WEIYE HOLDINGS LIMITED
偉業控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)

Hong Kong Stock Code：1570

2025
Sustainability Report



** For identification purpose only*

CONTENTS

About this Report 1
Reporting Period 1
Reporting Scope 1
Reporting Basis 2
Reporting Principles 2

Sustainability Management 2
Introduction of the Company 2
Sustainability Strategy 3
Stakeholder Engagement 4
Materiality Assessment 5

Emissions 5

Use of Resources 6
Green Building 6
Green Office 7

The Environment and Natural Resources 7

Climate Change 7
Climate Risks 7
Governance 8
Strategy 8
Risk Management 11
Metrics and Targets 11

Environmental KPIs 12

Target Setting on Environmental Aspects 14

Supply Chain Management 15

Product Responsibility 16
Product Quality 16
Customer Services 16

Employment and Labour Standards 17
Overview of Employees 17
Labour Standards 19
Health and Safety 20
Development and Training 21

Anti-Corruption 23

Community Involvement 23

ABOUT THIS REPORT

Weiye Holdings Limited (the "Company" together with its subsidiaries, hereinafter referred to as the "Group", "Weiye" or "we") is pleased to present our Sustainability Report (the "Report") for the year ended 31 December 2025 (the "Reporting Period" or "2025") to provide an overview of the Group's management of significant issues affecting the operation, including environmental, social and governance ("ESG") issues.

The board (the "Board") of directors (the "Directors") of the Company has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. For details on corporate governance, please refer to the "Corporate Governance Report" of the Group's 2025 Annual Report.

Reporting Period

The Report illustrates the Group's initiative and performance regarding the environmental and social aspects during 2025.

Reporting Scope

This Report covers certain subsidiaries of the Group with core business that principally engaged in property development for residential and commercial properties in the People's Republic of China (the "PRC"). Among the business segment of property development, we disclosed certain key performance indicators ("KPIs") for those entities with actual equity interest of over 50% and with completed project progress of over 50% during the Reporting Period (the "Reporting Scope"). The Reporting Scope of this Report is the same as that of the Group's 2024 Sustainability Report for the year ended 31 December 2024 ("2024").

Henan Province

- Henan Weiye Construction Development Group Co., Ltd.
- Henan Xingwei Zhuolian Property Co., Ltd.
- Henan Tiandao Assets Management Co., Ltd.

Hainan Province

- Weiye Holdings Group (Hainan) Co., Ltd.
- Wanning Yingde Property Co., Ltd.

Guangdong Province

- Huizhou Dayawan Pengrun Industrial Development Co., Ltd.

Zhejiang Province

- Hangzhou Junwei Real Estate Co., Ltd.

Reporting Basis

The Report is prepared in accordance with the ESG Reporting Code (the "ESG Reporting Code") set out by Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group has complied with the mandatory disclosure requirement and the "comply or explain" provisions set out in the ESG Reporting Code. The Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

Reporting Principles

The Group attaches great importance to the materiality, quantitative and consistency during the preparation for this Report, and the Group has applied these reporting principles in the aforementioned ESG Reporting Code as the following:

Materiality: After collecting the opinions of stakeholders, the Group re-evaluated the importance and priorities of various issues to the Group, thereby defining the disclosure focus of this Report and providing accurate and detailed responses to the issues that stakeholders are most concerned about. For details, please refer to the sections of "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The Group sets targets for the indicators and presents quantitative data in this Report. The Group used the data collection tools to continuously record environmental and social performance during the Reporting Period, and to monitor the progress. In order to present the Group's annual performance changes, this Report continued to contain some historical data of the Group. The change of standards, methodologies and applicable assumptions used in the calculation of data were supplemented by explanatory notes where appropriate.

Consistency: The Report adopted the consistent standards, tools, assumptions and/or source of conversion factors used, as well as explanations of any inconsistencies to the Group's 2024 Sustainability Report, where appropriate.

Information and Feedback

The Group values your views on this Report. Should you have any comments or suggestions, please feel free to email us at weiyegroup@weiyeholdings.com.

SUSTAINABILITY MANAGEMENT

Introduction of the Company

Founded in 1999, Weiye Holdings Limited is principally engaged in developing large-scale and multi-phased property projects in the PRC. The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") in August 2011 and dual primary listed on the Stock Exchange in April 2016. In August 2018, the Company voluntarily delisted from the SGX-ST.

After more than 20 years of development, Weiye has become the leading green living lifestyle provider and operator in the PRC. With the enterprise mission of "carrying people's dream of living in peace and drawing pictures of happy life for people" and the enterprise development theme of "environment-friendly housing investment and development", Weiye firmly seizes the historical opportunity of the rapid rise of the Henan Economic Zone and the vigorous development of Hainan International Tourism Island. Weiye has completed its strategic layout from Henan to Hainan, and successfully entered China's first tier metropolitan areas such as the Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta region, with products covering industrial bases, tourism real estate, high-end residences, commercial offices and commercial complexes.

As at 31 December 2025, the Group's portfolio comprised of 29 property development projects which were either completed or under various stages of development in the PRC, the development of which is set out below:

Project Type	Number	Total Gross Floor Area ("GFA") (ten thousand square meters)
Completed	27	314.56
Under development	1	3.01
Held for future development	1	6.29

In addition to developing its own real estate projects, the Group also engages in joint real estate development projects and provides project management services for partner landholders in real estate development.

Due to its quality standards in construction and management, the Group has built the brand and attained numerous awards from past years such as "Henan Top 50 Real Estate Development Enterprise" (河南房地產開發企業綜合實力50強單位), "Zhengzhou City Leading Property Development Enterprises" (鄭州市房地產開發先進單位), "Zhengzhou City Real Estate Development Enterprise Excellence" (鄭州市房地產開發優秀企業), "Kaifeng City Best Residential Landscape" (開封市最佳人居景觀設計獎), "Economy Development Contribution Enterprise Excellence" (紅旗區經濟發展突出貢獻企業獎), "Zhengzhou Annual Green Residence Award" (鄭州年度綠色人居樓盤大獎) and "China Elite Science and Technology Award – Green Community" (中國精銳科學技術獎－綠色社區).

In the future, Weiye will continue to create high quality environment-friendly products from the perspective of the user. Weiye will also continuously carry out product innovation to improve product quality, and realize people's dream of having great housing by providing an environment-friendly and healthy living environment. To become a world-class green residential and living industry group trusted by the public with more responsibility and value, Weiye is contributing to the promotion of urban and rural construction and sustainable social development.

