controls on flammable and explosive materials, standardizing fire prevention design for temporary facilities and fire protection of construction equipment, strictly managing fire operation approvals and electrical safety management at construction sites, and promptly clearing flammable materials.

03 Project Operation Phase

- Focus on reducing the operational impact of climate risks on completed properties and building materials production workshops. For flood prevention and control, improve the property flood prevention operation and maintenance system.
- Establish routine inspection systems and establish flood early warning linkage mechanisms with meteorological and water resources departments. After floodwater recedes, organize professional personnel to conduct building and facility safety inspections, formulate rapid repair plans prioritizing the restoration of critical facilities such as power and water supply, and repair damaged main structures in accordance with standards.
- For building materials production workshops, conduct daily equipment protection and dust cleaning, reduce production loads during high-temperature weather, strictly implement high-temperature operation procedures and enforce personnel anti-static protection requirements, and establish a normalized fire hazard inspection mechanism of "daily inspections, weekly checks, and monthly reviews."

04 Enterprise Level

- Build a comprehensive climate risk assurance system across the entire chain while simultaneously strengthening the enterprise's overall climate resilience capability.
- Establish a multi-regional supplier reserve mechanism for building materials and a distributed warehouse storage model, clearly define climate risk responsibility allocation among partners in contracts, strengthen supply chain and industrial chain resilience, insure ongoing projects, completed properties, and building materials production bases with targeted insurance and dynamically adjust insurance plans to improve insurance protection mechanisms.
- Regularly organize company-wide flood prevention and fire safety training, designate first responsible persons for fire prevention in each scenario, sign safety responsibility agreements at all levels, incorporate flood and fire prevention work into performance assessments with strict accountability.
- Increase R&D investment to promote green flood-resistant building materials and smart flood prevention technologies and establish a corporate flood risk database to develop standardized flood prevention management processes.

RISK MANAGEMENT

The Group has incorporated climate-related matters into its overall operational risk assessment and management framework and has established a comprehensive climate risk and opportunity management process to continuously carry out the identification, assessment, and management of climate risks and opportunities.

Climate Risk and Opportunity Identification

Referencing industry disclosure practices, research materials, and the policy environment, and taking into account the characteristics of the Group's own value chain and operating regions, climate risks and opportunities relevant to the business are systematically identified, and a risk and opportunity register is established.



Climate Risk and Opportunity Assessment

A comprehensive assessment of each climate risk and opportunity is conducted from key dimensions including impact severity and likelihood of occurrence. Combined with professional judgments from internal management and cross-departmental input, materiality analysis and prioritization of relevant risks and opportunities are performed to form a climate risk and opportunity matrix.

Response Measures and Continuous Improvement

Existing management measures are reviewed and assessed. In conjunction with industry best practices, response action plans are formulated and optimized to continuously enhance climate risk management capabilities and business resilience.



CLIMATE CHANGE MANAGEMENT

METRICS AND TARGETS

The Group attaches great importance to climate change issues and has deeply integrated emission reduction actions into its overall strategic planning framework. We have comprehensively reviewed all types of emission sources within the industry and the Group, assessed current emission reduction measures, clarified the purpose and boundaries of our targets, and developed science-based qualitative climate targets.

Purpose of the Target

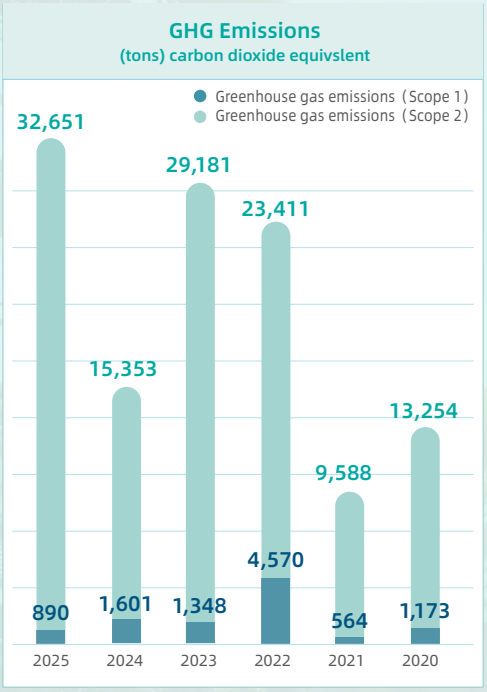
Actively responding to the national "Dual Carbon" strategic deployment, steadily advancing energy conservation and emission reduction efforts, and progressively achieving the 2060 carbon neutrality target.

Scope/Boundary of the Target

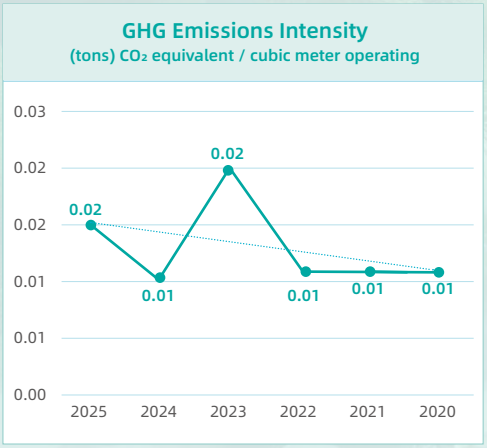
Covering Baoye Group and its major subsidiaries, including the Group's three principal businesses:

- **Construction Services –** Providing construction engineering services
- **Property Development –** Developing and selling properties
- **Building Materials –** Manufacturing and selling industrialized building materials

The Group's GHG emissions primarily originate from non-road mobile sources (including construction machinery and diesel generator sets, among others). During the Reporting Period, we continued to track the progress of our emission reduction targets, conducted performance assessments based on data monitoring, and regularly reviewed and optimised relevant emission reduction strategies to ensure that the overall emission reduction pathway is scientifically sound, operationally feasible, and practically effective. The Group is advancing its low-carbon transformation through multiple emission reduction initiatives. For more details on the Group's actions to reduce GHG emissions in its actual operations, please refer to the "Greenhouse Gas Emission Management" sub-section under "5.1 Shared Responsibility for Ecological Stewardship" of this Report.



