



Red Star Macalline Group Corporation Ltd.

(A Sino-foreign joint stock limited company incorporated in the People's Republic of China)

H Share Stock Code:01528 A Share Stock Code: 601828

2025

Environmental, Social and Governance Report





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About This Report

This is the 2025 ESG Report ("this report") released by Red Star Macalline Group Corporation Ltd. (referred to as "Red Star Macalline", "the Company" or "We"). The purpose of this report is to provide stakeholders with an overview of Red Star Macalline's management efforts in environmental, social, and governance aspects in 2025, as well as the initiatives and achievements towards advancing the United Nations Sustainable Development Goals.



Reference Guidelines

This report is compiled in accordance with the Appendix C2: Environmental, Social and Governance Reporting Code released by The Stock Exchange of Hong Kong Ltd.; the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial); the Guide No. 4 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports (Revised January 2026) issued by the Shanghai Stock Exchange; the Sustainability Disclosure Standards for Enterprise - General Requirements (Trial) jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission; the Sustainability Accounting Standards Board (SASB) Standards; as well as the two International Financial Reporting Standards Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB). Additionally, this report incorporates disclosure requirements aligned with the United Nations Sustainable Development Goals (SDGs).



Reporting Scope

The reporting period is between January 1, 2025, and December 31, 2025, and some parts of the report may be beyond the aforementioned scope considering the continuity and comparability of disclosures. The economic, environmental, and social data disclosed in this report includes all enterprises within the scope of the consolidated statement of Red Star Macalline Group Corporation Ltd.



Explanatory Note

Abbreviation	Full Name
Red Star Macalline, Macalline, the Company or We	Red Star Macalline Group Corporation Ltd.
C&D Group	Xiamen C&D Corp., Ltd
C&D Inc.	Xiamen C&D Inc.

Report Availability and Feedback

We released this report in electronic format in Simplified Chinese, Traditional Chinese and English. In case of any inconsistencies between the Chinese and English versions, the Chinese version shall prevail. The electronic version of the report is available on our official website (www.chinaredstar.com), the website of the Stock Exchange of Hong Kong Ltd. (www.hkexnews.hk), and the website of the Shanghai Stock Exchange (www.sse.com.cn). We are committed to improving our environmental, social and corporate governance performance, and if you have any comments or suggestions on this report, please get in touch with us at jt.dcb@chinaredstar.com.





Message from the Chairman

In 2025, Red Star Macalline stood at a critical juncture of industry transformation and consumption upgrading. Faced with the profound changes in the home furnishing industry from incremental competition to in-depth stock competition and from experience-driven development to digital and intelligent dual-driven development, we adhered to the wise philosophy of "achieving directness through indirectness and turning adversity into advantage", proactively seeking changes and forging ahead as a pioneer. Over the past year, we deepened our "3+ Star Ecology" corporate strategy, centering on "upholding the core home furnishing business, pursuing youth-oriented transformation, empowering digitalization, expanding ecological development, and implementing global layout". With the new brand positioning of "Come to Red Star Macalline for design, electrical appliances, furniture and building materials", we integrated design, brand, supply chain and service resources to build an extended home furnishing ecosystem featured by the integration of home furnishing, home decoration and home appliances. The three sectors serve as mutual portals, mutual growth drivers and mutual enablers. In this way, we consolidated our leading position in the industry and achieved high-quality development.

We have always taken technological innovation as our core driving force, deeply integrating green concepts into product research and development as well as digital transformation. We are committed to leading the industry toward low-carbon and intelligent development, creating a more efficient, smarter, and more sustainable operation model. In 2025, we comprehensively upgraded the digital operation system for membership across our nationwide stores, iteratively updating our data warehouse, AI service platform, floor management system, consolidated reporting system, and intelligent customer service system. We promoted the standardization of data, optimization of processes, and intelligence of business analysis. Through independent research and in-depth collaboration with leading technology companies, we continuously enhance the operational efficiency and service levels of our stores with the power of technology, providing innovative impetus and sustainable value for the development of the industry.

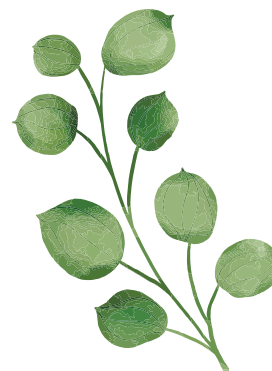
We actively implement the national dual carbon strategy and integrate the philosophy of green development into all aspects of our corporate operations. In 2025, we continued to promote green office practices, energy conservation and emission reduction, the application of environmentally friendly products, and low-carbon operational initiatives. We steadily optimized our energy structure, enhanced the rate of resource recycling, advanced the development of a circular economy, and continuously reduced energy consumption and the carbon emissions from our own operations. We integrate environmental concepts into home furnishing design, material selection, and supply chain management, advocate a green and low-carbon lifestyle, and actively carry out energy conservation campaigns and environmental education. Through concrete actions, we lead the industry toward sustainable development and provide consumers with healthy, safe, and environmentally friendly home living experiences.

We fully recognize that corporate development and social responsibility are mutually reinforcing. In 2025, we faithfully fulfilled our social responsibilities and actively established a mechanism for coordinated development with local communities, promoting the parallel progress of corporate growth and community well-being. We respected and preserved the cultural traditions and customs of communities, strengthened our connections and interactions with them, and sought to understand and respond to their needs and aspirations. At the same time, we placed great emphasis on education and public welfare. Through rural revitalization initiatives, educational support programs, and a diverse range of charitable activities, we gave back to communities through concrete actions and contributed to their prosperity and sustainable development.

Looking ahead, we will continue to center on our core home furnishing business, seize the opportunities presented by brand rejuvenation and digital transformation, and be driven by digital intelligence, ecological expansion, and global reach. We will steadily optimize our product and service systems, deepen industrial ecosystem collaboration, and progressively expand our international presence. Our commitment is to provide consumers with one-stop, scenario-based, and premium home living solutions, guiding the company's ongoing evolution from a traditional home furnishing retailer to a "life proposal expert who best understands consumers." No matter how fiercely the industry is shaken by challenges, we will grasp the opportunities for change with wisdom and courage, steadfastly adhere to long-termism, and create lasting value for our employees, consumers, partners, and society, turning the vision of a better life into reality.

Chairman of Red Star Macalline Group Corporation Ltd.

Li Yupeng



About Red Star Macalline

Red Star Macalline Group Corporation Ltd. was established in 2007, with its headquarters located in Shanghai, China. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Ltd. on June 26, 2015 (stock code: 01528.HK), and further listed on the Main Board of the Shanghai Stock Exchange on January 17, 2018 (stock code: 601828.SH). With this, Red Star Macalline became the first enterprise in China's home decoration and furnishings industry to achieve dual listing on both A-share and H-share markets.

As a leading home improvement and furnishings shopping mall operator and a pan-home furnishings business platform service provider in China, Red Star Macalline mainly engages in providing comprehensive services to merchants, consumers, and partners through the operation and management of self-operated shopping malls, managed shopping malls, franchise shopping malls, and strategic cooperation shopping malls. In addition, we offer pan-home furnishings consumption services, including internet retailing, home decoration, and design.

We have adopted the "3+ Star Ecosystem" as our corporate strategy, promoting the integration of home appliances, home furnishings, and home decoration design. We have established ten major category theme pavilions, including premium appliances and international imports, as well as the M+ Premium Home Decoration Design Center, forming a "10+1" comprehensive home furnishing ecosystem that covers all product categories and integrates brand partners and designer resources. We are also expanding into new business formats such as automotive and dining services, building an integrated service platform that enables one-stop home experiences, one-stop home consumption, and one-stop home delivery services. We have taken the lead in advancing the digital upgrade of our nationwide shopping malls, establishing an online "Tmall City Station" while expanding our presence across digital channels including Tik Tok, RedNote, WeChat Video Channels, Amap, and Dianping. Through these efforts, we promote integrated online and offline operations, creating a comprehensive traffic generation system and a digital new retail ecosystem.

As of the end of the reporting period,

we operated **74** self-operated malls

128 managed malls

7 strategic cooperation malls

19 franchise projects

345 home furnishing stores/industrial streets

These operations span **181** cities across **30** provinces, municipalities, and autonomous regions, covering a total operating area of **19.13** million m² and encompassing over **41** thousand domestic and international brand series.



2025 Sustainable Development Impact

Economic Impact

Total Asset

873.6 CNY 100 million

Operating revenue

65.82 CNY 100 million

Net Asset

239.17 CNY 100 million

Net profit attributable to shareholders
of the parent company

-237.22 CNY 100 million

Social Impact

Total social contributions

50.97 CNY 100 million

Including:

—Total tax payment: **11.06** CNY 100 million

—Employee compensation: **17.62** CNY 100 million

—Dividends paid to shareholders: **0.69** CNY 100 million

—Interests paid to creditors: **21.60** CNY 100 million

Total work safety input

77.57
Ten-thousand CNY

Volunteer service hours

7,885
hours

Number of employees

9,012

Employee training hours

839,637
hours

Environmental Impact

GHG emission intensity

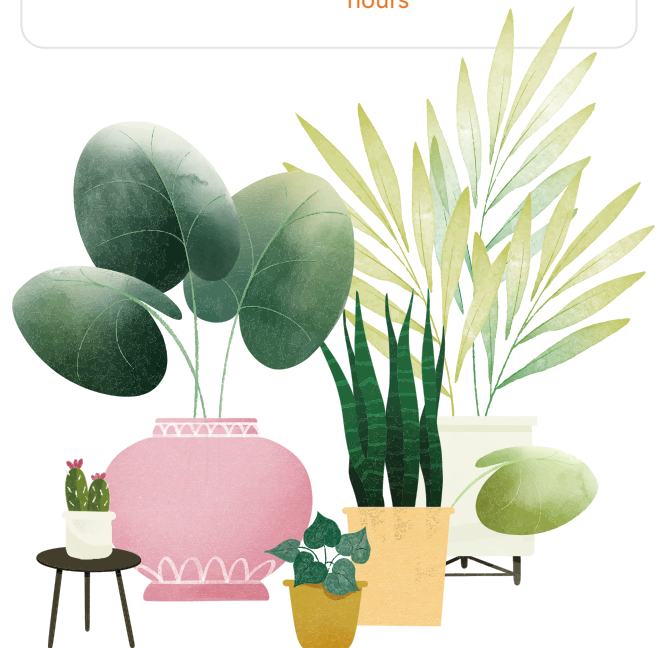
164.67 tCO₂ e/10,000 m²

Energy intensity

420.17 MWh/10,000 m²

Water intensity

2,666.22 m³/10,000 m²



2025 Honors and Awards



"2024 Golden Information Disclosure Award for Listed Companies (Golden Bull Award)" presented by China Securities Journal



"The Most Valuable Investment Award" presented by cls.cn



"The Annual Brand for Responsible Practice" presented by Beijing News



"2025 Model Enterprise for Strategic Transformation in Home Furnishing Industry" and "2025 Annual Brand for Commercial Ecosystem Innovation" presented by LEJU Finance



"2025 Annual Integrated Marketing Award" of the 23rd Finance and Economics Storm List presented jointly by Hexun Group and SEEC



"Elderly-Friendly Mall" conferred jointly by the Civil Affairs Bureau and the Commerce Commission of Putuo District, Shanghai (Global Home Furnishings Store No. 1)



Management of Material Matters

As a key step in sustainable development management and information disclosure, we conducted a double materiality assessment of sustainability matters in 2025 to identify issues that have a material impact on our stakeholders and the company's long-term business value. The assessment was based on the methodologies stipulated in the latest domestic and international sustainability disclosure regulations, including the Sustainability Disclosure Standards for Enterprise – General Requirements (Trial) jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission; the Appendix C2: Environmental, Social and Governance Reporting Code released by The Stock Exchange of Hong Kong Ltd.; the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial); the Guide No. 4 for Self-Regulatory Supervision on Listed Companies of the SSE – Compilation of Sustainable Development Reports (Revised January 2026) issued by the Shanghai Stock Exchange; as well as the two International Financial Reporting Standards Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB).

In the materiality assessment, we follow the principle of "double materiality" to identify whether a matter is expected to have a material impact on our business model, operations, and other aspects in the short, medium, and long term (financial materiality), and whether our performance on the matter will have a material impact on the economy, society, and the environment (impact materiality). We gathered multi-dimensional opinions from 289 stakeholders through surveys. Based on the survey results, we systematically identified and selected 8 matters with "double materiality," which are explained in the relevant sections of this report.



Double Materiality Assessment



Step 1: Understanding the Context and Identifying Sustainability Matters

We conducted the context analysis by fully considering five factors, including the selected sustainability disclosure standards, international initiatives, global economic and macro-policy dynamics, market trends, and the company's strategy and development needs.

■ 1 Sustainability Disclosure Standards

Including the Sustainability Disclosure Standards for Enterprise – General Requirements (Trial) jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission; Appendix C2: Environmental, Social and Governance Reporting Code released by The Stock Exchange of Hong Kong Ltd.; Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) and Guide No. 4 for Self-Regulatory Supervision on Listed Companies of the SSE – Compilation of Sustainable Development Reports (Revised January 2026) issued by the Shanghai Stock Exchange; as well as the two International Financial Reporting Standards Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB).

■ 2 International Initiatives

The United Nations Sustainable Development Goals (SDGs), the 30th Conference of the Parties of the UNFCCC (COP 30), the Due Diligence Guidance for Responsible Business Conduct of Organisation for Economic Co-operation and Development (OECD), etc.

■ 3 Economic and Macro-Policy Dynamics

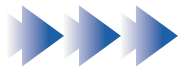
Driven by the global temperature control goals under the Paris Agreement and the national "dual carbon" goals, China has steadily rolled out policies to boost consumption of green building materials and eco-friendly home furnishings, supporting the industry's shift toward low-carbon development. Meanwhile, the home furnishing retail sector is undergoing a digital and smart transformation, moving toward an integrated "whole-home" ecosystem. Together, these dynamics are shaping a new trajectory for growth.

■ 4 Market Trends

The growing demand for green, healthy, and low-carbon home furnishing products is driving the broader home furnishing value chain and its service processes toward greater standardization and transparency. Meanwhile, regulatory authorities and capital markets are imposing increasingly stringent requirements regarding green building certifications, brand environmental compliance, product life-cycle management, and corporate ESG performance. These evolving expectations are profoundly reshaping the competitive landscape and development trajectory of the industry.

■ 5 Company Strategy and Development Needs

The Company's growth strategy prioritizes long-term sustainability by proactively responding to evolving industry regulations and policy directions, while continuously strengthening corporate resilience and integrated risk management capabilities. These efforts are designed to drive the Company toward higher-quality and more sustainable long-term development.



List of the Company's Sustainable Development Topics

Dimension	Sustainability Matters	
Environmental	<ul style="list-style-type: none"> • Climate Response • Waste Disposal • Environmental Compliance Management • Usage of Water Resources 	<ul style="list-style-type: none"> • Pollutant Discharge • Ecosystem and Biodiversity Protection • Energy Usage • Circular Economy
Social	<ul style="list-style-type: none"> • Rural Revitalization • Innovation-driven Development • Responsible Sourcing • Equal Treatment to SMEs • Data Security and Customer Privacy Protection • Equal Employment • Employee Communication • Employee Compensation and Benefits 	<ul style="list-style-type: none"> • Social Contributions • Technology Ethics • Supply Chain Security • Safety and Quality of Products and Services • Supporting Industry Development • Human Rights Protection • Employee Development and Training • Occupational Health and Safety
Governance	<ul style="list-style-type: none"> • Due Diligence • Risk and Compliance Management • Anti-unfair Competition 	<ul style="list-style-type: none"> • Communications with Stakeholders • Anti-Commercial Bribery and Anti-Corruption • Tax Compliance

Step 2-1: Impact Materiality Assessment

We assess the impact materiality and financial materiality of each matter based on two dimensions: the severity and the likelihood of occurrence.

• Dimension 1: Severity of Impact

We assessed the "severity of impact" of key sustainability matters across economic, environmental, and social dimensions through stakeholder surveys, with 289 valid questionnaires returned. We used statistical methods such as weighted averages and variance analysis to quantify the qualitative scores (1-5 scale) of each matter. The overall severity score was calculated by combining the weight distribution to determine the priorities of sustainability impacts.

• Dimension 2: Likelihood of Occurrence

We inferred the risk probability based on the frequency of similar events in the past and classified and quantified the probability of risk occurrence based on experience, to determine the likelihood of occurrence.



Impact Materiality Assessment Outcomes

Impact Materiality: Low	Impact Materiality: Medium	Impact Materiality: High
<ul style="list-style-type: none"> • Usage of Water Resources • Waste Disposal • Circular Economy • Environmental Compliance Management • Pollutant Discharge • Technology Ethics • Ecosystem and Biodiversity Protection • Rural Revitalization 	<ul style="list-style-type: none"> • Employee Development and Training • Employee Compensation and Benefits • Anti-unfair Competition • Safety and Quality of Products and Services • Supply Chain Security • Employee Communication • Equal Treatment to SMEs • Communications with Stakeholders • Energy Usage • Human Rights Protection • Responsible Sourcing • Occupational Health and Safety • Due Diligence • Innovation-driven Development • Supporting Industry Development • Social Contributions 	<ul style="list-style-type: none"> • Anti-Commercial Bribery and Anti-Corruption • Tax Compliance • Risk and Compliance Management • Climate Response • Data Security and Customer Privacy Protection • Equal Employment

Impact Materiality: Low

A score below 2.5 on the impact materiality assessment indicates that the company's performance on this particular issue has a relatively limited actual or potential impact on the economy, society, and the environment.

Impact Materiality: Medium

A score between 2.5 and 3.0 on the impact materiality assessment indicates that the company's performance on this particular issue has a certain degree of substantive impact on the economy, society, and the environment, requiring attention and the implementation of corresponding management measures.

Impact Materiality: High

A score above 3.0 on the impact materiality assessment indicates that the company's performance on this particular issue has a direct, extensive, and significant actual or potential material impact on the economy, society, and the environment.

Step 2-2: Financial Materiality Assessment

We assess the financial materiality of each matter based on two dimensions, including the potential magnitude and the likelihood of occurrence.



• Dimension 1: Potential Magnitude

The direct and indirect, positive and negative impacts that opportunities and risks associated with each sustainability issue may have on the company's financial performance during the reporting period and in the projected future period.

• Dimension 2: Likelihood of Occurrence

The likelihood that opportunities and risks associated with each sustainability issue may impact the company's financial performance in the short, medium and long term.

Reference Factors	
Cost	Considering factors such as market price of resources, trend forecasts, and the company's historical costs
Profits	Considering both costs and revenues, assessing the impact on profits

Financial Materiality Assessment Outcomes

Financial Materiality: Low	Financial Materiality: Medium	Financial Materiality: High
<ul style="list-style-type: none"> • Waste Disposal • Social Contributions • Due Diligence • Environmental Compliance Management • Pollutant Discharge • Circular Economy • Ecosystem and Biodiversity Protection • Technology Ethics • Rural Revitalization 	<ul style="list-style-type: none"> • Equal Employment • Supply Chain Security • Energy Usage • Data Security and Customer Privacy Protectio • Ati-unfair Competition • Equal Treatment to SMEs • Occupational Health and Safety • Employee Development and Training • Responsible Sourcing • Employee Communication • Innovation-driven Development • Communications with Stakeholders • Human Rights Protection • Supporting Industry Development • Usage of Water Resources 	<ul style="list-style-type: none"> • Climate Response • Risk and Compliance Management • Tax Compliance • Anti-Commercial Bribery and Anti-Corruption • Employee Compensation and Benefits • Safety and Quality of Products and Services

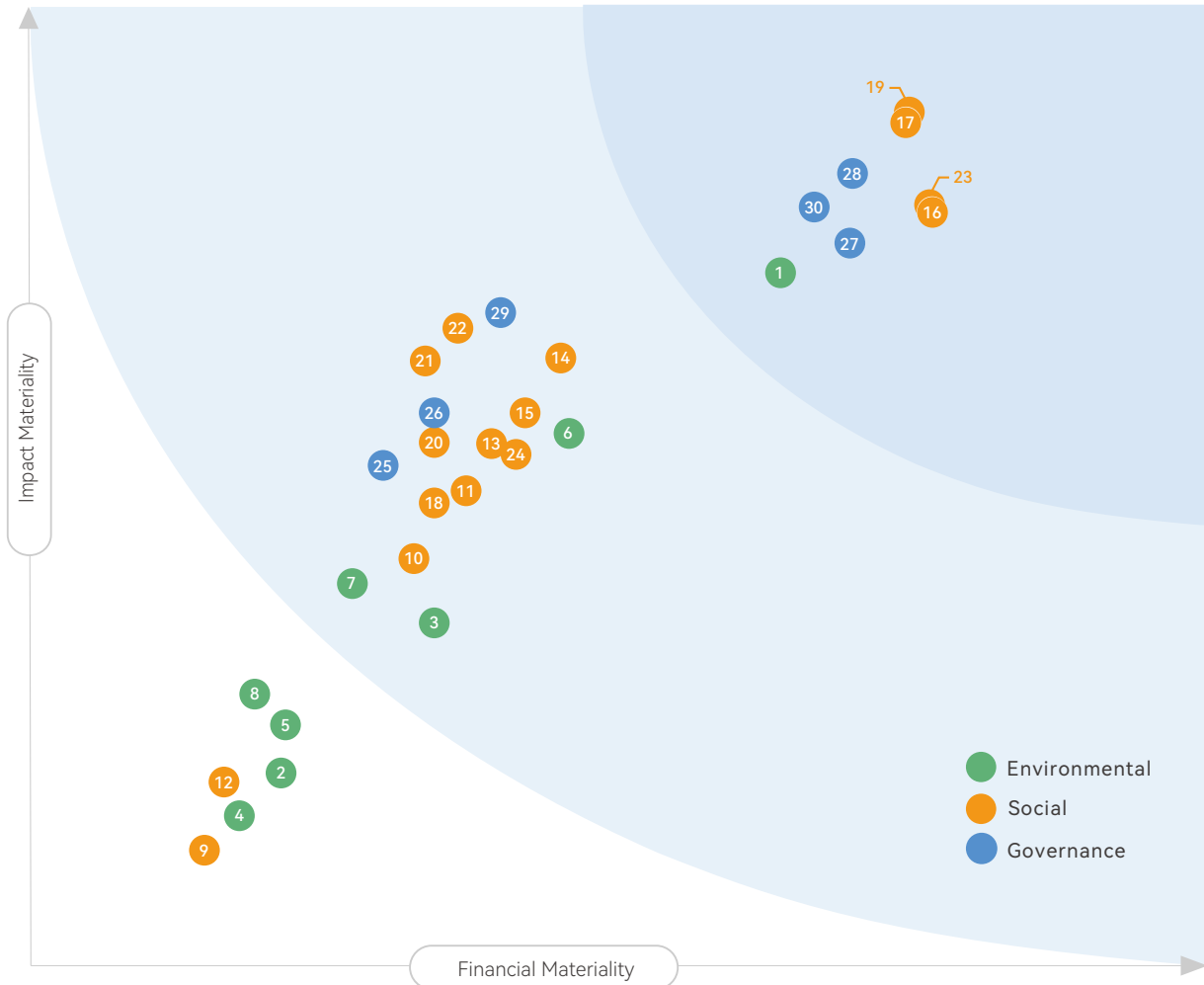
"Financial Materiality : Low" refers to issues that may have a financial impact on the company in the short, medium, and long term, but the Potential Magnitude is limited, meaning the effect on monetary value (e.g., revenue) is less than 1 million CNY, or the impact on net profit is less than 1%.

"Financial Materiality: Medium" refers to issues that may have a certain financial impact on the company in the short, medium, and long term, where the effect on monetary value (e.g., revenue) ranges from 1 million to 5 million CNY, or the impact on net profit ranges from 1% to 5%.

"Financial Materiality: High" refers to issues that may have a significant financial impact on the company in the short, medium, and long term, where the effect on monetary value (e.g., revenue) exceeds 5 million CNY, or the impact on net profit exceeds 5%.

Step 3: Consolidating Impact and Financial Materiality Outcomes

Based on the assessment outcomes of impact materiality and financial materiality, we have developed a materiality matrix and identified 8 material matters.



Environmental

- 1 Climate Response 2 Pollutant Discharge 3 Waste Disposal 4 Ecosystem and Biodiversity Protection
- 5 Environmental Compliance Management 6 Energy Usage 7 Usage of Water Resources 8 Circular Economy

Social





- 9 Rural Revitalization 10 Social Contributions 11 Innovation-driven Development 12 Technology Ethics
- 13 Responsible Sourcing 14 Supply Chain Security 15 Equal Treatment to SMEs 16 Safety and Quality of Products and Services
- 17 Data Security and Customer Privacy Protection 18 Supporting Industry Development 19 Equal Employment 20 Human Rights Protection
- 21 Employee Communication 22 Employee Development and Training 23 Employee Compensation and Benefits 24 Occupational Health and Safety

Governance




- 25 Due Diligence 26 Communications with Stakeholders 27 Risk and Compliance Management 28 Anti-Commercial Bribery and Anti-Corruption
- 29 Anti-unfair Competition 30 Tax Compliance

Step 4: Reporting and Practice Guidance

The results of the materiality assessment of sustainability issues are reviewed and approved by the Board of Directors as a key component of the sustainability report. The relevant sections of the report systematically set out the specific management measures and practical actions adopted by the Company in respect of each material topic.

Material Matter	Scope of Impact				Affected Stakeholders	Risk	Opportunities	Time ¹ Horizon	SDGs	The Chapter of Management and Action
	Value Chain Ustream	Operations	Value Chain Downstream	Communities						
Climate Response	✓	✓	✓	✓	<ul style="list-style-type: none"> Employees Customers Suppliers Investors Banks and Other Financial Institutions Media Institutions Government and Regulatory Bodies Non-governmental Organizations Local Communities 	<ul style="list-style-type: none"> Rising Costs Driven by Policies: Under the national "dual carbon" goals, the tightening of macro-environmental policies and the upgrading of building carbon emission standards may lead to higher operational costs for commercial properties. Operational Threats Posed by Extreme Weather: The frequent occurrence of extreme climate events may pose threats to the safety of physical commercial assets and the business continuity of the supply chain, increasing the risk of business interruption and investment in operations and maintenance. Competitiveness Affected by Green Preferences: Consumers and tenants increasingly favor green and low-carbon commercial spaces. Failure to respond promptly may result in the mall's attractiveness being diminished and vacancy rates rising. 	<ul style="list-style-type: none"> Capitalizing on the low-carbon economy trend to systematically establish a green commercial real estate operation system, thereby achieving the transformation of sustainable business value. Promoting the application of clean energy and energy efficiency technologies to optimize the energy mix and reduce long-term operational costs. Creating low-carbon consumption spaces and green commercial benchmarks to enhance the brand's reputation and influence in the capital market and among consumers. 	Short-term Mid-term Long-term	  	Climate Response Energy Usage Circular Economy
Risk and Compliance Management	✓	✓	✓	✓	<ul style="list-style-type: none"> Employees Customers Suppliers Investors Banks and Other Financial Institutions Media Institutions Government and Regulatory Bodies Non-governmental Organizations 	<ul style="list-style-type: none"> Compliance Costs Increased by Stricter Regulations: As national laws and regulations, along with capital market oversight requirements, continue to strengthen, companies that fail to upgrade their compliance systems in a timely manner will face higher compliance costs and potential penalties. Liquidity Risk Exacerbated by Policy Linkages: The home furnishing industry is highly correlated with real estate policies. Without systematic risk assessment of macro policies, market fluctuations may lead to liquidity pressure on the enterprise. 	<ul style="list-style-type: none"> Establishing a risk control system that exceeds regulatory requirements to significantly enhance the company's ability to withstand cyclical fluctuations in the macroeconomy, thereby reinforcing operational stability and resilience. Establishing a comprehensive compliance management system to win the trust of the capital market and the public in a complex regulatory and market environment, thereby shaping a responsible corporate reputation. 	Short-term Mid-term Long-term		Risk and Compliance Management

¹ Explanation of Impact Time Horizons: The short term generally refers to a period within one year (inclusive) after the end of the reporting period; the medium term refers to the period between one and five years (inclusive) after the end of the reporting period; the long term refers to a period beyond five years after the end of the reporting period.