Sustainability Strategy

The Group recognizes the significance of ESG governance structure to build long-lasting business success. Members of the Board are equipped with the skills, experience and knowledge needed for overseeing the ESG strategy of the Group. The Board endorses the sustainability reports and assumes full responsibility for overseeing the Group's key ESG issues including material ESG risks associated with the business operations and their integration with the Group's ESG strategies, policies, procedures and initiatives. The Board discusses at least annually to set the direction and details of the Group's ESG strategy, review and monitor the assessment and management of the Group's material ESG issues.

Senior management of the Group has been delegated by the Board to review and monitor the management and implementation effectiveness of relevant ESG-associated issues including implementation of goals and targets. Senior management from different business operations discusses and reports to the Board at least annually on ESG-related issues and progress, and assists the Board in monitoring and reviewing of material ESG-related issues, associated business risks and progress and implementation of ESG policies, procedures and targets.

In addition, with the aim to demonstrate the steadfastness of the Group on sustainable development, the Group has set its environmental targets since 2021 and implemented the latest ESG-related policies and guidelines for complying with the latest applicable laws and regulations. To achieve the targets, the Group implements various environmental protection measures and raises employees' awareness on ESG issues. We believe that these targets and environmental protection measures can help enhance employees' environmental awareness and enhance the Group's ESG performance to meet stakeholder expectations.

As a premium property developer, the Group fully understands the importance of sustainability-driven operation to its long-term business development. While pursuing economic growth and meeting consumer needs, we also focus on protecting the environment, caring for our employees, serving the community, and creating a healthy and comfortable living environment. We are committed to maintaining communication and cooperation with our stakeholders to mitigate environmental and social risks in our business operations, to enhance our environmental and social benefits, and to drive a long-term stable development of our business.

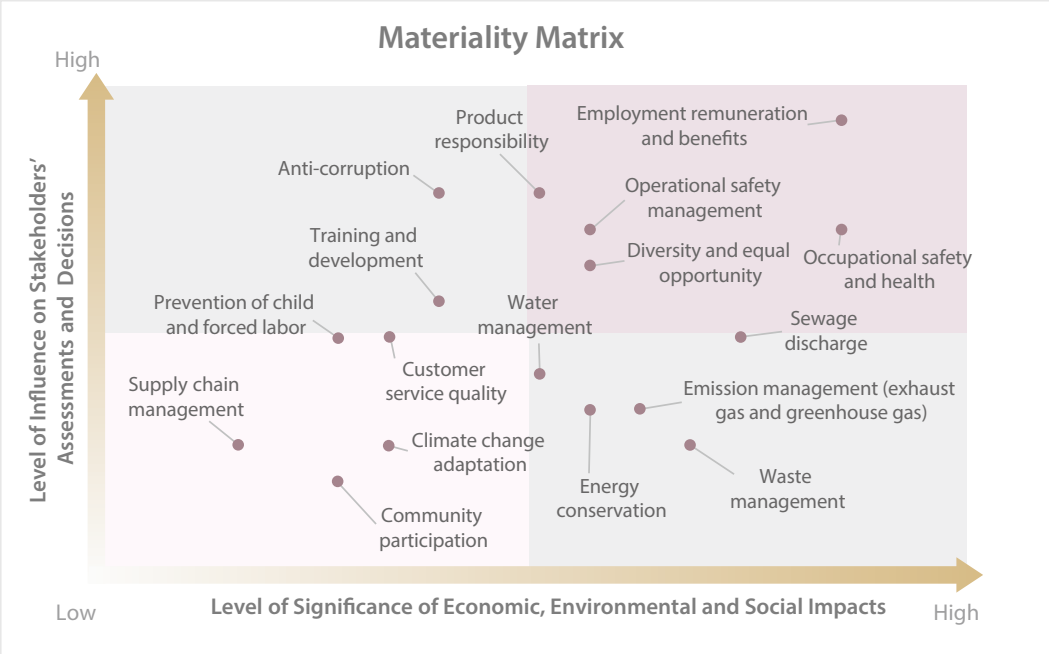
Stakeholder Engagement

The Group is well aware of the interaction and importance of its business operations with internal and external stakeholders. Thus, we set up and constantly improve our effective communication mechanisms to understand and manage the expectations and needs of our key stakeholders through various channels and to maintain a collaborative relationship with stakeholders for the long term.

Stakeholders		Communication Channels	Concerns	Frequency
Internal Stakeholders	The Board	Board meeting Reporting to the Board	Compliance with laws and regulations	Quarterly Throughout the year
	Employees	Intranet, email and meetings Employee trainings Employee activities	Remuneration and benefits	Throughout the year
External Stakeholders	Government and regulatory agencies	Regular information reporting	Compliance with rules and laws	Monthly
	Shareholders and investors	Announcements and newsletters Annual General Meeting Company website	Investment returns Risk management	Throughout the year Annually Throughout the year
	Customers	Customer service center and hotline Customer satisfaction survey Social media platforms (such as WeChat public account)	Customer service quality	Throughout the year Upon project handover Throughout the year
	Suppliers	Bidding process	Long-term partnership	Throughout the year
	Community	Social media platforms (such as WeChat public account)	Health and safety	Throughout the year

Materiality Assessment

The Group's Directors, senior management and general staff in major functions are involved in the preparation of the sustainability reports. They have assisted the Group to review its operations, identify material ESG issues, and assess the importance of those relevant issues to its businesses and stakeholders. The Group has compiled a materiality assessment survey in accordance with the identified material ESG issues. Relevant stakeholders of the Group were invited to complete the survey. The Group evaluated and prioritized the ESG issues, and compiled a materiality matrix based on the results of survey. Details of materiality matrix are as follows:



EMISSIONS

The Group fully acknowledges that, as a company engaged in property development, construction and use of buildings will generate certain emissions and its business activities will inevitably cause environmental impacts. Therefore, in response to the government requirements, the Group undertakes to minimize negative impacts on the environment during its business operations. The Group implements stringent oversight of emissions, such as sewage discharge, dust control, construction waste management and noise control. In addition, project managers regularly communicate with construction contractors to review the environmental compliance on the construction sites.

The Group's construction and residential sewage discharge strictly complies with national and local standards, and sewage is precipitated before being discharged into the municipal sewage pipe network. To reduce dust, we adopt the water-based dust control method to carry out ground works by spraying water regularly and setting fog cannon spray machine in the construction site. The construction site is covered with dust filter materials. We monitor the real-time air pollution index by using site dust monitoring system. To store and dispose waste, we place and classify construction waste in specific areas to take measures to manage different types of waste and recycle them where practicable. For toxic materials such as chemicals and oils, seepage control is applied to storage sites. We require the waste cleaning and transportation unit to obtain a transportation permit and sign a garbage removal agreement. Transportation vehicles are completely blanketed to prevent the overflow of waste and flying dust during transportation. The cleaning equipment is installed at the entrance of the construction site to ensure that the incoming and outgoing vehicles are cleaned. Due to the nature of our business, the amount of hazardous waste directly generated by the Group during the Reporting Period was not significant. Yet, all hazardous waste was filtered and passed to a qualified chemical waste collector to lawfully handle and dispose.

