



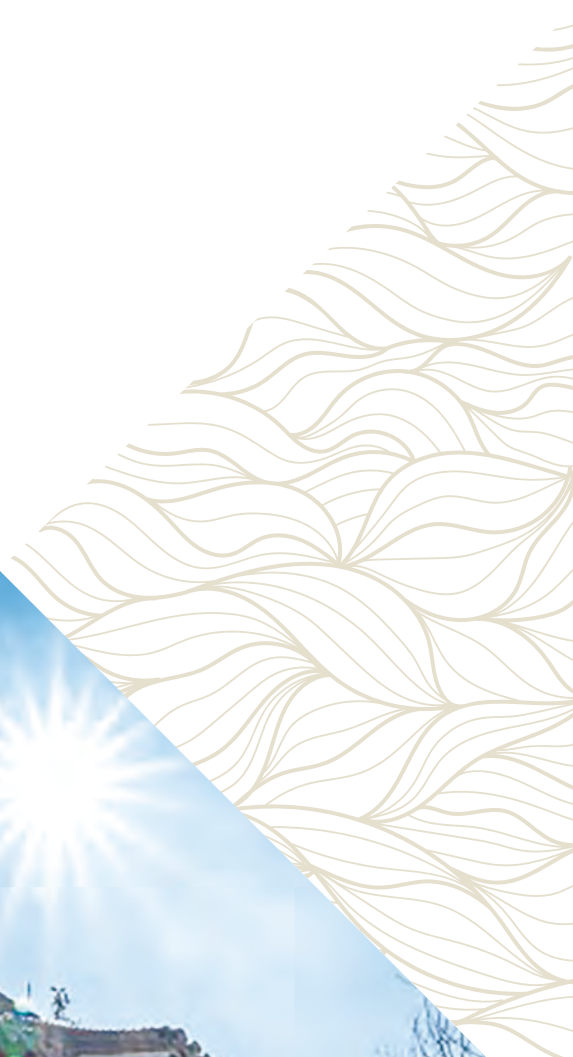
# JY GRANDMARK HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*  
Stock Code: 2231



# 2022

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



# CONTENTS

<b>2</b>	1.	About JY Grandmark
<b>4</b>	2.	About This Report
<b>6</b>	3.	Sustainable Development Philosophy
<b>18</b>	4.	Present Eco-friendly and People-oriented Property with Ingenuity
<b>39</b>	5.	Build a Better Future Together with Employees
<b>51</b>	6.	Stand Shoulder to Shoulder to Achieve Win-win Cooperation
<b>56</b>	7.	Maintaining Integrity and Compliance for a New Chapter of Probity
<b>60</b>	8.	Low Carbon and Environmental Protection for a Green Picture
<b>77</b>	9.	Moistening the Community Home by Warmth of Heart and Actions
<b>83</b>	10.	Major Honours and Awards in 2022
<b>85</b>	11.	Appendices
<b>94</b>	12.	Corporate Information

# 1. ABOUT JY GRANDMARK

## Overview

This report is the fourth Environmental, Social and Governance Report (this “Report”) of JY Grandmark Holdings Limited (the “Company” or “JY Grandmark”, together with its subsidiaries, the “Group”, “JY Grandmark Group” or “we”), which is intended to give a true picture of the Group’s performance of environmental, social and governance (“ESG”) responsibilities in 2022.

## About JY Grandmark

JY Grandmark is a property developer, operator and property management service provider based in the People’s Republic of China (the “PRC” or “State”). It runs four principal businesses, namely (i) property development and sales, (ii) hotel operations, (iii) property management and (iv) commercial property investment. The shares of JY Grandmark were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in December 2019 and the Group has been included as a constituent of the MSCI China Small Cap Index since May 2020.



## 1. ABOUT JY GRANDMARK (CONTINUED)

JY Grandmark has land resources in Guangdong, Hainan, Yunnan, Jiangsu and Hunan provinces for its future development. As at 31 December 2022, the Group had a land bank of approximately 3.9 million sq.m. on an attributable basis. The Group positions itself as an “Eco-friendly and People-oriented Property Developer” and acquires land reserves in strategic locations with abundant natural resources, rich culture and potential for growth. The Group takes into account the natural and cultural resources of its project sites in the design of properties to develop homes and communities that the Group considers to be truly livable for buyers. This accurate positioning differentiates the Group from other property developers in the PRC.

### Corporate Philosophy

#### Ethics

The Group establishes its reputation by constructing properties and providing lifestyle services with business ethics and the spirit of the craftsman, thus building its trustworthiness and brand equity. It goes far with a prudent approach to business.

#### Thoughtfulness

The Group always tries to innovate and actively explore new ways to develop its business in the new era. It makes progress by developing products and services that can improve life dramatically.

#### Integrity

The Group attaches great importance to integrity and remains committed to its original aspirations, and as such, it provides lifestyle services, undertakes urban development and contributes to society’s development with the spirit of the craftsman and kindness.



## 2. ABOUT THIS REPORT

### 2.1. Reporting Scope

Unless specifically stated, the policies, statements, information and others in this Report cover the actual business scope of JY Grandmark Holdings Limited. The reporting period is from 1 January 2022 to 31 December 2022 (the “Year”). This Report mainly focuses on the ESG management issues related to the core businesses of the JY Grandmark Group.

### 2.2. Reporting Guideline

This Report is prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange, making sure that this Report presents the ESG issues that stakeholders focus on and the content is clear, quantitative and comparative.

Reporting Principles		Response of the Group
<b>Materiality</b>	The issues covered in this Report should reflect the significant impact of the Group on the economy, environment and society, or scopes that substantially affect the assessment and decision of stakeholders.	The Group identifies current material sustainable development issues after communicating continuously with stakeholders, and considering its development strategy as well as industry and business conditions.
<b>Quantitative</b>	Key performance indicators disclosed in this Report need to be measurable, in this way the effectiveness of ESG policies and management systems can be evaluated and validated.	The Group has made quantitative disclosure about the information of key performance indicators of the Year, and provided explanations in writing.
<b>Balance</b>	This Report should provide an unbiased picture of the performance of the Group, for the reasonable assessment on the overall performance.	This Report elaborates on the achievements the Group has made and the challenges it has faced on the sustainable development issues that have a significant impact, and discloses the relevant quantitative information, to facilitate the reasonable analysis and comparison.
<b>Consistency</b>	The Group should ensure the consistent disclosure principle is adopted for this Report, to help stakeholders make analysis and assessment of the performance at different time points. The Group should explain about any change of disclosure methods.	The Group will ensure the scope of disclosure and reporting methodologies used in this Report are generally consistent every year.

### 2.3. Access and Response to This Report

This Report is available in Traditional Chinese and English. In the event of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail. The electronic version of this Report is available on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Group's website ([www.jygrandmark.com](http://www.jygrandmark.com)).

We attach great importance to the opinions of stakeholders and appreciate it if readers would contact us through the following methods. Your comments will help us further improve this Report and the overall ESG performance of the Group.

E-mail address: [ir@jygrandmark.com.hk](mailto:ir@jygrandmark.com.hk)

Mailing address: Suites 3008–10, 30/F, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

# 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY

## 3.1. ESG Management Philosophy

Looking back on 2022, confronted with the challenges brought by resurgence of pandemic and macro-economic fluctuation, the Group continued to fulfill earnestly its corporate responsibilities to the society and the environment, and strived to overcome the uncertainties brought by market changes and forge ahead. We have always upheld core philosophy of sustainable development while actively promoting the balanced and resilient development among the environment, society and economy in the course of daily operation, continuously strengthened the identification and management of ESG risks, and worked together with each of the stakeholders to continue the great journey of flourish through practicing the sound, stable and high-quality approaches.

The Group managed to maintain a solid financial position while striving to comprehend the government's policy trends and gain continuous insight into industry trends, innovate proactively our operating mindset, broaden our business's diversified development and tap into the quality and added value of our products and services. As for investment strategy, we maintained our focuses on premium land parcels in the Greater Bay Area to continue to explore new development opportunities; in terms of business strategy, we insisted on the linked allocation of resources between the various business segments; and from the perspective of product design, we focused on the combination of ecology and health in an aesthetic way, aiming to continuously create unique and quality products.

The Group deeply instills ESG management philosophy into every segment of our business operations, taking account of the expectations of its stakeholders and taking the United Nations ("UN") Sustainable Development Goals ("SDGs") as the guidelines, to fully examine the current situation of its own sustainable development. Meanwhile, the Group makes efforts to enhance the superiority of our "Eco-friendly and People-oriented Property Developer" and continue to create more value for our shareholders, partners, communities and other stakeholders through our commitment to superior product and service quality, constant care of our employees' health and safety as well as their career development, and relentless fulfillment of our environmental, economic and social responsibilities. Furthermore, we promote the lean management of enterprise with the concept of sustainability, so as to achieve high quality green development.





### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

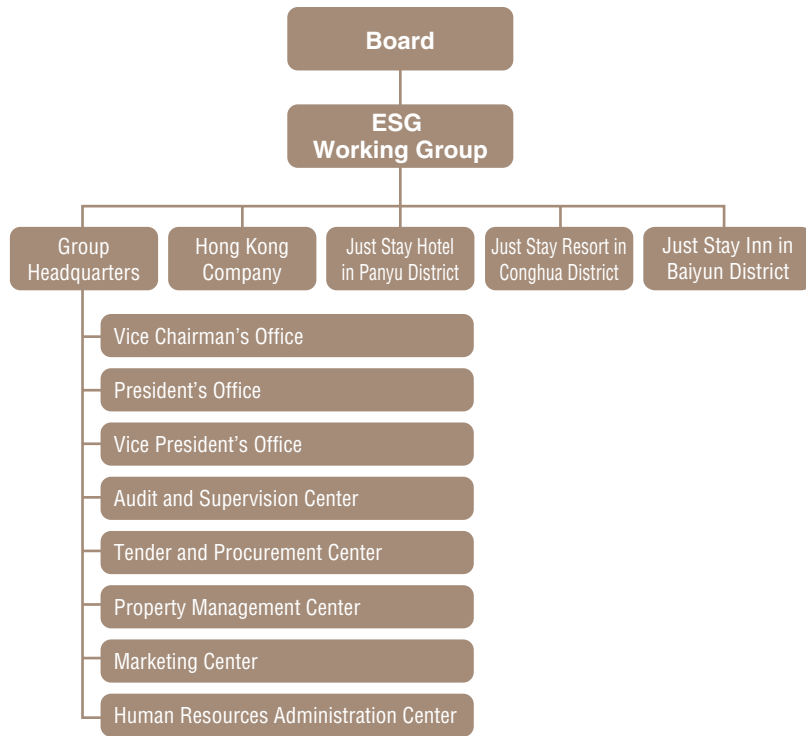
#### 3.2. ESG Structure and Responsibilities of the Board of Directors

The Group has established an effective ESG management mechanism based on its own business operation and development strategy, continuously improved the ESG structure of the Group, strengthened the supervision and participation of the board of directors of the Group in ESG-related matters, and proactively and organically integrate the ESG management philosophy into the Group's major decisions and its own situation, thereby fully safeguarding the Group's steady and long-term development.

The Group has adopted a top-down ESG structure, under which the board of directors of the Group (the "Board") is responsible for controlling and monitoring the Group's overall ESG management strategy and risk identification, with an ESG Working Group set up thereunder to carry out the specific ESG tasks. The Board is responsible for reviewing, establishing and approving the Group's ESG-related strategies, objectives and management approaches, and regularly reviewing and examining the Group's ESG performance and achievement of objectives. Meanwhile, the ESG Working Group is composed of heads of various business departments who have rich experience in various business scopes such as daily operations of the Group, tender and procurement, property management center, human resource administration, marketing and subsidiary management, and are able to facilitate information exchange among the management, subsidiaries and business departments, identify environmental and social risks related to our businesses, and coordinate ESG risk management mitigation measures within the Group. The ESG Working Group and various business units are mainly responsible for implementing ESG work plans, organizing regular communication with our stakeholders, and reporting to the Board on the progress and performance of our ESG management efforts, so as to help them make necessary change of direction in a timely manner.

### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.2. ESG Structure and Responsibilities of the Board of Directors (continued)



**The Board's ESG Responsibilities:**

- Developing the Group's ESG management approaches, strategies and objectives
- Identifying and making decisions on the Group's ESG issues and associated risks
- Hearing reports on ESG work from the ESG Working Group
- Reviewing the achievement of key annual ESG targets
- Reviewing and approving the information disclosed in the ESG Report of the Group



**ESG Working Group's Responsibilities:**

- Implementing key ESG issues of the Group
- Conducting communication with stakeholders of the Group on ESG issues
- Providing regular reports to the Board on the progress of ESG work and make appropriate recommendations
- Managing the ESG performance

### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.2. ESG Structure and Responsibilities of the Board of Directors (continued)

In 2022, the Group's ESG Working Group continued to focus on ESG-related core work:

- **Compliance Operation First** – JY Grandmark Group stuck to the compliance as its bottom line, continuously paid attention to the changes of external policies and market conditions, and constantly strengthened the internal management system of the Group, steadily implemented the sustainable development strategies. It also standardized the operation of various businesses to ensure that the Group strictly abided by the policies and regulations of the place where it operates.
- **Strengthening Quality Control** – Quality control in all aspects of business operation is the core development strategy of the Group. Focused on quality control in project development and construction, property management, hotel services, etc., the Group, while improving product quality, continued to upgrade services for customers and owners, so as to create a healthy and beautiful living environment for customers and owners.
- **Green Operation and Dealing with Climate Change** – The Group actively identified and responded to opportunities and risks brought by climate change, implemented green construction, and explored to adopt environmental protection and carbon reduction technologies such as equipment energy-saving retrofit; continuously optimized the energy-saving and emission-reduction targets in line with the actual business conditions of the Group, promoted the conservation and recycling of various resources and raised the awareness of all employees on emission reduction.
- **Fulfilling Social Responsibilities** – The Group further promoted the urban renovation projects to help the city realize organic renewal and create social value; undertook corporate social responsibilities and strengthened the line of defense against epidemics in the community, safeguarding the health and safety of community owners and residents; continued to increase commitments in poverty alleviation and disaster relief, and actively participated in social welfare undertakings such as rural revitalization and education.

### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.3. Stakeholder Engagement and Involvement

Based on past development course and future development trend, the Group insists on maintaining a multi-channel two-way communication mechanism with stakeholders from all walks of life, including regulatory authorities, investors and shareholders, customers, employees, suppliers and partners, industrial associations and media and communities, actively listens to and responds to the concerns and expectations of all stakeholders, and with their support, continues to integrate the Group's ESG management philosophy into every aspect of our business, so as to work with all parties to achieve sustainable development of environmental, social and economic values.

Category of Stakeholders	Concerns and Expectations	Communication and Response	Means of Communication
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"> <li>• Compliance with the laws and regulations in the course of business</li> <li>• Implementation of national policies</li> <li>• Project strategic cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Responding to the national call for carbon neutrality and urban renewal</li> <li>• Legitimate operation and implementing the government's management requirements</li> <li>• Accepting investigation and supervision</li> </ul>	<ul style="list-style-type: none"> <li>• Timely notification</li> <li>• Regular inspection</li> </ul>
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Sound operation</li> <li>• Protection of shareholders' rights</li> <li>• Return on investment</li> <li>• Risk prevention and control</li> <li>• Transparent disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>• Improving profitability and brand power</li> <li>• Continuously improving the risk management capability</li> <li>• Regular disclosure of operating results and ESG issues and performance</li> </ul>	<ul style="list-style-type: none"> <li>• Convening shareholders' meetings regularly</li> <li>• Daily communication (by mail, telephone, etc.)</li> <li>• Announcements and circulars</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product and service quality</li> <li>• Customer information protection</li> <li>• Customer interests protection</li> <li>• Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Optimizing customer service process</li> <li>• Enhancing product and service quality</li> <li>• Strengthening information security and monitoring system</li> <li>• Standardizing and strengthening marketing management</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Customer service mobile application</li> <li>• Property service center and sales office in communities</li> </ul>

### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.3. Stakeholder Engagement and Involvement (continued)

Category of Stakeholders	Concerns and Expectations	Communication and Response	Means of Communication
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Protection of employees' legitimate rights and interests</li> <li>• Fair remuneration and benefits</li> <li>• Staff training and development</li> <li>• Healthy and safe working environment</li> <li>• Listening to the voice of employees</li> </ul>	<ul style="list-style-type: none"> <li>• Complying with relevant regulations, protecting employees' rights and interests</li> <li>• Improving the employees' remuneration system and the welfare mechanism</li> <li>• Conducting employees' training activities, improving promotion mechanism</li> <li>• Creating comfortable and harmonious corporate culture and environment</li> <li>• Establishing a multi-channel employees' communication mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Staff training</li> <li>• Complaints and feedback</li> <li>• Performance management</li> <li>• Team building and welfare activities</li> </ul>
<b>Suppliers and partners</b>	<ul style="list-style-type: none"> <li>• Just and fair negotiation</li> <li>• Establishing long-term cooperative relationships</li> <li>• Ensuring quality of projects and services</li> </ul>	<ul style="list-style-type: none"> <li>• Improving supplier review and evaluation mechanism</li> <li>• Expansion and continuous collaboration in business area</li> <li>• Creating green supply chain development together</li> </ul>	<ul style="list-style-type: none"> <li>• Project cooperation and negotiation</li> <li>• Assessment and investigation</li> <li>• Daily business communication and meetings</li> </ul>

### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.3. Stakeholder Engagement and Involvement (continued)

