



KWG GROUP HOLDINGS

KWG GROUP HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability Stock Code : 1813

2025  
ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

Build *Home* with *Heart*  
Create *Future* with *Aspiration*

# Contents

<b>Preface</b>	3
<b>About This Report</b>	5
<b>Sustainable Development Governance</b>	7
<b>ESG Management of the Board</b>	8
<b>Awards Received by KWG for the Year</b>	12
<b>Materiality Assessment</b>	15

<b>1 Environmental Governance and Related Policies</b>	17
1.1 Green Building Certification	17
1.2 Green Finance Framework	19
1.3 Green Office Smart Office and Digital Management	19
“CoKWG Premium Houses (一合好房)” Mini Program	21
1.4 Environmental Policy	22
1.5 Energy and Resources Policy	22
1.6 Biodiversity Policy	23
1.7 Waste Management Policy	23
1.8 Climate Change Policy	24
1.9 Water Resources Management Policy	31
1.10 Green Living	32
1.11 Green Construction	34
1.12 Green Buildings	38
1.13 Promotion of Green Activities	40
1.14 Environmental Performance	41

## **2** Care for Our Employees and Interests of Employment 44

- 2.1 Development and Training 48
- 2.2 Employee Recognition and Corporate Culture Development 54
- 2.3 Occupational Health and Safety of Labour 56
- 2.4 Information on the Group's Employees 62

## **3** Operation Management of the Group 66

- 3.1 Supply Chain Management 66
- 3.2 Risk Management 70
- 3.3 Idea Sharing on Party Building 73
- 3.4 Quality and Safety 74

## **4** Charity and Community Involvement 109

## **5** Related Laws and Regulations 111

## **6** Report Index 114

# Preface

In 2025, structural adjustments in the mainland real estate sector deepened further. With multiple factors — including diverging market demand, the reshaping of business models, and the restructuring of the industry's credit environment — intertwining, the sector entered a critical period of transformation. For real estate enterprises, maintaining stable operations, strengthening internal resilience, and identifying drivers for high-quality development amid an ongoing market cycle have become central challenges in reshaping the competitive landscape. Against this industry backdrop, KWG Group has consistently adhered to a high-quality development trajectory and firmly aligned itself with national strategic priorities. Through more rational and long-term business strategies, the company has maintained steady progress in a complex environment while continuously reinforcing its long-term commitment to sustainable development.

Looking back on the past year, although the market as a whole faced headwinds, the Group's operational performance reports released each month indicate that the company continued to make steady progress amid market adjustments, with core business operations remaining stable. In the face of fluctuations in demand and shifting consumer preferences, the Group has continued to strengthen its fundamentals through precise market analysis, optimization of product portfolios, and improvements in operational efficiency, adopting pragmatic strategies to gradually adapt to market changes. Overall, 2025 was a year of challenges for the Group, but it was also a year in which the Group's sound management capabilities and risk control systems were put to the test.

At the same time, the Group achieved significant breakthroughs in financial governance — in 2025, the Group successfully completed the restructuring of several domestic corporate bonds, which were unanimously approved by the relevant creditors' meetings. The restructuring encompassed a variety of governance solutions, demonstrating the company's determination to proactively alleviate financial pressures and enhance the security of its capital structure. By restructuring debt maturities, optimizing repayment arrangements, and enhancing debt transparency, the company has further solidified its financial foundation, effectively strengthening the stability and flexibility of its cash flow. This landmark achievement not only enhances the company's medium- to long-term risk resilience but also lays a more solid foundation for future business expansion and sustainable operations.

In terms of business and product development, KWG Group adheres to its core philosophy of "building home with heart, creating future with aspiration," and continues to promote the deep integration of green construction, low-carbon operations, and smart services. The Group initiated its transformation into an urban integrated operator as early as 2017 and, in subsequent years, established a comprehensive green building system and smart city operational capabilities. By incorporating ESG considerations throughout the entire chain of planning, design, construction, and operations, the Group ensures that its products and services are better aligned with the direction of urban sustainable development. Between 2024 and 2025, multiple projects under the Group continued to receive industry recognition for their achievements in green building, low-carbon space creation, and sustainable community development, powerfully demonstrating the Group's deep expertise and innovative capabilities in driving green transformation.

In terms of green building, the Group continues to promote energy-efficient facilities, low-carbon building materials, healthy building concepts, and smart energy management technologies, while implementing exemplary green residential projects in various cities. These projects not only enhance the quality of the urban environment but also further strengthen consumers' embrace of a green lifestyle. In the commercial operations sector, the Group has also integrated ESG principles into diverse settings such as retail, office, and hotel spaces. Through more efficient management models and green operational measures, we enhance property value and user experience, ensuring that the concept of green development permeates everyday urban life in a more visible and tangible way.

## Preface

In terms of project delivery and customer service, the Group has always regarded “ensuring delivery, quality, and safety” as its core corporate responsibility. Through standardized construction specifications, a rigorous quality control system, and intelligent delivery processes, we continuously enhance the reliability and consistency of our delivery outcomes. Regardless of market fluctuations, the Group remains steadfast in upholding its quality standards, ensuring that customers receive living and commercial spaces that are more reassuring and trustworthy. The Group is also continuously enhancing its full-lifecycle customer service system. Through targeted feedback mechanisms, scenario-based service upgrades, and the development of smart communities, we are building product and service relationships that are more human-centered and responsible.

In fulfilling its corporate social responsibility, the Group remains committed to deepening its engagement in the public welfare sector. Through multifaceted initiatives — including educational support, urban co-development, care for vulnerable groups, promotion of culture and the arts, and environmental protection efforts — the Group drives the long-term accumulation of social value. Multiple commercial and community projects under the Group actively collaborate with charitable organizations and social groups to promote green living concepts and sustainable values among employees, residents, merchants, and the general public, thereby making environmental protection and community engagement integral components of the corporate culture.

The sustainable development of a company is inseparable from its talent pool. The Group continuously refines its employee development system, providing multidimensional support for employee growth — from building talent pipelines and cultivating professional skills to enhancing leadership capabilities, as well as ensuring health and safety. The Group firmly believes that only when employees are provided with the space to fully realize their potential, stable and secure safeguards, and opportunities for long-term development can the enterprise maintain robust momentum for growth amid shifting external conditions. Based on this conviction, the Group will further strengthen its talent development strategy in 2025, with the aim of working alongside employees to build a corporate culture characterized by sustainability, innovation, and cohesion.

Looking ahead, KWG Group will continue to uphold sustainable development as its core driving force, focusing on green construction, low-carbon operations, and smart services to strengthen the company’s resilience and enhance operational efficiency. At the same time, we will continue to optimize our financial structure to ensure the company’s long-term, steady growth. The Group will closely align with the nation’s dual carbon goals, expand the application of green finance, green building materials, and low-carbon technologies, and continue to increase the scale of green building projects, supporting the sustainable transformation of cities and society through concrete actions. While continuing to serve our clients, give back to society, and create long-term value, the Group will also promote collaborative innovation across the entire industrial chain. With a more forward-looking mindset and a sense of responsibility, we will build a better future for cities, communities, employees, and all stakeholders.

# About This Report

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “Guide”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited. To provide the management approaches and key considerations in the environmental, social and governance (“ESG”) aspects during the reporting period.

This report covers the Group’s business activities for the period from January 1, 2025, to December 31, 2025, which aligns with the Group’s fiscal year. With regard to environmental disclosures, given the diversity of the Group’s business portfolio and project arrangements, this report has, at this stage, selected certain representative property projects and office premises as the basis for disclosure, based on practical feasibility and data availability, to reflect the Group’s management capabilities within the relevant areas. The Group will continue to review the scope and methods of environmental disclosures in light of business development and actual circumstances to enhance the relevance and value of the disclosed information.

With regard to social and governance-related matters, the disclosures in this report generally cover Group-level policies, systems, and management arrangements, and reflect the Group’s relevant practices in its day-to-day operations and governance structure.

In preparing this report, the Group has taken into account the reporting principles set out in the Guide, including materiality, quantification, balance, and consistency, to ensure that the disclosures are appropriately understandable and useful at this stage. The Group will continue to review the scope and content of its disclosures in light of business developments and management needs.

This report is published in electronic format and is available on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Group ([www.kwggroupholdings.com](http://www.kwggroupholdings.com)). ESG reports from previous years are also available on the aforementioned websites.

## About This Report

Reporting principle	The Group's response
<b>Materiality</b>	After collecting and analyzing the opinions of our internal and external stakeholders, the Group evaluates the materiality of each issue to the Group and our stakeholders, and formulates a materiality matrix to determine the key points of disclosure in this report, which are used as reference for our sustainable development objectives.
<b>Quantitative</b>	The information disclosed in this report comes from the Group's documents, data and statistics. The Board is responsible for the authenticity, accuracy and completeness of the content of this report. The report should disclose key performance indicators in a measurable manner. The standards, methods, and conversion factors used in the emissions and energy consumption disclosed in this report are compiled in accordance with the Guide.
<b>Balance</b>	Apart from disclosing the Group's sustainability performance, this report also explains the challenges encountered by the Group in sustainable development, and avoid selecting, omitting or presenting formats that may inappropriately influence the decision or judgment made by readers reading this report.
<b>Consistency</b>	The information collection and report format in this report is consistent with last year to the greatest extent so as to ensure the comparability of the information and with explanations for any changes made.

The Group attaches great importance to the communication with all stakeholders. If you have any suggestions or inquiries about the content of this report or KWG's sustainable development policies, please contact the Investor Relations Department in the following manners:

Investor Relations Department  
 KWG Group Holdings Limited  
 Room 1301, 13th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong

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# Sustainable Development Governance

In a market environment characterized by ongoing adjustments and uncertainty, the mainland real estate industry places higher demands on companies' governance capabilities, risk management, and operational resilience. While continuously addressing cyclical fluctuations and operational challenges within the industry, KWG Group ("the Group") adheres to a prudent and long-term approach to sustainable development. By optimizing its internal governance structure, strengthening risk management procedures, and enhancing decision-making transparency, the Group is well-positioned to adapt to changes in the market environment and regulatory requirements.

The Group has integrated environmental, social, and governance ("ESG") considerations into its daily operations and decision-making processes. At various stages — including project design, planning, construction, and operations — the Group progressively implements measures related to green building, resource efficiency, and environmental impact management, as practicable, to reduce energy consumption and greenhouse gas emissions. The formulation and implementation of these measures are adjusted in accordance with the nature of the project, resource allocation, and operational requirements. At the same time, the Group remains committed to project delivery quality, client interests, and social responsibility, and participates in community and charitable activities where operationally feasible to uphold its corporate reputation and the trust of its stakeholders.

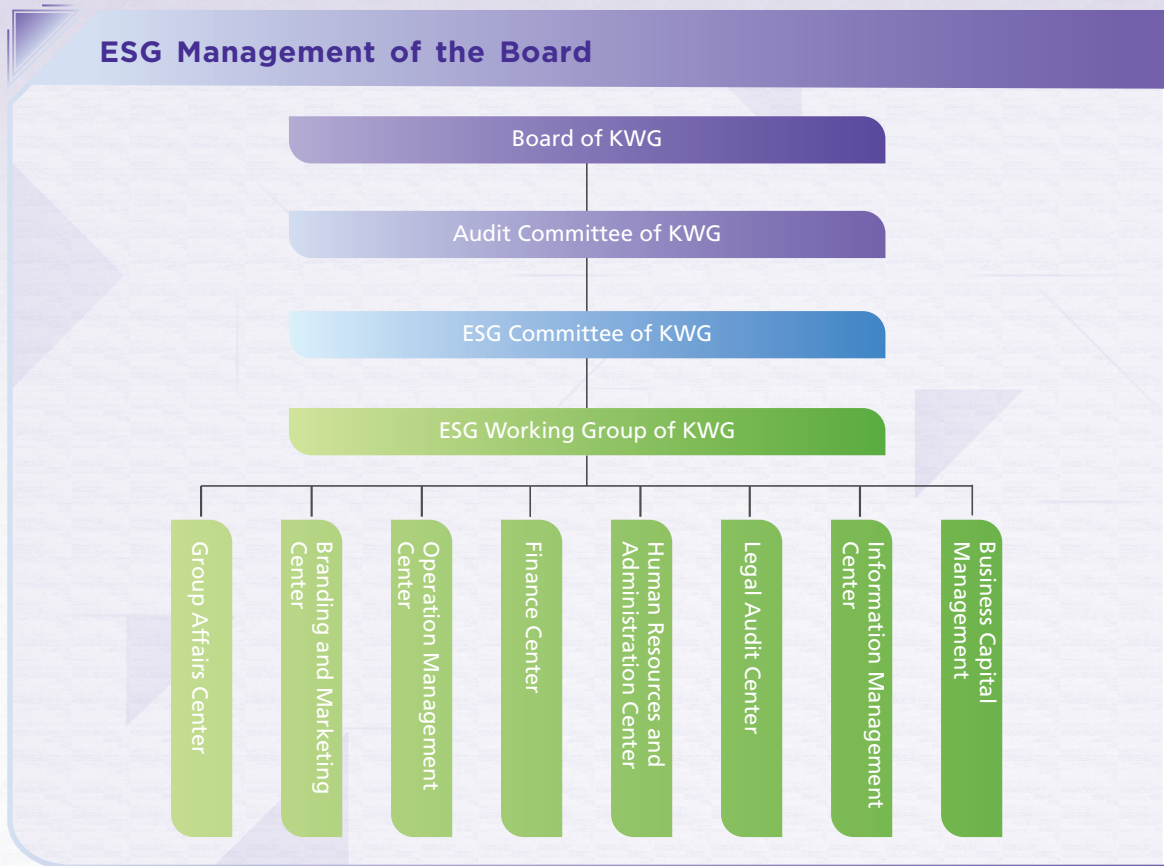
Climate-related risks and opportunities fall within the scope of the Group's ESG governance. The Group believes that effectively managing climate and other ESG-related risks helps enhance its ability to respond to market changes and long-term uncertainties, and supports the Group's sustainable operations and long-term value creation.

The Group believes that a sound and transparent sustainable development governance structure helps enhance the company's ability to manage risks and uncertainties, and supports the business in maintaining stable growth across different economic cycles.

To align with business strategies and regulatory developments, the Group conducts materiality assessments on relevant environmental and social issues through independent third-party consultants, where feasible. The results and recommendations of such assessments are reported by management to the Board of Directors and its authorized committees for their consideration when reviewing ESG risks, formulating policies, and determining disclosure arrangements. The Board and relevant committees regularly review the implementation of ESG policies and the content of the annual ESG report to ensure that the Group has established appropriate and effective ESG risk management and internal control mechanisms.

Looking ahead, the Group will continue to review and refine its sustainability strategies and management systems. While ensuring compliance with regulatory requirements and actual operations, we will progressively enhance the quality of our project management and operations, thereby contributing to the creation of a resilient and sustainable urban environment.

## Sustainable Development Governance



### The Group's ESG Governance Structure

The Group strictly complies with the Listing Rules of The Stock Exchange of Hong Kong Limited and other applicable laws and regulations, and continuously reviews and optimizes the Board's governance structure to enhance its governance effectiveness and oversight capabilities.

The Board of Directors is the Group's highest decision-making body and is responsible for overseeing and guiding the Group's overall strategy, risk management, and sustainability initiatives. The Board has authorized the Audit Committee to assist in monitoring the Group's environmental, social, and governance policies, performance, and related risks, and to make recommendations to the Board as necessary.

The Audit Committee has established an Environmental, Social, and Governance Committee (the "ESG Committee"), which is responsible for assisting the Audit Committee in formulating and reviewing the Group's ESG-related policies, management procedures, and disclosure arrangements, and ensuring that such work complies with the requirements of Appendix C2 to the Listing Rules, the Code on Environmental, Social, and Governance Reporting.

The Group has established an ESG Task Force to serve as the operational arm responsible for coordinating with various business and functional departments to drive the implementation of ESG-related initiatives. The ESG Task Force regularly reports to the ESG Committee on the progress of policy implementation, identified key risks, and recommendations for improvement, and communicates needs regarding resource allocation and management support as required.

## Sustainable Development Governance

Through the aforementioned top-down ESG governance structure, the Group is committed to ensuring that the Board of Directors and management have timely access to key information related to sustainability and that relevant factors are appropriately considered in business operations, risk management, and strategic reviews.

### Key Responsibilities of the Board of Directors and Its Delegation Structure Regarding ESG

In accordance with the relevant guidelines issued by the Hong Kong Stock Exchange regarding the Board's oversight role in environmental, social, and governance matters, including the "Leadership and Accountability in ESG Matters — A Guide for Boards and Directors" published in March 2020, the Board has authorized the Audit Committee to perform the following duties in relation to ESG matters and to report to the Board on a regular basis:

1. Assist in formulating and reviewing the Group's ESG management policies, strategies, and related objectives, and monitor their implementation;
2. Oversee key environmental and social impacts, compliance risks, and ethical matters related to the Group's operations, including anti-corruption, data security, and customer privacy protection;
3. Understand the potential impact of ESG-related issues on the Group's business model and risk profile;
4. Take note of the expectations of key stakeholders (including investors and regulators) regarding ESG disclosure and management;
5. Review the materiality assessment process and related disclosure arrangements to ensure the ongoing improvement of their accuracy and consistency;
6. Foster the integration of ESG considerations into management decision-making and operational management processes; and
7. Review and recommend to the Board the approval of the disclosures in the Group's annual ESG report.

### Key Responsibilities of the ESG Committee

Key responsibilities of ESG Committee under the Audit Committee are as follows:

- Assist the Audit Committee in reviewing and updating the Group's ESG-related policies, procedures, and governance structure;
- Review key ESG issues and related regulatory developments that may impact the Group's strategy, operations, or reputation;
- Make recommendations to the Audit Committee regarding ESG-related targets, metrics, and progress monitoring arrangements;
- Make recommendations to the Audit Committee regarding the resource requirements for ESG-related work;
- Monitor whether the Group's ESG disclosures comply with applicable regulations and stakeholder expectations; and
- Regularly review its terms of reference to align with changes in regulatory requirements.

## Sustainable Development Governance

### Key Responsibilities of the ESG Working Group

Key responsibilities of the ESG Working Group are as follows:

- Coordinate with various business and functional departments to drive the implementation of ESG-related policies and measures;
- Assist in collecting and organizing ESG-related data and operational information;
- Report to the ESG Committee on implementation status, risk issues, and recommendations for improvement.

The Group will review the arrangements for ESG governance by the Board and its authorized committees from time to time to ensure that relevant information is reported in a timely manner through appropriate channels and to support the Board in making prudent decisions that are in the Group's long-term interests.

In addition, the Group places great importance on communication with various stakeholders. Through channels such as annual reports, interim reports, Stock Exchange announcements, the company website, and investor engagement activities, the Group gathers and understands stakeholders' views and concerns, and responds appropriately to the extent feasible. During the reporting year, the Group held one annual general meeting.

## Sustainable Development Governance

Stakeholder	Concerned issue	Communication channel and response
<b>Employees</b>	<ul style="list-style-type: none"> <li>employees' rights and benefits</li> <li>occupational health and safety</li> <li>career development and promotion path</li> </ul>	<ul style="list-style-type: none"> <li>providing safe and healthy workplace</li> <li>trainings and workshops on safety knowledge</li> <li>encouraging employees to participate in internal and external trainings</li> <li>offering clear promotion ladder and necessary criteria</li> </ul>
<b>Customers and property owners</b>	<ul style="list-style-type: none"> <li>product quality and services</li> <li>service experience</li> </ul>	<ul style="list-style-type: none"> <li>customers' satisfaction survey</li> <li>online service</li> <li>offering professional after-sales services</li> <li>customer activities</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>fair and competitive tender process</li> <li>corporate image and reputation</li> <li>complying with and performing contract</li> </ul>	<ul style="list-style-type: none"> <li>conducting evaluation and investigation, regular work meetings</li> <li>conducting technology and quality assessment to tenders</li> <li>setting up engagement criteria and Practices</li> <li>plants inspection</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>return and growth</li> <li>profitability</li> <li>disclosure on information of the Group</li> </ul>	<ul style="list-style-type: none"> <li>general meetings</li> <li>periodic reports and announcements of the Group</li> <li>investor relations activities</li> </ul>
<b>Government authorities</b>	<ul style="list-style-type: none"> <li>compliance with laws and regulations</li> <li>paying tax in accordance with the law</li> <li>supporting economic development</li> </ul>	<ul style="list-style-type: none"> <li>setting up policies for green office, construction and architecture</li> <li>executing and complying with national policies</li> <li>responding to government's policy to facilitate urban development</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>public welfare</li> <li>environmental protection</li> <li>social people's livelihood</li> </ul>	<ul style="list-style-type: none"> <li>actively participating in community projects and construction</li> <li>forming volunteer groups</li> <li>media communication</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>observing commercial ethics</li> <li>transparency on operation</li> </ul>	<ul style="list-style-type: none"> <li>regular disclosures of information</li> <li>maintaining close relationship</li> </ul>

# Awards Received by KWG for the Year

In addition to serving the well-being of our country, customers and shareholders, the Group also attaches great importance to the recognition on the Group in various sectors. We were honoured to receive several different awards during the year.

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## Awards Received by KWG for the Year

Some of the awards received by the Group are set out below:

No	Business type/ city of company	Time of award	Name of award	Entity/ project being award	Award institution	Responsible area/unit (department)
1	The Group	13/03/2025	Blooming Brands Annual Extraordinary Experience Commercial Gravitational Field TOP10	KWG • U Fun (Guangzhou Knowledge City)	Consumer Discipline	Product Promotion Center
2	The Group	26/03/2025	Mall China Shopping Mall Industry 2024 List of Excellent Stars — List of Excellent Stars of Themed Businesses	KWG M • Cube (Beijing)	Mall China	Product Promotion Center
3	The Group	29/05/2025	“Golden Coordinate” Award —Annual Shopping Mall Marketing Innovation Award	KWG U Fun (Guangzhou Knowledge City)	Winshang.com	Product Promotion Department
4	The Group	24/05/2025	Performance Strength Index • 2025 Commercial Office Asset Operation Performance (30)	Shanghai International Metropolis Plaza	Guandian	Product Promotion Center
5	The Group	19/06/2025	2025 • China Real Estate Commercial Management • Benchmarking Project (Enterprise) Award — Elite Business	Guangzhou International Finance Place	CRIC Property Management	Product Promotion Center
6	The Group	26/06/2025	2025 CCFA Golden Lily Best Practice Case Award for Shopping Mall — Marketing Innovation Theme Case ★★★★★ KWG M • Cube (Beijing): Restructuring a New Ecosystem for Neighborhood Commerce with “Chongwenmen Wet Market”	KWG M • Cube (Beijing)	China Chain Store & Franchise Association	Product Promotion Center
7	The Group	12/11/2025	2025 Annual Innovation Performance in Commercial Real Estate Operation	KWG • U Fun (Suzhou)	Guandian	Product Promotion Center
8	The Group	12/11/2025	2025 Benchmark for Cities’ Business Social Influence	KWG • U Fun (Shanghai)	Guandian	Product Promotion Center
9	The Group	12/11/2025	2025 Commercial Office Asset Operation Performance	Guangzhou International Finance Place	Guandian	Product Promotion Center
10	The Group	05/12/2025	2025 Top 100 Outstanding Shopping Center Operation Project Teams in China	Operations Team of KWG • U Fun (Suzhou)	Winshang.com	Product Promotion Center

## Awards Received by KWG for the Year

Awards and standards for sustainable development	Year	Achievements
MSCI ESG Ratings	2022 (Latest Ratings)	
Sustainalytics ESG Green Finance Framework Evaluation	2021	
Hong Kong Quality Assurance Agency (HKQAA) – “Green Finance Post-issuance Stage” Certificate	2021	
Enterprise Asia’s Carbon Champion Programme	2022	 “Carbon Reduction Guard International Certification” with a rating of “Standard Level”

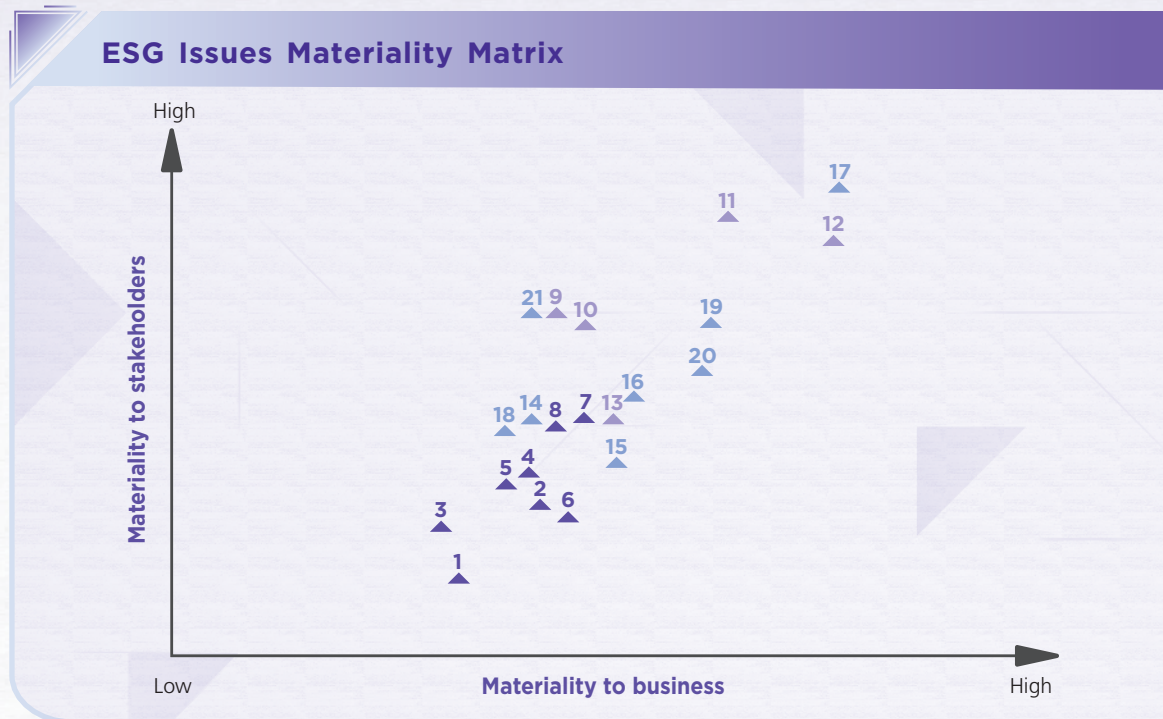
# Materiality Assessment

In accordance with the disclosure requirements of The Hong Kong Exchanges and Clearing Limited's Code on Environmental, Social and Governance Reporting (the "ESG Code"), the Group conducted a materiality assessment of environmental, social, and governance issues during the reporting year to identify and determine the disclosure priorities that are of relative importance to its business operations and key stakeholders. Referring to the classification framework of the "ESG Code" and taking into account its own operational activities and business characteristics, the Group has preliminarily identified the following environmental, social, and governance-related issues:

ESG Aspects	Issues Concerned
<b>Aspect A1: Emissions</b>	1. Air pollutant emissions
	2. Greenhouse gas emissions
	3. Waste management
<b>Aspect A2: Use of Resources</b>	4. Energy consumption
	5. Resources consumption
	6. Use of production materials
<b>Aspect A3: The Environment and Natural Resources</b>	7. Environmental and natural resources-related risks
<b>Aspect A4: Climate Change</b>	8. Climate risk management
<b>Aspect B1: Employment</b>	9. Equal opportunity
	10. Employee welfare
<b>Aspect B2: Health and Safety</b>	11. Occupational health and safety
<b>Aspect B3: Development and Training</b>	12. Employee development and training
<b>Aspect B4: Labour Standards</b>	13. Preventing child and forced labour
<b>Aspect B5: Supply Chain Management</b>	14. Supplier solicitation process
	15. Supplier evaluation process
<b>Aspect B6: Product Responsibility</b>	16. Customer privacy security
	17. Product quality
	18. Intellectual property rights
	19. Complaint management
<b>Aspect B7: Anti-corruption</b>	20. Anti-corruption
<b>Aspect B8: Community Investment</b>	21. Community participation

## Materiality Assessment

In accordance with the disclosure requirements under the Environmental, Social and Governance Reporting Code of The Stock Exchange of Hong Kong Limited (the “ESG Code”) and in order to determine the key disclosures in this report, the Group conducted a materiality assessment of the environmental, social, and governance issues during the reporting year to identify and determine the key disclosures that are of relative importance to its business operations and key stakeholders. By referencing the classification framework of the ESG Code and taking into account its own operational activities and business characteristics, the Group has preliminarily identified the following environmental, social, and governance-related issues:



- |   |   |                                    |
|---|---|------------------------------------|
| ▶ 1 Air pollutant emissions                           | ▶ 9 Equal opportunity                   | ▶ 14 Supplier solicitation process |
| ▶ 2 Greenhouse gas emissions                          | ▶ 10 Employee welfare                   | ▶ 15 Supplier evaluation process   |
| ▶ 3 Waste management                                  | ▶ 11 Occupational health and safety     | ▶ 16 Customer privacy security     |
| ▶ 4 Energy consumption                                | ▶ 12 Employee development and training  | ▶ 17 Product quality               |
| ▶ 5 Resources consumption                             | ▶ 13 Preventing child and forced labour | ▶ 18 Intellectual property rights  |
| ▶ 6 Use of production materials                       |   | ▶ 19 Complaint management          |
| ▶ 7 Environmental and natural resources-related risks |   | ▶ 20 Anti-corruption               |
| ▶ 8 Climate risk management                           |   | ▶ 21 Community participation       |

Since the Group is principally engaged in property development, property investment, shopping mall, office, hotel operation businesses, management considers that the issues such as quality of projects and services, occupational health and safety, employee development and training, and complaint management are of relatively higher materiality to business operations and stakeholders’ concerns, and thus will present them as more crucial issues in the materiality matrix. The Group will take into consideration of the results of the materiality assessment and the materiality matrix in formulation of relevant policies and management measures, and allocate appropriate resources according to the relative materiality of each issue to support the long-term development strategy of the Group.

