

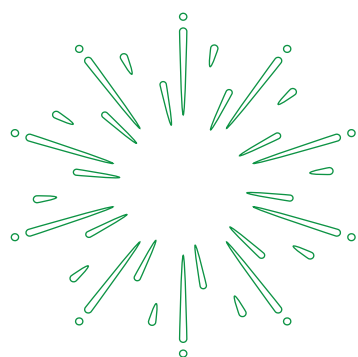


建業地產股份有限公司 Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：0832.HK



環境、社會及管治報告

Environmental,

Social and

Governance Report 2021

服務中原 造福百姓

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About the Report

This is the 6th Environmental, Social and Governance Report (“ESG Report” or “the Report”) issued by Central China Real Estate Limited (for better presentation and readability, “the Company”, “Central China Real Estate” or “CCRE” and “we”, and “the Group” for the Company together with its subsidiaries). The Board of Directors is fully aware of its responsibility for the authenticity of the Report, assumes liabilities to the Group’s environmental and social governance strategies and reporting and has reviewed and approved the Report.

REPORTING PERIOD AND SCOPE

The Report covers the management, initiatives and performance of the Group on environmental, social and governance issues during the period from 1 January 2021 to 31 December 2021 (the “Current Year” or the “Reporting Period”). Part of the content can be traced back to the previous year or extended to the disclosure date of the Report. For details of corporate governance, please refer to the relevant chapters of the Group’s 2021 Annual Report.

In terms of key performance indicators or other statistics-related information, the data at the social level covers all business segments and all regions of the Group, while the data at the environmental level comes from the Group’s offices in Hong Kong and Mainland China.

MAIN REFERENCE STANDARDS OF THE REPORT

This Report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guidelines of The Stock Exchange of Hong Kong Limited (“HKEX”) as set out in Appendix 27 to the Listing Rules. The Report is also prepared with reference to the Corporate Social Responsibility Reporting Guidelines released by the Chinese Academy of Social Sciences (“CASS-CSR 4.0”) and the “core” option of the Global Reporting Initiative’s Sustainability Reporting Standards (“GRI Standards”) and the United Nations Sustainable Development Goals (SDGs). Unless otherwise stated, the currencies involved in the Report are all measured in RMB.

THE REPORT IS PREPARED IN ACCORDANCE WITH THE FOLLOWING REPORTING PRINCIPLES

Materiality: We identify major ESG issues through materiality assessment, and the relevant processes and results have been disclosed in the ESG Report;

Quantitative: Quantitative information on environmental and social aspects is presented in the ESG Report, together with a description of its purpose and impact. Comparative data will be provided in subsequent ESG Reports;

Consistency: We use a consistent statistical method of disclosure. In the Report, we have maintained the same statistical method of disclosure for the information disclosed in the previous Report. For the information disclosed for the first time, we will adopt a consistent statistical method in subsequent years to facilitate meaningful comparisons from year to year.

About the Report *(Continued)*

RELEASING FORM

This Report is released online in both Chinese and English versions. Shareholders and stakeholders may access this Report on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's official website (www.jianye.com.cn). In case of discrepancies between the Chinese version and the English translation, the Chinese version shall prevail.

CONTACT INFORMATION

We attach great importance to the opinions of various stakeholders and the public on this Report. If you have any inquiries or suggestions, please contact the Company through jianye.g@centralchina.com.

A Message from the CEO

“MAKING GREAT EFFORTS TO ACHIEVE OUR MISSION”

2021 was a landmark year that marked the beginning of China’s 14th Five-Year Plan period. It was also an important and unique year in the development of Henan province, a year in which the real estate industry shifted toward more sustainable development, and a critical milestone in the history of Central China Real Estate Limited. CCRE established the main business of real estate and the road of brand management at the beginning of its establishment. Over the past three decades, we have focused on the Henan market, where we have strived to fulfill our mission of “creating a better life for people in central China” and contributing to the region’s urbanization and social development.

In 2021, we continued to enhance our corporate culture of being Trustworthy, Responsible, Upright, Focused and Dedicated. We strived to effectively interact with our stakeholders, including customers, employees, investors, and shareholders, and paid greater attention to issues in critical areas such as corporate governance, ESG, policy impacts, environmental policies and management systems, green construction, supply chain management, product management, customer management, and employee management.

FOCUSING ON CUSTOMER EXPERIENCE, DELIVERING CONSISTENT PRODUCT QUALITY, AND EMPHASIZING INNOVATIVE DESIGN

We are dedicated to “providing high-quality products and top-notch services to customers”, and we employ a variety of approaches – including informed decision making, regulated management, and professional operations – to ensure that our products and services meet quality standards. Through these efforts, we have been able to develop buildings that lead the industry in terms of useability, safety, and durability.

One of our main goals is to “improve the happiness index of Jianye’s customers”. As of the end of 2021, we carried out the “Polishing” campaign to address customers’ post-delivery repairment needs, and we held the “Improvement and Enhancement” campaign for the 14th consecutive year to improve our customers’ quality of life.

In product development, we have been focusing on improving the customer experience so that we can continuously introduce competitive products. We have based our product R&D and construction designs on “green, low carbon, energy-efficient, technology-driven” concepts. We have also adopted innovative development and design models to begin offering customized and personalized products to customers. Harnessing these models, we have pioneered the development of buildings that are tailored to customer demands. In addition, we have combined our advantages to offer high-end interior services to buyers of established apartments.

A Message from the CEO *(Continued)*

PURSuing GREEN CONSTRUCTION TO ACHIEVE HIGH-QUALITY GROWTH AND PROTECT THE ENVIRONMENT

We are devoted to protecting the environment and natural ecosystems, and we aim to minimize any negative impacts of our business on the environment by incorporating the concept of green operations and low-carbon development into our business development strategy. We have issued *CCRE's Implementation Plan for Green Buildings* and adopted construction principles that emphasize ecology, people, local conditions, and integrated design.

In response to the state's call, we conducted in-depth research on the use of renewable energy in the construction industry and introduced built-in self-test (BIST) technology into our processes. In addition, we promoted the use of prefabricated buildings to facilitate green development in urban areas. As of the end of 2021, the prefabricated buildings utilization rate exceeded 50% for some of our projects in Hainan province, and Xinxiang City and Luoyang City in Henan province, which was above the government's requirement that calls for prefabricated buildings to account for no less than 30% of newly constructed buildings. Starting with the entire green building life cycle, we explored ways to save energy and reduce consumption, and we continuously upgraded our processes to save energy and reduce emissions throughout the real estate development life cycle.

SERVING COMMUNITIES AND RESIDENTS, AND MEETING OUR SOCIAL RESPONSIBILITIES AS A LARGE ENTERPRISE

When developing our business, we always bear in mind that we need to create benefits for the society in which we operate. To meet our social responsibilities as a large enterprise, we strive to proactively serve the public in areas such as healthcare, education, rural revitalization, and other important fields. In 2021, Henan province was struck by a catastrophic flood, as well as the COVID-19 pandemic. In response, we stood alongside the people there and mobilized every resource available to set up a rescue service team and a volunteer team to facilitate disaster relief. In addition, we proactively donated funds and supplies to support the fight against the flood and the pandemic.

We are also committed to caring for children in rural areas. Despite the challenges from the flood and pandemic in 2021, we continued our "Jianye Cup" soccer competition, and this year's competition carried a special theme that paid tribute to those fighting the odds. We also arranged for the winning team to coach children in rural areas. Meanwhile, we took measures in various areas, such as industrial upgrading, employment support and tourism promotion, to promote rural revitalization, with the goal of helping rural residents live a better life and developing beautiful villages in central China. In addition, we actively promoted Henan's culture at venues such as Unique in Henan Drama Magic City, Movie Town, and Jianye Foodcourt, and we leveraged new media to highlight some of central China's special cultural traditions.

Faced with an unprecedented industrial transformation as we celebrate our 30th anniversary, we will uphold the Company's spirit of "Excellence and Perseverance", contribute to the development of the real estate industry and related sectors, and promote the rejuvenation of the Chinese nation and the prosperity of the country as a whole. By firmly pursuing sustainable development, we will promote community and ecosystem development while also seeking business growth, to create more value for shareholders, consumers, employees, and society as a whole.

Board of Directors' Statement

The Board of Directors of the Company assumes full responsibility for the environmental, social, and governance management and reporting, and is responsible for assessing and defining the Group's environmental, social and governance-related risks, and ensuring that CCRE has appropriate and effective environmental, social and governance risk management and internal control systems in place. The Report discloses in detail the progress and effectiveness of Central China Real Estate's ESG work in 2021 and was approved by the Board of Directors on 28 March 2021. The Board of Directors and all Directors ensure that the contents of this Report do not contain any false statements, misleading statements, or material omissions and accept individual and joint responsibility for the truthfulness, accuracy and completeness of the contents of this ESG Report.

To standardize the ESG management mechanism and improve the quality of ESG management, Central China Real Estate has established an ESG management system with the board of directors as the highest responsible and decision-maker for ESG matters, clarified the division of responsibilities and responsibilities of personnel at all levels involved in ESG management, and promoted the implementation of ESG work within the Company. The Board of Directors leads and participates in the deliberation and decision-making of major ESG matters, including identifying ESG risks, setting target plans and management policies, formulating ESG strategies and guidelines, and preparing annual ESG Reports.

Based on the external environment and the Group's development strategy, the Group conducted stakeholder communication and surveys during the Reporting Period and received much feedback. Under the leadership of the Board of Directors, the Company conducted a materiality assessment of these issues, further identified key ESG issues, and deepened the management of ESG goals to clarify future priorities.

In 2021, the Company focus on the following issues – company governance, ESG governance, risk and crisis management, policy impact, tax strategy, environmental policy and management system, raw material procurement, biodiversity, combating climate change, green building, supply chain management, product management, customer management, employee management, intellectual property protection and technological innovation, and business ethics as core tasks and supervise its implementation.

We have recognized the opportunities and challenges that the trend of green security and sustainable development brings to the industry and the Company's operations. In the future, we will continue to adjust our sustainability management strategy and promotion methods according to the expectations of stakeholders and the actual operation of the Company, and continuously improve the level of sustainable development.

GROUP OVERVIEW

Central China Real Estate Limited (stock code: 00832.HK) was incorporated in the Cayman Islands on 15 November 2007 as an exempted company with limited liability and listed on the Main Board of the Hong Kong Exchanges and Clearing Limited (HKEX) on 6 June 2008 and has the first-class qualification of China's real estate development companies.

Central China Real Estate has established the main business of real estate and the road of brand management at the beginning of its establishment. Over the past 30 years, it has been adhering to the core value of "Rooted in Central China to contribute to the society" and leading the public to experience new lifestyles through its carefully crafted architectural works. We believe that an enterprise is to society as a tree is to soil. In every city we enter, the Company work together with local developers to improve the city's construction, pay more taxes and create more jobs for the local government. Our unrelenting efforts for the urbanization process and Henan's economic and social development have been unanimously recognized by the government, experts, peers, investors, customers and employees.

CCRE stands for a facilitator of urbanization and all-round social progress for Henan Province. Having taken root in Henan Province for 30 years, we are resolute as ever in our vision and mission of "creating a better life for the people of Henan". With the development of housing complexes such as "Forest Peninsula", "U-Town", "Code One City", "Scented Osmanthus Garden" and "Jianye 18 Cities", we have improved the standard of residential housing in various cities in Henan and made important contributions to the urbanization process of the province. In addition, the Company has launched a light-asset operation model, which combines light and heavy real estate development business with mutual synergy, making an important contribution to the promotion of urbanization in Henan. At the same time, we integrate related property, education, hotel, soccer, commercial, green base and other resources to build a "personalized" service system and launch a "new blue ocean strategy", starting the transformation from a comprehensive urban development enterprise to a new lifestyle service enterprise for urban residents.

We has always adhered to the product service concept of "providing customers with zero-defect products and first-rated services", and applied concepts of scientific decision-making, management standardization and operation professionalization in our business management to ensure the quality of our products and services. In its persistent professional pursuit of premium residential housing development over the past 30 years, the Company has fostered a "CCRE model" focused on provincial and regional housing development, created a brand name well trusted for social responsibility, groomed a superb management team, given substance to the corporate philosophy of "perseverance for excellence" and embarked on a development cycle of "ongoing profitability and stable growth". In 2021, Central China Real Estate has achieved full coverage of 122 counties and cities above the county level (18 prefecture-level cities and 104 county-level cities). As of 31 December 2021, the cumulative delivery area of development projects is approximately 774 million square meters, with a total of 194 projects under construction, a total construction area of approximately 327 million square meters, and a land reserve construction area of approximately 5,345 million square meters, of which the equity construction area is approximately 3,861 square meters.

Central China Real Estate adheres to the corporate culture of Trustworthy, Responsible, Upright, Focused and Dedicated. A high level of integration that the Company tirelessly proceeds with "economic and social benefits, physical and spiritual pursuits, corporate and employee interests, strategic objectives and execution process" is coming into shape.

About Us *(Continued)*

In December 2021, the “2021 Henan Top 100 Enterprises List ” was released, and Central China Real Estate was ranked first among service industry enterprises. Meanwhile, in December 2021, the Group was selected as one of the “2021 Top 100 Chinese Private Enterprises with Social Responsibility” by the All-China Federation of Industry and Commerce.

On 23 March 2021, the Viewpoint Index Research Institute released “2021 China Real Estate Excellence Top 100”, and Central China Real Estate was awarded “No. 41 in 2021 China Real Estate Excellence Top 100”, “No. 1 in 2021 China Real Estate Enterprises Henan Comprehensive Strength” and “No. 17 in 2021 China Real Estate Brand Value Top 30” by virtue of its steady development in 2020.

On 15 September 2021, the “2021 China Real Estate Brand Value Research Results Conference and the 18th China Real Estate Brand Development Summit Forum” of China Index Academy was held in Beijing, and Central China Real Estate was ranked No. 1 in the “2021 Central China Real Estate Company Brand Value Top 10” and No. 7 in the “2021 China Real Estate Customer Satisfaction Leading Brand”.

Going forward, the Company will always be determined to contribute to the development of the industry and private economy, the revitalization of the nation and the prosperity of the country.

CORPORATE STRATEGY

This section focuses on the strategy and planning of Central China Real Estate.

CORPORATE DISCIPLINE

Corporate Spirit

Passion for excellence, determination for success

Core Value

Rooted in Central China to contribute to the society

Corporate Ideal and Mission

Creating a better life for the people of Henan

Company Positioning

A forward advocate of urbanization in Central China and overall progression in the society

Corporate Culture

Trustworthy, Responsible, Upright, Focused and Dedicated

Corporate Culture Style

Perseverance, Steady, Decent, Persistent

Business Goal

Profit, growth, sustainability, stability

Profound Culture Background

Fortitudinous, introspective, responsible, idealistic

Road to Survival

Adaptation-Utilization-Improvement

Service Attitude

Customers are our future

Product and Service Perspective

There is no excuse for any defective product or service

Responsible Management and Honest Operations

A good corporate governance mechanism is conducive to the realization of standardized corporate governance, enhancement of corporate value, and is an important foundation for achieving sustainable development. In the long-term governance practice, the Group has continuously improved its system and continuously improved its management level.

FAR-REACHING AND STABLE CORPORATE GOVERNANCE

Governance System

Strong governance structure and robust risk management strategy lay the foundation for a company's sustainable development. The Group strictly abides by laws, rules and other regulatory documents including the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HKEX") ("Listing Rules") and the Hong Kong Company Ordinance, as well as Appendix 14 of the Listing Rules Corporate Governance Code. The Group builds a decision-making and operation management system based on shareholders' meeting, board of directors, special committees, board of supervisors and management, and establishes a systematic and effective governance structure with well-defined authorities and responsibilities, effective checks and balances, systematic decision-making and coordinated operation.

As of the end of the Reporting Period, there were 8 members on CCRE's board of directors (including 3 independent directors), 2 of them are female, accounting for 25% of all members of the board.

Information Disclosure

The Group complies with and fulfils its obligation under the information disclosure requirements in the Listing Rules of HKEX and other laws and regulations. We make true, accurate, complete, timely and compliant disclosure to meet the disclosure standards; continuously take more initiative in and improve the transparency of disclosure; raise the awareness of those in charge of information disclosure to prevent any non-compliance.

We are open to public and investors' supervision and proactively diversify channels for information disclosure and communication through mixed use of platforms such as official website, magazine, WeChat, Tik Tok and Weibo to enhance stakeholders' understanding and recognition, facilitate timely and accurate access to information.

The Group's interim and annual reports, press releases, monthly corporate communications, results and other announcements can be accessed through the Company's website and WeChat official account to update investors with the Group's latest developments in a timely and convenient manner.

Responsible Management and Honest Operations *(Continued)*

Investor Relations

We value the relationship built with investors, analysts, media, rating agencies and other stakeholders, the investor relations department is responsible for communicating with capital markets and maintaining a highly transparent relationship with investors through timely and accurate information disclosure and proactive communication.

In 2021, the Group's investor relations department actively participated in communication with investors. To comply with the COVID-19 preventive measures, all investors' communications are conducted online, for example, interim and annual results announcement, post-announcement roadshow, non-deal roadshow, reverse roadshow, and domestic and foreign investor summits and seminars were all conducted online to expand our investor base.

| Investor Events of Central China Real Estate in 2021 | | |
|--|----------------------|------------------------|
| Type of Activities | Number of Activities | Form of the Activities |
| Online Reverse Roadshow | 5 | Online Meeting |
| Industry Conference | 4 | Online Meeting |
| Roadshow | 37 | Online Meeting |
| Corporate Day | 2 | Online Meeting |
| Investor Conference | 6 | Online Meeting |
| Credit Conference | 6 | Online Meeting |

The Group also conducts active and open communication with investors, analysts, major media, rating agencies, and other stakeholders through various channels such as company visits, conference calls, email exchanges, monthly corporate newsletters, press releases, voluntary announcements, to update investors on the Group's business status and latest development trends, so that investors can deepen their understanding of the Group's business strategy, financial performance, business development and prospects, and convey the opinions and suggestions of the capital market to the management.

Going forward, the Group will continue to listen to the opinions of the market and maintain effective communication with an open, humble, and frank attitude. The Group will continue to improve the quality of investor relations work, attach great importance to the observed issues, the opinions, and the suggestions of investors, and further enhance the level of operation and governance of the Group; the Investor Relations Department will maintain efficient and professional investor relations work, expand the depth and breadth of the capital market's understanding of the Group's business, tap the potential investment value of the Group, and contribute to the sustainable and healthy development of the Group.

Responsible Management and Honest Operations *(Continued)*

EMBRACING ESG TO ENHANCE CORPORATE VALUE

The Group has always been adhering to its core values of “Taking Root in Central China and Contributing to Society”. While striving to enhance its corporate value, the Group has embedded its business value in the social value of boosting regional development from three aspects, namely, the environment, society and governance, so as to become “a promoter of urbanization and all-round social progress in Central China”.

ESG Governance

The Group has established a three-tier ESG governance system, including governance, headquarters management, and branches.

The Board of Directors is the highest decision-making body for the ESG efforts and has full responsibility for the ESG strategy and reporting, and the Board of Directors also needs to monitor ESG-related matters that may affect the Company’s business or operations, shareholders, and other stakeholders. The Audit Committee of the Board of Directors is the primarily responsible committee for studying the sustainability strategy, overseeing the formulation and implementation of the annual ESG policy, identifying, evaluating, and managing important ESG issues, clarifying ESG management objectives and managing ESG-related risks, and approving the issuance of reports, so as to support the Board in performing this function.

At the management level, we have set up an ESG working group composed of members from the President’s Office, Legal Affairs, Audit and Supervision Center, Human Resources Department, Investment Management Department, Brand Marketing Department, Financial Management Department, Engineering Management Department, Design Management Department, Procurement Management Department, Customer Service Management Department, etc., as well as the Brand Culture Center of the Group. In addition, each branch is responsible for the promotion and policy implementation of projects related to environmental and social matters.

Responsible Management and Honest Operations *(Continued)*

Corporate Social Responsibility

Two perspectives:

- A city perspective – improve people’s living environment and city image
- A strategic perspective – provincial development strategy, New Blue Ocean strategy, the Great Central China strategy

Four integrations:

- Integration of economic and social benefits
- Integration of material and spiritual pursuits
- Integration of corporate and employee benefits
- Integration of strategic goals and implementation processes

Five commitments:

- To print a new business card for the city where we are
- To create a new lifestyle for the local people
- To work with local developers to improve the urban construction
- To pay more taxes to the local government
- To integrate and be an excellent advocator for the city

Six recognitions:

- Recognition by the government for trustworthiness, responsibility, and common development
- Recognition by the experts for continuous innovation in products and services
- Recognition by the industry peers for brand reputation and market leadership
- Recognition by the customer for quality of life and spiritual prosperity
- Recognition by the employees for realization of corporate benefits and individual benefits
- Recognition by the shareholders for continuous profitability and steady growth

Six bottom lines:

- Stick to the moral bottom line. Management shall be regulated and operations shall be transparent. No bribery
- Stick to the legal bottom line. No tax evasion
- Stick to the product bottom line. No excuses for providing defective products to customers
- Stick to the service bottom line. No excuses for providing poor service to customers
- Stick to the solidarity bottom line. Cohesion is a fundamental competence of all organizations
- Stick to the contractual bottom line. The spirit of contract shall be honored

Responsible Management and Honest Operations *(Continued)*

Stakeholder Engagement

We understand the importance of interacting and communicating with our stakeholders, maintaining an open and ongoing dialogue with them and responding to their concerns is a top priority for the Group. Therefore, we have established effective communication channels to enable us to interact with stakeholders, collect and identify the demands of various stakeholders, and deepen stakeholders' participation in the Group's ESG management, so as to enhance sustainability performance in a targeted manner and effectively respond to all expectations.

| Stakeholders | Target & Focus | Key Engagement Channels |
|----------------------------|---|---|
| Investors and Shareholders | <ul style="list-style-type: none"> Compliance management and risk control ESG management Commercial ethics and anti-corruption Business conditions and industrial distribution Intellectual property protection and scientific and technological innovation Climate change response and greenhouse gas emission reduction | <ul style="list-style-type: none"> Annual general meeting Press releases and announcements Annual and interim reports Circulars Meetings and correspondences |
| Employees | <ul style="list-style-type: none"> Payment and welfare Employee training and development Humanistic care Employee relations and work experience Safety and health | <ul style="list-style-type: none"> Regular conferences Employees training Survey and interview Performance plan formulation and communication Performance monitoring coaching meetings Performance appraisal meetings Performance interview Team building |
| Customers | <ul style="list-style-type: none"> ESG governance Commercial ethics and anti-corruption Product and service quality improvement Customer satisfaction improvement Intellectual property protection and scientific and technological innovation | <ul style="list-style-type: none"> Regular contact Company website Social media Customer retention service Satisfaction surveys |

Responsible Management and Honest Operations *(Continued)*

| Stakeholders | Target & Focus | Key Engagement Channels |
|-------------------|---|--|
| Suppliers | <ul style="list-style-type: none"> Commercial ethics and anti-corruption ESG governance Supply chain management and transparent procurement Win-win cooperation | <ul style="list-style-type: none"> Procurement tender meetings Assessment surveys Site visits Regular meetings between senior management |
| Community Groups | <ul style="list-style-type: none"> Community communication and construction Taxation and value creation Employment promotion Climate change response and greenhouse gas emission reduction Pollution management Resource reuse and utilization | <ul style="list-style-type: none"> Charity activities Volunteering services |
| Media | <ul style="list-style-type: none"> Compliance management and risk control ESG governance Transparent communication | <ul style="list-style-type: none"> Interviews Press releases/Media releases |
| Government Bodies | <ul style="list-style-type: none"> Compliance management and risk control ESG governance Commercial ethics and anti-corruption Taxation and value creation Employment promotion Intellectual property protection and scientific and technological innovation Climate change response and greenhouse gas emission reduction | <ul style="list-style-type: none"> Site visits Correspondences Telephone communication Conferences communication |

Responsible Management and Honest Operations *(Continued)*

Materiality Assessment

In 2021, we took into account our own development direction, feedback from various stakeholders, and the opinions of external experts. In addition, we also extensively referenced best practices and hotspots in our industry, domestic and international sustainable development standards, and ESG rating indicators in the capital market so as to build the pool of materiality issues. In 2021, we conducted interviews with a wide range of internal stakeholder groups and we sincerely invited various stakeholders to assess 35 ESG matters using a questionnaire format. We ranked the importance of the 35 matters by two relevant criteria: importance to stakeholders and importance to operations and management, and then we classified them as two levels: high importance and importance, and presented them in the materiality matrix below.