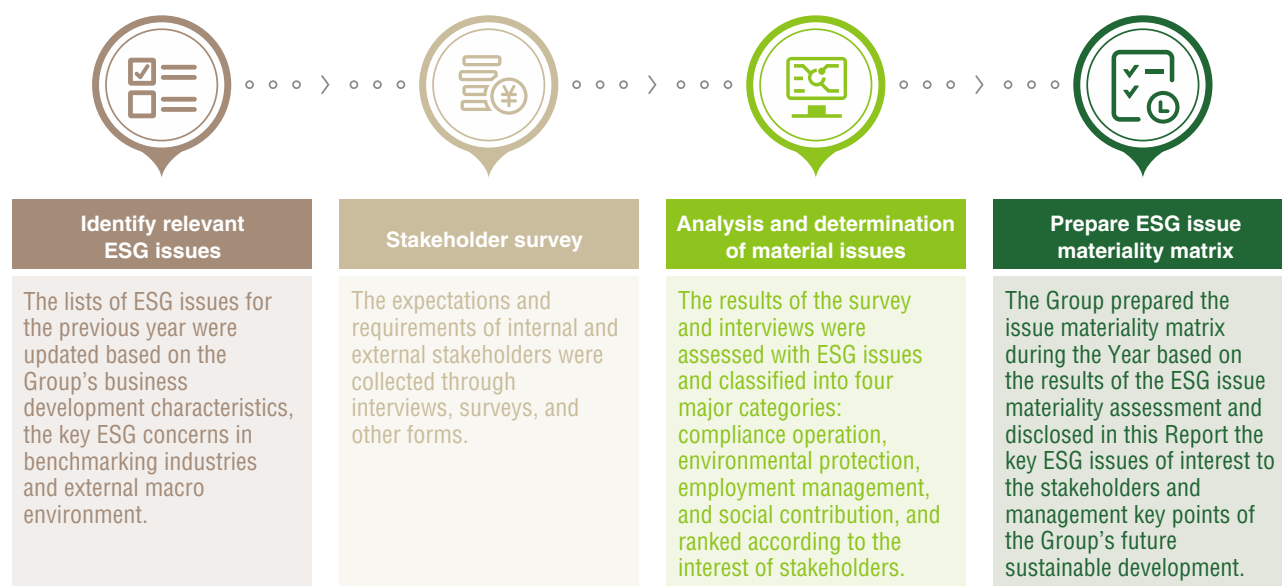
Category of Stakeholders	Concerns and Expectations	Communication and Response	Means of Communication
<b>Industrial associations and media</b>	<ul style="list-style-type: none"> <li>• Industry exchange and discussion</li> <li>• Transparent and open information sharing</li> <li>• Joint efforts towards industry advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Actively participating in industry seminars</li> <li>• Optimizing disclosure and publicity mechanism</li> <li>• Promoting industry standardization</li> </ul>	<ul style="list-style-type: none"> <li>• Media releases and interviews</li> <li>• Regular meetings and field trips</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Social charity activities</li> <li>• Rural poverty alleviation</li> <li>• Supporting urban renewal</li> </ul>	<ul style="list-style-type: none"> <li>• Actively conducting social charity activities</li> <li>• Supporting poverty alleviation efforts and helping those in difficulties</li> <li>• Powering urban renewal</li> </ul>	<ul style="list-style-type: none"> <li>• Charity events</li> <li>• Community bulletin board</li> </ul>

### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.4. Assessment of Material Issues

##### 3.4.1 Assessment Process of Material Issues

The degree of concern of various stakeholders on and the materiality of ESG issues are the basis for the Group's assessment of material issues. In 2022, the Group reviewed the ESG-related issues of the previous year, and adjusted the ESG material issues of the Group based on the business development of JY Grandmark during the Year and benchmarking peer companies. During the Year, the Group communicated with various stakeholders through a variety of forms such as online survey, official account and official website, etc., gained an in-depth understanding of the concerns of stakeholders on each material issues, and conducted comprehensive ranking of the materiality of ESG issues based on the Group's own development strategy to determine disclosure priorities for the 2022 ESG Report, so as to actively respond to the expectations and requirements of all stakeholders. The process for assessing ESG material issues during the Year was as follows:

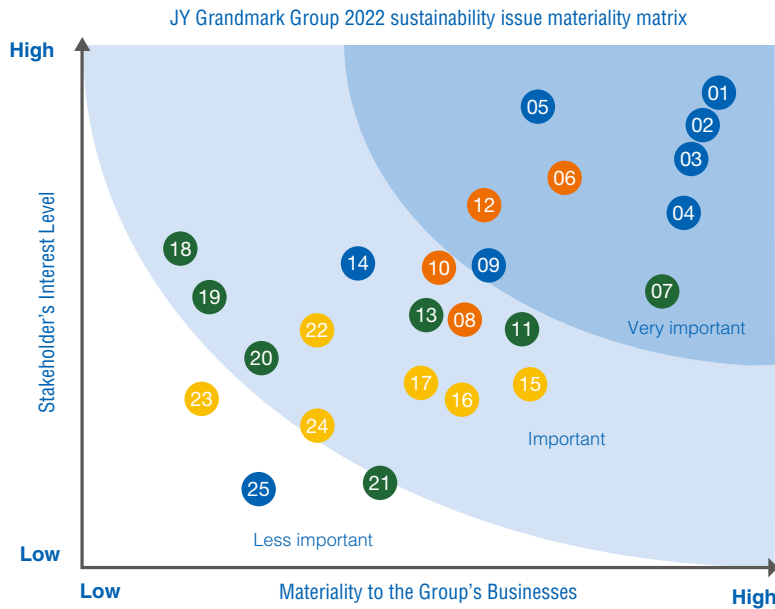


### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.4. Assessment of Material Issues (continued)

##### 3.4.2 Results of Materiality Assessment

The following are the Group's 2022 ESG materiality issue matrix and ranking results:



**Environmental protection**

- 07 Reasonable development and ecosystem protection
- 11 Responding to climate change
- 13 Green operation
- 18 Green building
- 19 Construction waste management
- 20 Water resources management
- 21 Energy efficiency and carbon emission reduction

**Compliance operation**

- 01 Product quality and safety
- 02 Compliance and sound operation
- 03 Anti-corruption and integrity training
- 04 Responsible marketing
- 05 Customer service and satisfaction
- 09 Supply chain environmental and social risk management
- 14 Customer privacy and information security
- 25 Intellectual property protection

**Employment management**

- 15 Child labor and forced labor are prohibited
- 16 Employees' interests protection
- 17 Employees' training and development opportunity
- 22 Occupational health and safety
- 23 Talent recruitment and team building
- 24 Employees' remuneration and benefits

**Social contribution**

- 06 Powering urban renewal
- 08 Protecting the rights of local residents
- 10 Promoting local economic development
- 12 Public charity and social services



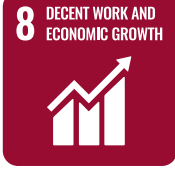
After the evaluation and analysis of the stakeholders' research results, the stakeholders of the Group are particularly concerned about ESG issues such as product quality and safety, compliance and sound operation, anti-corruption and integrity training, reasonable development and ecological protection. Based on the results of this assessment, JY Grandmark will continue to improve the ESG-related work plan, and focuses on the disclosure of its management performance in this Report to effectively respond to the concerns of stakeholders.



### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)





#### 3.5. In Response to the United Nations Sustainable Development Goals (SDGs)

As the practitioner of “Eco-friendly and People-oriented Property Developer”, JY Grandmark actively promotes the enterprise sustainable development together with stakeholders. Guided by the Sustainable Development Goals of the UN, we will integrate better the Group’s ESG concept into the corporate mission, corporate values and business development, and devote ourselves to creating long-term value for stakeholders. In combination with its own business development strategy and the demands of stakeholders, the Group takes the following SDGs as its priority sustainable development goals, implements the concept of sustainable development in the overall operation process, and promotes its own ability of sustainable development.

UN SDGs	Key ESG Issue Concerns	Significance to JY Grandmark and Our Contribution
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Occupational health and safety	We are committed to providing a healthy, safe and comfortable working environment for our employees. During the epidemic, we strengthened the protective measures to fully protect the health and safety of our employees at work.
 <p>5 GENDER EQUALITY</p>	Employees’ interests protection	We treat all our employees equally, regardless of gender, insist on equal pay for equal work, and provide a diverse and inclusive working atmosphere, so that all our employees can work happily in an equal working environment.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Employees’ remuneration and benefits Employees’ training and development opportunity Talent recruitment and team building	As a corporate citizen, the Group is committed to maintaining good operating economic performance while also providing more job opportunities for job market, and actively improving the employees’ remuneration and benefits system to broaden the personal career development paths for employees.




### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.5. In Response to the United Nations Sustainable Development Goals (SDGs) (continued)

UN SDGs	Key ESG Issue Concerns	Significance to JY Grandmark and Our Contribution
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Green building	The Group continues to explore cutting-edge technology in the field of green building construction, providing people with healthy, suitable and efficient use of space, and maximizing the realization of high-quality buildings in harmonious coexistence between human and nature.
 <p>10 REDUCED INEQUALITIES</p>	Public charity and social services	The Group proactively assumes social responsibilities and strives to devote itself to rural revitalization, poverty alleviation, education and other public welfares, and contributes to the reduction of social inequality.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Reasonable development and ecological protection Powering urban renewal Promoting local economic development	As a practitioner of “Eco-friendly and People-oriented Property Developer”, the Group enthusiastically responds to the government’s call, promotes and implements urban renovation projects, contributes to urban renewal, and creates a sustainable community environment.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Product quality and safety Responsible marketing Construction waste management Intellectual property protection	We strictly adhere to the commitment of high-quality products and services, and promote a sustainable operating model with high-quality, safe and responsible operation methods and management measures.

### 3. SUSTAINABLE DEVELOPMENT PHILOSOPHY (CONTINUED)

#### 3.5. In Response to the United Nations Sustainable Development Goals (SDGs) (continued)

UN SDGs	Key ESG Issue Concerns	Significance to JY Grandmark and Our Contribution
	<p>Water resources management</p> <p>Energy efficiency and carbon emission reduction</p> <p>Green operation</p> <p>Dealing with climate change</p>	<p>We actively respond to the national call for carbon neutrality, continue to improve the management measures for environmental factors throughout the life cycle of various projects, reduce the production and emission of pollutants, and implement the concept of green and low-carbon projects.</p>
	<p>Compliance and sound operation</p> <p>Anti-corruption and integrity training</p>	<p>The Group regards compliance and legal operation as the lifeline of corporate operations, and we adhere to the bottom line of compliance, hold multiple internal compliance interpretation and learning training to establish an ethos of integrity and justice.</p>
	<p>Supply chain environmental and social risk management</p>	<p>We continuously optimize the screening and access process and system for suppliers, strictly control product quality, practice responsible and green purchasing behavior.</p>

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY

Under the new situation of global advocacy of low-carbon and sustainability, JY Grandmark Group has been adhering to the brand concept of “Eco-friendliness and People Orientation”. On the basis of protecting the ecological base, the Group continues to study different regional markets and demand, actively innovates product research and development, while continuously improving the quality control system and grasping the two lifelines of product planning and project quality. In addition, the Group attaches great importance to the improvement of service quality, ensures the security of customers’ private information and implements responsible marketing to improve customer satisfaction.

### ESG topics included in this section

Product quality and safety  
Responsible marketing  
Intellectual property protection  
Customer service and satisfaction  
Customer privacy and information security  
Powering urban renewal

### SDGs goals addressed in this section



### 4.1. Practise Ecological Theory with Green Design

JY Grandmark Group always adheres to its core development strategy of “Eco-friendliness and People Orientation”, actively innovates green design, insists on the design concept of saving resources and protecting the environment, emphasizes the protection of natural ecology and makes full use of resources, being people-oriented in creating a livable and high-quality communities with harmony between human and nature.

#### 4.1.1 Product Design Concept

The Group adheres to its product design concept “Green Ecology, Environment-friendly Technology, Aesthetic Life, and Intelligent Craftsmanship (綠色生態、環保科技、美學生活、智慧匠心)”, which studies different regional markets and diverse populations demand and, with lifestyle construction as the core, carries out comprehensive optimization and upgrading of building facades, floor plan, interior decoration, landscape and supporting community facilities from the perspective of customers and combining natural ecological environment and humanistic needs, striving to provide our customers with living places where practicality, comfort, environment protection and cultural coexist.

#### Green ecology

Building the harmonious coexistence of human and nature. With the protection of local ecosystem and local culture taken into consideration, we plan and design our projects according to the terrain and landscape appearance, and integrate natural elements such as mountains, water, forests, lakes and green lands into our communities and products, aiming to create unique, livable and eco-friendly habitats.

#### Environment-friendly technology

In the development process of our projects, priority is given to the green materials sourced locally to mitigate the destruction of the natural environment, and at the same time, we will continuously explore and use new environment-friendly materials and technical processes to essentially improve the energy efficiency, safety and durability of our products.



#### Aesthetic life

Persisting in the pursuit of beauty, we integrate environmental aesthetics, architectural aesthetics and living aesthetics into the construction design so as to offer an agreeable experience in terms of living, space and life services, where every resident can perceive the resonance among nature, city and human, and enjoy the beauty of life.

#### Intelligent craftsmanship

As integrated buildings with intelligent facilities has become the standard for property development, we strive to provide our customers with complete and energy-saving solutions and build them a sustainable intelligent community through efficient building technology and humanized product design.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.1. Practise Ecological Theory with Green Design (continued)

#### 4.1.2 Product Design Standardization

The Group adheres to the management philosophy of “Improving Quality and Enhancing Brand” (創質量、鑄品牌), maintains a design concept of sophistication and superior quality, and achieves standardized product design to ensure the design quality of the Group’s projects and enhance the competitiveness of our products. With reference to the technical specifications of the construction industry, the Group formulates internal management systems based on product design standardization and process standardization, and strictly controls key nodes in product design scheme, progress, quality and standard, etc. to form a standardized product design management system.

##### Design Standardization

- Product design management: strictly implement the “Standard Practice of Architectural Design of JY Grandmark Group”
- Design effect control: combined with market research results to optimize interior decoration standards, landscape seedling varieties and so on

##### Process Standardization

- Design change process: strictly implement the “Rules on Design Change”
- Design review process: send the design drawings to the institutions with audit qualifications for review, and strictly control the quality of design
- Drawings delivery process: conduct standard process guidance, and standardize the design information matching between the Group and the project

#### 4.1.3 Intellectual Property Protection

The Group attaches great importance to intellectual property protection and trademark management, strictly complies with the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》), the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) and other relevant laws and regulations, formulates and implements intellectual property rights and trademark management systems, and standardizes the management of intellectual property affairs by adopting effective measures such as external monitoring and internal review.

##### External monitoring

- The Group’s legal team regularly monitors for any infringement of the Company’s registered trademarks by external units, and once the infringement is detected, the Group will protect its intellectual property interests in accordance with the law.

##### Internal review

- The Group regularly reviews the trademark registration ledger to ensure the completeness of the ledger and the timeliness of the trademark term to protect its own legal rights and interests.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept

Insisting on the principle of “quality comes first”, the Group strictly complies with the Construction Law of the People’s Republic of China (《中華人民共和國建築法》), the Quality Law of the People’s Republic of China (《中華人民共和國質量法》) and other relevant laws and regulations, and implements industry norms such as the Quality Management Ordinance for Construction Projects (《建設工程質量管理條例》). The Group has formulated and implemented internal management systems, including the “Quality Management System” and “Construction Technology Management System”, to ensure that its projects for the entire cycle are of high quality with the use of state-of-the-art technologies and engineering management. The Group enhances its employees’ awareness of product quality and strictly implements the standardization of project quality through the establishment of quality management system and quality training for each of them. At the same time, the Group actively adopts engineering safety management measures to ensure the construction safety of employees, adhere to the bottom line of safe and eco-friendly construction, and promote high-quality construction of projects.

#### 4.2.1 Quality Control System

The Group has established a comprehensive quality control system, carried out scientific and standardized management through system optimization, and strictly reviewed the qualifications of construction units to ensure construction quality. The Group has also strengthened quality inspections, implemented quality accountability system and evaluation mechanisms to clarify quality management responsibilities, and guarantee that projects strictly execute the quality control procedures throughout all stages.

##### System Construction

- Formulate and implement internal management systems, including the “Quality Management System”, “Construction Technology Management System” and “General Standard Atlas (A02 Edition for Structural and Electrical & Mechanical Specialties)” to continuously improve project quality and control and regulate its engineering management behaviors in all aspects.

##### Qualification Review

- Construction units are required to provide solutions for on-site safety, civilization and environmental management, as well as product certifications and inspection reports, with priority given to construction units certified to ISO9001 quality management system, ISO14001 environmental management system, and GB/T28001 occupational health and safety management system.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept (continued)

#### 4.2.1 Quality Control System (continued)

##### Quality Inspection

- Conduct quality and risk inspections on each construction project in strict accordance with the “Technical Inspection Guidelines of JY Grandmark Group”, covering construction quality, progress, safe and eco-friendly construction, use of construction materials, acceptance of key processes, etc., so as to discover and eliminate hidden dangers in time. For the units that need to be rectified, the Group has implemented an accountability system to step up remediation efforts and follow up on rectification.

##### Quality Accountability

- Implement the quality accountability system to ensure the quality of its construction projects and upkeep the principle of “separating inspection and evaluation, strengthening acceptance, optimizing means and process control” for the quality acceptance of construction projects, and strictly implement the lifelong accountability system for construction quality.

##### Assessment Mechanism

- Implement an assessment and evaluation mechanism covering the performance of each regional construction unit and project department. The assessment results are linked to the performance bonus of employees, effectively guaranteeing the bottom-line standard of quality.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept (continued)

#### 4.2.2 Quality Training for Every Employee

Quality awareness of employees plays a key role in improving product quality. The Group actively conducts quality training for all employees, to learn, discuss, and absorb excellent quality management models and cases in the industry, enrich employees' professional knowledge, comprehensively improve employees' product quality awareness, prevent quality risks and ensure the construction quality of projects.