In order to reduce the impact of noise on the surrounding environment during construction, we not only deploy a dense network of acoustic barriers for the buildings, but also measure the noise level of the construction site in accordance with the relevant standards so that the daytime noise level of the construction site is strictly controlled within the standard limits. We have also taken steps to reduce fuel emissions, such as using smaller vehicles and performing regular maintenance to ensure optimal engine performance and fuel use.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations on environmental protection, including but not limited to the Environmental Protection Law of the PRC, Law of the PRC on Environmental Impact Assessment, Law of the PRC on the Prevention and Control of Atmospheric Pollution and Law of the PRC on Prevention and Control of Pollution from Environmental Noise.

USE OF RESOURCES

Green Building

The Group actively applies environmental protection elements to its property development. The Group also draws on and adopts the experiences of leading companies in the industry in the architectural design, construction and operation to develop environmental management plans and emergency rescue plans. The Group takes effective measures to reduce environmental load while improving performance.

Property development projects of the Group are designed based on the "Code for Green Design of Civil Buildings"《民用建築綠色設計規範》, "Assessment Standard for Green Building"《綠色建築評價標準》, "Green Building Evaluation Technical Rules"《綠色建築評價技術細則》, "Supplementary Instructions to Green Building Evaluation Technical Rules"《綠色建築評價技術細則補充説明》, "Design Standard for Energy Efficiency of Buildings"《建築節能設計準則》and green building and energy saving standards at provincial level. In order to meet the requirements of energy efficiency standards, the materials such as hollow bricks, aerated concrete, thermal insulation material of exterior walls and aluminum alloy windows are used in the construction of the Group's property projects to improve the insulation performance of the building.

We also take various measures to improve the water efficiency, including but not limited to the followings:

- A map is prepared to show water distribution around the construction site;
- Regular inspections are conducted on water pipes and equipment to prevent leakage;
- A recycling pool is set up to collect water for washing machines, equipment, and vehicles; and
- Promotion of new materials or processes to improve water efficiency is prioritized.

Due to the nature of the Group's business, the Group did not have any issues in sourcing water.

Given that lighting energy consumption accounts for a large proportion, the Group has replaced incandescent lamps for all property projects with energy-efficient LED lamps. In addition to the lighting system, we also reduce energy consumption by optimizing heating and cooling system, setting constant air conditioning temperature in summer, adopting municipal unified heating in winter, disposing of company public vehicles and promoting public transport and ride-hailing.

Green Office

To promote cost-effective office values and reduce waste of resources, the Group has developed the "Office Supplies Management Policy", which stipulates that office supplies, as needed, shall be purchased, distributed and managed. The Group also maintains a 3R policy (Reduce, Recycle and Reuse). We have fully implemented the electronic information approval system, actively promoted paperless office and facilitated group communication via the WeChat platform. We reduce long-haul flights by means of video and telephone conferences. In addition, we encourage our staff to turn off electricity and water equipment when they are not in use. Furthermore, double-sided printing is encouraged for delivery of documents and waste papers are used for printing informal documents.

Due to the nature of the Group's business, the Group does not consume a significant amount of packaging material used for finished products.

THE ENVIRONMENT AND NATURAL RESOURCES

According to the Group's "Environmental Policy", the Group raises staff's awareness on environmental issues through education and training, and enlist employees' support in improving the Group's performance. The Group also promotes environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability. In addition, the Group evaluates regularly and monitors the impact of past and present business activities on health, safety and environment. During the Reporting Period, the Junwei Project continued to increase artificial vegetation in order to improve the environment surrounding its construction. With the integration of policies and measures mentioned in sections "Emissions" and "Use of Resources", the Group strives to minimize the impacts to the environment and natural resources.

CLIMATE CHANGE

Climate change poses escalating risks and challenges to the global economy, and such risks may negatively impact the Group's business. As a result, the Group is aware of the importance of identifying and mitigating any major impacts caused by climate change. Pursuant to the International Recommendations from Task Force on Climate-Related Financial Disclosures ("TCFD") established by the Financial Stability Board, the management of the Group has evaluated and recognized the impact of climate-related risks on the Group's business. Corresponding risks and actions taken to manage them are as follows:

Climate Risks

The following climate-related disclosures have been prepared in accordance with the HKEX ESG Reporting Code (Part D). In preparing these disclosures, the Group has considered the nature, scale and complexity of its property development and management operations, and has applied its judgement in determining the level of detail appropriate for its current stage of climate reporting. The Group recognises that climate-related reporting is an evolving area and is committed to enhancing the depth and breadth of its disclosures progressively as its internal data systems, methodologies and technical capabilities continue to develop.

Application of Reliefs

The Group maintains full transparency in its reporting on Governance and Risk Management. However, certain reliefs have been applied to specific quantitative disclosures to ensure the information presented is reliable and substantive:

- Financial Effects Relief: The financial implications of climate-related matters are described in qualitative terms; quantitative financial data has been omitted for the time being.
- Capabilities Relief: The Group's assessment of climate resilience is based on qualitative scenario analysis rather than detailed financial modelling, reflecting the Group's current technical capacity.
- Reasonable Information Relief: Certain data relating to the Group's value chain, including specific Scope 3 GHG emissions categories, has not been included in this year's report as obtaining such data would require disproportionate cost or effort at this stage.

Governance

The Board holds overall responsibility for the oversight of climate-related risks and opportunities affecting the Group. As part of this responsibility, the Board assesses the Group's internal expertise and capacity in relation to GHG emissions management and, where deemed appropriate, seeks guidance from external ESG specialists to remain abreast of evolving best practices and regulatory expectations. Climate-related topics are considered as part of periodic ESG review meetings, ensuring that the Group maintains preparedness in the face of emerging risks.

At the operational level, management is tasked with executing Board-approved strategies. This involves the ongoing review of operational performance data to confirm that the Group's activities continue to operate within the defined risk appetite. Climate-related risks and opportunities are managed collectively by the senior management team through the Group's established governance controls and reporting channels.

Strategy

The Group strives to strengthen its business resilience while embedding environmentally responsible practices throughout its property development and management operations. In pursuit of this goal, the Group has enhanced its risk assessment processes to systematically evaluate the potential effects of climate change on its development projects, managed properties, construction activities and broader value chain, facilitating the formulation of appropriate response measures.

During the Reporting Period, the Group undertook a qualitative climate scenario analysis to deepen its understanding of how climate change could affect its business over different time horizons. Both physical and transition risks were examined, with a thorough screening conducted across all relevant risk categories to ensure comprehensive coverage.

