

Supplementary Information

Materiality Analysis

Based on a comprehensive assessment of internal value creation and the concerns of external stakeholders, Sino-Ocean Group has identified the customer health and safety protection, occupational health and safety, and product quality assurance as core management areas, and is committed to achieving the coordinated enhancement of corporate operating performance and social and environmental value.

Material Issues for Enterprise Value Creation

Based on the 2025 Sino-Ocean Group materiality assessment results, the Group has selected issues with a higher level of materiality for which relevant targets have been set for response. Among these, product/service quality and safety-related issues include customer health and safety protection and product quality assurance, as well as occupational health and safety issues.

➤ Customer Health and Safety Protection

Sino-Ocean Group always regards customer health and safety as the cornerstone of corporate sustainable development. The Group integrates our management throughout the entire life cycle of project design, construction, delivery and operational services, effectively safeguarding customers' personal safety and health rights, and creating a safe, healthy and comfortable living and user experience for customers. To effectively prevent potential risks and issues, the Group establishes health and safety management requirements, conducts risk assessments and carries out timely rectification, thereby reducing the probability of related incidents, minimizing potential economic losses, enhancing customer satisfaction and market recognition, and supporting business cooperation, project sales and long-term brand value.

In terms of related management and practices, in 2025, Sino-Ocean Group continuously refine our product planning and development system, regarding "Building · Health" as an integral gene throughout processes such as product development, service design, and supply chain collaboration. We anticipate that, through our professional practice and in collaboration with various partners, we will jointly advance the construction of liveable environments and contribute to the realization of the "Healthy China 2030" vision. As a self-developed work of Sino-Ocean Group, the "Sino-Ocean Healthy Building System" has been granted a copyright certification by the National Copyright Administration.

➤ Occupational Health and Safety

Occupational health and safety are an important foundation for ensuring project construction, operations and employees' stable performance of their duties. To prevent the potential impact of safety accidents or occupational health incidents on personnel safety, project progress and operational stability, the Group has adopted measures such as improving the work safety responsibility system, on-site safety management, employee training, contractor management and occupational health protection to reduce the risk of accidents and occupational hazards, ensure the stable implementation of projects and operational activities, and enhance employee work efficiency and organizational resilience.

To this end, Sino-Ocean Group has established a three-tier emergency management system of “Group-Department/Professional Company-Project,” with each level setting up an emergency rescue team and clearly defining the emergency management responsibilities of each department and personnel. The Group implements the hierarchical response mechanism for emergencies and regularly conducts emergency plan training and drills. After the drill, we will review the rationality of the emergency plan in time. In view of the problems and shortcomings exposed, we will adjust and improve the plan.

For personnel under special categories, such as part-time, temporary and outsourced workers, the Group coordinates with relevant units to undertake three levels of safety education, safety and technical briefings, and other related activities in accordance with laws, regulations and relevant Group rules. In line with the specific nature of their work, these personnel are provided with personal labor protective equipment meeting national or industry standards, and are supervised to ensure proper wear and usage.

➤ **Product Quality Assurance**

Product quality directly affects project delivery quality, customer experience and the Group's market reputation. To effectively prevent the potential impact of quality issues on project delivery, customer satisfaction and related operating costs, the Group implements quality control in design, procurement, construction, acceptance and delivery, thereby reducing quality problems and resource waste, improving delivery efficiency and customer satisfaction, maintaining project quality and brand competitiveness, and supporting stable revenue and long-term value creation.

In terms of product quality management, Sino-Ocean Group implements and strictly implements the Sino-Ocean “6+1” quality control system, covering product standardization, joint audit of planning, joint audit of samples, process quality, joint audit of plans, delivery quality, and post-delivery evaluation and review. We issue the acceptance and inspection report and conduct problems analysis through management actions such as front-end scheme review, drawing review, drawing polishing, standard floor building joint inspection, material random inspection, model approach, key process inspection and acceptance, third-party process special assessment and construction quality seminar, so as to improve product quality. As regular control points, we focus on anti-leakage, anti-void and anti-cracking work, promoting the replacement of traditional lime plastering with no or thin plastering, to provide assurance on high quality.

Material Issues for External Stakeholders

From the perspective of external stakeholders, Sino-Ocean Group identifies customer health and safety protection and product quality assurance as material topics in the area of product/service quality and safety.

➤ **Customer Health and Safety Protection**

Safeguarding customer health and safety is an important foundation for protecting customers' health rights, enhancing living quality and consolidating social trust. Providing customers with a safe and healthy living environment helps improve living experience and quality of life, responds to the “Healthy China” strategy, promotes sustainable community development, and strengthens customers' trust in and loyalty to the brand. To effectively prevent the potential impact of material pollution and other potential health and safety issues on customer health, property rights and public trust, the Group continues to strengthen customer health and safety-related management and, by improving information communication and customer service mechanisms, promptly responds to stakeholder concerns.

