



Prosperous Blossoms, partial screen | Liang Ying | 2021 | color on paper | 290 cm x 140 cm x 7  
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# 2025

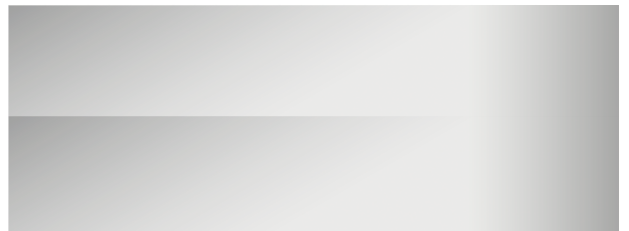
## Environmental, Social and Governance Report

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”	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 2025 issued by the Group;
“Reporting Period” and “Year” or “Year 2025”	refers to	1 January 2025 to 31 December 2025;
“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;
“Code”	refers to	the “Environmental, Social, and Governance Reporting Code” 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 27 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.



#### 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.



#### 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
- Diligent and Value-oriented: 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 Competitive Strategy

- Product Strategy: Art + Technology
- Product Means: Locality + Contemporaneity



#### Product Proposition

- Joyful: Curious, Exuberant, Fearless; Pursuit of Excellence through Careful Choices
- Colourful: Universal, Insightful, Evolving; Advanced Balance
- Meaningful: Original, Entertaining, Free; Art Is Life

## ABOUT THIS REPORT

The Group is pleased to release its Environmental, Social, and Governance (“ESG”) Report 2025, 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](mailto: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 2025 to 31 December 2025. 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 Code” (the “Code”) contained in Appendix C2 of the Listing Rules of the Stock Exchange.

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

	<b>Definition:</b>	<b>Response from the Group:</b>
<b>Materiality</b>	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.
<b>Quantitative</b>	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 Code, 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.
<b>Consistency</b>	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.	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](http://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 adheres to the brand concept of “creating value with aspirations” and integrates sustainable development into the daily operation of enterprises. While driving business growth, we place equal emphasis on environmental protection, social responsibility, and economic value, working together with our customers and partners to create a more sustainable and value-driven future. Our “Sustainable Finance Framework” has been certified by the international rating agency Sustainalytics. Through green financing instruments, we promote low-carbon development and green living, actively supporting the achievement of national carbon neutrality goals.

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.

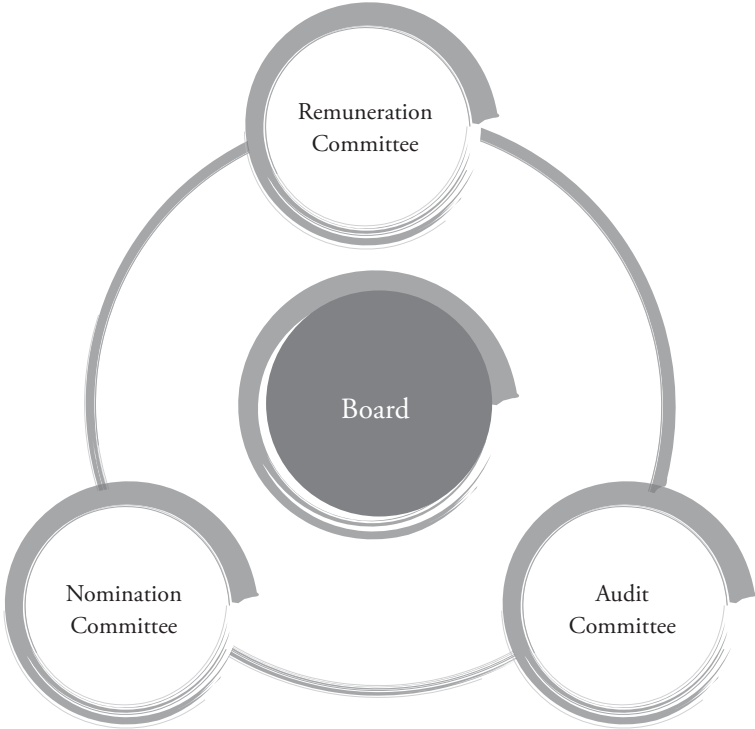
- **Creating Values for Customers:**  
Fulfill the brand proposition of “creating and enriching user value”, construct the best property projects and create a brilliant life for customers.
- **Creating Values for Supply Chain:**  
Strengthen collaboration with partners, and promote positive development 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.

Creating Value  
with Aspirations



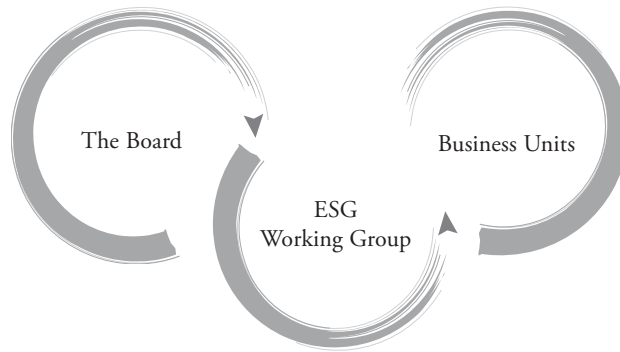
### Corporate Governance

The Group places strong emphasis on corporate governance and is committed to maintaining high standards of governance practices, supported by a sound and transparent governance structure. We believe that robust corporate governance not only enhances operational efficiency but also strengthens stakeholder trust, thereby laying a solid foundation for sustainable development. Under the Board, three dedicated committees have been established. Each committee regularly reviews and evaluates its effectiveness in accordance with its respective terms of reference, ensuring that decision-making and oversight mechanisms operate effectively. The Group will continue to review and refine its governance framework to further enhance its corporate governance standards. For further details on the Group’s corporate governance practices, please refer to the Corporate Governance Report contained in the 2025 Annual Report.



