

# 河北建設集團股份有限公司

## HEBEI CONSTRUCTION GROUP CORPORATION LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)  
STOCK CODE: 1727



ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT

# 2025

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# ABOUT THIS REPORT

## OVERVIEW

This is the eighth Environmental, Social and Governance (the “**ESG**”) Report issued by Hebei Construction Group Corporation Limited (the “**Company**”). It focuses on the disclosure of relevant information on the ESG aspects of the Company. The Report covers the works for the financial year from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”).

## BASIS OF PREPARATION

This Report has been prepared based on the Environmental, Social and Governance Reporting Guide (the “**Guide**”) in the Appendix C2 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The content of this Report is determined based on a set of systematic rules. The relevant procedures include identifying and ranking important stakeholders and the important issues relating to ESG, determining the scope of the ESG Report, collecting relevant materials and data, preparing the report based on related information and reviewing the information contained in the Report.

## SCOPE OF THE REPORT

The policies, statements and data in this Report cover Hebei Construction Group Corporation Limited and its subsidiaries (“**we**”, the “**Group**” or “**Hebei Construction Group**”). Unless otherwise specified, all currencies referred to in this report is RMB.

## DATA SOURCE AND RELIABILITY ASSURANCE

The data and cases of this Report are mainly derived from the Group’s statistical reports and related documents. The Group undertakes that there is no false record or misleading statement in this Report and is responsible for the authenticity, accuracy and completeness of the contents hereof in all material respects.

## CONFIRMATION AND APPROVAL

Upon confirmation by the management, this Report was approved by the Board of Directors on 20 March 2026.

## CHAIRMAN'S MESSAGE

The year 2025 marks the concluding year of Hebei Construction Group's "14th Five-Year Plan". Against a backdrop of a complex and volatile external environment and intensifying industry competition, we have upheld our corporate mission of "Creating a space full of love", driving sustainable development through innovative, green and intelligent construction technologies. We have made significant progress in the areas of environment, society and governance (ESG).

### CONTINUOUSLY IMPROVING THE INTERNAL CONTROL SYSTEM

The Group has continued to optimize its ESG governance framework by establishing a three-tier management system and reinforcing the supervisory role of the Board of directors. Through the Internal Control Manual and the "Three Lines of Defense" risk prevention mechanism, we ensure robust support for sustainable development. In 2025, the Company responded to risks and challenges with strategic commitment, fulfilled its mission and responsibilities with solid actions, and maintained a strong momentum of steady operations.

### BUILDING UP THE BOTTOM LINE OF WORK SAFETY

The Company always adheres to the management philosophy of "employees first, life first, safety first and prevention foremost", and strives to build a safe and happy enterprise with "zero casualty". Meanwhile, the Company further promotes the standardization of safe, civilized and green construction, and continuously increases the quality and safety level to promote positive interaction between the high-quality development and high-level safety of the Group. Throughout the year, the Company has built three national safety production standardization construction sites and 25 provincial safe and civilized (green) standardization construction sites.

## **DRIVING DEVELOPMENT WITH GREEN AND INTELLIGENCE**

The Company takes “innovation-driven, technology-empowered and quality and efficiency improvement” as its core idea, keeps pace closely with cutting-edge industry technology, and anchors the development trend of green, industrialized, digitalized and intelligent construction industry. It comprehensively promotes four new technologies: BIM, green building materials, green construction and intelligent construction. In 2025, the Group was awarded the title of “Key Enterprise of Intelligent Construction in Hebei Province’s Construction Engineering”. Quality is the foundation for the enterprise’s survival. In 2025, the Company once again won one Luban Award for China Construction Engineering and 102 provincial quality projects.

## **COHESION CREATED WITH THE “FAMILY-PEOPLE” CULTURE**

The Company has always kept in mind its original aspiration of “seeking happiness for employees, development for the enterprise and contribution to society”. In order to create a harmonious working and living environment for employees, the Company organizes popular cultural and sports activities such as basketball, table tennis and badminton to enrich their spare-time cultural life. During the year, a total of over RMB5 million was invested in the logistics support of the base and the health work for the staff, allowing the employees to feel the warmth of “Family”.

Looking ahead, Hebei Construction Group will continue to uphold its corporate mission of “creating a space full of love”, and join hands with its partners and all sectors of society to forge ahead in green development and open up new prospects in deepening reforms, as thus to make more contributions to build a beautiful China and protect the green mountains and clear waters!

## ABOUT US

Hebei Construction Group Corporation Limited was listed on the Main Board of the Hong Kong Stock Exchange (H-share) on 15 December 2017, with a registered capital of RMB1,761,383,500. As a top-tier, cross-industry enterprise primarily engaged in general contracting for construction projects, Hebei Construction Group boasts a broad and diversified business portfolio. We are actively involved in the general contracting, engineering procurement construction (EPC) and project management of various types of projects, including residential buildings, highways, railways, municipal utilities, landscaping, ports and waterways, and water conservancy and hydropower. Additionally, the Group holds Grade A qualifications in architectural engineering design and civil defense engineering design, Class B specialized qualifications for landscape architecture engineering design, and Class B specialized qualifications in municipal engineering design (water supply engineering, drainage engineering, road engineering, bridge engineering). We are also licensed for overseas labor service cooperation, forming a comprehensive and multi-layered business system.

In 2025, we upheld the general keynote of “improving quality and efficiency, and achieving stability for sustainable development” to respond to risks and challenges with strategic determination, interpret our mission and responsibility through our work in a down-to-earth manner and promote the enterprise to move towards high-quality development. The value of contracts throughout the year was approximately RMB11.532 billion, and our market structure continued to optimize. From the perspective of the sources of project funds, our projects funded by state-owned funds accounted for over 89%. In terms of regional distribution, our market share in Hebei Province was 61.5%, with Baoding accounting for 37.5% of the total contract value, demonstrating a more stable market landscape “with Baoding as the core and the province as the main body”; we made new achievements in the development of blank county-level markets, and achieved breakthroughs in markets such as Anping County in Hengshui and Feixiang County in Handan; with the strategy of “unity and collaboration” implemented outside the province, we made significant achievements in the markets of Beijing and Inner Mongolia; following the national policy guidance and implementing precise policies, we continued to make efforts in segmented markets such as flood control and drainage, emergency rescue, urban renewal and new energy infrastructure.

## ABOUT US

Adhering to a capital-oriented approach and focusing on cash flows and payment collections, we implemented a “three-tier joint control” for key projects, dynamically evaluating suspended projects and proactively stopping losses, which ensured smooth and orderly production and operation in complex environments.

In 2025, we built one project and participated two projects winning the Lu Ban Award, and 102 provincial quality projects; we built three national safety production standardization construction sites and 28 provincial safe and civilized (green) standardization construction sites.

We won various awards related to scientific and technological achievements, receiving one second prize in the Scientific and Technological Progress Award of China Steel Construction Society and 20 Scientific and Technological Progress Awards for Provincial Construction Industry. With the continuous deepening of our technical accumulation, we were accredited for 13 provincial process methodologies and received 14 “Science and Technology Awards of Construction Industry in Hebei Province” and 14 High-Value Patents of Hebei Construction Industry Association. Through active R&D innovation, we received 56 new patents and led or participated in the formulation of nine sets of various standards.

Actively participating in the construction of national pilot cities for intelligent construction, the Group was recognized as a “Key Enterprise for Intelligent Construction of Construction Projects in Hebei Province”, being ranked 44th among the “Top 100 Enterprises in Hebei Province”.

Mission of Hebei Construction Group: **Creating a space full of love.**

Vision of Hebei Construction Group: **People-oriented happy enterprise with vibrant and long-lasting business.**

Future prospects of Hebei Construction Group:

## 1. FACE UP TO CURRENT RISKS AND CHALLENGES IN THE FACE OF DIFFICULTIES

The continuous tight cash flow is the biggest challenge currently faced by the Group.

One is the impact brought by changes in the external environment, where the macroeconomic situation underwent drastic changes, such as the overall decline of the real estate industry and the shrinking demand in the construction market, leading to a difficult “ice age” for construction enterprises.

The other is the long-term arrears for various projects, unresolved long-term and large debts as well as lawsuits and freezes from a large number of upstream suppliers, which seriously squeezed the cash flows of the Company.

More importantly, “we should see our achievements, see the light and improve our courage in difficult times”. We should see our resilience that stands firm despite the difficulties and see our enormous potential to overcome difficulties.

## 2. BE BRAVE AS THE FITTEST AND UNITE TO SOLVE THE DILEMMA

To solve the dilemma, we must first change our mentality and become a brave explorer and practitioner who adapts to environmental changes. To solve the dilemma, we must adhere to the principle of balancing the increase of income with the decrease of expenditure and combining palliatives and radical measures.

We make concentrated efforts to build a large platform for resource integration, promote resource sharing and complementary capabilities, and make every effort to build Hebei into a platform-based service enterprise that pays little attention to assets, prioritizes services, possesses specialization and has strong credit to gather development momentum through platform advantages.

We promote organizational demutualisation and consolidate team synergy. We also deepen the reform of organizational mechanisms, promote the organizational demutualisation and implement the employee shareholder model, allowing all key employees to become shareholders of their respective organizations, deeply linking their personal interests with the development of the enterprise, and uniting the team into “one person” with consistent goals and coordinated pace.

### **- Deeply cultivate market sectors and expand development space**

We are making multidimensional efforts to expand the market: attract high-quality partners and join hands to build a new market landscape; optimize market layout and concentrate our efforts on conquering potential areas; coordinate qualification management and strengthen the credit defense line of the enterprise; revitalize existing investment projects and carry out in-depth and detailed post-investment management work.

### **- Strictly adhere to the safety bottom line and build a solid barrier for development**

We always tighten the string of safety production, dynamically identify major hazard sources, and deepen the construction of the “dual control” mechanism for safety risk grading control and hidden danger investigation and governance, to safeguard the lifeline of enterprise development with rigorous safety management.

### **- Focus on quality improvement and drive green and intelligent development**

-Taking the creation of excellent projects as the starting point, we continuously do a good job in the quality process pre-control management of national level quality projects, keep up with industry trends, deeply participate in the construction of pilot cities for intelligent construction with intelligent and green development as a development engine and cultivate the core competitiveness of the enterprise.

### **- Intensify the recovery of funds and ensure financial stability**

Regarding the collection of funds as a top priority, we make full efforts to promote the collection of accounts receivable, ensure the safety and stability of our capital chain, and provide solid financial support for various business activities of the enterprise.

### **- Improve our internal control system and enhance our governance level**

We continuously optimize our internal control system, improve internal control mechanisms, strengthen process control and comprehensively enhance the operational efficiency and governance level of the enterprise through a refined and standardized governance model.

# OPTIMIZE CORPORATE GOVERNANCE

Hebei Construction Group has deeply integrated ESG governance into its corporate governance framework, serving as the core engine driving sustainable competitiveness. We have established a “three-tier governance structure” to ensure that environmental, social and governance requirements are integrated throughout the entire process of investment decision-making, project management and supply chain collaboration. Through key pillars such as early warning mechanism for compliance risks, project quality responsibility system and business ethics red line control, we systematically resolve operational and transition risks. During the reporting period, based on the analysis of substantive issues, we continuously optimized our governance efficiency, built development resilience through responsible management practices and led the industry’s green transition.

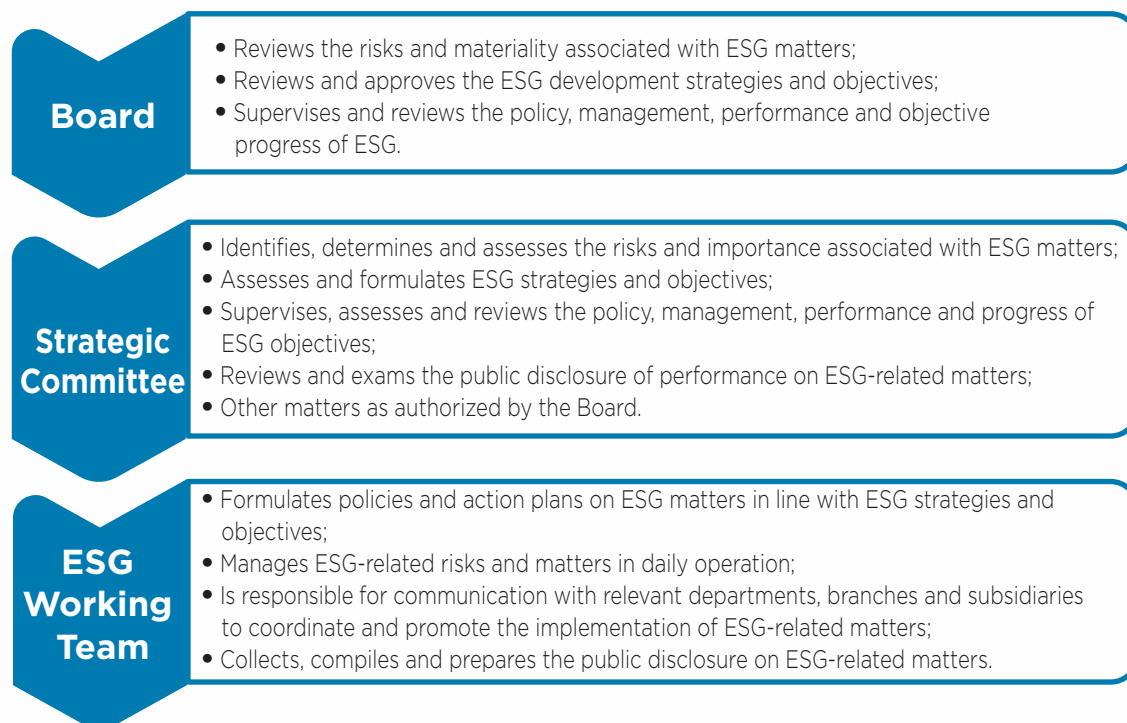
## ESG GOVERNANCE SYSTEM

Hebei Construction Group has elevated ESG governance to a strategic level, systematically integrating it into the entire process of enterprise decision-making and operation through a governance mechanism with clear rights and responsibilities. We continue to improve the ESG execution framework under the supervision of the Board, and strengthen the closed-loop management of risk identification and compliant operations. Based on the analysis of substantive issues, we focus on the core areas of governance efficiency improvement and drive sustainable development with quantifiable management practices.

### ESG Governance Framework

In the exploration of ESG governance, the Group strategically integrates environmental, social and governance considerations into its corporate management framework, and is committed to creating a model of sustainable development. We deeply understand that ESG is not only a responsibility, but also an opportunity. By building a three-tier governance structure and promoting practical implementation, we ultimately achieve risk reduction, brand enhancement and long-term returns.

## OPTIMIZE CORPORATE GOVERNANCE



### ESG Governance Structure

The Group fully integrates ESG into its business strategy, with compliance as the bottom line, risk prevention and control as the core and long-term value as the goal, to build a sustainable development system that integrates “environment-society-governance” elements and achieve a win-win situation for the economy, environment and society.

#### I. Strategic Integration and Quantitative Management

We incorporate core goals such as carbon emission reduction, ESG rating and employee satisfaction into our overall strategy and establish a dual-track management system of quantitative and qualitative approaches:

– Quantitative indicators: covering key data on carbon emissions, energy consumption, water resource utilization, waste disposal and recycling, etc., achieving monitoring, statistics and traceability;

- Qualitative management: focusing on dimensions such as employee rights, corporate governance and corporate culture, improving institutional norms and their implementation in practice;
- Empowering all staff: conducting ESG training in a hierarchical and classified manner to enhance the ESG awareness and practical operation ability of all staff and create a culture of sustainable development with full participation of all staff.

## II. Compliance Disclosure and System Construction

We have established a comprehensive ESG management system throughout the entire process in strict compliance with the ESG Guidelines of the Hong Kong Stock Exchange and other regulatory requirements to:

establish a standardized disclosure framework with clear scope of disclosure, and regularly prepare and publish ESG reports in accordance with regulatory rules, ensure the authenticity, accuracy and completeness of information and actively accept market and social supervision.

## III. Strengthening ESG Practices

### *Environmental (E) Practice*

We adhere to the bottom line of safety and compliance and promote green development throughout the entire chain:

- Implement environmental regulations and safety responsibility system, carry out environmental risk investigation and hidden danger management;
- Promote green design and prioritize the use of environmentally friendly materials and energy-saving technologies during product development and project construction phases;
- Implement energy-saving renovation, resource recycling and pollution prevention and control measures, reduce energy and water consumption per unit of output value, improve waste recycling and utilization rate, reduce pollutant emissions, and actively respond to climate change.

### ***Social (S) Practice***

- Reduce energy consumption and raw material costs and improve operational efficiency by saving energy and reducing consumption and optimizing resources;
- Intensify safety production management, improve protection system, reduce safety accidents, and ensure stable operation;
- Incorporate ESG standards into supplier admission and assessment, promote collaborative and sustainable development of upstream and downstream supply chains, and ensure supply chain security and stability.
- Establish a fair salary system, achieve equal pay for equal work, and safeguard the legitimate rights and interests of employees;
- Improve occupational health and safety management, provide a safe working environment, and carry out health monitoring and protection;
- Establish a skills training system to assist employees in their career growth and ability enhancement.
- Actively fulfill social responsibilities and fulfill public welfare missions.

Balance economic development, environmental protection and social responsibility by leveraging ESG as a lever to achieve long-term, steady and sustainable value growth.

### ***Governance (G) Practice***

- The Board regularly reviews the structure, number and composition (including skills, knowledge and experience) of its members every year, implements its diversity policy and enhances the scientificity and effectiveness of decision-making;
- Review the shareholder communication policy, optimize the mechanism for the Board to obtain independent perspectives, revise and strictly adhere to the regulations and work rules of the Company, and enhance governance and standardization.

## OPTIMIZE CORPORATE GOVERNANCE

- Provide anti-corruption and anti-commercial bribery training for directors and all employees, and strengthen their awareness of integrity in their work;
- Establish and improve reporting policy, anti-corruption policy and compliance management system and ensure smooth reporting channels, implement serious accountability for violations, and build a solid defense line for integrity and risk control.
- Regularly publish ESG reports in accordance with regulatory requirements and group standards, proactively disclose environmental, social and governance-related information, and enhance transparency;
- Strengthen investor relations management, convey ESG concepts and practical achievements, and enhance market confidence;
- Establish an internal ESG communication mechanism to promptly convey policy requirements and work progress and promote cross-departmental collaboration and implementation.

### STATEMENT OF THE BOARD

The Board, as the ultimate responsible body for the operation management and sustainable development of the Group, serves as the highest governing and decision-making body for the Group's ESG work. The Board is responsible for approving, supervising and evaluating ESG-related strategies and actions of the Group. We regularly review reports from the strategic committee and the ESG working group to ensure effective progress and implementation of ESG-related work.

In evaluating ESG issues, the Board conducts regular reviews of identified ESG risks and engages in in-depth discussions and evaluations of potential ESG risks submitted by the strategic committee and the ESG working group. We prioritize these risks based on the level of concern expressed by various stakeholders and develop corresponding strategies to ensure continuous improvement of the Group's performance and leadership in the ESG field. At the same time, based on the operational findings of the strategic committee and the ESG working group regarding potential ESG risks, the Board provides improvement suggestions and management plans in alignment with the Group's long-term development strategy.

## OPTIMIZE CORPORATE GOVERNANCE

During the Reporting Period, the Group actively carried out work in six key areas, namely strengthening corporate governance, ensuring quality delivery, promoting industry prosperity, advocating for a low-carbon development, fostering employee growth and contributing to the community service. We are committed to demonstrating our diverse values to our customers, partners, employees, communities and other stakeholders, and will continue to optimize our strategies and actions to achieve long-term sustainable social and economic value.

## RISK PREVENTION AND CONTROL MEASURES

The Group regards risk prevention and control as the cornerstone of sound business operations. By establishing a systematic risk identification and assessment mechanism, continuously refining internal control processes, and enhancing dynamic management capabilities, the Group provides stakeholders with predictable operational assurance.

### Risk Identification and Assessment

The Group is committed to continuously improving its internal control system, identifying and managing internal operational risks through multiple channels such as internal audits, inspections and internal control evaluations. Particularly in internal control management, we leverage information technology to conduct ongoing internal control assessments, achieving positive results and providing strong support for the further enhancement of the Group's internal control mechanisms. We consistently adopt the "Three Lines of Defense" approach as the primary strategy for implementing internal control management with clear designation of risk control responsibilities and position-specific duties to enhance the effectiveness of our corporate risk and internal control management, thereby ensuring the safe and efficient operation of corporate assets.

The Group places great emphasis on risk prevention and control in safety production. Following the mainline of "preliminary planning → process control → performance evaluation", we fulfill our responsibilities comprehensively, addressing both symptoms and root causes. We prioritize safety, environmental protection and fire prevention efforts to prevent various risks. A grid-based risk management system has been built vertically and horizontally, which incorporates dual responsibilities for each position.

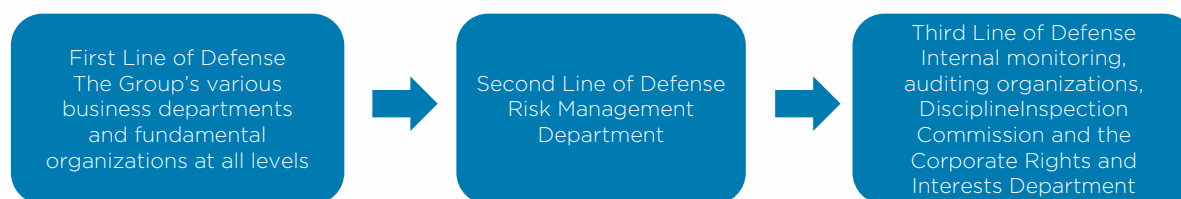
During this reporting period, in accordance with the Ministry of Housing and Urban-Rural Development's Criteria for Identifying Major Safety Hazards in Housing and Municipal Engineering Projects (2024 Edition) 《房屋市政工程生產安全重大事故隱患判定標準(2024版)》, Hebei Province's Guidance Manual for Safety Risk Control and Hazard Investigation in Construction 《建築施工安全風險管控與隱患排查治理指導手冊》 and other relevant laws, regulations and standards, as well as the Group's rules, regulations and management system documents, the Group has identified a list of significant environmental factors (14 items, including 1 new addition) and a list of major hazard sources and their control plans (211 items, including an addition of 26 Class A items and 185 Class B items), with 16 new additions and 68 reclassified items. Corresponding targets, indicators and management plans have been formulated to ensure the effective operation and continuous improvement of the system.

We conduct identification, assessment and control of project risks through three core measures: optimizing the authorization and delegation process, strengthening pre-bid review, and clarifying the classification of risky projects, so as to ensure steady operation.



## Risk Control Management

Based on actual operational conditions, the Group has developed and applied the Internal Control Manual and the Implementation Plan for Establishing the “Three Lines of Defense” in Internal Control to guide internal control management efforts. The first line of defense consists of the Group’s various business departments and fundamental organizations at all levels; the second line comprises the enterprise risk management departments (including the Supervision and Audit Department (internal control function) and the Legal and Risk Control Department); and the third line includes the Discipline Inspection Commission, the Supervision and Audit Department (oversight and audit functions) and the Corporate Rights and Interests Department. Through close coordination among the three lines of defense, we effectively prevent and control potential risks and deviations in business activities, ensuring stable operations and continuously enhancing the effectiveness of enterprise risk and internal control management.



To effectively manage operational risks, we follow a risk control process of “pre-bid review (risk pre-control) → contract review (risk prevention)” to minimize operational risks arising from contract signing.

### 1. *Pre-Bid Review*

- Graded Review: residential building-related projects exceeding RMB300 million for or other projects exceeding RMB200 million are subject to escalated review and approval by the Group’s Chief Operating Officer.
- Tender Document Review: contract terms in tender documents are subject to review, with a focus on the source of the construction entity’s funding, advance payment terms, progress payment terms, penalties and related terms. We compare the terms against the Group’s “Twenty Contract Risk Points” for a preliminary contract risk prevention assessment. Identified terms are promptly passed on to the contract review stage to secure favorable conditions during contract negotiations.

## **2. Contract Review**

- For risk clauses identified during the pre-bid review stage, subsidiaries are required to prepare risk control reports during the contract signing phase, including but not limited to risk point identification and response measures.
- Upon the signing of contract, the contract will be delivered in a timely manner and feedback on contractual risk points will be provided during the construction performance process.
- Electronic contract files are periodically archived, contract risk points are dynamically summarized and handover training is conducted.
- Annual contract management training is provided to relevant personnel in subsidiaries via the internal training platform to enhance their contract negotiation skills and improve the quality of contract execution.

## **Risk Control Measures**

### **1. Project Internal Control Evaluation**

During the Reporting Period, according to the annual internal control plan and the principle of materiality, we have identified five key risk management control parts: fixed asset inventory and disposal, project fund utilization status and measures, project economic analysis meetings, project accounting and the matching with operational data. Through interviews with relevant responsible persons, sampling and other methods, we analyzed and evaluated two subsidiaries and their projects, delving into the root causes of typical issues, proposing improvement suggestions and establishing a rectification mechanism. An annual internal control report will be ultimately prepared and submitted to the Board for review.