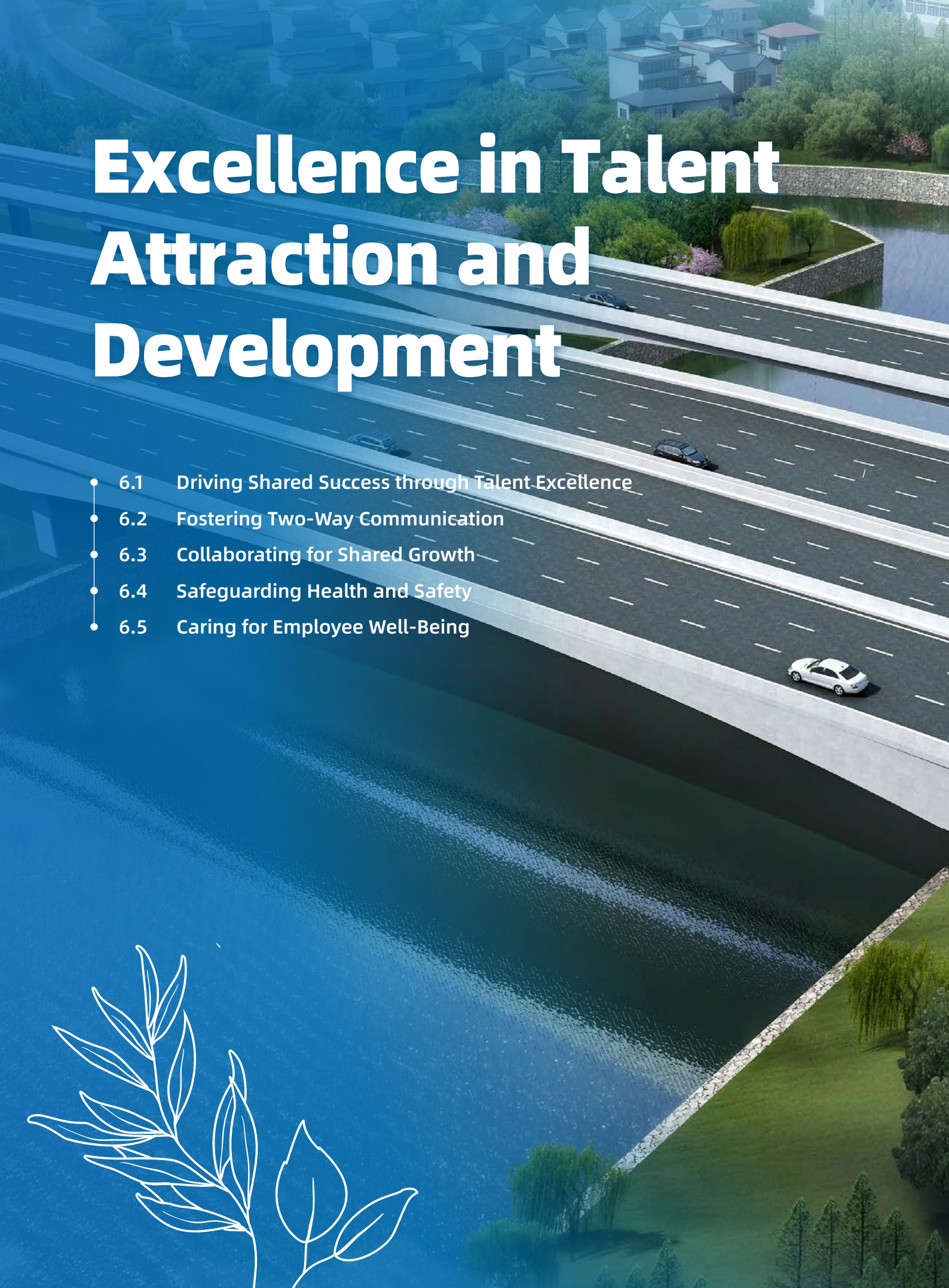
Greenhouse gas emissions from 2020 to 2025 (Scope 1 + Scope 2)



Greenhouse gas emissions density from 2020 to 2025 (Scope 1 + Scope 2)

Category	Actions Taken
Climate Qualitative Target	
Systematic Energy Conservation Management	• Formulated and implemented the *Energy Conservation and Energy Use Management System* and the *Office Energy Conservation Guidelines*, improved the Group's energy management system, and extended energy conservation requirements to cover all aspects of project design, procurement, construction, and operations, laying a solid foundation for energy conservation and carbon reduction from the management level. • Leveraging the advantages of the full industrial chain in building energy efficiency technology and construction industrialization, through the "self-acquisition, development, and operation" full-chain model, created the "One-Hundred-Year Housing Good House" core product, whose comprehensive performance far exceeds that of traditional buildings.
Improving Energy Use Efficiency	• Optimise equipment selection and energy use structure, strengthen on-site energy management and electricity monitoring, and continuously improve energy utilization efficiency. • Leveraging the excellent thermal insulation performance of "One-Hundred-Year Housing / Good House", guide residents in off-peak energy use while ensuring living comfort and incentivize energy-saving awareness through carbon credit rewards, maximizing energy conservation and carbon reduction at the building use stage through the "technology-driven energy saving + management-driven energy saving" dual pathway.
Strengthening Energy-Saving Operations and Monitoring	• Baoye Group sets electricity usage control indicators at construction sites, regularly conducts energy use analysis, promptly identifies and rectifies abnormal situations to ensure effective implementation of energy-saving targets. • The Daban Low-carbon Garden project piloted a carbon credit metering system centered on "energy consumption per unit area", with smart meters enabling itemized metering of electricity, gas and water.
Promoting Low-Carbon Office and Green Operations	• Advocate office energy-saving behavior, encourage prioritizing natural lighting and energy-efficient equipment, and promote the normalization of electricity and energy consumption control.

Excellence in Talent Attraction and Development



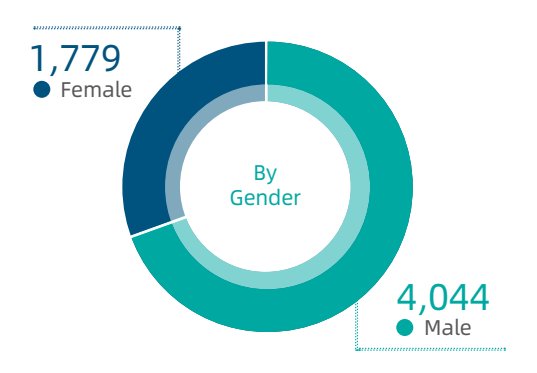
- 6.1 Driving Shared Success through Talent Excellence
- 6.2 Fostering Two-Way Communication
- 6.3 Collaborating for Shared Growth
- 6.4 Safeguarding Health and Safety
- 6.5 Caring for Employee Well-Being

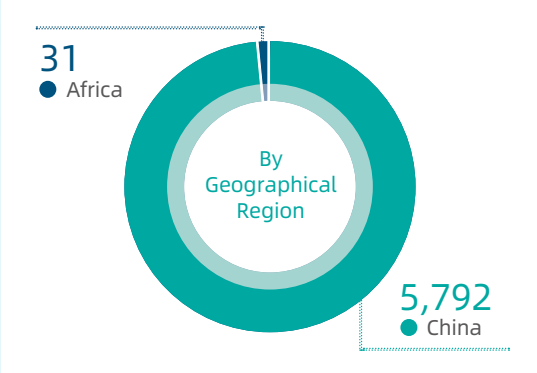


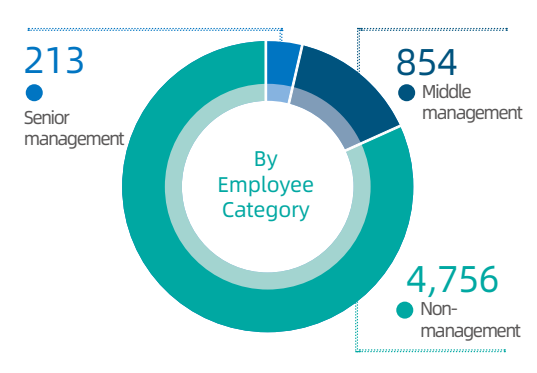
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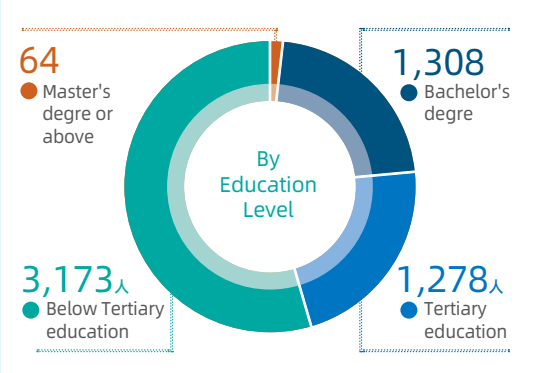
The Group consistently prioritizes talent management as the cornerstone of corporate development, striving to create a fair, inclusive, and people-oriented work environment that fully inspires employees' innovative thinking and unlocks their individual potential, helping each employee realize their professional value. At the same time, the Group places a high value on employees' physical and mental well-being. Underpinned by a systematic health and safety management framework, we provide safe and healthy working conditions for employees, ensuring the comprehensive protection of their overall welfare.