Material Matter	Scope of Impact				Affected Stakeholders	Risk	Opportunities	Time ¹ Horizon	SDGs	The Chapter of Management and Action
	Value Chain Ustream	Operations	Value Chain Downstream	Communities						
Tax Compliance	✓	✓	✓	✓	<ul style="list-style-type: none"> • Employees • Customers • Suppliers • Investors • Banks and Other Financial Institutions • Media Institutions • Government and Regulatory Bodies • Non-governmental Organizations 	<ul style="list-style-type: none"> • Tax Compliance Risk: Amid the global trend toward tax transparency and the digitalization of national tax collection and administration, companies that fail to establish a dynamically adaptable tax management system may suffer financial losses and reputational damage. 	<ul style="list-style-type: none"> • Maintaining a good tax compliance record helps the company gain priority access to policy support and resource connections, thereby optimizing the overall business environment and strengthening social resource synergy. 	Short-term Mid-term Long-term		Tax Compliance Management
Anti-Commercial Bribery and Anti-Corruption	✓	✓	✓		<ul style="list-style-type: none"> • Employees • Customers • Suppliers • Investors • Banks and Other Financial Institutions • Media Institutions • Government and Regulatory Bodies • Non-governmental Organizations 	<ul style="list-style-type: none"> • Business Ethics and Compliance Risk: Involvement in bribery or corruption will not only cause direct economic losses but also disrupt the stability of the supply chain ecosystem, severely damaging stakeholder trust and corporate reputation. 	<ul style="list-style-type: none"> • Establishing a business ethics system with high transparency and strong integrity can promote fairer and more efficient collaboration within the supply chain ecosystem, and foster long-term, stable trust relationships between government and enterprises, as well as between businesses and customers. 	Short-term Mid-term Long-term		Anti-Commercial Bribery and Anti-Corruption
Employee Compensation and Benefits		✓			<ul style="list-style-type: none"> • Employees 	<ul style="list-style-type: none"> • Talent and Organizational Risk: The lack of a market-competitive talent incentive and compensation system will lead to the loss of core talent, resulting in a decline in the value of human capital and the weakening of organizational capabilities. 	<ul style="list-style-type: none"> • Establishing a scientific, fair, and industry-competitive compensation and benefits system along with a long-term incentive mechanism, effectively stimulating organizational innovation vitality, attracting and retaining high-value talent, and continuously enhancing the enterprise's core competitiveness. 	Mid-term Long-term		Employee Compensation and Benefits







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Material Matter	Scope of Impact				Affected Stakeholders	Risk	Opportunities	Time ¹ Horizon	SDGs	The Chapter of Management and Action
	Value Chain Ustream	Operations	Value Chain Downstream	Communities						
Safety and Quality of Products and Services	✓	✓	✓	✓	<ul style="list-style-type: none"> Customers Suppliers 	<ul style="list-style-type: none"> Product and Service Risk: A lack of systematic supervision and management over product quality, health and environmental standards, and service commitments within the supply chain will increase the risk of consumer rights disputes and regulatory accountability. 	<ul style="list-style-type: none"> Establishing a product quality control and service standard system covering the entire lifecycle helps promote the construction of a sustainable and healthy ecosystem within the industry, achieving long-term brand value enhancement and premium pricing capability. 	Short-term Mid-term Long-term		Safety and Quality of Products and Services
Equal Employment		✓			<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Equal Employment Compliance Risk: Neglecting the principles of diversity, equity, and inclusion in recruitment and promotion processes, or engaging in discrimination based on gender, age, or geographical origin, will violate the Labor Law and relevant international conventions, exposing the company to legal risks and public opinion crises. 	<ul style="list-style-type: none"> Building a diverse, equitable and inclusive corporate culture and employment environment helps to pool the wisdom of talents with cross-cultural and diverse backgrounds, providing internal impetus for the innovation of the Company's business models and services. 	Short-term Mid-term Long-term	 	Equal Employment
Data Security and Customer Privacy Protection	✓	✓	✓		<ul style="list-style-type: none"> Employees Customers Suppliers Investors Banks and Other Financial Institutions Media Institutions Government and Regulatory Bodies Non-governmental Organizations 	<ul style="list-style-type: none"> Data Security Risk: Inadequate data governance mechanisms or insufficient cybersecurity protection may lead to the leakage of sensitive information, thereby triggering a crisis of customer trust and the failure of membership system functions 	<ul style="list-style-type: none"> Establishing a high-standard data security and governance system and promoting the efficient use of data assets under compliance helps to empower omni-channel business decisions and precision marketing, continuously improving customer experience and operational efficiency. 	Mid-term Long-term	 	Data Security and Customer Privacy Protection

¹ Explanation of Impact Time Horizons: The short term generally refers to a period within one year (inclusive) after the end of the reporting period; the medium term refers to the period between one and five years (inclusive) after the end of the reporting period; the long term refers to a period beyond five years after the end of the reporting period.

Communications with Stakeholders

We attach great importance to the demands and expectations of our stakeholders. Through diversified communication mechanisms, we maintain ongoing engagement with them to promptly understand their feedback and expectations, which are then incorporated into our corporate governance framework. This enables the continuous enhancement of our ESG management capabilities and performance across all ESG topics.

Stakeholders	Concerned Issues	Communication Methods
 Employees	Occupational Health and Safety Human Rights Protection Employee Compensation and Benefits	Workers' Representative Meeting Employee Activities Employee Training Employee Satisfaction Surveys Employee Suggestion Box Employee Symposium / Unions
 Clients	Tax Compliance Risk and Compliance Management Safety and Quality of Products and Services	New Product Launch Conference Product Exhibition Customer Site Visit Research Customer Satisfaction Survey After-sales Service
 Suppliers	Tax Compliance Data Security and Customer Privacy Protection Safety and Quality of Products and Services	Supplier Audits and Training Partner Code of Conduct On-site Assessment Industry Seminar
 Investors	Safety and Quality of Products and Services Equal Treatment to SMEs Anti-Commercial Bribery and Anti-Corruption	Public Company Information Disclosure Shareholders' Meetings Earnings Conference Call and Webcast Investor Hotline and Interactive Platform
 Banks and Other Financial Institutions	Tax Compliance Data Security and Customer Privacy Protection Anti-Commercial Bribery and Anti-Corruption	Public Company Information Disclosure Project Cooperation
 Media Institutions	Climate Response Waste Disposal Tax Compliance	Public Company Information Disclosure Media Interviews Telephone and Email Communications
 Government and Regulatory Bodies	Tax Compliance Innovation-driven Development Anti-unfair Competition	Public Company Information Disclosure On-site Assessment Meeting and Exchange Supervision and Inspection Policy Implementation
 Non-governmental Organizations	Equal Treatment to SMEs Human Rights Protection Anti-unfair Competition	Public Company Information Disclosure On-site Visits Community Service Welfare Activities
 Local Communities	Social Contributions Rural Revitalization Circular Economy	Community Volunteer Activities Public Company Information Disclosure Public Welfare and Charity Projects

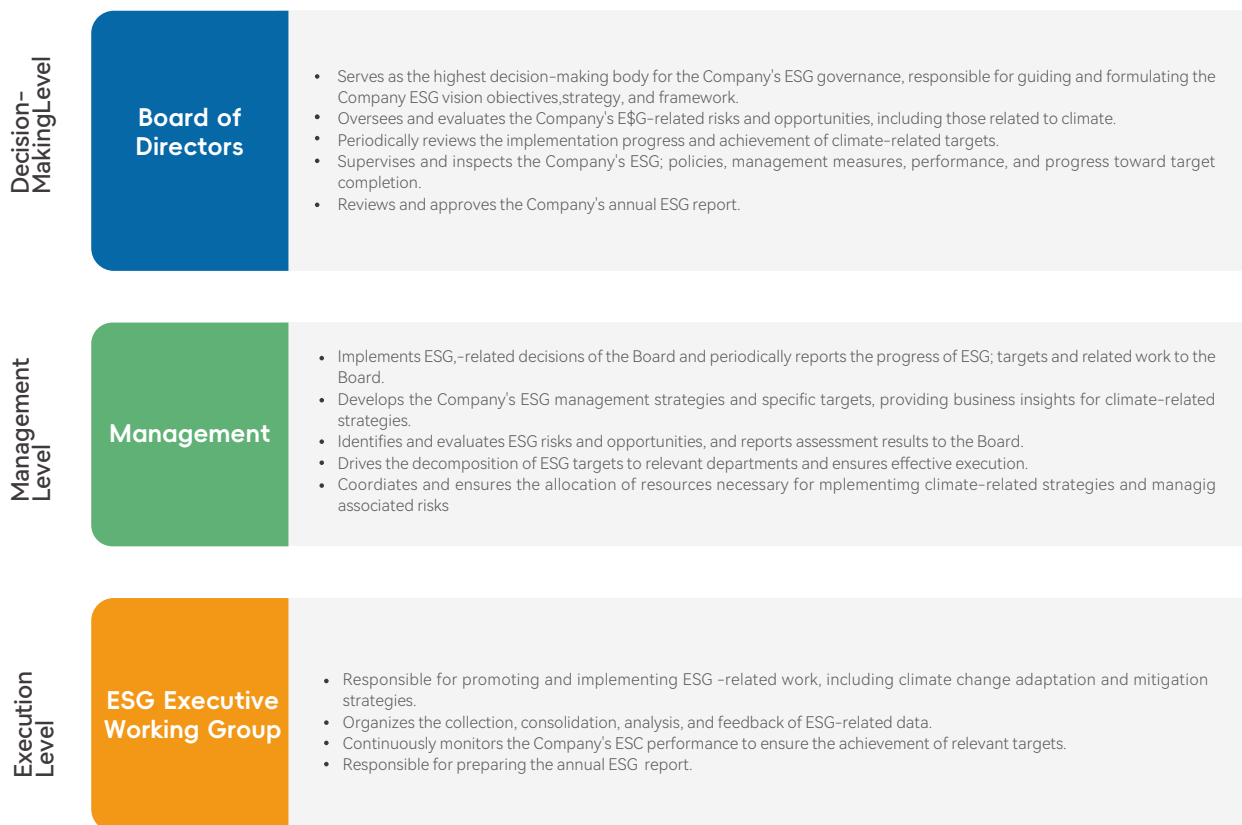
Sustainability-Related Governance

We are committed to creating long-term value and have deeply integrated the concept of sustainable development into our corporate strategy and the entire process of business operations and management. We place great importance on communication with stakeholders, continuously improve our corporate governance framework, and steadily enhance our sustainability management capabilities. Through standardized and transparent information disclosure mechanisms, we actively accept public supervision and promotes the achievement of long-term, stable development.

Governance Structure for Sustainable Development

We have established and continuously improved a top-down governance structure for sustainable development led by the Board of Directors to ensure the effective implementation of our corporate strategy and ESG management objectives. With clearly defined roles and responsibilities, we ensure the standardized operation and effective execution of sustainability management.

We have established a three-tier ESG governance structure comprising the decision-making, management, and execution levels, with clearly defined roles and responsibilities for each level. The Board of Directors serves as the highest decision-making body for ESG management and is responsible for setting ESG strategic directions and policy guidelines. The management team is responsible for coordinating and implementing the Board's decisions, formulating corresponding ESG management targets, and integrating them into the work plans of relevant departments. Meanwhile, we have formed an ESG working group composed of relevant functional departments, led by the Company Secretariat, to oversee the implementation and execution of related initiatives.



Appointment of Directors and Senior Management

The Company strictly follows the procedures for the nomination and selection of board members and senior management, as outlined in the Articles of Association, Shareholders' Meeting Rules, and Nominations Committee Work Guidelines. The Nomination Committee under the Board comprehensively considers factors such as candidates' gender, age, cultural and educational background, professional experience, skills, knowledge structure, and tenure when reviewing their qualifications and making recommendations to the Board. Senior management members are appointed upon approval by the Board of Directors, while director candidates, after being reviewed and approved by the Board, are elected by the shareholders' meeting.

Our board of directors currently consists of 13 members, 5 of whom are independent directors, accounting for 38.5% of the total board members.

Our senior management team covers professional fields such as corporate management, financial management, and risk management, including 1 female senior executives, who make up 25% of the total senior management.

Name	Occupation	Age	Professionalism				Board Committees			
			Industry Experience	Operations Management	Control and Compliance	Accounting & Financial	Strategy and Investment Committee	Remuneration and Appraisal Committee	Audit Committee	Nominations Committee
Li Yupeng (Male)	Chairman	36	•	•	•	•	•			
Zheng Yongda (Male)	Former Director	54	•	•	•	•	•	•		•
Wang Wenhui (Male)	Former Director	53	•	•	•	•				
Zou Shaorong (Male)	Director	49	•	•	•	•	•		•	
Che Jianxing (Male)	Director	59	•	•	•	•	•			•
Shi Yaofeng (Male)	Director & CEO	50	•	•	•	•	•			
Ye Yanliu (Female)	Director	53	•	•	•	•	•	•		•
Xu Guofeng (Male)	Director	59	•	•	•	•	•			
Li Jianhong (Male)	Former Director	52	•	•	•	•	•			
Yang Yingwu (Male)	Director & Vice President & CFO	41	•	•	•	•				
Song Guangbin (Male)	Former Director	41	•	•	•	•				
Xu di (Female)	Former Director	37	•	•	•	•				
Xue Wei (Male)	Independent Director	47	•		•	•			•	
Chen Shan'ang (Male)	Independent Director	59	•		•	•				•

Name	Occupation	Age	Professionalism				Board Committees			
			Industry Experience	Operations Management	Control and Compliance	Accounting & Financial	Strategy and Investment Committee	Remuneration and Appraisal Committee	Audit Committee	Nominations Committee
Huang Jianzhong (Male)	Independent Director	63	•		•	•	•	•	•	
Huang Zhiwei (Male)	Independent Director	56	•		•	•		•		
Cai Qinghui (Male)	Independent Director	51	•		•	•			•	
Zheng Jianjie (Male)	Employee Director	43	•	•	•	•				
Jiang Xiaozhong (Male)	Former Vice President	56	•	•	•	•				
Zhu Jiagui (Male)	Vice President	47	•	•	•	•				
Che Guoxing (Male)	Former Vice President	51	•	•	•	•				
Qiu Zhe (Female)	Former Vice President & Board Secretary	47	•	•	•	•				

The diversification and specialization of the structure of directors and senior management are critical to the Company's decision-making. We place great importance on the continuous improvement of the competencies of our directors, supervisors, and senior management, and have established a regular training mechanism. Each year, we organize relevant personnel to participate in training programs focused on duties and sustainable development, continuously enhancing our corporate governance capabilities and ensuring compliant and stable operations. In 2025, we arranged for our directors, supervisors, and senior management to attend specialized training, policy briefings, and compliance seminars organized by the CSRC, stock exchanges, and other institutions. The programs covered key areas including new corporate governance regulations, standardized performance of duties, comprehensive policies on financial fraud prevention, information disclosure standards, market capitalization management, and efficiency and quality improvement, thereby continuously strengthening the compliance awareness and execution capabilities of our directors and senior management.



Compensation of Director and Senior Management

We have established a Remuneration and Appraisal Committee under the board of directors, which performs its duties in accordance with the Remuneration and Appraisal Committee Work Guidelines. The committee is responsible for providing recommendations on the remuneration of directors, formulating the remuneration and performance evaluation plans for senior management, and conducting performance assessments for senior management. The Remuneration and Appraisal Committee develops the annual remuneration plan for directors and senior management based on industry compensation levels, annual business performance, and performance appraisal results, taking into account the Company's actual situation. The directors' remuneration plan is implemented after approval by the Board of Directors and review by the shareholders' meeting, while the senior management remuneration plan is implemented upon approval by the Board. Key ESG performance indicators are also incorporated into senior management assessments to ensure that the remuneration system aligns with the Company's long-term sustainable development strategy. This approach incentivizes management to actively fulfill corporate social responsibilities while pursuing business performance, promoting a win-win outcome for both economic results and social value.

The Company has established the Shareholding Change Management System for Directors and Senior Management and implemented a stock option incentive plan to create a medium- to long-term incentive and restraint mechanism. As of December 31, 2025, the Company's directors and senior management collectively held 3,505,110 shares, representing 0.08% of the Company's total share capital.

Shareholding Table of Directors and Senior Management

No.	Name	Position	Number of Shares Held
1	Che Jianxing	Director	435,600
2	Li Jianhong	Former Director	1,134,330
3	Qiu Zhe	Former Board Secretary	140,400
4	Jiang Xiaozhong	Former Vice President	1,794,780

Related Party Transaction

The Company strictly regulates the management of related-party transactions to ensure that all transactions are conducted in a fair, impartial, and transparent manner. The Company has established the Related-Party Transaction Management System, which clearly defines the types of related-party transactions, the decision-making procedures, and information disclosure requirements. Related-party transactions must undergo the required review procedures in accordance with laws and regulations. Before submission to the Board of Directors, independent directors convene a special meeting to provide opinions. The Board and the shareholders' meeting review the transactions within their respective authorities, while related directors and shareholders must abstain from voting, thereby fully safeguarding the legitimate rights and interests of minority and all shareholders.

Conflict of Interest

In accordance with the Articles of Association, directors and senior management personnel are obligated to act in good faith towards the Company. Without the consent of the shareholders' meeting, they are not allowed to exploit their positions to pursue business opportunities that rightfully belong to the Company for themselves or others, engage in self-employment or operate businesses similar to those of the Company. The Company requires directors and senior management to take proactive measures to avoid conflicts between their personal interests and those of the Company, and to promptly report any actual or potential conflicts of interest to the Company. This ensures that the ability of each director and senior management member to perform their duties is not affected by any other positions, activities, or relationships that may give rise to conflicts of interest.

In 2025, we organized appointed cadres and key position personnel to conduct self-inspections and rectifications, reporting any violations such as investment or business conflicts in accordance with relevant management regulations. Participants also completed declarations of conflicts of interest and integrity commitments, with a total of 2,404 submissions of the Conflict of Interest Declaration Form and the Integrity Commitment. By combining self-inspections with spot checks, we guided relevant personnel to proactively identify and prevent potential conflicts of interest.

Protection of Shareholders' Rights and Interests

The Company strictly adheres to the requirements of relevant laws and regulations such as the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, and the Articles of Association. We standardize the convening, holding, and voting procedures of the shareholders' meeting, and, by combining on-site meetings with online voting, we ensure that all shareholders—especially minority shareholders—can lawfully exercise their rights to information, participation, voting, and supervision.

We have established a mechanism for convening extraordinary general meetings in accordance with the law, promptly responding to proposals submitted by eligible shareholders to ensure that shareholders can exercise decision-making power on significant matters. At the same time, we legally safeguard shareholders' rights to initiate derivative or direct lawsuits. Regarding profit distribution, we adhere to a long-term, stable, and sustainable dividend policy. Based on a comprehensive consideration of business development, cash flow, and funding needs, we have established a mechanism for delivering consistent and stable returns to investors. Relevant plans are submitted to the shareholders' meeting for approval after fully considering the opinions of independent directors and public investors. We strictly adhere to the principle of equal rights for equal shares, treat all shareholders fairly, and continue to strengthen the protection of minority shareholder rights through measures such as improving the structure of Board committees, increasing the proportion of independent directors, and implementing cumulative voting.

Information Disclosure Management

The Company strictly complies with relevant laws and regulations, including the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Main Board Listing Rules, and the Measures for the Administration of Information Disclosure by Listed Companies. We have established internal policies, such as the Information Disclosure Management System, Interbank Bond Market Information Disclosure Management System, Insider Registration Management System, Self-Owned Shopping Mall Leasing and Management Fee Revenue Monitoring and Information Disclosure System, and the Information Disclosure Deferral and Exemption Management System. These policies clearly define the scope, timing, procedures, and channels of information disclosure, standardizing our disclosure practices and ensuring that we fulfill our obligations to provide investors with truthful, accurate, complete, timely, and fair information. At the same time, we actively maintain constructive interactions with domestic and international regulatory authorities, including local CSRC offices, the Shanghai Stock Exchange, and the Hong Kong Stock Exchange, establishing a full-process communication mechanism covering pre-disclosure, ongoing disclosure, and post-disclosure stages. For major matters such as significant investments, related-party transactions, changes in shareholding, earnings forecasts, and the appointment or removal of senior management, we adhere to the principle of "early identification, early communication, and early disclosure." Based on thorough internal review, we proactively engage in multiple rounds of communication with relevant regulators to clarify disclosure standards and compliance boundaries, continuously enhancing the transparency and standardization of our information disclosure.

Investor Relations Management

The Company fully respects and treats all investors equally, and has established the Investor Relations Management System, continuously improving its investor relations management mechanisms. We conduct investor relations activities through a variety of channels, including the shareholders' meeting, earnings presentations, institutional roadshows, brokerage strategy meetings, the SSE e-Interaction platform, investor visits and research, the Company's official website, as well as investor hotlines and email communications. These efforts enhance the transparency and timeliness of information disclosure, effectively convey the Company's business performance and investment value, and continuously create long-term value for investors.

In 2025, we continued to strengthen investor relations management, focusing on the following activities:

- Organized **69** investment and customs clearance activities, including **23** surveys of national stores.
- Organized **3** market-wide earnings presentations, covering the annual report, interim report, and third-quarter report.
- Published **4** announcements of the Investor Relations Activity Record Form.
- Responded to **59** investor inquiries via the SSE e-Interaction platform.
- Answered investor hotline calls totaling over **500** inquiries.

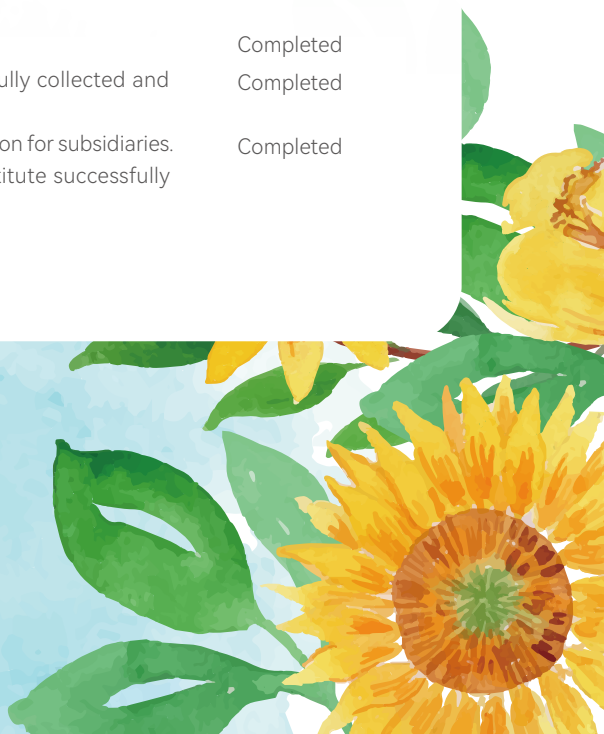




Environmental



Environmental Performance Targets in 2025	Completion Status
1 Greenhouse gas emissions (Scope 1 and Scope 2) decreased by 33% compared with 2024	Completed
2 Overall energy consumption decreased by 22% compared with 2024	Completed
3 Promoted rooftop photovoltaic installations in shopping malls, optimizing the energy structure and increasing the proportion of green energy	Completed
4 Water consumption decreased by 6% compared with 2024	Completed
5 Ensure that all emissions of waste gas, wastewater, and waste pollutants meet standards throughout the year	Completed
6 No major environmental pollution incidents	Completed
7 Construction waste generated from tenant fit-outs in shopping malls was fully collected and properly disposed of, achieving a compliance rate of 100%	Completed
8 Continued to advance ISO 14001 environmental management system certification for subsidiaries. During the reporting period, Sunan Construction and Macalline Design Institute successfully obtained the certification	Completed



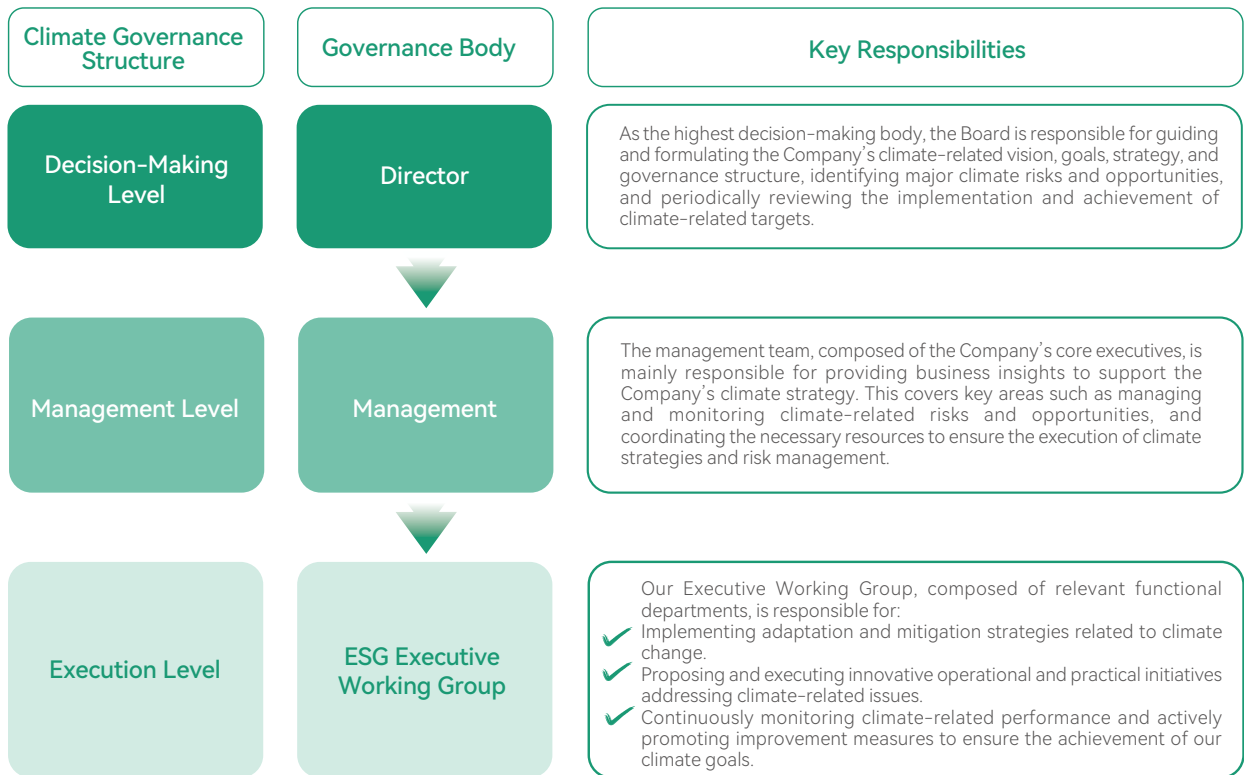
Climate Response

Currently, global warming is accelerating, and extreme weather and climate events are occurring more frequently, with greater intensity and wider impact, severely affecting the global economy, society, and natural ecosystems. Proactively addressing climate change has become a global consensus. As a leading domestic operator of home decoration and furniture shopping malls and a pan-home furnishing business platform service provider, the Company firmly implements the national “dual carbon” goals and strategic initiatives. The Company strictly complies with relevant international agreements, including the United Nations Framework Convention on Climate Change and the Paris Agreement, integrating climate change response into its corporate development strategy. By steadfastly practicing the concept of green development, the Company continuously promotes emission reductions in its operations and across its industrial chain, contributing positively to protecting the Earth’s ecology and mitigating the climate crisis.



Climate Governance

We have established a three-tier climate governance structure, comprising the decision-making, management, and execution levels. By clearly defining responsibilities and authorities at each level, we integrate climate change governance into all aspects of our operations, continuously enhancing our climate governance capabilities and performance.

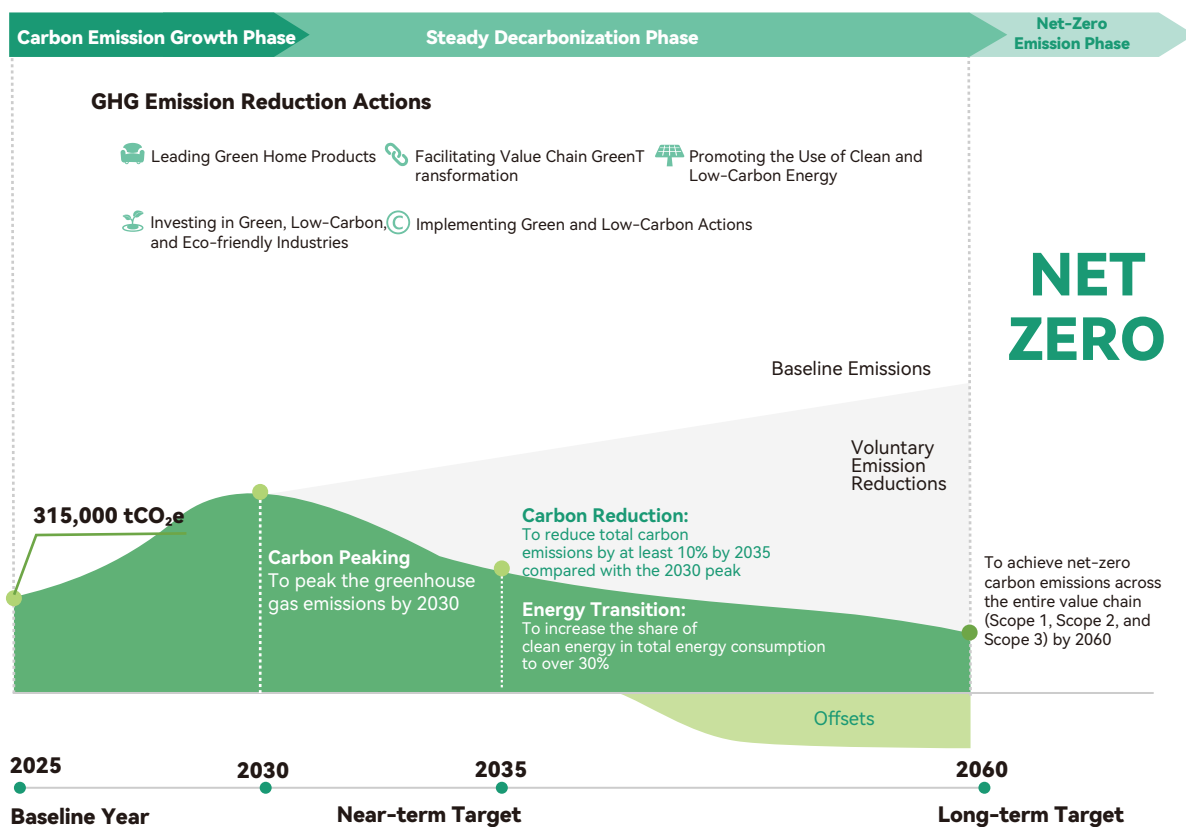


Climate Strategy

To actively respond to global climate change challenges and firmly implement China’s carbon peaking and carbon neutrality strategy, we align our corporate low-carbon development pathway with the global 1.5°C temperature control target and set carbon neutrality goals covering both our operations and value chain.

- **Near-term targets:** To peak the greenhouse gas emissions before 2030, reduce total carbon emissions by at least 10% by 2035 compared with the 2030 peak and increase the share of clean energy in total energy consumption to over 30%.
- **Long-term targets and net-zero commitment:** To achieve net-zero carbon emissions across the entire value chain (Scope 1, Scope 2, and Scope 3) by 2060.

Net Zero Pathway



Climate-Related Risks, Opportunities, and Financial Impacts

To comprehensively assess the potential impacts of climate change on our operations, we combine our business characteristics with scenario models from the International Energy Agency (IEA) to identify and evaluate transition risks and opportunities that may arise in the short, medium, and long term. We also refer to scenario models proposed by the Intergovernmental Panel on Climate Change (IPCC) to identify and assess physical risks across the same time horizons. Based on the results of these assessments, the Company has developed targeted risk management strategies and response measures to continuously enhance our climate resilience and sustainable development capabilities.

Transition Risks

With reference to the IEA's scenario model, we selected the Net Zero Emissions by 2050 (NZE) Scenario.

- The global energy sector to achieve net zero CO₂ emissions by 2050 and the average global temperature increase is limited to within 1.5°C above pre-industrial levels.
- The global population is anticipated to reach around 9.7 billion, with a trend of slowing growth.
- The global economy is expected to grow at an average annual rate of 2.6%, but the growth rate will vary across different countries, regions, and time periods.
- Global electricity will achieve net-zero emissions, and coal and oil power plants without emissions reduction measures will be fully phased out.
- By 2050, nearly 70% of global power generation will come from solar photovoltaic and wind energy.
- Countries around the world collaborate closely to drive the evolution and development of policies, aiming to reduce the costs of clean energy technologies, broaden the diversity of key mineral resources and clean energy technologies, and build a resilient global supply chain system.

