让空间有爱

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

寶龍地產控股有限公司

POWERLONG REAL ESTATE HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

Stock code: 1238

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About the Report

Reporting Description

Powerlong Real Estate Holdings Limited (the "**Company**" or "**Powerlong**") (stock code: 1238.HK) and its subsidiaries (collectively the "**Group**", "**we**" or "**our**") are pleased to issue its tenth Environmental, Social and Governance Report (the "**Report**").

The Report details the latest performances of the Group in terms of environmental, social and governance ("**ESG**") aspects in 2025, and its future planning and goals. The Report mainly covers the major business segments of the Group, including property development, property investment, commercial operation and residential property management, and other property development related businesses. The Group has disclosed most of the key performance indicators with descriptions to establish baselines for assessment to facilitate comparisons. For details of Powerlong's businesses, please refer to Powerlong's Annual Report 2025.

Reporting Scope

Unless otherwise stated, the Report covers the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**"), with the time period for relevant parts of the Report suitably extended. The reporting content in the Report is based on the principle of operational control, which covers all business segments under the Group.

Reporting Standard

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Code ("**ESG Reporting Code**") under Appendix C2 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), as well as the provisions of "mandatory disclosure requirement" and "comply or explain" set out in the ESG Reporting Code issued by the Stock Exchange.

Reporting Principle

In the course of preparing the Report, the Group applied the reporting principles in the aforementioned ESG Reporting Code as the following:

Materiality

Materiality review and assessment was conducted to review the Group's materiality issues for the Reporting Period and to focus on the identified materiality issues in the preparation of the Report.

Quantitative

The standard and methodologies used in the calculation of relevant data in the Report, as well as the applicable assumptions were disclosed.

Consistency

The preparation approach of the Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

Balance

The Report provides an unbiased picture of the Group's performance during the Reporting Period to avoid the selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Reporting Declaration

The Group attaches great importance in the materiality, quantitative, consistency, and balance of the Report. The Report comprehensively introduces the philosophy and policy, as well as the management process of ESG related issues of Powerlong. The Group ensures the reliability, authenticity, objectivity, and timeliness of the Report. By publishing the Report, the Group looks forward to enhancing the communication and collaboration with its stakeholders and further promoting the sustainable development of the Group in terms of environmental, social and economy. The disclosure content of the Report is mainly determined based on the materiality assessment and stakeholder engagement. Please refer to the chapter "Sustainability Management - Stakeholder Communication" for details of the process.

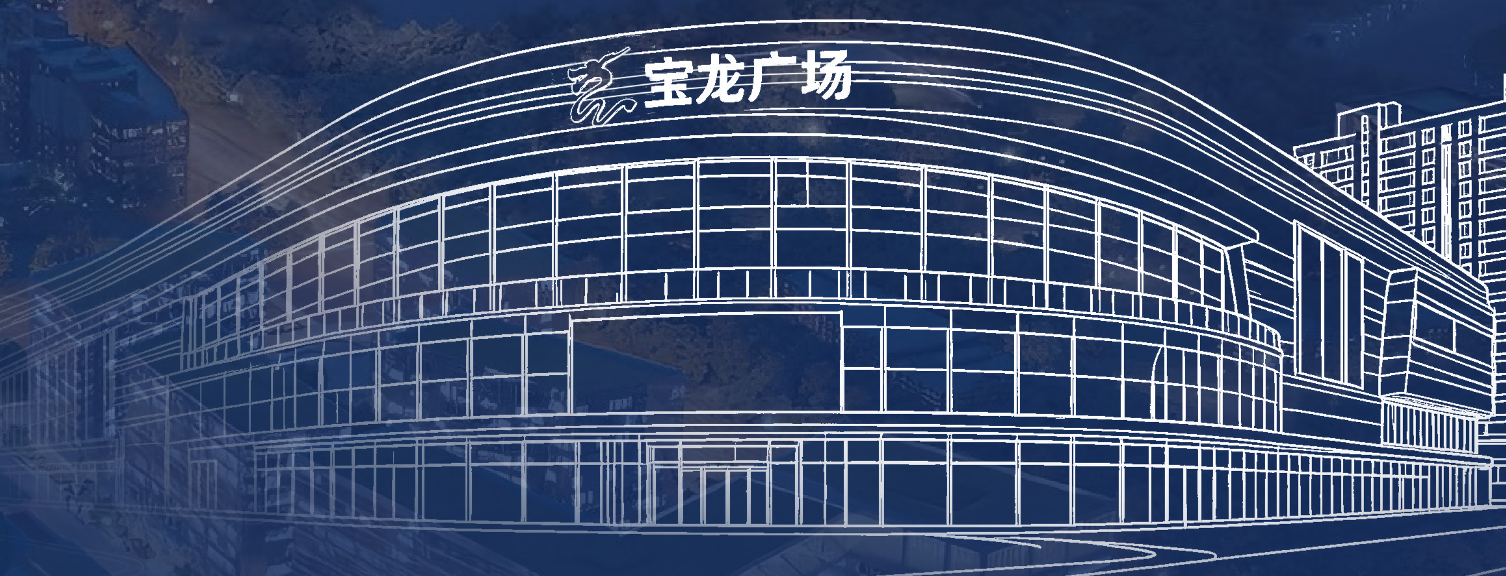
Confirmation and Approval

The Report was reviewed, confirmed, and approved by the Board (the "**Board**") of the Company on 30 March 2026.

Report Availability and Feedback

The electronic version of the Report can be accessed and downloaded at the website of the Stock Exchange (www.hkexnews.hk) and the Group's website (www.powerlong.com).

You are welcome to provide comments and suggestions on the Report or the Group's ESG work through email at boardteam@powerlong.com.



Message from the Senior Management

Chairman
Mr. Hoi Kin Hong

In 2025, in the face of the intricate and complex international environment, the economic operation of the People's Republic of China (the "**China**" or "**PRC**") was generally stable while making progress steadily. New achievements were made in high-quality development, with steady development of new quality productive forces, demonstrating strong resilience. The conditions supporting and fundamental trend underlying the long-term positive economic outlook remained unchanged. The real estate industry continued its overall trend of adjustment. Under the general policy keynote of stabilizing the property market and persistently fostering reversal of the downturn and stabilization of the market, the industry gradually moved from a stage of intense adjustments towards stabilization and recovery. Throughout the year, the market exhibited a development trend characterized by "stabilizing sales volume and prices, structural differentiation, and reshaping of expectations."

Faced with the challenges and opportunities presented by intense adjustments in the real estate industry in China, the Group has united with concerted efforts and proposed a five-year development strategy at the beginning of 2026, themed "reinvigorate Powerlong, co-create a new era" (再創寶龍，共啟新元). With "reinvigorate Powerlong" as the corporate strategic goal, the Group has constructed a "dual-core, dual-wing" (雙核雙翼) business system, namely "commerce + property" and "capital + innovation", to promote integrated and coordinated development. Guided by the "three good strategy" (三好戰略) as the core directive, namely good cities, good projects and good teams, the Group is building an "agile organization" and adhering to four principles: value focus, closed-loop accountability, self-driven collaboration and intelligent iteration, to ensure efficient execution. The Group has deployed "five key strategic initiatives" (五大戰役): reducing debt burden, refining operations, innovating content, strengthening capital and energizing the organization, as the key strategic focus for future development. The release of this five-year strategy marks a new starting point for the Group's march towards high-quality development. Focusing on key priorities for 2026, the property segment will continue to advance debt restructuring and optimize asset structure to create room for the Group's development; enhance sales capabilities to accelerate the sell through of large-scale projects and bulk transactions; continuously accelerate the pace of revitalizing and completing projects; and improve product strength to create quality projects that meet market demand. The commercial segment will focus on the five key initiatives (五大攻堅戰) of "space creation, smart operations, customer delight, growth, and talent" (造場、智營、悅客、增長、人才), aiming to create attractive commercial spaces and enhance spatial experiences; promote smart operations to improve management efficiency; enhance consumer loyalty through both hardware and software improvements and emotional connection; explore diversified growth paths to increase the value of commercial assets. The hotel and commercial office segment will strive to build benchmark projects, explore diversified and replicable operation models, expand its business territory, and enhance asset returns. Amidsta challenging macro environment, the Group will always adhere to prudent operations and firmly act as a responsible enterprise. All employees will keep in mind the corporate mission of "creating space full of love" and integrate the pursuit of quality into every detail. On the sales front, the Group will break through performance bottlenecks with the courage to solve problems; on the operations front, we will build differentiated competitive advantages; on the innovation front, we will explore new business growth points; and on the talent front, we will inject fresh blood into the corporate development. All employees are steadfast in their confidence, united in their efforts, and fully committed to promoting the implementation of the strategy, continuously contributing to the Group's stable and sustainable development and the virtuous cycle of the industry.

Powerlong Five-Year Strategy
Reinvigorate Powerlong

Business System	Agile Organization	Core Strategy	Key Strategic Initiatives
Dual-Core, Dual-Wing	Four Principles	Three Good Strategy	Five Key Strategic Initiatives
Commerce + Property	Value Focus, Closed-loop Accountability	Good Cities, Good Projects, Good Teams	Reducing Debt Burden, Refining Operations
Capital + Innovation	Self-driven Collaboration, Intelligent Iteration		Innovating Content, Strengthening Capital
			Energizing the Organization

We firmly believe that the Company's stable development must be rooted in the profound fulfillment of social responsibilities. The Group consistently integrates the core principles of ESG (Environmental, Social, and Governance) into its corporate strategy. We strictly adhere to national and local environmental regulations, strengthen our environmental management system, and vigorously develop green buildings and smart operations. Our goal is to achieve energy conservation and emission reduction in the operation of our commercial spaces and urban complexes, promoting the harmonious development of the city and the natural environment. We are deeply aware that "creating space full of love" is not only our corporate mission but also a solemn commitment to the environment, the community, and the future.

In the realm of social responsibility, we will continue to invest resources, focusing on community building and caring for vulnerable groups. We believe that the long-term value of an enterprise is intrinsically linked to the common well-being of society. By building harmonious communities and creating warm, people-centric commercial spaces, we are dedicated to giving back to society with the fruits of our development, contributing to social stability and prosperity.

Adhering to the initial intention of being a corporate citizen with social responsibilities, the Group will uphold its commitment to being a responsible enterprise and following a path of high-quality sustainable development. It will adhere to the corporate mission of "creating space full of love", follow the corporate values of "simple, truthful, prosper together, forward forever", and continue to live up to the corporate philosophy of "honest, modest, innovative and devoted". It will firmly gather the wisdom and power of all fellow folks of Powerlong, with the same goals and paths and embracing difficulties, to contribute to fostering the steady and healthy development and virtuous cycle of the industry, with a view to continually creating further values for the corporation, the society and the country.

Group Overview

About Powerlong

Introduction

The Group focuses on the development and operation of integrated commercial real estate projects. On 14 October 2009, the Company was listed on the Main Board of the Stock Exchange. On 30 December 2019, Powerlong Commercial Management Holdings Limited (9909.HK) ("**Powerlong CM**"), a subsidiary of the Company, was successfully listed on the Main Board of the Stock Exchange, as the first service provider in commercial management and operation on the Stock Exchange that operated based on an asset-light model.

As at 31 December 2025, the Group's commercial projects include the "Powerlong One Mall", "Powerlong City", "Powerlong Plaza", and "Powerlong Land" series, and its residential projects include a wide range of types of properties from mid-to-high-end commercial properties to villas, in addition to office buildings, hotels and apartments with comprehensive service offerings and high standards of positioning. With a diversified and three-dimensional business format, the Group is continuously improving the retail offerings of the cities in which it is located, as well as enhancing their quality. From contributing to the urbanization process in the PRC to integrating into the Yangtze River Delta, the Group has always followed the strategic direction of the national level, focusing on city clusters supported by the national macro-strategic policies and with high vitality in economic development, and has provided numerous employment opportunities for the society while meeting the growing demand for complex real estate in the PRC, and realising people's needs and dreams for their lives.

Business Overview

For the year ended 31 December 2025, the Group conducted its business activities in the following major business segments, namely (i) property development; (ii) property investment; (iii) commercial operation and residential property management; and (iv) other property development related businesses. During the year under review, property development remained as the main source of revenue of the Group.

Property Development

As at 31 December 2025, the Group had 191 projects across China, among which 144 projects were located in the Yangtze River Delta region, accounting for approximately 75.4% of the total number of the Group's projects nationwide. In the future, the Group will adhere to the "1+N" development strategy, which calls for thoroughly developing the Yangtze River Delta while paying attention to and exploring other opportunistic and high-quality regions.

The Group has been committed to the concept of value-based investment with optimal cost-effectiveness, and has strengthened its market monitoring and research in key cities in the region, refined its product positioning and acquired its land bank in strict compliance with the principle of value-based investment. As at 31 December 2025, the Group had a quality land bank amounting to a total gross floor area (**"GFA"**) of approximately 13.57 million square meters, approximately 56.9% of the Group's land bank are located in the Yangtze River Delta region. The remaining approximately 10.34 million square meters were completed properties held for sale and properties under development and construction, and the remaining approximately 3.23 million square meters were held for future development. The land bank under development will be used for the development of large scale commercial and residential properties with quality residential properties, serviced apartments, office buildings and hotels.

Property Investment

As at 31 December 2025, the Group had an aggregate GFA of approximately 8,322,130 square meters held as investment properties (including properties completed and under construction), which remained relatively stable as compared with 2024.