1. Environmental Governance and Related Policies

## 1. Environmental Governance and Related Policies

**Material ESG issues addressed by this section are**

1		Air pollutant emissions	5		Resources consumption
2		Greenhouse gas emissions	6		Use of production materials
3		Waste management	7		Environmental and natural resources related risks
4		Energy consumption	8		Climate risk management

**SDGs issues addressed by this section are**



The real estate industry involves environmental factors such as energy consumption, greenhouse gas emissions, and resource consumption during project construction and operations. The Group believes that establishing appropriate environmental governance mechanisms and related policies will help effectively manage relevant environmental risks while complying with regulatory requirements and actual operations, thereby supporting the long-term and stable development of the business.

### 1.1 Green Building Certification

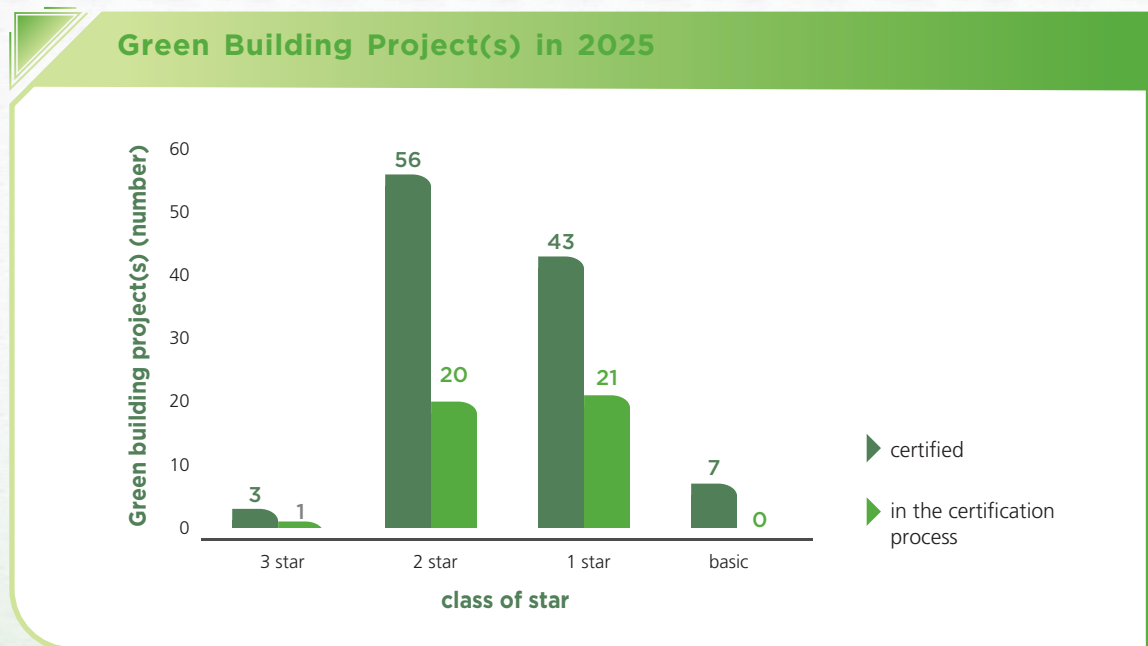
As there is growing awareness of energy efficiency and carbon emission performance of buildings at the market and regulation levels, the energy efficiency and environmental performance of buildings during their design, construction, and subsequent operational phases are becoming increasingly critical to their overall environmental impact. Throughout the design, construction, and operations of its properties, the Group incorporates concepts of green building and intelligent management to the extent practicable, and enhances operational efficiency while reducing unnecessary energy consumption through appropriate management measures and technological applications.

Over the past few years, the Group has continued to promote green building practices in specific projects. The “Assessment Standards for Energy Conservation and Emission Reduction of Zero Carbon Digital Intelligent Buildings” (《零碳數智樓宇節能降碳評定規範》) was promulgated in 2023. The Group’s International Metropolis Plaza in Guangzhou has been awarded the three-star rating of “Zero Carbon Digital Intelligence Pilot Buildings” based on the relevant assessment results. In the future, the Group will continue to assess whether eligible projects are suitable for implementing relevant low-carbon and energy-saving measures, while ensuring compliance with regulatory requirements and actual operations, to create more high-quality project offerings.

1. Environmental Governance and Related Policies



The Group creates high-quality green buildings in accordance with the “Assessment Standard for Green Building” (《绿色建筑评价标准》) and other standards. At present, under the Group’s vigorous promotion of green and low-carbon buildings, In 2025, the Grand Oasis project received the China Green Building Certification Two-Star Standard. As of 2025, there are a total of 109 certified green building projects and 42 projects which are undergoing the certification process in Mainland China. 2 more projects are undergoing certification as compared to that of 2024. Moreover, the Group has been awarded the Green Building Certification (HKGBC BEAM Plus) Provisional Gold Rating by the Hong Kong Green Building Council for The Corniche project in Ap Lei Chau, Hong Kong, and excellent performance achieved in the areas of site and outdoor environment, energy use, indoor environmental quality, and water use, all with credits over 50%.



## 1. Environmental Governance and Related Policies

### 1.2 Green Finance Framework

Green finance refers to the economic activities to support environmental improvement, climate change response and resources saving and efficient utilisation, that is, financial services for, among others, project investment and financing, project operation and risk management in the fields of environmental protection, energy conservation, clean energy, green transport, green building, etc. to facilitate environmental protection and governance and guide the flow of resources from high-polluting and high-energy-consuming industries to sectors with advanced concepts and technologies.

The Group keeps monitoring the relevant environmental risks and development trends of sustainable finance for its fund management and financing arrangements. The Group officially released the “Green Financing Framework” in 2021 to provide guiding principles for potential green financing activities in the future. The “Green Financing Framework” has been evaluated by Sustainalytics, an independent third-party professional rating agency, for its alignment with the relevant international green finance principles, and a second opinion has been issued. The Group will make relevant financing arrangements with reference to this framework, subject to its operational needs and market conditions.

### 1.3 Green Office

KWG office building can best demonstrate the concept of green practices and environmental protection. Surrounded by the green park outside the office building and adjacent to the ecological environment, it provides employees with fresh air and a comfortable environment, so that employees can get close to the natural environment at any time, reduce fatigue and tension, and improve work efficiency.

Green building elements are also fully considered in the design and construction of the office building to ensure a comfortable office environment from the aspects of building orientation, window to wall ratio and natural lighting utilisation. In order to ensure indoor air quality, the Group’s commercial office division complies with the international green building standards, and have built a 24-hour non-stop fresh air system in the office area, as well as a high-standard VAV air conditioning system with a haze removal effect of up to 93% to filter the indoor micro-particles such as PM2.5 and harmful gasses such as formaldehyde and benzene, so as to create a comfortable office environment for users. In addition, the office buildings under the Group’s commercial office division adopt the 270° panoramic LOW-E quality glass, increasing the use of natural lighting to reduce the dependence on artificial lighting, while effectively eliminating outdoor noise and preventing wind and dust to ensure the high quality of the indoor environment. At the same time, the office buildings actively adopt facilities and equipment that meet environmental protection standards, including air purification equipment, intelligent elevator control system and sanitary ware that meet first-class environmental protection standards. The Group actively forges more high-quality green buildings. For details, please refer to the section headed “Green Buildings” in this report.

As an industry leader in green and smart buildings, in addition to environmental management at the project aspect, the Group also pays attention to the use of resources and carbon emissions in its own offices, formulates a series of office management systems, and requires the Group’s employees to follow in order to create a green and harmonious office. The Group hopes to bring the concept of environmental protection into daily office life, so that employees can clearly understand and identify the concept of green and low-carbon practices.

In the design and use of office buildings, the Group will consider, based on actual conditions, adopting designs and equipment that help improve energy efficiency and indoor environmental quality, such as maximizing the use of natural light and installing appropriate ventilation and air conditioning systems to support daily office operations.

## 1. Environmental Governance and Related Policies

The Group has implemented or continues to promote the following green office initiatives in the workplace. Such initiatives may be adjusted based on the actual operational arrangements and usage:

### Environmental measures

#### Reduce electricity consumption



- For offices with air-conditioning, the temperature of the air conditioners should not be lower than 26°C in summer and should not be higher than 18°C in winter
- The lighting in the respective office area after work must be confirmed to be switched off, only switch on emergency and lighting for monitoring, and set up a regular office inspection system
- LED light is used in facade lighting of buildings instead of traditional high pressure floodlight
- LED light is used in basement parking lot, and minimum lighting is turned on according to parking volume
- Switch off the power of computer equipment and drinking machine after work
- Only two lifts are reserved for operation from 22:00 to 7:00 on working days and all day on Saturdays and Sundays

#### Reduce water usage



- Put up labels for water conservation near the sink in the pantry to remind employees to reduce water use
- Examine water valves, water taps and flush toilets on a regular basis to prevent water dripping and water leakage
- Install water-saving appliances such as sensor faucets

#### Reduce paper usage



- Encourage employees to make duplex copies and printing is automatically set to duplex mode
- Implement paperless office and encourage documents to be signed online
- Promote paperless meetings by transforming printed agenda to online agenda

#### Waste treatment



- Provide food waste bins, recyclable trash bins, non-recyclable trash bins and hazardous trash bins
- Provide professional treatment of electronic waste in accordance to statutory requirements and relevant guidelines
- Hire professional cleaning company(ies) to sort out and recycle garbage in accordance with government requirements

## 1. Environmental Governance and Related Policies

**Environmental measures****Reduce carbon emission**

- Use first-grade oil fume purification equipment, which is maintained by professional maintenance personnel every quarter. After purification, the oil fume is discharged to the public oil fume pipeline, and then discharged into the air after reaching the emission standard
- Use online conference to substitute some of the business trips so as to reduce greenhouse gas emissions caused by travel

**Smart Office and Digital Management**

The Group continues to push forward digital management to enhance operational efficiency and strengthen internal control. The Group has adopted the management system SAP as the core structure which integrates processes such as procurement, costing, sales, expense management and capital management. This system helps improve process consistency, data integration capabilities, and operational transparency, and in the meantime supports the management in supervision and risk management.

In addition, the Group has established a digital human resources management platform to support organizational management and human resources planning, thereby helping to enhance management efficiency and meet day-to-day operational needs.

**“CoKWG Premium Houses (一合好房)” Mini Program**

In 2022, we have established the online house-selling platform “CoKWG Premium Houses” to explore the new mode of online marketing, and realized the functions such as pre-purchase marketing, video house tour, VR house tour, online house selection and online purchases, enabling users to complete the entire house purchase process without having to leave their home. In 2025, we coordinated and planned around key marketing milestones and formulated sales strategies. Through resource integration and policy support, we enhanced resource utilization efficiency and built up operational momentum. A series of milestone campaigns, including the “Spring Thunder Action (春雷行動)”, the “Home Purchase Festival in May (May力好房嗨購節)”, “KWG 30th Anniversary Premium Autumn Property Festival (合景30週年臻質金秋好房節)” and the “Warm Winter Action (暖冬行動)”, laid a solid foundation for project breakthroughs and sales advancement. In addition, we collaborated with platforms such as Douyin Live, Toutiao and Xiaohongshu to conduct joint promotions and amplify brand presence. The annual live-streaming exposure exceeded 820,000, providing a low-cost promotional pathway for online marketing.

## 1. Environmental Governance and Related Policies

### 1.4 Environmental Policy

To actively respond to the government's philosophy, actions and goals for environmental protection, the Group is committed to managing and mitigating the impact on the environment during our business operations, and will implement the relevant measures by phases according to the actual operations. Specific environmental policies established by the Group include:

1. Assess the impact of business operations on the environment and set environmental protection goals to minimise the potential impact on the environment;
2. Advocate the use of environmentally friendly materials and new technologies in design, construction and daily operation;
3. Allocate appropriate resources, where feasible, to set, oversee and regularly review the Group's approach and targets of environmental protection;
4. Organise environmental education and training on a regular basis to enhance employees' environmental awareness;
5. Take comprehensive consideration of environmental factors in formulating relevant policies for procurement management;
6. Encourage employees, contractors and suppliers to fulfill their responsibilities towards the environment and practise their commitment to environmental protection;
7. Formulate environmental protection policies and standards, and incorporate relevant industry experience in environmental protection into daily management;
8. Share the Group's environmental protection policies and management strategies with partners including employees, contractors, suppliers, etc.

We will evaluate this environmental policy in due course or at least every three years.

### 1.5 Energy and Resources Policy

As consumers are increasingly concerned about green, environmental protection and health, the Group is fully aware that, as a property operator, emphasizes on the use of energy and green development demonstrates an enterprise's awareness of the State's policy on energy conservation and emission reduction as well as low-carbon development, which in turn helps the enterprise to reduce costs and increase efficiency and enhance market competitiveness with high quality construction. The enterprise can also make continuous contribution to the industry in which it operates. The Group has set enhancement of energy efficiency as its goal, thereby contributing to the sustainable development of the industry. The Group is committed to enhancing energy efficiency and minimising the use of energy. At the same time, the Group makes rational use of natural resources in its production and operation activities to minimise wastage of resources. In some of the projects, the Group has renewed and replanted depleted and disadvantaged plants to promote the recycling of resources and to protect the ecological environment.

Specific energy and resources policy include:

1. Take full consideration of energy efficiency in planning, design, construction and operation;
2. Encourage our partners to improve energy efficiency to reduce environmental impact;

## 1. Environmental Governance and Related Policies

3. Take full consideration of energy efficiency and impact on the environment in formulating procurement policies;
4. Develop and adopt advanced construction technology and office systems to improve the energy conservation efficiency of the Group;
5. To set, oversee and regularly review energy policies and targets subject to available resources and information;
6. Conduct training on energy policy on a regular basis to enhance employees' awareness of energy conservation in daily work and life;
7. Comply with relevant legal requirements and adopt best practices in the industry in daily operations and services.

We will update this energy policy in due course or at least every three years.

### 1.6 Biodiversity Policy

Mankind are not the only beings in the world. If certain members of the natural ecology disappear, it is likely to have a significant impact on all of our current comfortable living conditions. It is our duty to make our best efforts to preserve biodiversity. We commit to:

1. Encourage the Group to conduct site selection-related biodiversity assessments for new developments in which the Group has a controlling interest;
2. Avoid operating in ecologically sensitive areas that are strictly protected by law and related to the Group's business;
3. Adopt mitigation hierarchical structure (avoidance, minimisation, restoration and offsetting) when conducting activities in areas with globally or nationally significant biodiversity;
4. Minimise the adverse impacts of business operations on biodiversity and ecosystems, including promoting the sustainable use of natural resources essential to biodiversity;
5. Support appropriate biodiversity and conservation programmes;
6. Improve the awareness of biodiversity and conservation of employees, customers, suppliers and those who have business dealings with the Group;
7. Facilitate ecosystem restoration in areas that have a significant impact on business operations.

### 1.7 Waste Management Policy

We strive to effectively manage and reduce waste throughout our business operations through the design, construction and daily management of our buildings. Specific policies include:

1. Take comprehensive approach to evaluate the impact of wastes generated in various business activities, including daily office, building construction, demolition projects, and formulate relevant goals to improve the Group's waste;
2. Devise our internal standard requirements for waste management in accordance with relevant industry standards, and incorporate the best practices in the industry;

## 1. Environmental Governance and Related Policies

3. Formulate, oversee and regularly review the Group's waste management goals and targets;
4. Publish the relevant results of waste management to the public by disclosing the progress towards achieving the waste management target on an annual basis;
5. Take into account waste reduction as one of the factors in our procurement process, and encourage the use of recycled or upcycled materials;
6. Convey our waste management policies and requirements to our partners including employees, suppliers and cooperative entities;
7. Encourage employees, suppliers and cooperative units to reuse, recycle and upcycle, and reduce daily waste generation where feasible.

We will also evaluate and update this waste management policy in due course or at least every three years.

### 1.8 Climate Change Policy

This Climate Change Policy is intended to outline the Group's current management principles and directional considerations regarding climate-related issues. Given the nature of the Group's business and its resource allocation, relevant measures and arrangements will be progressively reviewed and optimized according to the actual needs, operational conditions, and regulatory requirements; they do not constitute any commitment to specific results, targets, or timelines.

In accordance with the aforementioned guiding principles, when formulating and reviewing climate-related policies, the Group focuses on the environmental impacts relevant to its business operations and the needs for risk management. Subject to compliance with regulatory requirements and actual operations, the Group has established the following management principles to serve as a guiding framework at this stage.

1. Reduce carbon footprint during operations according to the actual situations and continue to review the relevant management direction;
2. Protect natural resources, save energy, reduce and recycle waste, in order to reduce pollution and carbon emissions;
3. Consider to increase the use of renewable energy when technically feasible and in line with operational arrangements;
4. Develop environmental management-related directional targets and reference guidelines when needed to support continuous environmental management work;
5. Take into consideration climate change factors in the procurement process and encourage the use of low-carbon and energy-efficient products and materials;
6. Educate and enhance the environmental protection awareness of employees, cooperative entities and contractors through regular training and convey relevant environmental protection policies through internal and external communication channels;
7. Develop appropriate operating procedures and measures to prevent or reduce the damage that climate change can cause to the Group, and stay alert of the impact that may be brought about by climate-related change;

## 1. Environmental Governance and Related Policies

8. Comply with all relevant environmental protection laws and other relevant environmental protection requirements, and strive to achieve higher standards to the extent practicable;
9. Map out and review emergency management plans when needed to respond to extreme weather events caused by climate change;
10. Continue to strengthen response ability and remain vigilant on the potential impacts of climate change on the Group's business operations;
11. Engage employees and relevant business partners via internal communication and appropriate channels to convey the information of the impacts of climate change and the Group's relevant management direction to enhance their basic understanding of such risk.

We will also review this climate change policy in due course or at least every three years.

### ***Response to Climate Change***

To address the risks and uncertainties that climate change may pose to its business operations, project management and long-term development, KWG Group ("the Group") continues to monitor relevant environmental and regulatory trends and is progressively integrating climate-related considerations into its decision-making and risk management frameworks across its business operations and management processes.

At different project stages from site selection, design, construction to operational management, the Group implements appropriate management measures in response to actual operational needs and policy changes, with the aim of enhancing resource efficiency, improving energy management performance, and mitigating the potential impacts of extreme weather and long-term climate change on business operations.

The climate-related disclosures set out in this section are prepared in accordance with The Hong Kong Exchanges and Clearing Limited's Code on Environmental, Social and Governance Reporting, with reference to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), to enhance the systematic nature and comprehensibility of our climate-related risk disclosures.

### ***Governance***

#### ***Oversight Responsibilities of the Board and Management***

The Board bears ultimate oversight responsibility for the Group's overall strategy, risk management, and sustainability approach, and is responsible for monitoring climate-related risks and opportunities. When reviewing the Group's overall risk profile and strategic arrangements, the Board will give due consideration to the potential impacts of climate change on its business operations and long-term development.

The Board has authorized the Audit Committee to assist it in fulfilling its relevant oversight responsibilities, including reviewing climate-related policies, management arrangements, and disclosure matters, and reporting and making recommendations to the Board as necessary.

#### ***The Roles of the Audit Committee and ESG Committee***

The ESG Committee established under the Audit Committee is responsible for assisting the Audit Committee to deal with matters related to environmental, social and governance, including obtaining the required information from management in respect of climate change-related risks, management approach and disclosure arrangements, and making recommendations to the Audit Committee.

## 1. Environmental Governance and Related Policies

The ESG Committee primarily reviews the Group's climate-related management arrangements from a governance and management perspective to ensure that they are in line with the business scale, nature of operations, and regulatory requirements, and makes recommendations to the Audit Committee on relevant matters.

### *Executive Level and Cross-departmental Collaboration*

The Group has set up the ESG Working Group as its supporting unit at the executive level, comprising senior management from different business segments and functional departments. The key roles of the ESG Working Group are as follows:

- assisting in collection and compilation of climate change-related operational data and information to support the oversight functions of management and its committees;
- coordinating with relevant departments to support the Board and its authorized committees in implementing decisions regarding its climate-related management approach;
- reporting to the ESG Committee on climate-related risks, management arrangements, and matters requiring attention.

Where necessary, the ESG Working Group will facilitate cross-departmental communication to address the Group's practical needs in risk management and governance.

As at the end of the reporting period, the Group had not incorporated climate-related considerations into the remuneration policies for the Board, senior management or employees. Climate managements were pushed forward mainly through different policies, management systems and operational processes.

### *Review of Governance Effectiveness*

To ensure that governance arrangements related to climate change are appropriate for the Group's stage of business development and risk profile, the ESG Committee reviews the adequacy of the relevant policies and management arrangements as necessary and reports to the Audit Committee. The Audit Committee in turn communicates its observations and recommendations to the Board to support the Board in fulfilling its oversight responsibilities.

### *Strategy*

The Group is fully aware of the actual and potential impacts of climate-related risks on our business, strategic planning and other aspects. During the reporting year, the Group took reference of climate scenarios and related information published by the Intergovernmental Panel on Climate Change for analysis, and selected SSP1 ("Taking the Green Road"), and SSP5 ("Taking the Highway") from the Shared Socioeconomic Pathways (SSP), for the climate scenario analyses<sup>1</sup>. As a reference tool for understanding potential climate-related risks, this analysis assists the management in conducting preliminary and qualitative assessments of relevant issues. The analysis provides concise and directional considerations intended to enhance awareness of such risks and support the management in understanding their potential impacts, serving as a reference for strategic planning and risk management.

<sup>1</sup> The Shared Socioeconomic Pathways (SSP) data refer to the official information from the SSP database of the International Institute for Applied Systems Analysis (IIASA), as cited in the "Climate Disclosure Guidance" issued by the Hong Kong Stock Exchange. SSP1 represents a low-emission scenario under stringent climate policy intervention, in which companies are more exposed to regulatory pressures and therefore more susceptible to transition risks. SSP5 represents a high-emission scenario without climate policy intervention, in which companies face greater exposure to acute and chronic physical risks arising from natural hazards. These scenarios are used solely as references for risk identification and understanding, and do not constitute predictions of future conditions.

## 1. Environmental Governance and Related Policies

When formulating business strategies and operational decisions, the Group gives appropriate consideration to environmental, social and governance (ESG) factors based on actual business circumstances, and progressively incorporates such considerations into medium to long term development planning in response to changes in business nature, operating scale and external conditions.

During the reporting year, the Group's business remained primarily focused on property development and related activities. Key external uncertainties included the macroeconomic environment, adjustments in industry policies, changes in market demand and regulatory requirements. In reviewing business strategies and major risks, the Board and the management monitor the potential impacts of environmental and social issues on project development progress, operating costs, compliance requirements and corporate reputation.

From the environmental perspective, the Group progressively incorporates considerations relating to energy efficiency, resource utilization and environmental impact management into project design, construction and operation with an aim to reduce environmental impact while maintaining alignment with regulatory requirements and operational practicality. The relevant measures mainly focus on feasible enhancements at the management and operational levels and do not involve material adjustments to the Group's existing business model.

From the social perspective, the Group places strong emphasis on construction quality, project delivery management, employee safety and customer rights. Where feasible, the Group also makes appropriate arrangements regarding employment management and community engagement matters associated with its business operations. The management identifies key social issues that may affect stakeholders based on actual operations and responds through existing management procedures.

In formulating and reviewing the Group's sustainability strategy, the Board and its delegated committees receive reports from the management on relevant market trends, regulatory developments and major risks, and assess, where necessary, the potential impacts of these factors on the Group's business strategy and operational arrangements. At this stage, the Group has not yet specifically established the quantitative long-term strategic targets relating to environmental or climate-related matters. Instead, it adopts a phased and progressive approach to enhance its management practices and disclosure standards.

Looking forward, the Group will continue to review the appropriate manner of integrating ESG-related factors into its business strategy, taking into account the business development, financial conditions and evolving regulatory requirements, with a view to supporting the Group's long-term and stable development.

As at the end of the reporting year, the Group had not, in the daily operations and management decisions, utilized any carbon credits, carbon offsets or other similar mechanisms for managing or offsetting greenhouse emissions.

## 1. Environmental Governance and Related Policies

Types of Risks	Impact Analysis	Risk Prevention and Mitigation Measures
<b>Physical Risk</b>		
<b>Acute physical risk</b>	<p>Short-term acute climate change events, such as heavy rainfall, floods or heat waves, may disrupt property development activities, resulting in adjustments in construction progress. The health and safety of workers may potentially be impacted. Facilities and equipment of or some of the projects under construction/completed may require additional maintenance due to inclement weather. Under these circumstances, the maintenance and operating costs may increase.</p>	<ul style="list-style-type: none"> <li>At the site selection, development, design and construction stages of the project, we will consider related environmental factors based on actual conditions and select the environmentally friendly suppliers</li> <li>At the same time, we will strengthen safety training for construction personnel and establish a sound and effective early warning system to make weather arrangements when necessary</li> <li>The Project Department pays special attention to drainage facilities, deep foundation pits, high slopes, construction barriers and material stockpiles outside the construction sites to prevent geological disasters such as landslides caused by construction works</li> <li>After the project is completed and in operation, we will regularly monitor environmental changes, conduct safety emergency drills and training in advance for flood and typhoon prevention, and increase procurement of green intelligent equipment according to the trend of climate change</li> </ul>
<b>Chronic physical risk</b>	<p>Long-term climate change, such as persistently high temperatures, may reduce people's willingness to travel, affect property sales and leasing and shopping mall marketing activities, as well as increase the frequency and duration of use of air-conditioning and other cooling facilities, and some aged equipment may need to be repaired or replaced, which will lead to an increase in the operating costs of the Company</p>	<ul style="list-style-type: none"> <li>During the hot season, the Group appropriately adjusts its sales and leasing strategies, strengthens its online marketing and virtual viewing services, and launches promotional activities to attract potential customers</li> <li>Adopt intelligent equipment to monitor and analyse the use of energy and resources, promote the concept of energy saving and environmental protection, and raise the awareness of energy saving among staff and customers</li> <li>The Group monitors the structural and material conditions of buildings in hot weather and arrange maintenance when necessary</li> <li>Enhancement of emergency management arrangements on high temperature weather for management staff</li> </ul>

1. Environmental Governance and Related Policies

Types of Risks	Impact Analysis	Risk Prevention and Mitigation Measures
<b>Transition risk</b>		
<b>Policy and legal risk</b>	<p>As the Chinese government has proposed the goal to achieve “carbon peak” by 2030 and become “carbon neutral” by 2060, and the construction industry has proposed requirements and standards for energy efficiency in buildings, the Group needs to update and implement relevant internal management measures in accordance with the relevant requirements</p>	<p>To keep abreast of the development of national and regional policies, laws and regulations, to strengthen communication and exchange with regulatory authorities and stakeholders, and to continuously improve our internal management policies and measures</p>
<b>Technology risk</b>	<p>As industry requirements for energy efficiency and environmental technologies continue to rise, the procurement or upgrading of relevant facilities and equipment may involve additional costs and may affect project construction and operational arrangements.</p>	<p>Increase the proportion of choosing green suppliers, strengthen the application of green building technologies, continuously enhance the consideration of green building elements in construction, and pay attention to the maturity and cost efficiency of products and technologies whenever possible</p>
<b>Market Risk</b>	<p>As stakeholders become more aware of sustainability issues, the Group’s products and service are more likely to receive higher expectation, which may create uncertainty for the Group’s sales and business operating performance</p>	<p>Enhance the practice of green and low-carbon environmental protection behaviours, and actively publicise the Group’s excellent ESG performance to strengthen the corporate green and low-carbon image</p>
<b>Reputation Risk</b>	<p>With the growing awareness of environmental protection through green and low-carbon lifestyles, there is a growing preference for low-carbon consumption. The services/products provided by the Group need to meet the changing consumer needs</p>	<p>Enhance the promotion of low-carbon environmental protection activities and publicise low-carbon environmental protection measures to strengthen the Group’s reputation.</p>

## 1. Environmental Governance and Related Policies

### ***Risk Management***

The Group considers risks associated with climate change as one of the factors requiring ongoing attention within its overall risk management framework. In identifying and managing such risks, the Group adopts an approach consistent with its existing risk management procedures, considering from both macro and business perspectives the potential impacts that climate change may have on the operating environment, project management and compliance requirements.

