



世茂集團

SHIMAO GROUP HOLDINGS LIMITED

世茂集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock Code: 00813.HK)*

**2025**

**Shimao Group Holdings Limited**

**Sustainability Report**

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# About Shimao Group

## Message from the Chairman

### **Integrity and innovation to build a new journey for Shimao's century**

The tide of the times surges forward, and global environmental and social challenges continue to evolve. Based on long-term development, Shimao Group profoundly practices its corporate responsibility, deeply integrates steady operation and sustainable development, adheres to its original mission, anchors the centennial goal, responds to the call of the times with hard work, and creates a more prosperous and sustainable development future for future generations.

Steady operation is the core foundation of the company's stable and long-term development, and it is also the lifeline of Shimao Group's development. We always carry the concept of stability throughout the entire operation process, strive to build a sound and perfect management system, strengthen internal control efficiency, and achieve optimal resource allocation and all-round risk prevention and control. In terms of green operations, we adhere to the concept of low-carbon development, focusing on improving efficiency and reducing energy consumption, reducing resource waste through process optimisation and technological innovation, and promoting the transformation of our operating model to green and sustainable. In terms of risk prevention and control, we build a comprehensive and three-dimensional risk management system to accurately identify, scientifically evaluate, and efficiently respond to various potential risks, so as to build a solid safety defence line for enterprise development. At the same time, we will actively introduce advanced technologies and innovative methods to continuously improve operational efficiency and environmental performance, and achieve two-way empowerment and coordinated development of economic and ecological benefits.

With more than 30 years of experience in the real estate field, Shimao has witnessed the iteration of Chinese cities as a city builder, leading the development of many iconic landmarks and super city complexes, adhering to the original intention of quality, building projects with high standards, developing environmentally friendly buildings, putting product quality and service first, and striving for excellence to fulfil customer promises. Delivery capability is a reflection of a company's strength and accountability. From 2022 to 2025, the Group has delivered a total of 281,000 units in 278 projects in 93 cities. At the same time, it will stabilise its main business and diversify its layout, expand businesses such as business entertainment, property management, and hotels, consolidate the "second curve" of development, and inject momentum into the century-old development. In the future, Shimao will uphold the concept of "integrity and innovation, build a century together", take stability as the foundation, quality as the soul, and innovation as the wing, deeply cultivate the main business, diversify empowerment, practice sustainable development, coexist with the city, walk with the times, and write a new chapter in a hundred years.

### **Green future: a new picture of liveability through low-carbon ecology**

Ecological prosperity leads to civilisation, and green beauty leads to development beauty. Shimao knows that the high-quality development of the real estate industry is never a simple expansion of scale, but a sustainable path of harmonious coexistence with nature and resonance with the city at the same frequency. We have always implemented the concept of green and low-carbon throughout the entire life cycle of project design, development and construction, operation management, and asset renewal, actively benchmarking the national strategic goal of "3060 carbon peak and carbon neutrality", strictly abiding by various environmental protection laws, regulations and standards, and actively responding to international sustainable development initiatives, so that every building becomes a carrier of green practices and every community becomes a sample of ecological liveability.

We strictly implement national regulations, including the "Assessment Standard for Green Building" and comprehensively promote land conservation, energy saving, water conservation, material efficiency and improvements in indoor environmental quality; from the extensive application of green building materials such as aluminium alloy formwork and ALC wall panels to continuous achievements in authoritative certifications including LEED, China Green Building Label and WELL, the Group's total green building area reached 94.1218 million square metres in 2025, with these impressive figures demonstrating Shimao's steady progress in green development. We empower green operations through smart technologies, establish an efficient energy management system, implement green leasing models, and collaborate with upstream and downstream supply chain partners to drive low-carbon transformation. We attach importance to biodiversity conservation, strictly adhere to ecological redlines, promote lakeside ecological restoration, integrate buildings into nature and revitalise cities with vitality.

Facing the global issue of climate change, Shimao proactively incorporates climate risks into the core of corporate governance, identifies and manages risks in accordance with international frameworks such as TCFD and IFRS S2, and formulates clear goals for emission reduction, energy conservation, and water conservation, and takes systematic measures to address extreme weather and environmental challenges. From the refined control of green construction to the resource utilisation of waste, and from clean energy applications such as solar energy to energy conservation and consumption reduction in all office and operation scenarios, we always have a sense of reverence for nature, protect the blue sky and clear water with practical actions, and contribute Shimao's strength to the construction of a beautiful China.

### **Warming hearts: taking humanism as the core and building a solid foundation for social harmony and stability**

The ultimate meaning of enterprise development is to serve people, achieve people, and warm people. Shimao has always adhered to the "people-oriented" approach, putting the needs of employees, customers, partners and the public first, connecting each other with responsibility, and gathering strength with warmth to build a beautiful ecology of co-construction, inclusion, and sharing.

We regard employees as our most valuable wealth, strictly abide by the bottom line of labour rights and interests, adhere to diversity, inclusion, fairness and justice, and build a comprehensive training system covering cadre training, professional improvement, and new employee growth and, through the Shimao Academy App, ensures that learning is available ubiquitously. We continue to improve the compensation and welfare and employee care mechanisms, carry out a variety of cultural and sports activities, create a healthy and safe workplace environment, strictly implement the ISO 45001 Occupational Health and Safety Management System, and protect the safety and happiness of every employee with the safety results of zero work-related deaths and low injury rates.

We regard our customers as our eternal partners and fulfil our commitment to high-quality delivery. We have created a "4C" healthy home system and smart community 2.0, from contactless homecoming routes to activity spaces for all ages, from strict indoor air quality control to community ecological landscape creation, to improve the living experience in an all-round way. We establish an efficient customer complaint handling mechanism to win customer trust and recognition through proactive service and quick response. At the same time, we strictly adhere to the bottom line of product quality, strengthen quality control throughout the entire process, respect intellectual property rights, and protect user rights and interests with high-quality products.

We regard the supply chain as a community with a shared future, formulate strict supplier code of conduct, adhere to compliant procurement and honest cooperation, embed environmental and social responsibility requirements into the entire supply chain management process, and grow hand in hand with high-quality suppliers and contractors to build a trustworthy and sustainable industrial ecosystem.

We care about the society and the public, actively fulfil our social responsibilities, devote ourselves to public welfare and charity, and care for special groups of "one old and one young". We provide heart-warming services such as free physical examinations and anti-fraud training for the elderly, and create a colourful activity space and growth platform for children, which is warm and reaches people's hearts. We use quality communities as a link to create harmonious neighbourhood relationships, build all-age-friendly and vibrant life scenes, so that everyone living in the Shimao community can feel happy and belong.

### **Integrity as foundation: taking governance as the framework to lead the long-term healthy development of the enterprise**

With integrity as the foundation, incorruptibility as the cornerstone, discipline as the guiding principle and governance as the path to prosperity, Shimao has always regarded compliance management, integrity and self-discipline as the fundamental guarantee for the stability and long-term development of the enterprise, established and improved the governance structure led by the board of directors of the Company (the "Board of Directors" or "Board"), coordinated by the ESG Management Committee, and coordinated implementation by various departments, strengthened risk control and internal supervision, and built a solid line of defence for corporate governance with high standards.

We strictly abide by various national laws and regulations, issue the "Shimao Group Corporate Code of Conduct", "Anti-corruption Reporting Policy" and other systems, requiring all employees to sign the Code of Professional Ethics and achieve a 100% signing rate. We require all suppliers to sign a commitment to integrity to eliminate commercial bribery and unfair competition, and to create a clean business environment. We strengthen digital risk management and control, improve internal audit and supervision mechanisms, have zero tolerance for corruption, and strictly require compliance to ensure that corporate operations are transparent, standardised and orderly.

We understand that good governance is not only the improvement of the system, but also the penetration of culture. We continue to carry out integrity training and publicity, strengthen the compliance awareness of all employees, and make honesty, incorruptibility and responsibility the conscious pursuit of every Shimao person, providing a solid guarantee for the sustainable development of the enterprise.

Looking ahead, Shimao will remain responsible and reverent, with green development as our foundation, people-oriented care as our focus, and sound governance as our guarantee. With higher aspirations, more practical actions, and firm commitment, we will strive for long-term, high-quality progress. Together with stakeholders, we will build a greener, healthier, and more harmonious sustainable future, contributing to urban development, industrial progress, and national prosperity.

**Hui Sai Tan, Jason**

*Chairman and President*

Hong Kong, 27 March 2026

## Company Introduction

Shimao Group Holdings Limited (the "Company", stock code: 00813.HK) has been engaged in the real estate industry since 1989. With over 30 years of intensive development, the Group has established a presence in more than 100 core cities nationwide, with business covering real estate, commerce, property management, hotels, themed entertainment, culture and other sectors. Aligning with national development strategies, the Group continuously delivers high-quality experiences to customers in residential, living, consumption, business, tourism and other fields, leads lifestyle upgrades through diversified business layout, and strives to meet people's needs for a better life.

## Corporate Honours

This year, Shimao Group also won a number of prestigious awards in the industry for its commercial and hotel projects. In the Commercial sector, the Group received the 2025 Top 10 Shopping Mall Operators, the 2025 Top 20 Commercial Office Operators, and a number of shopping mall industry excellence awards issued by China Purchasing Association. It was honoured by authoritative institutions, including the Commercial Real Estate Magazine and GBE Architectural Information and BANG Media with the Commercial Space Design Award, the Future Business Award, the Best Urban Landmark Complex Award, and the Innovative and Dynamic Commercial Space Award, etc. In its hotel sector, several branded hotels under the Group, including Hilton, InterContinental and Sheraton, have also received prestigious awards from domestic and international institutions such as Meituan, Ctrip, Fliggy, Forbes Travel Guide and Marriott International. These awards include Popular Restaurant, Influential Hotel, Outstanding Hotel, Best Conference Hotel and Outstanding Food and Beverage Operation. Selected certificates are presented below.



"2025 Commercial Real Estate Enterprise Performance Award"



"2025 Model of Urban Landmark Complex of the Year"

## About the Report

### Content of the Report

This report is the 10th sustainability report released by Shimao Group, presenting the Group's management effectiveness and impact at the environmental, social and economic levels, comprehensively disclosing its performance in sustainability and corporate social responsibility, and explaining its future development strategies and goals.

### Scope of the Report

The report covers the period from 1 January 2025 to 31 December 2025 (the "reporting period"). The reporting boundaries cover Shimao Group's headquarters and its subsidiaries (collectively, "Group", "Shimao", "Shimao Group", "we", "us" or "our"); Some data does not include Shimao Service Holdings Limited ("Shimao Service", stock code: 00873.HK), please refer to the specific scope of application in each chapter.

### Reporting Guidelines

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") in Appendix C2 of The Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("HKEX" or the "Stock Exchange") in effect during the reporting period.

### Publishing Method

The report is available in both English and Chinese and has been uploaded to the official website of Shimao Group ([www.shimaogroup.hk](http://www.shimaogroup.hk)) and the Stock Exchange's news website ([www.hkexnews.hk](http://www.hkexnews.hk)). In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

## Materiality Assessment of ESG Issues

Shimao Group regularly conducts materiality assessments of ESG issues and formulates a matrix of materiality issues to ensure that ESG management is highly aligned with the Group's development strategy, capital market expectations, and stakeholder needs. In 2025, the Group's ESG Management Committee decided to continue adopting the list of ESG materiality issues and the importance level of each issue as determined in the previous years after referring to the mainstream ESG rating indexes in the capital market, drawing on industry best practices, and comprehensively considering the expectations and requirements of various stakeholders. Shimao Group will continue to respond to major issues of concern to all stakeholders and continue to enhance stakeholders' recognition and satisfaction with the Group's ESG management work through solid execution and implementation.

## Communication with Stakeholders

Shimao Group identifies employees, investors, users, contractors and suppliers as core stakeholders, which are an important part of the Group's business ecosystem and play a crucial role in the Group's sustainable development. Based on this, the Group has not only established a complete and standardised communication mechanism but also built an efficient communication bridge through diversified interactive forms to ensure close contact with all core stakeholders, listen to their needs and respond to their demands in a timely manner, and achieve win-win development.

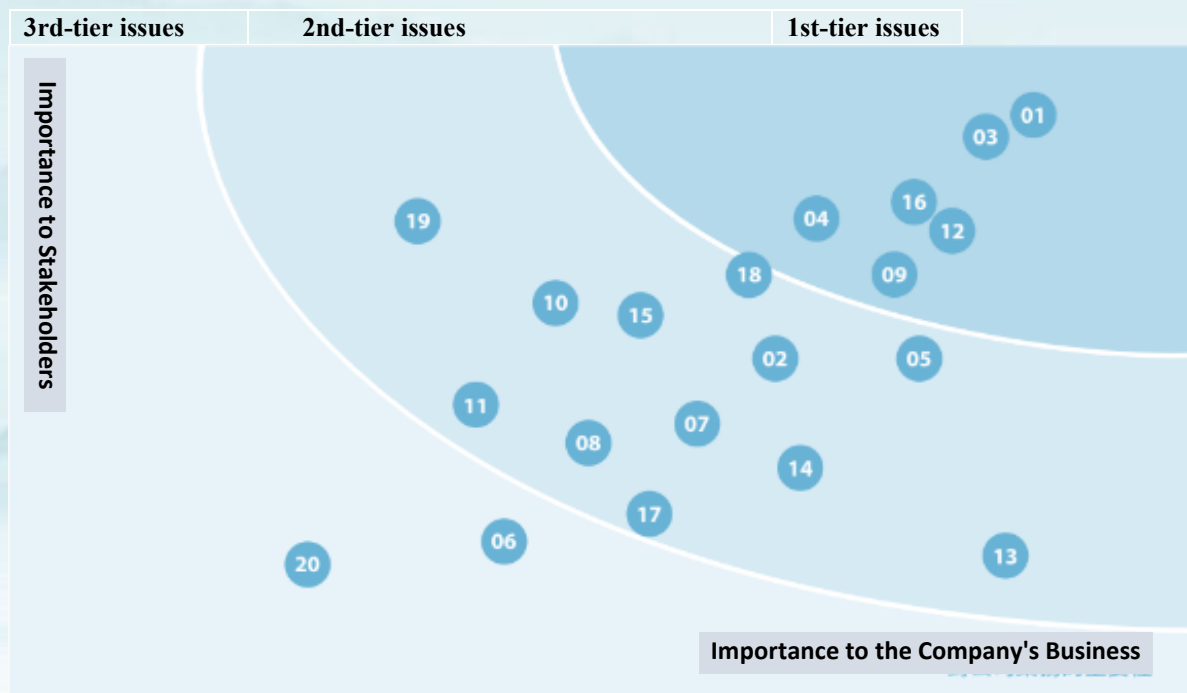
Stakeholder Categories	Engagement Channel	Main Concerns/Expectations
<b>Employees</b>	Questionnaire Employee activities	Wage and benefits protection Health and safety Fair promotion and development opportunities
<b>Investors</b>	Group interviews Roadshow Tele-conference	Return and growth Risk control Corporate governance
<b>Users</b>	Questionnaire Home visit	Integrity High quality product Considerate service and experience Comments and complaint handling Privacy protection
<b>Contractor</b>	Communications & interviews	Job opportunities Health and safety Labour protection
<b>Suppliers</b>	Communications & interviews	Integrity Equality and mutual benefit Resource sharing Transparent bidding procurement Mutual growth
<b>The Public</b>	Company official website Charitable activities Media communication Group cooperation	Green building Environmental protection Public welfare and charity Urban renewal

## Material Issue Selection Process

In order to assess ESG-related risks and sustainability issues, and to understand and respond to the expectations of various stakeholders regarding ESG work, we conducted the following materiality assessment during the reporting period:

Key Issues Identification	Stakeholder Communication	Materiality Matrix
According to the requirements of the "ESG Reporting Code" of HKEX, the ESG ratings and indexes in the capital market, such as MSCI, highly concerned topics and best practices of domestic and foreign counterparts, 20 key issues of sustainable development have been sorted out.	The Group's important internal and external stakeholders have been identified and invited to assess the importance of the Group's sustainable development issues through group interviews and other written forms, and their opinions and suggestions have been heard and understood.	Through statistics and analysis on interviews and other written results, the following materiality matrix has been laid down on the two dimensions of "importance to the Company's business" and "importance to stakeholders" with consideration of management and expert advice.

## This Year's Material Issues



No.	Key Issues	Scope	No.	Key Issues	Scope
01	Green building	Environmental performance	11	Diversity and Equitable Employment	Partner
02	Regional upgrades	City	12	Employee care and career development	Partner
03	Occupational Health and Safety	Partner	13	Efficient use of resources	Environmental performance
04	Sustainable supply chain	Partner	14	Local cultural promotion	Society
05	Energy use and waste management	Environmental performance	15	User privacy protection	Partner
06	Community investment	Society	16	Social integration	Society
07	Climate change and greenhouse gas emissions	Environmental performance	17	Urban renewal	City
08	User service system	Partner	18	Quality control system	Society
09	Compliance and anti-fraud	Society	19	Smart Cities and Innovation	City
10	Joint forces for sustainability	Environmental performance	20	Holistic education	City

## Sustainable Development System

### Sustainability Commitment

Shimao adheres to the cultural concept of shaping a century-old enterprise, with the core purpose of practicing corporate social responsibility and helping people achieve a better life, injecting sustainable development genes and strong endogenous power into the Company's high-quality development, continuing to lead a quality lifestyle, and serving a better life with heart.

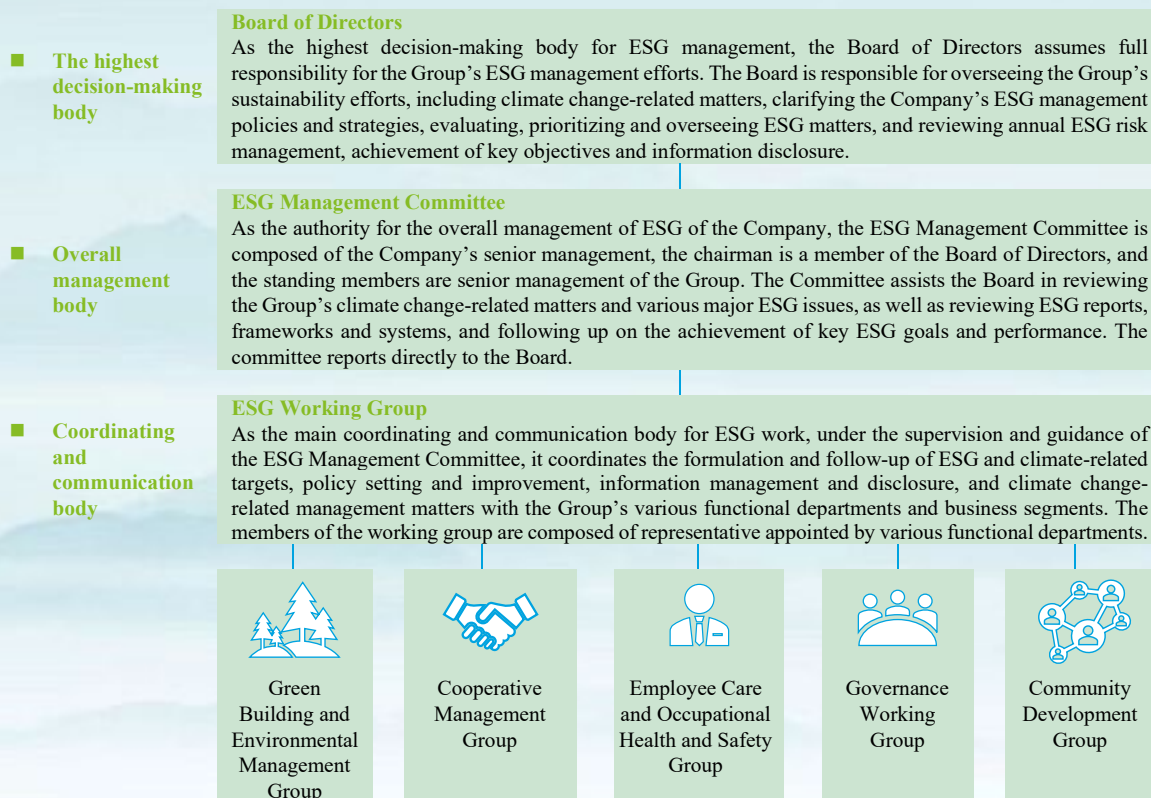
### Sustainable Development Governance

Shimao Group attaches great importance to sustainable development and climate-related governance, closely aligns with international and domestic regulatory trends, continues to expand the scope of regulatory coverage, builds a comprehensive management system covering sustainable development, climate change, environmental risks, social responsibility and corporate governance, and establishes a three-level operation mechanism of "decision making level - management level - execution level", and promotes the implementation of various tasks with systematic, standardised and full-chain control to fully ensure scientific soundness, balance, and effectiveness of environmental, social, governance, and climate-related decision-making.

The ESG Management Committee performs relevant management duties, and reviews and reports to the Board on sustainability-related strategies, risks and performance at least once a year. Based on the content of this report, the Board of Directors regularly assesses the impact of climate risks on the Group's business strategy, financial planning and long-term development resilience. The core content of the Committee's report includes: identifying sustainability priorities and being responsible for strategic deployment at the group level. In addition, it is also responsible for evaluating the effectiveness of the sustainability management structure, determining the probability and impact of various identified sustainability risks, ensuring that relevant risks are controlled in a way that aligns with the Group's risk appetite, and providing comprehensive support for the Board of Directors to carry out climate risk-related assessments and decisions.

