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2025

Environmental, Social, and Governance (ESG) Report Palm Eco-Town Development Co., Ltd.

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Report Preface

▾ About This Report

This report is the third Environmental, Social, and Governance (ESG) report (hereinafter referred to as “this report”) released by Palm Eco-Town Development Co., Ltd. (hereinafter referred to as “Palm Eco-Town” or “the Company”). Based on the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed disclosure of the Company’s practices and performance in environmental, social, and governance aspects for the year 2025.

Report Scope

This report focuses on “Palm Eco-Town” as the main entity, including its subsidiaries. Unless otherwise specified, the scope of this report aligns with that of the Company’s annual report.

Time Frame

The time frame of this report is from January 1, 2025, to December 31, 2025 (referred to as the “Reporting Period”). To enhance the comparability and completeness of the report, some content appropriately traces back to previous years or includes forward-looking descriptions.

Preparation Basis

- ▮ Shenzhen Stock Exchange *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)*
- ▮ Shenzhen Stock Exchange *Self-Regulatory Guide No. 3 for Companies Listed on Shenzhen Stock Exchange – Preparation of Sustainability Report*
- ▮ Global Reporting Initiative *GRI Sustainability Reporting Standards (GRI Standards)*
- ▮ China Enterprise Reform and Development Society *Guide to Corporate Sustainability in China (CASS-ESG 6.0)*
- ▮ Task Force on Climate-related Financial Disclosures (TCFD) Framework
- ▮ UN Sustainable Development Goals (SDGs)

Data Description

All information and data cited in this report are sourced from Palm Eco-Town’s official documents, statistical reports, financial reports, and sustainability practice information collected, compiled, and reviewed by the Company’s various functional departments and business units.

The Company warrants that this report contains no false records, misleading statements, or material omissions. Unless otherwise specified, all currencies and amounts mentioned in this report are denominated in Renminbi (RMB).

Definition and Interpretation

Definition Items	Definition Content
The Company, Palm Eco-Town, We	Palm Eco-Town Development Co., Ltd.
Palm Design Group	Palm Design Group Co., Ltd.
Belt Collins	Belt Collins International (Hong Kong) Co., Limited

Confirmation and Approval

This report was approved by the Company’s Board of Directors on April 23, 2026, and is published concurrently with the annual report. The Board of Directors commits to overseeing the content of the report to ensure it contains no false records or misleading statements, and takes responsibility for the authenticity, accuracy, and completeness of the content.

Access to the Report

This report can be accessed and downloaded on the Company’s website (www.palm-la.com), the Shenzhen Stock Exchange website (www.szse.cn), and the CNINFO website (www.cninfo.com.cn). This report is published in both Chinese and English. The English version is translated from the Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Chairman's Message



Forging Ahead with Dedication and Action, Staying True to Our Mission, Empowering a New Journey with Green Initiatives

The year 2025 marks a critical juncture for the successful conclusion of the 14th Five-Year Plan, and it has also been a year of resilient progress and quality-driven efficiency enhancement for Palm Eco-Town Development Co., Ltd. (Palm). Under our "One Body, Two Wings" development strategy, we have steadfastly advanced our business through pragmatic action and upheld our original aspirations with a strong sense of responsibility, making continuous strides in the ESG field. On the occasion of releasing the 2025 ESG Report, I would like to express, on behalf of the Board of Directors, our sincere gratitude to government departments at all levels, the broader community, investors, and all our employees.

—Liu Jianghua, Secretary of the Party General Branch and Chairman of Palm Eco-Town Development Co., Ltd.

Strengthening the Foundation through Party Building, Building a Robust Compliance Governance Framework

Upholding the leadership of the Party is the "root" and "soul" of state-owned enterprises, and it is also a fundamental guarantee for putting ESG principles into practice. In 2025, we thoroughly implemented the guiding principles of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China and the Central Economic Work Conference, comprehensively consolidating the grassroots Party building system. The Company currently has one General Party Branch, seven Party branches, and 89 registered Party members, deeply integrating Party building with production, operations, and ESG management, and guiding "ecological green" with "Party building red."

In 2025, focusing on the theme of the "Year of Standardized Management," we completed an optimized integration of our organizational structure and built an efficient modern SOE governance system. We advanced the revision of institutional rules, cultivated a culture of compliance across the entire workforce, and successfully obtained dual certification for our compliance management system under GB/T 35770-2022 / ISO 37301:2021, thereby laying a solid foundation for preserving and increasing the value of state-owned assets and ensuring the stable operation of the Company.

Staying True to Green Development, Fulfilling the Mission of Ecological Priority

We have always adhered to the conviction that "lucid waters and lush mountains are invaluable assets," integrating green and low-carbon principles throughout our entire business process. In terms of environmental protection and control, we organized more than 50 environmental inspections throughout the year, covering all ongoing projects and key environmental protection links, strictly adhering to the ecological and environmental red line.

During the construction of major projects, we benchmarked against green construction standards throughout the process. The "Phase I Project of the Two Institutes and One Center" was rated as a Demonstration Project of Green Construction in the Construction Industry of Zhengzhou City in 2025, setting a benchmark for the industry. At the same time, leveraging digital technologies for refined construction management, we successfully completed the construction of 246,000 mu (approx. 16,400 hectares) of high-standard farmland in Qingfeng County, Puyang City, taking concrete actions to protect the ecological foundation and support food security and rural ecological revitalization.

Driving Force through Innovation, Upgrading through Scientific and Technological R&D

Innovation is the core engine for sustainable corporate development. By 2025, we have established multiple national, provincial, and municipal-level R&D platforms, including the Palm R&D and Promotion Center of the National Engineering Research Center for Floriculture and the Henan Provincial Engineering Research Center for Ecological Landscaping, building a comprehensive R&D management system. As of the end of the reporting period, we had 96 R&D personnel, accounting for nearly 11.85% of total employees, demonstrating a steady improvement in our scientific research strength.

In 2025, we focused on tackling key technologies for garden carbon sinks, successfully completing the Henan Province screening and evaluation project for high-carbon-sequestration tree species in landscaping, and winning the Second Prize of the Science and Technology Progress Award from the Henan Society of Landscape Architecture. Our independently developed new varieties and key technologies have been promoted and applied in numerous projects nationwide. Both our core intellectual property patents and new plant varieties have surpassed one hundred. As a national high-tech enterprise and a leading enterprise in agricultural industrialization, we continue to inject strong momentum into green development through technological innovation.

Staying True to Our Original Aspiration and Assuming Responsibility, Demonstrating the Warmth of SOE Commitment

Social responsibility is the core tenet of ESG and an unshirkable mission for state-owned enterprises. We have always based our efforts on the well-being of the people, fulfilling our corporate citizenship responsibilities in all aspects.

In 2025, we proactively responded to the rural revitalization strategy by establishing a Digital and Smart Agriculture Business Unit. Taking the integrated rice industry project in Fan County, Puyang City as a flagship initiative, and leveraging the experimental fields in Huaiyang District, Zhoukou City, as well as the 90,000 mu of high-standard farmland in Suiyang District, Shangqiu City as key drivers, we rely on our engineering advantages in traditional high-standard farmland construction. Through the deep integration of "technology, finance, and organized efforts," we aim to become a comprehensive service provider for the entire industry chain of digital and smart agriculture. Through the full empowerment of digital and smart agriculture, we support Henan in building itself into a strong agricultural province and safeguard the granary of our great nation. We have strictly adhered to the bottom line of work safety, conducting regular hazard inspections and emergency drills, achieving the safety goal of "zero fatalities and zero severe injuries" for the year. Through grassroots Party building, we have also carried out public welfare activities such as voluntary tree planting and educational support for underprivileged students, conveying the warmth of SOEs and demonstrating our sense of responsibility.

The journey ahead is long, and our resolve remains strong. As we embark on the new journey of the 15th Five-Year Plan, high-quality ESG development has become an important hallmark of the core competitiveness of state-owned enterprises. Going forward, we will remain true to our original aspiration and mission, continue to integrate ESG principles into our strategic planning and entire operational process, benchmark against industry leaders, and unwaveringly pursue a path of green, low-carbon, and sustainable development. Guided by Party building, we will strengthen governance; anchored in ecology, we will stay true to our mission; empowered by innovation, we will drive development; and bound by responsibility, we will fulfill our duty. We will spare no effort to protect our ecological home, support rural revitalization, contribute to building a beautiful China, and continue to contribute Palm's strength to high-quality economic and social development.

About Palm Eco-Town

Company Profile

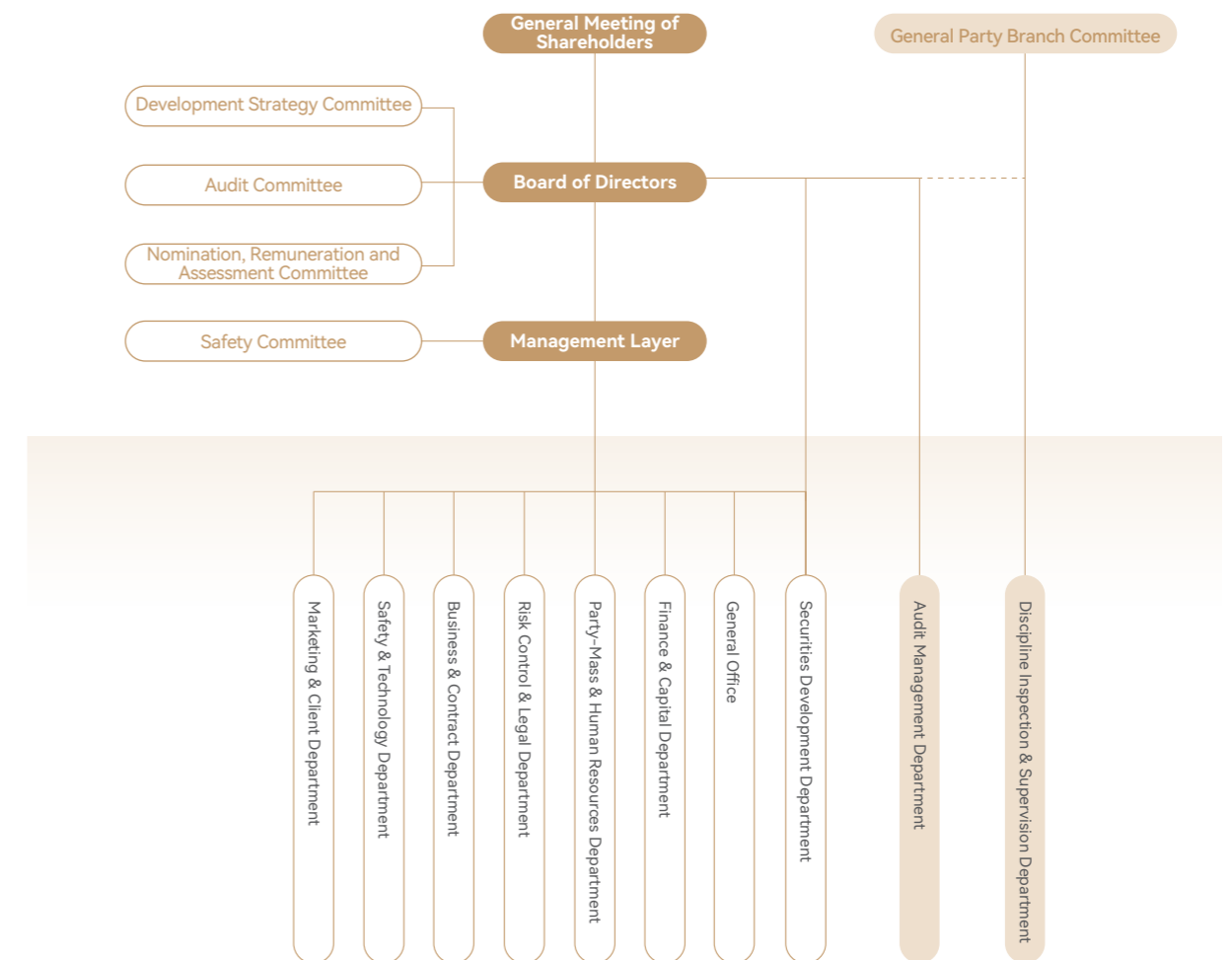
Palm Eco-Town Development Co., Ltd. was founded in 1984 and listed on the Shenzhen Stock Exchange in 2010 (stock code: 002431). It is currently a listed subsidiary held by Zhongyuan Yuzhi Investment Holding Group Co., Ltd.. The Company adheres to the green development philosophy that “lucid waters and lush mountains are invaluable assets.” Leveraging years of industry experience and brand advantages, it has refined its full industry chain of “investment, financing, construction, operation, and management,” steadily growing into a national group company integrating top-level planning, design, construction, and comprehensive operation.

The Company follows a development path guided by design, characterized by operational expertise, and underpinned by market-oriented mechanisms, with full-chain service capabilities. As a national high-tech enterprise and a national leading enterprise in agricultural industrialization, it holds a comprehensive qualification system, including Class A qualification for architectural engineering design, Class I general contracting for building construction, Class I general contracting for municipal public works, Class II general contracting for water conservancy and hydropower engineering, and Class A special qualification for landscape architecture engineering design. It has also obtained four major international system certifications: ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management), and ISO 37301 (Compliance Management System).

The Company implements a “one body, two wings” development strategy. The “one body” is Green Urban & Rural Construction, covering planning and design, eco-landscaping, farmland and water conservancy, housing construction, and municipal works. The “two wings” are Rural Revitalization and Innovation Business. The Rural Revitalization wing focuses on digital agriculture, cultural tourism, industrial chain extension, etc., while the Innovation Business wing concentrates on digital technology and other emerging fields.

Entering the new journey of the 15th Five-Year Plan, the Company will continue to uphold the spirit of craftsmanship and is committed to providing clients with high-quality integrated solutions for green urban-rural development and rural revitalization.

Organizational Structure



Development History

2019

State-owned Capital Control

Guided by the controlling shareholder, the Company practices the development philosophy of "lucid waters and lush mountains are invaluable assets", proposes the "One Body, Two Wings" strategy, and its business scope covers major key regions across the country.

1993

Business Upgrade

(Renamed to Guangdong Palm Landscape Engineering Co., Ltd.), mainly engaged in landscape engineering construction, becoming one of the earliest enterprises in the industry to enter the field of ecological human settlement environment construction; the Company's business began expanding from Guangdong nationwide.

2025

Gathering Strength for New Journey

The Company will closely follow national policy opportunities and, under the guidance of the 15th Five-Year Plan, embark on a new chapter.

2010

Listing Commencement

(Renamed to Palm Landscape Architecture Co., Ltd.), On June 10, 2010, the Company was listed on the Shenzhen Stock Exchange with the stock code 002431, becoming the second listed landscaping enterprise in China's capital market (the first in South China). Renamed to Palm Eco-Town Development Co., Ltd. in 2015.

1984

Company Establishment

(Zhongshan Xiaolan Palm Nursery), specializing in nursery operations, with business covering Guangdong and surrounding provinces and cities.

Honors Received in 2025

●○○ Palm Eco-Town



National Key Leading Enterprise in Agricultural Industrialization
Ministry of Agriculture and Rural Affairs of the People's Republic of China



2024 Zhengzhou AAA Credit Enterprise in Survey and Design
Zhengzhou Urban and Rural Construction Bureau



First Prize in Henan Provincial Landscape Architecture Planning and Design in 2025
Henan Provincial Society of Landscape Architecture



First and Second Prizes in Henan Provincial Landscape Architecture Science and Technology Progress Award in 2025
Henan Provincial Society of Landscape Architecture



Comprehensive Third Prize in the 4th Henan Province (Luoyang) Landscape Greening and Flower Border Construction Labor and Skills Competition
Department of Housing and Urban-Rural Development of Henan Province, Henan Provincial Agriculture, Transportation, and Construction Trade Union Committee



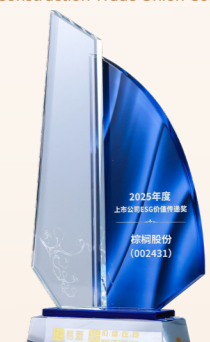
Carbon Path Practitioner Award
Securities Star



Most Socially Responsible Listed Company Award
Securities Star



2025 Listed Company ESG Value Communication Award
Shenzhen Value Online Information Technology Co., Ltd.



07

●○○ Palm Design Group



Member Unit of Guangdong Provincial Landscape Architecture and Ecological Landscape Association
Guangdong Provincial Landscape Architecture and Ecological Landscape Association

Deputy Director Unit of the Planning and Design Professional Committee of Guangdong Provincial Landscape Architecture and Ecological Landscape Association
Guangdong Provincial Landscape Architecture and Ecological Landscape Association

2025 Sustainability Design Award Winner
Guangzhou Design Week Organizing Committee



2024 "Design Henan - Beautiful Village" Creative Design Competition and 4th Trace of Rural Creative Design Competition Henan Division Excellent Creativity Award, Third Prize
Design Henan - Beautiful Village Creative Design Competition Organizing Committee



Selected as an outstanding case in the second China Landscape Practice Excellence Awards
Landscape Architecture and Beautiful China Construction Professional Committee, China Society for Urban Studies

2024 Guangdong Provincial Environmental Art Design Award Bronze Prize
Guangdong Provincial Environmental Art Design Industry Association

2025 American Architecture Master Prize
American Architecture Master Prize Organizing Committee



4th Trace of Rural Creative Design Competition Finals Outstanding Work Award
Trace of Rural Creative Design Competition Organizing Committee, Rural Economic Research Center of the Ministry of Agriculture and Rural Affairs



2025 Henan Provincial Landscape Architecture Planning and Design Second Prize
Henan Provincial Society of Landscape Architecture



2025 Highlight Performance

Governance Performance

Total number of reported anti-corruption and anti-bribery incidents

0
cases

Number of senior executives participating in anti-commercial bribery and anti-corruption training

5
persons

Number of concluded corruption litigation cases filed

0
cases

Number of signed integrity agreements and related commercial conduct documents

111
persons

Environmental Performance

Total greenhouse gas emissions

182.50
tons of CO₂ equivalent

Number of major administrative penalties imposed by ecological environment authorities due to environmental incidents

0
items

Social Performance

Total investment in employee training

47,000
RMB

Labor discrimination incidents

0
items

Total number of employees taking parental leave

18
persons

Total number of employee training sessions

2,800
person-times

Number of workplace safety accidents

0
cases

Number of work-related fatalities

0
persons

R&D investment

1.23
(in RMB 100,000,000)

Number of customer complaints

0
times



Sustainable Development Governance

Palm Eco-Town attaches great importance to sustainable development, integrating its concepts into corporate strategy and management. It actively identifies and assesses risks in the Company's management and development process, seeks and seizes development opportunities, and explores sustainable development paths that align with the Company's actual conditions.

ESG Governance System

The Company's board of directors, as the highest decision-making body for ESG governance, is responsible for formulating the Company's strategic plans and policies in ESG, ensuring the effective implementation of relevant policies, and assuming full responsibility for related policies, systems, and information disclosure. Managers from relevant functional departments and subsidiaries form the ESG report working group, responsible for the preparation, information collection, and verification of the Company's annual ESG report.

The Company has established the *Social Responsibility System* to guide and standardize the implementation of corporate social responsibility work, promoting the normalization of related activities. The Company actively fulfills its responsibilities for national development, social progress, ecological environmental protection, and resource conservation, safeguarding the legitimate rights and interests of stakeholders such as shareholders, creditors, employees, customers, suppliers, consumers, and communities, and promoting the coordinated and harmonious development of the Company with society and the environment.

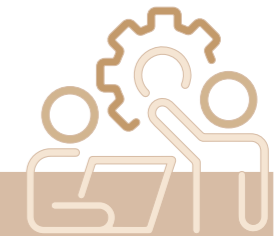
Case Study: ESG Training Meeting

The Company organized the kick-off and training meeting for the preparation of the 2025 ESG Report. The meeting interpreted updates on ESG policies, systematically reviewed the Company's ESG practices in the previous year and potential governance improvements for the next year. Heads of various departments and subsidiaries attended the meeting online/offline.



Commitment to Ecological Environmental Protection

Practicing the green development concept that "lucid waters and lush mountains are invaluable assets," the Company promotes ecological civilization. In project development, construction, and operation, it prioritizes ecological environmental protection, preserving the original natural features of project sites and avoiding any destructive development models.



Promoting Livelihood Improvement

During project operations, in line with the principles of "prosperous industry, eco-friendly habitat, civilized rural culture, effective governance, and affluent living," we adapt to local conditions by introducing highly compatible industrial resources to achieve sustainable operations and help address regional livelihood topics such as employment and income growth.

Practicing Social Welfare

Upholding the philanthropic philosophy of "no boundaries for great endeavors, no limits for great love," we actively engage in social welfare initiatives, develop various charitable projects, and support disadvantaged groups in society. We contribute to the development of national social welfare in areas such as ecological protection, social care, and industry-academia-research collaboration.

Prioritizing Employee Care

We advocate for a healthy lifestyle alongside efficient work, consistently focusing on employee growth and development. Through organizing diverse cultural activities, we institutionalize employee care as part of daily management, helping employees enhance their capabilities and realize personal value.



Responsibility Concept

Stakeholder Communication

The Company emphasizes maintaining close communication with internal and external stakeholders, actively establishing diversified communication channels to listen to their expectations and concerns, and responding proactively to jointly advance ESG practices and build a sustainable future.