Risk Type	Risk Description	Mitigation Measures	Impact ² Duration	Impact Scope	Financial ³ Impact
Policy and Law	<ul style="list-style-type: none"> •Climate-related policies and regulations in China and internationally continue to improve, while capital markets and regulators are imposing increasingly stringent requirements on climate-related disclosures by listed companies, which may increase the Company's compliance management costs. •Under the guidance of China's carbon peaking and carbon neutrality strategy, regulatory requirements on building energy efficiency and carbon emission management are becoming increasingly stringent. If we fail to advance energy-saving and carbon-reduction upgrades for our commercial operation projects in a timely manner, we may face risks such as higher operating costs and constraints on compliance management. 	<ul style="list-style-type: none"> •We monitor developments in climate- and environment-related policies and regulations in China and globally, and promptly optimize our disclosure practices to ensure that the Company's operations fully comply with regulatory requirements. •Based on the operational conditions of our stores, we coordinate the implementation of energy-efficiency upgrades and the adoption of clean energy, steadily reducing operational carbon emissions and enhancing our green and low-carbon development performance. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Moderate Impact
Technology	<ul style="list-style-type: none"> •During the transition of physical retail toward smart and green operations, significant upgrades to underlying infrastructure and complex system restructuring are often required. If emerging technology pathways are not well aligned with business scenarios, or if barriers arise in integrating new and legacy systems, the Company may face risks such as high sunk costs and low technology adoption efficiency, which could ultimately constrain the overall operational efficiency of its assets. 	<ul style="list-style-type: none"> •We introduce industry-leading think tanks and standardized evaluation frameworks to support the planning of our overall technology architecture, thereby improving the alignment between technology investments and strategic upgrades. 	Short-term, Medium-term and Long-term	Operations and Downstream	Moderate Impact
Market	<ul style="list-style-type: none"> •Consumer demand for green, smart, and healthy home products continues to increase. If we fail to develop a competitive portfolio of green products, we may face risks such as customer attrition and declining market share, which could in turn affect our profitability. •With the rapid development of the circular economy, new business models such as second-hand furniture trading and home furnishing rental services are emerging. If we fail to make early strategic arrangements in these areas, we may miss potential market growth opportunities. 	<ul style="list-style-type: none"> •We improve our green home brand selection framework and strictly regulate environmental material standards for brands entering our platform. At the same time, we actively explore full life-cycle service models for home furnishings, promoting innovative initiatives such as trade-in programs and circular use to build a service loop and cultivate new growth drivers. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Moderate Impact
Reputation	<ul style="list-style-type: none"> •If our carbon reduction performance fails to meet the expectations of regulators and stakeholders, it may have adverse impacts on the Company's reputation, investor confidence, and long-term sustainable development. 	<ul style="list-style-type: none"> •We establish and continuously improve stakeholder communication mechanisms. Through regular engagement and sustainability information disclosure, we proactively share our practices and progress to build a responsible corporate image. 	Medium-term and Long-term	Operations	Moderate Impact

The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.

The financial impact is classified as minimal, minor, moderate, major, or severe. Minimal impact refers to an effect of less than 1 million CNY on monetary value (e.g., revenue) or less than 1% on net profit. Minor impact refers to an effect between 1 million CNY and 5 million CNY on monetary value (e.g., revenue) or between 1% and 5% on net profit. Moderate impact refers to an effect between 5 million CNY and 10 million CNY on monetary value (e.g., revenue) or between 5% and 10% on net profit. Major impact refers to an effect between 10 million CNY and 50 million CNY on monetary value (e.g., revenue) or between 10% and 15% on net profit. Severe impact refers to an effect exceeding 50 million CNY on monetary value (e.g., revenue) or more than 15% on net profit.

Transition Opportunities

Opportunity Type	Risk Description	Actions	Impact Duration ⁴	Impact Scope	Financial Impact ⁵
Resource Efficiency	<ul style="list-style-type: none"> We improve resource use efficiency and promote the adoption of clean energy, which helps reduce greenhouse gas emissions and lowers medium- to long-term operational costs. 	<ul style="list-style-type: none"> We improve green operation standards, promote digitalized office practices and green logistics, and work with upstream and downstream partners to reduce resource consumption and enhance circularity. 	Short-term, Medium-term and Long-term	Operations	Minor Impact
Energy Source	<ul style="list-style-type: none"> We leverage existing properties to systematically develop distributed photovoltaic and other clean energy solutions, which helps expand the use of green electricity, optimize the energy mix, reduce operational costs, and improve energy efficiency. 	<ul style="list-style-type: none"> We steadily advance rooftop distributed photovoltaic projects across our own malls and subsidiaries, actively expand the scale of clean energy use, and continuously enhance energy efficiency and operational performance. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Moderate Impact
Products and Services	<ul style="list-style-type: none"> The shift of home furnishing consumption toward green, healthy, and smart products presents significant opportunities for us to develop green products and circular economy services, helping enhance customer value and strengthen brand competitiveness. By building circular economy business models and expanding full life-cycle services for home furnishings, we enhance the resilience of our operations and increase brand value. 	<ul style="list-style-type: none"> We establish green home experience zones in key stores, creating an industry benchmark platform for green consumption. We pilot and scale high-end furniture rental, professional refurbishment and resale of used furniture, building a closed-loop business ecosystem covering sales, usage, and circular regeneration. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Major Impact
Markets	<ul style="list-style-type: none"> We can seize market and capital opportunities by innovating green products, developing smart home solutions, and enhancing climate-related disclosures, thereby building differentiated advantages and expanding new growth avenues. 	<ul style="list-style-type: none"> We integrate sustainability deeply into our brand strategy, and through sustainability reporting, green malls, and green home consumption events, we continuously enhance the brand's green influence. 	Medium-term and Long-term	Operations	Major Impact

The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.

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Physical Risks

We have selected the very high GHG emissions scenario (SSP5-8.5) under the IPCC's Shared Socioeconomic Pathways (SSP) to conduct physical risks analysis. Under this scenario:

- Compared to 1850-1900, global surface temperature averaged over 2081-2100 is very likely to be higher by 3.3°C to 5.7°C under the very high GHG emissions scenario (SSP5-8.5).
- In regions where the Company operates, the annual average near-surface temperature changes are significant, with extreme weather events becoming more frequent and severe. In addition, sea levels in these areas are expected to continue to rise.
- In this scenario, the policy and regulatory environment is the most lenient. However, with the increase in global temperatures, more frequent extreme weather events, changes in precipitation, and rising sea levels, the Company will face the physical risks.

Risk Type	Risk Description	Mitigation Measures	Impact ⁶ Duration	Impact Scope	Financial Impact ⁷	
Acute Physical Risks	Typhoons	<ul style="list-style-type: none"> • Typhoon-related strong winds and heavy rainfall may damage mall facades, roof structures, and outdoor advertising facilities, resulting in direct asset loss and disruption to revenue. • Typhoons may cause regional traffic paralysis and logistics interruptions, affecting product delivery and customer access, and impacting the stability of the supply chain. 	<ul style="list-style-type: none"> • We establish meteorological monitoring and emergency response mechanisms, and regularly conduct typhoon-specific drills to enhance disaster resilience. • We reinforce coastal malls through wind-resistant design and retrofitting, and regularly inspect and strengthen roofs, curtain walls, and advertising installations to ensure that the Company's buildings and equipment can withstand extreme typhoons. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Major Impact
	Floods	<ul style="list-style-type: none"> • Flooding may damage mall underground parking, storage areas, and power distribution facilities, resulting in significant property loss and prolonged business interruption risks. • Urban waterlogging may hinder employee commuting and customer visits, directly affecting foot traffic and sales revenue. 	<ul style="list-style-type: none"> • We strictly implement flood-resistant design standards for new mall projects and assess and upgrade drainage systems in existing malls, equipping key areas with flood barriers and emergency drainage facilities. • We establish comprehensive extreme weather emergency management mechanisms, maintain adequate flood control material reserves, and conduct regular flood emergency drills to enhance our response capabilities to extreme precipitation events. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Major Impact
	Extreme Heat	<ul style="list-style-type: none"> • Extreme heat events will significantly increase air-conditioning loads in malls, raising energy consumption and operational costs. • High temperatures may affect the health and work efficiency of outdoor personnel (e.g., logistics and installation workers), increasing labor risks and safety management challenges. 	<ul style="list-style-type: none"> • We enhance natural ventilation, shading systems, and energy-efficient designs in mall public areas to reduce air-conditioning demand and improve indoor comfort. • We schedule logistics and storage operations carefully during high-temperature periods, provide heat protection supplies for outdoor workers, and strengthen safety training and health monitoring under extreme heat conditions. 	Short-term	Upstream, Operations and Downstream	Major Impact
	Droughts	<ul style="list-style-type: none"> • Drought may lead to higher water costs, increasing mall operational expenses. Prolonged drought and resulting water restrictions could affect routine cleaning, air-conditioning cooling, landscaping irrigation, and the operations of F&B tenants, potentially reducing customer experience and increasing tenant complaints. 	<ul style="list-style-type: none"> • We promote the installation of water-saving fixtures throughout our malls and implement greywater recycling systems to increase water reuse and wastewater recovery, effectively reducing water consumption during operations and alleviating supply pressure. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Moderate Impact
	Landslides	<ul style="list-style-type: none"> • Logistics and storage facilities, or certain stores located in mountainous or hilly areas, may face geological hazards such as landslides or debris flows following prolonged heavy rainfall, potentially causing significant property damage, personnel safety risks, and extended business interruptions. 	<ul style="list-style-type: none"> • We strictly follow geological hazard risk assessment procedures in the site selection and design of new projects, proactively avoiding high-risk areas. We also establish geological hazard emergency plans and conduct regular staff drills to strengthen employees' emergency response capabilities. 	Short-term, Medium-term and Long-term	Upstream, Operations and Downstream	Minimal Impact

The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.

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Risk Type	Risk Description	Mitigation Measures	Impact ⁶ Duration	Impact Scope	Financial ⁷ Impact	
Chronic Physical Risks	Sea Level Rise	<ul style="list-style-type: none"> Rising sea levels may exacerbate storm surge and urban flooding risks in coastal cities. Malls located in these areas may face operational disruptions, asset damage, or even the potential need for relocation. 	<ul style="list-style-type: none"> We conduct regular risk assessments for existing malls in coastal areas and reinforce critical infrastructure with flood and moisture protection, as well as upgrade drainage systems, to enhance resilience against flooding and seawater intrusion. 	Medium-term and Long-term	Upstream, Operations and Downstream	Minimal Impact
	Rising Average Temperatures	<ul style="list-style-type: none"> The continued rise in annual average temperatures will increase mall cooling loads and extend cooling periods, placing long-term upward pressure on total annual energy consumption and costs. 	<ul style="list-style-type: none"> We enhance the thermal performance of building envelopes and apply high-efficiency insulation materials, intelligent shading systems, and optimized natural ventilation in new and renovated projects to reduce cooling demand at the source. 	Medium-term and Long-term	Upstream, Operations and Downstream	Minimal Impact
	Water Scarcity	<ul style="list-style-type: none"> Water scarcity may lead to rising and sustained water costs for some malls, as well as restrictions on water use, potentially affecting operational stability. 	<ul style="list-style-type: none"> We incorporate rainwater harvesting and storage facilities in new mall projects to increase on-site water availability and usage efficiency, enhancing operational resilience. We also conduct regular awareness campaigns and training on water conservation for employees to promote water-saving practices. 	Medium-term and Long-term	Operations	Moderate Impact
	Biodiversity Loss and Habitat Displacement	<ul style="list-style-type: none"> Climate change-driven degradation of regional ecosystems (e.g., intensified urban heat islands, reduced green spaces) can weaken natural systems' buffering and regulating functions against floods, heatwaves, and other extreme events, potentially causing damage to the Company's fixed assets, operational interruptions, and significant financial losses. 	<ul style="list-style-type: none"> We strictly apply ecological impact assessments in mall planning, design, renovation, and daily operations, and implement green construction and ecological compensation measures to minimize negative impacts on local ecosystems. 	Medium-term and Long-term	Upstream, Operations and Downstream	Minimal Impact

The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.

The financial impact is classified as minimal, minor, moderate, major, or severe. Minimal impact refers to an effect of less than 1 million CNY on monetary value (e.g., revenue) or less than 1% on net profit. Minor impact refers to an effect between 1 million CNY and 5 million CNY on monetary value (e.g., revenue) or between 1% and 5% on net profit. Moderate impact refers to an effect between 5 million CNY and 10 million CNY on monetary value (e.g., revenue) or between 5% and 10% on net profit. Major impact refers to an effect between 10 million CNY and 50 million CNY on monetary value (e.g., revenue) or between 10% and 15% on net profit. Severe impact refers to an effect exceeding 50 million CNY on monetary value (e.g., revenue) or more than 15% on net profit.



GHG Emissions Management

In accordance with the ISO 14064-1:2018 standard, we conducted the 2025 greenhouse gas (GHG) inventory for entities within our consolidation scope using the operational control approach.

Organizational Boundary of GHG Inventory

This carbon inventory covers all subsidiaries within the Company's consolidated scope, as well as all home furnishing malls, office premises, and other facilities under operational control.

Operational Boundary of GHG Inventory

The operational boundaries for our 2025 GHG inventory encompass: Scope 1 — direct GHG emissions, Scope 2 — energy indirect GHG emissions.

GHG Category	Definition	Primary GHG Emission Sources
Scope 1	Direct GHG emissions refer to emissions generated by the organization itself, including those from fossil fuel combustion and industrial processes. These emissions are categorized into stationary combustion, mobile combustion, process emissions, and fugitive emissions.	<ul style="list-style-type: none"> • Natural gas boilers • Gasoline-powered company vehicles • Diesel-powered company vehicles • Air conditioner • Fire extinguishers
Scope 2	Indirect GHG emissions result from the consumption of purchased electricity, heat, and other energy sources. This includes emissions associated with externally sourced power and steam.	<ul style="list-style-type: none"> • Purchased electricity • Purchased thermal energy

GHG Categories

Seven types of greenhouse gases including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

GHG Calculation Method

The Company calculates carbon emissions in accordance with the ISO 14064-1:2018 standard, using the activity-based approach, emission coefficients and material balance methods. The primary calculation formula for carbon accounting is: Activity Data × Emission Factor.

Calculations for different emission sources were conducted following the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Emissions related to energy consumption were calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020) and the 2023 regional grid average carbon emission factors published by the Ministry of Ecology and Environment of China.

All greenhouse gas emissions data were ultimately converted into CO₂e based on the Global Warming Potentials (GWP) provided in the IPCC Sixth Assessment Report (AR6), expressed in metric tons per year, to ensure the scientific validity and international comparability of the results.

The calculation methodology for 2025 remains consistent with previous years, with no significant changes.

Emission Factor

For different emission sources under Scope 1 and Scope 2, we select appropriate emission factors for GHG emissions calculation based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020), and the latest electricity emission factor released by the Ministry of Ecology and Environment.

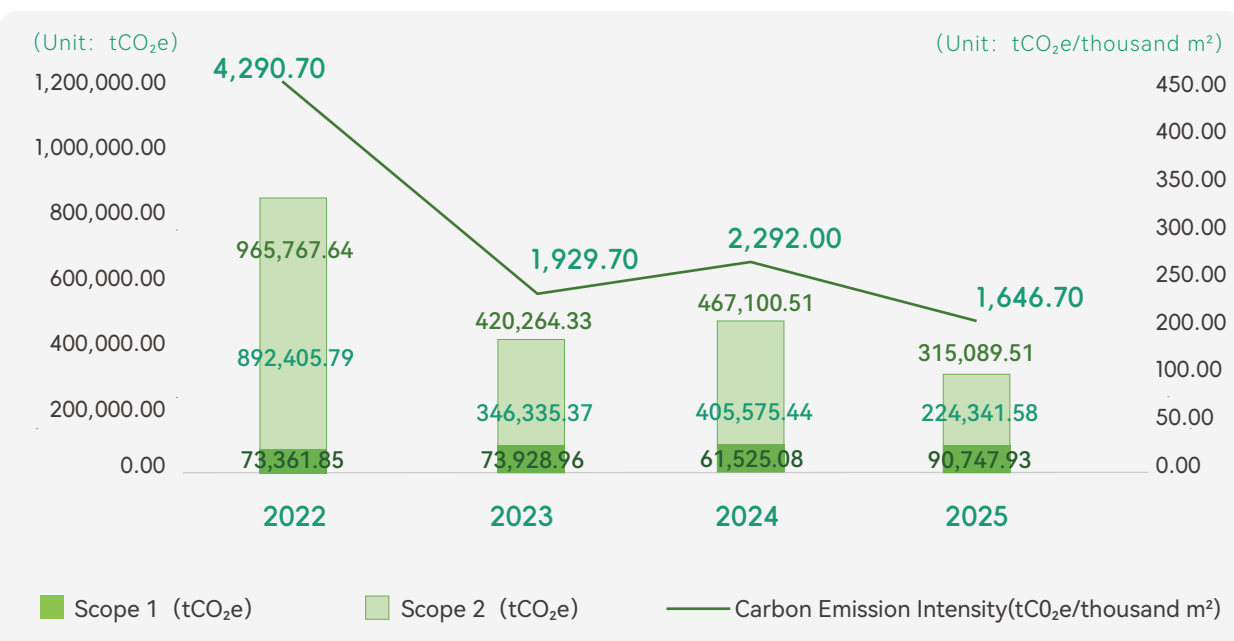
GHG Emissions

In 2025, our total GHG emissions (Scope 1 and Scope 2) reached **315,089.51** tCO₂e, a decrease of **152,011** tCO₂e compared to 2024. This is primarily attributed to the company's refined energy management and an increased proportion of clean electricity usage.

GHG Emissions in 2025

Category	2022	2023	2024	2025
Scope 1: Direct Emissions (tCO ₂ e)	73,361.85	73,928.96	61,525.08	90,747.93
Scope 2: Indirect Emissions (tCO ₂ e)	892,405.79	346,335.37	405,575.44	224,341.58
Total (tCO ₂ e)	965,767.64	420,264.33	467,100.51	315,089.51
Carbon Emission Intensity (tCO ₂ e/thousand m ²)	4,290.70	1,929.70	2,292.00	1,646.70

GHG Emissions



GHG Emission Reduction Actions

Through a range of measures, including promoting green home furnishing products, advancing the green transformation of the value chain, encouraging the application of clean and low-carbon energy, investing in green, low-carbon and environmental protection industries, and practicing green and low-carbon actions, we reduce greenhouse gas emissions generated by our own operations while facilitating the low-carbon transformation of traditional industries and supporting the green development of the industrial chain.



Promoting Green Home Furnishing Products

As consumers' environmental awareness continues to grow, green and healthy home furnishing products are increasingly becoming the mainstream choice in the market. To promote green home consumption and advocate a healthy and environmentally friendly lifestyle, we have fully integrated the green and low-carbon philosophy into our business development, focusing on areas such as green home furnishing, green buildings, and zero-carbon consumption scenarios. We seek to ensure the environmental friendliness and health of home furnishing products at the source and are committed to advancing the green and low-carbon transformation of living environments.

Leading Green Home Furnishing and Building an Environmentally Friendly Future Together

Upholding our corporate mission of "being responsible for the home environmental protection of every family," we are committed to selecting and recommending more environmentally friendly home furnishing products for consumers. To this end, we have systematically advanced green practices through key initiatives such as providing focused support for green and environmentally friendly brands and formulating and implementing high-standard green home furnishing specifications.

To promote the standardized development of the industry, we have actively fulfilled our leadership responsibilities by taking the lead in formulating a series of key standards related to the quality and environmental performance of home furnishing products. These standards have been filed with and recognized by the Certification and Accreditation Administration of the People's Republic of China, providing clear guidance and a sound basis for the environmental upgrading of the home furnishing industry as a whole.

Our commitment to and practice in green development date back many years and have continued to deepen:

- In 2012, we took the lead in the industry in launching the "Nine Service Commitments of Home Furnishing Experts," incorporating green and environmental protection into our core service scope.
- In 2013, we joined hands with China Quality Certification Centre to launch the "Leading Brands in Green and Environmentally Friendly Home Furnishing" initiative. By establishing an open and fair evaluation system, the initiative identifies and recognizes brands with outstanding environmental performance, with the aim of setting industry benchmarks and driving the overall improvement of environmental standards across the entire industrial chain.
- In 2015, together with China Quality Certification Centre, we officially launched the "China Genuine Home Furnishing Product Inquiry Platform" and established the "Green Home Furnishing Genuine Product Traceability" system to protect consumer rights and interests and promote market transparency.
- In 2016, we officially released our Green Declaration and continued to refine and upgrade the "Green Leadership" brand evaluation mechanism, taking concrete actions to steadily advance the home furnishing industry toward a greener and lower-carbon future.

Through a series of sustained and in-depth initiatives, we not only fulfill our environmental commitment at the product level, but also play an active leading role in industry standards development and ecosystem building, working together with partners and consumers to move toward a more sustainable home lifestyle.



Leading Brands in Green
and Environmentally Friendly Home
Furnishing

Creating Green Living Experiences and Empowering Green Consumption Through Net-Zero Scenarios

We focus on the consumer trends of smart, net-zero, and age-friendly living, and are comprehensively upgrading our core appliance retail formats. By integrating new energy solutions with cutting-edge technologies across sectors, we have innovatively created immersive spaces that combine household green energy management with a smart electric ecosystem, driving brick-and-mortar retail beyond single-product sales toward one-stop net-zero lifestyle solutions. At the same time, we have established this innovative model as a standard configuration and are steadily rolling it out nationwide, guiding users to transform into green "energy creators" and reshaping a sustainable home furnishing business ecosystem.

Highlight | "Net-Zero Living Home" Technology Showroom

To promote the green transformation of home consumption, in 2025 we partnered with C&D Residential Technology and Star Charge to create the country's first "Net-Zero Living Home" net-zero green energy technology showroom in Shanghai. Centered on household energy management and built around a net-zero lifestyle, the showroom features six themed scenarios: outdoor camping, a people-vehicle-home energy hub, net-zero mobility, net-zero coffee, bicycle-powered electricity generation, and balcony photovoltaics. Through cutting-edge technologies such as photovoltaic power generation, energy storage systems, and V2G charging and discharging, it transforms the concept of net zero into everyday living scenarios that users can directly experience and perceive, enabling deep integration between net-zero technologies and home living scenarios and providing consumers with one-stop net-zero lifestyle solutions. We have established "Net-Zero Living Home" as a standard configuration for future upgrades of smart appliance lifestyle pavilions and formulated a scalable rollout plan, with five "Net-Zero Living Home" locations completed in 2025, expanding to 10 in 2026 and covering 40 to 50 stores by 2027. By leveraging the deep integration of green scenarios with our core business, we are promoting the transformation of household users from traditional energy consumers into energy creators, continuously reinforcing our innovative leadership in sustainable home living and contributing to the development of a green ecosystem for the home furnishing industry.



"Net-Zero Living Home" Net-Zero Green Energy Technology Showroom

Highlight | "Mega-E Smart Electric Oasis"

In 2025, we officially announced in Shanghai MACALLINE Global Home Furnishing No. 1 Mall that the MACALLINE Appliance Pavilion had been upgraded from version 1.0 to version 2.0, branded as "Mega-E Smart Electric Oasis," while simultaneously launching the opening ceremony of the first Appliance 2.0 flagship store nationwide. As the first "Mega-E Smart Electric Oasis" store in China, the upgraded appliance pavilion at Shanghai MACALLINE Global Home Furnishing No. 1 Mall expanded its operating area from 16,000 square meters to 33,000 square meters, increased the number of brands from 57 to 103, and added scenario modules such as Trendy Tech Zone, User Service Center, and Net-Zero Living Home, completing its transformation from a single high-end appliance pavilion into an ecosystem-based scenario model.

"Mega-E Smart Electric Oasis" focuses on the emerging trends of smart, net-zero, and age-friendly living. By introducing emerging categories such as net-zero lifestyles, household green energy solutions, AI wearables, age-friendly home appliances, and trendy 3C products, we are building a technology ecosystem that covers the full range of home living scenarios. At the same time, with the User Service Center at its core, we are shifting service from "the end point of a transaction" to "the starting point of a relationship." Supported by our membership system, we connect merchants with communities to create a more caring service experience. We plan to roll out 40 "Mega-E Smart Electric Oasis" locations nationwide by 2027, expanding from higher-tier cities such as Shanghai and Beijing to broader nationwide coverage, with a "one city, one benchmark" layout. In doing so, we aim to redefine the destination for premium appliance consumption and lead the industry from channel-based competition toward the co-creation of scenario-based ecosystems.



"Mega-E Smart Electric Oasis" Debuts at Shanghai MACALLINE Global Home Furnishing No. 1 Mall

Advancing the Green Transformation of the Value Chain

Promoting collaborative decarbonization across the value chain is a key pathway for us to achieve deeper emissions reductions and build overall green competitiveness. We actively work with upstream and downstream partners to reduce emissions together, incorporate green development requirements into the management systems for suppliers and partner merchants, and jointly advance emissions reduction initiatives through green procurement, green production, and stronger green quality control, thereby supporting the green and low-carbon transformation of the industrial value chain ecosystem.

Deepening Green Procurement and Promoting the Use of Environmentally Friendly Materials

Guided by our philosophy of green and sustainable development, we incorporate environmental performance into our supplier evaluation and management system and comprehensively promote the procurement and application of green building materials and environmentally friendly decoration materials. In procurement, we have clearly established the principles of prioritizing renewable resources and energy-efficient equipment, continuously increasing the introduction of low-carbon and environmentally friendly products, gradually phasing out outdated products with high pollution and high emissions, and vigorously promoting the large-scale application of green building materials and environmentally friendly decoration materials.



Promoting Green Production and Strengthening Environmental Control Throughout the Entire Process

For partner brands operating in our malls, we are committed to driving green transformation from the source of production and guiding our partners to adopt green production models:



Building a full-process green quality control system

We have established a full-process product quality control system covering pre-sales, in-sales, and after-sales stages, with environmental indicators treated as core elements of quality management. We conduct rigorous reviews of raw material procurement, production processes, and finished product testing to strengthen risk control over product admission.



Guiding energy conservation and carbon reduction in production

We require partner brand factories to strictly comply with China's Grade 1 energy efficiency standards during production, and guide them to reduce energy consumption and carbon emissions by optimizing production processes, adopting energy-efficient equipment, and reducing production waste. We also encourage them to equip their facilities with in-house testing equipment to reduce environmental impacts during production while ensuring product quality.



Working with third parties to ensure green quality

We work with third-party testing institutions to carry out environmental quality inspections and ensure that all products comply with the Green Building Materials Product Certification standards.

Through these measures, we not only fulfill our own green commitments, but also strive to empower and work with value chain partners to reduce carbon emissions together, build a green industrial ecosystem featuring shared responsibility and shared benefits, and promote the home furnishing industry as a whole toward a more resource-efficient and environmentally friendly future.

Promoting the Use of Clean and Low-Carbon Energy

Promoting the use of clean energy is an important measure for us to achieve operational carbon neutrality, optimize our energy mix, and control long-term energy costs. We actively promote the use of clean and low-carbon energy, continuously reduce our reliance on traditional fossil fuels, and cut greenhouse gas emissions from our operations.

Unlocking Rooftop Value and Empowering Green Operations Through Photovoltaics

Against the backdrop of the global green and low-carbon transition, distributed photovoltaics that make full use of urban space resources have become an important pathway for optimizing the energy structure and promoting sustainable development. By deploying photovoltaic systems on the rooftops of public buildings, idle assets can be effectively revitalized, carbon emissions can be significantly reduced, and cities can be supported in moving toward a low-carbon future. Guided by our green operations philosophy, we continue to advance the green energy transition of our malls.



Highlight | Nantong MACALLINE Building-Integrated Photovoltaics Project

Our Nantong MACALLINE mall adopted a building-integrated photovoltaics (BIPV) model, with photovoltaic modules installed on the mall rooftop over a total area of 1,650 square meters and a total installed capacity of 346 kW. After grid connection, the system is expected to generate approximately 367,000 kWh of electricity in its first year of operation. Over its 30-year design life, the project is expected to generate enough electricity to reduce carbon dioxide emissions by approximately 8,360 tonnes in total, equivalent to the carbon sequestration effect of planting more than 75,000 trees. The electricity generated by the project will be used on a priority basis to meet the mall's own operational needs. It not only provides a stable and reliable supply of green electricity and effectively reduces reliance on the traditional power grid, but also cuts carbon emissions from operations through concrete action. This project is an important example of how we advance our own sustainable operations and fulfill our environmental responsibilities.



Nantong MACALLINE Rooftop Photovoltaic Project

Investing in Green, Low-Carbon and Environmental Protection Industries

Investing in green, low-carbon and environmental protection industries is an important strategic move for us to look ahead, drive business growth, and foster industry innovation. By actively expanding green energy applications and diversified innovative scenarios, we are working to build a future-oriented green industrial ecosystem and continuously empower the sustainable development of the industry.

Innovating Energy Cooperation and Building a Green Energy Supply Ecosystem

We have established a dedicated green energy technology operations platform, Hongxing MACALLINE Green Energy (Shanghai) Technology Co., Ltd., focusing on the R&D of cutting-edge technologies such as carbon reduction, carbon conversion, carbon capture and carbon storage (CCUS), while also expanding into related upstream and downstream businesses, including energy storage technology services, new energy battery technologies, and the manufacturing of eco-friendly materials. At the same time, we actively connect with leading external new energy developers and innovate cross-sector ecosystem cooperation mechanisms. Guided by the deep integration of "green new energy + industry," we continue to expand cooperation models for low-carbon transformation and steadily advance the high-quality implementation of core new energy projects such as distributed photovoltaic development and green electricity trading, with a view to building a comprehensive, sustainable, and modern energy ecosystem.



Integrating Resources to Build a New "People-Vehicle-Home" Consumption Ecosystem

Against the backdrop of the rapid growth of the new energy vehicle industry and the ongoing upgrade of consumer demand, cross-sector integration within offline commercial spaces has become an important pathway for optimizing asset efficiency and invigorating business vitality. Leveraging the extensive network resources and spatial advantages of large home furnishing malls, the introduction of new energy vehicle businesses not only expands the boundaries of commercial services, but also precisely responds to consumers' demand for immersive experiences and high-quality services. In response to the trend of green consumption, we have systematically incubated a new automotive business track through the following initiatives and are building a new "people-vehicle-home" lifestyle:

Establishing a dedicated platform and strategic roadmap

We established a dedicated smart automotive service company as the operating vehicle and launched the "3100 Plan" to drive brand introduction and business implementation across multiple cities nationwide through clear scaling targets.

Building a full-chain automotive business ecosystem

We have deepened strategic cooperation with brand headquarters, actively connected with OEMs and automotive platform resources, and built an integrated industry chain covering new energy vehicle displays, premium used car trading, and automotive aftermarket services.