In identifying potential risks, the Group draws upon established climate scenarios, including the Shared Socio-economic Pathways published by the Intergovernmental Panel on Climate Change. This framework equips management with meaningful perspectives on the robustness of the Group's climate-related strategies and the potential consequences for its core property development and management activities under varying climate trajectories.

Physical risk

Climate scenario	Low risk scenario SSP 1–1.9	High risk scenario SSP 5–8.5
Scenario description	Under this scenario, there is a swift global transition away from fossil fuels, with net-zero carbon dioxide emissions reached around mid-century. Renewable energy sources dominate the energy mix, underpinned by extensive electrification. Significant reforestation programmes are implemented alongside the accelerated rollout of low-carbon technologies such as energy storage, hydrogen fuel and carbon capture solutions. Strong international cooperation facilitates ambitious and effective climate policies, with both consumer preferences and corporate strategies shifting decisively towards low-carbon pathways.	Under this scenario, the global economy continues to be powered predominantly by fossil fuels. While technological progress persists, it is channelled mainly towards enhancing the efficiency of fossil fuel extraction and use rather than enabling a low-carbon transition. No meaningful global carbon pricing regime or binding international climate agreements materialise. Global wealth inequality narrows gradually and human capital investment rises, but decarbonisation remains limited.
Expected temperature rise	Less than 2°C by 2100	Approximately 4.4°C by 2100

The Group assesses how these climate risks could affect its property development and management operations – spanning construction works, architectural design, property portfolio management and forward project planning – and gauges the severity of potential impacts to determine suitable mitigation responses. The key climate-related risks identified by the Group are outlined below:

Physical Risk

Risk Description	Potential Impact	Risk Level		Time Horizon	Mitigation Strategy
		SSP1–1.9	SSP5–8.5		
Acute physical risks: A rise in the frequency and intensity of extreme weather events - including heatwaves, typhoons, flooding and severe rainstorms	– Construction programme delays and postponement of property handovers, resulting in revenue deferrals. – Physical damage to properties, construction sites, structural elements, building systems and materials, giving rise to higher repair, remediation and insurance expenses. – Heightened safety risks for on-site personnel and building occupants.	Low	Medium	Long-term	– The Group's property management teams prepare dedicated emergency response protocols for various categories of extreme weather and carry out periodic drills. – Preventive supplies such as flood barriers and emergency equipment are stockpiled ahead of adverse weather seasons. – Real-time weather monitoring is maintained and urgent notifications are disseminated promptly via multiple communication channels. – In the aftermath of weather events, the management team acts swiftly to restore affected properties and contain any reputational fallout.
Chronic physical risks: Progressive sea level rise and persistent shifts in climatic conditions	– Higher recurrent maintenance and restoration expenditure for properties situated in climate-vulnerable areas. – Gradual erosion of asset values and diminished appeal to prospective tenants and purchasers in affected locations.	Low	Medium	Long-term	– At the project origination stage, the Group proactively steers away from sites with elevated exposure to chronic climate hazards such as tidal or riverine flooding. – During project master-planning and design, thorough consideration is given to disaster resilience and prevention requirements. – Standing contingency plans are maintained to enable rapid mobilisation in the event of climate-related incidents. – The Group further promotes energy conservation and sustainable operational practices as part of its broader contribution to climate change mitigation.

Transition Risk

Risk Type	Potential Impact	Risk Level SSP1–1.9	Risk Level SSP5–8.5	Time Horizon	Mitigation Strategy
Shifting regulatory expectations – encompassing stricter building energy performance standards, expanding green building certification mandates and heightened ESG disclosure obligations	– Elevated construction and regulatory compliance expenditure arising from more demanding energy efficiency and green building benchmarks. – Risk of reputational erosion and competitive disadvantage should the Group fall short of evolving expectations from regulators, tenants and buyers regarding building sustainability.	Low	Low	Short- to Medium-term	– Management maintains ongoing surveillance of current and forthcoming climate-related policies and regulations, engaging compliance advisory services as needed to mitigate legal exposure. – The Group ensures its developments conform to prevailing national requirements for energy efficiency and green construction. Drawing on sustainable development practices adopted by industry leaders, the Group is progressively strengthening the sustainability profile of its products.

Note: The time horizon is defined by the period over which climate-related risks may impact the Group's operations. Short-term refers to a period of 1 to 3 years, medium-term refers to 3 to 5 years, and long-term refers to 5 to 10 years.

Opportunity Type	Opportunity Description	Potential Impact
Resource Efficiency	Upward pressure on energy and raw material costs, driven by the tightening of climate-related regulations, may hasten the Group's uptake of energy-efficient building designs, environmentally preferable construction materials and sustainable property management approaches.	Greater energy efficiency across the design, construction and operational phases of the Group's properties may translate into reduced development and running costs over the medium to longer term, while simultaneously bolstering the appeal of the Group's developments to tenants and buyers who attach increasing importance to building sustainability.

Business Model and Value Chain

The Group's value chain spans the full lifecycle of its property development projects, from initial planning and design through construction, marketing, sale and ongoing property management. The Group's direct environmental impact stems principally from energy consumed at construction sites, across managed properties and within corporate offices, together with construction waste arising from development activities.

Climate-related risks and opportunities are concentrated in the Group's construction operations, building design processes, property management functions and the enduring value of its real estate assets. On the physical risk front, events such as extreme weather and progressive sea level rise have the potential to interrupt construction programmes, push back project delivery schedules, inflict damage on managed buildings or compromise the structural soundness and insurability of completed developments. On the transition risk front, the Group tracks developments in building energy performance regulation, green building certification standards and climate-related disclosure mandates to safeguard ongoing regulatory compliance and protect the long-term viability and competitiveness of its business model.

Financial Effects

Sustainability considerations form part of the Group's broader operational and capital planning processes. Although climate-related factors are tracked through the Group's risk management procedures, no material financial effects on the Group's financial position, operating performance or cash flows have arisen during the Reporting Period as a consequence of such factors. The Group has concluded that there is no significant risk of a material adjustment to the carrying amounts of its assets and liabilities within the forthcoming annual reporting period attributable to climate-related matters.

On a forward-looking basis, the Group does not presently anticipate that climate-related factors will exert a significant influence on its financial position over the near term.

Risk Management

Climate-related risk and opportunity considerations have been embedded within the Group's day-to-day operations and its enterprise risk management framework. The procedures through which climate-related risks are identified, assessed, prioritised and monitored form an integral part of the Group's overarching risk management system, with management bearing direct responsibility for the detection and management of sustainability-related risks and opportunities, including those pertaining to climate change.

