

Spring NO.3, partial screen | Zhou Li | 2023 | mixed media on canvas | 130 × 160 cm
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2024

Environmental, Social and Governance Report

FANTASIA
花樣年

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



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目錄

CONTENTS

| | |
|---|----|
| Definitions | 2 |
| About Fantasia | 3 |
| About This Report | 5 |
| Reporting Period and Scope | 5 |
| Reporting Principles | 5 |
| Versions of and Access to the Report | 6 |
| Sustainability Strategy | 6 |
| Corporate Governance | 7 |
| Sustainability Governance | 7 |
| Stakeholder Engagement | 8 |
| Materiality Assessment | 9 |
| Anti-corruption | 10 |
| Creating Values for Customers | 11 |
| Customer and After-sales Service | 14 |
| Privacy Protection Management | 14 |
| Advertising and Promotion Management | 14 |
| Intellectual Property Rights Management | 14 |
| Creating Values for Supply Chain | 15 |
| Creating Values for Employees | 17 |
| Protection of Rights and Interests of Employees | 19 |
| Emphasis on Two-Way Communication | 19 |
| Create a Diverse Working Environment | 20 |
| Joining Hands and Growing with Fantasia | 20 |
| Occupational Health and Safety | 22 |
| Creating Values for the Community | 23 |
| Education Welfare | 24 |
| Creating Values for the Environment | 25 |
| Emissions Management | 26 |
| Energy Consumption | 26 |
| Waste Management | 27 |
| Water Resources Management | 28 |
| Environment and Natural Resources | 28 |
| Combating Climate Change | 29 |
| ESG Reporting Guide Content Index | 30 |

DEFINITIONS

| | | |
|-------------------------|-----------|--|
| “Fantasia” or “Company” | refers to | 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)” | refers to | has the meaning prescribed to it under the Listing Rules; |
| “Group”, “we” or “us” | refers to | the Company and its subsidiaries; |
| “Colour Life” | refers to | Colour Life Services Group Co., Limited (彩生活服務集團有限公司) (Stock Code: 1778), 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” | refers to | the Environmental, Social, and Governance Report 2024 issued by the Group; |
| “Reporting Period” | refers to | 1 January 2024 to 31 December 2024; |
| “Year” or “Year 2024” | refers to | this financial year; |
| “Board” | refers to | the board of directors of the Company; |
| “Director(s)” | refers to | the director(s) of the Company; |
| “Stock Exchange” | refers to | The Stock Exchange of Hong Kong Limited; |
| “Guide” | refers to | the “Environmental, Social, and Governance Reporting Guide” contained in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Hong Kong” | refers to | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “China” or “PRC” | refers to | the People’s Republic of China; |
| “%” | refers to | per cent. |

ABOUT FANTASIA



Fantasia Holdings Group Co., Limited (“Fantasia” or “the Company”), together with its subsidiaries (collectively referred to as “the Group” or “we”), was established in 1998. To accommodate development needs, we were listed on the Main Board of the Stock Exchange in November 2009. As an industry leader, we have engaged for over 26 years in the real estate industry and have earned widespread recognition and acclaim within the industry.

Looking ahead, we will continue to adhere to the long-termism strategic direction, actively respond to national policies, and strive to improve project quality and optimize business layout. While steadily promoting existing projects, we will also actively explore new development models and opportunities to ensure that the Company can maintain a steady growth trend in the future.

At the same time, the real estate business of Fantasia coordinates with the property management services of Colour Life Services Co., Limited (“Colour Life”), to provide one-stop living experiences to customers.



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 Characteristics

- Powerful, Meaningful, Valuable



Corporate Culture and Core Values

- Insightful Taste: Sharp insight; quick identification of opportunities; unique and rich in-depth understanding
- Capable and Articulate: Effectively integrating resources through communication; seeking strategic partners; constructing organic entities and ecosystems
- Profit-driven and Industrious: Pursuing value; continuous innovation and learning; constant reflection and prompt action
- Money-wise and Non-greedy: Results-oriented; pursuing profits and emphasizing returns; adhering to business ethics standards



Product Proposition

- Joyful: Curious, Exuberant, Fearless
- Colourful: Universal, Insightful, Evolving
- Meaningful: Original, Entertaining, Free

ABOUT THIS REPORT

The Group is pleased to release its Environmental, Social, and Governance (“ESG”) Report 2024, which details the Group’s investments and achievements in the area of sustainable development in the past year, including resource allocation, policy formulation and implementation of specific measures. By fully disclosing our ESG performance, we hope to provide our stakeholders with a better understanding of the Group’s sustainability policy and vision, and respond positively to their sustainability concerns and expectations for the Company.

Fantasia highly values the opinions of our stakeholders which are an essential driving force behind our continuous improvement, helping us to establish a more comprehensive sustainability strategy. Should you have any thoughts on this Report or the Group’s sustainability performance, please share with us at ir@cnfantasia.com.

Reporting Period and Scope

The Report covers the ESG strategy and performance of the Group for the Reporting Period from 1 January 2024 to 31 December 2024. Unless otherwise stated, 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. For the Environment, Social, and Governance Report issued by Colour Life Services Group Co., Limited (01778. HK) under the Group, please refer to its company 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 C2 of the Listing Rules of the Stock Exchange.

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

| | Definition: | Response 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 Report are 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. The 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.

