

2025

ENVIRONMENTAL, SOCIAL &
GOVERNANCE REPORT



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About The Report



Reporting Scope

This Environmental, Social and Governance (ESG) Report (the “Report”) is prepared by China Merchants Land Limited (the “Company” or “China Merchants Land”) and its subsidiaries (collectively referred to as the “Group” or “we”). It outlines the Group’s key sustainability initiatives and achievements during 2025 and addresses major stakeholder concerns regarding relevant ESG topics. Readers are encouraged to refer to the “Corporate Governance Report” and “Environmental Policies and Performance” sections of the Company’s 2025 Annual Report for a more comprehensive understanding of the Group’s ESG performance.

The scope of this Report covers the operations of the Company’s Hong Kong office, Hong Kong CM+ Hotel & Serviced Apartments, and subsidiaries located in Foshan, Guangzhou, Chongqing, Nanjing and Jurong, and Xi’an (i.e., Foshan Company, Guangzhou Company, Chongqing Company, Nanjing and Jurong Company, and Xi’an Company). Unless otherwise specified, this Report includes information on the Group’s real estate development business and the operation of hotels and serviced apartments under the Group’s direct control.

Unless otherwise stated, the data and information contained in this Report cover the Group’s ESG-related policies and performance from 1 January 2025 to 31 December 2025 (the “Reporting Period”). To ensure continuity and comparability, certain information has been extended beyond the Reporting Period as appropriate.



Reporting Standards

This Report has been prepared in accordance with Appendix C2 “Environmental, Social and Governance Reporting Code” (the “ESG Reporting Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). It also makes reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), the Global Reporting Initiative’s (“GRI”) Sustainability Reporting Standards, ISO 26000 Guidance on Social Responsibility, and the national standard of the People’s Republic of China, “Guidelines for the Preparation of Social Responsibility Reports” (GB/T 36001-2015). The Report adheres to the mandatory disclosure requirements and “comply or explain” provisions of the ESG Reporting Guide and provides comprehensive disclosures on the Group’s ESG strategies, targets, and key performance indicators. All information presented in this Report is sourced from relevant internal documents and statistical records.



Reporting Principles

Materiality	The Group conducted a materiality assessment through online questionnaires to engage with stakeholders and identify ESG topics that are considered important to both the Group and its stakeholders during the Reporting Period. These topics were reviewed by the Board of Directors and serve as the core focus of disclosure in this Report.
Quantitative	All data presented in this Report include descriptions of the calculation standards, methodologies, applicable assumptions, and tools used, ensuring transparency and verifiability.
Balance	The Report presents an objective view of the Group’s ESG performance, disclosing both positive outcomes and potential negative aspects without bias.
Consistency	Unless otherwise stated, the data collection and statistical methods used in this Report are consistent with those of previous years. Any changes to these methods have been clearly disclosed in the Report to ensure comparability.



Confirmation and Approval

The Board of Directors of the Company assumes full responsibility for the Group’s ESG strategy and reporting. The Board reviewed this Report on 12 March 2026 and confirms that the information disclosed herein is reliable, accurate, and complete.



Report Access

This Report is available for download in electronic format from the HKEXnews website and the Company's official website (<http://www.cmland.hk/web/>). It is published in both Traditional Chinese and English. In the event of any discrepancies between the two versions, the Traditional Chinese version shall prevail.



Feedback

The valuable opinions of our readers are essential to the Group's continuous improvement in corporate governance, environmental, and social responsibility performance. Should you have any questions, comments, or feedback, please feel free to contact the Group via email at ir@cmland.hk.



About Us



About Us

China Merchants Land Limited (formerly known as Tonic Industries Holdings Limited) was established in April 1997 and was listed on the Main Board of The Stock Exchange of Hong Kong Limited in October of the same year. Headquartered in Hong Kong, the Company is a subsidiary of China Merchants Group Limited (“China Merchants Group”) and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (“China Merchants Shekou”). As of 31 December 2025, the Group had a total of 45 real estate development projects located in Foshan, Guangzhou, Chongqing, Nanjing, Jurong, and Xi’an. The Group is primarily engaged in the development of residential and mixed-use properties, with projects covering various types of properties including apartments, villas, office buildings, and retail shops. As of the end of 2025, the Group held a future saleable gross floor area of approximately 3.66 million square meters. The management believes that the existing land reserves are sufficient to support the Company’s project development needs for the coming years. Looking ahead, we will continue to strengthen improvements in project progress, construction quality, production safety, customer service, cost control, and marketing and promotion, to achieve sustainable and high-quality corporate development.



Awards and Honors

Award	Awarding Organization	Recipient Company / Project
Top 10 National Quality Projects	CRIC	Guangzhou Company – CM+ Lin Yu Jing
TITAN Property Awards – Architecture (High-Rise Residential) – Gold	International Awards Associates	Guangzhou Company – CM+ Lin Yu Jing
MUSE Design Awards – Architectural Design (Public Areas) – Platinum	International Awards Associates	Guangzhou Company – CM+ Lin Yu Jing
Rome Design Awards – Architectural Design (Public Areas) – Platinum	International Awards Associates	Guangzhou Company – CM+ Lin Yu Jing
First Lingnan “Quality Housing” Design Competition 2025 – First Prize (Housing Improvement Category)	Guangdong Provincial Association of Building Energy Efficiency and Green Low-Carbon Development, Guangdong Construction Industry Association, Guangdong Provincial Association of Green & Prefabricated Construction	Guangzhou Company – CM+ Lin Yu Jing
First “Quality Housing” Design Competition – Gold Award	Guangdong Real Estate Industry Association	Guangzhou Company – CM+ Lin Yu Jing
Fourth-Generation Residential Innovation Base	Guangdong Real Estate Industry Association	Guangzhou Company – CM+ Lin Yu Jing
China’s “Safety Performance” Quality Housing	CRIC	Foshan Company – CM+ Hua Xi Phase II
Top 10 Projects in Foshan	CRIC	Foshan Company – CM+ Hua Xi Phase II
Top 10 Projects in Foshan	CRIC	Foshan Company – CM+ Foshan Xu
2025 Greater Bay Area “Quality Housing” Benchmark Case	Southern Daily	Foshan Company – CM+ Hua Xi

Sustainability Management



ESG Governance

The Group integrates sustainable development into the core of its long-term strategy and actively responds to the impact of ESG issues and climate change on its operations and future growth. ESG principles are deeply embedded into daily management and decision-making processes. The Board of Directors serves as the highest supervisory and decision-making body for ESG and climate-related matters. It is responsible for formulating the Group’s overarching strategies and policy objectives in environmental, social, governance, and climate change areas, defining action plans, and regularly reviewing implementation effectiveness to ensure alignment with business development goals. The Board also oversees the review and approval of the ESG Report to guarantee the accuracy, completeness, and transparency of disclosures.

To effectively implement ESG initiatives, the Group has established a multi-tiered, cross-functional management structure involving the Board of Directors, senior management, functional departments, and subsidiaries. The Board leads decision-making and sets the governance direction on material ESG issues, while management is responsible for collecting stakeholder feedback, analyzing market trends, and providing strategic recommendations to the Board. Based on the Listing Rules and the Group’s operational context, we have conducted a systematic assessment of our existing ESG governance framework and formulated targeted optimization measures to address identified gaps. We remain committed to deepening the integration of ESG into our core business and continuously enhancing our overall sustainability performance.



Stakeholder Engagement

The Group’s key stakeholders include members of the Board of Directors, senior management, employees, shareholders and investors, as well as suppliers and distributors. In deliberating corporate development strategies and management policies, the Board actively seeks to balance the interests of all parties by holistically considering economic benefits, social responsibility, and environmental impact, thereby ensuring the Group’s sustainable development while delivering long-term returns to shareholders.

We recognize that strong stakeholder relationships not only enhance the Group’s transparency and credibility but also provide valuable and pragmatic insights for shaping forward-looking ESG strategies. To this end, we closely monitor international and regional trends in ESG and industry-specific sustainable development and proactively identify emerging concerns among stakeholder groups to ensure the Group’s development remains aligned with market and societal expectations.

Stakeholders are categorized into internal and external groups based on the principle of whether they “have a significant influence on” or “are significantly affected by” the Group’s operations. A systematic stakeholder engagement framework has been established, incorporating both regular and ad-hoc communication channels to ensure broad outreach and timely responsiveness. Details regarding the key ESG topics of interest to each stakeholder group and corresponding engagement methods are outlined in the table below.

Stakeholder Groups	Key ESG Topics of Interest	Communication Channels
Shareholders and Investors	<ul style="list-style-type: none"> Compliance Operations Business Ethics & Anti-Corruption Risk and Crisis Management Climate Change Response Energy Management Product & Service Quality Management 	<ul style="list-style-type: none"> General Meeting of Shareholders Corporate Reports and Announcements Official Website, Email and Hotline
Employees	<ul style="list-style-type: none"> Compliant Employment and Compensation & Benefits Employee Health and Safety Employee Development and Training Business Ethics & Anti-Corruption Community Engagement and Contribution 	<ul style="list-style-type: none"> Performance Appraisal Meetings and Training Email and Notice Board Team Building and Festive Activities

Homeowners	<ul style="list-style-type: none"> Product & Service Quality Management Customer Satisfaction Green Building Air Pollutants and Greenhouse Gas(GHG) Emissions Water Resource Use and Wastewater Treatment Waste Management 	<ul style="list-style-type: none"> Property Handover “Merchants Club” Owners’ Membership Programme “400 Hotline” Owners’ Feedback Platform Owner Satisfaction Survey
Customers	<ul style="list-style-type: none"> Product & Service Quality Management Customer Satisfaction Green Building Employee Health and Safety Community Engagement and Contribution 	<ul style="list-style-type: none"> Property Sales Channels (e.g., advertisements, sales venues, etc.) Customer Service Hotline and Email
Suppliers and Business Partners (e.g., engineering contractors)	<ul style="list-style-type: none"> Green Procurement Supply Chain Management Business Ethics & Anti-Corruption Employee Health and Safety Energy Management Waste Management 	<ul style="list-style-type: none"> Open Tender Site Visits Face-to-Face, Email and Hotline Industry Forums and Seminars

Materiality Assessment

The Group conducts systematic stakeholder engagement and ESG materiality assessments annually to ensure its sustainability strategies remain aligned with evolving ESG trends and stakeholder expectations. During the Reporting Period, we engaged an independent third-party consulting firm to assist in this assessment. A prioritization-based questionnaire was used, inviting internal and external stakeholders to score candidate topics across two dimensions: “Importance to the Group’s Business” and “Importance to Stakeholders.” This approach enabled the identification of key issues with high consensus among stakeholders.

The overall process was structured into the following four stages:



<p>Identification</p> <p>In accordance with the HKEX ESG Reporting Code, GRI Standards, and other relevant frameworks—and referencing international regulations, industry trends, and past experience—we defined the scope of key stakeholders and updated the ESG topic repository to ensure it encompassed environmentally, socially, and governance-related issues that are materially significant during the Reporting Period.</p>	<p>Survey</p> <p>Structured questionnaires were distributed to internal stakeholders (e.g., management, employees) and external stakeholders (e.g., shareholders, customers, suppliers). Respondents were asked to evaluate each topic on a five-point scale across two dimensions: “Impact on the Group’s Business” and “Importance to Themselves.”</p>	<p>Analysis</p> <p>Survey responses were aggregated and cross-analyzed based on the two-dimensional scoring. Topics scoring highly on both dimensions—indicating significant relevance to both the Group’s operations and stakeholder interests—were identified as priority areas for strategy formulation and disclosure.</p>	<p>Review</p> <p>The assessment results were submitted to the Board of Directors for review and approval. The Board confirmed the final list of material topics and integrated them into the enterprise risk management system, overseeing the implementation of related action plans. This Report focuses its disclosures on these high-materiality topics accordingly.</p>
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The Group analyzed the results based on the two dimensions—“Importance to the Group” and “Importance to Stakeholders”—to ensure a balanced consideration of stakeholder perspectives. A total of eight highly material topics were identified. The results of the 2025 materiality assessment are illustrated below:



2025 ESG Issues

Environmental Dimension	Social Dimension	Governance Dimension
1. Green Building	9. Compliant Employment and Compensation & Benefits	16. Compliance Operations*
2. Climate Change Response	10. Employee Health and Safety*	17. Business Ethics & Anti-Corruption*
3. Air Pollutants and GHG Emissions	11. Employee Development and Training*	18. Risk and Crisis Management*
4. Energy Management	12. Supply Chain Management	19. Intellectual Property Protection
5. Water Resource Use and Wastewater Treatment	13. Product & Service Quality Management*	20. Privacy and Information Security
6. Waste Management	14. Customer Satisfaction*	
7. Biodiversity	15. Community Engagement and Contribution*	
8. Green Procurement		

* Highly material issues in 2025

01. Strengthening Governance Foundations to Drive Sustainable Development

The Group regards sound corporate governance as the cornerstone of sustainable development and fully implements integrity, compliance, efficient decision-making, and diversity and inclusion. We have integrated ESG risks into our enterprise-wide risk management system, continuously enhanced anti-corruption mechanisms, and strictly protected intellectual property and customer privacy information. Through a clear governance structure and robust institutional safeguards, the Group is committed to fostering a secure, transparent and trustworthy business environment that supports high-quality long-term growth.