Commercial Operational Services and Residential Property Management Services

The Group provides a full range of commercial operation and residential property management services to the projects developed by the Group and other third parties. For commercial operational service, it specializes in providing integrated solutions including market positioning, merchant recruitment, business management and other value-added services. For residential property management service, it includes pre-sale management, property management and community value-added services, aiming to provide owners with a high-quality living environment. As at 31 December 2025, the Group held and managed 65 shopping malls and managed 7 asset-light shopping malls, with the number of shopping malls in operation held and the floor area in operation and management both being amongst the forefront of the industry.

Hotel business

The Group continues to develop its hotel business, regarding it as a long-term stable source of revenue. Focusing on international branded hotels and self-owned branded chain hotels, the hotel business is committed to providing high-quality service and client experience. As at 31 December 2025, the Group owns and manages 7 international branded hotels and 10 self-owned branded chain hotels.

Culture and Strategy

Corporate Mission
Creating space full of love

Development Vision
To become a respected century-old enterprise
The world's leading urban commercial operator

Values
Simple, Truthful, Prosper Together, Forward Forever

Corporate Spirit
Honest, Modest, Innovative and Devoted

Corporate culture

Sustainable Development Management

Board Statement

The Group adheres to the requirements of the ESG Reporting Code, strengthening the Board's involvement in the governance of the Company's Environmental, Social, and Governance ("ESG") affairs and actively integrating ESG into its business practices. The Company has established a clear ESG management system, defined responsibilities for ESG-related work, and is steadily advancing the implementation of sustainability-related issues within its management framework.

The Board leads and supervises ESG-related affairs, reviews ESG management strategies and policies, identifies, assesses, and manages ESG-related risks, ensuring that these risks are integrated into the Group's risk control and internal monitoring systems. For the risks identified, the Group has implemented targeted measures for control and continues to optimize the management and response strategies for ESG risks based on this foundation, to safeguard the stable development of the enterprise. In addition, the Board is also responsible for approving ESG objectives, overseeing their progress, and reviewing other significant ESG matters.

Through ongoing communication and stakeholder engagement, the Group has identified and assessed material ESG issues, resulting in the prioritization of 20 key ESG topics. The process for evaluating, prioritizing, and managing significant ESG matters is further detailed in the sections on "Stakeholder Communication" and "Materiality Analysis" within this chapter.

The Group has set ESG targets covering areas including climate change response. After review by the Board, the relevant strategies and results are disclosed annually in the ESG report.

The Company's 2025 ESG Report has been reviewed and approved by the Board of Directors on 30 March 2026.

Strategy and Objectives

Guided by a long-term perspective, the Group integrates sustainable development deeply into its strategic vision. It continuously refines its management strategy framework to faithfully fulfill its commitments to stakeholders, including shareholders, customers, employees, supply chain partners, the environment, and society at large—and strives to achieve synergistic benefits between economic performance and social value. This approach ensures the Group advances steadily and sustainably on its path toward long-term sustainable development.

Sustainable Development Model

Become a Respected Century-Old Enterprise
World-Leading Urban Commercial Operator

Sustainable Development Strategy and Objectives

Green Development	Products and Services	Employees and Social Contributions	Corporate Governance
Green Construction Green Operations Green Supply Chain	High-Quality Properties Innovative Service Experience Customer Rights Protection	Employee Rights and Care Occupational Health and Safety Employee Development and Growth	Risk Compliance Management Business Ethics Compliance Integrity and Self-Discipline Respect for Intellectual Property Rights
Organizational Structure	Institutional System	Human Resource Management	Financial Management

Integration of Sustainable Development Philosophy

ESG Governance Framework

The Group integrates significant ESG issues into corporate management and evaluation, innovatively establishing a vertical hierarchical ESG governance model that encompasses the Board of Directors, senior management, ESG working group, various functional departments, and subsidiary companies. This continuously enhances the level of ESG management and ensures the effective implementation of ESG practices.

Board of Directors → Leads and supervises ESG-related affairs, reviews ESG management strategies and policies, identifies, assesses, and manages ESG-related risks, ensuring these risks are incorporated into the Group's risk control and internal monitoring systems. Additionally, the Board is responsible for approving ESG objectives, monitoring their progress, and deliberating on other significant ESG matters.

Senior Management → Reviews the completeness, rationality, and execution of the ESG management system, evaluates and examines matters such as ESG strategic planning and risk control, and regularly reports to the Board of Directors.

ESG Working Group → Coordinates various functional departments and subsidiary companies to centrally implement policies and measures related to ESG issues and regularly reports progress and effectiveness to senior management.

Subsidiary Companies | **Functional Departments**

Stakeholder Communication

The Group maintains close connections with its stakeholders by establishing diversified and regular communication mechanisms and actively takes action to respond to their expectations and requirements, thereby enhancing mutual understanding and trust.

Key Stakeholders	Expectations and Requests	Responses
Governmental Departments	Policy implementation Tax contribution Environmental protection Information disclosure	Accept government supervision and inspection Proactive tax payment Construction of green building Disclosure of information on a regular basis
Investors (Shareholders)	Return on investment Risk control Operational regulation Sustainable development	General meeting Annual report and periodic reports Company website Corporate communication Delegations One-on-one conference Investment banking forum International roadshow
Employees	Remuneration and benefits Occupational health Career development Equal opportunities	Annual dinner Employee training Employee physical examinations Employee activities
Clients	Quality of product and services Information protection Safety and environmental protection	Client Satisfaction surveys Client privacy protection policy Interactive activities with clients Emergency and disaster relief drills Waste separation and recycling
Suppliers, Contractors, and Partners	Mutual benefit and win-win Transparency and equality Business integrity	Bidding policy Supplier selection system Consider environmental and social factors in supplier reviews
Communities and the Public	Community environment Maintain stability Harmonious development Rural revitalisation	Public donation Community building Community activities Rural area construction
Media	Timely communication	Organize media events on a regular basis
Commercial Tenants	Mutual benefit and win-win Transparency and equality Timely communication	Examine and verify commercial tenants before settlement Screening of commercial tenants Commercial tenant activities

Materiality Topic Analysis

The Group conducts a double materiality assessment by engaging with internal and external stakeholders through regular surveys, discussions, and other channels. This process considers dimensions such as policy trends, disclosure standards, investor concerns, and peer practices, while aligning with the characteristics of the sector and the Group's actual development. The materiality topics list is reviewed and updated, resulting in the identification of 20 ESG material topics as priority areas for the Group's sustainable development management and practices. These are highlighted for disclosure in this report.

Analysis Pathway

Step 1: Review the Context of Corporate Activities and Business Relationships

Look Inward

Review the Group's operational strategy and current development status

Examine the scope of business layout and the types of products and services provided

Focus on the upstream and downstream value chain to clarify business relationships

Look Outward

Monitor changes in laws, regulations, and regulatory requirements

Stay informed of trends and developments in the real estate industry

Analyze trends in capital market ESG index ratings

Impact on Stakeholders

Identify stakeholders involved in business operations

Analyze the extent to which stakeholders understand and participate in the Group's development

Assess how different stakeholders are affected by the Group's activities and business relationships

Step 2: Screen and Update the Material Topics List

Domestic and International Policy Analysis: Track international trend shifts, such as the UN Sustainable Development Goals (SDGs); stay aligned with national macro-policy requirements and real estate industry regulations to analyze sustainability trends in the sector.

Domestic and International ESG Standards Analysis: Integrate reference to IFRS S1 and IFRS S2 (collectively referred to as the "ISSB Standards"), the ESG Reporting Code, etc., to stay updated on the latest management standards and disclosure requirements for sustainability topics.

Capital Market Analysis: Draw on the assessment requirements of capital market ESG ratings and indices, including S&P Global Corporate Sustainability Assessment (S&P Global CSA), MSCI ESG Ratings, etc., to update the capital market rating topic library.

Peer Benchmarking Analysis: Benchmark against leading domestic and international peers' sustainability-related information disclosure to identify and determine key topics of industry concern.

Internal Development Analysis: Periodically review whether the ESG topics database aligns with the company's strategic objectives and business model, ensuring business relevance of the ESG topics.

Step 3: Confirm Materiality and Prioritize Topics

Conduct stakeholder questionnaire surveys targeting directors, supervisors, senior management, government and regulatory bodies, shareholders and investors, employees, customers, suppliers, communities, media, and other stakeholders to assess the degree of economic, environmental, and social impact of ESG material topics.

The Group's internal financial experts and the Board Office comprehensively consider the actual impact, expected impact, and likelihood of financial impact of each topic under financial transmission pathways, engaging in in-depth discussion and scoring.

Through surveys and internal deliberations, the overall priority of each topic is determined, resulting in the final identification of 20 material topics.

Step 4: Confirm Materiality and Prioritize Topics

The material topics and their priority order assessed and confirmed by the Group are ultimately reported to the Board of Directors. The Board reviews and confirms the results of the annual materiality assessment.

Materiality Topic Matrix

In 2025, among the 20 ESG material topics finalized by the Group, 7 are environmental topics, 10 are social topics, and 3 are governance topics. The list of topics and the materiality matrix are presented as follows:

Category	Topic Name	Topic Connotation
Environment	Waste management	Strengthen the management of waste disposal during production and operational processes, such as reducing emissions of waste gases, managing wastewater, treating solid waste, and controlling noise pollution. Properly dispose of waste materials and promote source reduction, waste classification, and recycling to minimise waste generation
	Greenhouse gas ("GHG") emission reduction	Establish greenhouse gas emission targets to reduce emissions generated during operations
	Energy management	Focus on energy conservation and cost reduction in daily operations. Pilot and promote the use of new energy sources, adopt energy-efficient devices and technologies, and improve energy efficiency
	Water resource management	Emphasize water conservation and recycling in all operational stages. Conduct regular inspections and install water-saving equipment to achieve water efficiency
	Response to climate change	Identify climate-related risks and opportunities facing different business units within the Group and enhance climate risk management capabilities
	Biodiversity conservation	Plan and utilize land and other natural resources rationally during development processes. Actively practice and advocate for biodiversity conservation
	Development and operation of green projects	Adhere to green building evaluation standards, integrate environmental protection concepts into design and construction, manage the building's environmental footprint throughout its lifecycle, and maximize resource conservation while minimising the negative environmental impacts of construction

Category	Topic Name	Topic Connotation
Society	Employee compensation and benefits	Continuously optimize the employee compensation and benefits system to offer competitive market-based salaries. Improve the performance appraisal system with incentives and provide all employees with both statutory and non-statutory benefits
	Occupational health and safety	Establish robust systems for employee health and safety management. Conduct hazard identification and mitigation efforts, provide safety awareness and skills training, and ensure comprehensive employee safety
	Employee training and development	Continuously invest in employee development by providing training programs tailored to employees' job responsibilities and offering excellent career advancement opportunities
	Protection of employee rights and interests	Adhere to equal employment principles, comply with statutory working hour requirements, and safeguard employees' legal rights and interests. Foster a fair and equitable workplace and establish multiple communication channels to resolve employee concerns
	Diversity and inclusion	Foster a diverse and inclusive employee team by integrating differences in gender, race, age, culture, and experience. Value individual differences, create an equal and welcoming work environment, and ensure a workplace free from discrimination
	Supply chain management	Clearly define the end-to-end lifecycle management process for supplier onboarding, evaluation, and exit. Identify supply chain risks, mitigate environmental, social, and occupational safety hazards, and establish a standardized, fair, and unified sustainable supplier management system.
	Product and service quality	The whole process of project design, development, and construction takes comprehensive consideration of the design concept, material quality, and construction safety. Continuously improve the customer service management system to ensure the quality of products and property operation services, and provide better service experience
	Health and safety of clients	Assess the impact of our products and services on client health and safety. Establish safety management systems and emergency response plans to protect client health and safety
	Client information and privacy protection	Comply with relevant laws and regulations on information security and privacy protection. Clearly define compliance requirements for personal information throughout the data lifecycle and establish incident response plans to ensure the security and privacy of clients' personal information
	Public welfare	Enhance community engagement, build harmonious neighbourhood relationships, and promote community cohesion. Actively fulfil corporate social responsibilities by organising employees to participate in community volunteer activities and supporting corporate donations

Category	Topic Name	Topic Connotation
Governance	Anti-corruption and anti-bribery	Conduct regular internal audits and monitoring to identify and mitigate integrity risks. Strengthen reporting and resolution mechanisms for corruption cases, and offer anti-bribery and anti-corruption training
	Business ethics	Focus on integrating business principles and ethics, emphasising integrity in partner relationships to avoid unfair competition. Foster a mutually beneficial and transparent business environment
	Corporate governance	Adhere to legally compliant and sustainable operations. Continuously improve information disclosure practices to ensure all business activities balance environmental, social, and economic considerations

Powerlong Environmental, Social and Governance Materiality Matrix

01 Efficient Governance and Compliance Foundation

Enhancing Compliance Management

The Group strictly adheres to relevant laws and regulations, including the *Anti-Money Laundering Law of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Interim Provisions on Prohibiting Commercial Bribery* and the *Anti-Unfair Competition Law of the People's Republic of China*. It continuously improves its compliance governance mechanisms, strengthens the prevention of compliance risks, monitors violations, and responds to non-compliant incidents. The Group firmly opposes improper practices such as money laundering, bribery, corruption, and fraud, and works to uphold a fair and competitive business environment.