SUSTAINABILITY STRATEGY

Fantasia integrates sustainable development into the daily operation of enterprises. We are committed to creating long-term value in environmental, social and economic areas while growing our business. The Group's development strategy focuses not only on providing quality service to its customers, but also on actively working with its suppliers to promote sustainable development, while creating an ideal working environment for its employees, making a meaningful contribution to the community and building a green future for the planet. Fantasia's "Sustainable Finance Framework" has been authoritatively certified by Sustainalytics, a leading international independent rating company. The framework is designed to advocate green, environmentally friendly, and sustainable elements in our operations by issuing green financing instruments such as bonds and loans. This initiative is aimed at leading a green life and contributing to China's goal of carbon neutrality.

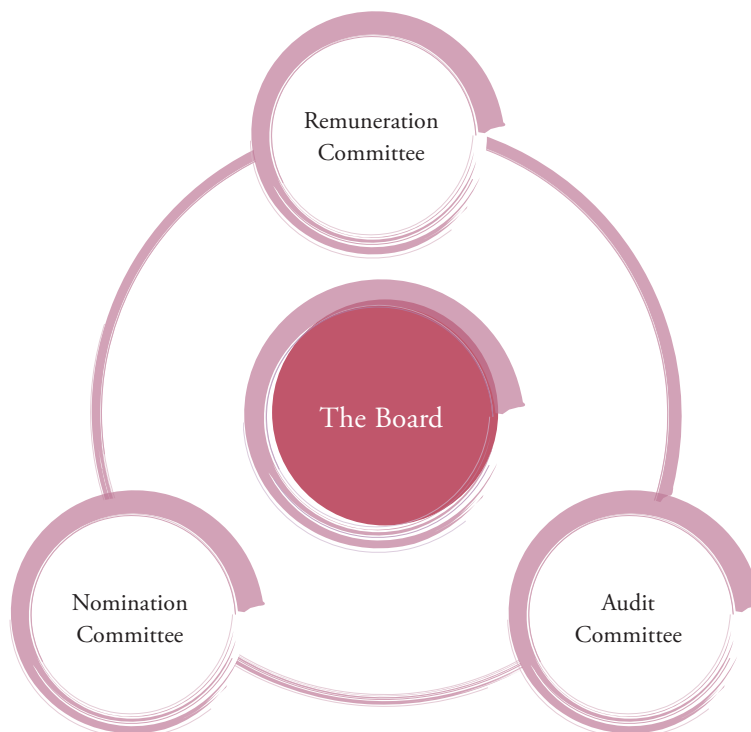
In addition, the Group appointed Riskory Consultancy Limited as a professional consultant to provide us with ESG, carbon neutrality and sustainable development consulting services so as to help promote our sustainable development.

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CREATING VALUE WITH ASPIRATIONS.

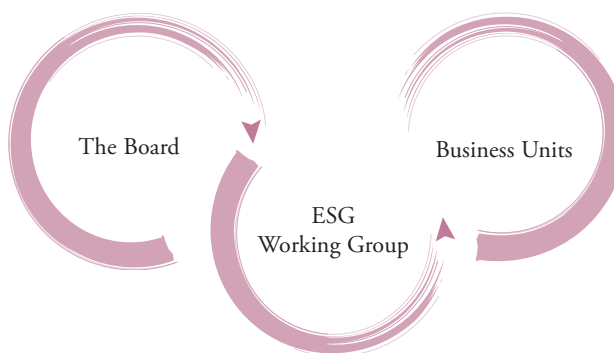
Corporate Governance

The Group attaches great importance to corporate governance and is committed to maintaining high standards of governance practices and establishing a sound and transparent governance structure. We believe that good corporate governance not only can enhance operational efficiency, but it can also strengthen stakeholders' confidence in the Group and lay a solid foundation for the sustainable development of the Group. 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 2024 Annual Report.



