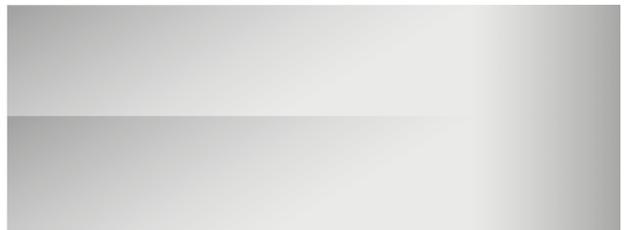




The Peach Garden - Garden NO.5, partial screen | Zhou Li | 2021 | Mixed media on canvas | 200 × 600 cm
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2022 Environmental, Social and Governance Report

FANTASIA
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花樣年控股集團有限公司
FANTASIA HOLDINGS GROUP CO., LIMITED
Stock Code: 01777.HK

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DEFINITIONS

“Fantasia” or “Company”	Fantasia Holdings Group Co., Limited (花樣年控股集團有限公司) (stock code: 1777), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“subsidiary(ies)”	has the meaning prescribed to it under the Listing Rules;
“Group”, “we” or “us”	the Company and its subsidiaries;
“Colour Life”	Colour Life Services Group Co., Limited (彩生活服務集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Report”	the Environmental, Social and Governance Report 2022 issued by the Group;
“Reporting Period”	1 January 2022 to 31 December 2022;
“Year” or “Year 2022”	this fiscal year;
“Board”	the board of directors of the Company;
“Director(s)”	the director(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Guide”	the “Environmental, Social and Governance Reporting Guide” contained in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“China” or “PRC”	the People’s Republic of China;
“COVID-19”	the Coronavirus Disease 2019;
“%”	per cent.

ABOUT THIS REPORT

Fantasia, together with its subsidiaries (collectively referred to as the “Group”, “we” or “us”) are pleased to publish the eighth Environmental, Social and Governance (“ESG”) Report of the Group, aiming to present stakeholders with the strategy, direction and performance in relation to the sustainable development of the Group over the past year, so as to respond to the concerns and expectations of various stakeholders regarding the Company’s sustainable development.

Fantasia cherishes the opinions of all stakeholders, and recognises that listening to everyone’s voices can help us establish a more comprehensive sustainable development strategy. Should you have any thoughts on the Report or the sustainability performance of the Group, you are encouraged to submit to us through ir@cnfantasia.com.

Reporting Period and Scope

The Reporting Period of the Report is from 1 January 2022 to 31 December 2022. Unless otherwise stated, the scope of the Report covers the ESG policies and performance of the Group. As for disclosure of environmental and social data, the scope covers operating offices of Fantasia Group (China) Co., Ltd., Shenzhen Fantasia Real Estate Group Company Limited and Chengdu Fantasia Real Estate Co., Ltd. under the Group. With regard to the Environment, Social and Governance Report issued by our subsidiary, Colour Life Services Group Co., Limited (01778. HK), please refer to its company’s website.

Reporting Principles

The Report discloses environmental key performance indicators and social key performance indicators in accordance with the mandatory disclosure requirements and the “comply or explain” provision of the “Environmental, Social and Governance Reporting Guide” (the “Guide”) contained in Appendix 27 of the Listing Rules of the Stock Exchange.

The Report is prepared in accordance with the following reporting principles:

Principles	Definitions	Responses from the Group
Materiality	The issues covered in the Report should reflect the significant impacts of the Group on the environment and society, or the scope of assessments and decisions of stakeholders.	Through engaging with stakeholders as well as considering the Group’s business nature and development, material sustainability issues and ESG issues to be disclosed in a focused manner in the Report are identified by means of materiality assessment.
Quantitative	The Report should disclose key performance indicators in a measurable manner.	The information cited in the Report derives from the official documents and statistical data of the Group, which have been reviewed by the relevant departments of the Group and we have continuously recorded and disclosed business-related quantitative indicators in accordance with the requirements of the Guide, Appendix II “Reporting Guidance on Environmental KPIs” and Appendix III “Reporting Guidance on Social KPIs” of “How to Prepare an ESG Report” published by the Stock Exchange.
Consistency	The Group should confirm that the preparation methods of the ESG Report is consistent with those used in previous year(s), or state the revised reporting methods, or illustrate other relevant factors that will affect meaningful comparison.	The reporting scope and reporting method of the Report is substantially consistent with those for last year. Unless otherwise stated, the Report adopts data statistics and calculation methods consistent with previous reports so as to make meaningful comparisons for quantified environmental and social performance.

Versions of and Access to the Report

This Report is available in both traditional Chinese and English. An electronic version of the Report can be downloaded from the website of the Stock Exchange as well as the official website of the Group (www.cnfantasia.com). In the event of any conflict or inconsistency between the Chinese and English versions, the Chinese version shall prevail.



ABOUT FANTASIA

Established in 1998 and listed on the Main Board of the Hong Kong Stock Exchange in November 2009, Fantasia has been engaged in the real estate industry for over two decades and is known as one of the leaders in the industry. Being widely recognised and praised in the industry, the Company has achieved numerous honors and accolades, including “Top Ten Brand Enterprises,” “China’s Exemplary Low-Carbon Real Estate Company,” “Outstanding Real Estate Company in China,” “Top 50 Comprehensive Strength of China’s Listed Real Estate Companies,” “China Blue Chip Real Estate Company,” and “Outstanding Real Estate Company in China.” Additionally, we have held the title of “Top 100 Real Estate Enterprises in China” for 13 consecutive years. Furthermore, we have received an “AA+” credit rating from China Chengxin International Credit Rating.

At present, the Company has comprehensively completed its business strategy layout on the foundation of future mobile internet and big data era. Through the dual-driven strategy of “real estate + community” with balanced development of light assets and heavy assets, we are committed to building one of the leading real estate community intelligent developers and community O2O service platforms in China, and we have devoted ourselves to becoming the leader of a joyful, colourful and meaningful living space and experience, aiming to deliver living space and experience of unique taste and great culture to value-oriented customers. The Company focuses on expanding its business into core first- and second-tier cities and metropolitan areas including the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area.

Fantasia’s real estate business joins hands with the property management services of Colour Life Services Group Co., Limited (“Colour Life”) under the Group to provide customers with a one-stop living experience.



Corporate Vision

Committing to be the leader of a joyful, colourful and meaningful living space and experience and aiming to deliver living space and experience of unique taste and great culture to value-oriented customers.

Corporate Mission

Provide living space and experience characterized by unique tastes and great culture to clients that pursue value through resources integration and innovation; and provide inclusive growth and competitive return to shareholders; realize the constant growth of strategic cooperative partners and employees; and keep giving back to the society.

Brand Culture

Brand Slogan: Creating Value with Aspirations

Brand Concept: Joyful, Colourful and Meaningful

Brand Character: Powerful, Prosperous, Valuable

Brand Proposition: Creates and Enriches User Value

Product Connotation

Product Strategy: Art + Technology

Product Means: Locality + Contemporaneity

Value and Product Proposition

Joyful: Curious, Exuberant, Fearless; Choices

Colourful: Universal, Insightful, Evolving; Advanced Balance

Meaningful: Original, Entertaining, Free; Art Is Life



Joyful • Curious, Exuberant,
Fearless



Colourful • Universal, Insightful,
Evolving



Meaningful • Original,
Entertaining, Free

SELECTED HONORS OBTAINED DURING THE REPORTING PERIOD

- Fantasia • Hockney’s Good Times Project – Awarded the ‘Aesthetics Vogue Award – Outstanding Award in the Lifestyle Aesthetic Design Category’
- Fantasia • Wanghuaxi – Awarded the 2nd AHLA Asian Living Landscape Award ‘Outstanding Award in the Realistic Display Category’
- Fantasia • Qianxun’s Huaguoshan Project – Selected as one of the ‘Top Ten High-End Projects in the First Half of 2022’ by Ke Rui
- Fantasia • Qianxun’s Huaguoshan Project – Awarded the global design honor ‘DNA Paris Design Awards 2022’
- Kaisa • Fantasia • Guangyayuan Project – Awarded the ‘Gold Award for Annual Landscape Soft Furnishing Design’ at the 4th LIA Garden Craftsman Cup International Competition for the Year 2021-2022



Fantasia • Qianxun’s Huaguoshan Project was selected as one of the ‘Top Ten High-End Projects in the First Half of 2022’ by real estate sector digital service platform Ke Rui



Fantasia • Qianxun’s Huaguoshan Project obtained the ‘DNA Paris Design Awards 2022’ awarded by DNA Paris-Farmani Group



Fantasia • Hockney’s Good Times Project obtained the ‘Aesthetics Vogue Award – Outstanding Award in the Lifestyle Aesthetic Design Category’ awarded by the Aesthetics Vogue Award Panel

SUSTAINABILITY STRATEGY

While pursuing business development, Fantasia implements the brand slogan of “creating value with aspirations” and hopes to integrate the concept of sustainable development into its strategic development, so as to strike a balance between environmental, social and economic aspects and create the same value. We strive to offer considerate services to customers, promote positive development for suppliers, provide a high-quality working environment to our employees, bring meaningful contributions to the community and create a green environment for our planet. Fantasia’s “Sustainable Finance Framework”, which was authoritatively certified by Sustainalytics, a leading international independent rating company. By issuing green financing tools including bonds and loans, the framework was intended to further promote green, environmentally friendly and sustainable elements in business and to lead a green life, thereby contributing to China’s goal of carbon neutrality.