Materiality Assessment for Central China Real Estate's 2021 ESG Report

01 Identification and Confirmation of ESG Matters

- Comprehensively sorted out the key points of the Group's sustainable development work and the feedback of stakeholders, benchmarked industry hotspots and leading practices, delineated the scope of ESG issues, and determined key issues;
- Identified the industry's focus, cutting-edge goals, and potential risks in the field of sustainable development by referring to relevant assessment elements such as ESG ratings in the capital market, combined with the relevant disclosure guidelines and goals of sustainability in global.

02 Stakeholder Communication and Research

- Designed an online questionnaire on the evaluation of ESG issues and invited internal stakeholders to score the corresponding ESG issues. Following sorting and analysis, we obtained the final survey results, and we calculated an overall score for how satisfied internal stakeholders are with respect to the Group's sustainable development. The score was 4.54 (out of 5).

03 Materiality Assessment

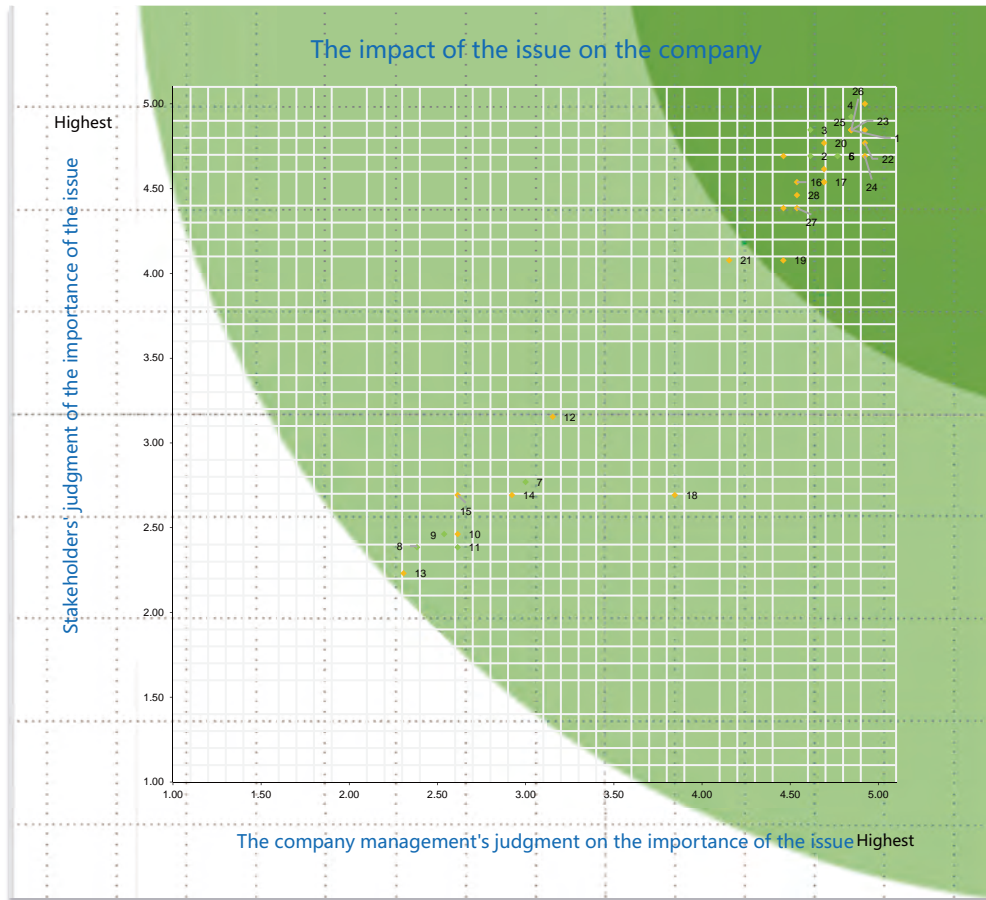
- Based on the results of the stakeholder questionnaires and considering the development of enterprises and the suggestions from external experts, we evaluated the ESG issues, and generated a matrix of material ESG issues from the perspectives of "importance to stakeholders" and "importance to operations and management".

Responsible Management and Honest Operations *(Continued)*

2021, the Group paid more attention to the following issues: company governance, ESG governance, risk and crisis management, policy impact, tax strategy, environmental policy and management system, raw material procurement, biodiversity, combating climate change, green building, supply chain management, product management, customer management, employee management, intellectual property protection and technological innovation, and business ethics

| Central China Real Estate's 2021 Material ESG issues | | | |
|--|--|-------------------------------------|--------------------------------------|
| Very Important | | | |
| 01 Company Governance | 02 ESG Governance | 03 Risk and Crisis | 04 Policy Impact |
| 05 Tax Strategy | 06 Environmental Policy and Management System | Management | 17 Biodiversity |
| 19 Combating Climate Change | 20 Green Building | 16 Raw Material Procurement | 22 Human Resources Management |
| 23 Employee Benefits and Welfare | 24 Occupational Health and Safety | 21 Diversity and Equal Opportunity | 26 Employment and Labor Practices |
| 27 Supply Chain management | 28 Product Quality and Recall | 25 Development and Training | 30 Customer Management |
| 31 Intellectual Property Protection and Technological Innovation | 32 Business Ethics | 29 Product Management (Environment) | 34 Community Investment |
| 35 Community Relations | | 33 Anti-unfair competition | |
| Important | | | |
| 07 Greenhouse Gas Emissions | 08 Exhaust emissions | 09 Generation of Hazardous Waste | 10 Generation of Non-hazardous Waste |
| 11 Wastewater Discharge | 12 Indirect Energy | | |
| 15 Usage of Packaging Materials | 18 Potential Impact of the Environment and Natural Resources | 13 Direct Energy | 14 Water Resources |

Materiality Assessment Matrix of Central China Real Estate's 2021 ESG Report



In the future, we will continue to pay attention to various stakeholders, constantly review and update important ESG issues, and introduce the participation of external stakeholders when conditions are mature, so as to more accurately and fully understand the demands of multiple parties and provide guidance and direction for the development of corporate operations, and ESG related work.

Responsible Management and Honest Operations *(Continued)*

Responses to the UN SDGs

The United Nations Sustainable Development Goals (SDGs) call for concerted action around the world to end poverty, protect the planet and improve the lives and futures of all.








We actively respond to the SDGs proposed by the United Nations, combine the actual situation of enterprises, benchmark SDGs with our ESG actions and effectiveness, respond to 13 of them, practice corporate responsibility, and strive to achieve the sustainable development goals.

Responsible Management and Honest Operations *(Continued)*

| SDGs | Our actions in 2021 | Relevant section/ paragraph in the report |
|--|---|--|
|  <p>Goal 9: Industry, Innovation and Infrastructure</p> | <p>Product aspects</p> <ul style="list-style-type: none"> Rural complex that combines six functions of “modern agriculture, ecology and leisure, cultural creativity, demonstration and experience, science education and healthcare” to upgrade the agricultural industry and revitalise rural areas and regional economy Construction products that meet the industry’s highest standards in terms of applicability, safety and durability Product R&D and construction design based on “green, low carbon, energy saving, technology-oriented” ideas Thematic community driven by Innovative Zhengzhou as a model project to enhance product competitiveness Breakthrough in traditional model of development and design to introduce customised and personalised residence “Intelligent marketing” projects to construct and improve a closed loop system of intelligent marketing Emphasis on occupational health and safe production to clarify relevant management responsibilities and work details at all levels | <p>Green house to support industrial upgrade</p> <p>Development driven by high quality products</p> <p>People-oriented, Caring for Employees</p> |
|  <p>Goal 12: Responsible Consumption and Production</p> | | |

Responsible Management and Honest Operations *(Continued)*

| SDGs | Our actions in 2021 | Relevant section/ paragraph in the report |
|---|--|---|
|  <p>Goal 6: Clean Water and Sanitation</p> | <p>Environmental aspects</p> <ul style="list-style-type: none"> Raise all our employees' awareness of cost saving and environmental protection to put green office into practice | Green construction to protect the environment |
|  <p>Goal 7: Affordable and Clean Energy</p> | <ul style="list-style-type: none"> Explore ways to avoid and reduce various types of emission and minimize environmental pollution Use various water saving technologies to maximize water saved | |
|  <p>Goal 11: Sustainable Cities and Communities</p> | <ul style="list-style-type: none"> Starting with whole life cycle of green buildings, explore ways to save energy and reduce consumption, and continuously upgrade process to save energy and reduce emission throughout the whole life cycle of real estate development | |
|  <p>Goal13: Climate Action</p> | <ul style="list-style-type: none"> Actively explore the use of new materials to replace traditional materials of low energy efficiency with eco-synthetic materials Adhere to landscape priority principle while monitoring the ecological condition of the construction site to ensure that the construction work is carried out in an environment-friendly way | |
|  <p>Goal15: Life on Land</p> | <ul style="list-style-type: none"> Select sustainable sites, taking natural condition and cultural heritage into consideration from the beginning of a project, and carry out the design and construction in a targeted manner Identify and tackle climate-related risks according to TCFD recommendations | |

Responsible Management and Honest Operations *(Continued)*

| SDGs | Our actions in 2021 | Relevant section/ paragraph in the report |
|--|--|--|
|  <p>Goal 1: No Poverty</p> | Social aspects <ul style="list-style-type: none"> Protect employees' legal rights and provide competitive compensation, salaries and benefits Respect differences and diversity, employees should not be discriminated against because of their gender, age, origin, religion and other factors, and build a working environment that is diverse, open and equal Build a model that the Group can grow together with our employees to achieve coordinated development, employees are encouraged to continue learning and sharpen their professional and management skills A well-developed 4-tier talent training system – “Xinghai Shanshi (星海山石)” talent project Value employees' satisfaction, happiness and participation, communicate with employees, and encourage them to voice out their suggestions and ideas to build a united and cohesive “CCRE family” Provide various employee benefits, including organisation of diversified cultural, recreational and Party building activities The “Jianye Cup” – Fight for Love soccer competition for public welfare has been organised for 4 consecutive sessions based on the concept of “football + public welfare” to promote the soccer sport Establish the “Jianye Education Excellence Fund” which plans to donate RMB100 million within 10 years to support education development across different age groups and from different dimensions in Puyang Promote rural economy and social development, and construct beautiful villages and brilliant Central China through industrial upgrading, employment support and tourism promotion | <p>People-oriented, Caring for Employees</p> <p>Support people's livelihood and invest our community</p> |
|  <p>Goal 2: Zero Hunger</p> | | |
|  <p>Goal 3: Good Health and Well-being</p> | | |
|  <p>Goal 4: Quality Education</p> | | |
|  <p>Goal 5: Gender Equality</p> | | |
|  <p>Goal 8: Decent Work and Economic Growth</p> | | |

COMBATTING CORRUPTION AND ENSURING HONEST MANAGEMENT

We have been holding the belief of integrity, commercial ethics and responsible business practices. We strive to establish a compliance management system in line with industry-leading practices and implement it in our business activities and processes to create a culture of integrity and honesty. The Group strictly complies with *the Contract Law of the People's Republic of China, Law of the People's Republic of China Against Unfair Competition, Interim Provisions of the State Administration for Industry and Commerce on Prohibition of Commercial Bribery, Company Law of the People's Republic of China, Anti-money Laundering Law of the People's Republic of China* and other relevant laws and regulations, and firmly opposes and expressly prohibits all irregularities such as corruption, money laundering and unfair business competition. We have also implemented internal control policies and guidelines in the hope of creating a culture of cleanliness, honesty and integrity within the Group.

The Group implements integrity and honesty from various aspects:

- ✓ The Group creates an anti-corruption cultural atmosphere, guiding employees to practice the enterprise spirit of Trustworthy, Responsible, Upright, Focused and Dedicated. We regularly carries out special education about anti-corruption enterprise culture, and irregularly conducts various forms of special activities concerning anti-corruption culture, such as integrity initiative, anti-corruption notification, legal system publicity, to create a clean and trustworthy atmosphere. On the one hand, the management is required to set an example by self-discipline and leadership in practicing the integrity commitment; on the other hand, employees are required to sign and abide by the integrity employment agreement, implement the declaration and avoidance system for conflict of interest, and strengthen the self-restraint of employees.
- ✓ The Group strictly abides by the belief of operating in accordance with the law, advocates “clean and honest” cooperation with external enterprises, and adheres to the principle of “neither offering nor accepting bribes”; signs cooperation agreement with partners without corruption involved, cooperates in good faith, and jointly purifies the business environment with them.
- ✓ The Group improves the network, telephone, letter, mobile phone and other reporting and complaint channels, encourages employees, customers, partners, etc. to complain and report illegal behaviors including offering bribes, accepting bribes, fraud, etc., and arranges specialists to track and investigate. Upon verification, minor cases will be notified in the Company for punishment, and serious cases will be transferred to the judicial organs. The Group also carries out anti-fraud cooperation with China Enterprise Anti-Fraud Alliance to share the information about faith-breaking employees.

While ensuring the compliance operation of the Company, we continuously strengthened the construction of the internal control system to steadily improve the risk prevention and control capabilities. During the Reporting Period, the Group's internal control and internal audit mainly carried out the following tasks: inspection of compliance with the systems of business lines, inspection of external compliance, and self-inspection in the fields of finance and engineering design of real estate companies.

During the Reporting Period, all employees of the Group, including the directors, completed anti-corruption training, and the Group did not have any incidents of corruption, bribery or unfair competition violations.

Promoting Green Construction

Complying with environmental protection laws and regulations is the basic requirement for enterprises to fulfill their social responsibilities; actively participating in the environmental protection is the primary task for enterprises to fulfill their environmental responsibilities now and in the future. With the attitude of being responsible for the society and the environment, we have the courage and innovation to fulfill the responsibility of environmental protection as a corporate citizen.

As a leading real estate company in Henan, we constantly emphasize the importance of environmental protection, and in our daily operation and development, we have been upholding the concept of high-quality development, green development and low-carbon development, minimizing the negative impact of business development on the environment, continuously improving the efficiency of energy and resource utilization, reducing pollutant emissions, and continuously broadening new ideas of low-carbon operation by combining production and operation practices.

ENVIRONMENTALLY FRIENDLY CONSTRUCTION

The concept of green operation, as an integral part of the overall operation of the Enterprise, is embedded in the development strategy of the Enterprise to continuously create value for the stakeholders, thus realizing value sharing and win-win situation. With the simple wish of “building quality houses for the people of Henan”, the Group always insists on: Creating green buildings and environments that coexist in harmony with nature.

Back in 2005, the Group proposed a residential value featuring “harmony and health”. At the beginning of 2010, Chairman Wu Po Sum further proposed to make our product concept known as “high-tech home, green home and low-carbon community” part of CCRE’s corporate culture, and put it in the “Green Manifesto of CCRE”.

In 2019, CCRE released the “5M Smart Technology Residential Product White Paper”, including green, health, comfort, safety and convenience as the requirements for the new-generation high-tech residences in the product catalog.

As green and low carbon technologies develop and are being applied, green home will become a goal the real estate industry strives for in the future. As a leading real estate enterprise in central China committed to fulfilling our low carbon responsibilities, we are promoting a new generation of energy saving, environment-friendly and health-conscious residence that respect the nature and cultural heritage and reduce energy consumption according to the local condition. We follow the principles set out below during construction in accordance with *CCRE’s Implementation Plan for Green Buildings*:

- ✓ Eco-friendly principle, i.e. energy and resources saving, non-hazardous, pollution-free, recyclable;
- ✓ Caring for people principle, i.e. developments should not be pursued at the expense of worsening quality of life, human health and comfort. Green standards are introduced when a project starts designing to meet customers’ daily needs and energy saving requirements;
- ✓ Local adaptation principle, i.e. take land attributes, local resources, standard of urban development into consideration;
- ✓ Integrated design principle focusing on comprehensive analysis based on climate, culture, economy and many other factors and overall consideration of green buildings’ functions and costs.

Promoting Green Construction *(Continued)*

By 31 December 2021, the Group had 62 green building projects with GFA of 9.92 million sq.m. that met with Henan Province Evaluation Standard for Green Building. In the future, we will further popularize green buildings and create comfortable, high-quality, and eco-friendly residential properties with full respect to the nature and this holy land.

Case: Building integrated solar thermal (BIST) to construct green and low carbon buildings

In response to the state's call, we conducted in-depth research on the use of renewable energy in the construction industry and introduced the BIST technology to effectively integrate solar water heating, heating and other systems to build green and low carbon buildings. As of the end of the Reporting Period, the Group has adopted the BIST technology in 6 projects. In 2021, two projects in Xinxiang City, Henan province, Xinxiang Jianye Mansion and Xinxiang Lianmeng New City Phase V (新鄉聯盟新城五期), adopted the BIST technology, covering about 3,300 households.

The production of building materials and construction equipment, and the construction and use of buildings are all industries with high carbon emissions and are main sources of greenhouse gases (GHG). Prefabricated buildings can be an effective way to save energy and protect the environment by significantly reducing construction wastes, wastewater discharge, construction noise, hazardous gas and dust discharge, as well as on-site construction and management personnel, which is conducive to the healthy and green development in urban areas. As a new lifestyle service provider, we have actively responded to the government's call, performed corporate social responsibilities, and promoted the use of prefabricated buildings to make our life greener by applying advanced technologies.

Case: Using prefabricated buildings to facilitate green development in urban areas

As of the end of the Reporting Period, the utilisation rate of prefabricated buildings exceeded 50% for some of our projects in Hainan province, and Xinxiang City and Luoyang City in Henan province, which is above the government's requirement that prefabricated buildings should account for no less than 30% of newly constructed buildings. Prefabricated buildings have advantages in terms of energy and material saving, emission reduction and efficiency improvement, it is also conducive to improving the construction environment of workers and reducing labour intensity. By working with DIT Group Limited, an affiliate of the Group, we have established a stable supplier relationship for prefabricated building materials to ensure their quality.

Going forward, we will continue to promote the use of prefabricated buildings to facilitate the industry's green development:

- ✓ Consider production efficiency early at the beginning of design; standardise products such as air-conditioning panels, balcony panels, and stairs in buildings throughout the whole process from design to production; raise the reuse rate of suppliers' template; reduce the mould casting rate; offer incentives to upstream industries to save energy and materials, and promote low carbon development.
- ✓ Through our communication at the early stage of the construction process, coordinated arrangement of relevant accessories and optimisation of suppliers' order production through early or scheduled ordering to reduce waste of human resources and enhance efficiency.
- ✓ We will continue to promote prefabricated buildings to other developers, share and market our partnership with DIT Group Limited as a successful case to give developers of smaller scale better access to prefabricated buildings as a driving force behind the industry's common development.

Promoting Green Construction *(Continued)*

Project adopting prefabricated building: Luohe Ideal City

The Project is located at the intersection of Longhu Road and Liangshan Road, Luohe City, Henan province. According to the construction requirements of prefabricated building projects in Luohe City, three parts are prefabricated, they are prefabricated inner partition panel, prefabricated stair slab and prefabricated floor slab, driving the utilisation rate to 60% or above. Among the three prefabricated parts, prefabricated inner partition panels are 100–200mm autoclaved aerated concrete slab assembled on site. Prefabricated stair slabs including the drip line, step anti-skid groove, railing embedded parts are all prefabricated at factories and connected on site, and there will be no plastering or grooving on site. Prefabricated floor slabs are truss steel bar of 6cm truss steel bar with prefabricated bottom plate and 7cm cast-in-place layer, which are mainly used in non-waterproof areas such as living rooms, bedrooms, and public areas.



Promoting Green Construction *(Continued)*

GREEN OFFICES AND ENERGY-EFFICIENT MANAGEMENT

To practise “Thrift and Green Office”, the Group promotes the corporate spirit of “Excellence and Perseverance” to raise all our employees’ awareness of cost saving and environmental protection and puts green office into practice by:

1. Stepping up energy saving and consumption reduction at office by switching off electric appliances, such as printers, computers, monitors, water dispensers, air purifiers, when they are not in use to avoid power draining. Natural light should be used as much as possible on sunny days, there should not be lighting in large space with few people and lights should not be kept on all the time in office area. Lighting at night in public areas should be controlled. The standard that air conditioners should not be used when the temperature is lower than 26°C in summer and higher than 20°C in winter should be strictly followed.



A photo of energy saving tips in the office

Promoting Green Construction *(Continued)*

2. Saving office supplies, reducing paper printing, printing on both sides of paper or used paper, and placing staplers, tapes, glue and other office supplies at one place. Hoarding and waste of office supplies are strictly forbidden.
3. Regulating the production of printing materials, no paper invitations or greeting cards can be circulated within the Group. Wall calendars or table calendars should not be given as gifts internally. Production of posters, exhibition boards, display racks and other promotional materials for internal publicity should be controlled, excessive printing of internal journals, magazines, brochures, etc. should be forbidden; expensive trophies and medals should be replaced by awards or certificates of honour.
4. Encouraging circulation of books, newspapers and magazines. Books, newspapers, periodicals, magazines, technical standards, etc. purchased by the Company should be placed in public areas for employees to borrow.
5. Advocating frugal hosting of meetings, wasteful behaviours such as placing flowers and laying red carpets in internal meetings should be prohibited. Participants in internal meetings should bring their own water bottles, bottled water will not be provided for internal meetings within one hour.
6. Streamlining various internal celebrations, award ceremonies and group visits. Halls, conference rooms and other company venues should be used for holding events, no expensive external hotels and entertainment venues should be rented to hold internal events.
7. Strictly controlling expenditure on various fixed assets to reasonably prolong the useful life of office computers and other assets, printers should be shared and new expenditure on fixed assets such as computers and printers should be strictly controlled. Encouraging full use of existing and idle office furniture, purchase of expensive and flashy office furniture should be forbidden.
8. Saving food, order and take only what is needed, food waste is strictly forbidden.
9. Using company cars in strict compliance with the *Measures for the Management of Real Estate Group's Company Cars*; car sharing is encouraged; fuel costs, maintenance fees, insurance premiums and other expenses should be controlled, irregular reimbursement of vehicle-related personal expenses is prohibited.
10. Saving water and advocating water recycling. Flowing water should be reduced and tap turned off after use. Water facilities should be properly maintained to avoid water flowing, dripping and leaking. Functions, departments and branches are urged to attach importance to the "Thrift and Green Office" campaign and make use of diversified publicity channels to mobilise all our employees and create a culture of "everyone a stakeholder in energy and cost saving" to act as a model enterprise in practising thrift.

Promoting Green Construction *(Continued)*

REDUCING EMISSIONS AND POLLUTION

In terms of emissions and waste management, we strictly comply with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise*, *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Appraising of Environment Impacts*, the *Law of the People's Republic of China on Prevention and Control of Radioactive Pollution*, *Construction Law of the People's Republic of China*, and many other environmental protection and emission management related laws, regulations and standards. We actively explore ways to avoid and reduce various emissions and reduce environmental pollution. Based on the actual operation, we have developed corresponding management methods involving pollutant emission and waste management, as well as response plans for environmental emergencies, to realize comprehensive emission supervision and timely response to emergencies. Meanwhile, based on our actual operation and production, we have compiled the Real Estate Group's Standard for Safety Civilized Site of Construction Project for the general contractors who undertake the actual production work. The Engineering Management Department will control and supervise the construction sites according to the standards of the local environmental protection department, to ensure that the emission meets the standard.

The Group's emission types mainly include exhaust gas, wastewater, waste and noise emissions.

