



九龍建業有限公司

KOWLOON DEVELOPMENT COMPANY LIMITED

Stock Code 股份代號: 34

2024

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT





CONTENTS

Board Statement	2
Introduction	4
Corporate Governance	6
Optimising our Operations	14
Protecting our Environment	20
Empowering our People	39
Contributing to our Communities	46
Looking Forward	51
Environmental Performance Data	52
Social Performance Data	55
Appendix A – Awards Relating to Property Management Segment	59

BOARD STATEMENT

Dear Stakeholders,

On behalf of Kowloon Development Company Limited (the “Company” or “KDC”) (Stock Code: 34), I am pleased to present this Environmental, Social and Governance (“ESG”) Report (the “Report”) for the year ended 31 December 2024 (the “Reporting Year”). With the growing awareness of ESG issues and sustainable development, we strive to continually enhance our sustainability strategies and performance, and to create value for our stakeholders and local communities.

The board of directors of the Company (the “Board”) believes that incorporating the principle of sustainable development into our operations is the key for long-term growth and benefiting our stakeholders. ESG matters are ultimately under the Board’s decision-making and purview responsibilities. The Board continuously reviews the performance and progress of the Company and its subsidiaries (collectively, the “Group”) against the ESG-related targets. During the Reporting Year, the Board approved the Terms of Reference to formally establish an ESG Working Group for handling ESG-related duties across the Group. Having a robust governance structure ensures integrity, efficiency and sustainability within the Group.

The Group remains committed to shaping a sustainable future. We endorse the United Nations Sustainable Development Goals (UNSDGs) and are actively aligning our business operations with its ambitious goals to cope with climate change. The Company takes notice of the latest disclosure requirements from The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) that closely aligned with IFRS S2 Climate-related Disclosures (IFRS S2) published by the International Sustainability Standards Board (ISSB) of the IFRS Foundation. The Company is collaborating with the ESG consultant to conduct climate-related analysis and forming resilience strategies on any potential climate risks associated with the Group’s business operations.

In line with our sustainability goals, we have implemented solar power initiatives in two of our managed properties to reduce carbon emissions and enhance energy efficiency. Apart from Gardenia, we have installed 85 solar panels at Upper East in July 2024. These initiatives demonstrate our commitment to reducing our environmental footprint and promoting the use of renewable energy.



BOARD STATEMENT

Our recent residential development project, namely Manor Hill, in Tseung Kwan O received a BEAM Plus New Buildings (V1.2) – Final Silver rating, showcasing our focus on sustainability. In partnership with CLP Power Hong Kong Limited (“CLP”), Manor Hill introduced an “All-Electric Home” design for 1,556 residential units, featuring induction cookers, electric water heaters and thermo ventilators, as well as equipping with smart meters and electric vehicle (“EV”) charging stations to help cope with climate change.

In support of the “Waste Reduction and Recycling Charter” launched by the Environmental Protection Department (“EPD”) since 1 June 2024, the Group actively takes action to enhance residents’ awareness and cultivate their recycling habits at our managed properties. In order to encourage waste reduction and drive behavioural change towards practising source separation, cultivate good recycling habit so as to increase recycling rate, one of our property management companies, namely Country House Property Management Limited (“Country House”), has organised various recycling programmes for its managed properties and provided recycling facilities for paper, aluminium can and plastic bottle in several of its managed premises. As at 31 December 2024, eight buildings managed by Country House have obtained the certificate of “Waste Reduction and Recycling Charter”.

With our dedication to providing quality property management services, the public housing estates managed by another property management company of ours, namely Easy Living Consultant Limited (“Easy Living”), have complied with the requirements of the integrated management system standards including ISO 9001:2015 Quality Management System (QMS), ISO 14001:2015 Environmental Management System (EMS), ISO 10002:2018 Customer Satisfaction Management System (CSMS) and ISO 45001:2018 Occupational Health and Safety Management System (OH&S). In addition, Country House and Easy Living have been honoured with various security services and personnel recognitions in awards presentation ceremonies held during the Reporting Year, in recognition of our dedication in providing quality property management services to our tenants and residents.

We are committed to enhancing community engagement and safety through innovative solutions and comprehensive training initiatives. Easy Living has introduced the “Liveable City” mobile application, designed to enhance community engagement and promote sustainable living among residents. This application will facilitate better communication and provide useful resources for our residents, further supporting our sustainability initiatives. Additionally, to ensure high-quality security services for tenants and residents, we have focused on training, which has led Country House to receive the 2023 Security Services Best Training Award. Moreover, Country House was awarded the “Manpower Developer” under the “Employees Retraining Board (“ERB”) Manpower Developer Award Scheme” in 2024, further demonstrating our commitment to workforce development, while KDC has held this award since 2018.

Since 2022, the Group has been supporting the Lok Sin Tong Social Housing Scheme which aims to provide transitional housing for families in need. The Group procured to provide 100 housing units to this scheme during 2022 to 2024, benefiting approximately 400 people in Hong Kong.

The Report showcases the Group’s achievements in 2024, and it is important to recognise the collective efforts that made these accomplishments possible. I would like to extend my sincere gratitude to our dedicated and skilled management team and workforce for their invaluable contributions and unwavering support during our sustainability journey. With our continuing efforts, we shall commit to advancing our sustainability journey and build a brighter future.



Or Pui Kwan

Executive Director

Hong Kong, 25 April 2025

INTRODUCTION

About KDC

The Company was established on 24 January 1961 and was listed on the Main Board of the Stock Exchange of Hong Kong on 4 July 1995. The Group is principally engaged in property development, property investment and property management in Hong Kong and Mainland China. It is also engaged in financial investments and investment holding. Besides expanding the existing landbank in an opportunistic manner and building out the present portfolio, the Group is focusing on building a strong brand as a thoughtful developer which produces quality products.

About the Report

Reporting Scope

The Report captures the Group's continuous efforts and achievements in managing ESG-related impact in 2024, including the following major business operations:

- The Headquarters' operation in the Pioneer Centre, Hong Kong;
- Property investment and development business in Hong Kong;
- Construction business operated by Kowloon Development Engineering Limited ("KDE"), a wholly-owned subsidiary of the Company, in Hong Kong;
- Property management business operated by Country House, a wholly-owned subsidiary of the Company, in Hong Kong;
- Building surveying, property management and guarding services business operated by Easy Living, a non wholly-owned subsidiary of the Company, in Hong Kong;
- Retail business "Soda Mall", the Group's retail brand, in Hong Kong; and
- Property development business in Wuxi, Shenyang and Shanxi, Mainland China.

The reporting scope is determined based on the materiality of each business unit under the Group's direct operational control. The reporting scope in the Report is slightly smaller than the reporting scope in the Company's Annual Report 2024 due to the exclusion of property development projects in Mainland China with non-controlling interests and those without material ESG impact. In Hong Kong, two construction sites at Upper Manor and Clear Water Bay Road project were in formal construction stage and thus were included in the reporting scope in the Reporting Year.

INTRODUCTION

Reporting Standard

The Report is prepared in accordance with the ESG Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “ESG Reporting Guide”). The Company has adopted the fundamental reporting principles of the ESG Reporting Guide, including:

Materiality	The Group conducts stakeholder engagement exercises and materiality assessment regularly to identify the material ESG-related issues to the business operations. For details, please refer to the section of “ <i>Materiality Assessment</i> ”.
Quantitative	To demonstrate our ESG impact, the Group monitors and records environmental and social performance data. For details, please refer to the sections of “ <i>Environmental Performance Data</i> ” and “ <i>Social Performance Data</i> ”.
Consistency	Whenever deemed material, the Report adopts the consistent standards, tools, assumptions and/or source of conversion factors used, as well as explanations of any inconsistencies to the last report.
Balance	The Report presents an unbiased representation of our ESG management approach and performance. It avoids selections, omissions or presentation formats that may inappropriately influence a decision or judgement by the reader.

Since 2023, we have reclassified the greenhouse gas (“GHG”) emissions generated by base building energy usage from scope 1 and scope 2 to scope 3 for those properties managed but not owned by the Group, namely residential properties and public housing estates managed by Country House or Easy Living, in which the Group could not exercise full management control over the improvement and usage of base building equipment. This amendment was based on the principle established by the “operational control approach” as suggested by GHG Protocol – A Corporate Accounting and Reporting Standard (revised edition), stating that operational control exists when an entity has the full authority to introduce and implement its operating policies in the operation.

Information regarding the Group’s Corporate Governance is addressed more in depth in the section of “*Corporate Governance Report*” of the Company’s Annual Report 2024.

Contact Details

We highly value the feedback and suggestions from our stakeholders. If you have any comments or recommendations, please contact:

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CORPORATE GOVERNANCE

Governance Structure

The Group recognises the importance of integrating ESG governance with its business strategy and sustainability commitment, and has developed a comprehensive ESG governance framework to incorporate ESG management into its operational and decision-making processes. The Board holds the ultimate responsibility and accountability for overseeing the Group's ESG matters, including the formulation and implementation of policies, measures, performance and risk management that related to ESG issues, together with climate-related risks and opportunities. We are dedicated to embedding ESG considerations within our governance practices, ensuring that sustainability is not only a priority but also a cornerstone of our business ethos.

The Board is composed of a diverse group of members, bringing a balanced mix of skills and experience that are crucial for overseeing strategies that address the Group's ESG and climate-related issues in an effective manner. To ensure that appropriate skills and competencies are available, the Board participates in the directors' training sessions facilitated by the ESG consultant annually, focusing on the latest trends, best practices, and emerging challenges in ESG and climate-related issues. The Board is committed to developing processes to assess how ESG and climate-related risks and opportunities could potentially impact the Group's strategic decisions, particularly in major transactions and investments, and is exploring methods to integrate these considerations into its decision-making processes. The Board engages in the development and execution of the Group's ESG action plans, primarily through the annual ESG review and approval of draft report at the Board meeting, which include discussions and reviews on target setting, progress, performance, associated risks and opportunities. The Board assesses potential trade-offs related to climate considerations, ensuring that decisions align with both sustainability goals and business objectives. This engagement aligns with the Board's approach to ESG management, which involves assessing, prioritising, and addressing material ESG issues, including potential risks to the Group's business activities. The Board reviews and approves the disclosures in the Company's ESG reports, ensuring accurate and transparent communication with our stakeholders.

CORPORATE GOVERNANCE

During the Reporting Year, the Board approved the Terms of Reference to formally establish an ESG Working Group to assist the Board in dealing with ESG-related issues across the Group. The ESG Working Group comprises the Chairman, who is one of the executive directors of the Company, as well as other officers from different business units of the Group. Under the leadership of the Board, the ESG Working Group is responsible for the following duties:

- setting ESG strategy and guidance;
- reviewing the ESG-related policies, management approach and operational practices;
- monitoring progress and making appropriate recommendations to the Board on ESG-related activities of the Group;
- observing ESG-related market trends and development, laws and regulations, industry practices and norms to ensure the Group's compliance with applicable regulations and standards;
- collaborating with the ESG consultant to conduct materiality assessment and climate risk assessment, which help refine our focus on the most significant ESG issues relevant to our business operations and stakeholders;
- assisting in identifying and assessing the Group's ESG risks and opportunities;
- implementing controls and procedures to assist management in monitoring climate-related risks and opportunities; and
- reviewing the Company's ESG reports and other corporate publications related to ESG disclosure.