In terms of risk identification, the management monitors the key categories of risks associated with climate change, including physical risks arising from extreme weather events, as well as transition risks associated with policies, technologies, markets and reputation. The process for identifying these risks is primarily based on the management's understanding of business operations, project characteristics and changes in the external environment, supplemented by reference to industry development trends and regulatory concerns.

In terms of risk assessment, the Group currently adopts a primarily qualitative approach to evaluate the potential impacts of these risks on business operations, cost control, project progress and compliance requirements, taking into account their relative significance and likelihood. The assessment results are used to support the management's judgement on risk prioritization and key management areas.

In terms of risk management and monitoring, climate-related risks are not handled individually but are incorporated into the Group's overall risk management and internal control mechanisms according to their nature. When reviewing major operational and project-related risks, the management concurrently considers climate and environmental factors and, where appropriate, responds through existing management measures and decision-making processes.

The Group will continue to monitor developments in risks associated with climate change, as well as changes in related regulatory requirements and market expectations, and will progressively review the appropriateness of its risk management arrangements while maintaining alignment with regulatory requirements and operational practicality.

### ***Metrics and Targets***

In accordance with national and regional policy dynamics and its own business, the Group has formulated the target of publishing the relevant data on the Company's GHG emissions pursuant to the relevant guidelines of the Stock Exchange to the public on an annual basis, with a view to optimising the management of GHG emissions data. In the future, the Group will continue to improve the relevant climate risk management metrics and targets to ensure the healthy and sustainable development of the enterprise.

In accordance with the disclosure requirements under the "Environmental, Social and Governance Reporting Code" issued by The Stock Exchange of Hong Kong Limited, the Group identifies and discloses the key indicators associated with climate change, focusing on the disclosure arrangements relating to greenhouse gas emissions.

### ***Greenhouse Gas Emission Indicators***

During the reporting year, the Group disclosed available greenhouse gas emission data in accordance with the applicable standards, reflecting the direct and indirect energy consumption associated with its daily operations. The relevant disclosures mainly cover operational activities that the Group can reasonably control or manage.

## 1. Environmental Governance and Related Policies

Given the differences in operating and management arrangements across its various businesses, the Group determines the disclosure scope by taking into account business nature, actual operational arrangements and data feasibility, so as to ensure that the disclosed information is reasonably consistent and understandable.

### ***Data Management Arrangements***

At the current stage, the Group primarily relies on its existing internal management procedures to identify, collect and consolidate information relating to energy consumption and greenhouse gas emissions, and such information is reviewed by management to support the relevant disclosures. The Group will progressively review its data management arrangements according to the actual circumstances to enhance data consistency and understandability.

### ***Climate-related Targets***

At the current stage, the Group's climate-related management mainly focuses on establishing and improving its data foundation, and enhancing its understanding of relevant risks. With respect to climate change and greenhouse gas emissions, the Group's management arrangements remain at a developmental stage.

The Group will continue to review and enhance the appropriateness of its disclosure and management arrangements in light of its business development, the readiness of relevant data and the evolution of the regulatory environment.

## **1.9 Water Resources Management Policy**

Water resources are one of the essential resources that the society depends on for survival. The Group places emphasis on water-use efficiency and compliance with water-use requirements in its relevant business operations and project management, and has established a water resources management policy to provide principle-based guidance for the corresponding management arrangements.

Under the water management policy of the Group:

1. Consider adopting water management measures that help increase water efficiency construction during operation and maintenance of new and existing projects when applicable to support reasonable use of water resources;
2. Where feasible, the Group collects and consolidates water-related data through its existing management procedures to support the review and improvement of its water-use management practices;
3. Comply with all applicable legal requirements in relation to water resources and incorporate the general practices in the industry into our related operations and services arrangements;
4. Consider adopting technologies, processes and systems that facilitate maintenance of water quality and increase in water management efficacy depending on actual needs and operation; and
5. Increase awareness of responsible water use of staff and related users through daily management and communication arrangements.

The Group will review and update this water management policy in due course or at least every three years according to actual operation and changes in relevant regulation requirements.

## 1. Environmental Governance and Related Policies

### 1.10 Green Living

The Group recognizes the importance of low-carbon and sustainable lifestyles in urban development and daily operations, and progressively incorporates such concepts into its project planning, operational management and daily communication arrangements. Through management guidance and appropriate operational measures, the Group strives to foster residential and commercial environments that enhance resource efficiency and quality of life.

From the project planning perspective, the Group considers the overall layout of living facilities during the planning process and, where feasible, locates schools, supermarkets and recreational facilities within walking distance to enhance convenience and reduce unnecessary transportation demand. Certain projects also provide shuttle bus services based on actual needs and operational arrangements, offering more diverse transportation options for customers without compromising overall operational efficiency.

In operational management, the Group focuses on energy consumption performance of facilities and equipment in its daily operations. Through management systems and operational standards, the Group adjusts the operation of relevant systems in accordance with the actual usage to support improvements in energy efficiency. Meanwhile, those facilities and equipment are subject to regular inspection and maintenance under existing management procedures to ensure proper functioning of the systems.

In electricity-use management, the Group sets corresponding operating arrangements based on the nature and usage patterns of facilities and equipment, and progressively promotes the use of energy-saving lighting in public areas to reduce unnecessary energy consumption while ensuring safety and meeting usage needs.

In addition, the Group promotes resource conservation and waste separation through daily property management and community communication. Various types of recycling facilities are provided within the projects, and the Group coordinates with existing recycling arrangements of outsourced service providers to support household waste sorting and resource recovery. At the same time, the Group encourages residents and tenants to reduce the use of disposable items through communication and guidance, thereby reducing waste generation at source.

By progressively integrating environmental management and green living concepts into project planning, operational management and community engagement, the Group continues to support more responsible resource utilization and enhances overall management efficiency in daily project operations.

#### ***Gas Emission and Waste Management***

The Group is committed to addressing gas emissions and waste management issues arising from the operations of its projects, and supports mitigation of adverse environmental impacts through management arrangements at policy level and compliance requirements, to the extent feasible.

In respect of gas emissions, the Group monitors the emission risks that may arise from different businesses within its projects and requires all relevant activities to comply with applicable national and local environmental protection laws and regulations. For food and beverage operations, relevant facilities and equipment are generally installed with gas systems that meet emission standards and must be operated and maintained in accordance with statutory requirements to ensure compliance with relevant emission regulations.

1. Environmental Governance and Related Policies



In respect of wastewater management, the Group’s relevant management arrangements focus on the compliant treatment of wastewater generated by catering and commercial activities. Food and beverage tenants are required to install grease traps and residue filtering facilities within their operating areas in accordance with relevant requirements, and to connect to the project’s centralized treatment system when applicable requirements are met. Wastewater may only be discharged into the municipal sewer system after treatment and must meet the relevant discharge standards. Cleaning and maintenance of these facilities and equipment are typically undertaken by qualified service providers based on actual operations to ensure the system’s proper functioning.

In respect of sewage treatment, sewage generated from projects is generally discharged into the municipal sewage treatment system through existing pipelines or upgraded facilities according to its source and nature. Wastewater treatment must comply with the approval and regulatory requirements of relevant government authorities. Rainwater is diverted and discharged according to the designs. For some projects, we may consider the use of rainwater for non-potable purposes such as landscape irrigation or cleaning, when appropriate, to enhance water resource efficiency.



In respect of solid waste management, the Group advocates provision of appropriate waste separation and recycling facilities at the project level and supports waste separation, recycling and compliant disposal through service contractors. Projects are generally provisioned with different types of recycling containers to facilitate waste separation by residents and tenants. As some of the wastes mainly originate from packaging materials and cooking and dining activities, the Group encourages reduction of disposable items through promotions and daily management, supporting waste reduction at source. Food waste is generally handled by qualified service providers in accordance with regulatory requirements.

**Looking Forward**

The Group will continue to look for potential areas for improvement in energy and resource management according to the actual operations, the conditions of facilities and equipment, and developments of regulatory requirements, and will incorporate them into the relevant areas for ongoing review by management.

Key Measures	
<p><b>Equipment Renewals and Replacements</b></p> 	<ul style="list-style-type: none"> <li>• Continue to monitor the operating conditions and energy consumption performance according to the existing management arrangements to assess whether there are any potential areas for improvement</li> <li>• Consider adopting alternative options of higher energy efficiency or more advanced technologies when equipment, such as chillers, water pumps, lighting systems and related control devices, reaches the end of its service life or undergoes major overhaul to support improvements in energy performance</li> </ul>
<p><b>Installation of Intelligent System</b></p> 	<ul style="list-style-type: none"> <li>• Consider introducing or optimizing smart energy management systems to support the monitoring and analysis of energy consumption according to project characteristics and actual needs</li> <li>• Conduct regular reviews of energy consumption data to identify potential areas for improvement, serving as the reference for future management decisions</li> </ul>

## 1. Environmental Governance and Related Policies

Key Measures	
<p><b>Energy Efficiency in Lighting</b></p> 	<ul style="list-style-type: none"> <li>• Where applicable, consider enhancing the use of natural lighting in building design and refurbishment</li> <li>• Progressively promote the adoption of energy-saving lighting in public areas and adjust the relevant operating arrangements based on usage periods and actual needs</li> <li>• Support the cultivation of energy-saving awareness in electricity-use management through existing management guidelines</li> </ul>
<p><b>Energy and Resource Conservation Promotion</b></p> 	<ul style="list-style-type: none"> <li>• Continue to promote resource conservation and green office practices through daily management and internal communication</li> <li>• Encourage staff to participate in waste reduction, reuse and recycling activities, and implementing effective waste separation and management and encourage the adoption of digital processes and paperless arrangements to reduce the consumption of paper and office supplies</li> <li>• Promote the reuse and recycling of office materials and support waste-reduction and waste-sorting practices</li> <li>• Promote awareness of reducing food waste in projects equipped with relevant facilities through publicity and educational initiatives</li> </ul>

## 1.11 Green Construction

Throughout the project development process, the Group pays close attention to the potential impact of construction activities on the environment and local communities and supports more prudent and responsible construction arrangements by formulating relevant policy-oriented and management requirements, while complying with applicable regulations and industry practices.

During the project planning and development stages, the Group requires all construction activities to comply with applicable laws and regulations, including the "Construction Law of the People's Republic of China (《中華人民共和國建築法》)", the "Regulations on the Administration of Environmental Protection for Construction Projects (《建設項目環境保護管理條例》)", and the "Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)", and to consider environmental and ecological impacts during the construction period in accordance with relevant standards. Prior to construction, a preliminary assessment of the site and its surrounding environment is conducted, including considerations of environmental impact, soil conditions, and geological conditions, so as to minimize the potential adverse effects on the surrounding communities and the environment.

In terms of construction management, the Group, as part of its relevant management arrangements, requires construction works to be carried out in accordance with established standards and procedures, with appropriate monitoring by relevant personnel to enable alignment with existing planning and management requirements.

## 1. Environmental Governance and Related Policies

### ***Construction Environment Monitoring***

The Group is concerned about the potential dust and noise impacts from construction activities, and as part of its management requirements, requires appropriate prevention and control measures in reference to applicable regulations and industry practices. For example, where feasible, construction sites generally employ construction methods and equipment that help reduce dust and noise, and are equipped with relevant environmental monitoring facilities to minimize the impact on the surrounding environment.

In terms of noise management, construction shall comply with the “Law of the People’s Republic of China on Prevention and Control of Pollution from Environmental Noise” and related standards, ensuring that ambient noise in the construction sites conforms to the requirements of the “Environmental Quality Standard for Noise” GB3096–2008 and construction is carried out during legal operation hours to reduce disruption to neighbouring communities.

### ***Water Resources Management***

During the construction period, the Group focuses on the reasonable use of water resources and the compliant management of wastewater discharge and, as part of its relevant requirements and with reference to applicable laws and regulations such as the “Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》)”, requires the adoption of appropriate measures to prevent construction activities from causing pollution to the water environment. Wastewater generated on construction sites is generally separated and treated according to its characteristics and is discharged into the municipal sewage system after meeting the relevant discharge requirements. Where applicable, certain projects also consider installing rainwater collection or reuse facilities to support the recycling of water resources.

### ***Wastes***

During the construction and project development process, the Group focuses on the proper use of construction materials and the management of construction waste, and, as part of its relevant arrangements, requires appropriate measures to be taken to reduce unnecessary material wastage. In the early stage of each project, the types and quantities of materials for construction activities are planned based on design and engineering needs, with reference to applicable building material and indoor environmental control standards, to avoid the use of materials that are restricted or phased out under national regulations.

Meanwhile, the Group, as part of its management requirements, supports the use of ready-mixed concrete, precast components, and other technologies and methods that help reduce pollution and construction waste at construction sites, where feasible. Construction waste generated during construction is handled and recycled by qualified service providers in accordance with relevant regulations; reusable materials are recycled or reused where appropriate.

## 1. Environmental Governance and Related Policies

The measures that the Group is focusing on are as follows:

### 1. Formulate material supply plan:

In the early stage of the project, types and amount of materials required during construction is considered and procurement is carried out in accordance with the plan to avoid wastage resulted from excessive procurement and unreasonable usage. During the procurement process, materials applied in all projects must meet the national environmental standards such as the "Code for Indoor Environmental Pollution Control of Civil Building Engineering (GB50325)", and the limit of hazardous substances in indoor decoration and decoration materials is absolutely in line with the "Indoor decorating and refurbishing materials-Limit of Harmful Substances of Interior Architectural Coatings (GB18582-2008)" and the "Limits of Radionuclides in Building Materials (GB6566)", and its impact on indoor air quality also meets the requirements of the "Standards for Indoor Air Quality (GB/T18883)". The Group strictly prohibits the use of construction materials and products banned by the government or specified to be phased out, and certified green construction materials are preferred as much as possible.

In accordance with Article 4.2.1 of the "Code for Design of Concrete Structures (GB50010-2010)", the Group's concrete structures are all made of grade III steel, namely HRB400 steel bars, and no hot-rolled ribbed steel bars below 400MPa are used. The application of high strength steel bars can achieve the effect of saving materials and energy. In addition, the full use of pre-fabricated concrete, pre-produced laminated panels and pre-fabricated full concrete exterior walls can not only reduce noise and dust pollution at construction sites, but also save resources and reduce material loss.

### 2. Promote new construction technology:

Led by Building Information Modelling (BIM), the Group comprehensively use fabricated technology, aluminium mould technology, full-temperature concrete exterior walls, grout dry construction, thin plastering, and fabricated interiors in construction and interspersed construction technology, etc. In addition, concealed transportation and pre-installation of construction materials are arranged to avoid construction refuse generated due to the destruction and damage that occurred during the transportation, storage and installation. The precision of installation and construction has also been heightened through regular staff training to avoid garbage produced from demolition and revamping. In the future, the Group will invest more resources to strengthen the organisation and management of building construction, efforts have been made to constantly improve management standards and enhance the environmental awareness of construction workers as well as reduce waste of construction materials and avoid production of massive refuse from rework due to poor construction quality.

### 3. Recycle waste materials:

While the Group minimises waste materials generation, and at the same time, construction refuse have been recycled and processed, and those unrecyclable materials are commissioned to professional collectors for further treatment. Currently, the volume of waste generated by our projects is below the industry average, while the recycling rate of construction refuse is over 70%.

1. Environmental Governance and Related Policies

Type of waste	Waste treatment method
<b>Slag earth</b>	<ul style="list-style-type: none"> <li>• Reused for road construction, pile foundation filling, ground foundation</li> </ul>
<b>Rejected wood</b>	<ul style="list-style-type: none"> <li>• Wood without obvious damage is directly reused for reconstruction</li> <li>• Severely damaged wooden components are sold as raw materials for wood recycled panels or paper making</li> </ul>
<b>Rejected steel, rejected reinforcing bar and other rejected metal materials</b>	<ul style="list-style-type: none"> <li>• Direct reuse or processing</li> </ul>
<b>Rejected construction concrete and masonry</b>	<ul style="list-style-type: none"> <li>• Produce concrete and mortar of corresponding strength level or prepare building materials such as blocks, wallboards, and floor tiles</li> <li>• Bone made from waste masonry is added with curing materials, and then used for highway pavement base layer</li> </ul>
<b>Waste water</b>	<ul style="list-style-type: none"> <li>• Implement rain and sewage diversion to ensure that sewage is discharged to municipal sewage pipes and rainwater is discharged into municipal rainwater pipes</li> <li>• Sewage is discharged after concentrated sedimentation and become harmless to the environment</li> </ul>

## 1. Environmental Governance and Related Policies

### 1.12 Green Buildings

During the project development process, the Group takes into account green building considerations across the stages of site selection, design, construction and delivery, and, in alignment with applicable standards and operational realities, incorporates sustainable development principles into the planning and design of relevant projects.

Taking into account the nature of each project and local regulatory requirements, and with reference to national and local green building standards, the Group encourages eligible projects to apply for the appropriate green building certifications to support improvements in energy efficiency, resource management, and environmental performance.

The following are certain projects of the Group that have obtained green building certifications, reflecting the consideration of green building standards during their design and construction stages.

#### *Showcase green developments*

##### **Parcel 6005 of The KWG Core of Center in Beijing (One-star Green Building Standard)**

The KWG Core of Center in Beijing is a mixed-use property development project. Located near the Niulanshan Community on Tongshun Road in the Shunyi District of Beijing, Parcel 6005 has a total building area of approximately 27,900 square meters and its project planning covers commercial, office and residential functions.

That parcel is designed and constructed in accordance with relevant national and local green building standards, achieving a building energy efficiency rate of approximately 75.0%, a solar water heating system coverage rate of 87.7%, a green space ratio of 30.0%, and a reuse ratio of building materials at 6.2% according to declaration information of the project.



## 1. Environmental Governance and Related Policies

### Parcel 6001 of The KWG Core of Center in Beijing (Two-star Green Building Standard)

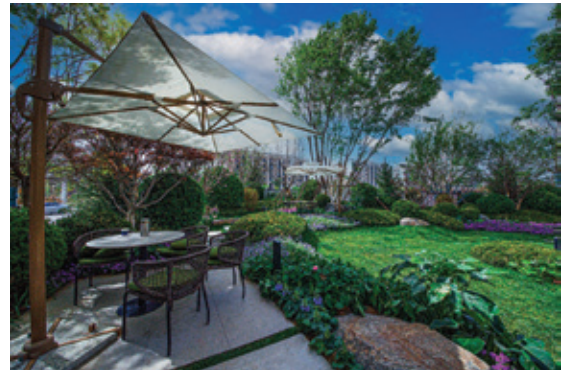
Parcel 6001 is located at the intersection of Changjin Road and Tongshun Road in Shunyi District of Beijing. The development is planned as a comprehensive commercial complex covering approximately 102,000 square meters, which will include a shopping center, themed commercial streets, and a hotel.



That parcel is designed and constructed in accordance with relevant national and local green building standards, achieving a building energy efficiency rate of approximately 65.0%, a non-traditional water source utilization rate of 13.4%, a green space ratio of approximately 30.0%, and an utilization ratio of recyclable building materials of approximately 10.4%. These indicators demonstrate the project's design concerns in energy conservation, water saving, resource recycling, and environmental protection.

### Parcel 1108 of The KWG Core of Center in Beijing (One-star Green Building Standard)

Parcel 1108 is a comprehensive development project that integrates commercial, office and residential functions. It is located in the Shunyi New City and spans a total building area of approximately 99,800 square meters. The project is designed in reference to relevant green building standards and make related arrangements on energy efficiency, water conservation, material recycling, and environmental management, etc.



## 1. Environmental Governance and Related Policies

### The Corniche in Hong Kong (香港凱玥) (Provisional Gold rating under BEAM Plus New Buildings)

With total gross floor area of approximately 35,400 sq.m., the Corniche in Hong Kong is located in Ap Lei Chau, Southern District, Hong Kong Island. The project takes reference to the Hong Kong Building Environmental Assessment Method Plus (BEAM Plus) during design and construction and receive corresponding ratings in the areas of site and outdoor environment, energy use, indoor environmental quality and water use.

The project is equipped with facilities such as charging spaces for electric vehicles and recycling equipments. The project also considers enhancing the residential environment for users and resource use efficiency during planning and management arrangements.



#### 1.13 Promotion of Green Activities

To promote low-carbon and environmental protection concepts, the Group participates in and supports various forms of environmental initiatives where appropriate, with the aim of raising awareness of green lifestyles among employees, tenants, and users, and encouraging energy saving and emissions reduction in daily operations and workplace environments.

During the reporting period, the Group continued to support environmental initiatives such as the “Earth Hour”. In order to promote these initiatives, its commercial office projects were encouraged to turn off non-essential lighting during designated periods. These arrangements helped raise public awareness of energy consumption and demonstrated the Group’s commitment to energy conservation without disrupting normal operations.

In view of the specific circumstances of different business segments and projects, the Group also supports activities centred on nature conservation and environmental friendliness at appropriate times. Through tree planting and other greening initiatives, it enhances understanding among employees and relevant stakeholders regarding environmental protection and ecological balance. Focusing on promotion and awareness building, these activities integrate environmental concepts into daily work and life.

By participating and supporting the above green initiatives, the Group is committed to fostering a corporate culture that maintains awareness of environmental issues. Where appropriate, the Group will continue to promote the concepts of sustainable development and low-carbon living in its daily operations and community engagement.

## 1. Environmental Governance and Related Policies

## 1.14 Environmental Performance

	2025 <sup>(1) (3) (4)</sup>	2024 <sup>(2) (3) (4)</sup>
<b>Emissions</b>		
<b>Types of emissions<sup>(5)</sup></b>	<b>during the reporting period (kg)</b>	
Sulphur oxides (SOx)	1.34	1.39
Nitrogen oxides (NOx)	622.74	670.16
Particulate matter	17.33	27.67
<b>Carbon dioxide equivalent emissions</b>		
<b>Scope<sup>(6)</sup></b>	<b>during the reporting period (kg)</b>	
Direct greenhouse gas ("GHG") Emissions (Scope 1) <sup>(10)</sup>	1,119,228.83	2,319,735.71
Energy Indirect GHG Emissions (Scope 2)	14,075,658.21	14,660,335.56
Other Indirect GHG Emissions (Scope 3)	201,645.83	408,492.97
Total GHG emissions	15,396,532.87	17,388,564.24
Intensity of GHG (carbon dioxide equivalent(kg)/employee)	9,336.89	9,522.76
<b>Volume during the reporting period</b>		
<b>Types of waste<sup>(7)</sup></b>		
Hazardous waste (tonne)	0.29	0.24
Intensity of hazardous waste (tonne/employee)	0.0002	0.0001
Non-hazardous waste (tonne)	96.93	102.62
Intensity of non-hazardous waste (tonne/employee)	0.0588	0.05620
<b>Use of energy<sup>(5) (6) (8)</sup></b>		
Petrol	66.27	202.69
Diesel	154.34	194.65
Liquefied petroleum gas	78.45	59.3
Electricity	28,634.09	26,329.63
Natural gas	1,852.92	7,350.00
Energy consumption in total	30,786.07	34,136.27
Intensity of energy consumption (KWh in'000s/employee)	18.67	18.69
<b>Energy consumption</b>		
<b>Use of resources<sup>(9)</sup></b>	<b>during the reporting period (KWh in'000s)</b>	
Water consumption in total (cubic metre)	940,973.17	870,257.07
Intensity of water consumption (cubic metre/employee)	570.63	476.59
Total packaging material used (tonne)	0.379	0.45
Intensity of packaging material used (tonne/employee)	0.0002	0.0002

## 1. Environmental Governance and Related Policies

### Notes:

- (1) In 2025, key environmental performance indicators covered a total of 14 projects, including International Finance Place, KWG Centre in Tongzhou, Beijing, KWG M • Cube (Beijing), Chengdu U Fun, Oriental Bund in Foshan, Chengdu Yunshang Retreat, Shenzhen Grand Oasis, Landmark Arte Masterpiece in Guangzhou, The Mulian Huadu, Emerald City in Nanning, KWG M • Cube (Chengdu), Core of Center in Beijing, Blooming River in Guangzhou and the Hong Kong Office Headquarters. Compared with 2024, two projects were removed from disclosure this year, including Beijing Uptown Riverside I and Chengdu International Commerce Place, while one new project has been disclosed this year, including the International Finance Place.
- (2) In 2024, key environmental performance indicators covered a total of 15 projects, including KWG Centre in Tongzhou, Beijing, KWG M • Cube (Beijing), Chengdu U Fun, Oriental Bund in Foshan, Chengdu Yunshang Retreat, Shenzhen Grand Oasis, Landmark Arte Masterpiece in Guangzhou, Beijing Uptown Riverside I, The Mulian Huadu, Emerald City in Nanning, KWG M • Cube (Chengdu), Chengdu International Commerce Place, Core of Center in Beijing, Blooming River in Guangzhou and the Hong Kong Office Headquarters. In order to enable stakeholders to better understand the Group, five projects were removed from disclosure this year, including the headquarters of International Finance Place in Guangzhou, Shanghai International Metropolitan Plaza, the Summit in Guangzhou, Richmond Greenville in Guangzhou and W Hotel/W Serviced Apartments in Guangzhou. Additionally, three additional projects were included in the disclosure compared to 2023, including Core of Center in Beijing, Blooming River in Guangzhou and the Hong Kong Office Headquarters.
- (3) During the year, the Group used the same data conversion methods and relevant emissions factors as 2024, and made reference to the relevant requirements under the "Reporting Guidance on Environmental KPIs and ESG Code as revised by the Hong Kong Stock Exchange from time to time, as well as the relevant energy and GHG emissions information released by the Ecology and Environment Bureau of the People's Republic of China, the International Energy Agency, the United States Energy Information Administration and the United States Environmental Protection Agency from time to time.
- (4) Indicators used in the intensity of GHG, the intensity of hazardous waste, the intensity of non-hazardous waste, the intensity of energy consumption, the intensity of water consumption and the intensity of packaging material used are based on the average number of employees at the beginning of the reporting period and at the end of the reporting period.
- (5) The nitrogen oxide (SOx), sulphur oxide (NOx) and particulate matter (PM) emissions of the Group are mainly generated from fuel combustion of the vehicles controlled by the Group and combustion of gas used at project canteens and their related facilities. In 2025, the change of emissions level was mainly due to adjustment of the number of disclosure items and changes to transportation and catering auxiliary arrangements of certain projects, which resulted in corresponding changes to the consumption amount of different fuel types.
- (6) In 2025, the commercial asset management projects within the disclosure boundary maintained overall normal operations. The changes in Direct GHG Emissions (Scope 1) and consumption amount of the related fuel were mainly due to adjustment of the number of disclosure items and changes to the operational arrangements of certain projects. Specifically, the fuel consumption amount of certain project canteens and their related auxiliary facilities decreased, which resulted in decrease of gas fuel consumption and corresponding Direct GHG Emissions. Moreover, certain projects made adjustments to backup facilities and their related operating arrangements, which also resulted in corresponding decrease of consumption of diesel.
- (7) The Group's hazardous waste mainly included electronic waste, batteries, light tubes and light bulbs generated in the course of project and office operations, while non-hazardous waste mainly included kitchen waste, paper, office stationery, gardening waste and packaging materials. In 2025, the changes in the amount of hazardous waste and non-hazardous waste were mainly due to adjustment of the number of disclosure items and changes in actual operating scale of each of the projects. In addition, certain projects enhanced waste separation and recycling during their daily operations, which contributed some changes to the amount of such waste.