ESG Issues Addressed in This Section



Compliance Operations



Risk and Crisis Management



Intellectual Property Protection



Business Ethics & Anti-Corruption



Privacy and Information Security



Compliance Operations

The Group upholds the rule of law and strictly complies with all applicable laws, regulations, and industry-specific regulatory requirements in Mainland China and other jurisdictions where it operates. The principle of compliance is deeply embedded into every aspect of daily operations. Guided by integrity, honesty, and accountability, we conduct business activities responsibly and are committed to fostering a corporate governance culture grounded in high standards. To strengthen legal risk management capabilities, the Group has established a Chief Legal Counsel system and continues to deepen internal research and promotion of legal norms and compliance culture. At the operational level, the Group conducts systematic internal audits annually, covering key areas such as procurement processes, cost control, capital management, and risk management. Concurrently, independent auditors are engaged to perform external audits. Through this integrated internal and external review mechanism, the Group effectively prevents fraud and misconduct, thereby safeguarding the legitimate rights and interests of the Group and all stakeholders.



Corporate Governance

The Group firmly believes that robust corporate governance is fundamental to long-term value creation and superior performance. As the highest governing body, the Board of Directors fulfills strategic leadership and oversight responsibilities, committed to establishing a well-defined and efficient governance framework that addresses the legitimate interests of shareholders and other stakeholders. Under the Board, three specialized committees—the Audit Committee, the Nomination Committee, and the Remuneration Committee—operate independently, focusing respectively on financial transparency, talent selection mechanisms, and the reasonableness of incentive policies, collectively driving continuous improvement in governance standards. Within this framework, the Board not only sets the overall business direction but also closely monitors day-to-day operations to ensure decisions are both forward-looking and compliant, thereby reinforcing corporate reputation and enhancing market confidence.



Board Diversity

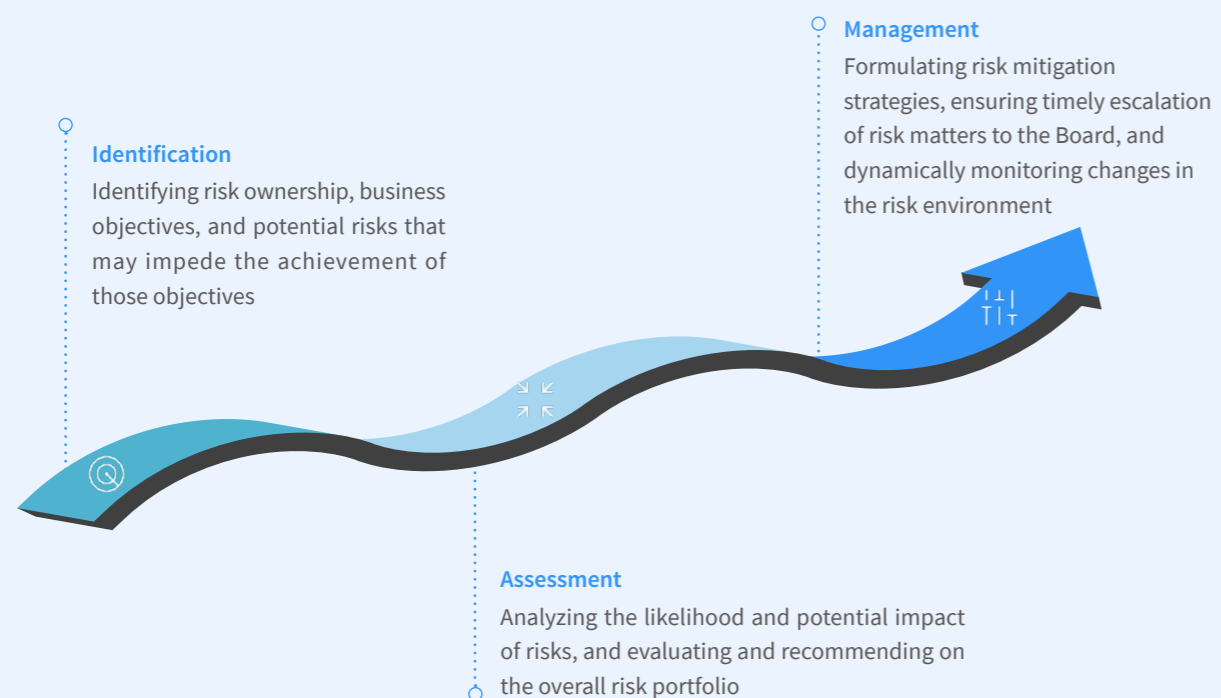
The Group adheres to the principle of equal opportunity and has implemented a Board Diversity Policy since 2013. We continuously promote diverse and complementary perspectives through multiple dimensions, including professional qualifications, industry experience, educational and cultural background, gender, age, tenure, and ethnic characteristics. The Board retains authority over the formulation and periodic review of the diversity policy to ensure the team maintains the broad vision, professional competence, and diverse thinking necessary to drive business success. The Nomination Committee regularly reviews measurable objectives and implementation effectiveness of the Board diversity policy to ensure alignment with the Group's business model and strategic needs. The current Board composition demonstrates strong diversity, contributing to enhanced decision-making quality and governance effectiveness.

Board Diversity Indicators						
Name	Gender	Age	Board / Role	Tenure	Educational Background / Field	Experience / Skills
Mr. ZHU Wenkai	M	57	Non-executive Director	1 years	Transportation Management Engineering, Economics	Corporate Management
Mr. YU Zhiliang	M	47	Non-executive Director	1 years	Accounting, Business Administration	Finance, Corporate Management
Mr. LI Yao	M	39	Non-executive Director	2 years	Engineering Management, English	Engineering
Dr. SO Shu Fai	M	74	Executive Director	15 years	Business Administration	Corporate Governance
Mr. WONG King Yuen	M	58	Executive Director	9 years	Business Administration	Real Estate
Ms. CHEN Yan	F	48	Executive Director	2 years	Accounting	Finance
Dr. WONG Wing Kuen, Albert	M	74	Independent Non-executive Director	14 years	Business Administration	Finance, Corporate Governance
Ms. CHEN Yanping	F	67	Independent Non-executive Director	14 years	Urban Planning, Engineering	Architecture & Urban Planning, Real Estate
Dr. SHI Xinping	M	67	Independent Non-executive Director	14 years	Finance	Finance
Mr. IP Man Ki Ryan	M	36	Independent Non-executive Director	2 years	Economics, Finance, Surveying	Economics, Public Policy



Risk Management

The Group places great emphasis on risk management, with the Board providing overall oversight and the Audit Committee taking the lead in establishing and maintaining an internal control system aligned with international standards. This system is built upon the 2013 framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and spans all business units, creating a closed-loop risk management process from the strategic to operational levels. The Audit Committee is responsible for identifying potential risks, assessing risk exposure, defining the Group’s risk appetite, and regularly reviewing the effectiveness of the risk management mechanisms. During the Reporting Period, the Group initiated a dedicated assessment of ESG-related risks, initially covering non-financial topics such as climate change, supply chain responsibility, and anti-corruption, with plans to gradually integrate these into the enterprise-wide risk management system. The current risk management process comprises three core components:



Based on the comprehensive assessment conducted during the year, the Group did not identify any material uncontrolled risks. For further details regarding the composition of the Board, management responsibilities, and governance structure, please refer to the relevant sections of the Company’s 2025 Annual Report.



Business Ethics & Anti-Corruption

The Group regards anti-corruption and ethical business conduct as foundational to sustainable development. We strictly comply with all applicable laws and regulations concerning bribery, extortion, fraud, and money laundering in the jurisdictions where we operate, and align our practices with internationally recognized standards to build a systematic and comprehensive integrity and compliance framework.

The Group has formulated policies including the Compliance Management System, Anti-Money Laundering and Compliance Manual, and Code of Conduct for Employees. All employees and external suppliers are required to sign the Integrity Commitment Letter for Employees, clearly defining their integrity responsibilities. For high-risk areas such as property development and asset management, additional documents—including the Integrity Risk Prevention Manual for Property Holding and the Accountability Matrix for Integrity Supervision and Management—have been issued to detail risk control measures and supervisory duties, ensuring accountability is assigned to specific roles and effectively implemented.

To strengthen internal oversight and accountability, the Group has established the Whistleblowing and Complaints Management Guideline, providing a dedicated compliance hotline and email address to encourage employees to report misconduct—either anonymously or under their real names—with strict confidentiality protections for whistleblowers. Additionally, the Group regularly engages external legal experts and internal compliance officers to deliver specialized training sessions on critical topics such as prohibition of commercial bribery, anti-unfair competition, trade secret protection, and information security. Random assessments are conducted to evaluate training effectiveness, continuously enhancing legal awareness and ethical standards across all staff, particularly frontline personnel.

During the Reporting Period, neither the Group nor any of its employees was involved in any concluded or pending litigation cases related to corruption, demonstrating the effective implementation and cultural embedding of our integrity system.



Intellectual Property Protection

The Group values intellectual property protection as a critical safeguard of its innovation capacity and core competitiveness. To manage intellectual property systematically, the Group has developed the Document Management Guidelines and Management Measures for the Protection and Safeguarding of Intellectual Property Rights, which comprehensively regulate the access, usage, archiving, and confidentiality of both physical and digital documents. All actions that violate intellectual property laws and regulations are strictly prohibited, and all employees and partners are required to comply fully with relevant legal requirements. The Group is committed to mitigating intellectual property risks and protecting the legitimate rights and interests of itself and its partners, thereby reinforcing a foundation of long-term trust and secure collaboration with stakeholders.



Privacy and Information Security

The Group considers customer privacy and information security as core elements of corporate reputation and compliant operations. We strictly adhere to all applicable laws and regulations on privacy and information security in our operating jurisdictions and resolutely prevent any unauthorized access, use, or disclosure of data.

To enforce confidentiality obligations, the Group requires all employees to sign confidentiality agreements, clearly stipulating their responsibilities for protecting business and customer information. Regarding customer personal data, the Group has formulated the Customer Privacy Protection Management Measures, adopting a centralized “dedicated personnel for dedicated management” model. All customer data is strictly controlled throughout its lifecycle—collection, storage, processing, and access. Except where necessary for job duties, employees are prohibited from accessing or retrieving such information. Any access required for legitimate business purposes must be approved by the relevant supervisory department, with all operations logged for traceability and auditability. This institutional framework not only strengthens internal risk controls but also reflects the Group’s deep respect for data governance and stakeholder rights, laying a solid foundation for long-term trust.

The Group implements full lifecycle management of cybersecurity risk sources, covering key areas including personnel and supplier access rights, physical security, system and endpoint protection, data integrity and backup, and information system development and operations. Regular security assessments—such as vulnerability scanning and penetration testing—are conducted to monitor threat landscapes in real time. Network logs are retained for no less than six months. All units are required to develop cybersecurity emergency response plans, conduct annual drills, and submit summary reports for record.

02. Harnessing Talent and Building a Platform for Growth

The Group is committed to building a standardized, fair, and sustainable human resources management system. We strictly implement compliant employment practices and uphold open, fair, and impartial recruitment and promotion mechanisms, adhering to the principle of equal employment and eliminating any form of discrimination or child labor risk. Through a competitive compensation structure and comprehensive benefits programs, the Group genuinely cares for employees' physical and mental well-being as well as their family needs. At the same time, we systematically advance employee training and career development. With safety in production as our baseline, we strengthen risk prevention and control, daily supervision, and emergency drill mechanisms to create a workplace environment that is safe, respectful, and inclusive—enabling mutual growth and shared success between employees and the enterprise.