Innovating scenario-based operations and user experience

We have promoted the rollout of "Pi Space," an integrated smart automotive ecosystem, in a shop-in-shop format within our malls, combining IP showcases, vehicle purchasing, and marketing functions. Supported by digital tools, we cultivate highly engaged user communities, connect online and offline traffic, and ultimately create a closed-loop green consumption ecosystem featuring the integration of multiple business formats.

Practicing Green and Low-Carbon Actions

We are committed to deeply embedding green and low-carbon principles into both corporate operations and consumer scenarios. By strengthening both internal management optimization and external consumer guidance, we are building a sustainable development ecosystem that covers employees, merchants, and consumers.

Practicing Green Office Operations and Advocating Low-Carbon Behavior

We actively practice the concept of green office operations and continue to advance energy-saving upgrades and refined management across our office areas:

Refined energy management

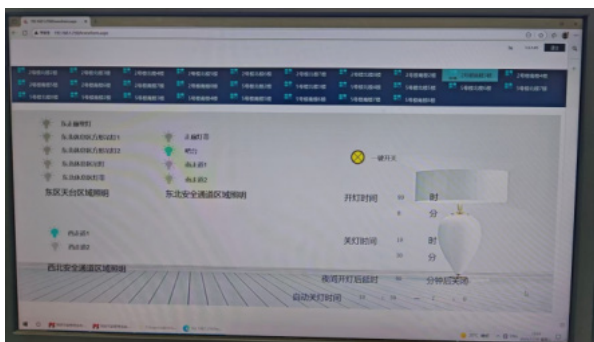
We have upgraded the energy systems in our office areas by deploying infrared energy-saving sensor kits in meeting rooms and introducing lighting energy consumption control and energy management systems. This enables efficient scheduling of meeting room resources and automated control of lighting and air conditioning, effectively reducing energy consumption.

Reduced use of office consumables

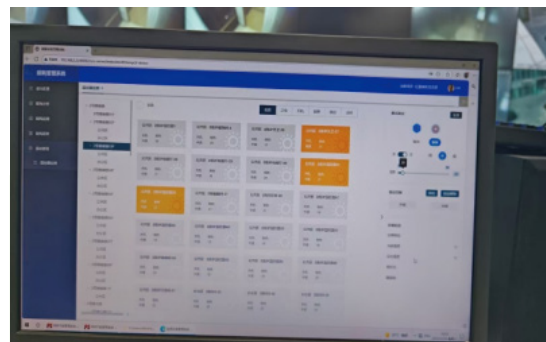
We promote green office supplies by procuring environmentally friendly paper towels, recyclable tableware, and other green products, thereby reducing the use of disposable items and lowering resource consumption.

Internal environmental awareness initiatives

We advocate low-carbon behaviors such as turning off lights when leaving, setting temperatures reasonably, and using stairs for commuting between floors, continuously enhancing employees' environmental awareness and participation to jointly create an energy-efficient green office environment.



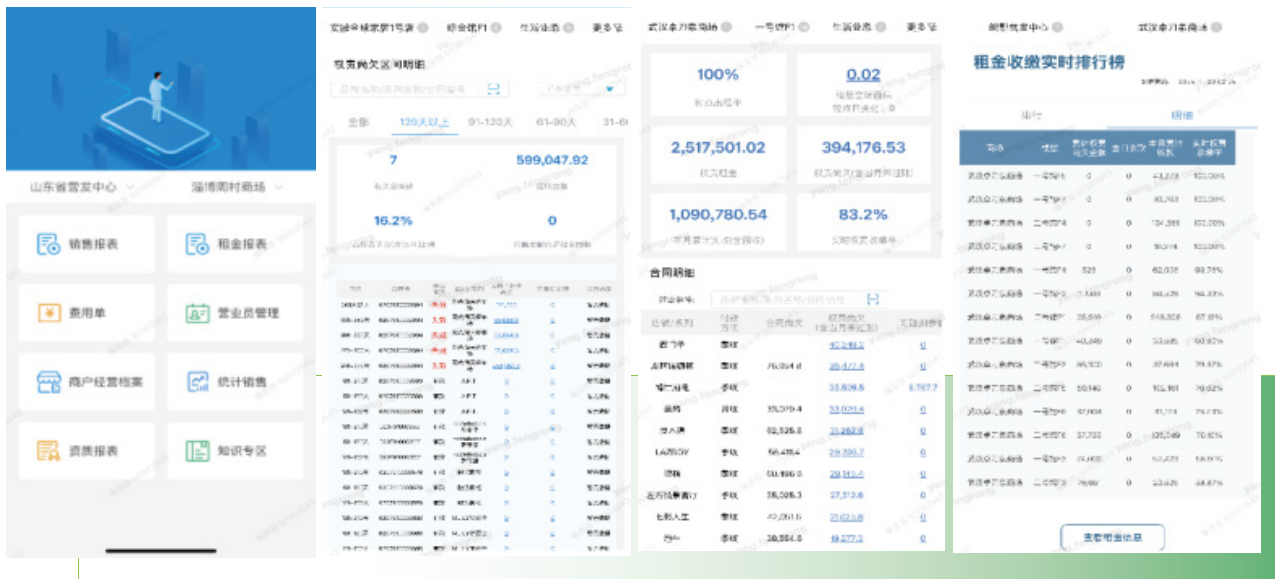
Lighting Energy Consumption Management System



Energy Management System

Advancing Digital and Intelligent Transformation to Build an End-to-End Smart Building Management Hub

We are actively aligning with the dual transformation trend of "digital intelligence + low carbon" and comprehensively upgrading our building operation and management system. We continue to independently develop and deeply iterate our smart floor management system, integrating previously fragmented building management modules into a unified digital hub. By integrating multidimensional dynamic dashboards covering rent collection, qualification review, and risk warning, we have realized online and visualized governance throughout the full life cycle of merchants, providing agile data support for precise decision-making. At the same time, leveraging this digital foundation, we have deeply embedded green principles into our daily operations. Internally, we have comprehensively promoted paperless and electronic business processes, significantly reducing resource consumption. Externally, we have innovatively introduced environmental quality spot checks and green awareness mechanisms, using digital tools to guide the supply chain in strengthening the green attributes of its products. In this way, we are working together with our merchants to build a new home furnishing circulation ecosystem that is efficient, low-carbon, and sustainable.



Floor Management E-Terminal System



Energy Usage

Energy is an essential material foundation for human survival and development, and also a critical safeguard for national security and the sustainable operation of the economy and society. Improving energy management and advancing energy technology innovation are inevitable pathways for us to practice green operations and achieve sustainable development. We have established energy saving and emissions reduction as a core development objective, strictly comply with the Energy Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Renewable Energy Law of the People's Republic of China, and other applicable laws and regulations, and continue to improve our energy management system, enhance energy efficiency in all respects, and reduce energy consumption and greenhouse gas emissions.

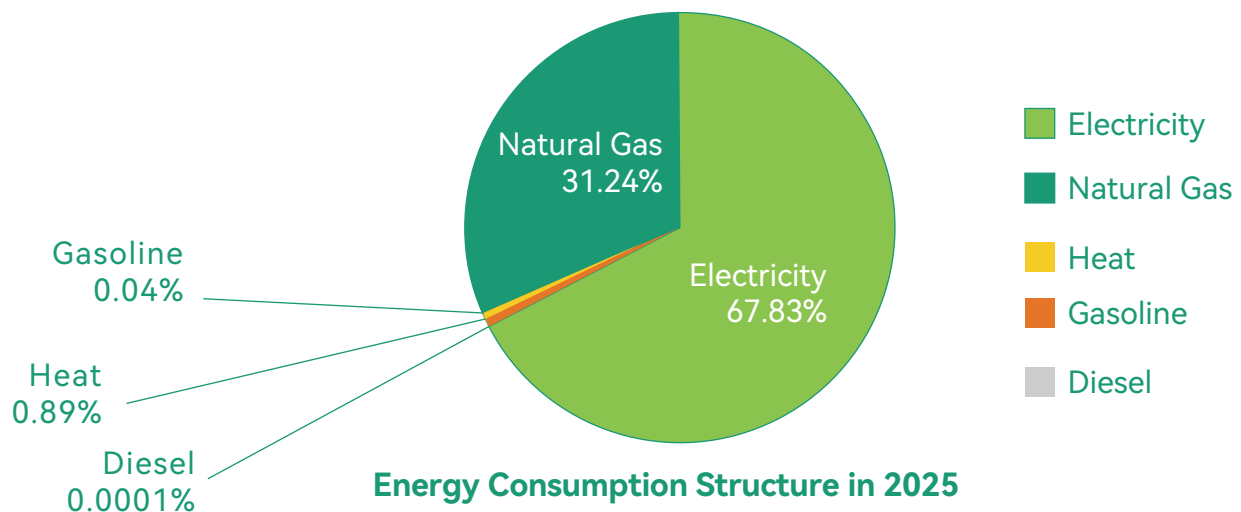


Energy Consumption

In 2025, our total comprehensive energy consumption amounted to **803,983.13** MWh. In terms of the energy mix, electricity was the primary energy resource consumed in our operations in 2025, accounting for **67.83%** of total energy consumption.

Energy Consumption Structure

Energy Type	2022	2023	2024	2025	Share of Energy Consumption in 2025 (%)
Electricity (MWh)	1,313,893.08	602,027.22	683,234.20	545,371.73	67.83
Diesel (MWh)	0	12.27	5.43	0.57	0.0001
Heat (MWh)	/	7,573.87	16,296.78	7,153.74	0.89
Gasoline (MWh)	1,215.19	998.19	531.65	297.15	0.04
Natural Gas (MWh)	357,369.23	368,730.26	307,927.27	251,159.93	31.24
Total	1,672,477.50	985,478.85	1,026,172.09	803,983.13	100



Energy Management

By formulating and implementing dedicated policies such as the Notice on Implementing Refined Management of the Energy Section for Malls, we have established a systematic mechanism for advancing energy management. This mechanism clearly defines the objectives, timelines, and responsible parties for each energy-saving task, enabling dynamic tracking and closed-loop management throughout the entire process of energy use and effectively improving the refined management of energy consumption in our malls. At the same time, we have promoted the establishment of energy management organizational structures in certain malls, continuously carried out lean energy improvement and energy efficiency enhancement initiatives, and regularly organized specialized energy management training. To further strengthen accountability, we have incorporated energy management performance into the appraisal system for relevant positions, ensuring the steady achievement of our green and low-carbon operational goals.



Energy Management Training

Energy Saving and Consumption Reduction

To systematically advance energy saving and consumption reduction, we focus on major energy-consuming systems such as lighting, air conditioning, and elevators in our malls, and continue to implement energy management optimization measures to improve energy efficiency and reduce operational carbon emissions.

The key energy-saving measures implemented in our operations include:

Lighting system optimization

We widely adopt intelligent control strategies by using time switches for lighting in public areas, façade lighting, and store signage lighting, and flexibly adjust operating hours according to seasonal changes and daylight conditions. In areas such as fire corridors, parking garages, and restrooms, we promote the use of sound-controlled, light-controlled, or radar-sensor lighting to ensure lights are turned off when unoccupied. We also strictly implement time-based lighting strategies by setting different lighting schemes for business and non-business hours, and replace traditional metal halide lamps and downlights with high-efficiency LED lighting to reduce lighting energy consumption at the source.

Air conditioning system adjustment

We strictly implement indoor temperature control standards and dynamically adjust chiller outlet water temperature and fan return air temperature based on outdoor temperatures to achieve on-demand cooling and heating. Based on differences in actual thermal loads across floors, we adopt differentiated air supply strategies to avoid energy waste. We also optimize chiller operating periods and make full use of off-peak nighttime electricity for heat or cold storage, further improving system efficiency.

Elevator system management

Escalators are managed on a time-based schedule, with staggered start-up and shutdown before and after business hours, and all escalators shut down during non-business hours. Passenger elevators remain fully operational during business hours, while only necessary duty elevators are retained after closing. Freight elevators are centrally scheduled during off-peak passenger periods to reduce ineffective energy consumption.

Energy consumption monitoring

We routinely conduct meter reading and comparative analysis of energy consumption data to promptly identify and address abnormal energy use. Certain malls have already deployed intelligent energy management systems and are gradually realizing remote monitoring, analysis, and refined control of energy consumption data, providing data support for the continuous optimization of energy efficiency.

Usage of Water Resources

Water resources are fundamental to human survival and development and are also an important safeguard for the sustainable operation of enterprises. We attach great importance to water resource management, strictly comply with the Water Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution, and other relevant laws and regulations, and integrate water-saving principles throughout our operations.

We have established clear targets for improving water use efficiency and have comprehensively enhanced water resource utilization efficiency and fulfilled our water conservation responsibilities through a combination of measures, including strengthened statistical monitoring, the promotion of water-saving technologies, and awareness campaigns.

In mall operations, we systematically implement the following water-saving management measures:

Promoting water-saving devices

We promote the installation of water-saving devices at water use points such as restrooms and back-of-house areas in malls. For example, faucet aerators are installed to effectively control water flow and reduce unnecessary waste while maintaining a good user experience.



Sensor Faucets and Water Conservation Signage in Malls

Creating a water-saving atmosphere

We post water-saving signs in prominent locations such as restrooms and public corridors, continuously communicate water-saving concepts to employees, merchants, and customers, advocate green water use practices, and foster a positive atmosphere of full participation and conscious water conservation.



Water Conservation Awareness Campaign

In construction projects, we systematically implement the following water resource management measures:

01 Implementing quota-based metering and assessment

We apply separate quota-based controls and independent metering for domestic water and construction water. Special metering assessments are carried out for areas with concentrated water use and key process points to strengthen refined water management.

02 Optimizing water source allocation

For activities such as road spraying and landscape irrigation at construction sites, priority is given to the use of non-traditional water sources, and the use of municipal tap water is strictly controlled. Dedicated water-saving plans are put in place for on-site mixing and curing water, and concrete curing practices involving excessive water use are strictly prohibited.

03 Promoting water recycling and water-saving facilities

Recycling water devices are installed at equipment and vehicle washing points on site to improve the reuse rate of water resources. Water-saving appliances and systems are fully deployed in office areas, living areas, and other temporary water use points, and metering devices are installed to enable precise monitoring and management of water use data.

04 Strengthening pipeline design and maintenance

We scientifically design water supply pipeline networks to ensure reasonable pipe diameters and streamlined routing, and assign dedicated personnel to conduct inspections and maintenance to prevent water waste caused by leakage, overflow, dripping, and seepage.

05 Advancing water recycling

We build water collection, treatment, and reuse systems tailored to local conditions to enable the cascading and recycling use of construction wastewater and improve overall water use efficiency.

06 Strengthening water-saving accountability

Project departments sign agreements with subcontractors to jointly build water-saving construction sites and clarify water-saving responsibilities. Water-saving slogans are posted in living areas, irregular water-saving awareness activities are carried out, and water-saving appliances are promoted to enhance water conservation awareness among all personnel.

Pollutant Discharge

We strictly comply with the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Soil 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 Noise Pollution, and other relevant laws and regulations. We continue to improve our pollutant discharge management system, strengthen the systematic control and treatment of various pollutants generated during operations, including exhaust gas, wastewater, and noise, and are committed to continuously reducing our negative impact on the environment.



Exhaust Gas Emission Management

The exhaust gas generated by our operations mainly comes from project construction and fit-out activities, as well as vehicle exhaust emissions in parking areas. The main air pollutants include particulate matter, nitrogen oxides, and sulfur oxides.

Dust is one of the major pollutants generated during construction and fit-out processes and may have a potential impact on the surrounding environment and human health. Throughout the entire project construction process, we actively practice the concept of cleaner production and strictly comply with industry standards such as Environmental and Sanitation Standards for Construction Site of Building Engineering (JGJ146-2013). By adopting a combination of source control and end-of-pipe treatment, we implement the following exhaust gas and dust control measures for various construction scenarios, with a view to minimizing dust and exhaust gas emissions during construction, protecting the quality of the surrounding environment, and fulfilling our environmental responsibilities:

- **Promoting cleaner building materials and processes:** We comprehensively promote the use of ready-mixed commercial concrete at construction sites. Where on-site mixing is required under special circumstances, mixing equipment must be fitted with highly efficient dust removal devices, and bulk cement tanks must be subject to fully enclosed management to minimize process-related dust generation. At the same time, all tea boilers and stoves on site are required to use clean energy such as electricity or liquefied petroleum gas, and all open-air burning is strictly prohibited to eliminate exhaust gas emissions from stationary sources at the source.
- **Strictly controlling the environmental performance of decoration materials:** All decoration and fit-out materials must be environmentally friendly products certified by authoritative testing institutions. Harmful substances in incoming materials are subject to spot checks in strict accordance with mandatory national standards such as Civil Building Engineering Indoor Environmental Pollution Control Standard (GB50325-2020), so as to prevent indoor and outdoor air pollution such as volatile organic compounds (VOCs) at the material source.
- **Implementing dynamic control of exposed land:** For temporary exposed land in office areas, living areas, and construction sites, dust suppression measures such as greening, hardening, or covering are promptly adopted to effectively control wind-blown dust and improve the site environment.
- **Implementing enclosed management throughout the material chain:** During storage, powdered materials such as cement are stored in dedicated warehouses. For stockpiles of dust-prone materials such as sand, gravel, and soil, full coverage and windproof dust screens are adopted as physical isolation measures. During transportation, all soil, construction waste, and spill-prone materials are transported in enclosed vehicles or under 100% covering to prevent spillage.
- **Strengthening the control of mobile-source emissions:** We have established and strictly implemented a regular maintenance system for construction vehicles and machinery to ensure they remain in good operating condition. Through comprehensive measures such as promoting the use of cleaner fuels and installing exhaust purification devices, we ensure that emissions from all mobile sources comply with national and local emission standards, including the strictest applicable requirements.
- **Promoting wet operations and localized enclosure:** In high-risk operations such as earthwork excavation, demolition, and paint sanding, wet methods such as water spraying, mist dust suppression, and localized enclosure of work areas are mandatorily adopted, together with air quality monitoring, to ensure that dust in operation areas remains under control.
- **Establishing intelligent vehicle washing systems:** Automated vehicle washing platforms and recycled water treatment facilities are installed at all major entrances and exits to ensure that all vehicles are washed before leaving the site, preventing mud from being carried onto roads and significantly reducing road dust.



Online Dust Monitoring Device



Vehicle Washing Bay

Wastewater Discharge Management

The wastewater generated in our operations mainly comes from two stages: project construction and daily mall operations. The primary pollutants contained in such wastewater mainly include chemical oxygen demand (COD) and biochemical oxygen demand (BOD5).

Wastewater Discharge Management During Construction

The wastewater generated from our construction activities mainly includes construction wastewater and domestic sewage at construction sites. To put green development principles into practice, we strictly comply with applicable environmental protection laws and regulations and have established a full-chain wastewater management mechanism covering source control through end-of-pipe treatment. For our construction business, we ensure that wastewater discharged from construction sites complies with the Integrated Wastewater Discharge Standard (GB8978-1996) through measures such as process optimization and compliant treatment, so as to effectively achieve wastewater reduction and harmless discharge and support green and sustainable development. During the reporting period, the Company did not experience any incidents in which wastewater discharge caused negative environmental impacts.

To manage construction wastewater throughout the entire process, we have implemented the following measures:

• Improving drainage and treatment facilities

- ✓ In accordance with the overall construction site layout, we systematically install treatment facilities such as drainage ditches, three-stage sedimentation tanks, and oil separation tanks to ensure that 100% of all types of production wastewater, including wastewater from vehicle washing, mechanical operations, and concrete curing, is collected and treated.
- ✓ Slurry, brick-soaking wastewater, and other wastewater generated during construction must be discharged in an organized manner within fixed hardened areas and may only be discharged externally after sedimentation treatment.

• Strengthening process-specific control

- ✓ **Concrete curing:** We prioritize water-retaining curing methods or curing by covering with soaked burlap sacks to minimize the uncontrolled discharge of curing wastewater.
- ✓ **Vehicle washing:** All vehicles must be washed at designated washing platforms, and the wastewater must either be recycled or discharged after sedimentation treatment.
- ✓ **Mechanical equipment operations:** On-site machinery and equipment are arranged in designated areas strictly in accordance with the construction site layout plan. At the same time, the equipment operating areas are hardened and equipped with drainage ditches and sedimentation tanks to ensure that construction wastewater is discharged into the municipal sewage pipeline network in compliance after sedimentation treatment.
- ✓ **Hazardous chemicals management:** Dedicated storage areas with strict anti-seepage layers are set up for chemicals, oil products, and similar substances, together with leakage collection and emergency response facilities.

• Strengthening monitoring and resource protection

- ✓ **Water quality monitoring:** We regularly engage qualified third parties to conduct water quality testing on discharged wastewater and take corrective and preventive measures based on the test results.
- ✓ **Groundwater protection:** During basement construction and other underground works, we adopt water-blocking measures such as concrete slope protection to confine dewatering activities within the foundation pit and prevent adverse impacts on surrounding groundwater levels and water quality.



Wastewater Discharge Management in Mall Operations

The wastewater generated from mall operations mainly comes from catering services, toilet flushing, air conditioning systems, and site cleaning.

To reduce water use and wastewater discharge generated during mall operations, we promote the following measures through both facility upgrades and management optimization:



• Upgrading water-saving equipment and technologies

We have fully equipped public restrooms with efficient water-saving devices such as sensor-operated urinals, foot-operated water-saving faucets, and faucet aerators to effectively control water consumption in toilet flushing, hand washing, and other activities. At the same time, by scientifically adjusting the operating modes and operating hours of air conditioning systems, we reduce the frequency of system blowdown and the overall volume of make-up water, thereby reducing indirect wastewater generation.

• Optimizing operation and maintenance management

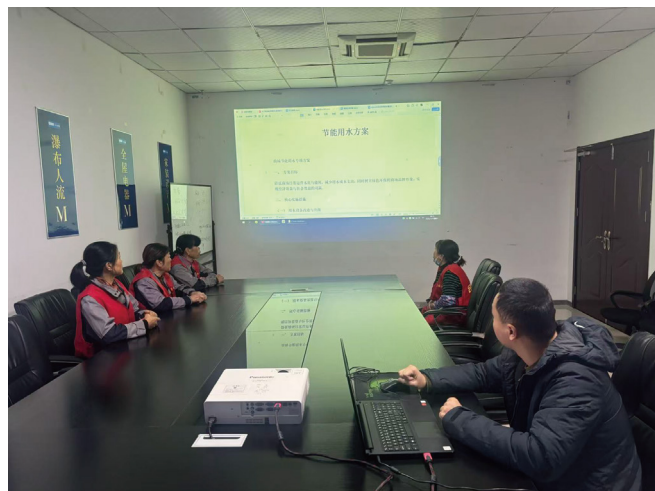
- ✓ We provide specialized water-saving training for cleaning personnel, clarify operating standards, and prohibit the direct use of hoses to wash large floor areas.
- ✓ We establish real-time water consumption monitoring systems to dynamically track water use data and promptly identify and address abnormal pipeline leakage.
- ✓ We have established regular inspection and maintenance systems for water supply facilities such as pipelines, valves, and water tanks, so as to eliminate leakage, overflow, dripping, and seepage at the source.
- ✓ We regularly clean and maintain water supply pipeline networks to prevent scaling from reducing water supply efficiency and causing unnecessary water consumption.

• Strengthening awareness guidance and habit building

We place prominent water-saving signs at all water use points to guide employees, merchants, and customers to develop good habits such as turning off taps promptly and avoiding running water unnecessarily. We also conduct regular training on water conservation awareness and practical skills for all employees and shopping guides, so as to deeply embed water-saving principles into every aspect of daily operations.



Routine Inspection of Daily Water Supply Facilities



Water Conservation Training

Noise Management

The noise generated during our operations mainly comes from construction sites of development projects. We attach great importance to noise control at construction sites and actively take corresponding measures to manage noise generated during construction activities, ensuring that noise management complies with national and regional standards. In 2025, during the construction of our ongoing projects, the Company strictly complied with the requirements of Emission Standard of Environment Noise for Boundary of Construction Site (GB12523-2011), achieving stable compliance.



The main measures we take for noise control at construction sites include:

- **Strengthening equipment maintenance and management:** Before construction begins, we maintain equipment such as excavators and transport vehicles. During construction, we promptly eliminate faults to avoid noise caused by mechanical failures. We also regularly clean, lubricate, and maintain machinery parts that may generate noise, so as to control noise at the source.
- **Promoting low-noise equipment and processes:** We select low-noise construction machinery and processes, and strictly control the operating hours, frequency of use, and number of small electric tools prone to generating sharp noise. During nighttime rest periods, such operations are reduced or suspended.
- **Standardizing the use of large-scale equipment:** Large machinery such as tower cranes and construction elevators may only be put into use after obtaining the relevant Use Permit issued by local administrative authorities.
- **Scientifically arranging working hours:** We reasonably plan construction schedules and strictly arrange high-noise operations such as dismantling and concrete pouring during daytime hours, so as to minimize the impact of nighttime construction on the surrounding environment.
- **Promoting civilized construction and refined operations:** We advocate civilized construction practices and strictly prohibit dropping steel pipes, fasteners, and other components from heights. We control noise from concrete vibration, standardize signals for vertical transportation, and promote low-noise construction, loading and unloading, handling, and cleaning operations.
- **Implementing a vehicle noise access system:** We implement low-noise vehicle access management. The operating noise levels of all vehicles entering the site must comply with applicable national and local noise emission standards.
- **Fulfilling monitoring and filing procedures:** Before project commencement, we handle the required entrustment procedures for construction noise monitoring with the urban management authorities in accordance with regulations, proactively accept supervision, and ensure that noise management is compliant and transparent.



Waste Disposal

We strictly comply with national and local laws, regulations, and relevant requirements on solid waste, including the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill, and the Standard for Pollution Control on Hazardous Waste Storage. We continue to improve and refine our waste management system, adhere to the principles of reduction, resource utilization, and harmless treatment, and strive to reduce the discharge of various types of waste generated during our business operations.



General Waste

The general waste generated by our operations mainly comes from project construction and mall operations, and mainly includes construction waste, industrial waste, and domestic waste.

General Waste Management During Construction

The general waste generated from our construction activities mainly consists of construction waste, industrial waste, and domestic waste. In line with the principle of resource utilization of waste, we have adopted the following management measures:

- **Strengthening on-site management and reducing waste at source:**

We reduce the generation of construction waste at source through on-site management practices that ensure work is completed, materials are used efficiently, and the site is kept clean.

- **Promoting classified collection and resource utilization**

We collect construction waste by category and give priority to resource utilization methods such as foundation backfilling and road paving.

- **Standardizing domestic waste disposal**

Enclosed waste containers are provided in living areas, and domestic waste is bagged and removed in a timely manner.

- **Ensuring the effective operation of environmental protection facilities**

We ensure the proper operation of environmental protection facilities such as sedimentation tanks, oil separation tanks, and septic tanks, and prevent blockage, leakage, and overflow.

- **Implementing professional transportation and disposal**

We regularly engage qualified entities to carry out standardized cleaning, transportation, and disposal of sediments in tanks and pools to prevent secondary pollution.

General Waste Management in Mall Operations

For the general waste generated from mall operations, we set waste management requirements for all operating malls in accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Measures for the Administration of Municipal Domestic Waste, and other relevant laws and regulations:

- **Improving the management organization and accountability system**

We have established a multi-level, full-chain accountability and control system, clearly defining the waste management responsibilities of the leading property management department, responsible merchants, cleaning teams, and operation management departments, thereby forming a coordinated management framework.

- **Promoting source reduction and waste classification**

We provide standardized waste sorting containers with clear labels and categories. We actively promote source reduction measures, restrict excessive packaging of goods, and vigorously promote environmentally friendly alternatives such as biodegradable shopping bags and reusable tableware, thereby reducing waste generation at source.

- **Standardizing collection, transportation, and disposal procedures**

We strictly implement closed transportation standards throughout the process and use dedicated vehicles with anti-spillage and anti-leakage features to prevent secondary pollution during transportation. We also optimize waste removal schedules to avoid peak business hours in malls and scientifically plan transport routes to minimize disruption to customers and ensure efficient and orderly waste collection and removal.

- **Implementing classified storage and professional treatment**

Based on the characteristics of recyclables, hazardous waste, and other waste, we implement classified storage and zone-based management, and clearly define temporary storage requirements and disposal standards for each category of waste. In strict accordance with local waste treatment regulations, we cooperate with qualified professional institutions to ensure the recycling of recyclables, the harmless disposal of hazardous waste, and the compliant treatment of other waste, so that the entire process meets environmental protection requirements.

- **Establishing monitoring and emergency response mechanisms**

We have established a routine supervision mechanism to monitor waste management in real time, conduct random inspections in key areas, and promptly identify and rectify irregular practices. We have also developed comprehensive emergency response plans that specify response procedures and responsibilities for incidents such as waste leakage, the mixing of prohibited items, and odor diffusion, so as to ensure rapid and effective responses.

- **Incorporating performance into assessment and continuous improvement**

We incorporate the effectiveness of waste classification management into mall operation assessments and merchant cooperation evaluation systems, and promote the implementation and continuous improvement of management requirements through supervision, assessment, rewards, and penalties.

Hazardous Waste

The hazardous waste generated by our operations mainly comes from construction activities, and mainly includes waste batteries, used ink cartridges, waste paint, waste coatings, and their packaging materials.

For toxic and hazardous waste generated during construction, we have established a strict management process. All hazardous waste is strictly prohibited from being mixed with general construction waste or domestic waste, and is entrusted to qualified entities holding the relevant hazardous waste business permits for compliant recycling and professional disposal, so as to prevent soil and groundwater pollution risks at source and fulfill our environmental responsibilities.

Environmental Compliance Management

We strictly comply with the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, and other relevant laws, regulations, and local requirements applicable to our business operations. We have established regulatory requirements for the operations of the Company and its subsidiaries in areas such as pollutant discharge reduction, water resource protection, and biodiversity conservation. We continue to advance the development of our environmental management system. Sunan Construction and MACALLINE Design Institute have obtained ISO 14001 Environmental Management System certification. In 2025, we did not experience any major environmental emergencies or receive any environment-related administrative penalties.



Environmental Risk Control

In accordance with our risk control systems and procedures, we identify and assess the environmental risks that our operations may face. We also conduct ad hoc risk identification and assessment for specific projects from time to time, determine risk levels, and implement corresponding control measures to mitigate potential environmental risks.