Exhaust Emissions Management

The exhaust gas emitted by the Group mainly come from the use of official vehicles. In this regard, we strictly follow *the Management Measures for Official Vehicles*, which formulated for the use of official vehicles and adhere to the principles of safety, standardization and thrift. The *Management Measures for Official Vehicles* clarifies the mechanism of vehicle use, dispatching principles, maintenance, and annual inspection management, etc., in order to standardize the use and management of official vehicles to achieve the purpose of regulating and striving to reduce emissions. In the procurement of official vehicles, we consider the displacement of the vehicle, the use of the department, the usage scenarios, and other factors to choose vehicles with energy-saving and emission-reduction benefits. For business trips within Henan Province, we also advocate that employees use public transportation, such as high-speed rail travel.

Wastewater Management

Wastewater in the Group's office area is generated by the kitchen and employees in their use of toilets. We continue to raise our employees' awareness to save water. Strict measures are also implemented for managing the use of kitchen water. To manage wastewater on construction sites, the Company uses automatic frequency conversion pumps during the construction of some projects to precipitate and purify construction wastewater for recycling to save water and dispose of wastewater.

Promoting Green Construction *(Continued)*

Waste Management

Hazardous wastes disposed by the Group mainly include toner cartridges, used lamps, batteries, etc. To treat toner cartridges, the Group works with professional service providers and adopts the service providers' "trade-in" model for daily office use. Toner cartridges to be replaced are regularly recycled and reused after adding toner. Used lamps and batteries are not separately disposed of by the Group but are sorted and disposed of by the property management company.

To reduce the disposal of hazardous wastes, the Group manages the use of materials and the source of wastes, and adopts the following measures to reduce wastes:

- ✓ Advocate paperless office to reduce the use of printers;
- ✓ Manage the use of batteries and other office supplies;
- ✓ Inspect lamp repair and maintenance by designated personnel once every three months.

Non-hazardous wastes disposed by the Group mainly include wastepaper, cardboard boxes and other domestic wastes. To reduce the use of paper, we advocate paperless office and printing on both sides of paper if necessary. Used cartons are mainly recycled by the Company's cleaning staff.

We sort out wastes, for example, wet wastes such as kitchen waste, food leftovers, paper towels, etc. are sorted out from dry wastes, and qualified service providers are selected to provide the disposal service, and statistics of disposal volume is recorded.

During the Reporting Period, the waste disposal situation is shown in the table below:

| | Key Indicators | Unit | 2021 | 2020 |
|-----------------|--------------------------------|------|-------|-------|
| Hazardous waste | Waste Toner Cartridge | Kg | 70 | 500 |
| | Used battery | Nos | 2,905 | 2,425 |
| | Waste fluorescent lamps or LED | Nos | 2,415 | 4,001 |

Promoting Green Construction *(Continued)*

Noise Management

We strictly comply with the requirements of relevant laws and regulations, strengthen noise management during construction, and actively take relevant measures to reduce the generation and impact of noise, and we pay particular attention to projects located in urban areas. The control of noise is mainly carried out from three aspects.

1. Enclosure control. Set up material processing sheds and protective covers at the construction site to cut off the noise transmission path. Our enclosure partition is 2.5 meters high, which is higher than the national standard of 1.8 meters;
2. Control the source of noise. High-pitched whistling is strictly prohibited for construction vehicles and machinery. Use low-noise and low-vibration machinery and implement sound insulation and vibration isolation measures to avoid or reduce construction noise and vibration. It is strictly forbidden to throw or dump the material when loading and unloading;
3. Arrange construction time reasonably. Avoid disturbing residents during construction at night and during rest periods.

During the Reporting Period, the pollutants and greenhouse gas emissions are shown in the table below:

| Key Indicators | | Unit | 2021 | 2020 |
|--------------------------|--|---------------------|--------|--------|
| Emissions | Nitrogen oxides (NO _x) | Kg | 249.55 | 198.94 |
| | Sulfur oxides (SO _x) | Kg | 0.47 | 0.52 |
| | Suspended particles (PM) | Kg | 23.25 | 18.53 |
| Greenhouse gas emissions | Direct greenhouse gas emissions (scope 1) | Tons | 70.97 | 77.11 |
| | Indirect greenhouse gas emission (scope 2) | Tons | 274.04 | 181.38 |
| | Total greenhouse gas emissions | Tons | 345.01 | 258.49 |
| | Total greenhouse gas emission intensity | Tons/m ² | 0.03 | 0.02 |

During the Reporting Period, the Group did not violate any laws or regulations in the discharge of exhaust gas, wastewater, solid waste and noise. Going forward, we will continue to improve the management of various types of waste emissions, using a combination of quantitative and qualitative targets, and optimizing target management according to the actual situation.

Promoting Green Construction (Continued)

CONSERVING RESOURCES AND IMPROVING QUALITY AND EFFICIENCY

The Group strives to maximize energy, water, land and material conservation in daily operations, pays attention to the management and use of energy and resources, and strictly abides by the laws and regulations such as *Environmental Protection Law of the People's Republic of China*, *Environmental Impact Assessment Law of the People's Republic of China*, *Water Law of the People's Republic of China* and *Energy Conservation Law of the People's Republic of China*, in order to build a resource-saving and environment-friendly enterprise and strive to achieve the coordinated and sustainable development of people, resources and the environment.

The Group uses electricity, diesel, gasoline and water as the main resources and energy in the production and operation process. The Group mainly uses electricity in the operation process, involving a small amount of diesel and gasoline; water resources mainly come from municipal water supply for daily life and office use. During the Reporting Period, the Group did not have any problems in obtaining the applicable water sources and did not have any significant negative impact on the local water sources due to water withdrawal.

During the Reporting Period, the energy consumption of the Group is shown in the table below:

| Key Indicators | Unit | 2021 | 2020 |
|----------------------------------|---------------------------------------|---------|---------|
| Total electricity consumption | kWh | 521,784 | 345,585 |
| Total fuel consumption | Gasoline (Liters) | 32,304 | 35,146 |
| Comprehensive energy consumption | kWh | 804,115 | 652,750 |
| Comprehensive energy density | kWh/GFA (m ²) | 343.65 | 351.07 |
| Total water consumption | m ³ | 3,998 | 4,324 |
| Total water consumption density | m ³ /GFA (m ²) | 1.71 | 2.33 |

Water Resources Management

The Group pays attention to water resources management, while doing a good job in propaganda, launching initiatives, and raising everyone's awareness of water saving, we actively explore and innovate, and have used a number of water saving measures:

- ✓ Use high-quality valve accessories to avoid water waste caused by leakage and damage of pipe networks;
- ✓ Use a rainwater recycling system; this design allows the recycled and treated rainwater to be used for irrigation, aquascape water replenishment and road washing to save tap water;
- ✓ Use smart automatic sprinkling irrigation water-saving technology for landscaping to improve water utilisation;
- ✓ If there is a water system in the sales department, the water resources should be recycled, and the treated water in the water system should be used for greening and watering in the sales department.

Promoting Green Construction *(Continued)*

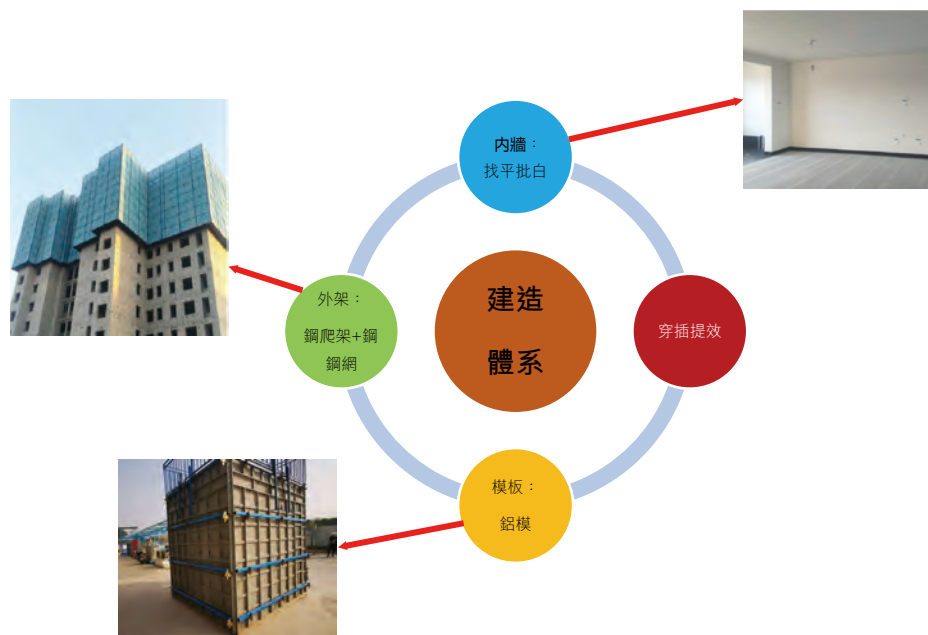
Conserving Energy and Upgrading Processes

Starting from the whole life cycle of green buildings, the Group explores ways to save energy and reduce consumption, continuously upgrade processes, and use new industrialized processes to achieve energy conservation and emission reduction in the entire life cycle of real estate.

The design management department of the Group will take into account the carbon emissions generated by the building itself in the early stage of project design. The Group uses many energy-saving techniques for green buildings, such as taking natural lighting and ventilation into consideration, and using wall-mounted solar water heaters, LOW-E glass, multi-layer hollow glass, energy-saving lamps and external wall insulation. The widespread use of high-strength steel bars has reduced steel usage. The ready-mixed mortar also saves lots of energy for construction on account of its good insulation feature, making the building warm in winter and cool in summer. Compared with traditional concrete, the ready-mixed concrete used in green buildings has various advantages such as good quality, low material consumption and high work efficiency.

We introduced IO Technology (艾歐科技)'s 5M Smart Technology Residential System, and its functions like air conditioning and fresh air system help facilitate energy saving and emission reduction to make residence greener, healthier, safer, more comfortable and convenient to live in.

The Group has created a construction system with four innovations and has been introducing advanced techniques – aluminium mould technique, all-concrete exterior wall, gypsum mortar plastering, etc. to upgrade newly constructed buildings, effectively rectify defects such as seepage, leakage and crack using traditional techniques, and ensure construction quality while saving energy and reducing emission:



Four innovations save materials and increase efficiency

Promoting Green Construction *(Continued)*



Formwork system: aluminium alloy formwork

Aluminium mould is of good concrete forming quality, so no plastering is required and there is no need to block the scaffolding eyes on inner and outer walls. Self-elevating outer frame uses less materials, so it is easier to use field cloth. No waste during the main stage and dust is reduced.



External frame system: self-elevating climbing frame + shaped expanded metal mesh

Outer wall is fully sheared, and main body of the peripheral structural column is constructed in one shot to avoid site work for the second time. Shuffled construction of outer facade is enabled. Exterior windows are embedded with anti-leakage grooves, and water stop table at toilet is cast and formed in one shot to reduce leakage.



Interior wall: levelling and whitening

Interior wall is replaced with decorative cement, and measurement management is controlled, so that no plastering is required, and the common quality problem of hollowing and cracking caused by the traditional plastering process is avoided.



Shuffled construction to improve efficiency

Through planning ahead, shuffled processes, and mixed application of aluminium mould technique, all-concrete exterior wall, gypsum mortar plastering and other processes, the Group is able to reasonably divide work flow; ensure reasonable time slot for each process; shorten the total construction period; improve the lean level of project management; avoid concentrated supply of materials; and reduce the risk of shortage in material supply, the number of workers during peak construction periods, and the risk of labour shortage while reserving adequate time for construction, inspection and rectification to ensure construction quality.

Promoting Green Construction *(Continued)*

In terms of energy conservation and consumption reduction measures at the construction site, we have also achieved energy saving and emission reduction through various ways. At the construction site, we actively adopt clean energy. Solar energy has covered almost all activities in the staff living area (the coverage rate can reach more than 99%), and solar streetlights with energy storage function have been used for the lighting in the construction area. We also adopt new energy concrete mixing tankers as much as possible.

In terms of equipment, we use mechanical equipment to replace traditional manpower. Previously, we used manual means to transport equipment and materials, but now we use electric transport equipment in the field, such as trolleys, to reduce the personnel labor intensity. Energy saving factors will also be considered in the procurement and use of lighting equipment in the construction site. For example, LED lamps are used in construction site office area. For the Company's cultural tourism projects, as the clothes of the performers need special washing and care, we have optimized the hot water heating equipment in the laundry room by using low-NO_x steam generator equipment to allow full gas combustion, make the laundry faster and more efficient, thus contributing to energy saving.

ENVIRONMENT AND NATURAL RESOURCES

Enterprises and the ecological environment need to develop in harmony. In carrying out business activities, enterprises need to reasonably develop and comprehensively utilize resources, pay attention to protecting and improving the ecological environment, and follow the path of sustainable development. To avoid the impact of business activities on the environment and natural resources, we actively take fruitful measures to manage the relevant impacts:

Before the construction of the project, the engineering management department of the Company is responsible for the environmental risk assessment of the project construction site. Only the report has clarified that the construction land has met the relevant standards, the subsequent construction work can be carried out.

In material selection, we use new materials and replace traditional energy-consuming materials such as wood and stone with eco-synthetic materials to reduce the consumption of natural resources and the damage to the natural environment. The new materials are provided by DIT Group, which ensures that the materials meet the requirements of environmental protection and green supply chain.

By the end of the Reporting Period, the new materials were mainly used in the following scenarios:



Demonstration area (the location of sales office)

The stone and paved ground of the sales office use ecological stone. Over 80% of the materials used in the sales office decoration are ecological wood. Ecological wood is synthesized by the secondary processing of natural waste and wood chips. It is a new type of wood that is more economical, environmental-friendly, healthy and energy-saving than logs.



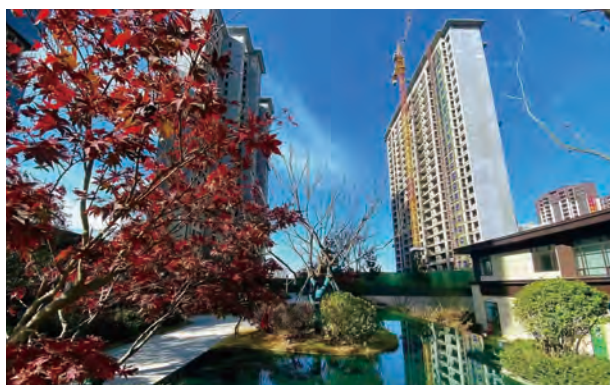
Delivery area (the location of decorated houses)

It basically uses ecological stones.

Promoting Green Construction *(Continued)*

Adhering to the development concept of landscape first, we present the landscape delivery area before the agreed delivery date of the residential project. It is not only to show our quality confidence, but also, we are able to carry out ecological monitoring of the construction environment, to improve the quality of the environment, to create a healthy working environment for construction workers, and to ensure the construction work is carried out in an environment-friendly situation.

The following are the projects that prioritize landscape:



Gushi Future City



Gushi Jianye Mansion



Huaibin County Sweet-Scented Osmanthus Garden



Huangchuan Huangguo Palace

Promoting Green Construction *(Continued)*



Luoshan Jianye Mansion



Shangcheng Jianye Mansion



Shangcai Jianye Mansion



Xi County Honour Mansion

We take natural condition and cultural heritage into consideration from the beginning of a project, and carry out the design and construction in a targeted manner:

- ✓ We pay attention to local history and urban culture when designing our projects to promote culture-driven development of the industry.
- ✓ Environmental assessment will be carried out before site selection, and factors such as lakes and groundwater will be considered to minimise the impact of the site selected on the ecosystem.
- ✓ During the construction, clean energy will be designed and used taking into account local factors, for example, solar power is used as far as possible when feasible for all projects in Henan province.

Promoting Green Construction *(Continued)*

The Liuge Ancient Village (劉閣古寨) Project in Zhumadian cultivates historical culture in a modern city

This is a project invested and constructed by CCRE and located in the area enclosed by Cedar Avenue (雪松大道), Baiyunshan Avenue (白雲山大道), Wenhua Road (文化路) and Liuge Road (劉閣路). The total investment amounted to RMB10 billion, covering a total area of about 800 mu, of which about 280 mu is designated for commercial use, the remaining 520 mu is residential area.

Against the backdrop of promoting urban culture and revitalising villages, this project combines village culture and Zhumadian's intangible cultural heritage to revitalise the ancient village with the goal of demonstrating "new vitality of cultural confidence" and create a new style experience area that inherits the tradition, faces the future, and displays the village culture.



Photo of Liuge Ancient Village (劉閣古寨) Project¹

ADDRESSING CLIMATE CHANGE

At present, climate phenomena and extreme weather events such as global warming and sea-level rise have intermittently affected people's work and life and continue to receive world-wide attention.

CCRE pays constant attention to major issues such as coping with climate change, energy conservation and emission reduction, and actively takes countermeasures to further promote sustainable corporate development. With reference to TCFD's recommendations and the *Guidelines on Climate Information Disclosure Reporting in accordance with TCFD Recommendations* issued by the Hong Kong Stock Exchange (HKEX), the contents of this section are grouped by governance, strategy, risk management, indicators and targets. It describes our efforts and future direction in addressing climate change.

¹ This is a process map, and the actual plan shall prevail.

Promoting Green Construction *(Continued)*

Governance

In terms of governance, we have established an ESG governance structure to cover the overall governance of our ESG related work, including the management of various projects related to addressing climate change. The Board is required to consider climate issues when reviewing and guiding strategies, key action plans, risk management policies, annual budgets and business plans, as well as setting organizational performance targets, monitoring implementation and execution, and overseeing major capital expenditures, acquisitions and divestitures. The Board is also required to oversee and monitor the achievement of its objectives in addressing climate related issues. Under the Company's ESG governance structure and mechanisms, the responsibilities of the management level include organizing, evaluating, and managing climate issues, and reporting climate related information to the Board from time to time. With reference to TCFD (Task Force on Climate-Related Financial Disclosures) framework, we progressively review the status quo, develop strategies, manage risks and identify indicators and targets that the Group may face as a result of climate change.

Strategy

Climate-related risks include transition risks associated with a low-carbon economy and physical risks associated with climate change impacts. Transition risks can be divided into policy and legal risks, technology risks, market risks, and reputation risks, while physical risks include acute risks (mainly single events, such as extreme weather like typhoons and floods) and chronic risks (referring to long-term changes in climate patterns such as persistent high temperatures).

In terms of transition risks, in regard of policy and legal risks, as the awareness of climate change deepens and relevant policies are implemented, business places may raise energy prices, set caps on energy use, expand the coverage of chargeable greenhouse gas emissions or raise other environmental regulatory requirements. These may all lead to an increase in our operating costs. We will continue to monitor the impact of climate change on our business and respond adequately to policy requirements.

In terms of physical risks, acute risks refer to extreme weather events such as typhoons, floods, and meteorological hazards, affecting us in many ways. On the one hand, our construction plans and project delivery are directly affected by extreme weather events on the site, construction facilities, personnel commuting and transportation. On the other hand, they are also indirectly affected by extreme weather events in the supply chain. For example, the lack of or interruptions in the supply of electricity and water to our construction sites due to extreme weather can affect our production. The inability of raw material suppliers to deliver on time due to extreme weather can affect our procurement stability and prevent us from producing on schedule due to material shortages. Our efforts to mitigate and adapt to climate change will create opportunities for the Company as we actively address climate change, not only by focusing on risk prevention, but also by proactively identifying opportunities. From the perspective of market and technology, people's growing demand for a better life and their greater recognition of the concept of green and environmental protection, as well as their deeper understanding and higher acceptance of green and smart buildings, may bring new opportunities for our green and smart building products. At the same time, this also puts forward new requirements for the Group's product innovation. We will continue to improve our own Research and Development capabilities to meet the new market demand and seek greater development.

Promoting Green Construction *(Continued)*

Risk Management

Based on the characteristics of the industry in which the Group operates and in the context of the Company, the Company has identified and evaluated the management processes of climate related risks. The Group has recognized that environmental and climate risks will likely lead to operational risks and financial risks. In response to the identified climate related risks, the Group has formulated the Management Measures for Emergency Plans to strengthen the Group's comprehensive command capability in handling emergencies, improve the speed of response to emergencies and the level of emergency coordination, so as to ensure prompt and effective handling of various emergencies and prevent expansion or deterioration of the situation. At the same time, the Group has also established the organizational management structure and relevant management methods for the management of natural disaster plans and emergency handling teams.

Henan province experienced torrential rains in 2021, which caused heavy casualties and property losses in Zhengzhou and several other cities. As a result, we released the *Measures for the Prevention of Severe Weather*, *Measures for Post-disaster Management*, *Measures for Flood Control Management*, and established an emergency team and the *Emergency Work Guidelines* to specify response and preventive measures under severe weather. Going forward, we will continue to pay attention to the weather of the places where we operate, make advanced arrangements according to the abnormal weather forecast. For example, the headquarters will issue warnings of abnormal weather on the OA platform, reminding all entities to take preventive measures and response when necessary. The Group's subsidiaries and entities in Henan province have also formulated management measures in light of the local situation of the places where they operate. For example, Puyang City (濮陽城市公司) released the *Severe Weather Risk Prevention and Emergency Measures in Rainy Season* in August 2021, it also established an emergency leading group, clarified organisational structure and responsibilities during emergency, and standardise the organisation and response to emergencies in the rainy season.

Promoting Green Construction *(Continued)*

Metrics and Targets

To make the climate change process and the actions to address climate change measurable, it is important to select appropriate metrics and set corresponding targets. In accordance with the requirements of HKEX ESG Reporting Guidelines and in light of the actual situation, the Group has defined climate-related risk indicators related to energy efficiency, water efficiency, waste emission and greenhouse gas emission management. The Group has disclosed these indicators in the “Lower Emissions and Reduce Pollution” and “Save Resources and Improve Quality and Efficiency” chapters of this Report. The Group has also set targets for energy efficiency, water efficiency, greenhouse gas emissions (Scope 1) and greenhouse gas emissions (Scope 2), and regularly reviews the implementation of these targets. The targets set by the Group for 2022 are shown in the table below:

| | Indicator | Unit | Target for 2022 |
|---------------------------|--|---------------------------------------|-----------------|
| Resource usage | Total electricity consumption | kWh | 537,000 |
| | Total fuel consumption | Diesel (litres) | 0 |
| | | Petrol (litres) | 45,800 |
| | Total energy consumption | kWh | 937,283 |
| | Total energy density | kWh/GFA (m ²) | 400.54 |
| | Total water consumption | m ³ | 4,244 |
| | Water consumption density | m ³ /GFA (m ²) | 1.82 |
| Emissions | Nitrogen oxide (NO _x) | Kg | 353.46 |
| | Sulfur oxides (SO _x) | Kg | 0.67 |
| | Particulate matter(PM) | Kg | 32.93 |
| Greenhouse Gas Emissions | Direct greenhouse gas emissions (Scope 1) | Tons | 100.56 |
| | Energy indirect greenhouse gas emissions (Scope 2) | Tons | 282.03 |
| | Total greenhouse gas emissions | Tons | 382.59 |
| | Total GHG emissions density | Tons/m ² | 0.03 |
| Hazardous Waste Treatment | Toner and ink cartridges wastes | Kg | 80 |
| | Waste batteries | Nos | 2,925 |
| | Waste lights or energy saving lights | Nos | 2,705 |

Considering that the operation and market environment of the Group are constantly changing, we will keep reviewing our practices and adjusting our goals and measures as appropriate. In the future, we will further improve our strategy development, risk management, indicator and target identification and management, and work together with all sectors to address climate change and achieve common sustainable development.

Building Green Houses to Support Industrial Upgrading

As a new lifestyle service provider, CCRE quickly responded to the government's call and took the lead in implementing the "rural complex" with "Agriculture + Culture and tourism + Health and well-being" as the development direction. The Group has established its Green Houses successively in Yanling, Hebi, Zhoukou, Yichuan and Wuzhi. Based on the development model of local-flavoured "modern agricultural demonstration parks + ecological culture protection + beautiful village + Jianye food court", the Group has built rural complexes highlighting "modernised agriculture, ecological and leisure, cultural creativity, demonstration and experience, science popularisation and education and health and elderly care". The Group has explored new ways to upgrade the agricultural industry and help farmers to find jobs and increase income so as to revitalise the rural area and the regional economy.