Integration with Overall Risk Management

The identification, assessment, prioritisation and monitoring of climate-related risks and opportunities are conducted within the Group's enterprise risk management system. Climate-related factors are taken into account in key business decisions and approval workflows, including project site acquisition, architectural design and planning, contractor selection and property portfolio management. This embedded approach ensures that climate-related considerations are weighed alongside other enterprise-level risks and opportunities as part of the Group's strategic and operational decision-making.

Metrics and Targets

The Group has measured and reported its Scope 1 and Scope 2 greenhouse gas (GHG) emissions using metered and purchased consumption data. At present, the Group's Scope 3 emissions disclosure covers paper waste disposal (Category 5 – Waste Generated in Operations), for which reliable primary data has been obtained.

Given the Group's reliance on construction contractors, building material suppliers and various other value chain participants, Scope 3 emissions are anticipated to constitute a considerable share of the Group's total carbon footprint. Beyond the Category 5 data currently reported, the Group expects its Scope 3 emissions to encompass further upstream and downstream activities, including but not limited to: purchased goods and services such as construction materials (Category 1), additional waste generated in operations including construction debris (Category 5), and the use of sold products in the form of energy consumed in completed and sold properties (Category 11). Recognising the increasing importance placed by the market on comprehensive value chain emissions management, the Group intends to progressively assess the practicability of broadening its Scope 3 disclosures. Such data will be reported in future periods once the underlying data collection systems have been adequately established and validated.

The Group has put in place clear and measurable targets at the Group-wide level. Climate-related key performance indicators are monitored on an ongoing basis and disclosed annually to uphold transparency and allow for year-on-year comparison. The Group also draws upon available operational data to gauge the effectiveness of its climate-related initiatives, providing a basis for informed strategic adjustments and supporting the Group's sustainable growth trajectory. At present, target-setting and monitoring are conducted using internal data and management processes; the Group's targets have not been subject to external third-party validation. No revisions were made to the established targets during the Reporting Period. The most recent international climate change agreements, together with any associated jurisdictional commitments, do not currently have a material bearing on the Group's targets. The targets were not developed using a sectoral decarbonisation methodology.

Remuneration

At present, the Group's remuneration policy does not incorporate climate-related considerations. While climate and environmental matters inform the Group's broader operational strategy, they are not directly tied to compensation arrangements at this stage.

Internal Carbon Price

The Group has not adopted an internal carbon price for its operations or investment decisions at this time. In view of the nature and present scale of the Group's emissions profile, management has concluded that an internal carbon price would not serve as a material or essential mechanism for advancing emissions reductions at the current juncture. The Group will keep the merits of introducing internal carbon pricing under review as the regulatory landscape evolves and the Group's climate strategy matures.

ENVIRONMENTAL KPIs

During the Reporting Period, the total area of the business operations included in the Reporting Scope of this Report is shown in Table 1, which is used to calculate the intensity data. During the Reporting Period, the Group's environmental data covers data related to offices, sales department (or marketing center), staff canteens and dormitories at office buildings, construction sites, and staff canteens and dormitories at worksites. The changes in the intensity of greenhouse gas ("GHG") emissions, energy consumption, non-hazardous waste and water consumption were due to the different stages of construction activities of the Group's projects. Due to the nature of our business, the amount of hazardous waste generated by the Group during the Reporting Period was not significant. Yet, all hazardous waste was filtered and passed to a qualified chemical waste collector to lawfully handle and dispose.

Table 1

Category	Data Unit	Remarks
Total area	94.59 ten thousand m^2	The total GFA and total office area of subsidiaries included in the Reporting Scope of this Report.

Table 2

The major source of the Group's air emissions is from the use of vehicles. The Group's air emissions are set out as follows:

Air Emissions

	Unit	2025	2024
Nitrogen oxides (NOx)	kg	2.26	3.62
Sulphur oxides (SOx)	kg	0.07	0.08
Particulate matters (PM)	kg	0.17	0.27

Note:

The calculation of the air emissions is based on, but not limited to, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Table 3

The Group's GHG emissions are set out as follows:

GHG Emissions

	Unit	2025	2024
Scope 1: Direct GHG emissions	tonnes of CO_2 equivalent ("tCO_2e")	13.07	15.51
Scope 2: Energy indirect GHG emissions	tCO_2e	107.50	293.98
Scope 3: Indirect GHG emissions (Disposal of paper waste)	tCO_2e	1.72	–
Total	tCO_2e	122.29	309.49
Intensity	tCO_2e/ ten thousand m^2	1.29	3.27

Note:

The calculation of the GHG is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, "Announcement on the Release of Electricity Carbon Dioxide Emission Factors for the Year 2023" published by the Ministry of Ecology and Environment of PRC, and the "Global Warming Potential Values" from "The Sixth Assessment Report" of the United Nations Intergovernmental Panel on Climate Change. The GHG data only includes data directly related to the Group's operations and excludes the GHG emitted by the Group's outsourced vendors.

Scope 1: Direct emissions are from petrol used by vehicles owned by the Group and natural gas used in the staff dormitory.

Scope 2: Energy indirect emissions are from the generation of purchased electricity consumed by the Group.

Scope 3: Category 5 – Waste Generated in Operations: paper waste disposal.

Table 4

The Group's non-hazardous waste generated is set out as follows:

Non-hazardous Waste

	Unit	2025	2024
Non-hazardous waste	tonnes	23.36	188.30
Intensity	tonnes/ ten thousand m^2	0.25	1.99

Table 5

The Group's energy consumption is set out as follows:

Energy Consumption

	Unit	2025	2024
Direct energy consumption			
Petrol	kWh	47,293.83	55,860.99
Gaseous natural gas	kWh	209.18	627.53
Indirect energy consumption			
Purchased electricity	kWh	202,600.00	473,779.20
Total	kWh	250,103.01	530,267.72
Intensity	kWh/ ten thousand m^2	2,644.07	5,600.63

Note:

The calculation of unit conversion refers to the "Energy Statistics Manual" issued by the International Energy Agency.

Table 6

Water consumption by the Group is set out below:

Water Consumption

	Unit	2025	2024
Water	m^3	3,934.00	12,334.12
Intensity	m^3/ten thousand m^2	41.59	130.27

TARGET SETTING ON ENVIRONMENTAL ASPECTS

The table below summarizes the Group's sustainability targets:

Aspect	Upcoming Targets	Progress
GHG	In the year ending 31 December 2025 ("2025"), reduce the GHG emissions intensity by 2% compared with the level in 2021 (5.13 tCO_2e/ten thousand m^2).	Achieved
Non-hazardous waste	In 2025, reduce the non-hazardous waste intensity by 2% compared with the level in 2021 (1.18 tonnes/ ten thousand m^2).	Achieved
Energy	In 2025, reduce the energy consumption intensity by 2% compared with the level in 2021 (9,318.62 kWh/ ten thousand m^2).	Achieved
Water	In 2025, reduce the water consumption intensity by 2% compared with the level in 2021 (362.59 m^3/ten thousand m^2).	Achieved

As the Group continues to refine its data collection and calculation mechanisms, and may expand the scope of its Scope 3 GHG emissions calculation, certain environmental KPIs may experience fluctuations in future reporting periods. Accordingly, the Group will conduct a comprehensive review of its environmental performance data during the next reporting period and intends to set updated and more meaningful targets once a stable and reliable baseline has been established.