Stakeholders	Expectations and Concerns	Communication Channels	Company Response
 Shareholders and investors	<ul style="list-style-type: none"> Steady Operation Enhancing Investment Returns Steady Performance Growth 	<ul style="list-style-type: none"> Information Disclosure Performance Briefing Investor Research Shareholders' Meeting Investor Hotline SZSE Interactive Easy 	<ul style="list-style-type: none"> Improving Corporate Governance Enhancing Disclosure Quality Strengthening Investor Engagement Increasing Profitability
 Employees	<ul style="list-style-type: none"> Compensation And Benefits Training and Promotion Rights And Interests Protection Occupational Health and Safety 	<ul style="list-style-type: none"> Employee Communication Employee Training Employee Care Activities 	<ul style="list-style-type: none"> Employ in Compliance with Laws and Regulations Improve the Compensation and Benefits System Strengthen Talent Team Building Ensure Occupational Health And Safety
 Customers	<ul style="list-style-type: none"> Ensure Product Quality Provide High-Quality Products and Services Protect Customer Privacy 	<ul style="list-style-type: none"> Customer Communication and Feedback Channels After-Sales Service Customer Satisfaction Survey 	<ul style="list-style-type: none"> Strengthen Quality Management Deepen Research and Development Innovation Resolutely Protect Customer Privacy
 Suppliers	<ul style="list-style-type: none"> Integrity and Mutual Benefit Stable Cooperation 	<ul style="list-style-type: none"> Bidding Activities Supplier Exchange 	<ul style="list-style-type: none"> Enhance Communication and Exchange Ethical Procurement
 Industry partners	<ul style="list-style-type: none"> Fair Competition Technical Exchange Win-Win Cooperation 	<ul style="list-style-type: none"> Industry Cooperation Activities Exhibitions and Seminars 	<ul style="list-style-type: none"> Resolutely Oppose Unfair Competition Strengthen Communication and Cooperation Actively Promote Industry Cooperation
 Community and Public	<ul style="list-style-type: none"> Sustainable Development Practicing Social Welfare 	<ul style="list-style-type: none"> Media Communication Community Public Welfare Activities Rural Revitalization Activities 	<ul style="list-style-type: none"> Engage in Public Welfare Improve Community Environment
 Government or Regulatory Agencies	<ul style="list-style-type: none"> Implement National Policies Climate Change Response Rural Revitalization Compliance Operation 	<ul style="list-style-type: none"> Information Disclosure Regulatory Cooperation 	<ul style="list-style-type: none"> Implement National Policies Response to the "Belt and Road" Initiative Support for Rural Revitalization Promote Green Urban and Rural Construction Operate in Compliance with Laws and Regulations Legal Tax Payment

Management of Material Topics

The Company referred to the assessment methods of domestic and international disclosure standards such as *SZSE Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)* and *GRI 3: Material Topics*, introducing perspectives of impact materiality and financial materiality. A total of 5 topics were identified as financially material, and 18 topics as impact material, with focused responses provided in the report.



TOPIC IDENTIFICATION

Based on an analysis of the macro environment of the operating locations, the industry in which the Company operates, and the Company's business model, 23 sustainability topics of significant importance or impact to the Company and its stakeholders were identified. Identify the Company's stakeholders and the impacts, risks, and opportunities the Company faces



IMPACT MATERIALITY ANALYSIS

Evaluate the potential or actual positive or negative impacts of each topic on the external environment, society, and economy, combining inputs from external stakeholders, benchmarking against industry priorities, and expert judgment to assess impact materiality.



FINANCIAL MATERIALITY ANALYSIS

Within short-term, medium-term, and long-term timeframes, identify potential financial impacts of topics by analyzing risks and opportunities, dependencies, and other factors, incorporating inputs from Company departments and expert judgment to assess financial materiality.



PRIORITIZATION OF TOPICS

The Company's management reviews and discusses the assessment results of the impact importance and financial importance of the topics, and the priority ranking of the topics is ultimately confirmed by the Company's board of directors, ensuring that the relevant topics are disclosed in the report transparently, balancedly, and completely.

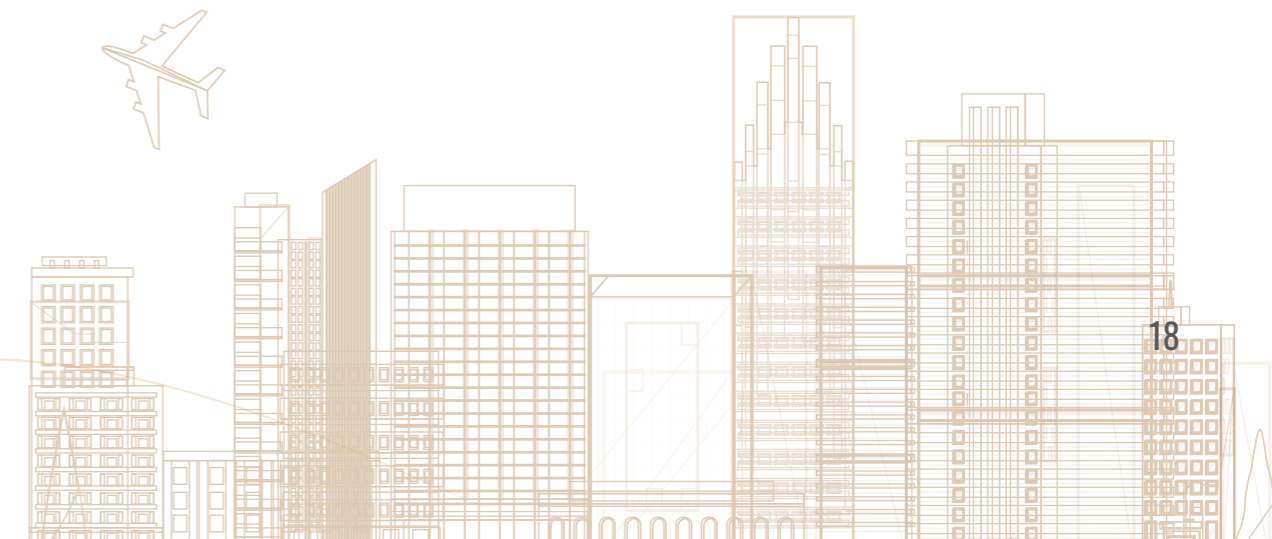
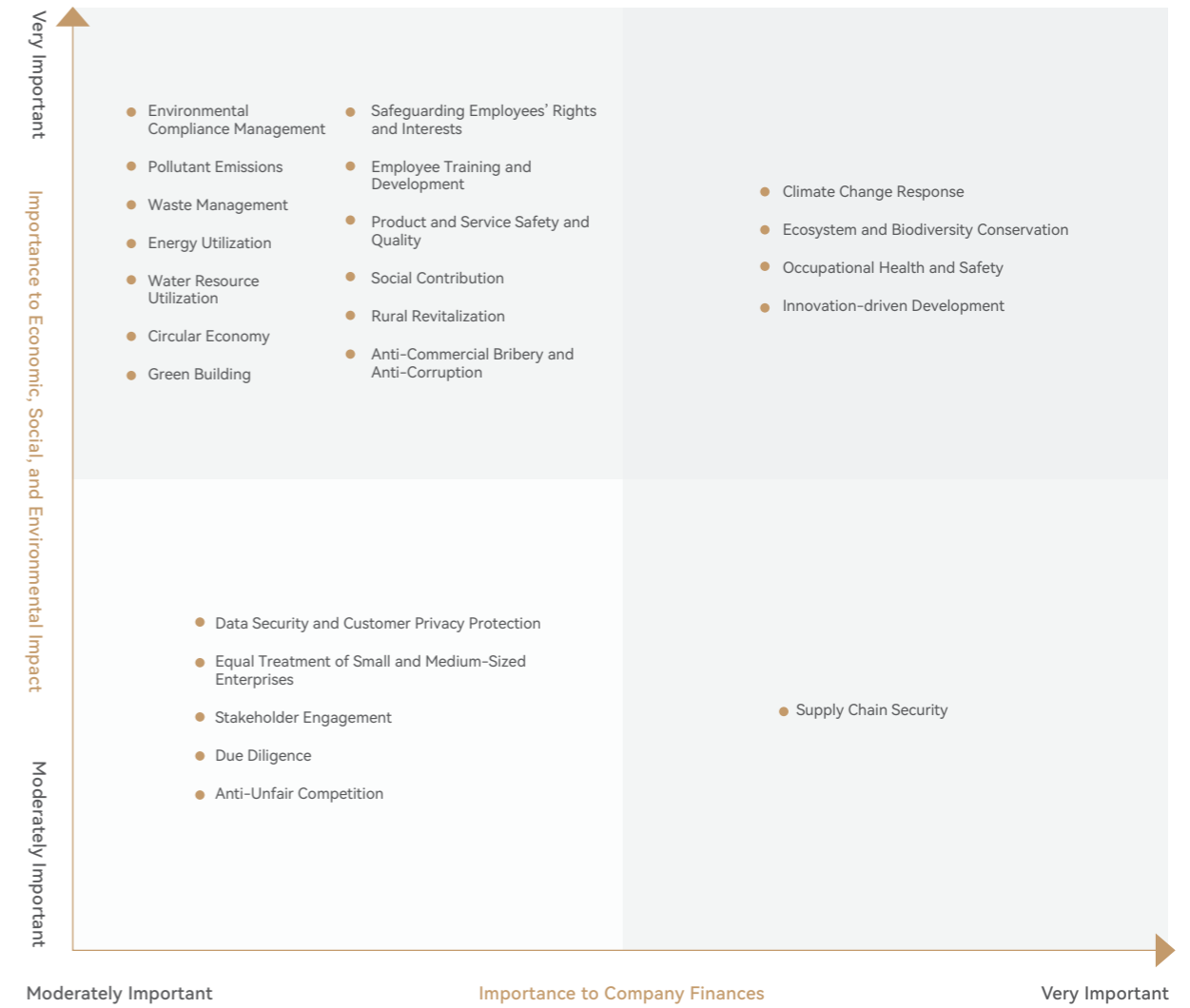
Agenda List

In 2025, based on the nature of the industry and disclosure requirements, the Company added the “Green Building” topic and identified it as an topic of impact importance.

 <h3>Environmental Topics</h3>	 <h3>Social Topics</h3>	 <h3>Governance Topics</h3>
<ul style="list-style-type: none"> Climate Change Response Pollutant Emissions Waste Disposal Environmental Compliance Management Ecosystem and Biodiversity Protection Energy Utilization Water Resource Utilization Circular Economy Green Building 	<ul style="list-style-type: none"> Protecting Employee Rights Employee Training and Development Occupational Health and Safety Innovation-driven Development Product and Service Safety and Quality Supply Chain Security Data Security and Customer Privacy Protection Social Contribution Rural Revitalization Equal Treatment of Small and Medium-Sized Enterprises 	<ul style="list-style-type: none"> Anti-Commercial Bribery and Anti-Corruption Anti-Unfair Competition Stakeholder Communication Due Diligence 

Note: The Company is not involved in scientific research or technological development activities in sensitive areas of scientific ethics, therefore “Scientific Ethics” has not been listed as a substantive topic in this Reporting Period.

Materiality Topic Matrix



PART 01

Governance Empowerment, Steady and Long-Term Development

Response to Topics:

Anti-Commercial Bribery and Anti-Corruption, Anti-Unfair Competition

Palm Eco-Town has always adhered to the leadership of the Party, continuously optimized its corporate governance structure, strengthened internal control and risk management capabilities, strictly upheld the bottom line of business ethics, effectively ensured the Company's stable operation, and promoted sustainable development.

Party Building Guidance

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company thoroughly implements the spirit of the 20th National Congress of the Communist Party of China and the Fourth Plenary Session of the 20th Central Committee, integrates Party leadership into all aspects of corporate governance, and ensures high-quality development through high-quality Party building.

Organizational Construction

In accordance with the *Regulations on the Work of Primary Organizations of State-Owned Enterprises of the Communist Party of China (Trial)* and other documents, the Company has formulated Party building work systems based on the actual conditions, continuously improving the Party organization management system and promoting further standardization and normalization of Party building work. During the Reporting Period, the Company completed the work of incorporating Party building into the charters of the General Party Branch and each Party branch, integrating Party building into governance and systems, and issued the *Work Rules for the General Party Branch and Party Branches* and revised the *Five Party Building Work Systems*, among others. The Company earnestly implemented the organizational life meeting and democratic evaluation system for Party members. In February, the annual organizational life meeting was held, where in-depth heart-to-heart talks, criticism and self-criticism, and democratic evaluations were conducted, ultimately selecting 7 outstanding Party members to further motivate them to play a vanguard and exemplary role. In September, the establishment of the General Party Branch and its three subordinate Party branches was successfully completed. The Company comprehensively reviewed the information of Party members, completed the transfer of 25 Party members into the organization and the transfer of 6 out, making Party member management more standardized. Throughout the year, a total of 52 general Party branch committee meetings, 4 Party member meetings, and 16 Party group meetings were held, with 185 items pre-researched for decision-making.

The Company emphasizes the construction of the Party member team, strengthening the education of Party member development through methods such as the “Three Meetings and One Lesson” and centralized training, improving the ideological, political quality, and Party spirit of the team. During the Reporting Period, 2 probationary Party members were converted to full membership, 2 new development targets were identified, and the cultivation, education, and assessment of active Party membership applicants were continuously strengthened. Regular meetings were held for ideological education and professional guidance to ensure outstanding talents are brought into the development ranks. By the end of the Reporting Period, the Company had established 1 General Party Branch and 7 Party branches, with a total of 89 registered Party members.



General Party Branch Election

Ideological Construction

The Party organization of the Company has fully implemented the accountability system for ideological work, establishing a working pattern featuring “unified leadership by the General Party Branch, primary responsibilities borne by the Secretary of the General Party Branch, specific responsibilities assumed by leading officials in charge, and joint participation of all functional departments”. It prioritizes centralized theoretical learning, strictly enforces the “First Agenda” system, and promotes regular education. Meanwhile, integrating theoretical learning with practical activities and combining online and offline learning methods, the organization endeavors to drive in-depth and effective theoretical learning.

The Company insists on treating theoretical learning as the primary political task, carrying it out through various forms such as centralized study and discussion, individual self-study, and special guidance. In 2025, the Company’s General Party Branch and its subordinate Party branches conducted a total of 109 “Three Meetings and One Lesson” sessions, including 76 by the General Party Branch. Throughout the year, the General Party Branch conducted 15 centralized theoretical learning sessions and implemented 52 “First Agenda” learning items. In addition, the Company coordinated the management of various propaganda platforms, carried out positive publicity around central tasks, optimized the content of the Company’s OA Party building column, Party building culture wall, and other carriers, and updated the Party building culture wall 4 times throughout the year. A total of 71 articles on policy interpretation and work updates were published, with 12 articles adopted by the parent group. It assisted regional Party branches in writing 11 articles, achieving a more consolidated ideological front and more precise risk control.



Party Lecture

Education and Learning on the Spirit of the Central Eight-Point Regulations

Work Style Construction

The Company strictly implemented all deployments on Party conduct and clean governance, integrating the education and learning of the spirit of the Central Eight-Point Regulations throughout the year. It conducted 13 special learning sessions, sent over 2,400 pre-holiday reminder messages, and analyzed 38 typical cases, promoting Party members and cadres to be in awe and maintain vigilance. It conducted 4 comprehensive inspections on the implementation of the spirit of the Central Eight-Point Regulations and its detailed rules, identified and rectified 9 topics, and improved 9 rectification measures, ensuring the spirit of the Eight-Point Regulations was truly implemented in the Company.

Party Building Brand

The Company adheres to the philosophy of “Party building guidance and deep integration” and has established an exclusive Party building brand (LOGO) identity, forming an innovative path for deep integration of Party building under the brand of “Palm’ Honesty and Hard Work, ‘Tree’ Commitment and Responsibility.” Combined with the actual situation of the Company’s Party branch, it has developed a distinctive “Three Three Six” Party building brand working method. The Company focuses on creating an outstanding Party building brand, using “brand strengthening to empower corporate culture upgrading,” deeply promoting the integration of Party building and business, enhancing the combat effectiveness, cohesion, and centripetal force of grassroots Party organizations, continuously improving the quality and level of Party building work, and providing a strong political guarantee for driving the Company’s high-quality development.

The general Party branch of the Company has effectively integrated resources from all sides and improved the overall efficiency of Party building through the “Party Building +” joint construction model. It has given full play to the role of in-service Party members, carried out joint construction activities with sub-district communities and other Party organizations, set up “Party Member Demonstration Posts” and “Party Member Strike Teams”, urged Party members to participate in community-level governance in a solid and effective manner, and guided them to excel in their own positions and strive for excellence.

In 2025, a total of 13 themed Party Day activities were carried out.



Themed Party Day Activities

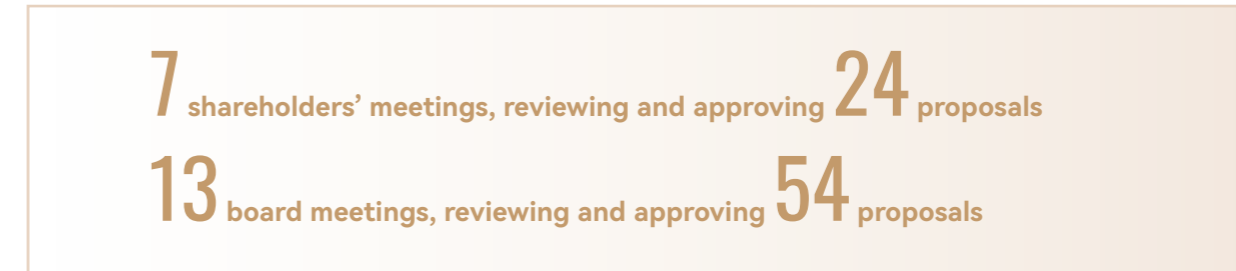
Activities for the 104th Anniversary of the Founding of the Party

Corporate Governance

Governance Structure

The Company strictly complies with the requirements of relevant laws and regulations such as the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, and the *Guidelines for Corporate Governance of Listed Companies*. It has formulated internal rules and regulations including the *Articles of Association*, *Rules of Procedure for Shareholders’ Meetings*, and *Rules of Procedure for Board Meetings*. During the Reporting Period, these were revised and issued in accordance with the latest requirements of relevant laws, regulations, and guidelines. The Company continuously improves its corporate governance structure, forming a governance mechanism with clear responsibilities, mutual coordination, and checks and balances to ensure standardized operation. During the Reporting Period, in accordance with the *Company Law*, *Guidelines for Articles of Association of Listed Companies*, and *Transitional Arrangements for the Implementation of Supporting Rules and Regulations for the New Company Law*, as well as other relevant laws and normative documents, the Company abolished the Board of Supervisors based on its actual situation. The responsibilities of the Board of Supervisors as stipulated by the *Company Law* are now exercised by the Audit Committee of the Board of Directors.

During the Reporting Period, the Company held:



| Shareholders’ Meeting

The convening and conduct of shareholders’ meetings, the qualifications of attendees, and the voting procedures all complied with the *Company Law*, *Rules of Procedure for Shareholders’ Meetings*, and other laws and regulations. The Company strictly sent meeting notices to shareholders 15 or 20 days before the meeting and engaged law firms to topic legal opinions on the shareholders’ meetings. Shareholders’ meetings were conducted both on-site and online to facilitate participation by minority shareholders. For major matters affecting the interests of minority investors, separate voting was implemented to ensure all shareholders could fully exercise their rights.

Board of Directors

The Board of Directors is the decision-making body of the Company and is accountable to the shareholders' meeting. All directors performed their duties in accordance with the *Articles of Association*, *Rules of Procedure for Board Meetings*, *Independent Director System*, and other requirements, attending board and shareholders' meetings diligently and responsibly.

Special Committees of the Board of Directors

The Company's Board of Directors has established three special committees: the Strategy Committee, the Nomination and Remuneration Committee, and the Audit Committee, each with corresponding working rules. Independent directors account for more than one-third of each committee, ensuring the scientific and standardized decision-making of the Board of Directors.

Special Committees	Members (persons)	Independent Directors (persons)	Whether Independent Directors Serve as Chairpersons
Strategy Committee	5	2	No
Nomination and Remuneration Committee	5	3	Yes
Audit Committee	3	2	Yes

Independence of the Board of Directors

The Company formulated the *Independent Director System* and completed revisions during the Reporting Period in accordance with the latest legal and regulatory requirements, further standardizing corporate operations and the conduct of independent directors to continuously improve governance standards. Independent directors owe duties of loyalty and diligence to the Company and all shareholders, perform their duties independently, and are not influenced by the Company, its major shareholders, actual controllers, or other entities or individuals. The Company strictly appoints four qualified experts as independent directors in accordance with regulations, accounting for more than one-third of the total number of board members.

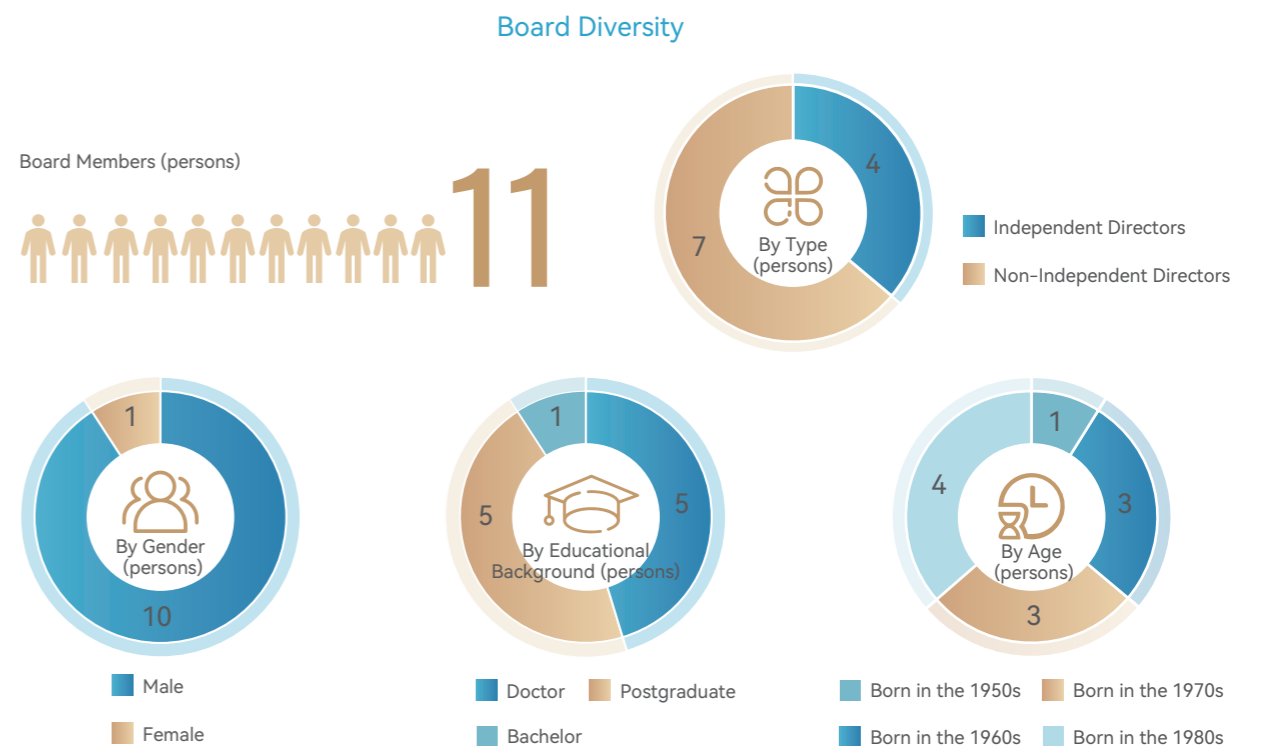
Key Performance:

During the Reporting Period, the Company held **2** special meetings for independent directors.