#### Case Training on Key Processes Management Method

To strengthen the construction quality management practices and effectively control the quality of the construction process, the Group organized employees to participate in the special training on "Key Processes Management Methods," explaining the detailed list and contents of key processes and management methods. Through this training, employees' ability to identify, manage and control key processes during the construction process has been improved, reducing hidden dangers in construction quality from the source.



Training on key processes management method

#### Case Training on Key Points of Waterproof Construction Quality Control

Waterproofing is an important part of construction quality. On 14 September 2022, the Group's employees participated in the special training on "Key Points of Waterproof Construction Quality Control", explaining in detail the key points of waterproof grade distinction, waterproof construction technology for key parts and other contents. Through this training, the Group standardized the quality management of waterproof construction, enhanced employees' awareness of waterproof construction protection, and improved waterproof supervision.



Training on key points of waterproof construction quality control



## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept (continued)

#### 4.2.3 Safe and Eco-friendly Construction

Adhering to its production safety policy known as “safety-foremost with prevention-oriented and comprehensive treatment”, the Group strictly follows the laws and regulations such as the Production Safety Law of the People’s Republic of China, the Administrative Regulations on the Work Safety of Construction Projects and the Standard for Safety Inspection of Building Construction. The Group formulated and implemented the internal rules and regulations such as the Production Safety Management System and Project Management Manual to clarify the work flow of safe production and standardize and guide the safe construction. During the Year, the Group did not have any major construction safety incidents, nor did it identify any serious violations of the construction regulations or relevant laws and regulations.

The Group has established a Production Safety Committee to clarify the management responsibilities of the Production Safety Committee and to ensure the strict implementation of disclosure and preventive measures of project safety production technology, of which the legal representative of the Company appointed as its director, the vice president in charge of safe production and the safety director of the Company as its deputy directors, with the members of the committee consisting of persons in charge of production, technology, safety, equipment, cost, finance and other relevant departments. The Production Safety Committee is responsible for the safety production management throughout the Group, supervises and manages safety production-related matters with the assistance of various departments, continuously improves the safety production management system and related measures, and enhances the safety capability and level of the Group.

Safety production work is an important part of the Group’s operation and management. In order to prevent accidents and ensure the safety of employees and property, the Group actively takes engineering safety measures, such as clarifying safety responsibilities, strictly controlling safe construction, strengthening safety inspections, and carrying out safety publicity and implementation, etc., to strengthen the engineering safety management of the project and ensure construction safety.

#### Clarifying safety responsibilities

- The Group clarified the responsibilities of constructors, supervisors and project owners in project management, and revised its “Management System of Project Supervisors” to strengthen the management thereof and give full play to their supervisory and management roles in construction project.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept (continued)

#### 4.2.3 Safe and Eco-friendly Construction (continued)

##### Strictly controlling construction safety

- **Enclosed site management:** The construction sites are enclosed and under strict management measures. All the staff must enter the site via the access control systems, which strictly prohibits any unintentional entry of strangers.
- **Construction safe passages:** Safe passages are installed throughout the construction site, which connects each of the building under construction, and therefore, can reduce the occurring probability of safety accidents such as injuries from falling objects.
- **Guidelines for safe construction:** Before entering each of the building under construction, our workers are required to visit the production safety experience zone for operation training that showcases various guidelines and regulations for safe and eco-friendly operation during the construction process to remind our workers to maintain safety awareness and vigilance at all times and operate machines in a regulated manner.
- **Sample-oriented system:** Before starting a large-scale construction, the Group conducts sample acceptance firstly and executed physical measurement, and makes the measurement data covering dozens of engineering items such as civil engineering, Landscaping, plumbing and electricity, fully decorated properties and aluminum windows, to strictly control the project quality through data.

##### Improving safety inspection

- Implementing the multi-level inspection mechanism, the Group strictly controls the whole process from project quality to safe and eco-friendly construction through such as group inspection, special inspection, project self-inspection, supervisors inspection and construction units self-inspection, and the findings during the inspection are subject to rectification within a certain period, and follow-ups and oversights to ensure the effective implementation of the rectification plan.

##### Conduct safety publicity and implementation

- We actively carried out training and drills on safety management systems and standards to ensure the employees understand safety management standards and to improve the safety quality and awareness of the unit's main person in charge, production safety management personnel, other employees and employees of the supplier units (constructors and supervisors).

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept (continued)

#### 4.2.3 Safe and Eco-friendly Construction (continued)

##### Case Production Safety Emergency Drills

In March 2022, in order to make the emergency plan more science-based, targeted and practicable and enhance the ability to deal with public emergencies, the Engineering Department of Property Project and Department of Yingde Project of the Group carried out production safety emergency drills, including fire emergency drills, falling from height drills, collapsing accident drills and electric shock drills. Through these drills, the safety awareness of employees was enhanced and their ability to deal with unexpected safety accidents was strengthened.



Fire emergency drills



Falling from height drills



Collapsing accident drills



Electric shock drills

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept (continued)

#### 4.2.4 Digital Empowerment Management

The Group attached great importance to digital empowerment management. Digital transformation is adapted to the development trend of the era of globalization, intelligence and informatization of economic development, the key of which lies in the transformation from the traditional management mode to digital management mode. The Group promoted the intelligent construction in engineering management and product application respectively, to continuously enhance its strength and comprehensively consolidate its competitive advantages in the industry.

In terms of engineering management, the Group used mobile quality inspection and mobile construction inspection APP for real-time quality and safety monitoring, implemented refined management for construction safety and transformed project management, project inspection and other business scenarios from traditional paper-based materials to online process records, thereby realizing a combination of construction safety, quality and efficiency while enhancing the management level by digital means.

#### Mobile Quality Inspection App

- On-site inspection: whole process management of daily safety and quality inspection
- Physical measurement: record the actual measurements throughout the whole construction process; examine the accuracy of the work of project supervisors and constructors
- Process transfer: records of acceptance of important processes and transfer of key work-planes
- Progress management: project progress visualization to improve management efficiency
- Material acceptance: achieve whole-process management covering “initial material inspection – sampling and inspection – use”



#### Mobile Construction Inspection App

- Household acceptance: simulated inspection and closed-loop management for property quality issues before delivery to guarantee delivery quality and control delivery risks
- Undertaking of inspection: conduct special inspection for site public area, fine division of areas and inspection to ensure product quality

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.2. Promote Prime Projects with the Quality Concept (continued)

#### 4.2.4 Digital Empowerment Management (continued)

In terms of product application, the Group relied on intelligent technology to build an intelligent security system, including community monitoring, access control system and intelligent parking management system, to provide property owners with safe, comfortable and efficient living services.

#### Case Investigation and Research Work was Carried out in JY Clearwater Bay No. 3 intelligent Security Community

In mid-July 2022, a community security research team jointly formed by the Public Security Department of Hainan Province and the Lingshui Public Security Team conducted a special investigation and research work in JY Clearwater Bay No. 3. JY Clearwater Bay No. 3 area is one of the first intelligent security community that installs access control system, video security monitoring system and face recognition visual intercom system, etc., effectively protecting the personal and property safety of community residents and enhancing the property owners' sense of security and happiness in life, which was unanimously affirmed by the research team.



Investigating and researching the JY Clearwater Bay No. 3 intelligent security community

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.3. Urban Renewal to Ignite Urban Vitality

JY Grandmark Group has been actively participating in urban development and old town renovation, continuously exploring and innovating in the field of urban renewal, following the logic and rules of the development of urban organic bodies, focusing on the protection of historical and cultural heritage and improvement of living environment, promoting urban renewal and development step by step, devoting itself to optimizing urban spatial structure and promoting old town to gain new dynamics.

#### Renovation of Zhujiang Village, Huangpu District, Guangzhou City was carried out with the aim of creating an ecological and humanistic community that inherits the traditional Lingnan culture

In June 2022, the Zhujiang Village Renovation Project (珠江村舊改項目) under the urban renewal business, in which the Group participated, was listed in the “Guangzhou City 2022 Urban Renewal Project Implementation Plan”, which had completed the publicity and approval of the Implementation Plan for the Renovation of the Old Xiasha Zhujiang Village, Huangpu Street, Huangpu District (Area Planning) (《關於黃埔區黃埔街下沙珠江村舊村改造實施方案(片區策劃)》) in October 2022, and significant progress has been made in the promotion and implementation of Zhujiang Village’s renovation.

The Zhujiang Village Renovation Project is the Group’s first urban renewal project to try out a comprehensive redevelopment model, and the Group injected its core concepts of sustainable development, i.e. “eco-friendliness” and “people-orientation”, into the Zhujiang Village Renovation Project.

In terms of ecology, the project planning follows the tradition of the villagers living along the river in Lingnan by setting the residential areas on both sides of the river, and reasonably dividing the landscaped green corridors and waterfront leisure trails, to create a diverse green space.

In terms of people-orientation, the Group engaged experts to conduct certification and evaluation for shrines and ancient trees, reconstructed a number of the surrounding historical and cultural buildings, such as the Pu Ancestral Shrine, Li Ancestral Shrine, Liang Ancestral Shrine, and Zeng Ancestral Shrine during the implementation of the project, and made way for the ancient trees during the design of the construction plan of the project and preserved the ancient trees during the implementation of the project, empowering the Zhujiang Village Renovation Project with a rich historical heritage.



Rendering of urban renewal work on Zhujiang Village in Huangpu District, Guangzhou

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept

The Group attaches importance to customer experience and evaluation, respects customer needs, actively protects customer health and safety, improves customer service quality, and is committed to providing customers with high-quality property services and hotel services. Meanwhile, the Group protects customers' rights and interests in all aspects by establishing a sound mechanism of customer complaint handling and satisfaction feedback, strengthening information security construction and enhancing responsible marketing.

#### 4.4.1 Health and Safety Services

##### Property Health and Safety Services

The Group attaches great importance to the safety of property owners in the communities and continues to strengthen and standardize the safety precautions in the public areas of the communities. By providing trainings to property security personnel, the Group's Property Management Center establishes a professional security team and steps up patrol efforts. The Property Management Center also strengthens property fire safety management, clarifies the persons responsible for fire safety, and makes fire emergency plans in advance to prevent and reduce the occurrence of preventable cases and public security accidents, aiming to create a safe and harmonious community environment.



Security Personnel Training



Property Fire Training

During the prevention and control period of COVID-19 pandemic, the Group's Property Management Center strictly implemented the epidemic prevention and control work according to the epidemic prevention and prevention policies, and actively cooperated with the epidemic prevention and control department to conduct community disinfection, registration at the main entrances, temperature measurement, publicity on COVID-19 prevention knowledge and other work, making concerted efforts to guard the "last mile" of epidemic prevention in the community.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.1 Health and Safety Services (continued)

##### Property Health and Safety Services (continued)

#### Case Regular Epidemic Prevention and Control of JY Clearwater Bay No. 3

During the prevention and control period of COVID-19 pandemic, JY Clearwater Bay No. 3 strictly implemented the prevention and control measures, arranged staff to be on duty 24 hours a day at the gate sentry, implemented strict closed-loop management for the people entering the community; strengthened the inspection at the chokepoints of the properties under management while carrying out publicity on epidemic prevention and control through platforms such as WeChat of property owners and broadcasting; organized staff and property owners to complete nucleic acid sampling and testing in accordance with the requirements, dynamically tracked people who had not conducted nucleic acid test for more than 72 hours and people with “yellow code” and strived to protect the health and safety of property owners.



Epidemic Prevention and Control Site of JY Clearwater Bay No. 3

#### Hotel Health and Safety Services

The hotels of the Group always pay attention to the epidemic situations, enforce staff health status monitoring, access control, public area disinfection, and publicity on COVID-19 prevention, etc., and strive to protect the safety of check-in customers.

#### Case Regular Epidemic Prevention and Control of Just Stay Resort in Conghua District

During the prevention and control period of COVID-19 pandemic, Just Stay Resort in Conghua District arranged specially-assigned person to take the body temperature of visiting guests and check the trip code and health code at the main entrance and hotel lobby, pasted 1-metre marking lines at the hotel front desk, hot spring front desk and serving area while completing disinfection work in guest rooms, lifts and other areas to ensure the safety of check-in customers. In addition, the hotel set up a sampling point for nucleic acid test to facilitate customers to take samples for testing nearby, which is convenient for customers to travel.



Epidemic Prevention and Control Site of Just Stay Resort in Conghua District



## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.2 Quality Warm Services

##### Property Service Quality Improvement

The Group attaches importance to the improvement of property service quality and listens carefully to the needs and opinions of its property owners. Through measures such as training of service personnel, environmental quality improvement, maintenance of commonly used equipment, caring for property owners of communities and enriching activities for property owners, the Group enhances property management standards and improves owners' satisfaction and happiness.

#### Diversified Community Property Services

##### Training of Service Personnel

- For the purpose of shaping professional staff, trainings in respect of image, etiquette and handling of special tasks were provided to property service staff in the form of morning meetings and regular meetings, to standardize appropriate etiquette, learn decent hospitality skills and improve their ability to handle unexpected events.



Etiquette Training at Morning Meeting



Professional Training at Regular Meeting

##### Environmental Quality Improvement

- The staff were organized to initiate special environmental rectification actions in the communities, comprehensively clean public areas such as lift cabs, public fitness and children's recreational facilities, clean up dead leaves, weeds and other debris in the green belts of the main and secondary roads of the communities in a "carpet-type" manner, as well as carry out disinfection for eliminating the four pests (namely rats, flies, mosquitoes and cockroaches) in sanitary corners such as toilet aisles, fruit shell bins and rainwater wells to ensure a clean and tidy environment in the communities.



Greenery Quality Improvement in the Communities



Disinfection for Eliminating the Four Pests in the Communities



Community Public Environment Hygiene

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.2 Quality Warm Services (continued)

##### Property Service Quality Improvement (continued)

#### Diversified Community Property Services

##### Maintenance of Commonly Used Equipment

- The Group conducted daily checks and repair and maintenance on commonly used equipment to eliminate equipment faults, such as checks and maintenance of street lights of the residential areas to detect and resolve the lighting problems of street lights in the communities timely, standardized the daily maintenance practices for lifts to ensure normal operation of lifts in the communities while conducting regular inspection and maintenance on the sewer system to safeguard the function of the drain-pipe in draining waste water.



Checks and Maintenance of Street Lights in the Residential Areas



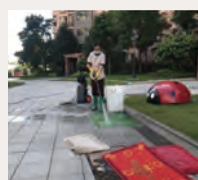
Maintenance of the Lift Operation



Maintenance of the Drainage Facilities

##### Caring for Property Owners of Communities

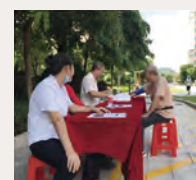
- The Group provided free convenience services activities, such as carpet cleaning, home appliance cleaning and free clinic activities, to meet the daily life needs of the property owners of the communities, which was unanimously appreciated by the property owners.



Carpet Cleaning and Drying Service



Home Appliance Cleaning and Drying Service

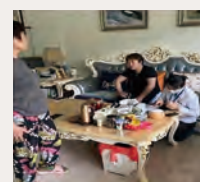


Community Free Clinic Activity

- The Group provided attentive and considerate people-oriented services to convey community care, such as regularly pushing the working status pictures of the community and warm tips on typhoon rainstorm weather in the WeChat group of the property owners; during the normalized management of COVID-19, we picked up the elderly who have difficulty in travelling to conduct nucleic acid test; we counted the elderly living in the community and visited them to deliver care regularly.



Community Pick-up Initiative



Visiting the Elderly at Home

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.2 Quality Warm Services (continued)

##### Property Service Quality Improvement (continued)

#### Diversified Community Property Services

##### Enriching Activities for Property Owners

- We regularly carried out community cultural activities and developed various types of community cultural activities based on traditional festivals and various solar terms through games, performances and other creative ways to deepen communication and exchange between the property service centers and owners, effectively promote property management and services and shape the brand image of the community.



“The God of Fortune Sends Blessings on the Fifth Day of the Lunar New Year” Activity



“Welcoming the Lantern Festival and Happy Reunion” Activity



“Happy National Day” Activity

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.2 Quality Warm Services (continued)

##### **Hotel Service Quality Improvement**

The Group establishes a “customer-oriented” service awareness for hotel operation, actively communicates with customers effectively, analyzes customers’ emotional needs for hotels, and is committed to providing customers with considerate and sincere hotel services, so as to establish a stable, reliable and long-term win-win relationship. During the Year, the key initiatives of the Group’s hotel segment in improving hotel service quality are as follows:

##### **Hotel Service Quality Improvement Measures**

##### **Improving Customer Experience**

- Conduct hygiene inspection for public areas of the hotel to ensure a clean, tidy and free from odor and dust environment; arrange concierges to serve at the entrance of the lobby during the peak check-in period to provide inquiry and luggage services, and assist customers to complete check-in procedures; provide butler-like services to customers, including sharing hotel information and travel suggestions during their stay; improve the hotel’s fitness and entertainment facilities to enhance customer experience; pay attention to service details, such as providing towel service for customers who had just finished taking a hot spring bath.

##### **Establishing a VIP System**

- Establish a VIP customer profile based on customer spending behaviors in the hotel and customize personalized services to prepare the reception in advance. 24-hour caring front desk services are offered to provide customers with quick check-in, deposit-free, free room-check and other check-in procedures. Where room availability is allowed, customers can enjoy preferential treatment such as free upgrade of room type and late check-out.

##### **Designing Festive Activities**

- Introduce complimentary dinner buffet for guests staying at the villa on holidays and Saturdays to settle the evening meal and design activities based on the festive theme to make the staying guests enjoy the festive atmosphere.