In addition, the Group appointed Riskory Consultancy Limited as a professional consultant to provide us with ESG and sustainable development consulting services so as to help promote our sustainable development.

“*Fantasia builds dreams in the buildings it builds, and spreads love and care in the communities it establishes.*”

*Ms. Zeng Jie, Baby, Founder and Chairlady of
the Strategic Planning Committee of Fantasia Holdings Group*”

花样创造价值。

CREATING VALUE WITH ASPIRATIONS.

Creating Values for Customers

Fulfill the brand proposition of “creating and enriching user value”, construct the best property projects and create a brilliant life for customers

Creating Values for Supply Chain

Strengthen collaboration with partners, and promote positive development of the supply chain through effective communication and integration of resources

Creating Values for Employees

People oriented, making employees’ work valuable by growing with employees

Creating Values for the Community

Actively participating in public welfare, giving back to society and creating a better future together

Creating Values for the Environment

Demonstrating the vitality of the brand, committed to building a green city, creating a sustainable future for the next generation

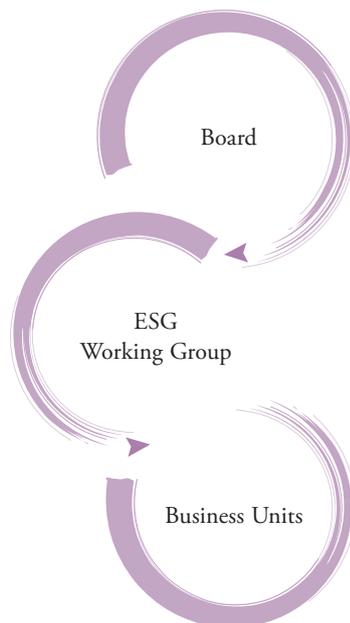
CORPORATE GOVERNANCE

The Group focuses on maintaining a high standard of corporate governance and a robust and transparent governance structure. The Group has established three committees under the Board, which regularly assess and review the effectiveness of their work based on their terms of reference. The Group will continue its assessment and review, hoping to continuously improve the level of its corporate governance. For other matters regarding the corporate governance of the Group, please refer to the “Corporate Governance Report” in our 2022 Annual Report.



SUSTAINABILITY GOVERNANCE

The Board takes the ultimate responsibility for setting the Group’s ESG targets, assessing, overseeing and managing the ESG risks and monitoring the actual risks within the Group. In addition, the Board plays the role of driver for sustainable development, and leads the Group to set clear goals and visions. Meanwhile, the ESG Working Group has been established under the Board, and the Board leads the ESG Working Group to identify, assess and determine relevant ESG risks, formulate relevant risk countermeasures, and effectively promote the concerted efforts of all business units of the Company to achieve its sustainable development goals. The Board will also hold meetings from time to time to monitor and review the progress of accomplishing various environmental targets, at the same time continuously monitor the implementation of risk countermeasures to ensure that they are effective, and continue to listen to the opinions of various stakeholders to further improve the governance over our sustainable development strategy.



ANTI-CORRUPTION

Anti-corruption work of the Group is mainly in the charge of the Supervision Division under the Audit and Supervision Department to proactively prevent all acts that violate business ethics and integrity, and severely crack down on corrupt behaviors including corruption, bribery, extortion, fraud and money laundering. At the same time, the Group strictly complies with the relevant laws and regulations, including but not limited to the Criminal Law of the PRC (《中華人民共和國刑法》), the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Company Law of the PRC (《中華人民共和國公司法》). During the Reporting Period, the Group was not aware of any material violations of the relevant laws and regulations on corruption, bribery, fraud, extortion and money laundering of its subsidiaries and employees, and there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

All employees are required to abide by the following eight “Fantasia Regulations”:

- | | | | |
|--|----------------------------------|---------------------------------------|---|
| 1. No corruption or bribery | 2. No falsification | 3. No embezzlement of corporate funds | 4. No unauthorised guarantees or investments |
| 5. No disclosure of commercial secrets | 6. No misconduct due to omission | 7. No conflicts of interest | 8. No spread of negative message internally or externally |

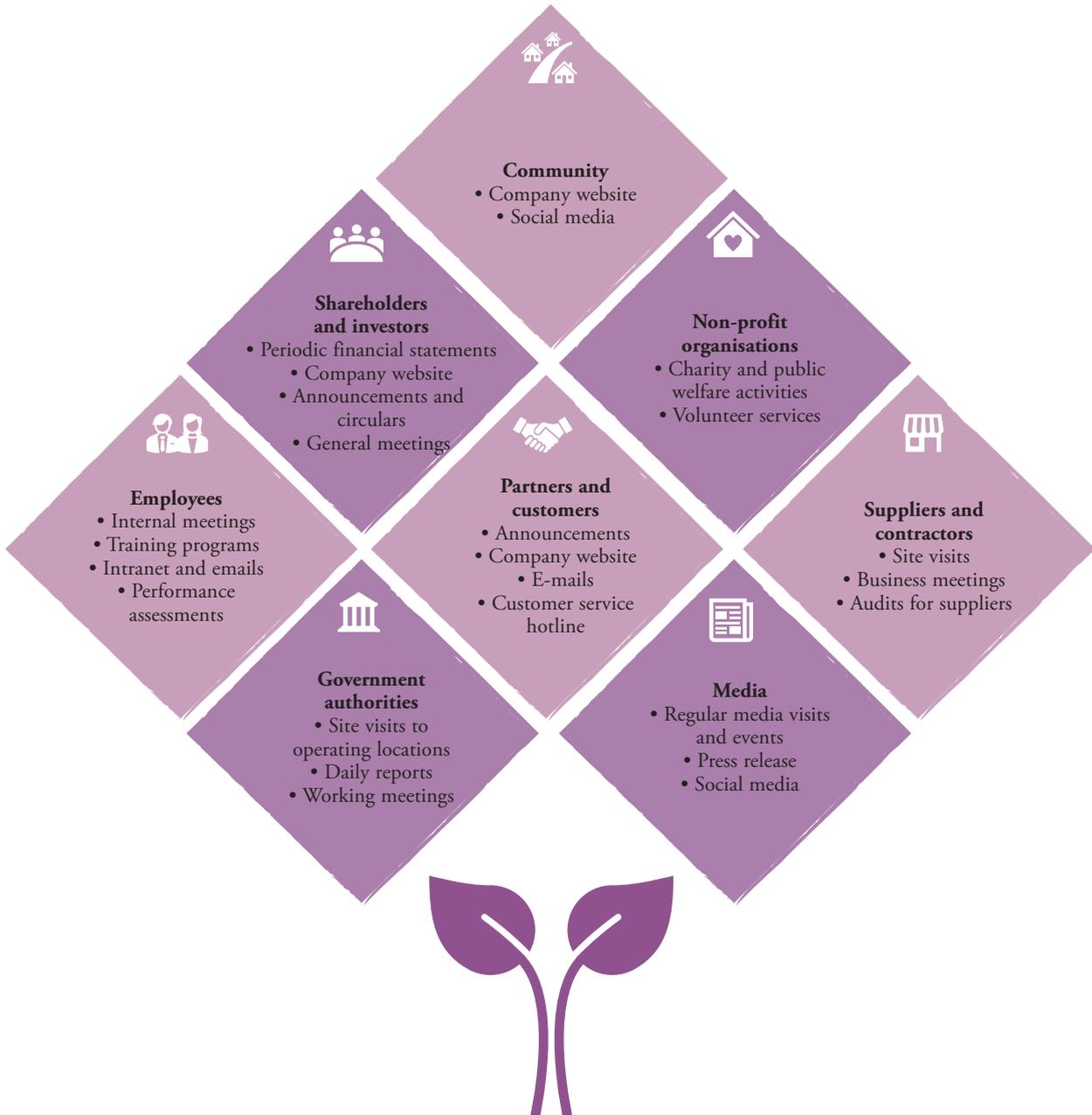
The Group has formulated various anti-corruption related policies. We encourage the recommendation of talents regardless of whether they are relatives or not, but employees are required to declare their relationship with the recommended in advance, and shall abstain from providing any interview or hiring opinions to the recommended. When working with business partners, if any employee is a relative to any supplier or customer, he/she shall take the initiative to report to the superior and shall not participate in any work flows involving his/her relative. We state in the Employee Handbook that all employees shall be prohibited from bribery. Employees shall not take advantage of their position to illegally occupy any property of the Company, and are prohibited to solicit or accept any money (or money equivalents and services) from customers, partners or other business management parties in any name or form. Externally, we add integrity clauses to the contracts with partner suppliers, and encourage them to report suspected cases to the Group’s Audit and Supervision Department and cooperate in the investigation.