Sunan Construction, one of our subsidiaries, has developed a List of Significant Environmental Factors to identify the potential environmental impacts involved in various activity points, processes, and related links throughout the construction workflow. The list systematically covers pollution types such as air, water, soil, and radiation, while also including multiple risks such as resource consumption and fire hazards. It further clarifies environmental impact scenarios under different time periods and conditions, thereby laying a solid foundation for environmental risk control.

Environmental Emergency Management

To enhance the environmental emergency response capabilities of our malls, strengthen environmental risk awareness among all employees, and ensure that environmental pollution incidents are properly handled and their adverse impacts are quickly eliminated, we have formulated and issued the Quality and Environmental Emergency Response Plan. The plan not only defines the organizational structure and responsibilities of the emergency response team, but also sets out standardized handling procedures for a range of environmental emergency scenarios, including water leakage and seepage in malls, pollutant leakage in restrooms, pollution spillover from fit-out sites, equipment noise disturbance, and abnormal indoor temperatures. At the same time, all malls strictly follow the requirements of the plan by regularly organizing quality and environmental emergency training sessions and routine drills, effectively enhancing the emergency response and on-site handling capabilities of relevant personnel.



Temperature Control Emergency Drill

Emergency Drill for Sprinkler
Pipe Burst Response

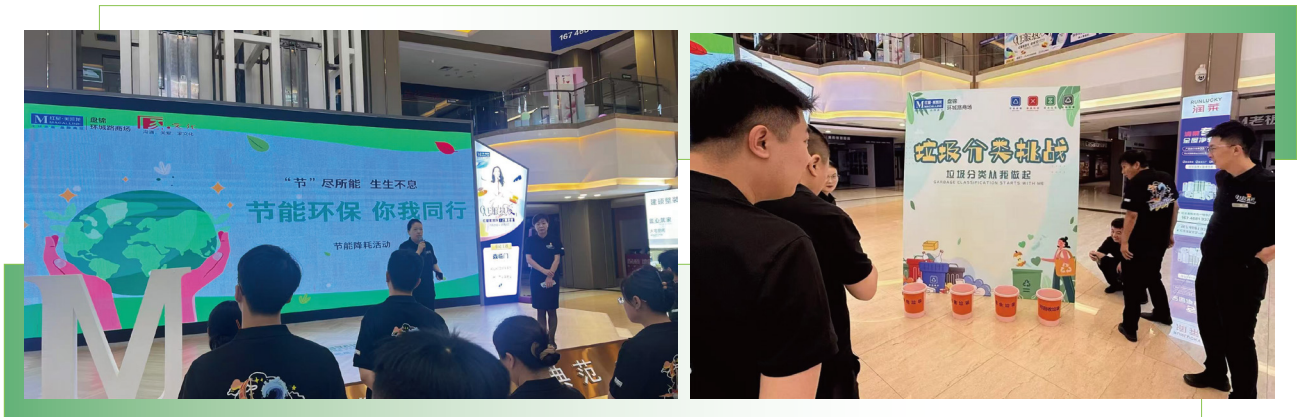
Environmental Pollution
Emergency Response Drill

Training on Emergency Response Plan
for Quality Incidents

Environmental Protection Culture

We have established a routine environmental management training mechanism and regularly organize special training on the environmental management system to help employees strengthen their professional knowledge of environmental management and improve their awareness of environmental compliance management and practical capabilities. At the same time, we have developed an evaluation mechanism for the effectiveness of environmental protection training. Through systematic assessment and multi-dimensional feedback, we ensure that all employees understand environmental compliance requirements and that training results are effectively translated into compliance management performance.

In addition, we regularly organize thematic training activities on environmental topics such as waste sorting, water conservation, and civilized construction. Through systematic communication and advocacy, we continue to strengthen environmental awareness among all employees and reinforce the cultural foundation for green development. By deeply integrating environmental protection concepts into our daily operations and service processes, we have not only continuously improved the standardization of our internal management, but also enhanced customer experience through green services, effectively strengthening our core competitiveness in sustainable development and making positive contributions to the green transformation of the industry and the improvement of the ecological environment.



Circular Economy

Developing a circular economy is a major strategy for China's economic and social development, and an important pathway to safeguarding national resource security, accelerating the transformation of the economic development model, and promoting ecological civilization as well as high-level ecological and environmental protection. In 2024, the Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development issued by the CPC Central Committee and the State Council called for the vigorous development of the resource recycling industry. The government work report adopted at the third session of the 14th National People's Congress in 2025 further emphasized the need to "strengthen waste recycling, vigorously promote the use of recycled materials, and advance the development of the circular economy." As a leading operator of home decoration and furniture malls and a pan-home platform service provider in China, we actively develop circular economy businesses, promote resource recycling, and contribute to the building of a green, low-carbon, and circular economic system.



Developing Green Businesses

To put the concept of the circular economy into practice, we actively expand services such as extended warranties for home appliances, appliance repair, digital product repair, and home furnishing recycling, with a view to extending product life cycles, reducing resource consumption and waste generation, and building a sustainable service ecosystem.

• Extended warranty services for home appliances

In response to consumer needs, we have innovatively developed 49 extended warranty products, including ten-year warranties for core components, full-unit warranties, replacement-only services, repeat-purchase protection, and screen breakage insurance for televisions. Through our self-developed Hongxing Exclusive Extended Warranty Management System, we have realized end-to-end digital management covering customer order placement, service inquiry, and claims processing, thereby improving service accessibility and transparency.

• Home appliance repair services

We have launched repair services covering 15 categories of household appliances and 19 categories of small appliances, and introduced a transparent pricing system and electronic work order system. We also provide value-added services such as fault diagnosis and repair, helping extend the use of household appliances and reduce unnecessary replacement.

• 3C digital product repair services

In response to the frequent service needs and strong user stickiness associated with digital products such as mobile phones, we have expanded to a total of 377 repair service products, further enriching our after-sales service system and supporting the extended service life of electronic products.

• Home furnishing recycling services

We have systematically developed a recycling service system, standardized service criteria and procedures, and integrated recycling services into the scenario-based operations of home furnishing malls. We have added 30 recycling service products across three categories, namely small household appliances, cleaning appliances, and smart digital products, so as to promote the standardized recycling and resource utilization of used home appliances and electronic products.

Highlight | Trade-In for Green Renewal

In 2025, we launched the "Green Renewal Season" themed marketing campaign in coordination with more than 200 malls nationwide, while also introducing innovative initiatives such as free door-to-door collection of old furniture and renewal subsidies combined with brand discounts. These efforts effectively stimulated consumer vitality and received high recognition from the industry. On December 11, 2025, our case Holistic Implementation of the Trade-In Strategy was recognized as a typical case of the building materials and home furnishing industry's trade-in initiative, becoming a benchmark model for the industry and providing a replicable pathway for peer enterprises.



Certificate of Typical Case for the Trade-In Initiative

Resource Recycling and Utilization

In the process of construction site management, we systematically promote the reduction and resource-based treatment of construction waste, set clear targets for resource recovery, and continuously improve the efficiency of resource circulation at construction sites:

- We strive to achieve a total reuse and recycling rate of 30% for construction waste.
- For construction waste with greater potential for resource utilization, such as crushed stone and earthwork materials, we continue to expand resource utilization channels through foundation backfilling, road base courses, and other applications, and strive to raise the reuse rate to over 50%.



Ecosystem and Biodiversity Protection

We consistently place ecological protection and biodiversity conservation in an important position, and strictly comply with laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Wildlife, and the Regulations of the People's Republic of China on Wild Plants Protection, as well as international conventions including the Kunming-Montreal Global Biodiversity Framework. We systematically strengthen ecological risk management to ensure that all business activities meet ecological and environmental protection standards and make every effort to avoid adverse impacts on natural ecosystems.

At the business level, we actively advocate and practice the concept of green home living, and help reduce unreasonable consumption of natural resources such as forests by promoting sustainable industry practices. In our own operations, we have established clear environmental protection requirements in areas such as construction management, with a focus on pollution prevention and control, soil and water conservation, and the strict prohibition of illegal destruction of trees and woodland, so as to safeguard the ecological balance of surrounding areas. At the same time, we continue to improve environmental management in our business development and promote low-carbon operating models to reduce pressure on the ecological environment and biodiversity, thereby jointly supporting the health and stability of ecosystems.

Highlight | Joining Hands to Green Our Beautiful Home

We actively practice the development philosophy that "lucid waters and lush mountains are invaluable assets." Around Arbor Day 2025, we organized Party members and employee volunteers to participate in the Model Workers and Craftsmen Forest tree-planting campaign jointly launched by the local federation of trade unions and the town government. Guided by Party building and coordinated by the trade union, the campaign aimed to promote the spirit of model workers, the spirit of labor, and the spirit of craftsmanship, while integrating our corporate values of communication, care, and family culture into community co-building and ecological protection practices. Through concrete action, we fulfilled our corporate social responsibilities and advocated a green, low-carbon, and sustainable lifestyle.

During the campaign, our Party organization, trade union, Communist Youth League, and volunteer team worked efficiently with other participating organizations to complete a series of tasks including transporting saplings, digging pits, planting trees, backfilling soil, and watering. A total of 100 camphor tree saplings were planted, adding approximately 0.1 hectares of new green area. This initiative not only added new greenery to the local area, but also directly contributed to ecological and environmental improvement in Zhongshan and the city's efforts to build itself into a National Forest City, demonstrating our active commitment to building a better home together with the community.



Tree-Planting Campaign for the Model Workers and Craftsmen Forest

Social



Social Performance Targets in 2025		Completion Status
1	Organize employee participation in volunteer or public welfare activities throughout the year, with a minimum of 7,000 hours	Completed
2	100% of partner and onboarded merchants signed the Supplier Integrity Commitment	Completed
3	Customer complaint resolution rate of 100%, with standard complaints resolved within 24 hours	Completed
4	Zero lawsuits arising from intellectual property infringement incidents during the year	Completed
5	Zero customer privacy infringement incidents during the year	Completed
6	Ensure 100% of employees are covered by training programs throughout the year	Completed
7	Provide an average of no less than 90 training hours per employee annually	Completed
8	Ensure 100% of employees are covered by safety training programs throughout the year	Completed
9	Zero major or extremely severe accidents during the year	Completed



Rural Revitalization and Contributions to the Society

We consistently uphold the values of acting for good and giving back to society, integrating the spirit of public welfare into our corporate strategy and daily operations. We maintain a continuous focus on community development and the care of vulnerable groups, actively promoting social inclusion and cultural integration. By fostering collaboration and shared value creation with all stakeholders, we strive to contribute to a more inclusive and sustainable social ecosystem, jointly building a better future.



Construction of the Community

We always regard our development and the prosperity of the communities where we operate as an interconnected and mutually beneficial whole, and we view community relations as a key pillar supporting the sustainable development of our business. The Company has formulated and continuously improved the Community Policy, integrating community development deeply into our business planning. Through these efforts, we strive to build a harmonious community of shared future in which the Company and local communities grow and prosper together.

In practice, we advance community co-building through a systematic approach:

- **Strengthening risk management:** We regularly conduct community impact assessments and risk screenings to minimize the potential negative impacts of our operations on local communities.
- **Protecting community rights:** We fully respect and safeguard the cultural traditions, cultural heritage, and legitimate rights and interests of indigenous communities.
- **Maintaining open communication channels:** We assign dedicated departments to manage community relations and communication, and has established a rapid response mechanism to promptly receive, respond to, and address community concerns and complaints, fostering a relationship of mutual trust and mutual benefit with local communities.
- **Empowering the local economy:** We prioritize local hiring and actively create employment opportunities for community residents. During business development, we also provide cooperation opportunities for local enterprises, contributing to local economic growth.

Through the above multi-dimensional community co-building practices, we continue to strengthen the foundation of trust with local communities. By ensuring that our development is rooted in and gives back to the communities we serve, we promote long-term prosperity through mutually beneficial and symbiotic growth.

Social welfare

In 2025, the Company organized a total of **140** public welfare activities, with **5,684** volunteer participations and a total of **7,885** hours of volunteer service.



Highlight | Gathering Warmth, Moving Forward for Public Good

In September 2025, we participated in the "Warmth Bazaar", a themed event of Shanghai Charity Week organized by the Party Working Committee and Office of Xinhong Subdistrict and Shanghai Minfang (Group) Co., Ltd., demonstrating its commitment to corporate social responsibility.

At the beginning of the event, the Company's Party Committee mobilized employees to donate new household and daily necessities. Party members took the lead, and employees from regional centers actively participated, quickly gathering a range of practical supplies.

During the event, Party members and employee volunteers served as charity stall hosts, promoting donated items and raising funds for charitable causes. All proceeds were donated to relevant charitable foundations, while unsold items were transferred to the Xinhong Subdistrict Charity Store to continue the charity sale.

The initiative demonstrated strong employee engagement in public welfare and further strengthened the integration of corporate social responsibility with community development.



Warmth Bazaar and Shanghai Charity Week Themed Event

Highlight | Volunteer Red Shines at CIIE

In November 2025, the Company's Party Committee organized its eighth consecutive year of volunteer service at the China International Import Expo (CIIE), mobilizing more than 1,330 Party member volunteers. During the event, the Company was honored with the first batch of "CIIE Party Building City Living Room" titles by the Organization Department of the Shanghai Municipal Committee and recognized by the Hongqiao Business District as an advanced collective for Party member volunteer service. Several Party members were also awarded titles such as Outstanding Volunteer and Advanced Individual in Minhang District.

Over eight years of commitment, the Party Committee has used CIIE volunteer service as an important platform for Party member education and practice. Through systematic organization and sustained participation, we have developed a volunteer service model based on Party member leadership, organizational support, and long-term mechanisms. During the event, Party member volunteers demonstrated professionalism and enthusiasm, highlighting the Company's sense of responsibility and forming a striking "red landscape" at the CIIE site.

These honors reflect both the recognition of higher-level Party organizations for the Company's Party building and volunteer efforts, and the Party Committee's ongoing success in integrating Party leadership with corporate social responsibility. Through this, the Company continues to strengthen its positive social image.



Volunteer Service at the CIIE

Innovation-driven

The Company's core strategy focuses on business enablement, process efficiency, model-driven approaches, and intelligent applications. Aligned with C&D Group's digital strategy and the Company's five-year plan, we aim to deepen technology enablement, leverage data and AI, and build an integrated online-to-offline smart home retail system. This strategy is implemented through six key tasks: improving management efficiency, integrating business and finance, enhancing omnichannel operations, strengthening data and AI capabilities, enabling external industries, and supporting business innovation, ensuring coordinated execution, improved operational effectiveness, and enhanced core competitiveness.



R&D and Innovation

Technology innovation is the core driver of sustainable development. The Company continuously improves its R&D and innovation system, building a comprehensive, multi-level framework led by independent innovation and guided by market demand, to strengthen its innovation capabilities and global competitiveness.

In 2025, we achieved significant results in project delivery, cost control, and strategic execution. We undertook **221** projects and delivered **208**, reaching a delivery rate of **94.12%**. Budget management saved CNY **4.7** million, and labor costs decreased by **23.64%** year on year. The Company also completed the new five-year digital sub-plan, defining a dual-engine development path of data mining and intelligent applications, and successfully implemented key initiatives such as the end-to-end trade-in platform, smart state-owned assets reporting, and AI service platform, effectively supporting business growth and operational efficiency.

R&D Management System

We have established an R&D innovation management system centered on "full-process control and cross-department collaboration", forming a three-level structure of decision-execution-support and continuously improving R&D efficiency and quality through institutional development. We optimized the R&D workflow by standardizing review criteria across key stages, including requirements, design, development, and testing, enhancing cross-team collaboration. Intelligent inspection tools were introduced to identify core project code issues in advance, and the release management process was continuously improved to reduce risks. In addition, leveraging the Feishu project, we built a digital project management system to standardize the full project lifecycle, with over 290 projects monitored and broken down in real time, significantly improving overall project management efficiency.

The Company has established a clear and highly collaborative management structure:

Decision-Making Layer

- Led in a unified manner by the head of the Digital Technology Department.
- Responsible for overall strategic planning and resource allocation for R&D and innovation, ensuring that R&D directions remain aligned with the Company's overall development strategy.



Execution Layer

- Composed of specialized teams in technology R&D, data governance, and AI applications.
- Responsible for advancing the implementation of R&D projects according to defined goals and plans, ensuring that all tasks are carried out in an orderly manner.



Support Layer

- By collaborating with relevant business departments such as Finance and Operations, the Company coordinates resources and promotes cooperation with partners, ensuring alignment with R&D and innovation needs and facilitating resource integration to provide continuous and stable support for innovation activities.

Technical Talent Development

We attach great importance to technical talent development and continuously build a highly skilled and competent technical workforce. In 2025, the Red Star Macalline Digital Technology Department strengthened its technical talent pipeline through a full-cycle selection, development, deployment, and retention mechanism.

- **Internal training:** We organized 13 internal professional training sessions throughout the year, covering core IT skills and professional capability development. Leveraging Feishu cloud documents, we built a departmental knowledge repository, accumulating over 6,500 technical documents with more than 16,000 views, reducing new employees' learning and onboarding time by approximately 30%.
- **External recruitment:** We recruited high-level professionals in key areas such as big data analytics and process management, targeting the Company's digital transformation and business upgrade needs, providing professional support for core projects and capability development.
- **Business-IT integration:** We encouraged IT staff to engage in frontline research and practice in shopping malls. Through hands-on training, on-the-job exercises, and case reviews, we continuously developed ITBP hybrid talents with both technical skills and business acumen.

In-house R&D and External Collaboration

We follow an in-house R&D and external collaboration approach, systematically advancing key projects in the fields of data, AI, and core business applications.

- **In-house R&D:** We continuously strengthen its data and intelligence capabilities. We completed the construction of Data Warehouse 2.0, covering 12 major themes to improve data development efficiency, and launched an AI service platform and intelligent code assistant to enhance R&D and delivery efficiency. At the business application level, we implemented key systems such as the end-to-end trade-in platform, consolidated reporting system, and intelligent customer service, enabling multi-entity data integration and intelligent business processes, improving collaboration efficiency and service responsiveness.
- **External collaboration:** We actively collaborate with leading technology firms such as Alibaba, ByteDance, and Tencent, introducing advanced AI capabilities. We also participate deeply in the AI strategic alignment with Jianda Group, leveraging Jianda's computing power and data resources to continuously enhance overall R&D innovation and technology application.

R&D Innovation Achievements

The Company's Digital Technology Department, with technology empowering business as its core focus, concentrates on enhancing R&D and business collaboration efficiency. We have achieved multiple notable technological innovations, driving the Company's shift from experience-driven operations to a dual data- and intelligence-driven model, significantly improving operational efficiency and user experience.

- **AI service platform and intelligent tools:** The Company built an enterprise-level AI service platform with unified model and agent integration standards, improving intelligent application delivery efficiency by 50%. We also launched a code assistant, AI performance archive assistant, and intelligent customer service, covering R&D, training, and service scenarios. These initiatives enhanced development and business response efficiency, reduced labor costs, accelerated case promotion and user self-service capabilities, and comprehensively supported the implementation of technology empowering business.
- **Data governance and model development:** The Company completed the construction of Data Warehouse 2.0 models across 12 major domains, standardizing over 200 atomic metrics and improving data flow efficiency by 50%. We also launched the "Operations Overview" dashboard, covering all major domains and integrating more than 300 core metrics, enabling a unified data standard from headquarters to regional offices and effectively supporting flexible and efficient business analysis and decision-making.
- **Finance-business integration and process optimization:** The Company's consolidated reporting system integrated data from over 740 subsidiaries, improving processing efficiency by 40% and increasing collaboration efficiency with Jianda Group by 50%. We migrated 204 outdated processes and launched a "Unified Task Center", boosting approval efficiency by 30% and shortening the average business cycle from 5.7 days to 2.1 days. These optimizations not only enhanced mall operation efficiency (e.g., trade-in sales reaching CNY 9.897 billion), merchant service experience (order processing efficiency up 40%), and user conversion rates (smart recommendations increased package purchase rates), but also effectively reduced operating costs (procurement savings over CNY 2.8 million), providing a replicable model for digital upgrades in the home furnishing retail industry.

Highlight | Digital empowerment and precise control: The Company upgraded its floor management system, significantly enhancing overall operational efficiency.

We continuously drive the in-house R&D and iterative optimization of its floor management system, building integrated dashboards covering rent, sales, qualifications, and risk control to fully digitize merchant operations and enable data-driven analysis. In 2025, we completed key system upgrades, including Rent & Sales Dashboard V1.4, Merchant Operations Profile V1.1, and the Rent Collection Efficiency Pilot V1.0, and optimized the unified cashier reporting. These enhancements standardized and normalized merchant data entry, providing solid data support for dynamic risk assessment and management decision-making.

Since its launch, the system has significantly improved operational management efficiency. Data report generation time has been reduced from several days to real-time visualization, and key processes such as rent collection have been automated. We have enhanced management accuracy and responsiveness while reducing labor costs, fully empowering refined mall operations.

Highlight | Digital upgrade of membership ecosystem, driving business growth through full-domain integration

We, guided by its technology innovation strategy of user-centricity, data-driven decision-making, and technology-enabled support, treats membership operations as a core breakthrough. We upgraded the official mini-program platform, integrating online customer service, designer services, intelligent customer support, and the Shufang system to build a full-link digital membership ecosystem.

The system now covers 225 malls nationwide, achieving a cumulative page view (PV) of 22.698 million, unique visitors (UV) of 2.658 million, and 557,000 new registered members. Among them, registered members contributed 360,000 unified cash register transactions with a total spending of CNY 9.5 billion, significantly enhancing user engagement and business conversion efficiency.

The system now covers
225 malls nationwide

Intellectual Property Rights Protection

We strictly comply with relevant laws and regulations, including Patent Law of the People's Republic of China and Trademark Law of the People's Republic of China. It has established internal management systems such as the Research Management System, Technical Standards and Methods Management System, and Patent Management System. The Digital Technology Department coordinates intellectual property work, while the Human Resources Department is responsible for drafting, revising, interpreting, and supervising these systems. Department heads ensure communication and implementation, strengthening the protection of intellectual property.

In 2025, we submitted a total of **8** software copyright applications and **5** patent applications, obtained **1** newly granted patent, registered **8** new copyrights. We did not encounter any litigation related to intellectual property disputes throughout the year.

Intellectual Property Protection System

We build and strengthen its intellectual property protection and management system through technology asset accumulation, system integration, and strategic collaboration. It has accumulated core technology assets, including intellectual property, code repositories, class libraries, and knowledge bases, and converted them into legally protected outcomes, continuously enhancing corporate credibility and market competitiveness. The Company completed the migration and integration of six databases and the consolidation of 25 middleware systems, effectively mitigating external commercial software copyright risks. In addition, we developed an AI knowledge base to improve knowledge retrieval and utilization efficiency, and established strategic partnerships with professional intellectual property agencies to continuously enhance the IP protection system through structured management and expert collaboration.

Awareness and Capability Enhancement

We continuously raise employees' awareness of intellectual property protection through regular IP-related training and educational initiatives. In 2025, we organized three technical training sessions to comprehensively share the technological achievements and experiences accumulated during project implementation. We also conducted product and technology-focused knowledge sharing sessions to promote dissemination within the Intellectual Property Center. At the same time, we advanced the integration and automation of R&D processes and held three related training sessions, further improving employees' knowledge and enhancing the team's professional capabilities.

Suppliers and Clients

We are committed to building a collaborative and mutually beneficial supply chain ecosystem, adhering to the principles of openness, transparency, and trust. Through continuous improvement of the supply chain management system and deepening strategic collaboration with suppliers, we jointly create an efficient, resilient, and sustainable value chain, actively promoting higher-quality and more sustainable development in the home furnishing industry.



Supply Chain Management

Supply chain security for suppliers and customers is fundamental to the Company's stable operations. The Company adheres to the principles of openness, fairness, and impartiality, and has established and continuously optimized a series of supply chain management systems, including the Procurement Management System, Supplier Management Regulations, and Bidding Management Regulations. Key security elements such as compliance qualifications, integrity records, and performance capabilities are fully integrated into supplier onboarding, evaluation, and dynamic management processes. The Company has established a dual-layer control system, with the Procurement and Bidding Leadership Team overseeing decision-making and the Procurement Management Department handling professional execution, systematically enhancing the supply chain's risk resilience and compliance management, and fully securing the supply chain.

Supplier Onboarding Management

We have established a systematic and standardized supplier onboarding process, focusing on business alignment, company scale, industry ranking, and potential risks to ensure that partner suppliers possess legal compliance qualifications and stable performance capabilities. For prospective suppliers, we form dedicated inspection teams to conduct on-site assessments of production facilities, equipment, capacity, personnel structure, and office environment. The frequency of these assessments is adjusted flexibly based on project requirements to ensure that suppliers' overall capabilities match project needs. In addition, all new suppliers are required to sign the Supplier Integrity Commitment, Compliance and Law-Abiding Commitment, and Anti-Corruption Agreement, establishing a foundation of compliance and integrity from the start of the collaboration.

Merchant Onboarding Review Mechanism

We have established a strict merchant onboarding review mechanism and formulated internal systems such as the Commodity Management System and Factory Brand Management Regulations. All prospective merchants seeking to operate in our shopping malls are comprehensively evaluated across multiple dimensions, including brand image, service, pricing, quality, integrity, and blacklist records. The Company has set up specialized positions for commodity inspection and pricing within the home furnishing industry, rigorously reviewing factory qualifications, merchant credentials, and product standards to ensure effective implementation of relevant systems and standards. In addition, all prospective merchants are required to commit that their business activities comply with national laws and regulations, relevant United Nations trade conventions, industry standards, and related policies; provide authentic, valid, and complete qualification documents (such as successful project cases and financial proofs); and ensure no record of legal violations or dishonesty, no blacklist entries, and no significant quality or commercial integrity issues.

Supplier Evaluation

We implement a performance-based supplier evaluation mechanism that rewards excellence and penalizes underperformance. For suppliers with annual framework contracts, suppliers involved in group or regional centralized procurement, and suppliers with potential risks, we conduct on-site and comprehensive service quality evaluations through third-party agencies or internal departments. This ensures that suppliers meet the standards for quality, service, delivery timeliness, and after-sales support. Suppliers who meet the annual evaluation criteria are directly included in the supplier selection list for the following year, and those with outstanding performance may renew their cooperation with the Company. If a supplier violates the Supplier Integrity Commitment, fails to meet product or service quality requirements despite corrective actions, harms the Company's interests, or breaches laws and regulations, the Company will terminate cooperation and place the supplier on a blacklist, ceasing any future business engagement.

Evaluation Scope:

- **On-site Supplier Evaluation:** Includes, but is not limited to, secret inspections, on-site assessments, supply source verification, work volume checks, random checks of service timeliness and content, and verification of the authenticity and validity of qualification documents.
- **Comprehensive Supplier Service Quality Evaluation:** Includes, but is not limited to, product quality, service quality, project execution quality, pricing and cost, business coverage, delivery timeliness, after-sales service, value-added services, and commercial and internal control risks.

Merchant Evaluation

To further strengthen product quality management, we have established a systematic merchant credit rating and evaluation mechanism. Merchants operating in our malls are assessed across six dimensions: image, service, pricing, quality, integrity, and blacklist behavior, forming a comprehensive, multi-dimensional credit evaluation.

• **Merchant Credit Grades:** Merchants are rated quarterly on a five-level scale: Five-Star, Four-Star, Three-Star, Two-Star, and One-Star.

• **Merchant Credit Assessment:** Each mall under the Company manages ratings according to its self-developed indicators and scoring rules, following suggested proportion guidelines. The assessment integrates multiple data sources, including financial records, customer complaints, mall inspections, environmental quality spot checks, internal and external audits, media reports, and public credit information, ensuring a comprehensive and objective evaluation. Merchants engaging in serious behavior that damages the Company's brand or customer interests will have stars removed.

• **Merchant Reward and Penalty Mechanism:** High-rated merchants (Five-Star, Four-Star) receive incentives and operational support. Three-Star merchants are guided and assisted to improve performance and customer satisfaction. Low-rated merchants (One-Star, Two-Star) and those with removed stars may face penalties depending on circumstances.

On this basis, we have built an online merchant credit platform with a public display and query interface. Through visual dashboards and a mini-program, we integrate online and offline credit information, enhancing customer access to and perception of merchant credit.

Supplier Communication

We place great emphasis on close communication and collaboration with suppliers. Through online instant messaging, offline meetings, and on-site visits, we maintain efficient and continuous information channels to facilitate requirement alignment and joint problem-solving. In daily interactions, we actively listen to supplier feedback and share relevant corporate strategies and procurement policy directions, fostering mutual understanding on quality control, delivery efficiency, and service improvement, and strengthening long-term, stable, and mutually beneficial partnerships.

To ensure fairness and transparency in cooperation, the Company has established a two-way grievance and feedback mechanism. Any disputes or requests arising during business operations are addressed on a case-by-case basis through dedicated research and coordinated meetings, ensuring timely, fair resolution and promoting a healthy and sustainable collaboration environment.

Risk Management

We place high importance on supply chain risk management and have established a systematic risk control framework covering the full bidding process and focusing on critical links. During the bidding stage, the Company strictly implements supplier prequalification. All bidding suppliers must pass dual reviews by the Bidding Task Force and the Project Bidding Management Committee before entering the bidding process, preventing potential compliance risks such as related-party transactions and commercial bribery at the source.

To further strengthen oversight during transactions, we have implemented a tiered response mechanism for non-compliant behaviors, including working with non-registered suppliers, improper operations by registered suppliers, or services beyond agreed scopes. Measures range from warning and re-assessment to corrective deadlines, suspension of cooperation, or disqualification, ensuring dynamic compliance management throughout the supplier lifecycle.

The Company also sets clear rules for award management. If the first-ranked supplier is disqualified or voluntarily relinquishes the contract, the bidding must be re-organized. This prevents collusion among suppliers and other behaviors that may compromise fairness, mitigating risks across the supply chain and ensuring procurement activities are compliant, orderly, and fair.

Equal Treatment to Small and Medium-sized Enterprises

We uphold the principles of fairness and impartiality and strictly comply with Law Against Unfair Competition of the People's Republic of China, Regulation on Ensuring Payments to Small and Medium-Sized Enterprises, Regulation on the Temporary Disclosure of Enterprise Information, and other relevant laws, regulations, and supervisory requirements. We treat all small and medium-sized enterprises equally throughout the business process. By continuously standardizing procurement procedures and optimizing collaboration mechanisms, we actively fulfill our social responsibilities and safeguard the legitimate rights and interests of SMEs.