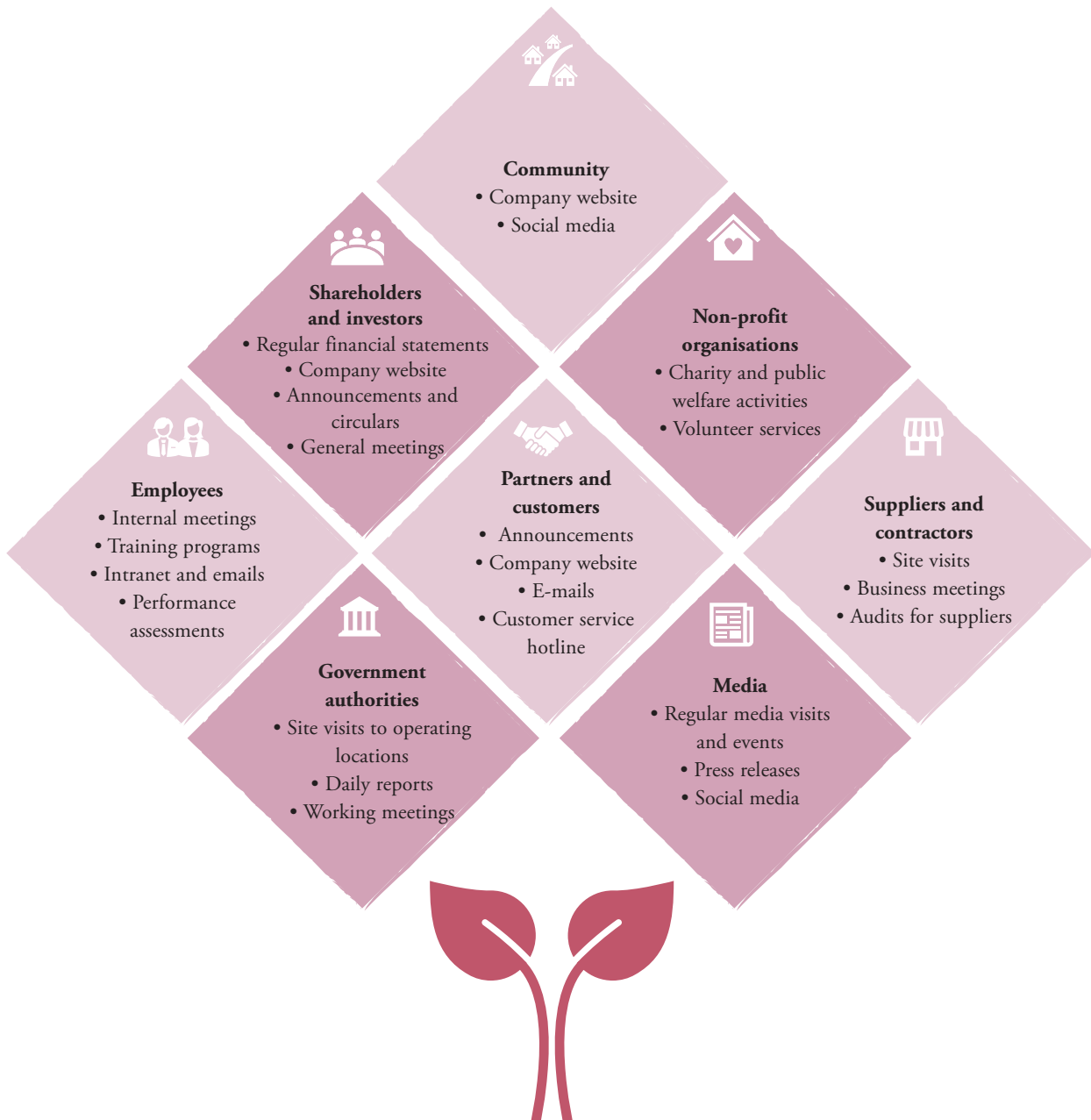
Sustainability Governance

The Board, as the Group's highest decision-making unit for sustainability, is responsible for setting ESG targets and regularly assessing and monitoring the Group's ESG-related risks. The Board comprehensively manages the actual risks faced by the Group and actively promotes the formulation of long-term sustainability goals and visions to ensure the effective implementation of the Group's sustainability strategy. The ESG Working Group has also 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 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.



STAKEHOLDER ENGAGEMENT

The Group is committed to maintaining an ongoing dialogue with stakeholders and gathering their views through two-way exchanges to in-depth understand their expectations of us in the ESG area. 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

In assessing and identifying material issues, the Group takes into account, in addition to the concerns of the regulatory authorities, Sustainability Accounting Standards Board (SASB) and MSCI's industry material issues, as well as the material issues disclosed by industry peers. This process is supplemented by stakeholders' expectations and considering our business operations situations when prioritizing the material issue.

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

ANTI-CORRUPTION

The Group adheres to the principles of business ethics and integrity, and the Supervision Department under the Audit and Inspection Department is responsible for anti-corruption matters. We adopt a zero-tolerance attitude towards any violation of business ethics and integrity, and resolutely combat all forms of corruption, including corruption, bribery, extortion, fraud and money laundering. We strive to establish a corporate culture of integrity and ensure that our business operations meet the highest ethical standards. At the same time, the Group strictly complies with the relevant laws and regulations, including but not limited to:

- “Criminal Law of the PRC”;
- “Anti-Unfair Competition Law of the PRC”; and
- “Company Law of the PRC”.

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 trade secrets | 6. No misconduct due to omission | 7. No conflicts of interest | 8. No spread of negative message internally or externally |

To prevent and eradicate misconduct, the Group has established a sound anti-corruption management system. The Employee Manual clearly stipulates that all employees are strictly prohibited from engaging in any form of corruption and bribery. Employees are not allowed to misuse their positions for personal gain or solicit or accept money (or money equivalents and services) from clients, partners, or other business associates on behalf of any positions or under any circumstances. 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 workflows involving his/her relative. 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, to encourage stakeholders to actively report any suspected behaviour of misconduct, 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 a whistle-blowing reporting hotline, the company website and emails. 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.

CREATING VALUES FOR CUSTOMERS

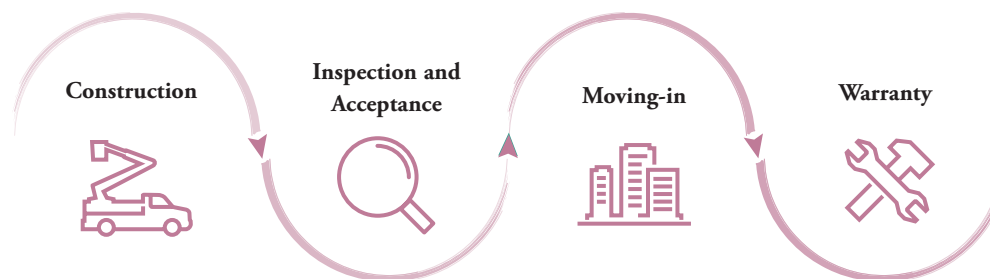


Fantasia is committed to developing high-quality real estate projects that combine temperature, quality and aesthetics. We focus on customer needs and strive to provide excellent service to create lasting value for our customers. Through professional service attitude and strict quality control, we strive to achieve the commitment of making every customer live and work in peace and contentment. 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” | “Measures for the Administration of Construction Permits for Construction Projects” |
| “Urban and Rural Planning Law of the PRC” | “Regulation on the Administration of Development and Operation of Urban Real Estate” |
| “Product Quality Law of the PRC” | “Work Safety Law of the PRC” |
| “Fire Protection Law of the PRC” | “The Measures for the Management of Advance Sale of Urban Commercial Houses” |
| “Advertising Law of the PRC” | “Provisions on the Release of Real Estate Advertisements” |
| “Regulatory Measures on the Sale of Commercial Houses” | “Trademark Law of the PRC” |

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 received a total of 532 cases of complaint related to products and services, which have been properly handled following established procedures. By virtue of the business nature, the Group has not been involved in any product labeling issues.