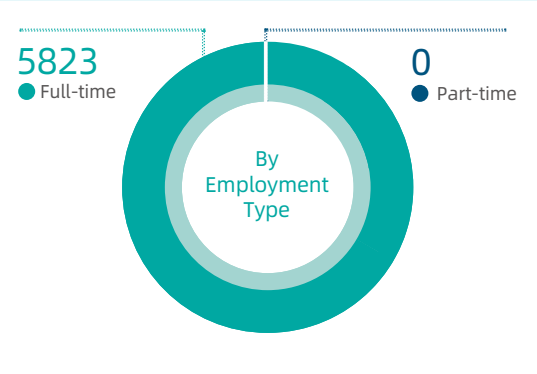
As of 31 December 2025, the Group had a total of 5,823 full-time employees, with full-time employees accounting for 100%. The breakdown of employees by category is as follows:

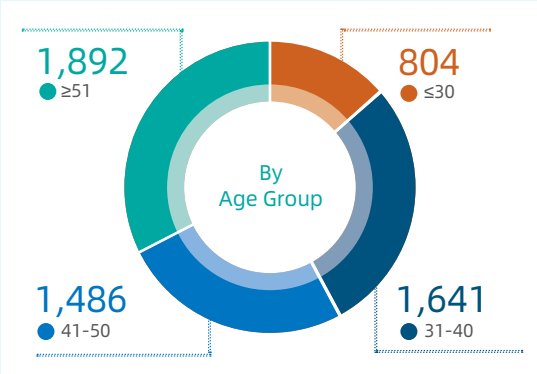












DRIVING SHARED SUCCESS THROUGH TALENT EXCELLENCE

Compliance management serves as the fundamental principle underpinning the Group's human resources practices. The Group strictly adheres to employment-related laws and regulations in carrying out all aspects of personnel management, covering core areas including recruitment and dismissal, remuneration and benefits, working hours and holidays, and the prevention of child labor and forced labor, with corresponding policies and safeguard mechanisms established for each area. To further strengthen the compliance management foundation, the Group has formulated and implemented the *Human Resources Management System*, ensuring that all human resources management practices comply with legal requirements and ethical standards.

RECRUITMENT AND DISMISSAL

The Group is committed to building a fair and diverse professional development environment, firmly opposing all forms of employment discrimination. To effectively attract and retain outstanding talent and continuously enhance overall employee quality, the Group has established the *Human Resources Management System* based on actual business needs, clearly stipulating staffing requirements, recruitment processes, and interview procedures, thereby ensuring fairness and compliance in talent selection at the institutional level. The Human Resources Management Department combines the Group's strategic objectives with internal staffing needs, employing a multi-dimensional approach including interviews, assessments, and background checks to comprehensively screen candidates. At the same time, the Group actively expands diversified external recruitment channels.

In Managing Employee Relations

The Group strictly complies with the relevant provisions of the *Labor Contract Law of the People's Republic of China*, regulating all aspects of employee onboarding and offboarding in accordance with the law, and ensuring that the execution and termination of employment contracts meet legal requirements. The Group consistently places the protection of employees' legitimate rights and interests as a top priority, actively fostering equal and harmonious labor relations, and providing employees with a secure and stable platform for professional development.



DRIVING SHARED SUCCESS THROUGH TALENT EXCELLENCE



WORKING HOURS AND HOLIDAYS, REMUNERATION & BENEFITS

Safeguarding employee welfare is a core responsibility that the Group has always upheld. To this end, the Group continuously refines the Human Resources Management System, providing employees with reasonable safeguards in terms of remuneration levels and working hours. The Group coordinates employees' work and rest schedules and has established an overtime application mechanism that allows employees to choose compensatory time off, shift adjustments, or overtime pay as compensation based on their individual needs, thereby safeguarding employees' labor rights and interests.

To fully motivate employees, the Group implements a systematic performance appraisal system. Employees are required to set individual work objectives and plans at the beginning of each year. The *Human Resources Management Department* conducts performance assessments at mid-year and year-end, with the results linked to remuneration, ensuring the comprehensiveness, objectivity, and fairness of the appraisal process, thereby continuously motivating employees to enhance their work performance.

In Terms of Benefits

The Group provides employees with both statutory and supplementary benefits. Statutory benefits include social insurance and housing fund, statutory public holidays, marriage and bereavement leave, and paid annual leave. Supplementary benefits include high-temperature subsidies, annual health check-ups, employee dormitories, and festive benefits. Employees can refer to the *Human Resources Management System* for comprehensive information on their entitlements regarding work schedule arrangements, leave policies, and welfare benefits. The Group will continue to enrich its benefits offerings, further enhancing employee satisfaction and sense of belonging, and laying a solid talent foundation for the Group's sustainable development.

PREVENTION OF CHILD AND FORCED LABOR

The Group has established a labor management system that meets legal requirements, adopting a strict zero-tolerance stance against child labor and forced labor. During the recruitment process, the Human Resources Management Department conducts multi-stage identity verification of applicants, thoroughly reviewing their age, qualifications, and other information to confirm full compliance with statutory standards before any employment offer is made. A full-process control mechanism is in place to effectively mitigate related risks.

In Respect of Human Rights Protection

The Group has established a dedicated investigation and rectification mechanism. Upon discovery of any non-compliance, an investigation is immediately initiated, and depending on the circumstances, corrective measures such as termination of the employment relationship and accountability of management personnel are taken. Where necessary, reports are proactively made to judicial authorities, demonstrating a resolute attitude toward any violations through concrete actions. During the Reporting Period, no incidents of child labor or forced labor occurred within the Group.

FOSTERING TWO-WAY COMMUNICATION

Employee communication is a vital cornerstone of the Group's efforts to maintain harmonious labor relations. The Group actively builds diversified communication platforms, striving to establish candid, open, and effective two-way communication mechanisms between management and employees. The Group regularly publishes the "Baoye Newsletter" to keep all employees informed of the Group's business developments and updates, and to showcase the work achievements and highlights of various subsidiaries, thereby facilitating mutual understanding and collaborative synergy across business segments. Looking ahead, the Group will continue to deepen and refine its existing communication mechanisms, broadly collecting employee opinions and suggestions, and driving the shared growth of the enterprise and its employees.

COLLABORATING FOR SHARED GROWTH

The Group firmly believes that the continuous growth of its employees is the core driving force behind the enterprise's long-term development. To this end, the Group provides employees with diversified growth pathways and promotion channels through a systematic career development framework. The *Human Resources Management System* sets out clear career development directions for employees and provides comprehensive support resources, helping employees fully realize their personal potential and achieve alignment between individual goals and corporate development.