Safety and Quality of Products and Services

We recognize that the quality and safety of our products and services are fundamental to winning the market and the cornerstone for sustaining brand trust. We consistently uphold high standards of quality control, integrating rigorous quality management across the full lifecycle of research and development, production, delivery, and after-sales service. Through systematic oversight, we reinforce safety safeguards and continuously enhance the service experience.

Product Quality Management

The Company regards product quality management as the lifeline of business development and is committed to establishing a comprehensive product inspection and management process to deliver responsible products and services. To reinforce the quality safeguard, we conduct regular environmental and quality spot checks across our nationwide stores. By implementing systematic inspection plans and standards, we monitor various products through scheduled and unscheduled checks to ensure compliance with environmental and quality requirements.

For non-compliant batches, we have a rapid response and coordinated handling mechanism. We work closely with relevant provincial operation centers and stores to issue non-conformance notices to brands and factories, supervise follow-up inspections and corrective actions, and manage the entire process from problem identification to resolution. This approach helps brands and factories enhance product quality control and ensures a safe and environmentally friendly shopping experience for consumers.

In 2025, we completed 1,006 batches of environmental quality inspections, covering 111 stores across 20 provincial operation centers nationwide, achieving an overall compliance rate of 98.9%.

Covering **111** stores across
20 provincial operation centers
nationwide, achieving an overall
compliance rate of **98.9%**.

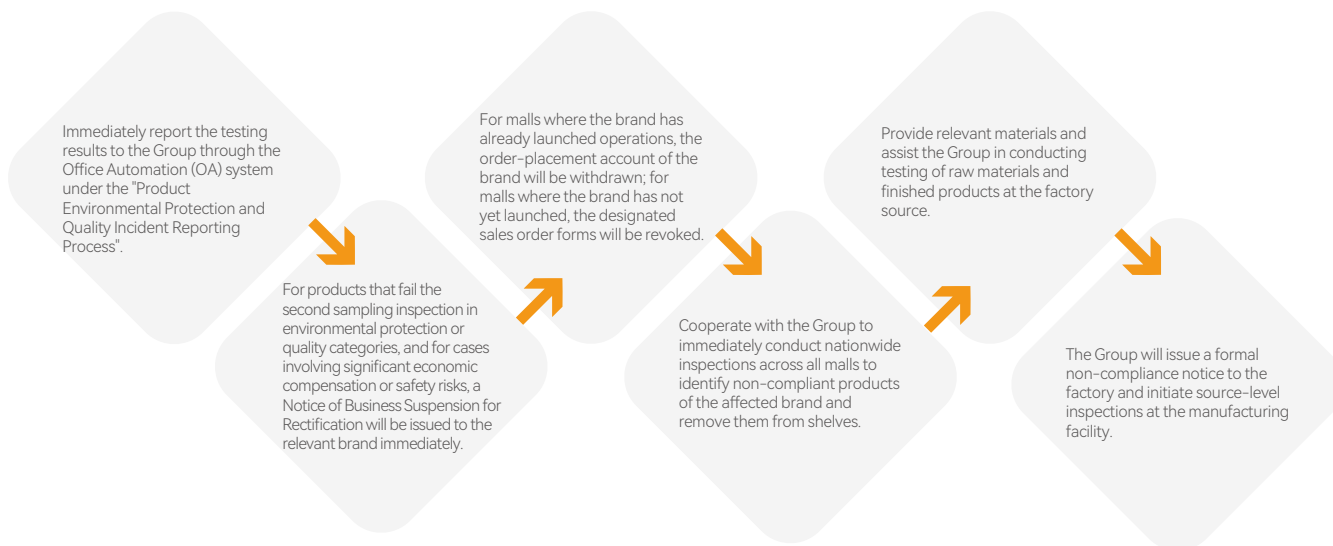
Product Testing Process



Initial Non-Conforming Product Reporting and Handling Mechanism



Secondary Non-Conforming Product Reporting and Handling Mechanism



Highlight | "Quality and Value for a Green and High-Quality Life " — "Quality Month " Promotes Sustainable Consumption

In September 2025, we launched the nationwide "Quality and Value for a Green and High-Quality Life" Quality Month campaign across our malls, aiming to encourage consumers to embrace quality, value, and eco-friendly consumption while supporting brand operations. The campaign covered 23 provincial operation centers and 212 malls, with a total of 412 offline events. Activities included factory and laboratory visits, sustainability-focused quality seminars, expert interviews, and eco-themed livestreams, highlighting key quality control points across production and processing. Through these initiatives, we strengthened consumer awareness and recognition of green, high-quality products and actively promoted sustainable development in the furniture industry.

Consumer Protection

Protecting customer rights is a core aspect of our corporate social responsibility and a key foundation for building a trusted brand. It also serves as an important measure of our competitiveness and sustainability. We integrate customer rights protection throughout our business operations by establishing comprehensive protection mechanisms, improving service standards and complaint handling processes, maintaining open communication channels, and optimizing efficient dispute resolution. Through these efforts, we continuously enhance customer satisfaction and trust, foster a fair and transparent consumption environment, and build a solid reputation that supports the company's sustainable development.



After-Sales Service Management

We uphold the "Star Commitment · Heartfelt Service" philosophy and, through a collaborative mechanism involving the Group, our malls, and merchants, strive to build an industry-leading, comprehensive customer service system. The Company has established service management regulations, including the Mall Quality Service Management Manual and the Home Furnishing Mall Quality Guarantee Fund Management Regulations, to systematically provide upgraded services such as green and eco-friendly commitments, advance compensation, 30-day no-questions-asked returns, and one-stop home renovation services. Through these initiatives, we continuously enhance the end-to-end customer experience from pre-sale to in-sale and post-sale stages.

Customer Complaint Management

We adhere to the service principle of "first response accountability, compliance with laws and regulations, rapid handling, and customer satisfaction" and have established a three-tier customer service management system covering the Group headquarters, provincial operation centers, and malls. The Company has also developed a series of complaint management regulations, including Telephone Answering Management Regulations, Outbound Call Management Regulations, 400 Hotline Work Order Management Regulations, Customer Complaint Position Management Regulations, and Customer Evaluation System, forming a systematic and standardized service assurance mechanism.

To respond efficiently to customer requests, we provide multiple complaint channels covering both online and offline platforms, including the 400 customer service hotline, official Weibo account, and mall service desks, supported by a professional service team. We strictly follow the standards of "reply within 30 minutes, provide solutions within 24 hours, and close cases within 5 days" to ensure efficient and closed-loop complaint handling. In addition, we continuously enhance the professional capabilities of our complaint teams through training on service awareness, communication skills, product and legal knowledge, and practical complaint handling exercises. We also leverage online learning platforms to document and share exemplary service cases, helping employees improve their professionalism and service effectiveness.

In 2025, our 400 hotline served over 51,000 customers, handled 10,430 complaints with a 100% processing rate, maintained an average case closure time within 5 days, achieved a 94.8% case closure rate, and reached a 95.3% satisfaction rate for resolved complaints.

Our 400 hotline served over 51,000 customers, handled 10,430 complaints with a **100%** processing rate

Data Security and Customer Privacy Protection

We attach great importance to information security and data compliance management. We strictly comply with relevant laws and regulations, including Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, and Consumer Rights Protection Law of the People's Republic of China. We have established a comprehensive information security management system to ensure that all security measures are effectively implemented, safeguarding the security of corporate data and the privacy rights of our customers. In 2025, we did not experience any information security incidents or violations of customer privacy.

Information Security Management

We have established a comprehensive information security management system, issuing guiding documents such as Red Star Macalline Home Group Information Security Management System, along with supporting implementation rules including IT Office Security Management Guidelines and Source Code Management Guidelines, forming a foundational management framework. In addition, we have developed specialized data security policies, such as Data Desensitization Management, Data Security Incident Emergency Management, and Information System Vulnerability Management, to clarify requirements for data handling, incident response, and system vulnerability management. The Company has abolished nine outdated policies, including the 2019 Information Security Management System and the 2020 Personal Information Security Management System, achieving system integration and updates and further strengthening our information security governance.

We implement comprehensive information security measures to safeguard systems, data, and networks. System and access management strictly follows the principle of separation of duties, minimal privilege, on-demand authorization, and auditability, with regular reviews and clean-up across the entire account lifecycle. We define clear information security responsibilities by role, require confidentiality agreements with sensitive personnel and third parties, and classify and protect information assets throughout storage and transmission. Network and system security measures include intranet-extranet isolation, bastion host controls for high-security zones, firewall deployment with regular updates, real-time monitoring of cyberattacks, periodic system scanning and penetration testing, and prompt vulnerability remediation. Security requirements are integrated into the full system development lifecycle, establishing an end-to-end information security protection framework.

Information Security Management Structure

We have established a three-tier information security management framework covering decision-making, management, and execution:

The Office of the Company's Safety Production Committee serves as the decision-making layer, overseeing overall information security management and making decisions on major matters.

The management layer, led by the Digital Technology Department, comprises a dedicated team responsible for building, maintaining, guiding, and supervising the information security system.

The execution layer spans all centers, departments, and business units, with dedicated or part-time information security liaisons supporting implementation. Heads of provincial operation centers and mall general managers are accountable for information security management and execution in their respective regions and malls.

We have also established a cross-departmental data security emergency response mechanism, coordinated by the Digital Technology Department, to ensure timely, standardized, and efficient handling of information security incidents.

Information Security Emergency Management

We have established the Data Security Incident Emergency Management Guidelines, forming a scientific and efficient rapid-response mechanism. The guidelines specify incident classification, reporting procedures, and handling measures, including isolation, remediation, notification, and escalation. Led by the Digital Technology Department, we conduct at least one annual emergency drill and prepare evaluation reports to test and optimize response capabilities, continuously improving incident handling to ensure data security and business continuity.

Information Security Risk Assessment and Supervision

We have established a systematic and standardized information security risk management mechanism covering the full process of risk identification, monitoring, early warning, and response. In risk identification and assessment, we evaluate the importance of information assets and implement graded protection in accordance with internal policies. We conduct personal information protection impact assessments for entrusted processing, sharing, transfer, and public disclosure activities, and prudently assess the information security management capabilities of external partners before cooperation. Security requirements analysis and threat assessment are also carried out during system development requirement analysis.

For risk monitoring and early warning, the Company deploys intrusion detection and prevention systems (IDS/IPS) and Security Information and Event Management systems (SIEM) to continuously monitor network environments, system operations, and user activities. Risk monitoring and early warning mechanisms are established through regulatory notices, external complaints, online public opinion, and other channels, with relevant departments reporting risks promptly.

In risk response and management, we adhere to the principles of "security first, comprehensive prevention, proactive measures, and continuous improvement", applying a combination of management and technical measures to maintain information security risks at an acceptable level.

The Company places great emphasis on information security audits and supervision. All information systems enable comprehensive logging, with privileged user operation logs retained for at least 180 days. Regular log audits and information system security audits are conducted, covering key areas such as access control, data protection, system development and maintenance, and third-party management. Upon completion, formal audit reports are issued with improvement recommendations, and corrective actions are strictly tracked to ensure comprehensive, standardized, and effective implementation of information security management.

Information Security Training

We regularly organize information security training for employees to strengthen awareness of cybersecurity risks, ensure thorough understanding and compliance with relevant information security policies and procedures, and continuously enhance employees' security awareness and information security management capabilities.

To continuously fortify our information security defenses, the Company conducted a series of training and awareness initiatives in 2025, primarily including the following:

Specialized Training on Cyber Defense Exercises

Leveraging the Group's cyber attack and defense drills, we rolled out security awareness training for all employees. The training focused on analyzing phishing email identification, common cyberattack vectors, and essential daily protection practices, thereby comprehensively enhancing employees' capabilities in risk identification and response.

Mall IT Security Self-Inspection Training

We conducted targeted capacity-building sessions for frontline IT personnel. By breaking down security inspection standards, security baselines, and high-frequency risk scenarios, we guided all units to standardize their security self-inspections and vulnerability remediation, significantly strengthening information security management at the operational level.

Security Updates and Case Sharing

Leveraging our internal platforms, we regularly published cybersecurity trends and typical incident case studies. Tailored to the Company's actual operations, we issued risk alerts and urged all units to strictly implement routine management and self-inspections, ultimately cultivating an enduring corporate culture of information security.

Customer Privacy Protection

We strictly comply with Cybersecurity Law of the People's Republic of China, Regulations on the Security Protection of Computer Information System of China, Personal Information Protection Law, and other applicable laws and regulations. We have established the Red Star Macalline Home Group Personal Information Security Management System, which clearly defines the full lifecycle management of customer information, including sensitive personal data, covering collection, storage, use, processing, transmission, provision, disclosure, and deletion. All information handling follows principles of legality, legitimacy, necessity, good faith, purpose specification, minimal necessity, consent, and transparency.

We have built a comprehensive information security management system. In the collection stage, we strictly follow legality and minimal necessity principles, prohibit obtaining information through fraudulent or illegal channels, and require explicit consent for sensitive information, providing easy opt-out options. In storage and use, minimal authorization and access control are applied; critical operations require approval and separation of duties; data displayed is de-identified; sensitive data in storage and transmission is protected with encryption and other security measures. We safeguard data subject rights by providing channels for access, correction, deletion, consent withdrawal, and account closure, along with a complaint mechanism.

We strictly limit outsourcing, sharing, transfer, and disclosure of personal information, conducts risk assessments, and signs contracts clarifying security responsibilities. Embedded third-party SDKs are subject to technical inspection and auditing. For high-risk activities such as sensitive data processing, automated decision-making, and cross-border transfers, we conduct personal information protection impact assessments to ensure customer privacy and data security.

Responsible Marketing

We uphold responsible marketing by relying on regulatory frameworks and digital management to ensure transparent, honest, and compliant promotional practices. We have established and continuously updated systems, including guidelines for social media operations, trademarks, and marketing material compliance, requiring all online and offline marketing content to be reviewed and approved by the provincial operation centers before use. Supervision and audit departments conduct periodic spot checks, combining regulatory oversight with dynamic monitoring to strengthen compliance, maintain honest marketing standards, and convey the Company's responsible corporate image.

Supporting Industry Development

We actively fulfill our industry responsibilities by deeply engaging in industry association collaborations, leading industry exchange activities, and systematically promoting best practices, contributing to the standardized development of the industry and sustainable, high-quality growth.

Major Industry Associations Participated in by the Company and Its Subsidiaries

No.	Association Name	Position Held
1	China Association for Consumer Products Quality and Safety Promotion	Vice President Unit
2	Shanghai Service Consumption Promotion Council	Vice President Unit
3	China Association for Consumer Products Quality and Safety Promotion	Vice Chairman Unit
4	China Building Materials Circulation Association	Executive Committee Member

Highlight | "Green & Smart Renewal, Leading the Future"
— The 3rd National Green Smart Home Consumption Festival and Trade-In Summary Conference

In January 2025, we took the lead in organizing the 3rd National Green Smart Home Consumption Festival and Trade-In Summary Conference. The event brought together representatives from government departments, leading industry brands, experts and scholars, and mainstream media. It systematically reviewed and summarized the implementation achievements and experiences of the home trade-in program from 2024 to 2025, providing an important platform for industry exchange and knowledge sharing to support the green and intelligent transformation of the home furnishing sector.



Highlight | "Design as a Link, Coexisting Future"
— 2024 M+ China High-End Interior Design Awards Ceremony and 2nd China Home Decoration Design Ecology Conference

In March 2025, we hosted the 2024 M+ China High-End Interior Design Awards Ceremony and the 2nd China Home Decoration Design Ecology Conference in Shanghai. The event brought together elite designers from across the country, representatives of leading home furnishing brands, and industry partners. Focusing on design empowerment and industry collaboration, it leveraged design as a central link to connect upstream and downstream resources in the industry chain, promoting the professionalization, ecological development, and internationalization of China's home decoration design sector, ultimately creating higher-quality and more aesthetically pleasing living spaces for consumers.



Highlight | "Driving Change with Quality, Embracing the New"
— 2025 China Automobile Circulation Industry Annual Conference & Expo

In November 2025, the 2025 China Automobile Circulation Industry Annual Conference & Expo was held in Shanghai. The expo, themed "Driving Change with Quality, Embracing the New", focused on key areas such as new energy, marketing innovation, digitalization, and after-sales service transformation, providing a cross-sector and cross-regional platform for dialogue and collaboration within the automotive industry chain. The Company participated as a representative of innovative automotive channels and delivered a keynote speech, expressing its openness to deepening collaboration across the industry. By adhering to a user-centric approach and partnering with stakeholders attentive to family scenarios, the Company explored a new "car-home integration" model to better meet household consumption needs.



Employees

High-quality and sustainable development depends on the support of a stable and professional workforce. Focusing on employee rights and interests protection, communication and participation, capability building, compensation and benefits, and occupational health and safety, we have systematically established and continuously improved a management system covering the entire employee career cycle. In terms of rights and interests protection, we continuously update and implement internal management systems to effectively safeguard employees' basic labor rights and properly address employee concerns in a standardized manner. In terms of capability development, we support employees in improving their capabilities and achieving career growth through diversified measures such as cadre management mechanisms, tiered development systems, thematic training programs, and deeper school-enterprise cooperation. In terms of compensation and benefits, we implement systems related to wage payment and rest and leave in accordance with the law, and continuously improve our employee benefits system and care and support mechanisms. In addition, we actively promote occupational health management and health promotion activities, and are committed to creating a safe, healthy, and stable working environment for employees.

Protection of Employee Rights

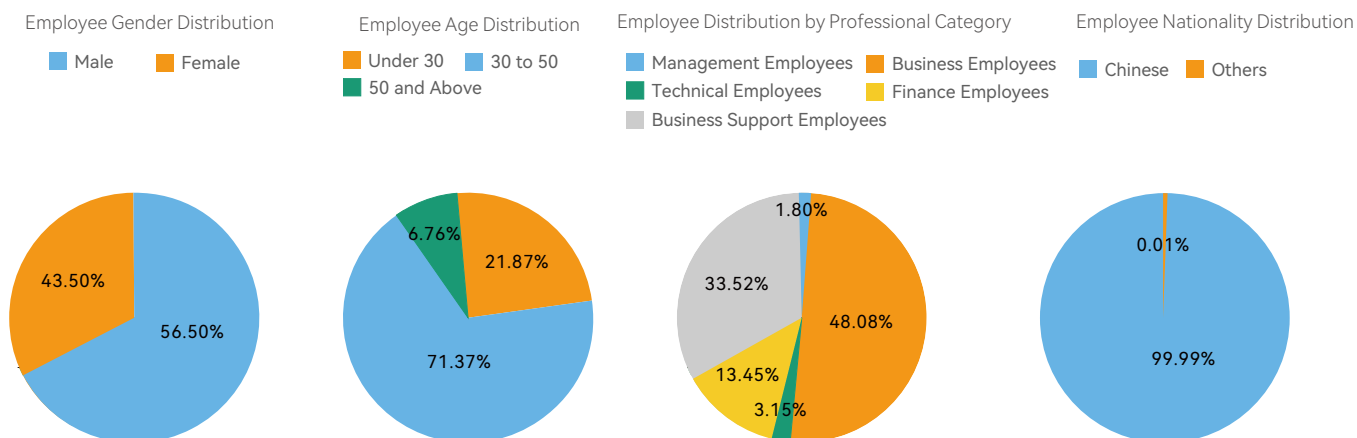
We strictly comply with relevant national laws and regulations, and have established and implemented internal management systems to ensure that employees enjoy fair opportunities in accordance with the law. In our daily management, we clearly define human rights protection requirements and, through trade union organizations and collective contract mechanisms, safeguard employees' lawful rights and interests in accordance with the law. At the same time, we have established a human rights-related complaint and reporting mechanism to handle issues involving employee rights and interests in a standardized manner and effectively prevent risks of infringement on employee rights and interests.

Equal Employment

We follow the principles of equality, anti-discrimination, and diversity, and have formulated internal systems such as the Recruitment and Hiring Management System and the Probationary Period Management System. We recruit and select employees through a combination of public recruitment and internal selection. All positions are openly available to qualified candidates, and recruitment information and job descriptions use neutral wording to avoid setting conditions that may constitute unreasonable restrictions. Once hired, employees sign labor contracts or service agreements in accordance with the law to clearly define the rights and obligations of both parties and standardize labor relationship management.

We have formulated and implemented the Employee Compensation Management System, clearly adhering to the principles of "equal pay for equal work" and "equal pay for work of equal value." For positions with comparable job content, skill requirements, level of responsibility, and working conditions, we maintain fairness and comparability in compensation levels, avoid unreasonable disparities arising from non-work-related factors, and ensure fairness and transparency in compensation distribution.

As of December 31, 2025, we had a total of 9,012 employees. The employee structure is as follows:



Human Rights Protection

We attach importance to protecting the lawful rights and interests of employees, and have incorporated fundamental human rights protection requirements, including anti-discrimination, anti-harassment, and the prohibition of child labour and forced labour, into our daily human resources management system. In accordance with the law, we safeguard employees' rights as stipulated in contracts and laws and regulations, including reasonable working hours, statutory leave, and a safe and healthy working environment, and systematically prevent infringement of employee rights and interests through institutional arrangements and management measures.

In 2025, the Company signed collective contracts with the trade union in accordance with the law, covering the Special Collective Contract on Wages and the Special Collective Contract on the Special Interests of Female Employees. At present, the Company has achieved full trade union coverage at the organizational level, further strengthening the organizational foundation for protecting employee rights and interests.



Anti-discrimination and Anti-harassment

We explicitly prohibit any differential treatment or improper conduct based on gender, age, ethnicity, religious belief, or any other non-work-related factors in recruitment, employment management, compensation distribution, job assignment, promotion, and day-to-day workplace interactions. At the same time, we explicitly prohibit any form of workplace harassment, including but not limited to conduct, language, or other actions that may cause offence, humiliation, threats, or discomfort to employees, so as to safeguard employees' basic dignity and safety in the workplace.

Prohibition of Child Labour and Forced Labour

We strictly comply with laws and regulations related to the management of underage workers and child labour, and explicitly prohibit the employment of child labour and any form of forced labour. We have clearly stipulated employment age requirements in internal policies such as the Employee Handbook, and verify employee age information through our human resources information system. Individuals who do not meet the employment requirements are not allowed to enter the recruitment and hiring process. If any non-compliant employment practice is identified, the Company will promptly rectify it in accordance with the law and impose disciplinary actions on the responsible personnel in line with internal management regulations.

Protection of Female Employees' Rights

We pay close attention to the protection of female employees' rights and interests and, through institutional arrangements and organizational development, safeguard their equal rights in employment, labour protection, and career development in accordance with the law. Through the Special Collective Contract on the Special Interests of Female Employees, the Company has made specific provisions on labour protection and benefits for female employees, and strictly prohibits any conduct that endangers women's workplace safety. In November 2021, the Company established a Women's Federation to further advance the protection of female employees' rights and interests.

Human Rights Complaint and Reporting Mechanism

To ensure smooth feedback and handling channels for human rights-related issues, we have established a complaint and reporting system covering the headquarters and all levels of operations. Dedicated departments are responsible for overall supervision and investigation, and corresponding supervisory personnel are assigned at different organizational levels, forming a graded and coordinated management mechanism. For reports involving discrimination, harassment, or other infringements of employee rights and interests, the Company will conduct investigations in accordance with established procedures and handle the matter in compliance with laws, regulations, and internal rules based on the investigation results. At the same time, we support anonymous reporting, strictly protect whistleblower information, and prevent any adverse consequences arising from reporting activities.

Employee Communication and Consultation

We safeguard employees' lawful rights to participate in trade union activities and other legitimate forms of engagement in accordance with the law, and have established multi-form and multi-level employee communication and democratic consultation mechanisms to support employees in expressing reasonable concerns through formal channels. Through employee satisfaction surveys, management forums, trade union committees, and employee representative congresses, we collect employees' views on the working environment, institutional arrangements, and rights protection, and incorporate relevant feedback into our management improvement agenda.

In our daily management, we encourage employees to communicate through direct supervisors, skip-level supervisors, the human resources department, trade unions, and other channels. Issues encountered by employees in their work and daily lives are coordinated and handled level by level in accordance with established procedures, so as to ensure smooth communication channels.

In 2025, the Company convened a trade union employee representative congress focusing on employee rights and interests protection and trade union work. The congress reviewed and approved matters closely related to employees' interests, including working hour arrangements for certain positions, the employee rank system, supplementary revisions to the Employee Handbook, the plan for improving employee health and welfare standards, the Reward and Punishment Management Measures, the Collective Contract, and the employee compensation management system. It also fulfilled the statutory procedures for the election of employee directors, thereby promoting the standardized implementation of relevant systems.



Employee Capability Building

Focusing on the development of management personnel, employee career development, and professional capability enhancement, we have gradually established a talent development system covering different levels and positions. By improving the cadre management and talent pipeline development mechanisms, we promote the systematic cultivation of management capabilities. At the same time, relying on training systems and learning platforms, and in light of business needs, we organize multi-level and diversified employee training programs to support employees' continuous growth in their roles. On this basis, we further deepen school-enterprise cooperation, expand talent development and practical teaching scenarios, and promote effective alignment between external talent cultivation and the Company's employment needs.



Highlight | "Xingdongli" In-house Talent Development Program

The "Xingdongli" program is our management trainee development program for young talent. Since its launch in 2007, it has been implemented for 19 consecutive sessions and has continuously carried out systematic selection and development for university graduates. In 2025, through a combination of online and offline approaches, we visited more than 160 universities, organized over 3,000 interview sessions, and recruited more than 150 fresh graduates from China and overseas, covering multiple business segments of the Company.

In terms of implementation, the program is carried out in phases. In the first phase, it is jointly conducted with relevant talent development programs of C&D Group to promote cross-company exchange and learning. In the second phase, it focuses on our business practices and helps trainees deepen their understanding of job requirements and industry characteristics through mall-based practical training, case discussions, and exchanges with senior executives. During the training process, trainee participation and assessment results are managed in accordance with project requirements. In 2025, the pass rate of program participants remained at a high level.

To enhance communication and participation among program members, we have designated July 1 each year as "Xingdongli Day" and arrange related activities to promote interaction and integration among participants.



Highlight | "Longchaosheng" Internship Program

In 2025, we launched the "Longchaosheng" Internship Program as a pre-entry talent reserve mechanism for the "Xingdongli" management trainee program, and carried out pilot programs in regions including Beijing, Shanghai, Northeast China, Tianjin, and Chongqing. By combining early-stage campus recruitment with practical job experience, the program helps attract and identify students with development potential in advance, thereby providing candidate talent for the subsequent management trainee program. As of the end of the reporting period, 18 interns had entered the "Xingdongli" program through the "Longchaosheng" program.



Highlight | "Young Luban" Management Reserve Talent Development Program

The "Young Luban" Management Reserve Talent Development Program is our selection and development initiative for young management talent within the pan-home business group. Centered on the systematic identification, evaluation, and development of young managers, the program aims to build a reserve pipeline for management personnel.

In terms of talent selection, we adopt a combination of regional reviews and final review by headquarters to conduct comprehensive assessments of candidates. The review process emphasizes practical business capabilities. Candidates are required to submit analytical materials based on real business scenarios and participate in on-site research, case analysis, and interactive assessment sessions. In 2025, we organized multiple regional review activities and conducted preliminary reviews and assessments of nearly 100 young managers. After several rounds of screening, 21 participants were ultimately selected for the 25th session of the "Young Luban" program.

In terms of implementation, we also advanced the dedicated "Young Luban" training program, providing phased development centered on business operations, practical business experience, and leadership capabilities. In 2025, we continued to develop 69 participants from previous "Young Luban" cohorts through intensive training, case discussions, business scenario practice, and external learning opportunities, supporting them in deepening their understanding of business operations, organizational management, and industry development.

At the same time, during program implementation, we established a pipeline structure of "Young Luban – Young Luban (Preliminary) – Young Luban (Reserve)," and connected it with the "Xingdongli" program for university graduates. In this way, we have gradually improved our internal development pathway from the introduction of young talent to the cultivation of mid-level and senior management personnel, supporting the step-by-step growth of young managers through business practice.



Regional Review of Young Luban and Final Review by Group Headquarters



Young Luban Training and Development Program



Graduating Participants of the Young Luban Program Visiting Meituan

Employee Training

We have formulated and continuously improved the Training Management System. With our corporate management institute and branch institutes at different levels as the main platforms, we have established an employee training system that combines online and offline learning and covers different stages and types of development, including new employee onboarding, job qualification, on-the-job enhancement, promotion-based training, and self-directed learning. Training content is aligned with business development needs and job competency requirements to help employees improve professional knowledge, business skills, and professional capabilities, and to support their continued growth in their roles.

Focusing on annual business priorities, we design dedicated learning programs for employees at different levels and across different job categories, and introduce external professional resources to offer courses on topics such as consumer insight and new media operations, while organizing key business personnel to participate in external seminars and learning visits. At the same time, we encourage employees to pursue self-directed learning based on their job responsibilities and personal development needs. We also provide corresponding support for eligible external training courses, academic advancement, and professional qualification certification, creating favorable conditions for employees' self-development.

Highlight | Headquarters Management Cadres MTP Intensive Training Program

On June 27 and 28, 2025, we organized an MTP intensive training program for headquarters management cadres at MACALLINE Global Center through our management institute. The program adopted an integrated "pre-training, in-training, and post-training" approach, aiming to improve the management awareness and practical capabilities of headquarters functional managers. Before the training, participants completed online courses including Feedback and Coaching, Coaching Leadership, and AI-DeepSeek Management Applications. During the training, they received intensive instruction on communication management and self-efficacy enhancement. After the training, participants submitted learning summaries and application plans as required, and their direct supervisors provided feedback to promote the practical application of the training content in daily work.



Highlight | Essential Product Category and Brand Knowledge Training Program

From September to December 2025, we organized a series of "Essential Product Category and Brand Knowledge" training sessions, jointly implemented by the relevant talent development functions and business departments. Focusing on twelve core product categories, the program combined online and offline formats, with each session featuring thematic training on two to three categories, for a total of six sessions. The training covered category structure, brand cooperation models, and relevant business rules. Videos and supporting materials for each session were simultaneously uploaded to our internal learning platform, enabling employees to review and revisit the content independently. Combined with online interaction and periodic assessments, the program helped reinforce knowledge acquisition and practical application.

In 2025, the offline participation rate of the training series remained above 85%, while the online livestream participation rate reached 93.5%. We also organized online quizzes in parallel, with a total of 27,067 participants, of whom 26,500 passed, representing a pass rate of 97.9%.