## 1. Environmental Governance and Related Policies

- (8) In 2025, energy consumption structure was adjusted in light of change of business operations. Some of the items within the disclosure boundary used liquified petroleum gas (LPG) as fuel during their operations, which resulted in higher energy consumption of LPG than that of last year. The relevant changes are due to difference in operating arrangements and do not represent any structural change in the overall energy consumption pattern.
- (9) Regarding the use of resources, changes in the consumption amount of water resources and packaging materials were mainly due to adjustment of the number of disclosure items and changes in actual operating scale of each of the projects. As the number of items within the disclosure boundary was smaller, its impact on water usage demand creates a buffering effect to a certain extent; however, as affected by the actual operation level and the increase in water usage demand of certain projects, a change in overall water usage is still recorded during the reporting period. Moreover, the number of events organized by certain commercial asset management projects decreased during the reporting period, which resulted in less consumption of packaging materials. During the reporting period, the Group's overall operations did not see major restrictions on the daily operations due to water resource supply.
- (10) Starting from year 2025, the Group's GHG emissions was calculated according to the "The Greenhouse Gas Protocol" and Appendix D to the ESG Code of the Hong Kong Stock Exchange. The tree planting carbon sequestration disclosed in Scope 1 will not be included in the calculation of GHG emissions starting from year 2025.

## 2. Care for Our Employees and Interests of Employment

## 2. Care for Our Employees and Interests of Employment

## Material ESG issues addressed by this section are

9		Equal opportunity	12		Employee development and training
10		Employee welfare	13		Preventing child and forced labour
11		Occupational health and safety			

## SDGs issues addressed by this section are



The Group has always regarded its employees as valuable assets for corporate development and firmly believes that retaining outstanding talent is key to maintaining competitiveness and driving sustainable development. In the employee recruitment and management processes, we strictly comply with applicable laws and regulations, such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, to safeguard the legitimate rights and interests of our employees. Additionally, we have established a staff handbook that covers regulations regarding employment systems (including recruitment and onboarding management, as well as labour contract management), compensation and benefits, and performance evaluations. This handbook is available to employees at all times and clearly defines employment standards and the rights and obligations of staff, which demonstrates our commitment to creating a fair and dynamic work environment for our staff.

The Group has long considered its employees as a vital asset for long-term development. It strives to foster a stable and attractive talent development environment to promote sustainable growth. We comply with applicable local employment and related protection regulations and implement the principles of fairness, openness, and transparency in our daily operations. This helps ensure that employees can develop their careers in a safe, harmonious, and inclusive work environment.

## 2. Care for Our Employees and Interests of Employment

The Group understands and respects different cultures. We adhere to the principle of equal employment so that employees have fair and reasonable employment and competition opportunities. For job arrangements and role reassignments, we provide equal opportunities to all employees regardless of their gender, age, ethnicity, nationality, native place, race, religion, political affiliation, sexual orientation, marital status and other aspects of diversity. Employees with different backgrounds or identities will not be treated differently. The Group conducts performance reviews with employees every year. Based on employees' achievements and performance indicators over the past year, the Group has more in-depth and constructive discussions with them. We are also willing to listen to employees' opinions and feedback, which will be used for improving business operations and human resources policies.

Following the performance appraisal, the Group will nominate suitable employees for promotion and salary increases in accordance with the principle of equality and anti-discrimination, regardless of their age, nationality, race, gender, marital status, disability, or religious beliefs. Once employees meet the competencies and performance requirements, they will receive commensurate compensation.

The Group will regularly review our salary and welfare policies and systems in accordance with market and economic changes, so as to provide competitive salary levels, attract external talents and provide internal employees with fair, reasonable and highly motivating benefits. In addition to the basic five insurances and one housing fund (五險一金), paid annual leave and other benefits, we also provide employees with commercial add-on insurance, annual physical examination, working meal subsidies, transportation subsidies, expatriating subsidies, holiday subsidies and other subsidies to enhance employees' sense of belongings.

In terms of employee recruitment, the Group attracts suitable talent through open recruitment and campus recruitment. We strictly adhere to the "Provisions on Prohibition of Child Labour" and the relevant regulations in the staff handbook. New employees must complete the "Job Application Form" and submit authentic and valid academic credentials, certificates, and other job-related supporting documents for verification. During the recruitment screening process, the Group also collects and verifies employees' ID cards and household registration information. If an employee fails to provide or submit the required documents on time, thereby affecting the onboarding process, the Group reserves the right to delay the start date or withdraw the employment offer depending on the circumstances. Furthermore, if false information is discovered or if an employee uses another person's identification documents, such acts will be deemed fraudulent, regardless of the length of employment or any special circumstances of the employee. The Group will immediately terminate the employment relationship and reserve the right to pursue relevant financial and legal liabilities based on the consequences and extent of the damage incurred. To date, the Group has not identified any cases of child labour, forced labour, or regulatory non-compliance.

## 2. Care for Our Employees and Interests of Employment

## Corporate Culture Seminar Activity: Listening to the Voices of Employees

During the reporting period, the Group placed great importance on the needs and welfare of its employees. By organising regular cultural seminars, it listened to the voices and suggestions of its employees and strengthened the exchange and communication between management and junior staff, so as to understand the working conditions of staff and their concerns about personal development. These initiatives helped management gain better insights into employees' expectations and fostered deeper understanding of the Group's culture and development strategies among staff.

During the reporting period in 2025, the Group's hotel business segment continued to prioritize employees' work requirements and career development. By organising cultural seminars and meeting sessions between the General Manager and employees, the Group established direct communication channels between management and staff to listen to their feedback and suggestions, thereby fostering two-way dialogue.

These activities encouraged hotel employees in different roles to speak freely and discuss their concerns arising in daily operations, including work arrangements, systems and operational procedures, collaboration between different roles, training needs, and personal development. Through face-to-face communication, management gained a deeper understanding of the challenges facing frontline employees in operations and service delivery and provided responses and clarifications regarding employee concerns.

Through these communication initiatives, the Group's hotel business segment enhanced the transparency of information sharing during the reporting period. This helped foster mutual understanding and trust between management and frontline staff and provided practical insights for subsequent reviews and optimizations of management measures, training programs, and workflows, thereby improving the employee management and support mechanisms.



2. Care for Our Employees and Interests of Employment

**Diverse Festive Activities and Employee Birthday Celebrations:  
Creating a Harmonious Work Environment**

During the reporting period, the Group continued to support employees' physical and mental well-being and enhance their work experience through diverse staff care initiatives, so as to foster a supportive work environment.



During the reporting period in 2025, the Group remained committed to employee well-being and work experience. By organizing festive activities celebrating different cultures and employee birthday parties, it created a warm and harmonious workplace atmosphere and enhanced employees' sense of belonging and team cohesion.



During the reporting period, the Group organized various forms of festive celebrations and staff care activities for traditional Chinese holidays and selected international holidays, which were tailored to the specific circumstances of each business unit and operational location. These initiatives provided employees with opportunities for interaction and communication, while conveying management's care and gratitude toward the staff. In addition, the Group regularly held parties for employees whose birthdays fall in that month, so that they can feel the support and warmth of the team in a relaxed atmosphere.

As part of the employee care initiatives, these activities enhanced employees' sense of participation and belonging. This not only helped them stay positive in their daily work but also promoted team stability and collaboration.



## 2. Care for Our Employees and Interests of Employment

### ***Sustainability and Labour Relations***

#### **2.1 Development and Training**

##### ***Striving for employee development and training system***

During the reporting period, while driving its corporate development, the Group always valued its employees and put great emphasis on talent cultivation and development. We firmly adhere to our philosophy of internal talent development. With our corporate culture as the core, we are committed to establishing an open and fair talent development system and creating an internal development platform that combines training with practical applications. The Group's Human Resources Department successively launched three major talent development brands, namely, the KWG New Emerging Force Programme (合新力計劃), KWG Motive Programme (合動力計劃), and KWG Tripod Programme (合鼎計劃), to provide employees with training and learning opportunities throughout their career, helping them continuously enhance their professional capabilities and comprehensive competencies.

In 2023, the Group launched an internal trainer programme for selected projects to enhance experience sharing and inter-departmental communication among employees, and to improve professional knowledge and practical skills. In 2024, the programme was further expanded to the Group's regional companies and its commercial management projects nationwide. Through internal trainer training and certification, we are progressively strengthening the internal instructor team to support the ongoing advancement of the Group's internal training activities.

Today, all these three major talent development brands have achieved promising results. Taking the KWG New Emerging Force Management Training Programme as an example, six major training mechanisms have been established, attracting graduates from many renowned domestic and international universities to join KWG. The graduates all demonstrate a proactive and enterprising spirit.

In order to ensure the quality of talents, the Group carries out activities such as interviews for completion of probationary period and confirmation of employment, debriefing and fixing positions, course examination, curriculum design and on-site practical assignments for employees to help us have a comprehensive understanding of their skills and career planning, such that we can effectively allocate work and resources. In the meantime, these activities also provide employees with diverse training and learning opportunities to improve their professional skills and knowledge, and contribute to their personal growth and long-term development.

We always regard talents as one of the most critical assets of the Group, attach great importance to the cultivation of human resources and the overall development of employees, and continue to explore ways to create a better and more promising environment for their growth. Looking ahead, the Group will make growth of talents the core driver of our corporate development. We will also continue to take culture as the foundation to promote innovation of talent mechanism and construction of our talent system, and create a competitive and dynamic career platform for employees, so that our employees can grow with us together.

## 2. Care for Our Employees and Interests of Employment

During the reporting year, the Group also implemented various training programmes tailored to the actual needs of different positions, focusing on job responsibilities and corporate culture, and provided targeted content based on employee categories, including new recruits, frontline employees and back-end employees.

### *New Recruits*

Every new recruit is required to undergo induction training, which covers the basic knowledge and skills necessary to perform their duties, helping them quickly integrate into the Group and improve work efficiency. At the same time, the Group provides new employees with detailed explanations of the corporate culture, job responsibilities, management systems, administrative and personnel matters, labour discipline and other topics, thereby strengthening their understanding of and sense of belonging to the Group.

### *Front Line Employees*

The Group will provide specialized training on professional skills for frontline employees, covering topics such as customer service procedures, standard operating procedures, computer system operations, safety operations, emergency handling and other topics. Through these training programmes, frontline employees can handle different customers and unexpected incidents more efficiently while enhancing their problem-solving skills. Furthermore, courses on computer system operations and safety operations equip employees with skills and knowledge of application of the latest tools and systems, thereby improving communication efficiency and overall operational performance.

### *Back-end Employees*

The Group provides specialized training for back-end employees on regulations and procedures, national laws and regulations, business etiquette, administrative management, marketing and operations management and other topics. Given the critical role of back-end positions in the Group's operations, systematic training enables back-end employees to clearly understand the policies and regulations relevant to their job responsibilities, avoid compliance risks arising from procedural misunderstandings, and maintain a professional image when interacting with stakeholders.

In addition to training of skills related to job responsibilities, the Group also arranges specialized development training for employees based on their own abilities and expertise, helping them expand their career opportunities.

## 2. Care for Our Employees and Interests of Employment

Types of training	Purpose of training
<b>Special promotion training for the Group's development reserve echelon</b>	Cultivate the Group's development reserve echelon includes corporate culture, career development, leadership and other abilities. Strengthen their self-awareness and build a high-performing team. The training includes learning about national and local policy updates, real estate development and operation professional knowledge, soft skills improvement, departmental professional knowledge exchange and learning, customer service skills professional guidance, etc.
<b>Integrity and moral construction training</b>	Aim to establish a clean and honest atmosphere in the Group and standardise the code of conduct for employees, instill the spirit of anti-corruption and anti-money laundering, and ensure the confidentiality of personnel information inside and outside the Group. Make truth-seeking and pragmatism become the norm for employees' actions. In the near future, we will also compile certain training materials related to our suppliers and contractors and require our employees to receive training so that the Group can have a higher ethical supply chain.
<b>Risk management and control training</b>	Enhance the risk warning and management awareness of the Group's management, and teach them to prepare for the foreseeable risks.

To deliver diversified training more effectively to different categories of employees, the Group has launched "KWG Cloud Academy," a digital learning community online platform for all employees, since August 2022. By logging in to the platform, employees can instantly obtain professional knowledge across various business segments including real estate management, commercial asset management, and urban renewal as well as guidance opinions from internal and external experts of the Group. Through scenario-based, personalized, and efficient learning models, employees can undertake continuous, bite-sized learning across different departments and disciplines to enhance their professional competence, business knowledge and skills.

During the reporting period, the Group's Human Resources and Administration Department posted the monthly articles on performance, management and literacy published on KWG Academy to the WeChat official account "KWG Unity", so that employees of all business segments can learn management and communication skills so as to improve their overall soft skills.

In addition to online learning, the Group's various business segments also organized a wide range of offline training activities covering areas such as corporate governance, professional skill enhancement, and supply chain management. These activities provided employees with opportunities for in-depth learning and practical application, with a strong emphasis on practicality and applicability, encompassing improvement of soft skills, customer service skills and professional knowledge. Moreover, the Group encourages employees to participate in various industry professional training and certification examinations to support their professional development.

## 2. Care for Our Employees and Interests of Employment

### Hotel Business

#### Frontline Service and Operational Capability Enhancement Training

During the reporting period, the Group's hotel business focused on frontline operational quality and the establishment of service standards. A range of targeted training programs was implemented to support daily operations management and improve customer experience. These programs covered professional housekeeping skills, conference and front desk service procedures, and frontline service standards. Through regular service and role-specific training, employees gained a deeper understanding of operational requirements and strengthened their service delivery capabilities.

In terms of operational safety and risk prevention and control, the Group conducted training on fire safety, emergency management, elevator emergency response, and related drills based on the actual needs of the hotels. Combined with daily operational arrangements, these efforts enhanced employees' awareness and ability to address unexpected situations. In addition, the Group continued to offer onboarding training to help new employees quickly adapt to the hotel work environment, understand their roles and responsibilities, and integrate into the corporate culture, thereby shortening their adjustment period.

To further strengthen coordination in frontline service delivery, hotel management also participated in certain service training and coaching activities to promote collaboration between frontline and back-office teams. This helped ensure consistent and stable service standards across operations. As part of the hotel business's ongoing capability building efforts, these initiatives reinforced frontline operational capabilities and supported the continuous enhancement of overall hotel service quality.



## 2. Care for Our Employees and Interests of Employment

**Commercial Property Management Business****Frontline Operations and Professional Capability Enhancement Training**

During the reporting period, the Group's commercial property management business focused on strengthening frontline operational management and professional capabilities. In view of the practical needs of project operations, targeted training initiatives were organized to help the teams respond to market changes and improve service and operational performance. In terms of frontline capability development, knowledge and skills competitions were conducted for selected projects, covering customer service, engineering, and property management roles. By combining theoretical assessments with practical exercises, these initiatives enhanced employees' understanding and application of business knowledge, service standards, and operational procedures, thereby effectively promoting learning through practice.

At the same time, the commercial property management business placed strong emphasis on internal training and experience transfer. During the reporting period, the Group organized "Gold Instructor" training and certification programs. Focusing on course design and teaching methodologies, internal trainers with teaching capabilities were nurtured to support subsequent knowledge sharing and capability development. In addition, the team arranged training on product knowledge and tenant acquisition based on business needs. By incorporating real case studies, it helped employees gain a deeper understanding of product features and customer priorities and improved their ability to identify and respond to key pain points in leasing and market dynamics. As part of the standardized capability building efforts of the commercial office business, these training initiatives helped strengthen frontline operational foundations and supported the continuous improvement of project operations.



## 2. Care for Our Employees and Interests of Employment

### Real Estate Business

#### Key Young Talent Development and Professional Capability Enhancement Training

During the reporting period, the Group's real estate development business focused on cultivating key young talent and enhancing professional capabilities. In line with business development and talent pipeline planning needs, a series of representative training and exchange programs were organized to support employee growth and professional expertise development. Among these initiatives, key young employees participated in executive exchange sessions and visits to leading enterprises. Through management sharing and on-site industry exchanges, they were able to deepen their understanding of business operating models, industry trends, and key aspects of project management, while developing their professional perspectives and management mindset.

At the same time, the real estate development business also provided employees with training on professional skills and the application of relevant tools based on job requirements. By combining theoretical instruction with practical exercises, these programs helped employees apply their knowledge in daily work, so as to improve their work efficiency and professional judgment. As part of the talent development framework for the real estate development business, these initiatives helped cultivate a pipeline of talents with professional capabilities and growth potential, thereby facilitating long-term and sustainable business development.



## 2. Care for Our Employees and Interests of Employment

### 2.2 Employee Recognition and Corporate Culture Development

In addition to staff development and training initiatives, the Group places strong emphasis on acknowledging employees for their professional dedication and actual contributions across different business segments and roles through diverse staff recognition and incentive programs. These initiatives may take different forms and are tailored to the operations and talent management needs of each business segment, reflecting the Group's talent management philosophy of valuing professionalism, offering diversified incentives, and aligning with business priorities.

During the reporting period, the Group held representative staff recognition and appreciation activities based on the actual operations of different business segments. These events aimed to commend employees who had excellent performance in professional expertise, internal training, and knowledge sharing, thereby building a corporate culture that valued professional capability and contribution. For example, outstanding employees and teams in the real estate business segment were recognized through selection programs, honour boards, and phased incentive schemes, which highlighted achievements of the marketing, engineering, and cross-functional teams. For the commercial property management business segment, certain projects implemented the talent review and recognition mechanism that was designed to support the identification of high-potential employees and the development of talent pipelines. Top performers were also offered clearer career development and promotion opportunities.

2. Care for Our Employees and Interests of Employment

**Employee Recognition and Celebration of Professional Excellence:  
Key Annual Events**

During the reporting period, the Group organized representative recognition and cultural initiatives centred on employee appreciation and fostering professional values to acknowledge employees’ dedication and achievements in their respective roles. During the reporting period, the real estate business segment hosted its annual “Engineer Culture Festival”. Adopting a hybrid online and offline format, it aimed to promote engineering management standards and quality principles. The event also recognized outstanding engineers from various projects, underscoring the Group’s commitment to engineering expertise, quality management, and accountability.

To express gratitude and acknowledgment to instructors who had long contributed to internal training and knowledge sharing, the Group also organized Teachers’ Day appreciation campaign and internal trainer recognition activities across different regions. Through certificate presentations and exchange sessions, these activities gave credit to the important roles of internal trainers in promoting corporate culture, facilitating experience transfer, and supporting employee development. As part of the Group’s corporate culture initiatives, these employee recognition programs helped reinforce professionalism, enhance team cohesion, and support employees’ long-term development.



## 2. Care for Our Employees and Interests of Employment

### 2.3 Occupational Health and Safety of Labour

The Group attaches great importance to the occupational safety and health of employees. In order to ensure that every employee can work in a safe environment, on the basis of complying with the laws and regulations of various regions, an internal safety responsibility system has been established and continuously improved, which is implemented in daily work. Regular safety training activities are held to improve employees' safety awareness and emergency response capabilities, so as to provide employees with a healthy and safe working environment.

#### *Governance according to regulations and safety first*

We strictly abide by the "Safety Production Law of the People's Republic of China" and "Regulations on Work-related Injury Insurance" and other laws and regulations related to labour safety and health. Please refer to the section headed "Related Laws and Regulations" for more information. Adhering to the safety management policy of safety first, we have formulated and continuously improved a number of safety management systems based on ISO18001 and ISO45001 occupational health and safety management systems and other standards, which stipulate the safety management contents for each management level, and are applicable to the safety management activities involved in all business operations of the Group. These safety policies apply to (including but not limited to) employees, construction workers, merchants/tenants, property owners, suppliers and contractors to create a safe and comfortable living environment for them. The number of fatalities due to work in each of the current and past three years (2022 to 2025) is 0, and the number of working days lost due to work-related injuries this year is 63 days (2023: 14 days; 2024: 37 days). The relevant data for the year were mainly affected by individual factors and mainly concentrated in specific areas. Overall, it did not involve any major safety accidents. In the future, the Group will continue to improve safety management measures to ensure the safety of employees.

The Group has a relatively complete safety management system and implements a production safety responsibility system. In production and operation activities, all management departments and personnel have corresponding safety management responsibilities to achieve accountability at all levels. The Group regularly monitors the formulation and implementation of the Company's health and safety strategy. All relevant departments standardise the operation process from the dimensions of safety risk assessment and prevention, safety hazard elimination inspection, emergency rescue management, etc., such as the correct wearing and use of labour protective equipment, according to the rules and regulations such as "Staff Handbook — Health and Safety" and "Quality and Safety Management Measures" formulated by the Human Resources Department. In case of any emergency that directly endangers personal safety, employees have the right to stop working or evacuate the workplace after taking possible emergency measures.

2. Care for Our Employees and Interests of Employment

**Intelligent risk control and safety foundation**

The Group implements intelligent control of safety and risk management and engages registered safety engineers or other professionals. Based on multiple factors such as economic, social value and market risks, the Group analyses the safety risks faced by different business projects one by one using appropriate methods to identify all risks that may have an impact on the projects. For the identified risks, we conduct in-depth assessment to quantify the possibility and loss of risks, clarify the priority and importance of each risk, so as to provide a basis for the decision-making and improvement of safety management. Based on the results of risk assessment, we will formulate targeted risk response strategies, including but not limited to risk aversion and transfer, to ensure that the impact is minimised. At the same time, in order to ensure the effectiveness of the above risk control process, the Group implements regular monitoring and management, and various departments coordinate and inspect the safety facilities and equipment of the project and the effectiveness of existing safety measures, so as to timely discover and correct potential safety risks and ensure the safety and health of project personnel.



For construction projects, the safety officer of the project company is responsible for safety management to effectively monitor and manage construction safety. Responsible employees will identify and evaluate the occupational safety and health risks in the workplace and strive to provide a zero-hazard working environment according to the level of risk hazards. For projects with higher risks, the project department needs to supervise the construction unit to prepare relevant safety management plans. After internal review, the plans must be implemented on the construction site. In addition, the project safety officer of the Group will carry out regular project inspections, including safety protection, safe use of electricity, mechanical equipment, on-site fire protection, and material stacking, so as to discover and correct adverse safety measures in a timely manner, prevent problems and eliminate potential safety hazards. For certain property development projects, the project site safety management team conducts daily safety inspections on the construction site to ensure the safety of construction personnel and property.

For other operating projects, such as commercial and office projects, safety risk identification and management are equally important. In daily operation, the safety officer of the project company regularly checks the potential safety hazards in the office environment and work process, reminds employees of the rectification of unsafe behaviours, ensures that employees understand and follow the safety operation procedures, and regularly holds relevant safety drills, such as waterproof and explosion-proof drills, to improve employees' awareness of safety risks. In addition to daily operational risks, the Group has also formulated emergency plans for the protection of customer safety and conducted regular fire drills to respond to emergencies.

## 2. Care for Our Employees and Interests of Employment

### **Formulating goals and reviewing management**

In order to ensure the safety of workers in projects under construction, the Group has set long-term safety production targets and conducts regular reviews. Please refer to the section headed "Civilised constructing" for details.

### **Construction safety and responsibility first**

The Group strictly complies with the Construction Law of the People's Republic of China, the Labour Law of the People's Republic of China, the Provisions on Construction Site Management of Construction Projects and other laws and regulations to ensure the safety production and quality of the construction industry. We internally formulated a construction site safety management system, and invested resources to improve the management in terms of personnel behaviour, construction environment, tools and equipment. The safety responsible personnel of the project department cooperates with the safety responsible personnel of suppliers, contractors and other partners to comprehensively ensure labour safety. For details of the improvement of safety awareness and protection measures of construction workers, please refer to the section headed "Civilised Constructing".

### **Occupational health and safety protection**

The Group strictly complies with the Fire Control Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases and other laws and regulations to ensure the health and safety of employees. The Group ensures the health and safety of employees through various ways such as policy formulation and facility renovation. For example, the Group attaches great importance to the occupational health of employees, and arranges health examinations for all employees every year. Since 2015, the Group provided insurance coverage to all employees against business accident and critical disease.

Type of occupational safety measures	Descriptions	Purpose
<b>Medical treatment</b>	Conduct first-aid knowledge promotion and training	Let employees master the safety production knowledge required for work, improve safety production skills, and enhance accident prevention and emergency response capabilities
<b>Insurance</b>	Apply for social insurance for employees in accordance with local government regulations, maintain additional commercial insurance, and assist in work-related injury verification and claims declaration	Protect employees' rights and interests at work and prepare for all emergencies
<b>Employee health</b>	Provide free medical examinations for employees	Ensure the health of employees, provide them with an objective description of their physical condition and tips on hidden health hazards

2. Care for Our Employees and Interests of Employment

Type of occupational safety measures	Descriptions	Purpose
	Office environment improvement	<p>In terms of water use, lighting and sound, we improved the health and well-being of employees through architectural design improvement.</p> <ul style="list-style-type: none"> <li>• Installed smart mechanical ventilation devices to enhance indoor air circulation;</li> <li>• Installed panoramic glass and used natural lighting as much as possible to ensure office lighting;</li> <li>• Set up independent conference rooms and other meeting spaces to improve the acoustic environment</li> </ul>
	Emergency drill training activities	<p>We regularly organise professionals to conduct emergency drills and training activities for employees to enhance their ability to respond to emergencies, including fire, flood, explosion and other emergencies, in order to enhance their safety awareness.</p>
	Set up warning and reminder signs	<p>“No smoking” and anti-skid signs are placed in eye-catching locations in the project office area to ensure the safety of personnel.</p>
	Carrying out health promotion activities	<p>Regularly organise activities such as hiking, badminton and running to build and promote green lifestyles, provide healthy books and magazines, place green plants in the building space to increase employees’ contact with nature, encourage employees to communicate and discuss health problems, improve employees’ mental health status, and reduce the occurrence of occupational diseases and health problems.</p>

## 2. Care for Our Employees and Interests of Employment

### Cases

#### **Employee Health Management: Annual Health Check Arrangements**

During the reporting period, the Group arranged on-site health check services by professional medical institutions for all employees, helping them gain a more comprehensive understanding of their health conditions and identify potential health risks at an early stage. As part of the Group's occupational health management measures, these health check arrangements complemented its institutional framework in occupational safety, health protection, and workplace improvement, thereby supporting employees' physical and mental well-being management.



By offering annual health check-ups, the Group aimed to raise employees' awareness of health-related issues and provide foundational support for their work-life balance, while fostering a safe, healthy, and caring working environment.

## 2. Care for Our Employees and Interests of Employment

## Cases

**Emergency Management and Safety Drills:  
Fire Emergency Response Exercise**

In June 2025, the Group's commercial office business segment organized a fire emergency drill for all employees and on-site tenants at the Chengdu U Fun project. The exercise simulated a real fire and covered emergency response procedures such as fire alert, evacuation, and early-stage fire suppression. During the drill, professional firefighters provided on-site guidance and combined practical demonstrations with instructions on the use of fire extinguishers and key evacuation techniques. This enabled participants to learn and practice emergency response methods in a realistic setting.