Under the supervision and guidance of the ESG Management Committee, the Group has established an ESG Working Group as an inter-departmental coordinating body to coordinate various functional departments and business segments of the Group to carry out ESG and climate-related target formulation and follow-up, policy system establishment and refinement, information and data management and disclosure, and climate change-related management. The members of the working group are composed of representatives appointed by various functional departments, and are divided into five task forces: Green Building and Environmental Management Group, Cooperative Management Group, Employee Care and Occupational Health and Safety Group, Governance Working Group, and Community Development Group, to comprehensively ensure the stable operation of various management mechanisms and the effective implementation of various objectives.

The Group will continue to strengthen the management of environmental, social, governance and climate-related indicators, actively respond to the opportunities and challenges brought about by climate change, continuously improve environmental performance, social value, climate resilience and management efficiency, and further enhance the Group's comprehensive influence and core competitiveness in the fields of sustainable development and climate governance.



## Sustainable Development Policy

In response to the continuous attention of all sectors of society to Shimaogroup's ESG performance, Shimaogroup has formulated 9 sustainable development policies and announced them on its official website. Shimaogroup continued to use these 9 sustainable development policies in 2025. Under the guidance of sustainable development policies, each ESG working group will improve ESG performance in their respective areas and implement corresponding optimisation measures. The policy is as follows:

- Shimaogroup Sustainable Development Policy General Program
- Shimaogroup Corporate Code of Conduct
- Shimaogroup Code of Conduct for Suppliers
- Shimaogroup Integrity and Whistleblowing Policy
- Shimaogroup Policy on Climate Change
- Shimaogroup Policy on Environmental Protection and Biodiversity
- Shimaogroup Policy on Community Management
- Shimaogroup Policy on Occupational Health and Safety Management
- Shimaogroup Policy on Human Rights

To view the electronic version of the policies, please visit the "ESG Policy Documents" on the page at <https://www.shimaogroup.com/en/ESGOverview/>.

## Environmental, Social and Governance Section

To address the concerns of investors and stakeholders regarding ESG issues, Shimaogroup has launched a dedicated sustainability section on its official website and WeChat public account. This section comprehensively presents the Group's sustainability development and ESG governance framework, policies and external recognitions, and details, by chapter, its specific initiatives and performance in areas including employee development, urban renewal, green buildings, sustainable supply chain, green leasing, business ethics and anti-corruption.

## Environment

### Building a Green Future, Steadfastly Forging Ahead

As a practitioner and promoter of sustainable development in the real estate industry, Shimao Group has always deeply rooted the concept of green and low-carbon in the core of its development strategy, upheld the original intention of reverence for nature, symbiosis and co-prosperity, and implemented the concept of green development throughout the whole life cycle of project design, development and construction, operation management and asset renewal. We through concrete actions, promotes the high-quality development of green buildings, contributes to enhancing urban ecological liveability, and leverages its corporate strengths to advance global sustainable development. The Group strictly adheres to various national and local environmental protection laws, regulations and standards, proactively benchmarks against international advanced environmental protection standards, continues to deepen green building certification, promotion of green leasing models and implementation of green projects, and promotes the integration of green development concepts into every aspect of corporate operations.

Shimao deeply recognises that the research and development and promotion of green environmental protection products is the essential way for the construction industry to achieve transformation, and moving towards high-quality development. In the face of the opportunities and challenges brought by global climate change, the Group has always integrated environmental risk management into the core of corporate governance, continuously improving the environmental performance and energy efficiency of building products through innovative green design concepts, selecting environmentally friendly and low-carbon building materials, and implementing high-efficiency and energy-saving measures, so as to achieve the coordinated development of economic, environmental and social benefits. Adhering to the reverence for nature, Shimao actively responds to the national strategic goal of "3060 carbon peak and carbon neutrality", deeply cultivates the research and development and application of green technologies, and uses green buildings as the carrier and low-carbon technology as the support to build a green and liveable city where man and nature coexist harmoniously, and fulfils the responsibilities of the corporate era.

On the road to green operation transformation, Shimao adheres to the dual philosophy of "intelligent empowerment and sustainability", relies on cutting-edge digital technology to build an efficient energy management system, optimise resource allocation efficiency, and reduce energy consumption and environmental impact during the operation stage. At the same time, the Group actively collaborates with supply chain partners, tenants, landlords and other stakeholders to jointly promote the low-carbon collaborative transformation of the upstream and downstream of the industrial chain, share green development experience, explore new models of sustainable development in the real estate industry, and strive to become a benchmark enterprise for the green transformation of the industry. Every green practice and technological innovation is a vivid interpretation of Shimao fulfilling its social responsibility and building a beautiful home, and it is also the Group's firm practice of the principles of sustainable development.

Under the guidance of the "Shimao Group Policy on Environmental Protection and Biodiversity" and the "Shimao Group Policy on Climate Change", Shimao solemnly promises to continue to deepen collaboration with all stakeholders, and work with employees, landlords, tenants, suppliers and other partners to jointly promote energy conservation and consumption reduction, pollution reduction and ecological protection, and fully fulfil its corporate environmental and social responsibilities. In the future, Shimao will always adhere to the original intention of green development, deepen the green and low-carbon field with firmer determination and more pragmatic measures, continue to optimise green practices, and make unremitting efforts to build a more liveable, low-carbon, and sustainable urban living environment and promote the high-quality development of the industry.

## Green Building and Performance

Throughout the full process of new construction and renovation projects, Shimao Group strictly abides by current and effective national green building, energy conservation and environmental protection standards, including the "Assessment Standard for Green Building", "General Code for Energy Efficiency and Renewable Energy Application in Buildings", "General Code for Building Environment", "Code for Residential Projects", "Design Standard for Energy Efficiency of Public Buildings", "Design Standard for Energy Efficiency of Civil Building", "Standard for Water Saving Design in Civil Building" and "Assessment Standard for Green Retrofitting of Existing Building". The Group comprehensively promotes a full range of green building practices, including land conservation and outdoor environment optimisation, energy conservation and efficient energy use, water conservation and water resource recycling, material conservation and resource efficiency, and improvement of indoor environmental quality.

On the basis of complying with local building codes and requirements, Shimao develops high-quality green buildings tailored to the positioning and regional characteristics of each project, striving to create an energy-saving, low-carbon, efficient and liveable community environment where humanity and nature coexist in harmony. The Group strictly complies with national laws and regulations including the "Environmental Protection Law of the People's Republic of China", "Environmental Impact Assessment Law of the People's Republic of China", "Regulations of the People's Republic of China on Nature Reserves" and "Regulations on the Administration of Environmental Protection of Construction Projects". Taking compliance as the bottom line, the Group ensures environmental control over the full project lifecycle and supports urban sustainable development through concrete actions. The completion of each green building project embodies Shimao's commitment to corporate social responsibility and its pursuit of a better urban life.

### ➤ Abide by National Standards and Green Building Development Requirements

Shimao Group has always actively responded to the national green and low-carbon development policy, closely followed the strategic deployment of energy conservation and carbon reduction in the construction field, and made every effort to promote the high-quality development of green buildings with resource conservation and environmental protection as the core, effectively meeting the people's growing needs for a better life. In accordance with the national standard "Assessment Standard for Green Building" (GB/T 50378-2019, partially revised version in 2024), which was officially implemented on 1 October 2024, and strictly aligning with the requirements of the "Work Plan for Accelerating Energy Conservation and Carbon Reduction in the Construction Sector" forwarded by the General Office of the State Council, Shimao strictly adheres to the following principles in green building practices to ensure that green practices are synchronised with national policies and industry standards.

**Uphold the Green Development Philosophy:** Deeply implement the national "30·60 Carbon Peak and Carbon Neutrality" Strategy, and integrate green and low-carbon concepts throughout the entire life cycle of projects. Focus on energy conservation, carbon reduction, and ecological environmental protection, promote the in-depth integration of green building and energy-saving carbon reduction efforts, and support the green transformation and upgrading of the construction sector.

**Adhere to Site-Specific Evaluation:** In the green building assessment process, strictly follow the principle of adapting to local conditions. Fully consider the climate characteristics, ecological environment, resource endowments, economic level, and cultural features of the building's location, and conduct a comprehensive evaluation of core performance indicators throughout the building's life cycle, including safety, durability, health and comfort, convenience of living, resource conservation, and environmental livability, ensuring green practices align with actual development.

**Strengthen Scientific Site Planning:** Prioritise harmonious coexistence and mutual prosperity between buildings and nature. Fully explore and utilise the site's existing natural elements to optimise the overall layout of the building, rationally plan site greening and ventilation paths, and effectively improve natural ventilation, daylighting, and acoustic environments. Create harmonious, livable, and eco-friendly outdoor spaces that meet the core requirements of green building site design.

**Comply with National Standards:** Adhere to all current national standards and regulations related to green building and energy conservation. This includes not only implementing the requirements of the 2024 edition of the "Assessment Standard for Green Building", but also proactively aligning with mandatory energy-saving and carbon reduction requirements in the construction sector. Ensure the simultaneous improvement of the building's green performance, environmental benefits, and comprehensive value, making positive contributions to sustainable social development.

➤ **Shimao's Green Building Goals and Performance**

In order to further lead and promote the high-quality development of the Group's green buildings and clarify the direction and standards of future green practices, Shimao Group has formulated green building development goals and solemnly made the following commitments for the optimisation of existing projects and future project development, so as to practice the concept of green and low-carbon development and fulfil its corporate environmental responsibilities:

- **Strengthen the implementation of green standards:** Starting from 2022, all new projects will use China's basic green building level as the minimum development standard, and strictly implement relevant green building regulations, unless the project cannot meet the basic level requirements due to objective conditions, ensuring full coverage of green standards.
- **Deeply cultivate green certification systems:** Proactively participate in authoritative international and domestic green building certifications, including LEED (Leadership in Energy and Environmental Design), China Green Building Label, and WELL (WELL Building Standard), to continuously enhance the green quality of projects and industry recognition.

**Green Building Performance This Year**

Cumulative Total Area of Green Buildings in 2024

**94,121,800 sqm.**

LEED Gold building

**7**

LEED Silver Building

**2**

Cumulative Number of Green Building Certifications in 2025

China Green Building Three-Star

**6**

China Green Building Two-Star

**110**

China Green Building One-Star

**363**

China Green Building Basic Level

**51**

New Green Building Area in 2025

**Basic Level**  
**224,900 sqm.**

**One Star**  
**95,000 sqm.**

**Two Star**  
**119,000 sqm.**

**Green Building Highlights**

- **Use of aluminium alloy formwork:** realise construction flow operations and improve construction efficiency; reduce the common quality problems that are easy to occur in the wooden formwork process; provide strong bearing capacity and high structural safety performance. It is poured and formed in one go, with excellent flatness and high precision, and has the technical conditions for thin plastering.
- **Use of ALC wall panels without plastering:** facilitate fast construction with good wall flatness, save 3%-5% of indoor space. There is no wetness during construction, and the environmental performance is excellent.
- **Plastic panels used for exterior wall insulation:** improve the energy-saving effect of buildings and reduce energy consumption.

## Building a green future with lightweight and high-performance building materials - sustainable practice of ALC wall panels in Ningbo Panhuo Project

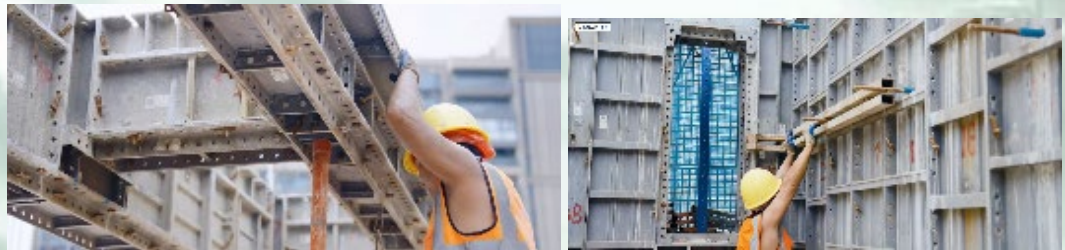
Against the backdrop of advancing the green transition of the construction industry, section one of pilot a of the Project JD13-06-20 (East Railway Station – Panhuo Section) in Yinzhou District, has put the ESG philosophy into practice. Autoclaved lightweight concrete (ALC) panels have been selected as the core material for the internal partition wall system, establishing a demonstration case for green building applications.

This project is a commercial complex with a total construction area of 120,000 square metres, and ALC lightweight strips are widely used on the partition walls on the ground, and the whole process is dry operation, effectively reducing water consumption and construction pollution caused by on-site wet operations. ALC sheets have lightweight characteristics, which can greatly reduce the weight of buildings, reduce the load on the foundation structure and the amount of reinforced concrete, and achieve material saving and consumption reduction at the structural level. At the same time, with excellent thermal insulation performance, it significantly reduces the energy consumption of air conditioning during building operation, taking into account multiple advantages such as sound insulation, noise reduction, and fire safety, and comprehensively improves the building's green performance of buildings and the quality of the indoor environment.

From a sustainable perspective, ALC, as a silicate inorganic material, has a service life that matches the main structure of the building, which can greatly reduce the waste of resources for later maintenance and replacement. During the construction process, the amount of mortar is saved through thin-layer masonry, and with refined control such as spray dust reduction and unified recycling of leftovers, dust and waste emissions are effectively controlled, achieving two-way improvement in environmental benefits and project quality, and providing a replicable practice model for the green construction of commercial complexes.

## Application cases of green construction of aluminium alloy formwork

In the construction project of the commercial and residential community of Sihui Shimaosha Zhenshan New Town, the Group actively promotes the construction technology of recyclable aluminium alloy formwork, and strictly compiles the "Safety Special Construction Plan" to complete the internal approval and submission to supervision unit to ensure the implementation of green construction technology through standardised construction processes. Compared with traditional wooden formwork, aluminium alloy formwork has the characteristics of high strength and high reuse rate, which can achieve multiple cycle turnover and reuse, greatly reduce the consumption of wood resources and the generation of construction waste, reduce the environmental impact of the construction stage from the source, and improve the construction accuracy and structural quality, achieve two-way improvement of green environmental protection and engineering quality, fully practice the development concept of green buildings, and provide a practical model for energy conservation, carbon reduction and sustainable construction in the construction field.



## Healthy Building

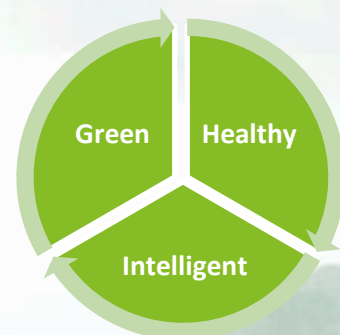
Shimao Group attaches great importance to the harmonious coexistence of architectural space and users' health and well-being. Focusing on improving indoor environmental quality and optimising thermal comfort, the Group is committed to creating a healthy and comfortable architectural experience for users. A number of the Group's office projects have successfully obtained the internationally recognised WELL Healthy Building Certification. Meanwhile, the Group strictly aligns with the national standards including the "Assessment Standard for Healthy Building" and the "General Code for Building Environment", fully demonstrating Shimao's professional capability and firm commitment in the field of healthy buildings.



### ➤ WELL Healthy Building Certification

Adhering to the core philosophy of mutual prosperity and coexistence between buildings and users' health and well-being, Shimao strictly complies with the WELL building standard and national codes including the "Assessment Standard for Healthy Building" (T/ASC 02-2021) and "Indoor Air Quality Standard" (GB/T 18883-2022), comprehensively upgrading building health standards and continuously optimising them to meet the health needs of residential and office users. The Group effectively controls the concentration of indoor volatile organic compounds and maintains indoor PM2.5 levels steadily at 15  $\mu\text{g}/\text{m}^3$ , significantly exceeding the requirements of national standards, and creates a high-quality fresh air environment to earnestly safeguard the physical health of users.

Supported by the five major biological synergy systems and four smart powers, the Group integrates ecological office systems such as fresh air systems, indoor environment creation, health standard control, energy control, energy consumption monitoring, water conservation and rainwater recycling, and new energy parking, setting a new benchmark for the integration of "Green + Healthy + Intelligent" and building a liveable, healthy and efficient space experience for users.



### ➤ Shimao's "4C" Healthy Home System 1.0

With the four core concepts of Carefree, Convenient, Comfortable, and Community, Shimao has created the "4Cs" Healthy Home System 1.0. The system takes "companionship" as the core value, integrates 16 core technologies and 147 specific implementation plans, and fully reflects the refined care for users. The high-end standards of this system can be directly benchmarked against WELL certification and China Healthy Building Certification, bringing users a high-quality living experience and a healthy living environment.

## ➤ Shimao Smart Community 2.0

Shimao continues to promote the implementation of smart communities, and is committed to creating liveable, healthy, and humanised smart life scenarios, and through multiple health intelligent systems and product iterative upgrades, it builds a safe, convenient, and comfortable community experience for customers, specific measures include:

1. **Elevator health and safety:** The elevator is equipped with a ventilation system as standard, and the optional automatic induction ultraviolet disinfection lamp automatically starts disinfection when no one is around, ensuring the health and safety of the elevator environment.
2. **Safety monitoring and protection:** Intelligent monitoring is set up in dangerous areas such as community water features, automatically alerting and notifying the property management personnel when someone enters, strengthening community safety.
3. **Ecological landscape creation:** Colourful ornamental plants are selected according to climate and plant characteristics to create a four-season landscape and aromatherapy environment. The garden is dominated by evergreen plants, which release oxygen 24 hours a day, achieving the ecological effect of flowers in three seasons and scenery in four seasons.
4. **Air quality management:** The underground garage is equipped with carbon monoxide detection devices, which automatically start fan ventilation when the concentration exceeds the standard to ensure basement air quality.
5. **Barrier-free facilities:** Barrier-free systems are installed on community roads, green spaces, building entrances, and residential elevators to ensure convenient travel for residents of all ages.
6. **Multi-functional public space:** Set up complex spaces such as leisure, entertainment, and fitness on the overhead floor to enrich community activity scenes.
7. **Energy-saving lighting system:** The public area adopts sound-light control energy-saving light sources, which automatically turn off when no one is around, achieving energy-saving, environmental protection and intelligent management.

### Sanya International Financial Centre Green Building Practice

Covering an area of 15,584 square metres and a total construction area of 89,232 square metres, Sanya International Financial Centre has obtained the two-star green building certification. The project comprehensively utilises a variety of green building technologies to significantly improve the building's energy-saving and environmental performance while creating a healthy and comfortable indoor environment for users, successfully establishing a regional green building demonstration model, and fully implementing the concept of ESG green development.

#### Energy-saving design and green building materials application

The project strictly controls the standards in energy-saving design, with exterior windows reaching the high requirements of airtightness level 6, wind pressure resistance level 4, and watertightness performance level 3. Highly effective insulated materials are used on both the building's exterior walls and roof, effectively reducing energy consumption during building operations. At the same time, it adheres to the concept of green environmental protection, with the application ratio of green building materials reaching 40%, reducing the impact on the environment from the source of materials and promoting low-carbon development throughout the construction cycle.

#### Resource recycling and clean energy utilisation

The project fully applies prefabricated building technology to effectively improve construction efficiency while significantly reducing the generation of construction waste. A rainwater recycling system is set up to use the recycled rainwater for green irrigation and road washing to achieve efficient conservation and recycling of water resources. Simultaneous installation of solar photovoltaic systems provides partial clean electricity for building operations, further optimising the energy structure and reducing carbon emission intensity.

### Indoor environment and intelligent operation and maintenance optimisation

In order to ensure the healthy and comfortable experience of users, the project is equipped with a high-efficiency air filtration system to strictly ensure indoor air quality, and a natural ventilation system is installed to continuously improve indoor living and working comfort. Green belts are planned around the building to improve the regional microenvironment and provide users with a comfortable rest space. At the same time, an intelligent building management system is introduced to achieve efficient control of building energy and various equipment and comprehensively improve the level of green building operation.



### Green Construction

To uphold the concept of green construction, Shimaos strengthens on-site environmental management throughout the construction process, focusing on key aspects including dust control, material management and site standardisation. Through systematic and refined management, the Group mitigates the impact of construction on the surrounding environment and achieves coordinated progress between environmental protection and construction schedule. The specific measures are as follows:

#### Comprehensive Management of Construction Sites

##### Road Hardening Treatment

Hardening treatment on the main roads and material processing areas within the construction site to ensure unobstructed traffic and smooth, solid road surfaces.

##### Bare Ground Treatment

Measures such as covering, solidification, or greening are adopted for bare areas and stockpiled earth to reduce dust pollution.

##### Vehicle Washing Facilities

Vehicle washing facilities are installed at the construction site entrances to clean outgoing vehicles, preventing them from carrying mud onto public roads.

##### Construction Waste Management

Construction waste is removed regularly. The transportation of earth and construction waste adopts closed transport vehicles or covering measures. The removal work of construction waste within buildings adopt pipeline or specialised tools, and strictly prohibit random dumping.

##### No Burning of Waste

Burning of all types of waste is strictly prohibited on the construction site to reduce air pollution.

##### Monitoring & Supervision

Strengthen on-site monitoring and supervision. Construction sites are encouraged to install online monitoring and video surveillance equipment, and to connect with relevant local authorities' networks to ensure the accuracy and timeliness of environmental monitoring data.

##### Air Pollution Response

When the ambient air quality index reaches medium or above levels, the construction site increases the frequency of watering, strengthens covering measures, and reduces construction operations that are likely to cause air pollution.

## Enclosed Management and Barrier Installation

Shimao implements closed management of all construction sites and sets up closed barriers according to site location specifications: construction sites located in the main sections of the city are equipped with closed barriers with a height of not less than 2.5 metres and not less than 1.8 metres on general roads sections. The fences are sturdy, stable, clean, and aesthetically pleasing, effectively isolating the construction area from the outside world and minimising the impact of construction on the surrounding environment and residents' daily lives.

