POWERLONG
宝龙商业

寶龍商業管理控股有限公司
POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED
Incorporated in the Cayman Islands with Limited Liability
Stock Code: 9909.HK

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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Report Description

Powerlong Commercial Management Holdings Limited (stock code: 9909.HK) ("**We**", the "**Company**" or "**Powerlong CM**") and its subsidiaries (together, the "**Group**") is delighted to publish its seventh Environmental, Social and Governance Report (the "**Report**").

The Report details the Group's performance in terms of environmental, social and governance ("**ESG**") and its future planning and goals. The Group has disclosed most of the key performance metrics with descriptions to establish baselines for assessment to facilitate comparisons. For details of the Group's businesses, please refer to the 2025 Annual Report of Powerlong CM.

Reporting Period and Scope

Unless otherwise specified, the Report covers the period between 1 January 2025 and 31 December 2025 (the "**Reporting Period**"), with part of the content suitably extended. The content of the Report is determined based on operational control, which covers all business sectors under the Group, including commercial operational services and residential property management services.

Reporting Guidelines

The Report has been 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 on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), and is based on the reporting principles of Materiality, Quantitative, Consistency and Balance. The contents covered herein comply with the disclosing requirements provided in the ESG Reporting Code, the provisions of the "**mandatory disclosure requirements**" and the "**comply or explain**" set therein.

During the preparation of the Report, the Group applied the following reporting principles according to the ESG Reporting Code:

- Materiality: The Group's material issues for the Reporting Period were determined with reference to the 2025 materiality assessment results[1] from Powerlong Real Estate Holdings Limited ("**Powerlong Holdings**"), thereby the Report is prepared by focusing on the confirmed material issues;
- Quantification: The standards and methods of the data calculation in the Report, the applicable assumptions and calculation tools are disclosed;
- Consistency: The preparation method of the Report is fundamentally consistent with the previous year, and the changes in the disclosure on the data reporting scope and calculation method are specifically explained;
- 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 Report highlights the management process and emphasises on its materiality, quantification, balance, and consistency to provide a comprehensive overview of the Group's philosophies and policies. The Group guarantees the reliability, authenticity, objectivity, and timeliness of the Report, and is intended to strengthen communications with stakeholders through issuing the Report, so as to further promote sustainable development of the environment, society and economy. The disclosed content of the Report is determined by the results of stakeholder engagement processes. Please refer to the chapter "**Responsibility Management—Stakeholder Communication**" in the Report for details of the process.

Confirmation and Approval

The Company's board of directors (the "**Board**") has approved the Report on 30 March 2026 to ensure the contents of the Report is authentic, accurate and complete. The Board is responsible for the Group's ESG strategy and reporting, and is responsible for assessing and determining the Group's ESG-related risks to ensure the Group's ESG risk response mechanisms are implemented appropriately and effectively.

Report Acquisition and Feedback

This report is prepared in both Chinese and English. The electronic version of this report is available for viewing and downloading on the Company's official website at www.powerlongcm.com and on the HKEXnews of the Stock Exchange at www.hkexnews.hk. In case of any discrepancies or inconsistencies between the Chinese and English versions, the Chinese version shall prevail.

The Group welcomes any comments and suggestions regarding the Report or ESG-related matters through email at boardteam9909@powerlong.com.

[1] Powerlong CM is a subsidiary of Powerlong Holdings. As the business nature and the reporting scope of the two companies are similar, the material issues for the Report were referenced from the 2025 materiality assessment results of Powerlong Holdings.

Group Overview

As a leading commercial operational service provider in the People's Republic of China (the "**China**" or "**PRC**"), the Group focuses on the Yangtze River Delta region, especially city clusters with vast potentials for economic development. Based on local demand, it is committed to creating good city living. The Group has been offering commercial operation services to developers, tenants, and owners of retail commercial properties since 2007, while providing property management services to residential properties, office buildings and serviced apartments. and was successfully listed on the Main Board of the Stock Exchange on 30 December 2019, being the first commercial management operational service provider under an asset-light business model listed on the Stock Exchange.

With the corporate mission of "**creating space full of love**", the Group adheres to its corporate philosophy of "**simple, truthful, prosper together, forward forever**", with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

Our Businesses

Commercial Operational Services

The Group provides full-chain services, including positioning, tenant sourcing, opening, operation, and management to shopping malls and shopping streets, primarily covering:

- Market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property.
- Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property.
- Property leasing services with respect to units located within the shopping streets and shopping malls.

The Group provides high-quality commercial operational services under its four brands, namely "**Powerlong One Mall**"(寶龍一城),"**Powerlong City**"(寶龍城), "**Powerlong Plaza**" (寶龍廣場) and "**Powerlong Land**"(寶龍天地).

As of 31 December 2025

- **96** retail commercial properties in operation across the country
- An aggregate gross floor area ("**GFA**"[2]) in operation of approximately **11.1** million square meters("**sq.m.**")
- Contracted to provide commercial operational services for **121** retail commercial properties
- An aggregate contracted GFA of approximately **13.7** million sq.m.

[2] Unless otherwise specified, all "**GFA**" of commercial properties in the Report refers to areas including car parks.

The Group's brand has gained widespread recognition in the markets where it operates. In 2025, it received a number of accolades, including the 2025 Retail Commercial Real Estate Enterprise TOP100 (2025年度零售商業地產企業綜合實力TOP100) and Leading Enterprise Award in Commercial of the Year (年度商業領軍企業) awarded by Winshang.com (贏商網), 2025 Brand Influential Enterprises (2025年品牌影響力企業) awarded by Leju Financial (樂居財經), and List of Excellence inNew Quality Operational Commercial Management Companies of the Year 2025 (2025年度新質運營商管公司卓越榜) awarded by mallchina.org (中購聯).

Residential Property Management Services

The Group provides property management services for residential properties, office buildings, and serviced apartments, primarily including:

- Pre-sale management services to property developers during their pre-sale services, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- Property management services to property owners or property owners' associations at the post-delivery stages, such as security, cleaning, gardening, and repair and maintenance services;
- Other value-added services to property owners, tenants or residents of properties under management, such as predelivery preparation and trash handling services, management services for common area, advertising space and car park.

As of 31 December 2025

- The Group had **129** projects delivered of its residential property management services
- An aggregate GFA delivered of approximately **24.1** million sq.m.
- Contracted to manage **137** projects
- An aggregate contracted GFA of approximately **30.1** million sq.m.



Responsibility Management

Statement of the Board

As sustainability has become a defining issue of our era, the Group has deeply integrated ESG principles into the entire process of corporate governance, serving as the core engine driving long-term sustainable development. Leveraging our business characteristics, the Group has established a two-tier management system characterized by "Board-level overall planning and leadership, and coordinated execution by the ESG Working Group": The Board, as the core of ESG strategy, is fully responsible for reviewing management policies, formulating strategies and setting targets, conducting regular reviews of implementation progress, and actively participating in the identification, assessment, prioritization and whole-process control of material ESG issues, ensuring that ESG governance is aligned with the Company's development. The ESG Working Group undertakes core execution and coordination functions, fully assisting the Board in advancing the implementation of ESG-related initiatives.

The Group places high importance on the assessment of material ESG issues. The ESG Working Group, in collaboration with third-party professional teams, conducts a systematic evaluation based on the Group's overall development strategy, identifying the core issues for the year through rigorous analysis. The Board prudently reviews and approves the assessment results and continuously oversees the management performance of these issues to ensure substantial progress is made toward advancing sustainable development goals.

To efficiently manage and appropriately respond to various risks in the ESG sphere, the Group has established an effective ESG risk management and internal control system tailored to its development needs. Through refined risk identification and multi-dimensional assessment, we accurately pinpoint core ESG risks; concurrently, we conduct regular monitoring of related risks and dynamically optimize risk management strategies, continuously enhancing our ability to anticipate and address ESG risks.

Looking ahead, the Group will continue to refine its ESG governance structure and strengthen ESG risk prevention and control capabilities across all operational processes. On one hand, we will deepen the dynamic identification and systematic analysis of ESG risks, upgrading the ESG risk management and internal control system; on the other hand, anchored in a green development direction, we will formulate more detailed environmental targets and comprehensively promote the implementation of low-carbon operational models, creating greater value for all stakeholders through robust sustainable development practices.

Stakeholder Communication

The Group has always prioritized stakeholder communication management as a key component of its sustainable development efforts. By examining the two dimensions of "the degree of impact on the Company's investment and operations" and "the degree of connection with the Company's business products and services", we accurately identify the core stakeholders most closely related to the Group's operations.

For these key stakeholder groups—including shareholders, employees, customers, suppliers, communities, and government agencies—the Group proactively builds diverse communication channels. Through regular surveys, thematic symposiums, and online questionnaires, we attentively listen to and promptly respond to the demands and expectations of all parties, ensuring that stakeholder opinions are deeply integrated into the Group's strategic planning and business decision-making processes. Meanwhile, the Group adheres to regular disclosure of business progress and interim achievements, in an open and transparent manner, to enhance mutual understanding, consolidate the foundation of mutual trust, and work together with all stakeholders to pursue long-term development and create win-win value.

Key Stakeholders	Expectations and Requests	Frequency	Responses
Government and Regulators	• Policy implementation • Tax contribution • Environmental protection • Information disclosure	• Regular or irregular	• Accept government supervision and inspection • Proactive tax payment • Disclosure of information on a regular basis • Green operation
Investors (Shareholders)	• Business development • Return on investments • Risk control • Operational regulation • Sustainable development	• Regular or irregular	• General meeting • Regular reports • Company website • Corporate communications • Online and offline meetings • Roadshows and reverse roadshows
Employees	• Remuneration and benefits • Occupational health • Career development • Equal opportunities	• Regular or irregular	• Annual dinner • Employee training • Employee physical examinations • Employee activities
Customers	• Product and service quality • Information protection • Safety and environmental protection	• Irregular	• Client satisfaction surveys • Customer privacy protection policies • Interactive activities with clients • Emergency and disaster relief drills • Waste separation and recycling
Suppliers and Partners	• Honest operation • Mutual benefit and win-win • Transparency and equality	• Regular or irregular	• Bidding policy • Supplier selection system • Consider environmental and social factors in supplier reviews
Communities and the Public	• Community environment • Maintaining stability • Harmonious development • Poverty alleviation	• Irregular	• Public donation • Community building • Community activities • Rural revitalisation
Media	• Timely communication	• Regular or irregular	• Organise media events
Commercial Tenants	• Mutual benefit and win-win • Transparency and equality • Timely communication	• Regular or irregular	• Examine and verify tenants before settlement • Screening of tenants • Tenant activities

Materiality Assessment of ESG Issues

Based on its business model, the Group conducts a materiality assessment of ESG issues, considering national policies, capital market rating standards, international ESG disclosure standards, and issues of concern to peers and stakeholders. The assessment results are reviewed and confirmed by the Board to ensure their accuracy and completeness.