We have established internal policies and procedures for our construction sites and all properties under our management to monitor climate-related risks, such as those related to typhoons and extreme heat conditions. The relevant business units are responsible for notifying relevant parties and our stakeholders about forthcoming risks and the preventive measures to be adopted. While the ESG Working Group supports these efforts, the Group is currently evaluating additional controls and procedures to enhance the oversight of climate-related risks and opportunities. The designated personnel of the ESG Working Group, in collaboration with the ESG consultant, provide updates on progress towards ESG and climate-related targets, as well as relevant risks and opportunities, to the Board on an annual basis. Mitigation measures and recommendations for identified climate-related risks and opportunities will also be provided to the Board, if any. This ongoing communication ensures the Board remains well-informed about our ESG commitments, strengthening our ability to drive sustainable development across business operations.

CORPORATE GOVERNANCE

Business Ethics and Integrity

The Group is dedicated to ethical operations and has instituted a stringent corporate governance framework for fair decision-making. Under the framework, the Code of Conduct has been established to provide guidelines for employees to prevent misconduct such as bribery, extortion, fraud and money laundering. The Group has also adopted the policy on Prevention of Bribery Ordinance to provide sufficient guidance to its employees. In circumstances such as dealing with conflict of interest or acceptance of advantages in any form when they are performing their job duties, the guidelines act as powerful tools and criteria to instruct employees to conduct business integrity. To enhance employees' awareness on anti-corruption and professional ethics, the Group plays anti-corruption video broadcast for all newly joined employees and provides training and shares anti-corruption training materials to the directors and department heads of the Company. The Group conducted approximately 327 hours of anti-corruption training in the Reporting Year.

To further prevent, deter and eradicate unethical behaviours, the Group has established a whistleblowing channel for our stakeholders including but not limited to employees and suppliers. They are encouraged to report any suspected business misconduct, malpractice or impropriety via the whistleblowing channel. The case nature and personnel involved will be recorded for further investigation and informing corresponding authorities where necessary. During the Reporting Year, the Group was not aware of any material non-compliance regarding anti-corruption laws and regulations such as the Prevention of Bribery Ordinance in Hong Kong and the Criminal Law of the People's Republic of China.

Stakeholder Engagement

The Group places significant emphasis on effective stakeholder engagement to grasp their feedback and opinions, and better inform our sustainability and overall strategy. They channels have been established as a foundation of the stakeholder engagement to maintain transparent communication. The Group has established a range of communication channels and the insights gained from each stakeholder will be integrated into our daily operations.

Stakeholder Groups	Communication Channels
Shareholders and Investors	<ul style="list-style-type: none">• Shareholders' meetings• Financial reports, announcements, circulars, etc.• Company website• Company enquiry e-mail, facsimile and hotline
Local Communities and Non-Governmental Organisations ("NGOs")	<ul style="list-style-type: none">• Volunteer activities• Corporate sponsorships and donations
Media	<ul style="list-style-type: none">• Company website• Financial reports, announcements and circulars• Interview with media for launching new properties• Show flat opening and introduction

CORPORATE GOVERNANCE

Stakeholder Groups	Communication Channels
Suppliers, Contractors, Subcontractors and Service Providers	<ul style="list-style-type: none"> • Project collaborations • Company website • Training and briefing talk to KDE's subcontractors before entrance of construction sites • Site visit • External ESG survey • Know Your Client (KYC) review
Business Partners	<ul style="list-style-type: none"> • Project collaborations • Company website
Government and Regulators	<ul style="list-style-type: none"> • Seminars for staff • Financial reports, announcements and circulars • Monthly audit by the Hong Kong Housing Authority
Customers, Tenants and Residents	<ul style="list-style-type: none"> • Customer satisfaction survey • Opinion box • Enquiry hotline • Visit of show flats and introduction by our salesperson • The Owners' Committee meetings • The Incorporated Owners' meetings • Clubhouse activities • Company website • External ESG survey
Potential Candidates and Employees	<ul style="list-style-type: none"> • Career opportunities on company website • Internal referral programme • Recruitment events and career talks
Employees	<ul style="list-style-type: none"> • Orientation and training sessions • Employee notice board • Annual performance appraisal • Questionnaire and internal ESG survey • PolyConnect (Intranet of the Group) • Company website • Seminars/workshops • Daily meeting • Staff activities • Memos to employees • Staff opinion box

CORPORATE GOVERNANCE

Materiality Assessment

The Group has appointed the ESG consultant to conduct an online survey with our stakeholders to identify and prioritise key sustainability issues. The materiality results were analysed to gain insights into our stakeholders' expectations regarding the Group's sustainability performance.

Methodology of Materiality Assessment

Identification of Material ESG Topics	Based on industry research and peer benchmarking, the ESG consultant identified a broad range of sustainability issues related to the Group's ESG impact and performance, and prepared a questionnaire for our stakeholders.
Prioritisation of ESG Topics	Our stakeholders assessed and prioritised the importance of ESG topics in relation to the Group's business operations and stakeholders.
Validation and Review	Following the analysis of the stakeholder survey results, the Board reviewed and determined the scope, topic boundaries and completeness of the prioritised material ESG topics. In the Report, the management approach, key performance indicators (KPIs), and relevant data of the material topics are disclosed. For future reports, the Group will conduct a regular review of the material topics by collecting our stakeholders' feedback and ensuring alignment with our sustainability strategies.

In the process of developing our materiality matrix, the Group gathered survey responses from 285 individuals from key stakeholder groups, including (i) employees; (ii) suppliers, contractors, subcontractors and service providers; (iii) tenants and residents; and (iv) shareholders and investors. Survey participants evaluated 23 key sustainability topics within the matrix, assessing their importance to both our stakeholders and the Group's business operations.

CORPORATE GOVERNANCE

The materiality assessment exercise resulted in the following matrix:



Environmental

1. Climate change and extreme weather impact
2. Energy consumption and GHG emissions
3. Air pollutant emissions
4. Indoor air quality control
5. Water and wastewater management
6. Waste reduction and recycling
7. Efficient use of material
8. Noise pollution and management
9. Sustainable building elements

Labour Practices

10. Employment practices
11. Diversity and equal opportunities
12. Employee health and well-being
13. Employee development and training
14. Employee engagement

Operational Practices

15. Customer privacy
16. Sustainable supply chain management
17. Quality products and services
18. Data privacy and cybersecurity

Corporate Governance

19. Corporate governance
20. Business ethics and integrity
21. Stakeholder engagement
22. Anti-corruption and whistleblowing

Community

23. Community involvement

CORPORATE GOVERNANCE

The Group conducts materiality analysis annually based on the results of our stakeholder engagement exercise. In 2024, we have expanded the scope of the stakeholder survey to be more comprehensive and included a wider range of stakeholder categories. For better presentation, we have also updated the list of material ESG topics based on evolving industry trends. The list of material topics relating to social aspect has been grouped as labour practices, operational practices, corporate governance, and community.

The materiality matrix illustrates the relative significance and importance of selected ESG topics to both our stakeholders and business operations of the Group. Each of the 23 ESG topics under survey was assigned with a maximum score of 5 and the survey result showed that all topics scored above 4, representing that these ESG topics under the environmental and social aspects were considered as important by our stakeholders. Noteworthy, the topics of social aspect in relation to corporate governance and operational practices, have emerged as being more important, as well as reflected the actual focus of our stakeholders. Besides, our stakeholders identified “Climate change and extreme weather impact” as a slightly lower priority since it is a relatively emerging issue. The Group is committed to closely monitoring the latest regulatory developments and implementing measures to mitigate the impact associated with climate change, thereby raising our stakeholders’ awareness of climate-related issues.

CORPORATE GOVERNANCE

The United Nations Sustainable Development Goals (“UNSDGs”): Sharing Sustainable Value

The Group acknowledges the essential role that stakeholders play in our success. We are committed to pursuing sustainable and responsible growth in our business and operations, collaborating closely with all our stakeholders to achieve our shared goals, and ensuring that all people enjoy peace and prosperity by 2030.

We have identified eight UNSDGs that closely aligned with our ESG strategies. The Board will make reference to the identified UNSDGs in its decision-making and strategy development processes. We are committed to contributing to these global common goals by focusing on four areas:



OPTIMISING OUR OPERATIONS






Corresponding UNSDGs





Responsible Products and Services

The Group prides itself on delivering properties of exceptional quality and standard. It is ensured through the conduct of a quality assurance system covering the construction process from end to end. With our dedication to provide quality properties and services, KDE has established an Integrated Management System including a quality management system with reference to the best practices of the industry. A set of construction guidelines and procedure handbooks is developed to provide guidelines and procedures for contractors and employees to effectively implement the quality management system during all stages of construction projects. During the Reporting Year, the Group was not aware of any material non-compliance with applicable laws, regulations and requirements in its business operations in Hong Kong such as the Building Management (Amendment) Ordinance and Housing Ordinance. Additionally, there were no cases related to the building works of KDE that resulted in convictions during the Reporting Year.

Stage of Construction	Procedures
Prior to construction 	<p>To illustrate the overall planning and methodology for undertaking construction works, the construction team is required to prepare a project planning handbook according to the Site Operation Manual, and organise pre-construction meetings to ensure the construction site is in an optimal state before construction.</p>
During construction 	<p>To review the overall status of the project from a quality, time, cost, and safety perspective, as well as to discuss on-site issues and mitigation measures, the construction manager schedules routine construction progress meetings with relevant parties, including the project managers and consultants. Routine site walk is conducted by the management in charge of the construction sites, quality assurance staff and contractors' representatives in order to identify quality risks associated with all construction items and to conduct quality checks throughout the construction process. During progress monitoring and reporting, the quality assurance staff witnesses and records any quality non-conformances and communicates with the construction manager on rectification and preventive measures.</p> <p>Furthermore, material quality is tested at outsourced registered laboratories and meets the consultants' and statutory requirements.</p>
Post construction 	<p>A specialised team will conduct a series of technical checks to examine the buildings' electrical and mechanical equipment and facilities, including Heating, Ventilation, and Air Conditioning ("HVAC") as well as home appliances. To further ensure that building quality meets established standards and identified deficiencies have been addressed, quality assurance staff assesses units using an internal rating system prior to handover.</p>

OPTIMISING OUR OPERATIONS

After the construction stage, KDE will hand over the properties to Country House, which will be responsible for the handover and engagement processes. To ensure that the property quality and service quality meet the expectations of the owners, Country House develops and follows a series of standard handover and engagement procedures.