## Construction Material Management

Shimao strengthens the management of the whole process of construction materials, strictly follows the requirements of the overall layout of the construction, and implements partitioned and classified stacking of building materials, components, machinery and equipment to ensure that the site is clean and orderly. If concrete or mortar mixing is required on site, the relevant areas will be enclosed, dust and noise reduction treatments will be adopted to avoid environmental disturbances. For fine-grained materials such as cement that are prone to dust, take airtight storage or cover protection measures to effectively reduce dust pollution.

## Refined Dust Reduction Operations

Shimao regards dust control as a key task for green construction and implements special dust reduction measures for different construction procedures: fully implement dust suppression requirements during earthwork operations, carry out regular cleaning and sprinkler of dust on the main roads of the construction site to effectively control the spread of dust. During the demolition of buildings or structures, through isolation and protection, continuous sprinkling, etc., both noise reduction and dust reduction are taken into account, and construction waste is cleaned up in a timely manner. For dust-prone processes such as milling and cutting, special dust suppression measures are taken to prevent dust drift. Gray soil and inorganic binders are entered by ready-mix method, and water is continuously sprinkled to reduce dust during the rolling construction period to control dust pollution in an all-round way.

### Intelligent control of dust and green building ingenuity - energy conservation and environmental protection practice at the smart construction site of the second phase of the Fuyang Railway Station Project

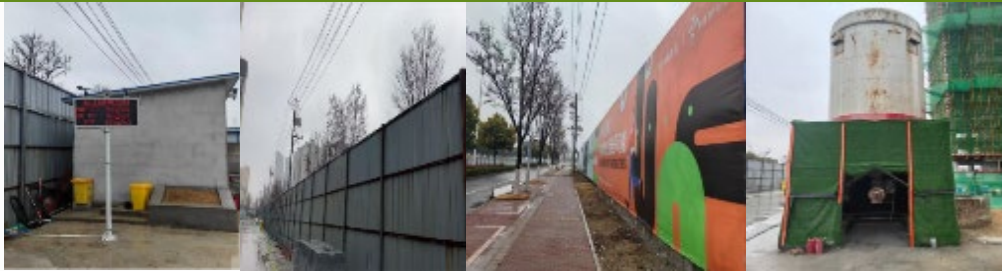
#### 1. Project overview

Fuyang Railway Station Project Phase II has a construction area of 130,000 square metres, with an overall construction period of approximately five years and a peak workforce of 200 workers. Batch 1 of Buildings 16 and 20 was successfully delivered on 30 December 2025. Based on its attributes as an urban hub development, the project deeply integrates green construction with intelligent management, leveraging technological measures to promote energy conservation, emission reduction, environmental friendliness and operational safety during construction, embodying the concept of sustainable development in the construction industry.

#### 2. Practical measures

The project adheres to both source prevention and control, and intelligent control, and builds a full-process green construction system:

- The construction site is enclosed by a 4-metre fence, and the finished mortar is fully used to reduce dust generation and dispersion from the source.
- A smart construction site dust control system is adopted to monitor and sense early warning in real-time for high-risk areas of dust such as earthwork sites and cement mixing tanks, and upload data to the management platform in real time.
- When the dust index exceeds the standard, the system automatically alarms and links the spray dust reduction device to quickly and effectively suppress the spread of dust.



Noise and dust monitoring system

Automatic spraying system

Construction fencing

Dustproof and noise reduction protection of construction equipment

### 3. Implementation results

Through the combination of standardised on-site control and intelligent dust control, the project effectively reduces construction dust and air pollutant emissions, effectively improves the on-site operating environment, and creates healthy, safe and comfortable working conditions for front-line labour personnel. This practice takes into account the efficiency of engineering construction and ecological environmental protection and provides a replicable and generalisable model for energy conservation and environmental protection management of large-scale hub construction projects.

### Road Cleaning

Shimao attaches great importance to the cleaning and maintenance of roads outside the construction site and regularly conducts special training on operating specifications and safety awareness for employees to continuously improve the quality of cleaning. By optimising the cleaning process, scientifically configuring the ratio of manual and mechanical operations, standardising operating standards, and comprehensively using diversified operation methods such as flushing, brushing, suctioning, and sweeping, the quality and efficiency of off-site road cleaning are comprehensively improved. At the same time, we will actively promote the mechanised operation mode to promote the steady increase in the road mechanised cleaning rate, thereby realising the standardisation and efficiency of cleaning and maintenance work, and further improving the regional environmental appearance.

### Green building Longhe, creating a new model of low-carbon construction - environmental protection construction of Dalian Longhe Project

With green construction as the core, the Dalian Longhe Project implements ESG concepts from four dimensions: dust control, noise control, waste recycling, and green building materials application, achieving a win-win situation of eco-friendliness and energy conservation and cost reduction, and providing the industry with replicable green construction samples.

#### 1. Finely control dust and protect regional air quality

The project builds an "active prevention and control + real-time monitoring" system, equipped with fog cannon equipment to suppress dust, monitor PM10 concentration 24 hours a day, ensuring that the average daily concentration meets local environmental protection standards, and reduce the impact on the surrounding environment.

#### 2. Scientific noise control and harmonious coexistence between construction and livelihood

The project has established noise monitoring points and adopted strict time-based control measures to ensure that noise levels do not exceed 70dB in the daytime and 55dB at night. By optimising construction processes and adopting low-noise equipment, the project has achieved harmonious coexistence between construction activities and local residents.

### 3. Sort and recycle waste and promote resource recycling

The project comprehensively implements the classification and recycling of construction waste, with clear standards and procedures in place. The utilisation rate of recyclable materials has reached no less than 85%, which promotes resource recycling, supports the dual carbon goals, and reduces environmental pollution.

### 4. Choose green building materials to achieve a win-win situation of energy conservation and cost reduction

The core uses autoclaved aerated blocks as wall materials, which have the advantages of lightweight, earthquake resistance and thermal insulation. This not only improves project quality and construction efficiency, but also achieves energy conservation, emission reduction and comprehensive cost reduction.



The Dalian Longhe Project integrates ESG concepts into the entire construction process, realises the coordinated development of environmental protection, efficiency and quality through fine control and technological innovation, and provides a vivid example for the green transformation in the field of engineering construction. Moving forward, we will continue to deepen our ESG practices to support the achievement of the “dual carbon” goals.


In 2025, the Group operated in a standardised and orderly manner in the fields of green construction and construction environment management, with no major environmental violations or related penalties recorded.

## Green Operations and Green Leasing

Shimao Group strictly abides by national laws and regulations including the "Environmental Protection Law of the People's Republic of China", the "Energy Conservation Law of the People's Republic of China", the "Water Pollution Prevention and Control Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", and the "Domestic Waste Management Regulations". In line with the national and industry green development strategic arrangements of the 14th Five-Year Plan period, the Group has integrated energy efficiency management, water resource recycling, classified waste disposal and the development of a green leasing system into the core of its overall operation and management. It continues to improve resource utilisation efficiency and consolidates the compliance baseline for green operations.

For commercial properties such as office buildings, shopping malls and hotels, the Group has established a multi-tiered green operation system centred on "institutional restraint + win-win cooperation", driving operators and partners to jointly fulfil low-carbon responsibilities.

- **Energy-Saving Technology and Equipment:** Adopt energy-efficient technologies and equipment to reduce energy consumption.
- **Energy Monitoring and Management:** Establish an energy monitoring system and conduct regular energy usage analysis to optimise energy management.
- **Standardised Disposal of General Solid Waste:** Establish a unified collection and transportation system, with designated personnel responsible for the sorted recycling of recyclables, to ensure environmental hygiene and prevent environmental pollution.



In order to strengthen sustainable cooperation among owners, tenants, and various partners, Shimao Group has innovatively launched the "Green Convention + Green Leasing" dual-track model, signing green conventions with partners to clarify environmental responsibilities:

- **Green Conventions:** Sign "Green Conventions" with partners to clarify green responsibilities and obligations.
- **Green Leasing:** Implement the "Green Leasing" model to ensure the implementation of green leasing from three aspects: planning, action, supervision and evaluation.

➤ **Green Lease Agreements**

In order to work with partners to jointly improve the environmental performance of properties, Shimao's hotels and commercial sectors actively promote green operation initiatives and sign special green leasing agreements with tenants, merchants, and partner hotels to encourage all parties to participate in environmental protection practices. By promoting the application of environmentally friendly materials and low-carbon technologies, the Group works with partners to build a green, healthy and sustainable business environment.

➤ **Tenant Energy Consumption Optimisation Plan**

In order to strengthen the refined management of energy consumption, Shimao hotels and commercial have a comprehensive understanding of the energy usage status of different users and merchants through statistical analysis of operational energy consumption data. The Company provides professional energy consumption optimisation suggestions to tenants, actively explores energy saving potential, and collaborates with tenants to improve overall energy efficiency.

➤ **Sustainability Event Promotion**

Shimao actively implements a number of green actions, including upgrading energy-intensive equipment, renewable energy applications, popularising waste sorting, reducing the use of disposable items, and advocating green travel. These measures not only enhance the Group's own environmental performance but also integrate sustainable concepts into the daily operations of partners to jointly promote the low-carbon development of the industrial chain.

➤ **Operator Sustainability Performance Assessment**

Shimao has established a comprehensive sustainability performance evaluation mechanism for project operators, ensuring the effective implementation of various green requirements through irregular on-site inspections and supervision. For violations of sustainable management requirements, the Group will promptly conduct interviews with the project operators and supervise rectification to ensure the full fulfilment of environmental and social responsibilities.

➤ **Green Leasing Coverage for Commercial Projects**

Shimao's commercial projects are committed to providing environmentally friendly property services for merchants and tenants, integrating green concepts such as energy conservation and emission reduction, waste sorting, and reducing disposable items into daily management. At present, the green leasing model has fully covered all major real estate projects of the Group and has taken practical actions to fulfil its commitment to sustainable development.

## Green Office

Shimao Group has made a formal commitment in the "Shimao Group Policy on Environmental Protection and Biodiversity" to actively promote environmental protection work such as energy conservation and consumption reduction, pollution reduction, efficient use of resources, and biodiversity protection during daily operations. Through environmental education and publicity, the Group strengthens employees' environmental awareness in their work and life aspects and establishes a green office culture.

According to the "Shimao Group Guidelines on Construction of Office Area V2.0 Version", the Group promotes the planning and construction of new office venues in a more efficient manner, prioritising the use of green building materials to reduce costs and energy waste caused by improper space planning and unreasonable allocation. Shimao attaches great importance to the practicality, efficiency, simplicity, low carbon, environmental protection, and workplace health of the office environment, and establishes a long-term mechanism for energy conservation and emission reduction through a sound management system to continuously improve energy efficiency and promote sustainable development.

 Reduce Travel	<ul style="list-style-type: none"><li>• <b>Remote video conferencing:</b> Adopt remote video conferencing methods to reduce the frequency of travel and reduce the carbon emission impact of travel activities.</li><li>• <b>High-speed rail priority:</b> Prioritise high-speed rail travel to reduce high energy consumption and emissions caused by air travel.</li><li>• <b>Public transportation priority:</b> Encourage employees to take public transportation on business trips and give priority to railways, subways and other rail transit, reducing the use of fuel vehicles and reducing carbon footprint and exhaust emissions.</li></ul>
 Recycling	<ul style="list-style-type: none"><li>• <b>Trade-in:</b> Implement a trade-in policy for daily office supplies, such as pens, paper towels, scotch tape, batteries, etc., to reduce unnecessary replacements.</li><li>• <b>Recycling:</b> Recycle non-consumable office supplies, clean and disinfect, and redistribute them to public areas such as printing areas and conference rooms to improve resource utilisation.</li><li>• <b>Reduce single-use products:</b> Encourage the use of the own water cups in office areas, and do not provide bottled drinking water unless necessary during meetings, reducing the consumption of disposable products.</li></ul>
 Save Paper	<ul style="list-style-type: none"><li>• <b>Electronic Document Priority:</b> Use more electronic document formats to reduce paper consumption.</li><li>• <b>Paper Saving Control:</b> Implement duplex printing and set employee computers to default black and white duplex printing to further reduce paper usage.</li><li>• <b>Waste Paper Recycling:</b> Place usable wastepaper at designated recycling points to enhance the secondary use of paper.</li></ul>
 Energy Saving	<ul style="list-style-type: none"><li>• <b>Turn off the power at will:</b> When employees leave their seats for a long time, turn off the power of the equipment at the station. Employees who are the last to leave the office or office area need to turn off the lights.</li><li>• <b>Energy saving in the meeting room:</b> After the meeting, the last employee to leave the meeting room needs to turn off the lights and power off the equipment.</li><li>• <b>Full Participation:</b> Encourage all employees to explore opportunities for energy conservation in more office scenarios and jointly promote the improvement of energy efficiency. For example, the air conditioning temperature in the office area is set between 24 and 26 degrees Celsius.</li></ul>

## Climate Change

Addressing climate change and protecting the ecological environment have become an urgent global agenda and action plan for all nations. At a critical juncture marked by profound adjustments in the international climate governance landscape and the in-depth advancement of Chinese-style modernisation, China has taken the "Dual Carbon" goals as its core strategic guidance, making the solemn commitment to "peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060", and elevating green, low-carbon development and ecological civilisation construction to the height of national development strategy. This is not only an inherent requirement for breaking resource and environmental constraints and realising the nation's sustainable development, but also a pivotal choice to drive economic structural transformation and shape new competitive advantages in the international arena for the future.

As global warming continues to intensify, extreme weather events such as heatwaves, persistent droughts, extreme heavy rainfall, cold snaps and blizzards are becoming increasingly frequent, posing severe challenges to global ecosystems and socio-economic development. The World Economic Forum's Global Risks Report 2025 shows that environmental risks remain among the most significant threats facing the world in the next decade, with extreme weather events, critical changes to Earth systems, biodiversity loss and ecosystem degradation, natural resource shortages and environmental pollution all ranking among the top 10 most severe global risks. The negative impacts of climate change are becoming increasingly prominent, with rising temperatures exacerbating the frequency of various meteorological disasters, exerting far-reaching effects on building infrastructure, agricultural production, ecological security and the sustainable development of human society.

To actively respond to the global climate governance framework of the "Paris Agreement", and to fully implement the national "Dual Carbon" strategic plan and relevant requirements for greenhouse gas control during the 14th Five-Year Plan period, Shimao Group systematically advances climate change initiatives in accordance with key national laws and regulations including the "Climate Change Law of the People's Republic of China" and the "Working Plan for Controlling Greenhouse Gas Emissions During the 14th Five-Year Plan Period". In accordance with the "Shimao Group Policy on Climate Change" issued in 2021, the Group is solemnly committed to fully integrating climate-related risks into its corporate risk management system, and through multi-dimensional measures such as energy conservation and consumption reduction, optimising energy structure, and strengthening ecological protection and restoration, will make every effort to promote greenhouse gas control and emission reduction, and continue to enhance the comprehensive ability of enterprises to adapt to climate change.

In accordance with the TCFD climate-related financial disclosure framework, Shimao Group identifies, analyses, and manages the physical and transition risks brought about by climate change and discloses information under the four core pillars of "Governance, Strategy, Risk Management, Metrics & Targets". At the same time, in accordance with the requirements of Part D of the ESG Reporting Code relating to climate-related disclosures, the Group systematically incorporates climate-related risks into its corporate management and disclosure system, and identifies key risks and opportunities in the process of low-carbon transformation through forward-looking assessment and qualitative analysis of its potential financial impact, providing data-backed decision-making basis for the planning and implementation of green development strategies.

### Governance

Shimao Group's climate-related governance framework remains basically consistent with the overall sustainability governance framework, and on this basis, it focuses on the exclusive responsibilities and operational mechanisms for climate change response. The specific governance framework for addressing climate change is as follows:

■ **The highest decision-making body**

**Board of Directors**

- As the highest decision-making body for climate governance, the Board of Directors exercises comprehensive oversight and ultimate accountability for climate-related risks, targets, and controls, and regularly assesses the impact of climate risk on the Group's business, finances, and long-term resilience based on the ESG Management Committee's reports.

■ **Overall management body**

**ESG Management Committee**

- Composed of senior management, it coordinates the Group's climate actions, reports to the Board on relevant strategies, risks and performance at least once a year, and is responsible for identifying climate-related priorities and strategic deployment, reviewing the effectiveness of the risk management framework, and supporting the Board's decision-making.

■ **Coordinating and Communication body**

**ESG Working Group**

- As a coordinating and communication body, under the guidance of the ESG Management Committee, it coordinates various departments to carry out the setting, policies, and information management climate-related target and has five task forces with the Green Building and Environmental Management Group and others taking on specific implementation responsibilities to ensure the effective implementation of targets.

In order to further strengthen the implementation of climate governance responsibilities, the Group is gradually enhancing its capacity support, performance appraisal and accountability systems.

According to the "Shimao Group Policy on Climate Change" released by the Group in 2021, the Group is committed to incorporating climate change risks into its enterprise risk management system, and is committed to the control and emission reduction of greenhouse gases through energy conservation and consumption reduction, optimising energy structure, and strengthening ecological protection and construction, and continuously improving its ability to adapt to climate change.

The Board members possess the necessary knowledge and decision-making capabilities for climate governance and continuously enhance the Group's climate governance performance through professional training and support from external experts. In respect of the performance evaluation of senior management, the Group will continue to monitor requirements related to climate change response and dynamically optimise the corresponding assessment arrangements to better incentivise the management team to sustainably enhance climate-related management. Meanwhile, the Group has established a clear accountability mechanism for climate-related failures or under-achievement against targets, which will be directly linked to the climate change-related performance assessment of directors and senior management of the Company in the future, forming a management system that balances incentives and constraints and effectively strengthens the implementation of the management's climate governance responsibilities.

## Strategy

Shimao Group has adopted a comprehensive and high-level strategy to ensure sustainable development and corporate resilience in addressing major climate risks. The physical risks faced by companies, such as climate change and extreme weather, can impact construction quality and operating costs. In this regard, Shimao Group actively adapts to environmental changes and improves the risk resistance of buildings by strengthening climate change assessment and promoting green building technologies.

In order to clearly promote climate risk management, implement sustainable development goals, and align with national policy orientation, international mainstream frameworks and industry practices, the Group has established a unified time dimension for the planning and management of climate-related issues, defined as short-term from 2025 to 2026, medium-term as 2026 to 2030, and long-term as 2030 to 2050.

In terms of transformation risks and opportunities, with increasingly stringent policies and regulations and the improvement of green building standards, Shimao Group is committed to following carbon reduction policies, ensuring project compliance and optimising resource allocation through technological innovation and green material research and development. This not only enhances the Company's market competitiveness but also lays the foundation for future sustainable development.

Below, we outline some of the significant climate-related risks and strategies to address them.

Type	Types of Risk	Potential Business and Financial Impact	Shimao Group's Response Strategy
<b>Climate-related Risks</b>			
<b>Physical Risks</b>			
Acute Risk	Typhoon	<ul style="list-style-type: none"> <li>- Projects and Operations: The projects under construction have been suspended and postponed, and the operation of hotels and properties has been suspended, resulting in revenue losses.</li> <li>- Assets and Costs: Damage to building facilities and other facilities drives up maintenance costs, and extreme weather increases operating costs such as flood control and insurance.</li> <li>- Cash Flow and Valuation: Delays in construction affect sales collection, repair expenses exacerbate cash flow pressure, and asset damage and rising risk premiums may trigger property valuation downgrades and impairment risks.</li> </ul>	<ul style="list-style-type: none"> <li>- Upfront Risk Mitigation: Incorporate risk assessment into the planning stage to improve building fortification standards and reduce risks at the source.</li> <li>- Emergency and Operation: Establish early warning and response mechanisms, reserve supplies and power sources to ensure safety and rapid recovery.</li> <li>- Risk Transfer and Long-term Management: Transfer losses through insurance, improve supply chain resilience, and incorporate into ESG management and disclosure.</li> </ul>
	Extreme Precipitation	<ul style="list-style-type: none"> <li>- Development and Operation Nodes: Heavy rainfall has caused project shutdowns and operational disruptions, and supply chain disruptions have affected business rhythm.</li> <li>- Facility Risks and Costs: The risk of flooding in low-lying areas has increased, and damage to building facilities has pushed up repair, operation and maintenance, and insurance costs.</li> <li>- Earnings and Asset Value: Reduced revenue and additional expenses squeeze profits, while asset impairment and higher risk premiums lead to valuation downgrades and impairment pressures.</li> </ul>	<ul style="list-style-type: none"> <li>- Design Source Prevention and Control: Incorporate precipitation risk assessment in the early stage to optimise drainage and stormwater protection engineering design.</li> <li>- Emergency Response: Establish flood control plans and rescue mechanisms, and reserve materials to ensure safety.</li> <li>- Risk Mitigation: Allocate property insurance, optimise supply chain resilience, and incorporate ESG management and disclosure.</li> </ul>