Board Diversity

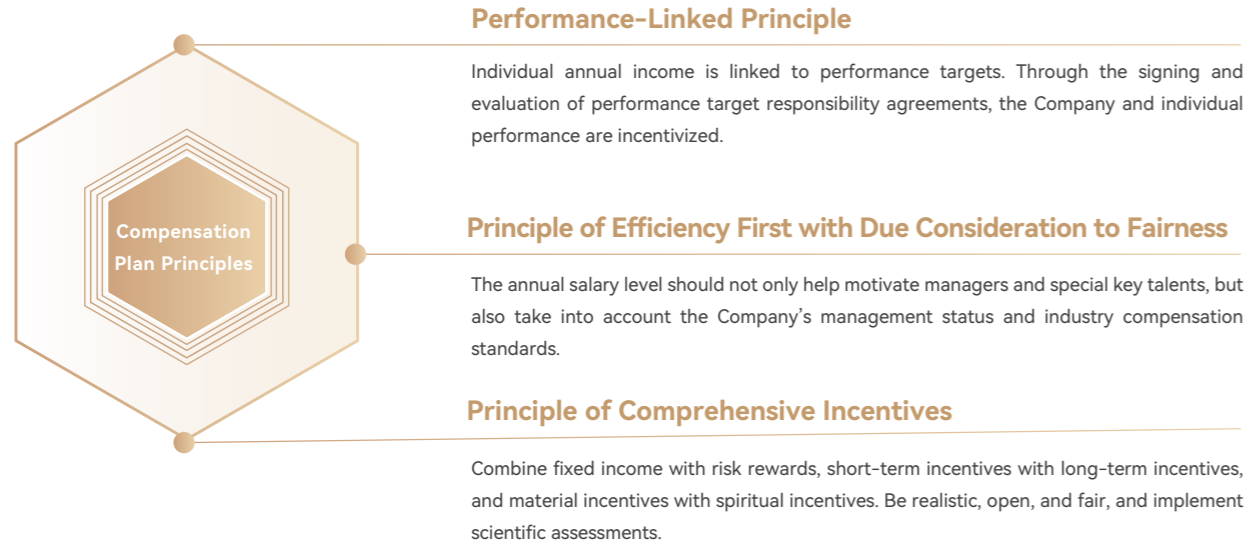
The Company considers factors such as age, educational background, and professional experience to ensure board diversity while meeting business needs. The Company's directors possess profound industry expertise and extensive corporate management experience, enabling them to participate in corporate governance decisions from multiple perspectives.

As of December 31, 2025, the composition of the Company's board is as follows:



Director and Executive Compensation Management

In accordance with the *Company's Articles of Association* and other relevant regulations, the Company determines the compensation plans for directors and senior executives based on industry and regional income levels and the Company's actual operating conditions. During the Reporting Period, to further deepen the compensation distribution system of "performance aligned with rewards" and strengthen the compensation management for directors and senior executives, the Company adjusted the compensation for non-independent directors and senior executives, with the adjustment plan approved by the shareholders' meeting. At the same time, the Company formulated the "Senior Executive Compensation and Performance Evaluation Management System" to further improve the incentive and constraint mechanism closely linked to operational performance and enhance the Company's operational management efficiency. The compensation structure for non-independent directors and senior executives consists of a base salary plus performance-based pay. The base salary is an annual fixed remuneration paid monthly, while the performance-based pay is a variable remuneration paid according to the Company's relevant evaluation systems and results. Independent directors receive a fixed annual salary, determined on an annual basis and paid monthly.



Protection of Investors' Rights and Interests

| Information Disclosure

The Company strictly complies with laws and regulations such as the *Administrative Measures for Information Disclosure of Listed Companies* and has established systems including the *Information Disclosure Management Measures* and the *Registration and Filing System for Insiders with Access to Inside Information* to standardize external information disclosure practices, ensuring timely, truthful, accurate, and complete information disclosure, and safeguarding the fair right to know for all investors, especially small and medium-sized investors. At the same time, the Company attaches great importance to the management of inside information. Unpublished matters shall not be disclosed in advance to any individual or unit, and insider trading is strictly prevented to maintain the fairness, impartiality, and transparency of the Company's information disclosure.

Key Performance

During the Reporting Period, the Company disclosed **4** periodic reports, **116** temporary announcements (excluding periodic reports), and **182** online materials (including all externally disclosed documents such as periodic reports, temporary announcements, and intermediary reports).

| Investor Relations Management

The Company values investor relations management and revised the *Investor Relations Management System* during the Reporting Period to further strengthen communication between the Company and investors and standardize investor relations management. The Company conducts investor communication through various channels, including the Company's official website, telephone, fax, email, on-site investor research visits, earnings conference calls, and participation in collective investor reception days in Henan Province, promptly addressing investors' concerns and maintaining a good trust relationship between the Company and investors. Meanwhile, while complying with information disclosure rules, the Company has established a major event communication mechanism with investors. When formulating major plans involving shareholder rights, the Company engages in full communication and consultation with investors through various means.

Key Performance

Participated in/received investor research activities **5** times, including hosting **1** online earnings conference call for the annual report and participating in **1** collective investor reception day in Henan Province.

Interacted with investors **86** times on the Shenzhen Stock Exchange's Interactive Easy platform, with a response rate of **96.63%**.

| Public Opinion Management

To enhance the Company's ability to respond to various public opinions, during the Reporting Period, the Company formulated the *Public Opinion Management System* in accordance with relevant laws, regulations, and the *Company Articles of Association*, based on the Company's actual situation. This established a rapid response and emergency handling mechanism for public opinions and set up a leading group for public opinion management, with the chairman serving as the head, to ensure timely and appropriate handling of the impact of various public opinions on the Company's stock price, commercial reputation, and normal business operations, effectively protecting the legitimate rights and interests of investors.

▾ Risk Management and Internal Control

Risk Management System

The Company treats risk management as a key task, continuously improving relevant systems and risk prevention mechanisms. Through regular risk assessments, the Company identifies and evaluates various internal and external risks that may affect its operations, covering key areas such as production and operations, financial conditions, external guarantees, litigation and enforcement, and information disclosure, forming quarterly *Risk Assessment Reports*. Based on assessment results, the Company formulates response measures and recommendations for specific risk items, implements dynamic risk management, and promptly handles daily risk events to ensure the continuous and effective operation of the risk prevention mechanism. At the same time, through organizing legal publicity and training, the Company continuously enhances the risk awareness and response capabilities of all employees, providing a solid foundation for lawful and compliant operations.

Internal Audit

The Company continuously improves its internal control management system, formulating the *Internal Audit Work Regulations* and supporting standard manuals to inspect and supervise the compliance of various business processes. The Company conducts regular internal control evaluations annually and tracks and rectifies the evaluation results. Additionally, external audit institutions are hired to conduct independent audits, resulting in internal control evaluation reports and internal control audit reports, continuously optimizing the internal control system and enhancing its effectiveness and risk prevention capabilities.

During the Reporting Period, no significant or material deficiencies in the design or execution of the Company's internal controls were identified.

 **Key Performance**

During the Reporting Period, the Company conducted **15** internal audits, including special engineering audits, economic responsibility audits, internal control management system audits and evaluations, and regular inspections required by the Shenzhen Stock Exchange, identifying **94** topics and proposing **77** audit recommendations.

Tax Management

The Company has established a tax risk management system centered on institutional improvement, professional support, and dynamic compliance, integrating tax risk management with internal controls and external communication to achieve full-process and full-chain tax risk control. The Company has formulated the *Tax Management System* and management processes for various taxes, with the Finance Department uniformly responsible for organizing, supervising, and managing tax-related work, while the financial departments of each unit are responsible for implementing tax-related matters locally to ensure lawful and compliant tax payments.

To strengthen internal controls, the Company has established specialized management systems and internal control processes to standardize financial behavior and mitigate potential risks. By improving financial accounting systems and maintaining strict accounting records, the Company ensures the authenticity and accuracy of tax filings. For annual settlements and complex tax-related matters, the Company relies on professional advice from tax consultants to ensure compliance and avoid risks arising from misinterpretation of policies. In response to major tax policy adjustments, the Company dynamically optimizes tax strategies and promptly updates contracts, invoices, and tax management processes. Additionally, the Company regularly conducts self-assessments of tax risks, develops response plans in advance, and conducts timely reviews and rectifications. It actively strengthens communication with tax authorities to effectively reduce information asymmetry risks.

The Company also focuses on enhancing the professional capabilities of its tax team, dynamically tracking tax policies and organizing training sessions. It has introduced digital management tools, embedding tax management modules into the ERP system to enable automatic alerts and audits of tax-related rules, continuously improving the intelligence and standardization of tax management.

▾ Compliance Operations and Business Ethics

Compliance Operation

To strengthen compliance management and effectively mitigate compliance risks, the Company has formulated the *Compliance Management Measures*, establishing a robust compliance management system and improving mechanisms including institutional construction, risk identification, compliance reviews, risk response, performance evaluation, compliance culture, and supervision and accountability to ensure steady development. The Company has established a three-tier compliance management system at the governance, management, and execution levels. The governance level includes the Company's Party organization and board of directors, while the management level includes the executive team, compliance management leadership group, and chief compliance officer. The execution level follows a "three lines of defense" arrangement, with the risk control and legal department leading compliance management, responsible for organizing, guiding, and promoting compliance efforts. Disciplinary inspection agencies and departments such as audit, inspection, and accountability supervise the implementation of compliance requirements within their authority and investigate violations.

The Company integrates compliance management into key operational areas such as corporate governance, contract management, and market transactions, as well as international operations, to enhance the effectiveness of compliance management and promote high-quality development. Additionally, the Company incorporates compliance management into the Party organization's legal training, annually developing a legal compliance training plan to strengthen compliance education and awareness, fostering a culture of compliance and lawful operations. At the same time, the Company leverages digital processes to ensure the implementation of compliance outcomes.

Case Study: Legal Training on Corporate Governance and State-Owned Asset Management Requirements for State-Controlled Listed Companies

The Company invited senior lawyers with professional expertise to conduct training sessions for all employees, organizing legal training to provide a more systematic and in-depth understanding of legal knowledge among the staff. This enhanced employees' compliance awareness, improved their professional capabilities, and enabled them to better handle practical topics encountered in their work, thereby increasing work efficiency and quality.

Key Performance

Conducted **1** legal training session.



During the Reporting Period, the Company obtained the Compliance Management System Certification issued by the China Quality Certification Center, successfully passing the GB/T 35770-2022 and ISO 37301:2021 dual international and domestic certification for compliance management systems. This marks significant achievements in the Company's compliance management field, elevating its legal compliance level and risk prevention capabilities to a new stage.



Compliance Management System Certification

Anti-Commercial Bribery and Anti-Corruption

The Company adheres to the business philosophy of integrity, incorporating clean governance into routine management, and resolutely opposes and strictly prohibits all forms of corruption and fraudulent behavior. The Company continues to improve its clean governance risk prevention system, strictly complying with national anti-corruption laws and regulations. It has established multiple disciplinary inspection and supervision systems, including the *Internal Supervision Management System*, *Clean Employment Management Regulations*, *Complaint and Reporting Work Management Regulations*, *Interim Measures for Accountability for Violations in Business Investment*, and *Talk Work Management Measures*. Additionally, the Company joined the Enterprise Anti-Fraud Alliance Committee (Guangdong Enterprise Internal Control Association) to further promote a clean and fair business environment. During the Reporting Period, the Company did not incur any major penalties related to commercial bribery or embezzlement incidents.

Internally, the Company continuously strengthens awareness of clean self-discipline by having employees sign the *Clean Employment Commitment Letter* and the *Clean Governance Responsibility Letter*. Externally, the Company signs *Clean Employment Contracts* with relevant partners, extending clean governance requirements to the entire business collaboration process, building an integrated internal and external clean governance system to lay a solid foundation for sustainable development.

Key Performance

- Number of employees participating in anti-commercial bribery and anti-corruption training: **213**
- Number of senior management personnel participating in anti-commercial bribery and anti-corruption training: **5**
- Total duration of anti-commercial bribery and anti-corruption training: **8.08** hours
- Number of employees signing the *Clean Employment Commitment Letter* and *Clean Governance Responsibility Letter*: **111**
- Number of clean governance-related promotional articles published on the Company OA: **107**
- Number of "Clean Culture into Projects" initiatives implemented: **3**



The Company continues to promote the development of an integrity culture. Through diverse forms such as integrity training and warning education, it raises awareness of ethical practice among all employees and jointly fosters a clean, upright and healthy organizational atmosphere.

Case Study: “Strengthening Work Style Construction and Building a Clean Defense Line” Pre-Holiday Warning Education Activity



Case Study: “Ringing the Pre-Holiday Clean Bell and Tightening the Discipline String” Clean Governance Warning Education Meeting



Anti-Unfair Competition

The Company strictly adheres to laws and regulations such as the *Anti-Unfair Competition Law of the People’s Republic of China* and the *Anti-Monopoly Law of the People’s Republic of China*, upholding fair, just, and open principles in commercial competition. In 2025, the Company formulated four marketing systems, including the *Construction and Operation Project Marketing Research and Judgment Management Measures*, and conducted related policy interpretations for some market personnel, clarifying the norms and processes for market work. It continues to establish and improve fair competition and responsible marketing operational mechanisms, actively maintaining a healthy and orderly market environment.

During the Reporting Period, the Company did not experience any litigation or major administrative penalties arising from false advertising or unfair competition practices.

Reporting and Whistleblower Protection

The Company places high importance on reporting management and whistleblower protection, striving to create a safe and reliable reporting environment. The Company has established the *Complaint and Reporting Work Management Regulations* to standardize the management of complaints and reports. The Discipline Inspection and Supervision Department, as an independent oversight body, is fully responsible for the acceptance and investigation of complaints and reports. To facilitate internal employees and external stakeholders in raising topics, the Company has established multiple and accessible reporting channels, including reporting hotlines, email, and mailboxes, to receive information on violations of rules and discipline. The Discipline Inspection and Supervision Department promptly accepts and handles complaints and reports, conducts investigations based on the reported information, and strictly holds violators accountable according to the investigation results. At the same time, all reported information and the identity of whistleblowers are kept strictly confidential.

 Reporting Hotline	020-85189210/85189209 (landline) 13825186571 (mobile)
 Reporting Email	zljc2021@163.com
 Reporting Mailbox	17th Floor, Building 3A, Zhengzhou Haihui Center ; 6th Floor, Building B, Zhuguang New Town International Center, Guangzhou (east side fire stairwell)
 Reporting Website	http://report.palm-la.com:8099/kipoff.aspx
 Mailing And Visiting Address	16-18th Floor, Building 3A, Zhengzhou Haihui Center, Intersection of Dongfeng South Road and Kangning Street, Zhengdong New District, Zhengzhou (Discipline Inspection and Supervision Department), Postal Code: 450000

PART 02

Building Green, Towards Beauty

Response to Topics:

Climate Change Response, Environmental Compliance Management, Energy Utilization, Water Resource Utilization, Pollutant Emissions, Waste Management, Circular Economy, Ecosystem and Biodiversity Protection, Green Building

Palm Eco-Town consistently practices the green development philosophy of "Lucid waters and lush mountains are invaluable assets," actively responds to the national "Dual Carbon" policy, establishes and improves an environmental management system, advances environmental protection management, and deeply develops green innovation technologies such as garden plant cultivation, ecological restoration, and low-carbon environmental protection, contributing to the national ecological civilization construction and the development of new quality productivity.

Climate Change Response



The Company actively responds to the “Dual Carbon” policy, integrating it into corporate development strategies and production management. Based on the Company’s actual conditions, feasible green development planning measures and pathways are adopted to support the national carbon peak and carbon neutrality goals. In accordance with exchange guidelines and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company manages and discloses climate-related matters across four areas: governance, strategy, risk and opportunity identification, and indicators and objectives.

Governance

The Company incorporates “Climate Change Response” as a core issue in its sustainable development and gradually advances the establishment of a climate governance system. The board of directors is the highest body, overseeing and coordinating climate change management. Functional and business departments collaborate to implement and advance specific climate action initiatives.

Strategy

The Company closely monitors the impact of climate change and adopts proactive strategies to gradually build long-term climate resilience, aiming to effectively address climate challenges and seize opportunities from transformational development.

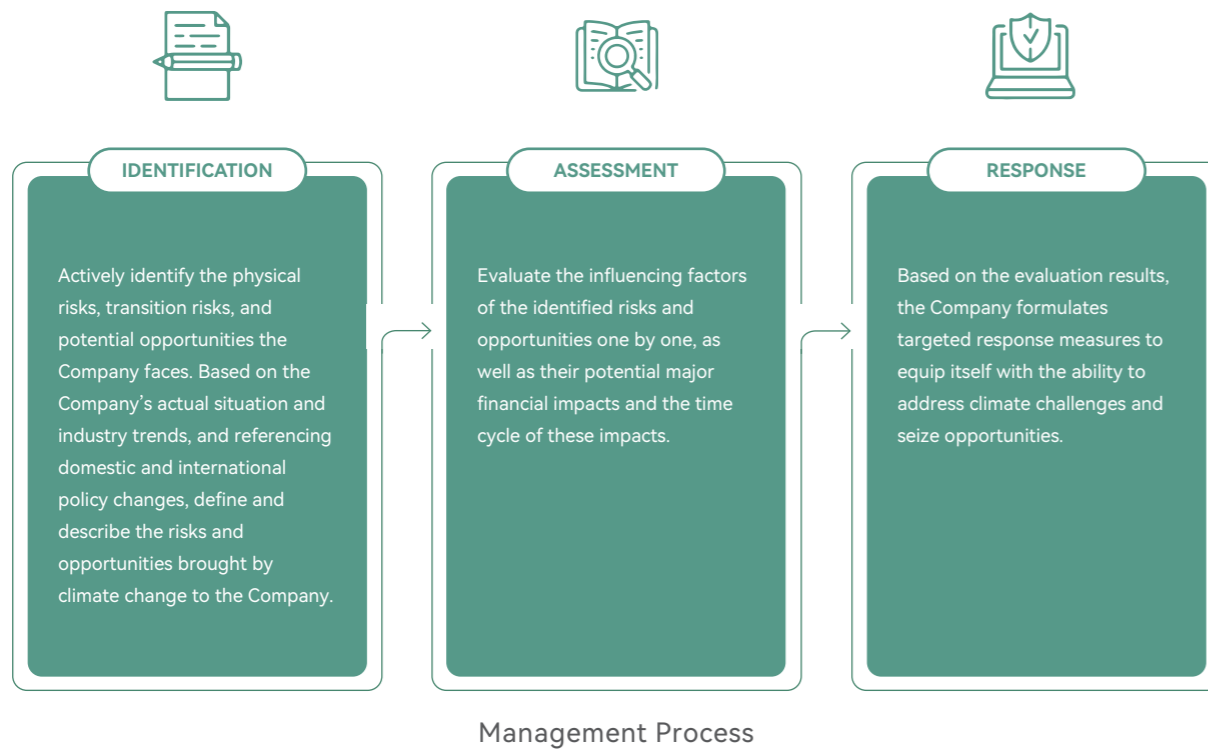
Risk Type	Risk Description	Impact Cycle	Potential Financial Impact	Response Measures
 PHYSICAL RISK	ACUTE RISK Sudden extreme weather events, such as typhoons, heavy rain, or storms, may cause infrastructure damage, engineering structural failures, or lead to water and power outages, further resulting in work stoppages, delayed project deliveries, and impacts on operations and customer relationships. Employees may be unable to work due to extreme weather or face safety risks, leading to labor shortages and reduced productivity.	Short to medium term	Increased operational costs, decreased revenue	<ul style="list-style-type: none"> Strengthen monitoring of weather forecasts and enhance extreme weather risk prevention measures, flexibly adjusting project timelines based on weather conditions; Purchase relevant insurance for employees to enhance safety protection; Develop and implement detailed disaster contingency plans to ensure rapid operational recovery.
	CHRONIC RISK Long-term climate changes, such as rising temperatures and sea levels, may affect business operations. Prolonged high temperatures could increase work difficulty and impact employee health.	Long term	Increased operational costs, decreased revenue	Reasonably arrange working hours, enhance high-temperature work protection, and improve working conditions.
 TRANSITION RISK	POLICY AND LEGAL RISKS Domestic and international climate change and energy management policies and requirements are continuously evolving, imposing higher demands on corporate low-carbon development. Failure to comply with local legal requirements or disclose relevant information may result in regulatory penalties and other risks.	Short to medium term	Increased compliance costs	Closely monitor the latest domestic and international climate-related policies and regulations and respond promptly.
	MARKET RISK Market customer preferences are gradually shifting towards products, services, or design concepts that are more low-carbon and environmentally friendly, which may increase design difficulty and operational costs. Failure to meet customer demands may impact business operations.	Short to long term	Increased operational costs; increased R&D costs	Actively adopt environmentally friendly materials and green building technologies; incorporate low-carbon and environmental considerations into designs.
	REPUTATION RISK As stakeholders pay more attention to climate change, the Company’s reputation may be affected if improvements/enhancements are not made in a timely manner.	Medium to long term	Increased management costs; decreased operating revenue	Strengthen communication with stakeholders and disclose the Company’s climate change response measures in a timely and accurate manner.