In terms of the quality inspection process of projects 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 a comprehensive assessment of indoor quality (appearance and actual measurement), public utilities, facades, and garden landscapes respectively. To develop an understanding of the delivery quality level, supervise the proper arrangement for the work process strictly monitor the quality of relevant projects, and clarify quality requirements of refined decoration for relevant projects by assessing the refined decoration process every quarter.
- Within one month before delivery, projects are required to improve the quality of the overall decoration to pass through the delivery of assessment and appraisal, 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 is 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.
- The whole delivery process is 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.
- We conduct delivery and post-service satisfaction surveys at centralised delivery sites and 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 periods based on the types of problems, such as cracks, shedding, leakage, damage to electrical appliances, damage to sanitary ware, etc.
- We have established multiple channels for property owners to inform us about their needs for warranty services, including community warranty service centers, reporting through telephone and online warranty system.
- We provide warranty services by adhering to our principle of completing repair tasks through one site visit, and 100% repair service satisfaction during our follow-up survey.
- We 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

In order to continuously improve the level of service, the Group has implemented a number of management systems, including the “Customer Service Management System” (客戶服務管理制度) and the “Administrative Measures for Customer Satisfaction” (客戶滿意度管理辦法). For the handling of customer complaints, we have formulated the “Guide for the Management of Customer Complaints” (客戶投訴管理工作指引), which details the standard handling procedures for common problems to ensure that employees can properly handle complaint cases according to the uniform standards. We have set up responsible personnel for customer service at each project, 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 it 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.

Privacy Protection Management

The protection of personal data and information is emphasized by the Group. In our daily operations, it is inevitable to involve certain privacy information, including customer personal data, and financial 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

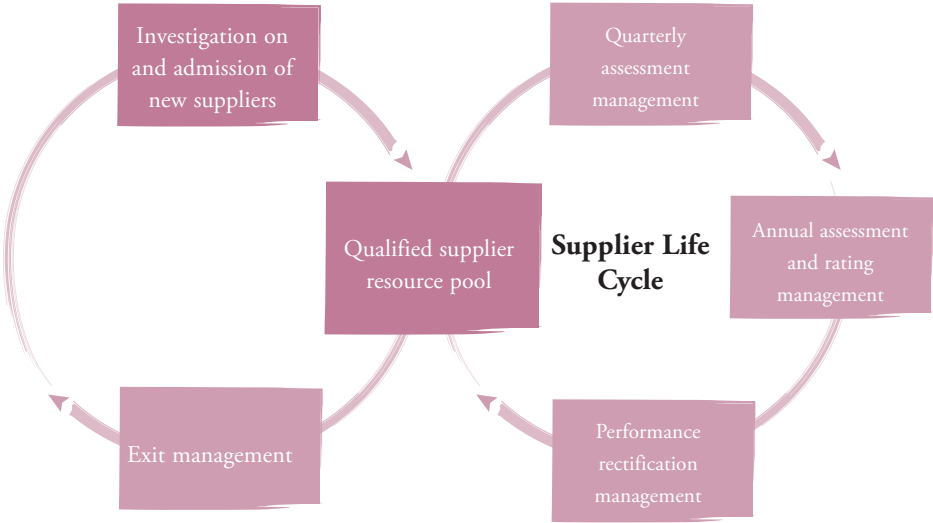
For advertising and promotion, we have formulated the “Manuscript Review System” (審稿制度). The person in charge of our Sales Management Department is required to conduct an internal review in accordance with the “VI Design Code Manual” (VI設計規範手冊) and the Advertising Law, and assess various risks before 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

Intellectual property rights are the core assets of the Group and we take comprehensive measures to protect intellectual property rights such as copyrights, trademark rights and patent rights. We have registered trademarks of the Group within the scope of the registration permit and obtained the registration certificate. We have “Trademark Management System” (商標管理制度) in place, which outlines procedures for trademark registration, transfer, and usage, regulating the Company’s trademark management. 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 need for renewal before the expiration of the trademark validity period 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 understands that suppliers are important partners in the development of enterprises, and we attach importance to establishing long-term and stable cooperative relations with suppliers, the pursuit of common growth and mutual benefit and win-win situation. To ensure the stable operation of the supply chain, the Group has developed a sound supplier management system to comprehensively control the quality of the supply chain through a rigorous assessment mechanism and a unified monitoring procedure, and promote the sustainable development of both parties, 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 288 major suppliers, all of which were located in Mainland China, and we assessed approximately 138 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 the selection process of engineering contractors, the Group incorporated environmental and social risks into the assessment in accordance with the "Atlas of Standardisation of Safe and Civilised Operation" (安全文明標準化圖集). The contractor shall sign and abide by the environmental code to strictly control the discharge of exhaust gas, dust, sewage and waste during the construction process. 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, to monitor the contractor's performance and ensure that the construction process meets environmental protection requirements, we will convene regular meetings. In terms of social risks, we comply with the "Construction Law of the PRC", 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 be 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 understands that employees are the foundation of the sustainable development of the enterprise, so we attach great importance to the protection of employees’ rights and working environment. In order to build a solid talent base, we continue to optimize the employment system and strive to create a comfortable, healthy and inclusive working environment, so that employees can grow together with the Group and achieve common development of the enterprise and employees. The Group strictly adheres to relevant employment laws and regulations, including but not limited to:

| | |
|---|--|
| “Labour Law of the PRC” | “Labour Contract Law of the PRC” |
| “Social Insurance Law of the PRC” | “Regulation on the Administration of Housing Accumulation Funds” |
| “Law of the PRC on the Prevention and Control of Occupational Diseases” | “Provisions on the Prohibition of Using Child Labour” |

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.