Acute Risk	Wildfires	<ul style="list-style-type: none"> <li>- Project Operation and Construction: Regional control can lead to delays in construction and delayed delivery, disrupting payment plans.</li> <li>- Asset Damage and Repair Costs: Causing damage to buildings and facilities, incurring significant reconstruction expenses and leading to direct financial losses.</li> <li>- Long-term Costs: Wildfire risks drive up insurance rates, increasing daily fire inspections and long-term emergency costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Source Prevention and Control and Design: Carry out risk assessments, optimise project layout and fire isolation zone design, select flame-retardant building materials, and improve fire protection levels.</li> <li>- Emergency and On-site Control: Establish monitoring and early warning mechanisms, equip emergency supplies, and strengthen fire source management.</li> <li>- Risk Transfer and Institutional Management: Arrange appropriate property insurance to transfer the risk of significant loss and include it in the Group's climate risk register and ESG management system.</li> </ul>
Chronic Risk	Rise in Annual Average Temperature	<ul style="list-style-type: none"> <li>- Construction and Delivery: High temperatures restrict outdoor operations, causing delays in construction periods, affecting sales and payment efficiency.</li> <li>- Operating Costs: Increased cooling energy consumption and heatstroke prevention investment, and rising insurance premiums squeeze project profitability.</li> <li>- Asset Value and Market Competitiveness: Aging materials increase maintenance costs, while reduced comfort affects satisfaction and property valuation.</li> </ul>	<ul style="list-style-type: none"> <li>- Pre-risk Control: Incorporate temperature risks into construction standards during the planning stage to optimise thermal insulation and ventilation configurations. Reasonable arrangement of construction and off-peak arrangement of operations.</li> <li>- Operational Resilience and Safety: Establish special high-temperature emergency plans, equipped with emergency energy and protective materials to ensure safety, maintain business continuity, and enhance long-term climate adaptability of projects.</li> </ul>
	Sea Level Rise	<ul style="list-style-type: none"> <li>- Coastal Asset Risks: Seawater backflow and foundation erosion in coastal projects threaten building structures, affecting operational safety and continuity.</li> <li>- Long-term Maintenance and Capital Expenditures: Flood control reinforcement and drainage upgrades increase capital expenditures, while maintenance and emergency repair costs rise.</li> <li>- Asset Valuation and Insurance: Valuations in high-risk areas have been lowered, and insurance premiums have risen to increase financial costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Planning Risk Control: Optimise site selection and elevation based on scenario assessment to strengthen flood control standards.</li> <li>- Operational Resilience: Establish special monitoring and emergency plans, improve emergency supplies and drainage systems, and achieve rapid early warning and emergency response.</li> <li>- Long-term Strategic Management: Incorporate climate risk into ESG governance systems to dynamically adjust coastal asset layout. Optimise risk transfer tools.</li> </ul>

Transition Risk			
Transition Risk	Policies and Laws	<ul style="list-style-type: none"> <li>- Development Compliance Thresholds: The expansion of green building standards leads to design and procurement upgrades, directly driving up construction and technology investment costs.</li> <li>- Operational Transformation Costs: Carbon disclosure and pricing policies increase accounting expenses, and investments in energy-saving renovations squeeze short-term profits.</li> <li>- Market and Financing Constraints: Projects that do not meet the standards face the risk of limited sales, and ESG performance affects financing costs and channel ratings.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance System Construction: Dynamically track policies and regulations, embedding green compliance requirements into the entire process to avoid risks.</li> <li>- Green Supply Chain Control: Incorporate emission reductions into supplier standards to reduce transformation costs through centralised procurement and resource integration.</li> <li>- ESG Value-based Operation: Apply for green building certification, and strive for policy subsidies and low-cost green financing to achieve a win-win situation.</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>- R&amp;D and Retrofit Costs: Significant investment in new technology applications and energy-saving renovations significantly increases capital expenditure and operating costs.</li> <li>- Technical Iteration and Adaptation Risks: Immature technology or system incompatibility may lead to rework losses, affecting delivery pace.</li> <li>- Talent and Technical Barriers: The shortage of professional talents and training needs increase labour costs, weakening differentiated competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>- Technology Selection and Implementation Control: Prioritise the selection of mature low-carbon technologies and establish an evaluation system to strictly control technology application risks.</li> <li>- Industry-University-Research Cooperation and Talent Training: Carry out technical cooperation and build an internal training system to reduce the cost of talent dependence.</li> <li>- Technology Application and Value Transformation: Transform technology into product competitiveness, hedge renovation costs through green financing and subsidies.</li> </ul>
	Market	<ul style="list-style-type: none"> <li>- Change in Demand Structure: Customers prefer green and low-carbon products, and traditional high-energy consuming products face pressure in absorption and pricing.</li> <li>- Green Building Materials Costs: The expanding demand for low-carbon materials has led to tight supply and rising prices, driving up development costs.</li> <li>- Asset value Differentiation: Energy-inefficient properties face the risk of valuation downwards, and the premium advantage of green and high-quality assets is highlighted.</li> </ul>	<ul style="list-style-type: none"> <li>- Green Upgrade of Product System: Integrate health and energy-saving indicators into product standards to comply with the market's low-carbon consumption trend.</li> <li>- Supply Chain Cost Optimisation: Establish stable supply channels to lock in material costs through centralised procurement and long-term agreements.</li> <li>- Active Market Value Management: Strengthen green publicity and ESG disclosure and connect with green financial tools to enhance competitive advantages.</li> </ul>

Transition Risk	Reputation	<ul style="list-style-type: none"> <li>- Brand Credibility: If ESG commitments are not effectively delivered, it can easily raise doubts and weaken brand reputation and market trust.</li> <li>- Financing and Cooperation: This leads to credit rating downgrades and higher financing costs, reducing the willingness of high-quality partners to cooperate.</li> <li>- Business expansion: Negative public opinion may lead to a slowdown in project sales and a decline in rents, restricting growth space in the long run.</li> </ul>	<ul style="list-style-type: none"> <li>- Reputation Risk Early Warning: Establish a public opinion monitoring mechanism to capture and deal with negative information in a timely manner.</li> <li>- Implementation of ESG Practices: Implement transformation initiatives and regularly disclose progress to enhance confidence through practical actions to fulfil commitments.</li> <li>- Reputation Value Building: Strengthen green brand promotion, actively communicate with stakeholders, and enhance brand reputation.</li> </ul>
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### Climate-related Opportunities

Opportunities	Improve Resource Efficiency	<ul style="list-style-type: none"> <li>- Operational Cost Optimisation: Improve the efficiency of energy, building materials, and resource utilisation efficiency, reduce waste and loss, and reduce long-term operation and maintenance costs.</li> <li>- Product Competitiveness: Incorporate energy-efficient and water-saving systems into designs to create low-carbon benchmarks, attract investors, and increase asset premiums.</li> <li>- Financing and Policy Dividends: Align with the "dual carbon" policy to obtain green loans and subsidies, optimise ESG performance, and broaden financing channels.</li> </ul>	<ul style="list-style-type: none"> <li>- Technology Empowerment and Efficiency: Introduce intelligent energy consumption monitoring and recycling technology, build a digital platform, and accurately control resource consumption.</li> <li>- Implementation of Full-process Control: Indicators are embedded in the entire life cycle, energy-saving and material-saving goals are set, and performance reviews and optimisations are regularly carried out.</li> <li>- System and Concept Upgrade: Establish a special management and assessment mechanism, strengthen training for all employees, and promote the participation of all employees to form a green synergy.</li> </ul>
	Low-Carbon Energy Use	<ul style="list-style-type: none"> <li>- Energy Costs: Expand photovoltaic and wind energy applications, reduce reliance on traditional mains electricity, reduce electricity bills, and improve profit stability.</li> <li>- Compliance and Rating Advantages: Meet emission reduction policy requirements in advance, reduce risks and optimise ESG ratings to enhance investor confidence.</li> <li>- Value-added and Differentiated Products: Allocate low-carbon energy sources to enhance property attractiveness, support higher pricing and occupancy rates, and enhance asset value.</li> </ul>	<ul style="list-style-type: none"> <li>- Distributed Energy Layout: Promote renewable energy such as photovoltaics on the rooftops of each property, build a clean energy supply system, and increase the proportion of green electricity.</li> <li>- Digitalisation of Energy Management: Build a smart scheduling platform to accurately control energy consumption and optimise energy storage strategies to improve energy efficiency.</li> <li>- Green Financing Synergy: Connect green credit, subsidies, and emission reduction benefits to reduce input costs and achieve a win-win situation for environmental protection and finance.</li> </ul>

Opportunities	Deeply Cultivate Green Buildings	<ul style="list-style-type: none"> <li>- Highlighting Product Premiums: Aligning with low-carbon demand, achieving higher sales pricing and occupancy rates, and forming a differentiated competitive advantage.</li> <li>- Cost Structure Optimisation: Utilise the energy-saving and low consumption characteristics of green buildings to reduce energy consumption costs and environmental compliance expenses.</li> <li>- Resource Integration and Empowerment: Connect green financing and policy subsidies to reduce financing costs and attract high-quality partners.</li> </ul>	<ul style="list-style-type: none"> <li>- Perfect Standard System: Improve technical standards covering the entire process, benchmark industry-leading levels, and ensure green building quality.</li> <li>- Implementation of Technological Innovation: Increase research and development of low-energy structures and green building materials and create benchmark demonstration projects to drive technological transformation.</li> <li>- Value Transformation and Upgrading: Strengthen certification and disclosure, convey the low-carbon advantages of products, and enhance customer recognition and brand influence.</li> </ul>
	Market Opportunity	<ul style="list-style-type: none"> <li>- Market Share: Accurately capture the demand for green housing, launch adaptive products to seize the track, and expand market share.</li> <li>- Profit Structure: Relying on project premiums and low-carbon value-added service to create growth points and reduce development dependence.</li> <li>- Brand Value: Strengthen low-carbon labelling, enhance stakeholder recognition, and enhance the value of brand intangible assets.</li> </ul>	<ul style="list-style-type: none"> <li>- Precise Demand Mining: Conduct research to focus on subdivided tracks and accurately match customers' low-carbon consumption needs.</li> <li>- Product Matrix Upgrade: Focus on green buildings and passive homes to create a market segment benchmark that adapts to climate opportunities.</li> <li>- Market Synergy: Link supply chains and industry associations to build a cooperative ecosystem to convey product value and activate demand.</li> </ul>

## Risk Management

The Group regards climate change risk as one of the major risks to sustainable development and systematically incorporates it into the overall risk management system of the enterprise. As the highest decision-making body, the Board of Directors exercises comprehensive oversight and ultimate accountability for climate-related risks and opportunities and regularly evaluates the impact of climate risks on the Group's business strategy and financial planning based on the reports of the ESG Management Committee. The ESG Management Committee, composed of senior management, coordinates climate action-related matters, reviews the effectiveness of the risk management framework, and reports to the Board at least once a year. The ESG Working Group serves as a coordination and communication body, coordinating the formulation and follow-up of climate-related targets across various functional departments and business sectors. Under its structure, five dedicated working groups have been established, including the Green Building and Environmental Management Working Group which undertakes the specific execution responsibilities for addressing climate-related risks.

In identifying and assessing climate-related risks, the Group refers to a variety of internal and external information sources, including meteorological and disaster data, industry risk studies and internal operation data, covering major operating facilities and key supply chain links. During the assessment process, the Group comprehensively considered the nature, likelihood of occurrence and potential impact of risks, combined with the professional judgment made by management based on actual business conditions, and was committed to identifying risks that have a significant impact on business operations. Based on the characteristics of the Group's business, acute physical risks, such as typhoons and extreme precipitation, are usually prioritised in the risk ranking due to their direct impact on project operations and asset security.

The monitoring of climate-related risks relies on the Group's existing risk management system, and the Board of Directors and the ESG Management Committee continue to pay attention to the implementation of relevant mitigation measures, and each dedicated team promotes the implementation of relevant work within their respective areas of responsibility. The above identification, assessment and monitoring processes are integrated into the Group's unified enterprise risk management framework to ensure that climate factors are appropriately considered in major decision-making, strategic planning and resource allocation. In terms of management assessment, the Group continues to explore the inclusion of climate change and other related requirements in the assessment and incentive system and establishes corresponding accountability mechanisms to promote the implementation of management responsibilities.

### Targets & Metrics

As a comprehensive enterprise focusing on real estate development, commercial operations and property management, Shimao Group's business activities cover project construction, facility operation and supply chain management, and its greenhouse gas emissions mainly come from fuel consumption of construction machinery and vehicles (Scope 1), as well as purchased electricity and heat (Scope 2). During the reporting period, the Group's total Scope 1 emissions amounted to 633.44 tonnes of carbon dioxide equivalent, mainly from the use of refrigerants and the combustion of gasoline. The total Scope 2 emissions are 2,527.66 tonnes of carbon dioxide equivalent, all from purchased electricity. The total direct and indirect greenhouse gas emissions are 3,161.10 tonnes of carbon dioxide equivalent, with a carbon emission Intensity of 0.36 tonnes of CO<sub>2</sub>e/m<sup>2</sup>. Based on the characteristics of its business, the Group has regarded Scope 1 and Scope 2 emissions as the focus of carbon management at this stage. At the same time, the Group recognises the importance of Scope 3 emissions to the Group's carbon reduction and continues to pay attention to the data accounting and management improvement of Scope 3 emissions.

In order to actively respond to the national "dual carbon" strategic deployment, the Group has formulated quantitative emission reduction targets (excluding Shimao Service sector) in accordance with the "Shimao Group Climate Change Policy" released in 2021 to promote the implementation of climate actions with a clear path. The specific goals are as follows:

- Carbon emissions: Reduce carbon emissions by 5%-17% over the next 10 years, using 2021 as the base year.
- Energy consumption: Reduce energy consumption by 5%-12% in the next 10 years, using 2021 as the base year.
- Water consumption: Based on 2021, water consumption will be reduced by 5%-10% in the next 10 years.
- Resource classification and recycling: Check the implementation of resource classification and recycling work to ensure that the publicity coverage rate of community resource classification reaches 100%.

The above targets cover the Group's major operational aspects and have been included in the regular review scope of the ESG Management Committee. The Group will continue to track the progress of achieving the targets and evaluate the scientific and forward-looking nature of the targets in a timely manner in combination with business development and technological innovation.

For data accounting, the Group adheres to the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" and systematically compiles its Scope 1 and Scope 2 greenhouse gas emissions. During the reporting period, the Group's carbon emission data are set out below:

Emissions	By Type	Unit	2025
Emissions	Nitrogen Oxides	Tonnes	0.01404
	Sulphur Oxides	Tonnes	0.00044
	Particulate Matter	Tonnes	0.00103
Total Direct Greenhouse Gas Emissions (Scope 1)	/	Tonnes of Carbon Dioxide Equivalent	633.44
Direct Greenhouse Gas Emissions	Gasoline	Tonnes of Carbon Dioxide Equivalent	79.64
Direct Greenhouse Gas Emissions	Refrigerant	Tonnes of Carbon Dioxide Equivalent	553.80
Direct Greenhouse Gas Reduction	Tree Planting	Tonnes of Carbon Dioxide Equivalent	0
Total Indirect Greenhouse Gas Emissions (Scope 2)	/	Tonnes of Carbon Dioxide Equivalent	2,527.66
Indirect Greenhouse Gas Emissions	Purchased Electricity	Tonnes of Carbon Dioxide Equivalent	2,527.66
	Purchased Heat	Tonnes of Carbon Dioxide Equivalent	-
Total Direct and Indirect Greenhouse Gas Emissions	/	Tonnes of Carbon Dioxide Equivalent	3,161.10
Carbon Emission Intensity	/	Tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.36

With the continuous deepening of the country's green and low-carbon transformation and the continuous improvement of industry regulatory requirements, the Group will further improve its environmental data management system, expand the scope of data accounting, explore quantitative methods for Scope 3 emissions, and combine tools such as climate scenario analysis to continuously optimise carbon reduction targets and action paths, and strive to contribute to the realisation of the national "dual carbon" goals.

## Biodiversity Conservation and Restoration

Shimao Group strictly complies with national laws and regulations including the "Environmental Impact Assessment Law of the People's Republic of China", the "Outline of the National Protected Areas Plan (2021-2035)", and the "Regulations on Environmental Protection Management of Construction Projects". The Group has formulated the "Shimao Group Environmental Protection and Biodiversity Policy" and integrated the concept of ecological and environmental protection throughout the entire process of project planning, design, construction and operation. The Group regularly conducts environmental impact assessments, actively promotes ecological management and biodiversity conservation, and is committed to fostering harmonious coexistence between humans and nature. In 2025, Shimao Group recorded no environmental impact incidents of general level or above.

The Group also commits to:

- **Green Space Development:** Minimise the occupation of green spaces and implement ecological compensation for occupied areas. Refrain from development in core protected areas of World Heritage Sites and IUCN Category I–IV nature reserves. Conduct natural risk and biodiversity assessments at the early stage of projects to safeguard the ecological bottom line from the source.
- **Priority Brownfield Development:** Prioritise the development and utilisation of brownfield sites to reduce the occupation of green spaces. Adopt advanced technologies to address residual environmental issues at brownfield sites, collaborate with the government to carry out pollution assessments and soil remediation, and conduct compliant development only after passing third-party acceptance.

- **Ecological Protection Bottom Line:** Strictly abide by relevant laws and regulations on cultivated land protection, strictly control the occupation of cultivated land and fully implement the cultivated land requisition-compensation balance system. At the same time, attach importance to ecological and environmental protection throughout the entire project lifecycle and promote the harmonious coexistence of buildings and natural ecosystems.

**Ecological Restoration of Lakeshore · Building a Liveable Model  
– Internal Lake Water Environment Treatment for Jiangmen Yamen Project**

With the concept of "ecology-first and liveability-oriented", Shimao Group actively promotes the comprehensive management of the inner lake water environment in the Yamen project in Jiangmen, deeply integrates ecological protection with the enhancement of human living quality, and fulfils its corporate environmental and social responsibilities.

In order to continuously optimise the water quality of the inner lake, improve the living quality of owners and the ecological value of the community, Shimao Group has carried out systematic ecological improvement works for the lake waterway during the first, second and third phases of the project: comprehensively clean up weeds and reeds in the waterway, implement ecological water replenishment and buffer zone construction, optimise hydrodynamic conditions and strengthen water purification functions, building a healthier and more stable lakeside ecosystem.



Through a series of scientific and refined water environment management measures, the project effectively improves the ecological environment of inner lake, improves the quality of community landscape and living comfort, and realises the synergistic improvement of ecological benefits, living value and market competitiveness.

In the future, Shimao Group will continue to deepen the construction of ecological civilisation and ESG governance system based on practices such as the Jiangmen Yamen project, and integrate the concept of green development throughout the entire project cycle, contributing to the construction of a sustainable community suitable for living and working, and helping the implementation of the "dual carbon" goals.

## Energy Consumption

Shimao Group strictly adheres to the "Law of the People's Republic of China on Energy Conservation" and actively implements various tasks for energy conservation and emission reduction. In accordance with the "Shimao Group Policy on Environmental Protection and Biodiversity", the Group promotes the further formulation of energy-saving related rules and regulations in each business segment, clarifies the annual energy-saving plan and responsible entities, and ensures the orderly progress of energy-saving management. The Group continuously monitors energy consumption in production and operation and actively promotes the application of clean energy and renewable energy in daily operations to strengthen energy control from the source. Shimao promises to achieve rational allocation of resources and effectively reduce operational energy consumption by optimising the layout and working hours of stations and shutting down idle power equipment in a timely manner. In addition, the Group has also continuously improved its overall energy efficiency through various initiatives such as setting energy-saving targets, applying high-efficiency energy-saving equipment, and establishing an intelligent energy consumption monitoring system.

Energy	By Type	Unit	2025
Total Direct Energy Use	/	MWh	290.15
Direct Energy Use	Gasoline	MWh	290.15
Total Indirect Energy Use	/	MWh	4,375.39
Indirect Energy Use	Purchased Electricity	MWh	4,375.39
	Purchased Heat	MWh	0
Total Energy Use	/	MWh	4,665.54
Energy Use Intensity	/	MWh/m <sup>2</sup>	0.53

**Green Habitat and Smart Energy Conservation - Energy conservation and environmental protection practice of residential buildings in the second phase of the Fuyang Railway Station project**

**(1) Intelligent Lighting Energy-Saving Control**

Lighting in public areas of the residential community fully adopts a sound and light control system, which automatically turns lamps on and off according to ambient light conditions and personnel activity, effectively reducing inefficient energy consumption and achieving the integration of green energy conservation and intelligent management.

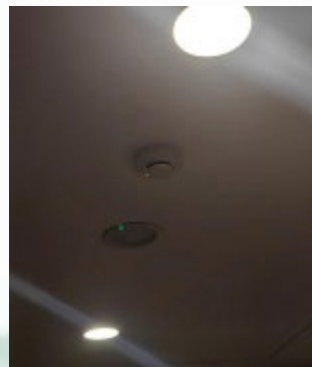
**(2) Large-Scale Application of Solar Water Heaters**

To further enhance energy conservation and environmental protection standard, the project strictly implements zoning configuration in accordance with building heights:

- For buildings of 18 floors and below, solar water heaters are installed in each building.
- For buildings above 18 floors, solar water heaters are uniformly installed based on the reverse 12-floor standard.



Solar Water Heaters



Sound-and-Light Controlled Lighting

Through the comprehensive applications of intelligent lighting control and solar clean energy systems, the project effectively reduces the energy consumption of daily community operations, reduces carbon emissions and resource consumption, and continues to promote the implementation of green and low-carbon concepts while improving the quality of living. This move not only creates an energy-saving, environmentally friendly, and comfortable living environment for the residents but also practices corporate social responsibility with practical actions, setting a good example for the sustainable development of residential projects.

## Fine control, energy conservation and consumption reduction - the practice of efficient use of energy resources at the construction site of the Qingdao Jimo project

Guided by energy conservation and sustainable construction as the core orientation, Qingdao Jimo Project focuses on the full-dimensional resource and energy management of electricity, water, fuel, materials and machinery and equipment at the construction site, and builds a closed-loop energy conservation and emission reduction management system through equipment upgrades, intelligent control, process optimisation and refined operation and maintenance, effectively improving resource utilisation efficiency, reducing the carbon footprint of the construction process, and promoting high-quality and sustainable construction of the project.

### Core energy conservation and environmental protection measures

#### (1) Prioritise the application of energy-saving equipment to reduce energy consumption from the source

The project adheres to the principle of prioritising energy-efficient equipment and comprehensively promotes high-efficiency and energy-saving equipment: replacing traditional lamps with LED energy-saving lamps, using high-efficiency equipment such as inverter tower cranes and inverter water pumps, and phasing out old machinery with high energy consumption and high emissions, and thereby achieving a significant reduction in energy consumption from the hardware level.