As of 31 December 2021, the Group was operating 4 green houses: Yanling Green House, Yichuan Green House, Hebi Green House and Zhoukou Green House, with a total area of 22,705 mu.



Yanling Green House

Located in Mafang Township, Yanling County, Xuchang City, Yanling Jianye Green House embraces hi-end facility agricultural production (cut flowers), green agricultural products, Jianye Foodcourt, folk culture healthcare in Central Plains, ecological and leisure agriculture (rural tourism), etc., endeavouring to build a modern agricultural complex with an international leading and domestic first-class modern agricultural industry chain integrating "research and development, production, demonstration and experience". The project occupies the approximately 4,000 Chinese-mu eco-tree seedlings, including a total of 370,000 precious tree and flower species in over 30 varieties, like sakura, begonia, catalpa bungei, acer palmatum, ginkgo, goldenrain, acer negundo, Chinese ash, cotinus coggygria, magnolia denudata, ginkgo, etc.



Yichuan Green House

Located in Jiangzuo Town, Yichuan County, Luoyang City, the rural complex of Yichuan Jianye Green House, on the basis of respecting the way of nature and following the natural growth patterns, aims at preserving the existing tree species in the zone to the greatest extent, protecting the ecological environment, making the people enjoy the pastoral lifestyle, keeping lucid waters and lush mountains, as well as a mind full of nostalgia. By developing the modern agriculture as its basis and forging the beautiful natural environment as its objective, the project focuses on agricultural tourism, cultural leisure and ecological healthcare. As of the end of the Reporting Period, the Green House has been completed and open to the public at present. The projects built at Phase I include: modern facility agriculture area, Yaji Lakeside Restaurant, folk culture experience cave, RV/Tent Camp, Fruit and Vegetable Picking Experience Garden, Outdoor Development Area, Ecological Conservation Area, etc.

Building Green Houses to Support Industrial Upgrading *(Continued)*

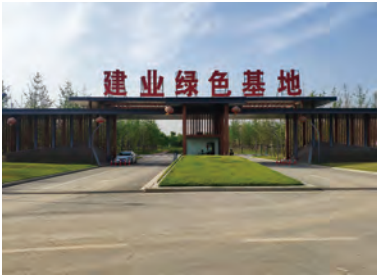


Hebi Green House

Hebi Jianye Green House is located in the south of Hebi City, at the east of the middle route project of the South-to-North Water Diversion Project, east of Beijing-Guangzhou Expressway, and south of Qihe River, with convenient transportation and high-quality ecological environment. Such project focuses on agriculture theme and combines ecological agriculture and tourism: it is a large-scale modern agricultural tourism complex park integrating various functions, such as modern agriculture, tourism, leisure and entertainment, ecological picking, demonstration education and unique cuisine. As of the end of the Reporting Period, such Green House has completed various tourist spots, such as 13 intelligent gutter-connected greenhouses, artificial lake, wedding lawn, Jianye Foodcourt, colorful flower field, forest-flower beds and flower trading center.

Since its establishment, Hebi Jianye Green House has built more than 500 Chinese-mu of core tourism area and more than 4,000 Chinese-mu of ecological conservation area one after another, which are comprehensively planned and managed by internationally recognized designers from Malaysia, and planted with more than 300,000 landscaping plants, including begonia, flowering peach, sakura, acer negundo, redleaf cherry plum and winter sweet and more than hundreds of flowers such as large flower rose, pink muhly grass, phlox subulata, plumarius, lagerstroemia, salvia farinacea and quince, to the effect of enhanced physicochemical properties of the soil, adjustment of the traditional chemical pollution of the soil, and conservation of groundwater source, as well as species diversity along the Qihe River.

Building Green Houses to Support Industrial Upgrading *(Continued)*



Zhoukou Green House

The Zhoukou Green House is located at both sides of the old canal in Xuwan Village, Xuwan Town, a demonstration zone for urban-rural integration in Zhoukou City, with a planned coverage of more than 5,000 mu and a total investment of RMB5 billion. The project incorporates modern ecological agriculture, renovation of the old canal and restoration of urban wetlands, leisure experience, cultural tourism, health care and elderly care, and integrates the production of high-end flowers, fruits and vegetables, the cultivation of premium seedlings and flowers, the cultural excavation of a century-old shipping ferry, the unique Central Plains food experience, the urban wetland riverside landscape belt along the old canal, and the photography house for folk wedding celebrations. The aim of the project is to build a world leading and first-class urban rural complex that integrates R&D, production, demonstration and experience integral to the full industry chain of modernised agriculture.

As at the end of the Reporting Period, Zhoukou Green House has received over 2 million visitors, including approximately 4,000 visits by leaders from provincial and municipal governments, subject matter experts and scholars from home and abroad for observation and study. It has also established long-term partnership with sports associations, wedding associations, outdoor training institutes and academic and education institutes. It has been awarded with titles such as "Henan Province Night-time Cultural Tourism Agglomeration Area", "Zhoukou City Primary and Middle School Social Practice Educational Base", "Zhoukou Daily Junior Reporter Research and Education Base", and "Zhoukou City Urban-rural Integration Demonstration Area and Agricultural Poverty Alleviation Demonstration Area".

Building Green Houses to Support Industrial Upgrading *(Continued)*

USING TECHNOLOGY TO MAKE AGRICULTURE MORE EFFICIENT

Intelligent Glass Greenhouse with Connected Gutters

Cooperated with the companies like Dutch Priva and Ridder, CCRE's Green Houses have built a domestically leading first-class technology and fully automated intelligent gutter-connected glass greenhouse with a total area of about 158,000 sq.m., including tidal fertigation seedbed and the world's most advanced application of soilless plant with automatic fertigation, recycling, disinfection and cycling utilization system, and the intelligent information management platform is based on modern agriculture and water-saving irrigation automation control technology, utilizing "big data, cloud computing, IoT, IntelliSense" technology, to comprehensively control and intelligently manage water and nutrients required for flower production, utilizing fertigation technology to achieve a modern greenhouse planting mode with water-saving, fertilizer-saving, labor-saving, high-efficiency and high-quality effects.



Building Green Houses to Support Industrial Upgrading *(Continued)*



Photo of automated intelligent gutter-connected glass greenhouse

Building Green Houses to Support Industrial Upgrading *(Continued)*

Upgrading Irrigation Technology to Maximize Water Efficiency

Sprinkler irrigation has been widely known and adopted as one of the irrigation technologies with the best water-saving effect. Sprinkler irrigation works by pressurising the irrigation water through the sprinkler irrigation system (or a sprinkler irrigation device) to eject the water into the air, then the water becomes droplets and spray onto the soil to facilitate crop growth. Compared with ground irrigation, sprinkler irrigation is better at water saving, electricity saving, labour saving, efficiency and water utility rate. Most of the Group's Green Bases have adopted the sprinkler irrigation technology and achieved great water-saving results.

Yichuan Jianye Green House suffers an uneven distribution of precipitation throughout the year due to the monsoon climate and its geographical environment. In dry season, the incidence of drought is high and severe, and the vegetation is damaged and died due to water shortage. However, it suffers frequent rainstorms in rainy season, causing the flood disasters and serious water and soil erosion. Based on the said facts, the Green House built a overflow dam that is used for storing the water in rainy season and preventing a widespread flooding, and discharging the water in dry season for irrigating the vegetation. Through the dam, Yichuan Jianye Green House can enjoy sufficient water source for conservancy and landscaping to the greatest extent, maximise the forestry land area, and perform the forestation and cultivation well, thereby maintaining the ecological equilibrium.

As of the end of the Reporting Period, Yichuan Jianye Green House has completed the first batch of forest form transformation of approximately 600 Chinese-mu, and planted the precious ornamental seedlings, including ginkgo, meliaceae, acer negundo, flowering peach, Chinese ash, cedar tree, cercis chinensis, etc. The wasteland with an area of more than 200 Chinese-mu was reclaimed for planting the cherry trees, pear trees and other fruit trees with distinctive regional characteristics. Also, the terrace of 200 Chinese-mu was reclaimed and used as basic farmland. On this basis, Yichuan Jianye Green House extensively uses the drip irrigation technology by paving the piping system.



Yichuan Jianye Green House extensively uses the drip irrigation technology

Building Green Houses to Support Industrial Upgrading *(Continued)*

Using Clean Energy, Conserving Energy and Reducing Emissions

Clean energy is comprehensively used for the intelligent gutter-connected greenhouses in Green House. The heating supply employs a new gas-fired hot water boiler, and the power supply uses a photovoltaic power generation system for the purpose of minimizing air pollution caused by coal combustion. In addition, the Green House also uses a variety of clean energy to actively practice energy conservation and emission reduction:

- ✓ Located in Jiangzuo Town, Yichuan County, Luoyang city, Yichuan Jianye Green House basically uses clean energy to illuminate the House. The Green House makes best use of the strong wind among the mountains and set many solar panels to generate the power for its lighting system at night. Yichuan Jianye Blue and White House has a total of 99 road lamps that use clean energy, i.e., wind power and solar energy, to illuminate the road of 1.8km, thus saving the power of approximately 26,000 kWh per year.



Legend of wind power in Yichuan Green House



Legend of solar panels in Yichuan Green House

Building Green Houses to Support Industrial Upgrading *(Continued)*

- ✓ Hebi Green House is located in the eco-efficient agricultural development area in the urban-rural integration demonstration zone of Hebi City. Photovoltaic power generation has been adopted since 2018. At the same time, considering that there are geothermal resources in the Green House, it is planned to adopt geothermal heating and carry out the transformation of geothermal heat pumps to utilize underground hot spring resources.
- ✓ Located in the flower city Yanling, the Yanling Green House, with a total area of more than 5,000 Chinese-mu, is a national AAAA-level scenic spot. It is planned to use photovoltaic power generation and geothermal power generation.



Legend of photovoltaic power generation in Hebi Green House

DEVELOPING AND IMPROVING SUSTAINABLE GREEN HOUSES

Circular Agriculture: Zero Emissions Planting and Breeding Model

Vigorously developing circular agriculture and transforming the agricultural growth mode is the fundamental way to reduce the consumption and demand of agricultural production on water resources, chemical fertilizers and pesticides, and to improve the efficiency of agricultural production.

CCRE's Green Houses adopt a zero-emission planting and breeding mode: the agricultural facilities re-use the remaining eutrophic water by putting it into the lake farm to provide a high-quality growing environment for the algae, and the growing algae further becomes the best bait for the silver carp, the reutilisation through cycling would bring benefits to the enterprise; the domestic sewage generated in the living area is discharged into the self-built anti-seepage sedimentation tank through the sewage collection pipeline and then used as organic fertilizer to irrigate the nursery to improve the soil after fermentation. CCRE's Green Houses make great efforts to promote the comprehensive utilization of agricultural waste resources, promote the combination of planting and breeding, ecological cycling and green development, continuously improve and optimise the agricultural ecological environment, and improve the sustainable development level of agriculture.

Building Green Houses to Support Industrial Upgrading *(Continued)*

Protecting Virgin Forest Ecosystems

In order to protect the ecological environment, we are committed to creating a primary forest ecological reserve. To best preserve the existing tree species, the Yichuan Jianye Green House, located in a mountainous area, strictly protects the ecological environment. It has set up a virgin forest conservation area to protect the precious virgin forest trees (like acorn and pine) scattered in the surrounding forests. It has set up an ecological conservation area to protect wildlife living in the ecological forest and to ensure a healthy and complete biological chain.

At the same time, we also actively practice the resource reuse of green base and always adhere to the concept of “What is taken from the forest is used for the forest”. Yichuan Jianye Green House is located on rugged and muddy mountain roads. Except for vehicle lanes and parking lots, tourism roads and landscaping, e.g., flake byways and ornaments, use the waste wood that comes from the withered trees, trunks, acorns, etc. Also, all fruits, vegetable and ingredients of staff restaurant and Yaji Restaurant are planted by the Green House.



Legend of the utilization of abandoned trees in Yichuan Green House



Sawdust trail made of raw waste wood in Yichuan Green House

Building Green Houses to Support Industrial Upgrading *(Continued)*

Establishing a Sound Environmental System and Fulfilling Environmental Responsibilities

CCRE's Green Houses include environmental protection work into its daily enterprise management work, and sign the "responsibility statement" with the production, discharge and treatment departments, implement the accountability system for assessment, and revise as well as improve the Company's guiding documents of the *Environmental Protection Management System*, the *Environmental Protection Management Responsibility* and the *Clean Production Management System*, formulated the *Emergency Plan for Sudden Environmental Pollution Events (Accidents)* and a series of environmental control standards according to the current national and provincial environmental laws and regulations, to guarantee the normal operation of environmental protection facilities and main production facilities and set an environmental management model that is recognized by the society in accordance with national environmental laws and regulations.

Promoting Environmental and Training and Environmental Awareness Among Employees

CCRE's Green Houses incorporate environmental protection training into its annual education and training program, and promote environmental laws and regulations and environmental behavior codes through various publicity such as promotional showcases, OA office platform, reasonable suggestion collection, knowledge lecture and answer contest. Such training covers all employees. Through such training, the awareness of environmental protection laws and regulations, emission standards, the necessity of appropriate emission and the damage of uncontrolled pollution among all employees has been enhanced, and employees' sense of responsibility and conviction enhanced too. Nowadays, "impacting the environment is crime, while treasuring the environment is to protect the homeland" has become the consensus of the employees of CCRE's Green Houses.

DEVELOPING GREEN HOUSES TO PROMOTE THE REGIONAL ECONOMY

The Group is dedicated in building a modern agricultural complex with a world leading and domestically first-class modern agricultural industry chain integrating "R&D, production, demonstration and experience", so as to enhance the ecological synergy, increase farmers' income and contribute to the sustainable development of the economy and society.

Jianye Green Houses have been actively developing the under-the-canopy economy by leveraging forestry resources, under-the-canopy space and forest environment and using the space under the canopy for planting, thereby improving forest productivity, labour productivity and capital utilisation.

Building Green Houses to Support Industrial Upgrading *(Continued)*

Yanling Jianye Green House

The forest planting area is about 130 Chinese-mu. The planting categories cover wheat, garlic, sweet potato, watermelon, cabbage, chrysanthemum, etc.



Planting in Yanling Green House: garlic



Planting in Yanling Green House: wheat



Planting in Yanling Green House: sorghum



Planting in Yanling Green House: hibiscus

Building Green Houses to Support Industrial Upgrading *(Continued)*

Hebi Jianye Green House

The forest planting area is about 520 Chinese-mu. The planting categories are mostly sweet potatoes, euonymus japonicus seedlings, wheat, vegetables, kudzu and other crops and Chinese herbs. The forest breeding area is about 300 Chinese-mu, mostly poultry and livestock such as chickens, ducks, geese, and sheep.



Planting in Hebi Green House: euonymus japonicus seedlings



Planting in Hebi Green House: kudzu

At the same time, we ensure the prosperous development of Jianye Green House and the area where the Green House is located, by introducing technical talents, establishing research base and providing technical training.

- ✓ Introduction of high-quality talents: Most of the technicians in the Green House area are high-level domestic university students. We also actively cooperate with universities, such as China Agricultural University and Zhejiang University.
- ✓ Establishing special social practice education bases for primary and secondary schools at provincial and municipal levels, and actively promoting the in-depth development of research and practice education activities for primary and secondary students in a wide range of places.



Yanling Green House: provincial research base



Yichuan Green House: municipal research base

- ✓ The contract workers in Green House are mainly local farmers. On the one hand, doing so can solve the employment problem for the area. On the other hand, we provide relevant technical training for local farmers, so that they can master more advanced planting techniques through their work to increase income for their families.

Building Green Houses to Support Industrial Upgrading *(Continued)*

Boost the Sustainable Development of Green Houses by R&D and Innovation

We endeavour to innovate and engage in R&D through the Green Houses, and also build practice platforms for students through school-enterprise partnership, thereby boosting the sustainable development of Green Houses. As at the end of the Reporting Period, Jianye Green Houses have established partnership with multiple colleges and universities:

Yanling Jianye Green House

Yanling Green House has established cooperative relations with Henan Agricultural University, Henan University of Science and Technology, Henan Institute of Science and Technology, Henan University of Technology, Xuchang Vocational and Technical College, Xuchang University, Xinyang Agriculture and Forestry University, and Henan University of Economics and Law; joint scientific research projects include the achievement transformation project with the Chinese Academy of Sciences in Henan Province, and the horizontal project (screening and breeding of ornamental lotus varieties) with Shanghai Chenshan Plant Science Research Center of the Chinese Academy of Sciences. Xuchang City Innovation Demonstration Project 2018, phalaenopsis and gerbera factory rapid propagation and industrial Promotion; provincial level innovation platform: Henan Province High-end Fresh Cut Flower Engineering Technology Research Center (2015); Henan Province Controlled Environment Flower and Tree Industry Technology Innovation Strategic Alliance (2021).

Yanling Green House provides 6-10 internship positions for major agricultural colleges and universities every year, and receives approximately 1,000 students for extracurricular practice; cooperates with the College of Horticulture, Henan Agricultural University in two postgraduate teaching programs.

Hebi Jianye Green House

Hebi Green House has established cooperation platforms with the School of Life Sciences, Henan University and Xinyang Agriculture and Forestry University. Through these platforms, they engage in research and demonstration of key technologies in the field of controlled environment horticulture and apply them in the Green House. Such cooperation shall turn the “service platforms” into corporate R&D centers to support the cooperating companies’ sustainable development and help students apply their theoretical knowledge to practice.

Building Green Houses to Support Industrial Upgrading *(Continued)*

Yichuan Jianye Green House

In May 2018, Yichuan Jianye Green House signed an agreement for building a teaching and practice house with Henan University of Science and Technology. Through the signing of this agreement, Yichuan Green House became the postgraduate practice house and undergraduate practice base of Henan University of Science and Technology. Since then, Yichuan Jianye has received over 1,500 postgraduates and undergraduates for their internship and practice.

Yichuan Green House has in-depth cooperation with Henan University of Science and Technology in product R&D, key topic research and other areas. As at the end of the Reporting Period, the ongoing joint key topic research and collaborative projects include: “Organic + Leisure” fruits and “Leisure + Selenium-enriched” vegetables high-efficiency cultivation mode experiment and demonstration; forest wellness and horticultural aromatherapy, experiment and demonstration of forest wellness and wellness agriculture (horticultural aromatherapy).

We have established college-enterprise collaborative projects based on the Green House and applied for the establishment of provincial and municipal level projects and engineering research centers jointly with its partners. The directions of such projects include “leisure + selenium-enriched” organic fruit and vegetable production base construction and demonstration, rural revitalisation model and promotion led by leading enterprises.

Other collaborative research projects include: Cultivation and promotion of agricultural products with geographical indications of origin, research on agricultural tourism planning and design system, research on environmental conditions (such as temperature, light, water and fertiliser, trace elements and bee pollination) and substrate optimisation for soilless tomato cultivation in greenhouses, in vitro tomato tissue rapid propagation and application R&D; we have also established a teaching and scientific research base with the School of Landscape Architecture and Art of Henan Agricultural University.

Green House featured product display



Vegetables



Building Green Houses to Support Industrial Upgrading *(Continued)*

More on other categories



Extensive product display



Grain



Mushroom Gift Set



Mushrooms



Huangjiu

We value and encourage scientific research and innovation and have developed incentive mechanisms related to publishing papers and applying for patents. By 31 December 2021, Jianye Green House has been granted 21 patents and 15 trademarks. It has published a total of 13 papers, three of which are published in 2021, including one in core journals, specifically in the national journal China Flower and Gardening, with the research direction of greenhouse engineering.

Building Green Houses to Support Industrial Upgrading *(Continued)*

LIFECYCLE SYSTEM OF REAL ESTATE USERS

From making products to making ecology, Jianye adheres to the notions: of users, for users, establishing a full life-cycle system, and continuously creating long-term value. We take Jianye Green House and Jianye Cafeteria as carriers to continuously provide full service to Jianye users and the public.

Jianye Green House Provides an Urban Backyard

Jianye Green House takes “agriculture + cultural tourism + recreation” with local characteristics as its development orientation, combines the construction of green base with ecological environment, uses the platform of modern agricultural resources of Jianye, deeply integrates local characteristic resources, realizes the integrated development of three industries, and gradually develops into a destination and urban-level backyard for Jianye owners and the general public to “eat, live, learn, travel, purchase and entertain”. It will gradually develop into a destination for Jianye owners and the general public to eat, live, learn, travel, purchase and entertain, as well as a city-level back garden. By the end of the Reporting Period, the four Green Houses have accumulated 12 million passenger trips, including 789,000 passenger trips for Yanling Jianye Green House in 2021; 839,000 passenger trips for Hebi Jianye Green House in 2021; 303,000 passenger trips for Yichuan Jianye Green House in 2021.



Yanling Jianye Green House was approved as a national 4A scenic spot



Hebi Jianye Green House was approved as China Agricultural Park



Yichuan Jianye Green House was approved as a national 3A scenic spot

Building Green Houses to Support Industrial Upgrading *(Continued)*

Jianye Food Court Preserves Folk Culture

In October 2015, the first Jianye Food Court was opened at Yanling Jianye Green House, adhering to the guiding ideology of “excavating, protecting, inheriting and expanding” the traditional culture of the Central Plains, promoting traditional food culture, discovering and protecting the local characteristics of the Central Plains culture, and devoting to building a highly distinctive “Central Plains traditional Food folk culture experience spot”, “a bite of Henan, Henan people’s living room”. With the rich ecological resources of Henan and the rich culture of the Central Plains, Jianye Food Court brings together the cuisines of 18 cities in Henan in the form of snack bars and restaurants, cleverly using the alleys, traditional courtyards, kilns and outdoor theatres as business areas, restoring the scenes of ancient city life, realizing the inheritance and dissemination of traditional Henan culture, and forming a unique and competitive catering business model.

By the end of the Reporting Period, Jianye Food Courts had been built in Yanling Jianye Green House², Hebi Jianye Green House, and Yichuan Jianye Green House, with a total reception of 15 million people, becoming a vivid practice of the deep integration of cultural heritage and urban development.



Yanling Jianye Food Court



Hebi Jianye Food Court



Zhengzhou Jianye Food Court

Going forward, the construction of Jianye Green House will always adhere to the concept of sustainable development and realize the unification of multiple parties, social and economic benefits on the basis of agricultural ecology and village landscaping, to build beautiful fields and help rural revitalization.

² By the end of the Reporting Period, the Jianye Food Court at Yichuan Jianye Green House has not yet opened and is still under construction.

High-Quality Products Promote Development

QUALITY COMMITMENT AND RESPONSIBILITY

Product quality is the basis for gaining customer trust and establishing a good competitiveness of an enterprise and is crucial to the sustainable and healthy development of an enterprise. Thanks to our rigorous product research and development and product safety supervision procedures, the Group's construction projects have reached the industry's highest standards in terms of applicability, safety and weight resistance. The Group strictly abides by the laws and regulations of *the Product Quality Law of the People's Republic of China and Law of the People's Republic of China on Administration of Urban Real Estate*. The Group has formulated its product research and development system and product management policy pursuant to state regulations and industry standards, providing detailed guidelines on product design, repair, maintenance, testing and inspection with a focus on planning and design, house configuration, product landing, material check and equipment testing in order to exercise all round supervision on the design, production and construction processes.

1. Design

According to regulatory conditions and taking into consideration of the market condition and its product lines, the Company designs projects in a scientific, reasonable and user-friendly way.

2. Approval

Project materials are improved and submitted to meet all the requirements under the regulations and policies of relevant government authorities in relation to project construction.

3. Before Construction

Construction drawings are reviewed by a professional third-party cooperative institution to ensure compliance with national and industry standards.

4. Material Examination

Suppliers of building materials are carefully chosen, and their certification files are strictly examined and are subject to a review by a professional third party.

5. During Construction

An external consultant is engaged to closely monitor project construction and progress.

6. Project Acceptance

Before completion, relevant projects will be checked by and filed with relevant government authorities, and a two-year warranty period is promised after the project is delivered.