During this Reporting Period, following the materiality analysis approach and referencing the 2025 materiality assessment results of its parent company, Powerlong Holdings, we identified the material issues to be disclosed in this report. The steps for the 2025 materiality analysis are as follows:

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
- Analyse trends in capital market ESG index ratings

Impact on Stakeholders

- Identify stakeholders involved in business operations
- Analyse 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 analyse sustainability trends in the sector.
Domestic and International ESG Standards Analysis	Comprehensively reference standards such as IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, IFRS S2 *Climate-related Disclosure* and the HKEX ESG Reporting Guide to grasp the latest sustainability topic management standards and information disclosure requirements.
Capital Market Analysis	Reference assessment requirements from capital market ESG ratings and indices, including S&P Global CSA and MSCI ESG Ratings, to update the capital market rating topics database.
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 approves the annual materiality assessment results.

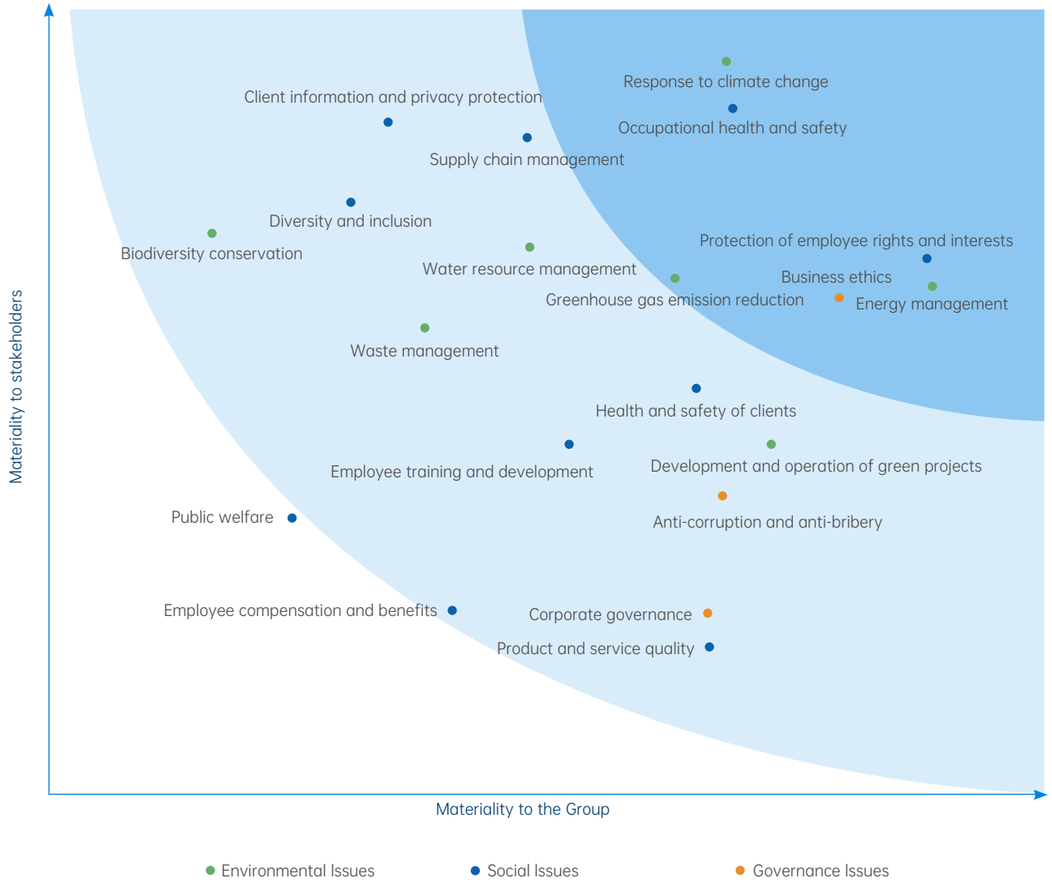
In 2025, among the 20 ESG material topics finalized by the Group, 7 are environmental topics, 10 are social topics, and 3 are governance topics. The list of topics and the materiality matrix are presented as follows:

Category	Topic Name	Topic Connotation
Environment	• Waste management	Strengthen the management of waste disposal during operational processes, such as reducing emissions of waste gases, wastewater, treating solid waste, and 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	Emphasise water conservation and recycling in all operational stages. Conduct regular inspections and install water-saving equipment to improve 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 utilise land and other natural resources rationally during operation 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 operation, and maximise resource conservation while minimising environmental impact

Category	Topic Name	Topic Connotation
Society	• Employee compensation and benefits	Continuously optimise 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 standardised and fair 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, ensure the service quality of product and property operations, and deliver a 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 applicable 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 Commercial Environmental, Social, and Governance Importance Issue Matrix



01

Integrity and Compliance Management

The Group strictly complies with 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*. We continuously improve our compliance governance mechanism, strengthen the prevention of compliance risks, monitor misconduct, and enhance our response to compliance incidents. The Group firmly opposes improper practices such as money laundering, bribery, corruption, and fraud, and jointly upholds a business environment of fair competition.

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Strengthening Compliance Management

The Group rigorously implements the requirements of *Powerlong Group Employee Handbook* and *Provisions on Employee Integrity and Self-Discipline*, and has updated and improved the *Powerlong Commercial Accountability System and Regulations*. We continue to leverage internal oversight to further enhance compliance management. In response to the latest policies and regulations, we also conduct company-wide training and strengthen the communication of legal and compliance requirements to enhance employees' awareness of laws and regulations.

Building a Clean and Integrity-based Environment

The Group adheres to business ethics standards and maintains a zero-tolerance policy towards non-compliant operations, unfair competition, loss of integrity, corruption, and other disciplinary violations. We build a strong line of defense against corruption through robust systems. We continuously improve the prevention mechanism for integrity and self-discipline, strictly implementing the *Provisions on Employee Integrity and Self-Discipline*. Personnel at the department manager level and above, as well as all employees in the Procurement Department and Tendering Department, are required to sign an *Employee Integrity and Self-Discipline Commitment Letter*. Concurrently, we implement an integrity access mechanism for partners, requiring all bidding suppliers and contracting partners to sign an *Integrity and Law-Abiding Guarantee* before undertaking business. Through this two-way self-discipline involving both the Company and its partners, we jointly build a clean and honest business environment, demonstrating our responsibility and commitment to clean operations. During the Reporting Period, the Group was not involved in any corruption litigation cases filed against the Group or its employees.

The Group maintains open internal and external supervision channels and implements a protection policy for whistleblowers, ensuring the independence and confidentiality of the reporting process. We conduct integrity education and promotion to enhance employees' awareness of integrity, guide them to strictly adhere to business ethics, and foster a fair and just business atmosphere.

Reporting Channels



Reporting Hotline	400-680-1238 (Working hours: 9:00-18:00)
Email	jianshen@powerlong.com
Correspondence Address	Powerlong Tower, 1399 Xinzhen Road, Minhang District, Shanghai, PRC



Intellectual Property Protection

The Group strictly complies with relevant laws and regulations such as the *Trademark Law of the People's Republic of China* and the *Patent Law of the People's Republic of China*. We have established and rigorously implemented a special management system for intellectual property, clearly assigning the Legal Affairs Department with the overall responsibility for the application, maintenance, and rights protection of the Group's intellectual property. Simultaneously, we implement strict confidentiality management for confidential information obtained during business activities, effectively safeguarding the intellectual property rights of both partners and the Group itself.

The Group also incorporates intellectual property training into the compulsory induction curriculum for new employees. By interpreting the Group's intellectual property management measures and analyzing typical cases, we communicate the Group's IP management requirements to new employees, helping them develop an awareness of IP protection and solidifying the foundation for company-wide compliance in their roles.

Leveraging the "**Genuine Goods**" Model Merchant Alliance, the Group conducts regular thematic training to empower partner merchants to respect intellectual property and operate with integrity.

For all the merchants in its commercial properties, the Group has established strict brand access standards:

- The brands that enter must have complete trademark registration certificates and closed-loop authorization documents, or sign a monthly trademark authorization guarantee letter;
- The goods sold in the stores must strictly correspond to the authorized brands. Once unauthorized goods are found, the immediate mechanism of removal and rectification + traceability verification will be initiated.

Supply Chain Management

Recognizing suppliers as key collaborative partners in the Group's commercial operation and property management sectors, we consistently uphold a philosophy of long-term, win-win cooperation. Adhering to the principles of fairness, justice, and openness, we leverage responsible procurement as a key lever, deeply integrating social value and environmental impact indicators into our supplier assessment management system. We have established a relatively rigorous access and tiered control mechanism for suppliers, encouraging them to proactively fulfill social and environmental responsibilities. This fosters a sustainable supply chain, thereby solidifying the foundation for the Group's high-quality operations.

In accordance with internal procurement management documents such as the *Cost Toolbook*, *Internal Supervision and Audit System Regulations*, and *Standards for Supplier Inclusion*, the Group conducts multi-dimensional compliance reviews and quantitative assessments for suppliers proposed for inclusion. Suppliers must achieve an assessment score of 70 or above to qualify for cooperation. Building on this, we implement tiered supplier management based on core performance capabilities and conduct regular re-evaluations to ensure that the products and services provided by partners meet the Group's sustainable development requirements.

To fortify supply chain responsibility, the Group has established a clear supplier exit mechanism. Cooperation will be terminated with suppliers whose score in regular qualification reviews or performance evaluations falls below 60. Suppliers involved in commercial fraud or significant product quality issues will be placed on a prohibited supplier list. This ensures the supply chain is green, compliant, and reliable from its very source.

We adhere to the *Tendering and Bidding Law of the People's Republic of China*, incorporating an *Integrity Management Agreement* into contracts to clearly define the integrity management responsibilities and penalties for both parties. Simultaneously, we include supervision and complaint hotline numbers in tender documents to encourage suppliers and other relevant parties to report any corrupt practices. This safeguards the integrity and transparency of the supply chain and jointly implements ethical procurement.

02

Innovative Products and Services

The Group takes providing high-quality products and services as its core competitiveness, adhering to the principle of "customer first". It focuses on the four product lines of "Powerlong One Mall, Powerlong City, Powerlong Plaza, and Powerlong Land", making efforts in all dimensions including property hardware, scene atmosphere, and service details. It explores technological innovation and application, promoting the intelligent transformation of the commercial ecosystem, and ultimately achieving a tangible quality upgrade, creating more trustworthy and loving commercial spaces.