In addition, we have set up multiple whistle-blowing channels to receive valid reporting and complaints filed by employees and third parties both with real names or anonymously. Such channels include whistle-blowing reporting hotline, company website, emails and our WeChat official account – Integrity Fantasia (花樣清風). We also offer cash rewards to whistle-blowers, aiming to eliminate all corrupt behaviors.

The Group actively organises anti-corruption training programs and classifies them as part of its induction and continuous training. New employees and directors are required to complete anti-corruption training and understand Fantasia’s integrity corporate culture.

STAKEHOLDER ENGAGEMENT

The Group has attached great importance to the opinions of stakeholders and maintained constant communication with all parties, in an effort to develop a better understanding of their expectations for Fantasia's ESG performance and to exchange opinions and feedbacks. Therefore, we have established the following communication channels to respond to various stakeholders. Key stakeholders include employees, shareholders and investors, business partners and customers, government agencies, media, suppliers and contractors, non-profit organisations and the community, etc.



MATERIALITY ASSESSMENT

Material Issue		Materiality Assessment Score (Most important/Important/Issue considered)
Responsibility for Environment		
1.	Management of air pollutants and greenhouse gas emissions	Issue considered
2.	Wastewater discharge and waste management	Important
3.	Water resources management	Important
4.	Energy management	Important
5.	Other resources management (including papers)	Important
6.	Environmental impact of other business activities	Issue considered
7.	Risks associated with climate change (such as typhoon, floods, etc.)	Important
Operating Practices		
8.	Supply chain environmental and social risk monitoring and management	Most important
9.	Supplier selection and review	Most important
10.	Anti-corruption system	Most important
11.	Service quality (including health and safety, quality inspection)	Most important
12.	Protection of intellectual property rights	Important
13.	Complaints and advertising management	Important
14.	Customer data privacy and information security	Important
Employment and Labour Practices		
15.	Employment arrangements (including recruitment, promotion and dismissal procedures)	Issue considered
16.	Employee benefits (including salary, working hours, leaves and benefits)	Issue considered
17.	Occupational safety and health	Important
18.	Training and development	Most important
19.	Prevention of child labour and forced labour	Important
20.	Diversity and equal opportunities, as well as prevention of discrimination and harassment	Important
Community		
21.	Participation in volunteer activities	Issue considered
22.	Charitable donations	Important
23.	Community inclusive activities	Important

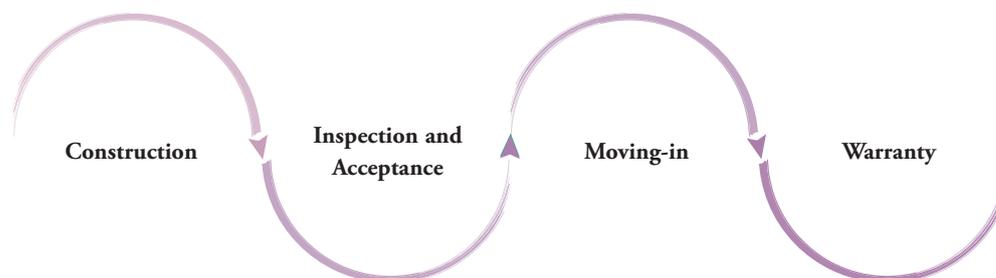
CREATING VALUES FOR CUSTOMERS

We have always insisted on delivering the best service experience to customers and creating sustainable value for customers, and consistently implemented the concept of constructing heart-warming, high-quality and warranted real estate projects. We strive to abide by the laws and regulations in relation to the health and safety, advertising and privacy of products and services, in a bid to be responsible to the customers. During the Reporting Period, the Group strictly complied with relevant laws and regulations, including but not limited to:

Regulation on the Quality Management of Construction Projects (《建設工程質量管理條例》)	Measures for the Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》)
Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》)	Regulations on the Administration of Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》)
Product Quality Law of the PRC (《中華人民共和國產品質量法》)	Work Safety Law of the PRC (《中華人民共和國安全生產法》)
Fire Control Law of the PRC (《中華人民共和國消防法》)	Measures for the Management of Advance Sale of Urban Commercial Houses (《城市商品房預售管理辦法》)
Advertising Law of the PRC (《中華人民共和國廣告法》)	Provisions on the Release of Real Estate Advertisements (《房地產廣告發佈規定》)
Regulatory Measures on the Sale of Commercial Houses (《商品房銷售管理辦法》)	Trademark Law of the PRC (《中華人民共和國商標法》)

During the Reporting Period, the Group was not aware of any major violation of relevant laws and regulations in respect of health and safety, advertising and privacy of products and services, and there were no products and services related complaints received. By virtue of the business nature, the Group was not involved in any product labelling issues.

In terms of the quality inspection process of products and services, Fantasia has been striving to achieve perfection from the following four aspects:



Construction

We have formulated the Management Rules for Project Engineering (《項目工程管理細則》) to ensure efficient, safe and orderly operation of projects. We evaluate the design from construction organisations before project construction, which covers construction schedule, quality control, technology standards (including underground construction, rebar construction, concrete construction, redecoration construct, etc.), safe production and civilised construction. We strictly monitor the quality of the whole construction process. To standardise the construction process, we have also formulated the Atlas of Safe and Civilised Standardisation (《安全文明標準化圖集》) to allow the construction party to clearly understand the safety and civilised construction matters that require attention during the construction process, such as the correct wearing method and specifications of safety helmets.

Inspection and Acceptance

We have formulated the Guide for the Inspection, Acceptance and Handover of New Properties (《新建物業驗收、移交工作指引》) to standardise the takeover, inspection and acceptance of new properties and to ensure the safe use of various facilities and equipment before delivery. The items to be inspected include the building body, public facilities and equipment, landscape greening and cleaning facilities, community, public construction supporting facilities, etc. For the inspection and acceptance of public areas, we have formulated the Checklist for Handover, Inspection and Acceptance of Public Areas of Newly-built Properties (《新建物業公區移交驗收清單》) to allow responsible personnel to check the detailed items of each area.

Moving-in

In terms of engineering, we have formulated the Operational Guide for Delivery and Assessment (《交付評估操作指引》) to conduct comprehensive assessment on indoor quality (appearance and actual measurement), public utilities, façades and garden landscapes respectively. so as to develop an understanding of the delivery quality level, supervise the proper arrangement for work process and strictly monitor the quality of relevant projects, and clarify quality requirements of refined decoration for relevant projects by assessing the refined decoration process on a quarterly basis. Within one month before delivery, projects are required to improve the quality of the overall decoration to pass through delivery of assessment and appraisal, so as to optimise customers' moving-in experience and satisfaction.

On the customer side, we ensure that the necessary documents for moving-in as required by the national and local laws and regulations as well as the relevant documents related to the Commodity House Purchase and Sale Contract (《商品房買賣合同》) are obtained, and that the Move-in Notification (《入夥通知書》), the Residence Quality Warranty (《住宅質量保證書》) and the Residence User Guide (《住宅使用說明書》) are issued to relevant property owners. The whole delivery process are carried out in accordance with the Administrative Measures for Delivery Work (《交付工作管理辦法》) to ensure that the delivery work is carried out smoothly.