## **2. Management Supervision**

During the Reporting Period, we conducted a round of full operational management inspections across 25 subsidiaries, 3 business divisions, and 6 secondary organizations. A total of 55 ongoing projects were randomly inspected, including 25 projects subject to surprise inspections. Specialized inspections and analysis were performed on three key areas: fund recovery, project settlement, and property disposal for each subsidiary. Furthermore, specialized verification inspections were conducted on medium- and high-risk projects identified in the internal control self-assessments of various units.

We issued 141 Professional Management Supervision Records and prepared 34 Supervision Reports for subsidiaries, business divisions, and secondary organizations; issued 19 specialized Supervision Inquiry Records and 5 Supervision Summary Bulletins concerning funds in use; sent 11 Work Coordination Notices to relevant departments within the Group and to its subsidiaries; and published 4 issues of the Supervision Bulletin. To dynamically identify project management risks, the Supervision Department conducted multi-dimensional and in-depth management inspections of various projects.

## **3. Project early warning:**

During the Reporting Period, we implemented the following measures: “red-line” projects were directly prohibited from bidding; for cautioned projects, bidding was allowed only after submitting a risk control report and obtaining approval from the Group’s management. It was also required that the review be completed 5 days before the bidding deadline, and bidding without approval was strictly prohibited. The original procedures should be followed before the optimization of the information system.

## **Risk Knowledge Training**

For major hazard sources, the Group dynamically updates major hazard based on production progress, signs responsibility agreements at all levels, and formulates corresponding control targets and measures assigned to specific individuals. These are publicized on the information system, in prominent on-site locations and at areas where major hazard sources exist.

The Group re-identifies, screens and compiles major hazard sources initially identified by project teams and subsidiaries from the bottom up, establishing company-level pre-controlled major hazard sources. These are published monthly on the Group's information system, allowing each unit to refine and supplement their own major hazard sources for publication. Such initiative fosters collective oversight across all levels, with the Company tracking hazard sources weekly and implementing graded prevention and control. This creates a multi-dimensional, multi-layered comprehensive management system, ensuring clear visibility of data, precise measures and effective prevention. In 2025, a total of 2,203 Group-level major hazard sources were identified and published. Through internal improvements and external defenses, we uphold the bottom line of safety production and maintain a stable safety production environment through concerted efforts within the Group.

## COMPLIANT OPERATION MANAGEMENT

In the practice of business ethics and compliant operations, the Group upholds its core values of “be a thoughtful enterprise and credible corporation” and is committed to building a fair, transparent and honest business culture. We are fully aware that compliance is not only the bottom line for operations, but also the foundation for earning trust and respect. For this purpose, by refining business ethics standards, establishing a whistleblowing mechanism, and strengthening anti-corruption culture, we continue to incorporate the concept of compliance into the entire operation chain, striving to become an industry model.

### Code of Business Ethics

The Group strictly adheres to the ethical boundaries of business conduct and complies with the “Law of the People's Republic of China for Countering Unfair Competition” (《中華人民共和國反不正當競爭法》), “Interim Provisions on Prohibition of Commercial Bribery” (《關於禁止商業賄賂行為的暫行規定》), “Opinions on Several Issues Concerning the Application of Law in Handling Criminal Cases of Commercial Bribery” (《關於辦理商業賄賂刑事案件適用法律若干問題的意見》) and other relevant laws and regulations. We actively promote and protect a fair competitive market environment, striving to foster the healthy development of the market and stimulate industry vitality. We have accordingly formulated “Internal Audit Management Regulations” (《內部審計管理規定》), “Code of Business Ethics and Code of Conduct” (《商業道德規範與行為準則》), “Code of Conduct for Organ Staff” (《機關工作人員行為守則》) and other internal codes of conduct. We highly prioritize and continuously cultivate a culture of integrity, requiring every employee to adhere to the code of business conduct. In conducting our business operations, professionalism, impartiality, integrity and ethical behavior are expected. Any form of corruption or bribery is strictly prohibited.

## OPTIMIZE CORPORATE GOVERNANCE

The Group pays great attention to the construction of a business ethics system within the project. We focus on the pre-bid review process as a core mechanism, clarifying the criteria for identifying “red-line” projects and cautioned projects, and embedding business ethics requirements into the project admission stage. Projects that violate business ethics, such as cooperating with private high-credit-risk real estate or involving illegal financing arrangements, are prohibited from the outset to eliminate unfair competition practices at the source. Meanwhile, we optimized the authorization and approval process, requiring responsible personnel and reviewers at all levels to perform their duties in accordance with regulations. Violations such as bidding without approval or splitting projects to evade evaluation were strictly prohibited, ensuring the compliance of business behavior through institutional constraints.

### **Reporting channels and handling mechanisms**

The Group establishes a “trinity” reporting and supervision system to strengthen the defense line for compliant operations, ensuring unobstructed monitoring through multi-channel reporting platforms. We have set up dedicated reporting line, email, mailbox and online feedback system, enabling employees and partners to submit leads to the discipline inspection or supervisory departments, either through express delivery or in person. The supervision and audit department takes the lead in setting up dedicated handling teams to strictly implement a closed-loop management process covering acceptance, verification, and feedback of reported content. For confirmed high-risk violations in engineering sector, such as conflicts of interest in authorizations and irregularities in the pre-bid review process, accountability is pursued according to laws and regulations to enhance the deterrent effect of supervision. At the same time, we improve the dual protection mechanism for whistleblowers’ rights, implementing a dual-track system supporting both anonymous and real-name reporting and reinforcing protections through measures such as information encryption and strict penalties against retaliation, thereby effectively safeguarding the legitimate rights and interests of whistleblowers.

Telephone for reporting: 0312-3311119

E-mail for reporting: hbjsjtygz@hebjs.com.cn

By courier or in-person delivery to the Discipline Inspection Department or Inspectorate Audit Department: Mailing Address: Party and Government Office of Hebei Construction Group Corporation Limited at No. 125 Lugang Road, Baoding City, Hebei Province

The Inspectorate Audit Department has set up an online information feedback channel, which is valid for a long period. Scan the QR code to feedback and requests

## **Anti-corruption culture construction**

The Group has always attached great importance to integrity building and compliant operations, committed to continuously strengthening the awareness of anti-corruption among all employees through systematic measures. To this end, we insisted on conducting regular anti-corruption and business ethics training, particularly by analyzing typical cases to raise compliance awareness among all employees. At the same time, we incorporated project review compliance into the performance evaluation scope for subsidiaries and relevant personnel, thereby guiding employees in firmly establishing the value orientation of “integrity in business and compliance in operations”. During the Reporting Period, we organized special training on anti-commercial bribery and anti-corruption for all senior executives and key personnel in an online-offline combined mode. The training provided in-depth explanations of the concept of commercial bribery, the legal responsibilities involved, and clarified the severe consequences of bribery, corruption, and embezzlement, as well as the boundaries and guidelines that must not be crossed. A total of 240 participants, including directors and employees, took part in the training, effectively enhancing the Company’s compliance level. Through these efforts, we actively promoted the deep integration of anti-corruption culture with business processes, striving to create and consolidate a positive atmosphere where personnel are “unwilling, unable, and dare not engage in corruption”, resolutely upholding the bottom line of anti-corruption and integrity promotion.

## **ANALYSIS OF MATERIALITY ISSUES**

We emphasize the importance of maintaining sincere and effective communications and exchanges with customers, employees, investors and other stakeholders. Through establishing normalized communication mechanism and expanding diverse channels, we actively listen to the demands and opinions of all parties so as to continuously optimize our focus on sustainable development and strive to create greater value for our stakeholders.

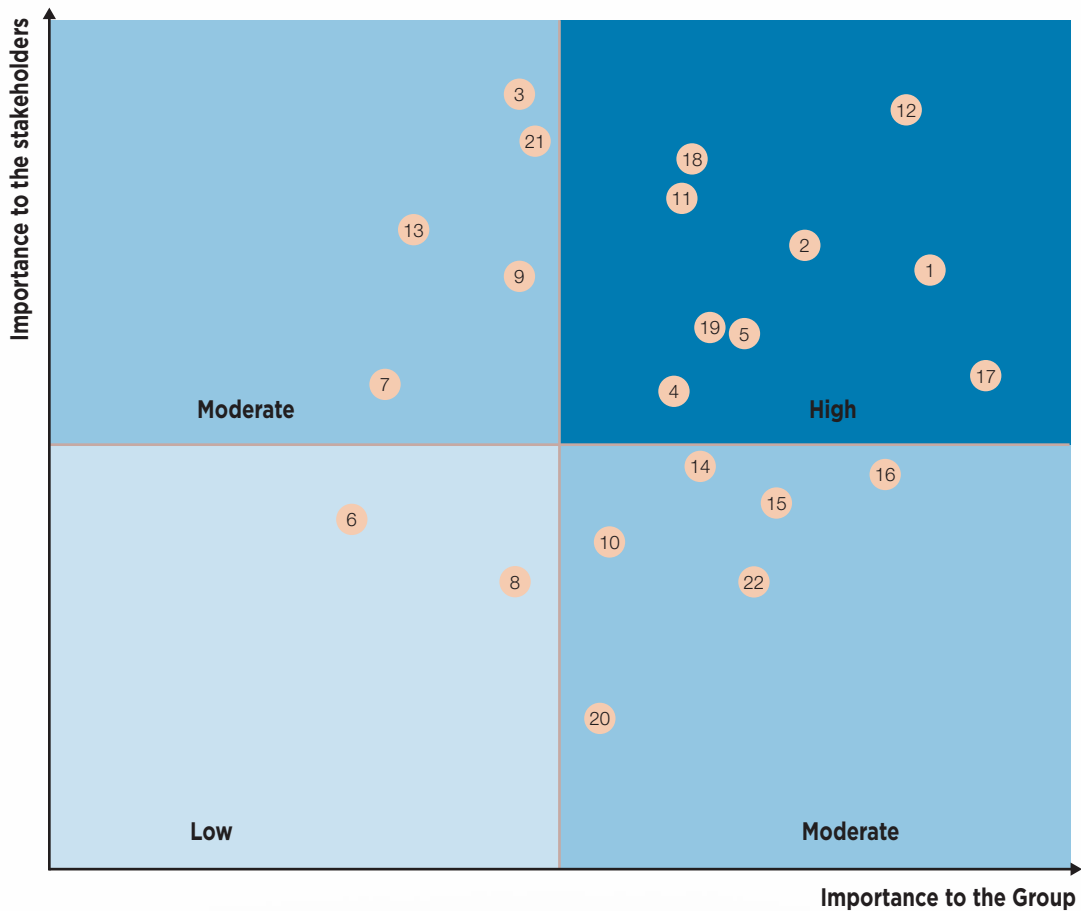
## Stakeholder Communication

We continuously optimize our communication mechanism with stakeholders and enhance communication channels to gain a deeper understanding of their expectations and requirements, and actively respond to various stakeholders. The following table sets out the key issues of concern to different stakeholder groups during the Reporting Period:

Stakeholder categories	Issues that stakeholders are particularly concerned about	Communication or response methods
Employees	Health and safety Remuneration and benefits Career training and development Internal communication and feedback channels	Young employees symposium Annual meeting Survey on employees' satisfaction
Shareholders/Investors	Anti-corruption Compliant operation Compliant risk responses Business opportunity and technological innovation	Shareholders' general meeting Regular and temporary announcements Roadshow
Government authorities	Compliant operation Promote local employment and economic and social development	Communication through meetings Participate in government projects Standard formulation and idea exchange
Clients/Proprietors	Project quality Customer experience Protection of commercial information	Purchase and sales of commercial houses Customer satisfaction survey Communication of sales and inspection
Suppliers/Subcontractors	Project quality Supply chain management Environmental impact of construction work Requirements of suppliers on ESG	Daily transactions Annual recognition Qualification review Communication throughout the tendering and bidding process
Environment	Green office The utilization of water resources Resource recycling Environmental impact of construction work Application of clean technology and energy Emissions and waste disposal	Green management Resources management Information disclosure
Communities	Charity Environmental impact of construction work Promote local employment and economic and social development	Charity activities Activities to promote community's development

## Materiality Matrix

During the Reporting Period, the Group reviewed and identified ESG-related issues in 2025 based on the results of the 2024 materiality assessment, combined with the Stock Exchange’s ESG Guidelines, peer benchmarking and the actual development of the Company during the year. A total of 9 issues of high importance, 11 issues of medium importance and 2 issues of low importance were identified.



Hebei Construction Group’s ESG Materiality Matrix of 2025

## ENSURING QUALITY DELIVERY

In the new stage of advancing the development of new-quality productive forces, the Group regards quality delivery as the foundation of our corporate survival and growth, and is committed to creating exceptional value for our customers. We deeply understand that quality is not only the key to building core competitiveness but also the fundamental guarantee for earning long-term customer trust and broad market recognition. For this purpose, we continuously upgrade our quality management systems and lean project management processes, optimize the customer service experience, and actively explore and implement more efficient and reliable quality delivery models, striving to lead the industry to new heights of quality.

### QUALITY MANAGEMENT STANDARDS

In the practice of quality management, the Group adheres to the core philosophy of “A Century-long Pursuit with Quality First,” committed to delivering high-quality engineering projects. We actively implement the Outline for Building a Quality-Strong Nation (《質量強國綱要》), maintaining the overarching principle of “steady progress for long-term success”. Guided by the pursuit of outstanding performance, we aim to “strictly adhere to the baseline with no penalties, elevate general projects to a higher standard and enhance the quality of premium projects”. Using institutionalization, informatization and standardization as tools, we further refine management systems, clarify post responsibilities, strengthen personnel training and assessments, solidify the foundation of quality management, strictly enforce quality accountability, fully promote standardized quality management, thoroughly address common quality issues, actively develop green construction, prefabricated construction and intelligent construction demonstration projects, and reinforced graded inspection and supervision. All these efforts drive project quality management from “qualified” to “high-quality,” further polishing the Group’s quality brand.

## Quality Management Standards

At the beginning of each year, we formulate and issue annual quality management priorities, setting clear quality goals for the year, establishing guarantee measures to achieve these goals, and supervising all units and projects to implement them rigorously to ensure project quality. We continuously enrich the quality knowledge base within the Group's comprehensive management information system, supplementing and updating specifications and standards, and continuously improving the training materials and question bank for the quality and technology system on the Construction Intelligence Academy platform. Quality and technical personnel make full use of the learning platform, downloading and studying knowledge from the quality knowledge base, promoting the application of sophisticated technologies and gradually enhancing their professional technical capabilities. During the construction process, we strictly adhere to relevant laws, regulations and industry standards to ensure that project quality meets requirements.

## Quality Enhancement Mechanisms

In 2025, the Group implemented multiple measures to comprehensively elevate project quality levels in quality management, as detailed below:

1. Established of a training and assessment mechanism for project technical leaders. Newly appointed project technical leaders must pass an assessment before taking up their posts. Each unit tracks the onboarding status of new project technical leaders monthly and reports it in the quality monthly report. This has further enhanced the project teams' ability to manage engineering quality and reduced quality and technical management risks.
2. To stimulate enthusiasm among quality and technical personnel for learning regulations and standards, foster innovation, pursue awards, as well as to enhance their professional technical capabilities, we conducted assessments for quality and technical system personnel. These efforts have created a positive atmosphere of proactive responsibility fulfillment and elevated the Group's overall quality and technical management level. The assessment results provided insights into current deficiencies among system personnel, offering a basis for formulating subsequent improvement measures.

## ENSURING QUALITY DELIVERY

3. To promote the standardization of quality management, all units identified standardized quality management model projects as required, totaling 22 model projects. Each unit prepared implementation plans for these model projects, establishing standardized work standards, operating procedures and acceptance processes for regulating quality behavior and controlling physical project quality. These efforts played a leading and exemplary role in quality management within each unit.
4. To continuously and deeply resolve common quality issues, we organized subsidiaries to conduct specialized governance of common quality issues, minimizing rework and repairs to reduce quality costs: Each unit identified demonstration projects for common issue governance, totaling 22 demonstration projects. This point-to-area approach significantly contributed to elevating the overall quality level across the Company.
5. To strengthen process quality inspections, we have focused on the implementation of systems, governance of common quality issues, control of special and critical processes, physical project quality and inspection and testing. We supervised projects to rectify identified quality issues. Specialized quality inspections were conducted for residential projects and water conservancy projects, resulting in significant improvements in the quality of specialized engineering.
6. Thorough implementation of the monthly quality report system to stay informed of the quality changes of each project in a timely manner. During project construction, we deliberately followed the model-led approach and the three-inspection system (self-inspection, mutual inspection and handover inspection), comprehensively promoting visualized handovers and QR code-based handovers. Quality inspection planning was conducted in advance, with inspections carried out according to the plan and detailed records maintained. For issues identified during inspections, responsible parties were required to implement rectifications, while the resolution of quality issues was verified promptly to prevent unqualified products from proceeding to the next stage. This PDCA (Plan-Do-Check-Act) cycle ensured a continuous improvement in the quality of projects.

## Quality Culture Development

1. Carrying out the Quality Month activities. In September 2025, the Group organized its units to actively carry out “Quality Month” activities, including: “conducting quality-themed publicity to enhance quality awareness among all employees; implementing in-depth quality improvement initiatives to vigorously carry out quality brand building; promoting and enforcing the Quality and Safety Manual to advance standardized quality management; continuing to address common quality issues thoroughly; strengthening personnel training and assessments to improve system personnel capabilities; and organizing on-site observation events”. After the Quality Month activities concluded, each unit promptly summarized the activities, analyzed shortcomings and formulated improvement measures, thus ensuring the continuous enhancement of the effectiveness of the Quality Month activities.
2. Holding a Quality Knowledge Competition. In September 2025, the Group organized and held the finals of the 2025 Quality Knowledge Competition, with 58 teams from five participating professional categories, including civil construction, electrical, heating and ventilation (HVAC), municipal transportation and water conservancy. The top three performers in each category were awarded prizes. By organizing the Quality Knowledge Competition, we encouraged quality and technical system personnel to deeply study current standards, as well as the Company’s quality management systems, enhancing their quality awareness and improving their professional technical skills and level of project quality management.
3. Organizing quality observation events. In February 2025, the Group organized key personnel from its subsidiaries to visit the Biological Breeding Innovation Center Project at Hebei Agricultural University undertaken by our First Branch and Seventh Branch for a steel structure engineering quality observation. In April, all units participated in the “Quality Housing” construction quality on-site observation meeting hosted by the Housing and Urban-Rural Development Bureau of Baoding City. In September, subsidiaries arranged for their quality and technical system personnel to observe demonstration projects addressing common quality issues and standardized quality management model projects within their units, achieving positive results.

## Quality award honors

In 2025, the Group won one Luban Award, participated in two projects that won the Luban Awards, and achieved 102 provincial quality projects and one First Class and three Third Class Achievements of Engineering Design Projects in Hebei Province. A total of 72 provincial outstanding QC achievements and four outstanding QC achievements of the China Construction Industry Association were obtained.



## ENHANCEMENT OF FULL-PROCESS MANAGEMENT

In project management practice, the Group adheres to the concept of “planning first, execution strong” and is committed to achieving precise and efficient project delivery. We are well aware that outstanding project management is the core engine for fulfilling customer commitments and creating value. By implementing lean resource scheduling, strengthening dynamic progress control, and improving full-process risk prevention and control, we have transformed project management efficiency into a powerful driving force for corporate development, continuously providing customers with solid and reliable delivery guarantees.

### Project Planning and Execution

The Group ensures that there are clear objectives and implementation paths for each step in the whole process of project management from planning to execution. Through detailed preliminary research and reasonable allocation of resources, we ensure that projects are carried out smoothly in accordance with plan. Relevant initiatives are set out below:

1. Regulate market behavior. In order to safeguard the good brand image of the Group companies, further regulate market behavior, and effectively prevent risks in tendering work, it was clearly required that each unit must carry out tendering and bidding work in accordance with law and regulations. It was strictly prohibited to sign pre-tender agreements in the name of the branch or the Group, so as to eliminate potential risks at source and lay a foundation for the smooth commencement of the project.
2. Strictly control project entry. Strictly enforce the requirements of “red-line projects” and “warning projects”, conduct rigorous reviews of risky projects, and prohibit bidding for red-line projects. Exercise caution when accepting warning projects; if accepted, a risk control report must be submitted, and bidding may proceed only after approval from the Group’s General Manager of Marketing and Operations. From the source of project undertaking, we comprehensively control external market risks to ensure the quality and safety of projects undertaken by the Group.

## ENSURING QUALITY DELIVERY

3. Establish a systematic think-tank exchange platform. In order to integrate resources and give full play to the supporting role of the backbone of the marketing system in the market area and the reference value of the think-tank, the Group has established a systematic think-tank exchange platform. The platform gathers experts and scholars in the industry to provide professional analysis and advice to the Group in key areas such as market layout planning, policy formulation and project bidding, providing comprehensive intellectual support for the Group's market decisions.
4. Strengthen the pre-bid evaluation system. The operation and management department is responsible for implementing the pre-bid evaluation system. Through a rigorous evaluation process, it conducts a comprehensive assessment of the feasibility, economic benefits and potential risks of the project, and analyzes the project from multiple dimensions to ensure scientific and accurate decision-making of the project. Specific measures include:
  - Preliminary research: Detailed analysis of market demand, competitors and policy environment to ensure accurate project positioning.
  - Resources allocation: Reasonable allocation of human, material and financial resources according to project needs, maximizing the use of existing resources.
  - Risk Assessment: leveraging scientific risk assessment tools to identify and quantify potential risks in the project and formulate countermeasures in advance.
  - Evaluation process: A strict pre-bid evaluation mechanism is established to ensure that each project undergoes multiple rounds of evaluation and ultimately forms a scientific basis for decision-making.

Through the aforesaid measures, the Group not only enhances the management level of project planning and execution, but also effectively reduces various risks in the course of project implementation to ensure that the projects can be completed on time and with high quality, thus providing customers with a more reliable and efficient delivery guarantee. Our goal is to further enhance project quality and customer satisfaction through continuous optimization of the project management process to achieve sustainable corporate development.

## Construction Budget Management

The construction budget serves as the foundation for project cost control, forming the basis for the project team to establish responsibility costs and target costs, and acting as a benchmark for actual cost accounting. We require projects to prepare construction budgets in a scientific and accurate manner to guide cost control throughout the entire project lifecycle;

During the construction process, economic analysis meetings for the project must be conducted to ensure the timeliness of cost aggregation and the consistency of revenue recognition, thereby accurately reflecting the current operational status of the project.

For completed projects, post-project evaluations must be conducted to promptly review and summarize experiences and lessons learned. Replicable management measures should be promptly disseminated to provide management efficiency experience for subsequent projects. At the same time, we must emphasize the accumulation of data from every completed project to provide guidance for construction budgeting and form a closed-loop system.

## Resources Scheduling

All projects that the Group is responsible for are planned on a full-cycle basis in advance according to the project requirements. The overall progress plan is broken down into monthly and weekly control nodes through the WBS (Work Breakdown Structure) method. A three-tier resources coordination mechanism is established at the project execution stage:

1. Implement a dynamic team deployment system at the labor level and allocate personnel for each type of work based on BIM construction simulation data;
2. Material management adopts the “three-color early warning” system, combined with the ERP material module to generate accurate purchase orders;
3. Fund management implements the “dual-line control” model and establishes a project emergency working capital pool based on the construction unit’s appropriation. Process control is implemented through the “PDCA cycle”: daily morning meetings are held to check progress deviations; weekly cost analysis meetings are held to audit fund flows; and monthly resources coordination meetings are held to balance the needs of each bidding section.

## **Progress Tracking**

The Group achieves efficient progress control through the establishment of a digital management system:

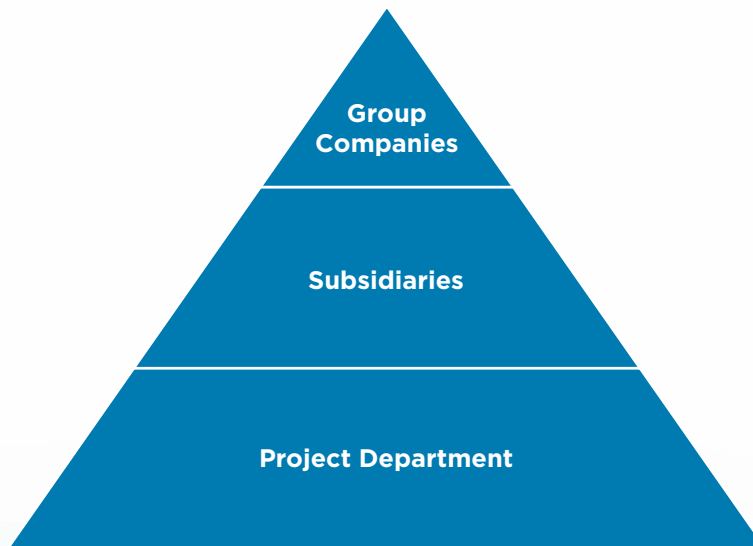
1. In terms of integration of technical tools, we have built a cloud-based project management platform, BIM technology system, mobile terminal application and remote video monitoring system. We synchronize the establishment of WeChat groups for hierarchical project progress management to open up cross-level information channels;
2. At the dynamic control and implementation level, the Company relies on information technology system to collect real-time data on the progress of works in progress. Through full-cycle information sharing and dynamic analysis, we optimize resources allocation scheme and adjust the interface logic of critical processes based on data feedback, and follow up on the progress of the construction through classification and control mechanism in a differentiated manner;
3. For decision support upgrade section, the management utilizes the automated reporting system to monitor the project status in a panoramic view, so as to reduce human errors and cross-departmental communication barriers and promote systematic upgrading of the progress control process, which ultimately ensures the project's high-quality and on-schedule delivery.