#### (2) Optimise electricity management to achieve refined power saving

Implement a zoning and time-specific power consumption control mechanism and strictly implement the "people go out of power" system in the office area. Directional lighting is used for night construction to eliminate ineffective lighting and energy waste and improve electricity efficiency through refined management.

#### (3) Strengthen water conservation control and promote water resource recycling

Guided by the principle of "water conservation first and recycling", rainwater collection tanks are installed on site to enable the recycling of water for construction and curing. Water-saving taps and sensor valves are widely fitted to reduce leakage and effectively improve the comprehensive utilisation of water resources.

#### (4) Optimise the construction process and reduce on-site resource consumption

Prefabricated construction techniques are actively adopted to cut down on-site energy use and material waste. Material transport routes are rationally planned and logistics organisation is optimised, effectively reducing vehicle fuel consumption and improving construction efficiency.

#### (5) Strictly control fuel consumption and promote low-carbon operation of machinery

A regular equipment maintenance system is established to ensure machinery operates efficiently. Unified vehicle scheduling is implemented to avoid empty running; and idle equipment is turned off promptly, thereby controlling fuel consumption and exhaust emissions comprehensively.

Through the above-mentioned multi-dimensional, full-process energy conservation and emission reduction measures, the Qingdao Jimo project has effectively improved the utilisation efficiency of electricity, water resources, fuel and machinery and equipment, and significantly reduced energy consumption and carbon emissions during the construction process. With a refined, scientific, and low-carbon construction management model, the project establishes a replicable and generalisable practical example for the efficient utilisation of energy resources on construction sites and fully implements the concepts of sustainable development, energy conservation and consumption reduction.

## Water Resource Utilisation

Shimao Group strictly adheres to the "Water Law of the People's Republic of China" during its operations and attaches great importance to water conservation and water resource recycling. The Group has introduced a number of water-saving technologies and facilities, including greywater recycling systems, rainwater recycling systems, water-saving irrigation systems, automatic sensor faucets and automatic flushing equipment. At the same time, we optimise daily water management by installing water purifier equipment and reducing the purchase of large bottles of water to avoid resource waste and additional expenses, and reduce bottled water supply in scenarios such as conference receptions, further reducing non-essential water consumption. In addition, the Group actively encourages employees and residents to jointly participate in water conservation actions, taking multiple measures to effectively reduce overall water consumption, continuously improve water resource utilisation efficiency, and implement the dual goals of water conservation and cost optimisation. In 2025, the Group strictly complied with relevant laws and regulations in the fields of water resources management, water conservation and environmental protection, and there were no major water-related violations or administrative penalties.

Total Water Consumption	Unit	2025
Total Water Resource Use	Tonnes	62,952.72
Water Use Intensity	Tonnes/ m <sup>2</sup>	7.15

### Jingzhou Nanhu Project - Water Conservation Case

The Jingzhou Nanhu project was recently completed and is located along the Yangtze River, with a high groundwater level and continuous deep well dewatering during construction. In order to implement the concept of water resource conservation, the project team has implemented secondary use of precipitation, which is uniformly collected and used for curing water, temporary road spraying and dust suppression washing during the construction of the main structure.

According to on-site measurements, approximately 1 tonne of water was saved per building during the finishing phase, totalling around 1,460 tonnes; a further 1,000 tonnes was saved for temporary road spraying and dust suppression. In total, the project achieved water savings of approximately 2,460 tonnes, effectively improving water use efficiency.

This initiative reduces reliance on natural water resources and demonstrates Shimao Group's commitment to environmental protection and sustainable development. Through scientific management and technological innovation, Shimao has provided a replicable model for green construction in the building industry.



## Nantong Changtai Road Project – Rainwater Harvesting System Case

The planned land area of the project is 65,626 square metres, and rainwater is collected within an area of about 22,000 square metres according to the standard of not less than one-third of the project land area. The collected and treated rainwater is mainly used for greening irrigation, road washing and other purposes. The project follows national standards such as the "Technical Specifications for Rainwater Control and Utilisation Engineering of Buildings and Communities" (GB50400-2016), the "Design Standard for Building Water Supply and Drainage" (GB50015), and the "Water Conservation Design Standard for Civil Buildings" (GB50555), and has constructed a complete rainwater recycling system covering rainwater collection, storage, treatment and reuse. The system adopts PP modular tanks, with a storage capacity of 520 cubic metres. Its operation principle is as follows:

- **Rainwater Harvesting:** Using the roof and ground as rainwater collection surfaces, rainwater is directed to the collection system through roof slopes and ground facilities.
- **Rainwater Storage:** Rainwater first enters the regulating tank for flow regulation and then enters the rainwater tank for storage and backup.
- **Rainwater Treatment:** A combination of physical treatment (sedimentation, filtration) and chemical treatment (addition of chemicals, disinfection) is used to ensure that the water quality meets the reuse standards.
- **Rainwater Reuse:** The treated rainwater is mainly used for landscape water, green irrigation, and road flushing.

The application of this rainwater recovery system has achieved multiple benefits:

- **Economic Benefits:** It can save approximately 36,000 in water fees per year. Benefiting from preferential policies for reclaimed water, water resource fees and sewage charges are reduced by about 5,000 annually. In addition, this initiative exerts a positive impact on property value appreciation, with an estimated increment potential of 5 million to 20 million.
- **Environmental Benefits:** It can effectively reduce the pressure on urban drainage systems, reduce the risk of waterlogging in the region, promote water resource recycling, and help maintain ecological balance.
- **Social Benefits:** It fully reflects the project's responsibility in the field of environmental protection, enhances the corporate brand image, and also drives the environmental awareness of surrounding residents, contributing to energy conservation, emission reduction and sustainable development.







## Waste Management

In the course of its operations, Shimao Group strictly adheres to the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", the "National Hazardous Waste List", the "Measures for the Prevention and Control of Environmental Pollution by Electronic Waste" and the "Measures for the Administration of Municipal Domestic Waste". By optimising resource allocation, the Group reduces resource consumption during the construction phase and continuously improves resource recycling efficiency. In accordance with the "Shimao Group Environmental Protection and Biodiversity Policy", the Group implements strict identification, classification, monitoring and standardised disposal of various types of waste generated from office and commercial operations, and maximises the recycling and reuse of recyclables such as waste paper, cardboard, scrap metal and plastic foam.

During the project development and construction phase, Shimao Group implements green construction and intelligent management, formulates energy-saving control measures, implements water metering management, prioritises the use of green building materials, and exercises effective control over noise, dust, harmful gases and solid waste emissions at construction sites, effectively achieving the comprehensive goals of energy conservation, water conservation, material conservation, efficient resource utilisation and environmental protection. New processes and technologies including aluminium alloy formwork, plasterless and thin-plastering technologies, construction hoists, high-strength steel bar substitution technologies, unitized curtain walls, Autoclaved Lightweight Concrete (ALC) panel technologies and precast concrete (PC) components have been widely adopted in construction projects.

In 2025, the Group strictly complied with relevant national laws, regulations and internal management systems across the full process of waste classification, recycling, disposal and resource utilisation. No major environmental violations or related administrative penalties were recorded.

### Core Measures for Construction Site Waste Management

 <b>Classified Storage</b>	Setting up special collection containers for recyclables (steel bars, wooden squares), construction waste (earth, mortar), domestic waste and hazardous waste (paint buckets, waste batteries), and mixed storage is strictly prohibited.
 <b>Resource Utilisation</b>	Steel bars, formwork and other materials are sorted, recycled and reused; muck is used for site backfill, and concrete fragments are processed into recycled aggregates.
 <b>Compliance Clearance</b>	Entrust qualified units to be responsible for the removal and transportation of hazardous waste and non-recyclable garbage and establish and establish a comprehensive clearance ledger for archiving and retention.
 <b>On-site Control</b>	The operation area is equipped with a fence to reduce dust, and the waste that is prone to dust is covered with sprinkler covering, and the domestic waste is cleaned every day.

As Shimao Group did not generate a significant amount of hazardous waste during project construction, the specific disclosure requirements for hazardous waste are not applicable to the Group.

Waste	Unit	2025
Total Amount of Non-hazardous Waste	Tonnes	22.7
Non-hazardous Waste Intensity	Tonnes/ m <sup>2</sup>	0.00258

## ➤ **Waste Management Agreement with Tenants**

To encourage office tenants to embrace green and environmental protection practices during office decoration and daily operation, Shimao includes specific provisions in its lease contracts, clearly requiring tenants to dispose of all types of waste and refuses in a non-polluting manner and cooperate with designated personnel for unified recycling and reuse. In addition, the contract explicitly stipulates that tenants shall not generate, leak or release toxic, hazardous, disturbing or irritating gases and odours, so as to ensure a green, healthy and eco-friendly office environment.

## ➤ **Community Waste Sorting**

Shimao has established clear standards and requirements covering the full process of waste collection, sorting and disposal, striving to minimise waste generation from operations and actively promote waste reuse and recycling. The Group actively responds to national waste classification policies. It fully implements mandatory waste sorting requirements in cities such as Shanghai, while launching waste sorting pilot programmes in other cities to gradually expand its green and low-carbon operation model.

### **Community Waste Management Measures**

#### **Hierarchical Management**

- Conduct waste management at different frequencies based on the flow of movement within the community.

#### **Detailed Waste Collection Requirements**

- Conduct daily patrols, and promptly collect waste when the bins are more than two-thirds full.
- If the project has designed waste disposal points, dedicated personnel will be arranged to collect waste from high-rise residents for convenience.
- Waste collection vehicles and bins must be kept clean and free from damage.

#### **Detailed Floor Collection Requirements**

- Avoid peak elevator usage times, conduct waste collection twice a day, and clean the bins and surrounding areas weekly.
- After waste is bagged, use the freight elevator to transport it to the designated location on the ground floor, and promptly clean the freight elevator cabin.

## ➤ **Construction Waste Classification**

The Group has established a full-process management system for source reduction, classified collection, resource utilisation and standardised disposal of construction waste. By strengthening refined control of construction sites, promoting green construction technology, strictly implementing sorting and recycling, and strictly controlling the risks of dust and spilling in the waste storage and transportation, the project effectively achieves the reduction, recycling and standardised disposal of construction waste, thereby continuously reducing the environmental impact during the construction stage, and providing replicable practical experience for the green construction and sustainable development of the industry.

## Sanya International Financial Centre — Construction Waste Management Case

The project has a total land area of approximately 15,583.88 square metres and a total construction area of 89,232.01 square metres, comprising two office buildings ranging from 3 to 23 storeys and supporting commercial facilities. During construction, the project team developed a systematic management plan for construction waste covering source reduction, sorted collection, comprehensive utilisation and standardised transportation.

In terms of construction management, the team focused on improving on-site governance to minimise material waste caused by quality-related rework. The practice of “site clearance upon completion of works” was adopted to promptly recycle leftover mortar and waste concrete, avoiding unnecessary material loss. Meanwhile, advanced construction technologies were applied to reduce material damage during transportation, storage and installation.

Construction waste generated on site was sorted and classified. Waste bricks, tiles and concrete were crushed and screened into recycled aggregates for foundation stabilisation, road sub-bases and non-load-bearing components. Waste timber was crushed for use as papermaking feedstock or fuel. Waste metal and steel were sent to steel mills for remelting, while waste glass was delivered to glass factories for recycling. Excavated soil and slope soil were reused for site backfilling or supplied to brick factories for sintered brick production.

Strict controls were also implemented for waste storage and transportation. Dedicated storage areas were set up on site with covering measures applied to prevent dust emissions and drainage ditches installed around to channel rainwater. Transport vehicles were fitted with mechanical sealing devices and operated strictly in accordance with approved routes and schedules to ensure no spillage or leakage. Easily airborne waste was kept moist, with appropriate water spraying applied during removal to reduce dust.

Through these management measures, the project has effectively achieved the reduction, recycling and standardised disposal of construction waste. While reducing the environmental impact of construction activities, it has also accumulated replicable experience for green construction across the industry.

## Social

### Employees

All Shimao businesses strictly adhere to the "Labour Law of the People's Republic of China" and "Labour Contract Law of the People's Republic of China" and other relevant laws and regulations, and have established a series of internal rules and regulations, including the "Recruitment Management System", "Recruitment Standards Guidelines", "Compensation Management Guidelines", "Performance Bonus Management Guidelines", "Training Management System", "Employee Care Plan Guidelines", "Employee Leave Management Measures", "Employee Overtime Management Measures", "Internal Competition Management Measures", "Employee Code of Professional Ethics" and "Third-party Employee Employment Management Rules".

Shimao adheres to the principles of diversity and equality and strictly prohibits the employment of child labour or forced labour. The Company is committed to providing employees with a safe and comfortable working environment, competitive compensation and benefits, and personalised vocational training, and effectively protecting the legitimate rights and interests of employees through reasonable working time arrangements. Shimao regularly conducts comprehensive reviews of employment policies, and the Employee Care and Occupational Health and Safety Team is responsible for implementing and supervising the implementation to ensure that relevant measures are effectively integrated into the human resources management system.

To facilitate the feedback channels of employees, Shimao encourages employees to report unequal treatment to the human resources department, and the reported information will be independently investigated by the internal audit department, and the management will be responsible for subsequent follow-up to ensure that the legitimate rights and interests of each employee are effectively protected.

### Diversity and Inclusion

Shimao is committed to providing a fair, diverse, inclusive, and challenging work environment for its employees, and continuously monitors and evaluates the Company's performance in terms of equal opportunities and diversity. Shimao strictly adheres to the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China", and the "Employment Promotion Law of the People's Republic of China". In the "Shimao Employee Handbook" compiled for employees, it is clearly emphasised to "provide equal opportunities", that is, "all employees, regardless of nationality, race, religion, gender or age, will have equal opportunities in employment, training, promotion, transfer, compensation, benefits and other related areas."

Employees	By type	Unit	2025
Total Employees	/	People	621
By Gender	Female	People	347
	Male	People	274
By Age	30 Years Old or Younger	People	24
	31-40 Years Old	People	376
	41-50 Years Old	People	195
	Over 50 Years Old	People	26
By Region	Hong Kong	People	1
	Mainland China	People	620
By Type of Employment	Full-Time	People	621
	Part-Time	People	0
By Rank	C-suit Executives	People	10
	Senior Management	people	76
	Intermediate Management	people	466
	General Employees	people	69

## Career Development

Shimao has built a training system covering three modules: "cadre training", "professional training" and "newcomer training", combining online and offline integrated learning platforms and standardised operation specifications to promote the systematic integration and efficient use of training resources. For key strategic positions, Shimao has set up special training programmes, regularly carried out various special training programmes, and continuously optimised course content and teaching forms to meet the multi-level needs of talents for business development. At the same time, Shimao focuses on cultivating an internal team of lecturers to improve organisational learning efficiency by encouraging practical innovation and knowledge sharing and gradually building a learning organisation with continuous growth momentum.

### ➤ Employee training

As an important carrier for employee development, the Shimao Research Institute APP has fully covered all employees of the Group's business lines and regional companies, providing convenient online learning services. The platform has five core functions: cutting-edge courses, power camps, live broadcasts, course libraries and empowerment+, meeting the diverse learning needs of employees and creating a digital learning experience anytime, anywhere.

In response to the profound changes in the real estate industry, Shimao actively introduces external cooperation in course design and jointly develops training resources with outstanding enterprises and authoritative institutions. In addition to traditional business skills and leadership courses, the platform has added courses in emerging fields such as digitalisation, urban renewal, and asset management to help employees gain diverse industry experience and cutting-edge insights, enhance cross-disciplinary adaptability, and calmly respond to industry transformation challenges.

In 2025, Shimao employees participated in a total of 1,242 hours of training, involving 621 employees.

Development and Training	By Type (if applicable)	Unit	2025
Trained employees as a percentage of total employees	/	%	100
Percentage of Employees Trained <sup>1</sup>			
By Gender	Female	%	100
	Male	%	100
By Rank	C-suit Executives	%	100
	Senior Management	%	100
	Intermediate Management	%	100
	General Employees	%	100
Average Number of Training Hours of Employees <sup>2</sup>	/	Hours/Person	2
By Gender	Female	Hours/Person	2
	Male	Hours/Person	2
By Rank	C-suit Executives	Hours/Person	2
	Senior Management	Hours/Person	2
	Intermediate Management	Hours/Person	2
	General Employees	Hours/Person	2

1. Total number of employees in a specific category as of 31 December 2025. The formula for calculating the percentage of employees trained is:

$$\frac{\text{Number of specific categories of employees trained during the reporting period}}{\text{The total number of employees who ended their training as of the reporting period}} \times 100\%$$

2. The formula for calculating the average training hours is:

$$\frac{\text{The total number of hours of training received by a specific category of employees during the reporting period}}{\text{Number of special category employees trained during the reporting period}}$$

## Employee Wellbeing

Since its establishment, "caring for employees" has been the core cultural cornerstone of Shimao. In the face of continuous adjustments in the real estate market and industry changes, Shimao continues to invest resources in employee welfare, care mechanisms, communication channels, and event organisation, striving to maintain a "loving and warm" working environment despite challenges, and allowing employees to feel the support and belonging of the organisation.

### ➤ Employee Compensation and Benefits

Shimao adheres to the salary concept of "paying for positions, ability, and performance", and provides reasonable and market-competitive remuneration packages for all employees by regularly participating in market salary surveys to ensure that outstanding talents receive corresponding returns.

Based on a comprehensive compensation system, Shimao has established and continuously optimised the employee welfare system to provide comprehensive support for different life circumstances. Shimao hopes that through the systematic establishment of the above compensation and welfare mechanisms, it can still implement its commitment to taking care of employees in the face of industry changes, help employees cope with the needs of different life stages, and maintain an atmosphere of stability and a sense of belonging to the organisation.

#### Daily Support

Provide communication allowances to reduce employees' daily work expenses.  
Offer exclusive discounts for employees and their relatives/friends staying at Shimao hotels, converting corporate resources into employee benefits.

#### Health Protection

Pay social insurance contributions for its employees in accordance with law and organize annual health check-ups.  
In addition to supplementary commercial insurance, open up supplementary commercial insurance options for employees' family members.  
Also provide full-salary sick leave to allow employees to rest comfortably when unwell.

#### Housing Support

Pay housing provident fund contributions in full and on time, and provide supplementary provident fund based on the Company's operating conditions.  
Offer discounts to employees for purchasing houses to help meet their housing needs.

#### Maternity & Parental Benefits

Provide maternity bonuses to employees upon childbirth, and ensure statutory maternity insurance, maternity leave and prenatal check-up leave, supporting employees in balancing work and family responsibilities.

➤ **Employee Care Activities**

**New Year's work commencement activity**

On 5 February 2025, the eighth day of the first lunar month, Shimao Group ushered in the New Year groundbreaking ceremony in a festive and peaceful atmosphere. The Group headquarters was decorated with New Year's flavour, and the senior management team lined up on both sides of the gate early, welcoming every returning employee with full enthusiasm and personally handing over the "start of work red envelope" carrying good wishes.

At the brief ceremony that followed, Mr. Hui Sai Tan, Jason, Chairman of the Board and President, delivered a New Year message. He reviewed the achievements of the Group in the past year and expressed his sincere gratitude to colleagues who remained at their posts during the Spring Festival. Looking forward to the Year of the Horse, he encouraged all Shimao people with the "Dragon Horse Spirit", emphasising that in the new year, the Group will seize market opportunities with more flexible strategies, respond to environmental changes with a more resilient attitude, and hope that everyone will work together to achieve better results.

This year's groundbreaking event is even more interesting and interactive. In addition to the traditional red envelopes that symbolise "good luck", the Company has specially prepared instant lottery tickets to send employees the first expectations and surprises of the new year. The scene was filled with laughter and joy. Everyone exchanged blessings and took group photos, starting a new journey full of hope in a warm and lively atmosphere.

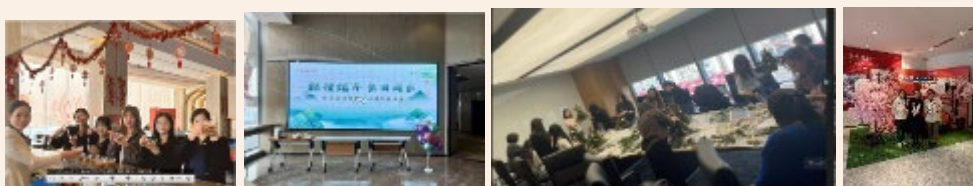


**Holiday benefits**

In 2025, the Company continued to promote holiday care activities to enhance employees' centripetal force and sense of belonging. On the day of the Lantern Festival, the Company prepares glutinous rice balls for employees to enjoy, symbolising the completion of the reunion and conveying holiday blessings. During the Dragon Boat Festival, in addition to distributing rice dumplings for the occasion, pot throwing activities were also held to promote interaction and exchange among colleagues and create a traditional festive atmosphere.

On the eve of Women's Day, the Company purchased warm drinks and fruits and distributed them to female colleagues in various projects to express their gratitude and importance for their work. At the end of the year, the Company held a Christmas tree making event, inviting colleagues to participate in the decoration, adding a sense of festive ritual and allowing employees to experience the warm atmosphere of the holiday through collaboration.

A series of festive activities not only reflect the Company's emphasis on employee well-being but also help strengthen team cohesion and create a harmonious and inclusive workplace environment.



## Healthy Workplace

Employees' workplace health is of profound significance to the operation and development of Shimao Group. The Company has already introduced sports facilities in the office environment to encourage employees to actively participate in sports and actively carry out employee mental health work.

### Badminton Club

Shimao Badminton Club has continued to operate since its establishment at the end of 2024, regularly organising employees to participate in ball games and exchanges. The content of the event covers various forms such as friendly matches, fun competitions, and skill training, taking into account both competitiveness and participation, allowing colleagues of different skill levels to enjoy sports fun and improve their personal skills in a relaxed atmosphere.