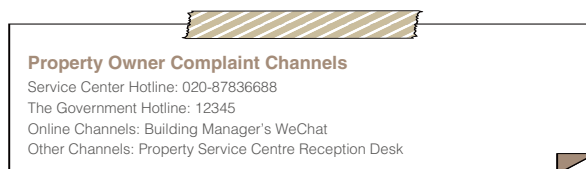
## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.3 Satisfaction Enhancement

##### Property Satisfaction Enhancement

The Group's Property Management Center attaches great importance to the feedback and opinions of property owners, and establishes a complete customer complaint handling system, standardizes the customer complaint handling process and methods, specifies the scope of management and responsibilities of each department in customer complaints handling work, strives to receive the opinions and feedback of the customers in a timely manner and improves the quality and efficiency of customer complaint handling.



When we receive customer complaints, we first apologize to the customers, and instantaneously send the request to the responsible department for rectification within a prescribed time limit, which is expected to be completed within 24 hours. For customer requests that cannot be resolved, we will first report it to the director or supervisor while making explanation to the customers until they revoke such requests, after which our staff at the property service center will make a call-back to them to ensure they are satisfied on the customer complaint handling, fill in the complaint information record book, issue quarterly complaint statistical analysis report based on the complaint content, and timeliness and satisfaction of complaint handling, etc., strengthen the management of customer complaints, remind and follow up on the properties that shown worse in customer complaints handling in the report, avoid the recurrence of problems and actively improve the customers' accommodation experience.

The Group continued to promote communication with property owners, develop the Manager Reception Day System, set up a property management booth in the community to timely record, solve, feedback and report the problems and suggestions raised by property owners on site, and follow up on the processing results until the property owners are satisfied.



Manager Reception Day activity site

During the Year, the property owner complaints received by the Group's Property Management Center throughout the year have been properly addressed, with 100% complaint completion rate, call-back number and call-back rate and 86% overall customer satisfaction rate.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.3 Satisfaction Enhancement (continued)

##### Hotel Satisfaction Enhancement

The Group's hotels attach great importance to the customer complaint management, unblocked online and offline complaint dual channels, and publicize the complaint channels, while standardizing the customer complaint handling process to receive and handle customer opinions and feedback in a timely manner to enhance hotel customer satisfaction.

##### Complaint Channels

###### Online

- Complaint Hotline (Tourist Complaint Hotline,Guangzhou Complaint Hotline and Company Complaint Hotline)
- Complaint box
- Government Service Hotline 12315

###### Offline

- Guest suggestion boxes placed at the Reception Desk in the lobby
- Guest opinion forms placed in the guest room
- making feedbacks to the Reception Desk staff on site



###### Daily:

Front office manager/relevant departments to follow up and handle timely

###### Monthly:

Summarize, analyze and report to the leaders of the Group and improve our practices

The Group's hotels adopt a combination of online and offline methods to conduct customer satisfaction surveys, so as to understand the real demands of customers and their suggestions on hotel services and management, and make improvements based on the results of the surveys. The implementation and results of customer satisfaction survey in 2022 are as follows:

##### Online Satisfaction Survey

**Scope of the survey:** Ctrip check-in customers

**Method of survey:** Call-back

**Result of survey:** Online Ctrip has received a total of 309 five-point positive reviews, up by 88% as compared with 2021.

##### Offline Satisfaction Survey

**Scope of the survey:** All hotel guests

**Methods of survey:** Guest feedback forms placed in guest rooms; field inquiry investigation

**Result of survey:** A total of 2,882 guest feedbacks were collected, of which 2,019 were positive reviews. The hotel summarizes customer feedbacks daily and rectifies to ensure customer satisfaction.

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.4 Customer Privacy Protection

The Group strictly adheres to the laws and regulations such as the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), and formulates and implements internal management requirements such as Management Regulations on the Protection of Customer Information, Information Management Guide, Document Management Measures. We define the responsibility for the maintenance of data and standardize the management of various aspects including customer information collection, storage and usage, thereby effectively protecting the security of customer privacy information.

While paying great attention to the protection of customers' information and privacy, the Group's Marketing Center, Property Management Center and hotels promote the information security construction of the Group from such aspects as information system construction, authority management setting, information security training and information security supervision and take customer information security protection measures to protect the information security and rights of customers and the Group.

#### Information system construction

Configuring security certificates for the property ERP (Enterprise Resource Planning) system as required to ensure the security of information and links on the staff side and the client side.

#### Authority management setting

Implementing the requirements for delegating exclusive administration rights to designated persons, to minimize the access of non-essential personnel, and reducing the information flow and the leakage risk caused by paper registration through multi-level management and systematic processing.

#### Information security training

Strengthening staff training and improving the information security awareness of relevant staff, to prevent the occurrence of information security incidents.

#### Information security supervision

Conducting inspections on regular basis and supervising marketing personnel to implement system document management and destroy unused materials as soon as possible as required. Materials related to customer information must not be displayed at will, and strict punishment will be imposed once it identifies noncompliance.

Information security and privacy protection measures

## 4. PRESENT ECO-FRIENDLY AND PEOPLE-ORIENTED PROPERTY WITH INGENUITY (CONTINUED)

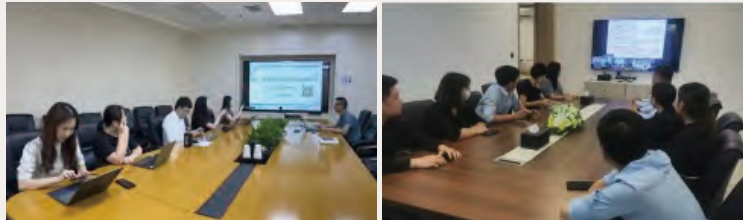
### 4.4. Offer High-quality Services with the Customer-oriented Concept (continued)

#### 4.4.5 Responsible Marketing

The Group strictly complies with relevant laws and regulations such as the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》). Defining the business red line of marketing management, we protect customers from infringement of their rights and interests, and enhance their brand experience with the Group. The Group actively carried out special training on compliance marketing and risk prevention, and continued to improve the Group's risk prevention ability and risk management level in the field of advertising marketing during the Year.

#### Case Legal Risk Prevention Training for Real Estate Advertising and Marketing Activities

In order to further deepen the understanding and cognition of the Group's business marketing management personnel to the Advertising Law, in August 2022, the Group's Audit and Supervision Center, together with Human Resources Administration Center, organized a special training on "Legal Risk Prevention of Real Estate Advertising and Marketing Activities", with a total of more than 70 marketing personnel attending. Through this training, front-line marketing personnel have improved their awareness of risk control in advertising work.



Legal risk prevention training site for real estate advertising and marketing activities



## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES

The Group makes much of attracting and retaining talent, and has built a diverse development platform and an equal and inclusive working environment for employees. Strictly following the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and other relevant laws and regulations, the Group constantly improves its employment management system, has formulated internal systems, including the Recruitment Management System, and fully protects the legitimate rights and interests of employees in employment, promotion, remuneration and other aspects. Meanwhile, the Group continues to improve the training system and the assessment and promotion mechanism, concerns itself with the long-term development of employees in the Company, and fully cares about the physical and mental health of employees, committed to creating a harmonious and stable working environment and a broad career development platform for employees.

### ESG topics included in this section

Prohibiting the employment of child labor and forced labor  
Employees' interests protection  
Employees' training and development opportunity  
Occupational health and safety  
Talent recruitment and team building  
Employees' remuneration and benefits

### SDGs goals addressed in this section



### 5.1. Employment Compliance

The Group resolutely prohibits the employment of child labor and forced labor and other illegal acts, strictly implements policies such as the Provisions on the Prohibition of Using Child Labor, and avoids the employment of child labor and forced labor by conducting background checks including certificates of employment on the to-be-recruited people. Once violations are identified, the Group will promptly conduct investigations and internal rectification. During the Year, the Group did not hire child labor and forced labor.

In addition, the Group adheres to the principle of equal employment. The requirements, procedures and norms regarding the recruitment are specified during the recruitment process, and it is provided that the recruitment information must not contain the content of gender, ethnicity and physical fitness required by the positions, so as to avoid potential employment discrimination and ensure that the recruitment is compliance with laws and regulations, equal and fair.

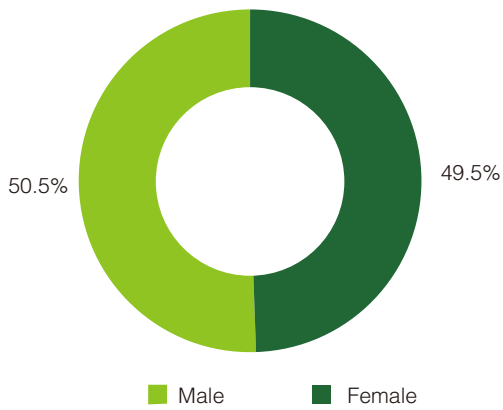
## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.1. Employment Compliance (continued)

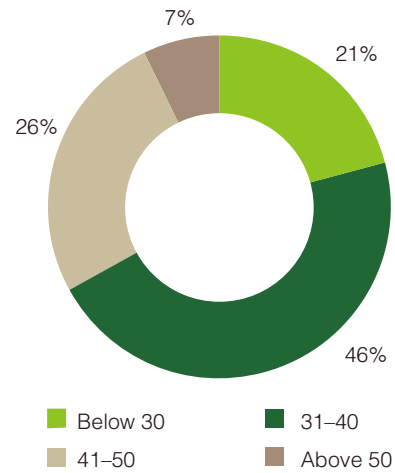
The Group proactively introduces and cooperates with talent while exploring the construction of a diversified talent pool. Every year, the Group prepares a recruitment plan in line with business needs and leverages mainstream online recruiting websites, such as liepin.com, Zhaopin.com and 51job.com, as well as multiple approaches including internal referral and headhunting, to recruit outstanding talents.

As of 31 December 2022, the Group had 873 employees in total, with details shown below:

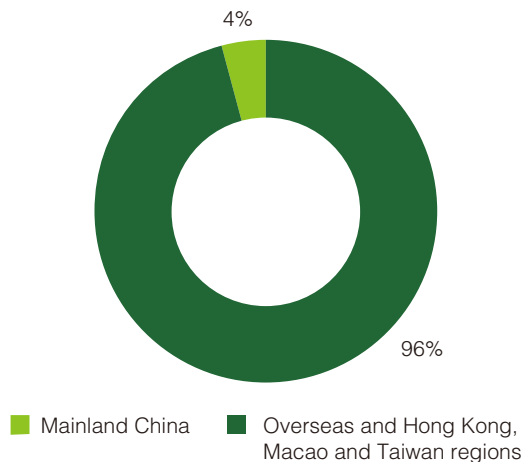
**Number of Employees by Gender**



**Number of Employees by Age Group**



**Number of Employees by Region**



## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.1. Employment Compliance (continued)

During the Year, the highlights of the Group's major employment management efforts were as follows:



### 5.2. Employees' remuneration and benefits

To implement a humanized benefit system, the Group provides employees with fair and competitive remuneration package with reference to the market salary level, and provides multi-level and diversified benefit guarantees, including statutory benefits such as social insurance, housing provident funds, high temperature subsidies and corporate benefits such as vehicle subsidies, meal subsidies, annual physical examination, holiday benefits and family leave, among which male employees whose spouses give birth and comply with national policies are entitled to 15 natural days of paternity leave.

The Group attaches great importance to the stability of the team, continuously counts and analyzes the turnover of employees, and regularly tracks their actual needs and thoughts. For employees who intend to leave, the Group retains key talents through internal transfer and other means to improve the retention rate of high-potential talents, core business staff or business management cadres. For resigned employees, the Group will assist them to handle the resignation procedures such as data handover and household registration transfer in accordance with the regulations, and issues a certificate of dissolution (termination) of the labor contract relationship when the employees officially resign, and handles the procedures such as resignation, file transfer and social insurance relationship transfer for them under the law.

## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.3. Performance Management and Career Promotion

The Group adheres to the principles of “Capability and virtue, Openness and fairness, Talent-post matching and Selecting the best of the best” to carry out personnel performance management and promotion management, establishes a comprehensive posting system and promotion mechanism, creates a broad development platform and diversified promotion opportunities for employees to stimulate the potential of talents and ensure the supply of talents for the sustainable development of the Group.

In terms of performance appraisal, the Group adheres to the principle of fairness and impartiality, formulates and implements internal regulations such as the Administrative Measures for Employee Performance (《員工績效管理辦法》), which provides for a comprehensive assessment of employee performance through the regular compilation of statistics on key tasks, routine tasks and key positions, and uses the assessment results as an important basis for salary incentives and promotions.

In terms of employee promotion, the Group identifies reserve core personnel with potential for cultivation at all levels and majors through performance appraisal, talent review, etc., and holds reserve staff training courses, professional skills training and other initiatives to enhance the quality of employees, thereby establishing career promotion channels, fully exploring talents and giving them opportunities for development.

#### Talent pipeline construction



### 5.4. Talent Cultivation

The Group attaches great importance to talent cultivation and employee development, and continuously optimizes the employee growth and development system. By actively introducing high-quality training resources, building a multi-faceted training platform, conducting in-depth research on various key capabilities required by employees at all stages of career development, and conducting various targeted learning and training courses, the Group continues to enhance the comprehensive capabilities of its employees and creates sufficient career development opportunities for its employees.

During the Year, the Group’s overall training details were as follow:



Employees Trained  
**873**



Percentage of Employees Trained  
**100%**



Total Training Hours  
**15,100.5 hours**



Average Training Hours  
**17.30 hours**

## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.4. Talent Cultivation (continued)

The Group adheres to the training management principle of “classification at different levels, building on strengths and offsetting weaknesses”, and sets up targeted training courses according to the responsibilities of different jobs and career development stages. For example, the Group conducts training on real estate development process and management for project general managers, focusing on improving their project management capabilities; for property assistants and marketing personnel, the Group conducts special training on business skills and training on marketing ability improvement respectively, so as to meet the needs of employees for the knowledge, skills and experience required to complete their jobs at a high level and to achieve their career planning goals.

#### Case Training on “Strong Operation and Good Management – Real Estate Development Process and Management” (《強操盤、善管理－房地產開發流程及管理》)

In order to comprehensively improve the project operation and management capabilities of project general managers and reserve project general managers, the headquarters of the Group carried out the training on “Strong Operation and Good Management – Real Estate Development Process and Management” (《強操盤、善管理－房地產開發流程及管理》) on 29 April 2022, with a total of 35 participants including the city company/project leaders of the Group, Panshi Programme (磐石計劃) and JY talents (景曜生) etc. participated in the training. In this training, the executive director and vice president of the Group was specially invited to share the course on the full-cycle management of the real estate development process and the responsibilities and requirements of project general managers. Through this training, participants had an in-depth understanding of project full-cycle management and improved their management skills.



Training site of “Strong Operation and Good Management - Real Estate Development Process and Management”

## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.4. Talent Cultivation (continued)

#### Case Special Training on Business Skills to Property Assistants

In early June 2022, in order to continually promote the standardized construction of property service and enhance the learning of property assistants in respect of relevant regulations of business sector, the working responsibility and skills and business processes, the Property Management Center and the Human Resources Administration Center of the Group, held a business skill enhancement training targeting property assistants for five days, with 50 customer service employees from the Group's Property Management Center and property lines of each branch participating. After this training, the overall quality of property service employees has been improved, resulting in a comprehensive improvement of the property service quality.



Special Training Site on Business Skill to Property Assistants

#### Case Training in Enhancing the Sales Capabilities of Marketing Force

In mid-August 2022, we fully initiated the training plan to upgrade the sales capabilities of our marketing force in order to continuously foster and enhance our marketing personnel's marketing capabilities and equip them with professional skills to sooner capture emerging opportunities and better meet new challenges, while preparing for work arrangement of the second half of the year, and all the marketing employees participated in the training. By virtue of this training, our marketing personnel improved their ability to adapt to changes in the market, and the marketing teams of our projects also enhanced their ability to comprehensively apply new marketing tools in this new consumption era.



Scenes of training in enhancing the sales capabilities of marketing force

## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.5. Occupational Health and Safety

The Group places highest priority on the health and safety of employees, strictly complies with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), establishes a comprehensive project safety management system, through formulation and implementation of internal management systems such as the Management Methods for Safe and Environmentally Friendly Construction of JY Grandmark Group (《景業名邦集團安全文明施工管理辦法》), that fully implements the responsibility system for safe production, and strengthens safety inspection, supervision and services for the daily operation activities of its properties and hotels. In addition, the Group actively takes epidemic prevention measures and carries out safety training and fire emergency drills and other activities to improve staff safety and health awareness, foster safe and healthy cultural atmosphere and safeguard the health of each employee. During the Year, the Group did not experience any work-related injuries or deaths of employees nor did it have any serious violations of occupational health and safety laws and regulations.

The highlights of the Group's work in occupational health and safety for 2022 are as follow:



## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.5. Occupational Health and Safety (continued)

#### 5.5.1 Safeguard the Health of Employees

Under the background of the regular prevention and control of the COVID-19 pandemic, the Group actively cooperates with relevant national and local policies and strictly implements various epidemic prevention measures to ensure normal business operations on the premise of safeguarding the health and safety of employees. At the same time, the Group attaches great importance to the popularization of health knowledge, organizing employees to participate in knowledge publicity activities on epidemic prevention and control and promoting an active and healthy lifestyle.

#### Epidemic Prevention Publicity

- Disseminate the guidelines on epidemic prevention and control through OA, corporate WeChat, official account and office area banners, and request the human resources administration departments at all levels to do the relevant work in a timely manner according to the local epidemic prevention and control requirements, and scientifically promote knowledge on epidemic prevention and control.

#### Epidemic Prevention Support

- Equip with an electronic temperature measurement system, and require employees entering and leaving the office area to monitor body temperature;
- Equip with disinfectant alcohol and disposable hand sanitizer in public areas such as tea rooms and washrooms;
- Regular disinfection of office;
- Organize vaccinations for our employees, and the vaccination rate reached 99%.