To further enhance compliance management, the Group continues to leverage the role of internal supervisory bodies and continuously improves a series of management systems, including the *Powerlong Group Employee Handbook*, *Employee Integrity and Self-Discipline Regulations*, and *Powerlong Accountability System and Regulations*. In response to the latest policies and regulations, the Group conducts comprehensive training for all employees and reinforces the promotion of legal and compliance awareness to enhance employees' understanding of and adherence to laws and regulations.

Strengthening Integrity Oversight

To uphold the corporate value of "simple, truthful, prosper together, forward forever", the Group maintains a zero-tolerance attitude toward all forms of non-compliance, dishonesty, corruption, and disciplinary violations. It proactively opens various channels for social supervision, implements whistleblower protection and reward policies, and systematically builds internal and external oversight mechanisms to continuously foster a clean and upright environment.

Diversified Oversight Channels

Telephone Reporting
400-680-1238（Working Hours 9:00-18:00)

Email Reporting
jianshen@powerlong.com

Mail Reporting
6th Floor, Powerlong Tower, 1399 Xinzhen Road, Minhang District, Shanghai, China

WeChat Reporting
Follow the "Sunshine Powerlong" WeChat service account or scan the QR code.

Whistleblower Protection Measures

Confidential Reporting Policy

A dedicated whistleblower protection policy has been formulated to comprehensively safeguard the career development and personal rights of whistleblowers, ensuring they are not subject to any form of retaliation or discrimination due to lawful reporting or cooperation with investigations.

Real-Name Priority Policy

We encourage reporting under one's real name. Real-name reports are prioritized for handling, with timely feedback on acceptance status and notification of investigation results.

Verification Reward Policy

We achieve a 100% response and feedback rate for all reports received. Employees who step forward to report issues will be commended and rewarded by the Group based on actual circumstances.

Fostering an Integrity Culture

The Group is committed to cultivating a culture that respects and upholds integrity. Integrity education and communication are tailored to different stakeholder groups, aiming to enhance integrity awareness both within the Group and with partners. Integrity education is institutionalized and regularized to foster a transparent and fair business environment.

Employee Integrity Management

- Conduct annual integrity training for all employees of the Group.
- Department managers and above, as well as employees in procurement and bidding departments, are required to sign the *Employee Integrity and Self-Discipline Commitment Letter*.
- Implement specialized integrity and compliance briefings for property management and marketing department employees.
- The "Sunshine Powerlong" service account regularly publishes anti-corruption content.

Supply Chain Integrity Management

- Promote integrity and honesty within the supply chain. Partners are required to sign the *Integrity and Law Compliance Guarantee Letter* before bidding or conducting business to ensure their operations comply with laws, regulations, and integrity standards.

Respecting Intellectual Property Rights

The Group strictly complies with laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, consistently prioritizing intellectual property (IP) protection at a strategic level. By improving internal and external management mechanisms, enhancing IP protection awareness among all employees, comprehensively mitigating infringement risks, and striving to create a sustainable operational environment that respects knowledge, encourages innovation, and safeguards rights.

Internal Management	External Management
Establish a full-process sensitive information protection system to ensure the security and confidentiality of core information such as technical data and business data generated during operations.	Prevent and strictly prohibit any form of infringement, effectively protecting the IP rights of suppliers, contractors, and other partners.
Refine specialized IP management systems, designating the legal affairs department as the responsible entity fully accountable for implementation, dynamic supervision, and effective evaluation.	Strictly adhere to principles of fairness and integrity, committed to building an innovative environment that respects IP and promotes fair competition.
Develop an infringement risk warning, response, and handling mechanism, conduct regular compliance reviews, and organize specialized training to enhance IP protection capabilities.	

Building a Sustainable Supply Chain

The Group places great importance on cooperative relationships with suppliers. It has established a full-process supply chain management standard covering access, assessment, and exit, constructing a sustainable supply chain system. This effectively identifies and mitigates potential supply chain ESG risks, promotes responsible procurement, and aims to achieve sustainable mutual success through joint efforts with all parties.

Responsible Procurement

In procurement activities, the Group adheres to the principles of fairness, impartiality, and transparency. Tendering is conducted through open online platforms, and integrity compliance clauses as well as complaint and reporting channels are clearly stated in contracts and on the official website, ensuring a transparent and compliant procurement process. Additionally, we have established "quality, safety, and environmental protection" as unified evaluation criteria and conduct on-site assessments of all potential partners simultaneously, ensuring equal participation in competition and safeguarding fairness and impartiality throughout the entire procurement process.

Simultaneously, the Group comprehensively implements green procurement standards for real estate, prioritizing environmental friendliness, energy efficiency, low consumption, and comprehensive resource utilization capabilities as core selection criteria. We prioritize cooperation with suppliers meeting these requirements, procuring their raw materials, products, and services. For example, in wood product procurement, we prioritize suppliers certified by the Forest Stewardship Council (FSC), supporting the development of a responsible forest products industry through concrete actions.

Supplier ESG Risk Management

The Group incorporates suppliers' environmental and social responsibility performance as a key consideration in procurement decisions. During the supplier selection process, it consistently implements a "7+4" control system, evaluating and selecting suppliers across two dimensions—"General" and "Specific"—to effectively manage environmental and social risks within the supply chain.

General Dimension	Includes evaluation factors such as corporate background, reputation, business scale, historical performance, labor teams, and utilization of local resources.
Specific Dimension	Includes evaluation factors such as the enterprise's local experience, labor management, and employment practices.

In-Depth Partner Engagement

When choosing partners, we conduct thorough background checks, including credit evaluations and reviews of illegal records, and investigates their historical performance, labor protection and human rights performance. In addition, we conduct on-site visits to potential partners, with quality, safety and environmental protection as core indicators, to ensure that all partners meet the unified entry standards and guarantee the fairness and impartiality of the process. Currently, we conduct tenders through a transparent and open online platform and clearly lists integrity and compliance terms and complaint and reporting channels in the contract and on the official website to promote transparency and compliance in the supply chain.

02 Excellence in Service Quality Builds Trust

Upgrading Property Quality

Property development, investment, and management have long been core business areas that Powerlong has deeply cultivated over the years. We are well aware that property quality and safety are fundamental to maintaining social trust and safeguarding brand reputation and are the very cornerstone for consolidating the sustainable development of our corporate brand. To this end, we consistently adhere to the operating philosophy of "Building Excellence with Meticulous Craftsmanship". Driven by high quality as the core and innovation as the engine, and leveraging digital transformation as a key tool, we continuously iterate and upgrade our full-cycle quality management system. With a spirit of striving for perfection, we steadily enhance the brand's influence within the industry and its social reputation.

Throughout the entire life cycle of property development—from engineering design and planning, project construction, and quality control, to project completion acceptance, and operational maintenance services during the statutory warranty period, the Group consistently adheres to compliance standards. We strictly benchmark against relevant national laws, regulations, and industry standards, ensuring product quality through full-process compliance control. We are committed to creating property products that combine quality value with sustainable attributes, building a healthy living environment across multiple dimensions. As of 31 December 2025, the Group held and managed 65 shopping malls and managed an additional 7 light-asset shopping malls. The number of open shopping malls held, and the total operational management area ranked among the industry's top tier.

Full Lifecycle Quality Control

Engineering Design

- In accordance with the *Engineering Management System*, comprehensively review architectural engineering plans, including careful examination of design and construction drawings, ensuring all engineering activities meet company quality and safety standards.

Project Construction

- The engineering department of the project company is responsible for the daily management and control of contractors and supervision units.
- Regular work meetings are held with contractors and material suppliers to discuss progress and issues, avoiding losses to the project.

Quality Control

- The technology department is responsible for formulating construction methods and standards, ensuring they are advanced and of superior quality.
- Independent third-party institutions are engaged to conduct quality measurements and inspections, issuing reports and providing recommendations and measures for improving the quality system.

Completion Acceptance

- After completion, the project manager, together with the engineering department and other relevant units, conducts final acceptance based on relevant acceptance standards.
- Before project handover, the engineering department conducts comprehensive inspections of construction work to ensure compliance with design requirements and engineering quality standards, reducing post-handover complaint risks related to housing quality.

Operation & Maintenance Service

- A comprehensive product handover care system has been established.
- A dedicated property management department is specially set up, responsible for property management and maintenance post-project completion.

Building a Healthy Living Environment Across Multiple Dimensions

Upgrading Noise-Reduction Equipment for a Peaceful Daily Life

In the development of commercial complexes, office buildings, and hotels, low-noise equipment is selected, and green sound insulation belts are installed to effectively block external traffic noise and internal crowd noise, creating tranquil work and living spaces.

Improving Air Quality, Caring for Respiratory Health

An indoor air quality management system are introduced to monitor and regulate indoor air quality in real-time. Eco-friendly building materials are selected, and greenery arrangements are enhanced to ensure fresh and harmless air in consumption, office, residential, and living spaces.

Preventing Light Pollution, Creating a Comfortable Visual Environment

In the development and operation of commercial complexes, office buildings, hotels, etc., we implement scientific lighting environment design, rationally arrange lighting fixtures, and enhance indoor comfort.

Improvement of service experience

Upholding the corporate mission of "creating space full of love" and with deep empathy for occupants, the Group leverages technology to deeply cultivate the construction of warm spatial scenes. Through technological means, we integrate and efficiently consolidate the functions of multi-format spaces such as commercial complexes, office buildings, and hotels. Centering on the four core needs of consumption, work, living, and lifestyle, we create technology-infused, community-connected spaces that foster a sense of belonging, allowing every customer to enjoy a quality work and life experience.

The Group focuses on advancing the "Customer-Oriented Program". Centered on the three main service areas of commercial operations, property services, and hotel services, we use technology to comprehensively integrate and upgrade service touchpoints, continuously improving customer service quality and standards. Simultaneously, through online and offline touchpoint research, we conduct multi-perspective service supervision to drive timely service improvements and enhance customer satisfaction.

Commercial Operation

The Group actively explores the "Smart + Commercial Complex" model, refining future digital community operations and innovative scenario application technologies to enhance the comprehensive operational capabilities of commercial plazas. We aim to create intelligent, comprehensive commercial service entities, presenting consumers with brand-new shopping and lifestyle experiences.

Our commercial operations center has established a routine customer research mechanism, regularly organizing customer satisfaction surveys and in-depth analysis of consumption habits. We systematically gather customer feedback on dimensions such as management efficiency and service experience, forming a closed-loop management system of "research – feedback – improvement – enhancement". This enables us to continuously meet customer needs with dynamically adjusted service strategies and steadily improve service quality.

Grand Opening of Nanjing Jiangning Powerlong Plaza

On December 29, 2025, Jiangning Powerlong Plaza, located at the intersection of Danxia Street and Kaicheng Road in Jiangning District, opened its doors, reshaping community living experiences with meticulous service.

Situated in the core area of Qilin Science and Technology Innovation Park, the mall integrates multiple formats including retail, dining, fitness, and cultural entertainment, serving a population of approximately 400,000 within its radius. As the first full-format commercial complex in the area, it precisely filled the gap for large-scale commercial facilities in the region. The 80,000-square-meter shopping center focuses on lifestyle and social scenes, introducing over 200 brands, with more than 70% being first-time entrants to the area. It provides residents with a full-chain, diversified consumption experience covering "food, accommodation, transportation, tourism, shopping, and entertainment", catering to consumers' demands for personalized consumption.

Opening of Wuyishan Powerlong Plaza Project

Wuyishan Powerlong Plaza officially commenced operations on 30 May 2025. As a key construction project in Nanping City and an important component of Powerlong Commercial's Fujian portfolio, it is the 12th commercial project launched by Powerlong Commercial in Fujian and the first city-level commercial complex in Wuyishan. With a construction area of nearly 70,000 square meters in the city's core area, the project brings together 150 premium merchants. It aims to create a new commercial model integrating "urban gathering place, cultural tourism window, and consumption hub". Through high-quality service, it enhances the sense of gain and happiness among consumer groups, adding a new commercial vibrancy to the "clear waters and verdant mountains" of Wuyishan, achieving a unity of economic and ecological value.

Property Management

The Group empowers property services with smart technology, integrating all elements of the community including people, location, assets, situations, and events. This breaks down information silos, achieves cross-system data interoperability, and enables full-scenario intelligent upgrades. This initiative not only improves property management efficiency but also reshapes smart service capabilities and enhances the property service experience.

Relying on digital platforms such as WeChat official accounts, our group promptly delivers property information to ensure that owners and tenants are informed of building updates. We have also established a regular communication mechanism to widely collect the opinions and suggestions of residents and tenants, accurately match service demands, and provide timely feedback to enhance the quality of property services.

Hotel Operation

The Group's hotel business focuses on two key pillars: international brand hotels and self-owned branded chain hotels. We are actively pursuing a comprehensive "dual-track" development strategy. Over recent years, we have integrated cultural and artistic elements into traditional hotel operations, striving to realise its vision of "Sighting Arts at the Hotel, Immersing Arts in Life". Our goal is to ensure that every guest can fully immerse themselves in an artistic environment during their stay.

To meet the diverse lodging preferences of different client groups, the Group has formed strategic partnerships with several world-class hotel brands, collaboratively developing a range of luxury hotel initiatives. Our partners include W, Le Méridien, Radisson, Radisson Blu, Four Points by Sheraton and Wyndham. By offering guests varied lodging options, we aim to satisfy the diverse travel preferences of our clients.