In addition, we hold an open day event for the construction site approximately two months prior to delivery. In the later stage of project construction and when the construction site meets the conditions to open, we will invite customers to experience the process of product construction, aiming to relieve customers' anxiety when waiting for delivery, reduce the possibility of product defects during moving-in and release product delivery pressure in advance.

Finally, we conduct delivery and post-service satisfaction surveys at centralised delivery sites and upon three months after delivery respectively. which are intended to measure product quality, design, and service satisfaction, so that we can improve our overall service quality.

Warranty

We undertake to assume warranty responsibility for our completed units by formulating various systems including the Operation Guide for Engineering Warranty (《工程保修操作指引》) and the Management Rules for Warranty Maintenance (《保修期內維修管理制度》). We have also established the standard of time for completion of indoor repairs which sets out different repair period based on the types of problems, such as cracks, shedding, leakage, damage of electrical appliance, damage of sanitary ware, etc.

We have established multiple channels for property owners to inform us about their needs for warranty services, including community warranty service centres, on-line submission of repair requests via our WeChat public account as well as our 400 telephone hotlines. We provide warranty services by adhering to our principle of responding to repair requests within one hour, completion of repair tasks through one site visit and 100% repair service satisfaction during our follow-up survey. Afterwards, we also take the initiative to get in touch with the property owners and detailedly answer the questions raised during the repair process, allowing the property owners to enjoy our one-to-one warranty service.

Customer and After-sales Service

We have established a series of systems to regulate service quality, including the Customer Service Management System (《客戶服務管理制度》), the Administrative Measures for Customer Satisfaction (《客戶滿意度管理辦法》). Regarding the handling of complaints, we have formulated the Guide for the Management of Customer Complaints (《客戶投訴管理工作指引》), which sets out some frequent customer problems and response methods, so that employees can handle complaints more conveniently in their practical work. We have set up 400 customer service hotlines and the official online customer service of Fantasia Customer Service public account, mainly accepting complaints about engineering management, planning and design, sales management, maintenance management, property services, etc. After receiving a complaint, the responsible person is required to record in the system within 2 hours, and hand the case over to the appropriately designated person(s) to handle according to the type of the complaint. If we receive a complaint that requires to be dealt with in a timely manner outside of our office hours, we will immediately notify the responsible department on duty to arrange for handling, and record the customer's complaint in the system within the same day.

In order to develop a deeper understanding of customers' opinions and needs, we commissioned an independent third-party organisation during the year to listen to customers' voices through random telephone interviews. The opinions of customers are of great importance to us. We can continue to refine the quality of our service by addressing their feedbacks to accurately target customer needs.

Privacy Protection Management

The daily operations of the Group involve certain privacy information, including customer personal data, financial information, and group confidential information. Therefore, we handle such information very carefully and strictly implement our confidentiality system. All employees are required to sign the Trade Secret Protection Agreement (《商業秘密保護協議》) with the Company upon recruitment. Any transmission and storage involving electronic files shall be encrypted in the form of computer automatic encryption in the Company's data leakage prevention system to reduce the risk of information disclosure.

Advertising and Promotion Management

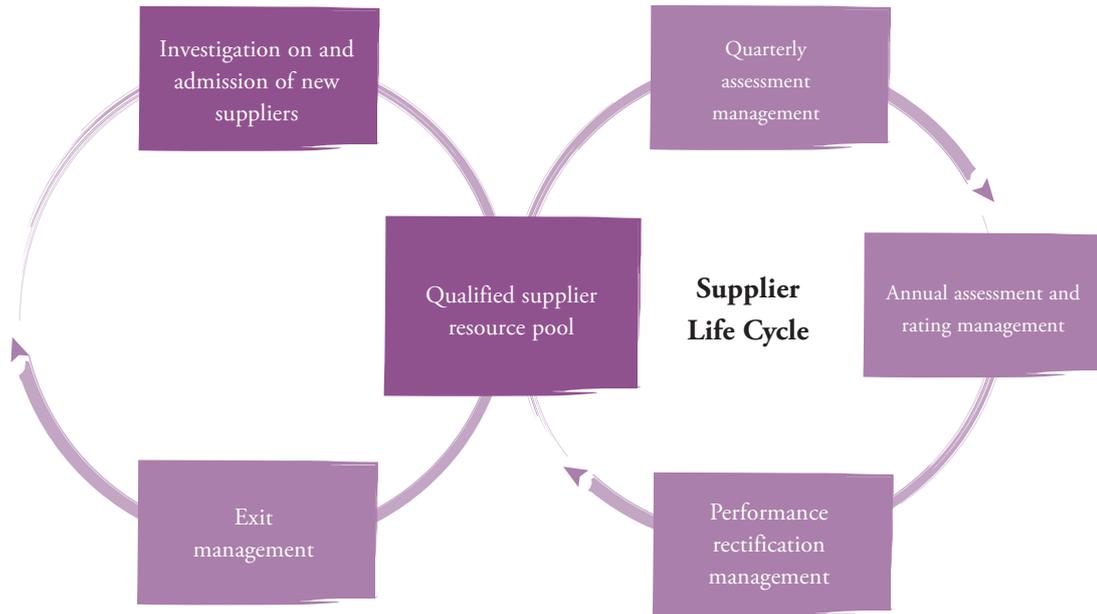
As for advertising and promotion, the Group has formulated the Manuscript Review System (《審稿制度》). The person in charge of our Sales Management Department is required to conduct internal review in accordance with the VI Design Code Manual (《VI設計規範手冊》) and the Advertising Law, and assess various risks before publication, including those associated with laws, complaints, picture brands and the VI code. In addition, the Group formulated the Administrative Measures for Information Output (《信息輸出管理辦法》) to regulate the output of various types of promotional information, and ensure its compliance with laws and regulations such as the Advertising Law as well as the culture and brand image of the Company. Furthermore, the Group also provides marketing and brand training programs to responsible personnel and advertising partners, such as training on WeChat operation skills, so that they can continuously develop their marketing skills.

Intellectual Property Rights Management

The Group has provided comprehensive protection and integrated management of the Group's intellectual property rights including copyright, trademark rights and patent rights. We have registered trademarks of the Group within the scope of the registration permit and obtained the registration certificate. In order to regulate the Company's trademark management, we have formulated the Trademark Management System (《商標管理制度》), which sets out the procedures for trademark registration, transfer and use. In addition, we have commissioned a third-party trademark agency company to review the materials to be registered. We apply for trademark registration in accordance with laws, and we assess the needs for renewal before the expiration of the trademark validity period so as to ensure that intellectual property rights are protected in a timely manner. When cooperating with suppliers, we require suppliers to provide proof of using construction patents in the bidding process to ensure that their patents are valid during the cooperation period.

CREATING VALUES FOR SUPPLY CHAIN

Fantasia continues to collaborate with more supply chain partners, striving to create a mutually beneficial and win-win partnership. The Group strictly regulates and assesses suppliers through a series of policies and systems, and implements unified procedures to monitor the operation of the supply chain, such as the Administrative Rules for Engineering Suppliers (《工程供應商管理細則》) and the Administrative Rules for Project Engineering Management (《項目工程管理細則》). During the Reporting Period, the Group had a total of 900 suppliers, all of which were located in Mainland China, and we assessed approximately 639 suppliers during the Reporting Period.



Investigation on and admission of new suppliers: All suppliers are required to pass the credit documents review, and allow us to conduct on-site inspections to strictly control the source and qualifications of suppliers. In the process, we focus on whether the supplier has the qualification certificate within the validity period required by the state, the safety production license, and whether the inspection site uses materials and equipment that are clearly prohibited by the state or locality, such as non-airtight mixing insulation mortar and thermal barrier strips. Suppliers that have passed the review will be included in the qualified supplier resource pool of the Group.

Quarterly evaluation management: All suppliers' performance during the process of cooperation is assessed in stages. At the end of each quarter, the suppliers of the projects under construction in the current quarter will be assessed. Afterwards the Procurement Department will feed back the assessment results to the suppliers.

Annual assessment and rating management: At the end of each year, the cooperation with each supplier is assessed, summarised and rated for management. Suppliers are managed according to their rating results based on their respective qualifications, scale, capabilities, quality, performance, environmental and social risks, etc. The highest rating is Grade A, followed by Grade B, C and D. We hope to retain high-quality suppliers by allowing suppliers of the same grade to compete healthily with each other, thus reducing project cooperation, environmental and social risks.

Performance rectification management: Based on the annual and quarterly assessment results, we will submit an improvement plan to the respective suppliers to supervise and urge their improvement.