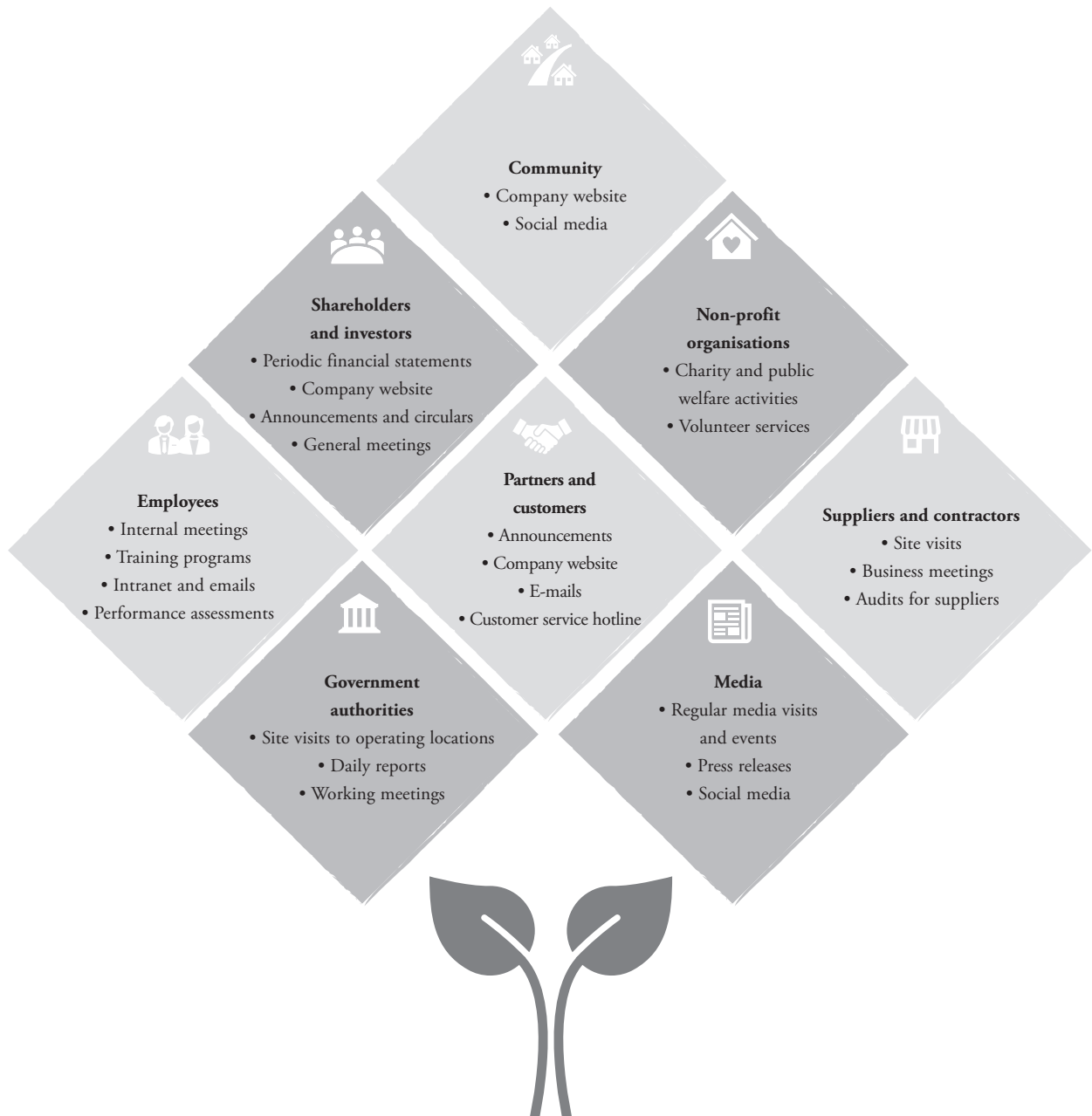
### Sustainability Governance

The Board is the highest decision-making unit for the Group’s sustainability issues. It is responsible for formulating ESG strategies and targets, and for regularly reviewing and overseeing related risks and performance. The Board comprehensively manages the significant risks faced by the Group, actively drives the vision and direction of sustainable development, and ensures the effective implementation and ongoing execution of relevant strategies. 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 dedicated 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, refer to 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)
<b>Responsibility for Environment</b>		
1.	<b>Risks associated with climate change (such as typhoons, floods, etc.)</b>	<b>Most Important</b>
2.	<b>Energy management</b>	<b>Most Important</b>
3.	<b>Sustainable building</b>	<b>Most Important</b>
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
<b>Operating Practices</b>		
9.	<b>Anti-corruption policy</b>	<b>Most Important</b>
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
<b>Employment and Labour Practices</b>		
15.	<b>Occupational safety and health</b>	<b>Most Important</b>
16.	<b>Employee benefits (including salary, working hours, leaves, and benefits)</b>	<b>Most Important</b>
17.	<b>Training and development</b>	<b>Most Important</b>
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
<b>Community</b>		
21.	<b>Charitable donations</b>	<b>Most Important</b>
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, including resolutely combat all forms of 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