Stage of Service	Procedures
Handover 	<p>To ensure the satisfaction of the quality of service in the handover process, Country House establishes a set of guidelines and work processes and provides training to ensure that responsible personnel are familiar with the handover procedures.</p> <p>Once Country House’s handover team has taken over the properties, they will perform a pre-inspection to ensure the finish meets the handover standards. After the inspection, the defect report will be sent to KDE for further rectification. Once all rectification works are completed, the properties will be accepted by the handover team.</p> <p>After the handover of the properties to the owners, they can use the mobile application to submit the defect form, then the handover team will follow up the defects with KDE. If the defects are addressed by KDE and accepted by the handover team, the owners will be informed to conduct acceptance check of rectification items.</p> <p>To provide warranty on the quality of the properties, a six-month defects liability period will be provided to the owners for defect follow-up works.</p> <p>Finally, Country House conducts a satisfaction survey with the owners to collect their comments for further improvement.</p>
Engagement 	<p>After the handover, Country House sets up active engagement programmes and continues in communication with tenants and owners. Country House regularly conducts customer surveys to assess their needs, concerns, suggestions and satisfaction with its building and management services. Based on the survey results and feedback, Country House will implement initiatives to ensure tenants and residents’ needs and interests are met, which will enhance the Group’s reputation and boost its brand recognition.</p>

While the Group excels in residential development and places great emphasis on building construction process, handover and engagement, the Group also prioritises delivering exceptional services to residents. This commitment to excellence ensures that residents not only find quality homes but also enjoy a supportive and enriching living environment, reflecting the Group’s dedication to enhancing the overall residential experience.

OPTIMISING OUR OPERATIONS

ISO 9001:2015 Quality Management System (QMS)

Easy Living has been awarded ISO 9001:2015 (QMS) regarding the provision of property management services and cleansing services for all properties under the management and control of the Hong Kong Housing Authority and managed by Easy Living under contracts for the sites of the Hong Kong Housing Authority.



ISO 10002:2018 Customer Satisfaction Management System (CSMS)

The Group attaches immense importance to feedback from tenants and residents. For the properties managed under contracts for the sites of the Hong Kong Housing Authority, Easy Living has implemented ISO 10002:2018 (CSMS) during the Reporting Year. Country House and Easy Living have implemented standardised complaint handling procedures to ensure written requests or complaints to be addressed in a timely manner. Formal review is undertaken for each complaint received and improvement plan is provided to prevent similar occasions.



Mobile Application – Liveable City

The Group is dedicated to delivering excellent property management services to the tenants and residents of its managed properties. Since 2023, Easy Living has introduced the “Liveable City” mobile application, featuring real-time dialogue chatbots that gather residents’ feedback and inquiries to enhance the tenants’ and residents’ experiences while allowing us to better tailor our services to their needs. Over 30,000 Hong Kong users have downloaded the mobile application as at December 2024.



The “Liveable City” application can also push e-notifications about temporary suspensions of electricity and water supply, as well as the Group’s promotion events and green activities to facilitate communication with residents, and to reduce resource consumption and promote recycling among residents.



OPTIMISING OUR OPERATIONS

Excellence in Security Services – A Commitment to Safety and Quality

We prioritise the safety and well-being of our tenants and residents by investing in high-quality security services. Our dedication to excellence in security training and performance has been recognised through multiple prestigious awards, underscoring our commitment to responsive property management.

2023 Security Services Best Training Award

We are proud to have received the 2023 Security Services Best Training Award, which acknowledges our efforts in establishing comprehensive training programmes for our security personnel. This award reflects our commitment to enhancing service standards and ensuring a secure living environment for our community.



Security Services and Personnel Awards obtained in 2024

In addition to the aforementioned training award, Country House and Easy Living have been honoured with various security services and personnel recognitions in various awards presentation ceremonies held during the Reporting Year:

- Kowloon West Best Security Services Awards 2023
- Kowloon East Best Security Services Awards 2023–2024
- New Territories South (“NTS”) Best Security Personnel Awards 2023–2024
- Kwai Tsing District Outstanding Security Personnel Awards 2024
- Project Rampart “Exemplary Security Guard” Award Scheme 2024

From the above 5 awards presentation ceremonies, Country House and Easy Living have received a total of 8 awards for their managed properties, 5 awards for their managed carparks and 12 awards for their security staff. These awards highlight the dedication of Country House and Easy Living in providing quality property management services to our tenants and residents and reinforce our commitment to maintaining a safe and supportive environment for all. A full list of the awards is annexed in Appendix A to the Report.



OPTIMISING OUR OPERATIONS

In the Reporting Year, there were no substantiated complaints received relating to products and services. For all complaints received regarding the construction quality, the Group communicated with the contractors to deal with these issues. Due to the Group's business nature, product recall was not relevant to the Group's property development, property construction and property management businesses. During the Reporting Year, the Group did not have any product recall for safety and health reasons from retail business of Soda Mall.

Quality Water Supply for Buildings

The Group is committed to providing quality water supply for the properties under its management to ensure the health, safety and comfort of the tenants and residents inside the buildings.

The Quality Water Supply Scheme for Buildings – Fresh Water (Management System) and Quality Water Supply Scheme for Buildings – Flushing Water are launched by the Water Supplies Department ("WSD") to safeguard the quality of drinking and flushing water. Several properties managed by Country House and Easy Living have obtained the awards under these two schemes. For details of the awarded properties, please refer to Appendix A to the Report.



Protection of Data Privacy

The Group is dedicated to ensuring data privacy and protecting the personal information of our stakeholders. The Code of Conduct clearly sets out regulations and guidelines on how to properly collect customers' personal data. Employees are required to ensure confidential data are handled by designated employees to avoid unauthorised access, leakage or misuse of such data. During the Reporting Year, the Group was not aware of any material non-compliance regarding data protection laws and regulations such as the Personal Data (Privacy) Ordinance in Hong Kong and the Personal Information Protection Law of the People's Republic of China.

Intellectual Property

Due to the Group's business nature, intellectual property rights are not material to the Group's operation so that it is not disclosed in the Report.

OPTIMISING OUR OPERATIONS

Sustainable Supply Chain

To ensure sustainable construction and operations and to maintain the quality of our services, the Group has implemented a series of stringent management practices for contractors and suppliers assessment and procurement processes.

The Group recognises its role in promoting sustainable practices along our supply chain. The Group actively cooperates with high-quality and responsible contractors for construction works and suppliers of building materials. We evaluate suppliers and tenderers' environmental and social responsibilities during the supplier engagement and tender process in each product development stage. The procurement team sets out the criteria of partner selection during procurement regarding their sustainability performances. We encourage our partners to incorporate sustainability into their operations and products, which lowers the risks of adverse impact from the supply chain to our products, services and reputation.

The Group assesses the reliability and quality of the products and services provided by the suppliers by looking at their levels of experience and financial standings. Priority will be given to the contractors and subcontractors that are aligned with international management system standards during supplier selection. Such standards include ISO 9001 (QMS), ISO 14001 (EMS) and ISO 45001 (OH&S). All our suppliers, contractors and subcontractors are required to comply with applicable local laws and regulations related to quality control, employment and labour practices, occupational health and safety, as well as environmental protection.

Number of Suppliers, Contractors, Subcontractors and Service Providers

By Region	2024	2023
Hong Kong	477	689
Mainland China	132	116
Total	609	805

PROTECTING OUR ENVIRONMENT



Corresponding UNSDGs



The Group is committed to operating in an environmentally friendly manner and promoting sustainable development in its business activities. We advocate for ethical business practices in our interactions with stakeholders and manage our operations with a strong sense of responsibility. In each of the locations where we operate, we strictly comply with all applicable environmental laws and regulations and adopt best practices to mitigate the negative environmental impact and to enhance climate resilience.



ISO 14001:2015 Environmental Management System (EMS)

For the properties managed under contracts for the sites of the Hong Kong Housing Authority, Easy Living has implemented ISO 14001:2015 (EMS) in the Reporting Year.



During the Reporting Year, the Group was not aware of any material non-compliance with applicable and relevant environmental laws, regulations and requirements in its business operations in Hong Kong such as the Waste Disposal Ordinance, Water Pollution Control Ordinance, and Noise Control Ordinance. For our property development business in Wuxi, Shenyang and Shanxi, the Group has complied with the relevant environmental standards and regulations of the People's Republic of China, such as the Integrated Emission Standard of Air Pollutants, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant and Noise Limits for Construction Site in the Reporting Year.

PROTECTING OUR ENVIRONMENT

Climate Resilience and Adaptation

Climate change has increased the frequency of extreme weather events that pose a serious threat to various business operations. The Group actively explores ways to accelerate its climate action and is committed to enhancing its resilience and preparedness for climate change by integrating climate-related risks analysis into its business decision-making processes.

Governance

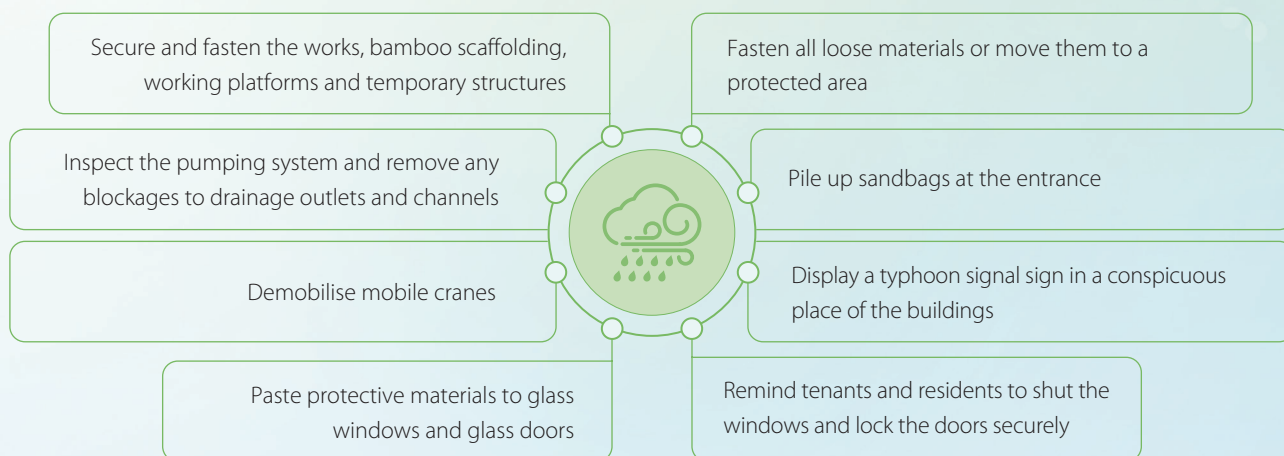
The Board is responsible for overseeing the climate-related issues, ensuring that associated risks and opportunities are integrated into our business strategy, decision-making processes and risk management practices. While the Board provides strategic guidance and direction on climate-related issues, the management is tasked with monitoring and assessing climate-related risks and opportunities, as well as developing practical mitigation and adaptation plans. To enhance accountability and align its sustainability targets with performance, the Group will explore the feasibility of incorporating climate-related performance metrics into its remuneration policies.

For more information on the roles and responsibilities of the Board and management in addressing climate-related issues, please refer to the section of “*Governance Structure*”.

Strategy

The Group understands the impact of extreme weather events and threats towards its business operations. Considering our business nature and actual weather events, we have preliminarily recognised typhoons and flooding as the possible acute physical climate risks that could have a major impact on our business operations and employee safety. The Group is collaborating with the ESG consultant to conduct a comprehensive climate-related scenario analysis to gain more insights on the potential climate risks and the associated impact. The Group will further enhance its climate strategy based on the analysis results.