To respond to external stakeholders' concerns about customer health and safety, the Group has established an open and transparent health information disclosure mechanism, proactively publicizing building material testing reports and health certifications; set up a dedicated customer health service hotline to quickly respond to inquiries and complaints about the indoor environment; and, together with industry associations and customers, carries out healthy living education activities to popularize knowledge about healthy buildings.

➤ **Product Quality Assurance**

Product quality not only affects customer experience and asset value, but also impacts resource utilization efficiency and community relations. High-quality delivery helps reduce repair and rework needs, extend building service life and maintain customer asset value; at the same time, it can reduce the consumption of building materials, construction waste and energy use arising from rework and repairs, lower additional environmental burdens, and drive supply chain partners to improve quality management. To effectively prevent the potential impact of product quality issues on customer experience, resource utilization and community relations, the Group continues to strengthen product whole-life-cycle quality management, improve delivery quality and after-sales service, and achieve coordinated improvement of customer value, environmental benefits and social value.

In response to product quality-related impacts, the Group invites homeowner representatives to participate in “site open days” to showcase construction techniques and acceptance standards in advance, and improves post-delivery evaluation and follow-up mechanisms and establishes a fast-track repair channel for quality issues. At the same time, the Group introduces environmental protection material standards at the product design stage and gives priority to recyclable and renewable building materials to reduce environmental load. The report also discloses that the Group continues to strengthen maintenance and warranty management, continuously enhancing customer satisfaction through institutional development, refined service standards and targeted rectification of common issues.

Industry Contributions & Expenditures

Sino-Ocean Group has always been actively engaged in the high-quality development of the real estate industry with a strong sense of responsibility and forward-looking vision. The Group fully supports the association in carrying out a series of initiatives, including policy research, experience sharing, information dissemination, and rights protection, with an annual contribution of no less than RMB 300,000 to support industry associations. In 2025, the Group continued to serve as vice chairman of two major associations, namely the China Real Estate Association (CREA) and the China Real Estate Chamber of Commerce.

Supplier Management

Sino-Ocean Group strictly complies with applicable national laws and regulations governing tendering and procurement and fair competition. The Group continuously improves its supplier lifecycle management mechanisms, clarifies the responsibilities of relevant departments, and standardizes processes for supplier screening and admission, performance assessment, ongoing management and exit. In managing suppliers, the Group focuses on product and service quality, the ability to fulfil contractual obligations, and environmental and social responsibility performance. Based on assessment results, it promotes supplier development and continuous improvement to enhance supply chain management.

KPI for supplier assessment and development	Unit	FY 2025
Total number of unique (Tier-1) suppliers	Number	29,900
Number of unique (Tier-1) significant suppliers	Number	2,733
Number of unique (Tier-1) significant suppliers supported with development measures	Number	2,733
Number of unique (Tier-1) significant suppliers assessed via desk assessments/on-site assessments	Number	2,733
Number of unique (Tier-1) significant suppliers assessed with substantial actual/potential negative impacts	Number	106
Number of unique (Tier-1) significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	Number	106
Number of unique (Tier-1) significant suppliers with substantial actual/potential negative impacts that were terminated	Number	106

Environmental Management Systems Verification

Sino-Ocean Group continues to advance the development of its Environmental Management System (EMS), enhancing the standardization, institutionalization and continuous improvement of environmental management, while promoting the establishment of environmental management systems in accordance with ISO 14001 across its professional companies. In 2025, approximately 100% of the Group's professional companies obtained ISO 14001 Environmental Management System certification, representing 100% coverage of group-wide operations.

Water Resource Management

Sino-Ocean Group continues to strengthen water resource management by integrating water conservation throughout project operations. Taking into account the characteristics of individual projects, the Group implements water-saving technology retrofits, facility optimization and the use of alternative water resources to continuously improve water use efficiency, reduce operating costs and minimize environmental impacts. High-efficiency fixtures are incorporated into the design of nearly 100% of newly constructed commercial and office building projects.

Water Efficiency Programs

Type and description of water efficiency program implemented	Estimated savings (m ³)	Percentage of estimated return on investments (%)
Smart Card-Based Water-Saving Retrofit for Employee Shower Facilities The project involves the installation of a smart card-based water control system in employee shower facilities within the premises. Through the installation of smart card-based water control devices, a quota-based water management mechanism has been established, with monthly hot water usage limits set for employees. This enables more refined management of water use in shower facilities and effectively reduces unnecessary water consumption and hot water losses.	630	132.1
Reclaimed Water Substitution for Municipal Tap Water Project The water supply for the fire pump room storage tank has been switched from municipal tap water to reclaimed water. The storage tank is primarily used as a water source for fire protection and for supplying cooling towers of chiller units during summer. While ensuring the normal operation of relevant equipment, the project increases the use of alternative water resources and reduces project operating costs.	0	248

Product Stewardship

Sino-Ocean Group is firmly committed to green and low-carbon development, leveraging technological innovation to advance energy management and equipment upgrades. The Group deeply integrates sustainable practices into the entire lifecycle of its building products, continuously reducing operational carbon footprint through energy-saving measures such as intelligent control upgrades for central air conditioning, replacement with low-power lighting, and integration of new-energy transportation infrastructure.