As at 31 December 2024, the Group had a total of 95 employees within the reporting scope, of which all are full-time employees and are from Mainland China. 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) | 2024 | 2023 |
|-----------------------------|------|------|
| By gender | | |
| Male | 50 | 53 |
| Female | 45 | 76 |
| By employee category | | |
| Senior management | 6 | 11 |
| Mid-level management | 21 | 28 |
| General staff | 68 | 90 |
| By age group | | |
| 20 or below | 0 | 0 |
| 21-30 | 7 | 20 |
| 31-40 | 56 | 73 |
| 41-50 | 31 | 33 |
| 51-60 | 1 | 3 |
| Above 60 | 0 | 0 |

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

| Employee turnover Rate ¹ | 2024 |
|-------------------------------------|------|
| By age | |
| 20 or below | 0% |
| 21-30 | 186% |
| 31-40 | 75% |
| 41-50 | 77% |
| 51-60 | 600% |
| Above 60 | 0% |
| By gender | |
| Male | 78% |
| Female | 102% |
| By geographical region | |
| Mainland China | 89% |

¹ The calculation method of turnover rate is (the number of employees who left / the number of employees as at 31 December 2024) x 100%.

Protection of Rights and Interests of Employees

In order to fully protect the rights and interests of our employees, we set out in detail the arrangements for remuneration, dismissal, working hours, leave and benefits in the “Employee Handbook”, and clearly regulate the procedures for the establishment and termination of labour relations. The remuneration of employees consists of fixed salaries, performance bonuses, and benefits. We conduct employee performance assessments annually 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 and the Regulations on the Regulation on the Administration of Housing Accumulation Funds, 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:

| | |
|--|--|
|  <p>Cash Benefits</p> <ul style="list-style-type: none"> • Transportation subsidy • Red packet for Chinese New Year • Off-site subsidy |  <p>Employee Care</p> <ul style="list-style-type: none"> • Department gatherings • Group-level annual dinner • Free parking • Afternoon tea break • Gym room |
|--|--|

Emphasis on Two-Way Communication

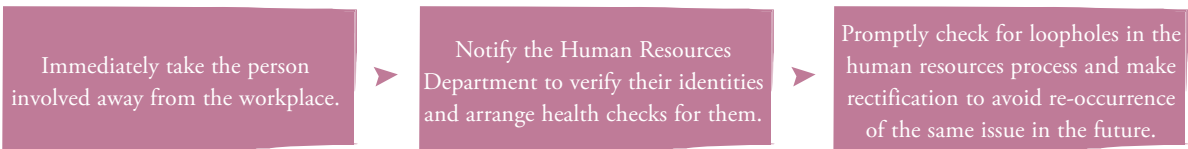
Fantasia focuses on building a bridge of two-way communication with employees and actively listening to their voices to improve work efficiency and service quality. We are committed to creating a simple, open and transparent working atmosphere to promote the establishment of sincere friendship among employees and cultivate harmonious and sincere working relationships. At the same time, we encourage our employees to give play to their innovative thinking, jointly contribute to the sustainable development of the enterprise, and work together to promote the Company to a better future.

To ensure our work efficiency, the superior will communicate about employees’ work performance, results, and career development. Employees can 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 leave. 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, to consider his/her advisable opinions and continuously improve the Group’s employment system.

Create a Diverse Working Environment

Fantasia firmly believes that a diversified team can enhance the competitive edge of the enterprise and contribute to the long-term development of the Group. To this end, we have established sound talent allocation guidelines, and always adhere to the principles of openness, fairness and justice in recruitment, promotion and other employment matters. We are committed to creating an inclusive work environment, so that talents from different backgrounds can give full play to their strengths, and inject the impetus of diverse innovation into the enterprise, 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 Policy” (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. In order to attract diverse talents, we use a variety of recruitment channels, including head-hunting companies, online networks, internal recommendations, job fairs and WeChat mini programs.

Regarding labour standards, the Group strictly prohibits the use of child labour and forced labour, adhering to a principle of “zero tolerance.” We will confirm the identities of newly recruited employees to ensure that their age, education, and background meet the requirements of the Group. If child labour or forced labour is found, we will handle it according to the following procedures:



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

Employees are the foundation of the Group’s continued growth. We strive to promote the development of our employees’ professional knowledge and skills, and support them to enhance their professional competencies through continuous education for their current jobs and future development. We support their continuous learning and acquisition of expertise relevant to current and future positions. We believe resources invested in employee career development is not only benefits for employees but also an investment of the Group. 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.

The following sets forth the percentage of employees trained by gender and employee category during the Reporting Period:

| Percentage of trained employees | | 2024 |
|---------------------------------|--|------|
| By gender | | |
| Male | | 30% |
| Female | | 27% |
| By employee category | | |
| Senior management | | 0% |
| Mid-level management | | 33% |
| General staff | | 29% |



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

| Average number of training hours completed per employee | 2024 |
|---|------|
| By gender | |
| Male | 0.3 |
| Female | 0.3 |
| By employee category | |
| Senior management | 0 |
| Mid-level management | 0.3 |
| General staff | 0.3 |

Fantasia has established “Fantasia Training”, a comprehensive training system. It provides different types of training respective to the levels of employees, including decision-making level, executive level, backbone level and new employees.