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Upgrading Smart Services

The Group continues to collaborate with leading technology enterprises such as Tencent, focusing on the two major areas of smart retail and smart operation. It strives to break through the implementation of technical scenarios such as digital payment, omni-channel marketing, and AI automated control, improving the digital AI employee service system, and comprehensively upgrading the integrated online and offline service capabilities. Technological innovation empowers the simultaneous improvement of service quality and operational efficiency.

Case **Deepening technological cooperation to empower smart services**

We are continuously advancing the deep integration of AI technology into our operational management. Currently, we have deployed an Operations AI Agent and a Leasing AI Agent to enhance business efficiency and risk control.

- **Operations AI Agent:** Assists operational staff in conducting multi-dimensional cross-analysis and responding swiftly to business inquiries. It fully automates risk management, covering scenarios such as sales underreporting, abnormal fluctuations, and threshold warnings. This enables automatic risk detection, task assignment, tracking and handling, and closed-loop management of the entire process, effectively reducing risk and losses and increasing project revenue. Furthermore, leveraging the Company's internal knowledge base and the expertise of top managers, it automatically generates operational strategy proposals—such as for store performance improvement and format placement—to support data-driven decision-making.
- **Leasing AI Agent:** Supports real-time performance ranking and multi-dimensional querying for leasing staff, helping to unlock the team's potential. It enables multi-dimensional analysis of target brands' operational status and facilitates horizontal comparisons, assisting leasing personnel in securing optimal business terms, thereby improving leasing efficiency and negotiation capabilities.



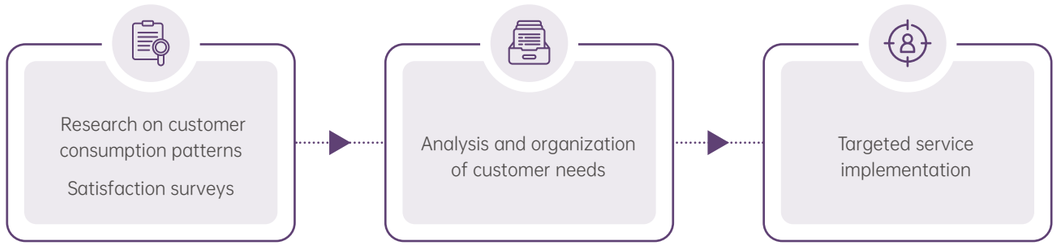
AI Agent



Optimizing Commercial Operations

The Group strictly adheres to the requirements of the *Powerlong Commercial Quality Management Standards*. By strengthening comprehensive management of indoor and outdoor environments, standardizing responsibility control for inspections, and reinforcing the safety defenses of commercial operations, we continuously refine our commercial quality management system. High-standard management empowers the steady improvement of operational quality and efficiency. During the Reporting Period, some of the Group's subsidiaries have obtained ISO 9001 Quality Management System certification, demonstrating our unwavering commitment to service quality.

The Group consistently implements a "Customer-Oriented Program", maintaining close communication with customers to understand their needs. Based on this feedback, we adjust service offerings and improve service quality, achieving a virtuous cycle of enhanced operational effectiveness for our commercial properties.



Case **Grand Opening of Wuyishan Powerlong Plaza**

On 30 May 2025, Wuyishan's first city-level commercial complex, "Wuyishan Powerlong Plaza," made a dazzling debut. With GFA over 67,000 sq.m., a brand mix featuring 80% regional first stores, and an operation model balancing shopping and experience, Wuyishan Powerlong Plaza has created a new commercial paradigm integrating "a city gathering place, a new cultural tourism window, and a consumption hub."

Looking ahead, as a key municipal project, supported by the Wuyishan Municipal Government and empowered by Powerlong CM's mature operation and management system, Wuyishan Powerlong Plaza will continue to deliver high-quality consumption concepts and innovative consumption scenarios, painting a prosperous blueprint for the city's commerce.





Strengthening Property Management

To further elevate the quality of property management services, the Group actively innovates its management initiatives by building a refined and intelligent service system. Centered on digital transformation, we leverage online service matrices such as WeChat Official Accounts to enable real-time community notifications, one-click facility repair requests, and online fee payments. This approach breaks spatio-temporal constraints and significantly improves service response efficiency. A dynamic feedback mechanism for homeowner's needs has been established, accurately capturing requirements through multiple channels—including online surveys and offline meetings—to optimize service processes in a targeted manner. We have also innovated our safety management model by integrating digital tools like smart monitoring and electronic patrols with offline measures such as regular fire drills and emergency training, thereby strengthening community safety defenses. Furthermore, by developing community interaction modules on digital platforms and organizing diverse neighborhood activities, we foster a collaborative community environment based on co-creation, co-management, and shared benefits. These efforts comprehensively enhance residents' living experience and satisfaction.

Protecting Customer Rights and Interests

The Group consistently prioritizes the protection of customers' rights and interests, committing to providing every customer with secure and satisfying service experience. By further improving our complaint response and resolution mechanisms and strengthening the full-process security management of customer information, we build a strong protective barrier for customers' rights. We diligently maintain a harmonious and trusting relationship with our customers, and safeguard business development by continuously enhancing customer satisfaction.



Customer Complaint Management

The Group takes refined management of customers' complaints as a key measure to uphold service quality standards. For our core businesses of commercial operations and property management, we have established strict standards for managing customers' demands. Customer service personnel are required to maintain detailed records and archives of customer complaints, suggestions, and service evaluations. They strictly follow *Customer Complaint Acceptance and Processing Procedures*, promptly transferring matters to the corresponding responsible departments for dedicated follow-up and resolution within a set timeframe. This ensures that reasonable customer demands are addressed in a closed-loop manner, thereby enhancing customer satisfaction. During this Reporting Period, all complaints received by the Group related to products and services were resolved in a timely manner. The average customer satisfaction for the commercial sector was 94.5%, and for the property management center it was 92.2%.

The Group also conducts regular customer satisfaction surveys through methods such as questionnaires, telephone or door-to-door visits, and periodic inspections. This allows us to accurately capture core customer needs and suggestions for improvement, which in turn drives the iterative upgrading of service processes, enabling us to provide customers with high-quality, customized, and satisfying services.

As of 31 December 2025

The average customer satisfaction for the commercial sector was

94.5%

and for the property management center it was

92.2%

Customer Information Security Management

The Group strictly adheres to the requirements of relevant laws and regulations, including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *Personal Information Protection Law of the People's Republic of China*. We uphold the bottom line of compliance and solemnly commit that the use of customer information is strictly limited to the scope of services.

To ensure the security of customer information, the Group strengthens the management of customer information security through comprehensive and multi-level protective measures, safeguarding customer information with full effort. On one hand, we have refined and implemented internal guidelines such as the *Records Management Policy*, *Records Borrowing Policy*, and *Customer Information Security Management Measures*, clearly defining operational protocols during document transmission to prevent information leakage risks. On the other hand, we adopt a designated personnel management model with tiered authorization. Physical confidential archives are stored in dedicated repositories under standardized management, while electronic customer information is protected across all dimensions through encryption technology, ensuring that only authorized personnel can access it in compliance with regulations. Furthermore, the Group embeds privacy protection awareness into employees' daily work by signing confidentiality agreements and conducting regular information security training sessions, thereby eliminating risks of unauthorized use, disclosure, or sale of customer information at the source.

03

Creating a Green Environment Together

The Group strictly complies with the requirements of the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*. Actively responding to the national call for the "dual carbon" goals, we integrate green and low-carbon principles into all aspects of our commercial operations and property management. Focusing on energy conservation, emission reduction, and efficient resource utilization, we strive to minimize the impact of our operational activities on the environment and resources. Through concrete actions, we fulfill our environmental responsibilities and, through green development practices, safeguard the ecological picture of harmonious coexistence between humans and nature. Concurrently, we are attentive to the opportunities and challenges presented by climate change, implementing targeted measures to effectively manage climate-related risks. Certain subsidiaries have formulated relevant emergency plans and conduct regular practical drills. For detailed data and performance regarding our environmental performance, please refer to the **"Performance Summary"** section of this Report.

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Green Operations

Green and low-carbon operations represent a development direction we have consistently adhered to. To further our responsibility goals of resource conservation, waste reduction, and carbon emission reduction, the Group continuously optimizes its environmental management system. This involves benchmarking against national and local operational standards and integrating the requirements of the ISO 14001 environmental management system. We track policy implementation through the "**PDCA**[3]" closed-loop management method, focusing on driving continuous improvement and tangible results in environmental indicators such as energy consumption, water usage, and solid waste.

The Group has enhanced and implemented internal management guidelines, including the *Energy Management Guidelines*. We conduct comprehensive, categorized energy management for various projects covering aspects like lighting, heating, cooling, domestic water, and power distribution. Detailed management of energy consumption is implemented in the daily operations of projects to achieve energy conservation and emission reduction goals.

Energy Consumption Management

The Group continuously improves and implements internal management systems such as the *Energy Management Guidelines* and the *Energy Consumption Monitoring System*, clarifying specific responsibilities for designated positions and strengthening oversight and execution. We conduct comprehensive, categorized control and management around lighting, heating, cooling, and power distribution to continuously enhance energy efficiency and reduce operational energy consumption.

Intelligent Lighting

Replacing traditional light bulbs with LEDs; installing motion sensors (sound, infrared), light sensors, and time controllers to enable automatic regulation of lighting systems and save electricity.

Automatic Sensor Escalators

Installing escalators with automatic sensor functions in some projects. These escalators automatically enter an idle mode when not in use, reducing energy consumption.



Efficient Equipment Operation

Strengthening equipment management by regularly performing maintenance and cleaning to ensure equipment operates at peak efficiency, thereby reducing energy consumption.

Digital Monitoring Systems

Installing Building Automation Systems (BAS) in some commercial projects to comprehensively monitor indoor temperature and lighting levels. These systems enable remote control of lighting and air conditioning systems based on actual conditions, reducing energy consumption during operations.

Water Management

The Group actively promotes water conservation measures. On the commercial operations side, we have installed self-closing and sensor-activated faucets, as well as automatic flushing systems in public restrooms of our projects. On the property management side, we retrofit fire sprinkler systems for property owners using water-efficient designs. Concurrently, we conduct regular inspections of firefighting and tap water pipelines, promptly repairing any leaks to eliminate water waste. Given the nature of the Group's business, our operations do not involve large-scale water consumption. All operational properties in our portfolio use municipal water supply, and the issue of sourcing water from applicable sources is not relevant.

[3] That is, Plan, Do, Check, Act.