Exit management: We review suppliers in accordance with the Assessment Criteria for Abnormal Conditions (《異常狀態評審標準》) so as to determine whether the suppliers shall be listed as locked, unqualified or blacklisted suppliers.

In terms of selecting engineering contractors, the Group takes environmental and social risks into consideration in accordance with its established Atlas of Standardisation of Safe and Civilised Operation (《安全文明標準化圖集》), which sets out the precautions for environmental protection for Construction Contractors during construction. Contractors are required to sign and abide by the environmental protection code, restrict the discharge of exhaust gas, dust, sewage and waste during construction, for example, setting up pipes for water spray and dust reduction and arranging sprinklers to reduce dust in the areas where dust is likely to be produced. Contractors are required to implement energy and water conservation measures and reduce pollution during construction. In addition, in order to monitor the contractor's performance and ensure that the construction process meets environmental protection requirements, we will arrange third-party organisations to inspect the contractors regularly and convene regular meetings. In terms of social risks, we comply with the Construction Law of the PRC (《中華人民共和國建築法》), require contractors to purchase work-related injury insurance for employees engaged in dangerous operations, and take reasonable measures to eliminate child labour and forced labour.

In order to maintain good two-way communication with its suppliers, we organise an annual supplier satisfaction survey, hoping to understand suppliers' satisfaction towards all aspects of their cooperation with the Group through the survey. We will summarise and are receptive to suppliers' feedback to continuously improve the management level of relevant departments, thereby achieving more effective cooperation with suppliers in the future.

CREATING VALUES FOR EMPLOYEES

The Group cherishes each and every employee and regards them as the most important assets of the Company. We look forward to growing with our employees and sharing with them the operating results reaped through hard work. Fantasia's achievements today are attributable to the concerted efforts of all employees and their contribution to our sustainable development. Therefore, we have continuously refined the Group's employment system, hoping to provide employees with the best working environment. The Group strictly complies with various employment-related laws and regulations, including but not limited to:

Labour Law of the PRC (《中華人民共和國勞動法》)	Labour Contract Law of the PRC (《中華人民共和國勞動合同法》)
Social Insurance Law of the PRC (《中華人民共和國社會保險法》)	Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》)
Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)	Provisions on Prohibition of Using Child Labour (《禁止童工規定》)

During the Reporting Period, the Group was not aware of any material violations of the relevant laws and regulations on employment, compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare,

We had a total of 350 employees for the year, of which all are full-time employees and are from the PRC. The distribution of employees of the Group by gender, employee category and age during the Reporting Period and the previous financial year is as follows:

Total workforce (person)	2022	2021
By gender		
Male	106	181
Female	134	169
By employee category		
Senior management	16	35
Mid-level management	25	51
General staff	199	264
By age group		
20 or below	0	0
21 – 30	31	40
31 – 40	156	235
41 – 50	50	71
51 – 60	3	4
60 or above	0	0

The following sets forth the employee turnover rate by gender, age group and geographical region during the Reporting Period:

Employee turnover Rate	2022
By age	
20 or below	0%
21-30	87%
31-40	79%
41-50	94%
51-60 ¹	100%
60 or above	0%
By gender	
Male	120%
Female	55%
By geographical region	
Mainland China	84%

¹ The employee turnover rate of each category takes into account the employees who left the company throughout the Reporting Period, and is calculated as: number of employee turnover of the category during the Reporting Period/total number of employees of the category as of the end of the Reporting Period x 100%. As a result, a turnover rate higher than 100% may occur.

Protection of Rights and Interests of Employees

The Group's Employee Handbook details arrangements concerning remuneration, dismissal, working hours, holidays and benefits, and clearly sets out the procedures for establishing and terminating employment relations, aiming at safeguarding the rights and interests of employees. The remuneration of employee consists of fixed salary, performance bonus and benefits. We conduct employee performance assessment each year and make personnel adjustments based on the assessment results. In terms of working hours, we adopt a five-day work week with an average of no more than 40 working hours per week. In addition to statutory holidays and public holidays, all employees may apply for marriage leave, maternity leave, bereavement leave, etc. Meanwhile, in accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulations on the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》), we will provide "Five Social Insurances and One Housing Fund", namely pension insurance, maternity insurance, medical insurance, work injury insurance, unemployment insurance and housing provident fund, for employees in Mainland China. In addition, we also provide employees with ample and diversified benefits and activities:

 <h3 style="text-align: center;">Cash Benefits</h3> <ul style="list-style-type: none"> • Festival fee • Transportation subsidy • Red packet for Chinese New Year • Off-site subsidy • Trainee housing allowance 	 <h3 style="text-align: center;">Employee Care</h3> <ul style="list-style-type: none"> • Annual physical examination • Departmental gatherings • Group-level annual dinner • Annual commendation conference • Birthday greetings • Free parking • Afternoon tea break • Staff canteen • Gym room • Travel • Dinner gatherings • Club
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Emphasis on Two-Way Communication

Fantasia believes that communication is an important guarantee for maintaining normal work efficiency, therefore, we attach great importance to employee feedback, commit to the promotion of friendship at work, and expect to provide employees with a simple, open and transparent working environment to enhance inclusive and sincere relationship. In addition, we encourage employees to think constantly and work together for the benefit and development of the Company.

At the same time, the superior will communicate about employees' work performance, results and career development. Employees may lodge work complaints through different channels such as directly submitting to their superiors or the Human Resources Department and reporting to the Audit Department. Employees can also conduct office procedures via the automated office system, including making announcements, issuing policies, handling entry and resignation matters, approving compensation packages and applying for leaves. If an employee tenders a resignation application, the Human Resources Department will arrange a resignation interview and understand the reason(s) for resignation and the thoughts of the employee, so as to consider his/her advisable opinions and continuously improve the Group's employment system.

Create a Diverse Working Environment

To cooperate with the Group's strategy of restarting a business, Fantasia has continuously optimized the organizational competitiveness, further clarified the principles and requirements of the organization's talent allocation, thereby accurately matching and building the most powerful, interesting and valuable team for the organization. The Group firmly adheres to the principles of openness, fairness and justice in recruitment, promotion and other employment-related processes, and strive to eliminate discrimination due to differences in geography, gender, education, etc., thereby striving to create a diversified and equal working environment with an organisational atmosphere of "simplicity, result-orientation, honesty, and equal opportunities". We have formulated the Recruitment Management System (《招聘管理制度》) to standardise the Group's recruitment and employment standard. We welcome talents from all walks of life to join the Group to enliven our working environment. To this end, we choose to recruit employees via multiple channels such as head-hunting companies, online networks, employee recommendations, job fairs and WeChat mini programs, hoping to secure talents of different types.

In terms of labour standards, we adopted the principle of “zero tolerance” for the employment of child labour and forced labour. We will confirm the identities of newly recruited employees to ensure that their age, education and background meet the requirements of the Group and avoid child labour and forced labour. If a child labour or forced labour is found, we will immediately take the person involved away from the workplace, and notify the Human Resources Department to verify their identities and arrange health checks for them, and will also promptly check for loopholes in the human resources process and make rectification to avoid re-occurrence of the same issue in the future. During the Reporting Period, we were not aware of any significant violations of laws and regulations relating to labour standards, preventing child and forced labour by the Group in respect of employment.

Joining Hands and Growing with Fantasia

The Group firmly believes that only learning can enrich the knowledge and skills for both current and future positions continuously, we shall give priority to the development of comprehensive abilities that are beneficial to our career paths, and we consistently implement the philosophy of “training is motivation, operation, and the future”. We are willing to invest our resources in the career development of our employees, because Fantasia believes that training is not only a benefit for the Company and employees, but also an investment. We attach great importance to the return on investment, i.e., the achievement of training and the improvement of competence and work performance, hoping to witness the improvement of our employees’ competence in the end, not just their promotion of ranks.

During the Reporting Period, the total number of training hours of the Group was approximately 3,231. The following sets forth the percentage of employees trained by gender and employee category during the Reporting Period:

Percentage of trained employees		2022
By gender		
Male		52
Female		21
By employee category		
Senior management		44
Mid-level management		68
General staff		30

The following sets forth the average number of training hours by gender and employee category during the Reporting Period and 2020:

Average number of training hours completed per employee		2022
By gender		
Male		4
Female		1
By employee category		
Senior management		17
Mid-level management		2
General staff		2

“Fantasia Training”, a comprehensive training system established by Fantasia on training, which provides different training respective to the levels of employees, including decision-making level, executive level, backbone level, new employees and prospective talents (i.e., fresh graduates).