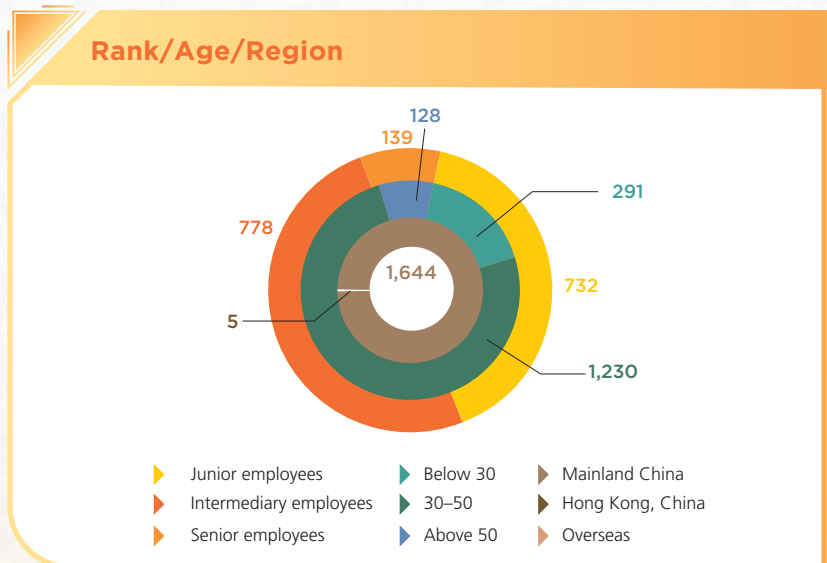
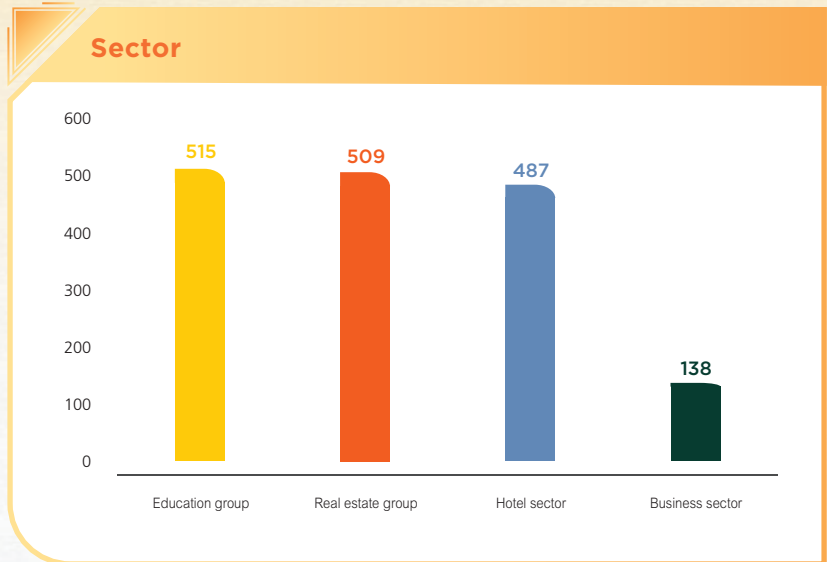
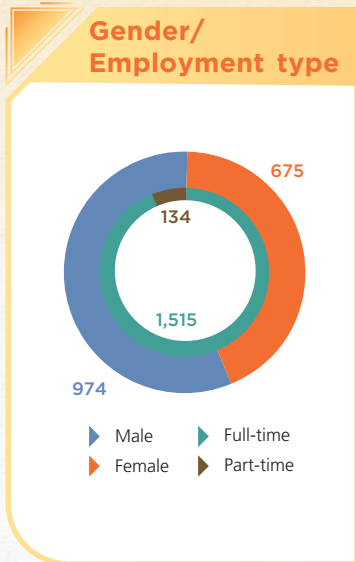
As part of the occupational safety and emergency management measures for commercial office projects, the drill helped enhance fire safety awareness among employees and tenants, improve emergency response mechanisms, and support safe operations across office and commercial premises.



2. Care for Our Employees and Interests of Employment

2.4 Information on the Group's Employees

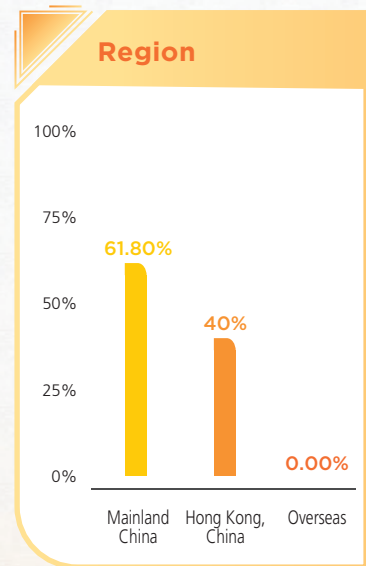
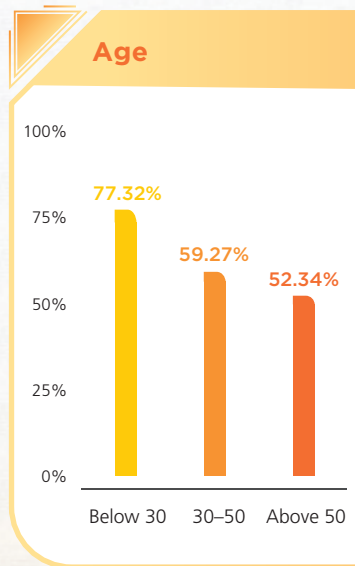
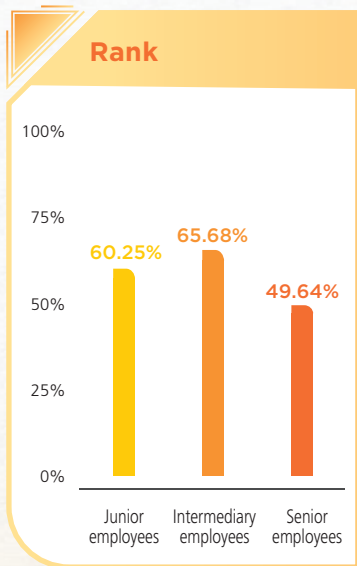
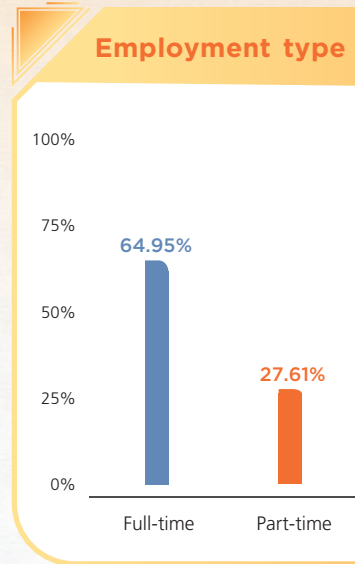
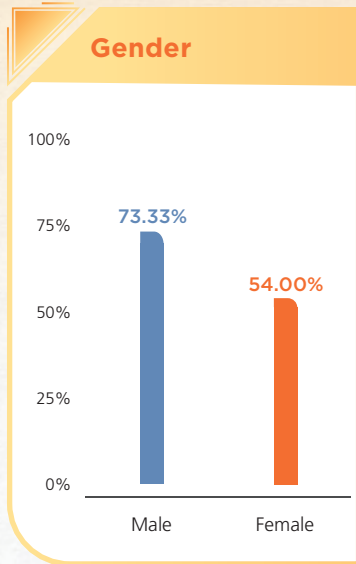
As at 31 December 2025, the total number of employees of the Group was 1,649, broken down by category as follows:



2. Care for Our Employees and Interests of Employment

**Turnover Rates of the Group's Employees**

During the year, the overall turnover rate of the employees was 61.92%, broken down by category as follows:

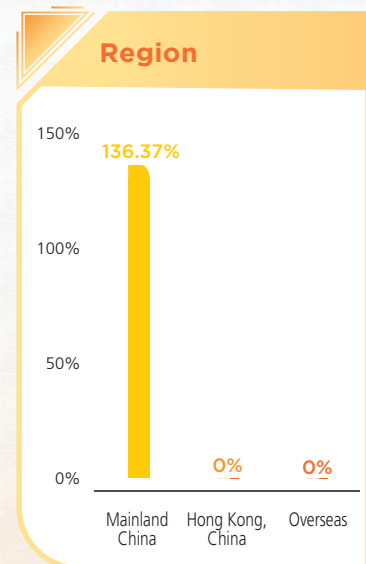
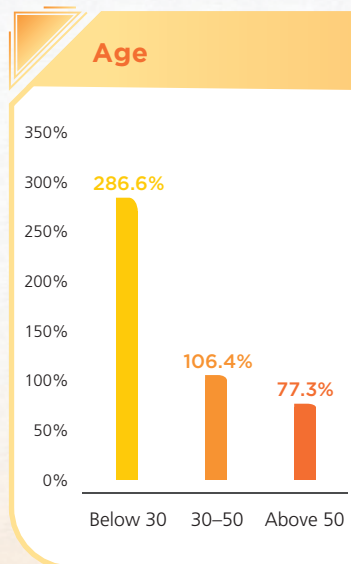
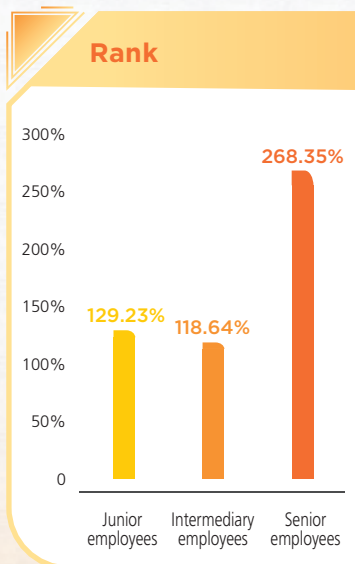
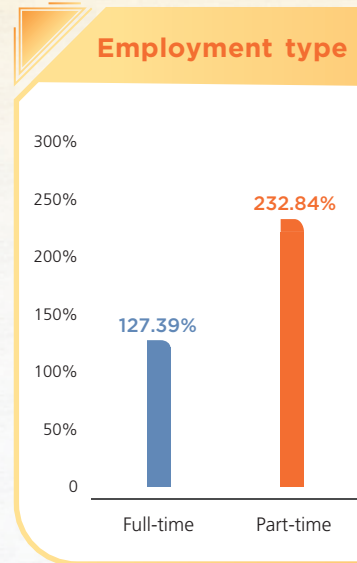
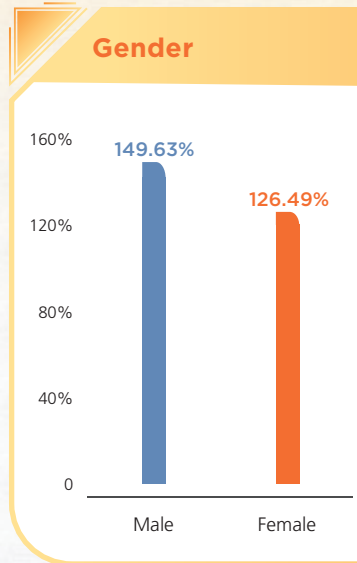


## 2. Care for Our Employees and Interests of Employment

### Number and Percentage of the Group's Employees Trained

Upholding the equality policy, the Group treats different types of employees equally, provides every employee with the most suitable training for their work and endeavours to offer all employees training opportunities.

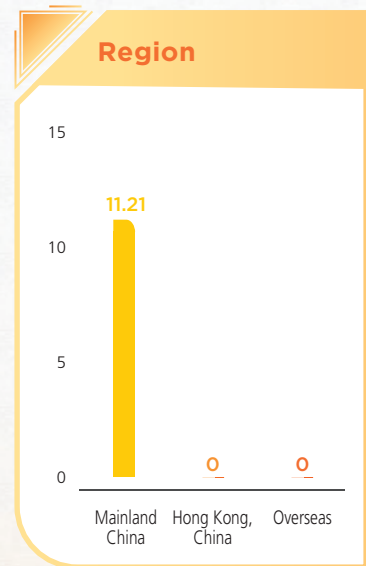
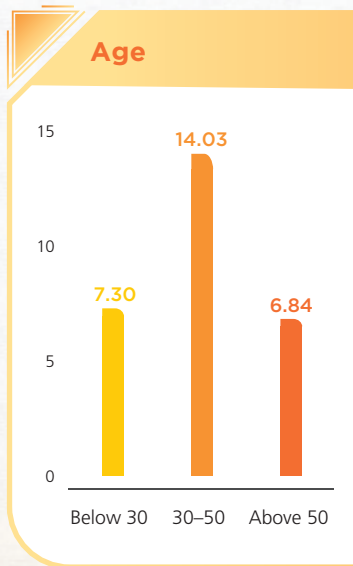
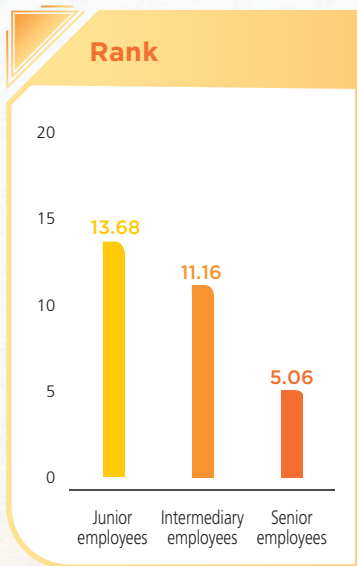
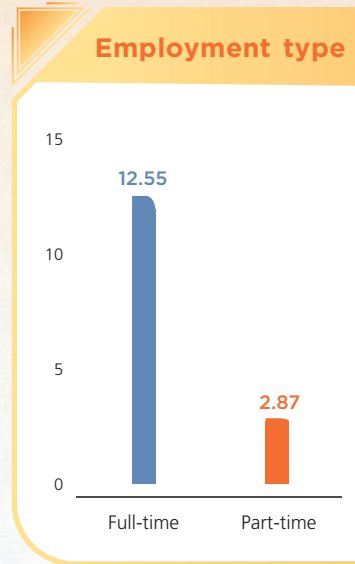
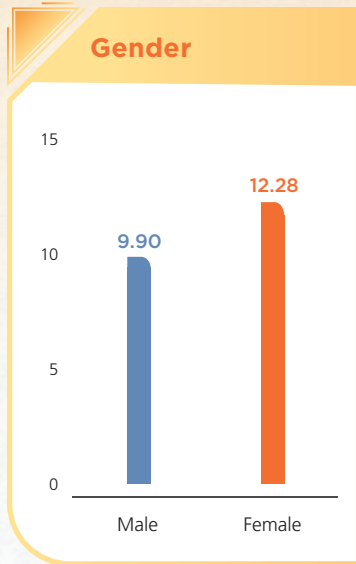
During the year, the percentage of the total number of employees trained was 135.96%. Other training percentages are as follows:



2. Care for Our Employees and Interests of Employment

**Training Hours of the Group's Employees**








During the year, the overall training hours of employees totalled 25,125 hours and the average training hours in general were 11.21 hours, broken down by category as follows:



## 3. Operation Management of the Group

## 3. Operation Management of the Group

## Material ESG issues addressed by this section are

14		Supplier solicitation process	18		Intellectual property rights
15		Supplier evaluation process	19		Complaint management
16		Customer privacy security	20		Anti-corruption
17		Product quality			

## SDGs issues addressed by this section are



## 3.1 Supply Chain Management

Regarding the behaviour of suppliers, the Group formulated relevant system documents such as the Supplier Management System (《供應商管理制度》) and Penalty Management Measures on Suppliers' Default (《供應商違約處罰管理辦法》), covering contents relevant to environmental and social risk management, so as to regulate how suppliers perform contracts and social responsibilities and conduct risk evaluation on suppliers in the whole process of cooperation. We will take active action to terminate the cooperation with suppliers who fail to meet the qualifications of evaluation, or who break the bottom line set by the Group.

In order to ensure that suppliers fulfill their responsibilities in the environmental and social aspects, the Supplier Management System of the Group sets out that in sourcing the suppliers, in principle, only suppliers from internationally renowned brands or the top ten suppliers in the industry are considered. Such suppliers are usually enterprises above designated size, which can meet the requirements of government authorities and industries in terms of compliance.

### 3. Operation Management of the Group

After passing the preliminary assessment, if a supplier is shortlisted for inspection, the Group will focus on compliance inspection, such as reviewing its safety production licence, pollution discharge permit, and employee social security payment. If the supplier was subjected to administrative penalties due to environmental protection issues, we will inspect its rectification to ensure that relevant problems have been properly resolved. At the same time, the Group will conduct site visits to evaluate its production scale, product quality and actual management standard. During the supplying process, we will conduct inspections from time to time to review the compliance of the materials supplied during the production process, such as the production operating environment, quality control process, labour protection of workers, and waste discharge and formulate inspection reports to urge suppliers to rectify related issues, so as to ensure that suppliers can supply qualified products stably.

After several rounds of goods delivery evaluations, suppliers with good performance will be increased in the Group's supplier list. The Group will also regularly monitor the suppliers in the main database and conduct an overall evaluation of the suppliers who supply goods in November each year, specifically in quality, delivery time and service. Suppliers whose evaluation results are "excellent" or "qualified" will subject to contract renewal, while those with unqualified evaluation results will be suspended, and the suspension period will not be less than two years. The supplier whose evaluation result is "prohibited" will be blacklisted, and other circumstances of including in the blacklist and never be considered are as follows:

1. In the process of bidding or contract performance, there are violations of regulations or laws such as collusion, fraud, or bribery;
2. Serious non-cooperation in key links such as marketing display, delivery process, and property rights handling, causing relatively substantial losses or effects to the Group; and
3. Suppliers that have been notified by the government or industry organisations or exposed by the media due to quality issues.

The Group attaches great importance to the impact of supply chain products on the environment and requires supplier compliance, such as cooperating merchants need to possess pollution discharge permits and safety production permits. In addition to mandatory requirements, we also encourage suppliers to apply for System Management certifications such as ISO9001, ISO14001, and ISO45001, identifying and controlling risks through systematic management to minimise the impact of production on the environment. When issuing bids or signing procurement contracts with suppliers, the Group will clearly specify the environmental protection indicators (including mandatory national standards, industry standards, and local standards) that products are required to meet, such as formaldehyde emission and radionuclide limits; the materials used indoors will also further specify the standards that the raw materials must meet in order to prompt suppliers to use more environmentally friendly materials.

Whenever needed, the Group will conduct unannounced inspections on suppliers from time to time every year to evaluate their system operation performance. Inspection items include production and operation environment, labour protection, maintenance and operation of environmental protection equipment, pollution discharge permits, waste disposal, etc. Any of the above will affect subsequent opportunities for cooperation with the Group. For example, when materials arrive on site every year and when conducting factory inspection, samples of products and raw materials are taken and sent to a third-party inspection agency recognised by the government for testing so as to ensure they meet the environmental protection indicators in the contractual agreement.

### 3. Operation Management of the Group

The Group attaches great importance to continuously improve supply chain management and carry out employee trainings to strengthen supply chain management, optimise cost and enhance overall competitiveness, laying a solid foundation for the sustainable development of the Company. Each business segment of the Group also held activities to strengthen employees' supply chain management capabilities from time to time. The training content includes, but is not limited to, bidding and procurement, construction management and cost management, assisting employees to systematically master the theoretical knowledge and practical skills of supply chain management, understand the overall operation of the supply chain and facilitate cross-departmental and cross-field cooperation, so as to improve the overall operational efficiency of the Group.

#### Case Study for Tendering System Implementation and Employee Capability Development



During the reporting period, the Group continued to refine the supply chain management system. In line with system updates, it implemented corresponding execution and capability development measures to ensure effective compliance of relevant requirements in actual tendering and procurement processes. As the Group's tendering system was further optimized, targeted training on supply chain and supplier risk management was organized for

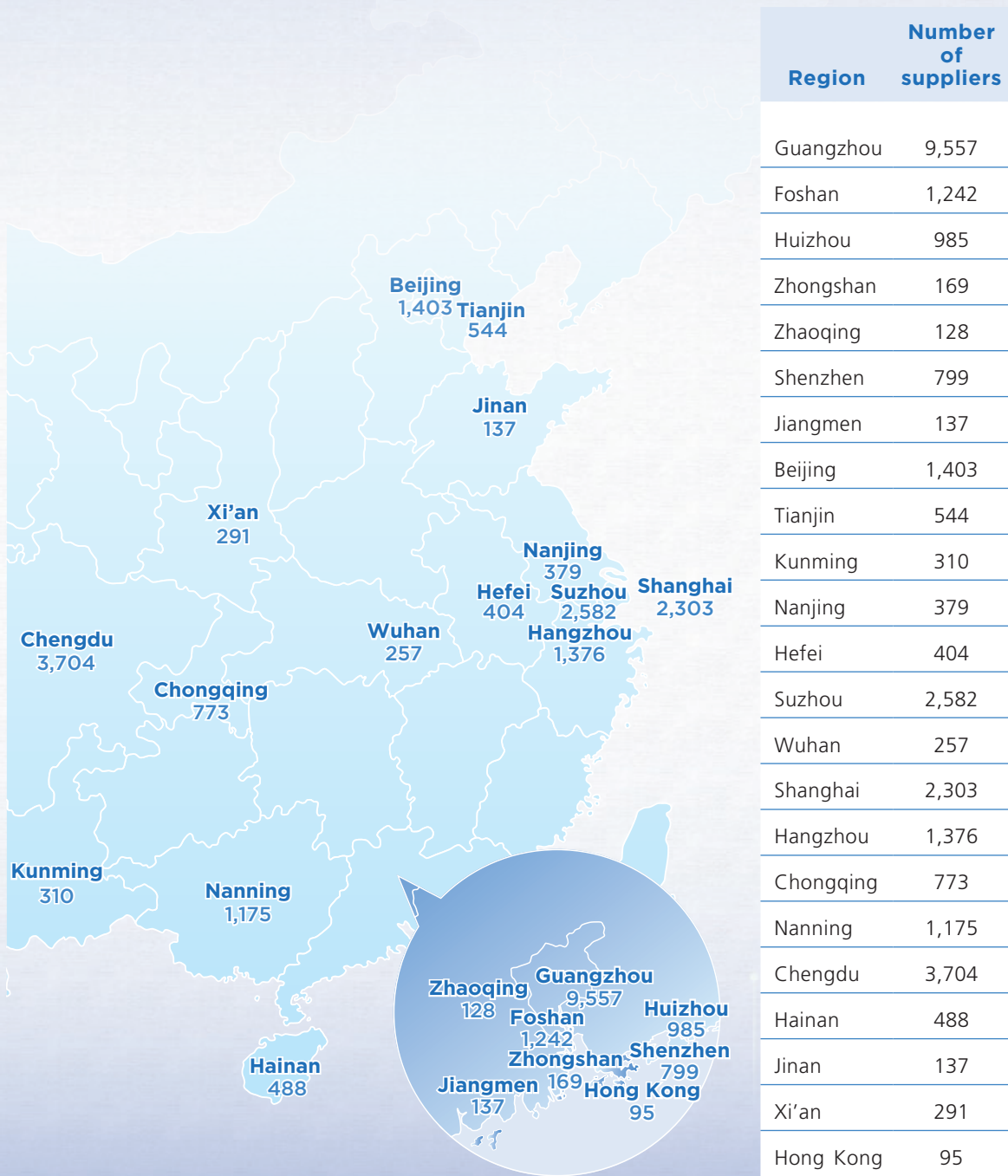
employees in cost control and tendering-related roles, helping them understand key system updates and risk management requirements.

The training focused on standardized tendering processes, key system changes, and supplier risk identification. Combined with the real work settings, it strengthened employees' understanding of system implementation and compliance requirements, while supporting the effective application of these requirements in subsequent tendering and supplier management activities. As part of the Group's supply chain management framework, these initiatives helped improve consistency in system execution and support the proactive management of potential supply chain risks.

3. Operation Management of the Group

The Group will comprehensively consider the transportation distance of suppliers and their service capacity coverage to divide the supplier provision regions. In 2025, the Group unified the statistics of supplier data at the group level, and the statistical scope was expanded to cover all major business segments of the Group. In 2025, a total of 29,238 suppliers were included in the Group’s statistics. These suppliers were mainly contractors and suppliers providing engineering, building materials, equipment, as well as professional services related to various business segments of the Group.

The number of suppliers in each region is as follows:



► Region of suppliers (province/city)

► Quantity

## 3. Operation Management of the Group

## 3.2 Risk Management

**Anti-corruption Management**

During the year, zero fraud cases of the employees were concluded. Since its establishment, the Supervision Center is adhered to the anti-fraudulent work philosophy of "Prevention Comes First, Combat Comes Second (預防為主、打擊為輔)", constantly innovated working means and methods, and formed a set of supervision models with KWG features, including the improvement, promotion and education, and joint supervision of the prevention work system, as well as specific case handling for comforting corruption, and the deterrent effect caused by internal and external linkages. A brief summary is as follows:

<b>Continuous apply and optimise anti-fraud system:</b>	Complaints and reporting related systems and multi-channel reporting, supervision and management systems and relevant articles, employee handbooks, integrity responsibility agreement, administrative regulations for conflict of interest of the employees, management measures for receipt of gifts and rewards, signing binding agreements on integrity with suppliers, etc.
<b>Continuous carry out a wide range of professional integrity courses:</b>	Create online and offline courses, and conduct general training for management, employees and suppliers. Carry out lecture tours for the in-depth promotion of knowledge to the marketing line which is with higher risks of fraud, produce case warning videos and integrity short videos and invite external lecturers from public security bodies to conduct lectures to form deterrent effect to a certain degree.
<b>Carry out work coordination and management connection with key business lines:</b>	Promote rectification through investigation and promote regulation through prevention, as well as carry out work coordination and management connection with the tender and procurement, engineering, and marketing lines through the investigation of typical cases. Strengthen the prevention of integrity risk in all aspects through the joint supervision model, streamlining suppliers in respect of tenders and procurement, supervision of the engineering panorama plans, and supervision of the marketing of properties when they are launched for sale.
<b>Business and grassroots dissecting by regional expatriating:</b>	Expatriate monitoring personnel in different regions and establish a regular communication mechanism with the management, participate in local management meetings, form a model of "frequent communication and active participation", understand the latest policies and trends of business departments in a timely manner, identify new fraud incidents, and take preventive measures in a timely manner to reduce the possibility of risks. As the same time, secret visits and investigate on projects for the ordinary, increase information sources, obtain reliable information in a timely manner, stifle fraud cases in a timely manner, and locate the stolen properties and recover the loss in a timely manner in case of fraud, to avoid greater losses to the Company.
<b>Establish a real estate enterprise alliance and make joint effort against fraud:</b>	Organise and establish the Greater Bay Area Enterprise Supervision Alliance, communicate regularly, and understand the advanced practices in preventing fraud risks in the industry. Establish a blacklist system, share the list of dishonest employees and suppliers, and reduce corporate risks to the Company due to the recruitment or cooperation of such personnel and suppliers.

### 3. Operation Management of the Group

#### **Improving the whistle-blowing system by adopting internal precautionary measures**

Taking documents such as the Employee Handbook (《員工手冊》), Employee Integrity Responsibility Letter (《員工廉潔責任書》), Integrity Agreement (《廉潔協議》), Responsible Incident Handling System (《責任事故處理制度》), Reward and Protection System for Whistle-blowing (《舉報獎勵及保護制度》), Management System on Employee's Conflict of Interest (《員工利益衝突管理制度》), Management System for Integrity Review of Employees in Key Positions of KWG Group (《合景泰富集團關鍵崗位員工任職廉潔審查管理制度》) and Supervision Management System (《監察管理制度》) as the mainstay, and with the implementation rules as annexes and combining the actual situation of the Group, KWG sorted out the original management system in all-round aspects. Under the premise of meeting the internal precautionary requirements, KWG focused on management innovation, established anti-fraud precautionary measures suitable to the Group, specified the responsibilities and authorities of the personnel of the relevant departments, carried out comprehensive management, encouraged all employees to participate, and established precautionary mechanism to restrict, support and restrain each other.

#### **Tip-off channels:**

<b>Tip-off telephone:</b>	<b>020-38109152</b>
<b>Tip-off e-mail:</b>	<b>jubao@kwggroupholdings.com</b>
<b>Official website for tip-off channel:</b>	<b><a href="http://www.kwggroupholdings.com/contact/report.html">http://www.kwggroupholdings.com/contact/report.html</a></b>

Regardless of job position level, business sector or department and division, all employees of the Group shall undergo training on integrity held by the Group. Participants were all employees from each business line of the Group, with each employee attending an average of 2 training sessions throughout the year. The themes and content of the training have been explained centering around different situations of dishonest behaviours, hoping to deepen employees' understanding of the concept of honesty and pragmatism and instill a stable culture of integrity deeply into all levels of the Group.

In addition, the Group releases the series of posters of "Unity Bookmark" on the WeChat official account "KWG Unity" every week. Taking "Everyone is a manager" as the starting point and "Daily records for managers" as the purpose, the Group shares the key points for improving personal leadership, team leadership and corporate operation and management, so that employees at all levels can integrate compliant and legal operations into daily operations, resolutely fight against corruption, and facilitate the stable development of the Company.

At the same time, the Group has set up the public account "KWG Inspection" to spread KWG's corporate culture of "Integrity and Awakening" and regularly held seminars, encouraging employees to perform deep self-reflection regarding integrity, awakening, and self-discipline, so as to solve any emerging problems before they become significant and to improve overall work performance. The Group also continuously strengthens the anti-corruption awareness of employees and strengthens their awareness of compliant management through various training methods such as videos and lectures from time to time.

## 3. Operation Management of the Group

## Cases



### Anti-corruption Governance: Case Study for the Multi-Level Coordinated Prevention Mechanism

During the reporting period, the Group continued to adopt the anti-corruption governance model centred on “prevention at the core and enforcement as support.” Through a combination of system establishment, promotion and education, coordination across key business lines, and regional delegation, the Group strengthened its approach to integrity risk prevention. The monitoring framework focused on high-risk business areas such as marketing, tendering, and engineering. Coordinated management was adopted with relevant functional departments. Through identification of typical issues, process supervision, and joint follow-up actions, the Group promoted both risk identification and rectification.