Waste Management

The Group actively implements waste classification policies. We have established long-term partnerships with qualified waste recycling and disposal companies to standardize the management of household waste and hazardous waste generated from commercial operations and property management.

To enhance waste sorting awareness among residents and users and foster a social atmosphere of full participation, we have deployed multiple types of sorted recycling bins across all our operational premises. In residential apartments, a household-based waste sorting system has been implemented. Additionally, regular environmental awareness sessions are organized within compounds. Through these initiatives, we aim to comprehensively promote knowledge of waste sorting and contribute to environmental protection efforts.

Green Office

The Group actively implements practices to conserve resources, save energy, and reduce emissions. We continuously uphold the "**Green Office**" concept across multiple dimensions, including office scenarios, office supplies management and green commuting. This approach has effectively reduced office energy consumption and waste generation, practically improving the comprehensive efficiency of resource utilization, and making green and low-carbon practices a conscious action for all employees.

Electricity

- Turn off lighting and air conditioning systems during lunch breaks and non-working hours.

Paper

- Reduce paper records by uploading documents to cloud storage.
- Promote a paperless office by using electronic documents instead of paper files for work reports.
- Place office paper recycling bins to collect discarded paper, and advocate for double-sided printing.
- Post paper-saving tips near printers to remind employees to print only as needed.

Commuting

- Promote video or telephone conferencing to reduce unnecessary business travel.
- Encourage employees to use public transportation for business trips.

Water

- Display water-saving promotional posters in office to advocate for water conservation.

Waste

- Bottled water and paper cups are no longer provided in the meeting room, encouraging employees to use personal cups.
- Encourage the adoption of renewable or recyclable office supplies such as recycled paper, pens with replaceable refills and toner cartridges.

Green office measures

During the Reporting Period, the property management office of Powerlong CM recycled and reused the following materials:

Recycled	Recycled	Recycled
5.52 metric tons of plastic bottles	**4.68** metric tons of metal	**6.01** metric tons of glass bottles

Responding to Climate Change

The Group advances its climate change response efforts centered on four key areas: governance, strategy, risk management, and metrics and targets. This is based on the climate disclosure requirements of the *Hong Kong Stock Exchange's ESG Reporting Code*, with reference to the disclosure recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD) and IFRS S2.

Governance

To better address the opportunities and risks associated with climate change, we have established a climate risk governance structure that features overarching coordination and leadership by the Board and dedicated responsibilities for functional departments. We continuously enhance our climate change response capabilities from a top-level design perspective, thereby improving the effectiveness of our management. The board of directors annually reviews the progress of climate goals and the status of risk management to ensure that climate governance aligns with the company's business direction. The board of directors also 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. In the future, we will conduct climate-related training to enhance the climate knowledge and skills of the board of directors, further improve the climate governance framework, refine management responsibilities and implementation pathways, and take other measures to further strengthen the climate adaptation and governance capabilities across the entire organization.

Strategy

During the Reporting Period, we also engaged third-party professional institution to systematically identify, analyze, and assess climate-related risks and opportunities that may be encountered in our short-, medium-, and long-term business development. This process, conducted in accordance with the Group's business characteristics and development trends, involved selecting appropriate climate scenarios and parameters and applying both qualitative and quantitative analysis methods. The aim was to strengthen the management of and response to these risks.

Risk Analysis Scenario Setting

Leveraging the Regional Investments and Development Model (REMIND[4]) and data from its projects, the Group conducted a climate risk exposure analysis for its businesses and assets in different locations, incorporating the time factor. The analysis covered ten types of extreme climate risks, including extreme heat, tropical cyclones, and coastal flooding, etc. Using provinces and municipalities where projects are located as units, a comprehensive analysis of climate change-related risks and opportunities was systematically carried out across three time dimensions (short-term, medium-term and long-term) based on two major climate assumptions: 1.5°C warming scenario (Orderly Scenario) and 3°C warming scenario (Greenhouse World Scenario) by 2100.

Scenario Setting	Predictive Model	Scenario Name	Temperature Increase	Description
The central bank and regulatory authorities' Network for Greening the Financial System (NGFS)	REMIND	Orderly	By 2100, the temperature will rise 1.5°C or below.	"Net Zero Emissions by 2050": Achieve net zero carbon dioxide emissions around 2050 through stringent climate policies and innovation, limiting global warming to 1.5°C.
		Greenhouse World	By 2100, the temperature will rise 3°C or more.	Only implementing the current policies, assuming that "Nationally Determined Contributions (NDCs)[5]" target plan are not implemented.

[4] The REMIND (Regional Investment and Development Model) 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's climate. The model takes into account the regional trade characteristics of goods, energy fuels, and emission allowances, including all greenhouse gas emissions caused by human activities.

[5] Nationally Determined Contributions (NDCs) are national plans and commitments proposed by countries according to the Paris Agreement to reduce greenhouse gas emissions and respond to climate change. They aim to achieve the long-term goals set out in the Paris Agreement, which is to keep the global average temperature increase within 2 °C above the pre-industrial level, and strive to limit it to no more than 1.5 °C.

Results of Physical Risk Analysis

Based on the geographical distribution of its operational projects, the Group categorizes the various physical climate 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	Current	1.5°C	3°C
Acute: Wildfire	Medium-high risk	Medium-high risk	Medium-high risk
Chronic: Extreme heat	Medium-high risk	Medium-high risk	Medium-high risk
Chronic: Extreme precipitation	Medium-high risk	Medium-high risk	Medium-high risk
Acute: Tropical cyclones	Medium risk	Medium risk	Medium risk
Acute: Fluvial flooding	Medium risk	Medium risk	Medium risk
Chronic: Extreme cold	Medium risk	Medium risk	Medium risk
Acute: Coastal flooding	Low risk	Low risk	Low risk
Acute: River low flow	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

Based on the medium to relatively high physical risks presented in the heatmap above, and considering their short-, medium-, and long-term impacts on the business, financials, and value chain, the Group proactively plans and strategizes ahead by developing a comprehensive and systematic risk mitigation plan. Through forward-looking preventive measures, the Group effectively enhances its business resilience and operational continuity amid environmental changes, actively responding to the challenges posed by climate change.

Definitions of short-term, medium-term, and long-term:

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



Physical Risk Assessment

Risk Type	Time Range	Value Chain Impact	Potential Business Impact	Potential Financial Impact	Mitigation Measures
Wildfire	Short-term Medium-term Long-term	Upstream Operations Downstream	• Smoke and harmful gases from wildfires affect air quality and physical health.	• Increased investment in air purification equipment.	• Develop fire prevention and response strategies; conduct regular fire drills. • Develop post-disaster contingency plans in advance and provide protective supplies in a timely manner to mitigate long-term impacts through swift response.
Extreme Heat	Short-term Medium-term Long-term	Upstream Operations Downstream	• 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.
Extreme Precipitation	Short-term Medium-term Long-term	Upstream Operations Downstream	• Water accumulation in public areas can easily lead to safety incidents such as slips and falls. • Houses may experience damage such as roof leaks and basement flooding.	• Resulting in increased accident compensation and medical expenses • Leading to underground garage flooding and incurring additional operational and maintenance 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.

Risk Type	Time Range	Value Chain Impact	Potential Business Impact	Potential Financial Impact	Mitigation Measures
Tropical Cyclones	Short-term Medium-term Long-term	Upstream Operations Downstream	• Typhoons may suspend outdoor work, damage equipment. • Strong winds damage buildings and infrastructure, disrupt projects operations	• Project suspension, damage to facilities and additional maintenance 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.
Fluvial Flooding	Short-term Medium-term Long-term	Upstream Operations Downstream	• May cause severe flooding in underground spaces of shopping malls and properties (e.g., garages, warehouses, equipment rooms), leading to business interruption. • Post-disaster tasks such as water removal, environmental disinfection, equipment inspection and replacement, and structural repairs are complex and time-consuming, delaying the resumption of normal operations.	• Incur substantial direct costs for emergency response, equipment repair or replacement, and building restoration. • Result in revenue losses from rents and property management fees due to business interruption. • Potentially increase property insurance premiums in the long run and affect asset valuation.	• Establish advance emergency plans for post-disaster reconstruction and recovery to enable rapid response and mitigate long-term impacts. • Optimize water resource management and set up emergency reserve systems to ensure a stable supply of fresh water.
Extreme Cold	Short-term Medium-term	Upstream Operations Downstream	• If the outdoor area becomes icy, it will increase the risk of people slipping and may also affect the flow of visitors. • Increased heating energy consumption and costs. • Issues like frozen/ burst pipes, roof snow accumulation.	• Accidents such as personnel falls may lead to medical compensation and potential legal expenses. • Increased heating energy consumption, higher operational costs.	• Develop emergency response plans to address freeze-related damage, provide timely heating facilities and personal protective equipment, and ensure employees' ability to work in cold environments. • Regularly maintain and upgrade equipment to enhance its operational efficiency in low-temperature conditions..

Results of Transition Risk Analysis

As a core industry connecting multiple sectors, the real estate sector's extensive supply chain network makes it vulnerable to climate change transition risks. Based on the 1.5°C warming scenario (orderly scenario) by 2100 and considering its own circumstances, the Group has completed the identification and assessment of transition risks, clarified their potential business and financial impacts, and formulated corresponding response strategies to mitigate transition risks triggered by climate change.