ESG Issues Addressed in This Section



Compliant Employment
and Compensation &
Benefits



Employee Health
and Safety



Employee
Development
and Training



Compliant Employment Management

The Group adheres to employment-related laws and regulations in Mainland China and Hong Kong, and has established the Labour Relations Management Measures and the Personnel Compliance Management Measures. A comprehensive labour contract system is implemented, with clear provisions on contract duration, probation period, compensation structure, dismissal conditions, and severance arrangements to ensure lawful, consistent, and traceable employment practices. The Employee Handbook clearly defines employee rights and obligations. All human resources policies are regularly reviewed and updated to align with the latest legal requirements and industry best practices, continuously enhancing employee experience and sense of belonging.

Recruitment and Promotion

To strengthen the talent selection mechanism, the Group has formulated the Recruitment Management Policy and Internal Job Application Guidelines, systematically standardizing the end-to-end process from requisition to onboarding, as well as the operational details for open internal job competitions. Recruitment is closely aligned with the Group's strategic direction, prioritizing the introduction of professional talent who share the Group's values; internal job competitions promote dynamic person-job matching, enhance organizational effectiveness, and

support coordinated advancement in quality, efficiency, and scale. The entire process adheres to the principles of "compliance and fairness; suitability of roles and personnel; integrity and competence with integrity first; internal promotion as priority, supplemented by external hiring; and pre-employment and in-service conflict avoidance," ensuring transparent procedures and consistent standards, and laying a solid foundation for a high-caliber talent pool.

Equal Employment

The Group firmly opposes any form of employment discrimination and strictly complies with equal opportunity laws in Mainland China and Hong Kong. Job postings and interview evaluations must not impose restrictions based on an applicant's race, place of origin, gender, cultural background, marital status, sexual orientation, or disability. Assessment focuses primarily on candidates' capabilities,

knowledge, and potential for growth. To eliminate child labor risks, identification documents are rigorously verified during onboarding to confirm that all hires meet the legal minimum working age. Any violations are handled seriously in accordance with applicable laws. During the Reporting Period, no complaints or incidents related to child labor were reported.

Remuneration Management

In accordance with national regulations, the Group has developed the Employee Salary Management Measures, establishing a multi-tiered salary structure and implementing a dynamic adjustment mechanism of "position-based pay with changes in pay aligned with changes in position." Performance management is highly prioritized, encompassing four key stages: performance planning, communication and feedback, performance evaluation, and application of results. Performance outcomes directly inform decisions on training, salary adjustments, bonus allocation, and promotions, ensuring incentives are closely tied to actual contributions. In accordance with national regulations, the Group has developed the Employee Salary Management Measures, establishing a multi-tiered salary structure and implementing a dynamic adjustment mechanism of "position-based pay with changes in pay aligned with changes in position." Performance management is highly prioritized, encompassing four

key stages: performance planning, communication and feedback, performance evaluation, and application of results. Performance outcomes directly inform decisions on training, salary adjustments, bonus allocation, and promotions, ensuring incentives are closely tied to actual contributions.

Additionally, through the Position and Rank Management Measures, the Group has expanded dual career pathways—professional and managerial—and refined promotion criteria to strengthen its pipeline of high-potential talent. Supported by a market-competitive compensation system, performance-driven incentives, and clear career development plans, the Group effectively attracts, motivates, and retains top talent, providing a stable human capital foundation for high-quality, sustainable growth.



Employee Protection and Benefits

The Group strictly complies with employment laws in Mainland China and Hong Kong and has established the Attendance Management Measures, Employee Benefits Management Policy, and Employee Handbook, which clearly define working hours, rest arrangements, and employee entitlements. These policies are regularly reviewed and updated in response to legal and regulatory changes to ensure compliant work-hour management. The Group explicitly prohibits all forms of forced labor. Overtime requires dual approval from the Human Resources Department and the relevant supervisor and must be compensated with either time off in lieu or overtime pay in accordance with the law, safeguarding employees' physical and mental well-being and autonomy over their work. No material violations of forced labor regulations occurred during the Reporting Period.

Beyond statutory social insurance and housing provident fund contributions, the Group provides supplementary medical and pension insurance and offers subsidies for education, transportation, and housing to comprehensively enhance employees' quality of life. In addition to statutory annual leave and public holidays, employees may apply for family visit leave, marriage or bereavement leave, sick leave, maternity leave, paternity leave, and breastfeeding leave, reflecting the Group's thoughtful care for personal and family needs. The Group regularly organizes festive celebrations, birthday gatherings, and team-building activities to enrich employees' cultural and social lives. An Employee Care Fund has also been established to provide emergency financial assistance to employees or their families facing significant hardship.

To foster two-way communication, subsidiaries held regular face-to-face forums during the Reporting Period, enabling employees to directly voice opinions to management and receive substantive responses. Legally established trade unions actively safeguard employee rights, and multiple channels—including the General Manager's Mailbox and the "Si Xiang Hui" digital interaction platform—encourage employees to participate in corporate governance and share suggestions anonymously or under their real names, cultivating an open, inclusive, and collaborative corporate culture.

Fun Sports Build Team Cohesion and Promote Inclusion

Foshan Company hosted a themed fun sports day titled "Drums Beat, Urging Us Forward; Hooves Gallop, Seizing the Moment," featuring multiple events that blend competition and entertainment, such as team relays and collaborative challenges. All employees participated enthusiastically. The event not only alleviated work stress and enhanced physical fitness but also fostered cross-departmental communication and team cohesion, demonstrating the Group's commitment to employees' physical and mental well-being and workplace happiness.



"Fragrant Elegance, Empowering Her" – Celebrating Women's Strength

During International Women's Day, Foshan Company organized a "Fragrant Elegance, Empowering Her" botanical incense-making salon for female employees to handcraft natural sachets. Integrating traditional culture with wellness practices, the activity allowed participants to relax and embrace self-care through aromatherapy and hands-on creation. This thoughtful initiative conveyed the Group's attentive care for its female employees and helped cultivate a respectful, warm, and inclusive workplace atmosphere.



Employee Training and Development

The Group regards employees' professional and career development as a core driver of sustainable growth and continues to invest resources in building a systematic, tiered training system to cultivate a high-caliber talent pipeline. To standardize operations and enhance effectiveness, the Group has formulated the Employee Training Management Measures, establishing a training framework aligned with strategic objectives that encompasses three modules: management training, professional training, and general training. Corporate culture and social responsibility concepts are integrated into the curriculum to foster dual development in both professional competencies and values.

Internal training is led by internal units and primarily categorized into three types:

Management Training

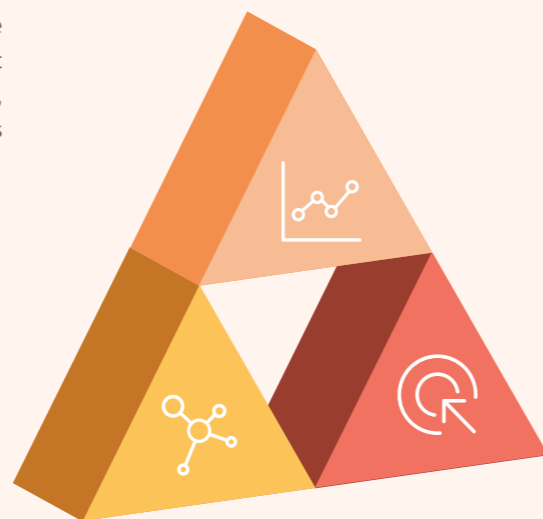
Tiered programs such as New Manager Programs and Young Cadre Programs are implemented. The Comprehensive Management Department oversees training for mid- to senior-level managers, while HR departments of individual units jointly advance grassroots and pipeline talent development

Professional Training

Focused on job competency, this includes Professional Core Talent Programs, Capability Enhancement Workshops, Expert Lecture Series, and Trainer Empowerment courses. Thematic training sessions on real estate-related legal and financial topics are also periodically offered

General Training

Covers workplace competencies, policies and procedures, safety protocols, and corporate culture promotion, further segmented into onboarding programs for socially recruited employees and graduate trainee development initiatives



Additionally, the Group has established the Internal Instructor Management Guidelines, defining mechanisms for instructor selection, promotion, and compensation to encourage employees with expertise and teaching enthusiasm to participate in knowledge transfer and foster an internal learning cycle. The Group also supports employees in attending external training or institution-led programs (online or offline) required for business purposes and provides tuition assistance to employees who have served for two years or more to support self-directed growth.

Each subsidiary collects training needs annually through surveys and interviews and formulates targeted annual plans aligned with business strategies. Upon completion of each training session, a systematic evaluation is conducted based on the Training Satisfaction Evaluation Form, assessing content, instructors, and organization to continuously improve quality. The Group also maintains personal learning files for all employees, comprehensively recording their training history and achievements to ensure precise alignment of resources with developmental needs.



Work Safety

The Group strictly complies with occupational health and safety laws and regulations in Mainland China and Hong Kong, which have a material impact on its business operations. We continuously focus on personnel safety in production activities and place high importance on the occupational health and personal safety of employees and construction workers employed by engineering contractors. As a socially responsible enterprise, the Group is committed to providing a safe and healthy working environment for all project participants, ensuring they can perform their duties efficiently under risk-free conditions. To achieve this, we have established a comprehensive work safety and occupational health management system covering the entire operational process, supported by diversified and institutionalized operating procedures to effectively prevent potential health and safety risks on construction sites. During the Reporting Period, the Group did not receive any reports of incidents that violated occupational health and safety laws or regulations and had a material impact on operations.

Governance Structure and Accountability System

The Group has built a work safety management structure based on the principles of "centralized leadership, hierarchical management, category-specific guidance, primary accountability, and full employee participation." Responsibilities are clearly defined across functional departments, with reinforced accountability requirements at each organizational level, forming a fully integrated responsibility network. At the Group level, a Safety Management Committee has been established to oversee work

safety across the Group, coordinating overall planning and guidance for subsidiaries. Each subsidiary has also set up its own Safety Management Task Force, specifically responsible for managing the safety of their respective real estate development projects, ensuring coordinated implementation and vertical alignment throughout the organization. This system effectively safeguards the operational safety of construction sites and makes every effort to protect the lives and occupational health of frontline construction workers.

System Development and Standardized Management

Under this management framework, the Group has developed a series of detailed management policies covering basic safety management, equipment and operational safety, risk control and hazard inspection, safety specialization, incident handling, and safety performance evaluation and incentive mechanisms. All subsidiaries are required to strictly implement these regulations to ensure effective and consistent execution across the Group. The Group continues to improve its work safety management system by formulating and implementing standardized management documents, including the Work Safety Standardization Manual, Construction Project HSE Standardized Management Guidelines, Standardized Management Manual for Safe and Civilized Construction of Construction Projects, Basic Guidelines for Safety Hazard Investigation in Safe and Civilized Construction, and the Implementation Rules for the Management of Safety Supervision Personnel. These

documents comprehensively cover the planning, execution, inspection, and continuous improvement of construction activities. These standards clearly define the responsibilities of various departments and personnel involved in construction safety management and provide operational procedures and hazard identification guidelines for each stage of the production process, enabling systematic and standardized risk control. The standards apply not only to all internal employees of the Group but also to all contractors and consultants involved in the design, construction, and supervision of contracted engineering projects. For any non-compliance with procedures or unauthorized construction practices, the Group has also issued the Implementation Rules for Penalties on Safe and Civilized Construction Violations, which specify accountability measures and penalties to ensure enforcement and integrity of the system.

Risk Prevention and Daily Supervision

To strengthen the overall planning of annual safety work, the Group formulates safety objectives, implementation plans, and assessment methods for the upcoming year at the end of each reporting year. These objectives are broken down and assigned across organizational levels to ensure effective deployment. The Group remains committed to its safety philosophy of "risk prevention, hazard elimination, zero accidents, and zero pollution." For ongoing construction projects, the lead construction unit organizes multiple special safety inspections per week, covering construction site safety, worker health conditions, fire safety equipment, fire prevention awareness, electrical and water safety, public facility safety, and fire prevention measures in dormitory

areas. Weekly safety meetings are held in conjunction with supervision meetings, monthly thematic safety production meetings are convened, and daily safety briefings are conducted at construction sites to promote safety awareness and emphasize "safety first." Comprehensive safety inspections and assessments are conducted quarterly, with increased inspection frequency during holidays, rainy seasons, or typhoon periods. Additionally, the Group engages third-party professional agencies to conduct regular safety management assessments on ongoing projects. Through scoring and risk analysis, these assessments help identify potential hazards and reinforce process supervision.