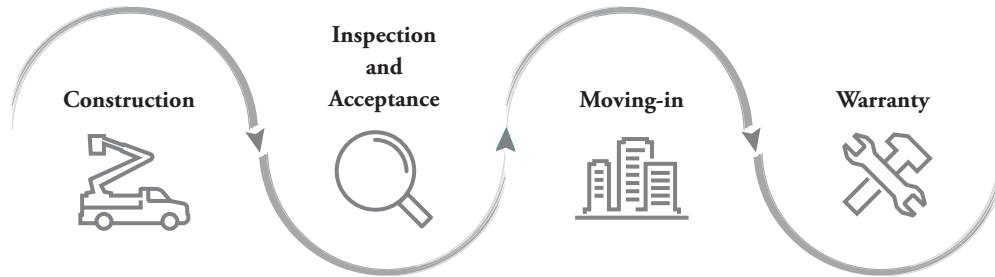


Fantasia adheres to the operating philosophy of “build with heart”, committed to developing high-quality real estate projects that combine warmth, quality and assurance. We focus on customer needs and strive to provide excellent service to create lasting value for our customers. Through professional 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”; and
“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 16 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, façades, 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.
- A site open day activity is organised approximately two months prior to project delivery. During the later stages of construction, when the site meets the conditions for access, customers are invited to experience the construction progress firsthand. This initiative aims to alleviate customers’ anxiety while awaiting handover, reduce the likelihood of product defects upon move-in, and ease delivery pressure in advance.
- 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

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), to continuously enhance service processes and improve customer experience. 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 Group attaches great importance to the protection of personal data and information security. Given that our daily operations involve sensitive information, including customers’ personal data, financial information, and the Group’s confidential information, we handle and safeguard all data with due care and in strict compliance with applicable laws, regulations, and internal management policies. The Group continues to enhance its data protection and confidentiality mechanisms to ensure that the collection, use, storage, and transmission of information comply with relevant requirements, thereby effectively safeguarding stakeholders’ rights and interests as well as information security. 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

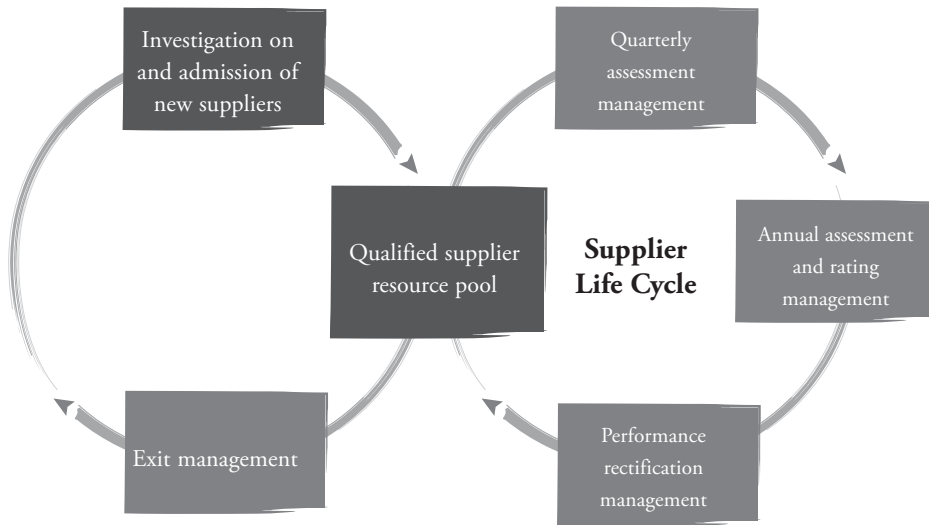
For advertising and promotion, we have formulated the “Manuscript Review System” (審稿制度). The person in charge of our Sales Management Department is required to conduct an internal review in accordance with the “VI Design Code Manual” (VI設計規範手冊) and the Advertising Law, and assess various risks before 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 situations. 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 Chinese Mainland, 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 onsite 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”; and
“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 2025, the Group had a total of 83 employees, of which all are full-time employees and are from Chinese Mainland. 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)	2025	2024
<b>By gender</b>		
Male	40	50
Female	43	45
<b>By employee category</b>		
Senior management	8	6
Mid-level management	16	21
General staff	59	68
<b>By age group</b>		
20 or below	0	0
21-30	4	7
31-40	52	56
41-50	24	31
51-60	3	1
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 <sup>1</sup>	2025
<b>By age</b>	
20 or below	0%
21-30	100%
31-40	17%
41-50	29%
51-60	0%
above 60	0%
<b>By gender</b>	
Male	20%
Female	28%
<b>By geographical region</b>	
Chinese Mainland	24%

<sup>1</sup> The calculation method of turnover rate is (the number of employees who left / the number of employees as at 31 December 2025) 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 Chinese Mainland. In addition, we also provide employees with ample and diversified benefits and activities:

 <p>Cash Benefits</p> <ul style="list-style-type: none"> <li>• Transportation subsidy</li> <li>• Red pocket for Chinese New Year</li> <li>• Off-site subsidy</li> </ul>	 <p>Employee Care</p> <ul style="list-style-type: none"> <li>• Annual physical examination</li> <li>• Department gatherings</li> <li>• Group-level annual dinner</li> <li>• Annual commendation conference</li> <li>• Birthday greetings</li> <li>• Free parking</li> <li>• Afternoon tea break</li> <li>• Staff canteen</li> </ul>
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### Emphasis on Two-Way Communication

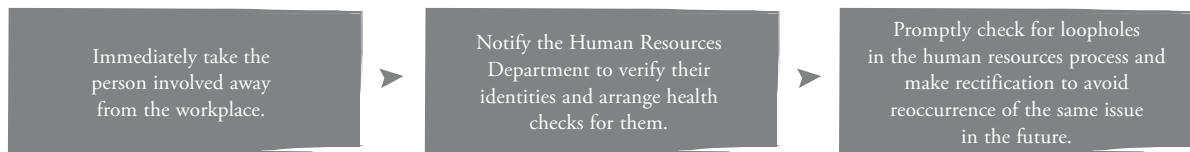
Fantasia focuses on building a bridge of two-way communication with employees and actively listening to their voices to improve work efficiency and service quality. We are committed to creating a simple, open and transparent working atmosphere to promote the establishment of sincere friendship among employees and cultivate harmonious and sincere working relationships. At the same time, we encourage employees to exercise innovative thinking and contribute ideas for the Company’s sustainable development, working together to drive the Company toward a brighter 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	2025
<b>By gender</b>	
Male	65%
Female	70%
<b>By employee category</b>	
Senior management	25%
Mid-level management	50%
General staff	78%

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	2025
<b>By gender</b>	
Male	3.76
Female	3.93
<b>By employee category</b>	
Senior management	0.63
Mid-level management	16.31
General staff	0.91

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 Enhancement

To continuously enhance service quality and operational efficiency, Fantasia International Property convened its mid-year performance review meeting in July 2025 to comprehensively assess its operating and service management performance for the first half of the year. The meeting was attended by regional management, key personnel from various functional departments, and project leaders. Discussions focused on core areas including service quality, standardised management, safety control, and efficiency enhancement, with a systematic evaluation of project performance. Taking into account industry development trends and the Group’s annual objectives, regional management outlined key priorities for the second half of the year. Clear guidance was provided under the principles of “service-oriented approach, standardised operations, safety first, and quality and efficiency enhancement,” with an emphasis on strengthening process control and execution capabilities, as well as continuously improving the professional competence and core competitiveness of the team. Through regular performance reviews and a target management mechanism, the Group continues to refine its quality management system, ensuring effective implementation of service standards, promoting high-quality project development, and providing property owners with stable, safe, and high-quality property management services.



### Pre-Holiday Special Safety Inspection

To safeguard the personal and property safety of residents during the festive period, Fantasia International Property launched a comprehensive special safety inspection campaign prior to the 2025 Chinese New Year. The inspection focused on key facilities, including fire protection systems, elevator operating systems, lighting in common areas, and surveillance equipment, ensuring that all facilities were functioning properly and that potential risks were promptly identified and rectified. Through systematic inspections and preventive maintenance measures, pre-holiday safety controls were strengthened, enhancing the overall level of community safety assurance. During the holiday period, property service centres maintained basic operations and duty arrangements, continuing to provide services such as move-in assistance, cleaning and sanitation, landscaping maintenance, and equipment upkeep. Dedicated personnel were assigned to handle residents' enquiries, feedback, and emergency matters to ensure uninterrupted service delivery. In light of residents travelling during the holidays, the property management team also proactively issued safety reminders, encouraging residents to switch off main water, electricity, and gas valves, inspect electrical wiring, and properly manage equipment left unused for extended periods, thereby reducing the risk of fire and other safety incidents.

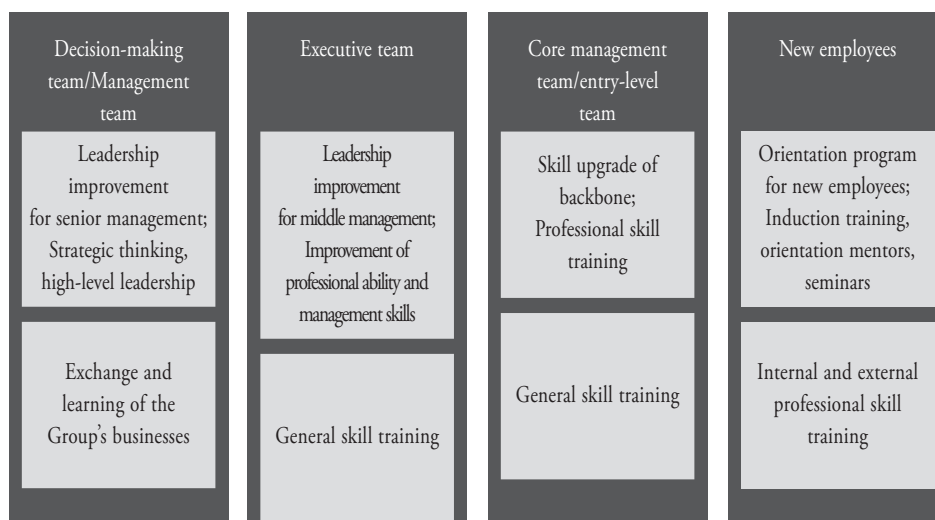


### Safety Training and Skill Upgrading

To maintain sound operational order across managed projects and strengthen coordinated inspection capabilities within management areas, the Group continues to promote a professional training mechanism for security personnel. Through systematic training programmes and practical drills, we enhance frontline staff's risk identification capabilities and emergency response skills. Training content covers fire safety knowledge, equipment operation standards, inspection management requirements, and emergency response procedures, ensuring that safety management is executed in a standardised and professional manner.