Opportunity Type	Opportunity Description	Impact Cycle	Potential Financial Impact
PRODUCTS AND SERVICES	By developing green, low-carbon, and environmentally friendly technologies or services, the Company can enhance its competitive advantage and profitability.	Medium to long term	Increased operating revenue
MARKET OPPORTUNITIES	With the growing global focus on climate change, demand for ecological governance and green, low-carbon construction may continue to rise. The Company can gain market share by deepening its expertise in areas such as landscape plants, ecological restoration technologies, and green, low-carbon technologies.	Medium to long term	Increased operating revenue

Impact Cycle:
 Short-term (within 1 year): The impact on the Company is usually rapid and temporary, with a short duration typically not exceeding 1 year.
 Medium-term (1–5 years): The impact on the Company is more sustained, usually exerting significant influence within 1 to 5 years.
 Long-term (over 5 years): The impact on the Company is profound and lasting, typically lasting more than 5 years.

Impact, Risk, and Opportunity Management

To systematically identify and manage climate-related risks and opportunities, the Company integrates climate-related risks into its comprehensive risk management process, covering the entire process from risk identification to response measures. Through continuous monitoring and regular evaluation, the Company ensures timely responses to new challenges and opportunities brought by climate change.



Extreme Weather Management

The Company's construction projects are susceptible to sudden weather events such as typhoons. To effectively respond to and mitigate the impact of such risks, the Company has established comprehensive emergency plans and strengthens communication with meteorological departments to take preventive measures against extreme weather in advance.



Indicators and Objectives

The Company actively identifies climate-related indicators, formulates carbon reduction targets based on actual conditions, and adopts a series of management measures to reduce greenhouse gas emissions and promote goal achievement.

Carbon Reduction Goals

By 2030, green construction levels will be significantly improved, effectively reducing construction energy consumption and carbon emissions.

Key Performance

Total Greenhouse Gas Emissions **182.50** tons of CO₂ equivalent

Indirect Greenhouse Gas Emissions (Scope 2) **182.50** tons of CO₂ equivalent

Statistical Scope: Calculated based on electricity consumption of the Zhengzhou headquarters office and Guangzhou branch office.

Supporting the Dual-carbon Goals

The Company has long been committed to the research, promotion, and application of green, low-carbon, and environmentally friendly technologies. Leveraging its platform advantages, it collaborates with research institutions for industry-academia-research innovation, forming multiple green technology achievements to promote green and low-carbon transformation in industry, agriculture, and services. In 2025, the Company conducted in-depth research in areas such as green and low-carbon, modern agriculture, ecological restoration, and garden plants, developing a series of technological achievements that effectively improved the quality and efficiency of green construction, reduced construction costs, and achieved synergistic enhancement of green development and economic benefits.

Case Study

Since 2021, the Company has collaborated with Henan Agricultural University and the Shanghai Academy of Landscape Architecture Science and Planning for industry-academia-research cooperation. Combining independent research projects and drawing on forestry carbon sink measurement methods, it proposed methods for carbon storage investigation, carbon pool determination, and biomass measurement tailored to urban green space characteristics and carbon pool composition, providing references for urban green space carbon sink measurement. On October 17, 2025, the group standard *Technical Specification for Carbon Storage Measurement in Urban Green Spaces*, led by the Company, was reviewed and approved by the Standard Committee of the Henan Society of Landscape Architecture and officially released. This standard aims to provide a scientific basis for the measurement and management of carbon sequestration in Henan's green spaces, supporting the regional 'dual carbon' goals while offering ecological support for the ecological protection and high-quality development of the Yellow River Basin.

Case Study

In 2025, the Company deepened its research on carbon sequestration-related technologies in landscaping, completing the screening and evaluation of high carbon-sequestration tree species for Henan's urban greening, providing scientific support for urban ecological construction. The Company's project *Screening and Evaluation of High Carbon-Sequestration Tree Species for Henan's Urban Greening* won the second prize for Scientific and Technological Progress from the Henan Society of Landscape Architecture.



Environmental Compliance Management

Guided by the principles of building a resource-efficient society, improving living environments, and enhancing sustainable development capabilities, the Company has established a sound environmental management and execution system, implementing effective control measures throughout its production and operations to minimize environmental impact, safeguarding the ecological environment and supporting sustainable development through concrete actions.

Environmental Management System

The Company strictly adheres to laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and related standards, following environmental management policies. It has formulated the *Environmental Management System*, establishing an organizational structure led by the general manager, overseen by the production deputy general manager, and implemented by the technical safety department and various regions, branches, and project departments, continuously improving the environmental management system to standardize all production and operational activities and strictly enforce environmental control requirements.

During the Reporting Period, the Company completed the renewal of its GB/T 24001-2016/ISO 14001:2015 certification, with no major administrative penalties or criminal liabilities imposed by environmental authorities due to violations.



Environmental Training

The Company regularly conducts specialized environmental training to clarify corporate environmental management requirements, guide employees in standardized and green operations, continuously enhance environmental awareness and competency, and provide solid support for achieving the Company's environmental protection goals.

Case Study

On August 16, 2025, the Company organized a training session on green construction practices related to "formwork engineering." The meeting focused on exploring ways to reuse discarded formwork generated during construction, summarizing multiple reuse methods. It also emphasized handling materials carefully during construction to reduce dust and increase the reuse rate of formwork.



Environmental Risk Management

The Company strictly controls environmental risks, actively identifying and evaluating environmental factors, systematically inspecting key production and operational processes, dynamically updating environmental factor records, implementing preventive measures, improving environmental emergency plans, and continuously enhancing risk prevention and response capabilities to ensure all environmental risks are under control and safeguard ecological security.

Environmental Factor Identification and Evaluation

In accordance with the *Environmental Management System*, the Company standardizes the process of identifying and evaluating environmental factors, formulating the *Environmental Factor List*, *Environmental Factor Identification and Evaluation Form*, and *Environmental Factor Assessment and Management Plan*. It conducts comprehensive identification and evaluation focusing on pollution emissions, energy and resource consumption, and other key dimensions, tailored to the environmental conditions of the Company and its branches.

| Environmental Inspection

During the Reporting Period, the Company routinely conducted specialized environmental inspections, monitoring, and hazard identification, organizing over **50** environmental inspections covering all ongoing projects and ensuring full coverage of key environmental aspects. Identified environmental issues were all minor hazards, with no major violations. They mainly involved insufficient dust and waste control during construction and minor delays in maintaining environmental facilities. All identified issues were promptly addressed and rectified on schedule. Additionally, the Company established long-term prevention mechanisms, conducted "follow-up inspections", improved environmental inspection workflows, and consolidated rectification results to ensure closed-loop management.

| Environmental Emergency Management

The Company establishes and improves an emergency response mechanism for sudden environmental accidents. Based on the environmental risk identification results of various projects in terms of chemical leaks, flood prevention, waterlogging, extreme weather, etc., targeted environmental pollution emergency plans are formulated. At the same time, in strict accordance with the requirements of the plan, environmental emergency drills are regularly organized and conducted to continuously improve emergency response capabilities.

Pollutant Emissions

The Company strictly complies with laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*. It comprehensively carries out pollution prevention and control work, strictly controls the generation and emission of pollutants such as wastewater, exhaust gas, waste, and noise in all aspects of the Company's operations and project construction, clarifies pollution prevention and control goals, continuously reduces environmental impact, and earnestly fulfills ecological and environmental protection responsibilities.

| Wastewater Management

The Company strictly adheres to the *Integrated Wastewater Discharge Standard* (GB 8978-1996) for wastewater discharge, implements measures for the separation of rainwater and sewage, and comprehensively uses physical, chemical, and biological treatment processes to classify and treat wastewater, effectively reducing water pollutant emissions and continuously improving water resource utilization and pollution control levels.

Wastewater Control Measures



Domestic Sewage

The oil-water separation discharge from canteen kitchens must be equipped with grease traps, which must meet the standard 3-level discharge requirements, and be cleaned regularly.

Septic tanks should be installed for toilets in living and office areas and environmental mobile toilets at construction sites. The project department assigns dedicated personnel to clean them regularly and maintain cleaning records.



Construction Site Wastewater

Drainage ditches should be set up around the project department area, along with three-level sedimentation tanks and sumps, to effectively control the sediment content in wastewater discharged into municipal sewage pipes.

When formulating construction plans, fully consider adopting reasonable technical means or other economically feasible methods to reduce water usage and the use of chemicals and oils, thereby minimizing wastewater generation at the source.

Dynamically monitor relevant indicators of sumps at construction sites, fill out the *Wastewater Monitoring Record Form*, and determine and implement measures to address issues based on wastewater assessment results.

Wastewater treatment and purification should be carried out in sedimentation tanks, and the PH value should be measured before discharge to ensure pollution-free emissions. The interior of sedimentation tanks should be waterproofed to prevent water from seeping into the soil.

The ground at construction sites should be treated to prevent leakage, avoiding the spillage, leakage, or dripping of oils to prevent water pollution.

| Waste Gas Management

With the goal of achieving a significant reduction in sulfur dioxide emissions by 2030, the Company strictly adheres to the *Integrated Emission Standard of Air Pollutants (GB 16297)* for exhaust gas emissions. For emissions such as dust at construction sites and exhaust from construction vehicles and machinery, the Company formulates and implements comprehensive control measures throughout the process to minimize pollutant emissions, ensure compliance with air pollutant standards, and reduce the impact on the surrounding environment.




Exhaust Gas Control Measures

 <p>Particulate Matter Control</p>	<p>Regularly sprinkle water on roads and material storage areas at construction sites to increase air humidity, settle dust particles, and reduce dust.</p> <p>Main roads at construction sites should be hardened according to their use, and soil should be stored in concentrated piles. Exposed areas and concentrated piles of soil should be covered, solidified, or greened.</p> <p>Set up enclosures around construction sites and use dense mesh to enclose building construction to prevent dust from spreading outward.</p> <p>Install bag filters, cyclone dust collectors, etc., on equipment with high dust generation such as concrete mixing stations and material crushing to collect and remove particulate matter from exhaust gases.</p>
 <p>Gas Pollutant Control</p>	<p>Strictly select building and decoration materials. For example, asphalt and coal tar-based anticorrosives are prohibited in civil building decoration, and non-environmentally friendly fuels like coal must not be used in canteens at construction sites to reduce pollution at the source.</p> <p>Strengthen the control of emissions from flame retardants, concrete admixtures containing ammonia, and welding fumes generated during steel bar welding used in construction to ensure compliance with national standards.</p> <p>Use adsorbents such as activated carbon to absorb harmful gases in exhaust, such as benzene and formaldehyde.</p> <p>Under the action of catalysts, convert harmful gases in exhaust into harmless substances, such as converting nitrogen oxides into nitrogen and water.</p> <p>Strengthen patrols at construction sites and strictly prohibit the burning of waste on-site.</p> <p>100% of the cooking fumes from canteens at construction sites must be treated with fume purification before emission.</p> <p>Construction vehicles and machinery must undergo regular annual inspections to ensure their exhaust emissions comply with national annual inspection requirements.</p>

| Noise Management

The Company's construction site formulates noise reduction measures in accordance with the requirements of *Measurement Method of Noise at Construction Site Boundary (GB/T 12524)* and *Noise Limits for Construction Sites (GB/T 12523)*. Noise monitoring points are set up around the construction site for regular dynamic monitoring and timely recording of noise levels to ensure noise emissions do not exceed national standards. For projects that may generate environmental noise pollution during construction in urban areas, the Company submits detailed information of the project to the local environmental protection administrative department 15 days before the start of construction in accordance with relevant requirements.

Noise Control Measures




 <p>Noise Source Control</p>	<p>Preferentially use low-noise construction equipment and processes, such as hydraulic pile drivers instead of diesel pile drivers; regularly maintain and service high-noise equipment to ensure normal operation and reduce noise caused by equipment failure.</p>
 <p>Transmission Path Control</p>	<p>Set up sound barriers, soundproof covers, etc., at the construction site to block noise transmission; reasonably arrange the construction layout to keep high-noise equipment as far away as possible from sensitive areas such as residential zones.</p>
 <p>Time Control</p>	<p>Reasonably schedule construction times to avoid high-noise operations during nighttime (22:00 to 6:00 the next day) and lunch breaks. If nighttime construction is necessary due to special circumstances, a nighttime construction permit should be obtained in advance, and nearby residents should be notified.</p>



| Waste Management

The waste generated during the Company's production and operation activities mainly includes construction waste at construction sites, domestic waste from office and living areas, and hazardous waste. The Company strictly follows relevant regulations to classify and manage waste and ensure compliant disposal, striving to achieve standardized waste management goals. During the Reporting Period, the Company achieved a **100%** compliant waste disposal rate.

Waste Treatment Measures

 Domestic Waste	<p>Set up recyclable and non-recyclable trash bins in living and office areas, arrange for dedicated personnel to transport the waste daily, and fill out the domestic waste transport record form.</p> <p>Toxic and hazardous waste such as used batteries and ink cartridges must be sealed and collected for unified disposal. They must not be mixed or discarded randomly.</p>
 Construction Waste	<p>Classify and stack construction waste according to the actual conditions on-site, assign dedicated personnel to sort and organize the construction waste, and stack it reasonably.</p> <p>Construction sites should establish separate waste storage areas by category.</p> <p>Establish a slurry discharge area at the construction site.</p> <p>The classification rate of toxic and hazardous waste at construction sites must reach 100%.</p> <p>Fill out the <i>Construction Waste Disposal Record Form</i> monthly. Based on the targets for construction waste discharge and utilization rates, determine the control effectiveness and recycling rate of construction waste.</p>
 Hazardous waste	<p>Establish dedicated temporary storage sites for hazardous waste, classify and store hazardous waste such as waste oil and waste paint, and take measures such as anti-leakage to prevent environmental pollution from hazardous waste leakage.</p> <p>Arrange for professional units with appropriate qualifications to carry out recycling and disposal to ensure hazardous waste is treated harmlessly.</p> <p>Establish a waste management ledger to record information such as the amount, type, and treatment methods of waste generated, ensuring compliance in waste handling and disposal at the construction site.</p>

At the same time, the Company continuously improves construction quality standards, strengthens recycling, and other measures to achieve source reduction and resource utilization, minimizing the generation of solid waste and ensuring full utilization and safe disposal.

Waste Recycling Measures

Construction Surplus Materials Such as Concrete, Steel Bars, and Formwork	Reuse to produce secondary structural lintels, wooden bricks, and component formwork, etc.
Wood Scrap	Adopt measures such as splicing wooden battens for reuse, achieving the recycling of construction waste.
Residues Such as Aerated Concrete Blocks and Mortar	After crushing, mixing, and other treatments, they are used for backfilling and reuse in equipment rooms, bathrooms, and other sunken rooms.

| Light Pollution Management

The Company ensures reasonable scheduling of work hours to avoid nighttime construction as much as possible. For necessary nighttime construction, strictly follow the regulations of the construction administrative department and relevant authorities. Strictly control the types and brightness of construction lighting fixtures, reasonably adjust the direction of light irradiation, add lamp covers to tower crane night lighting to concentrate light on the construction area, and take shielding measures during high-altitude welding to avoid arc light leakage. Under the condition of ensuring sufficient lighting for on-site construction, minimize disturbance to the surrounding residents' lives.

Green Construction

In accordance with the *Standards for Environment and Sanitation at Construction Engineering Sites*, the Company has formulated the *Civilized Construction Management System* to systematically improve the level of civilized construction management at construction sites, enhance the working and living conditions on site, safeguard employees' physical health, and protect the ecological environment. To implement the technical and economic policies of land-saving, energy-saving, water-saving, material-saving, and environmental protection in construction projects, the Company adopts advanced technical measures and management to maximize resource conservation, improve energy efficiency, reduce the adverse environmental impact of construction activities, and standardize green construction management. The "Two Institutes and One Center(Phase I)" project has formulated multiple management systems such as the *Green Construction Management System* and *Green Construction Training System*. The project establishes a green construction management system with the project manager as the primary responsible person, formulates a green construction management responsibility system, regularly conducts self-inspections, assessments, and evaluations, and organizes green construction education and training to enhance the green construction awareness of construction personnel, creating prerequisites for green buildings and high-quality projects.

The Company strictly ensure that construction projects comply with green building standards. The "Two Institutes and One Center(Phase I)" project was awarded the first batch of Zhengzhou City's Green Construction Demonstration Projects in the construction industry in 2025, and the provincial-level green construction site is currently under application.

Case Study

On April 7, 2025, the Company organized a training session on the application of green construction technology and an exchange meeting on innovative green construction technologies. The meeting primarily covered the application of innovative green construction technologies such as decorative fair-faced concrete technology, bolt hole sealing technology, self-adhesive insulation film curing technology, prefabricated component application technology, reactive-bonded polymer wet-laid waterproof membrane technology (CCB reactive adhesion), LED temporary lighting, and solar-powered mobile phone charging boxes on construction sites. It emphasized the importance of innovation and actively promoting green construction technologies based on actual project conditions.



Case Study

The "Green Construction Management Team" of the Company's Two Institutes and One Center Phase I project utilized rainy weather and spare time at migrant worker schools to organize training sessions for all management personnel on the *Green Construction Guidelines*, *Green Construction Evaluation Standards for Construction Projects*, and *Main Indicators for the Acceptance Evaluation of National Green Construction Demonstration Projects in the Construction Industry*. They also conducted briefings for all management personnel. When signing labor contracts with subcontractors and material supply contracts with suppliers, they clearly specified green construction requirements and material performance requirements to ensure source constraints and control. During technical briefings for construction personnel, they also included green construction briefings to help workers understand the essence of green construction, its importance, and how to apply green construction technologies in engineering projects.

Resource Efficiency Enhancement

Energy Management

The Company's main energy consumption comes from purchased electricity, gasoline, etc. The Company strictly complies with relevant laws and regulations such as the *Energy Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, and has established systems such as the *Energy Saving and Consumption Reduction Management System* and the *Material Transportation and Construction Energy Saving and Energy Utilization System* to standardize the use of office and production energy equipment and manage energy consumption in material transportation and construction. Through measures such as introducing energy-saving equipment, strengthening energy equipment management, optimizing construction processes, and promoting an energy-saving culture, the Company reduces energy consumption.

Energy-saving and Consumption Reduction Measures

- 01

Use Energy-Saving Lamps or Materials

 - ▶ 100% of the lighting in office areas and construction sites uses LED energy-saving lamps.
 - ▶ Temporary facilities use energy-saving materials, with walls and roofs made of fireproof and thermally insulated rock wool color steel plates.
- 02

Strengthen Equipment Management and Maintenance

 - ▶ Operating and maintenance departments strictly implement energy-saving measures and regularly inspect electrical facilities.
 - ▶ Lighting, air conditioning, and sockets in living areas are controlled separately with three circuits, each equipped with a control box and meter. The control box includes a time switch to reasonably save electricity while meeting daily usage needs.
- 03

Reduce Office Energy Consumption

 - ▶ Reduce air conditioning electricity load and minimize air conditioning usage time.
 - ▶ Office equipment such as computers, printers, and copiers should reduce standby power consumption, and power should be turned off promptly.
- 04

Reduce Construction Energy Consumption

 - ▶ The procurement of materials for engineering construction primarily follows the proximity principle to shorten transportation time and reduce energy consumption.
 - ▶ During on-site construction, energy-efficient construction techniques are prioritized to save energy and reduce consumption while meeting design requirements.
 - ▶ Based on the characteristics of construction techniques, work schedules are rationally arranged to avoid nighttime construction as much as possible, thereby reducing significant energy consumption.

| Indicators and Objectives

The Company has set energy management goals, planning to reduce energy consumption by **30%** by 2030 compared to the 2024 baseline.

Indicator	2025
Total Purchased Electricity	343,955kWh
Total Energy Consumption	42.27tons of standard coal

Statistical Scope: Zhengzhou headquarters office and Guangzhou office. Among these, energy consumption is calculated based on the total purchased electricity.

Water Resource Utilization

The main source of water resources consumed during daily office operations and construction projects is municipal water supply. The Company strictly adheres to national laws and regulations such as the *Water Law of the People's Republic of China* and related standards, establishing water-saving management systems and strengthening water usage management. Adhering to the principle of water conservation, the Company actively implements water-saving measures and water recycling practices in office and construction processes to reduce waste and improve water resource efficiency.

Water-saving Management Measures

- Promote the use of new water-saving appliances, install sensor faucets in office areas, and use water-saving fixtures in restrooms;
- Advocate for water conservation by placing prominent water-saving signs at water sources;
- Separately measure domestic and construction water usage, and control water supply periods in living areas;
- Strengthen the inspection of water-using equipment to eliminate occurrences of "running, bubbling, dripping, and leaking".

Water Recycling Measures

- Wastewater treated in sedimentation tanks at construction sites can be recycled or used for dust suppression, promoting water resource reuse.
- Reuse of foundation pit dewatering and rainwater, prioritizing this water for car wash machines and sprinklers, and installing water recycling systems to reuse car wash water after sedimentation.

At the same time, for the awarded high-standard farmland projects, water-saving technologies or advanced water-saving equipment are actively adopted in the project design, and numerous integrated water and fertilizer facilities are constructed to reduce the waste of water resources caused by the traditional flood irrigation farming model, thereby promoting water conservation and achieving agricultural water-saving goals.

| Indicators and Objectives

To further strengthen water resource management, the Company has set water resource management targets, aiming to significantly improve water use efficiency by 2030, with office area water consumption reduced by **10%** compared to 2024.

Indicator	2025
Total Water Consumption	129 tons

Statistical Scope Explanation: Water consumption at the Zhengzhou headquarters office.

Material Management

To enhance material control, the Company has formulated management measures such as the *Self-operated Materials Management Measures for the Construction Sector (Trial)* and the *Quota Material Receipt Management System* based on its actual business model. These measures clearly define the procurement, storage, usage, maintenance, and disposal of materials for self-operated construction projects and implement quota-based material receipt for materials used in construction. This strengthens the management of material conservation and resource utilization, assesses material usage by construction teams, improves the planning and rationality of material use, and strives to reduce material waste and maximize material utilization through standardized, full-process control.

| Standardized Material Management

The Company implements corresponding management measures at key stages of material management, optimizing multiple links to effectively improve overall material use efficiency, reduce waste, and minimize environmental impact.