○ Personnel Assurance and Safety Culture

The Group strictly implements the three-tier safety education system—organizational-level, departmental-level, and position-level training—to prevent untrained personnel from commencing work without completing all three levels of safety education. Centralized safety production training sessions for new employees are organized every two months. Safety skills training and specialized seminars are also provided for on-site construction workers and supervision personnel. Occupational safety and disease prevention facilities are provided as required, and appropriate personal protective equipment (PPE) meeting national standards is distributed to workers. Basic medical equipment must be available on-site to ensure timely response to health emergencies. The Group integrates safety culture into daily management through continuous education and institutional safeguards, fostering an environment where everyone prioritizes safety.

○ Emergency Management and Drill Mechanism

Adhering to the principle of “prevention first, combining prevention with response,” the Group has established an emergency management mechanism featuring “vertical integration, multi-party coordination, orderly execution, and efficient operation.” Contingency plans such as the General Emergency Plan for Public Emergencies, Comprehensive Emergency Plan for Production Safety Accidents, Special Emergency Plan for Typhoon and Flood Prevention, and Comprehensive Emergency Plan for Natural Disasters have been formulated. These plans specify graded responses based on the nature, characteristics, and severity of incidents: on-site personnel immediately report to the unit head, an on-site emergency command center is established to carry out scene control, personnel evacuation, perimeter control, and emergency rescue; if the incident meets national reporting thresholds, the responsible person must immediately notify local government authorities. After the emergency response concludes, the involved unit must organize an investigation, convene an analysis meeting, submit an investigation report, and notify all employees. Each subsidiary is required to organize at least one safety drill per year to enhance emergency response and recovery capabilities.

○ Assessment, Incentives, and Continuous Improvement

The Group has established a safety performance incentive and penalty system, along with a dedicated safety reward fund linked to annual assessment results. Outstanding safety performance in construction projects is recognized accordingly. In the event of a safety incident, disciplinary actions will be taken against the responsible safety manager and the involved personnel based on their safety management performance and the implementation status of on-site safety measures. During the Reporting Period, the Group did not experience any major work safety accidents, and the overall safety situation remained stable and under control.



03. Customer-Centric Excellence, Forging Uncompromising Quality

In the highly competitive real estate industry, the Group has always regarded quality as the foundation of its success. We firmly believe that only through an unwavering pursuit of excellence in products and services can we earn long-term trust and achieve sustainable development. To this end, the Group has established a comprehensive quality management system covering the entire project lifecycle—from design and planning, through construction, to delivery and occupancy—with every stage executed to high standards and rigorous requirements. Through scientifically designed processes, institutionalized operational norms, and efficient cross-departmental collaboration, we have created a closed-loop control mechanism. For us, quality is not merely a technical metric; it is a solemn commitment to our customers and a responsibility toward the future of our cities. The Group continuously refines its management practices and drives innovation to deliver safe, comfortable, and durable living spaces, leading the advancement of urban residential quality and co-creating value with customers and society to build a better future together.

ESG Issues Addressed in This Section



Supply Chain
Management



Product &
Service Quality
Management



Customer
Satisfaction



Full Lifecycle Coverage of Product Quality Management

The Group adheres to a “customer-centric” service philosophy and has built a customer service system that spans the entire product lifecycle, systematically integrating pre-sales, in-sales, and post-sales stages to ensure customers receive a consistent, professional, and empathetic experience at every touchpoint. The Group has compiled the Product Lifecycle Customer Service Manual, Standardized Customer Service Work Items for City Companies, and Customer Service Management Workflow, which clearly define key service priorities from land acquisition and project launch to property handover. These documents cover critical aspects including risk prevention and control, cross-departmental coordination, product delivery, and customer communication, enabling each project to deliver localized, precise services under a unified institutional framework.

Design Stage



- Actively conduct customer research and communication during the design phase to ensure client requirements are fully considered from the outset
- Summarize past customer feedback and after-sales maintenance experience to develop a Total Quality Management (TQM) checklist
- Require the design department to inspect ongoing projects against the TQM checklist to confirm relevant issues have been addressed

Engineering Management Stage



- Formulate a series of policies, including the Engineering Quality Management System, Engineering Technical Management Measures, Engineering Document Management Measures, Engineering Quality Management Measures, Project Quality Management Guidelines, and Product Quality Assessment Operation Manual
- Establish a comprehensive engineering quality management system to standardize practices, ensuring product safety while laying a solid foundation for high-quality delivery
- Provide employees with sufficient guidance on engineering quality management and technical standards to thoroughly identify all major quality and safety risks in each project and enhance third-party evaluations and customer satisfaction with housing quality
- Organize a joint inspection event called “Customer Experience Day” before official property handover, allowing customers to identify construction quality issues
- After collecting customer feedback, implement improvements in accordance with the Group’s relevant policies and procedures

Sales Stage



- Establish the Sales Site Management System and Customer Service Specification and Operational Guidelines, which clearly define requirements for sales personnel’s professional image, service attitude, and service process
- Develop service monitoring indicators for sales sites and conduct regular inspections and mystery shopper visits
- Implement a “mystery customer” program to periodically and unannouncedly visit sales venues to monitor and evaluate service quality
- Issue criticism and rectification requirements for non-compliant behaviors to continuously improve service standards
- Identify and document common issues in the sales process to prevent recurrence

Delivery Stage



- Formulate policies such as the Operational Guidelines for Sales Project Handover Management and the Move-in Management Operational Guidelines to standardize basic property handover procedures
- Require relevant departments to conduct pre-handover risk assessments and rectify identified risks; track and address additional issues raised by customers during the handover period
- Ensure that designated staff and project engineers accompany homeowners during property acceptance and documentation processing to promptly resolve any questions
- Set up an on-site “Repair Hotline” to respond to issues raised during property handover
- If an issue can be resolved quickly, repair personnel are dispatched immediately so owners can complete acceptance in a single visit
- After full project handover, review all identified issues, develop follow-up improvement measures, and prevent similar occurrences to enhance product quality and customer service standards

Post-Sales Stage



- Strive to provide the best possible property management services after homeowners accept and move into their properties
- Conduct a “Home Health Check” one year after each property’s handover
- Remind homeowners to carry out a comprehensive inspection three months before the end of the warranty period and organize construction personnel to perform necessary repairs
- Each project conducts quarterly property inspections, proposes improvement plans for identified issues, and implements timely rectifications
- Actively explore opportunities for enhancement in daily operations to create a safe, comfortable, and convenient living environment
- Invite all homeowners to participate in the “Merchants Club” homeowner membership program and other customer care activities
- Enhance homeowners’ quality of life, strengthen customer engagement, and build a strong, trusting relationship through these initiatives



Service Quality Management

The Group consistently upholds the core principle of “customer first,” striving to understand and respond to customers’ genuine needs by delivering a warm, connected, and seamless service experience throughout the entire journey. Through standardized processes, diversified communication channels, and a closed-loop management mechanism, we continuously enhance service quality and deepen customer trust and brand loyalty.

During customer reception and contract signing, the Group has established standardized service procedures to ensure every interaction demonstrates professionalism and consistent quality. For contracted customers and homeowners, we conduct regular follow-up visits and proactively share project progress and key information to strengthen two-way communication and build trust.

To broaden engagement channels, the Group has implemented multiple feedback mechanisms, supported by a dedicated team that responds promptly and resolves issues efficiently. Through the enterprise WeChat platform, we maintain real-time, barrier-free communication with customers. Additionally, the “Merchants Club” WeChat official account is used to regularly share project updates and service content, while organizing online and offline interactive activities to continuously strengthen customer engagement and brand affinity.

Customer Satisfaction Focus

The Group has formulated the Customer Satisfaction Management Guidelines, clearly defining roles and responsibilities across departments. Independent third-party consulting firms are commissioned to conduct objective surveys covering key stages—from post-contract signing and early handover to mid-to-late post-handover phases—focusing on core dimensions such as housing quality, property management services, and complaint handling. The surveys comprehensively cover both residential homeowners and customers of

investment properties.

Customer satisfaction results are incorporated into the Group headquarters’ performance evaluation framework for regional companies and business units, establishing a feedback-driven “customer-first” mechanism. All local units are required to develop specific improvement plans based on survey findings and regularly report progress to headquarters, driving continuous enhancement of service quality.

End-to-End Complaint Management and Accountability

The Group places great importance on customer complaints, viewing each as a critical opportunity for service improvement. In accordance with the Customer Service Specification and Operational Guidelines, the “first point of contact is responsible” principle is strictly enforced, requiring the initial staff member who receives an inquiry to follow through until resolution. Additionally, the Group has established the Customer Complaint Management Guidelines and Customer Service Supervision Guidelines, which systematically standardize complaint classification, handling procedures, follow-up mechanisms, and oversight methods. All calls and written correspondence are categorized, archived, and tracked to ensure customer feedback is actionable and improvements are implemented.

The Group has set up dedicated complaint hotlines and multiple communication platforms, with contact information clearly displayed on sales cards, delivery notices, and property bulletin boards. Upon receiving a complaint, relevant departments immediately initiate handling procedures based on classification protocols, assign responsible units for rectification, and conduct follow-up evaluations to assess resolution outcomes, response timeliness, and customer satisfaction.

Complaint handling effectiveness is also integrated into annual performance evaluations. Headquarters conducts periodic random audits and issues performance updates across regional units to reinforce staff accountability and drive sustained improvement in service standards.



Responsible Marketing and Sales

During the sales process, the Group strictly complies with national and local laws and regulations on advertising and publicity, committed to providing customers with truthful, accurate, and transparent information. False or misleading promotion is strictly prohibited to safeguard customer rights. To ensure compliance, the Group has established the Co-signing Operational Guidelines for the Review of Sales Project Promotional Materials, which clearly define review and approval responsibilities. All externally released promotional materials must undergo a rigorous three-tier approval process involving the publisher, marketing manager, and project manager to guarantee authenticity and prevent customer misinformation. On this basis, the Group continuously monitors the quality of published materials, optimizing messaging to enhance communication effectiveness and customer experience while maintaining full compliance and transparency.



Responsible Supply Chain Management

The Group adheres to the principles of fairness, impartiality, and transparency in supplier selection and cooperation, prioritizing partners with solid qualifications, stable performance, and strong social reputation. Sustainability is embedded as a core evaluation criterion, with supplier performance in environmental protection, social responsibility, and labor rights incorporated into the assessment system to proactively mitigate potential risks. To meet green procurement requirements, the Group actively promotes the use of low-energy, recyclable, and environmentally friendly materials—such as prefabricated inspection wells and fiberglass septic tanks—which are more energy-efficient and eco-friendly compared to traditional concrete products, thereby achieving dual goals of resource conservation and environmental protection.



To enhance supply chain operational efficiency and risk management capabilities, the Group has formulated and continuously optimized internal policy documents, including the Procurement Management Implementation Rules, Supplier Management Implementation Rules, and Centralized Procurement Operating Guidelines. During the Reporting Period, these policies were revised and upgraded to further clarify standardized procedures for the entire supplier management lifecycle—from registration, assessment, onboarding, and process management to performance evaluation and reward/punishment mechanisms—and to clearly define the roles and responsibilities of each functional department.



01	02	03	04
<p>Supplier Introduction and Registration</p> <p>The Group prioritizes introducing outstanding suppliers from leading local and national real estate enterprises through real-name recommendations. All suppliers must register on the Group’s trading platform and submit basic information such as business licenses and qualification certificates for verification by the procurement department. Completeness and authenticity of documentation are prerequisites for cooperation eligibility.</p>	<p>Supplier Evaluation and Onboarding</p> <p>An inspection team comprising at least two employees from different departments conducts preliminary qualification reviews and on-site assessments of supplier capabilities, contract performance, quality of past projects, and level of cooperation. Only suppliers meeting the Group’s baseline requirements are admitted into the qualified supplier database, a mandatory condition for initiating procurement activities.</p>	<p>Performance Assessment and Rectification</p> <p>Suppliers are evaluated holistically based on their performance in project execution—including quality, schedule adherence, safety, and delivery. Where issues are identified, performance improvement requirements are issued, and suppliers must submit concrete corrective action plans to ensure continuous enhancement of fulfillment quality and partnership standards.</p>	<p>Record Maintenance and Dynamic Management</p> <p>The Procurement Department is responsible for centrally maintaining and updating records of all qualified and unqualified suppliers, establishing complete archives. Combined with evaluation results, a tiered management approach is applied to enable dynamic, full-lifecycle, closed-loop control of supplier information.</p>

The Group implements a tiered supplier management system and conducts annual grading assessments on a regular basis. The final supplier grade is determined by comprehensively considering performance evaluation scores, feedback from various units, and actual cooperation performance. Assessment results are classified into four grades—A, B, C, and D—with a validity period of two years. These grades serve as a key basis for future cooperation, tender eligibility, and resource allocation.