During the Reporting Period, in alignment with the National Fire Safety Awareness Month and to enhance employees' fire safety awareness and emergency response capabilities, the Group organised dedicated hands-on fire safety training sessions and invited professional institutions to provide expert guidance. The training focused on practical drills, including simulated evacuation exercises and skills training, to test the effectiveness of emergency response plans and team coordination. Drills were designed based on real property management scenarios and followed the standard process of "alarm – response – evacuation – rescue", strengthening employees' fire emergency response and safe evacuation capabilities.

Training topics included the proper use of firefighting equipment, electrical safety, and fire prevention management. Through scenario-based instruction, participation and skill mastery were further enhanced. By adopting an integrated approach of "drills, training, and awareness promotion", the Group further reinforced grassroots safety management capabilities and enhanced community risk prevention and control standards.



### 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 was no case of work-related injury, with no lost days due to work injury. In the event of a work injury, we will handle the case according to the work injury recognition procedure. Statistics for the past three years are as follows:

Statistical indicators	2025	2024	2023
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 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”, Fantasia Public Welfare 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. In September 2025, an Outstanding Teachers Recognition Event was held to provide awards and support to 15 frontline teachers who have long been dedicated to rural education. The initiative aimed to strengthen the stability of rural teaching staff and contribute to enhancing the quality of grassroots education.



2025 Fantasia · Hope Primary School Outstanding Teachers Recognition Conference

### Education Welfare

Since 2006, the Charity Foundation has been continuously supported the construction of Fantasia Hope Primary School in Tongping Town, Jian County, Jiangxi Province. Over 19 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). The supported school has developed into a well-equipped six-year primary school in the rural area and now also covers pre-primary education



Fantasia Hope Primary School

The covered walkway connecting the Longnian Teaching Building and the student canteen at Ji'an Fantasia Hope Primary School, funded and constructed by the Shenzhen Fantasia Charity Foundation, has been officially put into use. The covered corridor greatly facilitates students' movement between the two buildings during extreme heat and rainy weather, providing shade and shelter while ensuring safer access to classes and meals. This initiative further enhances the overall safety infrastructure of the campus.

In addition to its long-term investment in campus hardware facilities, the Fantasia Charity Foundation places strong emphasis on the physical and psychological development of left-behind children. Taking into account their developmental characteristics and needs, the Foundation has implemented a boarding school management model. Beyond completing the nationally mandated curriculum, the school has introduced a range of enrichment programmes under the "Rainbow Classes" initiative, including Chinese classics studies, music, fine arts, and football. Aesthetic education, care education, and gratitude education are systematically integrated into daily teaching to promote students' holistic development. At the same time, with "Arts + Sports" as its core care strategy, the Foundation carries out a variety of initiatives, including charitable education sponsorship programmes, volunteer teaching schemes, one-on-one assistance for students in need, summer camps, and urban experience activities. These are complemented by material support programmes aimed at systematically improving school facilities and educational quality. Such initiatives not only enhance the learning environment but also focus on fostering sound character and comprehensive competencies, supporting left-behind children in achieving well-rounded growth and long-term development.

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”; and
“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





Details of the Group's air emissions and energy consumption data for the Reporting Period and the previous financial year are set out below:

Indicator	Unit	2025	2024
Nitrogen oxides (NOx)	Kg	5.86	7.43
Sulphur oxides (SOx)	Kg	0.15	0.19
Particulate matter (PM)	Kg	0.43	0.55

### Energy Consumption

Indicator	Unit	2025	2024
Total energy consumption	MWh	556.83	570.66
• Direct energy consumption – Unleaded petrol	MWh	91.36	116.01
• Indirect energy consumption – Purchased electricity	MWh	465.47	454.65
Intensity of total energy consumption	MWh/sq.m.	0.07	0.07

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	2025	2024
Total non-hazardous waste produced	Tonnes	0.219	1.689
• Paper	Tonnes	0.019	0.123
• Other domestic waste	Tonnes	0.200	1.566
Intensity of total non-hazardous waste produced	Kg/sq.m.	0.028	0.213

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	2025	2024
Total water consumption	m <sup>3</sup>	12,624	11,000
Intensity of total water consumption	m <sup>3</sup> /sq.m.	1.59	1.39

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

### Governance

The Group recognises that the physical and transition risks arising from climate change are reshaping the operating environment. From increasingly frequent and severe natural disasters to the advancement of China's "Dual Carbon" goals and the enhanced disclosure requirements of the Stock Exchange, climate-related developments continue to present both challenges and obligations. In response, we have proactively implemented various emission reduction measures and participated in climate initiatives to optimise our business operations and enhance energy efficiency. Through these efforts, we aim to reduce pollutant and greenhouse gas emissions and contribute to climate change mitigation.

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.

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 cold, cold, hot summer and cold winter, hot summer and 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.