Procurement	Procurement plans are developed based on construction progress, material turnover time, and inventory levels, with reasonable quantities determined to reduce inventory and working capital occupancy, avoiding over-purchasing and preventing backlog or waste.
Storage	Implement classification and labeling management, ensure suitable environmental conditions, maintain accurate inventory records, and conduct regular safety inspections to prevent material damage and safety incidents.
Transportation	Develop detailed transportation plans, adopt appropriate packaging and protective measures, select suitable transportation tools, monitor the transportation process, and prepare contingency plans for emergencies.
Collection and Use	Establish a material requisition and approval process, implement a quota-based material receipt system, ensure raw materials are collected as needed and used correctly, and avoid waste.

| Reduction and Recycling

Adhering to the circular economy principle of “reduce, reuse, and recycle,” the Company integrates efficient resource utilization throughout the production process, reducing resource consumption and waste generation at the source, continuously improving resource utilization, and supporting green, low-carbon, and high-quality development. During engineering projects, the Company actively promotes material recycling and conservation measures. For materials such as packaging generated during projects, the Company strictly follows construction technical regulations to maximize recycling.

Reduction and Recycling Practices

Material Recycling Measures in Construction Projects

- Use detachable prefabricated houses for office and living areas;
- Use detachable fences and wrought iron fences that can be reused.
- Use standardized protective railings for site roads, edges, and safety passages.
- Use standardized protective sheds for power distribution boxes, processing sheds, and tower cranes.
- Use steel safety nets for external scaffolding protection.
- The project involves large-scale, high-space construction, utilizing a new type of disc-lock scaffolding for high-space operations, achieving over 70% reuse of scaffolding and other recyclable materials.

Resource-Saving Measures for Construction Project Materials


- The project is a frame structure, reinforced with square clamps and aluminum square tubes, effectively reducing material waste compared to traditional methods.
- Using standardized reusable molds, leftover concrete from main structure pouring is repurposed to create secondary components like wooden bricks and lintels for electrical switch boxes, effectively conserving concrete and minimizing waste.
- Templates with a width of no less than 30 cm are spliced for use, reducing template waste without compromising construction quality.

Packaging Material Recycling

- A recyclable materials list is established on-site, collecting and reusing packaging materials such as template wrappings, food packaging boxes, and office waste paper generated during construction. Non-recyclable packaging is stored in designated areas to prevent environmental pollution.

Green Office


The Company integrates green office concepts into daily operations, actively practicing water and electricity conservation, promoting paperless workflows, and maintaining clean living and office environments to foster a sustainable, employee-engaged office ecosystem.

 Office Management	Purchasing and using recycled paper, printing on both sides to save paper.
	Developing online OA and BIP processes to advance paperless operations.

↘ Ecosystem and Biodiversity Protection

While pursuing high-quality development, the Company strictly adheres to ecological protection redlines and natural habitat conservation requirements, complies with environmental laws and regulations, actively adopts eco-friendly technologies and processes, and participates in ecological restoration and species protection to practice green development and build a sustainable harmony between humans and nature.

Strategy

Risk Type	Risk Description	Impact Cycle	Potential Financial Impact	Response Measures
 MARKET RISK	As market focus on ecological and biodiversity protection grows, failure to adapt to changing preferences may lead to loss of market share.	Long term	Decrease in operating revenue	Monitor consumer preferences and actively implement biodiversity protection measures.

Opportunity Type	Opportunity Description	Impact Cycle	Potential Financial Impact	Response Measures
 PRODUCTS AND SERVICES	For damaged ecosystems, companies can provide restoration services such as saline-alkali land treatment and polluted soil remediation. These services not only protect the ecological environment but also enhance corporate reputation and economic benefits.	Medium term	Increased operating revenue	Actively develop technologies such as garden plant cultivation and ecological restoration, adhere to the principles of sustainable development in the planning, design, construction, and operation processes, implement measures such as green buildings and ecological restoration, participate in ecological restoration, pollution prevention, green and low-carbon, and urban ecological projects to protect the ecological environment.
 REPUTATION OPPORTUNITIES	By actively fulfilling biodiversity protection responsibilities, enterprises can establish a good brand image and corporate citizenship image, which helps enhance market competitiveness and consumer recognition, bringing more business opportunities and partners.	Long term	Increased operating revenue	

¹ Impact Cycle:

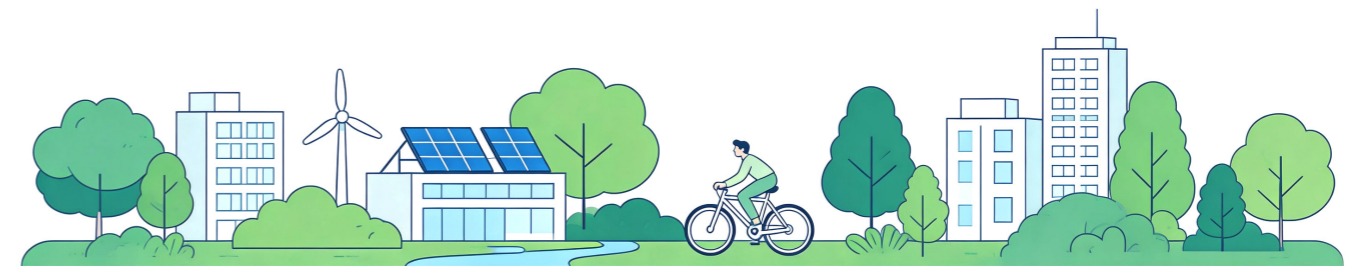
Short-term (within 1 year): The impact on the Company is usually rapid and temporary, with a short duration typically not exceeding 1 year.

Medium-term (1-5 years): The impact on the Company is more sustained, usually exerting significant influence within 1 to 5 years.

Long-term (over 5 years): The impact on the Company is profound and lasting, typically lasting more than 5 years.

Governance

The Company actively responds to the *UN Convention on Biological Diversity*, engages in ecosystem and biodiversity protection practices, implements strict ecological impact control measures, and develops and applies ecological restoration technologies to minimize direct and indirect impacts of operations on natural ecosystems and biodiversity. Simultaneously, the Company continuously enhances team expertise through professional training, raising employee awareness and skills in biodiversity protection.



Impact, Risk, and Opportunity Management

Company project construction may affect the local plant environment, disturb micro-ecosystems, and disrupt the original ecological balance. In river and lake management and rural environmental comprehensive improvement projects, the Company conducts preliminary surveys of plant and biological resources at the project site and incorporates ecological restoration technologies into the project planning. By using scientific methods such as the Shannon-Wiener index and Simpson index to assess and identify ecosystem diversity risks, the Company fully utilizes its developed eco-friendly technologies for ecological restoration, employing near-natural methods to enrich species resources at the project site for in-situ species conservation, achieving ecological balance and enhancing ecological stability.

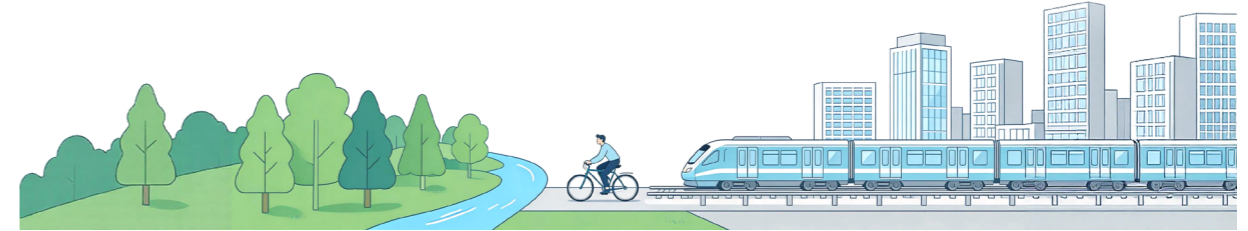
Indicators and Objectives

Before designing related projects, the Company conducts thorough project research and analysis, integrates ecological restoration technologies into the planning, and fully utilizes ecological restoration technologies during construction to achieve biodiversity conservation.

Goals	Achievement Status
Zero occurrence of biodiversity impact accidents	Achieved
Zero occurrence of ecological safety accidents	Achieved
100% pre-construction inspection rate of ecological environment and biodiversity impacts	Achieved

Ecosystem and Biodiversity Practices

The Company actively promotes ecosystem and biodiversity conservation, continuously strengthens the development and application of ecological restoration technologies, and improves ecological governance and restoration efficiency. It solidly advances the development, cultivation, and protection of new plant varieties, effectively enriching species diversity. At the same time, the Company actively participates in the construction of ecological towns, optimizes regional ecological spatial patterns, fulfills its responsibilities in ecological garden construction, increases green coverage, improves the living environment, and maintains regional ecological balance through multi-dimensional protection and construction measures, promoting harmonious coexistence between humans and nature.



| Development and Application of Ecological Restoration Technologies

The Company has developed a series of ecological protection technologies, such as “Multi-coupling Long-term Low-carbon Water Ecological Restoration Technology,” “Sponge City Green Space Water Landscape Comprehensive Ecological Restoration Technology,” and “Comprehensive Ecological Restoration Technology for Urban and Rural Green Space Landscape Water Bodies,” and successfully applied these technologies in projects, effectively enriching species diversity, enhancing ecosystem stability, and improving ecological restoration efficiency.

| Protection of Biological Genetic Resources

The Company has established the most comprehensive joint germplasm resource nursery for Magnolia species and cultivars in China. By introducing cuttings, seeds, or seedlings, the Company has collected and preserved 135 species (including varieties) of Magnoliaceae from 10 genera worldwide and 210 cultivars. It has conducted comprehensive field surveys and ex-situ conservation of several rare Magnolia species in China, researched their endangered mechanisms and protective utilization measures, and established germplasm resource nurseries to provide demonstrations for the protective development and utilization of rare plants.

Currently, the Company’s new varieties and key technologies have been promoted and applied in over 100 greening projects across 15 provinces and cities in China. The projects have established 10 demonstration bases, with new and superior Magnolia varieties covering a production and promotion area of 3,450 mu, cumulatively producing over 20 million Magnolia seedlings. The 47 Magnolia varieties granted new variety protection rights by the National Forestry and Grassland Administration combine the excellent traits of domestic and international Magnolia species, achieving significant breakthroughs in ornamental value and stress resistance.

| Supporting Ecological Garden Construction

As a member unit of the China Society of Landscape Architecture, a national first-level industry association, the Company has actively participated in various activities organized by the society for many years. Under the society’s leadership, it has achieved fruitful results in garden carbon sinks, ancient and famous tree protection, and garden plant cultivation technologies. The Company has actively participated in the formulation and release of multiple standards by the society, making significant contributions to the ecological construction and development of landscape architecture and promoting the advancement of plant diversity conservation.

Based on its advanced experience in eco-town construction, the Company has compiled and released the corporate standard *Guidelines for the Evaluation Index System of Eco-Towns*, guiding enterprises in eco-town construction from five dimensions: resource conservation, environmental friendliness, economic sustainability, social harmony, and cultural heritage. By establishing a scientific, systematic, and operable evaluation index system for eco-towns, this initiative implements important measures of the national ecological civilization construction strategy, guiding towns to practice the concept that “lucid waters and lush mountains are invaluable assets” throughout the entire cycle of planning, construction, and operation.

PART 03

Value Symbiosis, Industry Co-progress

Response to Topics:

Innovation-Driven Development, Product and Service
Safety and Quality, Supply Chain Security, Data
Security and Customer Privacy Protection

Palm Eco-Town actively responds to and thoroughly implements the overall development strategy of 'One Body, Two Wings,' insisting on innovation and R&D as the core driving force to empower industrial optimization and upgrading. The Company is committed to continuously improving the quality of its products and services, thereby winning the deep trust of customers and enhancing its core competitive advantages in multiple dimensions and comprehensively. At the same time, it actively collaborates with a wide range of partners to explore and steadfastly move toward a sustainable future.

▾ Innovation-driven Development

The Company adheres to the innovative concept of 'Research for Application, Technology for Empowerment,' focusing on areas such as landscape plants, ecological restoration, green construction, and modern agriculture. It continuously deepens scientific and technological research and development to enhance core competitiveness, driving high-quality development through innovation.

R&D Governance System

To further standardize and strengthen the Company's R&D project management and improve the quality of R&D project implementation, the Company has established management systems such as the *R&D Project Management Measures*, constructing a comprehensive R&D management system covering the entire process from project application and initiation to organization, implementation, and final acceptance. The Company's Ecological Technology Research Institute is responsible for the overall management of R&D projects, including patents and trade secrets, ensuring the normal operation of the Company's scientific research and intellectual property work and the achievement of development goals.

| R&D Platform Construction

As of now, the Company has established 14 national, provincial, and municipal R&D platforms, including the National Flower Engineering Technology Research Center Palm R&D and Promotion Center, the Henan Provincial Ecological Landscape Engineering Technology Research Center, and the Guangdong Provincial Ecological Landscape Engineering Technology Research and Development Center. Relying on these platforms, the Company continues to invest in R&D innovation, constantly introducing new products and technologies.

R&D Platforms and Qualification Certifications

Palm Eco-Town

1 national-level R&D platform, **7** provincial-level R&D platforms, **4** municipal-level R&D platforms, and **2** other R&D platforms;

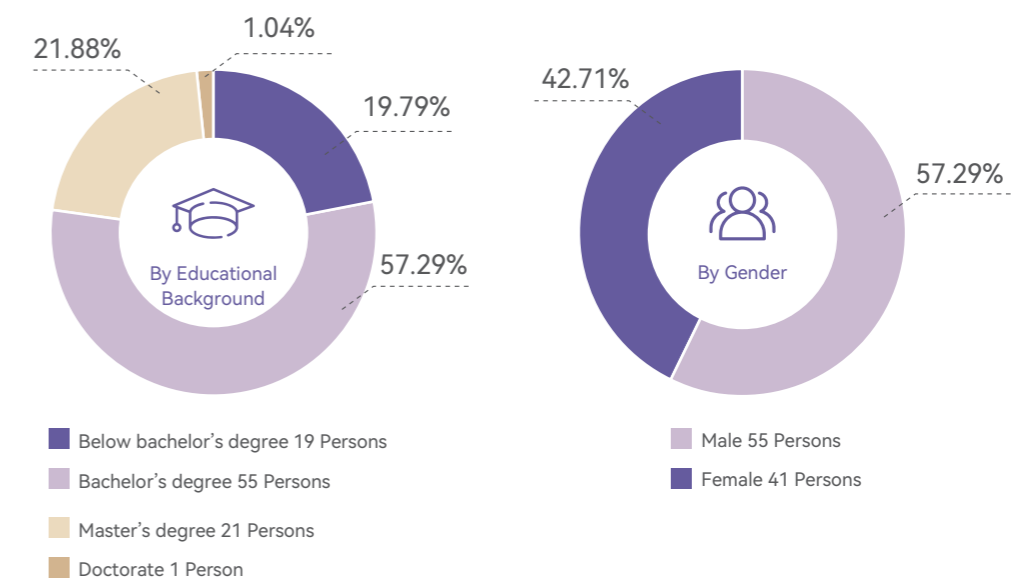
Recognized as a National High-Tech Enterprise, Zhengzhou Sci-Tech Enterprise, and Zhengzhou High-Tech, High-Growth, High-Value-Added Enterprise

Palm Design Group

Recognized as a National High-Tech Enterprise

| R&D Team Building

The Company continuously focuses on the construction of a scientific and technological innovation talent system, further leveraging the technical leadership of professionals by strengthening the introduction of high-end talents. By the end of the Reporting Period, the Company's R&D team had grown to 96 people, accounting for 11.85% of the total workforce.



| Innovation Incentives

To encourage independent innovation, stimulate the enthusiasm and initiative of all employees in technological innovation, and enhance the Company's core competitiveness, the Company has formulated the *Management Measures for the Transformation of Scientific and Technological Achievements* and the *Reward Measures for Scientific and Technological Innovation*, establishing multiple rewards covering government research projects, innovation subsidies, and R&D achievements, with incentives covering all employees. In 2025, the Company further optimized the scientific and technological innovation incentive mechanism, promoted the online construction of the incentive process, and effectively enhanced employees' innovation vitality and motivation.



Strategy

The Company closely tracks changes in the internal and external environment, such as market dynamics and technological evolution, systematically identifies potential risks and opportunities in the field of innovation and R&D, and formulates targeted response strategies to continuously consolidate and enhance the Company's core competitiveness.

Risk Type	Risk Description	'Impact Cycle	Potential Financial Impact	Response Measures
 MARKET RISK	The competitive market environment and demand are constantly changing. If new products or technologies fail to meet market expectations, it may lead to a decline in market share.	Medium to long term	Decrease in operating income	Monitor and promptly grasp market trends, and conduct product R&D based on business needs; establish and improve an innovation and R&D mechanism, continuously increase R&D investment, and enhance the Company's R&D capabilities.
 TECHNICAL RISK	The Company's main business R&D involves cross-disciplinary fields, making breakthroughs in core technologies difficult, and the R&D cycle may exceed expectations.	Medium to long term	Increase in R&D costs	Actively recruit new talent, accelerate the construction of R&D platforms, strengthen industry-university-research collaboration, promote breakthroughs in key technologies, and achieve the transformation of achievements.

Opportunity Type	Opportunity Description	'Impact Cycle	Potential Financial Impact	Response Measures
 POLICY OPPORTUNITY	Policies such as new urbanization, rural revitalization, and ecological restoration have generated a large number of project demands, such as smart agriculture transformation and urban green space construction. With policy support, the Company's innovation capabilities and reputation are enhanced, bringing substantial profit returns.	Long term	Increase in operating income, decrease in R&D costs	Actively identify policy changes and align project R&D with policies; continue to advance the development of ecological restoration technologies and the layout of modern agricultural technologies.
 OPPORTUNITIES FOR INDUSTRIAL UPGRADING AND TRANSFORMATION	Promote the Company's industrial upgrading and transformation by introducing digital, intelligent, and green technologies.	Long term	Increase in operating income, decrease in operational costs	Actively apply informatization and digital technologies, deepen smart empowerment, and accelerate the digital construction process.

'Impact cycle:

Short-term (within 1 year): The impact on the Company is usually rapid and temporary, with a short duration typically not exceeding 1 year.

Medium-term (1-5 years): The impact on the Company is more sustained, usually having significant influence within 1 to 5 years.

Long-term (over 5 years): The impact on the Company is profound and lasting, typically lasting more than 5 years.

Management of Impacts, Risks, and Opportunities

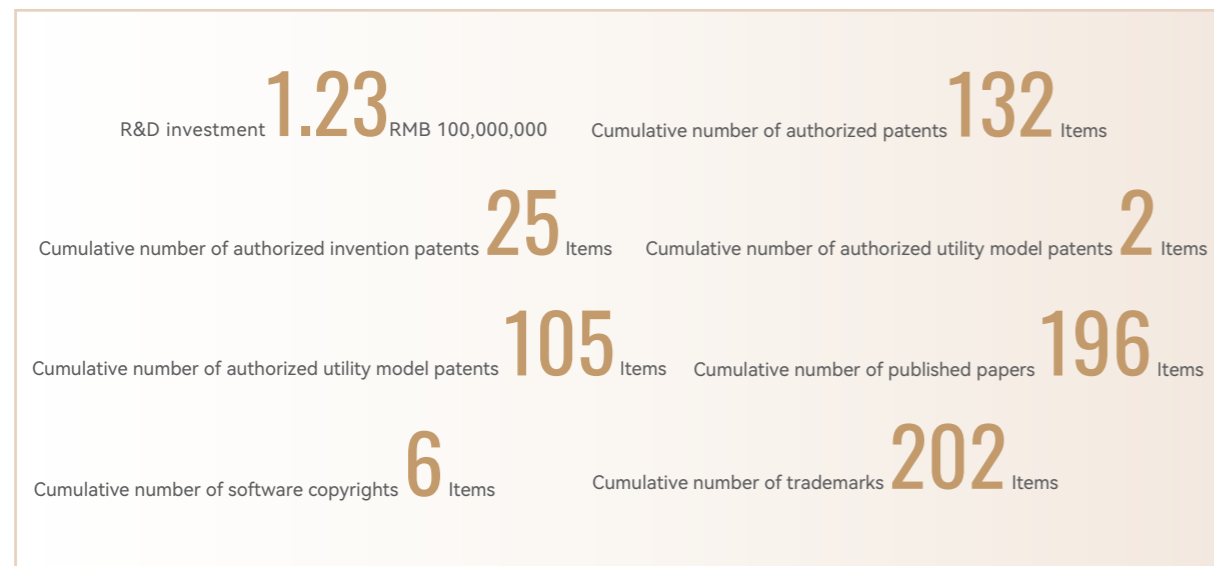
Before initiating a research and development project, the relevant project leader in the Company conducts both online and offline research to understand industry trends and the Company's actual needs. The project is then planned based on the Company's strategic goals. Upon completion of the project proposal, the Ecological Technology Research Institute organizes expert reviews. The research direction is optimized based on the review feedback to mitigate early-stage risks. During the R&D phase, the project leader implements dynamic management, prepares annual summary reports to track progress, and controls risks throughout the R&D process.

Indicators and Objectives

In terms of innovation and R&D, the Company primarily selects metrics such as the number of achievements, patent conversion efficiency, industry-academia collaboration, and government projects as key considerations, and formulates clear target plans accordingly.

Objective	Achievement Status in 2025
Patent implementation conversion efficiency to reach over 95%	100%
Expand and maintain industry-academia collaborations with 2 partners	3
Apply for 4 government projects	4

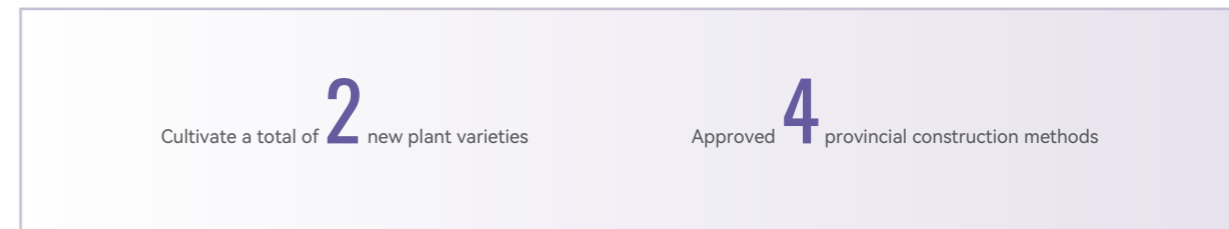
Palm Eco-Town



R&D Achievements

The Company is committed to developing new plant varieties, ecological restoration technologies, and green dual-carbon technologies, while actively advancing modern agricultural technology R&D. In recent years, it has achieved a series of R&D results in the integration of construction engineering and green ecology. Additionally, the Company's R&D direction extends to agriculture and municipal facilities, covering garden tools, fertilizer crushing equipment, farmland pump station components, and plant cultivation processes, forming a diversified technological layout.