SUPPLY CHAIN MANAGEMENT

Supply chain management is an important factor in ensuring the quality of products and services. The Group regards supplier management as partner management, as a good partner could ensure the smooth progress of property projects. Therefore, the Group aims to optimize supply chain operations to ensure all processes from procurement to delivery of products to customers can operate in an efficient and cost-effective way. Starting from the aspects of supplier selection, supplier performance evaluation and supplier classification management, we work closely with high-quality suppliers and contractors to effectively manage supply quality and engineering quality, and actively promote the sustainable development of the supply chain.

The supplier selection of the Group is open to the public, and all suppliers can recommend themselves or be recommended to participate in the construction of the resource library. According to our own needs and "Supplier Management Measures", we conduct reviews on the information of the required suppliers, conduct on-site visits to such suppliers when the suppliers meet the requirements of the Group, and the decision to admit a supplier is based the on-site inspection evaluation score and interviews with its senior management. We implement dynamic hierarchical management based on the supplier's competitive advantages and performance evaluation. When considering inclusion of a supplier into our resource library, the management system certification obtained by the supplier will be one of the evaluation factors. At the time of bidding, we explicitly request the bidders to formulate detailed environmental protection management systems and measures in the technical tender, which will also be an important part of the review. We also specify environmental protection agreements in the contract with the suppliers, including the management of environmental impact factors, such as noise and dust. When the construction process has an impact on the surrounding environment, we will strictly stop and urge the constructors to make timely rectification and strengthen supervision and management in a timely manner. We also reduce the negative impact of the construction on the environment by purchasing or leasing dust-reducing equipment. At the same time, we monitored and disclosed the use of water, electricity and fuel of certain subsidiaries during the Reporting Period to assess the efficiency of resource utilization in relation to the construction. For relevant data, please refer to the section headed "Environmental KPIs".

The Group has formulated the "Management Measures for Bidding and Procurement" and "Supplier Management Measures" to regulate the bidding procurement workflow and conduct dynamic management of qualified suppliers to improve the supervision and management and risk prevention mechanisms for bidding and procurement, thus increasing the cooperation efficiency with suppliers and contractors and the quality of bidding and procurement. We include the track records of the suppliers, such as credit, non-compliance records or conflicts of interest, in the assessment. In the future, the Group will continue to improve the supply chain management to reduce environmental and social risks in the supply chain.

Additionally, the Group endeavors to support local economies and prioritises the procurement from local and regional suppliers to lower the carbon footprint during transportation. The Group also gives priority to suppliers that use environmentally preferable products and services in the selection process, and strives to minimize potential environmental and social risks in the supply chain. The Group will continue to review its supply chain periodically with regard to the suppliers' performance and environmental and social standards. Any material violation of laws and regulations may lead to the termination of supplier contracts.

During the Reporting Period, the Group had engaged a total of 129 major suppliers, which were all located in PRC (2024: 122 major suppliers located in PRC), and all major suppliers are subject to the above evaluation and monitoring regularly.

PRODUCT RESPONSIBILITY

Product Quality

Adhering to the principle of "integrity, pragmatism, professionalism and innovation", the Group aims to build a high-end brand and deliver quality housing and services.

In order to supervise the quality and safety level of real estate projects, strengthen the program control of the project schedule, quality and safety of real estate projects, further improve the project management level of each regional group and the projects under its control, pre-control the project management risks of each project, and promote the substantial improvement of the project quality of each project, the Group has developed relevant policies, such as the "Structure Safety and Function Quality Control Measures", the "Production Safety Management Measures", the "Operation Results Management Measures", the "Construction Supervision Management Policy", the "Engineering Inspection and Assessment Management Measures", and the "Display Area Quality Acceptance Scores Measures". The Group regularly carries out sample checks on safety, construction and bidding process, and completes and reviews necessary documentation. In order to ensure the safety and effective operation of the facilities, we also require the responsible departments to record and properly maintain the construction plans, equipment maintenance plans and test records, fire protection system, water pipes and water pressure test records, and water supply pipe flushing and disinfection records.

The Group's Operation Management Division, regional group and project Team are engaged in product quality management to meet the expectations of different internal stakeholders. The Operation Management Division and the project team are responsible for supervising project compliance to ensure that the projects follow the Group's internal policies and procedures, and comply with the standards such as the "Unified Standards for Constructional Quality Acceptance of Building Engineering" and various engineering construction quality acceptance specifications. Throughout the project construction process, the regional team is responsible for monthly checking and evaluating the quality level and safety of projects under construction in respective regions according to the acceptance standards, while the Operation Management Division is responsible for performing quarterly inspections. As for the project team, the Group requires the project manager to monitor the quality of raw materials through sample inspections, and to check the factory certification or inspection and test reports for new equipment. At the same time, we also carry out the supervision and management of the projects under construction during the process by engaging professional supervision companies, to ensure that the quality complies with the construction project management regulations.

Since the Group predominately engages in developing and sales of large-scale and multi-phased property projects, it was not involved in sales of consumer products during the Reporting Period. Therefore, the disclosure on the total products sold or shipped subject to recalls for safety and health reasons does not apply to the Group.

Customer Services

The Group views customer satisfaction as a tool to understand customers' demands and improve the quality of our products and services.

The Group focuses on building long-term relationships with our clients and hence puts much effort in providing clients with one-stop services including after-sales maintenance and product warranty management. The Group pursues consistency and standardization in customer service. We have established the "After-Sales Maintenance Management Policy", "Member Management Manual" and "Measures to Establish, Manage, and Use Customer Resource Library", with a view to delivering consistent and well managed services to our customers, including after-sales maintenance, product warranties, managing and resolving customers' complaints, and improving relations with the members of the Club. For example, the "After-Sales Maintenance Management Policy" stipulates that the maximum turn-around time to respond to a customer's report or complaint is three work days. Apart from that, the policy also clarifies the scope of maintenance work, supervision, quality requirements, warranty period, maintenance flow chart and time required, and standard operating procedures to ensure that all complaints are addressed and resolved professionally.