Through regular monthly gathering arrangements, the club not only serves as a platform for employees to unwind and relax but also promotes interaction and connections among colleagues across departments. Through frequent sparring and teamwork, members naturally established good friendships and team understanding, further enriching Shimao's internal vitality and organisational atmosphere.

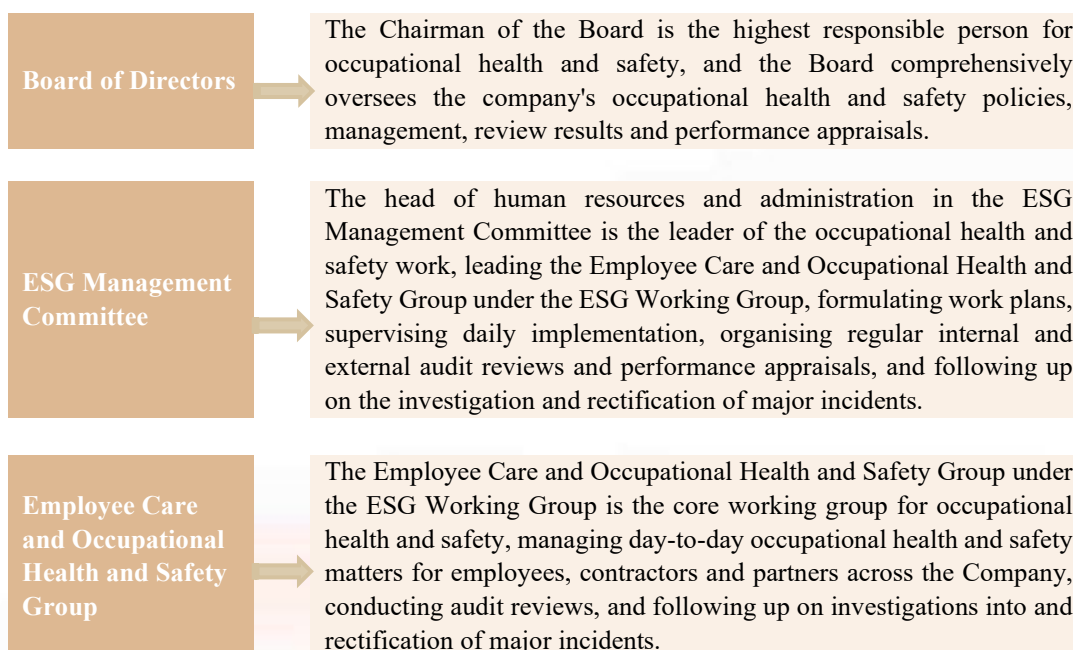


## Occupational Health and Safety

Shimao Group strictly adheres to the "Safety Production Law of the People's Republic of China", "Law on the Prevention and Control of Occupational Diseases" and other relevant laws and regulations to ensure that all business operations comply with national safety standards. The Group continues to implement the "Shimao Group Policy on Occupational Health and Safety Management", which covers the relevant safety operation and construction management of all employees, contractors and partners, aiming to reduce operational risks and ensure personnel safety through institutionalised regulations. To ensure that the policy remains effective and up-to-date, Shimao conducts a comprehensive review of the policy content every three years and adjusts and optimises it based on the actual implementation.

### ➤ Management organisation

The Company attaches great importance to occupational health and safety governance, and has established an organisational system led by the Board of Directors, senior management and professional teams to unify occupational health and safety management across the entire Company, contractors and their partners.



➤ **Target Setting**

During the 2021 reporting period, the Group set occupational health and safety performance targets, including contractors, and has committed to controlling the serious work injury rate to 2 per 10,000 persons and the minor work injury rate to 47 per 10,000 persons by 2025. By 2030, achieve zero work-related deaths. By the end of 2025, the short-term work injury rate target has been achieved.

2025 Performance

Safety training coverage for employees and contractors: **100%**

Work-related fatalities	Work-related injuries	Lost workdays
<b>0</b> people (including project contractors) per 10,000 people = 0 case	<b>2</b> people (including project contractors) per 10,000 people = 1 case	<b>60</b> days (including the contractor) per 10,000 people = 37 days

The company regularly monitors these occupational health and safety indicators, tracking changes through the results of on-site regular reports, internal audit reviews, and external audit reviews. These are uniformly followed up by the occupational health and safety management organisation and directly linked to management performance.

➤ **ISO45001 management system**

The Group has carried out safety management work in accordance with the ISO 45001 Occupational Health and Safety Management System standard, and its main operating areas in its business segments such as shopping malls, office buildings and property management services have obtained ISO 45001 certification. During the reporting period, the project management process continued the benchmarking work with ISO 45001 at the institutional level in 2021.

Shimao strictly adheres to the ISO 45001 system standard and has formulated the "Shimao Group Policy on Occupational Health and Safety Management" accordingly, treating employee occupational health and safety as an important foundation for corporate operations. Through various channels such as occupational disease hazard prevention and control, safety education and training, and regular health check-ups, Shimao is committed to establishing a comprehensive health and safety system. In terms of occupational hazard protection, the Company adopts a three-tier approach: engineering preventive controls, administrative preventive controls, and personal protective equipment preventive controls, implementing corresponding protective measures based on different working environments and job characteristics to ensure that employees perform various tasks under safe conditions.

At the same time, Shimao actively creates a safe and healthy workplace environment, providing multi-functional spaces such as reading areas, rest areas, gyms, and nursing rooms in the office area, along with ergonomic desks and chairs to enhance employee comfort during daily work. Each work base is equipped with first aid kits, undergoes regular monitoring of office environment safety, and potential hazards are eliminated in a timely manner. In addition, the Company organises health awareness campaigns, wellness tea events and other activities from time to time to strengthen employees' awareness of occupational health and safety and self-protection. The Company also continuously improves office conditions for management and living conditions for workers, integrating health and safety concepts into all aspects of daily management.

### **Internal and External Review Audits**

To effectively implement the "Shimao Group Policy on Occupational Health and Safety Management", "General Contracting Management Manual (Applicable to Contractors)" and other occupational health and safety-related policies, the Company conducts audit and review of the policies every three years to ensure their continued effectiveness. At the same time, the Company regularly conducts internal and external audits on employees, part-time employees, contractors, and their work sites to ensure that various policies are strictly implemented in practice and provide a basis for continuous improvement of occupational health and safety management.

#### **➤ Review and audit of the Company's employees and their work sites**

The Company's audit department conducts regular audits of fire protection, health, safety and other risk points in the office. In response to matters found in the audit that do not meet the policy requirements, the audit department instructs the heads of relevant departments to rectify them within a time limit. If the same problem is found twice or more in the same department within a year, the occupational health and safety assessment scores of the head of the department will be deducted which will affect the bonus payment for the year. This mechanism aims to strengthen the emphasis on occupational health and safety of various departments and ensure the effective implementation of policies.

In 2025, the Company continued to deepen its integrity culture, holding six internal training sessions covering internal control and integrity promotion, attended by directors, senior management and functional heads across all regions, strengthening compliance awareness at all management levels. In January 2025, key cases and typical disciplinary violations were reported at the annual summary meeting, further enhancing public supervision and audit collaboration, with an emphasis on thorough investigation to uphold the values of fairness and justice. In December 2025, the Company delivered supply chain consignment business and policy briefings to all marketing personnel to ensure frontline operations comply with corporate standards.

### ➤ Review and audit of contractors and their work sites

Shimao has established an internal audit mechanism for contractors, including setting up a supervision organisational structure, assigning professional safety officers, civil engineers and other personnel to conduct safety inspections at least once a week and maintain complete records. For high-risk projects such as foundation pit works, scaffolding works and large-scale construction machinery, the Company regularly conducts key safety risk investigations, reports the results in a timely manner, and the project management department supervises rectification until completion.

In addition, Shimao has introduced an external audit mechanism for contractors, engaging a third-party independent evaluation agency to quantitatively assess contractor management and safe construction practices. All projects are subject to comprehensive safety assessments of risk points during the construction process, covering foundation pit works, scaffolding works, large-scale machinery and engineering, special operation safety, site safety inspections and other aspects. For any issues identified during audit, the engineering department will supervise the whole rectification process and report the results to the ESG Management Committee to ensure construction safety and compliance.

## Occupational Health and Safety of the Project and Contractors

Shimao's construction works are carried out by contractors. To ensure safe operation of project sites, Shimao has formulated a number of management systems, including the "Shimao Group Engineering Safety Management Measures", "Shimao Group Engineering Large-scale Construction Machinery Third-Party Evaluation Management System", "Maintenance and Construction Safety Work Guidelines" and "Shimao Group Engineering Large-scale Construction Machinery Operation Guidelines". The above systems provide comprehensive specifications and guidance for project site safety management, ensuring that safety risks during the construction process are effectively controlled and that project quality and personnel safety are safeguarded.

### ➤ On-site safety policy

Shimao's management system at construction sites is strictly aligned with the relevant requirements of ISO 45001. To implement safe construction, Shimao's safety policy defines detailed requirements for general contractors, including but not limited to:

- **Safety plan:** The general contractor must formulate a detailed plan for the construction site and construction safety precautions within 14 days after entering the construction site and submit it to the employer and the supervisory unit for approval. The employer and the supervisory unit may reject or request revision of the plan according to the actual site conditions, and the general contractor shall complete the revision accordingly to ensure that safety measures are fully planned before construction commences.
- **Dedicated personnel for management:** The general contractor shall appoint a permanent site officer as the site construction safety management officer to ensure the correct implementation of the approved plan and strictly abide by the safety regulations issued by the government management department during the construction period of the project, and ensuring that safety management responsibilities are assigned to specific personnel.
- **Regular reporting mechanism:** The general contractor shall submit a construction safety report to the employer or supervision unit every week, covering the safety situation, hidden danger investigation and rectification status. If the employer or supervisory unit determines that the safety facilities or treatment methods of the construction site do not meet the requirements, they can issue a work stoppage order until the general contractor completes the rectification and complies with safety regulations to ensure that problems do not accumulate and risks do not expand.
- **Special funds for expenses:** Safety and civilisation measure fees must be earmarked for special use, and it is strictly prohibited to misappropriate other uses to ensure that various safety measures can be implemented in place from the perspective of resource allocation.

- **Personnel control:** The doorman must unify safety helmets and clothing, establish a gate registration system, all personnel entering the site must be registered truthfully, and those who do not wear safety helmets are prohibited from entering the construction site, and the basic safety requirements of personnel are checked from the source.
- **Safety Education:** A safety experience area is set up on site, covering safety impact experience, fire extinguisher demonstration experience, safety and protection equipment display, comprehensive electricity consumption experience and other projects, allowing operators to deepen their understanding and awareness of safety regulations through hands-on experience.
- **Site zoning:** Fully enclosed management is implemented around the perimeter of the construction site to prevent accidental entry by unrelated personnel. The construction operation area is separated from the on-site office area and the workers' living area by temporary fencing, which facilities differentiated and more targeted safety management according to the characteristics of different areas. Effective protective measures should be taken for buildings, electricity and other facilities within the scope of tower cranes to reduce the risk of falling objects from high heights.
- **Fire Fighting Equipment:** The general contractor must equip construction site with fire-fighting equipment and facilities, such as fire extinguishers and fire hoses that comply with national and local fire safety regulations on construction sites, and conduct regular inspections to ensure readiness.

#### ➤ Safety training

Based on work-related injuries and other potential safety hazards occurring in daily work, Shimao's various departments organise occupational safety education for all employees, with training content closely related to actual operation scenarios, covering key points of work at height, construction site traffic flow management, correct use of personal protective equipment and other aspects, aiming to comprehensively improve employees' safety awareness and risk identification ability through case analysis and standard explanations. In addition, Shimao regularly holds fire drills to simulate sudden fire scenarios, allowing employees to master emergency evacuation, initial fire-fighting, and self-rescue and mutual rescue skills during practical drills, enhance emergency response capabilities, effectively prevent and reduce work-related accidents and occupational hazards, and continue to create a safe, healthy and orderly working environment.

#### ➤ Safety measures

##### Smart construction site

Shimao promotes smart site management at the Jingzhou Nanhu plot (construction area of approximately 80,000 square metres) and the Zhengzhou Jinluowan residential project (construction area of approximately 30,000 square metres), both of which can accommodate up to 500 construction personnel at peak times. An intelligent dust control system was introduced on site to conduct real-time monitoring and alert for high-risk dust areas such as earthwork zones and cement mixing tanks, with data uploaded to the platform synchronously. If dust levels exceed standards during construction, the system automatically activates spray devices to suppress dust, effectively reducing airborne particles and safeguarding the health of construction personnel and the safety of the working environment.



### Project safety lecture hall and related safety measures

The Company continues to strengthen safety management at construction sites, improving personnel's safety awareness and the quality of the working environment through diversified safety education and protective measures. At 6 a.m. every day, each project holds a "safety lecture hall" to provide hidden danger operation tips for the day and implement safety management from the start of daily work. Every fortnight on Wednesdays, VR smart safety experiences are arranged on-site to simulate accident scenarios such as falls from height and electric shocks through virtual reality, strengthening workers' personal understanding of safety regulations.

Safety operation instruction signs are fully installed on site to facilitate personnel reference to standard operations at any time; dense mesh covering is used for exposed earthworks to effectively reduce the impact of dust on the environment. Safety protection fences are installed at each work surface at height and near edge area to prevent falls and build a physical safety barrier for workers.

These safety measures not only enhance the risk prevention capabilities of the construction site but also help establish a "safety first, prevention foremost" site culture, reflecting the Company's emphasis on personnel safety and environmental responsibility.



### ➤ Digital Security Management

Shimao Group has launched an intelligent cloud management platform for construction safety, using the Internet of Things, big data and remote transmission technology to achieve integrated supervision of construction site safety, environment and energy, comprehensively improving project management efficiency.

At the safety monitoring level, the platform deploys remote video monitoring systems at the commanding heights of the construction site, construction vehicle entrances and exits, and key operation areas to achieve full-time visual management of the construction site, helping to accurately grasp on-site dynamics and detect and deal with potential safety hazards in a timely manner. At the same time, the platform intelligently monitors key equipment such as foundation pit support, tower cranes and construction elevators, providing real-time early warning when data exceeds standards, effectively improving the risk prevention and control capabilities for large-scale machinery and high-risk operations. Network and mobile terminals can synchronously transmit on-site real-time images, assisting managers in quickly grasping construction progress and site conditions, and providing a decision-making basis for design optimisation and construction deployment adjustments.

In terms of environmental and energy consumption management, the platform incorporates environmental monitoring into the scope of supervision, deploying dust and noise monitoring systems on site for each project to transmit data such as temperature, humidity and dust particulate matter concentration, with linkage to dust suppression equipment to ensure green construction requirements are met. In addition, the platform assists project teams in efficiently controlling energy consumption and reducing waste of water and electricity resources by uploading water and electricity meter measurement data from construction sites in real time. Combined with backend big data analysis, the platform further supports the rational deployment of construction machinery, helping to improve operational efficiency and achieve the management goal of reducing headcount and increasing efficiency.



## Suppliers

As a comprehensive enterprise operating across multiple sectors, Shimao understands that every link of its supply chain may have an impact on the environment and society. To this end, Shimao has established a cooperative management team to coordinate the daily management, tracking and evaluation, and classification and grading of suppliers, as well as establish an elimination mechanism for unqualified suppliers. Shimao continues to improve its supply chain management methods and works with suppliers to promote sustainable and green supply chain transformation. At present, suppliers are mainly divided into material and service suppliers, contractors and other categories, with corresponding management regulations established for each category.

The Supply Chain Centre of Shimao Group has compiled the "Working Procedures for the Management of Shimao Group's Engineering Contractor Pool" to further enhance the systematic management of engineering contractors.

Supplier qualification screening and performance evaluation can provide a comprehensive picture of the supply chain status, contributing to the continuous guarantee of Shimao's product and service quality. Shimao has long established supplier onboarding assessment and performance evaluation to ensure the service quality of the entire process of cooperation. During the reporting period, Shimao conducted an onboarding assessment of 100% of its suppliers, with a total of 3,571 suppliers.

### Supplier Compliance Code

Shimao has compiled and published the "Shimao Group Code of Conduct for Suppliers", which clearly states that priority will be given to suppliers who have established sustainable development policies, corporate codes of conduct or sustainable procurement policies. During the selection process, Shimao gives special preference to suppliers who have obtained ESG management system certifications (such as ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, or other equivalent certifications), as well as partners who can provide environmentally friendly products and services.

Shimao strictly complies with the relevant provisions of the "Labour Law of the People's Republic of China" and explicitly requires in the "Shimao Group Code of Conduct for Suppliers" that all suppliers (including material suppliers and engineering contractors) shall not employ any form of forced labour, bonded labour or coerced labour, and must comply with minimum age of employment requirements, with child labour strictly prohibited. Should any supplier be found in breach of the aforementioned provisions, Shimao will immediately terminate the cooperative relationship, ensuring that labour conditions across the supply chain meet fundamental human rights standards.

Shimao adheres to the relevant regulations of the "Bidding Law of the People's Republic of China" and the "Government Procurement Law of the People's Republic of China" to ensure that bidding activities and contract performance are legal, fair and equitable. Shimao requires all suppliers to sign the "Supplier Integrity Commitment" and encourages suppliers to formulate internal anti-corruption policies, codes of conduct and operating procedures to eliminate improper behaviours such as bribery, corruption, collusion in bidding and fraud, ensuring the implementation of various regulations.

To ensure project quality, Shimao engages a third-party authoritative evaluation agency to conduct assessments during construction and delivery acceptance. The "Shimao Engineering Third-Party Evaluation System" clearly regulates evaluation and inspection discipline and strictly prohibits third-party evaluators from colluding with cooperating personnel to commit fraud, lowering acceptance standards, or notifying the indoor test area in advance during the inspection process. In addition, the "Guidelines for Shimao Engineering's Assessment Under Construction" also stipulates integrity management requirements to supervise the professional ethics of third-party evaluators, ensuring that evaluation results are objective and fair.

## Supply Chain Social Risk Management

### ➤ Material and Service Providers

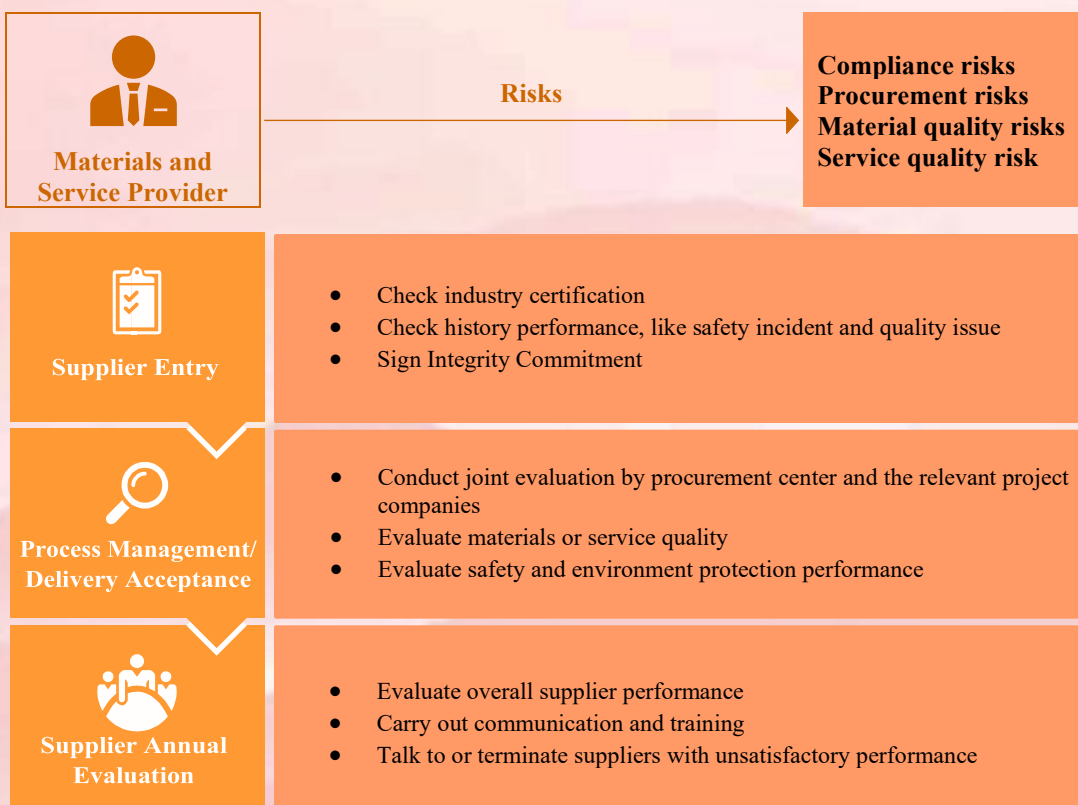
Shimao clearly regulates the performance supervision and evaluation mechanism for strategic suppliers through the "Shimao Materials/Equipment Strategic Procurement Management System". During the supplier performance process, Shimao integrates opinions from relevant functional departments and conducts objective evaluations across four dimensions:

- **Supply Schedule:** Whether the supplier can deliver materials or equipment on time to ensure that the project progress is not affected.
- **Construction quality:** Whether the materials or equipment provided by the supplier meet quality standards and the quality control during the construction process.
- **Cooperation:** The degree of cooperation of the supplier during the project implementation process, including communication and collaboration with the project management team.
- **Final presentation:** The final presentation effect of materials or equipment after construction is completed, whether it meets the design and usage requirements.

For suppliers who fail to pass the performance assessment, Shimao will take corresponding measures depending on the severity of the violation:

- **Minor violations:** If the losses caused are minor, Shimao will conduct interviews and file observations, requiring the supplier to rectify and improve contract fulfilment in future.
- **Serious violations:** If the supplier has serious violations and has a significant negative impact on the company, Shimao will immediately terminate the strategic cooperation and cancel its qualification for the next round of strategic bidding.