For key core employees, each business unit concurrently holds a 2-day intensive training program aimed at enhancing the comprehensive capabilities of core executives and solidifying their foundational skills. This enables them to better understand the company’s core competitiveness and its operations. The training curriculum includes, but is not limited to, the following diverse topics:

- Legal and Executive Risk Management and Response
- Corporate Financial and Tax Management
- Public Relations Crisis Management and Response
- End-to-End Real Estate Financing Management
- Discussions on Asset Disposition and Project Acquisition
- Navigating Challenging Markets and Transforming Marketing Strategies”

New employees will participate in induction training, and we enable employees to quickly understand and adapt themselves to their posts through our “apprenticeship” program.

The “Prospective Talent Training Program”, an annual marketing management trainee brand project established by Fantasia, is intended to train fresh graduates to become outstanding talents at Fantasia. Especially, outstanding prospective talents will be trained by the founder to become the most distinguished talents, thus laying a foundation in the field of talents for accomplishing the strategic goals of the Fantasia Group. According to the plan, they are required to be in charge of marketing positions, complete a three-year full-cycle follow-up training program. In 2022, it marks the one-year anniversary since the 2021 cohort of new hires joined. We are taking this opportunity to once again organize a concentrated training program for them, reaffirming our commitment to nurturing their professional growth.



Fantasia Training Training philosophy: Training is motivation, operation, and the future		
Decision-making team/ Management team	Leadership improvement for senior management Strategic thinking, high-level leadership	Exchange and learning of the Group's businesses
Executive team	Leadership improvement for middle management Improvement of professional ability and management skills	General skill training
Core management team/ entry-level team	Skill upgrade of backbone Professional skill training	Internal and external professional skill training
New employees	Orientation program for new employees Induction training, orientation mentors, seminars	Corporate culture and values training
Prospective talents	Training program for prospective talents Special training system and development channels for fresh graduates	

Occupational Health and Safety

We strive to implement various measures to protect the health and safety of our employees. The Group strictly complies with the relevant laws and regulations, including but not limited to the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and the Work Safety Law of the PRC (《中華人民共和國安全生產法》). During the Reporting Period, the Group was not aware of any major violations of laws and regulations by the Group in providing a safe working environment and protecting employees from occupational hazards. No major work-related injuries or fatal accidents were involved, with 0 lost days due to work injury. Statistics for the past three years are as follows:

Statistical indicators	2022	2021	2020
Number of work-related deaths	0	0	0
Rate of work-related deaths	0%	0%	0%

Occupational Health and Safety Measures

We will arrange annual medical examinations for our employees to help monitor their occupational health and safety conditions. We will also purchase business group accident insurance and medical insurance for critical illness for our employees; and provide personal protective equipment, such as helmets and gloves, to employees in need.

In addition, we arrange occupational health and safety training for employees so as to master relevant knowledge improve emergency response skills and enhance accident prevention and emergency response capabilities. For example, all employees are required to participate in training on natural disaster prevention and treatment measures during the Reporting Period. Meanwhile, we also welcome employees to make reasonable suggestions on the Company's emergency response and handling work.

Fight Against the Pandemic

In the face of COVID-19, the pandemic situation in 2022 remained unstable. In terms of pandemic prevention and control, Fantasia strictly abided by the state's pandemic prevention guides such as the "Guidance Notes on the Public Protection of Pneumonia Associated with COVID-19" (《新型冠狀病毒感染的肺炎公眾防護指南》), and vigorously cooperated with the state's pandemic prevention efforts. The Group use infra-red body temperature detection to measure the body temperature of each employee, and provide anti-pandemic supplies such as face masks. Regular disinfection is regularly carried out across the Company in the morning, afternoon and evening to maintain environmental sanitation. At the same time, we require employees to dine separately during dining time to reduce the risk of disease transmission.

CREATING VALUES FOR THE COMMUNITY



Fantasia established the Shenzhen Fantasia Charity Foundation, a non-public charity foundation in 2013, aiming to fully capitalise on the Group’s strengths and resources in all aspects, promote charitable activities in a more organised manner, and earnestly make contributions to the society. With “Enjoy the Public Welfare” as its core concept, and for the purpose of “promoting the development of public welfare undertakings, building an amusing, interesting and abundant happiness in life”, the charity foundation encourages to happily help others and proactively improve ourselves.

During the Reporting Period, our charitable focus areas included anti-pandemic, education welfare, elderly care and poverty alleviation and art welfare, in order to make Fantasia’s value penetrate from corporate vision to community service.

We promise that all the funds we raised will only be used for public welfare, and in order to show the public our determination to practice charity, we publish reports of the charity foundation regularly on the website of the Company, covering work summary, donation profile, income and expenditure particulars.

Joining Hands to Fight Against the Pandemic



Since the outbreak of the pandemic, our Group has been preparing diligently to face this “prolonged battle.” We responded promptly to the call for action and actively engaged in epidemic prevention and control measures to ensure the health and safety of our community residents. During the outbreak in Shenzhen in the first half of 2022, Colour Life took proactive steps by establishing a volunteer service team comprising 100 volunteers. This team provided strong support for the community’s epidemic prevention and control efforts. These volunteers worked tirelessly around the clock, offering safety and essential services to the property owners. In Shanghai, when the pandemic was at its peak, the Colour Life team also did not hesitate to step up, dedicating themselves to frontline work. They provided logistical support and manpower assistance to property owners, distributing over 3,900 pieces of epidemic prevention materials. These actions exemplify Colour Life’s sense of social responsibility and humanitarian spirit, demonstrating their bravery and commitment during times of crisis.

In July, at the “6th 1st Members (Representatives) Assembly of the Guangdong Property Management Industry Association,” Colour Life was honored with two prestigious awards, “2021-2022 First Half-Year Annual Guangdong Property Management Industry Anti-Epidemic Pioneer Enterprise” and the “5th Special Contribution Award” from the Guangdong Property Management Industry Association. These accolades recognize Colour Life’s comprehensive strength and industry reputation.

Contributing to Education Welfare

Since 2006, Fantasia has been donating to the Jian Province Fantasia Hope Primary School and Chengdu Fantasia Qixiang School. Over the years, we have continued to organise different charity activities for local children and students. With “art + sports” as its care strategy, we have comprehensively improved the hardware conditions and “soft power” of both schools through the implementation of our employee volunteer education program, the establishment of teacher training and reward funds, and the launch of one-to-one paired interactive care activities, including teacher training program, caring education program, summer camp, city tour, caring white sneakers and shoe box gifts, etc. We hope this will help create a “new hope model” for left-behind children in rural areas, which is known as “a model for new rural construction”.

Over the course of 16 years, Fantasia has contributed significantly to Fantasia Hope Primary School by constructing various buildings and facilities. These include classrooms, student dormitories, a second teaching building, a kindergarten, a new teaching complex, as well as supporting amenities such as a cafeteria for teachers and students, school landscaping, public restrooms, bathing facilities, and a football field with an environmentally friendly water-based plastic track.



During the 2022 Chinese New Year period, the Fantasia Hope Primary School’s new teaching building, known as the “Dragon Year Building,” was officially completed by Fantasia.

Adhering to the initial goal of “doing good deeds every day, sharing public welfare,” Fantasia has continuously supported the Fantasia Hope Primary School in Ji’an, Jiangxi, for a remarkable 16 years, with the generous support of numerous partners and philanthropists from all walks of society. This commitment reflects Fantasia’s dedication to corporate responsibility and its commitment to giving back to society. Through many years of relentless efforts, the school’s physical infrastructure has gradually matured and stabilized. Looking ahead, we plan to invest more resources in the software aspect, especially in improving the quality of teachers. We are committed to enhancing the overall teaching standards, instilling positive values in rural children, and creating a conducive environment for their growth.

In addition to donating over 15 million RMB for hardware construction, Fantasia has also initiated the “Art + Sports” soft education support program, which includes activities such as employee teaching support, teacher training, scholarships, summer camps, city experience trips, and the distribution of white sneakers and shoeboxes as part of its caring initiatives. Currently, Fantasia Hope Primary School has evolved into a semi-boarding garden-style school covering kindergarten to primary education in rural areas. It comprises 22 teaching classes, serving nearly 1,000 students (including 240 in the affiliated kindergarten), and benefiting over 12 village committees and more than 20,000 residents in the surrounding areas. Today, Fantasia Hope Primary School stands as the most advanced rural school in the region in terms of facilities and services.