In Terms of Talent Development Pathways

The Group has established a structured and progressive talent pipeline development system. Employees who achieve outstanding performance in their annual appraisals enter a two- to three-year intensive development phase for key positions or professional skills, comprehensively enhancing their capabilities through systematic vocational training and practical experience. Those who achieve outstanding performance for three consecutive years are directly promoted to key personnel within the Group and have the opportunity to participate in the two-year "Baoye Academy Junior Youth Class" for further development. Employees who continue to demonstrate exceptional performance are included in the talent reserve pool (mid-level management track) and enrolled in the two-year "Baoye Academy Senior Youth Class" for advanced development. Those who consistently excel are designated as reserve cadres (senior management) and receive focused development opportunities.

The above talent development system covers all key stages of employees' career development, forming a complete development chain from new employees to senior management:



New Employees
(receiving comprehensive professional training)



Key Personnel
(employees with outstanding performance for three consecutive years)



Middle Management
(outstanding performers)



Senior Management
(consistently outstanding performers)

COLLABORATING FOR SHARED GROWTH

Based on business development needs and actual employee performance, the Group continues to diversify training formats and content, providing targeted capability enhancement support for employees at all levels and driving the mutual growth of employees and the Group. During the Reporting Period, the Group organized multiple training activities with a total of 3,326 employees participating, achieving an employee training coverage rate[3] of 57.12%.

[3] The calculation formula of employee training coverage rate for each category is: number of trained employees of the category / number of employees of the category x 100%.

Cases Baoye Group Conducts Enterprise Labor and Employment Risk Prevention Training

To further strengthen the compliance awareness and practical capabilities of human resources management personnel across the Group's units, the Group's Human Resources Department organized a specialized training on enterprise labor and employment risk prevention. The training was aimed at human resources staff across the Group's units, covering in-depth discussions on common risk areas in current labor relations management. Topics included standardized management of labor contracts, key compliance points in employment, and prevention and handling of labor disputes. The training aimed to help human resources personnel systematically master relevant laws and regulations, enhance their ability to identify and respond to risks, prevent labor and employment risks at the source, effectively safeguard employees' legitimate rights and interests, and support the Group in achieving standardized and compliant human resources management.





Cases Hubei Baoye Conducts Training on the Application of DeepSeek Artificial Intelligence in Financial Management

To actively respond to the digital transformation trend and enhance the intelligence level of financial management, Hubei Baoye, a subsidiary of the Group, organized a specialized training themed "Application of DeepSeek Artificial Intelligence in Financial Management." The training was aimed at the Group's finance-related personnel, focusing on the practical application of artificial intelligence technology in scenarios such as financial data analysis, process optimization, and risk management and control, helping finance personnel gain in-depth understanding of the operation methods and application potential of cutting-edge AI tools. The training content was tailored to the practical needs of financial management work, combining theoretical explanation with practical demonstrations, effectively enhancing the digital working capabilities of the finance team and driving the continuous upgrade of the Group's financial management towards intelligence and refinement.





SAFEGUARDING HEALTH AND SAFETY

Safety production is a fundamental principle of the Group's operational management. The Group has long adhered to the core philosophies of "safety first, prevention centric" and "safety is integral to production management", integrating safety management into every aspect of daily operations and production. We are committed to safeguarding the occupational health and personal safety of every employee, creating a safe and healthy working environment for all.

STRENGTHENING THE SAFETY FOUNDATION

In the selection of building materials, the Group gives full consideration to the potential impact of raw materials on human health and the surrounding environment. In the production of prefabricated components, the Group strictly uses non-toxic and harmless raw materials such as sand, gravel, and cement. The liquid release agents used are also rigorously screened to ensure their composition is harmless to the human body, free from any irritants, allergens, teratogens, or carcinogens. In addition, the radiation levels of all building materials are strictly controlled in accordance with relevant national standards, safeguarding the health and safety of employees and end-users from the source.

ESTABLISHING SYSTEMS

- The Group has formulated and implemented the *Safety Production Management System*, the *Major Hazard Source Investigation System*, the *Construction Engineering Safety Production Technology*, and the *Accident Emergency Response Plan*, among other safety production management systems, establishing a comprehensive institutional safeguard framework.
- Tailored to actual conditions, the Group prepares annual safety work plans and detailed implementation programs to ensure the orderly advancement of safety management efforts.

DEFINING RESPONSIBILITIES

- The Group fully implements the safety production accountability system, strengthening the safety awareness of all employees, and clearly defining the specific responsibilities and accountability boundaries of each position in relation to safety production.
- The Group has established the Engineering Emergency Response Team, the Safety Production Leadership Team, and other bodies responsible for overseeing safety production management and organizing construction safety education initiatives.

STRENGTHENING INSPECTIONS

- In accordance with the *Safety Inspection Standards for Building Construction* and other relevant regulations, regular patrols and specialized inspections are conducted at construction sites. Rectification plans are formulated as needed, and relevant responsible units are supervised to ensure the effective implementation of rectification measures.

PROVIDING TRAINING

- Safety training and safety production meetings are regularly organized for all employees. Training content covers multiple dimensions, including safety production awareness, safety knowledge and operational skills enhancement, and fire safety management, continuously improving the overall safety competence of employees.

INVESTIGATING ACCIDENTS

- In the event of a safety accident, the Group immediately initiates investigation and response procedures, coordinating and supervising relevant departments to conduct thorough incident reviews and accountability investigations. At the same time, preventive measures are developed and refined based on the root causes of the accident to effectively prevent the recurrence of similar incidents.

Cases Baoye Group Actively Responds to the 24th National "Safety Production Month" Series Activities

To deeply implement the lifetime quality and safety responsibility system, comprehensively enhance the safety production awareness of all employees, and create a strong atmosphere of "everyone talks about safety, everyone knows emergency response," during the Reporting Period, the Group's subordinate units actively responded to the call of the 24th National "Safety Production Month" and, based on their respective circumstances, carried out a series of diverse and content-rich themed activities tailored to local conditions.



Baoye Construction



Quzhou Branch





Zhejiang Baoye

CARING FOR EMPLOYEE WELL-BEING

Employees' occupational health is an important component of the Group's human resources management. The Group strictly adheres to the provisions of the *Occupational Health* and *Hygiene Management System*, providing comprehensive health protection for employees at the institutional level. In terms of health check-ups, the Group arranges pre-employment medical examinations and annual health check-ups for employees, proactively monitoring their health status to effectively reduce the risk of occupational diseases.

In Terms of Occupational Health Education

The Group regularly organizes training sessions on occupational disease hazard prevention and control, health knowledge lectures, and related assessments, helping employees systematically acquire occupational disease prevention knowledge and coping skills, and continuously enhancing the occupational health awareness of all employees, thereby building a solid line of defense for employee health protection from the ground up.

Cases Baoye Group Conducts 2025 "March 8" International Women's Day Series Care Activities

On the occasion of the 115th "March 8" International Women's Day, the Group's subsidiaries organized diverse holiday care activities for female employees tailored to local conditions. Baoye Group headquarters held a Women's Day conference and specially invited health experts to deliver a "Life Sciences" themed lecture to help female employees enhance health awareness and disease prevention capabilities. Anhui Baoye organized over 100 female employees in an eco-friendly walking event, integrating green development concepts into holiday activities. Quzhou Company used flower arrangement and culinary experience as vehicles to strengthen team cohesion. Hangzhou Design Institute featured cloisonne enamel intangible cultural heritage crafts, leading female employees to appreciate the charm of traditional culture. The series of activities covered multiple subordinate units of the Group, fully reflecting the Group's sustained attention and humanistic care for the physical and mental health of female employees.