The Group has implemented necessary measures to minimise any potential effects of the extreme weather on its daily operations. The Group will send advance alerts to the impacted buildings under its management and recommend relevant actions to be taken. Other precautionary measures before the extreme weather events are as follows:



PROTECTING OUR ENVIRONMENT

The Group also takes notice of the latest climate disclosure requirements from the Stock Exchange that closely aligned with IFRS S2 Climate-related Disclosures (IFRS S2) published by the International Sustainability Standards Board (ISSB) of the IFRS Foundation as potential transition climate risks to the Group. To mitigate the risk of reputational damage resulting from a delayed response, the Group will actively monitor both current and emerging climate-related trends, policies, and regulations on a regular basis.

Risk Management

The Group has implemented the Climate Change Policy since 2020 that governs its strategy for managing climate change risks and outlines the initiatives it is taking to mitigate the impact of climate change on its operations. This policy is regularly reviewed to ensure its relevance and effectiveness and it continuously update its measures and disclosures to reflect current practices. Its efforts include formulating plans to reduce its carbon footprint through enhancing energy efficiency and minimising energy consumption, to conduct climate risk assessments during the supplier selection process, and to evaluate both physical and transition risks affecting its business operations.

To effectively manage climate-related risks, we consider our business nature and actual weather events to identify these risks, covering the major operational regions and properties managed by the Group. In response to these risks and to enhance preparedness for the extreme weather events, the Group has adopted specific measures, including implementing heatwave warning guidelines, incorporating storm response procedures into employee handbooks, and maintaining emergency response manuals.

To further enhance our climate risk assessments, we are currently collaborating with the ESG consultant to conduct a comprehensive climate-related scenario analysis. This analysis evaluates the likelihood and severity of identified climate-related risks, incorporating quantitative thresholds to prioritise these risks among other corporate risks. In addition, the ESG consultant will identify and evaluate climate-related opportunities, and we will disclose further details in our ESG report 2025 once the analysis is completed.

The Group will continuously monitor climate-related risks and conduct regular reviews of the climate risk analysis to ensure prompt attention to any significant changes in risk profiles. Additionally, the Audit Committee will meet annually with the senior members of the Internal Audit Department to review, discuss and analyse the Group's risk exposures, including ESG risks and emerging climate-related risks, as well as to evaluate the mitigation measures to minimise potential negative impact. During the Reporting Year, we have maintained consistent processes for managing climate-related risks. Through this risk management approach, we strive to ensure that climate-related risks and opportunities are fully integrated into our overall risk management system.

Metrics and Targets

The Group disclosed the scope 1 and scope 2 GHG emissions in the section of *"Environmental Performance Data"* and its GHG reduction targets in the section of *"Energy Consumption and GHG Emissions"*. Scope 3 GHG emissions (indirect GHG emissions that occur along the value chain) present significant challenges in the real estate industry, including challenges in the availability, categorisation and accuracy of data. In 2024, the Group has worked with the ESG consultant to examine the applicable emissions categories and identify the necessary information and calculation model to improve scope 3 GHG emissions disclosure and reflect actual emissions along the value chain. In 2025, the Group will comply with the climate-related disclosures requirements and disclose the relevant scope 3 GHG emissions data as necessary.

PROTECTING OUR ENVIRONMENT

Energy Consumption and GHG Emissions

Electricity, petrol, and diesel are the principal types of energy consumption for our operations, as well as being the major sources of GHG emissions. The Group is dedicated to combating climate change by optimising energy use during its operations, thereby reducing the GHG emissions within its business scope.

Targets set in 2023	2024 Status
We will partially install electric appliances with Grade 1 energy efficiency label under the Mandatory Energy Efficiency Labelling Scheme ("MEELS") of the Electrical and Mechanical Services Department ("EMSD") for all flat units of the new developed properties by the end of 2030.	Electric appliances such as refrigerators and washer dryers with Grade 1 energy efficiency label have been procured for the flat units of the new development project, namely Upper Manor, at No. 6 High Street. The new development project at No. 35 Clear Water Bay Road has not reached the procurement stage for relevant appliances.
By the end of 2030, all new developed properties in Hong Kong will be partially equipped with energy-efficient equipment, such as energy-efficient lighting instead of conventional lighting.	For Upper Manor, LED lighting has been scheduled for installation in 2025. The new development project at No. 35 Clear Water Bay Road has not reached the procurement stage for relevant equipment.
To attain BEAM Plus certification for Upper Manor.	The Group has applied for the BEAM Plus certification and based on the provisional assessment report, the development project has provisionally fulfilled all the applicable prerequisites.
To voluntarily install EV charging facilities in the carpark of our new development project at No. 35 Clear Water Bay Road.	The project has not reached the relevant development stage.

To enhance energy efficiency and reduce its GHG emissions, the Group has joined the Energywise Certificate Scheme and adopted a series of energy management measures which would be illustrated in depth by case study hereinafter.

PROTECTING OUR ENVIRONMENT



Energywi\$e Certificate Scheme

The Energywi\$e Certificate is one of the certificates of the Hong Kong Green Organisation Certification ("HKGOC") Scheme, which is led by the Environmental Campaign Committee alongside the EPD and in conjunction with a number of other organisations. Organisations applying the certificate are required to demonstrate their commitments to and efforts in environmental protection through energy conservation. Participants are required to demonstrate their compliance with the related requirements according to the level of certificate.



The Group encourages the Energywi\$e Certificate programme enrolment at its offices and properties managed by Country House in an effort to reduce energy use and increase energy efficiency. As at 31 December 2024, ten of our managed properties have obtained the Energywi\$e Certificate. More details are set out in the table below:

Energywi\$e Certificate for Managed Property	Basic Level	Good Level	Excellent Level
63 Pokfulam			✓
Cadogan			✓
MacPherson Place		✓	
Manor Hill		✓	
Mount East		✓	
One East Coast			✓
Padek Palace	✓		
Pioneer Centre		✓	
Upper East			✓
Upper West		✓	

Energy-efficient Appliances and Controls

To enhance residents' health and well-being, as well as to reduce the environmental impact of buildings, the Group focuses on the efforts to enhance building efficiency and reduce carbon emissions, moving towards a low-carbon net-zero approach.

PROTECTING OUR ENVIRONMENT



CASE STUDY

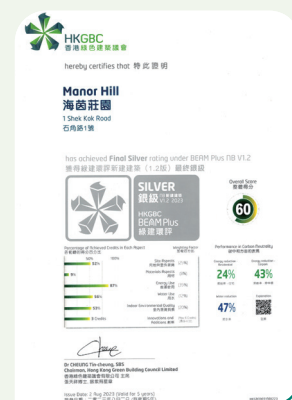
Manor Hill: BEAM Plus Final Silver Rating

Our recent residential development project Manor Hill, has achieved the Final Silver rating under the BEAM Plus New Buildings (V1.2) certification, recognising our achievement on integrating environmentally friendly technologies and practices into building projects.

The following measures were adopted in residential units, clubhouse, and parking lots of Manor Hill:

- ◆ Independent energy meters are installed to measure the electricity consumption (including independent electricity consumption of the HVAC system for air supply) in public spaces or public areas;
- ◆ Energy-efficient appliances such as induction cookers, electric water heaters and thermo ventilators are used;
- ◆ Smart meters are installed by CLP to allow residents to access their electricity consumption data through a mobile application;
- ◆ EV charging facilities are equipped in all parking spaces; and
- ◆ Measures are adopted to reduce the potential transmission of harmful bacteria, viruses, and odours.

Manor Hill is the Group's first residential development project that applies "All-Electric Home" concept. Among the 1,556 residential units, 82.1% of the provided electric appliances are certified under the EMSD's MEELS with Grade 1 or Grade 2 energy efficiency, as well as water-efficient devices that are certified under the Water Efficiency Labelling Scheme (WELS) with Grade 1 or Grade 2 water efficiency.



All-Electric Home

PROTECTING OUR ENVIRONMENT



CASE STUDY

By applying the energy-efficient measures, significant energy savings are achieved for air conditioning system and lighting system in the residential and clubhouse portion and for lighting and ventilation system in the carpark areas compared to the baseline case. The following benefits assessment is based on a comparison with the baseline model in accordance with the Building Energy Code 2018 and BEAM Plus requirement, specifically focusing on the Building Energy Efficiency criteria:

Operation	Annual CO ₂ Reduction	Peak Electricity Demand Reduction	Annual Potable Water Saving	Annual Sewage Reduction
Residential	24.0%	30.9%		
Clubhouse	23.4%	21.2%	46.97%	50.26%
Carpark	42.7%	42.7%		

By adhering to the BEAM Plus certification programme, Manor Hill has achieved significant reductions in energy consumption that contribute to resource conservation and lower GHG emissions, creating a positive impact for a more sustainable built environment.



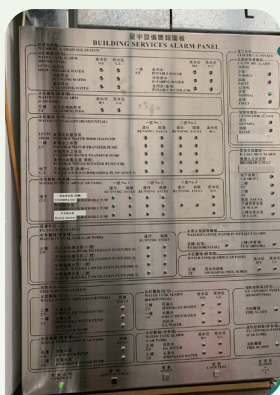
Scenic View of Manor Hill

PROTECTING OUR ENVIRONMENT

Energy-saving Practices

Country House has taken great efforts to reduce the energy consumption of the properties under its management. Several buildings managed by Country House have incorporated timer and motion sensor controls for lighting equipment at typical floor, carpark, and other public spaces to reduce electricity consumption. After regular business hours, lifts and escalators in the buildings under its management are either partially closed or automatically switched to standby mode. In order to facilitate the use of EV charging, the Group has also installed EV charging facilities in some of its parking lots. In addition, Upper East and Gardenia, managed by Country House, have joined the Feed-in Tariff ("FiT") Scheme launched by CLP and installed a solar photovoltaic ("PV") system on the rooftop for generating renewable energy. Solar as a clean and renewable energy source, can help to reduce the GHG emissions and electricity costs.

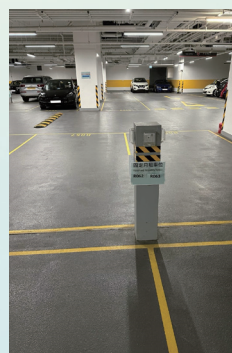
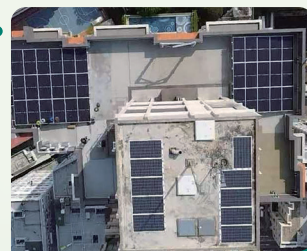
Most properties under Country House's management have integrated an automatic Building Management System (BMS) to monitor and analyse the performance of various building systems, including the chiller plants, primary air handling unit (PAU) system, water leakage detector and PM2.5 sensors.



Building Management System (BMS)



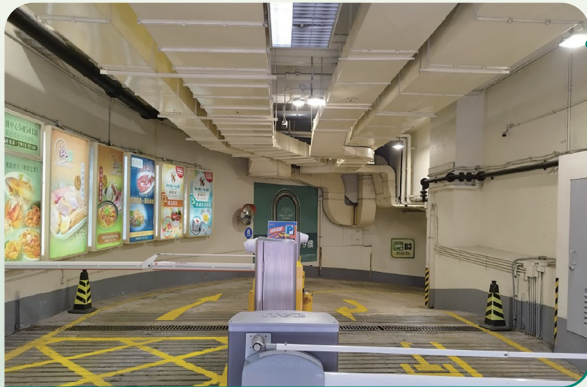
Solar PV System



EV Charging Facilities

PROTECTING OUR ENVIRONMENT

To advance our efforts in reducing energy consumption, Country House has undertaken a significant initiative to enhance energy efficiency by replacing “high-pressure sodium lamps” with “LED canopy lights” along the carriageway of the Pioneer Centre Carpark (from G/F to B3/F). The replacement project was successfully completed in January 2024. A total of 32 lights were replaced as part of this initiative. The transition to LED lights is expected to achieve the result in fair energy savings, with an estimated monthly reduction of around 2,880 kWh.