Transition Risk Assessment

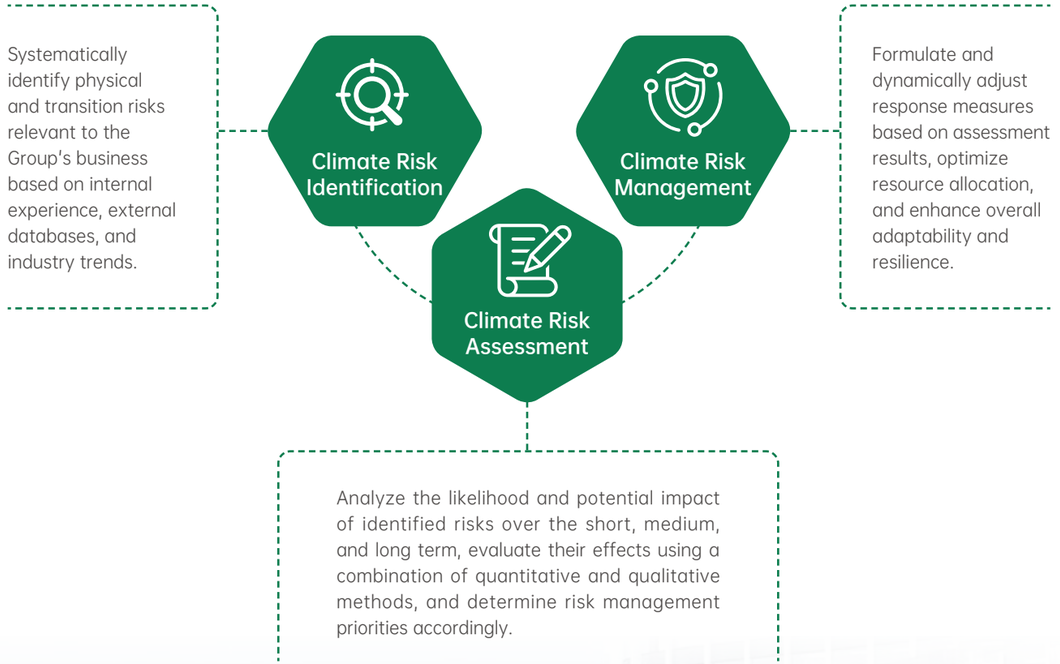
Risk Type	Time Range	Value Chain Impact	Potential Business Impact	Potential Financial Impact	Mitigation Measures
Policy & Regulation	Short-term Medium-term Long-term	Upstream Operations Downstream	• May face transition risks such as tightening environmental policies, enhanced climate change regulations, and increased technical requirements for green property management. • The introduction or revision of policies or laws related to energy use, waste management, and environmental information disclosure may lead to an increased risk of fines for the company and its clients due to non-compliance. • Enhanced regulatory requirements for climate-related information disclosure lead to a slight increase in operational costs, compliance costs, and data monitoring costs. • Expenditures on carbon credit allowances and trading fees, as well as the introduction of carbon taxes, may impact the company's profit. These measures could cause operational costs to fluctuate.	• Stricter environmental information requirements increase the need for external services such as verification and auditing, leading to higher costs. Simultaneously, the company faces greater pressure for environmental compliance, carrying the risk of additional expenses such as fines. • Lead to increased costs for retrofitting equipment in shopping malls and residential buildings, as well as higher R&D costs for green, low-carbon, smart property technologies.	• Enhance energy efficiency, adopt renewable energy, and optimize resource management to reduce energy consumption and costs. explore cost-effective low-carbon technologies and solutions to address carbon credit allowance and trading fee expenditures. • Establish a comprehensive compliance management system, closely monitor policy changes, and ensure timely understanding and adherence to relevant laws and regulations. Strengthen internal training to improve employees' compliance awareness and capabilities. • Strengthen cost control and management to improve operational efficiency. Expand business scope by developing low-carbon products and services, and explore new markets to mitigate the impact of carbon trading and carbon tax policies on profitability.
Technology	Short-term Medium-term Long-term	Upstream Operations Downstream	• May need to assess the energy-saving and emission-reduction performance of projects and adopt energy consumption management measures. • The promotion of low-carbon products and technologies prompts commercial operation service providers to retrofit or replace hardware equipment. • May need to scrap and replace high-energy-consumption products and those not meeting environmental standards.	• Development, and application of new energy-efficient technologies will entail additional R&D costs.	• Improve energy efficiency and reduce long-term operational costs through technological innovation and process optimization, while seeking government subsidies and preferential policies to alleviate short-term financial pressure. • minimize equipment failures and maintenance expenses.
Market	Short-term Medium-term	Upstream Operations Downstream	• Changes in customer behavior may lead to reduced demand for traditional products and services. • Increased market demand for green products compels companies to accelerate the phase-out of traditional "non-green" products and intensify the development of green technologies, services. • To achieve emission reduction targets, it is necessary to investigate and analyze high-energy-consumption equipment and formulate repair or upgrade energy-saving plans.	• R&D investment in green products and solutions may lead to increased initial cash flow pressure. The uncertainty of green technologies may trigger additional investment risks. • Revenue and market share may fluctuate due to changes in demand.	• Actively expand green products and services to meet new market demands, while enhancing brand influence through digital marketing to stabilize market share. • Establish long-term partnerships with suppliers to reduce costs through bulk purchasing, and introduce advanced management systems to improve operational efficiency. • Develop a phased equipment upgrade plan to gradually replace high-energy-consumption equipment, dispersing cost pressure. Monitor and optimize equipment operating efficiency through an energy management system to reduce overall operational costs.
Reputation	Short-term Medium-term	Upstream Operations Downstream	• Increased requirements for commercial and property services enterprises in mitigating and adapting to climate change，The Company's commitment to sustainable development and implementation of environmental policies may affect its reputation. • Failure to disclose energy consumption, carbon emissions, and other data as required, or violation of sustainable development policies and regulations, may increase reputational risk and negatively impact the corporate image.	• Improper handling of climate risks could affect the Group's credibility and image, resulting in losses. • Promoting the Company's green and sustainable image may increase marketing costs.	• Actively fulfill sustainable development commitments, strengthen the implementation and promotion of environmental policies, and enhance public trust. • Establish a robust data management and disclosure mechanism to ensure timely and accurate disclosure of relevant data, and strengthen internal compliance management to mitigate legal risks. • Develop efficient, digital, and intelligent marketing strategies to control marketing costs while ensuring the effectiveness of green image promotion.

Results of Climate Opportunity Assessment

Opportunity Type	Potential Business Impact	Potential Financial Impact	Coping Strategies
Developing or Adding Low-Carbon Products and Services	• Helps enhance core competitiveness	• Meets compliance requirements and qualifies for corresponding subsidies • Products and services gain favor with consumers	• Continue to promote the research, development, and application of green technologies, and increase the promotion of low-carbon products and solutions within the core business.
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 profitability	• Continuously monitor policy trends related to green building and ultra-low energy consumption, closely follow changes in market demand, and develop green products and services that meet customer expectations.
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

Risk Management

We are committed to fully integrating climate-related risk management into our regular operations, continuously enhancing climate resilience and supporting strategic decision-making through systematic processes. Based on internal experience, external data, and industry trends, we systematically identify various risks, conduct qualitative and quantitative assessments of their likelihood and potential impact over the short, medium, and long term, and accordingly define management priorities. We then formulate and dynamically adjust response measures and optimize resource allocation to comprehensively enhance the Group's adaptability and resilience. During this Reporting Period, our total investment in addressing climate risks was approximately RMB 90,000.





Metrics and Targets

Indicators	2023	2024	2025	Unit
Collective GHG emissions (Scope 1 and Scope 2)	379,725.66	329,600.01	285,050.00	Tonne CO_2eq
Direct emissions (Scope 1)	6,615.10	9,925.63	6,863.96	Tonne CO_2eq
Indirect emissions (Scope 2)	373,110.55	319,674.38	278,186.04	Tonne CO_2eq
Indirect emissions (Scope 3)	/	/	1,599.93	Tonne CO_2eq
Reduced GHG emissions by owned trees	239.41	270.41	322.55	Tonne CO_2eq
Collective GHG emissions (Scope 1 and Scope 2) per income in thousand RMB from property rental, development and management services	0.14	0.13	0.11	Tonne CO_2eq

Target

- Environmental targets such as energy consumption, carbon emissions, and water usage are established as the tracking goals and indicators for climate change-related performance.
- We continuously identify climate-related risks and their impact on the Group's operations, developing our climate change management roadmap with reference to the HKEX disclosure requirements, TCFD recommendations, and other relevant standards.

Progress

- We track the performance of all indicators on an annual basis. Conduct vertical comparisons, and analyze the impact of climate risks on our business.
- This year, we further sort out 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.	

Biodiversity Protection

The Group adheres to the concept of "respecting nature and protecting biodiversity", strictly follows the *Outline of Nature Conservation of the People's Republic of China* and international biodiversity conservation standards, fully integrates biodiversity protection into all aspects of corporate decision-making and operations, formulates and implements strict special protection policies, and through ecological impact assessment, regular ecological monitoring and restoration measures, earnestly fulfills the responsibility of biodiversity protection.

The Group carefully identifies and manages the potential impacts of business operations on biodiversity, and takes multiple measures to implement protection actions, including creating urban biological habitats, using herbicides with caution, protecting and utilizing native vegetation; implementing special avoidance and protection measures for national-level protected animals within the project scope; optimizing lighting design to reduce light pollution, and effectively reducing the interference of human activities on the natural ecosystem. During the Reporting Period, the Group did not experience any negative impact events related to biodiversity.



04

Focusing on Talent Development

High-quality human resources are a vital foundation for achieving sustainable corporate development. The Group strictly complies with relevant laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Minors*. We strive to build an equal, diverse, inclusive, and empowering human resource management system. We adhere to diverse and equal employment practices to ensure fairness in talent acquisition; implement competitive compensation and benefits to match employee contributions with rewards; establish a safe, healthy, and skill-utilizing employee development platform to activate individual potential; and cultivate a harmonious and integrated working atmosphere to achieve synchronous progress for both employees and the enterprise.

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Supporting Employee Development 43

Optimising Employment Management

The Group has always adhered to the principle of equal and diverse employment, strictly following the *Human Resources Management System Compilation of Powerlong CM* to further standardize the management in aspects such as recruitment and promotion, salary and benefits, dismissal and resignation, working hours management, leave guarantee, equal opportunities, anti-discrimination, and talent cultivation. We clearly prohibit discrimination against employees based on any non-job competency factors such as race, nationality, ethnicity, and gender, and strictly prohibit the employment of child labor and forced labor. We are committed to safeguarding the legitimate rights and interests and fair development opportunities of every employee.

Equal and Diverse Employment

The Group adheres to the recruitment principles of "open recruitment, competitive employment, merit-based selection, and optimal allocation", strictly adhering to the compliance bottom line throughout the entire chain of talent "selection, training, utilization, and retention". During the recruitment stage, we strictly implement the requirements of anti-discrimination, anti-child labor, and anti-forced labor, using both "campus recruitment" and "society recruitment" channels, and relying on a comprehensive evaluation system to scientifically select talents, building a compliance defense line for talent entry. During the employment stage, we sign labor contracts with all employees and fully pay social insurance, reasonably plan working hours, oppose forced and compulsory labor, and protect the physical and mental health of employees. During the dismissal and resignation stage, we strictly follow labor laws and regulations and standardize the operation process to ensure the legality and compliance of the entire dismissal process.

The Group always places great importance on listening to the voices of employees, building a multi-channel communication system for employees both online and offline, and establishing an efficient and smooth communication bridge for employees. We regularly organize employee symposiums, proactively understand the needs of employees, listen to their suggestions, promptly respond to their demands and concerns, and do our best to help them solve difficulties encountered in work and life.