Baoye Group: Women Display New Elegance, Health Starts a New Chapter

At the Construction Site Management Level

The Group provides all frontline construction workers with the necessary occupational disease prevention equipment and personal protective equipment on a uniform basis. Project supervisors are responsible for overseeing the proper use of protective equipment, ensuring that all protective measures are effectively implemented. For outdoor work during high-temperature conditions, the Group regularly organizes employee care and welfare activities. For processes with occupational disease hazard risks, targeted protective measures such as ventilation and isolation are adopted, and safety warning signs are placed in the relevant areas to remind employees of work-related risks.



Hangzhou Design Institute: Inheriting Ancient Craftsmanship with Dedication, Enamel Art Shining Anew



Quzhou Company: Fragrance with Fine Cuisine, Skillful Hands Paint Life



Anhui Baoye: Green Glory Shines, Walking Builds the Future

Enhancing Social Well-being

- 7.1 Driving Community Advancement





07

DRIVING COMMUNITY ADVANCEMENT

The Group has always regarded "serving the community" as an important mission and is committed to actively supporting the long-term and sustainable development of communities throughout the course of its business development. Through organizing diversified employee charity activities and corporate-level charitable donations, we continuously invest in social welfare causes to contribute to building a caring and inclusive community environment. The Group also encourages employees to proactively participate in various community volunteer services, integrating corporate values into daily actions and working together to promote harmonious community development.

During the Reporting Period, employees accumulated a total of 2,862 hours of volunteer service.

PRACTICING PUBLIC WELFARE, MOVING FORWARD TOGETHER

The Group has always regarded participation in public welfare as an important part of fulfilling its corporate social responsibility, upholding the philosophy of caring for the community, mutual support, and giving back to society, and actively aligning with overall social development. Through financial support, material donations, and participation in various charitable activities, we continuously invest in areas including poverty alleviation, education support, and rural revitalization, striving to contribute to community development and improvement of livelihoods.

During the Reporting Period, we donated a cumulative total of RMB 1,071,000, using concrete actions to support the development of social welfare causes and promote community harmony and long-term sustainable development.

Cases Baoye Group "Warmth in Winter" Charitable Donation



Cases

The Hefei Baoye Foundation for Extreme Poverty Relief donated RMB 200,000 to 200 people living in extreme poverty in Xinzhan District



Cases

Book Donation to BOTHO Primary School in Botswana to Promote China-Africa "People-to-People Connectivity"



DRIVING COMMUNITY ADVANCEMENT

COMMUNITY CO-BUILDING, SHARED HAPPINESS

The Group continues to organize a wide variety of community activities, dedicated to fostering a warm and harmonious community atmosphere and promoting positive interactions and connections among neighbors. During the Reporting Period, the Group's project teams organized and carried out a series of heartfelt neighborhood exchange and community interaction activities, adding vitality and colour to residents' daily lives. At the same time, these activities promoted emotional exchanges and mutual support among community residents, further enhancing overall community cohesion and residents' sense of belonging, and driving the construction of a more harmonious and friendly community environment.

Cases "Skillful Homemaking, Mugwort Fragrance among Neighbors" Activity



Cases "Noodles Warm the Double Ninth Festival, Caring for Neighbors" Activity



Cases Baoye Daban Green Garden 2nd Table Tennis Friendship Tournament



Cases "Exchange Old for New, Children's Fun Market" Activity



Cases Baoye Daban Low-carbon Garden 2nd "Mini" Marathon Race





Performance Data

- 8.1 Environmental Data
- 8.2 Social Data





08

ENVIRONMENTAL DATA

The Group continuously refines the reporting scope of its performance indicators to enable stakeholders to fully understand the Group's performance.

ENVIRONMENTAL DATA INTENSITY CALCULATION

Category	Unit	2025	2024
Operational Area[4]	Square Meters	1,588,681	1,842,174
Number of Vehicles	Vehicles	Petrol vehicles: 58 Diesel vehicles: 11 Electric vehicles: 2 Compressed natural gas vehicles: 7	Petrol vehicles: 55 Diesel vehicles: 3
Number of Machinery	Units	43 (39 diesel-powered machinery)	47 (35 diesel-powered machinery)

[4] The environmental data density of the Group is calculated per cubic meter of operational area, which includes both office space and project site area.

RESOURCE CONSUMPTION[5] [6] [7]

Category	Unit	2025	2024
Energy Consumption			
Total Energy Consumption[8]	'000 kWh	65,158	34,950
Total Energy Consumption Intensity	'000 kWh/ Square Meter of Operational Area	0.03	0.02
Direct Energy			
Total Direct Energy Consumption	'000 kWh	3,622	6,339
Total Direct Energy Consumption Intensity	'000 kWh/ Square Meter of Operational Area	1.65×10^{-3}	3.44×10^{-3}
Total Compressed Natural Gas Consumption (Vehicles)	Cubic Meters	1,700	/
Compressed Natural Gas Consumption Intensity (Vehicles)	Cubic Meters / Per Compressed Natural Gas Vehicle	243	/
Total Petrol Consumption (Vehicles)	Litres	95,857	118,927
Petrol Consumption Intensity (Vehicles)	Litres / Per Petrol Vehicle	1,653	2,162
Total Diesel Consumption (Vehicles)	Litres	4,081	3,790
Diesel Consumption Intensity (Vehicles)	Litres / Per Diesel Vehicle	371	1,263
Total Diesel Consumption (Machinery)[9]	Litres	239,212	488,955
Diesel Consumption Intensity (Machinery)	Litres / Per Diesel Machinery	6,134	13,970
Total Gas Consumption (Production and Living)	Megajoules	453,387	432,083
Gas Consumption Intensity (Production and Living)	Megajoules / Square Meter of Operational Area	0.21	0.23

[5] The calculation methods and relevant conversion factors for direct energy unit conversion are referenced from the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industrial Sectors*, the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Land Transport Enterprises*, the *Gasoline for Motor Vehicles (GB17930-2016)*, the *Diesel Fuel for Motor Vehicles (GB 19147-2016)*, and the *Compressed Natural Gas for Motor Vehicles (GB 18047-2017)*.

[6] The calculation methods and relevant emission factors for 2025 vehicle gasoline, diesel, and compressed natural gas consumption emissions are referenced from the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of On-road Motor Vehicles*; the calculation methods and relevant emission factors for 2025 machinery diesel consumption emissions are referenced from the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Non-road Mobile Sources*.

[7] The Group's compressed natural gas, gasoline, and part of diesel consumption are derived from vehicle fuel consumption; therefore, the consumption intensity of such fuels is calculated based on the respective number of compressed natural gas, gasoline, and diesel vehicles.

[8] During the Reporting Period, the increase in the Group's total energy consumption was primarily due to higher purchases of electricity.

[9] During the Reporting Period, due to the decrease in building materials operations and the replacement of diesel with electric power in certain mechanical and transportation equipment, diesel consumption by machinery decreased accordingly.