The Group further deeply embeds artistic elements into every aspect of hotel space design and commercial scenario operations, crafting immersive artistic hospitality experiences for each guest, allowing them to enjoy unique and unforgettable moments in an environment rich with cultural atmosphere. This initiative not only empowers the enhancement of commercial value but also practically implements the concept of sustainable development, promoting the inheritance and dissemination of culture and art.

Creating Immersive Artistic Hospitality Experiences with Brand Hotels

The Group is dedicated to establishing a series of core hotel brands centered around "JUNTELS," "ARTELS+ Collection," "ARTELS+," and "ARTELS." From hotel design, construction, and renovation to the provision of facilities, every step incorporates ingenious design concepts. We place great emphasis on infusing the unique charm of the city where each hotel is located, along with its local culture, style, and historical elements, into the hotel environment. This allows guests to enjoy unforgettable moments in an artistically rich setting.

Safeguarding Customer Rights and Interests

The Group strictly adheres to national and local government policies, always taking the protection of customers' legitimate rights and interests as the core principle and value orientation of its business development, deeply integrating it into the entire process of business operations and services. We have established a comprehensive product delivery care system, improved multi-channel customer feedback mechanisms, and perfected the full-chain data management and security protection system. With professional and rigorous service standards and efficient and agile response capabilities, we provide all-round protection for customers' usage rights and information security rights.

Responsible Marketing

Powerlong adheres to the principle of fair trade, continuously improving the marketing review and process control system. Through regular inspections and conducting responsible marketing training, we ensure legal and compliant sales, achieving fair, open, and transparent transactions, and safeguarding customers' right to know and safe consumption rights.

Specific Responsible Marketing Measures

- Conduct on-site spot checks and regular inspections to ensure transaction fairness.
- Ensure sales materials are complete and traceable, effectively enabling verification based on records.
- All project disadvantages are clearly disclosed on-site before handover, visible and verifiable by customers.
- Provide various forms of "online and offline" responsible marketing training for sales personnel to ensure marketing information complies with legal norms, free from exaggeration or false statements.

Quality Delivery and After-Sales Service

The Group strictly adheres to the Guidelines of *Property Opening, Handover, and Warranty Period Expiration Handover system*, strengthens the management of the entire product delivery process, and establishes dedicated positions with specific responsibilities. This ensures the smooth progression of after-sales housing services and repair work during the warranty period, thereby enhancing the quality of property maintenance after product handover.

Management of the Entire Product Delivery Process

Pre-Delivery

- Publicly release service standards and related content, simultaneously open show flats, and conduct specialized tasks such as pre-opening risk assessments and mystery shopper visits.
- Provide detailed explanations of purchase agreement terms for clients, construction methods and techniques, display material and component samples, and introduce the prospective homeowner care plan.
- Organize site visits and meetings for prospective property owners.

During Delivery

- Conduct preparatory work by mailing delivery documents in advance, while simultaneously planning functional zones and preparing materials for the delivery site.
- Provide one-on-one professional guidance for unit inspection and organize joint inspections involving multiple departments such as engineering, property management, and customer service.

Post-Delivery

- Establish a lean and efficient repair service process, implement a monthly repair satisfaction callback mechanism, and conduct specialized quality re-inspections one year after occupancy.
- Respond promptly to customer requests and publicly disclose property management fee standards and home repair service charges.

Client Satisfaction, Feedback, and Complaint Handling

The Group continuously deepens the development of its customer complaint response mechanism, further streamlines multi-channel complaint feedback pathways (both online and offline), and strictly formulates standardized, transparent, and comprehensive procedures for the entire complaint handling process. This ensures the rapid, accurate, and efficient collection, analysis, and resolution of various customer complaints and reasonable suggestions, effectively safeguarding customers' legitimate rights and interests.

Targeting the two core businesses of property management and hotel operations, and considering their distinct business models and service scenarios, we have established systematic and diversified customer feedback mechanisms. By integrating multiple channels such as on-site reception at service desks, a 24-hour customer service hotline, and the official WeChat public account, we have built a convenient and efficient information exchange platform. This ensures the timely collection of various customer requests and enables quick response and efficient resolution, tangibly improving the customer service experience.

Through thematic discussions, the Group formulates targeted and feasible solutions for common issues or areas of concentrated feedback from customers. These measures include, but are not limited to, optimizing service policies, refining service processes, and strengthening service details. This ensures an effective response to core customer needs, fostering a harmonious relationship with customers and enhancing customer service satisfaction.

Information Security and Privacy Protection

The Group strictly abides by relevant national laws and regulations concerning data security and privacy protection, implements multiple measures, and applies security protection throughout the entire lifecycle of private customer data such as personal information and transaction records. This aims to eliminate risks of information leakage and misuse at the source, fully safeguarding customers' information security rights. Simultaneously, we have formulated and continuously improved internal management systems such as the *Customer Information Management Work Instructions*, further standardizing the entire process of customer information collection, storage, use, and destruction. The Group solemnly promises customers that collected information is used solely for providing agreed-upon services. Without customers' Explicit Written consent, such information will never be disclosed to any third party or used for other non-agreed purposes. During the Reporting Period, Powerlong did not experience any data security disputes.

A Multi-pronged Approach to Protecting Customer Privacy and Information Security

- Electronically stored customer information is password-protected; unauthorized copying is strictly prohibited.
- Hard-copy customer information archives are managed by designated information administrators; unauthorized viewing, copying, or destruction is prohibited.
- Customer information within systems is managed by designated information administrators, with corresponding levels of access and management permissions set.
- Customer files are managed by dedicated personnel; reviewing or borrowing files requires administrator approval. Leaking file contents is strictly forbidden.

03 Advancing Towards Zero Carbon, Crafting Green with Ingenuity

Responding to Climate Change

Responding to climate change is a global issue and a common challenge for humanity. Powerlong deeply integrates climate change response into its corporate development strategy. The company formulates climate risk management strategies and targets, systematically identifies risks and opportunities arising from climate change, innovatively undertakes climate actions, and continuously enhances resilience to climate risks.

In accordance with the climate-related disclosure requirements of the ESG Reporting Code and referencing the disclosure recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD) and *International Financial Reporting Standard S2 – Climate-related Disclosures*(IFRS S2), the Group carries out its climate change response efforts centered on four main areas: Governance, Strategy, Risk Management, and Metrics & Targets. The identification, assessment, and management of climate risks are integrated into the company's strategic decision-making and risk management systems. This establishes a robust long-term mechanism, tangibly enhances climate change response capabilities, effectively seizes opportunities from green transition development, and drives corporate sustainable development. During the Reporting Period, we commissioned a third-party professional organization to conduct an in-depth assessment of climate-related risks. This assessment used a combination of qualitative and quantitative analysis methods, selecting appropriate climate scenarios and parameters based on the Group's business characteristics and development trends, providing effective support for subsequent risk prevention and control.

Governance

The Group treats the governance of climate-related risks and opportunities as a key component of its ESG management system, striving to integrate climate change response into the company's long-term development strategy through a systematic governance structure. The Board of Directors regularly reviews progress on climate targets and risk management, ensuring climate governance aligns with the company's business direction. A governance structure comprising the Board of Directors, senior management, and the ESG leadership team has been established, clarifying layered responsibilities and strengthening climate governance capabilities. The Board will ensure it has, or will develop, appropriate skills and competencies to discharge the Board's responsibility in overseeing climate-related risks and opportunities. The Board will conduct periodic reviews of its skills matrix and governance needs (including climate expertise), consider relevant experience when appointing directors, management and leadership. Where necessary, the Company will engage external advisers to provide specialist climate and scenario analysis input to support Board deliberations and oversight of climate strategy, risk management and target-setting.

Organization		Duties	Frequency
Decision-making Level	Board of Directors	• Determine the Company's climate change management structure and strategies. • Ensure the establishment of appropriate and effective climate-related risk management and internal control systems. • Responsible for listening to the discussion outcomes of important climate-related matters and monitoring progress on climate change-related targets. • Be informed of, and review, climate-related risks and opportunities. • Bear ultimate responsibility for the Group's climate change-related decisions and carbon reduction performance, overseeing and listening to work reports from senior management. • Responsible for systematically considering the relevant risks and opportunities arising from climate change when formulating corporate strategy, business plans, major transaction decisions, and risk management policies.	Annually
Management Level	Senior management	• Determine the management objectives, policies, and implementation pathways for climate change issues, and integrate them into decision-making and management processes. • Confirm the assessed and identified ESG (including climate change) related risks and opportunities including any trade-offs associated with climate-related risks and opportunities. • Decide on ESG (including climate change) related management systems and work procedures. • Decide on ESG (including climate change) work plans and evaluate completion status. • Regularly report progress to the decision-making level. • Manage other company matters related to ESG (including climate change).	Semi-annually
Execution Level	ESG Working Group	• Responsible for implementing and executing the corresponding climate change work in accordance with the Companys' annual work plan and development strategy. • Regularly report execution status and work effectiveness to the management level, promoting the integration of climate change-related matters into daily operations.	Multiple times a year, as needed

Strategy

Scenario Setting for Risk Analysis

Based on the Regional Investment and Development Model (REMIND[1]) and the Group's property project data, the Group incorporates temporal factors to conduct climate risk exposure analysis for its businesses and assets across different locations. This analysis covers 10 types of extreme climate risks, including extreme heat, tropical cyclones, and coastal flooding. Taking the provinces and municipalities where the projects are located as units, the Group systematically conducted a comprehensive analysis of climate change-related risks and opportunities across three time dimensions – short-term, medium-term, and long-term. This analysis was based on two primary climate assumptions: a 1.5°C temperature increase by 2100 (Orderly Scenario) and a 3°C increase (Hot House World Scenario).

Scenario Setup	Prediction Model	Scenario Name	Temperature Rise	Description
Central Banks and Supervisors Network for Greening the Financial System (NGFS)	REMIND	Orderly	By 2100, the temperature rise is controlled at 1.5℃.	"Net Zero Emissions by 2050": Achieve net zero carbon dioxide emissions around 2050 through strict climate policies and innovation, limiting global warming to 1.5℃.
		Greenhouse World	By 2100, the temperature increase will be 3℃ or above.	Implementing only the current policies, assuming no implementation of "Nationally Determined Contributions (NDCs)[2] contingency plan".

Definition of Short-term, Medium-term, and Long-term

Short-term	Medium-term	Long-term
2025-2030	2030-2050	2050-2080

[1] The Regional Model of Investments and Development (REMIND) is a numerical model that represents the future evolution of the world economy, with a particular focus on the development of the energy sector and its impact on our world climate. The model takes into account the regional trade characteristics of goods, energy fuels, and emission quotas, and includes all greenhouse gas emissions caused by human activities.

[2] Nationally Determined Contributions (NDCs) are national plans and commitments proposed by countries to reduce greenhouse gas emissions and address climate changes. These contributions reflect efforts of countries to mitigate and adapt to the climate change, aiming to achieve long-term objectives set in the *Paris Agreement*, namely keeping the rise in global average temperature within 2℃ above pre-industrial levels, and working to limit it to 1.5℃.

Analysis Results of Physical Risks

Based on the geographical distribution of its assets, the Group classifies the potential various climate-related physical risks it may face into four risk levels—Low, Medium, Relatively High, and High—according to their likelihood of occurrence, and discloses them as follows:

Risk Type	Currently	1.5℃	3℃
Chronic: extreme precipitation	Medium-high risk	Medium-high risk	Medium-high risk
Chronic: extreme heat	Medium-high risk	Medium-high risk	Medium-high risk
Acute: wildfire	Medium-high risk	Medium-high risk	Medium-high risk
Acute: fluvial flooding	Medium risk	Medium risk	Medium risk
Chronic: extreme cold	Medium risk	Medium risk	Medium risk
Acute: tropical cyclones	Medium risk	Medium risk	Medium risk
Acute: river low flow	Medium risk	Medium risk	Low risk
Acute: coastal flooding	Low risk	Low risk	Low risk
Chronic: wind gusts	Low risk	Low risk	Low risk
Chronic: extreme snowfall	Low risk	Low risk	Low risk

Risk Level:

Low	Medium	Medium-high	High

Building on the moderate-to-high physical risks highlighted in the heatmap above, and considering their short-, medium-, and long-term impacts on the Group's business, financials, and value chain, the Group has proactively planned ahead and formulated a systematic and comprehensive risk mitigation strategy. Through forward-looking preventive measures, the Group effectively enhances its risk resilience and operational continuity amid environmental changes, actively tackling the challenges posed by climate change.