Carriageway of the Pioneer Centre Carpark

PROTECTING OUR ENVIRONMENT



CASE STUDY

Solar panels installed at Country House's managed properties (Upper East and Gardenia)

In support of sustainable development, properties managed by Country House – Upper East and Gardenia joined the FiT Scheme that encourages the private sector to consider investing in renewable energy, significantly enhancing energy efficiency and reducing carbon emissions.

Upper East



In July 2024, Upper East installed **85 solar panels** on the rooftop of the buildings.



Total electricity (kWh) collected under the FiT Scheme in 2024:

16,583



Total electricity cost (HKD) saved in 2024:

\$49,749

Gardenia



Since 2022, Gardenia installed **61 solar panels** on the rooftop of the building.



Total electricity (kWh) collected under the FiT Scheme in 2024:

11,008



Total electricity cost (HKD) saved in 2024:

\$44,032

These solar power projects demonstrate our commitment to green energy transition and provide the community with more environmentally friendly and cost-effective energy solutions. Moving forward, we will continue to explore innovative measures to further integrate green building practices and sustainable development.



Solar Panels at Upper East

PROTECTING OUR ENVIRONMENT

For the energy consumption in Hong Kong and Mainland China, as well as the GHG emissions of the Group, please refer to the section of *"Environmental Performance Data"*.

Noise Control

To reduce the impact of noise disturbance during the construction process, KDE strictly follows its Procedure Handbook on noise pollution control. Relevant licences, including Construction Noise Permit, Quality Powered Mechanical Equipment Registry with the EPD, and Noise Emission Label are obtained to comply with relevant laws and regulations. We identify potential construction noise issues and set up noise monitoring stations during the commencement of the projects. Meanwhile, principles and procedures of mitigation measures, corrective and preventive actions regarding noise control are explicitly stated in the Procedure Handbook for our employees to follow. In addition, we have established a company-wide Noise Control Management System to guide the management of projects in respect of controlling noise from the execution of the construction works.

Waste Management

Waste management is increasingly important in recent years as responsible disposal and waste recycling help reduce negative impact on the environment. The Group is dedicated to implementing sustainable waste management practices for its offices, construction sites, retail shops and property management premises. As demonstrated in the Environmental Plan, KDE establishes and implements effective and efficient environmental protection procedures in order to eliminate the potential environmental impact, as well as minimise nuisance to the public arising from execution of the construction works. The Waste Management Policy is included in the Environmental Plan to reduce waste production and enhance waste recycling. The Group will stay updated on any changes or updates by the local government and offer guidance on waste reduction and recycling strategies to encourage tenants and residents to adopt sustainable waste management practices.



- To provide adequate and appropriate resources to implement waste management measures
- To comply with waste discharging laws and other applicable regulations
- To set environmental targets to minimise and reduce waste
- To conserve natural resources
- To minimise pollution by reducing waste, maximising reuse and recycling of materials
- To communicate the policy to all KDE employees and concerning parties
- To take action to improve environmental performance

Targets set in 2023	2024 Status
To recycle 15% of the total construction and demolition wastes accumulated throughout the development stage of Upper Manor.	The phased target has been achieved while the overall progress is being monitored.
To achieve at least 50% annual recycling rate of used/waste papers for the Group's headquarters at the Pioneer Centre by the end of 2030.	The recycling rate of used/waste papers was 60.9% in 2024.

PROTECTING OUR ENVIRONMENT



Wastewiše Certificate Scheme

Similar to the Energywiše Certificate, the Wastewiše Certificate is another certificate of the HKGOC Scheme. To be successfully certified, the participants need to implement a set of required measures and the level of the Wastewiše Certificate is attained depending on the extent of achievement of the measures.



The Group actively encourages its managed properties to join the Wastewiše Certificate Scheme to demonstrate its efforts and achievements to reduce, reuse and recycle waste in daily operations. As at 31 December 2024, nine of our managed properties have obtained the certificate. More details are set out in the table below:

Wastewiše Certificate for Managed Property	Basic Level	Good Level	Excellent Level
63 Pokfulam		✓	
Cadogan		✓	
MacPherson Place		✓	
Manor Hill	✓		
Mount East	✓		
One East Coast		✓	
Padek Palace	✓		
Upper East			✓
Upper West	✓		

PROTECTING OUR ENVIRONMENT

Waste Management Measures

Environmental Training

Country House and Easy Living periodically organise training programmes and activities for our staff, tenants and residents respectively to enhance their awareness of waste reduction and recycling as well as their knowledge about waste management. Training topics include green recycling guidelines, food waste recycling methods and environmental plan guidelines.



Office Operations

The Group has set up recycling facilities in the workplace to promote waste recycling among the staff. To educate staff about proper recycling methods, the Group's headquarters has posted relevant posters from the EPD.



Construction Business

The Group has established guidelines for contractors to ensure waste disposal complies with laws and regulations, as well as to maximise separation and recycling efforts, thereby reducing the impact of construction waste and wastewater. To avoid water contamination, the Group has also installed temporary drainage and sewage treatment systems.



PROTECTING OUR ENVIRONMENT

Property Management Business



For domestic waste, the Group has introduced recycling facilities for take-away containers, plastic bottles, paper, glasses, food, computers and communication products, red pockets, mooncake metallic boxes, hangers and clothing items in most of our managed properties. Country House and Easy Living have also participated in various recycling programmes organised by government bodies and NGOs, such as:

- “Peach Blossom Trees Recycling Programme” after Chinese New Year by the EPD;
- “Waste Reduction and Recycling Charter” by the EPD;
- “Used Clothes Recycling Program” by Friends of the Earth (HK);
- “Vitasoy Beverage Carton Clean Recycling Programme 2023” by Vitasoy;
- “Contact Lenses Plastic Case Recycling Programme” by Green Sense;
- “Glass Container Recycling Charter” by the EPD;
- “Red Pocket Recycling Programme” by Greeners Action;
- “Computer & Communication Products Recycling Programme” by the EPD;
- “Rechargeable Battery Recycling Programme” by the EPD;
- “Mid-Autumn Festival Food Drive 2024” by St. James’ Settlement;
- “New Year Food Drive 2024” by St. James’ Settlement; and
- “Bartering Recycling Campaign” by Good Natural Environment Co Ltd.

PROTECTING OUR ENVIRONMENT

Due to the Group's business nature, it did not generate any hazardous waste during the Reporting Year and packaging material is not material to the Group's operation.

For the construction waste discharged for Hong Kong construction projects, please refer to the section of *"Environmental Performance Data"*.

Water Conservation

The Group strives to optimise water efficiency and has set water efficiency targets to work towards this goal.

Target set in 2023	2024 Status
For the new buildings under our development in Hong Kong, we will install flow controllers (e.g. infrared electronic basin mixer) in the water faucets of the restrooms in the communal areas by the end of 2030.	The new development projects have not reached the procurement stage for relevant equipment.

The Group has implemented a range of mitigation measures and water reduction initiatives to enhance its sustainability efforts. To effectively manage domestic water consumption, we closely monitor and analyse water usage across our managed properties. In addition, Country House conducts routine maintenance on the plumbing and flushing system to prevent water leakage and ensure optimal water quality.

To save water usage in the construction sites, contractors and subcontractors are required to recycle and reuse water on-site as much as possible, such as reusing effluent water for sprinkling on construction roads or mixing with concrete for further treatment. The Group is committed to continually seeking opportunities to minimise wastage and enhance water efficiency at construction sites and across our managed properties.

For the water consumption in Hong Kong, please refer to the section of *"Environmental Performance Data"*.

PROTECTING OUR ENVIRONMENT

Environmental Charters/Awards

WWF-Hong Kong Corporate Pearl Member

In support of sustainability and conservation, the Group is actively cooperating with different organisations and has been a corporate member of WWF-Hong Kong since 2007 to support their work in conservation and educational programmes.



Charter on External Lighting

Four of our managed properties, Pioneer Centre, 63 Pokfulam, MacPherson Place and Upper East, have signed up for the "Charter on External Lighting" launched by the Environment and Ecology Bureau ("EEB") to reduce light pollution and energy consumption.



Earth Hour 2024

The Group has continuously supported the "Earth Hour" event organised by WWF-Hong Kong. All properties under Country House's management switched off the non-essential electric lights for one hour on 23 March 2024 to promote energy conservation and sustainable living.



Energy Saving Charter 2024

The Group continues to fulfil its pledge towards energy reduction in all public areas and 23rd Floor of the Pioneer Centre by becoming a signatory of EEB's Energy Saving Charter 2024.



PROTECTING OUR ENVIRONMENT

Energy Saving Charter on “No ILB”

Two of our managed properties, 63 Pokfulam and Upper East, have signed up to the Hong Kong Government’s Energy Saving Charter on “No Incandescent Light Bulbs (ILB)”. We are committed to promoting greener lighting for conserving energy. We pledge to refrain from procuring targeted ILB for general lighting purposes and to adopt more energy-efficient lighting.



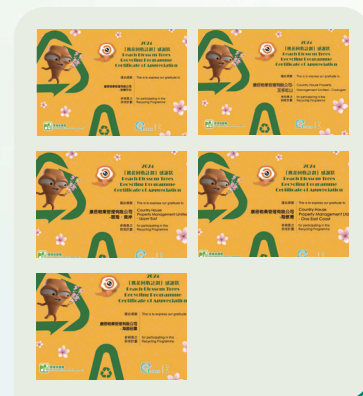
Green Event Pledge

Upper East, one of the properties managed by Country House, has participated in the EPD’s “Green Event Pledge” and is committed to making reference to the EPD’s “A Waste Reduction Guidebook for Large Scale Event Organisers” when organising, co-organising, sponsoring or providing services to events, so as to enhance the environmental performance of the events, and to encourage other relevant organisations to follow suit.



Peach Blossom Trees Recycling Programme

Five of our managed properties, Pioneer Centre, Cadogan, Upper East, One East Coast and Manor Hill, have participated in the “Peach Blossom Trees Recycling Programme” launched by the EPD to promote recycling and upcycling of yard waste in the community.



Glass Container Recycling Charter

Two of our managed properties, Cadogan and Manor Hill, have signed up the “Glass Container Recycling Charter” launched by the EPD to drive behavioural change towards practising source separation and clean recycling of waste glass containers so as to cultivate good recycling habits.



PROTECTING OUR ENVIRONMENT

Waste Reduction and Recycling Charter

Eight of our managed properties, Padek Palace, MacPherson Place, Cadogan, Upper West, Upper East, One East Coast, 63 Pokfulam and Manor Hill, have obtained the certificate of “Waste Reduction and Recycling Charter” issued by the EPD. We are committed to enhancing residents’ awareness and development of recycling habits.