## CUSTOMER SERVICES OPTIMIZATION

The Group prioritizes enhancing customer experience and satisfaction as the core driving force for long-term value growth. Premium service forms the foundation for building deep trust and earning market reputation, while also serving as a vital demonstration of our commitment to fulfilling social responsibilities towards customers. By establishing a tiered service system, maintaining open two-way communication channels, rigorously safeguarding privacy and security, and practicing responsible marketing, we continuously refine our service model, striving to deliver exceptional value experiences that exceed customer expectations.

### Three-tier service system

In the practice of customer service, the Group adheres to a people-centered and customer-oriented approach. We have established a comprehensive three-tier service management organization system through the formulation of the “Implementation Rules for Key Account Management” (《大客戶管理實施細則》), with a view to continuously optimizing customer service mechanism, improving the quality of customer service and enhancing customer experience and satisfaction.



**Three-tier Service Management Organisation System**

### **1. *Customer Classification and Dynamic Management:***

In market development, we attach great importance to the development and maintenance of major customers. By strictly enforcing customer classification and management, each branch (sub) company is responsible for classifying and counting customers. Relying on the Group's integrated management information system, we have carried out process-oriented filing and management of newly-entered customers. We irregularly update the major customer list, establish a mechanism for daily visits and an all-round communication system with major customers, understand individualized needs of major customers, provide customized services, and establish long-term and stable strategic cooperative relationships with major customers. At the same time, we pay close attention to the development trend and operating conditions of major customers, comprehensively and in-depth assess the stability of major customers' capital chains, their ability to fulfill their contracts and potential social risks. We prepare risk warnings in advance to ensure sustainability of cooperation.

### **2. *High-level interaction and return visits to projects:***

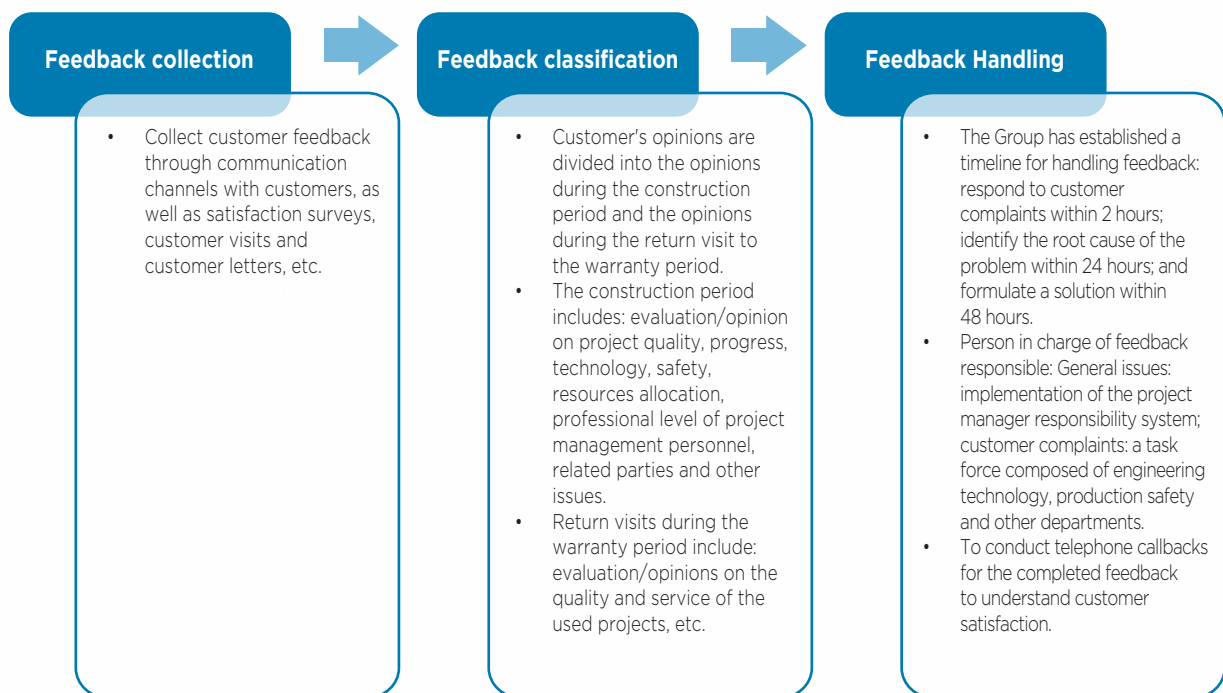
With respect to major customers at the Group level, we require subsidiaries (branch) companies to proactively conduct return visits to projects and strengthen exchanges of high-level visits. When necessary, the Group's leaders will meet with each other to show that they attach great importance to major customers. Through high-level interactions, problems arising in the course of cooperation can be resolved in a timely manner, thereby increasing mutual trust and understanding and promoting cooperation to a deeper level of development.

### **3. *Strategic cooperation expansion:***

In 2025, we actively enter into strategic cooperation agreements with government departments and enterprises at all levels, such as People's Government of Daliuhe Town, Wenan Country, Shenyang National High-tech Industrial Development Zone Management Committee, Laishui Zhisheng New Energy Technology Co., Ltd.(涇水智聖新能源科技有限責任公司) and Dongli Construction Engineering and Safety (Beijing) Technology Co., Ltd. (東力建安(北京)科技有限公司), etc. We will take this opportunity to develop long-term, multi-disciplinary, comprehensive and in-depth cooperation to achieve mutual benefits, win-win cooperation and synergistic development, and to provide customers with better and more comprehensive services and value.

## Feedback on customer communication

We always adhere to quality of service. In accordance with the “Customer Complaint Management Process” (《顧客投訴管理流程》), we continue to establish and improve long-term communication mechanism with customers. Through the complaint hotline, corporate mailbox, office phone, dedicated receptionist for incoming correspondence and visitors and other diversified channels, we listen to the voice of customers and suggestions, and timely resolve and feedback on issues raised by customers. We are committed to bringing a satisfactory service experience to customers.



Customer Complaint and Feedback Processing Process

In 2025, we continued to focus on customer satisfaction by conducting customer satisfaction surveys for all works in progress and warranty period works. During the Reporting Period, the number of customer complaints of the Group was zero and the customer satisfaction rating was 93.4 points.

### **Customer privacy protection**

While continuing to enhance the level of customer service, the Group always places customer privacy and information security at its core. We strictly comply with the “Law of the People’s Republic of China on the Protection of Rights and Interests of Consumers” (《中華人民共和國消費者權益保護法》), the “Law of the People’s Republic of China on Data Security” (《中華人民共和國數據安全法》) and the “Law of the People’s Republic of China on Network Security” (《中華人民共和國網絡安全法》) and other laws and regulations. The Group has also formulated the “Code of Business Ethics and Code of Conduct of Hebei Construction Group Corporation Limited” (《河北建設集團股份有限公司商業道德規範及行為準則》) to provide solid guarantee for customers’ personal information and privacy.

We fully recognize the paramount importance of client privacy and rigorously adhere to relevant regulations and internal policies in our daily operations. By clearly defining access rights and management responsibilities for client information across all roles, we ensure every employee comprehends and strictly complies with information protection requirements. These measures aim to establish a secure and reliable environment for our clients, safeguarding their information and privacy with utmost dedication.

Looking ahead, we will continue to strengthen our customer information security safeguards, continually refining existing measures to ensure data is properly protected at every stage of processing. Our objective is to further enhance customer trust through rigorous privacy protection practices, ultimately achieving mutual growth for both our organization and our clients.

### **Responsible Sales and Marketing**

In 2025, we continued to focus on the Company’s production and development goals. With “truthfulness, compliance and accountability” as the core philosophy, we strove to provide transparent and reliable information to customers. We are determined to eliminate any form of false advertising and exaggerated publicity and always focus on the interests of customers. We attach great importance to the social impact of marketing activities and actively shape a good corporate image to create more a more valuable and trusted brand for customers. The following are our core initiatives and practical achievements in the field of responsible sales and marketing:

## **1. *Strengthening the dissemination power of self-media platforms***

We gave full play to the advantages of self-media matrix and planned to push out more than 50 issues of public account and produce more than 70 issues of weekly news bulletins and features throughout the year, providing in-depth coverage of the key projects, important honors, large-scale meetings and cultural activities of the Group in an all-round and multi-angle manner and systematically recording the annual development history of the Company.

## **2. *Demonstration of core practical achievements***

Coverage of key livelihood projects: Through in-depth coverage of key livelihood projects undertaken by the Group, the Company's practical contributions in fulfilling social responsibility was highlighted and public recognition and support for the Company was enhanced.

Publicity of important awards and honors: Timely and accurate dissemination of authoritative awards and honors won by the Company demonstrated the Company's leading position and technical strength in the industry and continuously enhanced the brand value and influence.

Presentation of large-scale meetings and cultural charm: By comprehensive demonstrating the Company's important meeting dynamics and rich cultural activities, the Company vividly conveyed the core of its corporate culture and sense of social responsibility and significantly strengthened employees' sense of belonging and pride.

By implementing responsible sales and marketing strategies, Hebei Construction Group has not only successfully shaped an honest and reliable corporate image, but also provided strong support for the Company's high-quality development. Looking ahead, we will remain steadfast in upholding the principles of compliant and transparent communication, continuously enhance our brand influence and sense of social responsibility, and drive the Company to achieve steady and sustained progress amid market competition, thereby attaining sustainable and prudent development.

## INNOVATION LEADS TO WIN-WIN SITUATION

In the face of profound changes in the construction industry, the Group has been using innovation as a lead and focuses on green construction, intelligent upgrading and responsible supply chain construction, driving sustainable transition and ecological win-win situation in the industry. We firmly believe that innovation is the core engine for solving development problems and shaping future competitiveness. By building an open technology research and development platform, applying prefabricated construction technology on a large scale, building a responsible supply chain management system, and strengthening intellectual property protection, we actively explore a low-carbon, efficient and collaborative forward-looking development path, contributing “Hebei Construction” plans for the green and low-carbon transition in the industry and social welfare improvement.

## TECHNOLOGY DRIVEN INNOVATION

In the exploration of technological innovation, the Group takes “innovation-driven, technology-led” as its core concept, and devotes itself to promoting the transformation and application of scientific and technological achievements through the construction of technological innovation system and the practice of prefabricated construction. We are fully aware that technology is not only the source of corporate competitiveness, but also the cornerstone of industry progress. By setting up national-level science and technology platform such as National Enterprise Technology Center, optimizing the research and development process, and encouraging innovative activities, we have achieved hundreds of awards and honors represented by the Second Prize of National Science and Technology Progress Award and Zhan Tianyou Prize, which have provided strong scientific and technological support for the Company’s high quality development, and continuously transformed scientific and technological innovation into a powerful driving force for the Company’s high quality development.

### Technology and Innovation Management

The Group always adheres to driving technological development with innovation and attaches great importance to the construction of a technological innovation system. We have formulated internal system documents such as “Science and Technology and Research and Development Project Management Workflow” (《科技研發項目管理工作流程》), “Project Management Measures for Enterprise’s Science and Technology Research Plan” (《企業科技研究計劃項目管理辦法》),

“Management Measures for Enterprise’s Science and Technology Research and Development Expenses” (《企業科技研發費用管理辦法》) and “Science and Technology Progress Management System” (《科技進步管理制度》). Focusing on technology process construction, research and development organisation construction and project innovation capacity construction, we continuously improve the technological innovation system, stimulate the role of management in promoting scientific and technological innovation, and promote the deep integration of scientific and technological innovation and industrial development.

Based on the above-mentioned internal systems, during the Reporting Period, the Group issued notices such as “Highlights of Science and Technology Management Work in 2025” (《2025年度科技管理工作要點》) and “Enterprise Science and Technology Research Plan Projects in 2025” (《2025年度企業科技研究計劃項目》) to lay out the annual scientific and technological work priorities and to put forward requirements for the plan projects above the provincial level and the enterprises’ science and technology research plan projects. Based on the above, the Group set targets for technological innovation work in 2025, which were all successfully achieved during the Reporting Period.

### **Prefabricated Construction**

Centering on the “14th Five-Year Plan” and the national industrial policy, Hebei Construction Group vigorously develops green and energy-saving prefabricated constructions, carries out forward-looking construction industrialization research, and will continue to promote the reform of construction methods with high standards and integration, constantly creating a new highland of future competitive advantages, and boosting the transformation and upgrading of the traditional construction industry. Since the approval of the national prefabricated construction industry base, the Group has actively undertaken more than 90 prefabricated construction projects, with a total construction area of more than 8 million square meters, completing the development target; actively undertaking prefabricated construction design projects with a construction area of more than 1.31 million square meters; vigorously launching the research on prefabricated construction related technologies. In 2025, the Company won bids/started construction for a total of 21 prefabricated construction projects with a total construction area of over 650,000 square meters, set up 20 research topics related to prefabricated constructions and newly applied for/was authorized 9 patents.

## INNOVATION LEADS TO WIN-WIN SITUATION

The annual performance assessment of the Hebei Provincial Innovation Technology Center for Prefabricated Construction, established by Hebei Construction Group, has been rated as “excellent”. The Hebei Provincial Innovation Technology Center for Prefabricated Construction carries out research and development work in three key areas: prefabricated steel structure construction technology, prefabricated ultra-low energy consumption building technology, and key technologies for prefabricated construction. During the evaluation period, the Hebei Provincial Innovation Technology Center for Prefabricated Construction raised a total of RMB42.2385 million in R&D funding and undertook 37 R&D projects, comprising 8 provincial-level projects and 29 independently developed projects. Of this total, RMB6.5 million came from government funding, whilst the host institution contributed RMB35.7385 million in R&D funding. In terms of achievements, the Center obtained a total of 37 intellectual property rights, comprising 11 invention patents and 26 utility model patents, published 4 monographs and 5 academic papers, participated in the formulation of 2 national standards, secured 10 provincial construction methods and 11 enterprise construction methods, and received 9 industry awards for scientific and technological progress. Through independent R&D, the Center developed a total of 15 new processes, technologies and products for prefabricated construction. During the evaluation period, the Center completed the evaluation of 10 new technological achievements. Among these, the implementation technology for large-span arched metal roofs and the temporary protection technology for prefabricated staircases were assessed by experts as leading domestic technologies. Both the new technologies and products have been commercialized and implemented in construction projects, generating an additional RMB154 million in sales revenue for enterprises, saving RMB13.01 million in costs, and enhancing construction efficiency, safety and quality, thereby yielding significant economic and social benefits. A total of 22 new technologies, processes, products and proprietary technologies were developed and fully implemented. These have achieved significant results and received widespread acclaim in the field of prefabricated construction, establishing the Center as a highly influential entity within the industry.

## A wealth of innovative achievements

During the Reporting Period, we achieved significant results in scientific research and innovation, with 201 corporate R&D projects approved, 11 projects approved by the Provincial Department of Housing and Construction, and 4 projects approved by the Provincial Construction Association; 18 research projects passed external acceptance, with 9 assessed as leading domestically; we submitted one application for the First Prize of the Hebei Provincial Government Science and Technology Progress Award and four applications for the National Industry Association Science and Technology Progress Award. During the Reporting Period, the awards we received included:

- Awarded 1 Second Prize in the Science and Technology Progress Awards of the China Steel Construction Society
- Awarded 20 Science and Technology Progress Awards of the Provincial Construction Industry
- Awarded 14 Hebei Provincial Construction Industry Science and Technology Awards
- Awarded 9 BIM competition prizes
- Awarded 13 provincial workmanship

In addition, we have also been awarded 14 high-value patents, 12 demonstration projects for the application of new technologies, 2 demonstration projects for green construction technology, and 56 newly granted patents (including 8 invention patents) by the Provincial Construction Association, and participated in the compilation of 9 standards of various types.

### **Innovative incentive mechanisms**

In order to deeply implement the Group's strategy of "developing the enterprise through science and technology" and effectively stimulate the innovative vitality of employees, the Company has established a comprehensive technology incentive mechanism. We have established the "Quality, Safety, Science and Technology Incentive Fund Management Methods" (《質量、安全、科技獎勵基金管理辦法》) and "Scientific and Technological Advancement Management System" (《科技進步管理制度》). The main sources of the incentive fund: the incentive fund will be withdrawn in proportion from the participating units. In accordance with the mode of two lines of income and expenditure, the incentive fund is used to reward the research and development results, authorized patents, approved workmanships, and scientific and technological progress awards, etc., and is cleared once a year without rolling over.

In addition, the Company places great emphasis on building a team of technical professionals and continuously enhances their capabilities through a diverse range of training programmes. We have continued to conduct both online and offline training for project chief engineers. In 2025, we organized a total of nine specialized seminars covering topics such as the dissemination of quality and technical management systems, measures to prevent and address common quality issues in building construction projects, an interpretation of key points in quality and technology management, and the sharing of best practices from exemplary projects. On-site assessments were conducted following the training sessions to evaluate effectiveness, with 5,000 participants taking part in the assessments. We actively organized staff to participate in training and exchange activities hosted by associations and regulatory authorities at various levels to enhance their management capabilities, including the 2025 Quality Deployment Conference of the China Association of Construction Enterprise Manage, the Science and Technology Innovation Conference and Technology Observation Exchange organized by the Hebei Construction Industry Association, and the BIM Application Training Course organized by the Housing and Urban-Rural Development Bureau of Baoding City.

## Intellectual property protection

We attach great importance to the protection of innovative achievements, continuously develop our technological competitiveness and strictly abide by laws and regulations such as the “Trademark Law of the People’s Republic of China” (《中華人民共和國商標法》), the “Patent Law of the People’s Republic of China” (《中華人民共和國專利法》), and the “Copyright Law of the People’s Republic of China” (《中華人民共和國著作權法》) and other laws and regulations. We have formulated a number of internal management systems and a sound intellectual property protection system, continuously improving the standardised management and control process from creation, application and protection to the attribution of property rights and results. In 2025, the Group successfully passed the intellectual property management system certification.



Intellectual property management system certification

In order to implement the intellectual property protection system thoroughly and continuously enhance the awareness of intellectual property protection among all employees, the Group participated in a number of exchange and training activities relating to intellectual property protection during the Reporting Period.

## INNOVATION LEADS TO WIN-WIN SITUATION

No.	Training content	Date	Training Units
1	Lecture on Intellectual Property Management of Enterprises	12 October 2025	Baoding Municipal Market Supervision Administration
2	2025 Overseas Intellectual Property Protection Training for Export Enterprises	2 November 2025	Baoding Municipal Market Supervision Administration
3	Lecture on Diversified Settlement of Intellectual Property Disputes	8 November 2025	Baoding Municipal Market Supervision Administration
4	Launch of the Policy Promotion and Practical Guidance Activities on Patent Open Licensing	13 November 2025	Baoding Municipal Market Supervision Administration
5	International Trademark Registration and Patent Cloud Sharing Conference	25 November 2025	Baoding Municipal Market Supervision Administration
6	Intellectual Property Practice Training	13 December 2025	Baoding Municipal Market Supervision Administration

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

The Group deeply embeds the principle of “responsibility first, cooperation and mutual benefit” into its supply chain management, and is committed to building a sustainable supply chain ecosystem that is resilient, green and equitable. We recognize that a responsible supply chain is the foundation for the Group’s sound operations and high-quality development, and is a crucial element in fulfilling our environmental and social responsibilities. By establishing rigorous ESG supplier onboarding and performance evaluation mechanisms, enhancing the efficiency and transparency of our cloud-based procurement platform, and leading the way in green building materials procurement and low-carbon logistics practices, we are continuously exploring and building a responsibility management model that spans the entire supply chain, setting a benchmark for the transformation and upgrading of supply chains within the construction industry.

## Supplier Admission and Assessment

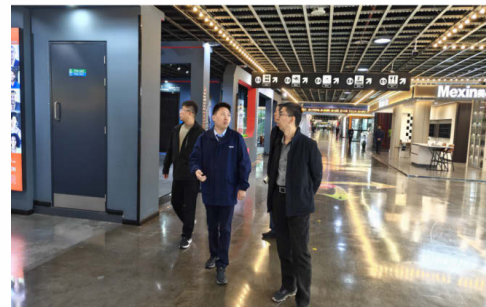
For the admission of suppliers, apart from requiring suppliers to submit quality, environmental and safety-related qualification base information, we will also conduct detailed investigation and evaluation of suppliers' product quality, safety, energy saving and environmental protection-related technical performance. In addition, we will audit the relevant information filled in by suppliers to ensure its truthfulness and accuracy. In particular, we will give priority to suppliers with excellent ESG (Environmental, Social and Governance) performance. At the same time, all suppliers are required to sign anti-corruption and anti-corruption clauses to ensure the integrity and transparency of the relationship.

To ensure efficient operation of the supply chain, the Group implements active rating management for suppliers. We rate our suppliers in four dimensions, namely, performance capability, quality of supply, service capability and price level, and categorize them into three grades, namely, probationary, qualified and strategic. Suppliers with a composite score of 80 points or above may be issued with a qualified upgrade application by the projects department, while suppliers with a composite score of less than 60 points may be issued with a downgrade application. Unqualified suppliers will be suspended and blacklisted. This stringent assessment mechanism not only helps to screen out quality suppliers, but also effectively enhances the overall supply chain management.

In order to safeguard the interests of the Company and the healthy development of the supply chain, the Group strictly prohibits suppliers from engaging in commercial bribery, falsification of qualifications, jeopardizing the interests of the Company and obtaining improper benefits. Once verified, these suppliers will be blacklisted and prohibited from participating in the Group's procurement business in accordance with the Measures for the Administration of Blacklist (《黑名單管理辦法》). Through this stringent elimination mechanism, we are able to effectively prevent potential risks and ensure the safety and stability of supply chain.

## Supplier communication and exchange

We continued to have in-depth exchanges with suppliers and visited a number of suppliers on site to understand their business model, safety management, production processes and innovations, etc. In addition, we also conducted audits of suppliers' qualifications through on-site inspections and question-and-answer sessions, which included product quality, ability to guarantee supply, brand grade, past performance, workflow, quality management, environmental management and occupational health and safety management, etc. In this way, we not only identify possible problems in the supply chain, but also collect suggestions for improvement, enhance mutual understanding and strengthen the foundation of cooperation. These efforts not only ensure the quality of purchased materials, but also significantly reduce supply chain risks.



Supplier networking events

## Management of centralized procurement suppliers

In accordance with the relevant requirements of the Group's "Material Management System" (《物資管理制度》) and "Management Measures for Centralized Procurement Suppliers" (《集采供應商管理辦法》), the Group implements the management principles of "centralized management, dynamic assessment and selection of the best and elimination of the worst" in respect of its centralized procurement suppliers. We adhere to stringent standards and processes, strict admission and real-time evaluation. Through the establishment of the "Supplier Directory" (《供應商名錄》), daily management and regular assessment, we ensure that all partners meet the requirements of high quality, environmental friendliness, safety and reliability.

In the course of cooperation, we conducted assessments based on four dimensions, namely, "contract fulfillment capability, supply quality, service capability and price level", and based on the assessment results, we classified our centralized procurement suppliers into three grades, namely, probationary, qualified and strategic. At the same time, the corresponding rights and interests of each level are divided: in the process of centralized procurement tendering, priority will be given to successful bids from suppliers with higher ratings. During the year, the Group conducted a total of 194 supplier evaluations.

## Cloud Procurement Platform Operation

In 2025, the "Cloud Procurement Platform" of Hebei Construction showed remarkable operational results, covering a wide range of aspects such as transaction turnover, member registration, mall purchasing and cost control, fully demonstrating the advantages and highlights of centralized procurement.

The Cloud Procurement Platform recorded a total transaction value of RMB5.457 billion for the year, including RMB4.327 billion for materials, RMB574 million for equipment, RMB116 million for labor subcontracting, and RMB44,000 for professional subcontracting.

There were a total of 3,709 newly registered suppliers, including 3,087 material suppliers, 419 equipment suppliers, 18 labor subcontractors, and 185 professional subcontractors.

## INNOVATION LEADS TO WIN-WIN SITUATION

Through close collaboration with multiple high-quality suppliers, we have established several online marketplaces covering major construction materials, miscellaneous supplies, and office supplies, with a total transaction volume of RMB5.9365 million in 2025.

By combining online tendering with an online marketplace, the Cloud Procurement Platform continuously optimizes tendering and ordering processes, emphasizing multi-source price comparisons and leveraging volume to secure better prices, thereby making the procurement chain more refined, transparent, and intelligent. At the same time, the Cloud Procurement Platform's information-sharing section for the trading of idle materials provides support for project departments to further reduce costs and improve efficiency.

### **Supply Chain Modernization**

In terms of supply chain management, the Group is committed to enhancing its modernization, digitization and intelligence. Through the introduction of e-commerce platforms, the implementation of dedicated procurement interface with leading enterprises in the industry and the online operation of the entire process, the Group has significantly enhanced the efficiency and transparency of the overall supply chain.