Grade	Eligibility	Management Measures
Grade A	Prioritized Use	<ul style="list-style-type: none"> • Prioritized for tender shortlisting • Granted preferential bidding rights • Recommended as national or regional strategic cooperation partner • Eligible for contract renewal • Qualified to participate in the annual Outstanding Supplier assessment • Awarded an A-Grade Supplier Certificate by Group headquarters
Grade B	Encouraged Use	<ul style="list-style-type: none"> • Eligible to participate in regular tendering activities • Granted preferential bidding rights • Eligible for contract renewal
Grade C	Restricted Use	<ul style="list-style-type: none"> • Generally prohibited from participating in invitation-only tenders, competitive negotiations, or direct commissioning projects; exceptions require approval by the cost committee of the procuring unit • For open tenders, pre-qualification may be applied to raise entry thresholds and reduce shortlisting opportunities
Grade D	Prohibited Use	<ul style="list-style-type: none"> • Disqualified from winning any tender for two years and barred from participating in Group business • Upon expiry of the two-year period, must undergo re-evaluation and re-onboarding process to be considered for reintroduction • If rated D for two consecutive years, the prohibition period is reset and recalculated from the latest assessment

04. Advancing Low-Carbon Transformation, Safeguarding a Green Future

The Group consistently integrates the concept of green development into all aspects of management, construction, operations, and daily life, actively exploring practical pathways for the harmonious coexistence of people, buildings, cities, and nature, and systematically building a “green living system.” We have embedded carbon neutrality goals, green innovation, and low-carbon development strategies into our corporate culture and long-term planning to enhance environmental awareness and responsible action across the organization. We are committed to minimizing the environmental impact of our operations and actively engaging residents, employees, contractors, and suppliers in green practices such as energy conservation, waste reduction, and resource recycling, thereby promoting sustainable lifestyles. In active response to China’s national “dual carbon” policy, the Group has established an energy conservation and emission reduction management system and is advancing multiple green building and energy efficiency improvement initiatives to support the low-carbon transformation of the construction industry. At the same time, we strictly comply with environmental protection laws and regulations in Mainland China and Hong Kong that materially affect our business operations, ensuring that our green practices are compliant, effective, and sustainable.

ESG Issues Addressed in This Section



Green Building



Climate Change Response



Air Pollutants and GHG Emissions



Energy Management



Water Resource Use and Wastewater Treatment



Waste Management



Biodiversity



Green Procurement



Climate Change Response

As the impacts of climate change intensify—with increasing frequency of extreme weather events, rising natural disasters, and worsening global warming—climate-related risks have become a major challenge to the sustainable development of the global economy and society. Addressing climate change has thus emerged as a critical issue across all industries. China has committed to its “dual carbon” goals: peaking carbon emissions before 2030 and achieving carbon neutrality before 2060. In 2021, the Chinese government issued key policy documents, including Opinions on Fully and Accurately Implementing the New Development Philosophy to Achieve Carbon Peaking and Carbon Neutrality, the Action Plan for Carbon Peaking Before 2030, and Guiding Opinions on Promoting High-Quality Development of Central Enterprises in Advancing Carbon Peaking and Carbon Neutrality, providing clear strategic direction for these targets.

In active response to national strategy and to fulfill its sustainability commitments, the Group continuously monitors climate-related developments and systematically identifies and assesses climate risks in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are progressively enhancing our risk management mechanisms and improving the transparency and decision-usefulness of climate-related disclosures.

Climate Governance

The Group has incorporated climate-related risks into its ESG risk register and is gradually integrating them into the existing internal risk management and control systems to systematically identify, assess, and formulate corresponding mitigation measures (see the “Risk Management” section of this Report). The Group updates its ESG topic repository annually and includes climate change as a core topic for materiality assessment, with results submitted to the Board for review.

Under the governance framework, the Board is responsible for approving and overseeing climate-related policies and management mechanisms and regularly reviewing their effectiveness. Management is responsible for implementation, conducting climate risk assessments and analyses, and providing decision-making support to the Board. Through clear role allocation and collaborative mechanisms, the Group ensures orderly and efficient governance of climate issues across all business functions.

Climate Strategy

China Merchants Land recognizes that climate change significantly affects its business operations and the communities it serves. “Climate Change Response” was identified by stakeholders as a material topic in the 2025 materiality assessment. Climate considerations have been integrated into the Group’s strategic planning process to systematically identify, assess, and prioritize climate-related risks and opportunities relevant to stakeholders and core real estate operations.

In 2025, China Merchants Land engaged an independent third-party consultant to conduct a structured assessment of climate-related risks and opportunities across its real estate operations, covering both physical and transition risks. The assessment evaluated potential impacts on asset performance, operational continuity, and financial outcomes over short-term (0–3 years), medium-term (3–5 years), and long-term (5+ years) horizons. As part of this effort, the Group performed climate scenario analysis to deepen its understanding of the evolving physical impacts of climate change over time. This analysis adopted a forward-looking approach aligned with the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and assessed climate risks under a range of plausible future pathways. This enables China Merchants Land to evaluate how varying degrees of climate mitigation and socioeconomic development may influence its risk exposure across different timeframes.

The analysis of the two scenarios shows that under SSP2-4.5, risks remain relatively manageable and transition opportunities increase; under SSP5-8.5, physical risks are amplified, potentially leading to project delays and more severe asset damage. The climate scenario analysis was conducted specifically by city cluster: coastal areas such as Foshan and Guangzhou face higher flood and typhoon risks under high-emission scenarios; inland cities like Chongqing and Xi’an are more significantly affected by heatwaves and droughts; and regions including Nanjing and Zhenjiang are particularly vulnerable to riverine flooding threats.

Summary of Climate-Related Risk and Opportunity Identification and Impacts

Climate-Related Risk / Opportunity	Transmission Pathway	Current / Expected Financial Impact	Potential Time Horizon	Response Measures
Physical Risks				
Acute Physical Risk: Flooding, Typhoons Increased frequency and intensity of extreme weather events (e.g., floods, typhoons)	<ul style="list-style-type: none"> Physical damage to asset structures, facilities, and equipment Increased cleanup and repair costs Business interruption and reduced operating days 	<ul style="list-style-type: none"> Higher O&M costs due to structural repairs and cleanup Rising insurance premiums due to property damage and business interruption claims Potential asset depreciation 	Short / Medium / Long Term	<ul style="list-style-type: none"> Develop and implement comprehensive emergency response plans for typhoons, floods, and natural disasters Conduct at least one emergency drill annually to enhance on-site response capabilities Strengthen infrastructure resilience through flood barriers, drainage systems, and structural reinforcements Maintain adequate insurance coverage and perform periodic risk assessments to mitigate financial impacts
Chronic Physical Risk: Extreme Heat More frequent and prolonged heatwaves; rising average temperatures	<ul style="list-style-type: none"> Increased electricity and water consumption for employee comfort 	<ul style="list-style-type: none"> Higher operating costs due to increased air conditioning usage 	Short / Medium / Long Term	<ul style="list-style-type: none"> Install energy-efficient HVAC and intelligent temperature control systems to reduce cooling loads Promote green building design with high-performance insulation and passive cooling strategies Adjust work schedules during extreme heat events to protect employee health and productivity Monitor and analyze energy consumption data to continuously improve cooling efficiency and cost management
Chronic Physical Risk: Sea Level Rise and Water Scarcity Rising sea levels and increased drought frequency	<ul style="list-style-type: none"> Higher inundation risk in low-lying areas Water supply disruptions affecting landscaping and potable water provision 	<ul style="list-style-type: none"> Slight to moderate decline in asset value Increased operating costs due to water resource management 	Medium / Long Term	<ul style="list-style-type: none"> Implement rainwater harvesting and greywater recycling systems in new developments Apply sponge city principles and use drought-tolerant landscaping to minimize potable water demand Set water efficiency targets and track water intensity across all projects and office locations
Transition Risks / Opportunities				
Risk: Introduction of Carbon Pricing Mechanisms (e.g., carbon tax or emissions trading schemes) Stricter carbon pricing policies affecting high-carbon buildings	<ul style="list-style-type: none"> Regulatory requirements for carbon reporting and tax payments 	<ul style="list-style-type: none"> Increased operating costs Potential fines or higher tax liabilities Higher financing costs if unprepared 	Short / Medium Term	<ul style="list-style-type: none"> Implement a carbon emissions tracking system and assess feasibility of participating in emissions trading markets Shift to low-carbon construction materials to reduce tax exposure
Risk: Supply Chain Transition Pressures Restructuring of low-carbon material and technology supply chains impacting construction costs	<ul style="list-style-type: none"> Suppliers shifting to green production, causing material shortages or price volatility 	<ul style="list-style-type: none"> Higher capital expenditure Potential project delays affecting revenue 	Medium / Long Term	<ul style="list-style-type: none"> Diversify supply chain and prioritize local low-carbon suppliers Invest in supply chain assessment tools to anticipate disruptions
Opportunity: Expansion of Green Financing Instruments (e.g., green bonds or sustainability-linked loans) Wider adoption of green finance frameworks encouraging low-carbon real estate investment	<ul style="list-style-type: none"> Investor preference for green assets, providing access to lower-cost capital 	<ul style="list-style-type: none"> Reduced financing costs if aligned with green and sustainable finance frameworks Enhanced asset valuation and potential to attract additional investment 	Short / Medium Term	<ul style="list-style-type: none"> Develop a green bond issuance plan and obtain sustainability certification Collaborate with banks to explore favorable green loan terms

Climate-Related Risk / Opportunity	Transmission Pathway	Current / Expected Financial Impact	Potential Time Horizon	Response Measures
Transition Risks / Opportunities				
Opportunity: Renewable Energy Transition Shift to low-carbon energy sources to reduce emissions and secure power supply (especially in markets reliant on generators) Shift to low-carbon energy sources to reduce emissions and secure power supply (especially in markets reliant on generators)	<ul style="list-style-type: none"> Reduced carbon emissions through renewable energy adoption Enhanced customer appeal and satisfaction due to clean energy use 	<ul style="list-style-type: none"> Higher upfront capital investment for renewable energy integration Lower operating costs and reduced exposure to future carbon taxes/pricing through emission reductions 	Short / Medium Term	<ul style="list-style-type: none"> Explore feasible solutions (e.g., bundled utility offerings) to expand renewable energy access and advance shared net-zero goals
Opportunity: Digitalization and AI-Powered Energy Management Integration of digital technologies to enhance building intelligence and efficiency	<ul style="list-style-type: none"> AI-driven optimization of energy use and predictive maintenance 	<ul style="list-style-type: none"> Reduced operating costs Increased asset value 	Short / Medium Term	<ul style="list-style-type: none"> Train teams to use digital tools for carbon footprint monitoring

Climate Risk Management

The Group closely monitors global sustainable development trends and leading ESG practices in the real estate industry, systematically conducting identification and assessment of ESG-related risks. Climate change-related risks have been formally incorporated into the Group's ESG risk register and are continuously considered in daily operations to ensure risk management is both forward-looking and targeted.

To address the physical risks posed by climate change, the Group has developed specialized emergency response plans for extreme weather events, natural disasters, typhoons, and flooding. These plans clearly define response mechanisms and handling procedures, comprehensively strengthening the Group's capabilities in prevention, response, and recovery from climate-related incidents, thereby effectively enhancing business resilience and asset security. To address the physical risks posed by climate change, the Group has developed specialized emergency response plans for extreme weather events, natural disasters, typhoons, and flooding. These plans clearly define response mechanisms and handling procedures, comprehensively strengthening the Group's capabilities in prevention, response, and recovery from climate-related incidents, thereby effectively enhancing business resilience and asset security.

Metrics and Targets

During the Reporting Period, the Group systematically collected and disclosed key environmental data, including GHG emissions, air pollutant emissions, energy consumption, water usage, and waste generation. We plan to further enhance our data collection and analysis mechanisms to present a more comprehensive and accurate picture of our actions and performance in addressing climate change.