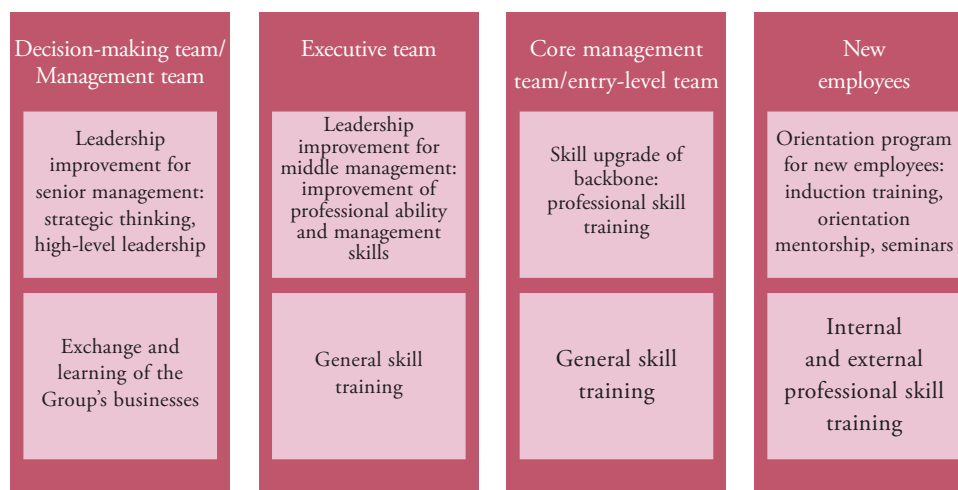
For new employees, we will hold a 2-day induction training to enable them to quickly understand the Company and adapt to their posts, grasp the Company’s values, and familiarize themselves with the business. The training content includes ice-breaking activities, an overview of the Company’s development history and course on the introduction of strategies, products, brand, and corporate culture, and a tour to our projects in Shenzhen.

Business Operation and Quality Improvement

Starting from June, the Eastern China region launched a three-month quality improvement special project to train the team through special action. Based on the comprehensive review and improvement of the four tasks of “security, cleaning, warranty and green protection”, we strictly grasp the implementation of corporate culture, strive to improve the project quality, conduct a comprehensive review and planning of the project operation quality control and improvement work, and require each project manager to set an example in daily work to improve their own work quality and efficiency, and to proactively provide better service to owners.

Safety Training and Skill Upgrading

In order to maintain a good order of life in projects under management and strengthen the all-round joint inspection of the management area, on 5 June 2024, the first batch of security personnel of various projects was organized by the Fantasia International Property Shenzhen Company to hold the launch ceremony of the “Fantasia International Property Shenzhen Company Security Skills Training Camp”. During the ceremony, the security personnel thoroughly learned various safety knowledge and operation skills through a series of rigorous and professional training and drills. They engage, learn, and constantly improve their business skills to deal with any complications that may arise. In the coming days, various projects of Shenzhen companies will also carry out such activities one after another. This is not only a comprehensive exercise and improvement for security personnel, but also a strong push for the safety work of various projects in Shenzhen.



Occupational Health and Safety

Fantasia regards the health and safety of its employees as one of its top priorities, and we actively strive to create a safe and secure working environment by implementing a number of safety management measures. We strictly adhere to relevant laws and regulations, including but not limited to:

- “Law of the PRC on the Prevention and Control of Occupational Diseases”; and
- “Work Safety Law of the PRC”.

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. During the Reporting Period, there were no cases of work-related injury, with no lost days due to work injury. We have handled the case according to the work injury recognition procedure. Statistics for the past three years are as follows:

| Statistical indicators | 2024 | 2023 | 2022 |
|-----------------------------------|------|------|------|
| Number of work-related fatalities | 0 | 0 | 0 |
| Rate of work-related fatalities | 0% | 0% | 0% |

Occupational Health and Safety Measures

In order to protect the health of employees, the Group regularly arranges annual medical check-ups and monitors occupational health and safety conditions. We also provide our employees with business group accident insurance and critical illness medical coverage, and ensure that the necessary personal protective equipment such as safety helmets and protective gloves are equipped at working positions.

In addition, we arrange occupational health and safety training for employees 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.

CREATING VALUES FOR THE COMMUNITY



Shenzhen Fantasia Charity Foundation is an independent non-public charity foundation initiated by Fantasia Group and registered in Shenzhen Civil Affairs Bureau in March 2013. With the concept of “doing good and sharing public welfare” and the purpose of “promoting the development of public welfare undertakings and building a happy life with joy, colour and meaning”, Shenzhen Fantasia Charity Foundation takes “happiness” as its dream, and creates value for society through education, poverty alleviation, funding the development of elderly undertakings, and funding artistic creation and exchange.

During the Reporting Period, our charitable focus areas included education welfare, elderly care and poverty alleviation and assistance to make Fantasia’s value penetrate from corporate vision to community service. We promise that all the funds we raise will only be used for public welfare, and 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. On 9 August, 2024, Shenzhen Fantasia Charity Foundation donated RMB100,000 to Guangdong Qianhe Community Charity Foundation (廣東省千禾社區公益基金會) for poverty alleviation.