Highlight | User Operations Bootcamp Program

In 2025, to enhance the professional capabilities of floor management personnel, we launched a series of "User Operations Bootcamp" training sessions for front-line floor management staff. The program was designed around the practical needs of floor management work and covered modules such as strategic understanding, business compliance, traffic operations, refined management, and the application of digital tools. Through a combination of intensive instruction and hands-on practice, participants were guided to integrate the training content into their daily work. The training series was conducted in Jiangsu, Beijing, Wuhan, Inner Mongolia, Tianjin, Shandong, and other regions, with a total of six sessions and nearly 300 attendances by front-line business personnel.



Highlight | Traffic Operations Masterclass Program

The Traffic Operations Masterclass is a dedicated training program for our business system. Centered on digital operations needs in home retail scenarios, it covers topics such as traffic operations logic, new media marketing practices, and AI-enabled new media applications, helping participants improve both their understanding of digital operations and their practical capabilities.

In 2025, we implemented the program across 14 operation and development centers, focusing on themes such as customer traffic acquisition, content operations, and digital tool applications. The program combined online learning with offline practical training. The online component focused on foundational knowledge and methodology, while the offline component used case analysis and on-site instruction to guide participants in applying what they had learned to real business scenarios. A total of 25 training sessions were held in 2025, with 545 employee attendances.



Highlight | F-TTT Internal Trainer Development Program for the Finance Function

In 2025, to strengthen the internal trainer team within the finance function, we organized the F-TTT (Train the Trainer) trainer development program in two phases for 52 internal finance trainers. The training was held at MACALLINE Global Center on July 25-26 and November 21-22, respectively.

The first phase focused on experience extraction and knowledge transformation. Topics were built around finance business scenarios and covered core finance areas such as budget management, input-output analysis, and revenue recognition. It also incorporated the use of AI tools in data summarization, institutional standardization, and case synthesis to enhance the systematic nature and practical value of the course content. The second phase focused on course design and instructional delivery, with training on course structure optimization, presentation skills, and on-site adaptability, so as to promote the effective internal transfer of financial expertise across the organization.



Highlight | "Long E-Learning" Internal Learning Platform

Through our internal learning platform, "Long E-Learning," we have established and operate a dedicated knowledge zone for operations management, building a knowledge base centered on standards, tools, and courses in response to practical business needs. Course content is further divided into eight learning zones, systematically supporting front-line employees in business learning and capability enhancement. In 2025, a total of 206 operations management-related courses were launched on the platform, and front-line employees recorded more than 100,000 learning sessions.



School-Enterprise Cooperation

Focusing on talent development, practical teaching, and the alignment of talent demand, we continue to enrich the forms and implementation scenarios of school-enterprise cooperation. Building on our existing internship and campus recruitment partnerships, we have gradually expanded cooperation to include on-campus courses, practical projects, career development activities, and corporate open days, thereby promoting effective alignment between university talent cultivation and enterprise job requirements.

In 2025, we continued to advance the systematic development of school-enterprise cooperation and established or deepened partnerships with Beijing Forestry University, Minzu University of China, Shanghai University, and other institutions. Focusing on talent development and the integration of industry, academia, and research, we carried out activities such as AI skills enhancement programs, joint summer practice projects, career planning competitions, and a series of on-campus courses. These initiatives provided students with opportunities for career awareness, practical learning, and capability development, while also expanding channels for campus recruitment and internship placement and promoting alignment between university talent cultivation and enterprise employment needs.



Highlight | Launch of the "Industry-Academia-Research-Employment" Integrated Practice Initiative with Donghua University

On March 6, 2025, we launched a school-enterprise cooperation initiative with Donghua University at Shanghai MACALLINE Global Home Furnishing No. 1 Mall, placing the cooperation scenario directly on the front line of commercial operations. During the event, participating teachers and students toured the mall's operating environment, while our human resources team introduced the "Xingdongli" program, campus recruitment, internship transition arrangements, and the development pathway for young talent. The two sides focused their discussions on student participation in practice, employment alignment, and the collaborative model of integrating industry, academia, research, and employment, and completed the plaque presentation and cooperation agreement signing for the school-enterprise partnership.



Highlight | Corporate Open Day Exchange Activities

In 2025, focusing on school-enterprise collaboration and practical experience, we continued to organize exchange activities such as Corporate Open Day, inviting teachers and students from universities to visit front-line mall operations. Through mall tours, introductions to the Company and the "Xingdongli" program, sharing sessions by senior executives and current employees, multi-position exchanges, and on-site simulation activities, the program provided students with immersive exposure to real operating scenarios, helping them gain an intuitive understanding of the operating model of the home retail business and the responsibilities of different roles, while deepening their understanding of industry characteristics and career development pathways.



Employee Compensation and Benefits

To effectively attract and retain talent, we have established and implemented corresponding remuneration and performance management mechanisms, paying employees' salaries in full and in accordance with the law, while fully implementing statutory welfare benefits such as social insurance and housing provident funds. Building upon this foundation, we continuously refine our employee benefits system, providing diverse welfare support tailored to employees' actual needs. We focus on safeguarding employees' livelihoods and offering care, thereby tangibly enhancing their sense of fulfilment, belonging, and organizational stability.



Performance-based Compensation

We have established a remuneration system aligned with job responsibilities, business characteristics and regional variations, paying employees' remuneration lawfully and punctually. Employee remuneration comprises fixed salary, allowances and subsidies, performance bonuses, and other legally mandated income. Adjustments are made in due course based on factors including our operational performance, prevailing market remuneration levels, changes in employee roles, and individual performance outcomes. Tailored to the specific characteristics of different positions, we implement corresponding bonus incentive schemes in conjunction with performance appraisal results to support enhanced employee performance and the achievement of business objectives.

We have established and implemented a performance appraisal mechanism covering all employees, evaluating their work performance over defined periods. Performance assessments are grounded in role responsibilities and work objectives, comprehensively examining both the achievement of targets and behavioral conduct during role fulfilment to ensure objectivity and fairness in the evaluation process. Differentiated performance management arrangements are implemented according to role type and management level. For diverse groups including business units, functional departments, and managerial personnel, performance evaluations are conducted by integrating performance outcomes, work conduct, and relevant assessment methodologies.

We perform performance assessments that encompass both performance evaluation and values assessment.



Performance Evaluation

Primarily assessed based on the fulfilment of key performance indicators for the employee's role.



Values Assessment

Primarily examines the attitude and behavioral conduct demonstrated by the employee during task completion, serving as a crucial supplement to the performance evaluation.

For managerial staff, we conduct a comprehensive assessment of their performance by integrating results from performance evaluations, annual performance reviews, and 360-degree feedback, thereby fostering effective alignment between individual performance and organizational objectives. Performance appraisal results are primarily utilized for calculating employee performance bonuses and serve as a key reference for human resources management matters such as promotions and salary adjustments.

Employee Benefits

We strictly comply with relevant laws and regulations, providing employees with social insurance and housing provident fund contributions. We implement all statutory holidays and paid leave systems mandated by national and local authorities, including national holidays, paid annual leave, marriage leave, maternity leave, paternity leave, childcare leave, and bereavement leave, thereby offering employees fundamental labor protections.

Meanwhile, we continuously refine our employee benefits system based on actual needs. Beyond standard perks like holiday gifts, birthday benefits, communication allowances, and annual health checkups, we also facilitate green channel services for public rental housing and long-term apartments in select regions to alleviate housing pressures. The Employee Care Fund provides essential support to staff facing critical illnesses or exceptional hardships, while expedited medical services ensure timely assistance.

Additionally, we support all units in continuously improving service facilities such as the "Employee Lounge" and "Nursing Rooms" based on employee needs. These spaces provide functions for rest, fitness, reading, and maternal and infant care, further enhancing employees' sense of fulfillment and convenience.

In 2025, the trade union organized 199 outreach activities, including "Winter Warmth and Summer Cooling" initiatives, as well as celebrations for May Day, New Year's Day and the Spring Festival, providing assistance and support to a total of 4,617 employees. Specialized outreach and support were also extended to employees facing critical illnesses and other exceptional circumstances.



Occupational Health and Safety

We consistently prioritize employee occupational health and production safety in our business development, adhering to the core principle of "safety first, prevention foremost, and comprehensive management." The company strictly complies with laws and regulations including the Work Safety Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China, and the Labor Law of the People's Republic of China. We actively establish a comprehensive occupational health and safety management system covering the entire operational chain, continuously refine internal regulations such as the Safety Management System, and strive to minimize all types of safety risks to effectively safeguard employee well-being. As of the reporting period, several subsidiaries have obtained GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System certification. We continuously benchmark against international standards to optimize management processes, steadily enhancing the professionalism and standardization of occupational health and safety management.



Occupational Health and Safety Management System Certification Certificate

Work Safety Management Organization

We strictly adhere to laws and regulations such as the Work Safety Law of the People's Republic of China, implementing the principle of "shared responsibility between Party and administrative bodies, with dual responsibilities for each position." In 2025, we comprehensively launched group-level safety production initiatives. Safety management, previously dispersed across four business segments—furniture retail, construction sites, logistics warehousing, and office buildings—was elevated to the corporate level. An initial framework of eight major safety production systems was established, addressing safety "blind spots" and "unmonitored areas."

We have established the Work Safety Committee Office at the group level, serving as the core coordinating and supervisory body for work safety management. Concurrently, a Safety Task Force has been formed under the Work Safety Committee Office, bringing together safety specialists from all business segments. Equipped with sufficient personnel and resources, this cross-segment professional safety assessment team conducts inspections and provides specialized support for various safety sites. A clear and well-defined hierarchical responsibility system has been implemented to ensure accountability is firmly established at every level.

By 2025, we had signed a cumulative total of 9,066 safety production responsibility agreements across all levels, covering all 250 shopping malls and 8 subsidiaries. Through 1,028 dedicated safety production meetings, we ensured thorough communication of safety requirements and clear assignment of responsibilities to individuals. The Group Work Safety Committee Office conducted quarterly on-site spot checks and completed 44 on-site inspections throughout the year to supervise implementation at all levels. This established a management cycle featuring deployment, inspection, execution, and closure, driving the deep integration of safety culture into the organization.



Safety Risk Management

We adhere to the safety production principle of "safety first, prevention foremost, and comprehensive management". We have established scientific and systematic management processes for safety risk prevention and control, as well as hazard management. Within our emergency management system, we continuously enhance our practical capabilities for responding to incidents through institutional safeguards, resource allocation, and regular drills, thereby effectively improving employees' ability to manage risks. By constructing two layers of defense against production safety accidents, we continually elevate our safety management capabilities, ensuring comprehensive protection for production operations and laying a solid foundation for our secure and stable development.

Risk Management for Work Safety

We systematically advance safety risk prevention and control efforts, strictly implementing and continuously optimizing the Safety Risk Management System. We systematically identify major hazards and implement corresponding risk classification and control measures. We designate gas safety, elevator safety, building fire protection, and hazardous operations as core risk areas, rigorously enforcing specialized approvals and process supervision.

We have established a dual prevention mechanism comprising risk classification management and hazard investigation and control. Risk assessments are conducted using direct judgment methods and job hazard analysis techniques. Risks are categorized into four levels—major, significant, general, and low—based on the potential severity of harm, with corresponding color codes of red, orange, yellow, and blue. Each subsidiary unit conducts risk identification, assessment, control measure formulation, scoring, and classification tailored to local conditions. This approach achieves standardized, institutionalized, and differentiated prevention, control, and supervision of all business risks across the company.

Emergency Management for Work Safety

We have established a standardized emergency management system to ensure swift and effective control of situations during various safety incidents or emergencies, achieving closed-loop management throughout the entire process from response to recovery. We continuously update and maintain a safety production case library that includes emergency response plans. As of the reporting period, the company's case library contained **484** entries, including **9** emergency response plans, providing standardized guidelines for emergency response.

We regularly conduct emergency drills covering scenarios such as typhoon and flood prevention, as well as building fires. These exercises test the feasibility of contingency plans and the practical capabilities of response teams, while enhancing the self-rescue and mutual aid skills of all employees. By 2025, we had organized over **6,000** emergency drills of various types, with participation exceeding **61,000** person-times.

Highlight | Emergency Drill for Typhoon and Flood Prevention

Nanjing Jiangbei New Area shopping malls routinely organize emergency drills for typhoon and flood prevention, comprehensively fortifying safety defenses against extreme weather events like typhoons and torrential rains. During drills, safety officers reinforce and inspect outdoor air conditioning units, billboards, and other high-altitude objects prone to falling, while simultaneously checking roof drain functionality and the stability of tall trees within the complex to eliminate risks of falling objects and water backflow. Additionally, critical areas like underground garages, sewers, and drainage networks received systematic inspections of core flood-prevention facilities—including submersible pumps, sump pits, and electrical distribution systems—to ensure equipment functionality and unobstructed drainage pathways. Furthermore, the mall has established a standardized emergency supply reserve mechanism, fully stocking sand, woven bags, water barriers, emergency lighting equipment, raincoats, and rain boots. Dedicated personnel manage these supplies with regular inventory checks to ensure timely and efficient deployment during emergencies. This enhances the mall's emergency response capabilities against extreme weather, safeguarding the lives and property of both the mall and its customers.



Highlight | Fire Emergency Drill

We strictly implement our annual emergency drill plan, regularly organizing various types of emergency drills to test the scientific validity and practicality of our contingency plans, thereby significantly enhancing employees' practical capabilities in responding to emergencies.

On December 4, 2025, we conducted a large-scale comprehensive fire emergency evacuation drill at the Global Center of Mancalline. This drill closely followed real-world standards, encompassing all employees, visitors, and clients within the building. It fully simulated a series of procedures, including alarm activation, full evacuation, assembly and roll call, hands-on fire extinguisher operation, and first aid knowledge demonstrations. The drill effectively tested the multi-department coordination mechanism, strengthened overall fire safety awareness, and enhanced self-rescue and mutual aid skills among all personnel.



Fire drill

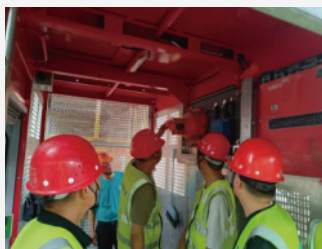
Work Safety Inspection

We have established a multi-tiered safety production inspection system, ensuring the implementation of all safety management measures through systematic oversight and effectively enhancing the efficiency of hazard identification and remediation. The Work Safety Committee Office diligently fulfills its supervisory responsibilities by conducting regular on-site inspections of safety production work across all units.

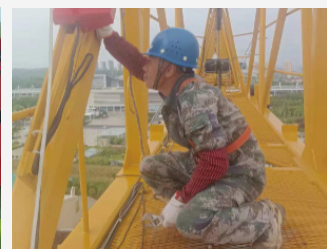
In 2025, the Work Safety Committee Office conducted quarterly on-site spot checks, completing **44** inspections throughout the year. The spot check coverage rate reached **18%**, identifying over **500** potential hazards. The rectification completion rate achieved **97%**, establishing effective oversight for units at all levels. Safety task forces across all business segments completed **100%** on-site safety inspections twice annually, cumulatively eliminating 4 major risks, **27** significant risks, **7** general risks, and 6 low-level risks throughout the year. Concurrently, each unit implemented a three-tier control mechanism for critical hazards—led by safety management departments—featuring "daily inspections by work teams, weekly inspections by departments, and monthly inspections by safety management departments," ensuring risk prevention responsibilities were firmly anchored at every level.

Highlight | Routine Safety Inspections and Hazard Management

During the "Work Safety Month" campaign in June 2025, the Huaxin Commercial Plaza project proactively conducted safety hazard inspections and remediation efforts. Addressing the increased risks associated with summer heat, flood season, and seasonal accident patterns, the project team established a dedicated task force for continuous inspections. Throughout the month, a total of eight safety hazards were identified, with rectification notices issued on-site immediately for each. This ensured a closed-loop management process encompassing inspection, documentation, remediation, and verification of effectiveness.



On-site Safety Hazard Inspection



Maintenance and Inspection of Heavy Machinery (Tower Cranes)

Safety Culture Development

Safety education and training serve as fundamental measures for enterprises to enhance safety awareness among all employees, prevent production safety accidents, and build inherently safe organizations. At the corporate level, we treat employee safety competency development and safety culture construction as long-term, systematic priorities, committing sustained investment and deepening efforts. This ensures the principle of "Safety First, Prevention Primarily" is internalized in mindset and externalized in action.

To enhance the safety awareness of all employees, we systematically and routinely advance safety production education and practical drills. In 2025, we and our subsidiaries collectively organized over **5,000** safety training sessions, reaching more than **82,000** participants. Through high-frequency, comprehensive training and realistic simulations, the initiative effectively improved the entire workforce's capabilities in risk identification, hazard elimination, and emergency response.

Additionally, we have established a comprehensive, standardized safety case repository that serves as a platform for consolidating safety knowledge and sharing best practices. As of the reporting period, this repository contains **484** entries, including **29** exemplary cases, **46** cautionary education materials, **76** construction specifications, **87** national standards and regulations, **237** specialized knowledge documents, and **9** emergency response plans. This resource provides employees with extensive reference materials for daily learning and safety management.

While fulfilling its internal safety responsibilities, we actively participate in external industry exchanges and safety skills competitions organized by government bodies. By the end of the reporting period, we had accumulated **50** government-recognized safety honors, including "Advanced Collective in Work Safety," "Model Unit for Fire Safety Management," and "Advanced Unit in Implementing Work Safety Responsibility Systems." Additionally, we were invited to represent local fire departments in national-level training programs and appointed as instructors, demonstrating our professional expertise and strong social reputation in safety management.

Highlight | "Work Safety Month" Series of Activities

We and the project department actively organized various safety education and training activities to enhance the safety awareness and skills of all personnel. During the June 2025 "Work Safety Month," the Huaxin Commercial Plaza project organized a series of safety activities. The project department conducted work safety education and training for all workers on-site. The training focused on a detailed explanation of the meaning and role of work safety, and analyzed case studies covering high-temperature construction, fire accidents, machinery accidents, electric shock accidents, and falls from heights. This helped construction personnel deeply recognize the importance of work safety.



Distribution of the Construction Safety Manual



Accident Case Studies



On-site Safety Training

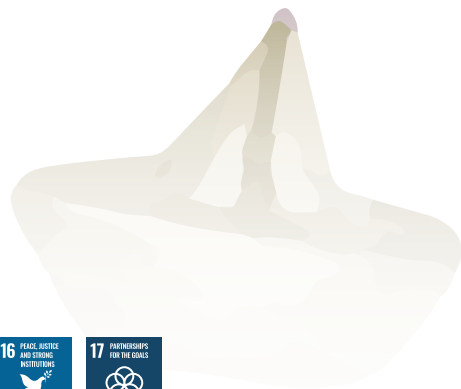
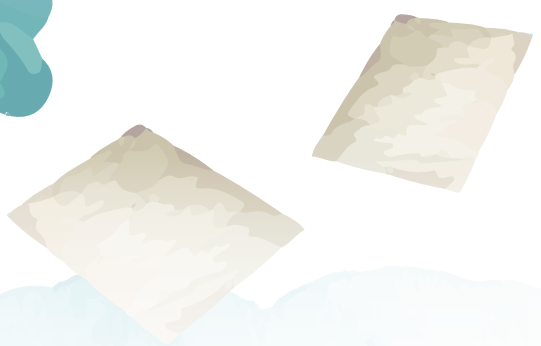
Occupational Health Management

We prioritize the occupational health and well-being of our employees. Centering on occupational health risk prevention, health promotion, and emergency preparedness, we continuously refine occupational health management initiatives. Through health services, training programs, and supporting management measures, we support our employees in maintaining optimal physical and mental states, fostering a work environment conducive to long-term health and stable employment.

We advance employee occupational health management through multiple approaches:

- **Food Safety Management:** The Food Committee participates in the bidding process for employee cafeteria food suppliers and oversees their operations to enhance food safety management for staff meals.
- **Mental Health Initiatives:** Advance employee mental health assessments to monitor psychological well-being and support early identification and intervention of health risks.
- **Women's Health Services:** Addressing the health needs of female employees, the program offers specialized "two-screening" physical examinations. By 2025, a total of 82 female employees participated in these screenings.
- **Emergency Response Capacity Building:** Organized free TCM consultations, health lectures, and training in trauma care and first aid skills. By 2025, these initiatives reached 570 employee participants, with 85 individuals obtaining first aid certifications.
- **Sports Activities:** Regularly operated running clubs, basketball clubs, and other interest groups. By 2025, sports club membership reached 247 members, with a cumulative total of 71 events organized, covering 1,143 participants. Shopping malls across various locations independently hosted 69 sports events tailored to local conditions.
- **Organization of Cultural and Sports Activities:** In 2025, a total of 868 cultural and sports events were organized, with cumulative employee participation exceeding 37,000 person-times. Signature events such as the Urban Hiking Challenge were developed, covering 15 provinces and 25 cities, attracting over 1,800 employees to participate.





Governance



Governance Performance Targets in 2025		Completion Status
1	100% coverage of anti-corruption/business ethics training for all employees	Completed
2	Zero incidents of significant company losses arising from conflicts of interest	Completed
3	Annual stakeholder survey completed with 100% coverage of material issue assessment	Completed
4	Zero incidents of major lawsuits or administrative penalties from unfair competition practices	Completed
5	A ESG report is disclosed annually to update stakeholders on the company's sustainability governance achievements	Completed

Risk and Compliance Management

We continuously refine its comprehensive risk management and internal control systems in alignment with strategic planning and operational objectives, while integrating risk management into daily business decision-making and operational processes. Through risk identification, monitoring, early warning and response mechanisms, it continually enhances risk prevention and control capabilities to ensure the company's sound and stable operations.

Risk Management Structure

The company strictly adheres to relevant laws, regulations, and regulatory requirements, including the Corporate Governance Code, the Audit Law of the People's Republic of China, and the Basic Standards for Internal Auditing. The company has formulated and continuously refined internal management systems such as the Internal Control Management System, Process Management System, Internal Control Self-Assessment Management System, and Emergency Response Management System. These systems systematically identify and assess various risks within business operations, strengthening control over critical risk points and processes.

The company has established a risk management and internal control organizational framework with clearly defined responsibilities and standardized operations, comprising the Board of Directors, the Audit Committee, the Audit Supervision Department and subordinate to the Audit Committee, and relevant business departments. As the highest decision-making body for risk management and internal control, the Board bears ultimate responsibility for the effective implementation of the system and risk management activities. The company implements a three-line defense model centered on "risk management and internal control, internal control compliance, and audit", continuously enhancing the stability and effectiveness of its risk management and internal control system.

Three-tier Risk Management Structure



Risk Control and Compliance Inspection

The Audit Committee under the company's Board of Directors is responsible for reviewing and supervising risk management and internal control compliance. Our Risk Control and Inspection Department is tasked with conducting risk control compliance checks, internal control audits, and evaluations for various functional departments and subsidiaries. This strengthens the supervision of risk control compliance, ensuring timely and effective risk management. It also facilitates the identification of issues related to the construction and execution of internal control systems and processes, provides relevant recommendations for improvements, and ensures the implementation of corrective actions, continually enhancing our risk control capabilities and effectively preventing risks.

We actively advance the digitalization of risk management and internal auditing, implementing systems such as the seal management system, contract management system, archive management system, and risk control system. Through information technology, fundamental management control points to ensure timely and effective risk management, thereby eliminating potential hazards. To enhance the efficiency and precision of internal auditing, we have further deployed intelligent tools, including the enterprise resource planning software system (SAP). This enables access to comprehensive financial, procurement, and sales data across all audited entities, along with relevant system permissions. Monthly retrieval of bank transaction records and merchant sales data from the clearing center is also facilitated. Concurrently, we have established an intelligent audit and supervision management platform. This facilitates the sharing and centralized management of audit data, further elevating the efficiency and quality of audit operations.

We annually assess the effectiveness of our internal control systems through self-evaluation, examining both design and implementation. In 2025, we conducted a sample self-inspection across 23 entities. Integrating this with systematic evaluations and audit work, we continuously enhanced our internal control capabilities. This ensured business operations remained orderly and compliant, asset management was sound, and financial and related information was accurate and reliable.

In accordance with the Internal Audit System of Red Star Mancalline International Home Furniture Mall Co., Ltd., we conduct annual internal audits across all operational sites to identify and mitigate potential risks, thereby supporting safe and efficient company operations. In 2025, the Company conducted sample audits of its subsidiaries in accordance with the internal audit plan, covering areas such as internal management performance, implementation of policies and procedures, and risk management. Throughout the year, a total of 50 audit projects were completed for shopping malls and non-home furnishing mall businesses, along with 4 special audits and 4 departure audits, bringing the total to 58 projects. In addition, 202 final account audit projects were completed, and 5 special reviews of construction sites were carried out.

Education on Risk Control

To strengthen overall risk management, we actively conduct various risk control and compliance training programs. Through multiple formats, we impart risk management and compliance knowledge to employees, promote the requirements of business management and risk control systems, enhance staff awareness of compliant operations and risk prevention, and continuously improve the risk management capabilities of all personnel.



Commercial Behaviors

The company regards integrity as the cornerstone of our development, strictly adhering to relevant laws and regulations including the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Interim Provisional on Prohibition Against Commercial Bribery Acts. We have formulated and implemented internal systems such as the 26 Integrity Principles, the Eight Prohibitions, and the 13-Character Adage, thereby regulating all business activities with high ethical standards and clearly defining behavioral boundaries and compliance thresholds in operational practices.

We reinforce compliance awareness and self-discipline among all personnel through regular ethics promotion and cautionary education. We ensure the effective implementation of business ethics requirements via robust oversight mechanisms and accessible reporting channels. Concurrently, we actively advocate that partners such as suppliers and contractors adhere to principles of integrity and compliant operations, jointly fostering a regulated, transparent and equitable business ecosystem.

Anti-Commercial Bribery and Anti-Corruption

We place high importance on fostering integrity within the organization, having established an Anti-Corruption and Anti-Bribery Policy. This policy clearly defines corruption and bribery, stipulates prohibited conduct relating to combating commercial bribery and corruption, and maintains a "zero-tolerance stance" towards bribery, corruption, fraud, unfair competition, money laundering, and similar activities. We require all employees and business partners, including suppliers, to adhere to the company's requirements.

Integrity Risk Management

We implement integrity systems including the Anti-Corruption and Anti-Bribery Policy, establishing a business ethics and compliance management framework involving collaborative operations by the Board of Directors, Audit Committee, Audit and Supervision Department, and all business units. This strengthens corporate integrity risk management, ensuring effective implementation of business ethics and compliance requirements across all organizational levels and operational processes. Specifically, the Board of Directors, as the highest decision-making body for risk management and internal controls, oversees the effectiveness of business ethics risk management and internal controls, while monitoring adherence to business ethics standards. The Audit Committee and Audit and Supervision Department independently perform oversight functions, identifying business ethics and fraud risks, and conducting supervisory inspections on the implementation of relevant policies, systems, and procedures. Each business department shall conduct routine supervision and periodic self-inspections in accordance with integrity requirements, promptly reporting any identified business ethics or fraud risks to the Audit and Supervision Department.

Integrity Supervision and Inspection

We have established a supervisory management system spanning headquarters, regional and store levels. Grassroots supervisors are deployed in stores, liaison officers are appointed in functional centers, and part-time supervisory leads are established in provincial regions. The Audit and Supervision Department provides unified guidance and oversight for case investigations, forming a top-down, tiered supervision mechanism that continuously enhances oversight effectiveness. Through multiple management measures, we promptly identify, prevent and address potential business ethics risks, ensuring the effective implementation of ethical standards. By 2025, we will conduct business ethics risk assessments across all operational entities, achieving 100% coverage.

We shall conduct a comprehensive audit of the implementation of all business ethics-related policies and systems across all self-operated shopping centers at least once every three years. The Audit and Supervision Department shall organize audit activities on a monthly basis and by region, in accordance with the annual audit plan. We shall select key provincial operational development centers and shopping centers nationwide for inspection, assessing the appropriateness and effectiveness of business activities, internal controls, and risk management. Particular attention shall be paid to fraud risks, promptly identifying integrity-related vulnerabilities and urging relevant units to rectify issues in a timely manner. In 2025, we conducted 12 audits concerning business ethics and anti-fraud measures, identifying and rectifying 5 issues with a completion rate of 100%.

Supplier Integrity Management

We publish the Anti-Corruption and Anti-Bribery Policy, which requires suppliers to comply with our anti-corruption and anti-bribery requirements. Suppliers are strictly prohibited from engaging in any form of corruption, extortion, bribery, blackmail, embezzlement, or other conduct involving improper benefits. We implement a series of management measures and actively promote integrity requirements to business partners to strengthen the prevention of integrity risks within the value chain. For suppliers engaged in business cooperation, we require them to sign documents such as the Integrity Notice for Partners or the Supplier Integrity Commitment.

By 2025, the signing rate of the Supplier Integrity Commitment reaches 100%. Concurrently, we conducted integrity awareness campaigns targeting all tiers of cooperative suppliers and business partners. This initiative was rolled out in phases by the Head Office Procurement Management Department and the Home Furnishings Business Group, covering 31,028 merchants, 123 brand factories, and 1,113 cooperative suppliers across 24 provincial sales and development centers nationwide. A total of 32,264 copies of the Integrity Notice for Partners were distributed. To ensure thorough implementation of these communications, we require partners to complete recipient details upon acknowledging receipt of the notices. This facilitates subsequent random verification, striving for comprehensive coverage of integrity communications and ensuring tangible outcomes.

Integrity Training and Education

We conduct multi-channel, multi-tiered awareness campaigns and training programs to continuously enhance employees' integrity in professional conduct. We undertake to organize at least one annual training session on business ethics policies and regulations for directors, supervisors, senior management, and all employees (including part-time and contract staff), ensuring thorough comprehension and implementation of relevant requirements. In day-to-day operations, frontline supervisory personnel regularly conduct integrity promotion and education activities within their respective shopping centers and territories. We periodically visit shopping centers to deliver integrity lectures and specialized training, thereby fostering a sustained culture of integrity and ethical conduct.

In 2025, we conducted integrity training for directors and all employees, achieving 100% employee coverage. Key integrity training and education initiatives included:

Integrating the heart-to-heart talks system with a tiered integrity dialogue mechanism, unit heads shall conduct individual integrity discussions with appointed cadres under their purview. These discussions shall focus on integrity requirements within management processes, clarifying position-specific integrity responsibilities and risk points while reinforcing awareness of ethical duty fulfillment. By 2025, a cumulative total of 237 integrity discussions with appointed management cadres shall be conducted, resulting in 138 completed Discussion Record Forms.

The Party Committee and Discipline Commission organized integrity promotion sessions centered on relevant self-discipline regulations, reinforcing staff awareness through policy interpretation and case studies. By 2025, these sessions had been conducted five times (including one company-wide session), totaling 150 minutes and engaging 10,392 participants.