Physical Risk Assessment

Risk Type	Time Horizon	Value Chain Impact	Potential Business Impact	Potential Financial Impact	Mitigation Measures
Extreme Precipitation	Short-term Medium-term Long-term	Upstream Operations Downstream	• In South China, short-duration heavy rainfall poses risks such as roof leakage, basement water ingress, power outages, and temporary work stoppages at construction sites and property assets including shopping malls.	• Project delays, extended development cycles, direct economic losses, additional construction costs. • Basement/parking flooding leading to extra O&M costs.	• Deploy flood prevention work before rainy season; equip necessary flood control supplies. • Strengthen inspections during rainy season; optimize equipment layout in low-lying and permeable areas. • Inspect electrical safety to ensure safety and stability of construction sites.
Extreme Heat	Short-term Medium-term Long-term	Upstream Operations Downstream	• In South China, outdoor work may halt, impacting construction efficiency • Increased use of cooling equipment raises energy consumption.	• Increased high-temperature subsidies, higher labor costs, reduced work efficiency, project delays, affecting cash flow. • Higher air conditioning energy consumption, increased operational costs, potential equipment failure leading to higher maintenance costs.	• Adjust construction schedules to avoid outdoor work during peak heat seasons. • Apply technological innovations to improve construction efficiency and quality. • Promote energy-efficient building designs, use high-efficiency insulation and windows/doors to reduce AC demand.
Wildfire	Short-term Medium-term Long-term	Upstream Operations Downstream	• Smoke and harmful gases from wildfires affect air quality and health.	• Increased investment in air purification equipment.	• Develop fire prevention and response strategies; conduct regular fire drills. • Use fire-resistant materials in building construction to reduce fire risk and enhance disaster resilience of properties.
Fluvial Flooding	Short-term Medium-term Long-term	Upstream Operations Downstream	• May hinder development plans in frequent flooding areas; recovery and reconstruction involve complex cleanup and repair, taking a long time.	• Project stoppages, foundation damage, increased repair and labor costs, impacts on cash flow and sales revenue.	• Develop diversified site selection strategies, develop projects in low-flood-risk areas, design flood-resilient buildings. • Prepare post-disaster recovery and emergency plans in advance for rapid response to minimize long-term impacts.
Extreme Cold	Short-term Medium-term	Upstream Operations Downstream	• In North China, extreme low temperatures may reduce outdoor construction efficiency. • Increased heating energy consumption and costs. • Issues like frozen/burst pipes, roof snow accumulation.	• Construction stoppages, increased labor and equipment costs, project delays, impacts on project delivery and sales progress. • Increased heating energy consumption, higher operational costs.	• Select building materials suitable for cold environments. • Promote energy-efficient building designs to reduce heating demand. • Develop emergency response plans for freeze damage.

Risk Type	Time Horizon	Value Chain Impact	Potential Business Impact	Potential Financial Impact	Mitigation Measures
Tropical Cyclones	Short-term Medium-term Long-term	Upstream Operations Downstream	• In South China, typhoons may suspend outdoor work, damage equipment. • Strong winds damage buildings and infrastructure, disrupt supply chains, affecting building material supply timelines.	• Project stoppages, extended development cycles, direct economic losses, additional construction costs.	• Monitor weather warnings in real-time, issue advance notices, activate emergency plans and preventive measures. • During typhoons, carry out flood and typhoon prevention work orderly based on weather warning signals and emergency procedures to ensure personnel and equipment safety.
Low River Flow	Short-term Medium-term Long-term	Upstream Operations Downstream	• May cause water shortages, affecting project water supply.	• River ecosystem degradation may lead to stricter environmental compliance requirements and increased water costs.	• Conduct water shortage risk assessments. • Implement water-saving management measures in daily operations; adopt adaptive planning to ensure water resource sustainability for projects.

Analysis Results of Transition Risks

As a core industry interconnected with multiple sectors, the real estate sector is particularly susceptible to climate change transition risks due to its extensive supply chain network. Based on the assumption of a 1.5°C temperature rise by 2100 (aligned with an orderly transition scenario), and considering its own practical circumstances, the Group has completed the identification and assessment of transition risks. The potential impacts on its business and financial performance have been clearly identified, and corresponding strategies have been formulated accordingly to mitigate the transition risks arising from climate change.

Transition Risk Assessment

Risk Type	Time Horizon	Value Chain Impact	Potential Business Impact	Potential Financial Impact	Mitigation Measures
Policy & Regulation	Short-term Medium-term Long-term	Upstream Operations Downstream	• Need to comply with potentially stricter government regulations on building energy codes, green building guidelines, and other environmental laws. • The evolving carbon trading or carbon tax system may lead to higher costs for carbon-intensive materials. • Increasingly stringent climate-related disclosure requirements from national governments and trading markets.	• Tighter environmental information requirements lead to increased costs for verification, auditing, and other external services. Simultaneously, stricter environmental compliance pressures pose risks of additional expenses such as fines.	• Closely monitor new policies, regulations, and standards on climate change and environmental protection issued by national and local governments to ensure operations align with the latest requirements. • Keep track of carbon pricing and carbon market developments, establish a carbon emissions management system, strengthen energy management, reduce carbon footprint through energy-saving and emission reduction measures, and mitigate potential carbon tax risks.

Risk Type	Time Horizon	Value Chain Impact	Potential Business Impact	Potential Financial Impact	Mitigation Measures
Technology	Short-term Medium-term Long-term	Upstream Operations Downstream	• Development of non-fossil energy technologies and the global shift in energy structure may alter energy supply and consumption patterns, compelling companies to enhance their adoption of new energy technologies. • Advances in green building technology necessitate product upgrades to maintain competitiveness.	• Research, development, and application of new energy-efficient building technologies will entail additional R&D investment.	• Continuously improve building energy consumption management and actively promote the use of renewable energy. • Conduct energy-saving upgrades for existing equipment and facilities, replacing outdated high-energy-consumption equipment.
Market	Short-term Medium-term	Upstream Operations Downstream	• Shifting customer preferences toward green and low-carbon options, with increasing demand for environmentally friendly, low-energy products. Failure to meet customer expectations through timely green transformation may lead to the loss of some tenants and customers. • Growing customer demand for energy data management, such as greater transparency and traceability for electricity and water consumption data.	• Designing and developing projects to meet customer demands for green buildings and healthy residences will increase initial investment, leading to cash flow pressure, additional investment risks due to uncertainties in green technologies, and potential impacts on the absorption rate and rental returns of green projects due to fluctuating market demand.	• Research market trends to understand tenant and resident preferences for green buildings and adjust business strategies accordingly. • Upgrade existing energy data management platforms and enhance the development of energy data collection and aggregation systems.
Supply Chain	Short-term Medium-term Long-term	Upstream Operations	• During the low-carbon transition, national carbon reduction and green building policies may cause fluctuations in the supply and prices of low-carbon and environmentally friendly building materials.	• The use of eco-friendly building materials will increase project costs.	• Maintain regular communication with suppliers and strive to establish long-term partnerships to mitigate the impact of climate transition on supply chain stability.
Reputation	Short-term Medium-term	Upstream Operations Downstream	• Inadequate handling of climate-related events or lagging performance in the face of higher expectations may affect brand image and trigger public attention and public opinion risks.	• Poor management of climate risks may harm the Group's reputation and image, leading to losses.	• Establish effective public communication mechanisms, strengthen information disclosure, and enhance operational transparency. • Actively participate in social responsibility projects to build public trust.

Climate Opportunity Assessment

Opportunity Type	Potential Business Impact	Potential Financial Impact	Coping Strategies
Developing or Adding Low-Carbon Products and Services	• Helps enhance the Group's core competitiveness	• Meets compliance requirements and qualifies for corresponding subsidies • Products and services gain favor with consumers	• Continuously promote the application of low-energy consumption building technologies and materials in new projects
Entering New Markets	• Pioneering the use of green technologies and offering green products helps capture new markets	• Green products seizing new markets will become a new growth driver for the Company's profitability	• Closely monitor policy changes regarding green buildings and ultra-low energy consumption buildings, and design and develop green products tailored to customer demands such as green buildings and healthy residences
Utilizing Low-Carbon Energy	• Meets national policy requirements and aligns with the long-term high-quality development needs of the enterprise	• Using low-carbon clean energy reduces operational costs	• Practice green operations and promote the use of low-carbon energy
Adopting New Technologies	• Mitigates high-intensity energy consumption in the context of climate change	• Reduces energy consumption, helping to lower operational costs	• Conduct energy-saving upgrades for existing equipment and facilities, and replace outdated, high-energy-consumption equipment

The Group will continue to focus on the global issue of climate change and its mitigation. In accordance with the latest requirements of the ESG Reporting Code and other international standards, the Group will continuously refine its response strategies. Key initiatives, such as increasing investments in green buildings, upgrading energy management systems, and enhancing equipment operational efficiency, will be fully implemented to fulfill its commitment to green and low-carbon development. These efforts aim to minimize the impact of business operations on the climate and environment, thereby achieving the long-term strategic goal of net-zero carbon emissions.

Risk Management

The Group is committed to advancing the systematic and routine identification, assessment, and management of climate-related risks through its risk management mechanisms, in order to continuously enhance climate resilience and support strategic decision-making. In the identification phase, we systematically identify transition and physical risks relevant to our business by integrating internal experience, external databases, and industry trends. During the assessment phase, quantitative and qualitative analyzes are conducted on the likelihood and impact of risks over the short, medium, and long term, with risks prioritized accordingly. In the management phase, response measures are developed and dynamically adjusted based on assessment outcomes, optimizing resource allocation to strengthen overall adaptive capacity. During this Reporting Period, our total investment in addressing climate risks was approximately RMB 180,000.

Climate Risk Identification

Systematically identify transition and physical risks related to business operations by integrating internal expertise, external databases, and industry trends.

Climate Risk Assessment

Conduct quantitative and qualitative analyzes of climate risks over the short, medium, and long term, assessing the likelihood and potential impact of such risks, and prioritizing them accordingly.

Climate Risk Management

Develop and dynamically adjust response measures based on assessment results, optimize resource allocation, and enhance overall adaptive capacity.

Metrics and Targets

Indicators	2025	2024	2023	Unit
Collective GHG emissions (Scope 1 and 2)	320,596.77	334,809.27	381,194.32	Tonne CO_2eq
Direct emissions (Scope 1)	8,625.72	11,403.71	7,816.28	Tonne CO_2eq
Indirect emissions (Scope 2)	311,971.05	323,405.56	373,378.04	Tonne CO_2eq
Indirect emissions (Scope 3)	2,159.34	/	/	Tonne CO_2eq
Reduced GHG emissions by owned trees	371.27	279.24	239.41	Tonne CO_2eq
Collective GHG emissions (Scope 1 and 2) per income in thousand RMB from property rental, development and management services	0.08	0.08	0.09	Tonne CO_2eq

Target

- Environmental targets such as energy consumption, carbon emissions, and water usage are established as the key tracking goals and indicators for climate change-related performance. In the future, subject to data availability, we will progressively incorporate additional Scope 3 categories and introduce third-party validation where appropriate to strengthen the credibility of our metrics and targets.
- We continuously identify climate-related risks, opportunities and their impact on the Group's operations, developing our climate change management roadmap with reference to the HKEX ESG climate disclosure requirements, TCFD recommendations, and other relevant standards.

Progress

- We consistently monitor the performance of all indicators and analyze the impact of climate-related risks and opportunities on our business.
- This year, we further examined the potential financial impacts that climate-related risks may bring.

Metrics and Relevant Statements	
Expected financial impacts	The issuer currently lacks the skills, capabilities, or resources to provide quantitative information on the expected financial impacts of climate-related risks or opportunities, and therefore adopts the capability exemption.
Amount and percentage of assets or business activities exposed to climate-related physical risks, transition risks, or involving climate-related opportunities	The company is temporarily unable to meet the requirement of "all reasonable and substantiated information that can be obtained without undue cost or effort as of the reporting date", and therefore adopts the reasonable information exemption.
Internal carbon prices	As the company's strategy implementation in carbon management is still in a gradual advancement stage, we had not established or implemented an internal carbon pricing mechanism as of the end of the Reporting Period. Currently, the company primarily incorporates carbon cost-related factors into operational management and decision-making references through indicators such as energy use efficiency.
Climate-related Factors and Remuneration Policy	As of the end of the Reporting Period, the company had not directly incorporated climate-related performance indicators into the remuneration or performance assessment mechanisms for the board of directors and senior management. In the future, the company will continuously evaluate the applicability and feasibility of integrating climate-related factors into performance management and incentive mechanisms, taking into account regulatory trends, corporate governance practices, and actual business conditions.

The above arrangements are intended to support the company in identifying and managing potential climate-related impacts, but do not constitute a commitment to the adoption of specific management tools or implementation timelines in the future.

Advancing Green Construction

The Group strictly adheres to national and local environmental laws, regulations, and standards. Guided by the core philosophy of green development, we continuously enhance our environmental management system, strengthen comprehensive control over the entire green construction process, and focus on the research and application of key technologies in areas such as green buildings and energy conservation & carbon reduction. We actively explore sustainable development pathways for urban construction, committed to creating "warm" high-quality spaces that meet consumers' diverse needs for green living environments. We actively respond with concrete actions to the national "Dual Carbon" strategic goals of achieving carbon peak by 2030 and carbon neutrality by 2060.

Green Construction Management

The Group strictly complies with all relevant environmental laws and regulations. Upholding the principles of resource conservation and environmental protection, we have established and rigorously implement green construction standards. Through a series of refined management measures including dust control, resource conservation management, noise regulation, wastewater treatment, and light pollution prevention, we aim to create a clean, safe, and civilized construction environment. This minimizes the negative impact of construction projects on the surrounding ecological environment, achieving coordinated development between construction and environmental protection.

Dust and Air Pollutant Control

- Install dust suppression equipment such as atomizing mist cannons within and around construction sites, utilize self-made sprinkler trucks for daily water spraying, and install high-pressure spray systems around building floors to effectively reduce dust impact on the atmosphere and surrounding environment.
- Harden ground surfaces at the site, cover exposed soil with dust-proof nets, and utilize green cover to reduce dust pollution.
- Ensure all incoming vehicles meet national annual inspection emission standards to reduce air pollutant emissions during transportation.