Additionally, the Group has established clear management targets in areas such as energy efficiency, water resource management, waste reduction, and compliant disposal. Going forward, we will further refine these indicators, implement a dynamic tracking and evaluation mechanism, and regularly review progress against targets to drive targeted improvements and ensure continuous enhancement of environmental performance—supporting the Group's high-quality, sustainable development.



Green Building

The Group explicitly requires all new residential projects to achieve at least a one-star rating or higher under the current national Green Building Evaluation Standard (GB/T 50378-2019), comprehensively promoting the coordinated improvement of building quality and green performance. Building upon this foundation, we have developed a Green and Healthy Residential System centered on “Four Clean,” “Four Comfort,” “Three Low,” “Two Good,” and “Two High,” systematically integrating key elements such as health, comfort, energy efficiency, and intelligence to create efficient, environmentally friendly, and healthy living environments—contributing the real estate industry's strength toward the vision of carbon neutrality.

Four Clean	
	Clean Sound Noise reduction measures are implemented throughout design, material selection, and construction, including equipment sound and vibration damping, and enhanced sound insulation for walls and windows to ensure a quiet indoor environment.
	Clean Water Domestic water supply undergoes multi-stage treatment and filtration to provide residents with healthy, clean drinking water.
	Clean Air Outdoor fresh air is purified before being introduced indoors to improve indoor air quality and human comfort.
	Clean Hygiene Specialized design solutions address mold and odor issues in kitchens and bathrooms to prevent negative impacts on indoor air quality.
Four Comfort	
	Comfortable Temperature Air conditioning and underfloor heating systems maintain a constant indoor temperature—cool in summer and warm in winter.
	Comfortable Humidity Combined with the air conditioning system and automatic dehumidification in bathrooms, relative humidity is regulated to solve summer dampness and winter dryness.
	Comfortable Lighting Building design ensures at least three hours of winter sunlight, while external shading technology controls direct solar glare to balance natural daylighting and visual comfort.
	Elderly-Friendly Design Emergency call buttons and infrared detectors are installed in homes with elderly residents to reduce risks associated with unattended incidents.
Three Low	
	Low Energy Consumption The building envelope's thermal insulation system minimizes heat exchange between indoors and outdoors, reducing heating and cooling loads. An intelligent home energy-saving system automatically controls electrical appliances to save electricity.
	Low Emissions Environmentally friendly interior finishes and functional wall coatings are selected to control formaldehyde and other harmful emissions at the source.
	Low Radiation Comprehensive radiation protection measures cover decoration materials, electromagnetic shielding, and soil radon mitigation—from indoor spaces to outdoor sites.
Two Good	
	Good Greening Roof and vertical greening increase green coverage, while centralized tree groves create an ecological and healthy landscaped environment.
	Good Site Planning Healthy running tracks, children's playgrounds, and senior activity areas meet fitness and social needs across all age groups.
Two High	
	High Intelligence Artificial intelligence is leveraged to deliver personalized, health-oriented smart living experiences.
	High Industrialization The Group's eight core industrialized construction technologies are fully applied, including prefabricated components, prefabricated exterior walls, lightweight interior partitions, modular interior finishes, formwork systems, scaffolding systems, prefabricated waterproofing, and BIM (Building Information Modeling)—enhancing construction efficiency and quality consistency.



Green Construction

The Group adheres to green construction as a core principle, holistically balancing engineering quality, safety, and ecological responsibility throughout the project lifecycle. We actively implement the “Four Conservations and One Environmental Protection” (energy conservation, land conservation, water conservation, material conservation, and environmental protection) and respond proactively to surrounding communities’ legitimate expectations regarding environmental quality. Strictly complying with environmental protection laws in Mainland China and Hong Kong, and aligning with the Evaluation Standard for Green Construction of Buildings (GB/T 50640-2010), the Code for Green Construction of Buildings (GB/T 50905-2014), and ISO 14001 Environmental Management System, the Group has formulated the Green Construction Objectives and Guidelines. This document institutionalizes and standardizes green construction practices for engineering contractors, ensuring green principles are embedded from design and construction through supervision to final acceptance.

Through these systematic measures, the Group deeply integrates resource efficiency and environmental protection into engineering practice, continuously driving the real estate sector toward green, low-carbon, and sustainable transformation.

Dust Control

The Group strictly manages construction dust by requiring all earth-hauling vehicles to be fully covered and driven at reduced speeds. Automatic vehicle washing systems are installed at site entrances and exits to prevent mud tracking. Within the site, dust suppression measures—including water spraying and covering exposed soil—are implemented to effectively contain particulate dispersion. Additionally, pre-mixed concrete and mortar are used off-site to eliminate on-site mixing dust pollution, minimizing environmental impact at the source. The Group strictly manages construction dust by requiring all earth-hauling vehicles to be fully covered and driven at reduced speeds. Automatic vehicle washing systems are installed at site entrances and exits to prevent mud tracking. Within the site, dust suppression measures—including water spraying and covering exposed soil—are implemented to effectively contain particulate dispersion. Additionally, pre-mixed concrete and mortar are used off-site to eliminate on-site mixing dust pollution, minimizing environmental impact at the source.

Noise Control

Construction noise is strictly maintained within limits set by the Emission Standard of Environmental Noise for Boundary of Construction Site (GB 12523-2011). Low-noise, low-vibration machinery is prioritized, and excessively noisy equipment is phased out. Enclosure measures are applied in high-noise zones, and 24-hour noise monitoring systems are installed on-site. High-decibel operations are generally prohibited at night to minimize community disturbance.

Water Pollution Control

All wastewater discharges comply with the Integrated Wastewater Discharge Standard (GB 8978-1996). Dedicated treatment facilities—such as sedimentation tanks, oil separators, and septic tanks—are installed on-site for different wastewater streams. Storage areas for chemicals, oils, and toxic materials feature impermeable liners to prevent groundwater contamination, safeguarding water environment safety.

Waste Management

The Group actively promotes waste reduction and resource recovery by using recyclable aluminum formwork instead of disposable wooden formwork and prioritizing non-toxic, eco-friendly building materials to minimize hazardous waste. Construction waste is sorted and stored in sealed containers for centralized collection; domestic waste is bagged and removed daily. Crushed stone and earthwork waste are reused for backfilling and road paving to enhance recycling rates. Hazardous waste (e.g., batteries, paint) is clearly labeled and handed over to qualified units for compliant disposal to prevent soil and groundwater contamination.

Soil Protection

Construction plans are optimized to minimize excavation and backfilling, reducing land disturbance. Site layouts are carefully planned to keep temporary facilities within the red-line boundary. Exposed soil is promptly covered with gravel or seeded with fast-growing grass to prevent erosion. For long-duration projects, landscaping is implemented concurrently to restore ecological functions.

Efficient Use of Raw Materials

Locally sourced, green, and environmentally friendly materials are prioritized to reduce transportation-related emissions. Contractors are required to develop detailed material usage plans and implement strict classification management before construction. Precise quantity calculations, optimal use of offcuts, and reusable material systems effectively reduce waste and enhance resource efficiency.

Water Conservation

Water-efficient fixtures are widely adopted. Separate water meters for living and construction areas enable regular data collection and analysis. Rainwater and treated greywater are collected for non-potable uses such as toilet flushing and site spraying. Ongoing awareness campaigns reinforce water-saving behaviors among all personnel.

Energy Conservation

Equipment that fails to meet energy-saving and environmental standards is prohibited. Energy-efficient lighting—including motion-sensor lights, photocell controls, and LED strips—is promoted. Electricity meters are installed separately for living and construction zones to track and optimize consumption. Continuous education enhances staff awareness, steadily advancing green, low-carbon construction goals.





Green Office

The Group actively responds to national environmental policies by embedding green office and low-carbon operations into daily management, continuously improving energy conservation mechanisms and enhancing resource efficiency. While strictly complying with national and local environmental regulations, the Group has formulated the Employee Green Behavior Guidelines, defining clear standards for energy saving, water conservation, and waste reduction in the workplace. Aligned with the “cost reduction and efficiency enhancement” strategy, initiatives are advanced through both resource savings and behavioral change. Through promotional campaigns and daily supervision, employees are encouraged to adopt habits such as electricity and water conservation, paper reduction, waste sorting, and resource recycling—transforming sustainability into daily action and shared responsibility.

Energy Management Measures

- LED lighting is fully deployed in offices, achieving approximately 30% energy savings.
- Strict “power-off when unoccupied” policy: meeting and office equipment are switched off immediately after use.
- Air conditioning and lighting in shopping malls and marketing centers are dynamically adjusted based on visitor traffic.
- Indoor air conditioning temperature is strictly controlled: not lower than 26°C in summer and not higher than 20°C in winter.
- Air filters and fan coil units are cleaned regularly to ensure efficient operation.
- Fans are used in conjunction with air conditioning to improve airflow distribution.
- Office layouts are optimized by consolidating certain floors into open-plan workspaces to reduce space and energy waste.
- Office equipment with high energy-efficiency labels is prioritized in procurement.
- Natural daylighting is maximized to reduce reliance on artificial lighting.



Water Conservation and Resource Circulation

- Sensor faucets and water-saving toilets (saving ~1.8 liters per flush) are promoted.
- Pipes, joints, and valves are regularly inspected and repaired to eliminate leaks.
- Water dispensers are time-limited, and bottled water is no longer provided to employees.
- Cleaning staff are encouraged to use recycled water for restroom cleaning.
- Paperless offices are fully implemented: documents are shared via cloud drives or email.
- Meeting rooms operate paperlessly to minimize paper consumption.
- Double-sided printing is encouraged, and collection boxes are provided for non-confidential paper reuse (e.g., drafts, expense attachments).
- Employees are encouraged to use reusable cups, rechargeable batteries, and refillable pens to reduce single-use items.



Waste Sorting and Waste Management

- 100% coverage of waste sorting in office areas, with four-category bins (recyclables, food waste, hazardous waste, residual waste).
- Since 1 January 2025, the Comprehensive Management Department has established centralized recyclable collection points in all Foshan Company office areas.
- Recyclables are collected uniformly by cleaning vendors, achieving a 65% month-over-month increase in recovery volume.
- Non-hazardous waste recycling rate has exceeded 80%.
- Employees are encouraged to bring their own lunch containers to reduce takeaway packaging waste.



Green Travel and Vehicle Management

- High-energy-consuming or end-of-life official vehicles are promptly decommissioned.
- Scientific scheduling and refined management optimize vehicle utilization efficiency.
- Routine maintenance ensures vehicles operate safely at peak fuel efficiency.
- Fuel consumption and GHG emissions are effectively reduced, supporting the Group’s carbon reduction targets.



05. Deepening Responsible Practices, Co-Creating Social Value

The Group firmly believes that a company's long-term success is inseparable from societal well-being. We actively fulfill our social responsibilities and proactively respond to community needs, fully considering the interests of surrounding communities and the public in our daily operations to ensure our business activities generate positive impacts. Through sustained investment and genuine engagement, the Group strives to achieve integration and mutual growth with local communities, co-creating shared value and advancing sustainable social progress.

ESG Issues Addressed in This Section



Community
Engagement and
Contribution



Advancing Industry Development

The Group actively participates in industry collaboration and standard-setting to promote high-quality development in the construction sector. It is currently a member of multiple industry organizations, including the Guangdong “Quality Housing” Association, Foshan Chain Enterprise Association, Foshan Catering Industry Association, Foshan Urban Renewal Association, and Guicheng General Chamber of Commerce. The Group also serves as Vice Chair of the Foshan Urban Renewal Association, deeply engaging in policy discussions, industrial alignment, and sustainable development initiatives.

Furthermore, a subsidiary of the Group acted as a lead drafting unit in developing the Guangdong provincial group standard Technical Standard for Application of Composite Carbon Fiber-Reinforced Thin Concrete Flat Steel Bar Truss Composite Slabs (T/GDEEDA 004–2025). By integrating innovative technologies and engineering practices into industry norms, the Group supports the advancement of prefabricated construction techniques and the promotion of green building—demonstrating its leadership role and responsibility within the industry ecosystem.