Organized integrity training for 148 prospective appointees prior to their appointments, focusing on documents including the Several Provisions on the Clean and Honest Conduct of Leaders in State-Owned Enterprise, the Regulations on Disciplinary Actions for State-Owned Enterprise Managers, and the Several Provisions on the "Eight Prohibitions" for Employees. This ensured comprehensive understanding of the company's requirements regarding investment avoidance, business avoidance, and recruitment avoidance. A total of 148 individuals completed integrity self-assessments and knowledge tests, effectively fortifying the ideological defenses of newly appointed cadres against corruption. This initiative clearly delineated behavioral norms and red-line requirements for their subsequent duties.

Anti-unfair Competition

The company strictly adheres to domestic laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China, as well as relevant legislation in the regions where it operates. We resolutely oppose any form of unfair competition. We advocate free and fair competition, prohibit the use of improper means to obtain competitors' trade secrets, forbid the fabrication or dissemination of false information, and prohibit any fraudulent acts or other illegal means that disrupt market order. We are committed to maintaining a healthy market competition environment. In 2025, we were not involved in any unfair competition practices, nor did any litigation or significant administrative penalties arise from such activities.

Complaint Mechanism and Whistleblower Protection

We place high importance on the opinions and suggestions of stakeholders, encouraging employees, customers, suppliers, local communities and other relevant parties to continuously monitor our business activities and promptly report any suspected illegal, disciplinary, regulatory or unethical conduct. We have established diverse, accessible and convenient channels for complaints and suggestions, including an independent whistleblowing hotline, email, the Longyan APP employee reporting platform, and face-to-face communication. We actively receive and address stakeholder feedback, working with all stakeholders to foster an environment of integrity and ethical business conduct.

Stakeholders can lodge complaints or reports anonymously or report with their identity disclosed through the following public channels:



Telephone: : 0215320896; 13818982132

Complaint and reporting email: jt.dcb@chinaredstar.com; compliance@chinacnd.com

Complaint and reporting address: 8th Floor, North Wing, Building 2, Lane 1466,
Shenchang Road, Minhang District, Shanghai

We promptly receive and investigate all reported violations. Based on the findings, corrective measures are implemented in accordance with laws and regulations, including policy clarification, supplementary training, process optimization, accountability, and disciplinary actions. The complainant is promptly informed of the investigation progress and outcome. In 2025, we received a total of 220 complaints and reports, comprising 156 anonymous reports and 64 named reports. All such complaints and reports were handled in a standardized, timely, and efficient manner.



Reporting and Investigation Procedure

Promptly receive reports and maintain standardised records of reported information



Screen and conduct preliminary verification of reported information to ensure the validity and accuracy of subsequent investigations



Gather relevant evidence, conduct on-site investigations and interviews, ensuring the impartiality of the investigative process while legally protecting the identity of whistleblowers to prevent retaliation



Analyse and evaluate the evidence obtained, formulating investigative conclusions for submission to review



Publicise the outcome of case handling based on actual circumstances

We pledge to protect whistleblowers and have established a whistleblower protection mechanism within our Anti-Corruption and Anti-Bribery Policy. We permit both named and anonymous reporting, strictly enforcing confidentiality protocols. Disclosure of complainant details or report contents is strictly prohibited. Retaliatory actions against complainants are expressly forbidden. Individuals found to have disclosed complaint information or engaged in retaliatory conduct will face severe disciplinary action in accordance with relevant regulations, with corresponding liabilities pursued.

Tax Compliance Management

The company strictly adheres to the Enterprise Income Tax Law of the People's Republic of China and other national laws and regulations, as well as applicable tax regulations and policies in each business location. We uphold the principles of compliant operations, honest tax payment, and transparent management, fulfilling our taxpayer obligations in accordance with the law while actively fostering a fair and orderly tax environment.

We manage daily tax-related operations at our company, which are carried out by personnel from the relevant departments. We continuously monitor and track updates and changes to tax regulations and policies, maintaining communication and dialogue with the tax authorities. We promptly consult the tax authorities to understand the applicable tax regulations and policies for business activities, as well as the operational standards for tax matters, to ensure tax compliance. Concurrently, we organize tax compliance training sessions at irregular intervals to strengthen employees' awareness of tax-related risk prevention, enhance their tax expertise, and improve risk management capabilities.



Data Overview

Indicator		Unit	2022	2023	2024	2025
Environment	Emissions and Discharge					
	GHG Emissions¹					
	Scope 1 – Direct GHG emissions ²	tCO ₂ e	73,361.85	73,928.96	61,525.08	90,747.93
	Scope 2 – Indirect GHG emissions from purchased energy (market-based)		892,405.79	346,335.37	405,575.44	224,341.58
	Total GHG emissions (Scope 1+ Scope 2)		965,767.64	420,264.33	467,100.51	315,089.51
	GHG Emissions per ten thousand square meters	tCO ₂ e /10,000m ²	429.07	192.97	229.20	164.67
	Air Pollutants					
	NO _x emissions	kg	73.58	74.93	48.89	32.20
	SO _x emissions		2.06	1.69	0.90	0.50
	PM emissions		5.42	5.99	3.99	2.74
	Total emissions of air pollutants		81.06	82.61	53.78	38.25
	Wastewater and Related Pollutants					
	Total wastewater discharges	m ³	/	/	4,316,533.24	5,046,177.64
	Chemical oxygen demand discharges	Ton	/	/	/	0
	Biochemical oxygen demand discharges		/	/	/	0
Ammonia Nitrogen discharge	/		/	/	0	
Total Nitrogen discharges	/		/	/	0	
Total phosphorus discharges	/		/	/	0	

Note 1: The decrease in the Company's total greenhouse gas emissions compared to 2024 was mainly attributable to refined energy management and an increased proportion of clean electricity usage.

Note 2: The difference between the 2025 and 2024 data is mainly attributable to the adjustment of the accounting boundary. In 2025, the Company continuously strengthened emission source control and accounting work, and added fugitive emission sources to the Scope 1 accounting boundary.

Indicator		Unit	2022	2023	2024	2025
Environment	Hazardous waste					
	Hazardous waste generated	Ton	37.80	7.20	10.01	0.44
	Transfer and disposal volume of hazardous waste		/	/	/	0.44
	Emissions of hazardous waste per 10,000 m ²	Ton/10,000 m ²	0.02	0.003	0.005	0.0002
	Non-hazardous waste					
	Construction Waste Generated	Ton	/	/	/	87,656.20
	Domestic Waste Generated		/	/	/	36,076.73
	Other non-hazardous waste		/	/	/	3.00
	Total volume of non-hazardous waste generated		1,670.30	182,074.47	128,325.10	123,735.93
	Harmless waste emissions per 10,000 m ²	Ton/10,000 m ²	0.74	83.60	62.97	64.67
	Resource consumption					
	Energy Consumption					
	Total energy consumption	MWh	1,672,477.50	985,478.85	1,026,172.09	803,983.13
	Of which: Purchased electricity		1,313,893.08	602,027.22	683,234.20	545,371.73
	Of which: photovoltaic electricity		/	/	/	40,711.93
	Hydroelectric power		/	/	/	87,867.52
	Total green electricity		/	6,137.04	18,176.77	128,579.45
	Green electricity ratio	%	/	0.01	2.66	23.58
	Purchased heat	MWh	/	7,573.87	16,296.78	7,153.74
	Natural gas consumption		357,369.23	368,730.26	307,927.27	251,159.93
	Gasoline Consumption		1,215.19	998.19	531.65	297.15
	Diesel consumption		0	12.27	5.43	0.57
	Energy consumption per 10,000 m ²	MWh/10,000m ²	743.05	452.51	503.54	420.17
Water Resources						
Total water consumption	m ³	6,808,216.41	5,851,440.23	5,433,894.64	5,101,748.14	
Water consumption per 10,000 m ²	m ³ /10,000m ²	3,024.76	2,686.83	2,666.39	2,666.22	

	Metrics	Unit	2022	2023	2024	2025
Employment	Employee Composition					
	Total employees	Person	18,101	14,543	11,679	9,012
	Including: Full-time employees		/	/	/	9,012
	Part-time employees		/	/	/	/
	Non-employee workers ³		/	/	/	52
	Employee Composition by Gender					
	Male	Person	10,283	8,329	6,593	5,092
	Female		7,818	6,214	5,086	3,920
	Employee Composition by Age					
	Under 30	Person	6,718	4,105	2,904	1,971
	Between 30-50		10,240	9,514	7,927	6,432
	Over 50		1,143	924	848	609
	Employee Composition by Education					
	Masters degree and above	Person	/	/	/	204
	Bachelors degree		/	/	/	4,101
	Other degrees		/	/	/	4,707
	Employee Composition by Nationality					
	China	Person	/	/	/	9,011
	Others		/	/	/	1
	Employee Composition by Ethnicity					
	Han	Person	/	/	/	8,603
	Manchu		/	/	/	109
	Hui		/	/	/	70
	Mongol		/	/	/	50
	Tujia		/	/	/	44
	Miao		/	/	/	25
	Yi		/	/	/	21
Zhuang	/		/	/	17	
Bouyei	/		/	/	16	

Note 3: Other workers include dispatched labor personnel, rehired retired personnel, and interns.

Metrics		Unit	2022	2023	2024	2025	
Employment	Tibetan	Person	/	/	/	16	
	Dong		/	/	/	9	
	Bai		/	/	/	7	
	She		/	/	/	7	
	Korean		/	/	/	6	
	Chuanqing		/	/	/	3	
	Tu		/	/	/	3	
	Gelao		/	/	/	3	
	Shui		/	/	/	2	
	Kazakh		/	/	/	1	
Employee Composition by Function							
Employment	Management personnel	Person	/	/	/	162	
	Business personnel		/	/	/	4,333	
	Technical personnel		/	/	/	284	
	Financial personnel		/	/	/	1,212	
	Business support personnel		/	/	/	3,012	
	Female management personnel		/	/	/	25	
	Female business personnel		/	/	/	1,975	
	Female technical personnel		/	/	/	133	
	Female financial personnel		/	/	/	973	
	Female business support personnel		/	/	/	814	
	Number of employees in science, technology, engineering, and mathematics (STEM) positions			/	/	/	510
	Number of female employees in science, technology, engineering, and mathematics (STEM) positions			/	/	/	276
	Proportion of female employees in science, technology, engineering, and mathematics (STEM) positions		%	/	/	/	54.12

	Metrics	Unit	2022	2023	2024	2025
Employment	Management Composition (referring to Mid-level and above at company headquarters and subsidiaries)					
	Male management	Person	/	/	/	137
	Female management		/	/	/	25
	Junior management personnel		/	/	/	845
	Female junior management personnel		/	/	/	235
	Management personnel (Mid-level and above)		/	/	/	162
	Female management personnel (Mid-level and above)		/	/	/	25
	Senior management personnel		/	/	/	4
	Female senior management personnel		/	/	/	0
	Proportion of female junior management personnel	%	/	/	/	27.81
	Proportion of female management personnel (Mid-level and above)		/	/	/	15.43
	Proportion of female senior management personnel		/	/	/	0
	Number of management personnel in revenue-generating departments	Person	/	/	/	96
	Number of female management personnel in revenue-generating departments		/	/	/	13
	Proportion of female management personnel in revenue-generating departments	%	/	/	/	13.54
	Management Composition by Nationality					
	China	Person	/	/	/	162
	Other		/	/	/	0
	Local Employment					
	Number of employees hired locally in the province	Person	/	/	/	475
Proportion of employees hired locally in the province	%	/	/	/	5.27	
Number of female employees hired locally in the province	Person	/	/	/	220	
Proportion of female employees hired locally in the province	%	/	/	/	5.61	
Number of senior management personnel hired locally in the province	Person	/	/	/	1	

Metrics		Unit	2022	2023	2024	2025	
Employment	Proportion of senior management personnel hired locally in the province	%	/	/	/	25	
	Number of female senior management personnel hired locally in the province	Person	/	/	/	0	
	Proportion of female senior management personnel hired locally in the province	%	/	/	/	0	
	Labor Contract Signing						
	Employees with signed labor contracts	Person	/	/	/	9,012	
	Labor Contract Signing Rate	%	/	/	/	100.00	
	Employment of Disabled Individuals						
	Number of disabled employees hired	Person	/	/	/	35	
	Proportion of disabled employees hired	%	/	/	/	0.39	
	Employee Career Development and Position Mobility Support						
	Number of employees participating in internal position rotations	Person	/	/	/	588	
	Proportion of employees participating in internal position rotations	%	/	/	/	6.52	
	Employee Turnover						
	Total number of newly recruited employees in the year	Person	/	/	1,449	1,570	
	Total number of employee departures		/	/	/	4,153	
	Total number of management departures		/	/	/	15	
	Total number of voluntary departures of full-time employees		/	/	/	1,398	
	Annual employee turnover rate	%	/	/	/	31.55	
Employee Turnover by Gender							
Male	%	35.92	46.96	51.83	40.15		
Female		32.21	47.78	44.16	38.02		
Employee Turnover by Age							
Under 30	%	44.35	78.95	87.88	50.36		
Between 30-50		26.89	35.60	35.33	33.67		
Over 50		23.95	27.27	36.56	47.16		

	Metrics	Unit	2022	2023	2024	2025
Employment	Employee Turnover by Region					
	Turnover rate of Chinese employees	%	/	/	/	39.25
	Turnover rate of non-Chinese employees		/	/	/	0
	Employee Training					
	Total annual investment in employee training	Ten-thousand CNY	/	/	/	269.7
	Total number of employees trained	Person	/	/	/	9,012
	Average training investment per employee	Ten thousand CNY per person	/	/	/	0.03
	Number of male employees trained	Person	/	/	/	5,092
	Number of female employees trained		/	/	/	3,920
	Proportion of female employees trained	%	/	/	/	100
	Training coverage rate		/	/	/	100
	Total training sessions	Session	/	/	/	3,950
	Total training participants	Participant	/	/	/	194,757
	Total training hours	Hour	/	/	/	839,637
	Average training hours per employee		174	48.36	67.47	93.17
	Employee Training by Category					
	Average training hours per male employee	Hour	174	47.29	67.52	93.17
	Average training hours per female employee		174	49.78	67.39	93.17
	Average training hours per employee under 30		/	/	/	93.17
	Average training hours per employee between 30-50		/	/	/	93.17
Average training hours per employee over 50	/		/	/	93.17	
Average training hours per senior management personnel	117		503.09	49.25	93.17	
Average training hours per mid-level management personnel	208		75.00	67.56	93.17	
Average training hours per junior management personnel	/		/	/	93.17	
Average training hours per general employee	170		44.82	67.48	93.17	
Average training hours per Chinese employee	/		/	/	93.17	

	Metrics	Unit	2022	2023	2024	2025	
Employment	Average training hours per non-Chinese employee	Hour	/	/	/	93.17	
	Employee Performance						
	Number of management personnel participating in regular performance and career development evaluations	Person	/	/	/	162	
	Number of business personnel participating in regular performance and career development evaluations		/	/	/	4,333	
	Number of technical personnel participating in regular performance and career development evaluations		/	/	/	284	
	Number of financial personnel participating in regular performance and career development evaluations		/	/	/	1,212	
	Number of business support personnel participating in regular performance and career development evaluations		/	/	/	3,016	
	Total number of female employees participating in regular performance and career development evaluations		/	/	/	3,919	
	Total number of employees participating in regular performance and career development evaluations		/	/	/	9,007	
	Proportion of employees participating in regular performance and career development evaluations ⁴		%	/	/	/	99.94
	Employee Care and Benefits						
	Total maternity leave days taken by employees as primary caregivers	Day	/	/	/	24,167	
	Total maternity leave days taken by employees as non-primary caregivers		/	/	/	1,029	
	Total maternity leave days taken by employees as primary caregivers		/	/	/	1,094.5	
	Total maternity leave days taken by employees as non-primary caregivers		/	/	/	350	
Total paid family or care leave days (excluding maternity leave)	/		/	/	92		

Note 4: Five disabled employees (including one female disabled employee) have not been assigned performance objectives

	Metrics	Unit	2022	2023	2024	2025
Employment	Security Practices					
	Number of security personnel trained in human rights policies or procedures	Person	/	/	/	772
	Total number of security personnel employed by the organization		/	/	/	754
	Total number of third-party security personnel		/	/	/	18
Proportion of security personnel trained in human rights policies or procedures	%	/	/	/	100	

	Metrics	Unit	2022	2023	2024	2025
Occupational Health and Safety	Work Safety Input					
	Total annual input in work safety	Ten-thousand CNY	/	/	/	77.57
	Safety Training and Emergency Drills					
	Total participants in safety training	Participant	/	/	/	102,324
	Total safety training hours	Hour	/	/	/	506,258
	Total number of employees received safety training	Person	/	/	/	9,012
	Proportion of employees who have received safety training	%	/	/	/	100
	Number of female employees received safety training	Person	/	/	/	3,920
	Proportion of female employees received safety training	%	/	/	/	100
	Number of safety emergency drills	Time	/	/	/	6,798
	Number of attendees for safety emergency drills	Participant	/	/	/	58,321
	Number of offline safety training sessions	Session	/	/	/	7,824
	Number of online safety training courses	Course	/	/	/	7
	Work Safety Accident					
	Extra-major accident	Case	/	/	/	0
	Major accident		/	/	/	0
	Serious accident		/	/	/	0
	General accident		/	/	/	0
	Occupational Health and Safety Performance					
	Employees covered by occupational health and safety management system	Person	/	/	/	320

Metrics		Unit	2022	2023	2024	2025
Occupational Health and Safety	Occupational injuries	Person	/	/	/	31
	Occupational fatalities		/	/	1	0
	Ratio of occupational fatality	%	/	/	0.01	0
	Total lost time due to occupational injuries	Day	1,406	1,670	1,310	1,355
	Total number of occupational injury incidents	Case	/	/	/	31
	Total Recordable Injury Frequency Rate (TRIFR) – employees	/	/	/	/	1.37
	Lost Time Injury Frequency Rate (LTIFR) – employees		/	/	/	480.51

Metrics		Unit	2022	2023	2024	2025
Research and Development (R&D) Investment and R&D Personnel						
Total annual R&D investment amount	Ten-thousand CNY	/	/	/	/	475.61
Ratio of annual R&D investment to revenue from core businesses	%	/	/	/	/	/
Number of R&D personnel	Person	/	/	/	/	74
Proportion of R&D personnel	%	/	/	/	/	0.82
Intellectual Property						
Number of invention patents applied to core businesses	Item	/	/	/	/	7
Number of new patent applications		/	/	/	/	5
Number of new patents granted		/	/	/	/	1
Number of new copyright registrations		/	/	/	/	8
Number of new trademark applications		/	/	/	/	0
Number of new trademark registrations		/	/	/	/	0
Number of new intellectual property rights		/	/	/	/	9
Number of patents granted to the company		/	/	/	/	110
Number of copyrights registered to the company		/	/	/	/	277
Number of trademarks registered to the company		/	/	/	/	1,214

	Metrics	Unit	2022	2023	2024	2025
Market	Information Security and Customer Privacy Incidents					
	Number of information security incidents	Case	/	/	/	0
	Number of customer privacy incidents		/	/	/	0
	Supplier Management					
	Supplier Distribution					
	Total number of suppliers	Count	8,669	9,218	8,694	4,653
	Including: Number of suppliers in Mainland China in the supply chain operations segment		/	/	/	4,650
	Number of suppliers in other regions		/	/	/	3
	Number of suppliers in the province of the company		/	/	/	566
	Number of tier-1 suppliers		/	/	/	2,030
	Number of other suppliers		/	/	/	2,623
	Supplier Audit					
	Number of new suppliers admitted in the year	Count	/	/	/	1,099
	Total number of suppliers approved via desk assessment		/	/	/	1,078
	Total number of suppliers approved via on-site audits		/	/	/	21
	Number of suppliers audited in the year		/	/	/	1,517
	Total number of key supplier assessments		/	/	/	412
	Procurement Practices					
	Procurement expenditure	Ten-thousand CNY	/	/	/	74,269
	Procurement expenditure from suppliers in the province of operations		/	/	/	20,986
	Procurement expenditure from suppliers in the province of operations	%	/	/	/	28.26

	Metrics	Unit	2022	2023	2024	2025
Market	Product Responsibility					
	Percentage of sold or delivered products recalled for safety and health reasons	%	0	0	0	0
	Number of complaints regarding products and services	Case	138	113	210	78
	Metrics	Unit	2022	2023	2024	2025
Social Contributions	Public welfare					
	Number of public welfare activities	Time	/	/	/	140
	Total number of participants in public welfare activities	Participant	/	/	/	5,684
	Total volunteer hours	Hour	/	/	/	7,885
	External donations					
	Total amount of external donations	Ten-thousand CNY	/	/	/	0
	Metrics	Unit	2022	2023	2024	2025
Corporate Governance	Anti-corruption Advocacy and Training					
	Number of directors, supervisors and senior management briefed on anti-corruption policies and procedures	Person	/	/	/	5
	Proportion of directors, supervisors and senior management briefed on anti-corruption policies and procedures	%	/	/	/	35.71
	Proportion of employees briefed on anti-corruption policies and procedures		/	/	/	100
	Proportion of management personnel (excluding directors, supervisors and senior management) briefed on anti-corruption policies and procedures		/	/	/	100
	Proportion of contractors briefed on anti-corruption policies and procedures		/	/	/	100
	Proportion of suppliers briefed on anti-corruption policies and procedures		/	/	/	100
	Proportion of customers briefed on anti-corruption policies and procedures		/	/	/	100

	Metrics	Unit	2022	2023	2024	2025
Corporate Governance	Proportion of directors, supervisors and senior management received anti-corruption training		/	/	/	35.71
	Proportion of employees received anti-corruption training	%	/	/	/	100
	Proportion of management personnel (excluding directors, supervisors and senior management) received anti-corruption training		/	/	/	100

Environmental, Social and Governance Reporting Code

ESG Aspects	General Disclosures and KPIs		Chapter
A.Environmental			
Aspect A1: Emissions	General Disclosures		Pollutant Discharge Waste Disposal
	KPI A1.1	The types of emissions and respective emissions data.	Pollutant Discharge Waste Disposal Date Overview
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Date Overview
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Date Overview
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Pollutant Discharge Waste Disposal
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Pollutant Discharge Waste Disposal
Aspect A2: Use of Resources	General Disclosures		Energy Usage Usage of Water Resources
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Usage Data Overview
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Usage of Water Resources Data Overview
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Energy Usage
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Usage of Water Resources
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable

ESG Aspects	General Disclosures and KPIs		Chapter
A.Environmental			
Aspect A3: The Environment and Natural Resources	General Disclosures		Circular Economy Ecosystem and Biodiversity Protection
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Circular Economy Ecosystem and Biodiversity Protection
B.Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosures		Employees
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.	Data Overview
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Data Overview
Aspect B2: Health and Safety	General Disclosures		Occupational Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Data Overview
	KPI B2.2	Lost days due to work injury	Data Overview
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training	General Disclosures		Employees
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Data Overview
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Data Overview

ESG Aspects	General Disclosures and KPIs		Chapter
Aspect B4: Labour Standards	General Disclosures		Employees
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protection of Employee Rights
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Protection of Employee Rights
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosures		Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Data Overview
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management Safety and Quality of Products and Services
Aspect B6: Product Responsibility	General Disclosures		Safety and Quality of Products and Services Data Security and Customer Privacy Protection
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Data Overview
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Safety and Quality of Products and Services Data Overview

ESG Aspects	General Disclosures and KPIs		Chapter
Aspect B6: Product Responsibility	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	Safety and Quality of Products and Services
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Security and Customer Privacy Protection
Aspect B7: Anti corruption	General Disclosures		Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Commercial Bribery and Anti-Corruption
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Commercial Bribery and Anti-Corruption
Community			
Aspect B8: Community Investment	General Disclosures		Rural Revitalization and Contributions to the Society
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Rural Revitalization and Contributions to the Society Date Overview
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social welfare Date Overview Date Overview
Part D:Climate-related Disclosures			
Climate-related Disclosures	(I)	Governance	Climate Response
	(II)	Strategy	Climate Response
	(III)	Risk Management	Climate Response
	(IV)	Metrics and Targets	Climate Response

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Topic	Article	Location
Chapter III Environmental Disclosure		
Climate Change Tackling	Article 21-28	Climate Response
Pollutant Discharge	Article 30	Pollutant Discharge
Waste Disposal	Article 31	Waste Disposal
Ecosystem and Biodiversity Protection	Article 32	Ecosystem and Biodiversity Protection
Environmental Compliance Management	Article 33	Environmental Compliance Management
Energy Usage	Article 35	Energy Usage
Usage of Water Resources	Article 36	Usage of Water Resources
Circular Economy	Article 37	Circular Economy
Chapter IV Social Disclosure		
Rural Revitalization	Article 39	Rural Revitalization and Contributions to the Society
Contributions to the Society	Article 40	Rural Revitalization and Contributions to the Society
Innovation-driven	Article 42	Innovation-driven
Ethics of Science and Technology	Article 43	Not Applicable
Supply Chain Security	Article 45	Supply Chain Management
Equal Treatment to Small and Medium-sized Enterprises	Article 46	Equal Treatment to Small and Medium-sized Enterprises
Safety and Quality of Products and Services	Article 47	Safety and Quality of Products and Services
Data Security and Customer Privacy Protection	Article 48	Data Security and Customer Privacy Protection
Employees	Article 50	Employees
Chapter V Corporate Governance Information Related to Sustainable Development Disclosure		
Due Diligence	Article 52	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
Communications with Stakeholders	Article 53	Communications with Stakeholders
Anti-Commercial Bribery and Anti-Corruption	Article 55	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection
Anti-unfair Competition	Article 56	Anti-unfair Competition

SASB Index

SASB Topics	Accounting Metrics	Location
<p style="text-align: center;">Energy Management</p>	IF-RE-130a.1 Energy consumption data coverage as a percentage of total floor area, by property sector	Data Overview
	IF-RE-130a.2 (1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property sector	Data Overview
	IF-RE-130a.3 Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	Data Overview
	IF-RE-130a.4 Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	Not Applicable
	IF-RE-130a.5 Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Not Applicable
<p style="text-align: center;">Water Management</p>	IF-RE-140a.1 Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	2025 Honors and Awards
	IF-RE-140a.2 (1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	Data Overview
	IF-RE-140a.3 Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	Data Overview
	IF-RE-140a.4 Description of water management risks and discussion of strategies and practices to mitigate those risks	Usage of Water Resources

SASB Topics	Accounting Metrics	Location
Management of Tenant Sustainability	IF-RE-410a.1 (1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property sector	Not Applicable
	IF-RE-410a.2 Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	Energy Usage
	IF-RE-410a.3 Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	Not Applicable
Climate Change Adaptation	IF-RE-450a.1 Area of properties located in 100-year flood zones, by property sector	Climate Response
	IF-RE-450a.2 Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Climate Response

ISSB Index

IFRS S1

Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a)The governance body(s) (which can include aboard, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Sustainability-Related Governance Structure Climate Governance Risk and Compliance Management
	b)Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities.	Sustainability-Related Governance Structure Climate Governance Risk and Compliance Management
Strategy	a)The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects within the time horizons—short, medium or long term.	Climate Response
	b)The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated	Climate Response
	c)How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making, and the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information, and trade-offs between sustainability-related risks and opportunities that the entity considered.	Climate Response
	d)The quantitative and qualitative effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the sustainability-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Climate Response
	e)The resilience of the entity's strategy and its business model to those sustainability-related risks	Climate Response

Core Elements	Disclosure Recommendations	Disclosure Placement
<p style="text-align: center;">Risk Management</p>	<p>a)The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks, whether and how the entity prioritizes sustainability-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.</p>	<p>Climate Response Risk and Compliance Management</p>
	<p>b)The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities, including: whether and how the entity uses scenario analysis to inform its identification of sustainability-related opportunities.</p>	<p>Climate Response</p>
	<p>c)The extent to which, and how, the processes the entity uses to identify, assess, prioritize and monitor sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.</p>	<p>Climate Response Risk and Compliance Management</p>
<p style="text-align: center;">Metrics and Targets</p>	<p>a)Metrics required by an applicable IFRS Sustainability Disclosure Standard.</p>	<p>Climate Response Data Overview</p>
	<p>b)Metrics the entity uses to measure and monitor sustainability-related risks or opportunities and its performance in relation to that sustainability-related risk or opportunity.</p>	<p>Climate Response Data Overview</p>
	<p>c)Any targets the entity has set it is required to meet by law or regulation.</p>	<p>Climate Response Environmental Social Governance Data Overview</p>

IFRS S2

Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a)The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Sustainability-Related Governance Structure Climate Governance Risk and Compliance Management
	b)Management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Sustainability-Related Governance Structure Climate Governance Risk and Compliance Management
Strategy	a)The climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects within time horizons—short, medium or long term, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Management of Material Matters Climate Response
	b)The current and anticipated effects of climate-related risks and opportunities on the entity’s business model and value chain, and where in the entity’s business model and value chain climate-related risks and opportunities are concentrated	Management of Material Matters Climate Response
	c)Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity sets targets, how the entity is resourcing and quantitative and qualitative information about the disclosed progress of plans.	Management of Material Matters Climate Response
	d)The quantitative and qualitative effects of those climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period, the climate-related risks and opportunities identified in paragraph 16 (a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Management of Material Matters Climate Response
	e)The entity’s assessment of its climate resilience, including the entity’s assessment for its strategy and business model, the significant areas of uncertainty considered in the entity’s assessment of its climate resilience and the entity’s capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term. The entity shall use climate-related scenario analysis to assess its climate resilience and disclose how and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, the key assumptions the entity made in the analysis and the reporting period in which the climate-related scenario analysis was carried out.	Management of Material Matters Climate Response

Core Elements	Disclosure Recommendations	Disclosure Placement
Risk Management	<p>a)The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks, whether and how the entity prioritizes climate-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.</p>	<p>Management of Material Matters Climate Response Risk and Compliance Management</p>
	<p>b)The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.</p>	<p>Management of Material Matters Climate Response</p>
	<p>c)The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.</p>	<p>Management of Material Matters Climate Response Risk and Compliance Management</p>
Metrics and Targets	<p>a)The cross-industry metric categories of greenhouse gas emissions, internal carbon prices, the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations, capital deployment towards climate-related risks and opportunities, the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities.</p>	<p>Climate Response</p>
	<p>b)Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry</p>	<p>Climate Response Data Overview</p>
	<p>c)The quantitative and qualitative climate-related targets the entity has set or it is required to meet by law or regulation, progress towards reaching the target, information about its performance, and each greenhouse gas emissions target.</p>	<p>Climate Response Data Overview</p>