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 will continue to monitor and assess the impact of climate change on the Group. Through these comprehensive policies, we are committed to managing carbon emissions, energy consumption, and related risks in order to minimise our environmental footprint. In addition, we actively foster environmental awareness among our employees and encourage them to integrate sustainable practices into their daily work.

## STRATEGY AND RISK ASSESSMENT

## Climate Risk Assessment

During the Reporting Period, we took further steps by engaging professional consultants to conduct relevant analyses. With reference to industry benchmarking results, we carried out a preliminary assessment of climate-related risks associated with our business operations. In accordance with the HKEX Implementation Guidance and prevailing market practices, we categorised climate-related risks into two time horizons: short term (immediate to within 5 years) and medium term (5 to 24 years). The table below summarises the climate-related risks identified by the Group and their potential impacts:

Affected businesses	Time horizons	The impact of climate-related risks on the business	Impact on the value chain (employees/customers/suppliers/insurers/investors)	Strategy and decision-making
<b>Transition risks:</b> implementation of low-carbon policies or regulatory requirements, low-carbon economic transformation, market fluctuations, peer competition comparison				
Real estate development	Short to medium-term	<ul style="list-style-type: none"> <li>With the increasing global concern about climate change, China's "dual carbon" goal and HKEX's requirement for companies to provide more detailed and quantitative ESG and climate-related disclosures, insufficient disclosure may result in regulatory penalties and impact reputation.</li> <li>At the same time, emission reduction investments from upstream suppliers may push up raw material prices.</li> <li>In order to meet the green procurement standards of downstream customers, the process needs to be optimized, which may also increase manufacturing costs.</li> </ul>	<ul style="list-style-type: none"> <li>Investors may factor climate performance into their investment evaluations, and a downgrade could affect investor confidence.</li> <li>Insufficient disclosure may affect the Group's reputation.</li> <li>Suppliers may face rising costs, while customers may face higher prices.</li> <li>Customers include ESG weights in their purchasing decisions.</li> <li>Clients may require the Group to provide carbon data to comply with their Scope 3 emissions disclosure requirements.</li> </ul>	<ul style="list-style-type: none"> <li>The Group integrates climate change risks into its overall risk management framework and regularly assesses its potential impact on business strategies.</li> <li>The Group engages professional consultants to enhance information disclosure</li> <li>The Group closely monitors changes in environmental regulations and climate policies in countries and locations where it operates to ensure timely compliance with business operations</li> </ul>
<b>Physical risks:</b> Extreme weather and natural disasters are more frequent and more intense. At the same time, the average temperature rises/the rainfall pattern changes				
Real estate development	Short to medium-term	<ul style="list-style-type: none"> <li>Damage caused by strong typhoons or heavy rains, or flooding caused by flooding, may damage equipment, cause power outages, force property shutdowns, and cause direct economic losses and maintenance costs.</li> <li>Persistent high temperatures may increase the load on the cooling system and electricity expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>Employees face increased commuting safety risks during extreme weather, while high-temperature working environments increased the risk of heat stroke and work-related injuries.</li> <li>Insurance companies may increase property insurance rates or tighten coverage terms due to increased risk of claims.</li> <li>Damage to the Group's facilities</li> <li>Public services such as water and electricity are blocked or stopped</li> </ul>	<ul style="list-style-type: none"> <li>The "Design Standards for Building Energy Efficiency" have been formulated, and climatic factors are taken into account in architectural design according to the national building thermal design zoning.</li> <li>Strengthen flood control preparations and defense measures</li> </ul>



### Climate-related Opportunities

Although climate change poses risks to businesses, it also creates opportunities for business development. This drives us to continuously innovate in our core business, accelerate the transition to a low-carbon economy model, and maintain a competitive edge in the market. We are actively exploring new growth avenues for our business segments, proactively identifying and capitalizing on the business opportunities presented by climate action, and striving to achieve a win-win situation for environmental protection and business growth.

### Climate Resilience

We have conducted a climate-related scenario analysis in 2025 to assess the climate resilience of our business model under different climate pathways, with input data and results as follows:

Scope	<ul style="list-style-type: none"> <li>Consistent with the scope of this ESG report</li> </ul>
Scenarios Used	
Name and Description	<p>Network for Greening the Financial System (“NGFS”) Current Policies (representing a pessimistic pathway) – This scenario assumes that only currently implemented policies are preserved, leading to high physical risks.</p> <p>NGFS Net Zero 2050 (representing an optimistic pathway) – This scenario limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero carbon dioxide emissions around 2050.</p>
Rationale	<ul style="list-style-type: none"> <li>Industry sector – The NGFS framework is applicable to a wide range of industries and covers the Group’s operations.</li> <li>Type of risks to be assessed – The scenarios developed refer to the NGFS framework and cover the transformation risks we assessed.</li> <li>Scenarios with high contrast – The NGFS Current Policies and Net Zero 2050 scenarios are equivalent to &gt;3 °C and &lt;1.5 °C, respectively, as stated in the Paris Agreement</li> <li>Time horizons determined and alignment to latest international agreements – The scenarios selected provide time frames (Up to 2100) that align with our strategic planning time horizon (Up to 2050) and align with the Paris Agreement (Up to 2050)</li> </ul>
Time Horizons	
Short-term	2030
Medium-term	2050
Assumption Conditions	<ul style="list-style-type: none"> <li>The analysis was conducted in 2025 and expected the parameters (e.g. the greenhouse gas emissions and operating costs) will remain broadly comparable over the time horizons.</li> </ul>