Commendation Scheme on Source Separation of Domestic Waste

To encourage more people to separate their waste for recycling, several properties under the management of Country House and Easy Living have participated in the “Commendation Scheme on Source Separation of Domestic Waste” launched by the EPD to minimise the amount of waste requiring landfill disposal. Upper East, Cadogan, MacPherson Place, One East Coast and Cheung Hang Estate received Certificates of Merit for the scheme.



GREEN COLLECT

To enhance the current recyclable collection services at housing estates to further facilitate residents in practising waste reduction at source and resource recycling, the EPD has launched by phase a one-stop reliable recycling service called “GREEN COLLECT”, for housing estates in 9 districts. Cadogan, One East Coast and 63 Pokfulam under Country House’s management, as well as 11 public housing estates under Easy Living’s management have participated in this scheme in which recycling facilities are provided in their properties or estates to facilitate residents’ recycling needs.



PROTECTING OUR ENVIRONMENT

Hong Kong Green Organisation Certification

Two of our managed properties, 63 Pokfulam and Upper East, were recognised as “Hong Kong Green Organisation” for their outstanding achievements in waste and energy management.



Umbrella Bags Reduction Accreditation Programme (Gold Level)

To minimise the environmental impact caused by single-use plastic umbrella bags, we provide umbrella wipers at the entrance of the Pioneer Centre to substitute for the use of plastic umbrella bags in rainy days since 2022. In recognition of our efforts in abandoning the use of plastic umbrella bags, Pioneer Centre was awarded the Gold Level by Greeners Action under the “Umbrella Bags Reduction Accreditation Programme”.



ESG Pledge Scheme

We had signed the ESG pledge with The Chinese Manufacturers' Association of Hong Kong to enhance our performance in environment, social responsibility and governance. We aim to collaborate and take meaningful action towards creating a sustainable future.



BOCHK Corporate Low-Carbon Environmental Leadership Awards – EcoPartner

Two of our managed properties, 63 Pokfulam and Upper East, have been recognised as “EcoPartner” from the BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023, organised by the Federation of Hong Kong Industries (FHKI) and sponsored by Bank of China (Hong Kong) Limited (BOCHK). This accolade underscores our dedication to promoting eco-friendly practices among businesses in Hong Kong, minimising the environmental impact and recognises our efforts and commitment to implementing environmental projects.



EMPOWERING OUR PEOPLE



Corresponding UNSDGs



KDC believes that our progress towards sustainable development greatly relies on our people. The Group strives to provide a safe, healthy, diverse and respectful working environment that fosters personal growth and career development for our employees.

Employment Practices

The Group is committed to fostering a diverse and inclusive working environment for our employees and actively implements a range of measures for anti-discrimination in the workplace. In accordance with applicable local employment laws, the Group has established relevant employment policies based on the principles of integrity, equality and fairness. In terms of recruitment, promotion, internal transfer and resignation, we adopt a merit-based approach to assess employees and each employee is given equal access to opportunities irrespective of gender, religion, race, family status, disability or age. During the Reporting Year, the Group was not aware of any material non-compliance regarding discrimination laws and regulations such as the Sex Discrimination Ordinance and Disability Discrimination Ordinance in Hong Kong and the Law of the People's Republic of China on the Protection of Rights and Interests of Women.

The Group upholds and respects labour rights and strictly prohibits any illegal forms of employment, such as child labour and forced labour during our recruitment process and operations. The Human Resources Department will verify the identification documents of candidates and new joiners before the official appointment. During the Reporting Year, the Group was not aware of any material non-compliance regarding labour laws and regulations such as the Employment Ordinance in Hong Kong, Provisions on the Prohibition of Using Child Labour of the People's Republic of China and Labour Law of the People's Republic of China.

The Group considers the welfare of each employee as the key in fostering employees' productivity and loyalty. To support this, the Group has been stipulating policies, measures and activities to perpetuate a close-knit culture. The Group offers competitive remuneration packages and fringe benefits to employees. For instance, employees can enjoy medical benefits, staff discount at the Group's supermarket and restaurants, as well as to enjoy parking privilege on weekdays.

EMPOWERING OUR PEOPLE

To further boost the staff's sense of belonging, the Group ceaselessly strengthens internal communication and team bonding through news sharing via the "PolyConnect" portal and organising staff activities. During the Reporting Year, the Group has arranged various staff activities to reinforce staff connectedness and collaboration, such as Christmas lucky draw and luncheon gatherings. The Mainland China team organised birthday parties and provided half-day holiday for female employees during the International Women's Day.

To demonstrate our commitment to employee-oriented human resource management, KDC and Country House have become the signatories of the Good Employer Charter 2024 of the Labour Department.



EMPOWERING OUR PEOPLE

Breakdown of Workforce

Number of Full-time Employees



2,300

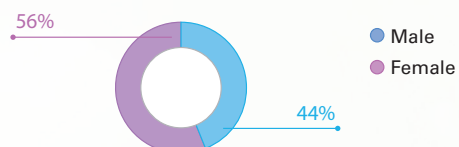
Number of Part-time Employees



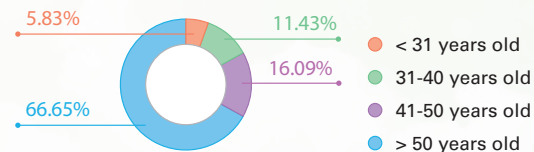
25

Full-time Employees

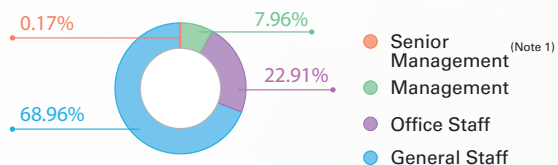
By Gender



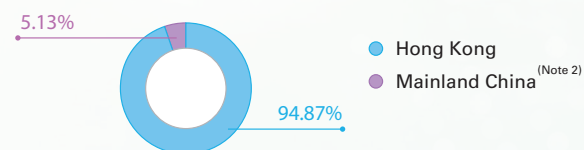
By Age Group



By Employee Category



By Geographical Region



Note 1: Senior management of the Group is the Executive Directors of the Company.

Note 2: Shenyang, Wuxi and Shanxi offices are combined as Mainland China.

EMPOWERING OUR PEOPLE

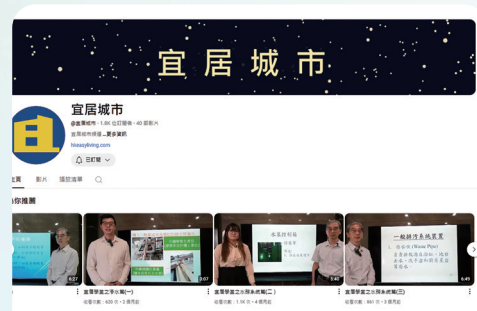
Development and Training

The Group is committed to empowering our employees to acquire the essential skills and experiences they need to develop themselves. A series of internal training courses with various topics is provided to our employees to enhance their skills and knowledge in performing their jobs. Subsidies are also provided to encourage employees to take external courses.

Apart from regular training, the Group has also provided special training courses that correspond to employees' interests and roles. During the Reporting Year, our employees have dabbled in the training topics including but not limited to:

Business Nature	Training Topics
Property Management	<ul style="list-style-type: none"> • Health and Safety • Customer Services • Property Security • Rodent Prevention and Control • Emergency Response • Building Management System • Environmental issues • Precautionary Measures for Typhoon • Complaints Handling Skills • Fire Alarm and Extinguishing System • Personal Data and Privacy • Anti-corruption • Human Resources
Property Development	<ul style="list-style-type: none"> • On-site Training • Quality Assurance • Health and Safety • Environmental Recycling • Customer Service

Besides offering various training topics to our employees, the Group also proactively expands training channels to eliminate the time and space limitations. For example, Easy Living has recently established an online Youtube channel to provide informative videos for our staff and residents. The purpose of this initiative is to enhance skills development in a convenient format, as well as to promote brand awareness and maintenance knowledge to the public.



EMPOWERING OUR PEOPLE

With outstanding achievement in manpower development and training, KDC has been recognised as the “Manpower Developer” by the ERB under the “ERB Manpower Developer Award Scheme” since 2018, while Country House was awarded the “Manpower Developer” in 2024.

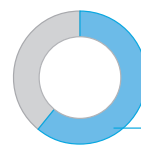


Average Training Hours



3.51 hours

Percentage of Employees Trained



61%

By Gender

Average Training Hours



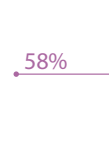
3.5 hours



3.52 hours

● Male
● Female

Percentage of Employees Trained

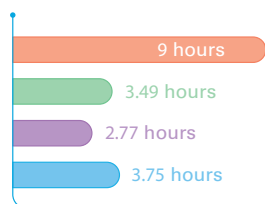


58%

42%

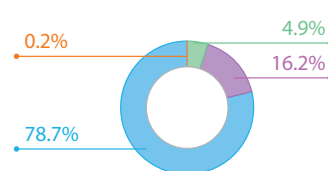
By Employee Category

Average Hours of Training



● Senior Management (Note)
● Management
● Office Staff
● General Staff

Percentage of Employees Trained



● Senior Management (Note)
● Management
● Office Staff
● General Staff

Note: Senior management of the Group is the Executive Directors of the Company.

EMPOWERING OUR PEOPLE

Employee Health and Well-being

Employees' health and safety is our top priority. The Group has implemented a range of safety policies, procedures and measures to minimise potential occupational health and safety hazards.

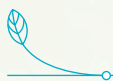
KDE makes reference to the industry best practices to effectively manage and reduce the risks associated with the construction site's operations. As stated in the Health and Safety Policy for the construction business, all employees and contractors are required to comply with the statutory requirements to minimise potential occupational hazards. KDE continues to solidify its commitment to occupational health, safety and welfare of all employees, and will review the policy at least annually or when necessary.

Considering a relatively higher risk of workplace safety hazards at construction sites, KDE pays particular attention to employees working on construction sites, aiming to provide a safe working environment for them. KDE has established robust management and control procedures by setting up the Site Safety Committee (the "Committee") to monitor the health and safety performance across all construction sites. The Committee develops the Accident Improvement Plans to mitigate the incidence of safety hazards. It is also responsible for reviewing the operational procedures and occupational safety management system regularly. All site workers and subcontractors are required to follow the operational procedures. Moreover, all new employees and subcontractors are required to undergo site safety training to enhance safety awareness. Safety audits are arranged by KDE periodically to ensure the safety management systems and safety measures are well-implemented to meet the safety level in the construction sites. During the Reporting Year, safety audits were conducted for both construction sites at Upper Manor and Clear Water Bay Road project with satisfactory results.