First, by combining the industry's vertical e-commerce operation model, our one-stop procurement e-mall has been continuously refined, which continues to utilize the advantages of the mall in terms of price, quality and billing period and further enhances the procurement efficiency of the project. In addition, centralized procurement special platform established on the e-commerce platform has realized professional market connection. By further increasing and improving the mall building materials categories and enriching the product line, we have improved the flexibility of procurement and response speed for the project, thereby further enhancing our digitization procurement level.

In respect of tendering and procurement, the Group has fully implemented online operation, thereby improving work efficiency and enhancing the transparency and fairness of the procurement process. In this way, we are able to better monitor the procurement process and ensure that each step complies with the Company's regulations and legal requirements.

In the future, we will continue to devote ourselves to the modernization of supply chain by exploring and applying new technologies and methodologies to further enhance the intelligence of supply chain and ensure the Group's competitiveness and sustainability in the global market.

## INDUSTRY COLLABORATION FOR WIN-WIN

The Group upholds “Open Collaboration and Value Co-creation” as the core philosophy of industry collaboration, and is committed to building a symbiotic and prosperous innovative ecosystem for the construction industry. We deeply recognize that close industry collaboration is a key engine driving technological innovation, enhancing industrial efficiency and achieving sustainable development. By actively leading and participating in the formulation of industry standards for green construction and intelligent construction, deepening the integration of industry, academia and research to accelerate the transformation of technological achievements and talent cultivation, and leveraging industry association platforms to promote the exchange of best practices and resource sharing, we continuously explore and practice more efficient and open collaborative development models, inject strong momentum into the high-quality development of the construction industry and lead the creation of a win-win cooperative future for the industry.

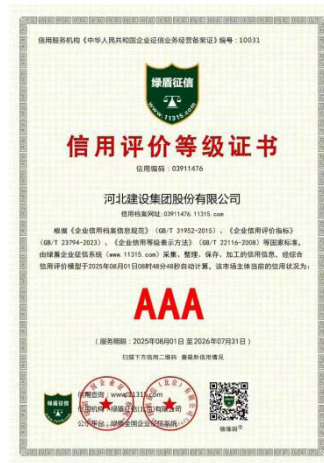
### Industry Standard Formulation

In the financial year 2025, the Group, as an important member of the Hebei Construction Engineering Tenders and Bidding Association, actively participated in the revision of the Model Tendering and Bidding Documents of Hebei Construction Engineering. Combining years of project practice and management experience, it contributed to promoting the standardization, regularization and transparency of industry bidding and procurement processes.

In terms of corporate credit construction, Hebei Construction has also achieved remarkable results. The Company actively participated in the credit evaluation work and successfully obtained the certificate of credit evaluation level by virtue of its standardized operation and management, good performance record and fulfillment of social responsibility. We were awarded “The People’s Republic of China Enterprise Credit Collection Business Operation Registration Certificate” (《中華人民共和國企業徵信業務經營備案證》) (No. 10031) of a credit service organization. This achievement is a strong proof of the Company’s outstanding performance in integrity management, and further enhances the Company’s credibility and competitiveness in the market. The good credit image not only wins more cooperation opportunities for the Company, but also creates a good atmosphere of honest operation for the construction industry.

## INNOVATION LEADS TO WIN-WIN SITUATION

By actively participating in the activities of the association and further promoting credit construction, Hebei Construction has strengthened its close ties with industry partners, realized efficient sharing of technology and resources, contributed to the healthy and orderly development of the construction industry, and helped to create a more prosperous and harmonious ecological environment for the industry.



In the journey of high-quality development of the construction industry, Hebei Construction always takes “win-win cooperation and innovation drive” as the core concept, and is committed to promoting the common progress and sustainable development of the industry by participating in the formulation of standards, deepening the cooperation between industry, academia and research, and active exchanges with associations.

In 2025, the Group participated in the compilation of 9 national, industrial and local standards, thus enhancing the voice of the industry.

## INNOVATION LEADS TO WIN-WIN SITUATION

<b>No.</b>	<b>Standard name</b>	<b>Standard No.</b>	<b>Date of implementation</b>
1	Pervious Bituminous Concrete	JC/T 2749-2023	2024.7.1
2	Specification for Construction Operation Environment in Highway Reconstruction and Expansion Projects	T/CI 898-2025	2025.2.17
3	Technical Standard for Detection of Risks and Early Warning of Urban Road Collapse Hazards	DB13(J)/T8628-2025	2025.10.1
4	Regulations for Documentation Management of Housing Construction Projects	DB15/T3654-2024	2024.11.1
5	Quality Assessment Standards for High-Quality Projects	T/SJZSJX003-2023	2023.5.1
6	Management Regulations for Internal Testing Laboratories in Pre-mixed Concrete Enterprises	DB13/T1543-2025	2025.5.3
7	Production Management Regulations for Pre-mixed Concrete	DB13/T1544-2025	2025.5.3
8	Technical Regulations for Intelligent Construction in Building Engineering (Beijing-Tianjin-Hebei)	DB13(J)/T8619-2024	2025.7.1
9	Technical Standard for Prefabricated Ultra-Low Energy Consumption Civil Buildings	DB13(J)/T8623-2025	2025.9.1

## Industry-Academia-Research Collaboration

The Group deeply implements the strategic policy of “integration of industry and education, school-enterprise cooperation”, with “technology leads development, innovation wins the future” as the core driver, systematically building an integrated innovation ecosystem of industry, academia, research, and utilization. We have established strategic-level technology research and development platforms with top universities such as Tsinghua University, Tianjin University, Harbin Institute of Technology, Wuhan University, and Shijiazhuang Tiedao University. In collaboration with Hebei Agricultural University, we jointly established the Baoding Construction Waste Recycling Technology Innovation Center, and set up off-campus internship bases with various universities, strengthening joint talent development and technology collaboration.

In terms of high-end talent cultivation, leveraging the first batch of postgraduate workstations in Hebei Province (Hebei University platform), 7 senior technical experts from the Group have been appointed as master’s advisors, cumulatively training 12 postgraduate students. In partnership with Hebei University of Water Resources and Electric Engineering, a school-enterprise joint cultivation program was implemented, with 3 senior executives appointed as part-time professors. Simultaneously, we worked with Hebei Jiaotong Vocational and Technical College to promote the training of BIM technical backbone personnel, systematically enhancing talent competitiveness.

Significant transformation results have been achieved in tackling core technology research and development: In collaboration with Hebei University of Science and Technology, we developed “Seasonal Frozen Region Tunnel Frost-Heaving Disaster Control Technology”, resulting in 5 invention patents, 5 utility model patents, and 27 academic papers, winning the Hebei Provincial Science and Technology Progress Third Prize, and achieving large-scale application in the Jilin Baishan Tunnel Project. The “Baiyangdian Wetland Ecological Purification Technology” developed in cooperation with Tongji University has overcome technical bottlenecks in low-temperature environments in northern China. The project has received municipal incentive funds of RMB500,000. The research and development of the “South-to-North Water Diversion Water Quality Purification Technology”, jointly initiated with Beijing Capital Group, is ongoing. The prefabricated ultra-low energy consumption residential project (No. 20376201D) in collaboration with the Hebei Academy of Building Research has passed provincial-level acceptance.

Breakthroughs have also been made in constructing national-level research and development platforms: The post-doctoral research station has trained a total of five post-doctoral researchers (with one currently in the station, and four have completed their research). The “Continuous Fibre Composite Materials 3D Printing Technology”, led by Dr. Li Hongfu, has resulted in 8 patent applications and 3 software copyrights. At the same time, we collaborated deeply with national institutions such as the China Academy of Building Research to establish a market-oriented technology transfer mechanism, promoting the efficient empowerment of scientific research outcomes in engineering practices.

### Association Exchange and Sharing

During the Reporting Period, the Group actively participated in the activities of industry associations to promote technological advancement and healthy development of the industry through extensive association exchanges and resource sharing. The Company was deeply involved in the activities of a number of national and provincial industry associations, including the China Civil Engineering Society, China Construction Industry Association, China Association of Construction Enterprise Manage, China Association for Quality, Hebei Provincial Society of Civil Engineering and Architecture, Hebei Construction Industry Association and Quality Association of Hebei Province.

- **Hebei Provincial Society of Civil Engineering and Architecture:** The Group actively applied for and participated in various activities organized by the Hebei Provincial Society of Civil Engineering and Architecture, such as the evaluation of the Provincial Construction Industry Science and Technology Progress Award and the application of provincial workmanship. These activities not only promoted the Company’s progress in technological innovation, but also earned the Company a number of honors and enhanced its visibility and technical level in the industry.
- **Hebei Construction Industry Association:** As an important member of the Hebei Construction Industry Association, the Group actively participates in various activities organized by the association, including the establishment of projects under the Science and Technology Plan for the Construction Industry in Hebei Province and the application for the Science and Technology Award. In addition, the Company also actively participated in green construction level evaluation activities, high value patent competitions, enterprise construction method competitions and project management achievement evaluation activities. These activities not only demonstrated the Company’s technical strength and innovation ability, but also provided valuable learning and exchange opportunities for the Company.

## DRIVING THE FUTURE WITH GREEN

Guided by “green driving and sustainable development”, the Group has deeply integrated low-carbon transformation into its strategic core and is committed to shaping a new paradigm for green and low-carbon development in the construction industry. We deeply recognize that actively addressing climate change is not only an inevitable requirement for fulfilling environmental responsibilities, but also a key path to building long-term corporate competitiveness and the future of the industry. By systematically identifying and evaluating climate-related risks and opportunities, large-scale application of ultra-low energy consumption building and renewable energy technologies, and constructing a full-cycle carbon management system covering design, procurement, construction and operation, we continuously explore and practice quantifiable and replicable deep decarbonization paths, drive the green upgrading of the industrial chain, and contribute solid strength of “Hebei Construction” to the national “dual carbon” goal.

### CLIMATE RESPONSE

Against the backdrop of accelerating evolution of global climate governance rules and in-depth advancement of the “dual carbon” goals of China, the construction and infrastructure industry is undergoing a fundamental transformation from resource-driven model to green and low-carbon driven model. As a core force for regional urban and rural construction and sustainable development, Hebei Construction deeply recognizes that climate change is not only an environmental challenge to be addressed, but also a core strategic issue related to long-term corporate resilience, market competitiveness and new development momentum. We actively conduct climate-related disclosures in accordance with the requirements of the Hong Kong Stock Exchange and the “IFRS S2 – Climate-related Disclosures” (ISSB Climate Standards) (new climate regulations) issued by the International Sustainability Standards Board (ISSB) in June 2023. We hope that by incorporating considerations related to climate impacts into strategic planning, we can comprehensively and accurately present the governance, strategies, risk management, indicators and targets of Hebei Construction in relation to climate change, helping the Company actively respond to climate change challenges and achieve sustainable development.

## Governance

Against the backdrop of accelerating iteration of global climate governance rules, Hebei Construction has elevated addressing climate change to the strategic agenda of the Board and constructed a climate governance system with clear powers and responsibilities and closed-loop driving. As the highest decision-making body, the Board plays a leading role in climate change management. The Board is responsible for comprehensively guiding the Group in formulating ESG strategies and directions including those related to climate change response, evaluating major issues including climate change response issues, and carefully revising climate change-related environmental targets and setting targets for the next financial year in combination with the actual business operation of the Company, continuously improving the quality and effectiveness of climate-related management and disclosure work. In addition, the Board regularly tracks the progress of emission reduction targets through the Strategic Committee of the Board, and guides relevant departments to effectively implement ESG decisions (including decisions related to climate change response) in operation and management. At the same time, the ESG Working Group of the Strategic Committee is responsible for organizing knowledge sharing and think tank building on climate-related issues to ensure that the Board and various business departments are informed of cutting-edge trends and dynamics in addressing climate change. During the Reporting Period, the Company actively introduced a professional organization (being a third party) to conduct climate scenario analysis and stress testing, quantitatively assessed physical risks (such as the impact of extreme weather in the Beijing-Tianjin-Hebei region on the progress of construction projects and supply chains) and transition risks (such as the path and cost of green and low-carbon construction technologies replacing traditional processes), and continuously explored the implementation path of coordinating “climate governance” and “high-quality development”, contributing to the construction of beautiful Hebei and regional low-carbon transformation.

## Strategy

### Scenario Analysis

We conducted climate scenario analysis in accordance with the recommendations and guidelines of the relevant framework of the ISSB Climate Standards to assess the impact of climate risks on business risks under different scenarios, so as to respond in a timely manner and optimize resource allocation. Adhering to the principles of high contrast, balance and science-based approach, we selected the current scenario, the RCP2.6 scenario set by the Intergovernmental Panel on Climate Change (IPCC) and the RCP8.0 scenario set by the IPCC for analysis. Among them, RCP2.6 represents a low-emission scenario, committed to achieving a more low-carbon economy, which can reflect the development trend under active climate change response measures, helping us assess the potential development space and transition risks that the Company needs to address under the opportunity of low-carbon transformation; while RCP8.0 is a high-emission scenario, reflecting the situation under the business-as-usual path, which will bring higher physical risks, enabling us to fully consider physical risks such as extreme weather affecting business operations caused by climate change. The two have a strong contrast, allowing us to comprehensively examine the risks and opportunities faced by the Company under different climate scenarios.

<b>Type of physical risk</b>	<b>Risk level under the current scenario</b>	<b>Risk level under the RCP2.6 scenario</b>	<b>Risk level under the RCP8.0 scenario</b>
Heatwaves	Medium-high	Medium	High
Water resource pressure	Medium	Medium-low	High
Rise in sea levels	Medium	Medium	High
Flooding	Medium-high	Medium	High
Typhoon	High	High	High
Extreme weather	Medium	Medium	High

Table: Risk levels of various physical risks under different scenarios

<b>Type of physical risk</b>	<b>Specific risk items</b>	<b>Risk level under the current scenario</b>	<b>Risk level under the RCP2.6 scenarios</b>	<b>Risk level under the RCP8.0 scenario</b>
Policy and legal risks	Increased carbon pricing	Medium	Medium-low	High
	Enhanced emissions reporting obligations	Medium	Medium-low	High
	Mandatory regulation of existing products and services	Medium	Medium-low	High
	Exposure to litigation	Medium	Medium-low	High
Market and technology risks	Substitution of existing products and services with lower emissions options	Medium	Medium-low	High
	Unsuccessful investment in new technologies	Medium	Medium-low	High
	Costs of transition to lower emissions technology	Medium	Medium-low	High
	Changing customer behavior	Medium	Medium-low	High
	Uncertain market signals	Medium	Medium-low	High
	Increased cost of raw materials	Medium	Medium-low	High
Reputation risks	Shifts in consumer preferences	Medium-low	Low	Medium-high
	Stigmatization of industry sector	Medium-low	Low	Medium-high
	Increased stakeholder concern or negative stakeholder feedback	Medium-low	Low	High

Table: Risk levels of various transition risks under different scenarios

## Risk Management

Starting from the actual business and operations of the enterprise, we thoroughly analyze the relevant risks and opportunities brought by climate change. By analyzing the levels of physical risk and transition risk under the current scenario, RCP2.6 scenario, and RCP8.0 scenario, we have prioritized various risks. The table below shows the high-priority risks under each scenario after analysis.

<b>Scenario</b>	<b>High-priority physical risk</b>	<b>High-priority transition risk</b>
Current scenario	Typhoon, heatwaves, flooding	Increased carbon pricing, enhanced emissions reporting obligations, mandatory regulation of existing products and services and exposure to litigation in policy and legal risks; and substitution of existing products and services with lower emissions options, unsuccessful investment in new technologies, costs of transition to lower emissions technology, changing customer behavior, uncertain market signals, and increased cost of raw materials in market and technology risks.
RCP2.6 scenario	Typhoon	Substitution of existing products and services with lower emissions options, unsuccessful investment in new technologies, costs of transition to lower emissions technology, changing customer behavior, uncertain market signals, and increased cost of raw materials in market and technology risks.
RCP8.0 scenario	Heatwaves, water resource pressure, rise in sea levels, flooding, typhoon, extreme weather	Increased carbon pricing, enhanced emissions reporting obligations, mandatory regulation of existing products and services, and exposure to litigation in policy and legal risks; substitution of existing products and services with lower emissions options, unsuccessful investment in new technologies, costs of transition to lower emissions technology, changing customer behavior, uncertain market signals, and increased cost of raw materials in market and technology risks; and shifts in consumer preferences, stigmatization of industry sector, and increased stakeholder concern or negative stakeholder feedback in reputation risks.

Table: High-priority risks under different scenarios

Through risk prioritization, we have identified six physical risks comprising high-priority acute and chronic risks, eight transition risks comprising policy and legal risks and market and technology risks, and five potential opportunities derived from existing management measures and improvement directions. We have also assessed the impacts of these factors on the Group's business, strategy and finance, and proposed corresponding measures in response.

<b>Type of physical risk</b>		<b>Impact on strategy, business and finance</b>	<b>Measures in response</b>
Acute risk	Heatwaves	High-temperature weather increases safety risks in outdoor construction, which may lead to project delays; the quality stability of processes such as concrete pouring is reduced under high temperatures, increasing rework costs; employees' work efficiency declines, and expenses for heatstroke prevention and cooling rise.	We will formulate an off-peak construction system for high-temperature periods, strengthen the allocation of on-site heatstroke prevention and cooling equipment and supplies; promote the use of high-temperature concrete admixtures and curing technologies; establish an employee health monitoring and emergency response mechanism.
Acute risk	Flooding	Flooding of construction sites, temporary facilities and building materials results in property losses and project disruptions; traffic paralysis hinders material transportation and personnel access, leading to project delays and performance risks; post-disaster restoration and cleaning costs increase significantly.	Flooding of construction sites, temporary facilities and building materials results in property losses and project disruptions; traffic paralysis hinders material transportation and personnel access, leading to project delays and performance risks; post-disaster restoration and cleaning costs increase significantly.
Acute risk	Typhoon	Temporary high-altitude facilities such as tower cranes and scaffolding are vulnerable, leading to safety accidents and property losses; strong winds and heavy rains result in project suspension, affecting project progress; projects in coastal areas require higher design and construction standards, imposing cost pressures.	We will strictly implement special windproof construction plans, conduct structural reinforcement and real-time monitoring of large-scale equipment, establish a typhoon early warning shutdown and resumption mechanism, incorporate enhanced windproof and seismic standards during the project design phase.

## DRIVING THE FUTURE WITH GREEN

<b>Type of physical risk</b>		<b>Impact on strategy, business and finance</b>	<b>Measures in response</b>
Acute risk	Extreme weather (other than those mentioned above, such as blizzards, hail, etc.)	Under low-temperature conditions, the strength development of concrete is hindered, affecting structural quality and project schedules; the efficiency of construction machinery decreases, leading to higher fuel and maintenance costs; transportation disruptions result in interruptions to building materials supply, which may trigger breach of contract claims.	We will promote winter construction technologies and materials, strengthen thermal insulation and quality control during the construction process; reserve emergency fuel and anti-freezing supplies and sign winter guarantee agreements with logistics suppliers to optimize supply chain resilience.
Chronic risk	Water resource pressure	Restrictions on construction water may affect project progress, especially water for concrete curing and dust suppression; stricter water-saving policies drive up water prices and water recycling costs; the water resource carrying capacity of the project location may impact project approval and operational permits.	We will promote the application of water-saving technologies and non-traditional water source utilization technologies (such as rainwater collection and reclaimed water reuse), establish an intelligent monitoring and management system for project water use, and prioritize water-saving construction methods such as prefabricated construction in water-scarce areas.
Chronic risk	Rise in sea levels	Coastal projects in the Bohai -rim region face long-term challenges including foundation erosion, increased pressure on flood control and drainage and rising lifecycle maintenance costs; potential adjustments to land use and coastal construction regulations may affect the long-term value of projects and asset safety.	We will incorporate long-term sea-level rise scenario analysis into the feasibility study of coastal projects, raise standards for flood control, drainage and foundation protection during the design phase, and optimize the asset layout in coastal areas and gradually shift toward project with stronger climate resilience.

Type of transition risk	Potential impact	Measures in response
Policy and legal risks	Increased carbon pricing	The procurement costs of energy and high-carbon building materials (such as cement and steel) have risen significantly, directly squeezing project profit margins; in bidding competitions, the cost advantage has weakened, affecting market acquisition capacity.
Enhanced emissions reporting requirements	It is necessary to establish a carbon data monitoring system covering the entire project life cycle, which requires additional human and digital investment and pushes up management costs; non-compliance with reporting requirements will face fines, credit rating downgrades and market access restrictions.	We will establish an internal carbon cost accounting mechanism and incorporate it into project budgets and bidding models, optimize the supply chain and prioritize the procurement of low-carbon certified building materials, and invest in on-site renewable energy substitution to reduce external energy dependence and carbon costs.
Mandatory regulation of existing products and services	Traditional high-energy-consuming construction technologies and design schemes that do not meet green building standards may be restricted, leading to the devaluation of existing technical routes, project rectification risks, construction delays and additional expenses.	We will set up a professional carbon data management team and formulate unified group-wide monitoring and reporting standards, introduce smart construction site management systems and carbon accounting platforms to realize automatic data collection and accounting, and conduct regular internal audits and third-party verification.
		We will establish a Policy Research and Compliance Department to closely track updates to standards such as building energy saving and green construction, conduct technological reserves and process innovation on advance, and promote the application of compliant mainstream technologies including prefabricated buildings and ultra-low energy consumption buildings.

## DRIVING THE FUTURE WITH GREEN

Type of transition risk	Potential impact	Measures in response
Market and technology risks	Substitution of existing products and services with lower emissions options Customer demand for green buildings and low-carbon projects is growing rapidly. Failure to provide corresponding solutions will result in losing competitiveness in key markets for the Company.	We will take green and low-carbon development as a core strategy, increase research and development and market exploration efforts in businesses such as green buildings, energy-saving renovations and ecological restoration, and develop near-zero carbon emission demonstration projects to establish brand and technical benchmarks.
Unsuccessful investment in new technologies	Significant investment is required in the R&D or introduction of low-carbon building technologies; and immature technologies or detachment from the market will cause direct financial losses and missed transformation opportunities.	We will adopt the “industry, academia, research and utilization” cooperation model to jointly tackle key common technologies with universities and research institutions, and verify new technologies on a small scale through pilot projects and promote them comprehensively after maturity to control investment risks.
Costs of transition to lower emissions technology	Purchasing low-carbon equipment, transforming production lines and training industrial workers all require substantial upfront capital expenditure, affecting the cash flow and short-term profitability of the Company; in bidding quotations, green costs may weaken price competitiveness.	We will formulate a medium and long-term low-carbon technology transformation roadmap with phased investments, and actively apply for policy-backed financial support such as green credit and special subsidies, and reduce cost of each batch through large-scale procurement and technical standardization.

<b>Type of transition risk</b>	<b>Potential impact</b>	<b>Measures in response</b>
Changing customer behavior	Investors and proprietors regard carbon emission performance as an important indicator for selecting contractors; ESG performance directly affects the Company's qualification to participate in high-end projects, obtain high-quality orders, and even influences financing channels and costs.	We will proactively build and promote the Company's green competitiveness by regularly releasing ESG and carbon neutrality progress reports, and establish cooperation with green financial institutions to link low-carbon performance with the financing condition.
Increased cost of raw materials	Affected by carbon cost transmission and supply-side reforms, the prices of green and low-carbon building materials fluctuate and rise with unstable supply, increasing the difficulty of project cost control and potentially triggering contract disputes and lower than expected profits.	We will sign long-term strategic cooperation agreements with core green building material suppliers to lock in prices and supply, and invest in or take stakes in upstream environmental protection building material industries to enhance supply chain autonomy and stability.

### **Type of opportunity    Impact**

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Energy and environmental protection

Building operational energy consumption accounts for a high proportion of the entire society, unlocking enormous market potential for energy-saving renovations and green new construction. By vigorously promoting ultra-low energy consumption buildings, Building Integrated Photovoltaics (BIPV) and intelligent energy management, the Group can not only directly reduce the full-cycle energy consumption and carbon emissions of projects to establish green benchmarks, but also expand emerging services such as energy trusteeship and building carbon consulting based on technical accumulation, which will create long-term revenue streams.

Product and service innovation

Market demand is rapidly shifting toward green, healthy and low-carbon development. The Company can develop a green product line centered on “near-zero carbon buildings” and “healthy residences” while innovating service models such as providing contracted management for building energy efficiency improvement and integrated solutions for the green renovation of existing buildings. The use of low-carbon building materials (e.g., solid waste utilization materials) and digital design (e.g., BIM-based carbon reduction optimization) will become the key to product differentiation.

Market expansion and brand building

Under the “dual carbon” goal, the governments, the state-owned enterprises and high-end commercial clients have generally added green thresholds in bidding processes. Proactively deploying green technologies and obtaining authoritative green building certifications (e.g., Three-star Green Building Certification and LEED) will serve as the “admission ticket” and core competitiveness for winning major projects and entering emerging regions (e.g., state-level new areas and green ecological urban areas), significantly enhancing brand credibility and premium capacity.