In addition to performance evaluation, Shimao has also established a management mechanism covering shortlisted evaluation and process evaluation, forming a fittest to survive positive competition to select high-quality suppliers. Through these measures, Shimao continues to steadily improve project quality, effectively control quality risks, and ensure smooth progress and high-standard delivery of projects.



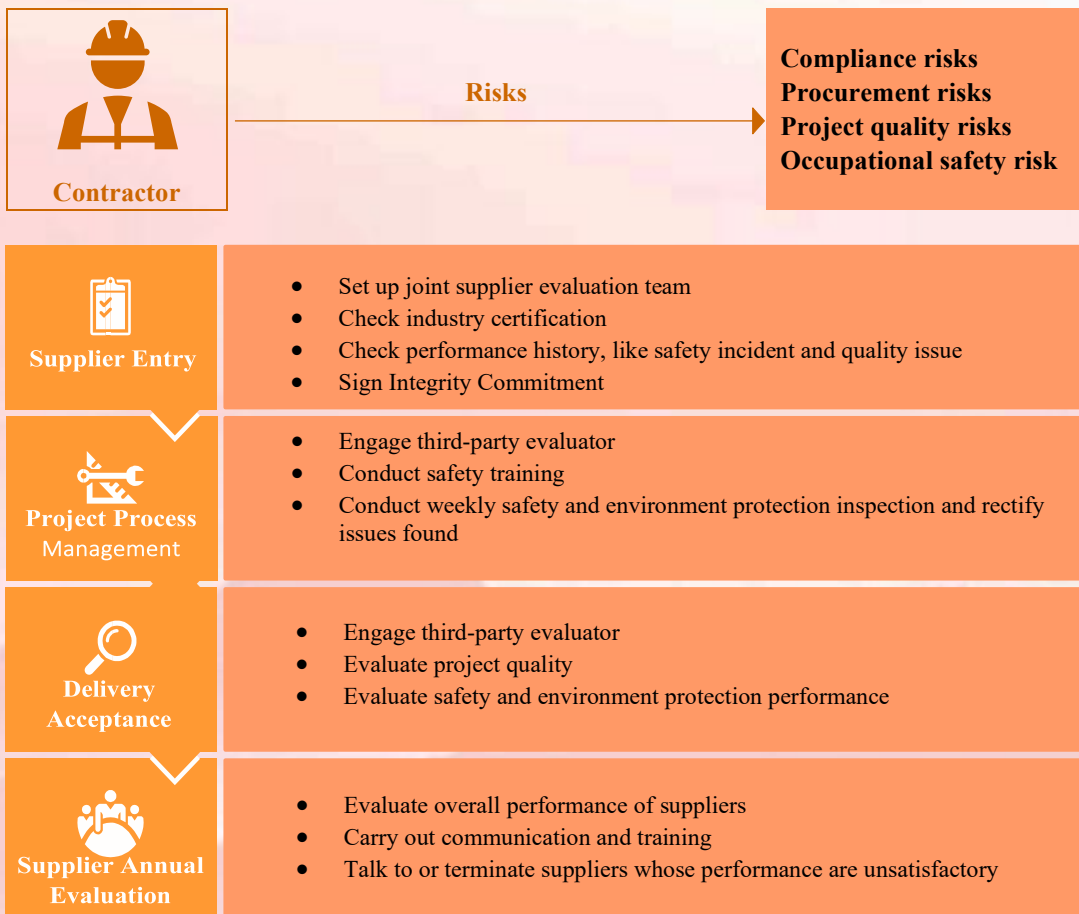
➤ **Contractors**

Shimao Group divides contractors into two categories: cost contractors and procurement suppliers. Cost contractors are contractors under contracts or non-contractual billing operations relating to cost, design, engineering and development. Procurement suppliers refer to cooperative units who participate in procurement bids, contracts or non-contractual billing operations.

In accordance with the "Regulations on the Administration of Centralised Procurement" and the "Inspection Work Procedures for Construction Contractors", Shimao has established a rigorous contractor onboarding inspection process. All contractors are required to pass the complete inspection before being onboarded, including:

- **Qualification Information Review:** Review the contractor's basic corporate qualifications, financial status, track records, etc.
- **Company-level inspection:** Conduct on-site visit at the contractor's office to understand their organisational scale, management system and technical capabilities.
- **Inspection of projects under construction/completion:** Conduct on-site inspection of the contractor's projects, which are under construction or completed cases, to evaluate their actual construction quality and performance capabilities.

The Contractor Inspection and Evaluation Team is the decision-making body for contractor onboarding and is composed of relevant functional departments organised by the Cost Management Centre. If the Team finds out major distortions such as false information in the inspection, and verifies that the situation is true in the follow-up on-site assessment, the contractor's inspection qualification can be directly cancelled. After the inspection is completed, the Cost Management Centre compiles team members' opinions, prepares an inspection report, and submits it to voting members of the Team for review and signature. When the passing votes exceed 60% of the total votes, the contractor is deemed to have passed the inspection.



Shimao has established a continuous monitoring mechanism for onboarded contractors and implemented dynamic management by means of complaint handling and proactive interviews. In the bidding process, according to the "Shimao Group Construction Contract Bidding Work Procedures", contractors with a contract amount exceeding 2 million must undergo at least one bidding negotiation before the bid can be finalised. After the last bid is completed, the Cost Management Centre prepares a bid evaluation report to assess whether the technical bid meets construction requirements, prioritises the commercial bid, and finally recommends one or more suppliers for the reference of relevant personnel.

For general contractors who fail to meet standards in large-scale machinery safety assessments, Shimao will impose phased bidding bans. Such contractors' bidding qualifications can only be resumed after completing rectification, passing third-party professional assessment and upon expiry of the penalty period. Through these inspection, evaluation and supervision mechanisms, Shimao ensures that contractor management forms a virtuous circle of survival of the fittest, providing strong guarantees for project quality and construction safety.

### Supply Chain Environmental Risk Management

Shimao Group is committed to collaborating with suppliers to create an environmentally friendly society, integrating environmental protection concepts into all aspects of supply chain management. During the material bidding stage, Shimao's procurement department appoints specialists to inspect participating companies, covering aspects such as cleanliness of the working environment, adequacy of lighting and ventilation, and whether the manufacturer's waste discharges meet environmental standards, ensuring that partners possess environmental management awareness and implementation capabilities from the source.

At the construction level, Shimao implements environmental protection requirements through various management systems. The "Detailed Rules for the Disclosure of Contracts for Shimao Residential Fine Decoration Projects" clearly stipulates that contractors must strictly follow the "Green Construction Guidelines" issued by the Ministry of Housing and Urban-Rural Development to ensure that the construction process complies with the "Environmental Protection Law of the People's Republic of China" and the relevant specifications of the ISO 14001 environmental management system. The "Maintenance and Construction Safety Work Guidelines" require that construction waste be cleared and transported on the same day, with strict prohibition on stacking on-site or mixing it into domestic garbage bins, implementing the operating standards of "work completed, materials cleared, site clean". In addition, contractors should take effective measures to control dust, exhaust gases, wastewater, solid waste, noise, vibration and other environmental impacts on the construction site to minimise disturbance from construction activities to the surrounding environment.

In engineering construction projects, the developer and the construction contractor each bear the responsibility of preventing and controlling dust pollution. The following are the specific division of responsibilities:

#### Responsibilities of the Developer

- **Incorporate costs into project budget:** The developer shall include the costs for dust pollution prevention and control in the project budget, and clearly specify the construction contractor's responsibilities for dust pollution prevention and control in the construction contract.
- **Manage temporarily suspended construction sites:** For construction sites that are on hold temporarily, the developer shall cover exposed ground; if the suspension period exceeds three months, the developer shall carry out greening, paving or covering works to reduce dust pollution.

#### Responsibilities of the Construction Contractor

- **Formulate implementation plan:** The construction contractor shall formulate a specific implementation plan for the prevention and control of dust pollution, and publicly display information such as dust pollution prevention and control measures, the person in charge, and the competent department for dust supervision and management at the construction site.
- **Implement effective measures:** The construction contractor shall take effective dust prevention and suppression measures to reduce dust pollution during construction operations, and continuously monitor and manage dust conditions at the construction site to ensure the effective implementation of all dust prevention measures.

## Users

Shimao has always adhered to a customer-centric service concept and is committed to improving service quality. Through continuous customer demand analysis, the Group has established and continuously improved its customer service framework, incorporating service performance into the performance appraisal system to ensure that service management is closely integrated with business objectives. In daily operations, Shimao promptly tracks complaint handling, maintenance and rectification, and property service satisfaction, driving continuous service improvement through data.

To facilitate user feedback channels, the Group has formulated the "Complaint Work System and Process" and the "Detailed Implementation Rules for Group Complaint Reviews", and opened multi-channel complaint platforms, including customer service hotlines and email to promptly accept various complaints from owners. At the same time, Shimao strictly implements a mechanism for responding to complaints within 24 hours to ensure that users' issues are responded promptly and handled effectively, safeguarding the quality and efficiency of user services.

## User Services

### ➤ Customer Satisfaction

Shimao fulfils its promises and bravely assumes the responsibility of ensuring stable delivery. From 2022 to 2025, Shimao has delivered about 281,000 units in 93 cities and 278 projects.

### ➤ Customer Events

To better serve customers, Shimao Service was responsible for customer activities during the reporting period.

### Communicate with the owners

Shimao strictly implements the "Shimao Group Maintenance Process Management Work Guidelines", "Shimao Group Maintenance Management System", "Shimao Group Property Elevator Maintenance Management" and "Shimao Group Project Maintenance Satisfaction Improvement Management Guidelines" during the project development process and adheres to regional and corporate systems. While ensuring product quality, we maintain close communication with owners, allowing owners to keep track of project progress at any time, and alleviating their concerns about project development. WeChat is also used to publish relevant project information.

The following is a record of the interview activities of the International Centre Project:



## Customer delivery activity records



## User Complaint Handling

Shimao Group has established a rigorous customer complaint handling mechanism to ensure timely response and effective control of various risk events. For complaints or risk incidents received, relevant personnel must report them in the working group as soon as possible to ensure real-time information synchronisation. Email notification must be completed on the same day, explaining the overview of the incident and the preliminary handling approach; no later than the next day, a case will be officially created in the system, with processing progress updated on a monthly basis until the matter is fully solved. This mechanism ensures that the entire complaint process from acceptance to closure is traceable, supervised and accountable.

At the project site level, Shimao has set up special complaint handling points in each community under construction and delivery and publicises the contact information of relevant responsible personnel in obvious places, thereby ensuring smooth the feedback channels of owners. By putting the complaint window in front, Shimao can reach the needs of owners at the earliest opportunity, intervene and coordinate in a timely manner, and avoid the accumulation and expansion of problems.

In 2025, Shimao resolved a total of 1,579 customer complaints through the above mechanisms, addressing various solutions to owners' demands regarding delivery, property title registration, construction quality and sales procedures, and effectively safeguarding the rights and interests of owners and community stability.

### **G11 project preview activities**

Taking the G11 project as an example, in order to ensure smooth apartment delivery and maintain owner satisfaction, Shimao's customer service team and property management units organised an early viewing event for owners in January 2025. During the event, owners could inspect the condition of their homes on site, ask questions on site, and be accompanied throughout by the customer service team and property staff, who recorded owner feedback and answered questions in real time.

The key value of this early home-inspection activity is "front-loading problem". By proactively investigating potential hidden risks before official delivery, Shimao was able to communicate and address owner concerns in advance, and deal with some matters that could be adjusted on site in real time, effectively avoiding the risk of collective complaints that may arise after move-in. This not only reflects Shimao's great emphasis on owners' rights and interests but also demonstrates the transformation of the complaint handling mechanism from passive response to active prevention, laying a solid foundation for smooth delivery and community harmony.

### **Shimao Smart Service Area**

Shimao Smart Community integrates advanced technologies such as cloud computing, big data, AI and the Internet of Things to organically integrate community services, equipment management and owner lifestyles, achieving digital collection of operational data, cloud interconnection of facilities and equipment, and intelligent interaction of community services. Through multi-dimensional system layouts such as intelligent security, intelligent access, energy consumption management and smart home spaces, Shimao creates a safe, comfortable and convenient intelligent community living environment for owners and users, transforming technological innovation into practical daily living experiences.

Based on deep insight into changes in people's living needs in the post-pandemic era, Shimao takes the initiative to explore innovative application scenarios in the community, taking the homecoming path and living environment as the main axis, fully leverage the technological advantages of intelligent human settlements, and taking the lead in creating a contactless home route in the western region. From automatic vehicle recognition for area entry, face recognition at community gates, infrared induction unlocking of unit doors, to face recognition automatic elevator calling and smart door locks, the entire system runs through every link of the owner's journey home, ensuring smooth passage under multiple security controls, providing a calm, elegant, safe and convenient homecoming experience. This contactless smart home system not only responds to residents' concerns about hygiene and health but also reflects Shimao's practical philosophy of integrating humanised design into smart community construction.

## Shimao Fuyang Railway Station Project Smart Community

The total construction area of the Shimao Fuyang Railway Station project is 308,000 square metres, with 178,000 square metres delivered, comprising 15 residential buildings. The project has introduced cloud computing, Internet of Things and artificial intelligence technologies to create a full-scenario smart community.

The community is equipped with pedestrian and vehicular face recognition systems to achieve seamless access. Unit doors are equipped with face recognition equipment, and each household is provided with a smart door lock as standard. A comprehensive monitoring coverage is deployed within the community to ensure safety and visibility of public areas. Based on living needs in the post-pandemic era, the project implements a contactless homecoming route: from automatic vehicle recognition, turnstile face recognition, unit door infrared induction unlocking, to smart door lock face recognition, enabling zero-contact access throughout the entire process.



### Privacy Protection

#### ➤ Protection of user data and information

While continuing to promote digital applications to optimise customer experience, Shimao Group also attaches great importance to the protection of customers' personal information. Shimao deeply understands that information security and privacy protection are not only compliance requirements of laws and regulations but also the cornerstone for enterprises to win customer trust. To this end, Shimao strictly adheres to the "Personal Information Protection Law of the People's Republic of China", "Consumer Rights and Interests Protection Law of the People's Republic of China" and other relevant laws and regulations to ensure that all businesses comply with national standards and regulatory requirements in the information processing cycle.

The Group has established a comprehensive information security management and control system covering the entire life cycle of data collection, transmission, storage, use and destruction. Shimao clearly requires all employees to strictly prohibit from the theft or leakage of undisclosed information about the Company and customers, and to include information security in the scope of employee code of conduct and assessment and strengthen internal management from the institutional level. At present, Shimao has successfully passed China's "National Information Security Protection Level 3 Certification", which is currently the highest level of information security certification available to domestic non-financial institutions, marking that Shimao's information security protection capabilities have reached the industry-leading level.

The main measures for information security and privacy protection include:

- **System construction:** Formulate internal user information management systems and standardised operating procedures to ensure that all aspects of information processing are governed by rules and supported by established standards.
- **Data classification:** Perform graded and classified management of personal information and adopt differentiated protection strategies based on sensitivity and usage scenarios to ensure that high-risk data receives a higher level of protection.
- **Personnel training:** Regularly conduct information security education and training for employees to strengthen their awareness of privacy protection.
- **Permission management:** Clarify system operation permissions based on job responsibilities to ensure that employees only have access to necessary information related to their work.
- **Emergency Response:** Formulate emergency plans for information leakage and organise regular drills to ensure that response mechanisms can be quickly activated in the event of an emergency to minimise potential impacts.

In addition, the Group's internal information protection measures include:

- **Hierarchical management of system operation permissions:** In order to ensure the security of information assets, standardise the use of employee information, and ensure user information security, system operation permissions are strictly controlled according to the organisational hierarchy and job roles.
- **Automatic encryption of outgoing documents:** All externally copied document information is automatically encrypted, and if it needs to be decrypted, the corresponding approval process must be completed to strictly control the outgoing of documents and reduce the risk of leakage of key information.

### Customer information access management and confidentiality mechanism

To strengthen customer information protection, Shimao has established a strict data access management mechanism. All functional departments that need to contact customer information due to business needs must report to the relevant management departments in advance by email, explaining the purpose and scope of use. After approval, departments can access the required data.

At the same time, the initiating department has the obligation to notify personnel of confidentiality requirements and must remind all personnel who come into contact with the data to strictly abide by the Company's confidentiality regulations and not to transmit, forward, or use customer information in any form for purposes other than the stated application without authorisation. The management department regularly conducts random checks on reporting records and data usage to ensure that all aspects comply with the Company's information security regulations.

The implementation of this mechanism helps reduce the risk of customer data leakage, reflects the Company's emphasis on customer privacy, and establishes an information security culture of "clear authority and responsibility" in daily management.

## Product Responsibility

Shimao Group always adheres to the bottom line of high quality, takes quality as the core and customer as the centre, and puts safeguarding the interests of users in the first place in product construction. The Group has established a comprehensive "Shimao Quality Control Management System" and set up a dedicated quality control team, which through a systematic mock-up stop point inspection mechanism, implements strict quality control throughout the entire process of project construction. The inspection covers key aspects such as façade mock-ups, landscape mock-ups, hardcover public area mock-ups, hardcover indoor mock-ups, and basement electromechanical mock-ups, with joint inspections organised before delivery to ensure that the quality of various professional fields such as landscape, mechanical and electrical, hardcover, and façade meets design standards and customer expectations. The quality control team prepares inspection reports covering multiple dimensions such as quality and effectiveness based on the inspection results, puts forward rectification suggestions in a timely manner, and supervises the project team to implement them to ensure that high quality in product construction is achieved.

Shimao treats every product detail with ingenuity and integrates risk control into all aspects of project. Through strict control of the construction process, Shimao is committed to providing users with a safe and worry-free living experience, so that every owner can truly feel Shimao's dedication and focus in product creation, as well as its persistent pursuit of quality, during product delivery and daily use.

### Quality Control of Qingdao Jimo Project

Shimao Qingdao Jimo Project has established a quality control system covering the whole process of materials, technology, construction and acceptance. At the material entry stage, the mechanism of checking certificates of conformity and sampling for inspection is strictly implemented, with unqualified products immediately rejected. At the technical level, drawing review, technical disclosure and special plan preparation are implemented to ensure that operations follow established procedures. During the construction process, the "three-inspection system" (self-inspection, mutual inspection and handover inspection) is implemented, with key processes are supervised by management personnel on site, while the special-operators are required to hold valid certificates and receive regular training, thereby ensuring that quality responsibility is assigned to individuals.

Concealed works strictly implement "inspection before covering", and sub-projects are tested according to specifications, and any problems found are rectified immediately. Completed areas implement a responsibility system for the protection of finished products, with measures such as covering and isolation taken to avoid secondary damage. Through closed-loop management from source to finished product, Shimao's projects under construction achieve effective prevention of quality risks and controllable processes.



## Opening of the quality demonstration area of Jinan Machine Tool Factory No. 1 Project

The Shimao Jinan Machine Tool Factory No. 1 Project has set up a quality control team to build a demonstration section for hardcover and landscape delivery standards to ensure that product quality meets design requirements. After months of construction and refinement, the landscape demonstration area of Lot C was officially opened to the public, presenting the complete realisation process from drawings to actual scenes.

The plot is suited at the industrial context of the former Machine Tool Factory No. 1, integrating modern landscape design language to create a demonstration area with both humanistic heritage and living quality. This opening is not only a phased achievement of the project team's construction management, but also reflects Shimao's quality control mechanism of real scene inspection and continuous optimisation before product delivery, establishing a quality benchmark for subsequent batch delivery.



## Intellectual Property Rights

Shimao attaches great importance to intellectual property protection, strictly implements the requirements of the "Trademark Law of the People's Republic of China" and other relevant laws and regulations, fully respects the intellectual property rights of partners, and actively safeguards its lawful rights and interests through legitimate litigation procedures. Special clauses on intellectual property rights are included in both the standard contract template and specific contracts. Shimao continues to strengthen intellectual property protection in product design and has obtained a number of practical invention patents.

### ➤ Engineering management system

Shimao's engineering management system has been iterated to version 7.0, which includes a series of new or updated management mechanisms such as the "Third-Party Evaluation Management Measures", "Micro Innovation Management Measures 4.0", "Measures for Strengthening Delivery Quality Bottom Line Management", "Delivery Quality Risk Management Measures", and "Group Quality Control Team Management Measures 3.0". The management focus is further extended to regional companies, empowering engineering systems through information construction, and promoting management innovation, and technological innovation and optimisation.

## Anti-corruption and Business Ethics

Integrity and compliance are the baseline requirements of Shimao Group's corporate governance. Shimao strictly adheres to relevant laws and regulations such as the "Anti-Money Laundering Law of the People's Republic of China", the "Anti-Unfair Competition Law", and the "Prevention of Bribery Ordinance", and integrates business ethics into daily operations through multiple measures such as system development, policy publicity and employee commitment.

At the institutional level, Shimao has formulated and publicly issued the "Shimao Group Corporate Code of Conduct", "Shimao Group Code of Conduct for Suppliers" and "Shimao Group Integrity and Whistleblowing Policy", which clearly regulate the business behaviour of employees and partners, and strictly prohibit any form of benefit transfer, property embezzlement, conflict of interest and unfair competition. During the reporting period, the Group's audit department continued to monitor compliance status and found no material violations of relevant laws and regulations.

At the corporate culture level, Shimao continues to strengthen integrity awareness among all employees. The Audit Department and the Human Resources Department jointly issued the "Reaffirmation on Shimao Group's Efficient Work, Strict Discipline and Integrity and Self-discipline", requiring all employees to complete agreement confirmation by electronic signature, internalising integrity and self-discipline from institutional requirements into personal commitments, and further consolidating the Group's healthy and orderly business environment.