Category	Unit	2025	2024
Direct Energy			
Solar Power Consumption	'000 kWh	113.6	96.3
Solar Power Consumption Intensity	'000 kWh / Square Meter of Operational Area	5.18×10^{-5}	5.23×10^{-5}
Indirect Energy			
Total Indirect Energy Consumption (Purchased Electricity) [10]	'000 kWh	61,536	28,611
Total Indirect Energy Consumption Intensity (Purchased Electricity)	'000 kWh / Square Meter of Operational Area	0.03	0.02
Water Resources			
Water Consumption	Tonnes	312,010	434,394
Water Consumption Intensity	Tonnes / Square Meter of Operational Area	0.14	0.24

[10] During the Reporting Period, as the number of the Group's construction projects increased and the scale of construction expanded, coupled with a rise in electricity demand for laboratory research, the consumption of purchased electricity increased accordingly.

AIR POLLUTANTS AND GREENHOUSE GASES[11] [12]

Category	Unit	2025	2024
Air Pollutant Emissions[13]			
Nitrogen Oxides Emissions	Kilograms	3,687	6,481
Sulphur Oxides Emissions	Kilograms	184	328
Particulate Matter Emissions	Kilograms	214	386
Greenhouse Gas Emissions			
Total Greenhouse Gas Emissions (Including Scope 1 and Scope 2)	Tonnes of CO_2 Equivalent	33,541	16,954
Total Greenhouse Gas Emission Intensity	Tonnes of CO_2 Equivalent / Square Meter of Operational Area	0.02	0.01

[11] The calculation methods and relevant emission factors for 2025 GHG emissions (Scope 1) from gasoline, diesel, and compressed natural gas fuel consumption are referenced from the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Land Transport Enterprises*. The calculation methods and relevant emission factors for 2025 GHG emissions (Scope 1) from machinery fuel consumption and coal gas consumption are referenced from the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industrial Sectors*.

[12] The calculation scope of GHG emissions (Scope 2) includes purchased electricity consumption. The calculation methods and relevant emission factors for GHG emissions from electricity consumption in 2025 are referenced from the 2023 national average CO_2 emission factor for electricity as specified in the *Announcement on the Publication of the 2023 Electricity CO_2 Emission Factors* jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

[13] The emissions of air pollutants in 2025 include emissions from vehicle and machinery fuel usage, as well as gas combustion. The calculation method and related emission factors for vehicle emissions are based on the *Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China. The calculation method and related emission factors for atmospheric pollutant emissions from machinery fuel usage in the Group refer to the *Non- Road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China. The calculation method for domestic source emissions refers to the *Manual of Pollutant Emissions Coefficients of Domestic Pollution Sources* in *Second National Pollution Source Census Urban Household Pollutant Emission Coefficient Manual*.

ENVIRONMENTAL DATA

AIR POLLUTANTS AND GREENHOUSE GASES[11] [12]

Category	Unit	2025	2024
Greenhouse Gas Emissions			
Scope 1 Direct Greenhouse Gas Emissions (Including Petrol, Diesel, Gas and Refrigerant)	Tonnes of CO_2 Equivalent	890	1,601
Scope 1 Direct Greenhouse Gas Emission Intensity	Tonnes of CO_2 Equivalent / Square Meter of Operational Area	4.06×10^{-4}	8.69×10^{-4}
Scope 2 Indirect Greenhouse Gas Emissions (Including Purchased Electricity)	Tonnes of CO_2	32,651	15,353
Scope 2 Indirect Greenhouse Gas Emission Intensity	Tonnes of CO_2 / Square Meter of Operational Area	0.01	0.01

WASTE

Category	Unit	2025	2024
Non-hazardous Waste			
Total Non-hazardous Waste Generated	Tonnes	224,570	17,860
Total Non-hazardous Waste Generation Intensity	Tonnes/ Square Meter of Operating Area	102.48×10^{-3}	9.70×10^{-3}
Domestic Waste	Tonnes	1,836	506
Paper	Tonnes	28	23
Plastics	Tonnes	3.2	2.9
Iron	Tonnes	10,457	583
Other Metals	Tonnes	244	132
Construction Waste [14]	Tonnes	212,003	16,612
Hazardous Waste			
Total Hazardous Waste Generated	Tonnes	37.57	23.98
Total Hazardous Waste Generation Intensity	Tonnes / Square Meter of Operational Area	1.71×10^{-5}	1.30×10^{-5}
Waste Batteries	Tonnes	3.12	2.28
Waste Fluorescent Tubes	Tonnes	0.10	0.04
Waste Ink Cartridges	Tonnes	1.66	1.10

[14] During the Reporting Period, as the Group's newly added projects involved renovation and modification works, the amount of waste generated increased accordingly.

Category	Unit	2025	2024
Hazardous Waste			
Other Hazardous Waste [15]	Tonnes	32.70	20.56

[15] Other hazardous wastes include toner, spent activated carbon, waste paint buckets, used engine oil, and paint residues.

SOCIAL DATA

EMPLOYEE DATA

Category	Unit	2025
Total	Persons	5,823
By Gender		
Male	Persons	4,044
Female	Persons	1,779
By Employment Type		
Full-time	Persons	5,823
Part-time	Persons	0
By Employee Category		
Senior Management	Persons	213
Middle Management	Persons	854
General Staff	Persons	4,756
By Age Group		
≤ 30 Years Old	Persons	804
31-40 Years Old	Persons	1,641
41-50 Years Old	Persons	1,486
≥ 51 Years Old	Persons	1,892
By Educational Background		
Master's Degree and Above	Persons	64
Bachelor's Degree	Persons	1,308
Associate Degree	Persons	1,278
Below Associate Degree	Persons	3,173
By Region		
China	Persons	5,792
Africa	Persons	31

Employee Turnover Rate (Number of Employee Turnover) [16]	Unit	2025
By Gender		
Male	Percentage (Person)	28.83 (1,166)
Female	Percentage (Persons)	17.09 (304)
By Age Group		
≤ 30 Years Old	Percentage (Persons)	56.09 (451)
31-40 Years Old	Percentage (Persons)	15.11 (248)
41-50 Years Old	Percentage (Persons)	15.41 (229)
≥ 51 Years Old	Percentage (Persons)	28.65 (542)
By Region		
China	Percentage (Persons)	25.38 (1,470)
Africa	Percentage (Persons)	0.00 (0)

[16] The employee turnover rate for each category is calculated as: number of employees turnover in the respective category during the Reporting Period/total number of employees in the respective category as at the end of the Reporting Period x 100%.

New Employee Hire Rate[17]	Unit	2025
By Gender		
Male	Percentage (Person)	20.80 (841)
Female	Percentage (Persons)	15.96 (284)
By Age Group		
≤ 30 Years Old	Percentage (Persons)	53.11 (427)
31-40 Years Old	Percentage (Persons)	11.21 (184)
41-50 Years Old	Percentage (Persons)	14.87 (221)
≥ 51 Years Old	Percentage (Persons)	15.49 (293)

[17] The new employee hire rate for each category is calculated as: number of new employees hired in the respective category during the Reporting Period /total number of employees in the respective category as at the end of the Reporting Period x 100%.

SOCIAL DATA

TRAINING

Employee Training Coverage Rate[18]	Unit	2025
By Gender		
Male	Percentage	57.05
Female	Percentage	57.28
By Employee Category		
Senior Management	Percentage	92.49
Middle Management	Percentage	80.09
General Staff	Percentage	51.41

[18] The employee training coverage rate for each category is calculated as: number of trained employees in the respective category/total number of employees in the respective category x 100%.