To meet the expectations and needs of our customers, the Group will contact relevant customers to conduct opinion survey, making sure that the issued are completely solved. Meanwhile, we will also collect relevant cases to study and summarise, aiming to prevent similar issues from happening again and further improve the quality of our products and services.

High-Quality Products Promote Development *(Continued)*

DEVELOPING INNOVATIVE TECHNOLOGY TO SUCCEED IN THE FUTURE

Continuously Optimizing Product Design

In order to strengthen the summarisation and accumulation of the Group's product experience, to guide the positioning, design and implementation of future projects, and to ensure that the products can meet the requirements on continuous cost reduction, quality improvement and efficiency enhancement, we have formulated the "Product R&D Management System" to clarify product system planning and R&D work.

The Group has long been adhering to the product development direction of serialisation, standardisation and industrialization, and gradually achieved industrialisation through our continuous standardisation and serialisation of products throughout the years; with customer experience as the core of product development, we research and develop new and competitive products and engage in architecture design under the product development principle of "Green, Low carbon, Energy saving and High-tech". Specifically speaking, we have implemented the following measures to reflect the green and sustainable development concept in our R&D, product design and delivery:

Low impact development (LID) construction

Enable the landscape pools in the community to store water, thereby saving water resource.

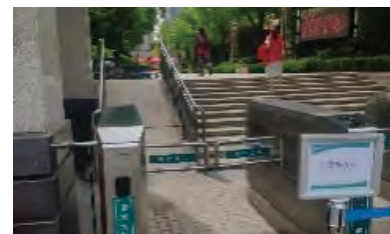
Garage carbon monoxide concentration monitoring system

The underground garage applies a carbon monoxide concentration detection system, which is equipped with an air supply and exhaust system to feed in fresh air.



Elevate the ground floor to enhance the buildings' flood resistance

The ground floor elevation design is adopted, so that the community ground floor is 0.5 to 2 meters higher than the outer roads, and 1.1 meters higher than the outer roads on average, which can reduce the probability of water accumulation by 90%, so as to enhance the community's flood resistance and control capability. At the same time, the amount of earthwork in underground garage and single basement is reduced. As of now, 26 projects have adopted this design (2021: 15 projects), accumulated cost saving amounting to RMB73.4708 million.



High-Quality Products Promote Development *(Continued)*

Sky garden terrace

The design of sky garden terrace is adopted in all units of the community to cater for customers' need for gardening and a better lifestyle.



Adopt man-vehicle separation design to ensure safety

The projects adopt a man-vehicle separation design to completely separate the car lanes from pedestrian lanes in the community to ensure residents' safety.



Face recognition system is adopted in community access control

This can ensure the community's security while enhancing the convenience of owners' access.



Upgraded and smarter residential equipment

The projects apply greener, safer and smarter equipment, such as fresh air system, house water purification system, floor heating and room temperature adjustment system.



High-Quality Products Promote Development *(Continued)*

Case: Building themed communities to promote innovation in Zhengzhou

The Group is driven by Zhengzhou innovation to create thematic communities, set project benchmarks and enhance product power.

| Sports community | Culture and arts community | Education community | Health tech community |
|---|--|---|---|
|  |  |  |  |
| Established project: Football town | Established project: Art Mansion, Chengyuan | Established project: Blossom Garden | Established project: Blue Ocean Zhengfeng |
| <ul style="list-style-type: none"> • full coverage sports footpath, cliffside runway + forest oxygen-rich runway • a whole system of sports facilities and various sports venues and facilities • hillside fitness club, hot spring resort • best cliff-view library; submerged starry sky theatre • curtain ring French windows, superscale sky terrace | <ul style="list-style-type: none"> • build a culture and arts community based on Henan's new cultural landmarks such as Movie Town and Unique in Henan Drama Magic City • Aluminum plate + full-view glass curtain + wavy lines • each household has an exclusive door and courtyard, an independent private elevator, and a 7.9-meter wide-screen horizontal hall • Ten happy living packages | <ul style="list-style-type: none"> • cultural institutions and mansions • special culture spaces such as San Wei Shu Wu (三味書屋), Bai Cao Yuan (百草園) and Xi Yan Chi (洗砚池) • Space aluminum panel façade, LOW-E three-layer insulating glass • Wrap-around balcony and growable space where you can grow with your children • gull-wing streamlines, industrial-grade product details | <ul style="list-style-type: none"> • artificial intelligence technology to realize a digitalised and smart future community • 5G community, fully technology-empowered • smart healthcare to provide first-class medical resources • smart community class for all ages • smart security scenarios for the protection of loved ones and safeguard for the elderly and children |

High-Quality Products Promote Development *(Continued)*

Case: Breaking the traditional development and design mode, leading residential products into the era of customization and personalization

With the continuous improvement of people's demand for living quality, the traditional product design model can not fully meet the new demand of consumption upgrading. The Group provides customer service for refinement, and innovatively launches Pine Garden products of Junlin Grand Courtyard based on customized development and customer demand. During the Reporting Period, considering the epidemic influence, we conducted customer seminars online and offline to understand customer needs:

- From July to August 2021, we held more than 15 online owners' seminars to discuss the architecture planning and landscape concept.
- In December 2021, we conducted five offline seminars: focusing on the four core values of "nature, intelligence, health and safety", we conducted customized seminars on five modules of health and safety, smart technology, ecological nature, decorative design and building standards. We communicated with the owners about the technical improvement in air quality, water environment, indoor equipment, sound insulation, noise reduction and flood control. We then improved and optimized the scheme according to the opinions of the owners.



In August 2021, an online seminar was held



In December 2021, the content of health and safety module was discussed offline

High-Quality Products Promote Development *(Continued)*

Providing Customized Decorating Services for Finished Homes

In terms of finished home development, with the Group's integrated strength, we provide customised fine decoration service to our customers under the service concept of "becoming a new lifestyle service provider".

For example, the Group's Junlin Grand Courtyard • Zhu Yuan (竹苑) and Junlin Grand Courtyard • Mei Yuan (梅苑) projects have adopted the customised service model, which revolutionised the traditional factory-made batch-by-batch decoration model for fine decoration homes. Our new model enables innovative, technology-enabled, green and exclusive customised fine decoration service according to homeowners' needs and will soon become a major trend. Through this model, we are able to conduct comprehensive analysis and R&D based on characteristics of target customers and regions, and provide multiple customised plans in terms of design, configuration standard and main materials selection.

Intellectual Property and Patent Protection

The Group is committed to long-term investment in research and development and continuous enrichment of its intellectual property and it is also dedicated in protecting its own intellectual property rights while respecting the creative achievements of others. We have followed laws and regulations applicable in different locations of our operations, such as the Patent Law of the People's Republic of China and Enterprise Intellectual Property Management Standards (GB/T29490-2013). We have clarified the division of responsibilities for intellectual property management within each company, and engaged third-party professional firms to assist in intellectual property application and maintenance. The Group has registered a total of 181 trademark rights within the Reporting Period.

Responsible Marketing through Digitalization and Intelligent Technology

Responsible marketing refers to marketing activities with an aim to fulfill social responsibilities. Specifically speaking, the product being marketed should uphold its social responsibility in terms of quality and service, its marketing methods should also meet the social responsibility requirements. The Group's marketing activities have complied with the Advertising Law of the People's Republic of China, Trademark Law of the People's Republic of China, Implementation Regulations of the Trademark Law of the People's Republic of China and other applicable laws and regulations. In order to improve the Group's real estate sales management and control process, regulate the commercial housing sales activities, strengthen the sales risk management of the real estate group, enhance the sales risk awareness, and improve the risk prevention capability, the Group has formulated the Real Estate Group Sales Risk Complaint Management and Control Rules (hereinafter referred to as the "Detailed Rules"). The Group will commence risk identification in the sales and marketing processes from the moment the project sales information is published, thereby performing risk prediction, prevention and control for the project sales. In addition, the Group also has a search system for prohibited thesaurus of the Advertising Law, a self-examination system for font materials and a disclaimers regulation system to regulate the contents to be published, including renderings in the promotional materials, product data and project value.

The Detailed Rules also require that an information disclosure system should be strictly implemented in all CCRE's projects. Under the system, a customer should sign a Signing Notice before signing the Commodity House Purchase and Sales Contract. The Signing Notice contains information regarding various adverse factors inside and outside the red line, e.g., high-voltage power plant or sewage treatment plant within a radius of 2 kilometers.

High-Quality Products Promote Development *(Continued)*

In order to further regulate the company's marketing activities, we have established a new workgroup during the Reporting Period to follow up on the implementation of the Detailed Rules by hierarchical authorisation. The Group's head office and regional offices will organise their marketing departments to perform regular or random inspection on the marketing activities related to their projects; the internal control unit of the finance department will perform quarterly cross checks to ensure the marketing risk prevention and control measures have been effectively implemented.

Driven by CCRE's Greater Central Plains Strategy, the Group has elevated intelligent and digitalised marketing to a strategic level, and built a sophisticated closed-loop intelligent and digitalised marketing system covering customer acquisition matrix from public domain, frontline house inspection and contract signing, to backend daily life service and the mid and back end construction of intelligent and digitalised marketing to continuously upgrade customer service experience. In order to uphold the top-level design focusing on intelligence and digitalisation, the Group has established the "intelligence and digitalisation steering group", with the Group president as its team leader, and the Vice president in charge of marketing responsible for the "intelligent and digitalised marketing" program, thereby collaborating with each line of business to push forward the program.

Throughout 2021, the Zhu Jianye (住建業) application, as a sales front desk, attracted 600,000 customers for CCRE.

On 15 October 2021, CCRE's "intelligent and digitalised marketing" program received the 2021 IDC Future Enterprise – BEST IN FUTURE OF CUSTOMER EXPERIENCE award on IDC Digital Transformation Summit 2021 "Digital Makeover in A Changed World".



BEST IN FUTURE OF CUSTOMER EXPERIENCE award

High-Quality Products Promote Development *(Continued)*

HIGH-QUALITY SERVICES THAT PROMOTE CUSTOMER SATISFACTION

Customer Communication and Complaint Handling

While ensuring and continuously optimizing product quality, we regard the customer as the center and customer satisfaction as the guide, and constantly improve our service level.

Customer Complaint Handling

Regarding customer complaints, the Group has formulated customer service guidance including *Customer Complaint Management Measures*, *Guidelines of Telephone and Reception Service Operation*, *Management Rules of Customer Return Visit*, *Management Rules of Customer Data*, *Management Rules of Customer Complaint File* and so on. The *Customer Complaint Management Measures* clarifies the customer complaint management process, improves the responsibilities and requirements of complaint handling, and implements the customer complaint management concept of “risk pre-control, pre-warning, rapid response, efficient handling, after-event accountability, and experience-based application”, to properly solve customer problems and improve customer satisfaction. The Group provides complaint handling channels: customers can complain to 400 961 7777, the Customer Service Department, the Property Department, the Sales Department, and other departments through telephone, visit, letter, Internet, or other forms.

We follow two principles for handling customer complaints:

- The principle of First Inquiry Responsibility: When receiving a customer complaint, any staff of the Group and each branch, should appease the customer the first time. If the individual cannot solve the problem, they should promptly transfer the customer’s problem to the Customer Service Management Department of the city where they are located for coordination and handling, and keep following up until the complaint is resolved.
- The principle of “12-12-24”: if each relevant unit directly or indirectly receives a customer’s question, a specific person should be designated to get in touch with the customer within 12 minutes; if the problem cannot be solved by telephone, a meeting with the customer should be arranged within 12 hours (except for the situation caused by customers such as long-distance and so on); if the meeting does not solve the problem (such as maintenance), communication should be conducted with the customer within 24 hours to clarify the handling opinion (complex problems need to clarify the basic handling opinion, and the details can be communicated with the customer once again, and the basic handling comments should be entered into the 400 961 7777 call center management system).

High-Quality Products Promote Development *(Continued)*

Customer Complaints Management Measures also indicate the procedures for complaint handling:

1. Complaint prevention and control: Identify problems early through risk prevention and control, key node inspection, special inspection and customer revisits; designate the person accountable to rectify the problem within a time limit, and formulate a contingency plan mitigate risks.
2. Receipt and acceptance of complaints: When any department or staff member receives a customer complaint, he or she shall first appease the customer, record the complaint thoroughly and accurately and mark down customer's contact, and then contact local customer service management department at once.
3. Determination of the nature of complaint: The local customer service management department will inquire of the accountable person about the issue and verify the root cause and facts related to the complaint and determine the nature of the complaint.
4. Development of a solution: We will keep in contact with the customer and seek customer's understanding, and develop a solution based on customer's needs.
5. Issue rectification: After the customer approves the solution to the complaint, the local customer service management department will urge relevant departments to rectify the issue within a time limit.
6. Archiving and review: The person handling the issue should upload the interview record, professional opinion, handling process and plan to the management system, including relevant photos and documents.

Each month, regional customer service management departments compile and analyse all the complaints received and escalate the typical cases to the head office customer service management department. The latter will consolidate and summarise all the cases into a Complaint Case Collection, and the Group has formulated the Management Rules for Complaint Case Collection. We also use the Complaint Case Collection as a reference in our frontend product planning and design, so as to minimise the occurrence of complaints from the source.

High-Quality Products Promote Development *(Continued)*

Providing Services to the Residents of Jianye

Case: "Operation Huancai" to improve the happiness index of Jianye's customers

In order to address post-delivery repair issues, and with the guideline of "improving the happiness index of Jianye's customers", we continued to provide quality services to our customers. During the Reporting Period, the Group launched the "Operation Huancai" to proactively collect problems from owners of delivered properties and conducted special investigation and enhancement. Since May 2021, the "Operation Huancai" has covered 13 cities, including Zhengzhou, Nanyang, Sanmenxia, Luoyang, Pingdingshan, Xinxiang, Jiaozuo, Jiyuan, Puyang, Pingdingshan, Xuchang, Shangqiu and Zhumadian, and as at the end of the Reporting Period, it has been implemented in 17 projects, including Puyang Shihefu, Shangqiu Happiness Lane and Nanyang Shilihu Mountain. The total number of participating customers was 1,107. In 2022, the Group will further launch the "Operation Huancai" on a wide scale to benefit more of our customers.



Sample plot of "Operation Huancai"

High-Quality Products Promote Development *(Continued)*

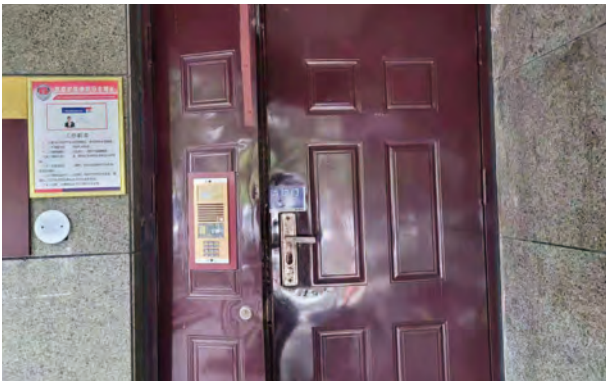
Case: "Operation Zhuoyu" enhances quality of life for Jianye's customers

In order to enhance the living quality of Jianye's loyal owners and continue to improve the Group's customer satisfaction, the Group has carried out the "Operation Zhuoyu" for 14 consecutive years as at the end of the Reporting Period. "Operation Zhuoyu" is initiated in all regions of the Real Estate Group for residential compounds where housing has been delivered for more than 3 years, mainly including:

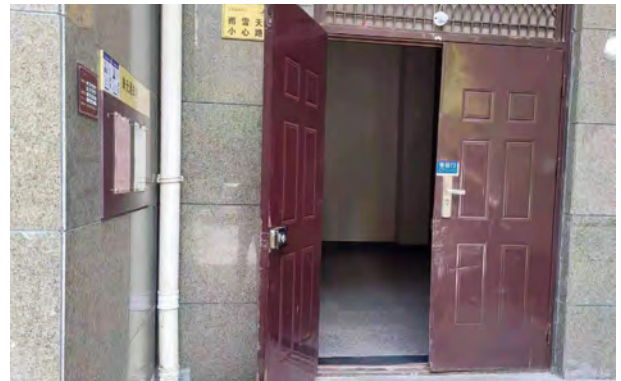
1. Giving priority to solving problems that affect community safety, brand image and cause customer complaints
2. Phased resolution of engineering, design and sales commitment problems

In order to normalise the "Operation Zhuoyu" and standardise its management, we formulated the *Management Rules for Real Estate Group's Operation Zhuoyu* to clarify the principles of cost control, implementation requirements and supervision and inspection requirements for the activities of the Operation Zhuoyu. During the Reporting Period, the "Operation Zhuoyu" project covered 84 residential compounds, which accounted for 75.7% of the number of residential compounds delivered over 3 years ago.

The following are the development achievements of the "Operation Zhuoyu":



Residential compounds before modification



Residential compounds before modification



Residential compounds in modification



Residential compounds after modification

High-Quality Products Promote Development *(Continued)*



Children's playground before renovation



Children's playground after renovation

Steadily Improving the Quality of Customer Service

To identify gaps, prevent defects and continuously improve service quality, the Group conducts annual customer satisfaction surveys. During the Reporting Period, the Group also conducted a survey through telephone calls to 40,000 Jianye customers to understand their ratings of Jianye's products, services, design, landscaping and product quality, etc., in order to solve problems encountered by them and strive to meet their needs and make continuous improvements, thereby enhancing customers' satisfaction with CCRE and improving our overall image.

In the management of indicators and targets for product or service quality, at the beginning of each year, the head office, regional offices and projects will set corresponding targets. The establishment of targets will refer to the results of customer satisfaction surveys, opening volume, sales volume and customer structure in the past three years, and the targets of each project will be dynamically assessed and managed by each region, and the completion of targets will be linked to performance. We carry out monthly ranking of customer satisfaction, customer complaints and other target performance through official documents and WeChat groups.

Information Security and Privacy Protection

CCRE firmly protects the information security and has established the *Information Security Management Measures of CCRE* to strengthen and regulate the security of CCRE's information systems, improve the overall security protection level of information systems and achieve controllable and controllable information security. The Group follows the *Information Security Management Measures of CCRE* to execute the construction, implementation, and formulation of security policies for information technology security. We also require employees to confirm their identity with their staff cards, the "Smart Platform of Jianye" software and pass the office building face recognition system before they can enter the office area.

In terms of protecting consumer information, the Group's rules and regulations such as the *Measures for the Use of Client Resources of CCRE* and the *Rules for the Management of Client Data of Real Estate Group* clarify the internal authorisation mechanism for obtaining client information.

High-Quality Products Promote Development *(Continued)*

Tenant Management Practices that Promote ESG

In order to standardise tenant management and practice the ESG concept in the management process, the Group has formulated a series of documents such as the Merchant Decoration Management Standard Manual, which sets out clear requirements for tenants' decoration standards, materials used and operation process, and realises the whole process of environmental compliance control of tenant decoration through the process control of material entry, decoration process and acceptance process.

To increase the building's resilience to risks, in response to emergencies, Luoyang Jianye Triumph Plaza, a subsidiary of the Group, has set up more than 30 emergency plans, including the *Plan for Handling Fire and Fire Emergencies* and the *Plan for Preventing Crowd Congestion and Trampling Accidents*, and conducts drills to combat floods, fire and other emergencies at a frequency of at least once a year, and regularly inspects the equipment of fire-fighting facilities to ensure the fire safety of the building. During the Reporting Period, Luoyang CCRE Triumph Plaza conducted 2 fire drills.

Followed the people-oriented principle, Luoyang Jianye Triumph Plaza in Luoyang City is also equipped with humanistic care measures, including: "Public Welfare Baby Care Room", disabled toilets facility, first-aid kits, VIP lounges, public rest areas, and full coverage Wi-Fi, etc.

In 2021, Luoyang Jianye Triumph Plaza passed the review and certification of "Green Shopping Mall of Henan Province" recognized by the Department of Commerce of Henan Province.

SUPPLY CHAIN COOPERATION AND MUTUAL BENEFITS

Supply Chain Management

Supply chain management aims to optimize the operation of supply chains at the lowest cost, which enables the efficient operation from procurement to all the procedures that satisfy the end customers, including workflow, physical flow, cash flow and information flow, to deliver proper products to consumers at a reasonable price in a prompt and accurate way.

The supply chain management for property corporate represents a process of delivering the fully decorated houses to a property owner by consolidating resources including all kinds of raw materials involved in property from upstream and downstream through labor practices and a series of operation and management. To standardize supply chain management, the Group has formulated the "Supplier Management System" to further standardize the supplier management procedures, dynamically update the supplier database in time, establish an objective evaluation system, and gradually create the mechanism for the survival of the fittest; the "Procurement Management System" has been established to standardize procurement management behavior, clarify the basic principles of procurement work, work processes and responsibilities of relevant departments, improve procurement management efficiency and procurement efficiency, and effectively control risks in the procurement process; based on the differences in the categories and attributes of the Group's procurement business, and on the premise of giving full play to the advantages of centralized procurement, the "Detailed Management Rules for the Implementation of Procurement Classification" is especially revised to further clarify the procurement entities, categories, procurement models, and supply methods of various procurement matters at this stage, so as to guide the procurement work of various categories and levels, effectively guarantee the operation and development of the project.

High-Quality Products Promote Development *(Continued)*

Central China Real Estate's supply chain management ensures and optimizes supply quality and product safety from the following four aspects:

- Supplier qualification: CCRE selects suppliers publicly, which can register the relevant information via the tender and procurement website of CCRE. All suppliers are required to provide corporate information, ISO qualification and other qualification information, and other legal information as required by the law when registering on the platform.
- Supplier audit: according to our own needs, we will conduct qualification verification, performance verification and other qualification verification for registered suppliers, and organize field visits to suppliers in accordance with the requirements of the group. The inspection shall be attended by more than 3 different departments, and the final opinions shall be summarized and the access shall be determined to ensure the quality of the supplier.
- Hierarchical management for supplier: We manage suppliers hierarchically according to partners' value-added role and competitive strength in supply chain and divide them into four levels from high to low: namely strategic suppliers, excellent suppliers, qualified suppliers and trial suppliers. In respect to key categories (such as general contracting and exterior walls) that affect the quality, safety and perception of property products, we will give priority to strategic suppliers that are familiar with the Company to ensure the rapid promotion of property development. At the same time, we will dynamically adjust our cooperation with suppliers by reviewing the supplier evaluation system. We grant specific privileges and preferential policies to strategic suppliers, while penalizing suppliers that fail to meet the criterion of qualified suppliers to ensure the consistent high quality of cooperative suppliers. Meanwhile, we ensure the quality of supplies through management and control measures such as sampling inspection and unannounced inspection on the centralised purchase.
- Exploration and promotion of new technology partners: Property industry is also a highly competitive industry. The product competitiveness has a direct impact on an enterprises' survival. With the proposal on the concept of the fourth generation house, almost all the property enterprises are facing the innovation dilemma. Therefore, whoever finds an available innovation point will be able to seize the market with clear product competitiveness. CCRE is actively seeking and exploring partners who have achieved certain success in smart buildings and smart communities to improve its product competitiveness.

Statistics on the number of suppliers by region in 2021

| Province | No. |
|------------------------|-----|
| In Henan Province | 131 |
| Outside Henan Province | 116 |
| Total | 247 |

High-Quality Products Promote Development *(Continued)*

Green Supply Chain

The Group participates in the “Green Supply Chain for PRC Real Estates Industry” jointly organised by SEE Conservation and the China Urban Realty Association. In accordance with a common procurement guideline and action plan, the Group make the entire supply chain eco-friendly from raw materials sourcing, production processes and end consumption to ensure green procurement. As environmental efficiency and resource utilisation are enhanced, the relevant companies assume responsibility towards social development and environmental protection. The Group currently joins all four groups:

- The control group for steel, concrete and heavy pollution emission control
- The group for compliant wood sourcing
- The control group for controlling formaldehyde emission by man-made wooden planes
- The group for chrome-free aluminium passivation

It is clearly stated in the Group’s *Supplier Management System* that it is necessary to adhere to the principle of green procurement in the management of suppliers (using laws and regulations relating to environmental protection and national and industry standards as green procurement standards, collecting information on environmental-related corporate violations publicly released by government environmental protection departments, and managing suppliers accordingly in accordance with the relevant conventions of the real estate green supply chain). During the supplier assessment process, we focus on the environmental performance of our suppliers and there is an explicit requirement for suppliers to provide an environmental assessment report for the environment in which they produce.