<b>Type of opportunity</b>	<b>Impact</b>
Supply chain and operation optimization	Climate pressures are forcing supply chain restructuring. The Company can layout green building materials industrial parks through investment or strategic cooperation to stabilize the supply of key low-carbon components such as high-performance thermal insulation materials and energy-saving doors and windows. Meanwhile, leveraging smart construction sites, construction industrialization (prefabricated) and digital supply chain management can significantly improve resource efficiency, reduce waste, strengthen operational resilience against extreme weather and lower overall costs.
Brand and product upgrading	Market demand for green and healthy buildings is evolving from a “bonus point” to a “prerequisite”. Hebei Construction can create branded product lines such as “low-carbon healthy residences” and “near-zero energy public buildings”, prioritizing the application of green building materials (e.g., environmentally friendly coatings, recycled aggregate concrete and energy-saving doors and windows), thereby translating its technical advantages into distinctive market brand identities. This will not only directly attract homebuyers and proprietors who value quality of life and sustainable value, boosting product premiums and absorption rates, but also establish a professional and reliable green brand image in government and corporate bidding, driving competitiveness and revenue growth across the entire business chain.

In addition, we conducted a geographical assessment of physical risks based on the main regions where projects have been carried out in the past three years, considering the current scenario, RCP2.6 scenario, and RCP8.0 scenario (based on data from 2023 to 2025).

## DRIVING THE FUTURE WITH GREEN

Region	Type of climate risk	Description of risk	Measures in response
Hebei Province (Shijiazhuang, Baoding, Langfang, Cangzhou, Zhangjiakou, Hongshui and Xingtai)	Extreme heat/heatwaves, extreme rainfall/flooding and water resource stress	Heavy rainfalls can easily cause flooding at construction sites, collapse of foundation pits and supply chain disruptions, while droughts directly push up construction water costs and make dust control more difficult.	<ul style="list-style-type: none"> <li>➤ Heatwave response: we will strictly suspend outdoor high-intensity work during high-temperature periods (e.g. 11:00-15:00), and promote the use of high-temperature concrete additives and automatic sprinkler curing systems.</li> <li>➤ Flood prevention: we will conduct flood risk assessment during project planning, equip construction sites with high-power drainage equipment, and elevate building material warehouses and implement proper waterproofing.</li> <li>➤ Water conservation management: we will promote the use of circulating water for vehicle washing and rainwater harvesting systems, and give priority to prefabricated components to reduce on-site wet operations in severely water-scarce areas.</li> </ul>
Beijing	Extreme heat/heatwave and extreme rainfall	Summer heatwaves severely threaten the safety of outdoor construction workers and the quality of concrete curing; extreme heavy rainfall triggers waterlogging in the urban areas, posing significant risks to underground projects and site transportation.	<ul style="list-style-type: none"> <li>➤ Health and fire prevention: we will set up on-site cool rest areas, and conduct special high-temperature inspections on temporary electrical lines.</li> <li>➤ Underground works protection: we will equip deep foundation pits and underground passage entrances with flood control baffles and sandbags, and establish an emergency traffic coordination mechanism with the traffic management departments.</li> </ul>

Region	Type of climate risk	Description of risk	Measures in response
Tianjin	Extreme heat/ heatwave	Sea-level rise brings long-term erosion and pressure to raise flood control standards; storm surges combined with extreme rainfall lead to waterlogging risks, affecting the low-level safety and construction period of coastal projects.	<ul style="list-style-type: none"> <li>➤ Coastal project design: we will improve the anti-corrosion as well as the flood control and drainage design standards for the foundations of coastal projects, and incorporate long-term climate resilience costs into investment evaluations.</li> <li>➤ Emergency drainage: we will equip high-capacity mobile pump vehicles, and establish emergency linkage interfaces with the municipal drainage system.</li> </ul>
Inner Mongolia Autonomous Region (Hohhot)	Extreme sea-level rise, extreme rainfall and extreme heat	Extreme low temperatures in winter compress the effective construction period, increasing the thermal insulation and energy consumption costs of construction in winter; frequent strong sandstorms in spring lead to frequent suspension of high-altitude operations and threaten the safety of precision construction instruments.	<p>Winter construction: we will adopt the thermal shed construction method, reserve sufficient anti-freezing and thermal insulation materials, and conduct snow load verification and reinforcement for temporary structures.</p> <p>Dust prevention measures: we will install windbreak and dust suppression nets at construction sites, and equip special dust-proof cabins for precision instruments and equipment.</p> <p>Water supply guarantee: we will drill special construction water wells and construct supporting reservoirs.</p>

## Indicators and Goals

Since the financial year 2017, Hebei Construction has conducted a comprehensive inventory of the Group's greenhouse gas (GHG) emissions annually within the specified period, faithfully reporting its performance and achievements in climate-related matters. Due to its business nature, the significant air emissions of the Group are GHG emissions, arising mainly from the use of electricity and fuels generated from fossil fuels. The Group's GHG inventories encompass carbon dioxide, methane and nitrous oxide. GHG accounting is presented in carbon dioxide equivalent in accordance with 2019 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecology and Environment of the People's Republic of China and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by Intergovernmental Panel on Climate Change (IPCC).

## DRIVING THE FUTURE WITH GREEN

Type		Unit	2023	2024	2025
Direct energy consumption	Gasoline	Litre	3,051,030	2,249,688	<b>1,971,294</b>
	Diesel	Litre	11,321,790	8,119,242	<b>5,068,826</b>
	LPG	Tonne	658	483	<b>180</b>
	LNG	m <sup>3</sup>	1,040,735	364,402	<b>18,723</b>
Indirect energy consumption	Purchased electricity	kWh	94,161,653	66,555,536	<b>45,122,633</b>
	Purchased thermal power	Million kJ	17,014	6,893	<b>24,164</b>
Total energy consumption <sup>1</sup>		Tonne standard coal	31,778	21,346	<b>14,986</b>
Total energy consumption intensity		Tonne standard coal/ RMB10,000 total revenue	0.01	0.01	<b>0.01</b>
GHG emission <sup>2</sup>	Scope 1 GHG emissions	tCO <sub>2</sub> -eq	41,527	39,476	<b>22,763</b>
	Scope 2 GHG emissions	tCO <sub>2</sub> -eq	55,572	42,553	<b>29,639</b>
	Total GHG emissions	tCO <sub>2</sub> -eq	97,099	82,029	<b>52,403</b>
	GHG emissions intensity	tCO <sub>2</sub> -eq/ RMB10,000 total revenue	0.03	0.03	<b>0.03</b>

1 Total energy consumption was calculated according to the "General Rules for Total Energy Consumption Calculation" (GB/T 2589-2020) (《綜合能耗計算通則》(GB/T 2589-2020)).

2 During the Reporting Period, the Group's Scope 1 GHG emissions mainly generated from direct energy consumption - mainly including natural gas, diesel and gasoline; Scope 2 GHG generated from indirect energy consumption - mainly including purchased electricity and purchased steam; GHG emissions were calculated with reference to the "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Enterprises (Trial)" (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission of the People's Republic of China.

## Energy Saving Technology

The Group strictly complies with the “Energy Conservation Law of the People’s Republic of China” (《中華人民共和國節約能源法》) and other laws and regulations, and is committed to enhancing the efficiency of energy utilization, encouraging the use of renewable resources such as solar energy in its projects, and deeply integrating energy conservation and consumption reduction into the Group’s production and operation, thereby contributing to low-carbon development. In construction, priority is given to using energy-saving, high-efficiency, and environmentally friendly construction equipment and machinery recommended by national and industry standards. Reasonable control of electricity consumption is exercised for production, living, office, and construction equipment at the site. In construction organization planning, the construction sequence and working face are rationally arranged to reduce the number of machines in operational zones. When planning construction processes, priority is given to processes that consume electrical energy or have lower energy consumption. Based on local climate and natural resource conditions, renewable energy sources like solar power are fully utilized.

**Hebei University graduate teaching experimental building and apartment construction project, and the 3# student dormitory construction project on Qiyi Road Campus of Hebei University**

For the general contracting projects, including the Hebei University graduate teaching experimental building and apartment construction project, as well as the the 3# student dormitory construction project on Qiyi Road Campus of Hebei University, the following energy-saving and emission reduction measures are implemented: solar energy is used for PM10 monitoring and powering lighting equipment, which reduces cable installation by 200 meters and saves 2,000 kWh of electricity annually. LED light strips are employed for stairwell and basement lighting to lower energy consumption for energy saving and emission reduction.

### Concrete branch adopts new energy tank trucks

The concrete branch has successfully leased and put into operation 25 new energy tank trucks, achieving a complete replacement of traditional fuel-powered tank trucks. Meanwhile, within the raw material transportation fleet, new energy vehicles are gradually being introduced to replace some traditional fuel-powered transport trucks. By optimizing the energy structure of transportation equipment, fuel consumption and carbon emissions are effectively reduced, facilitating the green and low-carbon transformation of the construction and production process.

### Emissions control

In terms of greenhouse gas emissions management, the Group has adopted a series of standardized practices to ensure effective control of greenhouse gas and energy consumption, contributing to the realization of the national goal of “Carbon Peak and Carbon Neutrality”. In the future, we will continue to deepen the application of energy-saving technologies and emission control, and drive the Group to move forward on the path of green development. At the same time, the Group will continue to strengthen cooperation with industry associations, share experience and practices, and facilitate information flow and experience sharing within the industry, with a view to jointly promoting the healthy and orderly development of the construction industry.

## RESOURCES MANAGEMENT

The Group places resource efficiency and circular utilization at the core of its sustainable development strategy, systematically building a lean resource management system covering the entire project lifecycle. We deeply understand that in the context of increasingly stringent resource constraints, responsible management of water resources, building materials, and energy is key to reducing environmental impact, enhancing operational resilience, and achieving long-term value. By deepening water resource recycling and water-saving technology applications, promoting the large-scale use of green building materials and the resource utilization of construction waste, and continuously exploring low-carbon alternative materials and processes, we are committed to minimizing resource consumption and carbon footprint, thereby driving the construction industry’s transformation towards a resource-saving and environmentally friendly model.

## Water Resources Management

The Group is fully aware of the importance of water resources and strictly complies with the Water Law of the People’s Republic of China (《中華人民共和國水法》) and other relevant laws and regulations as well as the requirements of its internal water management system. The Group is committed to regulating the use of water resources and effectively controlling the risks of water resources, so as to mitigate the impacts of the shortage of water resources on the environment and the Group’s operations at source.

Our water sources are primarily municipal. During the Reporting Period, we established a system for collecting and utilizing rainwater, reclaimed water and other available water resources, and recycled water resources as much as possible through measures such as reclaimed water reuse and rainwater recycling. At the same time, water consumption quotas were set according to the characteristics of the construction; energy-saving taps were used for domestic water in the office and living areas of the construction site and the rate of allocation of water-saving appliances reached 100%; domestic water used in the construction site was counted separately from that used in the construction; advanced water-saving construction techniques were used in the construction; water descending from the foundation pits was stored for use to wash on-site machineries, equipment and vehicles and recycling devices were installed. Rainwater collection and utilization facilities are installed on site. In addition, we further reduced water resources risks by taking measures to actively protect the construction site and the surrounding water environment to minimize groundwater extraction and avoid soil and water pollution at the construction site.

During the Reporting Period, the Group’s consumption of water resources was as follows:

Type		Unit	2023	2024	2025
Water consumption	Total volume	Tonne	6,218,492	4,334,300.79	<b>2,671,061</b>
	Intensity	Tonne/ RMB10,000 total revenue	1.86	1.73	<b>1.71</b>

## Construction Materials Management

The Group adheres to the concept of green development and the principle of conservation management throughout the construction process, and strives to achieve cost reduction and efficiency enhancement and effective waste reduction in aspects, namely material selection and material conservation, contributing to the sustainable development of the construction industry.

In terms of material selection, we use high-performance concrete, waterproof material, high strength reinforcement materials, new energy-saving rebar application technology and assembled components, etc as far as possible. We try to use straight threaded joints for connections, utilize rebar cutting material in appropriate applications, and strengthen recycling management to improve the utilization rate of rebars. For cables, pipes, etc., we have adopted centralized material placement and optimized cutting solutions to reduce material wastage.

The Group strictly adheres to various national land use standards and actively conducts research on land-saving technologies and land-saving models, realizing the concept of sustainable development of land resources. Through the investigation and assessment of construction projects and land environmental quality, we implement land resources conservation from three perspectives: design refinement, optimisation of construction solutions and technology application and innovation, under the condition of fulfilling local policy requirements. We actively assume our corporate social responsibility in the construction industry and strive to maximise the value of land resources and ecology.

## Pollution control

The Group has implemented the concept of green construction throughout the entire production and operation process. The Group has resolutely adhered to the national laws and regulations relating to the discharge of pollutants and formulated the Group's management systems such as the "Environmental Protection Management Policy" (《環境保護管理制度》) and the "Green Construction Implementation Rules (Trial)" (《綠色施工實施細則(試行)》) to continue to improve its internal emission management system. By taking active measures to standardize the management of wastewater, waste, exhaust gas, dust and noise, we minimize the impact of emissions from production and operation processes and achieve a harmonious coexistence between the Group and the natural environment.

## Waste Management

The Group strictly complies with the Law of the People's Republic of China on Prevention and Control of Solid Waste Environmental Pollution (《中華人民共和國固體廢物污染環境防治法》) and other relevant laws and regulations. The Group has formulated the "Environmental Targets, Indicators and Management Programs of the Group Companies" (《集團公司環境目標、指標及管理方案》) and carried out standardized management of waste generated during the course of construction and operation in various aspects, including classification, collection, storage, transfer and treatment. Specific measures include:

- Establish waste reduction targets:
  - Realize construction waste reduction at source, process control and recycling.
  - The amount of construction waste generated is controlled to be no more than 300 tons per 10,000 cubic meters of cast-in-place concrete structures and no more than 200 tons per 10,000 square meters of prefabricated construction.
- Multiple measures are implemented for waste reduction: Specialized plans and schemes are formulated, clarifying reduction targets, responsibilities, and technical, management, and guarantee measures. All solid waste is thoroughly removed upon project completion. Waste storage and removal are standardized, with enclosed waste containers in living areas and domestic waste packed in bags. Construction waste is sorted, stored, and labeled, with designated personnel responsible for recycling efforts. This aims to achieve a recycling and reuse rate of 30% for construction waste, over 40% for demolition waste, and over 50% for gravel and earthwork, while ensuring that non-recyclable waste is centralized for disposal. Burning waste on site and backfilling with toxic or hazardous waste is strictly prohibited.
- Target achievement: In the Hebei Agricultural University Biological Breeding Innovation Center construction project, tile layout planning was conducted before the renovation phase to avoid unnecessary losses. Ceiling construction and HVAC installation are coordinated based on the layout to reserve air conditioning positions, avoiding unnecessary waste. A sedimentation tank is set up on the construction site to treat wastewater, allowing the supernatant to be recycled for dust suppression sprinkling, vehicle washing, etc., thereby reducing water resource waste and wastewater discharge. Procurement of single-use packaging materials is minimized by opting for reusable packaging (e.g., steel pallets). We designate sorting and stacking areas on the construction site, clearly labeling different types of waste.

During the Reporting Period, the Group's waste generation was as follows:

Type		Unit	2023	2024	2025
Waste generated	Non-hazardous waste	Tonne	480,012	356,927	<b>230,752</b>
	Hazardous waste	Tonne	15	10	<b>9</b>
	Total waste volume	Tonne	480,027	356,937	<b>230,761</b>
	Waste intensity	Tonne/ RMB10,000 total revenue	0.15	0.14	<b>0.15</b>

## Noise Management

The Group has strictly implemented noise management and control and, in accordance with national standards, has resolutely implemented the requirement that noise emissions from construction sites shall not exceed the Standards for Environmental Noise Emission in Construction Sites (《建築施工場所環境噪聲排放標準》) and has specified the Group's management requirements in respect of operating hours and environmental noise monitoring in the "Environmental Protection Management Policy" (《環境保護管理制度》).

We give priority to the use of low-noise construction facilities and techniques. We set up noise monitoring points at the sound source and conduct real-time dynamic monitoring. Once found to have exceeded the noise limit values stipulated by the local government, we immediately stop the work, and at the same time, we prohibit construction at night. Construction vehicles are prohibited from sounding horns when entering and leaving the site. We are determined not to affect the rights and interests of the residents in the surrounding area.

## LOW-CARBON CONSTRUCTION

We ensure that our construction activities are not only fully compliant but also significantly exceed benchmark requirements, achieving systematic reduction in resource consumption and emission intensity through systematic implementation of environmental lean management, innovative application of low-carbon construction technologies, and intelligent monitoring methods. We focus on the entire construction process, strictly controlling dust, noise, and waste pollution while continuously optimizing processes to reduce material loss and actively exploring on-site application of renewable energy. Through these concrete actions, we are leading the construction industry toward a deep transformation into a green, low-carbon, and intelligent construction model.

## Environmental Protection System

The Group strictly complies with the “Law of the People’s Republic of China on Environmental Protection” (《中華人民共和國環境保護法》), the “Law of the People’s Republic of China on the Assessment of Environmental Affects” (《中華人民共和國環境影響評價法》) and the “Environmental Protection Tax Law of the People’s Republic of China” (《中華人民共和國環境保護稅法》) and other laws and regulations, and has formulated internal environmental management policies, such as the “Environmental Protection Management Policy” (《環境保護管理制度》) and the “Green Construction Implementation Rules (Trial)” (《綠色施工實施細則(試行)》). At present, we have passed the ISO14001 environmental management system certification, covering branches (subsidiaries) including construction engineering, municipal utility engineering, electrical and mechanical engineering, foundation, airport track, steel structure, ready-mixed concrete and engineering design related professions in the construction industry within the scope of qualification.



## Environmental Management Objectives

The Group regards green development as its guiding principle and implements the environmental management concept of “saving resources and protecting the environment”. We have set environmental targets (carbon emission, energy use, waste emission and water efficiency targets) for 2025 to promote closed-loop management of environmental protection. For the identification of important environmental impact factors and target management program, the Group has specially formulated the “List of Important Environmental Factors” (《重要環境因素清單》), “List of Significant Hazardous Sources and their Control Plans” (《重大危險源及其控制計劃清單》) and “Environmental Target Indicators and Management Programs” (《環境目標指標及管理方案》) to further pinpoint the environmental management responsibilities to individuals in order to strengthen the control of environmental factors.

During the Reporting Period, we conducted a phased review of environmental management targets and facilitated the achievement of these targets through active promotion of green building-related work.

<p><b>Carbon emission targets</b></p> <ul style="list-style-type: none"> <li>Gradually establish a carbon emission management system and strive to realize a year-on-year reduction in carbon emission</li> </ul>	<p><b>Actions of emission reduction</b></p> <ul style="list-style-type: none"> <li>Specify details of carbon emission management for each operational segment</li> <li>Increase the share of renewable energy</li> </ul>
<p><b>Energy use targets</b></p> <ul style="list-style-type: none"> <li>Promote refined energy management and gradually control the use of natural gas, electricity and other energy sources</li> <li>Vigorously develop green building technologies and expand the share of clean energy</li> </ul>	<p><b>Energy efficiency enhancement</b></p> <ul style="list-style-type: none"> <li>Expand the use of new energy sources such as photovoltaics</li> <li>Increase the proportion of energy-saving equipment and investment in clean technologies</li> <li>Retrofit energy-saving technologies</li> </ul>
<p><b>Waste emission targets</b></p> <ul style="list-style-type: none"> <li>Commit to a 30% reduction in hazardous waste intensity by 2025, using 2020 as the baseline</li> <li>Commit to a 20% reduction in non-hazardous waste intensity by 2025, using 2020 as the baseline</li> </ul>	<p><b>Waste reduction initiatives</b></p> <ul style="list-style-type: none"> <li>Improvement of technological processes to reduce waste generation</li> <li>Increase research on recycling technology</li> </ul>
<p><b>Water efficiency targets</b></p> <ul style="list-style-type: none"> <li>Commit to an 18% reduction in water-use intensity by 2025, using 2020 as the baseline</li> </ul>	<p><b>Enhanced water efficiency</b></p> <ul style="list-style-type: none"> <li>Enhancement of water treatment technology</li> <li>Expand the use of water-saving devices</li> <li>Active promotion of water conservation</li> </ul>
<p><b>Hebei Construction Group environmental objectives</b></p>	<p><b>Progress of environmental targets</b></p>

## Construction Technology Innovation

The Group has applied various new technologies, equipment, materials and processes in green construction to improve construction efficiency, reduce environmental impact and promote sustainable development.

### Tower Crane Attachment Technology

This utility model enables the outward relocation of the anchor point for tower crane attachment to the main structure (building core tube), thereby meeting the requirements for tower crane attachment installation while ensuring stability during attachment. This technology has been granted a utility model patent.

### High-Strength Steel Rebar

The total amount of reinforcement steel for this project is approximately 9,292 tonnes. By adopting high-strength steel rebar, we have reduced the amount of steel used, resulting in a material saving of approximately 18.2%. The main load-bearing steel rebar for structural beams, slabs, stairs, walls, and columns are all made of HRB400 grade steel rebar, with the usage of high-strength reinforcement steel accounting for 92% of the total steel used.

### Variable Frequency Construction Equipment

To meet the energy-saving requirements of green construction, variable frequency equipment is used on the construction site. The temporary water supply system employs variable frequency pumps, while vertical transportation between floors utilizes construction elevators with a variable frequency control system. Temporary lighting consists of all energy-efficient fixtures, and heating in the living areas is provided by variable frequency air conditioners.

### Advanced Waterproofing Technique for Basement Slab, External Walls, and Post-Poured Strip

This project features a deep foundation pit with a large overall area, as well as multiple post-poured strips in the raft foundation and external walls. The width of the post-poured strips is 0.8 m, with a total length of approximately 682 m. During construction, an advanced waterproofing technique was applied for post-poured strips by installing advanced waterproofing at the raft slab and the external wall's post-poured strips. This ensured the waterproof quality of the post-poured strips, accelerated the backfill progress, and shortened the dewatering time of the foundation pit, further reducing the waste of groundwater resources, achieving a total water saving of approximately 150 m<sup>3</sup>.

## Green Construction Training

In respect of green construction training, the Group actively organized project personnel to participate in observation and training activities organized internally and externally to enhance their learning, to continuously improve their business capabilities and to improve the overall level of on-site management and control.



Meanwhile, the Group conducted training programmes such as systematic training, special training and training for safety management personnel through a combination of online and offline channels. Taking the “Safety Production Month” as a carrier, through various forms of publicity, education and training, we cultivated a life first safety culture under the corporate theme culture “Family • People”.

### On-site Observation

On 17 June 2025, in response to the green and low-carbon development requirements of the construction industry and the shortcomings in the green construction capabilities of some project personnel, a benchmark project on-site observation training was organized for approximately 100 project leaders and technical heads from various units. The training lasted for 6 hours (including 4 hours of on-site observation and 2 hours of focused discussions), with materials such as benchmark project information packages, observation guideline handbooks, and case comparison analysis forms prepared in advance. Participants visited the Tianjin airport expansion project by China Construction Third Engineering Bureau and the Hedong Jinmao industrial park project by China MCC22 Group to learn about advanced experiences in dust control and resource utilization of construction waste. Over 95% of participants reported an improvement in their understanding.

## GREEN OFFICE

The Group has deeply integrated green office practices into our operations management system, regarding this as a key component of our overall carbon neutrality strategy. Through the systematic implementation of paperless processes, upgrades to intelligent lighting and temperature control systems, and the promotion of green commuting and low-carbon meeting models, we are committed to significantly reducing resource consumption and carbon intensity across our operational activities. We continuously empower our employees to adopt green practices, striving to create a model low-carbon, efficient and healthy office environment. Through concrete actions, we demonstrate our commitment to sustainable operations and generate positive impact across our upstream and downstream value chain.

### Paperless Office

The Group has been actively advocating paperless office, minimizing the use of paper by strictly enforcing the Company's paper management regulations and promoting the development of office environment in the direction of greening and low-carbonization. Relevant measures are set out below:

- Implement electronic management of the financial, human resources, administrative, marketing and other systematic files for the Group Company and its branches (subsidiaries), and complete electronic conversion of historical archives dating back to the establishment of Hebei Construction Group Corporation Limited in 1997.
- Advocate paperless office, print only after finalizing documents
- Reuse single-sided printed paper
- Reject excessive packaging items
- Avoid or minimize use of non-reusable paper products such as disposable water cups and laminated paper

## Conservation of water and electricity

### *I. Electricity management measures*

1. Advocate green commuting and provide charging piles for employees' new energy vehicles.
2. Lighting: Select highly efficient and energy-saving lighting fixtures, such as LED lights, based on the actual conditions of the office building to reduce energy consumption.
3. Intelligent lighting control: Install latitude and longitude street lighting controllers to reasonably set switch times according to real-time weather and lighting conditions, in order to achieve energy conservation and consumption reduction. On Saturdays and Sundays, only downlights in the lift lobbies from the 1st to 20th floors are turned on, while the main lights are turned off.
4. Air-conditioning: Reasonably turn on the air-conditioning according to the temperature and record energy consumption data on a daily basis. Compare the current day's temperature and energy consumption with those of the previous day, and immediately identify the causes if data anomalies are found, so as to achieve refined management.
5. Basement lighting: Install time controllers for parking space lighting. The lights above parking spaces are turned off between 20:00 and 6:00, with only the lights above driveways remaining on. In addition, lighting is turned on for only one side of the basement ramps to reduce unnecessary power waste.
6. Lift lobby display screens: Operational from 7:00 to 18:00 on weekdays.