The Group's sales and marketing service center has set up a call center to provide a platform to collect customer enquiries and feedback in order to optimize customer relationships and improve customer service standard. We have established a "Call Center Management System". The call center handles matter such as sales complaints, maintenance, property delivery complaints, and property owners' enquiries. The sales support center is responsible for tracking the repair and maintenance process, and supervising the third parties and suppliers during repair and maintenance. In addition, they collect feedback from clients regarding their satisfaction of the maintenance work. During the Reporting Period, the Group has not received any major complaints regarding its services. If there are any complaint cases, such cases will be handled by responsible function of the Group in a timely manner.

In the process of publicity and sales, the Group abides by the Advertising Law of the People's Republic of China and other relevant laws and regulations, strives to provide accurate information on promotional materials, and prohibits employees from making any false, misleading or inaccurate statements in any form of marketing activities.

The Group actively responds to the protection of intellectual property, strictly abides by the Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China and other relevant laws and regulations. The Group publicizes intellectual property laws and regulations and advocates employees to safeguard other people's intellectual property. For any materials involving other people's patents and intellectual property, we shall use them carefully within the legal scope after being authorized so as to reduce the risk of infringing other people's intellectual property.

The Group abides by Personal Information Protection Law of the People's Republic of China by strictly prohibiting any collection, use, disclosure or transfer of the Group's internal and customer data to other entities without prior consent from the management. Unauthorized access and misuse of information are also strictly prohibited. Any violations are major misconduct that shall be subjected to disciplinary action. In addition, a proper review mechanism has been established to approve any amendments to any data and privacy protection procedures to reduce risks of unauthorized access grants and reduce uncertainties of potential data misuse.

During the Reporting Period, the Group was not aware of any material non-compliance with related relevant laws and regulations regarding health and safety, advertising, labeling, and privacy matter, including but not limited to the Advertising Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China.

EMPLOYMENT AND LABOUR STANDARDS

Overview of Employees

The Group is committed to safeguarding the legitimate rights and interests of its employees. Employees are entitled to have equal opportunities and benefits in compensation and dismissal, recruitment, promotion, advancement, and personal development regardless of gender, age, ethnicity and cultural background. During the Reporting Period, the Group was not aware of non-compliance with the relevant laws and regulations on labour in the jurisdiction where it operates, including but not limited to the Labour Contract Law of the People's Republic of China ("Labour Contract Law").

The Group's recruitment, allocation and promotion management practices are developed to meet the Group's strategic development needs, which aims to establish high-quality workforce, optimize talent allocation, improve talent selection and stimulate work motivation. Following the principle of "openness, fairness and justice", the Group recruits external staff by using diversified recruitment channels and selects appropriate talents in accordance with the recruitment and probation process in accordance with the law. In addition, the Group follows its "Performance Assessment Measures" to assess employees' performance with principles such as strategy-oriented, result-oriented in an objective, impartial, and transparent manner.

The "Remuneration and Benefit Policy" of the Group follows a fair and motivational principle of providing employee with rewards based on positive contributions, appraisals and performance. In addition, the "Award and Penalty Policy" is designed to stimulate the enthusiasm and potential of employees. We strictly abide by the minimum wage requirements in each place of operation, and comply with laws and regulations in terms of social insurance, paid annual leave, and salary and benefits during work-related injuries. In terms of promotion and advancement, the Group provides employees with a two-channel promotion system for technical and management positions, where employees can choose their development based on individual needs. In terms of demission and dismissal, the Group strictly follows the Labour Law of the People's Republic of China ("Labour Law") and the Labour Contract Law. The Group will not tolerate unjustifiable dismissal of employees under any circumstances. Any termination of employment contract will be based on reasonable and lawful reasons and internal policies. The Group strictly prohibits any forms of unfair or unreasonable dismissal.

As far as labour standards are concerned, the Group strictly abides by the Labour Law. During the Reporting Period, the Group has not aware of any non-compliance with related laws and regulations on equal opportunity, diversity, anti-discrimination and other treatment and benefits, nor has there been any violation of child labour or forced labour. In terms of working hours, the Group adopts 5 working days per week and 7 working hours per day. The Group also provides various holidays for employees, including annual leave, study leave, marriage leave, paternity and bereavement leave, work-related injury leave, maternity leave, sick leave, etc. The application, use and payment of various holidays are detailed in the related policies of employee leave management.

During the Reporting Period, the Group had a total number of 28 employees within the Reporting Scope, consisting of 26 full-time and 2 part-time employees, based in the PRC. Below is a detailed breakdown of our employees by gender, age group and employee category:

	as at 31 December 2025		as at 31 December 2024	
	Number of staff	% of total	Number of staff	% of total
By gender				
Male	18	64	21	52
Female	10	36	19	48
Total	28	100	40	100
By age group				
Below 30	2	7	2	5
30–50	21	75	31	77
51 or above	5	18	7	18
Total	28	100	40	100
By employee category				
Senior	9	32	10	25
Middle	9	32	10	25
Normal	10	36	20	50
Total	28	100	40	100

During the Reporting Period, the turnover rate in the PRC is approximately 18% (2024: approximately 46% in the PRC) within the Reporting Scope. Below is a detailed breakdown of our employee's turnover rate by gender and age group:

	2025	2024
Turnover rate by gender		
Male	14%	53%
Female	4%	33%
Turnover rate by age group		
Below 30	–	50%
30–50	19%	48%
51 or above	14%	17%

Note:

The turnover rate for employee (or employee by category) is calculated by the following formula:

$$\frac{\text{Number of employees (or employees by category) left during the financial year}}{\text{Number of employees (or employees by category) at the beginning of the financial year}} \times 100\%$$

Labour Standards

The Group strictly adheres to the Labour Law during recruitment and daily operations. During the Reporting Period, the Group was not aware of any non-compliance with child or forced labour related laws and regulations that would have a significant impact on the Group, including but not limited to the Labour Contract Law.

Guided by the "Labour Standards Recruitment Procedures", the use of child or forced labour are strictly prohibited within the Group. During the recruitment process, we conducted the employee background check through inspection of identification documents and background investigation prior to offering of the employment contract. If there is any infringement, the Group will terminate the contract with the corresponding employee and report to relevant governmental authorities if necessary. Such procedures will be reviewed regularly by the Group's management to comply with the latest laws and regulations.

To prevent forced labour practices, the Group has clearly stated the working hours and rest periods in accordance with the gazette public holidays. The Group would not force any employees to work overtime against their will in any form or subject them to any form of work-related physical punishment or coercion. Similarly, the Group avoids engaging the administrative vendors and contractors who have a poor record in using child and forced labour. When the violation case is confirmed, the Group will conduct investigation and take disciplinary actions against any staff members who are responsible for the cause of the incident. Such procedures will be reviewed regularly by the Group's management to comply with the latest laws and regulations.