Promoting Social Inclusion

We regard organizing and participating in community activities as a key vehicle for social engagement. Through diverse initiatives—including festive gatherings, public welfare seminars, environmental clean-ups, elderly care programs, and youth support—we foster meaningful interaction and integration between the enterprise and local communities. Additionally, we encourage employee volunteerism, leveraging professional expertise to serve communities, and develop localized public welfare projects aligned with our property developments to continuously strengthen community ties and co-create a harmonious, caring, and inclusive environment.



“China Merchants Cup”: Building Community and Youth Connections Through Basketball

The “China Merchants Cup” actively responds to the HKSAR Government’s policy direction of promoting urban sports popular among youth. By hosting a 3x3 basketball tournament, the event creates an inclusive platform for diverse groups. In addition to a youth division, the competition includes open, community, and corporate categories, facilitating intergenerational and cross-sector exchanges. Using basketball as a medium, the “China Merchants Cup” not only supports the physical and mental development of young people but also strengthens connections between communities and businesses, conveying values of unity, respect, and positivity—concretely demonstrating the Group’s commitment to fostering social harmony and inclusion.



Protecting Adolescent Health, Building a Healthy Future

To support the physical and mental well-being of adolescent girls, the Group donated 1,000 hygiene kits valued at RMB 35,900 to Huamin Middle School and Zhuanshui Middle School in Wuhua County, Meizhou City, Guangdong Province. Accompanying the donation were health education workshops on puberty, aimed at enhancing rural female students’ understanding of personal hygiene and bodily development while dispelling misconceptions. Through this dual approach of material aid and knowledge sharing, the Group takes concrete action to safeguard a critical stage of youth development and advance educational equity and social inclusion.

Sha Tin Warmth Initiative: Caring for Vulnerable Families, Building an Inclusive Community

To fulfill its corporate social responsibility and promote community inclusion, the Group organized employee volunteers to participate in the “Sha Tin Warmth Initiative.” On the day of the event, volunteers gathered at Buddhist Wong Wan Tin Secondary School for a launch ceremony before visiting low-income families in the Tai Wai neighborhood of Sha Tin in small teams. Volunteers personally delivered care packages containing daily necessities and food, and engaged in heartfelt conversations to understand the families’ living conditions and needs. This initiative not only provided tangible support to vulnerable groups but also conveyed warmth and dignity, reinforcing community mutual-aid networks. Through direct participation, employees deepened their understanding of grassroots challenges, reflecting the Group’s enduring commitment to giving back to society and co-building an inclusive, caring, and connected community.





Key Performance Indicators Table

Environmental Performance

	Unit	2025	2024
Air Pollutants¹			
Sulphur Oxides (SOx)	Tonnes	0.83	0.05
Nitrogen Oxides (NOx)	Tonnes	35.62	0.001
Particulate Matter (PM)	Tonnes	2.62	0.43
GHG			
Direct GHG Emissions (Scope1) ²	Tonnes CO ₂ e	293.21	237.65
Indirect GHG Emissions (Scope2) ³	Tonnes CO ₂ e	1492.38	203.05
Other Indirect GHG Emissions (Scope3) ⁴	Tonnes CO ₂ e	456.76	N/A
Total GHG Emission	Tonnes CO ₂ e	2242.35	441.70
GHG Emission Intensity	Tonnes CO ₂ e /m ²	0.12	
Use of Resources			
Energy			
Direct Energy Consumption	MWh	619.74	1,198.45
Natural Gas	MWh	75.35	68.45
Towngas	MWh	0.43	308.39
Petrol	MWh	543.96	821.61
Indirect Energy Consumption	MWh	2,437.30	2,487.01
Electricity	MWh	2,437.30	2,487.01
Total Energy Consumption	MWh	3,057.04	3,685.47
Energy Consumption Intensity	MWh/m ²	0.16	0.15
Water			
Municipal Water Consumption	m ³	11,354.79	15,769.40
Municipal Water Consumption Intensity	m ³ /m ²	0.60	0.66
Bucket Water Consumption	m ³	16.63	54.45
Bucket Water Consumption Intensity	m ³ /Employee	0.03	0.08
Waste			
Hazardous Waste			
Cartridges/Toner	Tonnes	0.02	0.04
Waste Batteries	Tonnes	0.01	0.04
Waste Lamps Containing Mercury	Tonnes	0.0039	0.0039
Light Bulb	Tonnes	0.0007	0.000006
Total Hazardous Waste	Tonnes	0.032	0.084
Hazardous Waste Intensity	Tonnes/Employee	0.000062	0.0000034
Non-hazardous Waste			
Domestic Waste	Tonnes	40.69	94.40
Plastics	Tonnes	0.43	3.92
Paper	Tonnes	0.31	9.31
Total Non-hazardous Waste	Tonnes	41.43	107.63
Non-hazardous Waste Intensity	Tonnes/Employee	0.08	0.004
Recyclable Waste			
Paper	Tonnes	0.31	6.22
Plastics	Tonnes	0.43	1.55
Cartridges/Toner	Tonnes	0.02	0.24

¹ The Group's air pollutants include emissions from natural gas usage and mobile sources in Mainland China, as well as gas emissions from town gas usage in Hong Kong.

² The Group's Scope 1 greenhouse gas emissions include emissions from stationary sources and mobile sources. These cover emissions from natural gas used in Mainland China, gasoline used by road mobile sources, and town gas used in Hong Kong. The emission factors are based on the guidelines issued by the Ministry of Ecology and Environment of China, namely the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industrial Sectors (Trial), the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Land Transportation Enterprises (Trial), and the Environmental, Social and Governance Report 2023 published by The Hong Kong and China Gas Company Limited.

³ The Group's Scope 2 greenhouse gas emissions include emissions from purchased energy, specifically from purchased electricity used in Mainland China and Hong Kong. The emission factors are based on the 2022 Grid Average Carbon Dioxide Emission Factor for Electricity published by the Ministry of Ecology and Environment of China and the carbon emission intensity per unit of electricity consumption disclosed by HK Electric Investments.

⁴ The Group's Scope 3 greenhouse gas emissions include fuel- and energy-related activities, waste generated from operations, and employee commuting.

Social Performance

	Unit	2025	2024
Employment			
Total Staff	Person	515	712
By Gender			
Male	Person	339	470
Female	Person	176	242
By Type of Employment			
Full-time	Person	515	712
Part-time	Person	0	0
By type of staff			
Assistant General Manager and Above	Person	23	25
Senior Manager	Person	29	17
Manager	Person	37	66
Assistant Manager	Person	31	45
General Staff	Person	393	559
Technical Staff	Person	2	3
By Age Group			
Under 30 years old	Person	43	80
30-39 years old	Person	314	444
40-49 years old	Person	130	159
Age 50 and above	Person	28	29
By Region			
Mainland China	Person	490	688
Hong Kong	Person	25	24
Staff Turnover⁵			
Number and rate of staff turnover	Person & %	113	119
By Gender			
Male	Person & %	82	88
Female	Person & %	31	49
By Age Group			
Under 30 years old	Person & %	11	30
30-39 years old	Person & %	76	73
40-49 years old	Person & %	17	29
Age 50 and above	Person & %	9	5
By Region			
Mainland China	Person & %	102	136
Hong Kong	Person & %	11	1

Social Performance

		Unit	2025		2024	
Employment						
Development and Training^{6,7}						
Number and percentage of trainees		Person & %	498	96.70%	592	83.15%
By Gender	Male	Person & %	330	97.35%	328	46.07%
	Female	Person & %	168	95.45%	264	37.08%
By type of staff	Assistant General Manager and Above	Person & %	22	95.65%	51	7.16%
	Senior Manager	Person & %	25	86.21%	13	1.83%
	Manager	Person & %	42	113.51%	55	7.72%
	Assistant Manager	Person & %	29	93.55%	38	5.34%
	General Staff	Person & %	378	96.18%	487	68.40%
	Technical Staff	Person & %	2	100.00%	3	0.42%
Average training hours per employee			31.82	-	18.69	
By Gender	Male		32.41	-	17.17	-
	Female		30.68	-	21.67	-
By type of staff	Assistant General Manager and Above		34.80	-	13.42	-
	Senior Manager		22.41	-	13.89	-
	Manager		26.39	-	14.60	-
	Assistant Manager		17.24	-	16.56	-
	General Staff		34.05	-	14.90	-
	Technical Staff		22.50	-	58.53	-
Occupational Health and Safety						
Number and rate of work-related deaths		Person	0	0%	0	0%
Number of working days lost due to work-related injuries		Days	3	-	1	-
Supply Chain Management						
Total Suppliers		Entity	214	100%	6,748	100%
By Region	Mainland China	Entity	187	87.38%	6,633	98.30%
	Hong Kong	Entity	27	14.44%	117	1.70%
Product Responsibility						
Customer Satisfaction		%	80.54		6,748	97.71
Number of complaints about products or services received		Case	2,263		6,633	2,337
Complaint Resolution Rate		%	93.10%		117	94.30%
Anti-Corruption						
Number of corruption litigation cases filed and concluded against the Group or its employees		Case	0		0	
Community Investment						
Donation Amount		RMB	35,900		540,000	
Staff Volunteer Hours		Hours	546		60	

⁵ The employee turnover rate was calculated as follows: turnover rate for a specific employee category = Number of employees who left in that category / Total number of employees in that category at year-end.

⁶ The calculation method for the employee training rate is as follows: training rate for a specific employee category / Number of employees who received training in that category ÷ Total number of trained employees.

⁷ The calculation method for the average training hours per employee is as follows: average training hours for a specific employee category = Total training hours received by employees in that category / Total number of employees in that category at year-end.



List of Laws and Regulations

Aspects	Mainland China	Hong Kong
Environment	Environmental Protection Law of the PRC Law of the PRC on Environmental Impact Assessment Construction Law of the PRC Atmospheric Pollution Prevention and Control Law of the PRC Water Pollution Prevention and Control Law of the PRC Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes Law of the PRC on Prevention and Control of Pollution from Environmental Noise Energy Conservation Law of the PRC	Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) Buildings Energy Efficiency Ordinance (Chapter 610 of the Laws of Hong Kong)
Employment and Labour Standards	Labour Law of the PRC Labour Contract Law of the PRC Social Insurance Law of the PRC Law of the PRC on the Protection of Minors Provisions on the Prohibition of Using Child Labour	Employment Ordinance (Chapter 57) Sex Discrimination Ordinance (Chapter 480) Disability Discrimination Ordinance (Chapter 487) Race Discrimination Ordinance (Chapter 602)
Workplace Health and Safety	Production Safety Law of the PRC Law of the PRC on the Prevention and Treatment of Occupational Diseases Fire Protection Law of the PRC Emergency Response Law of the PRC Administrative Regulations on the Work Safety of Construction Projects State Contingency Plans for Environmental Emergencies	Occupational Safety and Health Ordinance (Chapter 509)
Product Responsibility	Patent Law of the PRC Product Quality Law of the PRC Trademark Law of the PRC Advertising Law of the PRC Intellectual Property Law of the PRC	Trade Descriptions Ordinance (Chapter 362) Personal Data (Privacy) Ordinance (Chapter 486) Trade Marks Ordinance (Chapter 559)
Anti-Corruption	Criminal Law of the PRC Company Law of the PRC Anti-Money Laundering Law of the PRC	Prevention of Bribery Ordinance (Chapter 201) Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615) Companies Ordinance (Chapter 622)



Index for HKEX ESG Reporting Code and GRI Standards

Subject Areas, Aspects, General Disclosures and KPIs	GRI Standards	Sections
Mandatory disclosure		
Governance Framework		
A statement from the Board containing: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process for assessing, prioritizing and managing significant ESG-related matters, including risks to the issuer's business; and (iii) how the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business.	GRI102: General Disclosures 102-15, 102-29, 102-30, 102-31 and 102-32; GRI103: Management Practices Disclosure 103-1	ESG Governance
Reporting Principles		
A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	GRI102: General disclosure 102-40, 102-42, 102-43	Reporting Principles
Reporting Boundary		
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	GRI 102: General Disclosure 102-45 and 102-49	Reporting Scope
Aspect A1: Emissions		
General Disclosure		
	GRI103: Management Practices Disclosure 103-2; GRI307: Environmental Compliance Disclosure Item 307-1	Green Construction; Green Office
KPI A1.1	The types of emissions and respective emissions data.	GRI305: Emission disclosure item 305-7 Environmental Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	GRI306: Waste Disclosure Item 306-3 Environmental Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	GRI306: Waste Disclosure Item 306-3 Environmental Performance
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	GRI103: Management Approach Disclosure 103-2 Green Construction; Green Office
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.	GRI103: Management Practices Disclosure Item 103-2; GRI306: Waste Disclosure Items 306-1, 306-2 Green Construction; Green Office
Aspect A2: Use of Resources		
General Disclosure		
	GRI103: Management Approach Disclosure 103-2 ;	Green Construction; Green Office
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity.	GRI302: Energy Disclosure Items 302-1 and 302-3 Environmental Performance