Education Welfare

Since 2006, Fantasia has been continuously donating to the Fantasia Hope Primary School in Tongping Town, Jian County, Jiangxi Province. Over 18 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, and 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. Under the sustained donations from Fantasia, the school was officially renamed Fantasia Hope Primary School (花樣年•希望小學).

In June 2024, the covered walkway, which was donated by Shenzhen Fantasia Charity Foundation, passed acceptance and was officially put into use. The covered walkway connects Longnian Building, the new teaching building of Fantasia Hope Primary School, and the student canteen, which greatly facilitates the students to go to the canteen on foot in hot summer and rainy days, shade the sun and block the rain between classes, and escort the overall safety construction of the school.



Shenzhen Fantasia Charity Foundation, focusing on the physical and psychological characteristics of left-behind children, adopts a boarding school education model. In addition to the national curriculum, the foundation has established “Rainbow Classes” including Chinese classics, music, art, and soccer. These programs integrate aesthetic education, love education, and gratitude education into school teaching. Using “Arts + Sports” as a caring strategy, the foundation conducts various activities including charitable education initiatives, volunteer teaching programs, one-on-one student support, summer camps, urban experience trips, shoebox gifts, and charitable sneaker donations. These efforts systematically enhance both the school’s physical infrastructure and “soft power,” helping left-behind children develop into well-rounded individuals. The goal is to nurture children who can appreciate beauty through their eyes and ears, maintain physical health, develop positive attitudes, learn gratitude, and grow into ordinary but happy individuals.

CREATING VALUES FOR THE ENVIRONMENT



As real estate developer, Fantasia is committed to creating a quality living environment for our customers, and environmental protection is an integral part of our business philosophy. We allocate resources to minimize the environmental impact of our business operations and integrate green and low-carbon living practices into our operations. We take up corporate social responsibility and strive towards sustainable development.

We comply with the 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” | “Law of the PRC on Environmental Impact Assessment” |
| “Regulations on the Administration of Construction Projects Environmental Protection” | “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” | “Atmospheric Pollution Prevention and Control Law of the PRC” |
| “Law of the PRC on Noise Pollution Prevention and Control” | “Regulations of Jiangsu Province on Urban and Rural Planning” |

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 | 2024 | 2023 |
|--|---|--------|--------|
| Total greenhouse gas emissions (Scopes 1 and 2) ² | Tonnes of CO ₂ equivalent | 293.18 | 210.88 |
| • Direct emissions (Scope 1) | Tonnes of CO ₂ equivalent | 33.89 | 53.66 |
| • Energy indirect emissions (Scope 2) | Tonnes of CO ₂ equivalent | 259.29 | 157.22 |
| Intensity of total greenhouse gas emissions | Tonnes of CO ₂ equivalent/sq.m | 0.04 | 0.02 |
| Nitrogen oxides (NOx) | Kg | 7.43 | 11.77 |
| Sulphur oxides (SOx) | Kg | 0.19 | 0.30 |
| Particulate matter (PM) | Kg | 0.55 | 0.87 |

Energy Consumption

| Indicator | Unit | 2024 | 2023 |
|---|-----------|--------|--------|
| Total energy consumption | MWh | 570.66 | 459.40 |
| • Direct energy consumption – Unleaded petrol | MWh | 116.01 | 183.72 |
| • Indirect energy consumption – Purchased electricity | MWh | 454.65 | 275.68 |
| Intensity of total energy consumption | MWh/sq.m. | 0.07 | 0.04 |

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.

Through the implementation of the “Energy Conservation and Consumption Reduction Management Policy” (節能減耗管理制度), the Group has established budget for electricity and water consumption as indicators to effectively control the consumption of energy and water resources in order to achieve the environmental objectives of reducing air emissions, reducing greenhouse gas emissions and saving energy. According to the policy, we require all offices and departments to strictly manage daily electricity consumption. Measures implemented by the Group to reduce air, and greenhouse gas emissions, and save electricity include:



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 25 degrees Celsius, turn off the air conditioners when vacated, cultivate a habit of closing the doors to reduce power consumption of the air conditioners.

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 | 2024 | 2023 |
|---|----------|-------|-------|
| Total non-hazardous waste produced | Tonnes | 1.689 | 6.804 |
| • Paper | Tonnes | 0.123 | 0.070 |
| • Other domestic waste | Tonnes | 1.566 | 6.734 |
| Intensity of total non-hazardous waste produced | Kg/sq.m. | 0.213 | 0.663 |

The Group actively implements measures to reduce waste at the source and promotes the concept of a paperless office, hoping to achieve the goal of minimizing waste generation. We encourage employees to use double-sided printing, collect reusable paper for reuse, and use electronic channels for daily office communication where possible. We actively promote environmental awareness and encourage our staff to use personal cups to reduce the use of disposable products. At the same time, we have established a comprehensive waste management system to regulate the collection, disposal and recycling process.

Water Resources Management

Due to the nature of the Group's business, we did not consume a significant amount of water resources. Nevertheless, the Group continues to endeavor 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 | 2024 | 2023 |
|--------------------------------------|-----------------------|--------|--------|
| Total water consumption | m ³ | 11,000 | 14,000 |
| Intensity of total water consumption | m ³ /sq.m. | 1.39 | 1.36 |

Water is one of the precious natural resources, thus the Group has implemented various measures to improve our water use efficiency, including requiring employees 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

Although the Group's operations have a relatively low impact on the environment, we continue to actively integrate environmental concepts into our daily business. The Group has developed comprehensive environmental management policies and measures to strictly monitor the impact of real estate development and construction on the environment and natural resources. We strive to strike a balance between business development and environmental protection, promote sustainable development and fulfill corporate environmental responsibility.