Good Compensation and Benefits

Adhering to the core concept of "people-oriented", The Group has established and implemented a competitive salary and welfare management system in the market. The salary structure for The Group's employees is diversified, consisting of "basic salary + performance bonus + special bonus + welfare subsidy", with a salary mechanism that is both fair and motivating, fully mobilizing the enthusiasm and creativity of employees and stimulating their passion for value creation. At the same time, The Group continuously improves the employee welfare system. On the basis of strictly implementing the national legal "five insurances and one fund" benefits, we have innovatively established a supplementary welfare system, including but not limited to providing employees with additional meal subsidies, night shift subsidies, annual physical examination, full-pay sick leave, etc. We also offer housing subsidies to employees who are transferred to different locations. Through various welfare benefits, we enhance employees' sense of belonging and satisfaction, and lay a solid foundation for talent retention.

To enhance team cohesion and improve the quality of employees' lives, The Group regularly organizes a variety of team-building activities to strengthen employees' sense of team belonging and cultivate a spirit of cooperation.

Case **Vibrant Team Building Activities**

In the summer of 2025, The Group's various business units meticulously organized and executed a diverse range of team-building activities. These initiatives not only provided employees with a platform to showcase their talents and exchange ideas but also strengthened collective cohesion through collaborative efforts.



Jiyuan Powerlong Plaza
Drifting, waves splashing high — riding the water, singing our song



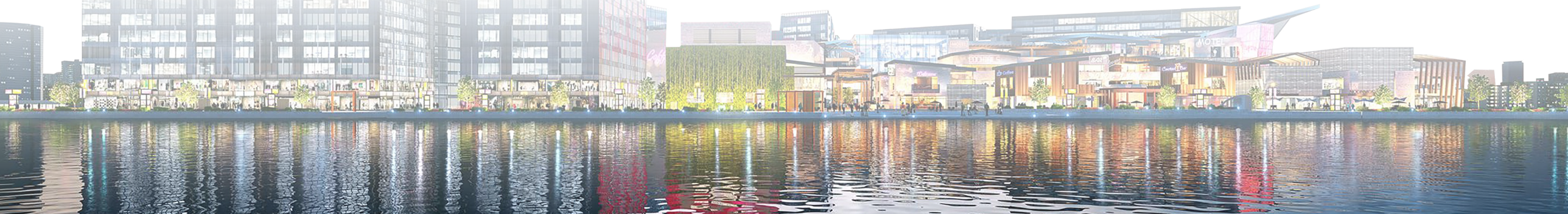
Zhoushan Powerlong Plaza
Hiking — measuring the world with every step



Hangzhou Qingshan Lake Powerlong Plaza
Get sporty, have a hip, happy summer



Hangzhou Binjiang Powerlong City
Small games, big joy



Ensuring Occupational Health and Safety

The Group strictly complies with relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Regulations on Work Safety Permits*, and upholds its commitment to safeguarding the health and safety of its employees. By integrating safety management protocols into all aspects of business operations, the Group establishes comprehensive occupational safety safeguards, enabling employees to work with peace of mind in a healthy and secure environment.

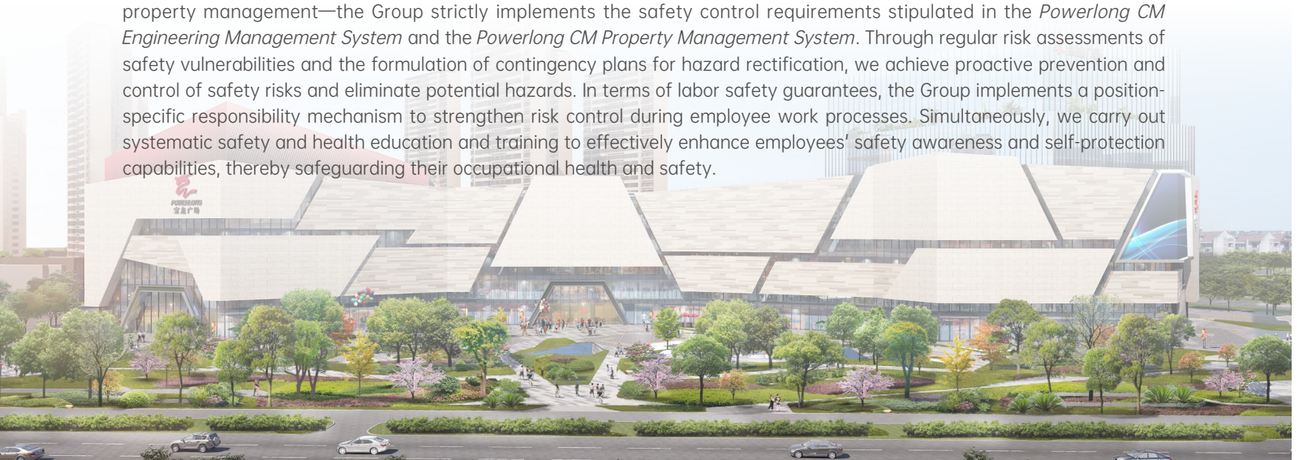
Establishing a Safety Management System

The Group continuously improves and rigorously implements the requirements of the *Powerlong CM Safety Management System*, establishing a safety management leadership team with a dedicated office to create a safety governance structure with clearly defined responsibilities and efficient execution. Safety and health standards are deeply embedded throughout the entire business process, from commercial operation to property management. Through regular safety risk identification and control, systematic hazard rectification and management, and meticulous optimization of the working environment and protective measures, the Group builds a strong safety defense line. This ensures the physical and mental well-being and life safety of every employee, fulfilling the corporate responsibility and commitment to safe development.

Safety Management Organizational Structure and Responsibilities

Position	Responsibilities
Safety Management Leadership Team (Decision-making Body)	• Approving various safety management systems, regulations, procedures, and control standards of the Group; • Formulate the Group's safety management work plan; • Organize and coordinate the investigation and handling of safety incidents, and approve investigation reports.
Engineering & Property Management Department of the Operations Management Center (Daily Administrative Office)	• Implement various safety management systems of the Group, investigate and handle safety incidents, and report regularly to the Safety Management Leadership Team.

For the safety prevention and control work of the two core business segments—commercial operation and residential property management—the Group strictly implements the safety control requirements stipulated in the *Powerlong CM Engineering Management System* and the *Powerlong CM Property Management System*. Through regular risk assessments of safety vulnerabilities and the formulation of contingency plans for hazard rectification, we achieve proactive prevention and control of safety risks and eliminate potential hazards. In terms of labor safety guarantees, the Group implements a position-specific responsibility mechanism to strengthen risk control during employee work processes. Simultaneously, we carry out systematic safety and health education and training to effectively enhance employees' safety awareness and self-protection capabilities, thereby safeguarding their occupational health and safety.



Employee Health Care

To comprehensively safeguard the physical and mental well-being of employees, the Group has implemented multiple measures to establish a health protection system. This includes regularly organizing physical examination, maintaining dynamic health records, and disseminating health protection knowledge. Additionally, professional psychological counseling services have been introduced, and specialized mental health training sessions are conducted. Through these dual physical and mental health safeguards, the Group assists employees in relieving stress and overcoming challenges, enabling them to engage in work and life with robust physical health and a positive mindset. Moreover, to ensure a healthy and safe office environment, the Group regularly maintains protective supplies such as masks, disinfectants, and emergency medical kits, and has established a routine disinfection mechanism for office areas, effectively reducing the risk of employees contracting illnesses.

Case Shanghai Qingpu Powerlong Plaza Participates in Fire Safety Drill Activities

To further enhance fire safety awareness within the jurisdiction, improve emergency response capabilities, and ensure the safety of residents' lives and property, the Longlian District collaborated with Shanghai Qingpu Powerlong Plaza to organize a series of fire drill activities. The event invited the Zhaoxiang Town Fire Brigade and the Songrun Road Police Station for guidance. Centered on the theme of "focusing on prevention and combining with fire fighting," the activities included skills training, practical drills, and emergency evacuation simulations, providing merchants, employees, and residents with an engaging and essential "Mandatory Safety Lesson."



The Group continuously refines its long-term mechanism for employee care. By organizing a variety of activities such as fun sports events, holiday celebrations, and birthday parties, it helps employees relieve stress, strengthen their physical fitness, and further enhances their sense of belonging and happiness, thereby fortifying a barrier for their physical and mental well-being.

Case Hosting Diverse Employee Activities

In the summer of 2025, various business segments of the Group meticulously planned and carried out a series of heartwarming activities. These initiatives not only provided employees with a platform to showcase themselves and exchange ideas but also allowed everyone to release stress and enjoy themselves through sports and interaction, injecting strong momentum into the high-quality development of the Group.



Chongqing Hechuan Powerlong Plaza Birthday celebration: defining excellence in the midst of applause



Hangzhou Fuyang Powerlong Plaza Basketball players charge forward with rainbow-like momentum

Supporting Employee Development

The Group adheres to its commitment to grow together with its employees. By refining the talent training management system, innovating talent cultivation mechanisms, and continuously optimizing employee growth pathways, it precisely matches the development needs of employees with different professional backgrounds and job levels. This comprehensively empowers employees' career advancement and facilitates a leap in their professional value.

Enhancing Talent Cultivation

The Group consistently advances the construction of its talent cultivation system to high standards. On one hand, it continuously benchmarks against international standards such as ISO 10015, steadily improving the full-process closed-loop training management system encompassing "needs identification—plan formulation—delivery and implementation—evaluation and tracking." Through refined operations, it achieves standardization and systematic upgrading of training management, effectively enhancing training outcomes. On the other hand, based on the core requirements of corporate strategy and human resources planning, and with the corporate culture research and dissemination base as its spiritual core, the Group leverages the professional team and comprehensive operational support mechanisms of Powerlong Business School to build a tripartite talent cultivation system comprising the "**Employee Development Platform, Value Support Platform, and Knowledge Sharing Platform**." Through tiered cultivation, precise empowerment, and knowledge accumulation, this system holistically fosters talent growth, providing employees with end-to-end development support from onboarding to senior management.

Employee Development Platform

Revitalized the "Zhenlong, Feilong, Jiaolong, Qianlong" Four Dragons Cultivation Program, covering the entire career cycle from fresh graduates to senior managers, accurately meeting the growth needs of talent at different levels.

Value Support Platform

Offers customized training such as new employee onboarding, business elite boot camps, retrospective workshops, and thematic open courses, helping employees solidify their business capabilities and refine professional skills.

Knowledge Sharing Platform

Focuses on building multiple teams including instructors, mentors, and technical experts, improves the supporting course map, and enables knowledge accumulation and experience sharing.