### *II. Water management measures*

1. Water recycling: Recycle and reuse water from the plaza's water system for landscaping irrigation to reduce water resource consumption.

## PEOPLE-ORIENTED DEVELOPMENT

Firmly implementing the strategy of “strengthening the enterprise through talent”, we are not only dedicated to fostering a safe and zero-accident working environment and providing comprehensive health protection and decent working conditions for every employee, but also focused on their long-term development through the creation of diversified career paths and empowerment platforms based on competency enhancement. By improving the mechanisms for protecting employees’ rights and interests, deepening safety culture and skills training, and establishing fair and transparent performance and incentive mechanisms, we continuously stimulate organisational vitality and empower the mutual growth of our employees and the enterprise, working together to build an outstanding talent echelon that supports the high-quality development of the construction industry.

## COMPLIANCE EMPLOYMENT

The Group strictly complies with national laws and regulations and has established a comprehensive employee protection management system to ensure equal employment and eliminate any form of discriminatory behavior. Through the formulation of a series of systems such as the “Human Resources Management System” (《人力資源管理制度》) and the “Job Descriptions” (《職位說明書》), we regulate our talent recruitment and employment processes based on the principles of fairness, openness and transparency, to fully protect the basic rights and interests of employees and create a diversified and inclusive workplace.

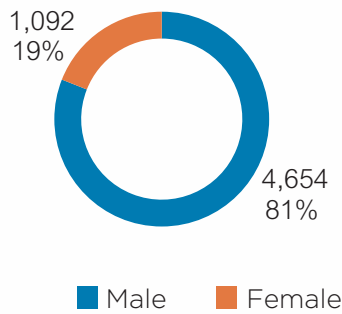
### Legal Compliance and Institutional Building

The Group has consistently regarded compliant employment as the cornerstone of its corporate development, strictly complies with national and local laws and regulations such as the “Labour Law of the People’s Republic of China” (《中華人民共和國勞動法》), the “Labour Contract Law of the People’s Republic of China” (《中華人民共和國勞動合同法》), the “Law of the People’s Republic of China on the Promotion of Employment” (《中華人民共和國就業促進法》), the “Social Insurance Law of the People’s Republic of China” (《中華人民共和國社會保險法》) and the “Provisions on the Prohibition of Using Child Labour” (《禁止使用童工規定》) and has established a compliant employment system underpinned by legal compliance and supported by institutional development. Through a series of systems documents such as the “Human Resources Management System” (《人力資源管理制度》) and the “Job Descriptions” (《職位說明書》), the Group regulates talent recruitment and employment processes based on the principles of fairness, openness and transparency, resolutely eliminates any form of discrimination based on age, gender, region, ethnicity or religion, while protecting the basic rights and interests of employees on all fronts, and actively fostering a diverse and inclusive workplace.

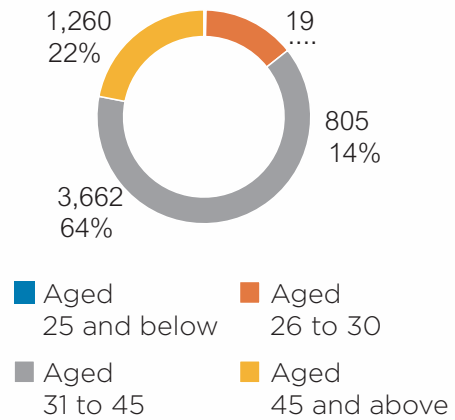
In terms of compliance management, the Group not only strictly enforces baseline requirements internally, prohibiting any use of child labour, forced labour, or biased discrimination, but also strictly requires suppliers and contractors to standardise employment practices, and prohibit illegal practices and discrimination. During the Reporting Period, the Group was not involved in any incidents of child labour or forced labour.

During the Reporting Period, the Group had a total of 5,746 employees. The breakdown by gender, age, employee type and region are as follows:

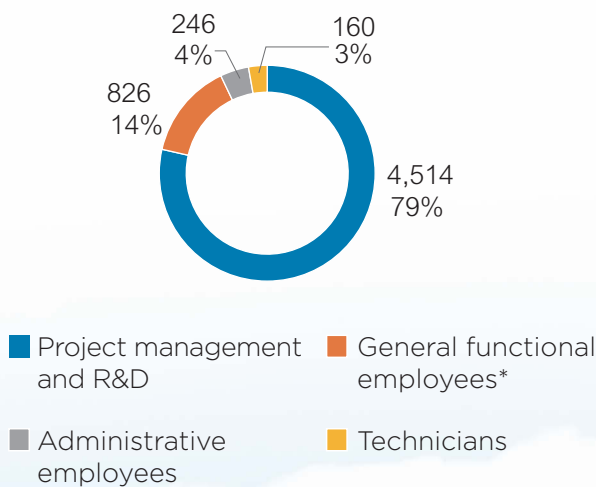
**Number and percentage of employees by gender**



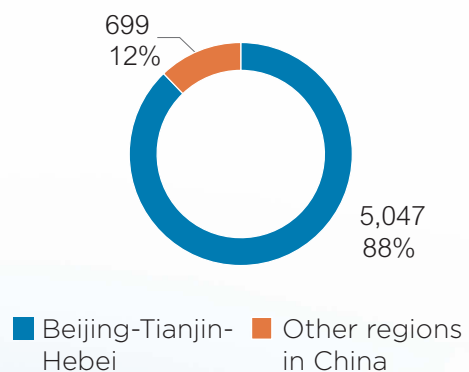
**Number and percentage of employees by age**



**Number of employees by category**



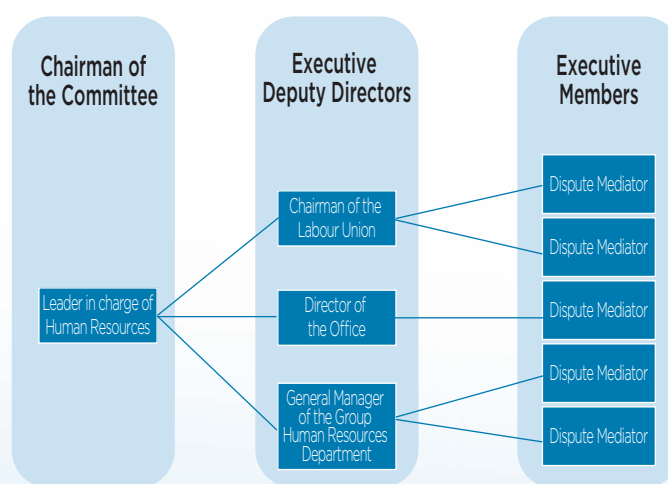
**Number of employees by region**



## Protection of rights and interests

During the Reporting Period, the Group continued to deepen the development of its labour dispute mediation mechanism, establishing a dispute prevention and resolution system covering its branches and subsidiaries by strengthening the functions of the labour dispute mediation committee. Adhering to the principle of “prevention first with priority given to mediation”, the mechanism, on the one hand, enhances the legal awareness of all staff through regular publicity and education on labour laws and regulations to reduce the occurrence of labour disputes at source; on the other hand, it establishes a hierarchical mediation network to achieve early detection, intervention, and resolution of potential disputes, thereby eliminating conflicts at their incipient stages to the greatest extent practicable. Meanwhile, the Group actively accepts professional guidance from competent government departments and performs matters entrusted by arbitration committees in a standardised manner to ensure that mediation work remains lawful and compliant.

During the year, the labour dispute mediation committee fully leveraged its role as a bridge and bond to properly handle the adjustment of labour relations through flexible negotiation mechanisms, facilitating a total of 261 employees to reach a consensus with their employers on the termination of employment contracts by mutual agreement, which both safeguarded the legitimate rights and interests of employees and maintained the normal business order of the enterprise. By establishing a full-chain service system of “education-prevention-mediation-arbitration linkage”, the Group effectively promoted the harmony and stability of labour relations within the Group and fostered a favourable environment for high-quality development.



Structure of the Labour Dispute Mediation Committee

To safeguard and protect the legitimate rights and interests of female employees and to fully leverage their role in socialist political, economic, and cultural development as well as the construction of a harmonious society, the “Special Collective Contract for the Protection of Rights and Interests of Female Workers” (《女職工權益保護專項集體合同》) was entered into in accordance with the “Company Law of the People’s Republic of China” (《中華人民共和國公司法》), the “Trade Union Law of the People’s Republic of China” (《中華人民共和國工會法》), the “Law of the People’s Republic of China on the Protection of Rights and Interests of Women” (《中華人民共和國婦女權益保障法》), the “Special Provisions on Labour Protection of Female Employees” (《女職工勞動保護特別規定》), the “Provisions on the Scope of Prohibited Labour for Female Employees” (《女職工禁忌勞動範圍的規定》), the “Measures of Hebei Province for the Implementation of Labour Protection for Female Employees” (《河北省女工勞動保護實施辦法》), the “Regulations of Hebei Province on Population and Family Planning” (《河北省人口與計劃生育條例》), and the “Measures of Baoding Municipality for the Implementation of Basic Medical Insurance for Urban Employees” (《保定市城鎮職工基本醫療保險實施辦法》), while taking into account the actual circumstances of the Group.

## SAFETY GUARD

The Group regards work safety as the lifeline of its sustainable development; strictly adhering to national laws and regulations such as the “Work Safety Law” (《安全生產法》) and the “Law on the Prevention and Control of Occupational Diseases” (《職業病防治法》) while responding to the latest policy and regulatory requirements in real-time. We have established a rigorous institutional system covering the entire process with clearly defined responsibilities (comprising 43 sets of internal policies and 670 detailed rules) to ensure the stringent implementation of safety requirements. During the Reporting Period, by virtue of proactive pre-control of safety risks, the continuous cultivation of a safety culture, and the enhancement of competencies among front-line employees, we successfully achieved “zero occurrence” of major work safety accidents, thereby fortifying a solid foundation for the personal safety of our employees, the steady progress of our projects, and the sustainable operation of the enterprise.

### Safety Production Management

During the Reporting Period, the Group continued to deepen its safety management initiatives through the promotion of production safety standardization, project observation activities and application of safety information management, and was committed to preventing and resolving safety risks at source. During the Reporting Period, the Group did not experience any material work safety accidents.

### Promote Safety Production Standardization

- During the Reporting Period, the Group deployed the Group's project management standardization manual and the new VIS image manual in a unified manner, and combined them with the creation of smart construction sites to form a reproducible standardized site.
- Based on production safety standardization rules and regulations, our projects - including the Hebei Agricultural University Animal Breeding Innovation Centre (Branch 1), Hengbai International Plaza Construction Project (Branch 3), and Gaoyang County Dongwangcaozhuang Shantytown Redevelopment and Supporting Infrastructure Construction Project, Tender Section II (Branch 7) - leveraged the Group Company's meticulous planning, leveraged management advantages such as process control and meticulous planning to consolidate management foundations in safe and civilised construction, scaffolding, foundation-pit works, large machinery, temporary power management, formwork systems, and intelligent site construction, and carried out on-site work in strict compliance with management requirements. These projects were included in the National Construction Project Safety Production Standardization Site Learning and Exchange Program.

### Carry out Observation and Improvement

- According to designated model projects, we actively organised internal and external observation and learning at all levels to demonstrate and lead the Group to comprehensively improve the overall level of safety, civilisation and green standardisation.
- During the Reporting Period, we successively undertook 14 internal and external observations with competent authorities and internal and external parties.

### Application Information Management

- The Group incorporated information management systems into project safety management measures. We optimised and upgraded the ERP-Safety Management Information System module to manage the management requirements of the Group Company's provincial-level safety and civilisation construction sites, safety technologies and safety inspections through the "Safety Management" section.

The Group's continuous pursuit of safe and civilized construction has been recognized by various regulatory bodies and industry associations. During the Reporting Period, we received the following awards related to safe and civilized construction: 25 provincial-level safe, civilized and (green) standardization sites were established, 3 National Construction Safety Production Standardized Workplaces were established (the Hebei Agricultural University Animal Breeding Innovation Centre (Branch 1), Hengbai International Plaza Construction Project, the third branch, and Gaoyang County Dongwangcaozhuang Shantytown Redevelopment and Supporting Infrastructure Construction Project (Tender Section II), (Branch 7).

### Construction of Safety Culture

During the Reporting Period, we conducted training programmes such as systematic training, special training and training for safety management personnel through a combination of online and offline channels, with a total of 10,218 participants. Taking the "Safety Production Month" of the Group as a carrier, we launched a series of safety production system activities with the theme of "Everyone Stresses Safety, Everyone Knows Emergency- Identify Safety Hazards in the Vicinity". Through various forms of publicity, education and training, we cultivated a life first safety culture under the corporate theme culture "Family • People".

### Group-wide safety production month series activities

During the Reporting Period, in order to comprehensively raise the safety responsibility awareness of employees, we focused on carrying out the following activities:

Leveraging the “Safety Production Month” campaign as a platform, various units diligently organised a range of safety activities. In collaboration with the Group’s general office, themed promotional videos for the 24th “Safety Production Month” and highlights of safety month activities were produced and broadcasted on a continuous loop via the LCD screens in the Group’s lobby on the first floor and the converged media centre in the stairwells. On 5 June, the launch ceremony for the 24th National “Safety Production Month” was held at the construction project site of the postgraduate teaching building and dormitories of Hebei University, attended by over 50 representatives from the Lianchi District Housing and Urban-Rural Development Bureau, project owners, supervision units, and construction units. On 6 June, the Company organised a series of events, including the “Safety Production Month Launch Ceremony, Consultations, and Safety Masterclasses,” which attracted a total of over 700 participants through both online and offline channels.



## Occupational Health Protection

We are committed to practicing the concept of safe development and providing a safe and healthy workplace for all employees, while effectively balancing safety and development.

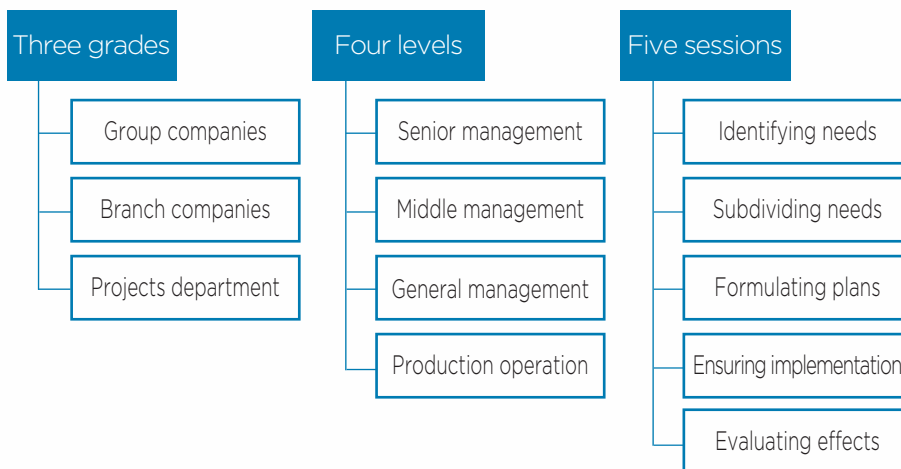
We strictly abide by the “Law of the People’s Republic of China on Production Safety” (《中華人民共和國安全生產法》), the “Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases” (《中華人民共和國職業病防治法》) and other national laws and regulations, and have formulated the “Safe Production Reporting Incentive System” (《安全生產舉報獎勵制度》) and the “Management System of Highly Dangerous Sub-contracting Projects” (《危險性較大的分部分項工程管理制度》) within the Group, forming 43 safety production management systems with the “Safe Production Responsibility System” (安全生產責任制) as the core, with a total of 670 management items (including 20 mandatory provisions).

## TALENT CULTIVATION

The Group has always regarded talent cultivation as the core driving force of enterprise development and is committed to providing employees with a fair and equitable career development platform to help them grow in their careers. Through a comprehensive training system and clear promotion paths, we stimulate the potential of employees and build a high-quality talent team to provide solid talent protection for the sustainable development of the Company.

## Training of Employees

The Group conducts the “three-grade, four-level and five-session” employee education and training system. Through coordinated efforts across three levels (group companies, branch companies and project departments), the Group has formulated the “Annual Employee Education and Training Plan” (《年度員工教育培訓計劃》), forming a training network that covers the entire organization. Differentiated training programmes are designed for four levels: senior management, middle management, general management and production operation, so that there are plans and implementation at each level; we strictly follow a five-step closed-loop management process - identifying needs, subdividing needs, formulating plans, ensuring implementation, and evaluating effects - to ensure accurate delivery of training initiatives.



### “Three-grade , four-level and five-session” Employee Training Management System

Based on the above-mentioned training management system and the “Annual Training Plan” (《年度培訓計劃》), during the Reporting Period, we actively launched key training projects, such as training for on-site construction professionals (the eight major personnel), training of Hebei Construction Group’s Business School, training of project chief engineer’s business ability, training of performance excellence, training of supervision management, training of industry, finance and tax integration, specialized training of commercial staff, specialized training of financial staff, training of market development business, and specialized training of safety, etc., which were well received by employees. We are committed to building a comprehensive pool of high-quality talents to support the Company’s sustainable development.

The Group provides an open learning platform for all employees through the “Construction Intelligent Academy”, which currently offers over 3,800 training courses (with more than 200 new courses uploaded in 2025) and over 195,000 examination questions covering more than 5,800 employees in its workforce, fully meeting the needs of all employees for self-directed learning. It provides strong support for the Company to develop a learning-oriented organization and helps employees grow with the Company.



## Training Case Studies

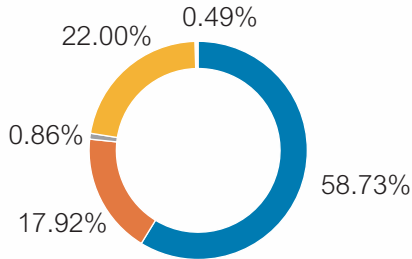
To proactively respond to the policy requirements of the Ministry of Human Resources and Social Security and Hebei Province regarding the knowledge update of professional and technical personnel, and to fully implement the national professional and technical personnel knowledge update project and the provincial human resources enhancement action plan, the Group innovatively launched a special continuing education training program for professional and technical personnel during the year. With “enhancing capabilities and strengthening the workforce” as its core objective, the training featured systematically designed content across three major modules—public compulsory subjects, professional subjects, and interpretations of the latest policies for professional title accreditation—ensuring the knowledge system aligned with both industry standards and the latest policy developments. Adopting an online learning model, the program attracted a total of 2,797 professional and technical personnel this year, who completed 10 tailored courses with an average of over 10 learning hours per person, significantly improving learning efficiency. Upon successful assessment, participants were awarded the “Certificate of Completion of Continuing Education for Professional and Technical Personnel,” which served not only as a certification of competency but also as an incentive for continuous learning. Highly regarded by employees for its practical content, flexible delivery, and significant outcomes, this training has effectively elevated the overall calibre of the Group’s professional and technical workforce, providing solid intellectual support for the Group’s high-quality development.

名称	类型	总时长/试卷难度
走进建筑学党史-建设的浪潮	课程	1
走进建筑学党史-时代的歌颂	课程	1
项目总工程师素质与能力提升的思考	课程	3
钢结构工程质量控制	课程	4
超大型百年水厂的就地更新改造	课程	1
道路总体设计技术及案例解析	课程	2
低密度住宅技术与案例	课程	3
建制镇污水处理的技术难题与发展方向	课程	2
生活垃圾处理处置工程项目规范	课程	1
以土为本-探索绿色建筑新美学	课程	2

Hebei Construction Group 2025 Specialised Continuing Education Training for Professional and Technical Personnel

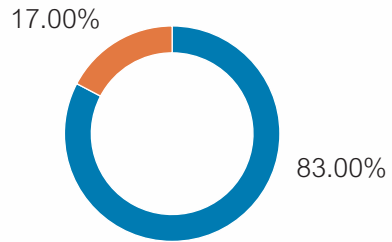
During the Reporting Period, each unit of the Group planned to arrange 576 training sessions, with a total number of 22,582 training participants and a total of 51,823 days, representing a 100% coverage rate of employee training. The breakdown of training by employee type and gender are as follows:

**Proportion of training by employee type**



- Project management and R&D
- General functional employees\*
- Administrative employees
- Technicians
- Other (new recruits)

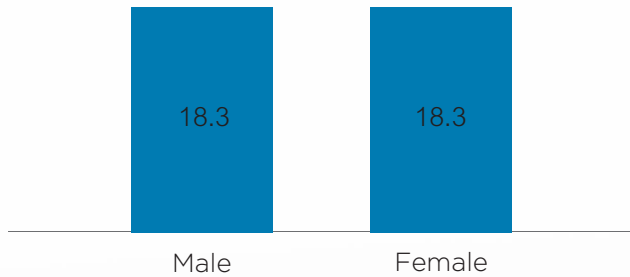
**Proportion of training by gender**



- Male
- Female

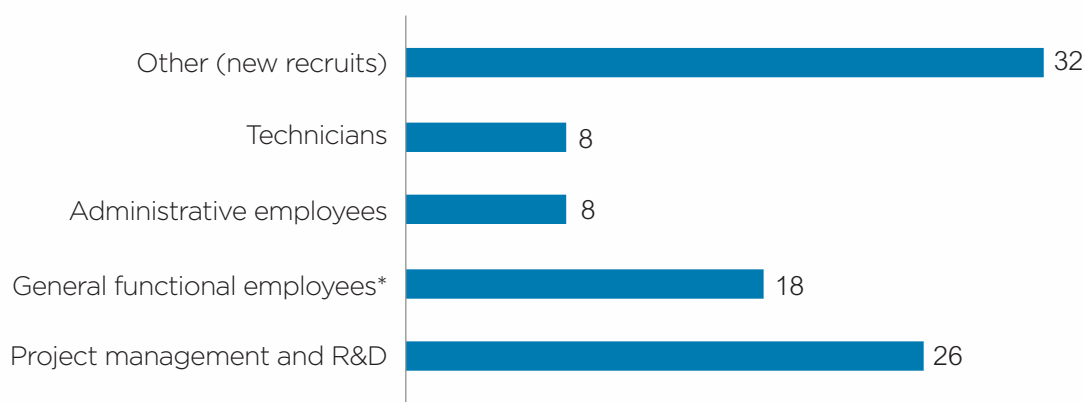
\*: General functional employees refer to: human resources department, legal affairs, audit finance, operation and marketing employees

**Average training hours for employees by gender**



## PEOPLE-ORIENTED DEVELOPMENT

Training hours by employee type



\*: General functional employees refer to: human resources department, legal affairs, audit finance, operation and marketing employees

### Promotional Development

We continue to improve promotion and management systems to provide employees with promotion channels with fairness, impartiality and transparency. During the Reporting Period, the Group, in accordance with the three-tier and three-level classification management (three-tier refers to company level, branch (sub) company level and project department level; three-level refers to senior management, middle management and general management), reorganized and sorted out position system, job duties and responsibilities of functional departments, and duties and responsibilities of positions. In conjunction with adjustments to the organizational structure and the setting up of positions, we issued a new version of the “Job Descriptions” (《職位說明書》). At the same time, the Company has systematically updated and enhanced its employee performance appraisal system, increasing the weight of organisational performance indicators within the appraisal framework. By strengthening the assessment weighting of team collaboration outcomes and overall performance contributions, the Company has further clarified its performance orientation while also enhancing the transparency of the appraisal and evaluation mechanism.

## EMPLOYEE CARE

The Group has deeply embedded its “family - people” culture into its organisational DNA, regarding it as the core soft power for consolidating development synergy and driving sustainable value creation. Beyond our commitment to providing market-competitive remuneration and benefits for all employees, we focus on building an open, respectful, and mutually supportive workplace ecosystem. Through regular mechanisms for listening to employee feedback, a comprehensive and diversified welfare support system covering all staff (encompassing occupational health, family care, and hardship assistance), and year-round themed cultural immersion activities, we have continuously enhanced “organisational warmth” and the sense of belonging among our employees. During the Reporting Period, employee satisfaction and engagement levels steadily improved, and a community of shared values—characterised by individuals who identify with the “family - people” philosophy and share both the mission and the fruits of development with the enterprise—was increasingly flourishing, injecting enduring impetus into the Group’s high-quality development.

### Remuneration Security

We adopt a fair and impartial remuneration management system. During the Reporting Period, we strictly implemented the “Management System for Employee Remuneration and Benefits”. Simultaneously, to further standardise remuneration and benefit standards based on industry benchmarking data, the Company made market-oriented adjustments to its remuneration and welfare policies, and issued the “Notice on Partial Adjustments to the Management System for Employee Remuneration and Benefits and Other Welfare Subsidy (Allowance) Standards” in July 2025.

## Employee Benefits

On the eve of the Spring Festival, in collaboration with the Municipal Federation of Trade Unions, the Company conducted seasonal outreach and well-wishing activities for front-line employees at the Third Branch Scientific Research Building and the First Branch Agricultural University Project. During the summer, “cooling relief” initiatives were organised at the Lugang Sewage Treatment Project of the Installation Branch.