Percentage of Employees Trained[19]	Unit	2025
By Gender		
Male	Percentage	69.36
Female	Percentage	30.64
By Employee Category		
Senior Management	Percentage	5.92
Middle Management	Percentage	20.57
General Staff	Percentage	73.51

[19] The percentage of trained employees for each category is calculated as: number of trained employees in the respective category / total number of trained employees x 100%.

Average Training Hours per Employee [20]	Unit	2025
By Gender		
Male	Hours	11.40
Female	Hours	8.31

[20] The average training hours per employee for each category is calculated as: total training hours of employees in the respective category/number of trained employees in the respective category.

Average Training Hours per Employee [20]	Unit	2025
By Employee Category		
Senior Management	Hours	19.08
Middle Management	Hours	7.69
General Staff	Hours	10.54

SAFETY

Category	Unit	2025		
Number of Work Days Lost Due to Work Injury	Day	362		
Work Injury		**2025**	**2024**	**2023**
Number of Work-Related Fatalities	Persons	0	0	0
Rate of Work-Related Fatalities	Percentage	0	0	0

PRODUCTS AND SERVICES

Products and Service-related Complaints	Unit	2025
Number of Complaints	Case	16
Percentage of total building materials products sold or shipped subject to recalls for safety and health reasons	Percentage	0

CORRUPTION

Legal Cases	Unit	2025
Number of concluded corruption litigation cases brought against the Group or its employees during the Reporting Period	Case	0

APPENDIX I

LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON THE GROUP DURING THE REPORTING PERIOD

Laws and Regulations that Have a Significant Impact on the Group	The Group's Performance during the Reporting Period
Product Responsibility	
The Product Quality Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws or regulations related to the provision of products and services concerning health and safety, intellectual property, advertising, and privacy matters that have a significant impact on the Group.
The Trademark Law of the People's Republic of China	
The Construction Law of the People's Republic of China	
Regulations on the Quality Management of Construction Projects	
Emissions	
The Environmental Protection Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws or regulations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group.
The Energy Conservation Law of the People's Republic of China	
The Environmental Protection Tax Law of the People's Republic of China	
Implementation Regulations of the Environmental Protection Tax Law of the People's Republic of China	
The Cleaner Production Promotion Law of the People's Republic of China	
The Air Pollution Prevention and Control Law of the People's Republic of China	
The 14th Five-Year Plan for Controlling Greenhouse Gas Emissions	
The Water Pollution Prevention and Control Law of the People's Republic of China	
The Water Law of the People's Republic of China	
The Law of the People's Republic of China on Water and Soil Conservation	
Regulations on Urban Drainage and Sewage Treatment	
The Law of the People's Republic of China on the Prevention and Control of Soil Pollution	
Land Administration Law of the.People's Republic of China	
The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste	
The Law of the People's Republic of China on Prevention and Control of Noise Pollution	

Laws and Regulations that Have a Significant Impact on the Group	The Group's Performance during the Reporting Period
Employment and Labor Practices	
The Labor Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, other benefits and welfare, prevention of child labor, and forced labor that have a significant impact on the Group.
The Labor Contract Law of the People's Republic of China	
Implementation Regulations of the Labor Contract Law of the People's Republic of China	
The Employment Promotion Law of the People's Republic of China	
The Law of the People's Republic of China on the Protection of Women's Rights and Interests	
The Law of the People's Republic of China on the Protection of Disabled Persons	
Regulations on the Employment of Disabled Persons	
Measures on Public Holidays and Memorial Days	
The Law of the People's Republic of China on Mediation and Arbitration of Labor Disputes	
Regulations on Paid Annual Leave for Employees	
Provisions on the Prohibition of Using Child Labor	
Health and Safety	
The Law of the People's Republic of China on Prevention and Control of Occupational Diseases	During the Reporting Period, the Group did not violate any laws and regulations related to providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group.
The Work Safety Law of the People's Republic of China	
Regulations on the Administration of Work Safety in Construction Projects	
The Fire Prevention Law of the People's Republic of China	
Administrative Measures for Emergency Response Plans for Work Safety Accidents	
Regulations on Reporting and Investigation of Work Safety Accidents	
Regulations on Work-Related Injury Insurance	
Anti-corruption	
The Criminal Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws and regulations related to the prevention of bribery, extortion, fraud and money laundering that have a significant impact on the Group.
The Anti-Unfair Competition Law of the People's Republic of China	
The Company Law of the People's Republic of China	
The Tendering and Bidding Law of the People's Republic of China	
Implementation Regulations of the Tendering and Bidding Law of the People's Republic of China	

APPENDIX II

INDEX OF THE SEHK'S ESG CODE

Mandatory Disclosure Requirements	Description	Disclosure Section or Explanation
Governance Structure	A statement from the board containing the following: (i) Disclosure of the board's oversight of ESG issues; (ii) The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) How the board reviews progress made against ESG-related goals and explain how they relate to the issuer's businesses.	Sustainability Governance
Reporting Principles	Description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report	Preparation Basis
Reporting Scope	An explanation of the ESG report's reporting scope, and describe the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope

General Disclosures and Key Performance Indicators	Description	Relevant Section of this Report / Explanation
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Shared Responsibility for Ecological Stewardship, APPENDIX I
KPI A1.1	The types of emissions and respective emissions data	Performance Data
KPI A1.2	[Deleted on 1 January 2025]	Performance Data
KPI A1.3	Total hazardous waste produced and intensity	Performance Data
KPI A1.4	Total non-hazardous waste produced and intensity	Performance Data
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Shared Responsibility for Ecological Stewardship
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Shared Responsibility for Ecological Stewardship
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Shared Responsibility for Ecological Stewardship
KPI A2.1	Direct and/or indirect energy consumption by type and intensity	Performance Data

General Disclosures and Key Performance Indicators	Description	Relevant Section of this Report / Explanation
Environmental		
Aspect A2: Use of Resources		
KPI A2.2	Water consumption in total and intensity	Performance Data
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Shared Responsibility for Ecological Stewardship
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Shared Responsibility for Ecological Stewardship *The Group does not have any issue in sourcing water that is fit for purpose
KPI A2.5	Total packaging material used for finished products and per unit produced	*The Group's business does not involve material use of packaging materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	Shared Responsibility for Ecological Stewardship, Green Construction
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Shared Responsibility for Ecological Stewardship, Green Construction
Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Driving Shared Success through Talent Excellence, APPENDIX I
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Driving Shared Success through Talent Excellence, Performance Data
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Safeguarding Health and Safety, Caring for Employee Well-Being, APPENDIX I
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years	Performance Data
KPI B2.2	Lost days due to work injury	Performance Data

APPENDIX II

General Disclosures and Key Performance Indicators	Description	Relevant Section of this Report / Explanation
Social		
Aspect B2: Health and Safety		
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Caring for Employee Well-Being, Safeguarding Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Collaborating for Shared Growth
KPI B3.1	The percentage of employees trained by gender and employee category	Performance Data
KPI B3.2	The average training hours completed per employee by gender and employee category	Performance Data
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Prevention of Child and Forced Labor, APPENDIX I
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Prevention of Child and Forced Labor
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Prevention of Child and Forced Labor *No such violations occurred during the Reporting Period
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Creating Sustainable Supply
KPI B5.1	Number of suppliers by geographical region	Creating Sustainable Supply
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Creating Sustainable Supply
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Creating Sustainable Supply
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Creating Sustainable Supply
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Enhancing Interactive Collaboration, APPENDIX I *The Group's business does not involve labelling