Case **Building a Multi-Dimensional Talent Cultivation Platform Covering Multiple Business Lines**

To accelerate the construction of the talent echelon and strengthen the reserve of professional talent, the Group meticulously developed and implemented a series of customized training programs, such as the "Powerlong Empowerment Camp" and " Powerlong Think Tank Camp for commercial project managers", establishing a multi-dimensional talent cultivation system that spans multiple business lines. The training content is closely anchored to the core business scenarios of the Group's commercial real estate, precisely focusing on key areas such as engineering management, tenant sourcing, and commercial operations. Breaking away from traditional single-format instruction, the programs employ diversified teaching methods like case studies and practical simulations, enabling participants to engage in immersive learning of solutions to business pain points and cutting-edge management experience. Each special training camp is co-taught by the Group's internal leaders and business experts, who not only impart standardized business processes and management norms but also share valuable insights from front-line practical experience. This helps employees quickly bridge competency gaps, enhance business expertise, and inject a continuous stream of talent momentum into the Group's high-quality development.



Case **Powerlong Xinghui Launches the "Commercial Leadership Class"**

On 21 November 2025, Power long Xinghui officially launched the annual advanced training of its "Commercial Leadership Class." This program is guided by three core principles: "Tackling Pain Points, Tailored Design, and Implementation as the Ultimate Goal." The curriculum is meticulously designed to address industry development challenges and bridge participants' competency gaps. The course modules consist of three key components: "Core Knowledge Enhancement, On-site Study Tours of Benchmark Projects, and One-on-One Empowerment for Specific Issues." Eschewing formalistic teaching methods, the program employs a diverse approach combining theoretical insights, hands-on practice, and targeted coaching to help participants transform knowledge into actionable business momentum.



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

- Employees are encouraged to participate in learning programs offered by external institutions or professional organizations to enhance their comprehensive or professional abilities, with partial costs reimbursed.
- The Group covers a portion of the tuition fees for eligible senior management employees enrolled in EMBA programs or specialized systematic training courses.

Facilitating Career Advancement

The Group places great emphasis on employees' career progression and development. It has established dual-track career development pathways—management and professional sequences—providing clear and actionable career advancement paths tailored to employees in different roles and with varying development orientations. This effectively safeguards employees' developmental rights and supports the sustainable construction of the talent pipeline. Additionally, the Group has implemented an open, fair, and impartial internal job competition mechanism, clarifying competition standards and standardizing procedures. This offers outstanding employees opportunities for cross-functional and cross-level development, revitalizes internal talent resources, and stimulates organizational dynamism.

Simultaneously, the Group has established a comprehensive promotion management system, specifying that promotions must adhere to principles such as qualification alignment, fairness and impartiality, integrity and competence, and step-by-step advancement. Promotion assessments comprehensively consider dimensions such as performance, experience, qualifications, and knowledge contribution. The proportion of promotions at different project stages is reasonably controlled to ensure the quality of talent selection. Post-promotion salary adjustments are determined based on a combination of the role's salary standards, performance, and the individual's current salary level.

Furthermore, the Group conducts a quarterly "Striving and Dedication Star" selection activity. This initiative leverages the guiding role of exemplary figures, promotes the spirit of hard work and dedication, and inspires employees' intrinsic motivation for career development.



05

Sincerely Giving Back to Society

The Group is committed to long-term engagement in the development of surrounding communities. It has established a specialized community communication and management mechanism and, leveraging project operations, increased philanthropic investments in areas such as rural revitalization, social care, culture and education, healthcare, and environmental protection. This deepens local connections and earnestly fulfills the development commitment of "Growing with the City," empowering community development and promoting sustainable community growth through concrete actions.

Social Welfare 47

Community Development 47



Social Welfare

Guided by the mission to enhance social well-being and promote social harmony, the Group is dedicated to advancing philanthropic causes. It encourages employees to participate in volunteer activities and provides assistance to those in need. To ensure the long-term sustainability of its philanthropic investments, the Group has also established a follow-up mechanism for aid recipients, dynamically optimizing assistance strategies based on changing circumstances and needs. With a strong sense of social responsibility, it helps vulnerable groups overcome difficulties, striving to jointly build an inclusive, equitable, and harmonious society.

Case Wuyishan Powerlong Plaza Participates in International Volunteer Day Activities

Wuyishan Powerlong Plaza took part in the International Volunteer Day event themed "Warming Wuyi in Winter, Carrying Forward the Volunteer Spirit," jointly organized by the Wuyishan Municipal Committee Social Work Department, the Wuyishan Municipal Civilization Office, the Wuyishan Municipal Committee of the Communist Youth League, and the Wuyishan Women's Federation, among other departments. At the event, volunteers conducted legal awareness campaigns targeting youth groups. Through engaging activities like fun law popularization and distributing legal manuals (over 200 copies), they focused on legal knowledge closely related to minors, such as child protection, cybersecurity, and traffic safety, contributing to the construction of a safe and harmonious social environment.



Community Development

The Group continuously supports the green and sustainable development of communities. Its business operations balance environmental protection with the sustainable use of resources, ensuring long-term project benefits and striving for the organic integration of economic, social, and environmental outcomes.



Case Shanghai Fengfa Powerlong Plaza Holds the "Home + Environment" Series Activities

To foster a child-friendly atmosphere and promote green environmental concepts, on the occasion of International Children's Day, the Situan Town Women's Federation, in collaboration with the Situan Town Social Development Office and the Situan Town Social Work Office, organized the "Home + Environment" series—specifically, the "Childlike Hearts Build Green, Aesthetic Education for the Future" Eco-Fashion Show at Shanghai Fengfa Powerlong Plaza. The activity allowed children to enjoy a joyful and meaningful holiday filled with laughter, while also planting the seeds of green awareness in their young hearts.



The event also featured a "Green Market" centered on the themes of environmental protection and low-carbon living. The market showcased a variety of "green" products and promoted a sustainable lifestyle.









In community investments, we encourage community members to participate in decision-making. By establishing diverse communication and discussion platforms and opening channels for community involvement, we incorporate community feedback throughout the entire process—from needs assessment and solution brainstorming to implementation. This ensures that community members' voices are genuinely integrated into decision-making, adhering to the principle of co-creation and sharing. Furthermore, throughout project investment and operation, we consistently uphold the principle of fair competition, respect and preserve local cultural customs and traditions, foster long-term partnerships with sincerity, and build friendly, trusting relationships with local communities through genuine commitment.

Performance Summary

The statistical data and calculation methods used in this report have been appropriately annotated. The environmental data presented in this chapter covers properties owned and operated by the Group. Unless otherwise stated, all data provided in this chapter represent aggregated annual totals for the corresponding year. During the Reporting Period, the Group further refined its data collection and statistical systems, resulting in changes to some data compared to previous years.

Quality Customer Service

Client satisfaction

Indicators	2023	2024	2025	Unit
Average customer satisfaction of the commercial sector	95.5	96.9	94.5	%
Average resident satisfaction of the residential property management centre	93.4	97.1	92.2	%

Supply Chain Management

Indicators	2023	2024	2025	Unit
Number of suppliers by region				
Mainland China	125	143	398	Number of suppliers
Hong Kong, China or other regions	0	0	3	Number of suppliers
Number of suppliers to whom the practice has been implemented	125	143	401	Number of suppliers

Emission Reduction Operations

Atmospheric pollutants[6]

Indicators[7]	2023	2024	2025	Unit
Nitrogen oxides (NO_x)	0.099	0.147	0.002	Tonne
Sulphur oxides (SO_x)	0.202	0.201	0.051	Kilogramme
Particulates Matter (PM)	0.0074	0.0107	0.0002	Tonne

[6] The air emission data were calculated in accordance with the emission sources, fuel consumption, the *Technical Guidelines for the Preparation of Air Pollution Emission Inventory from Road Motor Vehicles (Trial)* and the *Technical Guidelines for the Preparation of Emissions Inventory from Non-road Mobile Source (Trial)* in Mainland China, as well as the *Manual of the Accounting Methods and Coefficients of Boiler Pollution* issued by the Ministry of Ecology and Environment of the PRC. The data of air emissions from non-mobile sources during the Reporting Period only include air emissions caused by the direct use of boilers from projects, and do not include other appliances such as cooking appliances; the emission data from road mobile sources and non-road mobile sources include the emission resulted from natural gas, petrol and diesel used by related facilities.

[7] In 2024, the Group clarified the accounting boundary for piped gas and updated the calculation of NO_x and SO_x. Accordingly, the Group simultaneously amended its disclosures for 2023.

GHG emissions

Indicators	2023	2024	2025	Unit
Total GHG emissions (Scope 1 and Scope 2)[8]	379,725.66	329,600.01	285,050.00	Tonne CO_2
Direct emissions (Scope 1)[9]	6,615.10	9,925.63	6,863.96	Tonne CO_2
Indirect emissions (Scope 2)[10]	373,110.55	319,674.38	278,186.04	Tonne CO_2
Indirect emissions (Scope 3)[11]	/	/	1,599.93	Tonne CO_2
Reduced GHG emissions by owned trees[12]	239.41	270.41	322.55	Tonne CO_2
Total GHG emissions per thousand RMB income from property rental and management services (Scope 1 and Scope 2)[13]	0.14	0.13	0.11	Tonne CO_2

Produced non-hazardous wastes

Indicators	2023	2024	2025	Unit
Total non-hazardous waste generation[14]	3,830.66	4,235.31	3,922.31	Tonne
Domestic waste	2,785.61	2,952.56	2,718.16	Tonne
Food waste	1,045.04	1,282.76	1,204.15	Tonne
Non-hazardous waste generation per thousand RMB income from property rental and management services	0.001	0.002	0.002	Tonne

[8] The Company has adopted the method of "rights of operation and control" to define the organisational boundary in terms of the statistics and reporting of GHG. Scope 1 and Scope 2 emissions were calculated in accordance with the emission sources and fuel consumption, as well as the relevant conversion factors from the *Guideline on Accounting Methods and Reporting of GHG Emissions of Land Transport Enterprises (Trial)*, and the *Guidelines on Accounting Methods and Reporting of GHG Emissions of Enterprises in Other Industrial Sectors (Trial)* in Mainland China.

[9] The data of direct GHG emissions were calculated in accordance with stationary source, road mobile sources, non-road mobile sources, and the *Guidelines on the GHG Emission Accounting and Reporting for Public Building Operation Units (Enterprises) (Trial)* and the *Guideline on Accounting Methods and Reporting of GHG Emissions of Land Transport Enterprises (Trial)* from Mainland China.

[10] The data of indirect GHG emissions were calculated in accordance with the national grid average emission factors published by the Ministry of Ecology and Environment of the PRC. In particular, 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.*

[11] 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.