#### Epidemic Prevention Monitoring

- Establish a corporate epidemic prevention collective code to monitor the health situation of employees, remind employees of abnormal health codes and take countermeasures;
- Form a hierarchically responsible, upward and downward linkage of epidemic prevention and control management mechanism, supported by shared documentation, to achieve real-time and dynamic monitoring of the epidemic situation.

#### Case Knowledge Publicity on Epidemic Prevention and Control

In April 2022, the Group carried out the knowledge publicity on epidemic prevention and control through WeChat official account to disseminate the basic knowledge and protective measures of the COVID-19 epidemic to employees, strengthened their awareness of epidemic prevention and help them respond to the epidemic in a scientific and effective way.



燃战季·战一起 | 防疫不放松，搏杀更轻松

疫情常态化之下。  
保持乐观，保持韧性，保持专业，保持战斗力。  
战疫、业绩两不误。保住绿码，我们战一起。



## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.5. Occupational Health and Safety (continued)

#### 5.5.2 Fire Emergency Drills

In order to enhance the awareness of employees on safety and fire prevention, timely identify and eliminate various fire safety hazards, understand the handling process of fire and improve the ability to handle emergencies, the Group actively carried out fire emergency drills activity. Through careful planning and strict organization in advance, the fire drill team clearly defined the drill steps and evacuation routes, and the drills were successfully completed.

#### Case Fire Safety Emergency Drills Conducted at JY Grand Garden in Qingyuan

On 15 November 2022, Qingyuan JY Grand Garden conducted a fire safety emergency drill to inspect the rapid response ability of the team and various departments of Property Safety Management Department and the sound conditions of firefighting facilities of Qingyuan JY Grand Garden, improve the fire safety awareness and escape and self-rescue ability of all the property owners and employees, master the fire emergency handling and safe evacuation procedures, implement fire publicity and education activities for the year, and ensure that there are no fire safety accidents in the community.



Fire safety emergency drills site

## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.5. Occupational Health and Safety (continued)

#### 5.5.2 Fire Emergency Drills (continued)

##### Case Fire Safety Emergency Drills Conducted at JY Lychee Town Garden in Conghua District

On 15 November 2022, a fire safety emergency drill was carried out at JY Lychee Town Garden located in Conghua District. The Property Safety Management Department was responsible for formulating the emergency evacuation plan for firefighting, organizing and planning, as well as explaining the procedures of the plan, details and the preparations before the drill. The employees were instructed through this emergency fire drill in how to correctly use firefighting equipment and escape safely and quickly in case of fire, and they gained valuable experience in escape, self-rescue and mutual help in case of danger.



Fire safety emergency drills site

##### Case Fire Safety Emergency Drills Conducted at Just Stay Resort in Conghua District

To effectively promote the fire safety management of the hotel, ensure the health and property safety of hotel guests and staff, Just Stay Resort in Conghua District launched fire safety emergency drill on 22 June 2022. We specially invited the fire brigade of Conghua Hot Spring to cooperate and guide the drill. After the fire emergency drill was completed, we required the employees to participate in the practical training on the use of fire extinguishers. Such drill strengthened the hotel's ability to respond to fire emergencies.



Fire safety emergency drills site

## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.6. Caring for employees

As an advocator of the corporate culture featuring “people-orientation”, the Group attends to the physical and mental health of each employee and strives to let employees feel our heartfelt care and solid support. Also, the Group has proactively hosted a variety of employee care events, such as team building, meal gatherings, and giving holiday gifts, to extend warmth and care to its employees, continuously enhance their sense of belonging and happiness, and guide them to pursue a better life in a healthy way.

#### 5.6.1 Soothing Care During Summer Days

It was scorching hot from mid-July to October in 2022. In order to well prepare for heatstroke prevention, ensure the physical and mental health of its employees, and create a harmonious working atmosphere, the Group provided the employees at the headquarters with special heat-relieving drinks such as lemonade, and lemongrass with pandanus tea three days every week at the “JY Refreshing Booth”, cooling the summer heat they felt through such care.



“JY Refreshing Booth” served special drinks for heat relieving

#### 5.6.2 Team-building Activities

Yunnan Branch held a mountain-climbing activity for team building to enrich the employees’ cultural lives, enhance their health awareness, and better the communication among the departments and the colleagues’ cohesion. Through this activity, the employees were able to enjoy nature, which not only benefitted their physical and mental health, but also strengthened their willpower, promoted mutual understanding among staff, and enhanced their team spirit and team awareness.



Mountain-climbing activity for team building

## 5. BUILD A BETTER FUTURE TOGETHER WITH EMPLOYEES (CONTINUED)

### 5.6. Caring for employees (continued)

#### 5.6.3 Tea Break Care and New Year's Gift Distribution

The Group attaches great importance to the construction of corporate culture. In order to thank the employees of the Group for their dedication and companionship throughout the year, on 15 January 2022, the Group held an annual summary working meeting, and planned activities such as tea break care and New Year's gift distribution at the meeting site of the Group headquarters to express New Year greetings and blessings to more than 100 employees of the headquarters.



Tea break care and New Year's gift distribution activities

#### 5.6.4 Micro Torch Plan-penetrative Care for Employees

A small holiday gift can reveal the Group's good intentions for the construction of corporate culture. Based on the emotional needs of employees, the Group cares for employees in details. For example, at special time points such as employees' birthdays, employment anniversaries and traditional festivals, the Group sends birthday and employment anniversaries wishes to employees at fixed times by email, and uses the public account platform to plan interactive push on traditional festivals such as Women's Day, Dragon Boat Festival, Mid-Autumn Festival and National Day to celebrate the festival together with employees. These activities give employees respect and care, provide them with good emotional experience and enhance their sense of belonging.



Birthday email care

Employment anniversaries greeting card

Festival push

## 6. STAND SHOULDER TO SHOULDER TO ACHIEVE WIN-WIN COOPERATION

JY Grandmark Group insists on growing hand in hand with suppliers and partners to achieve win-win cooperation, and accelerates the sustainable development of the Group's supply chain and partners' social responsibilities on the basis of ensuring high quality of products and services in the value chain. For this purpose, the Group constantly improves its management system of suppliers, strictly controls every link in quality control, and handpicks high-quality partners for material supplies, construction contracting, etc. through rounds of screening, to jointly promote quality upgrading. The Group strictly abides by the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Law of the People's Republic of China on Government Procurement (《中華人民共和國政府採購法》) and other laws and regulations while formulating and implementing the relevant management measures, such as the Management Code for Suppliers and the Management System for Material Suppliers, and is committed to establishing mutually beneficial cooperative relationships based on mutual trust with outstanding suppliers and actively promotes green procurement practices to create a sustainable supply chain environment.

### ESG topics included in this section

Supply chain environmental and social risk management

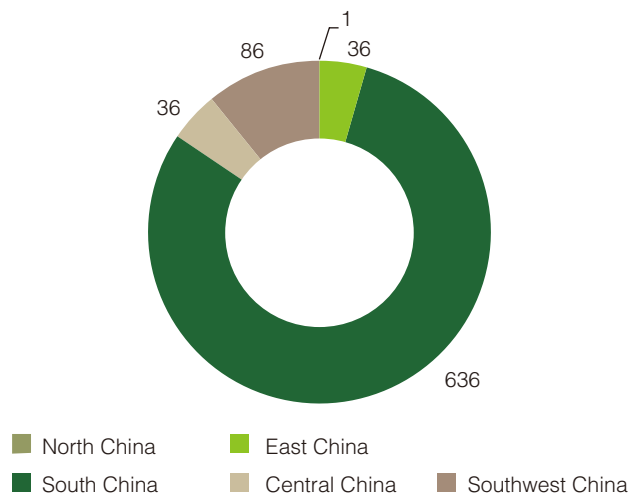
### SDGs goals addressed in this section



### 6.1. Supplier Access and Performance Evaluation

The Group is oriented towards business development and strategic cooperation and cooperates with suppliers in good faith under the Management Code for Suppliers and other management procedures. By standardizing the bidding process, clearly stipulating the supplier inspection standards, and implementing the supplier management system covering different levels and categories, and focusing on the principle of choosing the best with the highest quality and efficiency, the Group consistently searches for the best to enlarge the supplier base. The Group is committed to building a just and fair competition platform for suppliers to fulfill our social responsibilities together. In 2022, the Group had a total of 795 suppliers, representing an increase of 181 suppliers compared with that of the previous year.

Number of suppliers (by region)



## 6. STAND SHOULDER TO SHOULDER TO ACHIEVE WIN-WIN COOPERATION (CONTINUED)

### 6.1. Supplier Access and Performance Evaluation (Continued)

JY Grandmark Group established supplier management processes such as the systematic bidding and supplier selection and evaluation which are consistent with the nature of the business development of the Group according to the Management Code for Suppliers, the Management System for Material Suppliers and other internal rules and regulations, and consistently improved the supplier access, evaluation, entry and inspection, management and all other stages, striving to optimize the Group's supply chain management.

#### Supplier admission mechanism

When selecting potential suppliers, the Group's Tender and Procurement Center will discuss with the engineering center, design center and finance center and other core departments based on the actual situation, and carry out supplier entry inspection to conduct preliminary screening, on-site inspection and information review in terms of qualifications, performance capabilities and technical level, etc. Meanwhile, extra points will be given to those candidate suppliers who have obtained ISO system certification or other environmental- or quality-related certificates; we will also examine the suppliers' management abilities in safety and health, labor rights and interests and business ethics, so as to minimize the environmental and social risks in the supply chain, and fully guarantee the high quality of the Group's products and services.



#### Supplier assessment mechanism

For suppliers in the database, the Group conducts half-yearly and annual assessments, evaluating suppliers comprehensively from quality indicators, delivery indicators, economic indicators and service indicators and rating them by four grades, excellent, good, qualified and unqualified, according to the assessment results. For suppliers that fail in the assessment, the Group terminates the cooperative relationships and will not cooperate with them within two years, and they will have to go through the introduction process as a new candidate if they request to participate in our project bidding after 2 years. During the Year, we continued to improve the contents and process of supplier assessment mechanism, added an annual assessment segment for contractual suppliers, and carried out annual assessment for partners under construction during the Year, such assessment covering multiple indicators such as contract signing and performance, progress reporting, project progress and the quality of on-site construction.



## 6. STAND SHOULDER TO SHOULDER TO ACHIEVE WIN-WIN COOPERATION (CONTINUED)

### 6.2. Sustainable Supply Chain

The Group actively advocates responsible procurement, provides suppliers with a fair, just and transparent competitive platform, and fully implements sunshine procurement to ensure that our suppliers maintain good business ethics. In addition, we also pay attention to the environmental and social impact of our supply chain, continue to explore and practice green procurement and strengthen daily communication with and supervision and management of suppliers. By actively publicizing to suppliers and implementing the Group's ESG philosophy, we look forward to cooperating with suppliers to build a sustainable supply chain system together, thus establishing a long-term business cooperation relationship that achieves win-win situation. During the Year, the Group continued to deepen and strengthen the sustainable development of supply chain, the specific control measures of which were as follows:

#### Supply chain with integrity and transparency

- **Comprehensive implementation of procurement system with integrity:** Each contract signed with its suppliers has an anti-corruption agreement and is required to be signed by suppliers. Employees who involved in procurement violations will be subject to serious punishment with the involved suppliers blacklisted and banned from admission forever. During the Year, all suppliers working with the Group have signed the Integrity Agreement, and the Group's tender and procurement malpractices were reported 0.
- **Fair and just competition:** With the number of bidders being "not less than 2N+1" in principle, we carried out bidding activities in an orderly manner with reference to the prevailing industrial practices.
- **Supervision of the whole bidding process:** The Cost Center is responsible for management of bidders, bidding list and base price, which will assign different teams to handle bidders and base prices, to avoid risks of corruption. In addition, bidders to negotiate prices are required to strictly follow the bidding procedures and prohibited from careless or intentional leakages, so as to avoid risks of corruption.
- **Setting corruption report channels:** An anti-corruption agreement as well as the telephone number of the Audit and Supervision Center will be included in the bidding contract, and for any unfair issues that occurred during the bidding process, the bidders can directly report them to the Audit and Supervision Center of the Group. Bidders conspiring in illegal bidding activities will be deprived of bidding qualifications, and filed at the Group Procurement Center, who will not be allowed to participate in any of the Group's project biddings and quotations for at least three years.

## 6. STAND SHOULDER TO SHOULDER TO ACHIEVE WIN-WIN COOPERATION (CONTINUED)

### 6.2. Sustainable Supply Chain (Continued)

#### Safe and environmental protection supply chain

- **Local procurement:** We attach great importance to the sustainability and reliability of the supply chain. From the perspective of environmental protection, support to the local economy and cost reduction, etc., the Group, without compromising the quality of our products, encourages internal departments to prioritize the engagement of suppliers nearby, so as to reduce unnecessary waste and emissions of materials during transportation.
- **Practicing green procurement:** With a priority to choose green and healthy materials and products in the procurement process, Asia Paint Natural Stone Coating used by the Group is made of characteristic synthetic resin emulsion and a variety of natural stone sand grains and additives with excellent performance, which is the environmental protection decorative materials for building facades that meets national GB24408, HJ2537, JG/T24 inspection standards.

#### Improving quality supply chain

- **Strict control the quality of the materials and products:** When selecting suppliers, the Group focuses on the review of the suppliers' qualifications, and requires suppliers to implement green construction and occupational safety and security, and will urge the suppliers to fulfill their corporate social responsibilities, and jointly explore for green development. During the Year, there were a total of 71 suppliers with ISO certification (ISO9000, ISO14000 and ISO45000) in the Group's supplier reserve, representing an increase of 5 compared with that of the previous year.
- **Improve supplier material inspection:** The Group's Tender and Procurement Center and demanding departments will jointly conduct on-site inspections on materials, and establish a strict inspection system for the construction contractors. The inspection will cover five aspects, such as the amount, outer packaging, storage, structure and appearance, use and installation of the materials. The suppliers are required to rectify them sufficiently in time regarding the issues identified during the inspection, and improve the quality control of the materials and products comprehensively.



## 6. STAND SHOULDER TO SHOULDER TO ACHIEVE WIN-WIN COOPERATION (CONTINUED)

### 6.2. Sustainable Supply Chain (Continued)

#### Communication and exchanges with suppliers

- **Open and transparent communication mechanisms:** The Group strives to provide smooth and transparent communication channels for suppliers, promote close communication and cooperation and exchange up-to-date information of the industry between the two sides through various ways such as phone calls, emails, on-site visits and industry exhibitions. Meanwhile, the Group also organized a seminar for construction units of specific projects, in which all key departments of the Group would participate, to analyze the potential problems on the construction site and explore the solutions together with the suppliers, so as to ensure the high-quality performance of the project.

During the Year, the Group participated in communication activities organized by suppliers as follows:

On 11 March 2022, the Group appointed representatives to attend the Window Door Facade Expo China (鋁門窗幕牆新產品博覽會);



Window Door Facade Expo China

On 8 July 2022, the Group appointed representatives to attend CBD Fair (Guangzhou);



China International Building Decoration Fair ("CBD Fair") in Guangzhou

On 22 September 2022, the Group was invited to attend the Tianan New Material Exchange Meeting (天安新材交流會)



Tianan New Material Exchange Meeting

## 7. MAINTAINING INTEGRITY AND COMPLIANCE FOR A NEW CHAPTER OF PROBITY

The Group is firmly committed to a culture of integrity and compliance, strictly complies with the laws and regulations such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) and the Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), and adopts a zero-tolerance attitude towards any acts of corruption. In order to implement integrity and ethical conduct, the Group has established an Audit and Supervision Center, and at the same time actively organized directors and employees to participate in anti-corruption training, optimized anti-corruption whistle-blowing channels and processes, and spared no effort to promote integrity construction. During the Year, the Group did not experience any violation of laws and regulations relating to bribery, extortion, fraud and money laundering, and there were no identified incidents of corruption or public legal cases relating to the Group.

### ESG topics included in this section

Anti-corruption and Integrity Training

### SDGs goals addressed in this section



### 7.1. Probity System Construction

In order to standardize the integrity practice of employees and effectively safeguard the interests of the Company, the Group has formulated internal management systems such as the Administrative Measures for Dereliction of Duty and Accountability (《失職問責管理辦法》) and the Group Probity System (《集團廉政制度》) to standardize the integrity practice of senior and middle management and all employees of the Company, and firmly prevent the occurrence of activities such as bribery, extortion, fraud and unfair competition. Meanwhile, the Group is required to sign the Employee Integrity Pledge (《員工廉政承諾書》) with its employees and the Probity Agreement (《廉政協議書》) with its cooperative companies to build a firm anti-corruption barrier from the source.

The Group has established a sound integrity control system and clarified the responsibilities and authorities of each department. The Audit and Supervision Center is the competent department of the Group in charge of the construction of integrity efforts and reports directly to the Audit Committee. It is responsible for drafting, revising, issuing and supervising the implementation of systems related to anti-corruption and integrity, conducting anti-corruption and integrity training, coordinating and organizing relevant departments to assess and sort out the high-risk businesses of integrity and formulating preventive measures, and conducting special investigations for incidents of integrity violations found. The heads of the human resource administration department of each unit of the companies under the Group are responsible for promoting the implementation of anti-corruption and integrity efforts within their respective areas, assisting the Audit and Supervision Center of the Group's companies in completing investigations, and reporting to the Audit and Supervision Center and the Group's competent business departments on the implementation of the system and investigations in a timely manner.

## 7. MAINTAINING INTEGRITY AND COMPLIANCE FOR A NEW CHAPTER OF PROBITY (CONTINUED)

### 7.2. Anti-corruption and Integrity Training

The Group takes anti-corruption and integrity education and promotion and implementation as the focus of the construction of corporate integrity culture. The Group conducts anti-corruption training for directors and all employees regularly, and continuously enriches its integrity education-related courses and forms, to further enhance employees' awareness of integrity practice.