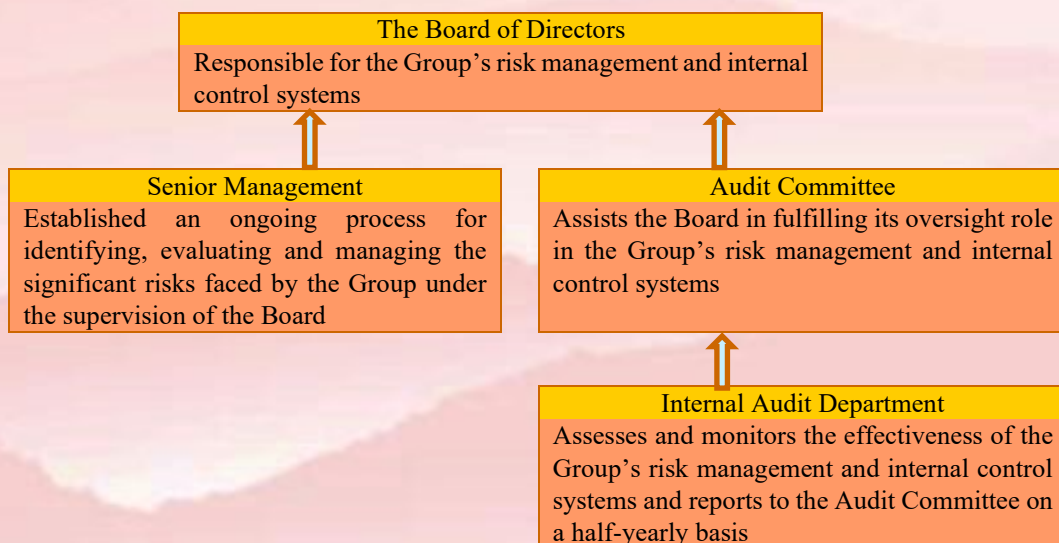
## Risk Control

### ➤ Strengthen the risk management and control system

Shimao Group has established and continuously optimised its risk management and internal control systems to ensure that all material risks are systematically identified, assessed, managed and monitored in accordance with unified guidelines. The Board of Directors serves as the ultimate accountable body for risk management, responsible for approving risk management policies, systems and major response plans, thereby ensuring that risk management is aligned with the Company's strategy at the governance level.

The Board of Directors has established an Audit Committee to assist in overseeing risk management and internal control systems, regularly listening to reports and reviewing the effectiveness of system operations. Senior management establishes routine risk management processes, integrating risk identification and assessment into daily business decisions to ensure continuous follow-up and effective handling of various risks. As an independent monitoring unit, the Internal Audit Department is responsible for evaluating the effectiveness of the design and implementation of risk management and internal control systems, and regularly submits reports to the Audit Committee, forming a complete closed loop from identification and response to supervision.

At the same time, Shimao continues to promote the digital upgrade of risk management and control, improving risk early warning capabilities and monitoring efficiency through system tools and data analysis. The Audit Department is also promoting digital transformation, using technological means to strengthen the depth and coverage of audits to ensure that the risk management and control system keeps pace with the times and continues to improve.



➤ **Risk Management and Control Performance**

The Company makes full use of various educational platforms to carry out integrity training. In 2025, the Company carried out various anti-corruption and business ethics education and training in the form of lectures and themed activities, covering topics such as internal control and integrity publicity, involving directors, senior executives and heads of various regional functions of Shimao Group.

<b>Shimao Group anti-corruption training</b>		
<b>Position</b>	<b>Number of Participants</b>	<b>Hours</b>
<b>Directors and C-suit Executives</b>	10	20
<b>Senior Management</b>	76	152
<b>Intermediate Management</b>	466	932
<b>General Employees</b>	69	138
<b>Total</b>	<b>621</b>	<b>1,242</b>

**Business Ethics**

➤ **Sound management structure**

Shimao Group regards business ethics development and anti-corruption management as the core elements of corporate governance and has established a three-tier management structure, composed of the Board of Directors, Audit Committee and Audit Department.

As the highest governing body for business ethics management, the Board is responsible for leading and monitoring the overall operations of the Company, formulating development strategies and guiding the performance of management. The Board of Directors is committed to establishing and maintaining sound corporate governance practices, regularly reviewing major matters involving business ethics violations and corruption, and reviewing and updating relevant policies in a timely manner based on changes in the internal and external environment to ensure that business ethics management is consistent with the Company's strategic direction.

The Audit Committee assists the Board in carrying out its oversight duties, focusing on the compliance of the Group's employees with the Code of Conduct and reviewing the effectiveness of the Company's financial reporting procedures, internal controls and risk management systems. The Committee also advises the Board on the nomination and oversight of external auditors and meets with the auditors at least twice a year to discuss important issues identified during the audit and to listen to the views of accounting and financial reporting staff. Before interim and annual reports are submitted to the Board, the Audit Committee conducts a comprehensive review, paying particular attention to changes in accounting policies, compliance with accounting standards, and compliance with the Listing Rules and relevant laws.

As the implementation and supervision unit of business ethics management, the Audit Department is responsible for conducting daily inspections on the implementation of the Code of Conduct and receiving and handling various complaints and reports in a unified manner. To ensure the independence of supervision, the Audit Department may report directly to the Audit Committee without consulting management and report material matters to the Board of Directors through the Audit Committee. In its daily work, the Audit Department regularly conducts anti-corruption-oriented business audits to ensure that each business segment undergoes compliance audits at least once every three years to verify that its operations comply with the relevant requirements of the "Shimao Group Corporate Code of Conduct".

For violations of business ethics, Shimao will take corresponding measures according to the severity of the cases and the corporate authority, including demotion, salary adjustment, job reassignment, fines, administrative sanctions or termination of labour contracts. If criminal activity is suspected, the matter will be transferred to public security and judicial authorities in accordance with the law. Through systematic implementation of the above mechanisms, Shimao ensures the transparency and compliance of corporate operations, maintaining a good corporate image and social responsibility.

### **Whistleblowing Procedures**

The Company welcomes all employees, partners, suppliers, customers and others to report misconduct in accordance with the "Shimao Group Integrity and Whistleblowing Policy". The Company has long established various reporting channels such as official website, official WeChat, email, telephone and mail, and whistleblowers may choose to report using their real name or anonymously.

In 2025, Shimao Group received more than 190 external reports through email, telephone, letters, etc., all of which were verified and fed back. Two lawsuits have been filed and concluded against fraud incidents that occurred within the Company.

### ➤ **Normative Code of Conduct**

Shimao Group regards integrity as the foundation of sustainable enterprise development and resolutely puts an end to any form of fraud, bribery and other improper behaviours in the work process. The Group actively promotes anti-corruption cooperation with upstream and downstream enterprises, establishing a sound anti-corruption collaborative mechanism to prevent and address corruption problems from the source. These measures ensure effective promotion of integrity initiatives and create a clean and upright business environment.

### **Code of Ethics for Employees**

In addition to strictly abiding by national laws and regulations and international anti-fraud standards, Shimao requires all directors and employees (including non-regular employees) to sign the "Employee Code of Professional Ethics" to internalise the requirements of honest work, loyalty to duty and safeguarding the interests of the Group into a consensus among all employees. The guidelines clearly prohibit the use of authority or work convenience to seek improper benefits, ensuring that every employee adheres to ethical bottom lines in his/her the daily work.

Currently, the signing rate of directors and all employees, including non-regular employees, is 100%.

### **Supplier Code of Conduct**

Shimao has formulated and published the "Shimao Group Code of Conduct for Suppliers", requiring all bidders to sign the "Integrity Commitment", and extending the scope of commitment to suppliers and contractors and their employees, subsidiaries, affiliates and subcontractors. This mechanism ensures that the entire process from bidding to contract performance is legal, fair and equitable, and integrates anti-fraud requirements throughout all aspects of the supply chain.

Currently, the signing rate of major business suppliers is 100%.

## Discipline for business travel and entertainment

During the year, Shimao Group reiterated its discipline regarding "business travel" and "entertainment" to its employees. Here are some key points from the notice:

1. Strict travel standards: Intercity transportation chooses cost-effective methods, and all business trip expenses that exceed the standard will not be reimbursed.
2. Against extravagance and waste: The company does not promote wine circle culture and nightclub culture and prohibits the use of company funds to entertain superiors, ranks, and subordinates.
3. Compliance with professional ethics: Employees must comply with the "Professional Ethics Standards 2.0" and must not request or accept financial support from suppliers.
4. Strengthen supervision and inspection: The Group will strengthen daily supervision and inspection and impose immediate penalties for violations.
5. Encourage supervision and reporting: Provide the reporting email, hotline, and address, and keep the whistleblower's personal information strictly confidential.

The Group hopes that by reminding employees and advocating mutual supervision, it can further enhance the Group's clean and down-to-earth business environment.

## Social Responsibility

Shimao Group has always integrated social responsibility into the context of corporate development. We understand that a responsible corporation must not only fulfil its commitment to quality delivery but also continue to pay attention to the vitality and warmth of the community after delivery. Based on this, Shimao continues to focus on the two groups most in need of care in the community – the elderly and children, and regards the protection of "one old and one young" as an important part of social responsibility. From age-friendly and child-friendly transformation of community spaces to health care and growth companionship in daily services, Shimao responds to the needs of owners of different ages with practical actions, striving to build a community ecology that is friendly to all ages and mutually supportive among neighbours.

### Beautiful day and night - protect the warm time of "big baby" and "little persimmon"

In Shimao's community, we believe that a warm home should allow the elderly to enjoy their golden years and let children blossom with innocence. Whether it is the grey-haired "big baby" or the energetic "little persimmon", they are all Shimao's most cherished family members. We carefully guard every life journey, letting warmth flow between generations and beauty happen from dawn to dusk. In improving community quality, Shimao has always regarded child-friendliness as an important consideration. By creating diversified spaces and holding a variety of children's activities, the "little persimmons" continue to gain happiness and growth in Shimao's big family.

### Protect the golden years of the elderly

Companionship is the longest confession of love. In order to promote the traditional virtues of the Chinese nation of respecting the elderly and honouring the virtuous, Shimao has carefully created programmes from multiple dimensions to effectively enhance the sense of belonging, happiness and security of elderly owners. Given that the elderly are a high-risk group for chronic diseases, Shimao pays close attention to their health. Recently, a number of projects have organised free health services for the elderly during the Double Ninth Festival, including physical examinations, blood pressure and blood sugar measurements, and held health knowledge lectures on cold prevention and control of the "three highs" in autumn and winter to detect and prevent potential health problems in a timely manner.



Ningbo Yaojing Garden specially organised anti-fraud knowledge training for the elderly to help them become familiar with various fraud methods in order to enhance their self-protection awareness, and build a solid "anti-fraud security firewall".



During traditional festivals such as the Mid-Autumn Festival and the Double Ninth Festival, the property management team of Shimao Linyu'an in Wuhan carefully organised the public welfare photography activity "Warmth for the Golden Years", providing free exclusive wedding photos for elderly couples in the community. The camera captured their timeless love, creating warm and romantic moments that have become everlasting precious memories.



### Protect the childhood of the little persimmon

For young owners, we also pay warm attention to them, calling them "little persimmons", and pinning our best wishes on the children: we hope they can explore, learn and grow together here, and spend a warm, vivid and bright childhood like persimmons. Shimao has always regarded child-friendliness as a key consideration, and by creating diversified activity spaces and holding a variety of themed activities, the "little persimmons" can continue to reap happiness and growth in the Shimao family.



The first phase of World Bay Garden has been renovated to make it a shared activity space for owners, affectionately called "Maoyuan", which means "Shimao created a paradise for owners". The interior of "Maoyuan" is divided into four areas: "Neighbourhood Home", "Children's Playground", "Shared Activity Room" and "Shared Basketball Court". Among them, the "Children's Playground" is equipped with aldehyde-free and non-toxic toys and extracurricular reading materials, and all facilities are designed with anti-collision corners, which not only brings joy to the children, but also ensures their safety to the greatest extent.



During this year's International Children's Day, Wuhan Shimao Longwan held the "Gather to Celebrate Childhood on 1st June, Let's Recycling" environmental protection market event, where children can experience the reuse and recycling of resources by exchanging or selling idle items, and deeply understand the importance of environmental protection and conservation through entertainment and education. As an annual offline gathering of "little persimmons" from all over the country, Shimao plans fun and meaningful themes every year to leave unforgettable childhood memories for children.



#### **All-age friendly community practice**

In community practice, Shimao extends its care for "one old and one young" to a broader perspective of all ages. We believe that a truly vibrant home should allow every family member – whether a toddler to a high-spirited young adult or an elderly person enjoying their old age – to find their own joy and belonging. The following two projects are a vivid portrayal of this concept.

In Shaoxing Shimao Yunyue Mansion, the project has implemented the concept of "residence in the park", connecting two children's outdoor sports areas with a large area of sunshine lawn, and vividly connecting community facilities such as living rooms and running tracks to create a leisure and entertainment world suitable for people of different ages, and fulfil the scene of a happy life in the lush greenery.



The Jingmen Longshan Central Business District project has created an outdoor parent-child park for all ages with a "time ring theme" of about 800 square metres, with three theme rings: "Cognitive Ring", "Dream Ring", and "Recreation Circle", integrating natural cognition, scientific exploration and parental care, allowing parents to relax and enjoy intimate socialisation with their neighbours while accompanying their children.



In addition, the project has also builded Jingmen's first private fitness and entertainment overhead floor clubhouse, covering Tai Chi room, tearoom, yoga room, children's indoor theme park, living room, library, zone out room, gym and other diverse spaces, whether children, the elderly or young people, they can find their own joy in life here.



This vision of a beautiful home is gradually becoming a reality with the quality delivery of communities. At Shimao, we cherish family at both ends of the time - allowing the elderly to enjoy their old age in a familiar environment and allowing children to grow up freely under care. From considerate service to space creation, Shimao has always fulfilled this commitment with actions, making every home full of warmth and companionship, and allowing happiness to grow quietly from dawn to dusk.

## Appendix

### HKEX ESG Reporting Framework Index

General Disclosure	Key Performance Indicators	Page Number/ Notes
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<b>A3. Environment and Natural resources</b>	A3.1	P.11-39
<b>B. Social: Employment and Labour Practices</b>		
<b>B1. Employment</b>	B1.1-1.2	P.40-43 Performance Summary Table (Social)
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<b>B7. Anti-Corruption</b>	B7.1-7.3	P.61-65 Performance Summary Table (Social)
<b>B8. Community investment</b>	B8.1-8.2	P.66-70

## HKEX Climate-related Disclosures Index

Climate-related disclosures	Page number/ notes
<b>(I) Governance</b>	P.23-24 Climate Change - Governance
<b>(II) Strategy</b>	
<b>Climate-related risks and opportunities</b>	P.24-29 Climate Change - Strategy
<b>Business model and value chain</b>	P.24-29 Climate Change - Strategy
<b>Strategy and decision-making</b>	P.24-29 Climate Change - Strategy <i>The Group has not yet formulated a formal climate-related transition plan and will continue to monitor the development of relevant policies, markets and technologies to assess the necessity of establishing a transition plan in a timely manner and gradually improve the management of climate-related risks and opportunities.</i>
<b>financial position, financial performance and cash flows</b>	P.24-29 Climate Change - Strategy
<b>Climate resilience</b>	<i>The Group has not yet applied climate scenario analysis to assess climate resilience and will continue to monitor the development of relevant methodologies to enhance its resilience to future medium- to long-term climate-related risks in a timely manner.</i>
<b>(III) Risk management</b>	P.29-30 Climate Change – Risk Management
<b>(IV) Indicators and Targets</b>	
<b>Greenhouse gas emissions</b>	P.31 Climate Change - Metrics & Targets Performance Summary Table (Environment)
<b>climate-related transition risks</b>	<i>The Group has not yet applied climate scenario analysis for risk identification and assessment, and due to internal resources, the relevant quantitative analysis system has not yet been established, so it has not quantitatively disclosed the amount and percentage of assets or business activities that are vulnerable to climate-related transition risks and physical risks, and the amount and percentage of assets or business activities related to climate-related opportunities. The Group will continue to pay attention to regulatory requirements and industry practices and improve relevant disclosures in a timely manner.</i>
<b>Climate-related physical risks</b>	
<b>Climate-related opportunities</b>	
<b>Capital management</b>	<i>The Group has not yet quantified the disclosure of capital expenditure, financing or investment amounts for climate-related risks and opportunities, and is limited by internal resources, and the accounting and disclosure system for relevant data is still in the process of being established. The Group will continue to pay attention to regulatory requirements and industry practices and improve relevant disclosures in a timely manner.</i>

<b>Internal carbon pricing</b>	<i>The Group has not yet applied internal carbon pricing and will continue to monitor the development of relevant practices and evaluate the feasibility of introducing a carbon pricing mechanism in a timely manner.</i>
<b>Remuneration</b>	<i>The Group has not yet formally incorporated climate-related considerations into its remuneration policy and will continue to pay attention to regulatory requirements and industry practices to evaluate the feasibility of incorporating climate-related indicators into the management appraisal incentive system in a timely manner.</i>
<b>Industry indicators</b>	P.13 Green building and performance
<b>Climate-related goals</b>	P.30 Climate change - Metrics & Targets
<b>The applicability of cross-industry indicators and industry indicators</b>	<i>Not applicable</i>

## Performance Summary Table (Environment)

Emissions	By Type	Unit	2025
Emissions	Nitrogen Oxides	Tonnes	0.01404
	Sulphur Oxides	Tonnes	0.00044
	Particulate Matter	Tonnes	0.00103
Total Direct Greenhouse Gas Emissions (Scope 1)	/	Tonnes of Carbon Dioxide Equivalent	633.44
Direct Greenhouse Gas Emissions	Gasoline	Tonnes of Carbon Dioxide Equivalent	79.64
Direct Greenhouse Gas Emissions	Refrigerant	Tonnes of Carbon Dioxide Equivalent	553.80
Direct Greenhouse Gas Reduction	Tree Planting	Tonnes of Carbon Dioxide Equivalent	0
Total Indirect Greenhouse Gas Emissions (Scope 2)	/	Tonnes of Carbon Dioxide Equivalent	2,527.66
Indirect Greenhouse Gas Emissions	Purchased Electricity	Tonnes of Carbon Dioxide Equivalent	2,527.66
	Purchased Heat	Tonnes of Carbon Dioxide Equivalent	-
Total Direct and Indirect Greenhouse Gas Emissions	/	Tonnes of Carbon Dioxide Equivalent	3,161.10
Carbon Emission Intensity	/	Tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.36
Waste	By Type	Unit	
Total Amount Of Harmless Waste	/	Tonnes	22.7
Hazardous Waste Intensity	/	Tonnes/ m <sup>2</sup>	0.00258
Energy	By Type	Unit	2025
Total Direct Energy Use	/	MWh	290.15
Direct Energy Use	Gasoline	MWh	290.15
Total Indirect Energy Use	/	MWh	4,375.39
Indirect Energy Usage	Purchased Electricity	MWh	4,375.39
	Purchased Heat	MWh	0
Total Energy Use	/	MWh	4,665.54
Energy Use Intensity	/	MWh/m <sup>2</sup>	0.53
Water Resources	By Type	Unit	2025
Total Water Resource Use	/	Tonnes	62,952.72
Water Use Intensity	/	Tonnes/ m <sup>2</sup>	7.15

**Notes:**

1. The calculation method of direct greenhouse gas emissions and indirect greenhouse gas emissions uses the average emission factor of the national power grid proposed by the Ministry of Ecology and Environment of China and the international standard coefficient.
2. The calculation method for nitrogen oxides, sulphur oxides and particulate matter in emissions is based on the "How to Prepare Environmental, Social and Governance Report (Appendix 2)" proposed by the Stock Exchange and international standard coefficients.
3. Non-hazardous waste includes wastepaper, office household waste, and metals.
4. The calculation method for total direct energy use and total indirect energy use is based on the "How to Prepare Environmental, Social and Governance Report (Appendix 2)" proposed by the Stock Exchange and international standard coefficients.
5. Water resources include only municipal water.
6. If there is no currency designation, the amount disclosed in this report is RMB.

## Performance Summary Table (Social)

Employees	By Type	Unit	2025		
Total Employees	/	Person	621		
By Gender	Female	Person	274		
	Male	Person	347		
By Age	30 Years Old or Younger	Person	24		
	31-40 Years Old	Person	376		
	41-50 Years Old	Person	195		
	Over 50 Years Old	Person	26		
By Region	Hong Kong	Person	1		
	Mainland China	Person	620		
By Type of Employment	Full-Time	Person	621		
	Part-Time	Person	0		
By Rank	C-suit Executives	Person	10		
	Senior Management	Person	76		
	Intermediate Management	Person	466		
	General Employees	Person	69		
Employee Turnover Rate	By Type	Unit	2025		
Employee Turnover Rate	/	%	48		
By Gender	Female	%	50		
	Male	%	47		
By Age	Under 30 Years Old	%	113		
	41-50 Years Old	%	54		
	30-50 Years Old	%	33		
	Over 50 Years Old	%	19		
By Region	Hong Kong	%	0		
	Mainland China	%	48		
Health and Safety	By Category	Unit	2023	2024	2025
The Number of Deaths Due To Work	/	Person	0	0	0
The Ratio of the Number of Deaths Due to Work	/	%	0	0	0
The Number of Working Days Lost Due to Work-Related Injuries	/	Day	122	208	60
Development and Training	By Type	Unit	2025		
Percentage of Employees Trained in Total Employees	/	%	100		
Percentage of Employees Trained					
By Gender	Female		%		100
	Male		%		100
By Rank	C-suit Executives		%		100
	Senior Management		%		100
	Intermediate Management		%		100
	General Employees		%		100