In August, Fantasia Hope Primary School successfully hosted its 6th Colorful Summer Camp. The closing ceremony took place on August 12th, attended by various dignitaries, including Mr. Wang Chunlin, Deputy Director of the Ji'an County Bureau of Education, Mr. Xiao Xinmin, Principal of Tongping Town Central Primary School, Mr. Zhu Jindong, Chairman of Fantasia Foundation, as well as representatives of teachers and students from Hope Primary School. The 80 camp participants presented a splendid performance during the closing ceremony. The summer camp received support from the Colour Life Charity Foundation, which provided the students with rolling backpacks and stationery, carrying beautiful hopes and wishes. Following the closing ceremony, Fantasia Foundation held a discussion with the Ji'an County Education Bureau and Fantasia Hope Primary School on matters related to future campus planning and philanthropic support for education. The foundation will continue to uphold the principle of "doing good deeds every day, enjoying philanthropy" and assist in driving the future development of Hope Primary School, contributing to the implementation of rural education initiatives.

The summer camp and urban experiential trips, as distinctive activities during Fantasia Hope Primary School's summer break, were made possible with strong support from the Fantasia Public Welfare Foundation. These activities aim to cultivate students' comprehensive skills. The on-campus summer camp includes elements such as military training, extracurricular skill training, psychological counseling, and art education. Additionally, outstanding students have the opportunity to participate in the "Urban Experiential Trip," which helps them develop life skills, discipline, broaden their horizons, and gain valuable experiences. These activities, continually supported by the Fantasia Foundation, reflect their commitment to "doing good deeds every day, enjoying philanthropy," with the aim of facilitating the all-around growth of students.



Art Welfare

Since 2006, Fantasia has launched “Fantasia • Journey for Love” (花樣年 • 發現幸福之旅), through which we invite artists each year to explore and discover the elements of happiness in daily life. Later, Fantasia built an art museum at the foot of Laojun Mountain in Chengdu, known as Zhi Art Museum.

The Zhi Art Museum is a public art museum generously donated by the Fantasia Foundation. It is oriented towards society, fostering contemporary oriental art exchange and dissemination. The museum is committed to public art education and aesthetic cultivation. It serves as a vehicle for Fantasia Foundation to shoulder social responsibility and practice art philanthropy. Through philanthropic means, it stimulates viewers to engage in profound contemplation about life. Since 2018, the Zhi Art Museum has been consistently organizing 10 art exhibitions. It has collaborated with the Fantasia Foundation, educational institutions, and others to host over 100 art lectures, forums, and public education events. These activities have engaged nearly 100,000 participants online, accumulating more than 600,000 online followers. On April 2, 2022, the Zhi Art Museum held two exhibitions, “Ten Years: Opening the Knowledge Art Museum by Kengo Kuma” and “Disappeared Exhibition,” along with the ongoing “A Chair” exhibition, collectively presenting a magnificent tableau.

The new exhibition, “Ten Years: Opening the Zhi Art Museum by Kengo Kuma,” vividly portrays the ten-year journey from concept to realization of the Zhi Art Museum designed by the globally renowned architect Kengo Kuma. It showcases the VI system designed by graphic design master Kenya Hara and allows the audience to trace the Zhi Art Museum’s decade-long commitment to the southwestern region. “Disappeared Exhibition” ingeniously responds to Kengo Kuma’s pursuit of the concept of “disappearing architecture.” It engages in a contemporary art dialogue with artists Liu Guoqiang, Xiong Jiaxiang, Zhang Qikai, and Kengo Kuma, exploring the theme of “the hidden architecture.” Each exhibited work intimately connects with architecture, space, nature, and materials.



CREATING VALUES FOR THE ENVIRONMENT



Recognising that the earth is the home shared by all mankind, we shall assume the responsibility of taking care of our planet while building ideal homes for our customers. Fantasia is engaged in real estate business, aiming to provide customers with a high-quality living environment. We hope that our business development will benefit the Company without having a serious impact on the environment. We implement green and low-carbon life into our business operations, in an effort to move towards sustainable development.

We have identified applicable laws and regulations which have significant impacts on the business of the Group, including but not limited to:

Environmental Protection Law of the PRC 《中華人民共和國環境保護法》	Law of the PRC on Environmental Impact Assessment 《中華人民共和國環境影響評價法》
Regulations on Environmental Protection Management for Construction Projects of the PRC 《中華人民共和國建設項目環境保護管理條例》	Water Pollution Prevention and Control Law of the PRC 《中華人民共和國水污染防治法》
Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes 《中華人民共和國固體廢物污染環境防治法》	Atmospheric Pollution Prevention and Control Law of the PRC 《中華人民共和國大氣污染防治法》
Law of the PRC on Prevention and Control of Pollution from Environmental Noise 《中華人民共和國環境噪聲污染防治法》	Regulations of Jiangsu Province on Urban and Rural Planning 《江蘇省城鄉規劃條例》

During the Reporting Period, the Group was not aware of any violation of laws and regulations on environment, air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, which had a significant impact on the Group.

Emissions Management

The air emissions and direct greenhouse gas emissions of the Group were mainly caused by fuel consumption of vehicles (Scope 1). In addition, each office of the Group consumes purchased electricity in the course of daily operations, which causes energy indirect greenhouse gas emissions (Scope 2). The air, greenhouse gas emissions and energy consumption data of the Group during the Reporting Period and the previous financial year are detailed as follows:

Indicator	Unit	2022	2021
Total greenhouse gas emissions (Scopes 1 and 2) ²	Tonnes of CO ₂ equivalent	572.71	848.60
• Direct emissions (Scope 1)	Tonnes of CO ₂ equivalent	48.95	52.96
• Energy indirect emissions (Scope 2)	Tonnes of CO ₂ equivalent	523.76	795.64
Intensity of total greenhouse gas emissions	Tonnes of CO ₂ equivalent/sq.m.	0.04	0.06
Nitrogen oxides (NO _x)	Kg	10.74	11.23
Sulphur oxides (SO _x)	Kg	0.27	0.29
Particulate matter (PM)	Kg	0.79	0.83

Energy Consumption

Indicator	Unit	2022	2021
Total energy consumption	MWh	1,085.97	1,485.43
• Direct energy consumption– Unleaded petrol	MWh	167.58	181.32
• Indirect energy consumption– Purchased electricity	MWh	918.39	1,304.11
Intensity of total energy consumption	MWh/sq.m.	0.08	0.11

In order to achieve the goal of minimizing air, greenhouse gas emissions and energy consumption, we have actively implemented energy-saving measures and formulated the Energy Conservation and Consumption Reduction Management System (《節能減耗管理制度》), and we set budget for electricity and water consumption to limit the consumption of power and water to some extent. According to the System, we require all offices and departments to strictly manage daily electricity consumption.



- Use lighting equipment reasonably, do not turn on lighting equipment or reduce using it when employees leave the offices and when there is enough lighting;
- Inspections are conducted every half an hour by the Property Management Department in the lobby, public areas of various office floors and independent offices, stairs, corridors, washrooms and other areas to reduce using and turn off timely lighting and other electrical equipment;
- Require employees to turn off their computers after work, and arrange regular inspections to ensure that employees' computers are turned off;
- Set the air conditioners at the offices to no lower than 24 degrees Celsius, turn off the air conditioners when vacated, cultivate a habit of closing the doors to reduce power consumption of the air conditioners; and
- Every Friday and the day before statutory holidays, companies are required to turn off the lifts on the lower floors according to the actual working conditions so as to encourage stair climbing among employees.

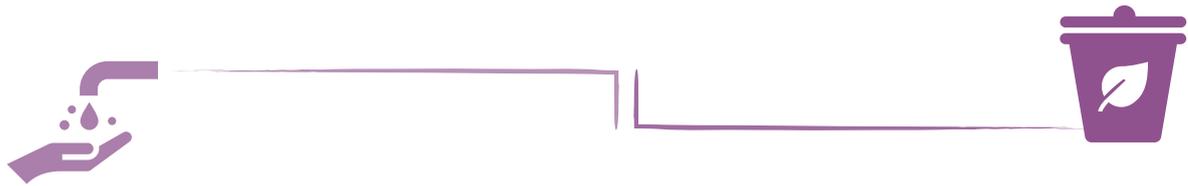
² According to the Greenhouse Gas Inventory Protocol – Corporate Accounting and Reporting Standards (Revised Edition) issued by the World Enterprise Sustainable Development Association and the World Resources Institute, Scope 1 direct emissions cover greenhouse gas emissions directly generated by businesses owned or controlled by the Group, whereas Scope 2 indirect emissions cover the indirect energy greenhouse gas emissions caused by the Group's internal consumption (purchased or acquired) of electricity.