At the same time, the Group encouraged employee participation in integrity governance through the multi-channel whistleblowing mechanism and internal monitoring system. This was further reinforced by ongoing communication and on-the-ground insights from regionally deployed personnel at the project level, which enhanced early risk detection capabilities. Collectively, these arrangements helped strengthen deterrent effects at the institutional level, reduce the likelihood of corruption, and contribute to a transparent and resilient operating environment.

### Audit Risk and Internal Control Management

The Group attaches importance to the internal control of the enterprise and the cultivation of employees’ compliance awareness. In order to further enhance the effectiveness of audit and financial risk management, the Group has continued to organise a series of relevant training activities for its staff internally to improve their financial knowledge, analytical skills and compliance risks identifying skills. By strengthening employees’ understanding of accounting standards, internal control processes, expense reimbursement procedures, and financial discipline, the Group enhances operational efficiency and reduces audit risks arising from insufficient financial knowledge, process misunderstandings, or improper practices.

### 3. Operation Management of the Group

To align with evolving regulatory requirements and rising corporate governance standards, the Group strengthened the following areas in internal control and audit risk management and integrated them into daily management processes during the year:

<b>Enhancing the internal control framework:</b>	<p>The Group continued to optimize its internal control systems in accordance with actual operational needs and regulatory requirements (including relevant Chinese regulations and management requirements in line with internationally recognized internal control frameworks). This covered key areas such as authorization management, segregation of duties, financial reimbursement processes, and approval procedures for engineering works and procurement.</p>
<b>Strengthening financial and internal control compliance training:</b>	<p>Tailored training was provided based on employee functions, covering updates on accounting standards for finance personnel, process monitoring skills for internal control staff, and risk identification and management requirements for business unit management. This improved overall financial compliance and risk sensitivity across the organization.</p>
<b>Improving the monitoring of key risk areas:</b>	<p>Taking into account both internal and external audit findings, the Group conducted regular process reviews or special audits for high-risk areas such as engineering, procurement, cost control, and fund management. These efforts improved risk visibility and strengthened preventive management.</p>
<b>Promoting the application of digital internal control tools:</b>	<p>To enhance data transparency and process traceability, the Group continued to optimize financial and internal control systems, including the expense reimbursement system, contract management system, and risk monitoring tools, thereby reducing risks at the source.</p>
<b>Increasing the effectiveness of the rectification and feedback mechanisms:</b>	<p>Issues identified in audits or internal control reviews were recorded in rectification logs with defined timelines and responsible departments, so as to establish the closed-loop management model covering “issue identification-rectification and enhancement-effectiveness tracking”.</p>

Through these measures, the Group bolsters employees’ financial and compliance knowledge, enhances proactive audit risk management, and ensures business operations are conducted in a compliant, stable, and highly transparent manner.

### 3.3 Idea Sharing on Party Building

The general Party’s branch of KWG Group was established in 2019. Since the establishment, the Party Building work has been effectively guided in an orderly manner by continuously promoting the establishment of standardised Party Building organisations. KWG System actively responded to and implemented the call for “Red Property Leading by Party Building (黨建引領紅色物業)” and created the “Sunflower Community 1234 Party Building Work System (向日葵社區1234黨建工作體系)”. It promoted the deep integration of Party Building work with government work, business operation, corporate culture, talent training, and integrity forming, and continued to empower the development of enterprises.

### 3. Operation Management of the Group

Adhering to the spirit of implementing the strategic ideology of Party building in the new era, during this reporting period and in the future, the Group will stick to its original intention and move forward with the Party. It will continue to strengthen communicate and cooperate with local Party committees and regularly carry out featured people-oriented service activities. It will earnestly work in a practical way for the people and contribute to the innovation and dissemination of red culture.

In the future, KWG Group will continue to gather red momentum with the Party building brand, adhere to the leadership of Party building and service orientation, and work in a practical way for the people. The development of the Company would be empowered, and its own productivity, competitiveness and cohesion would be comprehensively enhanced leading by Party Building. At the new era of socialism, KWG Group adheres to its original aspiration, continues to implement the spirit of the Party, and creates infinite possibilities for creating a better life in the city.

#### 3.4 Quality and Safety

##### **Quality Control**

In order to ensure the engineering quality of the Group's projects, the Group formulated the "Construction Quality Supervision Report Contents" in accordance with the "Regulations on Quality Management of Construction Projects" issued by the State Council, which makes clear quality management requirements on the engineering quality supervision system, engineering project management, internal control procedures, project planning, construction, supervision, acceptance, warranty, etc. During the construction process, the Group will regularly communicate and hold meetings with supervisors and material suppliers, etc., to understand the latest project progress, quality and safety and other important issues, so as to subsequent facilitate follow-up and supervision. The responsible department of the Group, pursuant to set arrangements, regularly make an inspection tour to the project site so as to evaluate the quality and safety risks of the project on site.

During the year, among the total number of products sold or shipped, the number of products subject to recalls for safety and health reasons was zero.

The Group's quality and safety supervision and management system comprises of three parts, which include the "Construction Project Management and Control Regulations of the Group", "Third-party Construction Project Assessment System" and "City Company Appraisal".

##### 1. *Construction Project Management and Control Regulations of the Group*

The Construction Project Management and Control Regulations of the Group cover six small segments as follows:

##### **Management and control requirements for the supervision of construction projects**

The construction project management department of the Group will issue supervision and administration letters in relation to the progress, quality, safety and other risks arising from the management process of city companies and project departments.

## 3. Operation Management of the Group

<p><b>Management and control requirements for the red line issues of construction projects</b></p>	<p>Including construction project quality and safety and civilization. The red line issues of “construction project quality” include, among others, the situation that the concrete level is lower than the design requirement during the construction process of concrete pouring of main structures, and the presence of stress cracks in concrete slab floors and walls. The red line issues of “safety and civilization” include the commencement of construction without the review and approval for the special plan or without any expert testimony for the construction projects with subdivisional units and works with greater risks, or the possible occurrence of incidents due to the failure of implementation of plans, the use of tower cranes and construction elevators without any inspection and tests carried out by relevant professional institutions, or the continuous use of tower cranes and construction elevators in spite of any major hidden dangers that may lead to accidents.</p>
<p><b>Regulations on project management conduct</b></p>	<p>Key concerns include the “Regulations on Quality Management of Concrete” and the “Regulations on the Management of Six Control and Six Inspection of Leak Prevention Engineering”. Management and control measures include carrying out tests for the concrete strength and constructive rebound value of structures on a sample basis, as well as water spraying and closed water tests on a sample basis.</p>
<p><b>Management and control requirements for the rate of closure due to on-site issues</b></p>	<p>Punish and report for criticism according to the rectification situation.</p>
<p><b>Management and control requirements for materials</b></p>	<p>During the third-party process assessment and the Group’s unannounced inspections, if a large number of fake and substandard construction materials are found or the construction materials are found to be not under the brand agreed in the contracts, the relevant city company and project will be punished.</p>
<p><b>Management and control requirements for major events</b></p>	<p>Major events include, among others, the accidents occurred which did not fulfill the general and above quality and safety standard as required by relevant national laws and regulations, and the events that exposed by the media or caused adverse impacts due to construction project quality and safety issues. Upon the occurrence of a major event, the city company shall immediately report to the Group’s construction project management department simultaneously, which will require the city company to provide a solution within the prescribed time (no more than 3 days) based on the severity and difficulty of addressing the event.</p>

### 3. Operation Management of the Group

#### 2. *Third-party Construction Project Assessment System*

Third party assessment system covers five steps, namely the main body, underground, decoration, pre-delivery and delivery. Assessment of the main body, underground and decoration will be carried out about once a quarter. Each city company is required to truthfully submit the section of the bidding and project list for the current assessment to the Group's construction project management department 14 days before each assessment.

#### 3. *City Company Appraisal Reward and Punishment*

The Group ranks and rewards and punishes the city companies based on the comprehensive scores of their projects under inspection every quarter delivering rewards or punishments in accordance with the results.

When the property is delivered, the Group will first conduct internal quality verification, and then check the quality of the property project on site again together with the owner. The Group will prepare the "Completion Acceptance Recording Form", "Commercial Housing Manual", "Commercial Housing Quality Assurance" and "House Handover Form" to be checked and accepted by the customer. The Group adopts a one-family-one-dossier system, so that each owner's house undergoes three rounds of simulated acceptance before delivery. At the same time, we have four major quality controls and five 100% assurance to ensure precision quality, which are:

1. 100% actual measurement — to ensure that all parts of each unit can be inspected;
2. in place, and problems can be solved in time; 100% floor slab caisson water storage test — we carry out water spray inspection on each slab, and conduct a 24-hour water storage test on each occasion to prevent water leakage and water seepage problems;
3. 100% water spray test on external windows — after the installation of the external windows is completed, perform a water spray test on each external window, check the surroundings of the external windows to ensure that leakage is eliminated, and record the files;
4. 100% elimination of major problems and systemic problems; and
5. 100% household acceptance.

In addition, the Group has a comprehensive maintenance management system during the warranty period, and strives to standardise the repair processing process of customers, so as to improve the efficiency and quality of warranty. The warranty period of the project is from the completion date stipulated in the "Construction Management Contract" to the time limit stipulated in the "Construction Law of the People's Republic of China" or contractually agreed, or from the date of delivery agreed in the "Commercial Housing Sales Contract" to the expiration date of the guarantee period for the quality of different parts of the house stipulated in the "Commercial Housing Quality Guarantee". The Group will undertake the quality assurance responsibility thereon.

### 3. Operation Management of the Group

The Group places great importance on customer feedback regarding project quality and services, and all complaints are handled with due diligence. A well-established customer complaint management process has been put in place, with clearly defined responsibilities and handling procedures for relevant departments, including the customer relationship management department, legal department, and branding department. Complaint and repair requests are logged in the system and communicated via email to the maintenance office and customer service department at the city level. Upon completion of repairs, follow-up surveys on resident satisfaction are conducted on a sampling basis. The customer relationship management department holds maintenance meetings twice a month to investigate cases where repair requests escalate into complaints, review and analyse maintenance data recorded in the system by local companies, and oversee regular inspections of vacant properties and undelivered units by local real estate companies. The Group also conducts semi-annual maintenance review and evaluation meetings attended by representatives from various departments. These meetings aim to follow up on and analyse maintenance data, review case studies, and assess customer satisfaction and complaint management processes. By doing so, the Group further improves service quality and product standards, while enhancing its corporate image.

#### ***Civilised Constructing***

Construction parties and their safety are an essential part of the Group's supply chain management. Construction party should comply with our Supplier and Builder Code of Business Conduct, Safety Policies and relevant requirements. In order to ensure high standard safety management, we continue to maintain close communication with the construction party to ensure that the scope of its operation meets safety performance indicators and complies with all relevant laws, regulations and guidelines. The Group also specify the terms of compliance and the consequences of breach in the contract, and supervise the whole process of construction. To reduce safety risks, construction parties with excellent safety records will be given priority to construction contracts.

In order to improve the safety management level of the Group and align with the Chinese government's consistent policy of improving construction safety and quality, we are committed to reducing construction-related accidents and occupational health risks, and providing a safe and healthy working environment for all employees and construction workers. The Group is actively establishing a customised integrated management system based on the ISO45001:2018 occupational health and safety management standard on the group level and its subsidiaries. The Group expects to implement the system in our engineering construction both in Hong Kong and Mainland China in short term, so as to gain further national and international recognition in the field of safety and quality. All of the goals we set for last year have been successfully achieved, and our goals for 2025 are consistent with those for last year. Other specific long-term goals are as follows:

## 3. Operation Management of the Group

**Long-term goals****Minimise accident rates for construction parties' employees**

Goal:

Group employee accident rate should not exceed 0.040 leave due to work-related injuries per employee per year

2025 results  
**ACHIEVED**2025 results  
**ACHIEVED****Minimise accident rates for construction parties' employees**

Goal:

The accident rates for construction parties' employees should be less than 0.5 notifiable accidents per 100,000 man-hours

**Promote safety and health awareness among construction workers**

Goal:

Provide one safety training for all construction workers, and provide no less than one emergency drill training every year

2025 results  
**ACHIEVED**2025 results  
**ACHIEVED****Promote safety and health awareness to construction parties**

Goal:

Provide at least 50% of the construction parties' management personnel with safety training organised by the Group to meet the needs of management personnel

**Promote occupational safety and health in the workplace**

Goal:

Conduct safety inspections for each workplace at least once a month

2025 results  
**ACHIEVED**2025 results  
**ACHIEVED****Arrange engineering project personnel to receive external training so as to enhance health and safety knowledge**

Goal:

Hold at least 6 external safety training courses for engineering project personnel and office staff every year

### 3. Operation Management of the Group

We had specified safety and related regulatory requirements for all construction units covering safety culture, performance assessment and continuous improvement, emergency management, compliance, related guidelines, etc. The Group's management conducts regular safety and environmental inspections over construction works under progress to check the implementation of the on-site safety management system and management evaluation system so as to identify and screen potential hazards.

The Group continues to provide clear and practical guidelines for our employees and construction parties' workers, and strictly follows relevant regulations to enhance overall occupational safety and health level. We regularly review safety objectives, indicators and effectiveness, track safety performance and carry out improvement measure when necessary to ensure continuous improvement.

The Group is committed to building a safety culture in all aspects, so that employees can reflect consistent safety attitudes, ideals and action standards. From front line construction personnel, environmental and health and safety professionals, to construction management, senior management and the Board, their respective lines of responsibilities have been clearly defined to implement a safety culture through effective management and leadership. The Group also continues to promote health and safety awareness, supervises the implementation of the site safety management system, and exchange ideas on safety issues and prevention plans. Safety performance data including accident statistics and compliance assessment will be regularly submitted to the Group's management for review. Relevant suggestions will be put forward according to the actual situation, so as to improve the level of occupational health and safety and eliminate hidden dangers.

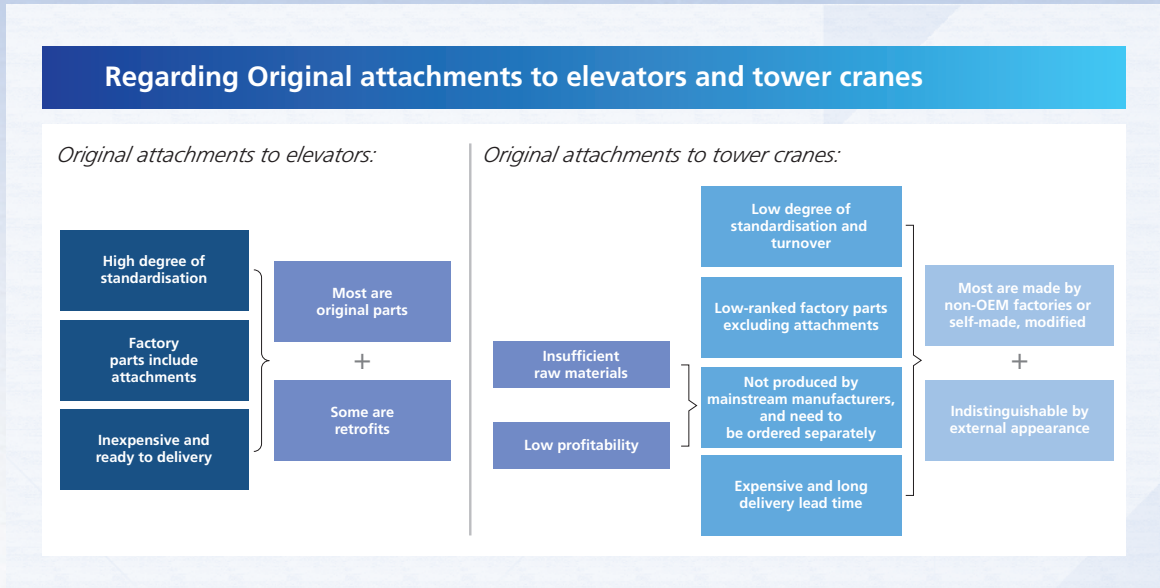
#### ***Heavy Mechanical Equipment Control***

Modern construction projects heavily rely on heavy machinery, the conditions and maintenance of which are critical in terms of efficiency, schedule, and site safety. The Group now owns nearly 500 heavy machinery and equipment, and has registered the relevant information of every one of them, including the item number and name, model, manufacturer, ownership (if it is a leased equipment), installation and maintenance unit, production licence number, date of manufacture, the city, company and project that it is for, etc. If there is any problem with the machinery, relevant units can quickly get the information they need for investigation based on the above information.

In addition, in order to record the operational status and repair history of the equipment, the dates of installation approval and installation, last maintenance, and important parameters and date of manufacture of equipments such as the fall arrester and lifts, etc., will be recorded in the ledger in details, so that relevant personnel can check it out anytime to ensure accurate management.

In order to strengthen the safety management of heavy machinery, the Group has prepared relevant training materials. The content includes heavy machinery accidents and casualties caused by heavy machinery in China in recent years, so as to enhance the safety awareness of our construction workers and we explain the reasons for the accidents, including potential safety risks that attach to elevators and tower cranes.

3. Operation Management of the Group



In order to allow construction workers to have an easier understanding of the actual ways to improve machinery safety on site, we introduce the following “Six-step Approach” conceptual framework, so that all personnel can follow the laws before, during and after the use of machinery. The specific stages are:

Key session	Work content	Responsible unit	Management measures
<b>Special plan</b>	The main contractor shall organise a professional installation dismantling unit to prepare the plan, which shall be reviewed and approved by the supervisor. An expert testimony shall be carried out based on the scale.	Main contractor	(1) Proposal approval form  (2) Expert testimony table (if any)

3. Operation Management of the Group

Key session	Work content	Responsible unit	Management measures
<p><b>Equipment installation</b></p>	<p>(1) File for approval;</p> <p>(2) Before the equipment enters the site, the supervisor and the main contractor shall carry out inspection for acceptance of the equipment, in order to determine the equipment's useful life, model and compliance of the safety devices of the main structural components;</p> <p>(3) The installation personnel shall be certified with his/her certificates, and shall communicate with the technical personnel of the installation unit for handover;</p> <p>(4) Set up isolation warning tapes;</p> <p>(5) The supervisor and the safety management personnel of the main contractor shall carry out onsite supervision activities and upload videos in relation to such activities to the relevant work group;</p> <p>(6) Party A shall carry out inspection at least once every half-day in respect of the supervision activities conducted by the supervisor of the main contractor;</p> <p>(7) Special time periods: special attention shall be paid to construction intervals such as noon;</p> <p>(8) After the completion of installation, relevant parties shall be organised to carry out inspection for acceptance.</p>	<p>Supervisor</p>	<p>(1) Table of records for the inspection for acceptance of the equipment to be entered the site</p> <p>(2) Records for the education and handover to the installation personnel</p> <p>(3) Records for onsite</p> <p>(4) Table of records for installation and inspection for acceptance</p>

## 3. Operation Management of the Group

Key session	Work content	Responsible unit	Management measures
<b>Registration procedures</b>	<p>(1) Inspection and tests conducted by special inspection institutes;</p> <p>(2) File of registration for use.</p>	Main contractor	<p>(1) Inspection and testing reports</p> <p>(2) Registration certificate for use</p>
<b>Tower crane's lifting and addition of mast sections</b>	<p>(1) Inspection for acceptance shall be carried out for the mast sections of the bidding entering the site, in order to ensure model consistency;</p> <p>(2) The personnel responsible for the addition of mast sections shall be certified with his/her certificates, and shall communicate with the technical personnel of the installation unit for handover;</p> <p>(3) Set up isolation warning tapes;</p> <p>(4) The supervisor and the safety management personnel of the main contractor shall carry out onsite supervision activities and upload videos in relation to such activities to the relevant work group;</p> <p>(5) The personnel of Part A shall carry out inspection at least once every half-day in respect of the supervision activities conducted by the supervisor of the main contractor;</p> <p>(6) Special time periods: Special attention shall be paid to construction intervals such as noon;</p> <p>(7) After the completion of addition of mast sections, relevant parties shall be organised to carry out inspection for acceptance.</p>	Supervisor of the main contractor	<p>(1) Records for the education and handover to the installation personnel</p> <p>(2) Records for onsite supervision activities</p> <p>(3) Table of records for installation (addition of mast sections) and inspection for acceptance</p>

3. Operation Management of the Group

Key session	Work content	Responsible unit	Management measures
<p><b>Use and repair and maintenance</b></p>	<ul style="list-style-type: none"> <li>(1) Fingerprint or face recognition devices should be installed on construction elevators;</li> <li>(2) The equipment operator shall be certified with his/her certificates, and shall receive regular education for handover;</li> <li>(3) Regular repair and maintenance shall be carried out and the personnel responsible for repair and maintenance shall receive education for handover;</li> <li>(4) The personnel responsible for repair and maintenance must take photos of sign-in records at critical points of the equipment.</li> </ul>	<p>Main contractor</p>	<ul style="list-style-type: none"> <li>(1) Table of records for handover</li> <li>(2) Table of records for repair and maintenance</li> <li>(3) Photos of sign-in records for repair and maintenance at critical points</li> </ul>

## 3. Operation Management of the Group

Key session	Work content	Responsible unit	Management measures
<b>Dismantling from the site</b>	<ul style="list-style-type: none"> <li>(1) File for approval;</li> <li>(2) Before the dismantling of the equipment, procedures for dismantling notification shall be completed;</li> <li>(3) The personnel responsible for dismantling shall be certified with his/her certificates, and shall communicate with the technical personnel of the installation and dismantling unit for handover;</li> <li>(4) Set up isolation warning tapes;</li> <li>(5) The supervisor and the safety management personnel of the main contractor shall carry out onsite supervision activities and upload videos in relation to such activities to the relevant work group;</li> <li>(6) Party A shall carry out inspection at least once every half-day in respect of the supervision activities conducted by the supervisor of the main contractor;</li> <li>(7) Special time periods: special attention shall be paid to construction intervals such as noon.</li> </ul>	Supervisor of the main contractor	<ul style="list-style-type: none"> <li>(1) Records for the education and handover to the personnel responsible for installation and dismantling</li> <li>(2) Records for onsite supervision activities</li> </ul>

At the same time, we practise adding information technology to the using of heavy machinery to achieve hook visualisation and face recognition system, so that managers and operators can monitor machinery operations in real time and in an all-round manner. By using face recognition, we ensure the identity of the operator and prevent the driver from being impersonated.

3. Operation Management of the Group

Special Topic

**Hook visualisation**

Realise real-time monitoring in all-round aspects, and reduce the risk in hoisting operations.



Driver's cab visualisation



Monitoring visualisation



Mobile phone visualisation

**Face recognition system**

Ensure that equipment operators were licensed for operation to reduce the risk of equipment operation.



Ensuring the operator was licensed



Driver face recognition system



Driver of construction elevator face recognition system

### 3. Operation Management of the Group

Even though in principle, the five items of equipment property rights, leasing, installation and dismantling, maintenance, and labour services (operating drivers and sling workers) can be mandated to different units, however, the Group implements the "Five in One" model, that is, the five items are all conducted by the same unit to enhance safety and efficiency with the following major advantages:

1. It is conducive to unified management of special operators and unified training of operation and maintenance expertise;
2. It is conducive to increasing the monitoring of the safe operation of the equipment, improving the effectiveness of maintenance, and implementing the integrated management of one machine and one file;
3. It is conducive to assuring the cooperation and coordination of operators for equipment installation and dismantling, and lifting-up;
4. It is conducive to clarifying the accountability division for equipment failure or accident.

#### ***Main Engineering Process Safety Assessment and Inspection***

The Group will conduct safety evaluation over construction projects regularly to ensure that all civilized construction items required are implemented. Scores are given according to the degree of implementation of each individual items, so that both the Group and the construction unit can keep improving the degree of civilized construction management according to the evaluation results. Specific items include, but are not limited to: responsibility of the project manager, performance of construction unit, person-in-charge, supervision unit, dust control, site clearance after construction, safety promotion, brand promotion, on-site fire protection, material fire protection, fire protection management, limb openings, material control, protective sheds, working at heights, construction plans, deformation monitoring, well wall support, drainage measures, safety protection, foundation well support, template bracket, steel pipe scaffold, climbing frame, unloading platform, formwork and scaffolding, tower crane, material hoist, construction elevator, construction equipment, temporary entry of performance of equipment, mechanical equipment, external power protection, power-distribution switch box, distribution lines, and safe electricity use, etc.

The process above is implemented in accordance with the "Quality and Safety Supervision and Management System", and each item has detailed definitions and guidelines. For example, the requirements for material control are: "for materials entering the site for the first time, the project supervision unit and the construction unit must notify the relevant professional engineers of the project engineering department of Party A to participate in the site inspection. The professional engineer of the project engineering department of Party A shall not be absent. After the inspection, the parties involved should confirm by signature. Finally, it will be aggregated to the internal engineer of the project department of Party A for filing."

Besides, the following items are strictly prohibited:

1. Special plans for sub-projects with high risk are constructed without approval or expert verification, or accidents may occur if the plans are not implemented;
2. Tower cranes and construction elevators that have not been tested by relevant professional institutions are in use, or that have major hidden dangers are still in use;

### 3. Operation Management of the Group

3. Non-licensed personnel engaged in special operations such as electric welding, lifting and hoisting, being electrician, or construction workers carried out work with fire but have not obtained fire working permits;
4. Failure to implement third-party foundation wells monitoring as required, the frequency of monitoring failing to meet requirements, and failure to take measures when monitoring data exceeds the early warning value;
5. Remove the support system of formwork in advance before the concrete reach the allowable strength;
6. The support system or the floor-mounted unloading platform is connected to the outer frame;
7. The cantilevered layer of the cantilevered external scaffolding and the bottom of the climbing scaffolding are not closed with hard materials, or the scaffolding is connected to the wall and the scissor bracing is discontinuously set or dismantled in advance;
8. There is no fire prevention water system at the construction site and living area, or the fire prevention water system is delayed in the construction stage, causing the fire prevention water cannot be used normally.

The “Quality and Safety Supervision and Management System” also stipulates the inspection frequency, inspection scope, and closing rate of violations and time limit. If the relevant personnel fails to close as required within the time limit, the Group will interview and penalise them according to the system. Such details are all due to the extremely complex construction process. These detailed requirements are designed to address the complex and multifaceted nature of construction processes, thereby minimizing the risk that any oversight could compromise construction quality or personnel safety.

In terms of training construction workers, we prepare various teaching and promotional materials. For example, the “Standardisation Album of Safe and Civilised Construction of Projects” contains detailed information on requirements, such as safety management, safe and civilised construction, safety protection, construction machinery, high-altitude operation machinery, construction electricity, foundation well engineering, formwork and scaffolding engineering, fire safety and others items, in order to make the relevant regulations fully understandable by construction workers.

## 3. Operation Management of the Group

The photographs contained therein are listed below for reference.