General Disclosures and Key Performance Indicators	Description	Relevant Section of this Report / Explanation
Social		
Aspect B6: Product Responsibility		
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Performance Data
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Customer Communication, Warranty Rectification, Performance Data
KPI B6.3	Description of practices relating to observing and safeguarding intellectual property rights	Intellectual Property Management
KPI B6.4	Description of quality assurance process and recall procedures	Warranty Rectification *The Group's business does not involve product recalls
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Information Management
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Integrity Drives Sustainable Growth, APPENDIX I
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Integrity Drives Sustainable Growth, Performance Data
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Integrity Drives Sustainable Growth
KPI B7.3	Description of anti-corruption training provided to directors and staff	Integrity Drives Sustainable Growth
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into consideration the communities' interests	Enhancing Social Well-being
KPI B8.1	Focus areas of contribution	Enhancing Social Well-being
KPI B8.2	Resources contributed to the focus area	Enhancing Social Well-being

APPENDIX II

Part D: "Comply or Explain" Provisions (Climate-related Disclosures)		Relevant Section of this Report / Explanation
(I). Governance		
19 (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities:		Governance
i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	
ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see session "Climate-related targets"), including whether and how related performance metrics are included in remuneration policies (see session "Remuneration");	
19 (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities:		
i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	
(II). Strategy		
Climate-related Risks and Opportunities		
20 (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;		Strategy
20 (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;		
20 (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur;		
20 (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.		
Business Model and Value Chain		
21 (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain;		Strategy
21 (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated.		

Part D: "Comply or Explain" Provisions (Climate-related Disclosures)		Relevant Section of this Report / Explanation
(II). Strategy		
Strategy and Decision-Making		
22 (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation:		*The Group has identified significant climate risks and opportunities. As the relevant financial quantification data was not fully prepared as at the reporting date, only reasonably available information is disclosed on a qualitative basis in accordance with the reasonable information exemption. The Company will continue to refine the current and anticipated financial impacts.
i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	
iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with "Climate-related targets" session;	
22 (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph		
23. disclose information about the progress of plans disclosed in previous reporting periods in accordance with 22 (a).		
Financial position, financial performance and cash flows (Current financial effect)		
24 (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;		*The Group has identified significant climate risks and opportunities. As the relevant financial quantification data was not fully prepared as at the reporting date, only reasonably available information is disclosed on a qualitative basis in accordance with the reasonable information exemption. The Company will continue to refine the current and anticipated financial impacts.
24 (b) the climate-related risks and opportunities identified in paragraph above for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.		
Financial position, financial performance and cash flows (Anticipated financial effect)		
25 (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:		*The Group has identified significant climate risks and opportunities. As the relevant financial quantification data was not fully prepared as at the reporting date, only reasonably available information is disclosed on a qualitative basis in accordance with the reasonable information exemption. The Company will continue to refine the current and anticipated financial impacts.
i)	its investment and disposal plans;	
ii)	its planned sources of funding to implement its strategy;	
25 (b) How the issuer anticipates its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.		

APPENDIX II

Part D: "Comply or Explain" Provisions (Climate-related Disclosures)		Relevant Section of this Report / Explanation
(II). Strategy		
Climate resilience		
26 (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:		Strategy
i)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience;	
iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
26 (b) how and when the climate-related scenario analysis was carried out, including:		
i)	information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
ii)	the key assumptions the issuer made in the analysis;	
iii)	the reporting period in which the climate-related scenario analysis was carried out.	
(III). Risk Management		
27 (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:		Risk Management
i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risk;	

Part D: "Comply or Explain" Provisions (Climate-related Disclosures)		Relevant Section of this Report / Explanation
(III). Risk Management		
iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Risk Management
iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	
v)	how the issuer monitors climate-related risks;	
vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
27 (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities);		
27 (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.		
(IV). Metrics and Targets		
Greenhouse gas (GHG) emissions		
28. disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) scope 1 emissions; (b) scope 2 emissions; (c) scope 3 emissions.		*The Group has completed disclosure of Scope 1 and Scope 2 greenhouse gas emission data. In the future, the Group will further assess and establish a Scope 3 greenhouse gas emission management system to improve the greenhouse gas disclosure system.
29 (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;		Metrics and Targets
29 (b) disclose the approach it uses to measure its greenhouse gas emissions including:		*The Group has completed disclosure of Scope 1 and Scope 2 greenhouse gas emission data. In the future, the Group will further assess and establish a Scope 3 greenhouse gas emission management system to improve the full-scope greenhouse gas inventory and management capabilities.
i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions;	
iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	

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Part D: "Comply or Explain" Provisions (Climate-related Disclosures)	Relevant Section of this Report / Explanation
(IV). Metrics and Targets	
Greenhouse gas (GHG) emissions	
29 (c) disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions;	*The Group has completed disclosure of Scope 1 and Scope 2 greenhouse gas emission data. In the future, the Group will further assess and establish a Scope 3 greenhouse gas emission management system to improve the full-scope greenhouse gas inventory and management capabilities.
29 (d) disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related risks, opportunities and carbon price	
30. disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	*The Group has disclosed the qualitative impacts of significant climate risks and opportunities. As the relevant financial quantification data was not fully prepared as at the reporting date, only reasonably available information is disclosed on a qualitative basis in accordance with the reasonable information exemption. The Company will continue to refine the current and anticipated financial impacts.
31. disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
32. disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
33. disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	*The Group is continuously improving its climate-related data statistics and management mechanisms. Currently, the capital expenditure, financing, and investment amounts related to climate-related risks and opportunities are still being compiled; disclosure is not yet available, and supplementary disclosure will be made in a timely manner as progress is made.
34 (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis);	*The Group has not yet adopted an internal carbon pricing mechanism, primarily because the coverage and industry-specific rules of the domestic carbon market are still being refined. The Group is continuously monitoring policy developments and industry practices and assessing the feasibility of introducing a carbon pricing mechanism.
34 (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	
Remuneration	
35. disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	*Climate factors have not yet been incorporated into the remuneration policy. The feasibility of including relevant metrics will be assessed in the future.
Industry-based metrics	
36. encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Performance Data

Part D: "Comply or Explain" Provisions (Climate-related Disclosures)	Relevant Section of this Report / Explanation
(IV). Metrics and Targets	
Climate-related targets	
37. disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	*The Group has set qualitative climate-related targets and disclosed action plans at the current stage. The feasibility of setting quantitative climate-related targets will be further assessed in the future to continuously strengthen climate performance management.
38. disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; (d) any revisions to the target and an explanation for those revisions.	Metrics and Targets
39. disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target: (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonization approach;	Performance Data *The Group has set qualitative climate-related targets and disclosed action plans at the current stage. The feasibility of setting quantitative climate-related targets will be further assessed in the future to continuously strengthen climate performance management.

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(IV). Metrics and Targets	
Climate-related targets	
(e) planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	*The Group has not yet purchased or used any carbon credits to achieve greenhouse gas reduction or net-zero targets.
Applicability of cross-industry metrics and industry-based metrics	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics and industry-based metrics.	Not Applicable

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