Waste Management

The non-hazardous wastes involved in the Group are mainly general refuse generated from daily office work. Due to the nature of our business, we do not produce significant hazardous waste and packaging materials. The non-hazardous waste data of the Group during the Reporting Period and the previous financial year were as follows:

Indicator	Unit	2022	2021
Total non-hazardous waste produced	Tonnes	12.642	15.063
• Paper	Tonnes	0.114	0.003
• Other domestic waste	Tonnes	12.528	15.600
Intensity of total non-hazardous waste produced	Kg/sq.m.	0.898	1.11

In order to achieve the goal of minimizing waste, the Group implements measures to reduce waste at the source and promotes the concept of paperless office. Employees are encouraged to use double-sided printing, collect reusable paper for reusing, use electronic channels for daily office communication where possible. We also encourage employees to bring their own cups and try not to use disposable paper cups. In addition, we properly manage and control waste collection, disposal and recycling.



Water Management

Due to the nature of our business, as the water consumption of the Group's business is insignificant, water consumption is not a major issue of the Group's operations. Nevertheless, the Group continues to endeavour to reduce water consumption and set targets to improve water efficiency. The water consumption of the Group is mainly provided by local municipal water supply agencies and property management companies. We have not encountered any issues in sourcing water that is fit for purpose. The water consumption data of the Group during the Reporting Period and the previous financial year are as follows:

Indicator	Unit	2022	2021
Total water consumption	m ³	17,849.00	27,727.00
Intensity of total water consumption	m ³ /sq.m.	1.27	1.97

The issue of water shortage cannot be ignored. The Group hopes that all employees can do their best to save water in daily business activities. To maintain the target of low water consumption, employees are required to shut off the faucets right after use to prevent running water and dripping. In addition, we will also maintain the water appliances in a timely manner, so as to detect the problem of water leakage or damage in time, and immediately notify the Property Department for repairs.

Environment and Natural Resources

The earth which human beings live upon has precious natural resources. We have always encouraged our employees to pay attention to the ecological environment when developing our business to benefit mankind, and try not to cause serious negative impacts, thereby promoting sustainable real estate business. Therefore, Fantasia adopts stringent management and control over the impact of development and construction of real estate projects on the environment and natural resources:



Development

- When selecting the sites for projects, water source protection areas or areas with fragile ecological environment will be avoided to refrain from damaging the surrounding environment; and
- For application for development projects, get the approval of environmental impact reports and water and soil conservation plans by local environmental authorities, and obtain pollutant discharge permits to ensure that the development will not cause significant adverse impact on surrounding environment.

Construction

- Strictly manage the environmental protection measures at construction sites, require construction personnel to properly pile up construction waste, clean up construction waste and sewage in a timely manner, and at the same time properly implement dust suppression measures by covering or greening idle construction sites to reduce pollution;
- Contractors are required to sign and abide by environmental protection code and resource conservation statement, implement measures related to emission reduction, waste reduction, energy saving and water saving, and closely monitor the environmental performance and compliance during construction; and
- Use recyclable materials and assembled products as much as possible to improve the environmental protection standards of construction sites to ensure that the development does not pose a significant negative impact on the surrounding environment.



Combating Climate Change

The issue of climate change is aggravating and cannot be ignored. Therefore, we have begun to deeply understand and study the potential risks of climate change to the Group's operations. We need to consider more climatic factors during our building design. As such, we have formulated the Design Standards for Building Energy Efficiency (《建築節能設計標準》), which divides the building thermal design across China into five zones, namely severe cold, cold, hot summer but cold winter, hot summer and warm winter and mild zones. For the climate of each region, we will have different architectural design considerations. For example, the requirements of air conditioning and heating and the thermal functionality of the building envelope shall be considered for the zone with hot summer and warm winter.

In addition, extreme weather days are becoming increasingly frequent, such as floods caused by heavy rains, which have a greater impact on our business and customers. Therefore, we will make more preparations and preventative measures for our flood prevention efforts. For example, at the entrances and exits of buildings in particularly rainy areas, canopies are added to block rain and wind to facilitate owners to enter and exit the buildings when it rains, and we will instruct the Property Department to add sandbags at the entrances and exits of the underground parking garages to prevent excess rainwater on the ground from flooding into the garages.

At the same time, China announced that it will strive to “achieve carbon peaking by 2030” and strive to “achieve carbon neutrality by 2060”. In response to the national call, Fantasia has been committed to integrating sustainable concepts into its project development, such as incorporating various environmental protection elements including emission reduction, energy saving and water conservation, and taking into account climate change in the entire life cycle of buildings, thereby striving to build a green home. We firmly believe that the key to promoting sustainable development is to integrate the concept of sustainable development with the Group's business and strategic development.

Fantasia's “Sustainable Finance Framework” (the “Sustainability Framework”), which was authoritatively certified with the Second Party Opinion on Fantasia's Sustainable Finance Framework by Sustainalytics, a leading international independent rating company. The Sustainability Framework is an advanced version of the generally accepted international green finance framework, which specifies corresponding eligibility criteria in eight aspects of green finance and social finance. Specifically, the green finance category includes six eligibility criteria: namely green buildings, energy efficiency, renewable energy, pollution prevention and control, sustainable water resources and wastewater management, and clean transportation. Fantasia's Sustainable Framework aims to finance or refinance projects that comply with green and sustainable financial standards by issuing fixed-income green financing instruments including bonds and loans, so as to further promote green, environmentally friendly, energy saving and sustainable elements in business operations, lead a green life and contribute to the goal of carbon neutrality in China as soon as possible.



ESG REPORTING GUIDE CONTENT INDEX

Aspect	Content	Section/Statement
Mandatory Disclosure Requirement		
Governance Structure	A statement from the Board containing the following elements: <ul style="list-style-type: none"> i. a disclosure of the Board’s oversight of ESG issues; ii. the Board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and iii. how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Sustainability Strategy
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG report.	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.	Reporting Period and Scope
“Comply or explain” Provisions		
A. Environment		
A1 Emissions		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	Creating Values for the Environment
A1.1	The types of emissions and respective emissions data.	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	
A1.3	Total hazardous waste produced in tonnes and, where appropriate, intensity.	The Group’s business does not involve hazardous waste.
A1.4	Total non-hazardous waste in tonnes produced and, where appropriate, intensity.	Creating Values for the Environment
A1.5	Description of emissions target(s) set and steps taken to achieve them.	
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.	

Aspect	Content	Section/Statement
A2 Use of Resources		
General Disclosure	Policies on the efficient use the resources, including energy, water and other raw materials.	Creating Values for the Environment The business of the Group does not involve the production of major packaging materials.
A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	
A2.2	Water consumption in total and intensity.	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
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.	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
A3 Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Creating Values for the Environment
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Creating Values for the Environment
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	
B. Social		
Employment and Labour Practices		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Creating Values for Employees
B1.1	Total workforce by gender, employment type, age group and geographical region.	
B1.2	Employee turnover rate by gender, age group and geographical region.	

Aspect	Content	Section/Statement
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Creating Values for Employees
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
B2.2	Lost days due to work injury.	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Creating Values for Employees
B3.1	The percentage of employees trained by gender and employee category.	
B3.2	The average training hours completed per employee by gender and employee category.	
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Creating Values for Employees
B4.1	Description of measures to review employment practices to avoid child and forced labour.	
B4.2	Description of steps taken to eliminate such practices when discovered.	
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Creating Values for Supply Chain
B5.1	Number of suppliers by geographical region.	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

Aspect	Content	Section/Statement
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Creating Values for Customers
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group is not involved in product manufacturing.
B6.2	Number of products and service related complaints received and how they are dealt with.	Creating Values for Customers
B6.3	Description of practices relating to observing and protecting intellectual property rights.	
B6.4	Description of quality assurance process and recall procedures.	The Group is not involved in product manufacturing.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Creating Values for Customers
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
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.	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
B7.3	Description of anti-corruption training provided to directors and staff.	
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration the communities' interests.	Creating Values for the Community
B8.1	Focus areas of contribution.	
B8.2	Resources contributed to the focus area.	



The Peach Garden - Garden NO.5, partial screen | Zhou Li | 2021 | Mixed media on canvas | 200 × 600 cm
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