Development

- When selecting the sites for projects, water source protection areas or areas with fragile ecological environments 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 a significant adverse impact on the 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 the 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

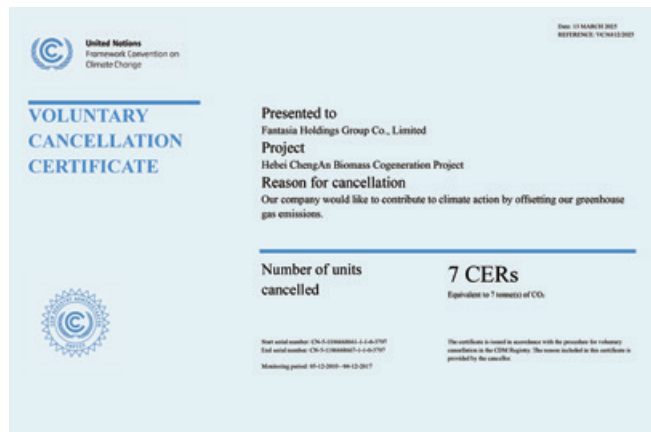
Under the challenge of global climate change, enterprises are facing unprecedented risks and opportunities. To this end, we invest resources in assessing the potential impact of climate change on the Group's operations. In terms of risk management, we have formulated the "Design Standards for Building Energy Efficiency" (建築節能設計標準), which takes climate factors into consideration in building design according to the national building thermal design zones (including extreme cold, cold, hot summer and cold winter, hot summer and warm winter and mild areas).

Additionally, we recognize the physical risks that extreme weather events pose to our operations, such as floods caused by heavy rainfall, which will bring inconvenience and safety risks to our 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.

In response to the national "dual carbon" strategic goal, Fantasia actively integrates the concept of sustainable development into the project planning and construction. We take climate change into account in the whole life cycle of buildings, and strive to create low-carbon and environmentally friendly green buildings by adopting energy-saving and emission reduction technologies, promoting water-saving measures and other environmental elements. The Group takes concrete actions to support the national goals of carbon peaking by 2030 and carbon neutrality by 2060, contributing to the construction of sustainable green homes. 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"), 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. This reflects our commitment to integrating environmental, energy saving and sustainability elements into our business operations, promoting a green lifestyle and contributing to the national carbon neutrality goals.

We make use of carbon offset to reduce our greenhouse gas emissions. The carbon offsetting project we chose was the Hebei ChengAn Biomass Cogeneration Project (Project ID: 3797), a project of the United Nations Clean Development Mechanism ("CDM"). The Certified Emission Reductions (CERs) of the scheme was used to achieve carbon neutrality. In the 19th Asian Games Hangzhou 2022 and the 4th Asian Para Games Hangzhou 2022. The project uses local cotton to generate electricity and sell the generated electricity to the Hebei power grid as a replacement for coal-fired power plants, reducing greenhouse gas emissions, improve resource utilization, protect the environment, and provide employment opportunities and increase incomes for local residents.



ENVIRONMENT, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

| Aspect | Content | Section/Statement |
|----------------------------------|---|--|
| Mandatory Disclosure Requirement | | |
| Governance Structure | A statement from the Board containing the following elements: 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 of, 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: (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 |
| KPI A1.1 | The types of emissions and respective emissions data. | The Group's business does not involve significant hazardous waste. |
| KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity. | |
| KPI A1.3 | Total hazardous waste produced in tonnes and, where appropriate, intensity. | |
| KPI A1.4 | Total non-hazardous waste in tonnes produced and, where appropriate, intensity. | Creating Values for the Environment |
| KPI A1.5 | Description of emissions target(s) set and steps taken to achieve them. | Creating Values for the Environment |
| 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. | |

| 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 |
| KPI A2.1 | Direct and/or indirect energy consumption by type in total (kWh in'000s) and intensity. | |
| KPI A2.2 | Water consumption in total and intensity | |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | |
| 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. | |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | The business of the Group does not involve the production of major packaging materials. |
| 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 |
| KPI 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 |
| KPI 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 | | |
| 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 |
| KPI B1.1 | Total workforce by gender, employment type, age group, and geographical region. | |
| KPI 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 |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | |
| KPI B2.2 | Lost days due to work injury. | |
| KPI 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 |
| KPI B3.1 | The percentage of employees trained by gender and employee category. | |
| KPI 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 |
| KPI B4.1 | Description of measures to review employment practices to avoid the child and forced labour. | |
| KPI 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 |
| KPI B5.1 | Number of suppliers by geographical region. | |
| 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. | |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | |
| KPI 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, labeling, and privacy matters relating to products and services provided, and methods of redress. | Creating Values for Customers |
| KPI 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. |
| KPI B6.2 | Number of products and service-related complaints received and how they are dealt with. | Creating Values for Customers |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | |
| KPI B6.4 | Description of quality assurance process and recall procedures. | The Group is not involved in product manufacturing. |
| KPI 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 |
| 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. | |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | |
| KPI 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 take into consideration the communities’ interests. | Creating Values for the Community |
| KPI B8.1 | Focus areas of contribution. | |
| KPI B8.2 | Resources contributed to the focus area. | |



Spring NO.3, partial screen | Zhou Li | 2023 | mixed media on canvas | 130 x 160 cm
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**CAYMAN ISLANDS PRINCIPAL
SHARE REGISTRAR AND TRANSFER OFFICE**

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**HONG KONG BRANCH
SHARE REGISTRAR AND TRANSFER OFFICE**

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STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 01777

REGISTERED OFFICE

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