## QUALITATIVE DESCRIPTION

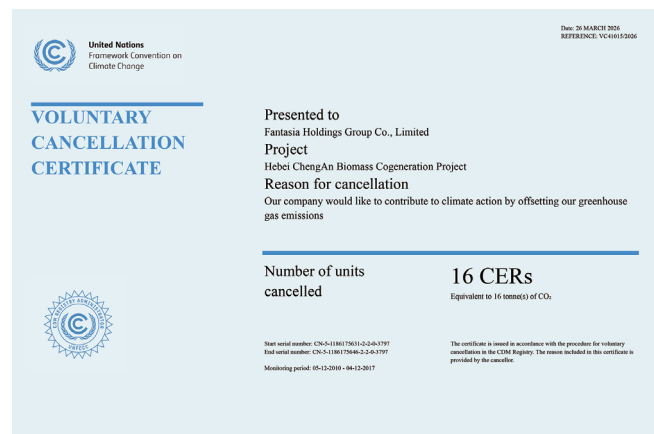
Risk	Relevance and Assumptions	NGFS Net Zero 2050	NGFS Current Policies
<p>Increased cost of carbon Pricing</p>	<p>In assessing this risk, we use greenhouse gas emissions and operating costs for the annual reporting period ended 31 December 2025 as a reference and assume that these parameters will remain broadly similar over the time horizon.</p> <p>This assessment is subject to a number of uncertainties, including future policy developments, carbon market conditions, and technological advancements. The potential impact assumptions in the short and medium term are broadly similar. Nevertheless, we will explore ways to quantify the impact in the future.</p> <p>We will continue to monitor regulatory developments and explore opportunities to reduce greenhouse gas emissions.</p>	<p>Under this scenario, climate policies are expected to continue to tighten over time, and regulatory requirements will become stricter, which may drive up carbon pricing levels. Once the carbon pricing mechanism is more widely adopted or further strengthened, the Group's operating costs may increase significantly as a result.</p>	<p>Under this scenario, climate policies are assumed to continue broadly in line with existing commitments. As a result, potential cost impacts associated with carbon pricing are expected to be comparatively more moderate, although policy developments remain uncertain.</p>

## METRICS AND TARGET

According to the guidelines of Appendix 2 “Environmental Key Performance Indicator Reporting Guidelines” and “Greenhouse Gas Protocol” issued by the Stock Exchange, the emissions data are as follows:

Greenhouse Gas Emissions <sup>2</sup>	Unit	2025	2024
Total direct greenhouse gas emissions (Scope 1) <sup>3</sup>	Tonnes of CO <sub>2</sub> equivalent	26.77	33.89
Total energy indirect greenhouse gas emissions (Scope 2) (location-based) <sup>4</sup>	Tonnes of CO <sub>2</sub> equivalent	268.90	259.29
Total greenhouse gas emissions (Scope 1 and Scope 2)	Tonnes of CO <sub>2</sub> equivalent	295.68	293.18
Density (Scope 1 & Scope 2)	Tonnes of CO <sub>2</sub> equivalent/sq.m	0.04	0.04
Total other indirect greenhouse gas emissions (Scope 3) <sup>5</sup>	Tonnes of CO <sub>2</sub> equivalent	10.15	/

We actively respond to the national “dual carbon” goal and encourage employees to actively save energy. We have set our own climate-related goals, participate in at least one climate-related event or initiative every year, and actively work with various sectors to further respond to energy conservation and emission reduction, promote carbon reduction actions, and contribute to the achievement of carbon neutrality goals. During the Reporting Period, we have engaged Riskory Consultancy Limited, a third-party ESG consultant qualified as a carbon auditor and carbon emission trader, to conduct a carbon audit for us and offset greenhouse gas emissions using carbon credit schemes. The carbon offset project we have chosen is the Hebei ChengAn Biomass Cogeneration Project (Project No.: 3797) of the United Nations Clean Development Mechanism (“CDM”). The project’s certified emission reductions (CERS) were also used for the 2022 Hangzhou Asian Games and the 2022 Hangzhou Asian Paralympic Games to achieve carbon neutrality. The project uses local cotton to generate electricity, and the generated electricity is sold to the Hebei Provincial Power Grid to replace coal-fired power plants, reducing greenhouse gas emissions, improving resource utilization, protecting the environment, and providing employment opportunities and increasing income for local residents. In the future, we will continue to identify business activities that may have an impact on the environment and formulate corresponding improvement measures to further reduce the possible negative impact of our operations on climate change.



<sup>2</sup> The calculation standards and methodologies for GHG emissions are based on “Appendix 2: Reporting Guidance on Environmental KPIs” of “How to Prepare an ESG Report” by HKEX and the Greenhouse Gas Protocol (“GHG Protocol”).

<sup>3</sup> Scope 1 emissions included direct GHG emissions from the combustion of fuels in mobile sources. The Emission Factors adopted are based on “Appendix 2: Reporting Guidance on Environmental KPIs” published by the HKEX and guidance from the U.S. Environmental Protection Agency. The Global Warming Potential (“GWP”) rates from the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report (AR6).

<sup>4</sup> Scope 2 emissions included indirect GHG emissions from the consumption of purchased electricity. The emission factor for Chinese Mainland-based operations referenced the Ministry of Ecology and Environment of the People’s Republic of China.