Optimizing Construction Material Resource Use

- Implement localized procurement of construction materials to reduce energy consumption from long-distance transportation.
- Employ shear wall structures and use lightweight aerated concrete blocks for infill walls.
- Reuse crushed aerated concrete blocks to reduce solid waste generation.
- Designate centralized storage areas for used formwork and lumber, establish small material storage zones and waste collection points to standardize material storage.
- Process leftover concrete into lintels and prefabricated blocks, enabling reasonable recycling and reuse of surplus materials.

Water Resource Use and Discharge

- Establish water-saving targets and quotas to achieve refined water management.
- Utilize water-saving fixtures on-site, such as implementing energy-saving measures for atomizing spray systems to improve water efficiency.
- Install drainage ditches within the site, implement separate drainage systems for rainwater and sewage at construction sites to reduce pressure on sewage treatment plants and facilitate rainwater collection and utilization.

Energy Conservation and Management

- Arrange construction materials reasonably on-site to minimize unnecessary energy consumption from secondary handling.
- Establish a central heating entry point on-site equipped with a master heat metering device, and install individual household heat meters to enable refined energy consumption management.

Noise Control

- Conduct regular noise monitoring to minimize noise pollution from construction activities affecting the surrounding environment.

Light Pollution Prevention

- Install directional shades on tower crane lights to reduce light impact on the surroundings.
- Use light shields for welding operations at night to minimize light pollution.

The Group remains committed to minimizing the various environmental impacts of the construction phase, actively fulfilling our social and environmental responsibilities through concrete actions. Recognizing areas for improvement in current practices, the Group will continuously optimize and enhance the relevant management systems, steadily improve the effectiveness of whole-process monitoring and evaluation for green construction, and tangibly reduce the carbon footprint of our operations.

Deepening Green Building Practices

The Group applies green building concepts and technologies to the renovation and upgrade of existing structures, actively promoting the use of green construction techniques and eco-friendly materials. These efforts are designed to reduce energy consumption in building projects and enhance resource efficiency, all while creating a sustainable and comfortable living environment for our customers and advocating for a low-carbon, green lifestyle. In the future, we will continue to promote green building technologies in our project development and actively pursue green building certifications. This commitment aims to foster sustainable development across the industry, contributing positively to society and the environment.

The Group proactively engages with authoritative domestic and international building certification systems, using certification standards to anchor our environmental goals. We are fully committed to obtaining green building certifications, demonstrating our resolve and commitment to sustainable development.

Application of Green Technologies

- During the project planning and construction phases, several advanced technologies were adopted, including rooftop rainwater harvesting systems, solar photovoltaic panels, and green roofs. These measures effectively reduce the overall energy consumption of the buildings, achieving a harmonious integration of construction with environmental sustainability.

Greening of Public Areas

- A variety of local plant species were selected;
- The landscaping in residential communities follows a human-centric design principle, striving to create a high-quality living environment.

Building Energy Conservation and Consumption Reduction

- Centralized heating is provided using municipal heat sources, with individual household metering implemented. All relevant energy consumption indicators exceed the requirements of current national standards;
- Both roofs and exterior walls utilize thick insulation structures to achieve excellent thermal insulation effects;
- Street lamps in the community are equipped with energy-efficient light sources, featuring hierarchical and automatic controls with set lighting schedules;
- All internal public area lighting uses efficient, motion and light-sensitive controlled LED energy-saving lights.

Improving Water Efficiency

- Water-saving irrigation is promoted, and separate water meters are installed for different usage purposes;
- Large areas of green spaces and permeable bricks are used outdoors to enhance rainwater infiltration;
- Sunken green spaces are established along roadsides within the residential communities to facilitate on-site rainwater retention and absorption.

Practicing Green Operations

The Group strictly adheres to national and local relevant laws and regulations. In accordance with the ISO 14001 environmental management system standard, we continuously improve our energy conservation, emission reduction, and environmental protection policies, refining our environmental management capabilities. This aims to reduce atmospheric pollutant emissions, decrease waste generation, and enhance the efficiency of energy and water resource utilization.

Energy Conservation and Consumption Reduction

By integrating business modules and operational practices, the Group continuously strengthens the management of energy and water resources. Through a dual approach, we advance energy conservation and consumption reduction, improve resource utilization efficiency, fulfill our environmental protection responsibilities, and enhance our green competitiveness.

Energy Management

- The Group strictly implements its internal *Energy Management Guidelines* across its malls, hotels, residential communities, and office buildings, continuously optimizing hierarchical management processes for lighting, heating, cooling, domestic water supply, and power distribution.
- In daily operations, dedicated roles and responsibilities are established to coordinate energy management and monitoring. Equipment maintenance and servicing are strengthened to ensure economical operation. Furthermore, priority is given to solar water heating systems, supplemented by natural gas for heating, employing a multi-pronged approach to achieve energy-saving and emission reduction goals.

Water Resource Management

- Throughout the entire process of building development, construction management, and daily operations, the Group prioritizes water conservation and water resource recycling and reuse, continuously strengthening water-saving management efforts to maximize the efficiency of water resource utilization.
- In daily operations, the Group further enhances the maintenance and management of water-using equipment, conducts regular inspections of water usage, and strictly prevents water resource waste. Due to the nature of the Group's business, all owned and operated properties utilize municipal water and recycled water, eliminating the issue of sourcing applicable water supplies.

As of the end of Reporting Period

the Group's total energy consumption per thousand RMB of property rental, development, and management service revenue was **0.15** MWh.

Waste Management

The Group complies with national and local laws and regulations, continuously improving waste management mechanisms across all categories. Clear waste reduction targets are established and effective steps are taken to reduce waste generation, strengthen pollution prevention, and minimize environmental impact.

Waste Management Policies and Measures by Business Segment

Property Development

- Maximize the application of monolithic pouring techniques and modular-designed prefabricated components.

Property Management

- Systematic classification, recycling, and management of domestic waste.
- Segregated recycling of hazardous and non-hazardous waste.
- Organize recycling initiatives for items like used clothing and books.

Hotel Management

- Reuse of consumable items.
- Encourage waste reduction behavior among consumers, such as providing classified waste bins and environmental cards in guest rooms.
- Procure food ingredients based on daily sales of hotel rooms to reduce waste.

Headquarters Office

- Advocate the "Green Office" work philosophy.
- Implement "Reduce, Reuse, Recycle" management for office supplies like paper and ink cartridges.

As of the end of the Reporting Period

the Group's non-hazardous waste generation per thousand RMB of property rental, development, and management service revenue was **1.01** kg.

Green Office

The Group advocates for green office practices, fostering a low-carbon and environmentally friendly office atmosphere. It promotes water and electricity conservation, resource savings, and implements green and environmentally friendly work and lifestyle concepts.

The Group's headquarters and various business unit offices effectively manage office waste such as paper and ink cartridges by implementing reduction, reuse, and recycling policies to lessen negative environmental impacts. In accordance with specific emission reduction measures outlined in the *Green Office Policy*, the Group's headquarters, project sites, and divisional office areas control energy usage.

Simultaneously, the Group actively carries out environmental awareness campaigns, disseminates green and low-carbon concepts, promotes green living and travel modes, fosters an environmentally conscious culture with full staff participation, and comprehensively enhances internal and external environmental awareness.

Biodiversity Protection

Adhering to the philosophy of "Respecting Nature and Protecting Biodiversity", the Group strictly follows the *Outline of Natural Conservation of the People's Republic of China* and international biodiversity protection standards. Biodiversity protection is comprehensively integrated into all aspects of corporate decision-making and operations. Strict specialized protection policies are formulated and implemented. Through measures such as ecological impact assessments, environmentally friendly design and construction, routine ecological monitoring and restoration, the Group diligently fulfills its biodiversity protection responsibilities.

The Group rigorously identifies and manages potential impacts of business operations on biodiversity, implementing various protection actions. These include creating urban wildlife habitats, cautious use of rust remover, and the protection and utilization of native vegetation. Special avoidance and protection measures are implemented for nationally protected animals within project areas. Lighting design is optimized to reduce light pollution, effectively minimizing disturbances to natural ecosystems from human activities.

In the future, the Group will further refine its biodiversity protection plans and strategies. Based on the operational realities of each business module, it will systematically identify potential impacts of different businesses on biodiversity, and develop and implement more scientific and effective prevention and control measures, solidifying the protective barrier for biodiversity.

04

People-Centric Development and Empowerment

Safeguarding Employee Rights and Interests

The Group consistently upholds compliant employment practices as a core principle of its human resource management. We strictly adhere to relevant labor laws and regulations, employ individuals legally and compliantly, abide by human rights conventions and labor standards, ensure equal employment opportunities, and fully respect the legitimate rights and interests of our employees. We broaden recruitment channels and establish a diversified talent acquisition system to provide equal employment and development platforms for all employees. We continuously improve a market-competitive compensation and benefits system to align remuneration with contributions, thereby motivating employees from within.

Legal Employment

The Group strictly complies with the *Company Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. We continuously refine policies and processes covering the entire employee lifecycle—"selection, development, deployment, retention, and separation"—and strive to create an equal, fair, diverse, and inclusive employment environment. We firmly prohibit any form of discrimination based on gender, age, race, nationality, religious belief, etc., and focus on building a diverse workforce that respects and embraces multiple perspectives. Furthermore, the Group explicitly prohibits all operating units and partners from employing child labor or engaging in forced labor. Regarding employee deployment and retention, the Group safeguards the legitimate rights and interests of both parties through effective labor contract management. During the probation period, employees may terminate the contract with three days' written notice. Should an employee fail to meet the hiring criteria, violate laws and regulations, or breach Group policies and rules, the Group may lawfully terminate the labor contract unilaterally.

The Group protects all legitimate rights and interests of employees, including freedom of association and statutory leaves (such as marriage leave, maternity leave, parental leave, breastfeeding breaks, etc.), ensuring employees enjoy paid annual leave and other legal holidays in accordance with the law. We regularly review employee working hours, strictly manage overtime, and provide compensatory time off for overtime work to promote work-life balance and ensure employees maintain good physical and mental health and working conditions.

The Group places high importance on harmonious communication with employees, establishing robust communication mechanisms. Through regular employee forums, we actively listen to employee suggestions, understand their needs, and assist them in resolving work-related issues, thereby enhancing their sense of trust and belonging.

Compensation and Benefits

The Group adheres to a market-oriented compensation philosophy that rewards performance, continuously improves its compensation and benefits system, and offers industry-competitive remuneration to attract more outstanding talent, stimulate human capital advantages, and jointly pursue sustainable development.

Compensation Management

- In accordance with the *Compensation Management Guidelines*, we adhere to the principle of "matching position remuneration with position contribution". Compensation levels are objectively assessed and allocated based on employees' actual capabilities, responsibilities, and contributions.
- We implement a regular compensation review mechanism, evaluating and adjusting the compensation structure annually. Besides routine adjustments, individual salary adjustments are determined by departments considering factors such as company operational performance, individual employee performance, and length of service.

Performance Management

- We implement a comprehensive performance appraisal system, conducting annual performance evaluations for all employees. Based on employees' work capabilities and performance, corresponding salary adjustments and promotion opportunities are arranged.
- For employees whose performance consistently falls below standards, management measures including demotion or position adjustment will be taken.
- After providing appropriate coaching and support, if an employee's performance still fails to meet expected standards, the labor contract will be terminated through negotiation in accordance with the law, and reasonable severance compensation will be paid.

Benefits Management

- We provide diversified benefits, including annual health check-ups, cafeteria meals, recreational and sports facilities, and purchasing traffic accident insurance for employees in specific roles.
- We have established various special benefits, such as birthday gifts, marriage gifts, childbirth gifts, condolence payments, and subsidies for family visit travel and accommodation.

Strengthening Occupational Health and Safety

The Group strictly follows local laws and regulations concerning workplace safety and occupational hazard protection. We integrate occupational health and safety (OHS) management into the Group's sustainable development framework. Through measures such as improving safety system safeguards, ensuring safe construction and operation, conducting health and safety risk inspections, and providing health and safety training, we continuously optimize our OHS management system. We safeguard employee health and safety across multiple dimensions, aiming to create a zero-harm work environment.

Occupational Health Management	Engineering Safety Management
• Organize unified annual health check-ups for employees • New hires must undergo health checks; work arrangements are made carefully for individuals with occupational contraindications or allergies • Provide protective equipment to employees exposed to toxic or harmful substances and arrange regular health check-ups for them • Provide active treatment and support for employees diagnosed with occupational diseases	• Require the main contractor to strictly comply with national and project location safety and civilized construction laws, regulations, and contract requirements, formulate a safety and civilized construction plan, and implement it only after approval by the supervisor and project company • Rely on the *Detailed Rules for Safety and Civilization Supervision* to strengthen safety management constraints on the main contractor and supervision unit, effectively ensuring the safety of workers during the construction process.

In their daily operations, the Group's headquarters and subsidiaries conduct regular checks of fire-fighting facilities and safety signs, hold full-staff fire drills, and organize safety management-themed sharing sessions for employees in high-risk positions. Through case studies and learning from experience, we continuously enhance employee safety awareness and preventive capabilities. Aiming for a zero-accident work environment, we promote their overall well-being and professional development.

Empowering Talent Growth

The Group deeply implements the talent-driven enterprise strategy, further improves the employee vocational training system, and implements a closed-loop training management process to support employee career development. We continuously optimize career progression and promotion channels, providing employees with broader growth opportunities to support the enterprise's sustainable and high-quality development.