Health and Safety

The Group regards employees as the most important asset and promises to provide a safe and healthy working environment for each employee. Safety operation is listed as one of the Group's KPIs. It is the responsibility of the regional manager to ensure that the Group's overall safety levels across the business are monitored and managed effectively. We prevent occupational health and safety risks by purchasing accident and injury insurance and providing annual health checks to our employees.

In order to strengthen the safety management at the workplace, the Group has designated safety inspectors to conduct daily safety inspections of offices and workplaces in accordance with the "Regulations Governing the Use of Office by Employees and their Responsibilities", "Office Environment, Office Order and Safety Management System", and "Office Order Management Regulations" to ensure the normal operation of infrastructures such as windows, emergency exits, wires, and electrical equipment. We also provide firefighting training to all employees to improve their fire response capacity and fire prevention awareness. We engage a professional cleaning company for the daily cleaning of the office and install an indoor air purification system in areas with poor air quality to ensure a comfortable and healthy working environment.

At the construction sites, we attach great importance to the occupational health and safety of construction workers and ensure construction safety by implementing the following measures:

- Set up occupational health and safety management objectives and establish safety management organizations;
- Organize pre-job training and establish the certificate-for-job system;
- Strictly implement the rules and regulations on work safety, and establish a safety production responsibility system for management staff at different positions;
- Develop implementation rules on safety production and safety fire management;
- Prepare an emergency rescue plan for safety production accidents;
- Divide the living quarters of workers and implement environmental and health protection measures;
- Implement health protection measures on food storage and processing;
- Implement detailed dust control measures; and
- Implement measures to reduce the hazards of vibration and noise.

During the Reporting Period, the Group was not aware of any non-compliance with related laws and regulations in terms of health and safety, including but not limited to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Fire Law of the People's Republic of China. There were no work-related fatalities that occurred in each of the past three years including the Reporting Period and there were no records of lost days due to work injury during the Reporting Period (2024: zero lost days).

Development and Training

Employees play an important role in the growth and development of the Group. The Group attaches great importance to the professional development and personal growth of its employees. Through the enhancement of internal training, the Group strengthens the overall quality and learning capabilities of its employees.

Guided by the Group's sustainable development strategy, the Group has included an employee development and training section in "Employee Handbook" and established a training system combining internal training and external training with the goal of improving employees' business skills and management ability. Internal training focuses on corporate culture, institutional process and professional knowledge in order to stimulate employees' innovation ability, sense of belonging and sense of urgency, and constantly enhance the vitality and cohesion of the Group. It is mainly applicable for middle management, normal employees and new employees.

External training focuses on improving the management concept, ideology, innovation, and resource management, so as to improve the comprehensive quality and management ability of employees. It is mainly applicable for middle and senior management of the Group.

The Group regards training as its routine management in which different types of training will be held 2–3 times a month on average and require every employee receiving at least 4 hours training a month. The training data mentioned in this section does not include anti-corruption training, the details of which are further elaborated in the section headed "Anti-corruption".

During the Reporting Period, approximately 54% of employees received training with an average training hour of approximately 30 hours.

Note:

The percentage of total trained employees is calculated by the following formula:

$$\frac{\text{Number of employees trained during the financial year}}{\text{Total number of employees as at the end of the financial year}} \times 100\%$$

The average training hours per employees is calculated by the following formula:

$$\frac{\text{Total number of training hours for employees during the financial year}}{\text{Total number of employees as at the end of the financial year}}$$

Below is a detailed breakdown of trained employees by gender and employee category:

	2025		2024	
	Number of staff	% of total	Number of staff	% of total
By gender				
Male	11	73	16	67
Female	4	27	8	33
By employee category				
Senior	3	20	3	13
Middle	6	40	9	37
Normal	6	40	12	50

Note:

The percentage of trained employees by category is calculated by the following formula:

$$\frac{\text{Number of employees trained in this category during the financial year}}{\text{Total number of employees trained during the financial year}} \times 100\%$$

Below is a detailed breakdown of the average training hours for employees by gender and employee category:

	2025	2024
	Hours per employee	Hours per employee
By gender		
Male	53	54
Female	64	48
By employee category		
Senior	64	61
Middle	60	58
Normal	48	45

Note:

The average training hours per employee is calculated by the following formula:

$$\frac{\text{Total number of training hours for employees in this category during the financial year}}{\text{Number of employees trained in this category during the financial year}}$$

ANTI-CORRUPTION

The Group has consistently adopted a zero-tolerance policy on all forms of corruption, bribery, fraud and money laundering, and strictly complies with laws and regulations in the PRC and the Prevention of Bribery Ordinance in Hong Kong. The Group has formulated rules and regulations such as the "Code of Conduct", the "Conflict of Interest Policy", the "Whistle-blowing Policy", the "Regulations on Business Discipline Ordinance", the "Independent Commission against Corruption Policy", and so on, which detail out the guidelines for employees to prevent various illegal and improper behaviors and to avoid potential conflict of interests with related parties, as well as the provisions for supervision and verification in bidding and procurement. The terms of the commitment to integrity will be stated when entering into business contracts with our customers, suppliers and other partners, to eliminate any violations of business Integrity.

The Legal Department of the Group is responsible for updating the internal policies according to the latest changes with the relevant laws and regulations, and informing relevant teams to prevent violations. The Group has set up independent mailbox, e-mail and hotline to encourage its employees to report any concerns about misconduct, malpractice or irregularities in any matters related to the Group. After the preliminary evaluation of the whistle-blowing, an investigation group with professionals will be established to conduct investigation and submit reports to the Group's management for further handling. Every reasonable effort will be made by us to maintain the confidentiality of all whistle-blower, and thorough investigation procedures will be carried out. Such procedures will be regularly reviewed by the management to ensure its effectiveness.

Apart from above mentioned preventive mechanism, we have also provided anti-corruption training to the Board and employees at least annually, and required all newly recruited employees to undergo the "Code of Conduct" training. During the Reporting Period, 2 employees took a total of 6 hours of anti-corruption courses, covering topics such as the Group's internal anti-corruption systems and other anti-corruption and business ethics matters. During 2025, the Group was not aware of any non-compliance with laws and regulations related to bribery, extortion, fraud and money laundering, including but not limited to the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, and the Law of the People's Republic of China on Tenders and Bids, which had a significant impact on the Group. During the Reporting Period, the Group had no concluded legal case (2024: zero case) regarding corrupt practices brought against the Group or its employees.

COMMUNITY INVOLVEMENT

The Group rewards society through charitable donations and participation in poverty alleviation organized by government. The Group attaches great importance to the investment and construction of the community, and encourages regional companies to actively fulfill corporate social responsibility. In accordance with the internal policies of the Group, social welfare programs are initiated and implemented by each region, and are reviewed and supervised by the Group.