Category of Project	Range for Staffing	Staffing Standard
Staffing for construction projects and decoration projects are based on floor area	Below 10,000 m <sup>2</sup>	No less than 1 personnel
	10,000 m <sup>2</sup> –50,000 m <sup>2</sup>	No less than 2 personnel
	Over 50,000 m <sup>2</sup>	No less than 3 personnel, and designated production safety management personnel are staffed by profession

**Standard for the staffing of designated production safety management personnel for projects by main contractors**

Category of subcontracting	Range for Staffing	Staffing Standard
Professional contractor	/	At least 1 personnel, and subject to increase depending on the amount of work and the extent of construction risk of the sub-projects undertaken
Labour service subcontractor	Less than 50 construction workers	1 personnel
	50–200 construction workers	2 personnel
	Over 200 construction workers	Shall be 3 personnel, and subject to increase depending on the amount of work and the extent of construction risk of the sub-projects undertaken, and shall not be less than 5% of construction workers

3. Operation Management of the Group

Standard for the staffing of designated production safety management personnel for projects by subcontractors



Gatehouse-style doors



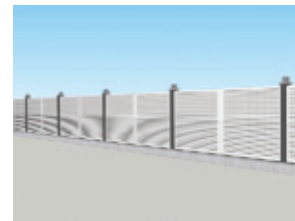
Fences at main exits and entrances



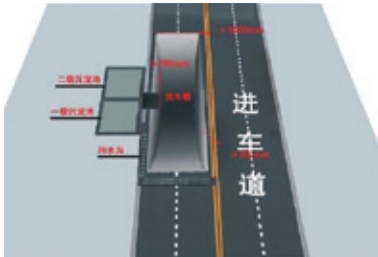
Movable prefabricated PVC windshield



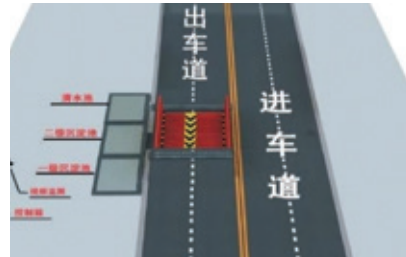
Prefabricated steel structure windshield



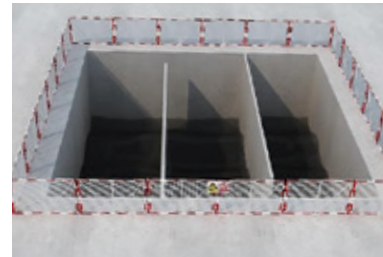
Fabricated and perforated sheet metal windshield



Schematic diagram of cast-in-place car wash tank



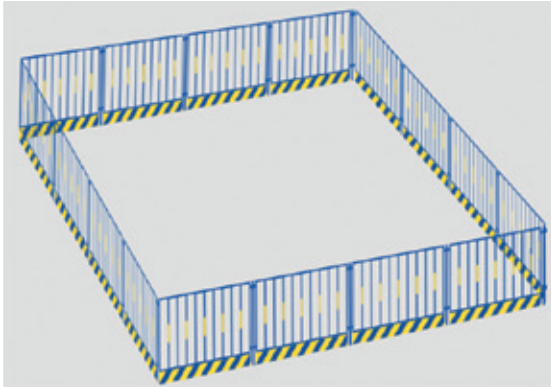
Schematic diagram of automatic washing equipment



Schematic diagram of sedimentation tank

3. Operation Management of the Group

Standard for the staffing of designated production safety management personnel for projects by subcontractors



Divided material storage area

材料标识牌			
名称		进场日期	
规格		进场数量	
生产厂家		标识人	
检验和试验状态			

Material identification plate



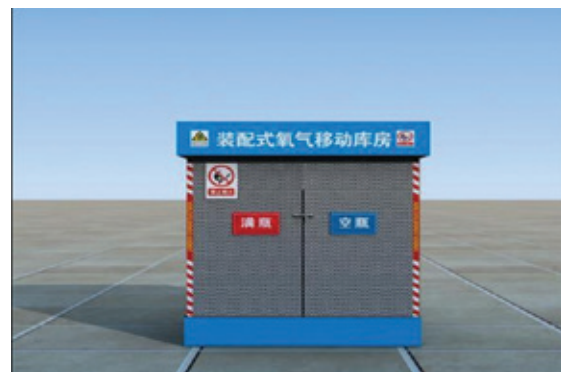
Rebar stacking rack



Material stacking rack



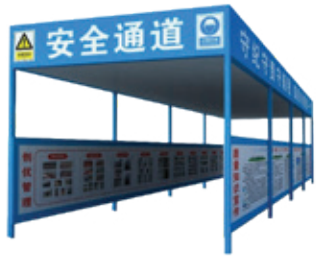
Material recovery tank



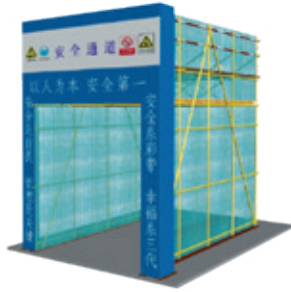
Gas cylinder storage warehouse

3. Operation Management of the Group

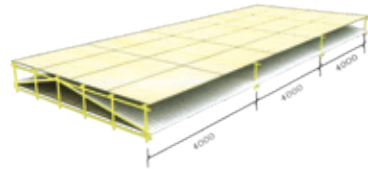
Standard for the staffing of designated production safety management personnel for projects by subcontractors



Instrumental safe passage



Temporary safe passage



Anti-smashing shed

Working clothes for construction workers

- Fasten the chinstrap of the helmet
- Wear the badge
- Wear safety belt properly
- Button up the cuffs
- The hem of the pants must not be loose
- Work clothes should be clean and undamaged
- Wear long pants with pant legs hanging down and not being rolled up
- Shoes should be non-slip and insulated

3. Operation Management of the Group

Standard for the staffing of designated production safety management personnel for projects by subcontractors



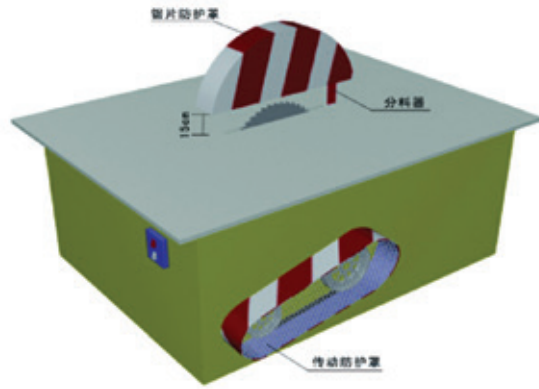
Equipment number and acceptance mark



Setting up rain-proof and anti-smashing sheds



Cutter guard



Cutter guard



Belt guard



Protection for rebar straightening

## 3. Operation Management of the Group

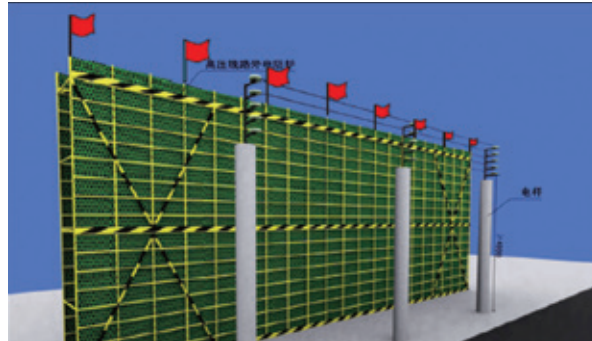
## Standard for the staffing of designated production safety management personnel for projects by subcontractors



Protection for transformer



Protection for box transformer



Protection for high voltage line

***Work notice before and during holidays***

During holidays such as Chinese New Year, National Day and Labour Day, most of the operations on construction sites will be temporarily suspended, and most construction workers will also leave their posts taking a rest. Therefore, the construction sites and construction operations must be inspected and properly handled before the leave. The Group will also give unified notice with major requirements including:

1. Stay vigilant and pay attention to production safety risks at all times, and further enhance safety red line awareness and bottom line mindset.
2. The deputy general managers of engineering and the key persons in charge of the projects in each company in various cities shall research on and arrange in person the holiday safety arrangements, effectively strengthen the management of the production safety work during holidays, and designate the safety responsibilities to each position and employee.
3. Each project shall supervise the main contractor and the supervision entities shall carry out safety education and safety disclosure at all levels, and enhance workers' safety awareness during holidays.
4. Each project shall maintain close communication with local competent authorities, and strictly implement various management requirements during holidays.

### 3. Operation Management of the Group

5. Conduct examination on safety risk prevention and control and hidden danger before holidays, and focus on examining the implementation of safety measures for high-risk operations such as large-scale mechanical equipment (tower cranes, construction elevators), temporary use of electricity, scaffolding, climbing frames, formwork bracket systems and foundation well supports; the maintenance and effectiveness of fire prevention control facilities at construction sites and living areas; and the implementation of safety management for fire prevention operation to ensure that hidden dangers are rectified and controlled.
6. During holidays, all project sites must keep fully closed, arrange more security manpower, implement anti-theft measures, strictly prohibit unauthorised persons from entering construction sites, and access registration is required for visitors in accordance with the regulations.
7. Enhanced safety management measures shall be implemented during holidays. During the holidays, tower cranes and construction elevators are prohibited from being installed, jacked up and dismantled. If relevant operations are needed for projects, they must be reported to the Engineering Management Department of the Group in advance. Scaffold erection and dismantling, climbing frame climbing and dismantling and fire operation require operation plans in advance, and the operation can be arranged after the approval by persons-in-charge of the owners, the supervision entities and general contractors who shall assign designated persons to perform on-site supervision during the whole process.
8. The management of electricity use and fire prevention control shall be strengthened in the construction area, living area, office area and exhibition area.

The Group has formulated multiple safety management systems, such as the "Quality and Safety Supervision and Management System", "Group Safety and Quality Management Red Line Management Regulations", "Notice on Establishing and Improving the Safety Production Accident Express Reporting Mechanism". The Group requires companies and projects in each city to continuously strengthen their responsibility for production safety. By focusing on resolutely curbing safety accidents, and combining comprehensive inspection and strict management, the Group carried out a large-scale inspection of safety production through the combination of means such as project self-inspection, spot inspection on companies in each city and group inspection. Focusing on increased management of major safety hazards, the Group eliminates any occurrence of violations, strictly implementing various safety prevention measures, and preventing accidents from happening.

KWG Group's Safety Production Management System, which covers all aspects of construction, is including:

1. Safety management organisation and responsibilities: adhere to the policy of "prioritising safety and life; prevention first", pursue the goal of zero injury, zero accident, and zero death, and require all members of the Group to take the due safety management responsibilities.
2. Requirements for the staffing of safety management personnel: indicate the minimum number of safety management personnel according to the scale of the construction, and increase according to the amount of work and the degree of construction risk undertaken, and regularly conduct reviews to ensure that the quantity and capability of safety management personnel is adequate.

### 3. Operation Management of the Group

3. Safety education and training management: specify the requirements and content of the training, and review regularly in order to increase the depth and intensity according to the realistic situation.
4. Hazard source identification, risk assessment and control: all related personnel must conduct comprehensive identification of risks base on past, present and expected situations and implement it according to "Provisions on Safety Management of Sub-item Projects with Greater Risk" (Order of the MOHURD [2018] No. 37) and the best practices in the industry, continues to improve risk management and advance deployment.
5. Safety inspection and early warning management: clarify the method and frequency of safety inspections, and increase inspection efforts when necessary. Identified safety hazards should have their rectification implemented in accordance with the principle of "five determinations" (determination of the plan, the measures, the person-in-charge, the source of funds, and the time limit for rectification). The inspection unit or authorised unit shall review the rectification.
6. Safety "gate closure": in any situation involving urgent and major safety hazards, it is clear that managers at all levels must immediately rule out the hidden danger parts, and the unit must not resume work until the rectification is completed and passed safety re-inspection. After the rectification of the part is completed, the unit can be resume work after the inspection being accepted, and the rectification is archived for future reference. The Group will follow up to investigate the cause of the incident, the process of discovery and solutions, and take appropriate sanctions against relevant personnel or hold relevant construction parties accountable.

In response to extreme weather such as typhoons and heavy rainfall, the Group requires each project to continue to improve emergency plans, investigates emergency safeguard measures. To ensure the safety of personnel and property, the Group does a good job in emergency preparations including ensuring the sufficient rescue equipment and materials, and timely grasping meteorological and disaster warning information.

#### **6X Refined Construction System**

On the basis of iteration of the traditional craftsmanship, the Group adopts the "6X Refined Construction System" to manage construction in a scientific manner, and improve the quality and efficiency of projects from multiple dimensions such as on-site operation, process inter-leaving, and safe and civilised construction. That system combines the building layout and the needs for space available to use, redesigning functional spaces to improve the quality of living.

The "6" in the 6X Refined Construction System represents the 6 major basic construction items, including aluminium moulds, scaffolds, fully cast-in-place external walls + plaster-free construction, high-precision cutting blocks (thin blocks coated with a thin-layer of plaster), electromechanical precise pre-burial, and interspersed construction. 6X Refined Construction System can speed up the overall construction period, such that we are allowed to have more sufficient time for key processes with higher quality requirements such as fine decoration and landscaping. Aluminium moulds have high levels of turnover and precision so that plastering can be avoided and many building materials such as wood and mortar can be saved, which is also advantageous in terms of energy conservation and environmental protection efficiency.

### 3. Operation Management of the Group

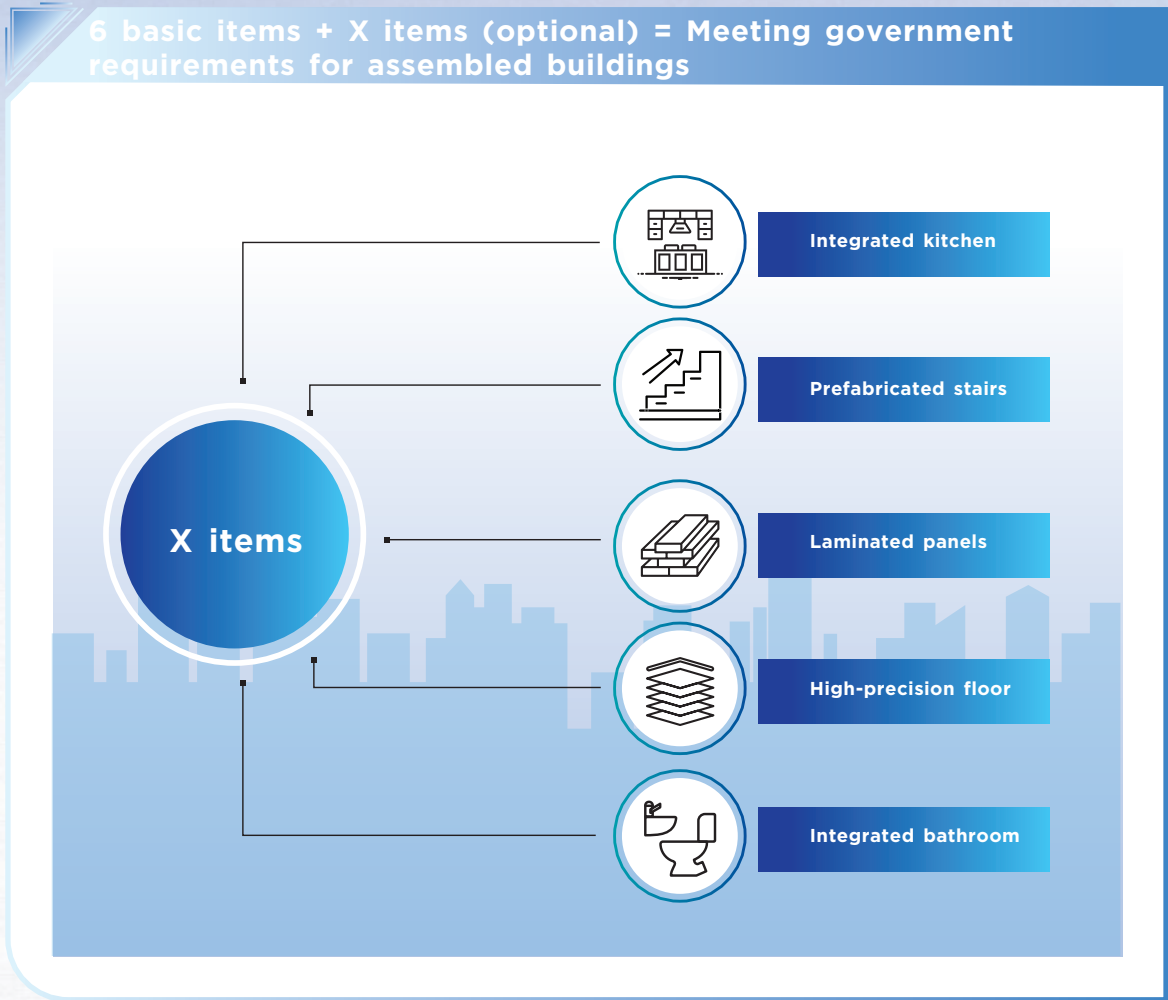
The advantages of the 6X Refined Construction System are mainly reflected in the following aspects:

1. To increase performance quality, reduce problems such as leakage and hollow drums, reduce construction costs and burdens on property owners;
2. Reduce construction time to help property owners get the property in advance;
3. Save wood, mortar and other materials to be more environmentally friendly.

#### KWG 6X Refined Construction System



3. Operation Management of the Group



**Customer service**

*Property development*

The Group understands the importance of customers to the business, so we strive to better communicate with them to fully understand their opinions and meet their needs during all stages, including pre-design, marketing, simulation acceptance and pre-delivery management, house entry and after moving-in. The Group often holds online and offline communication activities for continuous improvement of service experience.

### 3. Operation Management of the Group

In 2025, under the policy guidance of “guaranteeing delivery of properties and stabilizing people’s livelihood”, the Group made its utmost efforts to ensure high-quality project delivery throughout the year, with a cumulative delivery of 5,855 units of properties and a delivery area of approximately 900,000 sq. m., fulfilling its commitment to customers with practical actions and consolidating market confidence. As practitioners of the “good house” standard, Guangzhou Landmark Arte Masterpiece, Guangzhou Richmond Greenville, and Hong Kong The Corniche continued to make contribution to the Group’s core performance with their respective excellent product strengths.

In terms of residential product quality, the Group adhered to use rigorously selected construction materials in the interior to improve infrastructure such as electricity, tap water, natural gas and heating and ventilation, as well as to equip outdoor with various residential supporting facilities including educational facilities, commercial facilities, greening facilities, sports facilities and safety facilities, so as to increase overall living experience. In the process of house inspection, property owners are accompanied by designated staff during the whole process to give them sufficient time to check the quality of the project. If there is any deficiency, the relevant staff will register it immediately and will contact the repair team to rectify the problems as soon as possible to ensure good home purchase and acceptance experience for the owners.

KWG Group takes every customers seriously by providing value-added services including renovation, sale and purchase, leasing and parking space sales to its customers. A dedicated after-sales service team is set up for all projects to improve maintenance handling efficiency and service quality. The Group has launched the “Smart Customer Service” digital service platform, which can provide functions such as online delivery, online report for repair and event booking services to cater for its customers’ daily service needs in all aspects.

To ensure that all service measures are effectively implemented, the Group has established a comprehensive customer service monitoring system: through management tools such as the 400 customer service monitoring hotline, in-depth interviews with customers, mystery customer unannounced inspections to monitor key service-related aspects and maintain continuous improvement of service quality with standardised and professional procedures to enhance customers’ recognition of KWG’s service quality on a constant basis.

#### *Commercial Operations*

As an integrated urban CBD operator in China, the Group has successfully established its business presence in the core commercial districts of first-tier, new first-tier and second-tier cities, including Beijing, Shanghai, Guangzhou, Chengdu, Suzhou, Foshan and Nanning. As of 31 December 2025, the Group has formed an investment property portfolio covering various mature business formats such as shopping malls, office buildings, and hotels, including 12 shopping malls in operation, 9 office buildings, 13 self-owned brand hotels developed and managed by the Group, and 5 hotels in partnership with foreign brands.

The Group has always been customer-oriented and values the feedback and opinions of each customer. Upon receiving customer complaints, relevant staff will listen to problems and concerns with a professional and humble attitude, and understand customers’ dissatisfaction and expectations. Whether the complaint is about product quality, service experience or items related to facilities, the Group will take them seriously and will not overlook any details. In response to relevant problems, the Group quickly conducts internal investigation and verification to identify the sources of the problems as soon as possible and clarify the responsibilities. Once it is confirmed that it is a deficiency from the Group, we will take immediate remedial measures and respond appropriately or apologise to customers. To ensure customer satisfaction, the Group will coordinate resources across departments to provide solutions, including the replacement of goods, optimisation of services, maintenance of facilities, etc. At the same time, we will also maintain communication with customers and track the handling progress until the problems are properly resolved.

### 3. Operation Management of the Group

In addition, the Group will learn from each complaint for internal review and improvement. Whether it is about employee training, service process, operation management or facility maintenance, relevant operation projects will be optimised according to customer feedback. For major or repeated complaints, the project management will make more in-depth strategic adjustments according to the problems, continuously improve customer satisfaction, and consolidate brand image and customer loyalty.

During the reporting year, the Group's commercial operation projects received, from time to time, customer comments and feedback from shopping malls, office buildings, serviced apartments and other related properties in the course of daily management. The matters raised mainly concerned service arrangements, facility usage and general operational issues. The Group, based on its established operational and service management mechanisms, arranged relevant project teams to follow up and handle the matters.

With respect to the customer complaints and comments received, the matters involved fell within the scope of daily operational management and did not give rise to any circumstances that would have a material adverse impact on the Group's overall operations, financial position or service capability. The Group coordinates relevant resources based on actual circumstances to address customer concerns, and continues to review and enhance service and operational arrangements.

For hotel projects, the Group primarily collects guest comments and service feedback through third-party operation and reservation platforms. The Group reviews the relevant feedback on a regular basis and maintains communication with the operation teams, adjusting operational measures and strengthening staff training where necessary to continuously improve service quality and customer experience.

#### *Malls*

The Group successfully developed product lines of three major shopping mall, namely "UFun", "M • Cube" and "Ufun Walk". The "UFun" series is positioned as a fashionable, healthy and refined "Lohas" lifestyle covering all commercial aspects,. The "M • Cube" series is positioned as youthful and personalized lifestyle of "modern and fashionable". The "Ufun Walk" series is designed to create a leisure and convenient commercial space with the community as the core.

In response to the needs of customer groups in different regions, the Group created diversified business scenarios to improve customer satisfaction and loyalty. In recent years, the continued formation and deepening of new consumption trends drove the continuous expansion of the roles and boundaries of shopping centres. Consumer expectations for commercial spaces have evolved beyond basic dining and shopping and shifted toward experiential and emotional value. Adapting to these changing consumption behaviours has become a key challenge for commercial operators.

In response to consumer demand for emotional value and localized experiences, the Group has introduced locally themed environments with elements reflecting city memory across its shopping malls in multiple cities, which integrate culture, lifestyle, and everyday consumption. For example, the localized IP activation project at KWG M • Cube (Beijing) was launched during the year. The project team conducted in-depth analysis of customer behaviours in surrounding communities to reimagine neighbourhood life with distinctive local characteristics, which effectively enhanced spatial experience, community engagement, and brand synergy within the mall without significantly increasing capital expenditure. This innovative practice demonstrated the Group's application of the "function extension" concept in commercial operations, thereby strengthening the emotional connection between consumers and commercial spaces.

### 3. Operation Management of the Group

Adopting “function extension” as the core principle, the Group’s commercial asset management team positions shopping malls not only as places for consumption, but also as a tangible reflection of lifestyle and values. Through anniversary campaigns that integrate emotionally driven narratives with innovative design of commercial spaces, and by engaging younger audiences in ways that transcend the boundaries between content and space, the Group delivers distinctive lifestyle experiences to customers that effectively enhance brand affinity and reputation.

At the same time, the Group co-creates content and experiences with operating partners, community residents, and local brands to gradually establish a more inclusive and sustainable business model for its malls. Driven by collaborative efforts, these localized initiatives not only enrich customer experience but also help improve customer satisfaction, increase dwell time in malls, and ultimately strengthen mall operational efficiency and brand value.

## 3. Operation Management of the Group

## Special Topics

**“Dream FUN Flying Season (理想 FUN飛季)” themed activities**

Building on the deep insights into the emotional needs of younger consumers gained from the “Dream FUN Flying Season (理想 FUN飛季)” campaign from 2023 to 2024, the Group further upgraded this original cross-city marketing IP in 2025. Under the annual theme of “Micro Power of Celebration,” the event extended its focus from a “CHILL life” to “positive approaches to everyday emotions.” By “celebrating” daily moments, the Group aimed to respond to consumers’ need for emotional healing and self-expression in the uncertain environment.



This year’s campaign was simultaneously launched in Beijing, Shanghai, Suzhou, and Chengdu. The Group introduced a cross-disciplinary art collaboration with AIGC for the first time and created the collective artistic IP titled “Colourful Zoo” in partnership with “dianbo studio.” Drawing on each city’s local culture, the project developed spatial interpretations and recreations. For example, KWG M • Cube (Beijing) incorporated the Siheyuan (Chinese courtyard house) culture with the vibrancy of street life to create the “Forest Nest” and the “Micro Power Market”. KWG • U Fun (Shanghai) extended its natural lakeside identity through interactive installations and outdoor sports scenes. KWG • U Fun (Suzhou) blended Suzhou-style aesthetics with intangible cultural heritage to deliver an immersive garden experience. KWG • U Fun (Chengdu) took inspiration from Sichuan culture to present a multi-act public interaction space and a spring-themed theatre market.

To enrich cultural content and emotional resonance, the Group also collaborated with City For Humanity to host themed markets, local curator salons, intangible cultural heritage shows, independent drama performances, and diabolo showcases across the four cities during the year. At the same time, other projects were encouraged to localize the “Micro Power of Celebration” concept based on their respective customer demographics, thereby forming a multi-layered, cross-regional sample of lifestyles.

The annual evolution of the “Dream FUN Flying Season” campaign not only demonstrated the Group’s capability in scenario-based innovation centred on emotional value, but also strengthened the emotional connection between shopping malls and consumers. This drove the continuous improvements in customer dwell time, engagement levels, and membership activity, showcasing the Group’s long-term commitment and innovative strength in enhancing product and service quality, integrating local culture, and advancing refined operations.



3. Operation Management of the Group

Special Topics



**KWG M • Cube (Beijing) × New Chongwenmen Market**

**Revitalizing Neighbourhood Life Through City Memory**



During the year, KWG M • Cube (Beijing) repurposed the B2 level as “New Chongwenmen Market”, a project rooted in city memory as the centrepiece of the localized IP activation project. As a significant symbol of everyday life in Beijing, Chongwenmen Market carries long-standing collective memories and emotional connections for local residents. Using the market as the starting point, the project team incorporated the living habits and high-frequency purchasing needs of the surrounding community and transformed previously underutilized underground space into a new

neighbourhood hub that integrated market retail, daily shopping, and community interaction. The space featured fresh produce, ready-to-eat foods, time-honoured brands, and traditional snack shops, alongside design elements such as retro lightboxes and open-display stalls. Thus, consumers could enjoy a convenient shopping experience while reconnecting with the city’s culture and memory.

From an operational perspective, KWG M • Cube (Beijing) adopted the “co-creation” model, under which the mall, the operator, and the local community jointly participated in spatial design, tenant mix planning, scenario creation, and community engagement to ensure the project delivered both functional value and cultural depth with emotional warmth. The project has increased dwell time and repeat visits among diverse customer groups, enhanced neighbourhood interaction and customer loyalty, and demonstrated the Group’s achievements in localized operations, space revitalization, and enhancement of product and service quality.



### 3. Operation Management of the Group

#### *Office buildings*

As a leading commercial real estate operator in the industry, the Group's commercial and office projects cover the Greater Bay Area, the Yangtze River Delta Region, as well as the Bohai Rim and other important urban economic zones in Central and Western China. Based on the location advantages and city development conditions in different regions, the Group has created three high-end office building brands, namely IFP (International Finance Place), IMP (International Metropolitan Plaza) and ICP (International Commerce Place) in multiple core cities.

As of 31 December 2025, the Group had 9 office building projects in operation covering both first-tier and second-tier cities, including 1 Super Grade A commercial office building (International Finance Place in Guangzhou) and 2 Grade A commercial office buildings (International Metropolitan Plaza in Guangzhou and International Commercial Plaza (North Tower) in Guangzhou). During the reporting period, building on its existing office building operations and service management practices, the Group systematically reviewed the relevant concepts and experience before presenting them under a unified framework known as the "K•OFFICE" service philosophy. This framework reflected the Group's consistent focus on space management, property operations and maintenance, service delivery, and tenant communication. In the future, the Group will continue to build more Grade A and Super Grade A office buildings based on geographical location, supporting facilities, architectural design, interior decoration, air conditioning system and security system, so as to provide customers with a better and more comprehensive service experience.

The Group's office properties have consistently provided tenants with comfortable, safe, and efficient working environments, supported by stable product quality and effective operational management. Most projects are located in central business districts or well-established commercial areas, offering convenient transportation access and comprehensive commercial and lifestyle facilities, including dining and fitness amenities, so as to meet the daily work and leisure needs of office users.

In terms of architectural design and interior fit-out, the Group emphasizes overall quality and user experience. Within existing building conditions, it upholds appropriate standards for maintenance and upgrades and uses compliant construction and finishing materials to create clean, bright, and functionally organized office spaces. In terms of office facilities, central air conditioning and ventilation systems, building automation management systems, fire protection and safety alarm systems, as well as elevators are generally equipped as standard facilities for office buildings to support daily office needs and reliable operations.

In regard to property management and safety, the Group typically engages professionally qualified and experienced property service companies to handle daily management of office projects, providing essential property services such as equipment maintenance, security patrols, and emergency response. The property management teams offer round-the-clock security services to ensure orderly operations and occupant safety in the offices.

### 3. Operation Management of the Group

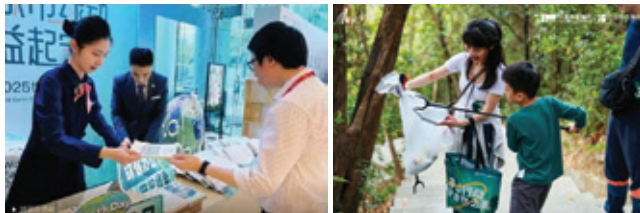
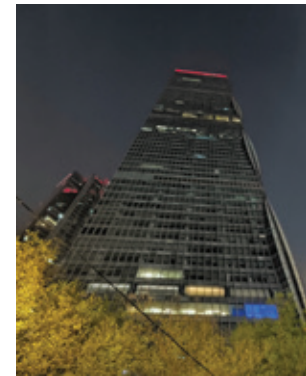
The Group places strong emphasis on communication and collaboration with office tenants. Through property management teams and daily communication mechanisms, it gathers tenants' opinions and requests on workplace environments and services. During the reporting period, the Group continued to strengthen engagement with tenants through various forms of industry exchange events, themed activities, and interactive initiatives, thereby fostering a positive working and collaborative environment.