Given our business nature, we have a large number of suppliers and many their employees worked in the Group’s premises, the Group has introduced safety training for suppliers’ employees, training on contractual transactions for new suppliers, etc. We also actively promoted the ESG concept to our suppliers and conducted training for workers on safety and environmental protection. During the Reporting Period, the Group organised six training sessions with a total of 2,870 participants online and offline, with a cumulative duration of 540 minutes, specifically in the following categories: lifts, wooden flooring, coating and construction, pipes and fittings, sanitary ware, and plasterboard.

During the Reporting Period, the Group continued to optimise the green and sustainable management of its suppliers:

- The Group has launched a material supply platform and achieved standardised online management of the procurement planning management system, supplier system, bidding system and performance evaluation, such information and digital manner brings more convenience for the Group’s supply chain management.
- To ensure the stability of procurement and supply of materials, the Group continuously optimises its supplier structure to make it more diversified to ensure stable and high quality procurement of materials even under any unforeseen circumstances. During the Reporting Period, when sudden flooding occurred in Henan, the Group confirmed the locations of its suppliers immediately to know whether they were affected by the event and communicated and coordinated with the affected suppliers in a timely manner to address the potential risk of supply disruption.

Caring for Our Employees

Employees are the most important asset of an enterprise, the core driving force for enterprise development, and the backbone for the sustainable development of an enterprise. Central China Real Estate attaches great importance to the construction and improvement of the talent management system, regulates the employment of employees, protects the rights and interests of employees, cares for the physical and mental health of employees, and formulate a scientific employee training plan, create a platform for employees to realize their self-worth, and realize the common growth of employees and enterprises.

PROTECTING THE RIGHTS AND INTERESTS OF EMPLOYEES

Equal Employment

The Group strictly abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Personal Income Tax Law of the People's Republic of China* and other relevant laws and regulations to protect the legitimate rights and interests of our employees and provide competitive remuneration and welfare protection. Considering the laws and regulations and the actual situation of our company, we have formulated a system related to the management of employees in a clear and fair, scientific and effective manner in the areas of employment, recruitment, work, training, promotion, remuneration and benefits, labour conditions and separation (including natural retirement, voluntary separation and termination). We review and update our staff management rules in the light of actual staff employment and staff management implementation to ensure that staff management is scientifically effective and up to date. In 2021, we revised the *Attendance Rules of the Real Estate Group*, the *Employee Separation Rules of the Real Estate Group*, *Employee Probation and Transfer Rules of the Real Estate Group* and *Rules Governing the Payment of Subsidies to Employees Based Outside Henan Province of the Real Estate Group*, and promptly published the relevant amendments on our office platform to ensure that employees were aware of them.

We respect differences and encourage diversity, and do not discriminate against employees on the basis of gender, age, geography, religion, etc., or make it a barrier to their development in our company. During the Reporting Period, the Group did not have any violations of national and local laws and regulations in relation to employment.

Preventing Child Labor

The Group strictly complies with the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on the Prohibition of Child Labour* and other relevant laws and regulations. The Group strictly prohibits the employment of child labour and reviews the identification files of employees during the recruitment process and the onboarding process in order to avoid misuse of child labour. During the Reporting Period, there were no incidents of child labour violations by the Group.

Caring for Our Employees (Continued)

Preventing Forced Labor

CCRE places a high priority on worker protection and preventing forced labour. The Group has a comprehensive working hours system for production positions and a standard working hours system of 8 hours per day and 40 hours per week for the remaining office positions. The Group promotes dedication and commitment to work, but strongly discourages forced labour. We protect the rights of our employees to normal rest and leave in accordance with relevant government laws and regulations. Based on employees' personal wishes, if there is a genuine need for overtime work, employees are required to initiate an online application for the overtime, state the number of overtime hours planned; and record the actual number of overtime hours within three working days after the overtime, and may be compensated base on their overtime hours or by means of temporary adjustment or overtime subsidy. During the Reporting Period, the Group did not find any violation in relation to child employment or forced labour.

Diversity and Equal Opportunity

We are committed to diversity and the creation of an open and equal working environment. The complementary strengths of employees of different genders, ages and backgrounds bring a variety of perspectives to the Company and help to realise the best use of people and talent.

The Group strictly complies with the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, the *Regulations Concerning the Labour Protection of Female Staff and Workers* and other relevant laws and regulations and does not discriminate against women during hiring and promotion of employees in its operation. As at the end of the Reporting Period, the Group had a total of 3,205 employees, including 3,205 full-time employees ; of which 1,122 were women, accounting for 35%; among the 820 managers, 195 were women, accounting for 23.7%.

At the end of the Reporting Period, the Group had 59 employees from ethnic minorities such as Hui ethnic minorities. In the staff canteen, reasonable and nutritious halal meals are provided every day, respecting ethnic customs and ethnic minority employees, which fully reflects the Group's non-discrimination in employment.

The Group provides internship positions and employment opportunities for fresh graduates college students. In 2021, due to the impact of the epidemic and the flood situation, the number of internship positions provided by the Group this year will be reduced compared with the previous year, as universities have implemented closed management for students for a long time. During the Reporting Period, we provided internship opportunities for 22 students, accepted 24 fresh graduates for employment, and signed employment agreements with eleven 2022 graduates.

Caring for Our Employees (Continued)

| Categories | Index | Unit | Year 2021 |
|--|--------------------------------------|-----------|-----------|
| | Total Number | Headcount | 3,205 |
| Total workforce by gender | Male | Headcount | 2,083 |
| | Female | Headcount | 1,122 |
| Total workforce by age | Age: ≤30 | Headcount | 878 |
| | Age: 31-40 (including 40) | Headcount | 1,862 |
| | Age: 41-50 (including 50) | Headcount | 384 |
| | Age: 51-60 (including 60) | Headcount | 68 |
| | Age: ≥61 | Headcount | 13 |
| Total workforce by geographical region | Henan | Headcount | 3,143 |
| | Hainan | Headcount | 44 |
| | Hong Kong | Headcount | 12 |
| | Tianjin | Headcount | 6 |
| | Others | Headcount | 1 |
| Total workforce by nationality | Ethnic Han | Headcount | 3,146 |
| | Others | Headcount | 59 |
| Total workforce by academic qualifications | Master Degree or Above | Headcount | 456 |
| | Bachelor Degree | Headcount | 2,350 |
| | Associate Degree | Headcount | 380 |
| | Middle School or Below | Headcount | 19 |
| Total workforce by professional group | Finance and costing | Headcount | 513 |
| | Engineering | Headcount | 581 |
| | Management | Headcount | 872 |
| | Design | Headcount | 193 |
| | Investment | Headcount | 130 |
| | Sale, marketing and customer service | Headcount | 426 |
| | Administration | Headcount | 148 |
| | Others | Headcount | 342 |

Caring for Our Employees (Continued)

During the Reporting Period, the employee turnover rate is shown in the table below:

| Categories | Index | Unit | Year 2021 |
|--|---------------------------|------|-----------|
| | Total turnover rate | % | 24.1 |
| Total turnover rate by gender | Male | % | 24.2 |
| | Female | % | 23.8 |
| Total turnover rate by age | Age: ≤30 | % | 29 |
| | Age: 31-40 (including 40) | % | 23.4 |
| | Age: 41-50 (including 50) | % | 13.0 |
| | Age: 51-60 (including 60) | % | 36.8 |
| | Age: ≥61 | % | 46.2 |
| Total turnover rate by geographical region | Henan | % | 23.7 |
| | Hainan | % | 52.3 |
| | Hong Kong | % | 25.0 |
| | Tianjin | % | 0.0 |
| | Others | % | 0.0 |

In order to ensure the relative stability of the Group's personnel and the normal flow of talents, standardize employee resignation procedures, and ensure the legitimate rights and interests of the Company and resigned employees. In 2021, we have formulated the "Resignation Management Rules for Employees of the Real Estate Group", which stipulates that former employees need to be interviewed, understand the reasons for employees' departure, and solicit employees' evaluation and suggestions on the Company, so as to provide materials for the Company to optimize management. After the exit interview, the interviewer is responsible for sorting out the "Exit Interview Record Form" and reporting it to the Human Resources Management Department for the record.

TRAINING AND TALENT DEVELOPMENT

We are committed to building a model for enterprises and employees to grow together and develop together. We arrange a full range of multi-type staff training systems to help employees improve their work skills and work efficiency; every employee can receive work-related training to encourage employees to continue their studies and strengthen their professional and management skills.

Training

The Group formulates and implements the "the Group Training Management System" related management policies, establishes a multi-level training system, and carries out four types of training: corporate culture, compulsory courses for employees, professional courses and elective courses, and carries out training in a flexible way that combines online and offline.

We have a comprehensive four-level talent ladder training system – the "Xinghai, Shanshi" Project, each of which represents a training plan for different levels of management cadres, namely the "Xing Project" for training the president level employees; the "Hai Project" for training the general manager level employees; the "Shan Project" for training the project director level employees; and the "Shi Project" for training the manager level employees.

Caring for Our Employees *(Continued)*

Xing Project

The aim of the Xing Project is to cultivate future president-level management personnel for the Group. The training period is two years, and the objectives of the project are to broaden their horizon and cultivate big picture thinking. The second phase of personnel selection was conducted in 2021, with 28 trainees selected from across the Group, including 10 from CCRE, and a total of three training sessions were conducted.



Hai Project

The Hai Project aims to cultivate future general managers for the Group, with a training period of one year and the training objectives of opening up horizons, enhancing operations and decision-making. In 2021, the third phase of personnel selection was conducted, with 65 trainees selected from across the Group, including 24 from CCRE, and a total of six training sessions were conducted.



Shan Project

The Shan Project aims to cultivate future project general manager-level management personnel for the Group, with a training period of one year and the training objectives of strengthening the team, the process and promoting coordination. The sixth phase of personnel selection was conducted in 2021, with 60 trainees selected from CCRE and a total of six training sessions conducted.



Shi Project

The Shi Project aims to develop a pool of junior management personnel. The period is 6 months. The project, which is mainly implemented through the online platform plus offline learning, has four types of courses: professional courses, management courses, retrospective reviews and exchange visits. It is based on business practice, and comprehensively improves students' business and management capabilities. Five training Projects were set up in 2021, namely: Engineering Manager Class, Design Manager Class, Marketing Manager Class, Cost Manager Class and Financial Operation Manager Class, with a total of 209 people selected and 26 training sessions conducted.



Caring for Our Employees (Continued)

Upholding the school mission of “Shaping the Mind, Enlightening Wisdom, Training Practice”, CCRE Academy became an online talent cultivating base of CCRE. We have been actively optimising the content of our training courses, offering online courses on corporate culture, management and professional training. We have established a requirement for each employee to participate in 100 hours of online training per year and set training-related incentives and penalties. We conduct monthly training summaries, publish monthly training reports, select “training stars”, distribute books and other small gifts, and hold annual recognition events. For training courses, we also organise training satisfaction surveys to collect feedback and invite staff to rate the instructors in order to continuously optimise staff training.

During the Reporting Period, the Group invested a total of RMB360,000 in training, with a total of 217,783 hours of training for employees and a cumulative total of approximately 3,163 trainees, representing 68.85 hours of training per capita and a training coverage rate of 99%.

In 2021, the staff training situation of the Group is as follows:

| Categories | Key Indicator | Year 2021 |
|---|------------------------|------------------|
| The percentage of employees trained by gender | Male | 99% |
| | Female | 99% |
| The percentage of employees trained by employee category | Management Personnel | 99% |
| | Professional Personnel | 99% |
| The average training hours completed per employee by gender and employee category | Male | 67.45 hours/Year |
| | Female | 68.87 hours/Year |
| | Senior Management | 67.03 hours/Year |
| | Middle Management | 68.30 hours/Year |

Staff recruitment and promotion

In order to regulate recruitment management, the Group has formulated the *Management Rules for Recruitment* and established a unified recruitment management standard system, and adhered to the principles of fairness and equity, standard operation, equal stress on integrity and ability, and merit-based admission. In terms of recruitment channels, the Group mainly recruits staff through external online recruitment platforms and encourages internal referrals. We will post recruitment needs on our office management platform and have set incentives for internal referrals and hires.

In order to regulate the management of staff promotion, the Group has established clear promotion management measures and made every employee aware of the requirements for promotion to higher ranks.

Caring for Our Employees *(Continued)*

EMPLOYEE CARE AND COMMUNICATION

The success and development of a company is closely linked to the well-being of its employees. We care for our staff and value their satisfaction, happiness, and involvement, encouraging them to provide feedback and contribute ideas, with the goal of building a united “Jianye family”.

Caring for Employees

In order to protect the rights and interests of our employees and to promote the care and activities of our employees, the Trade Union Committee of Central China Real Estate Limited was established on 6 June 2002. The trade union will focus on the Group’s strategy and serve the Group’s development, through its own construction, enrich our employees’ spiritual and cultural life and help those in need, and play its role in rights protection and psychological counselling for employees.

We value the needs of our employees when they work. In the cold winter, we send instant noodles, ham sausages, bread, gloves and other condolences to the frontline staff on night shift, and in the hot summer, we send drinks to the frontline staff, so that we can effectively care for the frontline staff in the most difficult conditions.

We pay attention to the healthy diet of our employees. In order to ensure the nutrition of our employees, we have set up a staff canteen at our head office and implemented a buffet dining method, so that employees can have more choices.



CCRE’s staff cafeteria

Caring for Our Employees *(Continued)*

We attach importance to the health of our employees and encourage them to exercise. On 17 September 2017, a “Sportsmen Club” was established in the head of Central China Real Estate, with ten sports associations, including football, basketball, table tennis, badminton, TaiChi, fitness, yoga, swimming, running and cycling.

We care for retired employees who leave their jobs due to physical reasons, and we organize employee appreciation activities on holidays. During the Spring Festival and Mid-Autumn Festival in 2021, the labor union sent holiday condolences to the retired employees of the group who had worked in the group for more than 20 years at the 25th anniversary of the establishment of the group as well as condolences to the families of outstanding employees who are seriously ill and dead.

During the Reporting Period, the Group actively carried out rich and entertaining employee activities:



Southern major district held spring activities



Held birthday parties for employees



Organized activities and gave gifts to employees on Women's Day

Caring for Our Employees *(Continued)*



Appreciation and awards to employees on the International Workers' Day.

The Group organized employee appreciation activities in Art Mansion, Gongyi, Chengyuan, Blue Ocean Zhengfeng, and other projects in the central major district.



Family reunion held in the eastern major district

The eastern major district organized the marketing team to watch "Unique in Henan Drama Magic City" to enhance employees' sense of belonging and pride. This activity made employees feel the thick of Yellow River culture and extraordinary charm of drama culture.



To sincerely care about the work and life of grass-roots employees and ensure their safety and health in the process of work, the comprehensive management department of Zhoukou City Company organized a "cool summer" appreciation activity, providing goods and materials for the front-line employees to let them feel sincere care and a sort of cool.



To improve the physical quality and health of employees in Zhoukou City Company and create a healthy, harmonious, and happy working atmosphere, the labor union organized a brisk walking activity.

Caring for Our Employees *(Continued)*

In order to practice corporate social responsibility, carry forward the spirit of solidarity and mutual assistance, and ensure the safety and stable development of employees and their families, we set up a caring platform internally, and founded the "Family Relief Foundation" with internal resources to offer support to employees in urgent financial needs, which fully embodies our spirit of solidarity. In this regard, we have formulated *the Measures for the Management of Family Relief Funds* to regulate the use of funds. In 2021, a total of 14 employees or their relatives of the group received assistance from Family Relief Funds, with a total assistance fund of RMB141,000.

Party Building Activities

Chairman Hu Baosen said that the road of Central China Real Estate is: listen to the party, follow the party, integrate enterprise development into the national and regional strategy. In 2021, we launched a number of party building activities:

A trip to the Anti-Japanese Memorial Park in western Henan, to study the Party history

On 21 April 2021, the Party branch of the Central China Real Estate, carried out a trip to the Anti-Japanese Memorial Park in western Henan in the rain in response to the call of the Party Committee which is to learn a hundred year history of the Party.



Caring for Our Employees *(Continued)*

Watch the movie of “The Battle at Lake Changjin” and review Red Memory

The labor union of Zhoukou City Company in the eastern major district organized cadres and employees to watch the red movie “The Battle at Lake Changjin”. This activity was to review the red memory and patriotism.



Singing to celebrate the 72nd birthday of motherland

To celebrate the 72nd birthday of China and further enhance the employees’ patriotism and support for the Party, the labor union of Zhoukou City Company in the eastern major district organized the Party day activity of “Singing Red Songs to Celebrate the National Day”, offering the sincerest blessing to China through singing.



Employee Communication

We hope to establish an open, two-way communication mode and encourage our staff to speak up and contribute ideas. To this end, we have opened special hotlines and email addresses for staff communication in the Human Resources Department, the Audit and Supervision Department and the Trade Union, and have made the Chairman’s mobile phone and email address available for staff to make comments.

In order to identify and improve problems in staff management and business operations, we conduct regular employee satisfaction surveys, mainly in the form of interviews, with staff selected according to their level and region, covering regional management, and staff representatives from various departments (including management trainees). The results of the employee satisfaction survey and suggestions for management improvement will be fed back to the President and Chairman from the bottom up.

Caring for Our Employees *(Continued)*

OCCUPATIONAL HEALTH AND WORKPLACE SAFETY

Safety is a guarantee for the development, and it is one of our basic responsibilities to ensure that our employees are healthy and have a safe working environment. We strive to create a safe and healthy working environment and make unremitting efforts to safety production and strive to protect our people and the property.

Employee Health and Safety

In respect of health and safety, the Group strictly complies with the *Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases* and the *Industrial Injury Insurance Regulations of the People's Republic of China*. We arrange annual health check-ups for our employees and purchase accident insurance for them as needed, in addition to meeting local labour protection related laws and regulations, to provide multiple protections and safety support for our employees. After the 2021 Henan floods, we recognise the impact of sudden disasters such as floods on us, so we set up a special group to teach our employees about dealing with emergencies and organise drills for them. We also provide the necessary safety training to our employees to promote occupational health and safety-related knowledge, such as arranging safety training for new employees when they on board.

In order to improve the safety protection awareness and first-aid skills of management trainees (新動力學員), on 8 July 2021, CCRE Academy invited professional lecturers to teach management trainees fire and safety protection skills and first aid methods such as cardiopulmonary resuscitation, so that management trainees who have just entered the workplace get first aid knowledge and master safety protection skills.



Safety training carried out in 2021



Safety training carried out in 2021

In 2021, the Group had no work-related accidents, with 7 people injured at work and a work injury rate of 0.2%. Statistics on the number of working hours lost due to work-related injuries are not available for this Reporting year, and a statistical process will be gradually established to disclose this data in subsequent years. In 2020 and 2019, there were also no work-related accidents.

Caring for Our Employees *(Continued)*

Workplace Safety Regulations

The Group strictly abides by the *Production Safety Law of the People's Republic of China*, *Fire Protection Law of the People's Republic of China*, *Emergency Response Law of the People's Republic of China* and other laws and regulations, it has formulated rules and standards for managing construction sites and safe construction, including the *Safe Production System* and the *Safe Production Evaluation Form* to carry out construction work strictly in accordance with safe construction standards.

To handle emergencies, the Group has formulated the *Measures for the Management of Emergency Response Plan* to ensure that we can handle emergencies in a prompt, scientific and effective way. The Group is aware of the importance of an emergency response mechanism, we have prepared precautionary measures and temporary power supply equipment in case of unexpected power shortage or failure.

In 2021, the Group continued to implement delicacy management of COVID-19 prevention and created a safe workplace for our employees. Employees were required to make a health declaration every day on the "Jianye application", which was subject to the inspection of human resources department.

Health and Safety Standards for Contractors

The Group attaches great importance to occupational health and safety in production, strictly abides by the Labor Law of the People's Republic of China, the Production Safety Law of the People's Republic of China, the Administrative Regulations on the Work Safety of Construction Projects and other relevant laws and regulations, based on which the Group has compiled the Real Estate Group's Standard for Safety Civilized Site of Construction Project. The Group has established a clear and perfect three-level management structure of the Group, regions and projects, equipped itself with professional management personnel, and clarified the management responsibilities and work contents of occupational health and safety production at all levels. Meanwhile, the Group requires and supervises the contractors to comply with the relevant regulations on occupational health and production safety of construction projects, as well as specifies the relevant work requirements and lists the special expenses in the project construction contracts.

1. **Strengthening of contractor health and work safety**

While continuously strengthening the health and safety protection of its employees, the Group has established a full management system with contractors included via relying on close cooperation with contractors, and standardized relevant work requirements according to project types and locations. We've formulated the safety target of "preventing all kinds of major casualty accidents and keeping the frequency of general accidents less than 2%" with project contractors, and incorporated the relevant provisions of the construction safety agreement in the construction contracts, requiring the contractors to strictly abide by the health and safety standards, ensure the occupational health and safety of employees, and avoid accidents in the construction process. Meanwhile, the contractors are required to undertake fixed and special expenses for occupational health and safety production, and reward and punish the operation team to ensure the implementation of work standards.

- (1) Invest more in the cost for occupational health and safety production management: The Group's bid invitation and purchasing center should modify the relevant provisions about safety production management expenses in the construction contracts, spend more in safety and civilization measures, and increase the provisions about safety and civilization benchmark rewards.
- (2) Strengthen the health and safety assurance of on-site operators: The insurance expenses should be listed in the contracts, and the contractors must provide accident insurance for the employees engaged in dangerous operations, as well as insurance for the life and property of their own personnel in the construction sites.
- (3) Improve the standards for occupational health protection of operators: The contractors are required to equip perfect facilities for sanitation, heatstroke prevention, leisure and entertainment as well as commonly used medical supplies when building on-site office area and living area facilities. During the operation, appropriate labor protection and heatstroke prevention supplies should be provided, and the operation time should be adjusted in time according to the cold and warm weather conditions, so as to ensure the health and safety of operators.
- (4) Real-name system management: The construction sites should be fully enclosed. All personnel entering and leaving the sites must pass the access control in the real-name system. Personnel having not passed safety education and physical examination are prohibited to enter the construction sites.
- (5) Site management: The contractors are required to implement the system of daily morning meeting, the project managers should organize comprehensive safety inspections on the projects at least once a week, and stop work and rectify the parts with potential safety hazards.
- (6) Health and safety training: The contractor training should be carried out by each region and project, and the contractors are required to conduct training report to the team and front-line operators again.

2. Safety management and control at all levels to build a management system with endless loop

- (1) Tour inspection on project safety and quality: the Group should carry out random inspection on each area from time to time, conduct monthly full-coverage inspection on projects under construction, and employ a senior third party to conduct special safety and quality assessment on the projects. Supervise and urge the implementation of projects and contractors' work standards as well as daily management actions and timely elimination of on-site problems, and reward and punish the projects and contractors according to the inspection ranking, so as to ensure the implementation of safety standards.
- (2) Basic management actions of contractors:
 - Safety education training and report: The sites should be fully enclosed, ID cards should be consistent with the special operation personnel, three-level safety education should be conducted, and hazard warning and emergency measures should be taken prior to shifts.
 - Hazard notification and hidden danger investigation: routine inspections, weekly comprehensive inspection, supervision of side stations and acceptance records.

Supporting People's Livelihood and Investing in Our Community

While pursuing growth, the Group's development is closely related to the prosperity of the community, it undertakes social responsibilities, actively participates in charitable activities, and contributes to society in sports, education, rural revitalisation and other aspects.