Key Performance



Case Study: Breeding and Promotion Project of High-Quality Japonica Rice Along the Yellow River

The Company collaborated with Henan Agricultural University on the Breeding and Promotion Project of High-Quality Japonica Rice Along the Yellow River, establishing a cooperative model of 'research institutes + listed companies + platform companies + village collectives' to create a closed-loop, full-industry chain encompassing 'seeds - planting - storage - processing - packaging - logistics - sales,' achieving end-to-end management of 'investment, financing, construction, operation, and management.' As of the end of the Reporting Period, the project had applied for 3 invention patents, developed 1 new rice variety, published 2 papers, and provided technical services and guidance at least 3 times. It effectively fills the gap in the Company's rice R&D field, lays out core technology research for future agricultural development, enhances the Company's technical accumulation in agriculture, strengthens its influence in the agricultural sector, and lays a solid foundation for the Company's transformation.

●○○ Science and Technology Achievement Awards



2025 Henan Province Landscape Architecture Science and Technology Progress Award First Prize



Second Prize of Henan Provincial Landscape Architecture Science and Technology Progress Award in 2025

●○○ Transformation of Scientific and Technological Achievements

Case Study

The independently cultivated new varieties of camellias and magnolias have been promoted and planted on a cumulative area of several thousand acres, increasing farmers' income. Some varieties have been licensed for promotion to Europe, receiving high recognition from the International Camellia Society and distributors.



Linglong Magnolia Series
Small shrub, dwarf and compact habit, dense flowers, fragrant



Multi-Season Magnolia Series
Shrub, flowering in two or three seasons



Zhuangli Magnolia Series
Tree or large tree, fast-growing, large and showy flowers, highly double



Lingshuang Magnolia Series
Shrub or tree, evergreen, cold-tolerant, dense flowers, fragrant



Hongtian Xiangyun (Variety Rights No.: 20190322)



Zonglin Xianzi (Variety Rights No.: 20190032)



Huangtiaoji (Variety Rights No.: 20170040)



Caihuang (Variety Rights No.: 20170039)

Case Study

Through industry-academia-research collaboration, a series of products such as soil conditioners and multifunctional microbial agents have been developed. Pilot test results show significant effects on soil improvement and fertility enhancement. High-quality rice varieties from Henan Agricultural University were introduced, and a demonstration project integrating primary, secondary, and tertiary industries of rice was established in Fan County, with the first batch of planting covering thousands of acres, promoting rural revitalization through industrial development.



Industry Co-construction

As a leader in industry ecosystem co-construction, the Company has established a tripartite linkage mechanism of 'peer exchange - industry-academia-research collaboration - standard setting,' continuously participating in academic exchange conferences, deepening technical cooperation with universities, and leading the formulation of multiple industry standards to provide momentum for sustainable industry development.

| Industry Exchange

To date, the Company has joined **11** industry organizations, sharing cutting-edge technologies, innovative ideas, and practical achievements with the industry through annual conferences and seminars, jointly analyzing industry trends and challenges, promoting efficient information exchange and deep integration of ideas, and contributing to overall industry technological progress and business expansion.

The 15th Annual Conference of the Chinese Society of Landscape Architecture was successfully held in Kunming, Yunnan Province. The Company was invited to attend and deliver a keynote speech, sharing its years of continuous investment in the R&D of new plant varieties and the resulting industrialization achievements.





The Henan Provincial Symposium on High-Quality Japonica Rice Along the Yellow River, jointly organized by the Company, Henan Agricultural University, and the Agriculture and Rural Affairs Bureau of Fan County, Puyang City, was held in Chenzhuang Town, Fan County. Experts and scholars engaged in in-depth discussions on topics such as japonica rice variety breeding, scientific cultivation, model innovation, and brand building.

| Industry-Academia-Research Collaboration

The Company highly values collaboration with universities and research institutions, building an integrated 'industry-academia-research-application' platform to accelerate the transformation of scientific research into productivity and provide a 'technology engine' for industrial development.

Case Study

On April 22, the Company signed a strategic cooperation agreement with the People's Government of Fan County, Puyang City, and Henan Agricultural University. Through this agreement, the Company will comprehensively support the high-quality economic and social development of Fan County in seven major areas, including rural revitalization and new urbanization construction. Henan Agricultural University will focus on its rice research team to strengthen the application of new varieties and technologies in Fan County, extend the rice industry chain, and provide solid technical support for Fan County to become an agricultural powerhouse. The collaboration between the Company and Henan Agricultural University will build an integrated 'industry-academia-research-application' platform, accelerating the transformation of scientific research into productivity and providing a 'technology engine' for the development of the rice industry in Fan County.



| Standard Certification

In 2025, the Company actively organized internal experts to deeply study industry development trends and technological needs, closely collaborating with authoritative institutions and enterprises. Throughout the year, it led or participated in the formulation of **1** national standard, **1** group standard, and **4** enterprise standards, covering various professional fields such as smart landscaping, greenhouse construction, urban greening, and ecological evaluation. By transforming the Company's innovative practices into technical rules followed by the industry, it not only gained a development advantage but also strongly promoted the standardized development of green building and ecological engineering.

| Promoting New Quality Productivity

The Company deeply empowers the development of new quality productivity through technological innovation. The Company has established a systematic new camellia hybrid breeding technology, an industrial key technology system, and a new model for commercial development of new varieties, promoting the development of camellia breeding in China and the upgrading and transformation of the camellia industry, as well as the transformation of scientific and technological achievements in new varieties and technologies. The Company has successfully cultivated new camellia varieties with multi-season flowering and high resistance. These varieties have driven farmers to plant over tens of thousands of mu of camellias, boosted the output value of upstream and downstream industries by approximately **600** million yuan, and break the long-standing lag in camellia breeding in China compared to foreign countries. Through the establishment of an industrial chain for licensed production and distribution and technology transfer, it has provided technical support for increasing farmers' income, industrial transformation, and quality improvement, enhancing the industry's awareness and respect for new plant variety rights, and guiding and accelerating the industrialization process of new agricultural and horticultural plant varieties in China.

Intellectual Property Protection

The Company places great emphasis on intellectual property protection, strictly complies with relevant laws and regulations such as the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. It has formulated the Intellectual Property Management Measures, clarifying the management structure and responsibilities, application and maintenance, incentive measures, and other matters related to intellectual property, aiming to protect the Company's intellectual property from infringement while avoiding infringement of others' intellectual property, thereby strengthening the Company's intellectual property management. The Company's Ecological Technology Research Institute is responsible for intellectual property management and assigns dedicated personnel to manage and coordinate the application, maintenance, incentives, implementation, licensing, transfer, and risk management of intellectual property.



Intellectual Property Protection Measures

The Company's R&D personnel regularly search for patent applications in related fields of the same industry on the official website of the National Intellectual Property Administration to prevent intellectual property infringement incidents.

Inviting intermediaries to summarize and analyze the Company's intellectual property applications, providing overall control over the Company's intellectual property applications.

Inviting intellectual property agencies for in-depth exchanges to consult on key technical aspects of intellectual property applications, effectively enhancing the knowledge level of intellectual property management personnel, project technicians, and R&D personnel.

Product and Service Safety and Quality

The Company always adheres to the principle of using craftsmanship to cultivate quality, responsibility to build the brand, and service to win trust. The Company continuously improves product quality, strictly ensures engineering quality and safety, and deepens service quality to provide customers with excellent and attentive projects and services, establishing a good corporate image and winning long-term trust and support from customers.

Quality Management System

The Company strictly complies with laws and regulations such as the *Product Quality Law of the People's Republic of China*, implements the ISO 9001 quality management system requirements and the principle of "Quality First, Prevention as Priority," and has established a comprehensive, smooth, and clearly defined quality management system.

The Company has formulated a series of systems, including the *Quality Responsibility System*, *Construction Project Management Measures (Trial)*, and *Engineering Quality Standards Manual*, clarifying the responsibilities and authorities of various departments and positions in quality management, achieving standardized control throughout the entire lifecycle from project initiation to completion acceptance. In addition, the Company has established quality acceptance and assessment standards based on the *Construction Quality Supervision, Inspection, and Assessment Measures*, strengthening process supervision and result assessment. The Company's legal representative, as the primary person responsible for quality management, bears the main leadership responsibility for engineering quality. The quality management department is specifically responsible for the supervision and management of engineering quality, including system formulation, process standard revision, technical document review, and participation in accident investigation and handling.

Based on its organizational structure and business development direction, the Company has established a three-tier management mechanism to systematically promote the standardized operation of products and services across various business areas.

Product and Service Management Structure

<p>HEADQUARTERS</p>	<p>As the entity for 'group-based control, sector-based operation, and professional development,' the Company adopts the 'Strategic Decision-Making + Intensive Control of Key Resources' model, responsible for strategic decision-making and the intensive control of key resources such as human, financial, and material resources, ensuring the macro-level direction and resource allocation for the Company's products and services.</p>
<p>PROFESSIONAL SUBSIDIARY</p>	<p>Following the 'Professional Operation' approach, the Company undertakes professional tasks and manages the production, operation, and specific business activities of its subsidiaries, helping to enhance the professionalism and refinement of products and services.</p>
<p>REGIONAL COMPANY</p>	<p>As a regional management center, it independently carries out production and operation management activities within its authorized scope, flexibly adjusting products and services according to the market characteristics and customer needs of different regions, thereby improving market responsiveness.</p>

As of the end of the Reporting Period, the Company has obtained ISO 9001 Quality Management System certification. During the Reporting Period, the Company did not experience any major safety or quality liability incidents related to products or services.

Honorary Recognition



Fuzhou City Light Project received a Grade A delivery rating from Vanke



The Company was awarded the "Central and Western Region Residential Landscape Grade B Supplier" by China Resources Land in 2025



Management System Certification

Quality Culture Development

The Company formulated the *Quality Education and Training Method* to standardize quality training management, specifying that each safety and technology department must develop a quality training plan, align training content with seasonal work priorities, and collaborate with relevant departments for implementation. During the Reporting Period, the Company conducted specialized training for project management, construction, and technical operation personnel, focusing on high-standard farmland construction. For internal teams, systematic training was organized on construction standards, smart facility operation and maintenance, and quality control, aiming to enhance employees' professional practical skills and ensure project quality and efficiency.

Case Study



| Quality Management Objectives

The Company's overarching quality management goal is "zero major quality or safety incidents," with multiple specific control indicators set and regularly monitored to ensure proactive quality management and continuous improvement in quality management effectiveness.

Indicator	Unit	Achievement Status in 2025
Product Qualification Rate	Percent	100
Customer Satisfaction	Points	98.39
Number of Customer Complaints	Times	0

Customer Rights Protection

The Company consistently prioritizes customer satisfaction as its core business objective, establishing a full-cycle customer service system. It actively expands channels through online platforms, offline follow-ups, surveys, and other methods to gather customer feedback and suggestions, striving to maintain strong customer relationships and improve service quality and standards.

| Customer Complaint Management

Adhering to the principles of "objectivity, fairness, and timely resolution," the Company has established regulations such as the *Measures for the Administration of Engineering Project Complaints* to standardize complaint handling procedures and ensure effective complaint resolution, with clear guidelines on responsibilities, complaint verification, and handling. The Company's Safety and Technology Department oversees customer complaint management, with other relevant departments providing support and following up on the handling in collaboration based on business needs. During the Reporting Period, the Company received no customer complaints.

Customer Complaint Mechanism



| Customer Satisfaction

The Company regards customer satisfaction as a key metric for service quality, continuously employing scientific survey methods and rigorous statistical analysis tools to dynamically monitor changes in customer satisfaction. During the Reporting Period, the Company conducted monthly customer satisfaction surveys from April to December, with a cumulative participation of 202 projects and an average score of 98.39 points.

Responsible Supply Chain

The Company's procurement scope includes construction projects, important equipment, materials, as well as services such as survey, design, and operation. The Company strictly adheres to relevant laws and regulations such as the *Bidding and Tendering Law of the People's Republic of China* and implements full lifecycle management for supplier qualification, review, selection, and exit processes, promoting upstream and downstream enterprises to jointly fulfill social and environmental responsibilities and building an open, fair, and transparent supply chain ecosystem.

Governance

The Company has established the *Subcontractor Management Measures* and the *Construction Sector Project Bidding and Procurement Management Measures (Trial)*, adhering to the management principles of 'compliant qualification, dynamic management, fairness and impartiality, hierarchical responsibility, and incentivizing quality' to standardize the management processes of subcontractors and project procurement. A subcontractor management framework led by the Safety and Technology Department has been established to coordinate subcontractor evaluation, qualification, and selection processes. Project departments are responsible for participating in the evaluation and qualification of subcontractors for their respective projects. Each department has clear responsibilities, collaborates effectively, and implements relevant requirements at all levels, actively promoting high-quality development of the supply chain in terms of safety, stability, and sustainability.




During the Reporting Period, the Company organized supply chain management training for relevant business personnel from various project departments, led by the headquarters' Safety and Technology Department.



Case Study: Special Training on the Subcontractor Management Measures

The training focused on four core areas: general provisions, division of management responsibilities, full-process subcontractor management, and key forms and documentation requirements. Through the training, participants comprehensively grasped the standard processes and practical requirements of subcontractor management, further standardized procurement and supply chain-related operational behaviors, enhanced professional capabilities in subcontractor management, and laid the foundation for standardized subcontractor management and improved project performance.



Strategy

Risk Type	Risk Description	Impact Cycle	Potential Financial Impact	Response Measures
 MARKET RISK	Changes in market demand and other factors led to rising raw material prices, resulting in increased procurement costs.	Short-term	Rising procurement costs and declining sales revenue	<ul style="list-style-type: none"> Integrate supplier chain resources to enhance bargaining power and reduce procurement costs; Monitor market trends in raw material prices and adjust procurement orders promptly according to production plans to reduce material waste at the source.
 SUPPLY CHAIN DISRUPTION	Key suppliers may fail to deliver normally due to natural disasters or insufficient production capacity, affecting project progress and potentially leading to delays or additional procurement costs.	Short-term	Rising procurement costs and declining sales revenue	<ul style="list-style-type: none"> Strengthen the reserve management of key raw material suppliers; Through hierarchical management and preferential policies, encourage subcontractors to improve performance and service quality, and establish long-term partnerships with high-quality suppliers to enhance supply chain stability.
 QUALITY RISK	Insufficient quality control by suppliers may lead to product quality issues, affecting the construction progress or quality of the Company's projects, damaging the Company's reputation and customer satisfaction, and even triggering legal liabilities.	Short to Medium-term	Rising procurement costs and declining sales revenue	<ul style="list-style-type: none"> Strictly standardize supplier qualification and selection management processes to strengthen quality control; Regularly review and monitor suppliers' quality standards to ensure products meet specified requirements; Establish an inspection team to strictly verify material quantities and conduct quality sampling to ensure material quality and safety.

Opportunity Type	Opportunity Description	Impact Cycle	Potential Financial Impact
 DIGITAL TRANSFORMATION OF SUPPLY CHAIN	Through advanced technologies such as IoT and big data analysis, achieve intelligent supply chain management, strengthen the digital infrastructure, optimize business processes, improve approval efficiency, and enhance supply chain management efficiency.	Long term	Reduce Operational Costs
 GREEN SUPPLIER DEVELOPMENT	The Company prioritizes suppliers with green certifications, promotes the use of renewable materials and the recycling of construction waste, reduces the carbon footprint of the supply chain, enhances the Company's reputation, and attracts environmentally conscious customers.	Long term	Increase in Operating Revenue

¹ Impact cycle:

Short-term (within 1 year): The impact on the Company is usually rapid and temporary, with a short duration typically not exceeding 1 year.

Medium-term (1–5 years): The impact on the Company is more sustained, usually having significant influence within 1 to 5 years.

Long-term (over 5 years): The impact on the Company is profound and lasting, typically lasting more than 5 years.

Management of Impacts, Risks, and Opportunities

The Company's supply chain security risk management is carried out across the entire process of identification, assessment, monitoring, and management. Through comprehensive business process review and departmental collaboration, supply chain security risks are identified, including those related to qualification compliance, performance capability, cooperation integrity, financial credit, and management operations. Risk assessment ranks risks by impact level and probability of occurrence, designating those with potential for significant economic/reputational loss and high probability as key control items. Monitoring relies on a dynamic sub-supplier management system to update qualification, credit, and performance data in real time, with various departments jointly reporting any compliance violations. The company headquarters coordinates the review of risk anomalies, implements tiered control, and develops targeted countermeasures for key risks. Supporting systems such as compliance access, blacklist determination, process standardization, and accountability for dereliction of duty are integrated, alongside tiered selection and incentive mechanisms for sub-suppliers, forming a closed-loop risk management system. At the same time, the SAP system and various audit forms are used to ensure traceability and control throughout the entire risk management process. By implementing tiered incentives and priority cooperation for Grade A/B sub-suppliers, standardizing processes and forms via the SAP system, and including value-added services as criteria for Grade A evaluation, the company seizes opportunities to improve quality and efficiency in supply chain management, thereby supporting project performance and stable development.

Indicators and Objectives

Indicator	Unit	Completion Status by 2025
Total Number of Suppliers	Suppliers	2,682
Number of Local Suppliers	Suppliers	886
Number of New Suppliers Signing Integrity Agreements	Suppliers	14
Supplier Integrity Agreement Signing Rate	Percent	100
Number of Suppliers Suspended Due to Non-Compliance	Suppliers	319
Number of Potential Suppliers Rejected Due to Non-Compliance	Suppliers	0

Note: Local suppliers refer to those in Henan Province.

Full Lifecycle Management of Suppliers



Supplier ESG Management

| Green Procurement

The Company encourages cooperative suppliers to establish and operate environmental management systems such as ISO 14001, requiring no major environmental administrative penalties or environmental accident records within the past three years. It also encourages suppliers to conduct clean production audits and carbon verification as per industry requirements, ensuring their operations comply with national and local environmental regulations. The Company is gradually building a green supply chain management mechanism, incorporating environmental compliance into supplier access, daily management, and grading evaluations, and exploring the development of green procurement guidelines and industry-appropriate environmental standards.

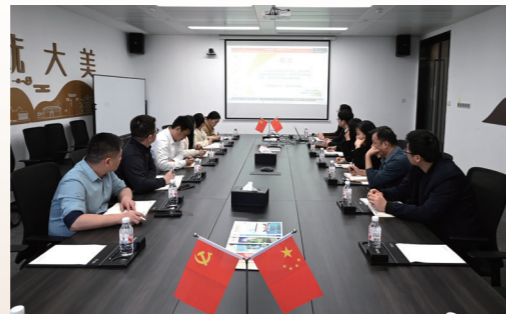
During the Reporting Period, the Company prioritized suppliers with green production capabilities in procurement, promoted the selection of energy-saving, low-carbon, and environmentally friendly materials and equipment, guided cooperative suppliers to strengthen environmental controls in production, and gradually advanced green and low-carbon operations across supply chain segments based on project realities.

| Sunshine Procurement

The Company has developed the *Measures for the Administration of Project Procurement (Trial)* in accordance with laws and regulations such as the *Tendering and Bidding Law of the People's Republic of China* and the *Measures for the Supervision and Administration of Transparent Procurement for Provincial Enterprises*. Centered around this system, the company has established a compliant and transparent procurement framework. It defines clear operating procedures for tendering and procurement, strictly adheres to seven management principles including transparency, fairness, and integrity, and sets forth six prohibitive clauses. A management structure consisting of a Procurement Leadership Team and a Bid Evaluation Team has been established, with the Discipline Inspection and Supervision Department clearly assigned the responsibility for full-process oversight. This ensures that procurement decisions are made transparently, operations are standardized, supervision is in place, and accountability is well-founded throughout the entire process. In addition, the Company signs integrity agreements with suppliers, clarifying the ethical standards to be observed by both parties in business activities. A self-supervision mechanism is established to foster a law-abiding, honest, efficient, and clean working environment, ensuring that the cooperation process remains legal, fair, and transparent.

Case Study: Strengthening Integrity Defenses to Safeguard Sunshine Procurement

To further enhance the supervisory effectiveness of tendering and procurement, achieve full coverage of supervision over tendering and procurement activities, and comprehensively improve the Company's overall tendering and procurement management level, the Company established the "Tendering and Procurement Supervision Pool" on November 28 and conducted a specialized training session, which focused on studying the project procurement-related systems, supervisory responsibilities, and processes.



Equal Treatment of Small and Medium-Sized Enterprises

According to feedback from suppliers, the total amount of outstanding payments owed by the Company to small and medium-sized enterprises (SMEs) for 2025 is approximately 2.41 million yuan, involving four SMEs. The Company is currently actively promoting communication and negotiation with relevant parties to complete the settlement and payment of the relevant amounts as soon as possible.

Data Security and Customer Privacy Protection

The Company strictly complies with laws such as the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, and *Personal Information Protection Law of the People's Republic of China*, actively promoting standardized information system construction and fully implementing data security and personal information protection responsibilities. During the Reporting Period, the Company experienced no data security or customer privacy breaches.

Data Security Management

The Company has established institutional norms such as the *Measures for the Management of Information System Changes*, the *Measures for the Management of IT Assets*, and the *Measures for the Use of Computers and Basic Office Systems*, which define the data security management responsibilities of various departments and positions, standardize the full-process management standards for data collection, storage, use, transmission, and destruction, and build a data security management framework characterized by "participation of all personnel, clear responsibilities at each level, and full-process control." These provide solid institutional support and operational guidance for all data security-related initiatives. At the same time, the Company has incorporated data security into the IT key KPI assessment system, strengthened the implementation of data security responsibilities, and adopted a one-vote veto system for data security incidents, ensuring that data security management requirements are strictly implemented at every stage.