[12] This refers to the total amount of GHG reduction by trees owned by the Company with the height of 5 metres or above. 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 Institutional Purpose) in Hong Kong*.

[13] The type of income comes from the rental of investment properties and property management services.

[14] The statistic and calculation scope of general waste excludes the waste generated by merchants in commercial malls, office tenants, and residents; the statistic and calculation scope of food waste excludes waste generated by restaurants in commercial malls, office tenants, and residents.

Produced hazardous waste

Indicators	2023	2024	2025	Unit
Total produced amount of hazardous waste[15]	6.47	4.22	3.91	Tonne
Electronic waste	2.30	2.52	1.41	Tonne
Battery	1.21	1.20	2.10	Tonne
Waste lamp containing mercury[16]	2.42	0.00	0.25	Tonne
Printer cartridge	0.29	0.29	0.11	Tonne
Chemical container	0.25	0.20	0.03	Tonne
Hazardous waste generation per thousand RMB income from property rental and management services	0.000003	0.000002	0.000001	Tonne

Wastewater discharge[17]

Indicators	2023	2024	2025	Unit
Wastewater discharge	4,642,389.19	3,976,969.57	4,405,850.12	Tonne

Emissions and discharge compliance

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

Energy consumption[18]

Indicators	2023	2024	2025	Unit
Total energy consumption	646,740.07	662,623.14	558,630.64	MWh
Natural gas	32,948.02	49,517.13	34,311.49	MWh

[15] Please refer to Appendix II, Guidance on Reporting of Environmental Key Performance Indicators of the Hong Kong Stock Exchange's How to Prepare an Environmental, Social and Governance Report for classification of hazardous waste.

[16] 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.

[17] The data for the total amount of wastewater discharged were calculated in accordance with the total water usage and related conversion coefficient provided by the *Manual of the Accounting Methods and Coefficients of Life Sources Pollution*.

[18] The energy consumption data were calculated in accordance with the amount of purchased electricity and consumed natural gas, petrol and diesel, as well as relevant conversion factors from the *Guidelines on Accounting Methods and Reporting of GHG Emissions of Enterprises in Other Industrial Sectors (Trial)* issued by the National Development, Reform Commission of the PRC and the International Energy Agency.

Indicators	2023	2024	2025	Unit
Gasoline	55.21	40.25	17.01	MWh
Diesel	68.17	82.62	14.34	MWh
Purchased electricity	613,668.67	595,740.54	524,285.79	MWh
Energy consumption per thousand RMB income from property rental and management services	0.25	0.25	0.21	MWh

Water consumption

Indicators	2023	2024	2025	Unit
Total water usage[19]	5,158,210.21	4,418,855.08	4,895,389.02	m^3
Consumption of municipal water (tap water)	4,825,416.28	4,336,344.08	4,785,465.02	m^3
Consumption of circulating water (reclaimed water and cooling water)	332,793.93	82,511.00	109,924.00	m^3
Amount of water discharged into the natural environment after self-pretreatment and meeting discharge standard	554,958.00	525,687.80	368,103.00	m^3
Total water consumption[20]	4,270,458.28	3,810,656.28	4,417,362.02	m^3
Water consumption per thousand RMB income from property rental and management services	1.62	1.46	1.69	m^3

Amount of recycled waste materials during operation

Indicators	2023	2024	2025	Unit
Recycled paper	89.96	52.90	6.48	Tonne
Recycled plastic bottle	26.15	6.63	5.52	Tonne
Recycled metal	12.78	5.87	4.68	Tonne
Recycled glass bottle	5.49	9.76	6.01	Tonne

Environmental greening

Indicators	2023	2024	2025	Unit
Owned trees with the height of 5 meters or above	10,409	11,757	14,024	Tree

[19] Total water usage includes the consumption of municipal water (tap water) and circulating water (reclaimed water and cooling water).

[20] Total water consumption refers to the consumption of municipal water (tap water) excluding the amount of water discharged into the natural environment after pre-treatment by the Group.

Environmental compliance

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

Optimising Employment Management

Employee composition

Indicators	2023	2024	2025	Unit
Total number of employees	5,798	5,566	5,517	Person
By gender				
Male	3,704	3,551	3,470	Person
Female	2,094	2,015	2,047	Person
By age				
Above 50	257	268	352	Person
41-50	1,210	1,217	1,200	Person
31-40	2,541	2,466	2,524	Person
21-30	1,771	1,592	1,424	Person
20 or below	19	23	17	Person
By educational background				
Master's Degree and above	56	50	56	Person
Bachelor's Degree	1,576	1,518	1,730	Person
College Degree	2,258	2,200	2,097	Person
Secondary school	765	717	696	Person
Other	1,143	1,081	938	Person
By region				
Mainland China	5,798	5,566	5,517	Person
Hong Kong, China or other regions	0	0	0	Person
By employment type				
Full-time	5,798	5,566	5,517	Person
Part-time	0	0	0	Person

Employee turnover[21]

Indicators	2023	2024	2025	Unit
Employee turnover rate	42.65	29.85	28.71	%
By gender				
Male	41.55	30.06	29.43	%
Female	44.60	29.47	27.46	%
By age				
Above 50	29.57	15.99	12.66	%
41-50	30.17	21.33	20.79	%
31-40	39.00	28.69	27.58	%
21-30	58.27	38.05	38.33	%
20 or below	47.37	42.50	37.04	%
By region				
Mainland China	42.65	29.85	28.71	%
Hong Kong, China or other regions	0	0	0	%

Health and Safety

Employee safety

Indicators	2023	2024	2025	Unit
Number of work-related fatalities	0	0	0	Person
Number of work-related injuries that led to employees not being able to attend work	0	0	0	Person
Lost days due to work injury	0	0	0	Person

[21] In 2024, the Group updated the employee turnover rate algorithm: "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	2023	2024	2025	Unit
Number of employees receiving training related to career development				
Male	2,763	3,623	3,004	Person
Female	2,197	1,601	1,641	Person
Senior level	394	204	279	Person
Middle level	679	682	762	Person
General employees	4,291	3,952	3,604	Person

Indicators	2023	2024	2025	Unit
Average number of hours per employee attended career development-related training[22]				
Male	21.75	7.91	10.15	Hours
Female	14.16	7.88	9.63	Hours
Senior level	15.90	12.33	44.58	Hours
Middle level	22.53	9.23	23.23	Hours
General employees	14.93	17.48	9.56	Hours

Professional ethics and business integrity

Indicators	2023	2024	2025	Unit
Number of cases involving bribery, extortion, fraud, and money laundering	0	0	0	Case

Caring for the society

Indicators	2023	2024	2025	Unit
Amount of money invested for community[23]	315	150	8.5	RMB'000

[22] The average number of hours per employee attended career development-related training was calculated according to the formula: average training hours completed per employees by category = total training hours completed by employees under that category / total number of employees under that category.

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

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.*	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office
	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.	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office The Group is actively mapping and analysing the current state of environmental performance to lay the foundation for setting emission target(s) and waste reduction target(s), and plans to disclose them in the future.
	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.	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office The Group is actively mapping and analysing the current state of environmental performance to lay the foundation for setting emission target(s) and waste reduction target(s), and plans to disclose them in the future.
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.*	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office
	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

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Aspect A2: Use of Resources	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office The Group is actively mapping and analysing the current state of environmental performance to lay the foundation for setting energy use efficiency target(s) and water efficiency target(s), and plans to disclose them in the future.
	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.	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office The Group is actively mapping and analysing the current state of environmental performance to lay the foundation for setting energy use efficiency target(s) and water efficiency target(s), and plans to disclose them in the future.
	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.	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Creating a Green Environment Together – Green Operations Creating a Green Environment Together – Green Office
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.	Focusing on talent development - Optimising Employment Management
	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
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.	Focusing on talent development - Ensuring Occupational Health and Safety
	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.	Focusing on talent development - Ensuring Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	Focusing on talent development - Supporting Employee Development

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Aspect B3: Development and Training	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.	Focusing on talent development - Optimising Employment Management
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Focusing on talent development - Optimising Employment Management
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Focusing on talent development - Optimising Employment Management
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Integrity and Compliance Management - Supply Chain Management
	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.	Integrity and Compliance Management - Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Integrity and Compliance Management - Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Integrity and Compliance Management - Supply Chain Management
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.	Innovative Products and Services - Upgrading Smart Services Innovative Products and Services - Optimizing Commercial Operations Innovative Products and Services - Strengthening Property Management Innovative Products and Services - Protecting Customer Rights and Interests
	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.	Innovative Products and Services - Protecting Customer Rights and Interests Performance Summary

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Aspect B6: Product Responsibility	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Integrity and Compliance Management - Intellectual Property Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	Innovative Products and Services - Protecting Customer Rights and Interests Innovative Products and Services - Optimizing Commercial Operations Due to the nature of the Group's business, the recall procedure is not applicable to the Group.
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Innovative Products and Services - Optimizing Commercial Operations
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity and Compliance Management - Strengthening Compliance Management Integrity and Compliance Management - Building a Clean and Integrity-based Environment
	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.	Integrity and Compliance Management - Building a Clean and Integrity-based Environment
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Integrity and Compliance Management - Building a Clean and Integrity-based Environment
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.	Sincerely Giving Back to Society
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Sincerely Giving Back to Society
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Sincerely Giving Back to Society Performance Summary
Part D: Climate-related Disclosures			
Climate-related Disclosures	Governance	Governance	Creating a green environment together – Responding to Climate Change
	Strategy	Climate-related risks and opportunities	Creating a green environment together – Responding to Climate Change
		Business model and value chain	Creating a green environment together – Responding to Climate Change
		Strategy and decision-making	Creating a green environment together – Responding to Climate Change
		Financial position, financial performance and cash flows	Creating a green environment together – Responding to Climate Change

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Climate-related Disclosures	Strategy	Climate resilience	Creating a green environment together – Responding to Climate Change
	Risk Management	Risk management	Creating a green environment together – Responding to Climate Change
	Metrics and Targets	Greenhouse gas emissions	Creating a green environment together – Responding to Climate Change
		Climate-related transition risks	Creating a green environment together – Responding to Climate Change
		Climate-related physical risks	Creating a green environment together – Responding to Climate Change
		Climate-related opportunities	Creating a green environment together – Responding to Climate Change
		Capital deployment	Creating a green environment together – Responding to Climate Change
		Internal carbon prices	Creating a green environment together – Responding to Climate Change
		Remuneration	Creating a green environment together – Responding to Climate Change
		Industry-based metrics	/
		Climate-related targets	Creating a green environment together – Responding to Climate Change
		Applicability of cross-industry metrics and industry-based metrics	/

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