GIVING BACK TO SOCIETY AND SHOWING COMPASSION

In July 2021, Zhengzhou, the capital city of Henan province, and neighbouring cities including Xinxiang, Luoyang and Xuchang experienced severe rainstorm and flood, which is known as the "July 20 heavy rainstorm in Zhengzhou". We were closely concerned about the flood and mobilised all our resources and forces to organise a rescue team, donated money and supplies to support flood relief work and flood-stricken people in Henan. CCRE has donated a total of RMB6.63 million for Zhengzhou rainstorm relief, of which CCRE donated RMB5 million, and the remaining RMB1.63 million was donated by Jianye employees.

Case: Yanjin Jianye organized an emergency rescue team in response to the Henan floods

On 21 July 2021, floodgate was opened as water level reached near danger mark in Xinxiang, thousands of acres of fertile land in Weihui, Yanjin, Qixian, Junxian were flooded. In response to the flood, Yanjin Jianye fulfilled its corporate social responsibilities by mobilising forces and supplies for frontline rescue and relief. Yanjin Jianye first organised a rescue force from the Yanjin Chinoiserie Palace and Yanjin Jianye City projects to provide support to Wenyan canal urban management station (文岩渠城管提排站).



Yanjin Jianye Rescue Team

Supporting People's Livelihood and Investing in Our Community *(Continued)*



Rescue Scene

On 23 July 2021, an emergency rescue team of 30 volunteers from Yanjin Chinoiserie Palace and Yanjin Jianye City projects participated in Xinxiang disaster relief work. After witnessing the critical condition in Xinxiang, Yanjin Jianye management immediately decided to donate RMB100 thousand for purchasing 101 rescue kayaks from other provinces over the night in support of Xinxiang Red Cross' relief work. Xinxiang Red Cross transferred the rescue kayaks to the Flood Control and Drought Relief Headquarters for use in flood control and disaster relief operations.



Yanjin Jianye donated relief materials to Xinxiang Red Cross Society

Supporting People's Livelihood and Investing in Our Community *(Continued)*

In Weihui county, not far from Yanjin county, most of the people were displaced due to the disaster and waited for the government to resettle and relocate. The Central China Real Estate team in Yanjin county took action again, went to the Weihui county resettlement site of Chengbei Middle School to help transport a large number of materials, resettled the disaster victims, participated in volunteer services, and brought warmth and strength to the people in the disaster area with practical actions.



Yanjin Jianye volunteers participated in rescue operations



Yanjin Jianye volunteers participated in rescue operations

Case: Jianye's Green Bases provided donations, food and shelter to support the local flood relief effort

CCRE rushes to the rescue of disaster-stricken home. Committed to the corporate mission of "creating better life for people in Central China", when Henan was hit by the flood in 2021, Jianye Green Bases mobilised their resources to donate supplies and provide food, accommodation and transportation to flood-stricken regions, people and rescuers.

Yanling Jianye Green Base

On 24 July 2021, Yanling Jianye Foodcourt donated supplies valued at RMB5,707, delivered over 100 meals to Mafang Town and fire brigade, and donated living necessities valued at RMB20,000.

On 20 July 2021, Yanling Jianye Green Base provided shelter and food to over a hundred flood-stricken villagers until the flood subsided.

Hebi Jianye Green Base

After the flood in July 2021, Hebi Jianye Green Base donated about 3 tons of vegetable to Junxian and other flood-stricken regions.

Yichuan Jianye Green Base

On 23 July 2021, Yichuan Jianye Green Base donated 50 boxes of Jianye water and 50 herbal cola to Xinxiang and Weihui;

On 25 July 2021, Yichuan Jianye Green Base donated 150 life jackets to Hebi and Junxian;

On 18 August 2021, Yichuan Jianye Green Base donated 100 boxes of instant noodles, 150 boxes of Jianye water, 150 herbal cola and 10 boxes of bread.

EDUCATING PEOPLE AND CARING FOR RURAL CHILDREN

The “Jianye Cup – Fighting for Love” Soccer Competition

According to the requirements of Chairman Wu Po Sum, which is “propagable, sustainable and reproducible”, as of the end of the Reporting Period, we have launched four consecutive “Jianye Cup” Soccer Competition for Public Welfare, adhered to the concept of “football + public welfare”, and combined the team’s achievements with public welfare donations to continuously promote the popularization of football and help the development of football in Henan.

As of the end of the Reporting Period, according to the competition results of local teams, CCRE donated standard five-person football pitches, football teachers or football equipment to primary and secondary schools in rural areas of 18 cities in Henan Province. Among the 9,324 players participating in the “Jianye Cup”, there are retired players, bus drivers, people’s teachers and journalists. Inspired by the theme of “Fight for Love” of “Jianye Cup”, they have won the five-person standard pitches, football teachers and football equipment donated by CCRE for 100 rural schools in the province through the sweat and hard work on the course, to allow more than 130,000 rural children to have the right to play football. After three years of fighting for love, “Jianye Cup” has become a brand activity that attracts the love of the whole society and promotes school football and public welfare football.

Despite the challenges brought by the pandemic and flood in 2021, CCRE organised the “Jianye Cup – Fight for Love” soccer game as usual to pay tribute to frontline workers in essential industries combating the pandemic, for example soccer teams of doctors, journalists, bus drivers, etc. The top three winning teams will act as football coaches to provide charitable football coaching each quarter at schools that accepted donated pitches at the expense of CCRE for travelling, meal and accommodation.

In 2022, CCRE plans to invite 200 teams to participate in the Jianye Cup soccer game. Different from simply donating money to help students, it is the original intention of Jianye Cup to support the development of school football in rural areas and care for the growth of rural children in an effective and pragmatic way.

Supporting People's Livelihood and Investing in Our Community *(Continued)*

2021 "Jianye Cup – Fight for Love"



Funding Education

To boost Puyang education, CCRE established the “Jianye Education Excellence Fund” within the Education Development Foundation of Puyang City in September 2019, and plans to donate RMB100 million within 10 years to help Puyang education. The establishment of “Jianye Education Excellence Fund” is a systematic project to return hometown and benefit students. The fund will focus on the field of education persistently, make good plans in combination with the actual development of Puyang education, and help local education development from multiple school-age levels and dimensions.

As of the end of the Reporting Period, the Jianye Education Excellence Fund focuses on basic education, including the Seedling Excellence Program, the Talent Excellence Program, the Talent Scout (Bole) Excellence Program and the Campus Excellence Program. We also provide funds to support and reward outstanding urban and rural primary and secondary school students, their teachers, schools, to set an excellent example, to inspire more students to strive.

As of the end of the Reporting Period, “Jianye Education Excellence Fund” donated more than 40,000 copies of picture books worth RMB1 million to 20 kindergartens, including experimental kindergartens, municipal kindergartens and municipal second kindergartens in Puyang through Puyang Education Development Foundation, helping the donated kindergartens to build children's picture books house, thus contributing to the development of preschool education in Puyang.

RURAL REVITALIZATION AND EMPLOYMENT ASSISTANCE

With the rapid urbanisation in China, rural revitalisation has become an important task facing enterprises when they undertake their social responsibilities. We have actively taken action to promote rural economy and social development, change rural production modes and lifestyles, improve the living conditions of the local people and facilitate the construction of beautiful villages and brilliant Central China through industrial upgrading, employment support and tourism promotion.

2021 is the first year China steps up its rural revitalisation strategy, in response to which CCRE has built rural complex in Yanling, Hebi, Zhoukou, Yichuan and other places in Henan province as bases for large-scale agricultural industry. By working with the government and other enterprises, and effective measures in employment, labour, education, financial services, retail and other fields, the Group contributes to the rural revitalisation strategy by effectively promoting local villagers' employment and increasing their income.

On 21 December 2021, All-China Federation of Industry and Commerce released its list of top 100 Chinese Private Enterprises for Social Responsibility 2021 at the fifth Executive Committee meeting of the twelfth session, CCRE was ranked 48 for its social responsibility contribution.

Providing Industrial Assistance and Helping Farmers

Case: Yanling Jianye Green House combats poverty and develops alongside disadvantaged households

In 2012, CCRE invested in the construction of the first rural complex project Yanling Jianye Green House in the "Town of Flowers and Trees" Yanling, Xuchang. Relying on the advantage of nearly 700,000 mu of traditional flowers and trees planting in Yanling County, CCRE changed the tradition of farmers planting one by one, planned the transferred land unifiedly, repositioned and upgraded variety breeding and park setting, and allowed local farmers including disadvantaged households to fully participate in the base construction and operation, thus promoting the overall revitalization of rural industries, talents, culture, ecology and organization.

CCRE cooperated with world-class flower and vegetable companies to build a smart greenhouse with an area of 150,000 square meters. More than 10 high-end flowers, fruit and vegetable varieties, such as Holland Anthurium, Denmark Hibiscus, American colored calla lily, and Israeli tomatoes, were introduced and planted, which improved agricultural output and quality and farmers' income. Israel tomato, the main product, has an average benefit per mu at least doubled compared with the traditional planting. In order to enable local poor households to enjoy the dividends brought by the new technology, the Group has signed financial poverty alleviation agreements with 644 poor households in Mafang Town, where Yanling Green House is located, with an average annual dividend of RMB2,500, realizing full coverage of poverty alleviation through finance in the whole town and common development and common prosperity with poor households.

Supporting People's Livelihood and Investing in Our Community *(Continued)*

Case: Yichuan Jianye Green Base helps villagers grow their income while promoting integrated development in a rural area

Zhang Yao Village, which is adjacent to Yichuan Jianye Green Base, used to be a well-known poor village in Jiangzuo Town. The Company, in conjunction with Jiangzuo Town Government, integrated poverty alleviation funds from seven villages, namely Zhang Yao Village, Yanggou Village, Baicun Village, Liulou Village, Mengjiayao Village, Litun Village and Chengcun Village, and jointly invested in the construction of folk restaurants, outdoor barbecue camps, children's amusement parks and other projects. The project essentially solved the employment problem of local poor households, and the income derived was distributed to 595 poor households. The base also assisted the local government in successfully applying for the "Demonstration Village Project of Rural Revitalisation in Zhang Yao Village" and obtained special state support funds. With the innovative mode of "farmers' voluntary participation and coordination of villages and enterprises under government leadership", the base further increased farmers' income and wealth, accelerated the integrated development of rural primary, secondary and tertiary industries, and became a model for the implementation of targeted poverty alleviation and rural revitalisation strategies.

Case: Employing disadvantaged locals so they can work near their homes

General Secretary Xi stressed: "Eliminating poverty and achieving prosperity require determination." Every major green house of CCRE has issued the policy of giving priority to the recruitment of poor households with the same conditions, so that poor households can get employed near their house, so they can not only obtain stable land transfer income, but also obtain income from secondary and tertiary industries. Relying on the green house of CCRE, 400,000 employment opportunities could be provided for rural population including poor population.

Case: Supporting entrepreneurship at the local level

In order to further increase the income of poor people, CCRE started the first Jianye Food Court project in Yanling Jianye Green House, and explored the way of industrial upgrading and rural wealth through the catering industry chain.

By the end of 2021, Jianye Food Court has opened 14 stores (one new opening in 2021). A total of more than 580 traditional food artists have settled in Jianye Food Court, and 36 households have stepped out of the chain mode with Jianye Food Court. In 2021, the cumulative reception volume of Jianye Food Court reached 13 million people. With the opening of Jianye Food Court in Hebi and Puyang, traditional food artist have not only received economic returns in the operation of specialty famous food and snacks, but their economic returns have also extended to food production and processing industries. Through the base planting supply, fixed-point processing and distribution, a new industrial supply chain has been formed and the "Entrepreneurship Path" has been broadened.

PROMOTING CENTRAL CHINA'S CULTURE

CCRE Chairman Wu Po Sum has regarded Henan as a place endowed with rich historical and cultural heritage, and CCRE believes in our root in Central China and mission to serve people. We are committed to the promotion of traditional culture in Central China while developing our business. We believe that we can engage with our potential customers by popularising Henan culture.

Not only used the Canteen of Central China Real Estate as the carrier to spread the food culture of Henan Province, but we also used the new media matrix. We launched a program of "Henan Beautiful Life Sharing Concept" on the TikTok platform in 2021, actively excavating the highlights of the culture of Central Plains, and introducing "urban renewal" and urban appearance to the public from the perspectives of urban visits, traditional excavations, and beautiful sharing, so as to promote Central Plains culture.

Appendix I: Enterprise Honor

| Time Awarded | Awards | Awarding unit |
|-------------------|---|---|
| 22 January 2021 | Chairman of Central China Real Estate Hu Baosen was awarded National Advanced Individual for Private Economy in fighting COVID-19 | China Society for Promotion of the Guangcai Program |
| 23 March 2021 | Central China Real Estate was awarded "2021 China Real Estate Excellence Top 100", "No. 1 in 2021 China Real Estate Enterprises Henan Comprehensive Strength" and "No. 17 in 2021 China Real Estate Brand Value Top 30" | Viewpoint Index Research Institute |
| 15 September 2021 | Central China Real Estate was awarded "2021 Central China Real Estate Company Brand Value Top 10" and "2021 China Real Estate Customer Satisfaction Leading Brand" | China Enterprise Evaluation Association; Institute of Real Estate, Tsinghua University; Beijing Middle Finger Information Technology Research Institute |
| 24 December 2021 | Central China Real Estate was awarded the "Six Force Evaluation Green Development Award of China's listed real estate companies" | Financial Listed Company Research Institute |

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HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDELINES CONTENT INDEX

| Environmental, Social and Governance Reporting Guide | | Report Content |
|--|---|----------------------------------|
| A. Environmental | | |
| Aspect A1: Emissions | | |
| A1 | General Disclosure | Reducing Emissions and Pollution |
| | Information on: | |
| | (a) the policies; and | |
| | (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | |
| A1.1 | The types of emissions and respective emissions data. | Reducing Emissions and Pollution |
| A1.2 | 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). | Reducing Emissions and Pollution |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Reducing Emissions and Pollution |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Not Applicable |
| A1.5 | Description of emission target(s) set and steps taken to achieve them. | Addressing Climate Change |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Reducing Emissions and Pollution |

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| Environmental, Social and Governance Reporting Guide | | Report Content |
|---|--|---|
| Aspect A2: Use of Resources | | |
| A2 | General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. | Conserving Resources and Improving Quality and Efficiency |
| A2.1 | 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). | Conserving Resources and Improving Quality and Efficiency |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Conserving Resources and Improving Quality and Efficiency |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Conserving Energy and Upgrading Processes |
| A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Conserving Resources and Improving Quality and Efficiency |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Not Applicable |
| Aspect A3: The Environment and Natural Resources | | |
| A3 | General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources. | Environment and Natural Resources |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Environment and Natural Resources |
| Aspect A4: Climate Change | | |
| A4 | General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Addressing Climate Change |
| A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Addressing Climate Change |

Appendix II: Index of Report *(Continued)*

| Environmental, Social and Governance Reporting Guide | | Report Content |
|--|---|--|
| B. Social | | |
| Employment and Labour Practices | | |
| Aspect B1: Employment | | |
| B1 | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. | Protecting the Rights and Interests of Employees |
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Protecting the Rights and Interests of Employees |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | Protecting the Rights and Interests of Employees |
| Aspect B2: Health and Safety | | |
| B2 | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Occupational Health and Workplace Safety |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Occupational Health and Workplace Safety |
| B2.2 | Lost days due to work injury. | Occupational Health and Workplace Safety |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Occupational Health and Workplace Safety |

Appendix II: Index of Report *(Continued)*

| Environmental, Social and Governance Reporting Guide | | Report Content |
|--|--|--|
| Aspect B3: Development and Training | | |
| B3 | General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Training and Talent Development |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Training and Talent Development |
| B3.2 | The average training hours completed per employee by gender and employee category. | Training and Talent Development |
| Aspect B4: Labour Standards | | |
| B4 | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Protecting the Rights and Interests of Employees |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Protecting the Rights and Interests of Employees |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | Protecting the Rights and Interests of Employees |

Appendix II: Index of Report *(Continued)*

| Environmental, Social and Governance Reporting Guide | | Report Content |
|--|---|--|
| Operating Practices | | |
| Aspect B5: Supply Chain Management | | |
| B5 | General Disclosure Policies on managing environmental and social risks of the supply chain. | Supply Chain Cooperation and Mutual Benefits |
| B5.1 | Number of suppliers by geographical region. | Supply Chain Cooperation and Mutual Benefits |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Supply Chain Cooperation and Mutual Benefits |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Supply Chain Cooperation and Mutual Benefits |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Supply Chain Cooperation and Mutual Benefits |
| Aspect B6: Product Responsibility | | |
| B6 | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | High-Quality Products Promote Development |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Not Applicable |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | High-Quality Services that Promote Customer Satisfaction |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Intellectual Property and Patent Protection |
| B6.4 | Description of quality assurance process and recall procedures. | Quality Commitment and Responsibility |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | High-Quality Services that Promote Customer Satisfaction |

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| Environmental, Social and Governance Reporting Guide | | Report Content |
|--|--|---|
| Aspect B7: Anti-corruption | | |
| B7 | General Disclosure | Combating Corruption and Ensuring Honest Management |
| | Information on: | |
| | (a) the policies; and | |
| | (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Combating Corruption and Ensuring Honest Management |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Combating Corruption and Ensuring Honest Management |
| B7.3 | Description of anti-corruption training provided to directors and staff. | Combating Corruption and Ensuring Honest Management |
| Community | | |
| Aspect B8: Community Investment | | |
| B8 | General Disclosure | Supporting People's Livelihood and Investing in Our Community |
| | 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. | |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Supporting People's Livelihood and Investing in Our Community |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | Supporting People's Livelihood and Investing in Our Community |

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GRI REPORTING GUIDELINES INDEX

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|----------------------------|---------------|--|--|
| General Disclosures | | | |
| Organizational profile | 102-1 | Name of the organization | Group overview |
| | 102-2 | Activities, brands, products, and services | Group overview |
| | 102-3 | Location of headquarters | Group overview |
| | 102-4 | Location of operations | Group overview |
| | 102-5 | Ownership and legal form | About the Report |
| | 102-6 | Markets served | Group overview |
| | 102-7 | Scale of the organization | About the Report |
| | | | Group overview |
| | 102-8 | Information on employees and other workers | Protecting the Rights and Interests of Employees |
| | 102-9 | Supply chain | Supply Chain Cooperation and Mutual Benefits |
| | 102-10 | Significant changes to the organization and its supply chain | No major changes |
| | 102-11 | Precautionary Principle or approach | Addressing Climate Change |
| Strategy | | | High-quality Services that Promote Customer Satisfaction |
| | 102-12 | External initiatives | — |
| | 102-13 | Membership of associations | — |
| Strategy | 102-14 | Statement from senior decision-maker | A Message from the CEO |
| Ethics and integrity | 102-16 | Values, principles, standards, and norms of behavior | Corporate Discipline |
| | | | Combatting Corruption and Ensuring Honest Management |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|------------------------|---------------|--|--|
| Governance | 102-18 | Governance structure | Far-reaching and Stable Corporate Governance |
| Stakeholder engagement | 102-40 | List of stakeholder groups | Embracing ESG to Enhance Corporate Value |
| | 102-41 | Collective bargaining agreements | – |
| | 102-42 | Identifying and selecting stakeholders | Embracing ESG to Enhance Corporate Value |
| | 102-43 | Approach to stakeholder engagement | Embracing ESG to Enhance Corporate Value |
| | 102-44 | Key topics and concerns raised | Embracing ESG to Enhance Corporate Value |
| Reporting practice | 102-45 | Entities included in the consolidated financial statements | About the Report |
| | 102-46 | Defining report content and topic boundaries | About the Report |
| | 102-47 | List of material topics | Embracing ESG to Enhance Corporate Value |
| | 102-48 | Restatements of information | – |
| | 102-49 | Changes in reporting | No major changes |
| | 102-50 | Reporting period | About the Report |
| | 102-51 | Date of most recent report | About the Report |
| | 102-52 | Reporting cycle | About the Report |
| | 102-53 | Contact point for questions regarding the report | About the Report |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | About the Report |
| | 102-55 | GRI content index | Appendix III: Index of Report |
| | 102-56 | External assurance | – |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|---------------------------------|---------------|--|---|
| Topic Specific standards | | | |
| Economic Issues | | | |
| Economic Performance | 103-1 | Explanation of the material topic and its Boundary | — |
| | 103-2 | The management approach and its components | — |
| | 103-3 | Evaluation of the management approach | — |
| | 201-1 | Direct economic value generated and distributed | — |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | Addressing Climate Change |
| | 201-3 | Defined benefit plan obligations and other retirement plans | Employee Care and Communication |
| | 201-4 | Financial assistance received from government | — |
| Market Presence | 103-1 | Explanation of the material topic and its Boundary | — |
| | 103-2 | The management approach and its components | — |
| | 103-3 | Evaluation of the management approach | — |
| | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | — |
| | 202-2 | Proportion of senior management hired from the local community | — |
| Indirect Economic Impacts | 103-1 | Explanation of the material topic and its Boundary | — |
| | 103-2 | The management approach and its components | — |
| | 103-3 | Evaluation of the management approach | — |
| | 203-1 | Infrastructure investments and services supported | Supporting People's Livelihood and Investing in Our Community |
| | 203-2 | Significant indirect economic impacts | — |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|---------------------------|---------------|---|--|
| Procurement Practices | 103-1 | Explanation of the material topic and its Boundary | Supply Chain Cooperation and Mutual Benefits |
| | 103-2 | The management approach and its components | Supply Chain Cooperation and Mutual Benefits |
| | 103-3 | Evaluation of the management approach | Supply Chain Cooperation and Mutual Benefits |
| | 204-1 | Proportion of spending on local suppliers | – |
| Anti-corruption | 103-1 | Explanation of the material topic and its Boundary | Combatting Corruption and Ensuring Honest Management |
| | 103-2 | The management approach and its components | Combatting Corruption and Ensuring Honest Management |
| | 103-3 | Evaluation of the management approach | Combatting Corruption and Ensuring Honest Management |
| | 205-1 | Operations assessed for risks related to corruption | – |
| | 205-2 | Communication and training about anti-corruption policies and procedures | Combatting Corruption and Ensuring Honest Management |
| | 205-3 | Confirmed incidents of corruption and actions taken | Combatting Corruption and Ensuring Honest Management |
| Anti-competitive Behavior | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | – |
| | 103-3 | Evaluation of the management approach | – |
| | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Combatting Corruption and Ensuring Honest Management |
| Tax | 207-1 | Approach to tax | Embracing ESG to Enhance Corporate Value |
| | 207-2 | Tax governance, control, and risk management | Embracing ESG to Enhance Corporate Value |
| | 207-3 | Stakeholder engagement and management of concerns related to tax | Embracing ESG to Enhance Corporate Value |
| | 207-4 | Country-by-country reporting | – |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|-----------------------------|---------------|--|--|
| Environmental Issues | | | |
| Materials | 103-1 | Explanation of the material topic and its Boundary | Environment and Natural Resources |
| | 103-2 | The management approach and its components | Environment and Natural Resources |
| | 103-3 | Evaluation of the management approach | – |
| | 301-1 | Materials used by weight or volume | – |
| | 301-2 | Recycled input materials used | – |
| | 301-3 | Reclaimed products and their packaging materials | – |
| Energy | 103-1 | Explanation of the material topic and its Boundary | Conserving Resources and Improving Quality and Efficiency |
| | 103-2 | The management approach and its components | Conserving Resources and Improving Quality and Efficiency |
| | 103-3 | Evaluation of the management approach | – |
| | 302-1 | Energy consumption within the organization | Conserving Resources and Improving Quality and Efficiency |
| | 302-2 | Energy consumption outside of the organization | – |
| | 302-3 | Energy intensity | Conserving Resources and Improving Quality and Efficiency |
| | 302-4 | Reduction of energy consumption | Using Clean Energy, Conserving Energy and Reducing Emissions |
| | 302-5 | Reductions of energy requirements of products and services | Conserving Energy and Upgrading Processes |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|---------------------|---------------|---|---|
| Water and Effluents | 303-1 | Interactions with water as a shared resource | Water Resource Management |
| | 303-2 | Management of water discharge-related impacts | Water Resource Management |
| | 303-3 | Water withdrawal | Conserving Resources and Improving Quality and Efficiency |
| | 303-4 | Water discharge | Water Resource Management |
| | 303-5 | Water consumption | Reducing Emissions and Pollution |
| Biodiversity | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | Protecting Virgin Forest Ecosystems |
| | 103-3 | Evaluation of the management approach | – |
| | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Protecting Virgin Forest Ecosystems |
| | 304-2 | Significant impacts of activities, products, and services on biodiversity | Protecting Virgin Forest Ecosystems |
| | 304-3 | Habitats protected or restored | – |
| | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | – |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|-----------|---------------|---|----------------------------------|
| Emissions | 103-1 | Explanation of the material topic and its Boundary | Reducing Emissions and Pollution |
| | 103-2 | The management approach and its components | Reducing Emissions and Pollution |
| | 103-3 | Evaluation of the management approach | – |
| | 305-1 | Direct (Scope 1) GHG emissions | Reducing Emissions and Pollution |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Reducing Emissions and Pollution |
| | 305-3 | Other indirect (Scope 3) GHG emissions | – |
| | 305-4 | GHG emissions intensity | Reducing Emissions and Pollution |
| | 305-5 | Reduction of GHG emissions | – |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | – |
| | 305-7 | Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions | Reducing Emissions and Pollution |
| Waste | 103-1 | Explanation of the material topic and its Boundary | Reducing Emissions and Pollution |
| | 103-2 | The management approach and its components | Reducing Emissions and Pollution |
| | 103-3 | Evaluation of the management approach | – |
| | 306-1 | Waste generation and significant waste-related impacts | – |
| | 306-2 | Management of significant waste-related impacts | Reducing Emissions and Pollution |
| | 306-3 | Waste generated | – |
| | 306-4 | Waste diverted from disposal | – |
| | 306-5 | Waste diverted to disposal | – |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|-----------------------------------|---------------|--|--|
| Environmental Compliance | 103-1 | Explanation of the material topic and its Boundary | Promoting Green Construction |
| | 103-2 | The management approach and its components | Promoting Green Construction |
| | 103-3 | Evaluation of the management approach | – |
| | 307-1 | Non-compliance with environmental laws and regulations | – |
| Supplier Environmental Assessment | 103-1 | Explanation of the material topic and its Boundary | Supply Chain Management |
| | 103-2 | The management approach and its components | Supply Chain Management |
| | 103-3 | Evaluation of the management approach | – |
| | 308-1 | New suppliers that were screened using environmental criteria | Green Supply Chain |
| | 308-2 | Negative environmental impacts in the supply chain and actions taken | Green Supply Chain |
| Social Issues | | | |
| Employment | 103-1 | Explanation of the material topic and its Boundary | Protecting the Rights and Interests of Employees |
| | 103-2 | The management approach and its components | Protecting the Rights and Interests of Employees |
| | 103-3 | Evaluation of the management approach | – |
| | 401-1 | New employee hires and employee turnover | Protecting the Rights and Interests of Employees |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Caring for Employees |
| | 401-3 | Parental leave | Caring for Employees |