Subject Areas, Aspects, General Disclosures and KPIs	GRI Standards	Sections
KPI A2.2	Water consumption in total and intensity.	GRI303: Water Resources Disclosure Item 303-1 Environmental Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI103: Management Approach Disclosure 103-2 Green Construction; Green Office
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.	GRI103: Management Approach Disclosure 103-2 Green Construction; Green Office
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI301: Material Disclosure No. 301-1 <i>Since the Group does not sell physical goods, no packaging materials were used during the Reporting Period.</i>
Aspect A3: The Environment and Natural Resources		
General Disclosure		
	GRI103: Management Approach Disclosure 103-2	Green Construction; Green Office
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI103: Management Practices Disclosure Items 103-1 and 103-2; GRI303: Water Resources Disclosure Item 303-2; GRI304: Biodiversity Disclosure Item 304-2; GRI306: Waste 306-1 and 306-2 Green Construction; Green Office
Aspect B1: Employment		
General Disclosure		
	GRI103: Management Practices Disclosure Item 103-2; GRI419: Socio-Economic Compliance Disclosure 419-1	Compliant Employment Management; Employee Protection and Benefits
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region. Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	GRI 405: Diversity and Equal Opportunities Disclosure Item 405-1 (b-i, ii) Social Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Employment Disclosure 401-1(b) Social Performance
Aspect B2: Health and Safety		
General Disclosure		
	GRI103: Management Practices Disclosure 103-2; GRI403: Occupational Health and Safety Disclosure 403-1; GRI419: Socio-Economic Compliance Disclosure 419-1	Work Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	GRI 403: Occupational Health and Safety Disclosure 403-9 (a-i) Social Performance
KPI B2.2	Lost days due to work injury.	- Social Performance
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GRI103: Management Practices Disclosure Items 103-2 and 103-3; GRI403: Occupational Health and Safety Disclosures 403-3, 403-5, 403-7 Work Safety
Aspect B3: Development and Training		
General Disclosure		
	GRI103: Management Methods Disclosure Item 103-2 GRI404: Training and education disclosure item 404-2(a)	Employee Training and Development

Subject Areas, Aspects, General Disclosures and KPIs	GRI Standards	Sections	
Aspect B3: Development and Training			
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	-	Social Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI404: Training and Education Disclosure Item 404-1	Social Performance
Aspect B4: Labour Standards			
General Disclosure	GRI103: Management Practices Disclosure 103-2; GRI419: Socio-Economic Compliance Disclosure 419-1	Compliant Employment Management; Employee Protection and Benefits	
KPI B4.1	Describe the measures to review recruitment practices to avoid child and compulsory labour.	GRI103: Management Practices Disclosure 103-2; GRI408: Child Labour Disclosure 408-1(c); GRI409: Forced or Compulsory Labour Disclosure 409-1(b).	Compliant Employment Management; Employee Protection and Benefits
KPI B4.2	Describe the steps taken to eliminate the situation when a breach is detected.		Compliant Employment Management; Employee Protection and Benefits
Aspect B5: Supply Chain Management			
General Disclosure	GRI103: Management Approach Disclosure 103-2	Responsible Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region.	GRI102: General Disclosure 102-9	Social Performance
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.	GRI103: Management Approach Disclosure 103-2; GRI308: Supplier Environmental Assessment Disclosures 308-1 and 308-2; GRI414: Supplier Social Assessment Disclosures 414-1 and 414-2	Responsible 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	GRI102: General Disclosure 102-9; GRI103: Management Practices Disclosure 103-2; GRI303: Water Resources Disclosure Item 303-1; GRI308: Supplier Environmental Assessment Disclosure Items 308-1 and 308-2; and GRI414: Supplier Social Assessment Disclosure Items 414-1 and 414-2	Responsible 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.	GRI103: Management Approach Disclosure 103-2	Responsible Supply Chain Management
Aspect B6: Product Responsibility			
General Disclosure	GRI103: Management Practices Disclosure 103-2; GRI416: Customer Health and Safety Disclosure Item 416-2; GRI417: Marketing and Labelling Disclosure Items 417-2 and 417-3; GRI418: Customer Privacy Disclosure 418-1; GRI419: Socioeconomic Compliance Disclosure 419-1	Customer-Centric Excellence, Forging Uncompromising Quality	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	-	<i>As the Group's core business is real estate project development, it does not involve product take-back or recycling. Therefore, this Report outlines the procedures for addressing product quality issues identified during the customer acceptance process.</i>

Subject Areas, Aspects, General Disclosures and KPIs	GRI Standards	Sections	
Aspect B6: Product Responsibility			
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	GRI102: General Disclosures 102-43 and 102-44; GRI103: Management Practices Disclosure 103-2; GRI418: Customer Privacy Disclosure 418-1	Social Performance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	-	Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	-	<i>Given that the Group's operations focus on real estate development, there are no product recalls related to safety or health concerns; hence, no data on recall volume or rate is applicable.</i>
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	GRI103: Management Approach Disclosure Items 103-2 and 103-3	Privacy and Information Security
Aspect B7: Anti-corruption			
General Disclosure	GRI103: Management Practices Disclosure Item 103-2; GRI205: Anti-Corruption Disclosure 205-3; GRI419: Socio-Economic Compliance Disclosure 419-1	Business Ethics & Anti-Corruption	
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.	GRI205: Anti-Corruption Disclosure Item 205-3	Social Performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	GRI102: General Disclosure Disclosure Items 102-17; GRI103: Management approach disclosures 103-2 and 103-3.	Business Ethics & Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	GRI205: Anti-Corruption Disclosure Item 205-2	Business Ethics & Anti-Corruption
Aspect B8: Community Investment			
General Disclosure	GRI103: Management Approach Disclosure 103-2	Promoting Social Inclusion	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	GRI203: Indirect Economic Impact Disclosure 203-1(a)	Promoting Social Inclusion
KPI B8.2	Resources contributed to the focus area.	GRI201: Economic Benefits Disclosure Item 201-1 (a-ii)	Social Performance

TCFD Components	Disclosure Requirements	Section
Governance		
Objective	An issuer shall disclose information about: (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. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Climate Governance
Skills and Competencies	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Climate Governance
Processes and Frequency	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Climate Governance
Roles and Responsibilities of the Board	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Climate Governance
Progress Monitoring	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	Climate Governance <i>Current compensation metrics have not yet incorporated climate-related considerations. The Group is actively working to integrate climate-related factors into its remuneration framework, taking into account its climate strategy, governance arrangements, and the availability of appropriate and measurable metrics.</i>
Roles and Responsibilities of Management	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Climate Governance
Strategy		
Climate-related risks and opportunities	(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Strategy
	(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk	Climate Strategy
	(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate Strategy
	(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Strategy
Business model and value chain	(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Strategy
	(b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Strategy

TCFD Components	Disclosure Requirements	Section
Strategy		
Strategy and decision-making	(a) Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)); and	Climate Strategy <i>The Group is developing a climate-related transition plan. Certain details are still under development and, in some cases, are commercially sensitive. Where applicable, the Group has applied commercial sensitivity relief and will reassess its applicability at each reporting date. Disclosure will be further enhanced as the plan matures.</i>
	(b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with item (a) above.	
	(c) An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with item (a) above.	
Financial position, financial performance and cash flows	An issuer shall disclose qualitative and quantitative information about current financial effect :	Climate Strategy <i>Based on reasonable and supportable information available as of the reporting date, the Group has not identified any separately quantifiable climate-related impacts on its financial position, performance, or cash flows. The assessment methodology will continue to be refined.</i>
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
	(b) the climate-related risks and opportunities identified in item (a) above 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.	<i>As of the reporting date, the Group's assessment did not identify any climate-related risks or opportunities expected to result in material adjustments to the carrying amounts of assets or liabilities within the next annual reporting period.</i>
	An issuer shall disclose qualitative and quantitative information about anticipated financial effect :	Climate Strategy <i>Quantitative estimates of anticipated financial impacts are subject to significant uncertainty and cannot be determined during the reporting period without incurring disproportionate cost or effort, even when using reasonable and supportable information. Disclosure will be further enhanced as analytical capabilities and data availability improve.</i>
	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

TCFD Components	Disclosure Requirements	Section
Strategy		
	<p>(a) The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p>	<p>Climate Strategy</p> <p><i>Climate-related scenario analysis has been conducted based on reasonable and supportable information available as of the reporting date, reflecting the Group's current capabilities and resources. As methodologies and internal expertise continue to develop, the scope, assumptions, and level of detail will be enhanced over time.</i></p>
Climate resilience	<p>(b) How and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <p>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) time horizons the issuer used in the analysis; and</p> <p>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	<p>Climate Strategy</p>
Risk Management		
Risk Management	<p>(a) The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <p>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</p> <p>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</p> <p>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</p> <p>(v) how the issuer monitors climate-related risks; and</p> <p>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;</p>	<p>Climate Risk Management</p>
Risk Monitoring	<p>(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p>	<p>Climate Risk Management</p>
Risk Integration	<p>(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	<p>Climate Risk Management</p>

TCFD Components	Disclosure Requirements	Section
Metrics and Targets		
	<p>(a) An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:</p> <p>(i) Scope 1 greenhouse gas emissions;</p> <p>(ii) Scope 2 greenhouse gas emissions; and</p> <p>(iii) Scope 3 greenhouse gas emissions.</p>	<p>Environmental Performance</p>
	<p>(b) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</p>	<p>Environmental Performance</p>
Greenhouse gas emissions	<p>(c) Disclose the approach it uses to measure its greenhouse gas emissions including:</p> <p>(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;</p> <p>(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</p> <p>(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</p>	<p>Environmental Performance</p>
	<p>(d) For Scope 2 greenhouse gas emissions disclosed location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</p>	<p>Environmental Performance</p>
	<p>(e) For Scope 3 greenhouse gas emissions disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	<p>Environmental Performance</p>
	<p>(a) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to:</p> <p>(i) climate-related transition risks;</p> <p>(ii) climate-related physical risks; and</p> <p>(iii) climate-related opportunities.</p>	<p>Climate Strategy</p>
Cross-industrial Metrics	<p>(b) An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p><i>Internal definitions and systems for identifying and tracking climate-related capital expenditures, financing, and investments are under ongoing development. During the reporting period, given the Group's current capabilities, such information was not obtainable without incurring disproportionate cost or effort. Disclosure will be further enhanced as systems and processes continue to mature.</i></p>
Internal carbon prices	<p>(a) An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</p> <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	<p><i>The Group currently does not apply an internal carbon price in its decision-making. It actively monitors regulatory developments and market practices to inform its strategy on carbon-related considerations.</i></p>

TCFD Components	Disclosure Requirements	Section
Metrics and Targets		
Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	<i>Climate-related considerations have not yet been incorporated into compensation metrics. The Group is actively working to integrate such considerations into its remuneration framework, aligning them with its climate strategy and evolving governance practices.</i>
Industry-based metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Environmental Performance
Climate-related targets	<p>An issuer shall disclose</p> <p>(a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (i) the metric used to set the target; (ii) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (iii) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (iv) the period over which the target applies; (v) the base period from which progress is measured; (vi) milestones or interim targets (if any); (vii) if the target is quantitative, whether the target is an absolute target or an intensity target; and (viii) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. <p>(b) An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (i) whether the target and the methodology for setting the target has been validated by a third party; (ii) the issuer's processes for reviewing the target; (iii) the metrics used to monitor progress towards reaching the target; and (iv) any revisions to the target and an explanation for those revisions. <p>(c) An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p> <p>(d) For each greenhouse gas emissions target disclosed in accordance with (a)-(c), an issuer shall disclose:</p> <ul style="list-style-type: none"> (i) which greenhouse gases are covered by the target; (ii) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (iii) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (iv) whether the target was derived using a sectoral decarbonisation approach; and <p>(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	Metrics and Targets
		Metrics and Targets
		Metrics and Targets
		Metrics and Targets
		<i>The Group currently does not use carbon credits or participate in carbon offset programs. We continue to monitor developments in carbon markets and regulatory guidance to inform our emissions management strategy.</i>