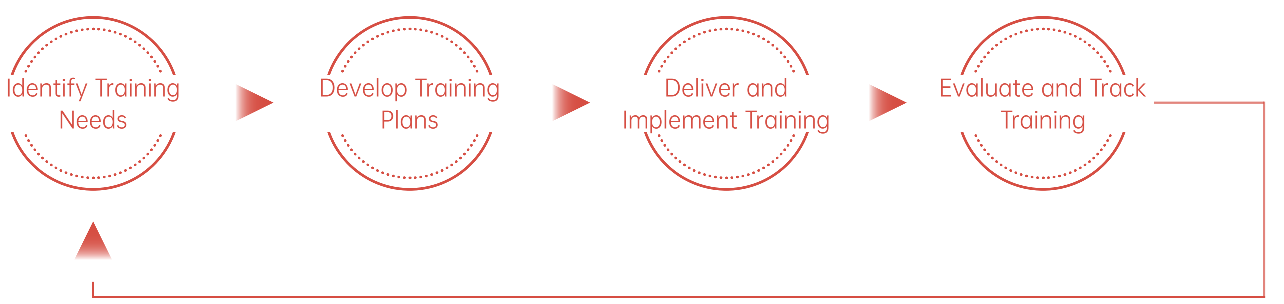
Implementing Diverse Training Programs

In strict compliance with the ISO 10015 international standard, the Group implements full-process closed-loop management and a systematic, tiered training system covering all professional fields and job levels. This provides all employees with training and growth opportunities tailored to their job responsibilities, comprehensively enhancing their professional skills and overall competence.

Powerlong Properties' "Three-Dimensional" Career Training System

Dimension	Training Program	Training Objective	Frequency
Standardized Training	New Employee Orientation	To help new employees integrate better into the corporate environment	Monthly / Real-time
	Standardization Dissemination	Training for disseminating various new processes and systems	Real-time
	General Skills Training	Customized workplace general skills training based on different levels	Real-time
	Knowledge Sharing Forum	Sharing of outstanding case studies and experiences from various business lines	Monthly
Echelon Development	Deal Management Training	Training to enhance specialized business capabilities and management skills	Monthly
	Dual-Line Functional General Manager Training		
	Other Functional General Manager Training		
Professional Skills Enhancement Training	Business Line Capability Enhancement Training	On-the-job professional skills improvement for employees	Quarterly
	Cross-Line Professional Exchange	Training for the interface between related businesses	Quarterly
	Phased Business Challenge Training	Review and discussion on recent specific business difficulties	Real-time

Comprehensive Closed-Loop Training Implementation Management Process



Identify Training Needs

At the end of each year, the training management departments of each unit conduct annual training needs research and analysis through methods such as interviews, phone surveys, questionnaires, and key event analysis. They produce a *Training Needs Analysis Report*, which serves as a crucial basis for formulating mid-to-long-term training plans, ensuring the training content aligns with actual requirements.

Develop Training Plans

Based on the mid-to-long-term training framework, the training management departments of each unit formulate annual training plans and budgets by incorporating the *Training Needs Analysis Report*, and submit them to management for review.

Deliver and Implement Training

In accordance with the annual training plan, the training management departments of each unit conduct various training programs and courses, enabling employees to systematically acquire professional knowledge and skills enhancement.

Evaluate and Track Training

To ensure training effectiveness, assessments and evaluations of the training content will be conducted. Continuous tracking of training outcomes is implemented to optimize future training plans and delivery methods.

The Group has also established and implemented a dual mechanism of partial tuition assistance and full reimbursement to strongly support employees in enhancing their comprehensive capabilities and professional skills. This not only incentivizes employees to pursue continuous self-improvement and supports their individual career development but also reserves high-quality professional talent for the Group's long-term growth.

- Providing financial assistance to employees attending enhancement courses at external higher education institutions or professional certification bodies to reduce their learning burden.
- Offering full reimbursement for training courses or professional qualification examinations closely related to employees' job responsibilities, upon verification of participation or certification acquisition.

05

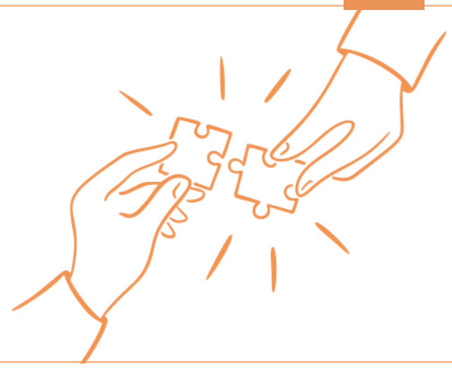
Caring for Society with Sincere Benevolence

Contributing to Community Development

The Group integrates community care into its development strategy. By creating high-standard, high-quality supporting facilities and organizing diverse community engagement and inclusion activities, we give back to the communities surrounding our operations. This not only meets the living needs of social groups, promotes cultural integration and community harmony, and enhances residents' quality of life and happiness but also achieves a win-win outcome of both social and economic benefits.

Supporting Rural Revitalization

Since 2016, Mr. Xu Jiankang, Chairman of Powerlong Group, has donated a total of RMB 125 million through the China Guangcai Foundation, specially designated to support the development of Xibian Village and promote rural revitalization. The project has completed the renovation of the old village, resettled 107 households, and improved public facilities including road networks, parks, and a nursing home. It also funded the construction of a kindergarten, an art museum, and a library. In addition, the project facilitated the establishment of economic cooperatives, developed industries and modern agriculture, expanded channels for increasing villagers' income, and strived to complete the "Jinjiang Puzzle" of rural revitalization.



Engaging in Social Welfare

Guided by the principle of "Founded on Love, Sustained by Good Deeds", Powerlong established the Shanghai Powerlong Charity Foundation. The Foundation is dedicated to long-term philanthropic endeavors such as assisting students from economically disadvantaged families, improving living conditions for families in need, and funding elderly care service projects, continuously conveying corporate warmth. The "Shanghai Rende Foundation – Powerlong Charity Community Action" special fund, financed by the Shanghai Powerlong Charity Foundation, continued to conduct regular community public welfare activities including poverty alleviation, disability assistance, child support, educational aid, and social venture philanthropy. This ensures the maximized effectiveness of public welfare resources and demonstrates tangible actions to give back to society. During the Reporting Period, the total amount donated to public welfare causes was approximately RMB 21,000.

Appendix

Performance Summary

The data and calculation methods used in this report have been appropriately annotated. Data pertaining to environmental aspects covers properties owned and operated by the Group. Unless otherwise stated, the data presented in this chapter consists of aggregated annual figures for the corresponding fiscal year or data as of December 31 of the relevant fiscal year.

Effective Governance and Compliance Foundation

Indicators	2025	2024	2023	Unit
Number of cases involving bribery, extortion, fraud, and money laundering	0	0	0	Case
Number of operation litigation cases related to intellectual property infringement	0	0	0	Case

Excellent in Service Quality Builds Trust

Operational Performance

Indicators	2025	2024	2023	Unit
Number of complaints due to leakage of client information	0	0	0	Case

Client Satisfaction

Indicators	2025	2024	2023	Unit
Average client satisfaction of the commercial sector	94.8	98.4	95.5	%
Average resident satisfaction of the residential property management center	90.9	98.1	93.4	%
Average client satisfaction of the hotel operation	94.5	97.6	96.4	%

Advancing Towards Zero Carbon, Crafting Green with Ingenuity

Emissions

Atmospheric polluants[3]

Indicators	2025	2024	2023	Unit
Nitrogen oxides (NO_x)	0.76	0.50	1.96	Tonne
Sulphur oxides (SO_x)	0.0008	0.0005	0.0074	Tonne
Particulates Matter (PM)	0.07	0.04	0.06	Tonne

GHG emissions

Indicators	2025	2024	2023	Unit
Collective GHG emissions	320,596.77	334,809.27	381,194.32	Tonne CO_2eq
Direct emissions (Scope 1)[4]	8,625.72	11,403.71	7,816.28	Tonne CO_2eq
Indirect emissions (Scope 2)[5]	311,971.05	323,405.56	373,378.04	Tonne CO_2eq
Indirect emissions (Scope 3)[6]	2,159.34	/	/	Tonne CO_2eq
Reduced GHG emissions by owned trees[7]	371.27	279.24	239.41	Tonne CO_2eq
Collective GHG emissions (Scope 1 and 2) per income in thousand RMB from property rental, development and management services[8]	0.08	0.08	0.09	Tonne CO_2eq

[3] The atmospheric pollutants data included the natural gas emission from stationary sources, the fossil fuel consumption from on-road vehicles and non-road mobile source. The calculation was based on the Calculation Manual of Pollutant Production and Emissions Coefficients for Boiler, Technical Guidelines for the Preparation of Air Pollution Emission Inventory from Road Motor Vehicles (Trial) and the Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial) issued by the Ministry of Ecology and Environment of the PRC. Since the calculation of air pollutants from stationary sources was based on the Calculation Manual of Pollutant Production and Emissions Coefficients for Boiler and the emission total particulate matter is not included, the emission data of atmospheric pollutants were presented in three categories: nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM).

[4] The direct GHG emission data were calculated according to the consumption data of stationary sources, road mobile sources, non-road mobile sources, as well as relevant conversion factors in the Guidelines for Accounting and Reporting GHG Emissions by China Public Building Operation Units (Enterprises) (Trial) and the Guidelines for Accounting and Reporting GHG Emissions by China Land Transportation Enterprises (Trial) in Mainland China.

[5] The grid emission factors used in the 2025 GHG emissions calculation for purchased electricity are derived from the Announcement on the Release of the Electricity Carbon Dioxide Emission Factor for 2022 issued by the Ministry of Ecology and Environment of the PRC.

[6] During this fiscal year, we disclosed our Scope 3 emissions for the first time, covering one category, as described below:

Category 7: Includes greenhouse gas emissions generated from the daily commuting of all our employees. Employee commuting emissions = Number of employees x Annual commuting emission factor per capita. The emission factor is sourced from the 2021 Commuting Monitoring Report of Major Chinese Cities by the China Academy of Urban Planning and Design.

[7] Refers to the total amount of GHG reduced by trees with height of 5 metres and above held by the Group. The GHG emission reduction data were calculated based on the relevant conversion factors in the Guidelines to Account for and Report on GHG Emissions and Removals for Buildings (Commercial, Residential or Public Use) in Hong Kong.

[8] Refers to the total income of the Group's annual income from rental income from investment properties, the income from provision of commercial operational services and residential property management services, as well as the income from other property development related businesses.

Produced non-hazardous wastes

Indicators	2025	2024	2023	Unit
Total amount of non-hazardous waste produced	4,274.90	4,329.95	7,134.27	Tonne
Domestic waste[9]	3,070.69	3,015.86	6,148.78	Tonne
Food waste[10]	1,204.21	1,314.09	985.49	Tonne
Amount of non-hazardous waste produced per income in thousand RMB from property rental, development, and management services	1.01	1.01	1.75	Kilogramme

Produced hazardous waste

Indicators	2025	2024	2023	Unit
Total produced amount of hazardous waste[11]	6.93	5.08	12.96	Tonne
Electronic waste	3.48	2.95	4.61	Tonne
Battery	2.81	1.21	1.45	Tonne
Used cartridge	0.33	0.73	0.94	Tonne
Chemical container	0.04	0.20	0.53	Tonne
Amount of produced hazardous waste per income in thousand RMB from property rental, development, and management services	0.002	0.001	0.003	Kilogramme

Wastewater discharge[12]

Indicators	2025	2024	2023	Unit
Wastewater discharge	4,730,957.49	4,051,787.47	9,363,596.78	Tonne

Emissions and discharge compliance

Indicators	2025	2024	2023	Unit
Number of cases involving the illegal discharge of pollutants into the environment	0	0	0	Case

[9] The statistics and calculation scope of domestic waste have excluded wastes generated by commercial tenants in shopping malls, tenants in office buildings, and residents in the residential properties, but have included wastes generated in hotel guestrooms.

[10] The statistics and calculation scope of food wastes have excluded wastes generated by restaurants in the shopping malls, tenants in office buildings, and residents in residential properties, but have included wastes generated by hotel kitchens.

[11] The Group has been gradually replacing the mercury-containing lamps used in previous years and has substantially completed the full replacement in this year. Therefore, mercury-containing lamps are no longer included in the hazardous waste statistics.

[12] The data of water discharge were calculated based on the total water usage data and the Manual of Accounting Methods and Calculation Factors for Pollutant Production and Discharge from Domestic Sources.

Resource Use

Energy consumption[13]

Indicators	2025	2024	2023	Unit
Total energy consumption	630,972.34	676,931.35	653,023.49	MWh
Direct resource use				
Natural gas	42,497.03	56,714.65	38,188.53	MWh
Gasoline	176.35	193.61	577.48	MWh
Diesel	337.10	86.56	148.86	MWh
Indirect resource use				
Purchased electricity	587,959.00	602,693.93	614,108.61	MWh
Energy consumption amount per income in thousand RMB from property rental, development, and management services	0.15	0.16	0.16	MWh

Water consumption

Indicators	2025	2024	2023	Unit
Total water usage[14]	5,256,619.43	4,501,986.08	10,403,996.42	m^3
Consumption of municipal water (domestic water)[15]	5,145,157.43	4,418,465.08	9,738,197.56	m^3
Consumption of circulating water (reclaimed water and cooling water)	111,462.00	83,521.00	665,798.86	m^3
Amount of water discharged into the natural environment after self-pretreatment and meeting discharge standard	368,603.00	525,687.80	1,110,216.00	m^3
Total water consumption[16]	4,776,554.43	3,892,777.28	8,627,981.56	m^3
Water consumption amount per income in thousand RMB from property rental, development, and management services	1.13	0.91	2.11	m^3

[13] The data of resource consumption were calculated based on the amount of purchased electricity and the consumption of natural gas, gasoline and diesel, and converting coefficients from the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises in Other Industries (Trial) issued by the National Development, Reform Commission of the PRC.