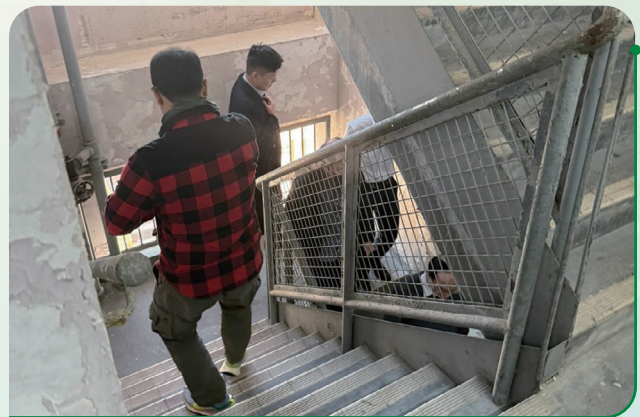


EMPOWERING OUR PEOPLE

The Group also takes a series of measures to ensure health and safety for office and property management staff. The Group has performed regular cleaning and maintained indoor air quality to protect both office-based staff and property management staff. Furthermore, the Group also arranges relevant health and safety training for the property management teams. Easy Living has also implemented ISO 45001:2018 Occupational Health and Safety Management System (OH&S) in their properties managed under contracts for the sites of the Hong Kong Housing Authority.



The Group places significant emphasis on the office safety of its employees and tenants. During the Reporting Year, fire drill has been conducted for staff and tenants at the Pioneer Centre, the Group's headquarters. To facilitate a safe and orderly evacuation, the Group has appointed staff to be floor wardens and fire marshals for respective zones and floors. Floor layout plan and fire evacuation guidelines have been distributed to all staff, embedding a solid understanding of evacuation procedures and enhancing the awareness of fire safety. At the same time, tenants are familiar with the escape skills and routes in the event of fire, which can enhance their self-rescue ability and safety awareness.



As a result of the effective safety management system for regular monitoring, the Group was not aware of any material non-compliance regarding safety and health laws and regulations such as the Occupational Safety and Health Ordinance and Construction Sites (Safety) Regulations in Hong Kong during the Reporting Year. There were no work-related fatalities for our employees in each of the past three years (including the Reporting Year) and 4,820 lost days due to 88 work injury cases in the Reporting Year were recorded.

CONTRIBUTING TO OUR COMMUNITIES



Corresponding UNSDGs



As a responsible corporate citizen, the Group is committed to contributing to the community where it operates and creating a positive social impact.

Caring for the Community

In addition to KDC's own community, the Group places a significant emphasis on local community care. During the Reporting Year, the Group has donated HK\$110,090 in Hong Kong and RMB20,000 in Mainland China to several non-profit organisations to promote ecological conservation and assist those in need.

The Group also strives to support the community by focusing on helping people in need and contributing to a variety of community events and charitable activities.

Dress Casual Day 2024

In support of The Community Chest, the Group has donated the same amount of funds raised by employees during the Dress Casual Day Campaign.



2024 Wetland Incubator Showcase

The Group supported the volunteer services for the Wetland Incubator Showcase organised by WWF-Hong Kong. Engaging with conservationists and community stakeholders has enhanced public awareness of wetland importance and reinforced our commitment to fostering a caring community that supports environmental initiatives.



CONTRIBUTING TO OUR COMMUNITIES

2024 Island House Conservation Studies Centre & Garden Tour + Kokedama Moss Ball Workshop

The Group participated in this event organised by WWF-Hong Kong at the iconic Island House Conservation Studies Centre to explore its architectural history and stories. Employees also wandered through over 140 plant species and took part in a Kokedama moss ball workshop, learning how to incorporate sustainability into their lifestyles.



CASE STUDY

Lok Sin Tong Social Housing Scheme ("LST Housing")

LST Housing is launched and managed by the Lok Sin Tong Benevolent Society, Kowloon ("LST") to provide social housing units with affordable rent and family supporting services for low-income families who are waiting for Public Rental Housing and living in dismal conditions. Over the years, the Group has consistently supported LST Housing in the Western District of Hong Kong, making a positive impact to the Hong Kong society.

In 2022, with funding from the Housing Bureau, the Group successfully procured to provide the first 20 housing units with a lease term of two years for LST Housing, benefiting 80 people in Hong Kong. To help more families to have a spacious and warm new home, enhancing their standard of living, family harmony and happiness, all 100 housing units have been gradually passed to LST Housing by 2024, benefiting approximately 400 people in Hong Kong. All units were granted to LST Housing at a nominal price, where the actual value of the total rent is nearly HK\$40 million if these units are leased on the open market. The lease terms of all units have been subsequently changed from two years to four years, where the lease term of the first and second batches have been extended to 2026 and 2028 respectively.

CONTRIBUTING TO OUR COMMUNITIES

One of the residents of these units used to live in a cramped 100-square-foot space with her family members in Shau Kei Wan. Sharing a small bunk bed and living nearby a noisy market caused problems and arguments among the siblings. As her children grew up, the living conditions became increasingly unsuitable. Therefore, with assistance from LST, the resident and her family members were able to move into a newly renovated and independent unit in a tenement building. The resident sincerely appreciates the timely help from LST, which brought back the smiles that had been missing for a long time to the faces of the resident and her family members.



We are committed to donating necessities, such as clothes and goods, to vulnerable groups in the community, and fostering a warm-hearted society. Manor Hill managed by Country House has been participating in the Salvation Army Recycling Programme since May 2024, where generous resident donations were distributed to elderly individuals living alone, homeless people, and released prisoners. Some items will be sold at charity sales in homeware stores in Hong Kong and Macau, with proceeds supporting community work. This initiative aids those facing mental and spiritual challenges, families in crisis, children and youth, disaster survivors, and marginalised communities. We are grateful for the opportunity to make a positive impact in our community.

For our property project in Wuxi, we regularly organise diverse events for community residents. During different festivals and seasons, we hold various activities, such as designing Fai Chun for Chinese New Year, packing rice dumplings for the Dragon Boat Festival, and offering refreshing free cold drinks in the summer. These initiatives not only celebrate cultural traditions but also foster community spirit and strengthen our connections with residents, ensuring a vibrant and engaged community.

CONTRIBUTING TO OUR COMMUNITIES

Historic Buildings Conservation

KDC is currently undertaking the conservation and revitalisation of three Grade II historic buildings of the former St. Joseph's Home for the Aged, namely Villa, Gate House, and Dormitory A, with a history of 90 to 100 years located at the Group's Clear Water Bay Road construction site. The design aims to integrate these three historic buildings as the centerpiece of the development, incorporating a semi-circular layout and blending with public recreational spaces. Conservation and revitalisation works will be conducted to preserve the built heritage and social values of the above historic buildings.

Villa



Gate House



Dormitory A



Caring Company

As a testament to our effort on social involvement, each of KDC, Country House and Easy Living has been awarded the "Caring Company" logo for the sixteenth, fifteenth and ninth consecutive years, respectively. Furthermore, three employees are being nominated as Caring Ambassadors, who actively support and participate in community activities organised by Country House.

CONTRIBUTING TO OUR COMMUNITIES

Caring Company



KDC



Country House



Easy Living

Caring Ambassador



Chan Chi Keung



Hung Kam Lin



Cheung Yuk Lin



LOOKING FORWARD

Moving forward, we will remain dedicated to enhancing our sustainability initiatives and strengthening our compliance and governance efforts. By following the latest disclosure requirements from the Stock Exchange and conducting scenario analysis, we aim to foster climate resilience and enhance our strategic planning to mitigate potential risks associated with climate change. Additionally, we will continue to foster partnerships with local organisations, promote awareness of environmental stewardship, and implement innovative solutions to address climate-related challenges while expanding our community engagement efforts. Through transparent reporting and stakeholder collaboration, we aim to inspire others and share our best practices in creating positive social impact.

Together, we will create a sustainable future, ensuring our actions today will lead to prosperous communities and a thriving planet for generations to come.

ENVIRONMENTAL PERFORMANCE DATA

Indicator	Unit	2024	2023
Energy Consumption in Hong Kong (Note 1)			
Total electricity consumption	kWh	9,132,972 (Note 2)	9,116,110
	Gigajoules ("GJ") (Note 3)	32,879 (Note 2)	32,818
Total fuel consumption	Diesel, Litres ("L") (Note 4)	33,876	0 (Note 5)
	Diesel, GJ	1,341	0 (Note 5)
	Petrol, L (Note 4)	7,740 (Note 6)	12,666
	Petrol, GJ	265	433
Total energy consumption	GJ	34,485	33,251
Total energy intensity	GJ/Total floor area (m ²) (Note 7)	0.57	0.74
Energy Consumption in Mainland China (Note 8)			
Total electricity consumption	kWh	1,050,999 (Note 9)	865,829
	GJ	3,783	3,117
Total fuel consumption (Note 10)	Petrol, L	21,546	19,837
	Petrol, GJ	737	678
Total energy consumption	GJ	4,520	3,795
Total energy intensity	GJ/Gross floor area ("GFA") (m ²) (Note 11)	0.55	0.55
GHG Emissions of the Group (Notes 12, 13 & 14)			
Direct GHG emissions (scope 1) (Note 15)	Tonnes CO ₂ equivalent ("tCO ₂ e")	158	87
Energy indirect GHG emissions (scope 2) (Note 15)	tCO ₂ e	4,116	4,127
Total GHG emissions	tCO ₂ e	4,274	4,214
Total GHG emissions intensity	tCO ₂ e/Total floor area (m ²) (Note 16)	0.06	0.08

ENVIRONMENTAL PERFORMANCE DATA

Indicator	Unit	2024	2023
Waste Discharged for Hong Kong Construction Projects (Notes 17 & 18)			
Construction and demolition waste disposed to landfill	Tonnes	542	214
Construction and demolition waste sorted for recycling/reuse	Tonnes	7,152	208
Total construction and demolition waste	Tonnes	7,694	422
Total construction and demolition waste intensity	Tonnes/Floor area (m ²) (Note 19)	0.55	0.01
Water Consumption in Hong Kong (Notes 20 & 21)			
Water consumed	m ³	109,636	107,405
Water intensity	m ³ /Total floor area (m ²) (Note 22)	0.08	0.09

Note 1: We have adopted the "operational control approach" from GHG Protocol – A Corporate Accounting and Reporting Standard (revised edition), excluding all energy consumption from the property management premises which the Group could not exercise full management control over the improvement and usage of base building equipment. Data for 2024 consists of the Pioneer Centre (including the headquarters), office of Easy Living, the public spaces of the Elgin (property management premise of Country House that is wholly-owned by KDC), two construction sites and three retail shops.

Note 2: Electricity consumption in 2024 increased due to the increase in major construction works for the two projects in Hong Kong during the Reporting Year.

Note 3: 1 kWh = 0.0036 GJ, which is referenced to the Energy Statistics Manual from the International Energy Agency (Annex 3 Units and Conversion Equivalents).

Note 4: Fuel consumption is inclusive of construction machinery and company-owned mobile vehicles. The conversion rates for diesel used for construction and petrol used for mobile vehicles are 39.6 megajoules ("MJ/L") and 34.2 MJ/L respectively.

Note 5: Diesel consumption in the construction site was zero in 2023 as there was no construction works undertaken by KDE during 2023.

Note 6: Petrol consumption decreased in 2024 as the number of mobile vehicles decreased in 2024.

Note 7: Total floor area represents the sum of (i) GFA of the properties under our management with full management control; (ii) the estimated construction floor area of the construction projects; (iii) GFA of the office of Easy Living; and (iv) GFA of the retail shops in Hong Kong in the respective years.

Note 8: 2023's data is inclusive of two offices in Shenyang and one office in Wuxi, while one additional office in Shanxi was added after Shanxi being included in our reporting scope in 2024.