<sup>5</sup> Due to the complexity of Scope 3 emissions and the broad range of categories involved, current disclosure is limited to cover Category 1 – Purchased goods and services (freshwater processing) and Category 5 – Waste generated in operations (wastewater treatment) as defined by the GHG Protocol. Emission factors adopted are from the latest Annual Report from the Water Supplies Department and the latest Environmental, Social and Governance Report from the Drainage Services Department in Hong Kong.

THE MAIN BOARD LISTING RULE OF THE STOCK EXCHANGE APPENDIX C2  
“ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE” INDEX

Aspect	Content	Relevant Section
Mandatory Disclosure Requirement		
Governance Structure	A statement from the Board containing the following elements: <ol style="list-style-type: none"> <li>i. a disclosure of the Board’s oversight of ESG issues;</li> <li>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</li> <li>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.</li> </ol>	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: <ol style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ol>	Creating Values for the Environment
KPI A1.1	The types of emissions and respective emissions data.	
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced in tonnes and, where appropriate, intensity.	The Group’s business does not involve hazardous waste.
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.	
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	Relevant Section
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 Repealed 1 January 2025		
KPI A4.1	Repealed 1 January 2025	
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	Relevant Section
<b>B2 Health and Safety</b>		
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.	
<b>B3 Development and Training</b>		
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.	
<b>B4 Labour Standards</b>		
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.	
<b>B5 Supply Chain Management</b>		
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	Relevant Section
<b>B6 Product Responsibility</b>		
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
<b>B7 Anti-corruption</b>		
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.	
<b>B8 Community Investment</b>		
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.	

## PART D: CLIMATE-RELATED DISCLOSURES

Relevant provisions	Corresponding report section	Notes and/or direct explanations
Governance		
19(a)(i)-(iii)	Climate Change – Governance	disclosed.
19(a) (iv)	Not applicable	Climate-related factors have not yet been included in the compensation policy.
19(b)(i)-(ii)	Climate change – governance, strategy and risk assessment	disclosed.
Strategy		
20(a)-(d)	Climate Change – Strategy and risk assessment	disclosed.
21(a)-(b)	Climate Change – Strategy and risk assessment	disclosed.
22(a)(i)	Climate Change – Strategy and risk assessment	disclosed.
22(a)(ii)	Climate Change – Strategy and risk assessment	disclosed.
22(a)(iii)	Climate Change – Strategy and risk assessment	The Group does not have any climate-related transition plans.
22(a)(iv)	Climate Change – Strategy and risk assessment	disclosed.
22(b)	Climate Change – Strategy and risk assessment	disclosed.
23	Climate change – Strategy and risk assessment, metrics and targets	disclosed.
24(a)-(b)	Not applicable	The current and expected financial impact analysis of climate-related risks and opportunities is still in the data optimization stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.
25(a)-(b)	Not applicable	The current and expected financial impact analysis of climate-related risks and opportunities is still in the data optimization stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.
26(a)(i)	Climate change – Strategy and risk assessment, climate resilience	The analysis of climate resilience is still in the preliminary evaluation stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.
26(a)(ii)	Climate Change – Climate Resilience	The analysis of climate resilience is still in the preliminary evaluation stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.
26(a)(iii)	Climate Change – Strategy and risk assessment	disclosed.
26(b)(i)-(iii)	Climate Change – Climate Resilience	The analysis of climate resilience is still in the preliminary evaluation stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.

Relevant provisions	Corresponding report section	Notes and/or direct explanations
Risk management		
27(a)	Climate change – governance, Strategy and risk assessment	disclosed.
27(b)	Climate change – governance, Strategy and risk assessment	The Group does not have a monitoring process in place to assess climate opportunities.
27(c)	Climate change – governance, Strategy and risk assessment	disclosed.
Indicators and Targets		
28(a)-(c)	Climate change – metrics and targets	disclosed.
29(a)-(d)	Climate change – metrics and targets	disclosed.
30	Not applicable	The amount of assets or business activities related to climate-related risks and opportunities is still in the data optimization stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.
31	Not applicable	The amount of assets or business activities related to climate-related risks and opportunities is still in the data optimization stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.
32	Not applicable	The amount of assets or business activities related to climate-related risks and opportunities is still in the data optimization stage, and we plan to disclose it as feasible in the future to ensure the accuracy of the content.
33	Not applicable	The amount of capital expenditure, financing or investment in climate-related risks and opportunities is still in the data optimization stage, and we plan to disclose it where feasible in the future to ensure the accuracy of the content.
34(a)-(b)	Not applicable	We do not currently apply carbon pricing to our decision-making.
35	Not applicable	Climate-related factors have not yet been included in the compensation policy.
36	Not applicable	The Group will consider adding additional disclosure content in accordance with this voluntary disclosure requirement in the future.
37(a)-(h)	Climate change – metrics and targets	disclosed.
38(a)-(c)	Climate change – metrics and targets	disclosed.
38(d)	Not applicable	As the Reporting Period is the first year of the Group's target, the relevant disclosure requirements do not apply.
39	climate change – strategy and risk assessment, metrics and Targets	disclosed.
40(a)-(e)	Not applicable	As the targets set by the Group are not greenhouse gas emission targets, the relevant disclosure requirements do not apply.



Prosperous Blossoms, partial screen | Liang Ying | 2021 | color on paper | 290 cm × 140 cm × 7  
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