During the Year, the Human Resources Administration Center has been conducting anti-corruption training on employee code of conduct, management system and corporate ethics and morality for new employees of the Group, various segments and branches. The Group held two probity training sessions with an aggregate of 65 training hours, covering 65 employees.

#### Case Training in Preventing Legal Risks and Integrity Risks Relating to the Construction of Architectural Projects

On 14 January 2022, the Audit and Supervision Center and the Human Resources Administration Center co-hosted a legal seminar on the theme of "preventing legal risks relating to the construction of architectural projects and improving the awareness of relevant personnel on legal risks"; a total of approximately 100 people from relevant centers and all projects of the Group attended the training. The special training was mainly provided by lawyers from the Group's standing legal advisor and they lectured on the risks concerning signing and not signing the certificates, illegal subcontracting risks and others aspects. The senior legal manager of the Audit and Supervision Center explained real cases of integrity corruption at the teach-in and summoned the attention of the engineering force to integrity risks related to signing the certificates in respect of the architectural projects. Through this training, the staff's legal awareness and integrity awareness have been enhanced.



Scenes of Training in Legal Risks and Integrity Risks

## 7. MAINTAINING INTEGRITY AND COMPLIANCE FOR A NEW CHAPTER OF PROBITY (CONTINUED)

### 7.2. Anti-corruption and Integrity Training (Continued)

#### Case Contract Management System Training

On 1 April 2022, the Audit and Supervision Center and the Human Resources Administration Center co-hosted a training meeting themed standardizing contract management and strengthening relevant business personnel's jurisperitus quality and their awareness of preventing risks; over 100 business personnel in total from all business segments, function centers and branches of the Group participated in the training. Invited as the lecturer to attend the training, the senior legal manager of the Audit and Supervision Center detailed the common problems in the management process of contract approval and performance and the resulting loopholes in integrity violation, summarized the rectifying measures, and illustrated the positive significance of standardized operations regarding contracts on preventing legal risks and operational risks by using typical cases. This training has promoted the Group's institutionalization of contract management, playing a significant role in the Group's establishment of an enterprise with greater efficiency and integrity.

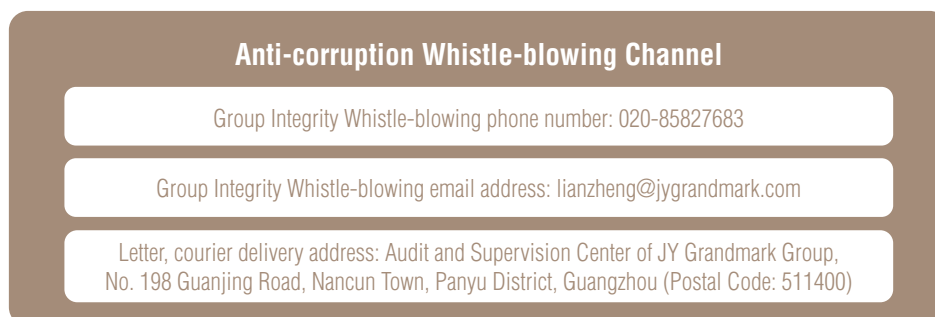


Scenes of Contract Management System Training

## 7. MAINTAINING INTEGRITY AND COMPLIANCE FOR A NEW CHAPTER OF PROBITY (CONTINUED)

### 7.3. Anti-corruption Whistle-blowing Channel

The Group established a sound malpractice reporting and handling mechanism, opened a variety of whistle-blowing channels, including hotline, email, complaint mailbox, etc., and encouraged all employees, business partners and the public to report suspected violations, irregularities and misconducts related to the Group.



After receiving the whistle-blowing, the Group promptly investigated and verified the relevant information. In response to the confirmed misconducts after the verification, the Group took timely measures to conduct internal control assessments on the affected relevant business units and took improvement measures. For the employees who were proven to have committed fraud, the Group, depending on the circumstances, will punish the employees by punishments, such as demerit, demotion and reassignment, major demerit, dismissal and firing, and deduct their performance bonus in accordance with the Administrative Measures for Dereliction of Duty and Accountability (《失職問責管理辦法》). In cases of suspected crimes, the Group will transfer the relevant persons to the judicial organs for handling.

The Group makes every effort to protect the safety and rights and interests of whistleblowers, establishes a sound whistleblower protection mechanism, keeps the whistleblower's information and whistle-blowing contents confidential, and eliminates the retaliation against whistleblowers. For verified cases of retaliation, relevant persons will be held accountable by the Group. For the units and individuals who make outstanding contributions in timely identifying, preventing and correcting violations of integrity and discipline, the Group gives them recognition and rewards to encourage the whole staff to participate in the construction of integrity work.

In 2022, the Group received two valid whistle-blowing from anti-corruption whistle-blowing channel. After verification, the Group has taken self-examination and self-correction actions to identify integrity risk in time and comprehensively promote the prevention mechanism of integrity risk.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE

JY Grandmark Group adheres to the green and low-carbon development concept of “Build green space, practice green operation”, fully responds to the national emission peaking and carbon neutrality goals and conforms to the trend of green transformation of the real estate industry, strictly implements the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》) and other relevant regulations, actively arranges and implements the green action plan, and builds a green livable community through the development mode of green building, green construction and green operation to achieve a harmonious coexistence of people, buildings and the environment. In addition, the Group actively responds to the challenges and opportunities brought by climate change, explores and adopts climate-resilient architectural design, and constantly optimized internal environmental management norms and systems, striving to live in harmony with the natural ecological environment while maintaining sustainable business development.

### ESG topics included in this section

Green building  
Reasonable development and ecological protection  
Water resources management  
Energy efficiency and carbon emissions reduction  
Green operation  
Dealing with climate change

### SDGs goals addressed in this section



### 8.1. Green Operation

The Group strictly complies with the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), the Law of the People’s Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) and other laws and regulations, integrates the concept of green development into all aspects of daily office and business operations, continuously improves the environmental management system, and effectively controls the Group’s environmental management efficiency in terms of energy usage, water resources management and waste recycling through a series of actions and management measures to save energy and reduce consumption.

#### 8.1.1 Green Development Goals

In order to effectively implement the concept of green and low-carbon operation, the Group continues to strengthen the tracking and control of environmental management efficiency, and has developed three major green development goals of low-carbon energy saving, water efficiency and waste reduction based on the actual situations of the Group’s business development and daily operation, actively carries out corresponding action plans from the dimensions of green operation and office, green construction and green buildings, etc., continuously tracks the performance of environmental protection and strives to promote the achievement of the goals.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.1. Green Operation (Continued)

#### 8.1.1 Green Development Goals (Continued)

##### Low-carbon and energy-saving management

The Group proactively conducts operations in an energy-saving and consumption-reducing way, increases energy use efficiency and decreases greenhouse gas emissions.

##### Water efficiency management

The Group reinforces the daily maintenance of water facilities and equipment, publicizes the awareness of water conservation, reasonably uses water resources and optimizes the utilization efficiency of water resources.

##### Waste emission reduction management

In response to waste sorting, the Group deepens the awareness of material recycling and relentlessly presses ahead with reducing waste, recycling waste and harmlessly treating waste.

#### 8.1.2 Low-carbon and Energy-saving Management

The Group attaches great importance to practicing the concept of low-carbon and energy-saving in daily operations, emphasizes the scientific and rational use of energy, strengthens energy management and supervision in multiple dimensions, and enhances energy use efficiency by means of energy-saving renovation of equipment and the use of energy-saving lamps, etc., achieving energy conservation and consumption reduction through practical actions. During the Year, the Group continued to optimize and actively carried out the action plan of low-carbon and energy-saving management objectives on the basis of 2021. The specific progress and corresponding measures are as follows:

##### Popularizing the use of energy-saving lamps

- We intensified the replacement of LED energy-saving lamps in all areas of the hotels. A total of 105 pieces 40W halogen lamps at the entrance of the guest rooms and bathrooms of Just Stay Hotel have been replaced with 3W LED downlights of low-energy consumption, about 9,500 KWH of electricity was saved since their operation;
- All lighting fixtures in the office area are energy-saving ones to reduce energy consumption;
- The property centers of each project adjusted the lighting time of street lamps according to seasonal changes, and carried out the transformation and replacement of low-energy street lamps. During the Year, the I, II and III Phases of Clearwater Bay No. 3 project replaced energy-saving lamp while ensuring the brightness of street lamps. Based on an average of 10 hours of lighting per day, about 16,534.5 KWH of electricity can be saved throughout the year.



The I, II and III Phases of Clearwater Bay No. 3 project replaced corn lamps with low-energy floodlights

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.1. Green Operation (Continued)

#### 8.1.2 Low-carbon and Energy-saving Management (Continued)

##### Further exploring equipment retrofitting for energy-saving purposes

- Since the end of 2018, the Group's Guangzhou Just Stay Resort has continuously implemented a series of equipment retrofitting projects for energy-saving purposes, such as the project converting from gas to electricity system (i.e. gas boiler-based constant temperature system replaced by low-power-consumption constant temperature system with air energy heat pump and electromagnetic heater) and refitting the equipment for air conditioning waste heat recovery. After the operation in recent years, energy consumption costs of RMB5,817,100 in total were saved compared with the pre-retrofitting of the project converting from gas to electricity system. The air conditioning waste heat recovery and modification project recovered a total of 6,760 tonnes of hot water during two air-conditioning seasons. Various energy-saving renovation projects have achieved remarkable results.
- The Group actively explored the technological transformation of energy-saving equipment and the practice of clean energy, committed to reducing greenhouse gas emissions during the Year. Guangzhou Just Stay Resort has signed a renovation project intended to install photovoltaic power generation with slanted roofs. The project is still in the examination and demonstration stage, aiming to implement the renovation in 2023, which is expected to effectively reduce the cost of electricity after renovation.



Gas to electricity equipment operation



Air conditioning waste heat recovery tank



## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.1. Green Operation (Continued)

#### 8.1.3 Water Efficiency Management

Water resource is one of the precious natural resources, and the Group has always been attaching great importance to the protection and conservation of water resources. In its operation, the Group actively explores the use of water-saving facilities and equipment and promotes the publicity of internal water-saving, so as to enhance the efficient use of water resources and the awareness of water-saving of all staff; In the process of carrying out the project, we assigned special personnel to check the water equipment and pipes regularly, and the water leakage will be repaired immediately once found to avoid unnecessary waste of water resources. During the Year, the Group continuously optimized and actively carried out the action plan of water efficiency management objectives on the basis of 2021. The specific progress and corresponding measures are as follows:

#### Publicity and implementation of the awareness of water saving

- Post signs in office areas, bathrooms, etc. to urge employees to conserve water;
- Timely repair leaky faucets and other equipment and urge employees to report leaky situation for repair in time.

#### Water-saving renovation

- Priority should be given to water-saving equipment and water-saving appliances in the projects;
- Water supply and water use devices are designed and installed in accordance with relevant national specifications and product standards.

During the Year, the Group continued to promote the work of water saving, and explored the renovation of water saving equipment to improve water efficiency. Just Stay Hotel, a subsidiary of the Group, actively practiced the water circulation mode, and had installed a frequency converter for the rooftop hot water circulation pump, which reduced the frequency of the pump from 50 Hz to approximately 33 Hz, thus reducing the pump speed, extending the service life of the pump as well as achieving the purpose of energy saving, and realizing water saving and efficiency.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.1. Green Operation (Continued)

#### 8.1.4 Waste Reduction Management

The Group strictly controls waste management in operation, strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Administrative Measures for Urban Living Garbage (《城市生活垃圾管理辦法》) and other relevant laws and regulations, and actively implements relevant initiatives of waste separation in each business segment. The non-hazardous waste generated by the Group mainly includes construction waste, garden waste and living garbage produced during the construction and office work. Through sorting and disposing of different kinds of waste, negative impact on the environment can be avoided. For recyclable waste, such as waste paper and office supplies, etc., the Group classifies and collects them separately to promote the recycling and utilization rate of waste and improve the efficiency of resource use. In addition, the Group produces a relatively small amount of hazardous waste, such as waste toner cartridges and ink cartridges, which are classified in a centralized manner and disposed of by qualified third parties. The Group continues to practice the management of waste discharge and standardize the classification and disposal of waste in daily operation, so as to realize the reduction, harmlessness and resource utilization of waste. During the Year, the Group continuously optimized and actively carried out the action plan of waste reduction management objectives on the basis of 2021. The specific progress and corresponding measures are as follows:



In the hotel sector, the Group, as always, insists on sorting hotel garbage, fully implements the waste separation management system, and classifies and disposes the garbage according to recyclable garbage and other garbage when cleaning the garbage bins in guest rooms. At the same time, special conferences, special activities, and publicity and training on waste separation are regularly held to enable employees to fully understand the knowledge and importance of waste separation and cultivate their awareness of waste separation, so as to better popularize and implement waste separation in an all-round way.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.1. Green Operation (Continued)

#### 8.1.4 Waste Reduction Management (Continued)

In addition to taking measures to reduce waste in the course of our operation, the Group also pays close attention to the construction of green and waste-free communities, actively encourages property owners and residents to practice the concept of green living and low-carbon environmental protection, and promotes environmental protection publicity and education through community publicity activities with the theme of waste separation. While continuously enhancing the awareness of waste separation of all employees, the Group also actively advocates the participation of property owners.

#### Create an environment-friendly and waste-free community atmosphere



Environmental protection awareness publicity in households



Classification identification of residential garbage cans



Waste separation knowledge publicity



Bulletin board of waste separation

#### 8.1.5 Green Office

In addition to launching a series of environmental protection and low-carbon initiatives in various business sectors, the Group also pays attention to our own resource use and energy consumption in the office process, always practices the concept of green office, and strives to build a green and low-carbon office environment. During the Year, in order to better respond to the Group's operation and management requirements of "reducing expenses and controlling costs", we implemented the principles of energy-saving and efficiency-enhancing office management, refined the measures of energy conservation and emission reduction in office scenes, and enhanced employees' awareness of saving. During the Year, the Group's green office initiatives included but were not limited to:



##### Water conservation

It is recommended to bring your own water cup at the meeting, and eliminate the phenomenon of "long flow of water" in the tea rooms and the toilets; if there is "leakage and dripping" of water, notify the maintenance in time.



##### Electricity conservation

Turning off the office electrical equipment in time after work to reduce the excessive consumption of electricity; controlling the temperature adjustment of air conditioner in the office to optimize the use of air conditioner.



##### Cyclic utilization

Recycling office supplies for the second time to reduce the waste of office consumables (such as paper and office stationery).



##### Saving paper

Fully popularizing paperless office, and using double-sided printing for documents and materials; encouraging employees to develop the habit of adjusting pages before printing to avoid paper waste.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.2. Green Building Model

Promoting green and low-carbon economic and social development is a key link to achieve high-quality development. The construction field is an important part of achieving the “emission peaking and carbon neutrality” goal. The energy-saving and low-carbon development of buildings is of great significance. JY Grandmark Group continues to pay attention to the relevant policies and technical specifications of green buildings in the region where it operates, actively explores the research and development, promotion and application of energy-saving and carbon-reduction technologies, promotes the high-quality development of green buildings, and advocates low-carbon life.

#### 8.2.1 Green Building Design

Adhering to the green building design concept of “energy, water, land and material saving and environmental protection”, the Group adopts national and local green building standards such as the Assessment Standard for Green Building (《綠色建築評價標準》) and the Design Standard for Energy Efficiency of Public Buildings (《公共建築節能設計標準》) in the project design and operation, integrates high-tech building technologies and concepts such as building industrialization, sponge city, healthy building and building information model into the requirements of green buildings, and explores safe, durable, energy-saving and environment-friendly, livable and convenient architectural design solutions, and is committed to constructing new buildings that are environment-friendly, green and healthy, so as to better realize the harmony and sustainable development between human and nature.



## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.2. Green Building Model (Continued)

#### 8.2.2 Further Development of Prefabricated Buildings

The Ministry of Housing and Urban-Rural Development of PRC issued the 14th Five-Year Plan for the Development of Construction Industry (《“十四五”建築業發展規劃》), which stated that by 2025, prefabricated buildings would account for more than 30% of newly-built buildings. Prefabricated buildings transferred a large number of on-site operations in traditional construction modes to factories, to effectively improve construction quality and efficiency, ensure safe and civilized construction, and contribute to environmental protection and resource conservation. The Group actively promotes the application of prefabricated buildings in the products and speeds up the realization of new building production modes with energy saving, environmental protection and maximization of the whole life cycle value of building products.

#### Improve construction quality

Correcting quality problems such as wall cracking and leakage, and improving the overall safety, fire resistance and durability of the housing.

#### Improve construction efficiency

Transferring traditional “site operations” to “factory operations”, reducing the impact of weather conditions on construction and speeding up the progress of construction.

#### Safe and civilized construction

Reducing the construction site building materials and construction waste stacking, making the excessive construction noise controllable, as well as reducing the site safety accident rate.

#### Energy saving and environmental protection construction

By significantly reducing original on-site casting operations, we strictly control construction flying dust pollution, reduce the consumption of energy such as water, electricity and fuel, and decrease the emission of pollutants and waste.

The Group adheres to the prefabricated building design concept to continuously promote the application of prefabricated construction technology with component standardization, modularization, light weight, fewer specifications, more assemblies, easy factory production, easy construction and operation. For example, the Group’s JY Uniworld in Zengcheng District adopts prefabricated construction technology, using construction methods such as the laminated floor, prefabricated stairs, prefabricated interior partition wallboards, integrated decoration, integrated bathrooms, integrated kitchens and aluminum molding, thereby simplifying the design process, shortening the design cycle, strictly controlling design quality and actively implementing the practical application of prefabricated construction in the products. As of 31 December 2022, the prefabricated construction projects implemented by the Group included Zhuzhou JY Mountain Lake Gulf Phase II, Zhuzhou JY Mountain Lake Gulf Phase III, Zhuzhou Jing Ye Square Phase I and Phase II, JY Uniworld in Zengcheng District and Hainan JY Egret Bay, and the total capacity area of these projects were 690,900 sq.m. in aggregate, of which the total prefabricated building area was 363,600 sq.m. in aggregate, accounting for 52.6% of the prefabricated buildings.