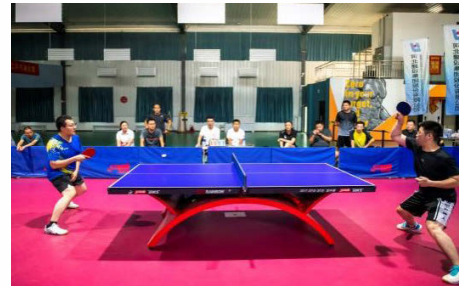
## PEOPLE-ORIENTED DEVELOPMENT

On the occasion of International Women's Day (8 March), the trade unions of the Group's various units organised a wide array of vibrant celebratory activities, including movie-watching, DIY micro-landscapes, flower planting, floral arrangements, handicraft workshops, health seminars, skincare lectures, yoga and fitness sessions, and fruit picking; furthermore, gifts were distributed to convey sincere care and festive blessings to the female workforce.



## PEOPLE-ORIENTED DEVELOPMENT

The Group has successively organised a range of sports competitions popular among its workforce, including staff basketball, table tennis, and badminton tournaments. We also actively participated in activities hosted by higher-level trade unions; at the staff pickleball competition organised by the Municipal Federation of Trade Unions, our team secured the second runner-up position in the men's doubles, while at the employee badminton competition held by the Municipal Agriculture, Forestry, and Water Conservancy Trade Union, we were crowned champion in the men's singles and achieved third place in the women's doubles. Furthermore, we participated in the 2nd Baoding National Fitness Competition and Workers' Table Tennis Tournament, and organised a staff running club and cheerleading squad to participate in the "Baoding Marathon" (Bao Ma), thereby contributing to the promotion of sports and athletics in Baoding.



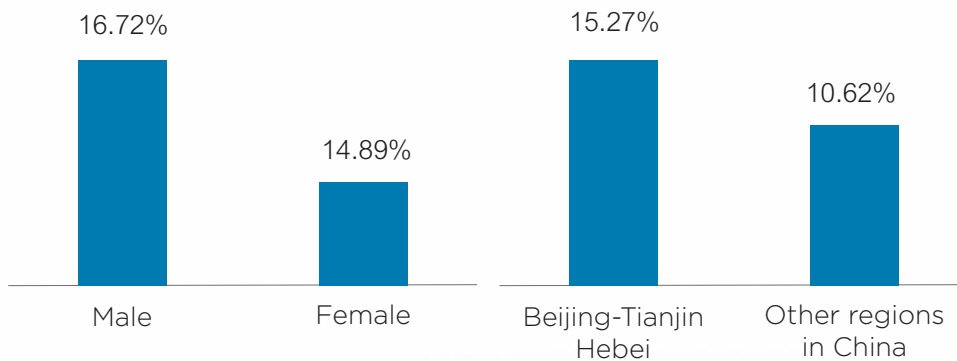
The Group’s trade union processed survivor allowances for 26 individuals, provided bereavement transportation subsidies totaling RMB5,600 for 14 deceased employees, and disbursed hardship relief totaling RMB5,900 to five individuals. Under the 14th “One-Day Donation” staff mutual aid initiative, approximately RMB140,000 was granted to assist 54 employees and their family members, while group insurance claims totaling RMB40,000 were settled for two female employees, providing essential support to the families of employees facing medical hardships.

### Employee Communication

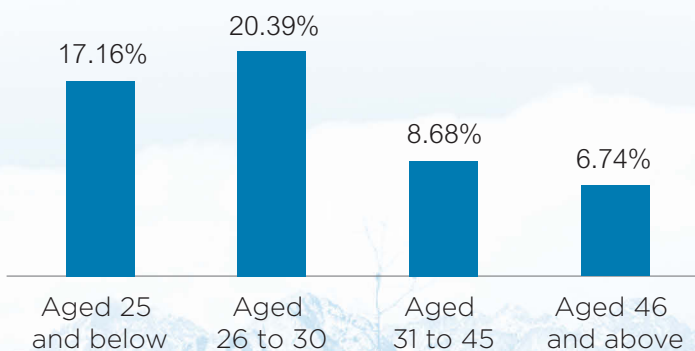
During the Reporting Period, we conducted employee satisfaction surveys by means of questionnaires on the Integrated Management Information Platform, providing employees with satisfaction feedback and suggestions on corporate culture, job returns, work environment, interpersonal relationships and work management, so as to truly understand the needs and concerns of employees.

During the Reporting Period, the total employee turnover rate of the Group was 16.39%. Information on the turnover rate by gender, region and age is as follows:

**Employee turnover rate by gender    Employee turnover rate by region**



**Employee turnover rate by age**



## PEOPLE-ORIENTED DEVELOPMENT

Since its inception, the “Voice of Employees” Chairman’s Mailbox has established itself as a vital platform for employees to express their views and aspirations. During the year, more than 30 emails were received, covering a broad spectrum of topics including remuneration and benefits, training and development, corporate strategy, and internal management. All correspondence was reviewed and appraised by the management, with appropriate handling and feedback provided as necessary to ensure closed-loop management. This mechanism has effectively broadened communication channels and fostered transparency and trust within the organisation.

To fully mobilise the enthusiasm, initiative and creativity of all employees and effectively safeguard the democratic management rights of the staff, the Company proactively solicited rationalisation proposals from employee representatives prior to the convening of the annual employee representatives’ congress.

During this period, our employee representatives, grounded in their respective roles and operational realities, actively contributed advice and suggestions focusing on key areas such as production and operations, management enhancement, and the protection of employees’ rights and interests. During the congress, representative groups conducted in-depth deliberations through breakout sessions to build consensus on the suggestions received, resulting in the collection of more than 100 sets of issues and rationalisation proposals. These suggestions not only underscored the employees’ deep commitment to the Company’s development but also provided a wealth of insights for the enterprise to optimise management and enhance quality and efficiency.

To ensure timely responses to the staff’s aspirations, members of the Board and the senior management team participated in dedicated deliberations during the Employee Representatives’ Congress, where they systematically analysed the collected issues and suggestions to formulate countermeasures and provided detailed responses to the representatives. Rationalisation proposals deemed feasible for implementation will be incorporated into subsequent work plans to facilitate their effective delivery; for those that are not currently feasible, the underlying reasons and circumstances were clarified to the representatives, thereby establishing a virtuous closed-loop mechanism of “proposal submission, deliberation and analysis, feedback and response, and implementation tracking”.

The solicitation of and response to rationalisation proposals serves not only as an important measure for the Company to implement the democratic management rights of the staff, but also establishes a solid bridge for communication and collaboration between the enterprise and its employees. Going forward, the Company will continue to maintain unobstructed channels for advice and suggestions, encouraging all employees to proactively participate in corporate management, thereby leveraging the powerful synergy of collective wisdom to propel the Company towards achieving higher-quality development.

## CONTRIBUTION TO SOCIAL WELFARE

The Group has deeply integrated the fulfilment of social responsibilities into its corporate mission of “Building a Better Life”, leveraging its infrastructure prowess to systematically empower the improvement of livelihoods and social prosperity. By collaborating with core stakeholders such as government authorities, communities, and customers, we give back to society through concrete actions and uphold our corporate commitment.

### CHARITABLE CONTRIBUTIONS

The Group proactively fulfils its social responsibilities, focusing on care for the elderly, children, and persons with disabilities, as well as the domain of rural revitalisation, through which it conveys corporate compassion via professional philanthropic initiatives. We have consistently carried out targeted assistance, such as the renovation of age-friendly and barrier-free facilities, skill empowerment for vulnerable groups, and support for rural infrastructure construction, to promote inclusive community development and regional shared prosperity, thereby honouring our long-term commitment to giving back to society through our infrastructure prowess.

#### Helping the Disabled with Love

Initiatives such as the Mid-Autumn Festival visitations and condolences to families with disabilities and the post-disaster restoration of elderly care institutions, undertaken in conjunction with the Baoding City Love and Respect for the Elderly Association, are presented as case illustrations.



## CONTRIBUTION TO SOCIAL WELFARE

On 16 November, the Company participated in the “Revitalising New Countryside – Compassionate Winter Warmth Campaign for the Elderly, the Disabled, and the Needy” organised by the Baoding City Love and Respect for the Elderly Association, extending heartfelt blessings and providing RMB2,400 in assistance funds to the family of 71-year-old Mr. Wang Gaizhang and his daughter, Wang Mengbei (who has a Grade III physical disability), in Xiaolin Village, Quyang.



On 6 June 2025, the Company’s volunteers, together with the Baoding City Love and Respect for the Elderly Association, visited the household of Mr. Zhang Hongwei (Grade II disability), his mother Ms. Zhang Xinye (Grade I disability), and his uncle Mr. Zhang Dongzhi (Grade II disability) in Dongxiaozhuang Village, Nandayuan Township. In addition to extending their heartfelt blessings, the volunteers delivered a variety of daily necessities and provisions, including cooking oil, rice, milk, eggs, yogurt, pastries, hairtail, watermelon, and bananas, filling this special household with joyful laughter and the warmth of love.



To vigorously promote the fine traditional Chinese virtue of respecting the elderly and cultivate a positive social atmosphere of caring for and assisting the aged, on 24 October, ahead of the Chung Yeung Festival, the Installation Company, alongside officials from the Baoding Municipal Civil Affairs Bureau, Jingxiu District Civil Affairs Bureau, and the Baoding City Love and Respect for the Elderly Association, visited New Generation Zone B to extend festive condolences to Ms. Wang Shenglian, a 79-year-old veteran Party member and the surviving family member of a revolutionary martyr, and presented her with festive provisions such as cooking oil, milk, and rice.

## Emergency Rescue and Disaster Relief

On 25 July, Fuping County experienced extreme torrential rainfall. Resolutely fulfilling its social responsibility through proactive engagement, the Company immediately sought assignments from the County Party Committee and the County Government to fully participate in post-disaster desilting as well as restoration and reconstruction efforts. Personnel from the Fuping Flood Damage Project Department expeditiously mobilised heavy machinery, including excavators, loaders, and transport vehicles, and organised elite rescue teams to rush to the most severely damaged road sections. By reopening vital “Life Channels” with the utmost speed, the Company provided solid support for the timely execution of emergency rescue and post-disaster reconstruction work.



### Rural Revitalization

In response to the calls of the provincial and municipal governments of Hebei and Baoding at all levels, Hebei Construction Group has proactively fulfilled its social responsibilities by exploring innovative models for industrial poverty alleviation. By leveraging industry to drive poverty relief and transitioning from “blood transfusion” to “hematopoiesis”, the Group has actively participated in “Beautiful and Harmonious Countryside” construction initiatives and successfully secured bids for several rural revitalization projects.

- 1. In November 2025, the Group won the bid for the Construction Project of the Primary, Secondary, and Tertiary Industry Integration Fruit and Forestry Industry Demonstration Park in Fuping County, with a contract value of approximately RMB190 million.**

The project comprises the construction of approximately 19,980 sq.m. of greenhouses and a 10,000-mu fruit and forestry cultivation base; the development of a 15,000 sq.m. fruit and forestry processing facility, an 18,000 sq.m. comprehensive trading area, a 250 sq.m. waste transfer station, and 800 sq.m. of ancillary facilities; as well as the implementation of an information system and related supporting infrastructure.

The significance of the Construction Project of the Primary, Secondary, and Tertiary Industry Integration Fruit and Forestry Industry Demonstration Park in Fuping County lies in its capacity to address existing challenges within the local industry. Through its exemplary and leading role, the project is set to inject new vitality into the fruit and forestry sector of Fuping County, propelling it toward new heights.



**2. The Group was awarded the tender for the “Flood Control and Drainage Project - Bid Section II of General Contract of Baoding (Lianchi District) Pipe Network and Supporting Municipal Infrastructure Project”, with a contract value of RMB482 million.**

Located in Lianchi District of Baoding, the project is being undertaken by the Installation Company. It aims to rectify deficiencies in the municipal pipeline network, reinforce terminal network construction, alleviate traffic congestion, and tackle prominent issues such as urban waterlogging and rainwater runoff pollution. The implementation of this project will expedite Baoding’s progress toward its functional positioning as a national innovative city and an industrial-cluster city within the national scientific development demonstration zone. This will further the strategic goals of industrial restructuring and the transformation of economic development patterns, yielding significant social benefits.



**3. The Phase II construction of the Li County 2024 Beautiful and Harmonious Countryside Construction Project is a municipal engineering project with a contract value of RMB28.9576 million.**

The project primarily involves the upgrading of roads, lighting, street beautification, and landscaping across 32 villages within six townships, including Liwu Town and Nanzhuang Town. Upon completion, the project will fulfill the dual objectives of “harmony” and “beauty,” achieving a comprehensive transformation of the countryside from the surface to the core and in both form and spirit.



## CONTRIBUTION TO SOCIAL WELFARE

### 4. **The Shunping County Elderly Care Center Project was awarded with a contract value of RMB49.51 million.**

As a modern elderly care institution integrating medical and nursing care, smart elderly care, and community services, the project is designed to alleviate the shortage of local elderly care resources, benefiting 50,000 elderly individuals across the county and its surrounding areas while enhancing their quality of life. Upon completion, the project will serve as the first standardized and specialized elderly care center in Shunping County, catering to the diverse elderly care needs of various groups.



## SOCIAL WELFARE

While maintaining its high-quality development, the Group has been actively contributing to the community by undertaking various livelihood services and regional strategic projects, enhancing the well-being of community residents with high-quality projects, and contributing to the prosperous development of the local economy. By promoting livelihood projects, improving infrastructure facilities and upgrading public services, we endeavor to satisfy the public's pursuit of a high quality of life and build up a responsible corporate image.

### **Enhancement of well-being of residents**

In the pursuit of high-quality development, Hebei Construction leverages its stringent project management system as a pillar and the creation of premium projects as a focal point. It deeply integrates social responsibility with regional development needs, achieving a virtuous cycle between corporate growth and social contribution by undertaking livelihood service projects and implementing regional strategic deployments.

## CONTRIBUTION TO SOCIAL WELFARE

1. Anchoring high-quality development and consolidating the foundation of premium projects. The Company has established a whole-process project risk management mechanism which strictly categorizes high-risk projects into “redline” and “warning” types during the project acquisition stage to mitigate high-risk and non-compliant projects at the source. During the construction phase, the Company promotes standardized construction and technological innovation while vigorously developing green construction models such as prefabricated buildings to enhance engineering quality and construction efficiency. Leveraging its robust construction capabilities, the Company has delivered a series of landmark projects that have won the Luban Prize, including the Guan Hanqing Grand Theatre in Baoding and the Non-registered VIP Reception Centre for the Winter Olympics, setting industry benchmarks with high-quality architectural products and solidifying the foundation for high-quality development.
2. Focusing on livelihood service needs and creating people-centric projects, the Company proactively responds to the deployment of livelihood initiatives by leading the delivery of key projects closely linked to the daily lives of residents. Through its involvement in shantytown renovations, the upgrading of old residential communities, and the construction of public service facilities for schools and hospitals, the Company continues to improve the living and learning environments for residents, enhancing the sense of fulfillment and happiness within the community.

Leveraging our industry advantages, we are fully committed to advancing various livelihood projects, striving to improve community infrastructure and elevate the standards of medical services and education to meet the public’s pursuit of a high-quality life.

## (I) Livelihood Projects: Upgrading Healthcare Services

**Case 1: In 2025, the Group was awarded the construction project of the Inner Mongolia Hospital of Beijing Friendship Hospital Affiliated to Capital Medical University with a contract value of RMB333 million.**

This project was won by a consortium comprising Jiantou Development and China Construction Third Engineering Bureau First Construction Engineering Co., Ltd., among others, with a total contract value of RMB1.38 billion. The project has a total gross floor area (GFA) of 191,416 sq.m., consisting of an above-ground construction area of 137,225 sq.m. and an underground construction area of 54,191 sq.m. Funding is derived from central government budgetary investments and matching fiscal allocations from the autonomous region. Upon completion, the project will address the shortage of premium medical resources in the Inner Mongolia Autonomous Region, mitigate the high volume of cross-provincial medical consultations for complicated and major diseases, alleviate pressure on medical insurance funds, and reduce the financial burden on the public for medical treatment. It will further drive the development of public healthcare in the Inner Mongolia Autonomous Region and make a vital contribution to establishing a high-quality and efficient medical service system that meets the socio-economic development needs of the region.



**Case 2: In 2025, the Group was awarded the general contract for the construction of the Hunan Provincial Comprehensive Building for Mental Health and Psychiatry with a contract value of approximately RMB250 million.**

This project represents a strategic deployment for the Company to expand its presence in the medical construction sector of Hunan Province, which not only showcases the Company's integrated capabilities and core competitiveness, but also provides essential infrastructure support for enhancing the local capacity for mental health and psychiatric medical services. Upon completion, the project is expected to generate significant multifaceted impacts across various dimensions, including the upgrading of medical services, the refinement of the healthcare system, and the bolstering of social well-being.



**Case 3:** In 2025, the Group was awarded the contract for the construction of the Bayannur Mongolian Medicine Hospital in the Inner Mongolia Autonomous Region with a contract value of RMB98.68 million and a GFA of 18,213.05 sq.m. Given the steadily increasing public demand for Mongolian medical diagnosis and treatment services in recent years, the existing clinical facilities have become increasingly inadequate to meet healthcare needs. To further enhance service capacity, drive the rapid advancement of Mongolian medicine in the city, and address the diversified healthcare requirements of the public, the project is designed to serve as a national key specialty hospital for traditional Chinese medicine upon completion.

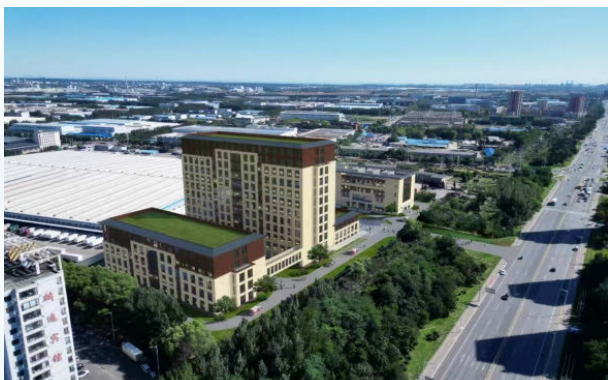


## CONTRIBUTION TO SOCIAL WELFARE

**Case 4:** In 2025, the Group was awarded the contract for the service capacity enhancement project of Guyuan County People’s Hospital with a contract value of RMB61.6513 million and a total GFA of 10,933.53 sq.m. Upon completion, the project will serve as a robust safeguard for the health of local residents while further consolidating the foundation for cooperation with premium hospitals in the Beijing-Tianjin-Hebei region. This will enable patients with difficult and critical illnesses to access high-level diagnostic and treatment resources within their local vicinity, thereby alleviating the financial burden of medical care and reducing travel time. Spanning from routine clinics and emergency services to specialty development and health management, the project will comprehensively rectify deficiencies in county-level medical services, rendering health protection more compassionate and effective while injecting sustained momentum into the “Healthy Guyuan” initiative.



**Case 5:** In 2025, the Group was awarded the contract for the construction project of the Shenbei Preparation Centre of the Second Affiliated Hospital of Liaoning University of Traditional Chinese Medicine with a contract value of approximately RMB52.99 million. Upon completion, the project will serve as a comprehensive service platform integrating research and development (R&D), production, sales, training, and consulting for traditional Chinese medicine (TCM). Guided by market demand, the project is designed to cater to the medication needs of patients at various levels and provide robust support for the development of the TCM industry. Concurrently, the project will focus on collaboration with domestic and international TCM research institutions to facilitate TCM academic exchanges and technological innovation, enhance the international influence of TCM, drive the integrated development of the TCM industry with related sectors, and contribute to local economic growth.



## (I) Livelihood Projects: Improving the Educational Environment

**Case 1: In 2025, the Group was awarded the contract for the “Student Dormitory Construction Project at the West Campus of Hebei Agricultural University” with a contract value of RMB100.97 million.**

This project involves the construction of one new student dormitory building with a total GFA of 24,197.9 sq.m. (comprising 12 storeys above ground and 1 storey below ground), together with supporting outdoor works such as external pipelines, roads, plazas, and landscaping. The completion of the project will further enhance the overall educational standards and academic level of the university, building momentum and laying a solid foundation for accelerating reform and development to achieve the strategic goal of establishing a high-level university with distinctive characteristics. It is of significant importance for the effective integration and optimization of educational environments and resources.



**Case 2: In 2025, the Group was awarded the contract for the student dormitory and canteen construction project (Phase I) of the Fuhe Campus of Baoding No. 1 High School with a contract value of RMB70.5628 million.**

The project has a total GFA of 16,997.89 sq.m., comprising a 9-storey dormitory building and a 3-storey canteen, with a scheduled construction period of 512 days. Upon completion, the project will meet the accommodation needs of 1,200 students and stands as one of the top ten livelihood projects within Baoding’s education system for 2025. This project will fully resolve the accommodation shortage at the school’s main campus once completed.



## CONTRIBUTION TO SOCIAL WELFARE

**Case 3:** In 2025, the Group was awarded the general contract for the junior high school project on Plot AX-2 in the Cuizhai District of the Start-up Area, with a contract value of RMB105.094 million.

The project was awarded through a joint bid and covers a total site area of approximately 3.19 hectares and a total GFA of approximately 22,000 sq.m., with the primary scope of construction featuring a comprehensive teaching building, a building for a canteen and an all-weather sports ground, two gatehouses, and an underground garage with equipment rooms, alongside the simultaneous implementation of outdoor works such as pipeline networks, sports grounds, roads, and landscaping. The initiation of this project is of significant importance for addressing educational deficiencies, optimizing regional resource allocation, and refining the spatial structure of the Cuizhai Area within the Start-up Area; furthermore, securing this contract will further consolidate the Group's track record in the field of public buildings with steel frame structures, showcase the Group's brand image, and lay a solid foundation for the Group's strategic business presence in the Shandong region.



**Case 4:** In 2025, the Group was awarded the contract for the “High-precision Intelligent Processing Industry-Education Integration Training Base Project of Liaoning Provincial College of Communications” with a contract value of RMB80.0506 million. Located at No. 5 Jianshe Nan Yi Road, Hushitai, Shenbei New District, Shenyang, the project comprises the construction of two training buildings with a total GFA of 27,946.86 sq.m., along with supporting infrastructure such as external pipelines, roads, plazas, and landscaping.

Upon completion, the project will further contribute to the educational and scientific research sectors in Shenyang, Liaoning, providing a premier platform for Liaoning Provincial College of Communications to achieve the integrated development of scientific research, teaching, and experimental training with industry, while fully supporting the strategic goal of revitalizing the economy of Northeast China.



**Case 5:** In 2025, the Group was awarded the contract for the “Phase I Geothermal Heat Pump and Hot Water System Project of the Science and Technology Innovation Port of Henan Normal University” with a contract value of RMB42.3350 million. The project is located to the east of Yunmengshan Road, north of Changjiang Avenue, and south of Huanghe Avenue in Pingyuan New District, Xinxiang City, Henan Province, with the scope of work primarily encompassing geothermal heat pump systems and air-source heat pump (hot water) systems to provide cooling, heating, and hot water supply. The implementation scope of the systems is demarcated by the school’s east-west axis, with the No. 2 Geothermal Energy Station situated south of the axis (Future Lake) covering a load area of approximately 30,000 sq.m. This project will provide long-term seasonal cooling and heating services for the new campus of Henan Normal University, thereby enhancing the living environment for all faculty and students.



## (I) Livelihood Projects (Improving Living Environments)

**Case 1: In 2025, the Group was awarded the contract for the resettlement housing project in Hengjiezi Village, Shibalidian Township, Chaoyang District, with a contract value of RMB962 million.**

The project involves a total GFA of approximately 170,000 sq.m., comprising nine prefabricated high-rise resettlement residential buildings, two steel-framed industrial buildings, and other supporting facilities. Upon completion, the project will not only enhance the living environment for nearby residents, but also transform the revitalized space from the “urban village” redevelopment into new engines for growth, opening up vast prospects and injecting fresh momentum into the “Southern Rise” initiative of Chaoyang District, Beijing.



**Case 2: In 2025, the Group was awarded the contract for Bid II of Resettlement House Project of Huangshanmudian Liangmachang in Pingfang Township, Chaoyang District (East Area), with a contract value of RMB697 million.**

With a total GFA of nearly 120,000 sq.m., this project is a key component of the urban village redevelopment in Chaoyang District, Beijing, designed to improve the living conditions and environment of residents. The construction of the resettlement housing effectively addresses the housing demand arising from urban development and enhances the quality of life for residents. Beyond resolving resettlement issues for displaced households, the project will also stimulate the construction and improvement of surrounding infrastructure, further advancing the city’s modernization progress.



**Case 3:** In 2025, the Group was awarded the contract for the “Mujiachang Five-Village Joint Shantytown Redevelopment Project (Phase I of Yanfu Yunlu) in Xiangdu District, Xingtai City” with a contract value of approximately RMB98.2871 million. Located in Xiangdu District, Xingtai City, the project occupies a total site area of 23.5 mu with a total GFA of 80,039.02 sq.m. Upon completion, the project will significantly enhance the living environment and quality of life for local residents, while upgrading the urban landscape and advancing the urbanization process of Xiangdu District.



**Case 4:** In 2025, the Group was awarded the contract for the “Construction of the Provincial Long-term Shelter Demonstration Project,” a public building development, with a contract value of RMB62.8576 million. The project covers a total site area of 25.5 hectares with a total GFA of 9,700 sq.m. Upon completion, the project will become the nation’s first provincial-level long-term shelter, carrying significant demonstrative importance. Serving as a provincial comprehensive long-term shelter, the facility includes various functional zones such as a command and management area, supplies storage area, emergency distribution area, emergency parking area, helicopter landing and take-off area, and emergency accommodation area.