Energy Efficiency Programs

Type and description of energy efficiency program implemented	Estimated savings (MWh)	Percentage estimated return on investment (%)
Intelligent lighting energy-saving renovation Conventional lighting fixtures were gradually replaced with infrared radar-sensing LED lighting, and a lighting time control system was installed in public areas to implement time-based lighting management according to actual usage needs. Meanwhile, the lighting control system is regularly	252,957.37	18.6

maintained and optimized to ensure stable operation and improve lighting energy efficiency.		
Energy-saving renovation of the HVAC system Renovation of central air-conditioning energy management and control system to centrally control the air-conditioning system in the cooling season and the boiler heating system in the heating season.	214,037.2	25
Charging facilities for new energy vehicles For newly built residential projects, the Group installed electric vehicle charging piles or reserved installation provisions for charging facilities based on the actual conditions of each project, providing convenience for residents using new energy vehicles.	71,129.55	25.2

Revenues from Sustainable Buildings

	FY 2023	FY 2024	FY 2025
Revenues from Sustainable Buildings (RMB Yuan)	35,795,821,700	21,908,336,000	1,300,260,000

Workforce Breakdown: Gender

Sino-Ocean Group values women's career development and continuously promotes women's participation in management decision-making through diverse promotion pathways and talent development initiatives. In 2025, women were represented in management positions at all levels, revenue-generating functions and STEM-related positions, contributing to the development of a diverse and inclusive workforce.

Indicator	Unit	FY 2025
Share of women in all management positions, including junior, middle and top management (as a percentage of total management positions)	%	32.8
Share of women in junior management positions, i.e. first level of management (as a percentage of total junior management positions)	%	31.3
Share of women in management positions in revenue-generating functions (e.g. sales) as a percentage of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	%	51.3

Share of women in STEM-related positions (as a percentage of total STEM positions)	%	18.4
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Workforce Breakdown: Ethnicity

Sino-Ocean Group values workforce diversity and inclusion, and respects and supports equal employment and career development for employees from different ethnic minority groups. In 2025, the Group's employees came from 21 ethnic minorities, including Manchu, Mongol and Hui, with ethnic minority employees accounting for 4.84% of the total workforce and 7.59% of management positions. The Group is committed to fostering a work environment that respects differences and provides equal opportunities.

Ethnicity	Unit	Share of employees from each ethnic group in the total workforce (FY 2025)	Share of employees from each ethnic group in all management positions, including junior, middle and senior management (FY 2025)
Han	%	95.16	92.41
Manchu	%	1.93	3.32
Mongol	%	0.78	1.22
Hui	%	0.63	1.01
Tujia	%	0.34	0.50
Yi	%	0.18	0.08
Zhuang	%	0.18	0.21
Miao	%	0.16	0.34
Korean	%	0.10	0.17
Tibetan	%	0.08	0.08
Daur	%	0.06	0.17
Hani	%	0.06	0.13
She	%	0.06	0
Dong	%	0.05	0.04
Xibe	%	0.05	0.08
Yao	%	0.05	0.08
Li	%	0.03	0.04
Qiang	%	0.03	0.08
Bai	%	0.02	0.04
Naxi	%	0.02	0
Uyghur	%	0.02	0
Other	%	0.01	0

Gender Pay Indicators

Sino-Ocean Group upholds the principles of equal pay for equal work and fair employment. The Group has established a remuneration management system aligned with industry characteristics and its stage of

business development and is committed to maintaining an appropriate level of remuneration competitiveness. Meanwhile, the Group continuously monitors and tracks gender pay gaps in remuneration and bonuses and works to ensure that women and men enjoy equal remuneration and career development opportunities.

Indicator	Difference between men and women employees (%) (FY 2025)
Mean gender pay gap	13.54
Median gender pay gap	9.91
Mean bonus gap	29.12
Median bonus gap	14.38

Trend of Employee Wellbeing

Sino-Ocean Group conducts an annual employee satisfaction survey focusing on job satisfaction, purpose, happiness and stress, with the aim of listening to employee feedback and identifying and addressing employee concerns. The Group tracks and reviews the survey results and feedback from each entity, formulates and implements satisfaction improvement plans, and continuously optimizes its employee management mechanisms and employee experience. In 2025, the employee satisfaction survey covered 63.9% of employees. The survey results showed that employee satisfaction reached 100%, achieving the annual target of no less than 92%.