Prefabricated reusable building components on construction site

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.2. Green Building Model (Continued)

#### 8.2.3 Ecological Environment and Heritage Conservation

The Group attached great importance to the ecological environment and heritage conservation in the construction process of the project, and strictly abides by the Cultural Relics Protection Law of the People's Republic of China (《中華人民共和國文物保護法》), the Regulations for the Implementation of the Cultural Relics Protection Law of the People's Republic of China (《中華人民共和國文物保護法實施條例》), the Regulations of Guangzhou Municipality on Protection of Cultural Relics (《廣州市文物保護規定》) and other laws and regulations. The Group constructed reasonably according to local conditions, respected local natural resources and cultural history, prevented the damage of ecological environment and cultural relics, maintained ecological balance to achieve sustainable development.

In the old renovation project of Zhujiang Village, we strengthened the importance of ecological environment protection, planned to connect the Pearl River water system with a green ecological network featuring green corridors, and included greening resources into important component of construction. Urban landscaping not only provided people with places for leisure and entertainment, but also beautified the environment, purified the air and further improved the urban living environment in urban construction. In the meantime, we protected local cultural relics, carried out special protection tasks for local ancestral halls, ancient trees, such as we relocated, reconstructed and repaired the ancestral halls respectively according to their different conditions, to avoid destroying historical relics in the development process, and promote the humanistic integration of the urban redevelopment in local areas.



Building an ecological residence surrounded by mountains and close to river according to local conditions while showing respect to the tradition of the villagers living along the river in Lingnan, along with high-quality residential communities and leisure and cultural paths with the characteristics of Lingnan sea silk culture.



Located on both sides of the river, the residential areas connect Pearl River Chong with the surrounding natural mountain landscape resources, reasonably dividing the landscape green corridors from waterfront leisure trails and forming a continuous waterfront slow walking landscape axis.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.2. Green Building Model (Continued)

#### 8.2.3 Ecological Environment and Heritage Conservation (Continued)



Building an ancient temple square to restore the ancient spatial scale of the village and fully demonstrate the charm of the cultural relics, and giving new functions to the cultural and creative industry while inheriting the Lingnan culture.



Utilizing the original old tree resources of the site to create an urban leisure space and enhance the vitality and image of the city.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.3. Green Construction Process

In active response to the call of national policies, the Group advocates green construction, strictly abides by the Technical Guidelines for Green Construction (Trial) (《綠色建造技術導則(試行)》) and other related policies, formulates and implements Management Methods for Safe and Environmentally Friendly Construction of JY Grandmark Group (《景業名邦集團安全文明施工管理辦法》) and other internal rules and regulations. Under the premise of ensuring the project quality and the building environment safety, we have adopted various environmental protection measures to save energy, water, and raw materials in the construction process, so as to protect environment, and promote the high-quality development of green construction and urban and rural construction.

The environmental management measures adopted by the Group for green construction sites are as follows:

#### Material conservation

- We choose recyclable materials such as concrete iron and copper products for architectural project design;
- Projects are encouraged to adopt the aluminum formwork and climbing frame process system to reduce the use and loss of wooden squares and wooden formwork;
- The proportion of prefabricated components in building development is increased, including prefabricated shear walls, prefabricated laminated panels, prefabricated stair slabs, etc.;
- In the construction process, plastic formwork with higher turnover times is popularized to reduce the loss of turnover materials;
- All construction processes use ready-mixed concrete and commercial mortar to reduce environmental pollution and material losses at the construction sites;
- Some projects make full use of the integrated design of building, civil engineering, and decoration and adopt integration.

#### Energy conservation

- Solar street lamps are used for lighting in the construction of some projects;
- Centralized and time limit lighting devices are used for lighting in the construction of some projects.

#### Noise control

- Construction noise is monitored in real time and make sure it does not exceed the level required by the Emission Standard of Environmental Noise for Boundary of Construction Site (《建築施工場界環境噪聲排放標準》);
- Sound insulation measures, e.g. temporary barriers for sound insulation and vibration isolation, are also taken.



## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.3. Green Construction Process (Continued)

#### Dust control

- “Wet operation” is required for demolition, blasting, excavation and other processes;
- The use of bulk cement is prohibited and the use of commercial concrete is popularized;
- Dust detection facilities are set up at the site to monitor and control the dust within the construction site, and the proven gas emission standards are strictly implemented to ensure compliance with the secondary standards for air pollutants;
- Spraying systems are also set up around tower cranes, walls, outer shelves, etc., and the main construction areas are equipped with fog cannons or sprinklers.

#### Soil protection

- Bare soil is covered within the construction site, and a fine mesh is used to completely cover the soil or have it planted;
- The ground of main roads, operation areas and living areas are fully hardened, and the surface is compacted.

#### Sewage treatment

- The entrances and exits are equipped with flushing equipment, the vehicles go out after being cleaned and covered to strictly prevent the vehicles from carrying sediment out of the site, and the car wash wastewater is discharged into municipal sewage pipelines only after going through the three-stage sedimentation;
- Drainage ditches have been dug along the on-site roads, material stacking sites and mixing stations to control sewage flow, with sedimentation tanks set up to ensure that sewage is discharged into municipal sewage pipelines only after sedimentation.

#### Waste treatment

- Construction wastes generated during the construction will be sorted and placed on-site first;
- Transfer them to professional organizations for recycling and compliance treatment.

#### Prevention of process-related pollution

- All wood veneer products supporting the decoration project are delivered to the site for assembly after the painting process is completed in the factory, and on-site painting is prohibited; all veneer products for interior doors selected by the bidders are of paint-free veneer; environment-friendly primers and glues are uniformly selected for indoor wallpapering, while nitro varnishes are not allowed to be used as primers;
- Painting process of aluminum windows, railings, etc., are completed in professional production workshops utilizing the “powder spraying” process, to avoid pollution caused by traditional painting processes.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.4. Tackling Climate Change

As a series of environmental crises and social and economic problems caused by global warming and climate change became increasingly prominent, climate change has become one of the common challenges faced by human society in the 21st century. JY Grandmark, as a responsible corporate citizen, actively responded to the national “3060 carbon peak and carbon neutrality”, and took effective management and response of climate change risks as one of the priorities of daily operations. The Group committed to formulating strategies and management methods for major climate-related risks and opportunities. We actively identified major climate risk points in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and clarified the four core elements (“Governance”, “Strategy”, “Risk Management” and “Metrics and Targets”) under the TCFD recommendations. At the same time, the Group continued to adopt an effective and rationalized management policy, continuously optimized to identify, assess and manage the climate-related risks, and grasped the opportunities brought by the low-carbon green economy.



Four core elements of TCFD Recommendations

#### Governance: Governance of climate-related risks and opportunities

The board of directors and the ESG Working Group of the Group are responsible for formulating sustainable development strategies including addressing climate change issues and regularly reviewing, supervising the implementation, so as to effectively manage climate change risks and mitigate the impacts of climate change on business to strengthen the Group’s ability to address the climate change.

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.4. Tackling Climate Change (Continued)

Strategy: The real and potential impacts of climate-related risks and opportunities on business, strategy and financial planning

The Group focuses on the existing enterprise risk management framework to maintain vigilance, identify, assess and address climate-related risks and opportunities in various businesses, and incorporate climate change into our strategic plans. The Group has identified a series of risks and opportunities related to climate change based on its own actual operating conditions, and formulated corresponding measures including but not limited to the following measures:

Physical Risk	Extent of Impact	Measures
Increasing frequency and severity of extreme weather events (rainstorms, earthquakes, typhoons, etc.)	<ul style="list-style-type: none"> <li>• Extreme weather leads to an increased demand for electricity and water, resulting in higher operating costs</li> <li>• Impose a burden on the health of employees and the durability of equipment, resulting in reduced productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct regular training on emergency plan drills</li> <li>• Develop extreme climate emergency plans in due course</li> <li>• Adopt more durable and firm facilities and materials</li> <li>• Actively carry out green buildings project, and test the building's anti-seismic ability to ensure that it reaches the level of local anti-seismic grades</li> <li>• Formulate safety risk prevention and control measures to fully ensure the health and safety of employees</li> <li>• Build strong relationships with suppliers to ensure the timely delivery of products</li> </ul>

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.4. Tackling Climate Change (Continued)

Strategy: The real and potential impacts of climate-related risks and opportunities on business, strategy and financial planning (Continued)

Transition Risks	Extent of Impact	Measures
<b>Climate-related policy risks</b>	<ul style="list-style-type: none"> <li>Increasingly stringent carbon emission management requirements and requirements for green building design lead to an increase in operating and project costs</li> </ul>	<ul style="list-style-type: none"> <li>Pay close attention to market trends and policy trends</li> <li>Accelerate innovative investment in projects with green and low-carbon characteristics</li> <li>Regular asset upgrades and improvements</li> </ul>
<b>Increasingly stringent environmental regulations</b>	<ul style="list-style-type: none"> <li>Higher demand for environmental management requirements such as resource use efficiency and waste discharge management leads to an increase in operating costs</li> </ul>	<ul style="list-style-type: none"> <li>Intensive use of prefabricated buildings to achieve the effect of energy saving and consumption reduction</li> <li>Continue to explore new technologies for energy-saving transformation to help energy-saving and efficiency-enhancing</li> </ul>
<b>Market and reputation risk</b>	<ul style="list-style-type: none"> <li>Less competitive advantage compared to competitors with better sustainability performance leads to an impairment of revenue and market reputation</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize sustainability in renovation design and new development projects</li> <li>Keep a close eye on customer satisfaction</li> </ul>
<b>Climate-related opportunities</b>	<p>Technological progress provides great opportunities for reducing energy costs and transitioning to a low-carbon economy. Due to the gradual adoption of sustainable materials and building technologies, our business operations are in a favorable position in terms of energy efficiency and low-carbon performance.</p> <p>Consumers increasingly express their preference for more environmentally friendly products and brands committed to responsible business practices. This will bring new market opportunities.</p> <p>The rapid growth of responsible investment and sustainable finance provides us with an important opportunity to release alternative financing flows. Looking ahead, we will explore business opportunities with sustainable financing and sustainable development features.</p>	

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.4. Tackling Climate Change (Continued)

Strategy: The real and potential impacts of climate-related risks and opportunities on business, strategy and financial planning (Continued)

#### Case Resilient Adaptation to Climate: Actively Promoting Green Building Projects

In order to achieve the goal of green and being enjoyable to live in of buildings, the Group has been actively promoting the green building project of JY Uniworld in Zengcheng District in recent years, to ensure that the safety and climate adaptability of residential and commercial buildings are enhanced, and the buildings can meet the requirements of earthquake-resistance and wind-resistance and are equipped to cope with the potential challenges brought by extreme weather.

**Effective response to typhoon:** JY Uniworld in Zengcheng District has appropriately increased the basic wind pressure of towering buildings above 60m to 1.1 times in accordance with the local standard of Guangdong Province, the Load Code for the Design of Building Structures (《建築結構荷載規範》), to achieve the expected wind-resistance effect.

**Improving seismic performance:** According to the national standard Code for Seismic Design of Buildings (《建築抗震設計規範》), the Group identified the seismic intensity of JY Uniworld in Zengcheng District, and determined the seismic level of each building during the process of construction according to the national standard and code, to ensure that the seismic performance of the buildings meets the standards.



JY Uniworld in Zengcheng District

## 8. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR A GREEN PICTURE (CONTINUED)

### 8.4. Tackling Climate Change (Continued)

#### Risk Management: How to identify, assess and manage climate-related risks

The Group considers climate-related risk in the risk management system, which includes topics related to climate change, energy conservation and emission reduction, and greenhouse gas emissions, and conducts targeted climate risk assessments on an ongoing basis. The Group assesses the potential impact of climate risks on its business through interviews and other methods, taking into account the opinions of executives, and conducts various assessments and investigation analysis of new and ongoing projects on climate-related issues such as energy and water resources supply and natural disasters. At the same time, the Group actively takes countermeasures to mitigate the climate-related risks identified, and the relevant business departments are responsible for implementing and executing feasible corresponding proposals.

#### Metrics and Targets: Indicators and targets for assessing and managing climate-related risks and opportunities

To better understand and continuously track the effectiveness in tackling climate change, the Group has set targets for green development, covering low-carbon and energy conservation, water efficiency and waste reduction goals, and has defined specific initiatives for planning and targets achievement. At the same time, the Group continues to disclose Scope 1 and Scope 2 greenhouse gas emission data and focuses on measures to reduce emissions in Scope 3, actively promotes low-carbon and green travel for employees, gives priority to public transportation when traveling, and promotes the use of teleconferencing systems in due course based on actual work situation to reduce indirect travel-related greenhouse gas emissions.

# 9. MOISTENING THE COMMUNITY HOME BY WARMTH OF HEART AND ACTIONS

JY Grandmark Group always integrates social responsibility into its development strategy and operation. In the process of its development and growth, the Group upholds the corporate philosophy of “Ethics, Thoughtfulness and Integrity (卓行、善思、有道)”, and actively participates in social welfare undertakings. The Group is continually involved in public charity activities, boosts rural revitalization and assists with anti-pandemic controls and flood relief, building a harmonious society. Meanwhile, the Group organized environmental protection public welfare activities to practice on the concept of environmental protection and advocate green and low-carbon life through real actions. During the Year, the Group invested an amount of RMB164,133 and assigned 49 people in aggregate in public welfare activities.

### ESG topics included in this section

Promoting local economic development  
Public charity and social services

### SDGs goals addressed in this section



### 9.1. Donations

To actively fulfil the Group’s social responsibilities, JY Grandmark Group worked in partnership with governments and subsidiaries in cities to launch a range of donation and public welfare activities, organize volunteers to help lonely and impoverished elders and comfort families in need, and pass on warmth and good faith. During the Year, the key public welfare activities of the Group are as follows:

#### JY Grandmark Group Sponsors Food Angel

In January 2022, the JY Grandmark Group sponsored the Food Angel in Hong Kong and distributed meals and gift packs to the Hong Kong poor elderly at its centre, assisting the Food Angel to fulfil its purpose of “Waste Not, Hunger Not, With Love”. The Group donated a total financial aid of HK\$100,000, appealing to the public to reduce food waste and care for those who need food support and helping to eradicate hunger and poverty through the activity.



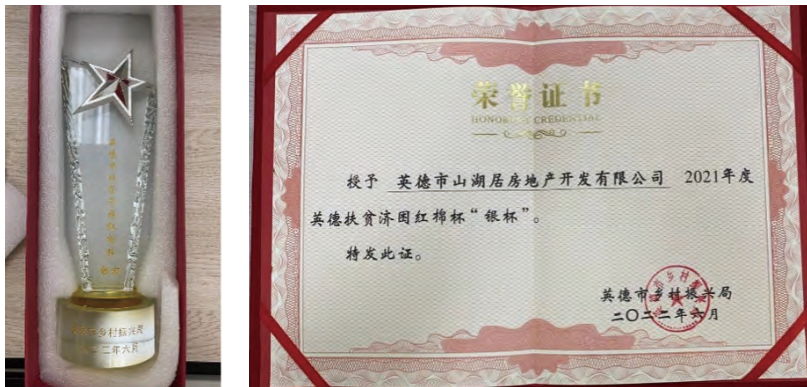
Food Angel Charity Event

## 9. MOISTENING THE COMMUNITY HOME BY WARMTH OF HEART AND ACTIONS (CONTINUED)

### 9.1. Donations (Continued)

#### Yingde Shanhuju Real Estate Development Co., Ltd. boosts rural revitalization

In June 2022, Yingde Shanhuju Real Estate Development Co., Ltd., a subsidiary of JY Grandmark Group, participated in the Guangdong Poverty Alleviation Day activity, donating a total of RMB60,000, and won the “Silver Cup Award” of the Poverty Alleviation Red Cotton Cup for its outstanding contribution to rural revitalization.



“Silver Cup Award” of the Poverty Alleviation Red Cotton Cup

#### Yingde Shanhuju Real Estate Development Co., Ltd. supports children in difficulties

In June 2022, Yingde Shanhuju Real Estate Development Co., Ltd., a subsidiary of JY Grandmark Group, participated in the “Charity Sale • Charity Sale to Raise Funds and Help Realize Dreams” public welfare activity for children held in Yingde City, all of RMB1,600 paid for the subscription of literary and artistic works was used for “Dandelion • Touched by Love” project of caring for the growth of children in difficulties, making a contribution to the healthy growth of children in difficulties.



Certificate of honour for participating in the “Charity Sale • Charity Sale to Raise Funds and Help Realize Dreams”



## 9. MOISTENING THE COMMUNITY HOME BY WARMTH OF HEART AND ACTIONS (CONTINUED)

### 9.1. Donations (Continued)

#### Qingyuan Branch Cares for retired and disabled veterans

In September 2022, Qingyuan Branch of JY Grandmark participated in the heartfelt sympathy activity of “Caring for Retired and Disabled Veterans, Contributing Love and Warming the Society” by organizing its staff to visit disabled veterans at their homes and distribute consolation gifts to them. The Group donated a total of RMB1,433 in the activity, creating a good social atmosphere of caring, respecting and helping disabled veterans with actions.



“Caring for Retired and Disabled Veterans, Contributing Love and Warming the Society” activity

### 9.2 Assisting with Anti-pandemic Controls

#### JY Mountain Lake Gulf helps the community in epidemic prevention and control

In March 2022, JY Mountain Lake Gulf set up a free nucleic acid spot and a temporary immunization site, to meet the needs of the community residents for nucleic acid testing nearby, and create a good atmosphere for active vaccination and joint construction of immune barriers. In October 2022, JY Mountain Lake Gulf donated epidemic prevention materials of approximately RMB1,200 to the community, to take social responsibilities and help the epidemic prevention and control.