## CONTRIBUTION TO SOCIAL WELFARE

**Case 5: In 2025, the Group was awarded the contract for the Hebei Provincial Bohai Rim Regional Emergency Rescue Center Construction Project with a contract value of RMB299.8322 million.**

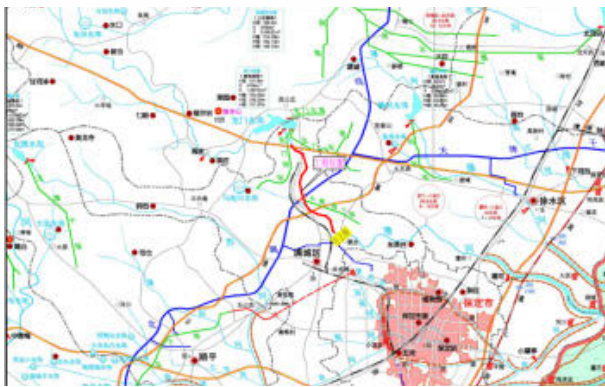
The scope of work comprises the construction of 17 principal buildings, including a comprehensive building and an emergency rescue training building, with a total GFA of 49,855.03 sq.m., of which the training hall features a span of 30.35 meters to satisfy the requirements for large-scale rescue equipment drills. With a construction period of 450 calendar days, the project is entirely funded by ultra-long-term special government bonds and provincial fiscal support, signifying the state's strategic emphasis on strengthening regional emergency response capabilities. Upon completion, the project will establish a "dual-core linkage" with the North China Regional Rescue Center in Zhangjiakou, significantly bolstering the disaster response and management capacity for earthquakes, floods, and other emergencies across the Bohai Rim region.



## (II) Water Conservancy Projects

**Case 1: In 2025, the Group was awarded the contract for the “Construction of the Baibao Bridge to Fangshang Bridge Section of the Caohe River Regulation Project in Mancheng District, Baoding City” with a contract value of RMB107 million.**

The scope of work includes the regulation of a 12.3-km river section and bank slopes totaling 14.7 km. The project is designed to meet a once-in-20-years flood protection standard for the Caohe River, with the embankments and revetments classified as Grade 4 and a design service life of 30 years. As a comprehensive livelihood project integrating “flood protection and security, ecological benefit, economic stimulus, and green demonstration”, it establishes a robust ecological barrier for Mancheng District of Baoding City and the upstream reaches of the Xiong’an New Area, significantly enhancing regional safety standards for flood control and drainage.



**Case 2: In 2025, the Group was awarded the “Flood Control and Drainage Project - General Contracting of Rainwater Pumping Station of Sunshine North Street, Rainwater Pumping Station of Baihua Road Underpass Bridge and Rainwater Storage Pool of Great Wall North Street” with a contract value of approximately RMB250 million.**

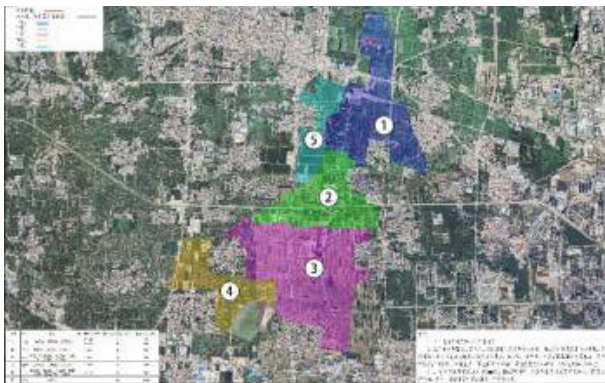
Situated in the urban area of Baoding City, the project will enhance the development of drainage infrastructure, serving as a vital measure to ensure efficient drainage, public mobility, and the safe operation of the city, while demonstrating the commitment to the “people-centric” philosophy of the municipal Party committee and government.

Through the construction of stormwater and sewage pumping stations, the project will optimize the regional drainage network to facilitate the orderly discharge of rainwater and sewage within the service area, effectively addressing issues such as urban waterlogging, sewage overflow, and management challenges.



## CONTRIBUTION TO SOCIAL WELFARE

**Case 3:** In 2025, the Group was awarded the EPC contract for the “2025 Comprehensive Groundwater Over-extraction Management and Spring Area Restoration Project (Groundwater Source Replacement Project) of Yimuquan in Baoding City, Hebei Province” with a contract value of RMB61.68 million. Located in the Mancheng and Jingxiu Districts of Baoding City, the source replacement scope spans both districts, encompassing a total of 19 villages, 191 motorized wells, and an irrigation area of 19,100 mu. The project is expected to reduce annual groundwater extraction by millions of cubic meters, alleviating the declining trend of water levels in the Yimuquan spring area. Through the scientific allocation of water resources, it will improve the regional water cycle, facilitate the natural recovery of the springs, curb land subsidence, mitigate the risk of geological disasters, and protect the ecological environment of Yimuquan, a historically renowned spring.



**Case 4:** In 2025, the Group was awarded the construction contract for the “Ecological Restoration Project along Both Banks of the Caohe River (Lekai Street to Chaoyang North Street Section)” with a contract value of RMB50.97 million.

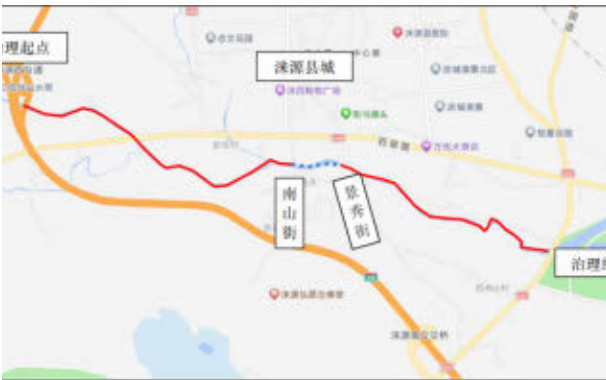
The restoration scope for the ecological restoration project along both banks of the Caohe River (Lekai Street to Chaoyang North Street Section) extends from the upstream of Lekai Street to Chaoyang North Street. The primary construction works for this section include site clearing and preparation, ecological planting, and the development of waterfront buffer zones within the main channel, as well as ecological protection for certain bank slopes.

The main objective of the project is to address critical ecological issues within the implementation area, such as the degradation of wetland ecosystems, declining water quality, and water scarcity, while maintaining the environmental quality of key water bodies at a high standard. The benefits delivered upon completion of the works include the further optimization of the regional ecosystem structure, a significant strengthening of ecosystem stability, and a marked enhancement in ecological quality and functionality.



**Case 5: In 2025, the Group was awarded the EPC general contract for the “Ecological Restoration Project of the Juma River Section from Zhangshi Expressway Bridge to National Highway 207 in Laiyuan County” with a contract value of RMB98 million.**

Located in Laiyuan County, Baoding City, the project scope encompasses ecological base restoration of river corridors, river habitat restoration, and riparian buffer zone works, covering a total ecological restoration area of 402,000 sq.m. By implementing ecological corridor substrate restoration, river habitat restoration, and riparian buffer zone works for the Juma River, the project aims to establish a comprehensive aquatic ecosystem, improve the ecological environment of the upstream reaches of Baiyangdian, and enhance water self-purification capacity and quality. Additionally, it seeks to increase vegetation coverage, strengthen ecological functions such as water source conservation and soil and water maintenance, optimize ecosystem structures, and enhance biological and ecological spatial diversity, thereby fortifying the ecological barrier of the river basin. Simultaneously, the project will elevate regional ecological quality, create a livable environment, and deeply embed the philosophy of ecological civilization while supporting new rural development and the efficient utilization of land and water resources. This will drive local economic and tourism development, laying a solid foundation and injecting new momentum into the sustained, healthy, and stable economic development of Laiyuan County.



**(III) New Energy Projects**

**Case 1:** In 2025, the Group was awarded the construction contract for the “UHV AC/DC Operation and Maintenance Facilities Construction Project of State Grid Hebei EHV Company” with a contract value of approximately RMB91.4692 million. The project has a total GFA of 14,168.35 sq.m. This successful bid not only lays a solid foundation for the Group within the State Grid system market but also opens up new business tracks, continuously enhancing its market share and brand influence while delivering superior services to its clients.



## CONTRIBUTION TO SOCIAL WELFARE

**Case 2: In September 2025, the Group was awarded the contract for the “Power Supply Capacity Expansion Project for China People’s Police University” with a contract value of RMB37 million.**

Located in Anci District, Langfang City, the core scope of the project includes: the laying of 10kV cable lines (comprising a main power supply route of 5,562 meters and a backup power supply route of 2,865 meters); electrical works (including the replacement of four 2,000kVA dry-type transformers and four low-voltage cabinets, the laying of 20,756 meters of cables, and the replacement of 15 current transformers (CTs) and 45 meters of supporting busbars); and civil engineering works (involving the construction of 86 new cable manholes, including river-crossing segments and the restoration of greenery and road surfaces). Upon completion, the project will significantly enhance the power supply capacity of the university.



**Case 3: In 2025, the Group was awarded the EPC contract for the “Coal Yard Enclosure EPC Project for the Phase II 2×660MW Cogeneration Expansion Project of Harbin Thermal Power Company of Heilongjiang Company” with a contract value of RMB32.72 million.**

Situated in Hanan Industrial New City, Pingfang District, Harbin, Heilongjiang Province, the project features a coal yard with a total length of 252 meters and a single-span width of 146 meters, where the enclosure and gable walls utilize a prestressed pipe truss structure and a pipe truss structure respectively. This successful bid marks a pivotal breakthrough in the Group’s deep cultivation of the energy infrastructure market in Northeast China. Looking ahead, the Group will ensure high-standard fulfillment of its contractual obligations to facilitate project delivery, which will not only support the enhancement of energy storage efficiency in the Northeast region but also bolster the Group’s brand influence and lay a robust foundation for expanding future cooperation opportunities in the regional market.



**Case 4: In 2025, the Group was awarded the contract for the “Civil and Installation Works of the Enclosed Coal Storage Shed Project for Lingxin Coal Mine of Ningxia Coal Industry” with a contract value of RMB21.8341 million.**

The coal yard measures 300 meters from east to west and 100 meters from north to south, covering a site area of 30,900 sq.m., while the coal storage shed has a static design storage capacity of 84,000 tonnes and a gross floor area of 13,812.4 sq.m. The primary construction scope involves the new construction of an enclosed coal storage shed adopting a cylindrical reticulated shell structure with a Class II roof waterproofing grade, featuring axial dimensions of 257.25 meters by 53 meters and a total gross floor area of 13,812.40 sq.m.; a fire pump room with a gross floor area of 248.73 sq.m.; and the provision of a circular perimeter road and an outdoor dual-circuit power supply. This award signifies the employer’s high recognition of the Company’s professional technical prowess and project execution capabilities, while further solidifying the Company’s competitive edge in the field of large-span coal and aggregate yard enclosure projects.



**Case 5: In September 2025, the Group was awarded the contract for the “2025-2026 Coal Storage Yard Extension, Expansion and Intelligent Transformation Project for Jiangnan Company of Jilin Company” with a contract value of RMB56.5058 million.**

Situated near Dachangtun, Jilin City, the project primarily involves extending the existing coal shed 190 meters westward to create an enclosed coal shed with a width of 100 meters and a length of approximately 440 meters; simultaneously, the coal conveying system will be upgraded with a 90-meter conveyor belt extension and the intelligent transformation of the bucket wheel reclaimer. This award marks another breakthrough in the Northeast China energy infrastructure market following the Group’s success in May this year with the “Coal Yard Enclosure EPC Project for the Phase II 2×660MW Cogeneration Expansion Project of Harbin Thermal Power Company of Heilongjiang Company”, further demonstrating the Company’s robust technical prowess in the fields of coal yard environmental governance and intelligent transformation.



## CONTRIBUTION TO SOCIAL WELFARE

**Case 6: In October 2025, the Group was awarded the EPC contract for the “Coal Yard Enclosure Renovation (Phase I) of National Energy Group Baoqing Power Generation Co., Ltd.” with a contract value of RMB50.992 million.**

Situated in Shaoyang, Hunan Province, with a contract value of RMB50.992 million, this EPC turnkey project encompasses geological survey, pile foundations, civil works, steel structures, electrical systems, control, lighting, water supply and drainage, ventilation, and fire fighting, as well as the functional design, procurement, fabrication, installation, and commissioning of the digital and intelligent coal yard for the renovation project of the enclosed coal yard of Baoqing Power Plant. Based on the existing site conditions of the power plant, the renovation involves extending the original 110-meter-long dry coal shed by 133 meters southward, resulting in a total length of 243 meters and a total span of 205.5 meters, with a post-expansion total area of 49,936.5 sq.m. The successful bid for this project significantly enriches the Group’s track record in the field of large-span coal and aggregate yard enclosures, laying a robust foundation for further market expansion in this sector.



#### (IV) Infrastructure

**Case 1: In 2025, the Group was awarded the General Contracting for Design and Construction of Anping Section Reconstruction Project of Provincial Highway S333 Haixing-Shunping, with a contract value of approximately RMB580 million. The project is located within Anping County with a total route length of approximately 13.692 kilometers.**

The construction of this project is of significant importance for accelerating the development of the provincial highway network, optimizing the networked transportation layout between county seats, improving regional traffic conditions, and enhancing the accessibility of highway transport; meanwhile, leveraging its regional advantages, the project is of vital significance in further promoting the coordinated development of the Beijing-Tianjin-Hebei region, serving the Xiong'an New Area, expanding the strategic development space of Hengshui City, and accelerating the economic growth of Hengshui City.



**Case 2: In 2025, the Group was awarded the contract for the “Construction of the Intensified Treatment Project of the Yindingzhuang Wastewater Treatment Plant in Baoding City” with a contract value of RMB226 million.**

Located to the west of Yindingzhuang Village in eastern Baoding, the project primarily involves the technical upgrading of the plant’s existing biological treatment systems by adopting a combined biochemical treatment process integrating biofilm and activated sludge methods, as well as the replacement of aging equipment within the plant. With a construction scale of 300,000 tonnes per day, the project aims to upgrade standards and expand capacity through technical optimization and retrofitting, which will effectively alleviate the current shortage of wastewater treatment capacity in Baoding City.



## CONTRIBUTION TO SOCIAL WELFARE

**Case 3:** In 2025, the Group was awarded the EPC general contract for the South Bid Section II of the Ring-Main Heating Pipeline Construction Project in Langfang Urban Area, with a contract value of RMB156 million and a total construction period of 133 calendar days. The project involves a pipeline with a length of approximately 6.4 kilometers and a nominal diameter of DN1400. As a key livelihood project in Langfang, its completion will effectively address the current coverage gaps in the city's heating pipeline network, enhance energy efficiency, and reduce environmental pollution, providing urban residents with more stable and efficient heating services. It is of significant importance for improving the quality of living for residents in Langfang and promoting sustainable urban development.



**Case 4:** In 2025, the Group was awarded the contract for the “Construction Bid Section II of the Baoding North Comprehensive Transportation Hub Project” with a contract value of RMB94.1186 million.

Located in the Baoding National High-tech Zone, the project occupies a total land area of 3.4093 hectares with a total GFA of 33,866.61 square meters. Upon completion, the project will perfectly integrate the functions of urban public transit and long-distance passenger transport, achieving seamless connection among multiple modes of transportation. It will become a new landmark in northern Baoding, demonstrating the forward-looking and advanced nature of the city's transportation planning and construction. This also reflects Baoding's pursuit of an efficient, green, and convenient transportation system, realizing “one-stop” services to truly meet the public's diverse needs and embodying the “people-oriented” concept.



**Case 5: In 2025, the Group was awarded the contract for Material Management Area Project of the Ancillary Road Collection and Distribution Works (Phase II) for the Wuhu Taqiao Multimodal Transport Base with a contract value of RMB253 million.**

Located in Taqiao Town, Jiujiang District, Wuhu City, the project involves a total gross floor area of approximately 58,708.17 square meters. As a key logistics hub upgrading project prioritized by Wuhu City, its implementation will facilitate the optimization of the city's logistics hub layout. By optimizing transportation structures to reduce carbon emissions from road transport and promoting the green and intensive development of the logistics industry, the renovated material management area will significantly enhance the operational efficiency of the Wuhu Taqiao Multimodal Transport Base.



**Case 6:** In 2025, the Group was awarded the general contract for the Yuhua Road works under the Infrastructure and Ancillary Facilities (Phase I) Project of the International Medical Park (West District) in Baoding National Hi-Tech Zone, with a contract value of RMB66.8171 million. As a critical project for the upgrading of supporting facilities for the regional medical and healthcare industry, the project is situated in the West District of the International Medical Park within the Baoding National High-tech Industrial Development Zone in eastern Baoding. The primary scope of construction involves various pipeline networks, with a total construction period of 360 calendar days. As a core infrastructure undertaking in the West District of the International Medical Park, the Yuhua Road works will significantly enhance the carrying capacity of the regional municipal pipeline network, providing the essential hardware support for the industrial clustering of medical and healthcare services. Upon completion, the project is expected to drive the integration of industry and city and the upgrading of public services in the eastern high-tech zone of Baoding, optimize the infrastructure surrounding the medical park, and facilitate the integrated development of industry and city within the region.



## CONTRIBUTION TO SOCIAL WELFARE

**Case 7:** In 2025, the Group was awarded the contract for the Phase I project of the Baoding East Station Hub, with a contract value of RMB58.5721 million. This project will utilize “prefabrication + BIM” technology to complete three core construction components: covered walkways, underground space renovation, and public convenience facilities. Upon completion, the project will significantly enhance the service capacity of Baoding East Station and improve the travel experience of passengers, establishing a “zero-distance transfer” demonstration model for the Beijing-Tianjin-Hebei region.



**Case 8:** In 2025, the Group was awarded the contract for the infrastructure and ancillary facilities project of the International Medical Park (West District) in Baoding National Hi-Tech Zone, with a contract value of RMB87.3519 million. The scope of the project includes the construction of an underground utility tunnel system, a new rainwater pumping station, and an intelligent sewage lifting pumping station, aimed at establishing a regional water resource recycling system. As a key livelihood project in eastern Baoding, this project, upon completion, will fulfil the core pipeline network construction requirements for the West District of the medical park.



**Case 9:** In 2025, the Group was awarded the contract for the Deyang Shifang General Airport Project (Civil Aviation Professional Engineering) with a contract value of RMB75.4969 million. Situated in the North Zone of the Shifang Economic Development Zone and covering an area of 671.64 mu, the Shifang General Airport is being constructed in accordance with Class A1 general airport standards, with the scope of construction encompassing the runway, aprons, air traffic control, navigational lighting, fuel supply, and other ancillary facilities.

As a key project of the “North Wing” in the “One Core, Two Wings” layout of the general aviation industry planning of Sichuan Province, the airport facilitates the implementation of the development logic of “enterprise-led, park-supported, and airport-empowered,” injecting new momentum into the high-quality economic development of the region. The construction of this project holds multi-dimensional significance for regional development.



## Promoting Regional Economic Development

To thoroughly implement the strategic deployments for the high-quality development of county-level economies and actively promote the integrated development of the construction industry with regional economies, the Company spearheaded the establishment of the Research Institute for County Economic Development in 2025, and successfully hosted the “County (District) Economic Development Forum and the Research Institute’s Plaque-unveiling Ceremony” on 17 May of the same year. Positioned at the forefront of the industry, the research institute integrates multi-party resources from enterprises, universities, and government authorities to systematically conduct policy research, model innovation, project incubation, and industrial empowerment. It is committed to providing local governments with systematic solutions for urban-rural construction and industrial layout, while also establishing a platform and providing intellectual and resource support for enterprises within the industry to expand into county-level markets.



Upholding its commitment to corporate social responsibility, the Group donated RMB50,000 to Dacheng County for its Spring Festival illumination project, adding festive vibrancy to the urban area. This initiative further deepened the collaborative relationship between the enterprise and the local community and established a positive social image, for which the Group was honored with a commemorative plaque from the government in recognition of its contribution.

# APPENDIX: CONTENT INDEX OF STOCK EXCHANGE ESG REPORTING GUIDE

Major Scope, Aspect, General Disclosures and KPIs		Disclosure Sections	Remarks
<b>A. Environment</b>			
<b>Aspect A1</b>			
General Disclosure	<b>Emissions</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.1 Climate Response 4.2 Resources Management	
KPI A1.1	The types of emissions and respective emissions data.	4.1 Climate Response	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Climate Response	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Resources Management	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Resources Management	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.3 Low-Carbon Construction	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4 Driving the Future with Green	
<b>Aspect A2</b>			
General Disclosure	<b>Use of Resources</b> Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	4.2 Resources Management	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total 4.1 Climate Response (kWh in '000 s) and intensity (e.g. per unit of production volume, per facility).	4.1 Climate Response	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2 Resources Management	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.3 Low-Carbon Construction 4.4 Green Office	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.2 Resources Management 4.3 Low-Carbon Construction 4.4 Green Office	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	/	The operation of the Group does not involve product packaging

## APPENDIX: CONTENT INDEX OF STOCK EXCHANGE ESG REPORTING GUIDE

Major Scope, Aspect, General Disclosures and KPIs		Disclosure Sections	Remarks
<b>Aspect A3</b>	<b>The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	4.1 Climate Response	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.1 Climate Response 4.2 Resources Management	
<b>Aspect A4</b>	<b>Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.1 Climate Response	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.1 Climate Response	
<b>B. Social</b>			
<i>Employment and Labour Practices</i>			
<b>Aspect B1</b>	<b>Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Compliance Employment	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Compliance Employment	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.4 Employee Care	
<b>Aspect B2</b>	<b>Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.2 Safety Guard	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2 Safety Guard	
KPI B2.2	Lost days due to work injury.	5.2 Safety Guard	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.2 Safety Guard	

## APPENDIX: CONTENT INDEX OF STOCK EXCHANGE ESG REPORTING GUIDE

Major Scope, Aspect, General Disclosures and KPIs		Disclosure Sections	Remarks
<b>Aspect B3</b>	<b>Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	5.3 Talent Cultivation	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.3 Talent Cultivation	
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.3 Talent Cultivation	
<b>Aspect B4</b>	<b>Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Compliance Employment	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Compliance Employment	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Compliance Employment	
<i>Operating Practices</i>			
<b>Aspect B5</b>	<b>Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.2 Responsible Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region.	3.2 Responsible Supply Chain Management	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.2 Responsible Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.2 Responsible Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.2 Responsible Supply Chain Management	

## APPENDIX: CONTENT INDEX OF STOCK EXCHANGE ESG REPORTING GUIDE

Major Scope, Aspect, General Disclosures and KPIs		Disclosure Sections	Remarks
<b>Aspect B6</b>	<b>Product Responsibility</b>		
General Disclosure	Information on:	2.1 Quality Management Standards	
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.2 Enhancement of Full-Process Management	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	/	The Group's operations do not involve product recall
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.2 Enhancement of Full-Process Management	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.1 Technology Driven Innovation	
KPI B6.4	Description of quality assurance process and recall procedures.	2.1 Quality Management Guidelines	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3 Customer Services Optimization	
<b>Aspect B7</b>	<b>Anti-corruption</b>		
General Disclosure	Information on:	1.3 Compliant Operation Management	
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.3 Compliant Operation Management	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Compliant Operation Management	
KPI B7.3	Description of anti-corruption training provided to Directors and staff.	1.3 Compliant Operation Management	
<i>Community</i>			
<b>Aspect B8</b>	<b>Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6 Contribution to Social Welfare	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Contribution to Social Welfare	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6 Contribution to Social Welfare	

## APPENDIX: LIST OF LAWS AND REGULATIONS

Civil Code of the People's Republic of China (《中華人民共和國民法典》)

Law of the People's Republic of China for Countering Unfair Competition (《中華人民共和國反不正當競爭法》)

Construction Law of the People's Republic of China (《中華人民共和國建築法》)

Patent Law of the People's Republic of China (《中華人民共和國專利法》)

Trademark Law of the People's Republic of China (《中華人民共和國商標法》)

Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》)

Law of the People's Republic of China on Assessment of Environmental Affects (《中華人民共和國環境影響評價法》)

Law of the People's Republic of China on Prevention and Control of Solid Waste Environmental Pollution (《中華人民共和國固體廢物污染環境防治法》)

Law of the People's Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》)

Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》)

Labour Law of the People's Republic of China (《中華人民共和國勞動法》)

Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)

Law of the People's Republic of China on the Promotion of Employment (《中華人民共和國就業促進法》)

Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》)

Law of the Peoples Republic of China on Production Safety (《中華人民共和國安全生產法》)

Law of the People's Republic of China on Response to Emergencies (《中華人民共和國突發事件應對法》)

Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》)

Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》)

Regulations on the Administration of Work Safety of Construction Works (《建設工程安全生產管理條例》)

Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》)

Regulations on Work-Related Injury Insurance (《工傷保險條例》)

Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》)

Measures for the Administration of Contingency Plans for Work Safety Accidents (《生產安全事故應急預案管理辦法》)

Measures for the Administration of Occupational Health Examination (《職業健康檢查管理辦法》)



(A joint stock company incorporated in the People's Republic of China with limited liability)  
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