Data Security Protection Measures

System Encryption and Access Control	Both data and interface transmission in application systems are encrypted. Privacy information of customers and employees is prohibited from external disclosure. Access rights for internal queries are strictly controlled, and inquiries into private information are limited to employees authorized by leadership.
Data Backup and System Protection	All systems, from operating systems to data layers, strictly implement daily incremental backups and weekly full backups, with monthly data recovery drills to ensure data integrity and recoverability;
Information Security Emergency Drill	All business systems are deployed with system tools such as firewalls, antivirus software, bastion hosts, and vulnerability scanners, forming a comprehensive protective barrier against data attacks.
Information Security Education	Restore production system data to the test system on a monthly basis, organize internal emergency drills monthly, and continuously improve the emergency response capabilities and coordination level of all employees.
Information Security Education	Conduct information security education publicity on the OA internal portal weekly, and provide regular information system operation security training for all employees. During the Reporting Period, the Company conducted 8 training sessions with over 1,600 participants.

Customer Privacy Protection

The Company attaches great importance to the protection of customer information and privacy rights. During the system construction process, it adheres to the principle of security first, embedding security considerations from the business requirement analysis stage. Through joint assessments by business departments, internal control departments, and IT departments, technical measures such as data storage encryption and output desensitization are adopted to implement comprehensive control over customer information data, ensuring the security of data at all stages and effectively safeguarding the legitimate rights and interests of customers.

PART 04

Talent Cultivation, United Advancement

Response to Topics:

Employee Rights Protection, Employee Training and Development, Occupational Health and Safety

Palm Eco-Town consistently adheres to a “people-oriented” philosophy by effectively safeguarding employees’ legitimate rights and interests, emphasizing employee training and career development, and fostering an equal, inclusive, and harmonious work atmosphere. The Company has established a competitive compensation and benefits system along with a robust incentive mechanism, strengthened employee care and occupational health and safety, and is fully committed to achieving mutual growth and shared success between the Company and its employees.



Employee Rights Protection

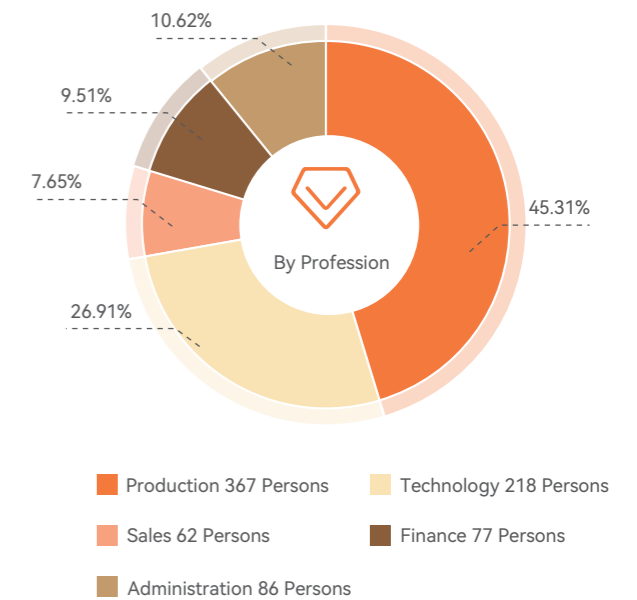
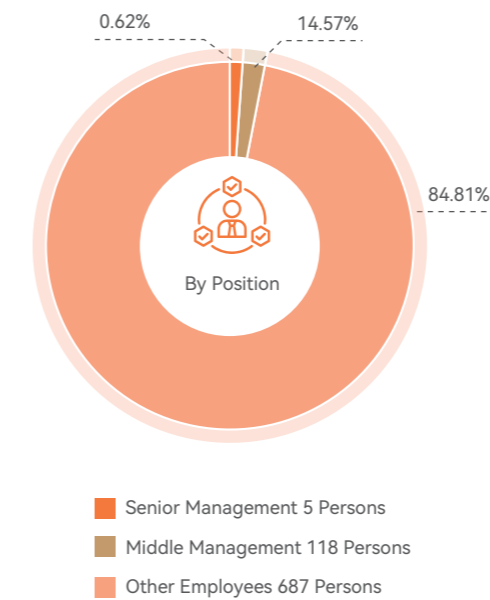
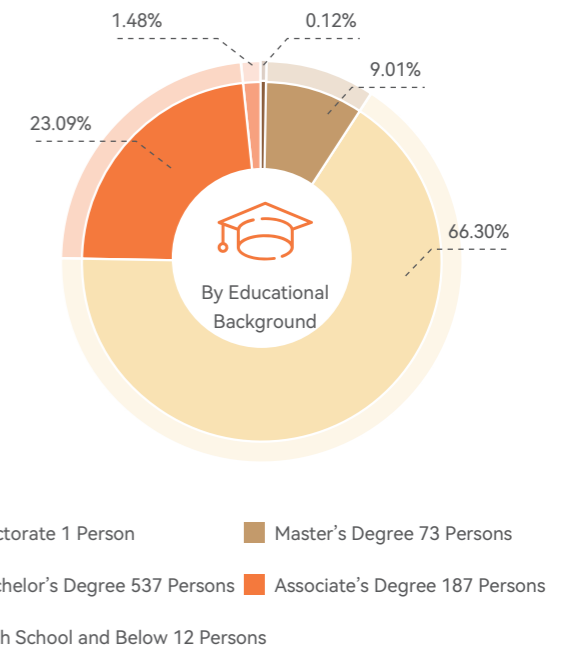
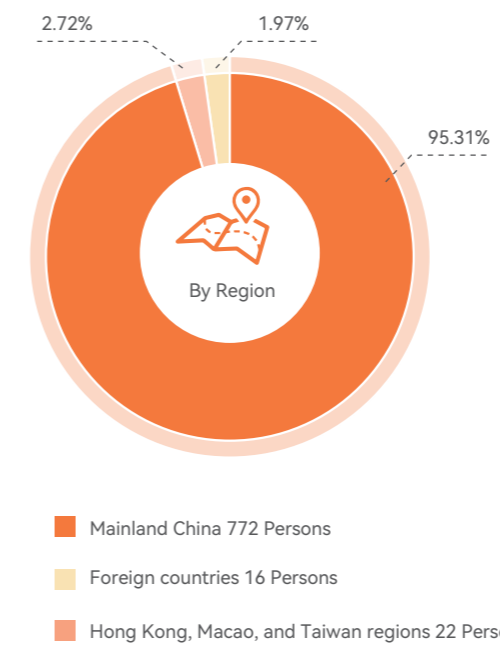
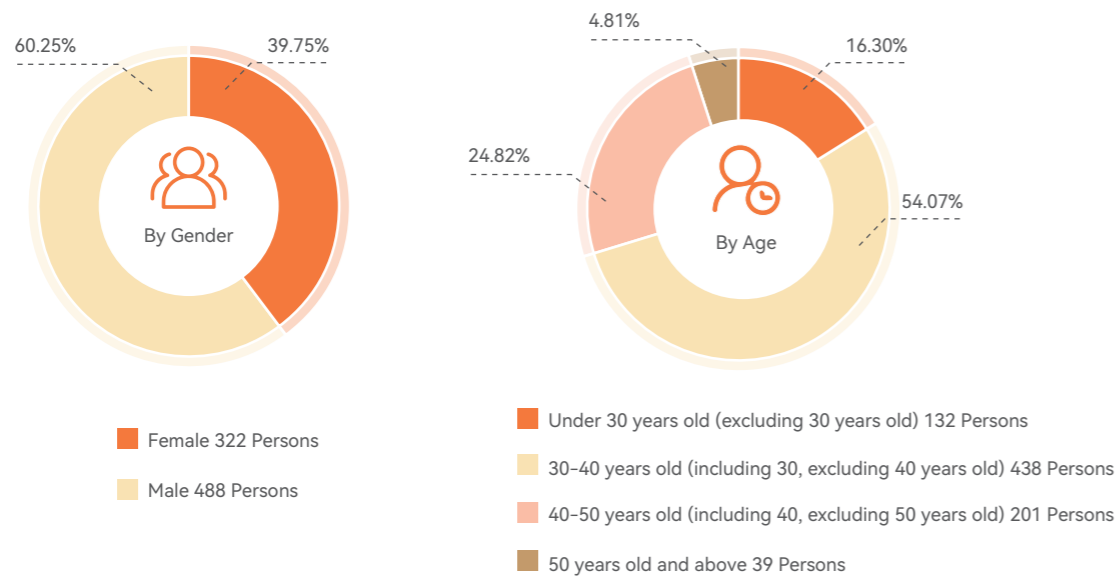
The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. It has established a standardized human resources management mechanism, continuously improved the human resources management system, and enhanced organizational operational efficiency. In 2025, the Party-Mass Human Resources Department, in alignment with the Company's actual operational management, comprehensively reviewed and revised human resources-related policies. A series of management documents, including the Personnel Management System, were reviewed and released according to procedures, thereby establishing a complete human resources policy framework. Through the strict implementation of these policies, the Company effectively safeguards employees' legitimate rights and interests and builds harmonious and stable labor relations.

Talent Attraction and Recruitment

The Company consistently adheres to the principles of "fairness, openness, and justice" and continuously promoted its talent acquisition programs. During the Reporting Period, the Company revised the *Recruitment Management System* to further standardize the recruitment and hiring process, insisting on job matching and comprehensive capabilities as core selection criteria to ensure compliance and fairness in recruitment and to eliminate discrimination.

The Company adopts diversified social recruitment channels, including but not limited to online recruitment through websites such as 51job and Zhaopin, introduction of outstanding talents through internal and external recommendations, and targeted excavation of outstanding and special professional talents through headhunting services. We conduct social recruitment in an all-round way and accurately introduce outstanding talents that meet the development needs of the Company.

As of the end of the Reporting Period, the total number of employees of the Company was **810**, and **65** new employees were recruited externally in 2025.



Diversity, Equity, and Inclusion

The Company consistently adheres to legal and compliant employment practices, strictly prohibits any form of child labor or forced labor, rigorously implements the principle of equal employment, protects employees from discrimination based on factors such as race, religion, and gender, ensures employees enjoy equal opportunities in all aspects including recruitment, compensation, training, and promotion, and is committed to building a diverse, equal, and inclusive workplace environment.

During the Reporting Period, the Company had a total of **17** employees from ethnic minorities and **7** employees with disabilities. No incidents of child labor or forced labor occurred.

| Protection of Female Employees' Rights and Interests

The Company strictly complies with national laws and regulations concerning the protection of female employees, safeguards the legitimate rights and interests of female employees during pregnancy, childbirth, and breastfeeding periods, ensures female employees legally enjoy maternity check-up leave, maternity leave, and breastfeeding leave, treats these periods as normal work, and pays full wages. The Company provides thoughtful care and exclusive benefits for female employees, actively fosters a respectful, caring, and equal workplace atmosphere, and effectively protects female employees' physical and mental health as well as their legitimate rights and interests.

Compensation and Benefits

| Compensation Management

The Company strictly complies with national and local relevant laws and regulations. Based on market principles, industry characteristics, and its own operational conditions, it formulates the *Compensation Management System*, establishing a comprehensive, unified, standardized, scientific, and reasonable compensation system covering all employees. It implements a dynamic distribution mechanism where pay is determined by position, changes with position, and rewards are based on performance, ensuring employee compensation matches job value, individual performance, and market levels. The Company's employee compensation structure includes components such as fixed pay, variable pay, and benefits. Among these, variable pay is linked to company performance and individual employee performance.



| Performance Management

The Company formulates the *Performance Management Measures*, establishing a clear performance evaluation and feedback mechanism. By combining regular performance communication with the application of results and improvement initiatives, it fully stimulates employee potential and work enthusiasm, promotes the joint enhancement of individual and organizational performance, and provides strong support for the Company's high-quality development. The Company conducts performance evaluations on a quarterly/annual cycle. Organizational performance for each unit is evaluated on an annual cycle. Individual performance for non-managerial staff is evaluated on a quarterly cycle. Based on the evaluation results, differentiated plans are formulated for the calculation and distribution of performance-based pay.

At the same time, the Company has established smooth performance feedback and appeal mechanisms. If an employee disagrees with the assessment result and cannot reach an agreement after communicating and consulting with the assessor, they may submit a written appeal to the human resources department of their unit in the form of a departmental document within 3 working days after the assessment concludes. After investigation by human resources, the direct superior of the assessor will review the assessment materials. If unreasonable circumstances are indeed found, a re-assessment should be required. If the human resources department cannot coordinate, the matter will be reported to the performance management group, which will assign a specialist to investigate and make a final ruling according to the prescribed procedures.

| Employee Benefits System

The Company has built a diversified benefits system, providing employees with good benefits and life security, attaching great importance to their physical and mental health, and comprehensively enhancing their sense of belonging, identification, and cohesion.

Employee Benefits and Security

- Pay the five social insurances and one housing fund for employees;
- Employees are entitled to rest days, statutory holidays, paid leave and other rights stipulated by the state;
- Set up incentive allowances, including professional title and technical grade allowances;
- Employees are entitled to communication subsidies and meal subsidies;
- Provide holiday benefits and organizing various recreational activities;
- Arrange annual physical examinations for employees to safeguard their physical and mental health;
- Improve the employee insurance system and purchase group commercial insurance for employees to effectively reduce the economic burden on employees' families caused by accidents, illnesses and other reasons.

Labor Relations Management

The Company strictly complies with relevant labor laws and regulations, formulates rules and systems such as the *Employee Code of Conduct* and *Personnel Management System*, and continuously improves the labor relations management system. Standardizing the entire process management of labor contract conclusion, performance, modification, termination, and dissolution according to law, refining operational norms for each stage of employee onboarding, employment, and departure, clarifying the rights and obligations of both labor and management, and building standardized, harmonious, and stable labor relations.

The Company standardizes employee departure management. All employee departures follow a unified process for work handover and departure procedures. For situations such as dismissal by persuasion, failure to reach agreement on mutual termination, or termination of labor contracts due to disciplinary violations, the Company will seek the legal department's opinion, review according to regulations, and issue final settlement pay, ensuring departure management is legal, compliant, and procedurally rigorous.

Employee Care and Communication

| Employee Democracy

Adhering to the principles of legality and compliance, orderly advancement, openness and transparency, fairness and impartiality, the Company has established a democratic management system with the Staff and Workers' Representative Congress as the basic form, fully safeguarding employees' right to know, participate, express and supervise. We have established various channels to listen to the voices of front-line employees, continuously promote the standardized operation of the Company's democratic management, and actively create a good corporate culture atmosphere.

The Company's trade union carries out its daily management in strict compliance with laws, regulations, and relevant working guidelines, including the *Trade Union Law of the People's Republic of China* and the *Constitution of the Chinese Trade Unions*. During the Reporting Period, the company had **140** employees who were union members, convened six staff and workers' representative congress meetings, and addressed eight items for democratic decision-making.

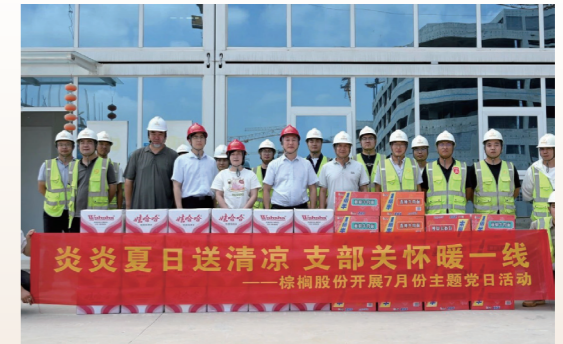
| Employee Care

The Company actively creates a warm and pleasant working atmosphere, attaches great importance to the dynamic balance between employees' work and life, and has conducted condolence and care activities for under-construction projects for many times, effectively enhancing team cohesion and centripetal force.



Case Study: Summer Cooling Campaign

In July 2025, the continuous high temperature in Henan posed a severe test to the workers sticking to the front line of key project management and construction. The Company carried out the theme Party Day activity of summer cooling at the SAIC Assets Henan Headquarters Base Project and the Two Academies Project, and presented heatstroke prevention and cooling materials to the projects.



Training and Development

Adhering the employment policy of "respecting, caring for, utilizing and developing talents", the Company continuously improves the construction of the systematic training system, smooths the employee career development channels, provides a broad development platform and diverse growth opportunities for all employees, helps employees realize their self-worth, and grows and develops together with the enterprise.

Employee Training

The Company's training programs are closely aligned with its strategic development needs and talent development objectives, and steadily promote the construction of a systematic training system. The Company always regards talents as its most valuable core asset and fundamental driving force for development. Adhering to the people-oriented philosophy, it strives to foster a sound environment that respects, cultivates and nurtures talents. By adopting diversified approaches such as online and offline training, and lectures by internal lecturers and external experts, the Company provides employees with career-long training and guidance, continuously improves their professional skills and comprehensive competencies, so as to meet the personal development needs of various talents.

During the Reporting Period, the Company carried out various training activities as planned, organized 6 batches of induction empowerment training for new employees through the Cloud Learning Platform, with a total of 34 participants covering 20 units; held 24 professional training sessions in response to business needs, covering 10 professional categories with a total duration of 2,500 hours and a total of 3,850 participant person-times. Through the effective development of training, we have effectively improved employees' comprehensive quality and professional ability, and enhanced employee management capabilities, and strengthened management talent reserve.

Key Special Training Programs



Based on the research results of training needs of various departments, the Party-Mass and Human Resources Department of the headquarters makes an overall plan and regularly carries out training activities. It also specially invites all units to conduct online sharing and learning of relevant professional courses to promote talent training and help the Company achieve its business goals.



In accordance with the latest regulatory requirements and the actual situation of internal control management, the Securities Development Department of the Company carries out internal training on the *Guidelines for the Standardization of Corporate Governance, Information Disclosure, Deliberation and Decision-Making Procedures for Major Issues and Internal Reporting*, covering corporate governance, information disclosure, key points of deliberation on major issues and decision-making procedures, guidelines for internal reporting of major issues, etc.



The Party-Mass and Human Resources Department promoted the selection of reserve cadres under the "Talent Program". A total of 70 people signed up for the program in the year, and 57 people entered the professional test link after qualification screening, among which about 82% scored more than 80 points. This is in line with the talent needs of the Company, supports the Company's "One Body, Two Wings" strategy, and lays a solid foundation for the subsequent construction of the cadre echelon.



"Talent Program" Reserve Cadre Selection and Training Program

Career Development

The Company adheres to the principles of "openness and impartiality, hierarchical and categorized management, full coverage, competence orientation, and dynamic administration". In 2025, to support the business management and control model and talent strategic planning, the Party-Mass and Human Resources Department drew on advanced industry management practices to systematically optimize and adjust the job sequence, promotion channels, and post naming standards. During the Reporting Period, the Company revised and improved the *Management Rank System Measures*, promoting the development of human resource management towards systematization, standardization and refinement, and laying a solid foundation for building a professional, specialized and market-oriented talent team.

The new position system categorizes posts into eight major categories, including management, professional and technical positions, and establishes five competency levels and five sequences under the "OABCD" framework. In further clarifies the employee career development channels, supports employees' vertical promotion or horizontal development, and provides a strong guarantee for the Company to attract, cultivate and retain talents.

Career Promotion Channels

Vertical Career Development



Intra-level rank promotion

Promotion from the current rank to the higher rank in the same position.

Position promotion

Promotion from a lower-level position to a higher-level position.

Exceptional promotion

Recommended by the direct superiors or responsible leaders may receive exceptional promotion, including cross-level promotion within the same sequence.

Horizontal Career Development



Intra-unit and intra-sequence development

Employees develop across subdivided sub-sequences within the same sequence and the same unit.

Intra-unit and cross-sequence development

Employees develop across different sequences within the same unit.

Inter-unit and intra-sequence development

Employees develop across subdivided sub-sequences within the same sequence between different units.

Inter-unit and cross-sequence development

Employees develop across different sequences between different units.

Occupational Health and Work Safety

The Company attaches great importance to employee health and work safety, strictly abides by the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations, comprehensively prevents and controls occupational health and safety risks, provides employees with sound safety protection and all-round health care, and is committed to creating a safe, healthy and comfortable working environment.

Governance

The Company has always taken work safety as the primary principle of operation and development, formulated work safety management systems such as the *Work Safety Responsibility System*, the *Work Safety Inspection, Acceptance and Hidden Danger Rectification System* and the *Construction Site Work Safety Management System*, and continuously improved the occupational health and safety management system with "coverage in all directions and implementation at all levels" to conduct comprehensive supervision over all work safety work. The Company designates the Safety Technology Department as the core responsible department, and builds a hierarchical work safety responsibility transmission mechanism with clear responsibilities at all levels to ensure the safe, stable and orderly development of all production and operation work.


Honors and Recognitions



The Phase II Project (East Campus) of the "Two Academies and One Center" and the Phase I Project of the "Two Academies and One Center" - Stem Cell Research Center and Affiliated Supporting Projects won the honorary title of "Henan Provincial Construction Project Work Safety Standardization Site".

Strategy

Risk Type	Risk Description	Impact Cycle	Potential Financial Impact	Response Measures
<p>LEGAL RISK</p>	If the enterprise fails to establish a sound occupational health and safety management system or conduct necessary occupational health examinations, risk assessments and prevention and control work, it may violate relevant laws and regulations.	Short to medium term	Increased compliance costs	<p>Continuously improve the occupational safety management system, build a dual prevention system mechanism for occupational health and work safety, fulfill the main responsibility of the enterprise, and sign work safety commitment letters.</p> <p>Actively carry out work safety guarantee work such as risk assessment, hidden danger investigation and occupational disease physical examinations.</p> <p>Formulate emergency plans and strengthen drills; equip with sufficient emergency rescue equipment, fire fighting facilities and equipment, etc.</p>
<p>OPERATIONAL RISK</p>	Once a major safety accident or a major occupational disease incident occurs in a company project, the Company's business may be interrupted or delayed.	Short to medium term	Increased operational costs and decreased operating revenue	
<p>REPUTATIONAL RISK</p>	During the operation of the Company's projects, if personal injury or even fatal accidents are caused. After the accident is exposed, it leads to a decrease in market trust in the enterprise and damages the platform's image.	Medium to long term	Increased operational costs and decreased operating revenue	

Opportunity Type	Opportunity Description	Impact Cycle	Potential Financial Impact
 TECHNOLOGICAL OPPORTUNITY	Emerging technologies such as the Internet of Things, big data, and artificial intelligence provide new means for safety production work.	Medium to long term	Operational cost reduction
 REPUTATIONAL OPPORTUNITY	By demonstrating outstanding occupational health and safety performance, the Company can establish a responsible corporate image. Providing a safe and healthy work environment helps to attract and retain top talent.	Medium to long term	Increase in operating revenue

Impact Cycle:

Short-term (within 1 year): The impact on the Company is usually rapid and temporary, with a short duration typically not exceeding 1 year.