Scene of JY Mountain Lake Gulf fighting against the COVID-19 pandemic

## 9. MOISTENING THE COMMUNITY HOME BY WARMTH OF HEART AND ACTIONS (CONTINUED)

### 9.2 Assisting with Anti-pandemic Controls (Continued)

#### The team of Qingyuan JY Grand Garden helps fight against the pandemic

In mid to late July 2022, the outbreak of COVID-19 pandemic occurred in Yingde, Qingyuan. The Group's Qingyuan Branch actively cooperated with the local government and the sub-district community where it was located, organized a team of anti-pandemic volunteers to join the front line fighting COVID-19 pandemic together with community staff and medical personnel, and built a security barrier against the pandemic for the property owners of Qingyuan JY Grand Garden community. The team of Qingyuan JY Grand Garden helped fight against the pandemic, and its continuous days of hard work and logistic support not only won the praise from the property owners of the community, but also won the affirmation and appreciates from the leaders of the neighborhood committee.



Scene of Qingyuan JY Grand Garden fighting against the COVID-19 pandemic

#### JY Clearwater Bay No. 3 builds a “community anti-pandemic wall”

In August 2022, the outbreak of COVID-19 pandemic occurred in Hainan. During the over 30 days of severe prevention and control of COVID-19 pandemic, the property company of JY Clearwater Bay project stuck to the front-line post, assisted the government in conducting community nucleic acid testing, continuously carried out garbage removal and disinfection work, and did a good job of solid epidemic prevention and control and thorough protection for the community with professionalism, guarding the safety of JY Clearwater Bay No. 3 in all aspects. As of 8 September, all five communities in JY Clearwater Bay No. 3 have maintained a good record of no pandemic involvement and zero infection between staff and property owners in this round of pandemic, which was recognized by the property owners.



Scene of JY Clearwater Bay No. 3 fighting against the COVID-19 pandemic

## 9. MOISTENING THE COMMUNITY HOME BY WARMTH OF HEART AND ACTIONS (CONTINUED)

### 9.3 Assisting in Flood Fighting

#### Just Stay Resort in Conghua District fights against extraordinary rainstorm on 10 May 2022

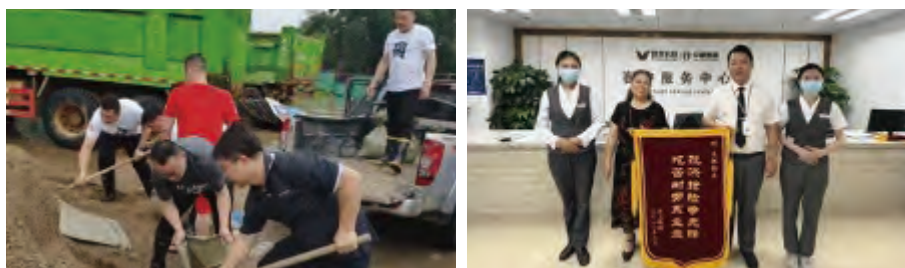
From 10 May to 15 May 2022, Guangzhou experienced the strongest rainfall this year. The downtown area of Conghua was continuously impacted by this round of heavy rainfall, and the flood situation was urgent. Just Stay Resort in Conghua District quickly established a flood control and disaster relief team, adopted a series of special flood control measures, effectively prevented nearly 10 times of emergency, deployed nearly 100 flood control sandbags, and dispatched a total of 85 people to deal with emergency situations, and ensured the safety of guests and normal operation of the hotel to the maximum extent.



Just Stay Resort in Conghua District flood fighting site

#### Qingyuan JY Grand Garden's "96 hours" of flood control and disaster relief

In mid to late June 2022, the continuous heavy rainfall in Guangzhou led to the backflow of water from the mainstream of Beijiang River and severe waterlogging suffered in Yingde. The personnel from the Qingyuan JY of the Group quickly formed a flood control guardian team and participated in the flood control rescue at the first time, fighting for 96 hours continuously since 19 June to fully protect the lives and properties of all owners of Qingyuan JY Grand Garden. In this flood control and disaster relief operation, the team of Qingyuan JY Grand Garden won the praise of the owners and harvested a total of 6 commendation flags.



Scenes of controlling flood and relieving disaster efforts of Qingyuan JY Grand Garden team and being awarded the commendation flags

## 9. MOISTENING THE COMMUNITY HOME BY WARMTH OF HEART AND ACTIONS (CONTINUED)

### 9.4. Environmental Protection Public Welfare Activities

JY Grandmark Group establishes the environmental protection concepts and makes contributions in its power to green environmental protection by organizing employees to participate in environmental protection public welfare activities. The Group also appeals to the public to pursue a healthy, green and low-carbon lifestyle and protect the ecological environment.




#### Just Stay Hotel Participated in Voluntary Tree-Planting Festival

In March 2022, Guangzhou Zhuosidao Hotel Management Co., Ltd., Conghua Branch under the JY Grandmark organized 16 employees to participate in the “2022 Voluntary Tree-Planting Festival” held by Liuxi River Hot Spring Management Committee, and planted 20 sequoia saplings at Congdu Wetland Park in Liangkou, Conghua District, Guangzhou, with RMB800 in aggregate invested. The activity advocated the employees to care and preserve the forest and improve the ecological environment.



“2022 Voluntary Tree-Planting Festival” Site

## 10. MAJOR HONOURS AND AWARDS IN 2022

Honour/Award	Awarding body
 <p>JY Grandmark Group was awarded the “Director Unit 2022–2026”</p>	<p>Guangdong Real Estate Industry Association</p>
 <p>The city showroom of JY Zhujiang Village was awarded the “Best Pre-sale Property of the Year”</p>	<p>Kinpan Award Committee</p>
 <p>JY Uniworld was awarded “Zengcheng Craftmanship Quality Property”</p>	<p>Zengcheng Real Estate, Charming Zengcheng</p>
 <p>Yingde Zhuodu Property Management Co., Ltd. was awarded “Excellent Property Service Enterprise”</p>	<p>Yingde City Construction Industry Association Property Management Branch</p>

## 10. MAJOR HONOURS AND AWARDS IN 2022 (CONTINUED)

Honour/Award	Awarding body
 <p>Hunan Zhuodu Property Services Co., Ltd. was awarded "Outstanding Member Unit of 2022"</p>	<p>Zhuzhou Property Management Institute</p>
 <p>Hunan Zhuodu Property Services Co., Ltd. was awarded "Member Unit"</p>	<p>Hunan Property Management Association</p>
 <p>Hunan Zhuodu Property Services Co., Ltd. was awarded "Star Property Services Project"</p>	<p>Hunan Property Management Association Zhuzhou Property Management Institute</p>
 <p>Tengchong Jingye Real Estate Development Co., Ltd. was awarded "Guangcai Star 2022"</p>	<p>Tengchong Federation of Industry and Commerce (Chamber of Commerce) Tengchong Society for Promotion of the Guangcai Program</p>

# 11. APPENDIX I: ESG KEY PERFORMANCE DATA TABLES

## Environmental Areas

	KPI	Unit	2022	2021	2020
<b>Air Emissions</b>	Sulfur dioxide emissions	kg	0.80	0.75	0.63
	Nitrogen oxides emissions	kg	155.93	449.67	266.43
	Particulate matter emissions	kg	4.38	30.54	4.39
<b>Greenhouse Gas Emissions</b>	Greenhouse gas emissions (Scope 1)	tCO <sub>2</sub> e	399.08	464.98	672.26
	Greenhouse gas emissions (Scope 2)	tCO <sub>2</sub> e	6,611.82	9,315.98	7,463.25
	Greenhouse gas emissions (Scope 1 + Scope 2)	tCO <sub>2</sub> e	7,010.90	9,780.96	8,135.51
	Greenhouse gas emission intensity	tCO <sub>2</sub> e/million revenue	13.66	4.89	3.47
<b>Hazardous Waste</b>		Tonnes	2.4	16.61	27.98
<b>Non-hazardous Waste</b>		Tonnes	717.59	559.77	453.74
<b>Energy Consumption</b>	Total energy consumption	kWh in '000s	13,094.59	13,585.34	11,964.02
	Direct energy consumption	kWh in '000s	1,714.16	2,012.29	3,061.58
	Indirect energy consumption	kWh in '000s	11,380.43	11,573.05	8,902.44
	Energy consumption intensity	kWh in '000s/million revenue	25.51	6.79	5.10
	Electricity consumption	kWh in '000s	11,380.8	11,572.96	8,902.44
	Gasoline	Litre	54,438	50,897.67	44,252.04
	Diesel	Litre	266.00	0	2,100.00
	Liquefied petroleum gas	kg	368.84	0	3,315.00
	Pipelined natural gas	m <sup>3</sup>	125,000	159,094.64	268,161.10
<b>Consumption of Water Resource</b>	Water consumption	m <sup>3</sup>	582,116.45	695,519.55	427,167.60
	Water consumption intensity	m <sup>3</sup> /million revenue	1,134.07	347.76	182.00

## 11. APPENDIX I: ESG KEY PERFORMANCE DATA TABLES (CONTINUED)

### Environmental Areas (continued)

Description of environmental data and indexes:

1. The time span of the environmental data is from 1 January 2022 to 31 December 2022; the data collection scope includes the Group's head office area; the office and sales area of branches in seven cities; the office and sales area of two project companies; the office and public area of eight property management companies; the office and operational area of two hotels. The data of one property management companies was newly collected during the Year as compared to 2021.
2. Greenhouse gas emissions (Scope 1) mainly derived from fuel and gas consumption of official vehicles and fixed equipment; while greenhouse gas emissions (Scope 2) derived from consumption of purchased electricity. The relevant data is derived from relevant fee bills and administrative ledgers. Emission indexes of greenhouse gas of purchased electricity are based on the Notice on the Key Tasks Related to the Management of Enterprise Greenhouse Gas Emission Reporting in 2022 《關於做好2022年企業溫室氣體排放報告管理相關重點工作的通知》 issued by the Ministry of Ecology and Environmental of PRC; and emission indexes for other energy are based on the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange.
3. The types of energy consumed by the Group in 2022 include fuel and gas of official vehicles and fixed equipment and purchased electricity. The relevant data is derived from relevant fee bills and administrative ledgers. The energy consumption indexes are subject to conversion factors provided by the International Energy Agency and the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008) (《GB/T 2589-2008綜合能耗計算通則》).
4. The Group mainly uses municipal tap water and hot spring water, and there is no shortage of water supply. The relevant data is derived from financial record and administrative ledgers.
5. Greenhouse gas emissions, total energy consumption and water consumption of the Group decreased in 2022 as compared to that in 2021. The intensity of GHG emissions, energy consumption and water consumption increased as the Group's revenue declined during the reporting period due to a combination of factors including the impact of the COVID-19 pandemic, the macroeconomic environment and policies on the real estate industry.



## 11. APPENDIX I: ESG KEY PERFORMANCE DATA TABLES (CONTINUED)

### Social Areas

KPI		2022	
<b>Total workforce by gender, employment type, age group and geographical region</b>			
		<b>Number of Employees (persons)</b>	<b>Percentage (%)</b>
<b>By Gender</b>	Male	441	50.5%
	Female	432	49.5%
<b>By Employment Type</b>	Full time	871	99.8%
	Interns	2	0.2%
<b>By Age Group</b>	Below 30 years old	184	21.1%
	31–40 years old	399	45.7%
	41–50 years old	226	25.9%
	Above 50 years old	64	7.3%
<b>By Geographical Region</b>	Mainland China	840	96.2%
	Overseas and Hong Kong, Macao and Taiwan	33	3.8%
<b>Total Number of Employees</b>		873	–
<b>Employee turnover rate by gender, age group and geographical region</b>			
		<b>Number of Employee Turnover (persons)</b>	<b>Turnover Rate (%)</b>
<b>By Gender</b>	Male	175	20.0%
	Female	208	23.9%
<b>By Age Group</b>	Below 30 years old	127	14.5%
	31–40 years old	163	18.7%
	41–50 years old	73	8.4%
	Above 50 years old	20	2.3%
<b>By Geographical Region</b>	Mainland China	375	43.0%
	Overseas and Hong Kong, Macao and Taiwan	8	0.9%
<b>Health and Safety</b>			
<b>Number of work-related fatalities occurred in the past three years</b>			0
<b>Lost days due to work injury</b>			54

## 11. APPENDIX I: ESG KEY PERFORMANCE DATA TABLES (CONTINUED)

### Social Areas (Continued)

KPI		2022	
<b>The percentage of employees trained and average training hours by gender and employment type</b>			
		<b>Percentage of Employees Trained</b>	<b>Training Hours Per Employee</b>
<b>By Gender</b>	Male	100%	10.03
	Female	100%	24.65
<b>By Position</b>	Senior management	100%	21.84
	Middle management	100%	34.79
	General employee	100%	16.13
<b>Supplier Management</b>	North China		1
	East China		36
	South China		636
	Central China		36
	Southwest China		86
	Number of suppliers where relevant policies (especially environmental protection and social policies) are being implemented (entity)		71
<b>Customer service data</b>			
	Number of complaints (times)		271
	Number of callbacks after complaint processing (times)		354
	Number of customer service outbound calls (times)		3,193
<b>Anti-corruption training</b>			
	Training times (times)		2
	Number of training participants (persons)		65
	Total training hours for the year (hours)		65
<b>Community Investment</b>			
	Amount invested (RMB)		164,133

# 11. APPENDIX II: ESG GUIDE CONTENT INDEX

ESG Indicators		Disclosures	Corresponding Sections
<b>A1 General Disclosure</b>	Information on the policies and 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.	Disclosed	Low carbon and environmental protection for a green picture
<b>A1.1</b>	The types of emissions and respective emissions data.	Disclosed	Appendix I
<b>A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	Low carbon and environmental protection for a green picture
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	Low carbon and environmental protection for a green picture
<b>A2 General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Low carbon and environmental protection for a green picture
<b>A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Low carbon and environmental protection for a green picture
<b>A2.4</b>	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.	Disclosed	Low carbon and environmental protection for a green picture
<b>A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A (The Group's business does not involve the use of packaging materials)	

## 11. APPENDIX II: ESG GUIDE CONTENT INDEX (CONTINUED)

ESG Indicators		Disclosures	Corresponding Sections
<b>A3 General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Low carbon and environmental protection for a green picture
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Low carbon and environmental protection for a green picture
<b>A4 General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	Low carbon and environmental protection for a green picture
<b>A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Disclosed	Low carbon and environmental protection for a green picture
<b>B1 General Disclosure</b>	Information on the policies and 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.	Disclosed	Build a better future together with employees
<b>B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Disclosed	Build a better future together with employees Appendix I
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix I
<b>B2 General Disclosure</b>	Information on the policies and 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.	Disclosed	Build a better future together with employees
<b>B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Appendix I
<b>B2.2</b>	Lost days due to work injury.	Disclosed	Appendix I
<b>B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Build a better future together with employees

## 11. APPENDIX II: ESG GUIDE CONTENT INDEX (CONTINUED)

ESG Indicators		Disclosures	Corresponding Sections
<b>B3 General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Build a better future together with employees
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix I
<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix I
<b>B4 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	Build a better future together with employees
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Build a better future together with employees
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Disclosed	Build a better future together with employees
<b>B5 General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Disclosed	Stand shoulder to shoulder to achieve win-win cooperation
<b>B5.1</b>	Number of suppliers by geographical region.	Disclosed	Appendix I
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	Stand shoulder to shoulder to achieve win-win cooperation
<b>B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Stand shoulder to shoulder to achieve win-win cooperation
<b>B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Stand shoulder to shoulder to achieve win-win cooperation

## 11. APPENDIX II: ESG GUIDE CONTENT INDEX (CONTINUED)

ESG Indicators		Disclosures	Corresponding Sections
<b>B6 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	Present eco-friendly and people-oriented property with ingenuity
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A (The Group's business does not involve product recalls for safety and health reasons)	
<b>B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Disclosed	Present eco-friendly and people-oriented property with ingenuity
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Present eco-friendly and people-oriented property with ingenuity
<b>B6.4</b>	Description of quality assurance process and recall procedures.	Disclosed	Present eco-friendly and people-oriented property with ingenuity
<b>B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Present eco-friendly and people-oriented property with ingenuity
<b>B7 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	Maintaining integrity and compliance for a new chapter of probity
<b>B7.1</b>	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.	Disclosed	Maintaining integrity and compliance for a new chapter of probity
<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Maintaining integrity and compliance for a new chapter of probity
<b>B7.3</b>	Description of anti-corruption training provided to directors and staff.	Disclosed	Maintaining integrity and compliance for a new chapter of probity

## 11. APPENDIX II: ESG GUIDE CONTENT INDEX (CONTINUED)

ESG Indicators		Disclosures	Corresponding Sections
<b>B8 General Disclosure</b>	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.	Disclosed	Moistening the community home by warmth of heart and actions
<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Moistening the community home by warmth of heart and actions
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Disclosed	Moistening the community home by warmth of heart and actions

## 12. CORPORATE INFORMATION

### **Principal Share Registrar and Transfer Office**

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### **Hong Kong Branch Share Registrar**

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### **Registered Office**

Cricket Square  
Hutchins Drive, PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### **Principal Place of Business in Hong Kong**

Suites 3008–10, 30/F, Tower One  
Times Square, 1 Matheson Street  
Causeway Bay  
Hong Kong

### **Principal Place of Business and Head Office in the PRC**

X1301-C4884  
No. 106 (Self-named Building 1)  
Fengze East Road, Nansha District  
Guangzhou City  
Guangdong Province, the PRC

### **Company's Website**

[www.jygrandmark.com](http://www.jygrandmark.com)

### **Company's Stock Code**

The Stock Exchange of Hong Kong Limited  
Stock code: 2231





**JY GRANDMARK HOLDINGS LIMITED**