[14] Refers to the sum of total usage of municipal water and circulating water.

[15] According to the business characteristics of the Group in real estate industry, source of water withdrawal by the Group is mainly municipal water (domestic water).

[16] Refers to the difference between the usage of municipal water (domestic water) and the amount of water discharge.

Mitigating Natural and Environmental Impact

Weight of recycled waste materials during operation

Indicators	2025	2024	2023	Unit
Recycled plastic bottle	5.90	6.99	35.14	Tonne
Recycled metal	4.68	5.87	19.24	Tonne
Recycled paper	7.96	53.77	85.37	Tonne
Recycled glass bottle	6.04	9.77	11.03	Tonne

Environmental greening

Indicators	2025	2024	2023	Unit
Number of trees owned by the Group with a height of 5 metres and above	16,142	12,141	10,409	Tree

Environmental compliance

Indicators	2025	2024	2023	Unit
Number of cases involving damage to the natural environment	0	0	0	Case

Supply chain

Indicators	2025	2024	2023	Unit
Region	Number of suppliers by region			Number
Mainland China	12,112	8,879	12,500	Number
Hong Kong, China	3	0	0	Number
Number of suppliers to whom the practice has been implemented	12,115	8,879	12,500	Number

People-Centric Development and Empowerment

Employment

Employee composition

Indicators	2025	2024	2023	Unit
Total number of employees	7,446	8,152	9,234	Person
By gender				
Male	4,499	4,908	5,546	Person
Female	2,947	3,244	3,688	Person
By employment category				
Full-time	7,418	8,152	9,234	Person
Part-time	28	0	0	Person
By region				
Mainland China	7,438	8,149	9,231	Person
Hong Kong, China	8	3	3	Person
Other regions	0	0	0	Person
By age				
Above 50	474	508	516	Person
41-50	1,736	1,745	1,834	Person
31-40	3,530	3,864	4,353	Person
21-30	1,675	1,994	2,487	Person
20 or below	31	41	44	Person
By educational background				
Master's Degree and above	152	162	227	Person
Bachelor's Degree	2,758	2,538	3,193	Person
College Degree	2,483	2,791	3,051	Person
Secondary school	828	911	1,012	Person
Others	1,225	1,750	1,751	Person

Employment turnover rate[17]

Indicators	2025	2024	2023	Unit
By gender				
Male	32.8	35.7	60.4	%
Female	31.7	34.2	57.0	%
By region				
Mainland China	32.4	54.1	59.1	%
Hong Kong, China	0	0	0	%
Other regions	0	0	0	%
By age				
Above 50	21.8	22.3	26.7	%
41-50	23.1	25.5	35.0	%
31-40	32.2	34.5	54.9	%
21-30	41.2	43.0	87.8	%
20 or below	65.6	75.4	100	%

Occupational Health and Safety

Employee Health and Safety

Indicators	2025	2024	2023	Unit
Number of work-related fatalities	0	0	0	Person
Number of employees that were unable to go to work due to work-related injuries	0	0	0	Person
Number of lost days due to work-related injuries	0	0	0	Day

[17] In 2024, the Group updated the employee turnover rate algorithm. From 2024 onwards, the Group's employee turnover rate was calculated according to "Number of employees turnover in the category / (total number of employees in the category + number of employees turnover in the category)". In 2023 and prior, the Group's employee turnover rate was calculated according to "Number of employees turnover in the category / total number of employees in the category".

Development and Training

Employee training

Indicators	2025	2024	2023	Unit
Number of employees receiving training related to career development				
Male	3,612	4,958	5,894	Person
Female	2,260	2,743	6,408	Person
Senior level	380	329	1,397	Person
Middle level	1,443	1,110	2,000	Person
General employees	5,028	5,819	10,547	Person
Average training hours per employee of the Group receiving training related to career development[18]				
Male	6.2	8.2	14.2	Hours
Female	6.5	6.5	14.9	Hours
Senior level	46.0	17.8	26.0	Hours
Middle level	26.6	12.9	43.8	Hours
General employees	5.8	15.1	8.6	Hours

Caring for Society with Sincere Benevolence

Community investment/Public charity

Indicators	2025	2024	2023	Unit
Amount of money invested for community[19]	21	246	315	RMB'000

[18] From 2021, the Group calculated the average training hours completed per employee by employee category based on the relevant guidelines and calculation methods from the Appendix III, Reporting Guidance on Social KPIs, of How to Prepare an ESG Report issued by the Stock Exchange, and the formula was "the total number of training hours of employees in relevant category/the total number of employees in that category".

[19] Including charitable and other donations made by the Group.

Laws and Regulations that the Group has Complied with During the Reporting Period

Corresponding laws and regulations[20] to the ESG Reporting Code		The Group's compliance status
A. Environmental		
Aspect A1: Emissions		
Mainland China	*Environmental Protection Law of the PRC* *Prevention and Control of Atmospheric Pollution of the PRC* *Environmental Protection Tax Law of the PRC* *Regulations on the Implementation of the Environmental Protection Tax Law of the PRC* *Water Pollution Prevention Law of the PRC* *Prevention and Control of Environmental Pollution by Solid Wastes Law of the PRC* *Environmental Impact Assessment Law of the PRC* *Prevention and Control of Environmental Noise Pollution Law of the PRC* *Regulations on Environmental Protection Management of Construction Projects* *Urban Drainage and Sewage Treatment Regulations*	During the Reporting Period, the Group did not violate any laws and regulations relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, and noise control that have significant impacts on the Group.
Hong Kong, China	*Water Pollution Control Ordinance* *Waste Disposal Ordinance*	
B. Social		
Aspect B1: Employment		
Mainland China	*Company Law of the PRC*[21] *Labour Law of the PRC*[22] *Labour Contract Law of the PRC* *Regulations on the Implementation of the Labour Contract Law of the PRC* *Social Insurance Law of the PRC* *Employee Paid Annual Leave Regulations* *Protection of Women's Rights and Interests Law of the PRC*[23] *Protection of Minors Law of the PRC*[24] *Labour Dispute Mediation and Arbitration Law of the PRC* *Protection of Disabled Persons Law of the PRC* *Employment Regulations for Disabled Persons*	During the Reporting Period, the Group did not violate any laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits that have significant impacts on the Group.
Hong Kong, China	*Employment Ordinance*[25] *Employee Compensation Ordinance* *Minimum Wage Ordinance*	

[20] The Group's operation complies with laws and regulations, which the laws and regulations the Group has complied with including but not limited to the content listed in this chapter.

[21] To avoid repetitive statement, the law and regulation also apply to "Aspect B7" in this Appendix.

[22] To avoid repetitive statement, the law and regulation also apply to "Aspect B2" and "Aspect B4" in this Appendix.

[23] To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this Appendix.

[24] To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this Appendix.

[25] To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this Appendix.

Aspect B2: Health and Safety		
Mainland China	*Work Safety Law of the PRC* *Provisions on Workplace Occupational Health Supervision and Administration* *Fire Protection Law of the PRC* *Occupational Disease Prevention Law of the PRC* *Work Injury Insurance Regulations* *Labour Insurance Regulations of the PRC* *Safety Production License Regulations*	During the Reporting Period, the Group did not violate any laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impacts on the Group.
Hong Kong, China	*Occupational Safety and Health Ordinance*	
Aspect B4: Labour Standards		
Mainland China	*Prohibition of Child Labour*	During the Reporting Period, the Group did not violate any laws and regulations relating to preventing child and forced labour that have significant impacts on the Group.
Aspect B6: Product Responsibility		
Mainland China	*Trademark Law of the PRC* *Protection of Consumer Rights and Benefits Law of the PRC* *Advertising Law of the PRC* *Patent Law of the PRC* *Land Administration Law of the PRC* *Construction Law of the PRC* *Urban Real Estate Management Law of the PRC* *Interim Measures for the Administration of Store Advertising* *Urban Real Estate Development and Management Regulations*	During the Reporting Period, the Group did not violate any laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that have significant impacts on the Group.
Aspect B7: Anti-corruption		
Mainland China	*Criminal Law of the PRC* *Against Unfair Competition Law of the PRC* *Bidding and Tendering Law of the PRC* *Anti-Money Laundering Law of the PRC* *Interim Provisions on Prohibiting Commercial Bribery*	During the Reporting Period, the Group did not violate any laws and regulations relating to bribery, extortion, fraud and money laundering that have significant impact on the Group.
Hong Kong, China	*Prevention of Bribery Ordinance*	

Content Index of the ESG Reporting Code

Content Index

Part C: "Comply or explain" Provisions

This part sets out provisions to be reported on by an issuer in the ESG report on a "comply or explain" basis.

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
A. 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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.*	Advancing Towards Zero Carbon, Crafting Green with Ingenuity Laws and Regulations that the Group has Complied with During the Reporting Period
KPI A1.1	The types of emissions and respective emissions data.	Performance Summary
KPI A1.2	[Repealed 1 January 2025]	Performance Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Advancing Towards Zero Carbon, Crafting Green with Ingenuity
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.	Advancing Towards Zero Carbon, Crafting Green with Ingenuity
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	Advancing Towards Zero Carbon, Crafting Green with Ingenuity Due to the Group's business nature, matters related to packaging materials are not applicable to the Group.

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Advancing Towards Zero Carbon, Crafting Green with Ingenuity
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.	Advancing Towards Zero Carbon, Crafting Green with Ingenuity
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Due to the Group's business nature, matters related to packaging materials are not applicable to the Group.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Advancing Towards Zero Carbon, Crafting Green with Ingenuity
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Advancing Towards Zero Carbon, Crafting Green with Ingenuity
B. Social		
Employment and Labour Practices		
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.	People-Centric Development and Empowerment Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Summary

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
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.	People-Centric Development and Empowerment Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Summary
KPI B2.2	Lost days due to work injury.	Performance Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People-Centric Development and Empowerment
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	People-Centric Development and Empowerment
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Summary
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.	People-Centric Development and Empowerment Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-Centric Development and Empowerment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People-Centric Development and Empowerment
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Efficient Governance and Compliance Foundation
KPI B5.1	Number of suppliers by geographical region.	Performance Summary
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.	Efficient Governance and Compliance Foundation Performance Summary

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Efficient Governance and Compliance Foundation
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Efficient Governance and Compliance Foundation
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.	Excellence in Service Quality Builds Trust Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the Group's business nature, this is not applicable to the Group.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Excellence in Service Quality Builds Trust In accordance with the "materiality" principle, for relevant data, please refer to the Environmental, Social and Governance Report 2025 of Powerlong CM, the subsidiary of the Group.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Efficient Governance and Compliance Foundation
KPI B6.4	Description of quality assurance process and recall procedures.	Excellence in Service Quality Builds Trust
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Excellence in Service Quality Builds Trust
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.	Efficient Governance and Compliance Foundation Laws and Regulations that the Group has Complied with During the Reporting Period
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.	Performance Summary
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Efficient Governance and Compliance Foundation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Efficient Governance and Compliance Foundation

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Community			
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 activities take into consideration the communities' interests.	Caring for Society with Sincere Benevolence
KPI B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for Society with Sincere Benevolence
KPI B8.2		Resources contributed (e.g. money or time) to the focus area.	Caring for Society with Sincere Benevolence Performance Summary
Part D: Climate-related Disclosures			
Climate-related Disclosures	Governance	Governance	Advancing Towards Zero Carbon – Responding to Climate Change
	Strategy	Climate-related risks and opportunities	Advancing Towards Zero Carbon – Responding to Climate Change
		Business model and value chain	Advancing Towards Zero Carbon – Responding to Climate Change
		Strategy and decision-making	Advancing Towards Zero Carbon – Responding to Climate Change
		Financial position, financial performance and cash flows	Advancing Towards Zero Carbon – Responding to Climate Change
		Climate resilience	Advancing Towards Zero Carbon – Responding to Climate Change
	Risk Management	Risk Management	Advancing Towards Zero Carbon – Responding to Climate Change
	Metrics and Targets	Greenhouse gas emissions	Advancing Towards Zero Carbon – Responding to Climate Change
		Climate-related transition risks	Advancing Towards Zero Carbon – Responding to Climate Change
		Climate-related physical risks	Advancing Towards Zero Carbon – Responding to Climate Change
		Climate-related opportunities	Advancing Towards Zero Carbon – Responding to Climate Change
		Capital deployment	Advancing Towards Zero Carbon – Responding to Climate Change
		Internal carbon prices	Advancing Towards Zero Carbon – Responding to Climate Change
		Remuneration	Advancing Towards Zero Carbon – Responding to Climate Change
		Industry-based metrics	/
		Climate-related targets	Advancing Towards Zero Carbon – Responding to Climate Change
		Applicability of cross-industry metrics and industry-based metrics	/

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