Adhering to prudent operational principles, the Group will continue to review the product quality and service management of its office business. In compliance with applicable regulations and aligned with actual business needs, it will maintain stable office operations and consistent service delivery.

#### Special Topics

##### Green Practices by Exploring a Low-Carbon Future

In 2025, KWG Commercial Asset Management Company, the Group's commercial asset management arm, upheld the green development philosophy and fulfilled its commitment to "green operations". The commercial office division continued to roll out a series of green initiatives, including World Earth Day, Earth Hour, and the eco-friendly mountain clean-up campaign. Together with corporate partners and tenants, these initiatives translated environmental principles into tangible actions, thereby advancing the "journey toward carbon reduction".



## 3. Operation Management of the Group

## Special Topics

**Office Community Activities and Tenant Engagement Management**

The Group's commercial asset management division continues to promote community development across its office projects by adopting innovative service concepts. Taking into account tenants' diverse needs for culture, sports, social interaction, and physical and mental well-being activities, and the specific conditions of each project, the Group flexibly allocates manpower, materials, and financial resources to plan and deliver a wide range of community activities. These initiatives enrich tenants' leisure lives and enhance the overall experience of building users.

During the reporting period, the Group organized a variety of community events for office projects, including festive celebrations, cultural exchange programs, sports and wellness activities, knowledge-sharing sessions, and charitable initiatives. For example, first-aid training sessions, outdoor recreational sports events, and ball games were organized for certain office projects to foster interaction and strengthen connections among tenants as well as between tenants and project management teams.

Through ongoing community activity management, the Group's commercial office projects have attracted broad participation from tenants and employees, which promoted cross-company and cross-departmental engagement. These efforts help tenants integrate into the workplace community and enhance the vibrancy and cohesion of the workspace.

During the reporting period, the Group's commercial asset management division organized several community events for its office projects. Centred around seasonal themes and major festivals, these initiatives leveraged creative interaction and thoughtful services to cultivate a positive and dynamic business community, expand tenants' social networks, and inject vitality into everyday business activities.



### 3. Operation Management of the Group

#### *Hotels*

Since the commencement of the Group's hotel operation business in 2007, the Group has continued to promote the internationalisation of the hotel brand image, management specialisation and service standardisation according to the market characteristics and target customer groups of the cities located. During the reporting period, the Group's proprietary brand, the Mulian, currently operates 13 self-owned hotels, with an additional 7 franchised properties. The Group's hotel projects (including those under construction) are located in first-tier, new first-tier and second-tier cities such as Beijing, Shanghai, Guangzhou, Chengdu, Suzhou, and Hangzhou. Meanwhile, the Group cooperated with a number of internationally reputable hotel management groups to operate international brand hotels (such as W Hotel Guangzhou, W Hotel Chengdu, Conrad Guangzhou, Four Points by Sheraton Guangzhou Dongpu and Courtyard by Marriott Suzhou Mudu).

Relying on its experience on hotel design, investment and operation, the Group has established its own hotel brand system, The Mulian Hotel. Current brands in operation include the Mulian Hotel, a brand meeting the high-end vacation and affordable luxury business needs, MUSTEL, a trendy design hotel brand for Generation Z young customer groups, MORDIN, a high-end five-star business hotel, and SAISON, a luxury urban art hotel, covering Guangzhou, Hangzhou, Chengdu, Suzhou and other cities. As an important part of the Group's hotel brand, Chengdu MUSTEL Hotel, which opened in October 2024, marked the debut of MUSTEL ARTE, the upgraded version of the MUSTEL brand, further enriching the Group's hotel product portfolio; in October 2025, Mulian Resort Hotel in Zengcheng, Guangzhou, opened to the public, which is another masterpiece of the Group's hotel brand.

In terms of product and service quality management, Mulian Hotel Management Group adopts "Six Senses Service" as its core service philosophy. From multiple dimensions including hearing, feeling, taste, touch, sight, and smell, it has established standardized service processes and quality management requirements designed to provide guests with a consistent, comfortable, and distinctive accommodation experience. Based on the brand positioning, each hotel formulates corresponding service guidelines and ensures compliance with service quality standards through daily management, training, and internal review mechanisms.

The Group attaches great importance to guests' health, safety, and stay experience. Hotels are equipped with facilities that meet quality standards and provide guests with natural, skin-friendly toiletries and linens. At the same time, emphasis is put on personalized service arrangements and guest interaction, including festive dining options, breakfast offerings, and attentive support tailored to guests' needs. In cases of inconvenience during guest stay, the hotels will provide appropriate items either on a loan basis or for guest retention depending on their actual needs, so as to resolve issues effectively.

### 3. Operation Management of the Group

In addition, the Group gathers guest opinions and feedback through multiple channels, which are then followed up and addressed by hotel management teams to continuously improve product and service quality. These service and quality management measures provide a solid foundation for maintaining stable operational performance across hotels.



The Mulian Hotel in Chengdu Global Centre



MUSTEL Hotel in Chengdu Global Centre

During the Year, no illegal incidents that had a significant impact on the Group regarding the health and safety, advertising, labelling and privacy issues related to the Group's products and services were identified.

In the future, KWG Group will remain adhering to the goal of satisfying and surpassing the needs of its customers and continuously improve its service details to provide our customers with a more attentive, reassuring and warm service experience, with an aim to create an environmentally friendly, healthy and beautiful residential environment with high quality services.

#### **Consumer Data Protection, Privacy Policy and Intellectual Property**

The Group has created five membership levels inspired by the "Jade", one of the Buddhist treasures, such as namely "tourmaline", "agate", "amber", "topaz" and "white jade". Members can accumulate growth value through consumption under the Group's projects, and enjoy benefits such as free perks, consumption discounts, cash packages, birthday privileges and points rewards by their membership tiers.

The data collected and stored in communication with customers or membership system will be properly handled by the Group. The personal data and privacy involved are regulated and protected by the "Civil Code of the People's Republic of China" and other related laws and regulations that protect privacy of personal data. In accordance with the internal "Basic Requirements for the Confidential Management of Documents" and guided by the principle of safeguarding customers' rights, the Group implement unified management on relevant information to ensure that information of customers and members are available for inspection by relevant authorised information management personnel only and without approval, no customer information may be disclosed to any third parties. The Group also regularly arranges confidentiality education and training for employees to improve their information protection and privacy management awareness against the backdrop of developing information technology.

While conduct marketing and external promotion on projects, the Group will ensure all sales and advertising information are in compliance with applicable laws and regulations, including the "Advertising Law of the People's Republic of China". The Group reminds frontline staff to comply with responsible marketing regulations through internal training and management requirements. Clear guidelines have been established for reception procedures and sales language to ensure that all promotional materials are truthful, accurate, and not misleading to consumers.

### 3. Operation Management of the Group

In addition, the Group places strong emphasis on the protection and management of intellectual property. In the course of business operations, including project development, material procurement, technology application, and project marketing, where the use of third-party intellectual property is involved (such as technologies, software, written content, images, or personality rights), the Group will follow the established intellectual property management procedures and conduct necessary reviews, due diligence, and authorization or procurement processes. The Group's design department brings together professionals from multiple disciplines, and most of its architectural and product designs are original. While complying with relevant intellectual property regulations, the Group also makes appropriate use of advanced domestic and international designs and concepts. Through systematic intellectual property management measures, the Group safeguards its intangible assets and regularly monitors market developments to mitigate potential infringement risks.


The Group's key practices for intellectual property protection include:

- When developing new brands, the Group undertakes trademark registration, with the administrative department responsible for related trademark registration and management works;
- For technologies or business arrangements not suitable for patent applications, the Group protects them as trade secrets. This includes signing confidentiality agreements with employees and third parties, restricting the scope of use of confidential information, and implementing appropriate classification and management measures;
- For images and fonts used in external promotion, the branding department is responsible for entering into licensing or cooperation agreements with relevant parties. The Group also requires that both internal teams and suppliers use only properly authorized materials and conducts regular training and education campaigns to prevent potential copyright disputes.




4. Charity and Community Involvement

## 4. Charity and Community Involvement

**Material ESG issue addressed by this section is**

21		Community participation
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**SDGs Issues addressed by this section are**

<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>4</b> QUALITY EDUCATION 	<b>10</b> REDUCED INEQUALITIES 
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While pursuing prudent operations and sustainable development, the Group continues to fulfil its corporate social responsibilities by actively engaging in charitable initiatives and community care programs. In terms of social participation and community caring, the Group leverages its business operations and resource strengths to focus on child development, arts education, and emotional well-being, with the aim of exploring long-term and scalable approaches to promote public welfare. Taking KWG Art Museum as a charitable platform, the Group adopts an art-driven philanthropy model to encourage participation from charitable organizations, social groups, business partners, and the public. By advocating the concepts of “philanthropy for all” and “diverse co-creation,” the Group seeks to connect charitable resources with actual needs of society, enhance the accessibility and impact of public welfare initiatives, and foster sustainable social value creation.

At the same time, the Group encourages different business segments to integrate social responsibility considerations into daily operations and project operations. Leveraging the commercial office and community settings, it launches public welfare initiatives that foster positive interaction among the Group, its partners, and the communities it serves. It also provides ongoing and appropriate support to vulnerable groups and people in need and fulfils its long-term commitment to society.

Building on the operations of the commercial office segment, the Group used its office projects as the platform for community engagement and public welfare initiatives during the reporting year. By integrating property operations, tenant networks, and partnerships with charitable organizations, the Group pushed forward with community care campaigns that encouraged broad participation. Focusing on children’s education, support for vulnerable groups, and recycling of resources, it launched diverse public welfare projects across multiple cities to strengthen interaction between the Group and the communities it serves.

In 2025, the commercial office division of the Group collaborated with charitable organizations to offer education resources and rolled out community-based public welfare initiatives to meet the actual needs of rural education and underprivileged children. Among these, the “Dandelion Library” public welfare program started with book donations and enhancement of reading environments to provide basic educational resources to rural schools. Meanwhile, the “Charity Recycling Bazaar” targeted the office communities and encouraged tenant participation in resource reuse and charity sales, with proceeds directed toward enhancing the learning and living conditions of disadvantaged children.

Building on these efforts, the Group continues to integrate its philanthropy philosophy into the daily operations and office environments of its commercial office segment. It encourages tenants and partners to participate in community care initiatives and expands the public welfare role of office spaces within the urban context.

#### 4. Charity and Community Involvement

##### “Dandelion Library” Public Welfare Program

During the reporting year, the Group’s commercial office division and the Guangdong Maitian Education Foundation jointly launched the “Dandelion Library” public welfare program, with a focus on supporting rural children’s education and access to reading resources. From April to May 2025, eight office projects in Guangzhou, Beijing, Shanghai, and Guangxi became the hubs for charitable initiatives, where on-site book donation points and online donation channels were set up. Office tenants and the public were encouraged to donate unwanted books and related resources. In June 2025, the books collected and bookshelves assembled from eco-friendly materials were delivered to Shangba Township Ethnic Primary School in Daozhen Autonomous County, Guizhou Province, and placed in the school library and shared reading spaces to provide additional reading resources for students. Currently, the school has more than 1,000 students, including children left behind by their parents for work and those from economically disadvantaged families. The program helped improve their access to basic reading materials and supported their daily learning and development needs.



##### “Charity Recycling Bazaar” Community Engagement Campaign

In addition, in December 2025, the Group’s commercial office division and the Guangdong Maitian Education Foundation organized “Charity Recycling Bazaars” across seven office projects in Guangzhou, Shanghai, Beijing, and Nanning. Under the theme of “Circulating the Unused, Passing on Kindness,” the campaign encouraged office tenants and business partners to participate in community welfare through donations of goods and charity sales. The proceeds from the event were administered by the Guangdong Maitian Education Foundation and designated to support Yuchi School in Bishi Town, Miluo City, Hunan Province, so as to improve the basic living conditions in student dormitories and upgrade certain teaching facilities. The bazaars attracted nearly 1,000 tenants and partners across office buildings. By integrating public welfare and recycling concepts into office environments, the campaign boosted awareness and participation in social care within the commercial office community.



# Related Laws and Regulations

ESG subject area	Related laws and regulations which the Group has been in compliance with in 2025
<b>Environment</b>	<ol style="list-style-type: none"> <li>1. The Environmental Protection Law of the People's Republic of China</li> <li>2. The Law of the People's Republic of China on Environmental Impact Assessment</li> <li>3. The Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution</li> <li>4. The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution</li> <li>5. The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes</li> <li>6. The Regulations on the Administration of Construction Project Environmental Protection</li> <li>7. National Catalogue of Hazardous Wastes</li> <li>8. The Water Pollution Control Ordinance of Hong Kong</li> <li>9. The Waste Disposal Ordinance of Hong Kong</li> <li>10. The Environmental Protection Regulations of Guangdong Province</li> <li>11. The Regulation on the Prevention and Control of Environmental Pollution by Solid Waste of Guangdong Province</li> <li>12. The Regulation on Energy Conservation in Civil Buildings</li> <li>13. The Regulation on the Safety Administration of Dangerous Chemicals and others</li> </ol>
<b>Employment</b>	<ol style="list-style-type: none"> <li>1. The Labour Law of the People's Republic of China</li> <li>2. The Labour Contract Law of the People's Republic of China</li> <li>3. The Employment Promotion Law of the People's Republic of China</li> <li>4. The Law of the People's Republic of China on the Protection of Disabled Persons, the Social Insurance Law of the People's Republic of China</li> <li>5. The Employment Ordinance of Hong Kong</li> <li>6. The Employees' Compensation of Hong Kong</li> <li>7. The Minimum Wage Ordinance of Hong Kong</li> <li>8. The Employees' Compensation Ordinance of Hong Kong</li> <li>9. The Disability Discrimination Ordinance of Hong Kong and others</li> </ol>

## Related Laws and Regulations

ESG subject area	Related laws and regulations which the Group has been in compliance with in 2025
<b>Health and safety</b>	<ol style="list-style-type: none"> <li>1. The Production Safety Law of the People's Republic of China — establishing a security management system, inspection standards, management requirements of the Group</li> <li>2. The Administrative Regulations on Production Safety of Construction Works — establishing safety protection standards and specifying inspection standards of the Group</li> <li>3. The Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases — arranging medical checkups, training, and living area disinfection for workers</li> <li>4. The Provisions on the Supervision and Administration of Occupational Health at Work Sites — regular canteen hygiene inspection and disinfection</li> <li>5. The Fire Control Law of the People's Republic of China — regular fire inspection and drills</li> <li>6. The Environmental Protection Law of the People's Republic of China — controlling waste water, waste and dust</li> <li>7. The Labour Law of the People's Republic of China — signing a labour contract</li> <li>8. The Criminal Law of the People's Republic of China — implementing safety requirements in accordance with regulations, and giving warnings and penalties for safety violations</li> <li>9. The Constitution of the People's Republic of China — implementing safety requirements in accordance with regulations, and giving warnings and penalties for safety violations</li> <li>10. Measures for the Administration of Contingency Plans for Work Safety Incidents — establishing emergency plans and arranging regular drills</li> <li>11. The Construction Law of the People's Republic of China — establishing the Group's safety cost investment and audit requirements, system safety protection standards, and specifying inspection standards</li> <li>12. The Special Equipment Safety Law of the People's Republic of China — focusing on the management of large machinery</li> <li>13. The Regulation on Work Safety Licenses — prohibiting construction without a permit strictly</li> <li>14. The Flood Control Regulation of the People's Republic of China — implementing typhoon and flood control annually</li> <li>15. The Supervision and Administration of Labour Protective Articles — arranging distribution and inspection of safety equipment for workers</li> </ol>

## Related Laws and Regulations

ESG subject area	Related laws and regulations which the Group has been in compliance with in 2025
<b>Product liability</b>	<ol style="list-style-type: none"> <li>1. The Production Safety Law of the People's Republic of China</li> <li>2. The Fire Control Law of the People's Republic of China</li> <li>3. The Constitution of the People's Republic of China</li> <li>4. The Criminal Law of the People's Republic of China</li> <li>5. The Construction Law of the People's Republic of China</li> <li>6. Safety Production Management Regulations for the Major Person of Construction Companies, the Person in Charge of the Project and Full-time Production Safety Management Personnel</li> <li>7. Standard for Safety Inspection of Building Construction</li> <li>8. Management Measures for the Safety of Segments of Construction Projects With Potentially Greater Danger</li> <li>9. Measures for Coordination between Administrative Law Enforcement and Criminal Justice for Work Safety</li> <li>10. Regulations on Safety Production Management of Construction Projects</li> </ol>
<b>Anti-corruption</b>	<ol style="list-style-type: none"> <li>1. The Anti-Money Laundering Law of the People's Republic of China</li> <li>2. The Criminal Law of the People's Republic of China</li> <li>3. The Anti-Unfair Competition Law of the People's Republic of China</li> <li>4. The Bidding Law of the People's Republic of China</li> <li>5. The Regulation on the Implementation of the Bidding Law of the People's Republic of China</li> <li>6. The Provisions on Engineering Projects Which Must Be Subject to Bidding and others</li> </ol>

# Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>	General Disclosure	1. Environmental governance and related policies
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	1.7 Waste Management Policy
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	<i>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</i>	
	<i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i>	
	<i>Hazardous wastes are those defined by national regulations.</i>	
KPI A1.1	The types of emissions and respective emissions data.	1.14 Environmental performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.14 Environmental performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.14 Environmental performance
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	1. Environmental governance and related policies
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.	1.7 Waste Management Policy

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>Aspect A2: Use of Resources</b>	General Disclosure	1. Environmental governance and related policies
	Policies on the efficient use of resources, including energy, water and other raw materials.	
	<i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	
	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).	1.14 Environmental performance
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	1.14 Environmental performance
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	1.5 Energy and Resources Policy
	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.	1.5 Energy and Resources Policy
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	1.14 Environmental performance	
<b>Aspect A3: The Environment and Natural Resources</b>	General Disclosure	1. Environmental governance and related policies
	Policies on minimising the issuer's significant impacts on the environment and natural resources.	
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	1.5 Energy and Resources Policy

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>	General Disclosure	2. Care for our employees and interests
	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.	
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	2.3 Information on the Group's employees
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	2.3 Information on the Group's employees	
<b>Aspect B2: Health and Safety</b>	General Disclosure	2.2 Occupational health and safety of labour
	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.	
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2.2 Occupational health and safety of labour
	KPI B2.2 Lost days due to work injury.	2.2 Occupational health and safety of labour
KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	2.2 Occupational health and safety of labour	

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>Aspect B3: Development and Training</b>	General Disclosure	2.1 Development and training
	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	
	<i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	
	KPI B3.1      The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2.3 Information on the Group’s employees
KPI B3.2      The average training hours completed per employee by gender and employee category.	2.3 Information on the Group’s employees	
<b>Aspect B4: Labour Standards</b>	General Disclosure	2. Care for our employees and interests
	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.	
	KPI B4.1      Description of measures to review employment practices to avoid child and forced labour.	2. Care for our employees and interests
KPI B4.2      Description of steps taken to eliminate such practices when discovered.	2. Care for our employees and interests	

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>	General Disclosure	3.1 Supply chain management
	Policies on managing environmental and social risks of the supply chain.	
	KPI B5.1      Number of suppliers by geographical region.	3.1 Supply chain management
	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.	3.1 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.	3.1 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.	3.1 Supply chain management	

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>Aspect B6: Product Responsibility</b>	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.	3.4 Quality and safety
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.4 Quality and safety
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	3.4 Quality and safety
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	3.4 Quality and safety
	KPI B6.4 Description of quality assurance process and recall procedures.	3.4 Quality and safety
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.4 Quality and safety
<b>Aspect B7: Anti-corruption</b>	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.	3.2 Risk Management
	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.	3.2 Risk Management
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.2 Risk Management
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	3.2 Risk Management

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>Community</b>		
<b>Aspect B8: Community Investment</b>	General Disclosure	4. Charity and Community Involvement
	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.	
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4. Charity and Community Involvement
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	4. Charity and Community Involvement	
<b>Part D: Climate-related Disclosures</b>		
<b>(I) Governance</b>		
<b>19.</b>	An issuer shall disclose the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities, including their responsibilities, mandates, role descriptions and their participation in overseeing the climate-related risks and opportunities strategy, decisions, risk management processes and related policies.	Sustainable Development Governance ESG Management of the Board 1.8 Climate Change Policy
<b>(II) Strategy</b>		
<b>20.</b>	An issuer shall disclose climate-related risks and opportunities, and explain the effects of such risks that could reasonably be expected to have on the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term, including how the relevant timeframes are defined.	1.8 Climate Change Policy — Strategy 1.8 Climate Change Policy — Response to Climate Change 1.8 Climate Change Policy — Climate Risks and Opportunities 1.8 Climate Change Policy — Climate Scenario Analysis

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
21.	An issuer shall disclose the current and anticipated effects of climate-related risks and opportunities on the its business model and value chain, including where in the issuer's business model and value chain the relevant risks and opportunities are located.	1.8 Climate Change Policy — Strategy 1.8 Climate Change Policy — Response to Climate Change 1.8 Climate Change Policy — Climate Risks and Opportunities 1.8 Climate Change Policy — Climate Scenario Analysis
22.	An issuer shall disclose the effects of climate-related risks and opportunities on its strategy and decision-making, including responsive actions taken or planned to take as well as climate-related transition plans (if any).	1.8 Climate Change Policy — Strategy 1.8 Climate Change Policy — Response to Climate Change 1.8 Climate Change Policy — Climate Risks and Opportunities 1.8 Climate Change Policy — Climate Scenario Analysis
23.	An issuer shall disclose the implementation progress of plans described in accordance with paragraph 22(a).	1.8 Climate Change Policy — Response to Climate Change 1.8 Climate Change Policy — Strategy 1.8 Climate Change Policy — Climate Risks and Opportunities

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
<b>(II) Strategy (Financial Impact)</b>		
<b>24.</b>	An issuer shall disclose the effects of climate-related risks and opportunities on its current financial position, financial performance and cash flows, including the relevant material adjustments to the carrying amounts of assets and liabilities (if applicable).	<ul style="list-style-type: none"> <li>1.8 Climate Change Policy — Strategy</li> <li>1.8 Climate Change Policy — Climate Risks and Opportunities</li> <li>1.8 Climate Change Policy — Response to Climate Change</li> <li>1.14 Environmental Performance</li> </ul>
<b>25.</b>	An issuer shall disclose the effects of climate-related risks and opportunities on its anticipated financial position, financial performance and cash flows, including taking into consideration the relevant investment, assets allocation and source of funding (if applicable).	<ul style="list-style-type: none"> <li>1.8 Climate Change Policy — Strategy</li> <li>1.8 Climate Change Policy — Climate Risks and Opportunities</li> <li>1.8 Climate Change Policy — Response to Climate Change</li> <li>1.14 Environmental Performance</li> </ul>
<b>(II) Strategy (Climate resilience)</b>		
<b>26.</b>	An issuer shall disclose the resilience of its business and strategy taking into consideration climate-related risks and opportunities, including whether and when a climate-related scenario analysis will be carried out, as well as the main characteristics of the relevant analysis.	<ul style="list-style-type: none"> <li>1.8 Climate Change Policy — Climate Scenario Analysis</li> <li>1.8 Climate Change Policy — Strategy</li> <li>1.8 Climate Change Policy — Climate Risks and Opportunities</li> </ul>

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs	Corresponding chapter of this report
<b>(III) Risk Management</b>	
<p><b>27.</b></p> <p>An issuer shall disclose the processes it uses to identify, assess and monitor climate-related risks and opportunities, including the relevant approach, inputs, evaluation standards, and how these processes are integrated into the overall risk management process.</p>	<p>1.8 Climate Change Policy — Risk Management</p> <p>1.8 Climate Change Policy — Climate Risks and Opportunities</p> <p>1.8 Climate Change Policy — Response to Climate Change</p>
<b>(IV) Metrics and Targets</b>	
<p><b>28.</b></p> <p>An issuer shall disclose the gross greenhouse gas emissions generated during the reporting period, classified as scope 1, scope 2 and scope 3 greenhouse gas emissions.</p>	<p>1.14 Environmental Performance</p> <p>1.8 Climate Change Policy — Climate Risks and Opportunities</p>
<p><b>29.</b></p> <p>An issuer shall disclose the measurement approach, inputs and key assumptions it uses to measure its greenhouse gas emissions, as well as any changes it made to the measurement approach or assumptions.</p>	<p>1.14 Environmental Performance</p>
<p><b>30.</b></p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>1.8 Climate Change Policy — Climate Risks and Opportunities</p> <p>1.8 Climate Change Policy — Strategy</p> <p>1.8 Climate Change Policy — Response to Climate Change</p>
<p><b>31.</b></p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>1.8 Climate Change Policy — Climate Risks and Opportunities</p> <p>1.8 Climate Change Policy — Climate Scenario Analysis</p> <p>1.8 Climate Change Policy — Response to Climate Change</p>

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs	Corresponding chapter of this report
32.	<p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related opportunities.</p> <p>1.8 Climate Change Policy — Climate Risks and Opportunities  1.8 Climate Change Policy — Strategy  1.8 Climate Change Policy — Response to Climate Change</p>
33.	<p>An issuer shall disclose the amount of capital expenditure, financing or investment incurred for addressing climate-related risks and opportunities.</p> <p>1.8 Climate Change Policy — Strategy  1.8 Climate Change Policy — Response to Climate Change  1.12 Green Buildings  1.11 Green Construction  1.3 Green Office</p>
34.	<p>An issuer shall disclose whether and how it applies internal carbon price in decision-making, including the calculation method, or provide explanation if it does not apply an internal carbon price in decision-making.</p> <p>1.8 Climate Change Policy — Strategy  1.18 Climate Change Policy — Response to Climate Change  1.18 Climate Change Policy — Climate Risks and Opportunities</p>
<b>(IV) Metrics and Targets</b>	
35.	<p>An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or provide appropriate explanation if this does not apply.</p> <p>Sustainable Development Governance  ESG Management of the Board  Key Responsibilities of the ESG Committee and the ESG Working Group</p>

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
36.	An issuer shall disclose whether and how industry-based metrics or cross-industry metrics that are associated with its business model and activities will be used to assist its climate-related disclosure.	N/A As of the reporting year, the Group has not disclosed industry-specific climate metrics, and the relevant disclosures remain focused on greenhouse gas emissions and operation-related metrics.
37.	An issuer shall disclose qualitative and quantitative climate-related targets it has set, including the type of target, the part to which the target applies, the period over which the target applies and the relevant assumptions (if applicable).	N/A As of the reporting year, the Group has not set any specific qualitative or quantitative targets in respect of climate change or greenhouse gas emissions.
38.	An issuer shall disclose information about its approach to evaluating and monitoring progress against climate-related targets, including the metrics used, the monitoring processes and any revisions to the target.	N/A As the Group has not set any climate-related targets as of the reporting year, there are no arrangements in place to monitor or evaluate the progress toward such targets.
39.	An issuer shall disclose information about its performance against climate-related target and an analysis of the relevant trends or changes.	N/A As the Group has not set any climate-related targets as of the reporting year, there is no information about its performance or analysis of trends or changes to disclose.

## Report Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding chapter of this report
40.	For the climate-related emissions targets (if applicable), an issuer shall disclose the scope covered by the target, the type of target and whether carbon credits or other offset mechanism will be used (if applicable).	N/A As the Group has not set any climate-related targets as of the reporting year and has not utilized carbon credits or carbon offsets as its greenhouse gas emissions management arrangements, such disclosures are not applicable.
41.	In preparing the climate-related disclosure, an issuer shall consider the applicability of cross-industry metrics and industry-based metrics, and make disclosure where applicable.	N/A As of the reporting year, the Group has not adopted industry-based or cross-industry climate metrics for supplemental climate disclosure, therefore, such disclosures are not applicable.

The background features a light green, textured surface with a faint grid of thin white lines. Overlaid on this grid are several large, semi-transparent green triangles of varying sizes and orientations, creating a geometric pattern. The triangles are positioned in the upper and middle sections of the page, with some pointing towards the corners and others pointing towards the center.

KWG GROUP HOLDINGS LIMITED