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| Issues | GRI Standards | Disclosures | Report content/ remarks |
|--------------------------------|---------------|---|--|
| Labor/Management Relations | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | – |
| | 103-3 | Evaluation of the management approach | – |
| | 402-1 | Minimum notice periods regarding operational changes | – |
| Occupational Health and Safety | 403-1 | Occupational health and safety management system | Occupational Health and Workplace Safety |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | Occupational Health and Workplace Safety |
| | 403-3 | Occupational health services | Occupational Health and Workplace Safety |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Occupational Health and Workplace Safety |
| | 403-5 | Worker training on occupational health and safety | Occupational Health and Workplace Safety |
| | 403-6 | Promotion of worker health | Occupational Health and Workplace Safety |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health and Workplace Safety |
| | 403-8 | Worker covered by an occupational health and safety management system | Occupational Health and Workplace Safety |
| | 403-9 | Work-related injuries | Occupational Health and Workplace Safety |
| | 403-10 | Work-related ill health | Occupational Health and Workplace Safety |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|---------------------------------|---------------|--|--|
| Training and Education | 103-1 | Explanation of the material topic and its Boundary | Training and Talent Development |
| | 103-2 | The management approach and its components | Training and Talent Development |
| | 103-3 | Evaluation of the management approach | Training and Talent Development |
| | 404-1 | Average hours of training per year per employee | Training and Talent Development |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | Training and Talent Development |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | – |
| Diversity and Equal Opportunity | 103-1 | Explanation of the material topic and its Boundary | Protecting the Rights and Interests of Employees |
| | 103-2 | The management approach and its components | Protecting the Rights and Interests of Employees |
| | 103-3 | Evaluation of the management approach | – |
| | 405-1 | Diversity of governance bodies and employees | Protecting the Rights and Interests of Employees |
| | 405-2 | Ratio of basic salary and remuneration of women to men | – |
| Non-discrimination | 103-1 | Explanation of the material topic and its Boundary | Protecting the Rights and Interests of Employees |
| | 103-2 | The management approach and its components | Protecting the Rights and Interests of Employees |
| | 103-3 | Evaluation of the management approach | – |
| | 406-1 | Incidents of discrimination and corrective actions taken | – |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|--|---------------|--|--|
| Freedom of Association and Collective Bargaining | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | – |
| | 103-3 | Evaluation of the management approach | – |
| | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | – |
| Child Labor | 103-1 | Explanation of the material topic and its Boundary | Protecting the Rights and Interests of Employees |
| | 103-2 | The management approach and its components | Protecting the Rights and Interests of Employees |
| | 103-3 | Evaluation of the management approach | – |
| | 408-1 | Operations and suppliers at significant risk for incidents of child labor | No related events |
| Forced or Compulsory Labor | 103-1 | Explanation of the material topic and its Boundary | Protecting the Rights and Interests of Employees |
| | 103-2 | The management approach and its components | Protecting the Rights and Interests of Employees |
| | 103-3 | Evaluation of the management approach | – |
| | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | No related events |
| Security Practices | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | Occupational Health and Workplace Safety |
| | 103-3 | Evaluation of the management approach | – |
| | 410-1 | Security personnel trained in human rights policies or procedures | Occupational Health and Workplace Safety |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|------------------------------|---------------|--|---|
| Rights of Indigenous Peoples | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | Developing Innovative Technology to Succeed in the Future |
| | 103-3 | Evaluation of the management approach | Developing Innovative Technology to Succeed in the Future |
| | 411-1 | Incidents of violations involving rights of indigenous peoples | No related events |
| Human Rights Assessment | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | – |
| | 103-3 | Evaluation of the management approach | – |
| | 412-1 | Operations that have been subject to human rights reviews or impact assessments | – |
| | 412-2 | Employee training on human rights policies or procedures | – |
| | 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | – |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|-------------------|---------------|--|---|
| Local Communities | 103-1 | Explanation of the material topic and its Boundary | High-quality Services that Promote Customer Satisfaction |
| | | | Supporting People's Livelihood and Investing in Our Community |
| | 103-2 | The management approach and its components | High-quality Services that Promote Customer Satisfaction |
| | | | Supporting People's Livelihood and Investing in Our Community |
| | 103-3 | Evaluation of the management approach | High-quality Services that Promote Customer Satisfaction |
| | | | Supporting People's Livelihood and Investing in Our Community |
| | 413-1 | Operations with local community engagement, impact assessments, and development programs | High-quality Services that Promote Customer Satisfaction |
| | | | Supporting People's Livelihood and Investing in Our Community |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | No related events |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|----------------------------|---------------|---|--|
| Supplier Social Assessment | 103-1 | Explanation of the material topic and its Boundary | Supply Chain Cooperation and Mutual Benefits |
| | 103-2 | The management approach and its components | Supply Chain Cooperation and Mutual Benefits |
| | 103-3 | Evaluation of the management approach | Supply Chain Cooperation and Mutual Benefits |
| | 414-1 | New suppliers that were screened using social criteria | Supply Chain Cooperation and Mutual Benefits |
| | 414-2 | Negative social impacts in the supply chain and actions taken | Supply Chain Cooperation and Mutual Benefits |
| Public Policy | 103-1 | Explanation of the material topic and its Boundary | – |
| | 103-2 | The management approach and its components | – |
| | 103-3 | Evaluation of the management approach | – |
| | 415-1 | Political contributions | – |
| Customer Health and Safety | 103-1 | Explanation of the material topic and its Boundary | High-quality Services that Promote Customer Satisfaction |
| | 103-2 | The management approach and its components | High-quality Services that Promote Customer Satisfaction |
| | 103-3 | Evaluation of the management approach | High-quality Services that Promote Customer Satisfaction |
| | 416-1 | Assessment of the health and safety impacts of product and service categories | High-quality Services that Promote Customer Satisfaction |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | High-quality Services that Promote Customer Satisfaction |

Appendix II: Index of Report *(Continued)*

| Issues | GRI Standards | Disclosures | Report content/ remarks |
|--------------------------|---------------|--|---|
| Marketing and Labeling | 103-1 | Explanation of the material topic and its Boundary | Developing Innovative Technology to Succeed in the Future |
| | 103-2 | The management approach and its components | Developing Innovative Technology to Succeed in the Future |
| | 103-3 | Evaluation of the management approach | Developing Innovative Technology to Succeed in the Future |
| | 417-1 | Requirements for product and service information and labeling | Developing Innovative Technology to Succeed in the Future |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | — |
| | 417-3 | Incidents of non-compliance concerning marketing communications | — |
| Customer Privacy | 103-1 | Explanation of the material topic and its Boundary | High-quality Services that Promote Customer Satisfaction |
| | 103-2 | The management approach and its components | High-quality Services that Promote Customer Satisfaction |
| | 103-3 | Evaluation of the management approach | High-quality Services that Promote Customer Satisfaction |
| | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | — |
| Socioeconomic Compliance | 103-1 | Explanation of the material topic and its Boundary | Responsible Management and Honest Operations |
| | 103-2 | The management approach and its components | Responsible Management and Honest Operations |
| | 103-3 | Evaluation of the management approach | Responsible Management and Honest Operations |
| | 419-1 | Non-compliance with laws and regulations in the social and economic area | Responsible Management and Honest Operations |

Appendix II: Index of Report *(Continued)*

CASS-CSR 4.0 REPORTING GUIDELINES INDEX

| | No. | Index | Report Content |
|----------------|------|---|--|
| Report Forward | P1.1 | Quality assurance | About the Report |
| | P1.2 | Information description | About the Report |
| | P1.3 | Reporting system | About the Report |
| | P2.1 | Situation analysis and strategic considerations of fulfilling social responsibilities | About Us |
| | P2.2 | Annual social responsibility work progress | Responsible Management and Honest Operations |
| | P3.1 | Major events of social responsibility | Responsible Management and Honest Operations |
| | P3.2 | Progress and effectiveness of key issues of social responsibility | Materiality Assessment |
| | P4.1 | Corporate strategy and culture | Corporate Discipline |
| | P4.2 | Organizational structure and operating region | Group Overview |
| | P4.3 | Major products, services and brands | Group Overview |
| | P4.4 | Size and influence | Group Overview |
| | P4.5 | Major changes in organization size, structure, ownership, or supply chain during the reporting period | About the Report |

Appendix II: Index of Report *(Continued)*

| | No. | Index | Report Content |
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| Responsibility Management | G1.1 | Corporate mission, vision and values | Corporate Discipline |
| | G1.2 | Corporate social responsibility concept or slogan | Corporate Discipline |
| | G2.1 | Identification and management of substantive social responsibility issues | Materiality Assessment |
| | G2.2 | Social responsibility strategic program and annual plan | Board of Directors' Statement |
| | G2.3 | Promoting the integration of social responsibility into corporate development strategies and daily operations | Board of Directors' Statement |
| | G2.4 | Building an influential and sustainable responsible brand | About Us |
| | G3.1 | Senior executives support and promotion social responsibility work | ESG Governance |
| | G3.2 | Social responsibility leading organization and working mechanism | ESG Governance |
| | G3.3 | Social responsibility organization system and division of responsibilities | ESG Governance |
| | G4.1 | Formulating a social responsibility management system | Responsible Management and Honest Operations |
| | G4.2 | Constructing a social responsibility indicator system | Materiality Assessment |
| | G4.3 | Enriching research on social responsibility theory | – |
| | G5.1 | Organizing and carrying out social responsibility training | – |
| | G5.2 | Carrying out social responsibility assessment or appraisal | – |
| | G6.1 | Identifying and responding to stakeholder demands | Stakeholder Engagement |
| | G6.2 | Corporate-led social responsibility communication and participation in activities | Stakeholder Engagement |
| | G6.3 | Participation or support in economy, environment, social conventions, principles or other initiatives initiated by outside parties | Responses to the UN SDGs |

Appendix II: Index of Report *(Continued)*

| | No. | Index | Report Content |
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| Market performance | M1.1 | Standardizing corporate governance | Responsible Management and Honest Operations |
| | M1.2 | Nomination and selection process of the highest corporate governance and its committees | Governance System |
| | M1.3 | Anti-corruption | Combatting Corruption and Ensuring Honest Management |
| | M1.4 | Compliance information disclosure | Information Disclosure |
| | M1.5 | Protecting the interests of small and medium investors | Investor Relations |
| | M1.6 | Growth | — |
| | M1.7 | Profitability | — |
| | M1.8 | Safety | — |
| | M2.1 | Product promotion/service accessibility | Lifecycle System of Real Estate Users |
| | M2.2 | Product/Service quality management system | Quality Commitment and Responsibility |
| | M2.3 | Percent of pass | — |
| | M2.4 | Adhering to innovation-driven | Developing Innovative Technology to Succeed in the Future |
| | M2.5 | R&D spending | — |
| | M2.6 | Number of new patents | Intellectual Property and Patent Protection |
| | M2.7 | Industrialization of scientific and technological achievements | Building Green Houses to Support Industrial Upgrading |
| | M2.8 | No false or misleading publicity | Responsible Marketing through Digitalization and Intelligent Technology |
| | M2.9 | Popularization of product knowledge or customer training | Responsible Marketing through Digitalization and Intelligent Technology |
| | M2.10 | Potential risk alert | — |

Appendix II: Index of Report *(Continued)*

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| M2.11 | Fair Dealing | — |
| M2.12 | Advocating sustainable consumption | — |
| M2.13 | Customer information protection | Information Security and Privacy Protection |
| M2.14 | Active after-sales service system | Customer Communication and Complaint Handling |
| M2.15 | Responding to consumer complaints actively | Customer Communication and Complaint Handling |
| M2.16 | Complaint resolution rate | — |
| M2.17 | Stop loss and compensation | Customer Communication and Complaint Handling |
| M2.18 | Customer satisfaction | Customer Communication and Complaint Handling |
| M3.1 | Credit management | Responsible Management and Honest Operations |
| M3.2 | Economic contract performance rate | — |
| M3.3 | Fair competition | — |
| M3.4 | Strategic sharing mechanism and platform | — |
| M3.5 | Respecting and protecting intellectual property | Intellectual Property and Patent Protection |
| M3.6 | Facilitating industry development | High-quality Products Promote Development |
| M3.7 | Fair trade | — |
| M3.8 | Social responsibility policies, initiatives and requirements for suppliers | Supply Chain Management |
| M3.9 | The number of potential suppliers which is rejected due to social responsibility non-compliance | — |
| M3.10 | Supplier social responsibility daily management mechanism | Supply Chain Management |
| M3.11 | Process and method of supplier social responsibility review | Supply Chain Management |

Appendix II: Index of Report *(Continued)*

| | No. | Index | Report Content |
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| Social performance | M3.12 | Number of suppliers reviewed during the reporting period | Supply Chain Management |
| | M3.13 | The number of suppliers whose cooperation was suspended due to non-compliance with social responsibility | — |
| | M3.14 | Supplier social responsibility performance appraisal and communication | Supply Chain Management |
| | M3.15 | Supplier social responsibility training | Green Supply Chain |
| | M3.16 | Supplier social responsibility training performance | Green Supply Chain |
| | S1.1 | Construction of a law-abiding compliance system | Far-reaching and Stable Corporate Governance |
| | S1.2 | Compliance training | — |
| | S1.3 | Total tax | — |
| | S1.4 | Support and participation of the comprehensive deepening of reforms | — |
| | S1.5 | Promoting employment | Developing Green Houses to Promote the Regional Economy |
| | S1.6 | Number of employee in the reporting period | — |
| | S2.1 | Staff composition | Protecting the Rights and Interests of Employees |
| | S2.2 | Equal employment | Protecting the Rights and Interests of Employees |
| | S2.3 | Rate of signed labor contracts | Protecting the Rights and Interests of Employees |
| | S2.4 | Democratic management | Protecting the Rights and Interests of Employees |
| | S2.5 | Percentage of female managers | Protecting the Rights and Interests of Employees |
| | S2.6 | Employee privacy management | Information Security and Privacy Protection |
| | S2.7 | Against forced labor ,harassment and abuse | Protecting the Rights and Interests of Employees |

Appendix II: Index of Report *(Continued)*

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| S2.8 | Diversity and equality of opportunity | Protecting the Rights and Interests of Employees |
| S2.9 | Number of annual vacation with pay per capita every year | – |
| S2.10 | Compensation and benefit system | Protecting the Rights and Interests of Employees |
| S2.11 | Occupational health management | Occupational Health and Workplace Safety |
| S2.12 | Working environment and condition guarantee | Employee Health and Safety |
| S2.13 | Employee mental health assistance | – |
| S2.14 | Employee training system | Training |
| S2.15 | Annual training performance | Training |
| S2.16 | Career development channel | Staff Recruitment and Promotion |
| S2.17 | Work-life balance | Employee Care and Communication |
| S2.18 | Difficult employee assistance | Caring for Employees |
| S2.19 | Employee satisfaction | Employee Communication |
| S2.20 | Turnover rate | Protecting the Rights and Interests of Employees |
| S3.1 | Safety management system | Occupational Health and Workplace Safety |
| S3.2 | Safety emergency management mechanism | Workplace Safety Regulations |
| S3.3 | Safety education and training | Health and Safety Standards for Contractors |
| S3.4 | Safety training performance | – |
| S3.5 | Production safety input | Occupational Health and Workplace Safety |

Appendix II: Index of Report *(Continued)*

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| S3.6 | Number of accidents in production safety | Employee Health and Safety |
| S3.7 | Number of employee casualties | Employee Health and Safety |
| S4.1 | Community communication and participation mechanism | Supporting People's Livelihood and Investing in Our Community |
| S4.2 | Employee localization policy | — |
| S4.3 | Localized employment ratio | — |
| S4.4 | Localized procurement policy | — |
| S4.5 | Support for the development of community women, indigenous people, farmers, herders and fishermen | Rural Revitalization and Employment Assistance |
| S4.6 | Public welfare policy or main public welfare areas | Supporting People's Livelihood and Investing in Our Community |
| S4.7 | Establishment of corporate charity fund/foundation | Funding Education |
| S4.8 | Total donation | Giving Back to Society and Showing Compassion |
| S4.9 | Creation of brand public welfare projects | Supporting People's Livelihood and Investing in Our Community |
| S4.10 | Policies and measures to support volunteer activities | Giving Back to Society and Showing Compassion |
| S4.11 | Performance of employee volunteer activities | Giving Back to Society and Showing Compassion |
| S4.12 | Contributing to targeted poverty alleviation | Rural Revitalization and Employment Assistance |
| S4.13 | Increasing special funds for poverty alleviation | Rural Revitalization and Employment Assistance |
| S4.14 | Number of poverty population | Rural Revitalization and Employment Assistance |

Appendix II: Index of Report *(Continued)*

| | No. | Index | Report Content |
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| Environmental performance | E1.1 | Environmental management system | Establishing a Sound Environmental System and Fulfilling Environmental Responsibilities |
| | E1.2 | Environmental early warning emergency response mechanism | Addressing Climate Change |
| | E1.3 | Research and application in environmental protection technology | Using Technology to Make Agriculture More Efficient |
| | E1.4 | Environmental index statistical accounting system method | – |
| | E1.5 | Environmental training and education | Promoting Environmental Training and Environmental Awareness among Employees |
| | E1.6 | Building a green supply chain | Green Supply Chain |
| | E1.7 | Support for the development of green and low-carbon industries | Building Green Houses to Support Industrial Upgrading |
| | E1.8 | Total investment in environmental protection | – |
| | E1.9 | Tackling climate change | Addressing Climate Change |
| | E1.10 | Carbon strength | Reducing Emissions and Pollution |
| | E1.11 | Proportion of non-fossil energy | – |
| | E1.12 | Carbon sink | – |
| | E2.1 | Green design | Environmentally Friendly Construction |
| | E2.2 | Purchasing and using environmentally friendly raw materials | Environment and Natural Resources |
| | E2.3 | Improvement of energy efficiency | Conserving Resources and Improving Quality and Efficiency |

Appendix II: Index of Report *(Continued)*

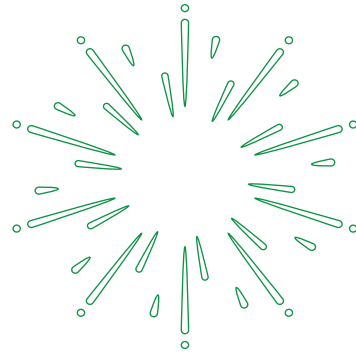
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| E2.4 | Total annual energy consumption and reduction | Conserving Resources and Improving Quality and Efficiency |
| E2.5 | Comprehensive energy consumption per unit output value | – |
| E2.6 | Policies and measures for the use of clean energy | Using Clean Energy, Conserving Energy and Reducing Emissions |
| E2.7 | Clean energy usage | Using Clean Energy, Conserving Energy and Reducing Emissions |
| E2.8 | Policies and measures in water resources conservation | Water Resource Management |
| E2.9 | Annual fresh water consumption | – |
| E2.10 | Industrial added value of fresh water consumption per unit | – |
| E2.11 | Policies, measures or technologies to reduce exhaust emissions | Reducing Emissions and Pollution |
| E2.12 | Exhaust emissions and reductions | Reducing Emissions and Pollution |
| E2.13 | Systems, measures or technologies to reduce wastewater discharge | Reducing Emissions and Pollution |
| E2.14 | Wastewater discharge and reduction | Reducing Emissions and Pollution |
| E2.15 | Systems, measures or technologies to reduce waste discharge | Reducing Emissions and Pollution |
| E2.16 | Waste emissions and reductions | Reducing Emissions and Pollution |
| E2.17 | Policies and measures of circular economy development | Building Green Houses to Support Industrial Upgrading |
| E2.18 | Performance of circular economy development | Building Green Houses to Support Industrial Upgrading |

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| E2.19 | Green packaging | – |
| E2.20 | The total amount of packaging materials used in the finished product (calculated in tons) and (if applicable) the amount per unit | – |
| E2.21 | Green transportation | – |
| E2.22 | Impact on the environment during product/ manpower transportation | – |
| E2.23 | Policies and measures of energy conservation | Conserving Energy and Upgrading Processes |
| E2.24 | Plans and actions to reduce greenhouse gas emission | Environmentally Friendly Construction |
| E2.25 | Greenhouse gas emission and reduction | Reducing Emissions and Pollution |
| E3.1 | Green office measures | Green Offices and Energy-efficient Management |
| E3.2 | Green office performance | – |
| E3.3 | Ecological restoration and management | Protecting Virgin Forest Ecosystems |
| E3.4 | The conservation of biological diversity | Protecting Virgin Forest Ecosystems |
| E3.5 | Net deforestation zero | – |
| E3.6 | Environmental protection and public welfare activities | Tenant Management Practices that Promote ESG |

Appendix III: Interpretation

| Commentaries on the item | Commentaries on the content |
|---------------------------------------|---|
| The Company, CCRE, We | Central China Real Estate Limited |
| The Group | Central China Real Estate Limited together with its subsidiaries |
| The Report | 2021 Environmental, Social and Governance Report of Central China Real Estate |
| Current Year, Reporting Period | 1 January 2021 to 31 December 2021 |
| HKEX | The Stock Exchange of Hong Kong Limited |
| Yanjin Jianye | Henan Jianye Property Management Co., Ltd. Yanjin Branch |
| DIT Group Limited | DIT Group Limited |



建業地產股份有限公司
Central China Real Estate Limited