Medium-term (1-5 years): The impact on the Company is more sustained, usually holding significant influence within 1 to 5 years.

Long-term (more than 5 years): The impact on the Company is profound and lasting, with a duration typically exceeding 5 years.

Impact, Risk, and Opportunity Management

The Company's business operations are characterized by complex environments, diverse types of work and significant seasonal impacts. Occupational health and safety risks exist in all links of project operations, and dust, noise and other factors generated in the construction process are likely to pose threats to employees' health and safety. The Company continuously improves the work safety risk management system, actively carries out safety risk identification and assessment, and implements classified and hierarchical control for various risk points. At the same time, we regularly organize safety hidden danger investigation and emergency rescue drills, build a comprehensive safety defense line, and effectively prevent various safety risks.

Safety Risk Classified and Hierarchical Control Measures



In accordance with the principles of "independent investigation, scientific assessment, classification and grading, and hierarchical control", the Company has formulated the *Measures for the Classified and Hierarchical Control of Safety Risks* and built a dynamic differentiated risk management mechanism. Through systematic investigation and scientific assessment, we accurately classify and grade safety risks and implement targeted control, effectively reducing the accident rate. At the same time, we strengthen the source control of occupational disease hazards, reduce occupational health injuries, and effectively safeguard the safety and health of employees.

Dual Prevention System



The Company has formulated the *Implementation Plan for the Construction of the Dual Prevention System for Work Safety Risk Identification and Control and Hidden Danger Investigation and Rectification*, and established a three-level linkage mechanism of the Company, regions and project departments.

Accurately identify risks through risk assessment and hierarchical control and implement differentiated management; realize dynamic monitoring and closed-loop management relying on hidden danger investigation and rectification. All project management personnel have signed safety commitment letters to fulfill the main responsibility for safety. The system covers the entire construction process, and uses intelligent means to realize traceable and full-coverage safety management, effectively improving the safety level and ensuring that all safety hidden dangers are fully controlled.

Indicators and Objectives

The Company adheres to the "zero accidents and zero casualties" dual zero objective and is committed to building a safe Palm.

Objectives	Achievement Status during the Reporting Period
Certification rate for special operations personnel: 100%	Achieved
Number of work-related injuries: zero	Achieved
New occupational disease cases: zero	Achieved
Safety-related penalties: zero	Achieved
Regular employee health check-ups are conducted.	Achieved

Safety Production Management

| Safety Production Inspections

The Company resolutely implements the work safety deployment at all levels, firmly establishes a bottom-line thinking and a sense of responsibility, and establishes a work safety inspection mechanism combining regular inspections and unannounced random checks. We have built a sound account for hidden danger investigation and rectification, implemented list-based management and responsibility-based promotion, clarified the responsible persons and time limits for rectification, and fully realized the closed-loop management of the whole process of hidden danger investigation, rectification and acceptance, ensuring full coverage, no dead ends and no blind spots in hidden danger rectification, and laying a solid foundation for work safety.

During the Reporting Period, the Company organized **327** safety inspections, identified **1,290** various potential safety hazards, issued **331** hidden hazard rectification notices, with a rectification completion rate of **100%**, achieving dynamic clearance of hazards.

Case Study: Supervising Work Safety of Under-Construction Projects to Consolidate the Safety Line at the End of the Year

In December 2025, the Secretary of the General Party Branch and Chairman of the Company carried out work safety on-duty inspections in the way of "four nos and two straights" (no prior notice, no greeting, no listening to reports, no accompanying reception; direct access to grassroots level, direct inspection of the scene). Aiming at the construction operation process, the Chairman conducted safety education and risk correction to realize the full-process safety control of construction operations, and supervised and inspected the implementation of various safety protection measures and the allocation of safety protection equipment for operators to ensure no safety hidden dangers at the construction site.



| Safety Emergency Management

The Company continuously improved the *Compilation of Emergency Rescue Plans for Production Safety Accidents*, further optimizing the emergency organizational structure, response procedures, and disposal measures. Simultaneously, the Company regularly conducted targeted safety emergency drills based on the plans, strengthening the implementation of the plans through simulated real scenarios.

During the Reporting Period, the Company conducted a total of **54** emergency drills.

Case Study: Fire Emergency Drill

In March 2025, the Company organized and carried out an emergency drill for fire safety accidents at a project construction site, with a core focus on practical simulation. This drill comprehensively tested and evaluated the scientific nature and suitability of the emergency plan, strengthening employees' proficiency in the fire safety emergency response procedures.



| Safety Culture Development

The Company continuously promotes the development of work safety culture, and through various ways such as safety special training, warning education, safety publicity and knowledge competitions, actively publicizes the Party's and the state's work safety policies, guidelines and laws and regulations, popularizes the latest work safety culture knowledge, comprehensively improves employees' safety awareness and safety operation skills, strengthens the safety literacy of all employees, and effectively reduces the risks of various safety accidents.

●○○ Safety Production Education and Training

The headquarters, its subsidiaries, and project departments at all levels organize safety education activities centered on safety knowledge dissemination, risk prevention and control, and emergency response capacity building. Through the promotion of safety concepts and policies, case-based warning education, training on job safety operating procedures, and practical safety skill drills, all management personnel have gained a deeper understanding of safety production.



●○○ Safety Knowledge Promotion

Various projects have promoted the concepts, ideas, measures, and behavioral norms of work safety, as well as publicized policies and regulations on work safety, general safety knowledge, occupational health knowledge, emergency response, and self-rescue and mutual aid methods through a variety of means, such as displaying work safety publicity boards and providing on-site Q&A sessions on work safety. Questions raised by participants regarding work safety were also addressed on the spot.



●○○ Safety Production Knowledge Competition

The Company holds work safety knowledge competitions to guide and stimulate employees to further master safety knowledge, promote the effective operation of work safety standardization, improve employees' safety quality, promote the effective dissemination of work safety culture, and create an atmosphere where everyone learns safety knowledge.

| Stakeholder Work Safety Management

The Company has built a full-process closed-loop control system around the work safety management of contractors to maintain a safe and orderly production environment, safeguard the safety and health of external operators, and prevent safety accidents.

In accordance with relevant laws and regulations and the Company's supplier and sub-contractor management measures and other documents, the Company clearly standardizes and stipulates the key links such as stakeholder access, process control, supervision and assessment; and signs work safety and civilized construction responsibility letters with contractors, conducts full-process safety assessment, ensuring that the work safety management of contractors is implemented in accordance with the same standards and requirements as the Company. In terms of safety education for contractors, the three-level education is strictly implemented, special training is carried out in light of project characteristics, and online and offline methods are adopted to achieve full coverage of operator training, effectively improving the safety awareness and ability of operators. In terms of safety assessment, a mechanism of "monthly inspection + annual comprehensive evaluation" is implemented, with quantitative assessment indicators and hierarchical evaluation results. The assessment results are directly linked to cooperation qualifications, and the one-vote veto system for safety is strictly implemented to strengthen the supervision role and urge stakeholders to strictly implement safety requirements.

Occupational Health Protection

The Company strictly following the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and adheres to the policy of "prevention first, combination of prevention and treatment" and implements an occupational health management model combining classified management and comprehensive treatment. In accordance with the requirements of occupational health and safety management system certification, the Company has built a scientific and standardized occupational disease prevention and control mechanism, making all-round efforts from three dimensions: source prevention, process control and hazard elimination.

Measures	Content
Detection of Occupational Disease Hazard Factors	Carry out regular detection and assessment of occupational disease hazard factors, and prohibit employees with occupational contraindications from engaging in relevant hazardous operations.
Occupational Health Examinations	Provide personalized health protection plans for employees, organize regular physical examinations for employees, and establish occupational health files to realize dynamic tracking and management.
Distribution of Labor Protection Supplies	Equip construction sites with labor protection articles with product qualification certificates, which on-site operators must wear and use in accordance with requirements.

PART 05

Common Welfare, Shared Responsibility

Response to Topics:
Social Contribution, Rural Revitalization

Palm Eco-Town integrates "green development and responsibility" into the gene of enterprise development, takes the initiative to undertake social responsibilities, gives full play to its own resource advantages and professional expertise, and continuously contributes to practicing social welfare, boosting rural revitalization, responding to the Belt and Road Initiative and other aspects. We take practical actions to help build a harmonious and beautiful society and realize the synchronous development of enterprise growth and social value.

Practicing Social Welfare

Adhering to the public welfare philosophy of “Boundless Undertaking, Boundless Love”, the Company takes the initiative to participate in social welfare activities such as environmental protection, poverty alleviation and assistance, education and student aid, and encourages employees to actively participate in various volunteer service activities, gather more love and strength, and pass on love and warmth to the society.

During the Reporting Period, company employees participated in volunteer activities for a total of **221** hours, with a cumulative participation of **42** person-times.

Case Study: Warmth in Winter, Party Love Warms Neighbors

To study and implement the spirit of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China and General Secretary Xi Jinping’s important expositions on ensuring and improving people’s wellbeing, the Company jointly carried out the theme Party Day activity of “Warmth in Winter, Party Love Warms Neighbors”, and sent rice, flour, edible oil and other daily necessities and care to the needy people and old Party members in Zhaojia Village.



Case Study: Love Gathers, Volunteer Dedication of Thousands of Hearts

Organized by the Social Work Department of the CPC Guangzhou Municipal Committee, the Guangzhou Red Cross Society set up the public welfare project of “Haixinsha Volunteer Service Theme Park”. The Guangzhou Branch Party Branch of the Company actively participated in this online donation theme Party Day activity, and 18 Party members and active Party members responded positively and dedicated their love, giving play to the vanguard and exemplary role of Party members.



Case Study: “Palm Orders Boost Agriculture, Education Nurtures Talents to Celebrate June 1st” Co-construction Activity

On May 29, Henan Palm Yuantu Agricultural Technology Co., Ltd. carried out a June 1st co-construction activity with Yucai Hope Primary School in Chenzhuang Town, presenting learning and growth gift packages including schoolbags, notebooks, writing pens and other stationery to 50 students, and conveying holiday blessings and growth expectations.



Support for Rural Revitalization

The Company actively responds to the strategic deployment of rural revitalization. It closely integrates with its own practical situation. It leverages its professional advantages in planning and design, land consolidation, and ecological protection. It integrates resources to assist in developing ecological agriculture and rural tourism projects. It activates the endogenous driving force and developmental vitality of rural areas. It promotes the sustainable development of the rural ecological environment and economy. In recent years, the Company has continued to deepen its involvement in the field of high-standard farmland construction. While generating revenue for the Company, it has significantly improved agricultural production efficiency and crop yield. It has promoted the increase of farmers’ income and the vigorous development of the rural economy.



Case Study: Assisting in the Construction of the Luozang Hundred Villages Happy Homeland in Nyalam County

The overall project primarily targets the Jianggang Village and Zongta Village rural folk tourism resort area, aligning with the 3A scenic area construction standards. It focuses on road renovation, adding entrance landmarks, renovating existing buildings, improving river landscape, designing green space parks around the tourist service center, and improving village appearance and environment. It aims to create a 3A-level tourist attraction. It promotes the integrated development of culture and tourism to revitalize Nyalam County. It links with the rural revitalization cultural and tourism industry.



Case Study: Assisting in the Enhancement of Culture and Tourism in Nyalam County, Shigatse City

The Culture and Tourism Enhancement Project in Nyalam County, Shigatse City focuses on enhancing the cultural aspects of the platform square, designing the identification system, and improving service functions. With the direction of promoting intangible cultural heritage and retaining passing travelers, and centered on the concept of "retaining nostalgia for hometowns, inheriting cultural heritage, mobilizing the enthusiasm of indigenous people, and achieving a relative balance between intangible heritage inheritance and input-output," we will highlight key points and grasp critical elements to create the first unique intangible cultural heritage tourism area upon entering the county, thereby better attracting tourists along the national highway.



Response to the "Belt and Road" Initiative

The Company responds to the overall situation of the national Belt and Road construction, gives full play to its own business advantages. Its controlling subsidiary, Belt Collins, has actively participated in numerous design projects at home and abroad and in the countries along the Belt and Road. During the Reporting Period, Belt Collins completed the implementation of projects in Vietnam and India. By consolidating technological and resource coordination, jointly promoted the high-quality green development of the Belt and Road, and contributed to economic and social development.



Appendix

Indicator Index

Shenzhen Stock Exchange Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No.17 – Sustainable Development Report (Trial)

Disclosure Requirements	Corresponding Section
Climate Change Response	Building Green, Towards Beauty – Climate Change Response
Pollutant Emissions	Building Green, Towards Beauty – Environmental Compliance Management
Waste Management	Building Green, Towards Beauty – Environmental Compliance Management
Ecosystem and Biodiversity Protection	Building Green, Towards Beauty – Ecosystem and Biodiversity Protection
Environmental Compliance Management	Building Green, Towards Beauty – Environmental Compliance Management
Energy Utilization	Building Green, Towards Beauty – Resource Efficiency Enhancement
Water Resource Utilization	Building Green, Towards Beauty – Resource Efficiency Enhancement
Circular Economy	Building Green, Towards Beauty – Resource Efficiency Enhancement
Rural Revitalization	Common Welfare, Shared Responsibility – Support for Rural Revitalization
Social Contribution	Common Welfare, Shared Responsibility Social Philanthropy Engagement Common Welfare, Shared Responsibility – Response to the “Belt and Road” Initiative
Innovation-Driven Development	Value Co-creation, Industry Co-progress – Innovation-Driven Development
Technology Ethics	Not Applicable
Supply Chain Security	Value Co-creation, Industry Co-progress – Responsible Supply Chain
Equal Treatment of Small and Medium-Sized Enterprises	Value Co-creation, Industry Co-progress – Responsible Supply Chain
Product and Service Safety and Quality	Value Co-creation, Industry Co-progress – Product and Service Safety and Quality
Data Security and Customer Privacy Protection	Value Co-creation, Industry Co-progress – Data Security and Customer Privacy Protection
Employees	Talent Cultivation, United Advancement
Due Diligence	Governance Empowerment, Steady and Long-Term Development – Compliance Operations and Business Ethics Talent Cultivation, United Advancement – Protection of Employee Rights and Interests Value Co-creation, Industry Co-progress – Product and Service Safety and Quality
Stakeholder Communication	Sustainable Development Governance – Stakeholder Communication
Anti-Commercial Bribery and Anti-Corruption	Governance Empowerment, Steady and Long-Term Progress – Compliance Operations and Business Ethics
Anti-Unfair Competition	Governance Empowerment, Steady and Long-Term Progress – Compliance Operations and Business Ethics
Voluntarily Disclosed Topics	
Green Building	Building Green, Towards Beauty – Green Construction

Key Performance Table

Governance Performance

Indicator	Unit	2025
Remuneration of directors and senior management (including current and former)	10,000 RMB	320.21
Number of employees who participated in anti-commercial bribery and anti-corruption training	Persons	213
Total duration of anti-commercial bribery and anti-corruption training	Hours	8.08
Number of senior executives participating in anti-commercial bribery and anti-corruption training	Persons	5
Total duration of anti-commercial bribery and anti-corruption training provided to senior management personnel	Hours	8.08
Total number of anti-corruption and anti-bribery report incidents	Cases	0
Number of people who signed integrity agreements and other related business conduct documents	Persons	111
Number of corruption litigation cases filed and adjudicated	Cases	0

Social Performance

Employee Rights

Indicator	Unit	2025
Labor contract signing rate ¹	Percent	99.75
Social insurance coverage rate ²	Percent	97.04
Number of employees with disabilities	Persons	7
Number of ethnic minority employees	Persons	17
Proportion of women in management positions	Percent	26.83
Number of employees taking parental leave	Persons	18
Return-to-work rate of employees after parental leave	Percent	100
Number of projects reviewed and approved by the staff congress	Items	8
Number of projects reviewed and approved by the trade union	Items	8
Proportion of trade union members among active employees	Percent	85

Note 1: There are 2 retired rehired personnel among the Company's employees, who have signed "Re-employment Agreements," so the labor contract signing rate is not 100%.

Note 2: Among the Company's employees, 24 Persons are not covered by social insurance. This includes 2 retired rehired employees and 22 overseas employees who contribute to the Mandatory Provident Fund in Hong Kong, China, so the social insurance coverage rate is not 100%.

Employee Employment

Indicator	Unit	2025
Total number of employees	Persons	810
Number of Employees by Gender		
Number of female employees	Persons	322
Number of male employees	Persons	488
Number of Employees by Age		
Under 30 years old (excluding 30 years old)	Persons	132
30-40 years old (including 30, excluding 40 years old)	Persons	438
40-50 years old (including 40, excluding 50 years old)	Persons	201
50 years old and above	Persons	39
Number of Employees by Position		
Senior Management	Persons	5
Middle Management	Persons	118
Other Employees	Persons	687
Number of Employees by Educational Background		
Doctorate	Persons	1
Master's Degree	Persons	73
Bachelor's Degree	Persons	537
Associate's Degree	Persons	187
High School and Below	Persons	12
Number of Employees by Profession		
Production	Persons	367
Technology	Persons	218

Indicator	Unit	2025
Number of Employees by Profession		
Sales	Persons	62
Finance	Persons	77
Administration	Persons	86
Number of new hires	Persons	65
New Hires by Gender		
Female new hires	Persons	26
Male new hires	Persons	39
New Employees by Age		
Under 30 years old (excluding 30 years old)	Persons	12
30-40 years old (including 30, excluding 40 years old)	Persons	36
40-50 years old (including 40, excluding 50 years old)	Persons	12
50 years old and above	Persons	5

Employee Training and Development

Indicator	Unit	2025
Total investment in employee training	10,000 RMB	4.70

Employee Health and Safety

Indicator	Unit	2025
Hidden danger investigation and rectification rate	Percent	100
Number of work-related fatalities	Persons	0
Total number of occupational injuries	Persons	0
Number of work safety accidents	Cases	0

Employee Health and Safety

Indicator	Unit	2025
Number of safety emergency drills	Sessions	54
Total duration of safety training	Hours	4,784
Number of safety training sessions	Sessions	598
Number of participants in safety training	Person-times	4,705
Coverage rate of work safety liability insurance personnel	Percent	100
Work-related Injury Insurance Coverage Rate	Percent	100
Employee Physical Examination Coverage Rate	Percent	100
Certification Rate for Special Operations Personnel	Percent	100

Innovation-Driven Development

Indicator	Unit	2025
R&D Investment	100,000,000RMB	1.23
Total Number of R&D Team Members	Persons	96
By Educational Background		
Below Bachelor's Degree	Persons	19
Bachelor's Degree	Persons	55
Master's Degree	Persons	21
Doctorate	Persons	1
By Gender		
Female	Persons	41
Male	Persons	55
Proportion of R&D personnel to total employees	Percent	11.85

Innovation-Driven Development

Indicator	Unit	2025
Number of patent applications	Items	40
Cumulative number of authorized patents (number of patents within the validity period)	Items	132
By Patent Type		
Cumulative Number of Authorized Invention Patents	Items	25
Cumulative Number of Authorized Design Patents	Items	2
Cumulative Number of Authorized Utility Model Patents	Items	105
Cumulative Number of Published Papers	Items	196
Cumulative Number of Software Copyrights	Cases	6
Cumulative Number of Trademarks	Items	202
Specialized, Sophisticated, Distinctive, and Innovative Enterprises	Units	1
National High-Tech Enterprises	Units	2

Product and Service Safety and Quality

Indicator	Unit	2025
Product Pass Rate	Percent	100
Number of Customer Complaints	Times	0
Customer Satisfaction	Points	98.39

Supply Chain Security

Indicator	Unit	2025
Total Number of Suppliers	Suppliers	2,682
Number of Local Suppliers	Suppliers	886
Supplier Integrity Agreement Signing Rate	Percent	100

Supply Chain Security

Indicator	Unit	2025
Number of new suppliers signing integrity agreements	Suppliers	14
Number of events with significant risk and impact in the supply chain	Cases	0
Number of suppliers whose cooperation was suspended due to non-compliance	Suppliers	319
Number of potential suppliers rejected due to non-compliance	Suppliers	0

Note: Local suppliers refer to suppliers from Henan Province.

Environmental Performance

Indicator	Unit	2025
Total Greenhouse Gas Emissions ¹	tCO ₂ e	182.50
Total energy consumption ¹	Tons of standard coal	42.27
Total purchased electricity ¹	kWh	343,955
Total Water Consumption ²	Tons	129
Major administrative penalty incidents for environmental violations imposed by relevant departments such as ecology and environment authorities	Cases	0

Note 1: The statistical scope covers the Zhengzhou headquarters office and the Guangzhou office.

Note 2: The statistical scope covers the Zhengzhou headquarters office.

Feedback Form

Dear Reader,

Thank you for reading this report. We highly value and look forward to hearing your valuable feedback on this report. Your opinions and suggestions are a vital driving force for us to continuously improve the quality of our ESG information disclosure and deepen our ESG management and practices. We sincerely welcome and gratefully appreciate your participation and support!

1.Your overall assessment of our ESG management and practices is:

Excellent Good Average Below Average Poor

2.Your overall assessment of this report is:

Excellent Good Average Below Average Poor

3.How do you think we are performing in stakeholder communication?

Excellent Good Average Below Average Poor

4.How do you think we are performing in corporate governance?

Excellent Good Average Below Average Poor

5.How do you think we are performing in environmental protection, resource management, and climate change response?

Excellent Good Average Below Average Poor

6.How do you think we are doing in terms of product quality management?

Excellent Good Average Below Average Poor

7.How do you think we are doing in terms of supply chain security management?

Excellent Good Average Below Average Poor

8.How do you think we are doing in terms of protecting employee rights and occupational health management?

Excellent Good Average Below Average Poor

9.What opinions and suggestions do you have regarding our fulfillment of ESG and this report?

You can contact us through the following methods:

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