Note 9: In 2024, Shanxi has been included in our reporting scope and thus leading to the increase in electricity consumption in Mainland China.

Note 10: Fuel consumption is inclusive of company-owned mobile vehicles.

ENVIRONMENTAL PERFORMANCE DATA

Note 11: The denominator of 2024 represents the GFA of Shenyang, Wuxi and Shanxi offices, while the denominator of 2023 represents the GFA of Shenyang and Wuxi offices..

Note 12: Calculation standards and methodologies for carbon emissions are as follows:

- (a) Methodologies of data collection, calculation and reporting are referenced from “How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs” available on the website of Hong Kong Exchanges and Clearing Limited;
- (b) Emission factors for Hong Kong based operations are referenced from the respective sustainability reports of CLP and HK Electric Investments and HK Electric Investments Limited; and
- (c) Methodologies for calculating emissions in Mainland China are referenced from the “Regarding the Announcement of Electricity Carbon Dioxide Emission Factor 2022” issued by Ministry of Ecology and Environment of the People’s Republic of China in December 2024.

Note 13: The emission of air pollutants, such as particulate matters (PM), nitrogen oxides and sulphur oxides, is insignificant to the Group. Therefore, relevant figures are not disclosed.

Note 14: We have classified the GHG emissions based on the “operational control approach” from GHG Protocol – A Corporate Accounting and Reporting Standard (revised edition). For all property management premises that are not under full management control of the Group, GHG emissions data were classified as scope 3.

Note 15: Scope 1 GHG emissions refer to direct emissions of GHG resulting from the business operations as described under the ESG reporting scope, which include (i) vehicular transportation; and (ii) construction machinery usage. Scope 2 GHG emissions refer to energy indirect GHG emissions resulting from the generation of the electricity purchased by the business operations as described under the ESG reporting scope.

Note 16: Total floor area represents the sum of below GFA in the respective years:

Hong Kong:

- (i) GFA of the properties under our management with full management control;
- (ii) the estimated construction floor area of the construction projects;
- (iii) GFA of the office of Easy Living;
- (iv) GFA of the retail shops in Hong Kong; and

Mainland China:

- (v) GFA of Shenyang, Wuxi and Shanxi offices.

Note 17: The construction and demolition waste figures for 2024 included the waste generated by subcontractors working at two construction sites in Hong Kong, while the construction waste figures in 2023 represent waste resulting from defect rectification in each flat unit after it was handed over to the property buyer following the completion of construction by the end of 2022.

Note 18: Office and property management waste figures are not available for disclosure as the Group is currently developing the data collection mechanism to wholly cover all the waste data at its headquarters, offices and property management premises in Hong Kong and Mainland China.

Note 19: Floor area represents (i) the estimated construction floor area of the construction projects for 2024; and (ii) the GFA of the newly developed properties for 2023 in Hong Kong.

Note 20: Water consumption data in the offices in Mainland China is not material to the Group. Moreover, water cost/consumption of the property development projects in Mainland China is paid/monitored by the main contractors. Therefore, the relevant figures are not disclosed.

Note 21: The Group sourced its water from the WSD and has no issue in sourcing water in Hong Kong.

Note 22: Total floor area represents the sum of (i) GFA of the properties under our management; and (ii) the estimated construction floor area of the construction projects in Hong Kong in the respective years.

SOCIAL PERFORMANCE DATA

Indicator	Unit	2024	2023
Number of full-time employees ^(Note 1)			
Overall	Persons	2,300	2,645
By Gender			
Male	Persons	1,012	1,053
Female	Persons	1,288	1,592
By Employee Category			
Senior Management ^(Note 2)	Persons	4	4
Management	Persons	183	212
Office Staff	Persons	527	418
General Staff	Persons	1,586	2,011
By Age Group			
< 31 years old	Persons	134	151
31–40 years old	Persons	263	253
41–50 years old	Persons	370	404
> 50 years old	Persons	1,533	1,837
By Geographical Region			
Hong Kong	Persons	2,182	2,539
Mainland China ^(Note 3)	Persons	118	106
Number of Part-time Employees ^(Note 4)			
Part-time	Persons	25	22

SOCIAL PERFORMANCE DATA

Indicator	Unit	2024	2023
Turnover Rate ^(Note 5)			
Overall	%	40	37
By Gender			
Male	%	47	42
Female	%	35	34
By Age Group			
< 31 years old	%	70	46
31–40 years old	%	41	50
41–50 years old	%	36	37
> 50 years old	%	38	35
By Geographical Region			
Hong Kong	%	40 ^(Note 6)	38
Mainland China ^(Note 3)	%	38 ^(Note 7)	25
Average Training Hours ^(Note 8)			
Total average training hours	Hours	3.51 ^(Note 9)	4.02
By Gender			
Male	Hours	3.5	3.49
Female	Hours	3.52	4.36
By Employee Category			
Senior Management ^(Note 2)	Hours	9	7.13
Management	Hours	3.49	2.88
Office Staff	Hours	2.77	2.89
General Staff	Hours	3.75	4.36

SOCIAL PERFORMANCE DATA

Indicator	Unit	2024	2023
Percentage of Employees Trained ^(Note 8)			
Overall	%	61	55
By Gender			
Male	%	42	40
Female	%	58	60
By Employee Category			
Senior Management ^(Note 2)	%	0.2	0.3
Management	%	4.9	6.0
Office Staff	%	16.2	16.3
General Staff	%	78.7	77.4
Health and Safety			
Work-related fatalities	Case(s)	0	0
Lost days due to work injury	Days	4,820	4,329
Number of Suppliers, Contractors, Subcontractors and Service Providers (By Geographical Region)			
Hong Kong	Number	477	689
Mainland China ^(Note 3)	Number	132	116
Anti-corruption			
Anti-corruption training hours	Hours	326.5	321.0
Number of concluded legal cases regarding corrupt practices	Case(s)	0	0

SOCIAL PERFORMANCE DATA

Note 1: The disclosed number of employees in the Report only covers the business operations described under the ESG reporting scope. Hence, the disclosed number of employees in the Report is different from that in the Company's Annual Report 2024.

Note 2: Senior management of the Group is the Executive Directors of the Company.

Note 3: In 2024, Shenyang, Wuxi and Shanxi offices are combined as Mainland China. In 2023, Shenyang and Wuxi offices are combined as Mainland China.

Note 4: Part-time employee is one who is under a contract of service to work less than 5 days or 30 hours per week.

Note 5: The turnover headcount and turnover rate apply to full-time employee who has passed his/her probation period only. The calculation of turnover rate is shown as below:

$$\text{Turnover rate} = L/E * 100\%$$

L = Number of employees leaving employment during the Reporting Year

E = (Number of employees at the beginning of the Reporting Year + Number of employees at the end of the Reporting Year)/2

Note 6: As there were 7 property management contracts of Easy Living ended in 2024, the employee of these 7 properties who were forced to leave Easy Living upon the end of the contracts contributed to a significant turnover headcount and thus distorted the overall turnover percentage. To avoid such distortion, the calculation of turnover percentage only applies to employees who left Easy Living during the Reporting Year, while employees who left Easy Living upon the end of the contracts were excluded.

Note 7: In Mainland China, the Group underwent the trimming of manpower in 2024 whereas no such exercise was undertaken in 2023 which contributed to the increase in turnover rate during the Reporting Year.

Note 8: The calculations of average training hours and percentage of employees trained are according to the ESG Reporting Guide under the quantitative and consistency principles.

$$\text{Average training hours for employees in relevant categories} = TH(x)/E(x)$$

TH(x) = Total number of training hours for employees in the specified category

E(x) = Number of employees in the specified category

$$\text{Percentage of employees trained} = T(x)/T * 100\%$$

T(x) = Employees in the specified category, x, who took part in training

T = Employees who took part in training

Note 9: Some management contracts for Easy Living's managed properties which provided numerous training sessions to frontline property management staff in prior year ended in 2024, ceasing to include the training hours associated with such properties from the contract end date causing the overall average training hours of the Group decreased in 2024.

APPENDIX A – AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/Personnel	Award
Kowloon West Best Security Services Awards 2023 (received in 2024)	Kowloon West Regional Crime Prevention Office, Security and Guarding Services Industry Authority ("SGSIA") and The Hong Kong Association of Property Management Companies ("HKAPMC")	Country House	Upper East	Star Managed Property Award
			Upper East Carpark	Outstanding Managed Public Carpark Award
			Yan Ting Hin	Best Security Personnel Award
			MacPherson Place	Double-Star Managed Property Award
			Gardenia	Double-Star Managed Property Award
			Gardenia Carpark	Outstanding Managed Public Carpark Award
			Padek Palace	Honorable Managed Property Award
			Padek Palace Carpark	Outstanding Managed Public Carpark Award
			Lui Kon Man, Allen	Best Security Personnel Award
			Upper West	Treble-Star Managed Property Award
			Upper West Carpark	Outstanding Managed Public Carpark Award
			Pioneer Centre	Honorable Managed Property Award
			Pioneer Centre Carpark	Outstanding Managed Public Carpark Award

APPENDIX A – AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/Personnel	Award
Kowloon East Best Security Services Awards 2023–2024	Kowloon East Regional Crime Prevention Office, SGSIA and HKAPMC	Country House	One East Coast	The Best Security Services Award
		Easy Living	Choi Ying Estate	The Best Security Services Award
		Easy Living	Zheng Shu Lan	The Best Security Guard
NTS Best Security Personnel Awards 2023–2024	NTS Regional Crime Prevention Office, SGSIA, The Hong Kong Security Association and HKAPMC	Easy Living	Yip Mi Yue	The Excellent Award (Residential)
			Ho Mei Kiu	The Excellent Award (Residential)
			Pang Kwai Chun	The Excellent Award (Residential)
Security Services Best Training Award 2023 (received in 2024)	Security and Disciplined Services Training Board of Vocational Training Council, Hong Kong Police Force and SGSIA	Country House	–	Type 1: Bronze Award
Kwai Tsing District Outstanding Security Personnel Awards 2024	District Fight Crime Committee (Kwai Tsing District), Kwai Tsing Regional Crime Prevention Office and Kwai Tsing District Office	Easy Living	Chan Yat Sheung	Outstanding Security Personnel Award
Project Rampart “Exemplary Security Guard” Award Scheme 2024	District Fight Crime Committee (Kwun Tong District) and Sau Mau Ping Police District	Easy Living	Chan Oi Kuen	Exemplary Security Guard
			Zhang Xiao Mei	Exemplary Security Guard
			Hui Sau Chun	Exemplary Security Guard
			Wong Yuet Tai	Exemplary Security Guard
			Chuang Yao Huai	Exemplary Security Guard
Quality Water Supply Scheme for Buildings – Fresh Water (Management System)	WSD	Country House	Pioneer Centre	Gold
			MacPherson Place	Silver
			63 Pokfulam	Blue

APPENDIX A – AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/Personnel	Award
Quality Water Supply Scheme for Buildings – Fresh Water (Management System)	WSD	Easy Living	Cheung Ching Estate (8 buildings)	Silver
			Cheung Ching Shopping Centre	Blue
			Cheung Hang Estate (6 buildings)	Blue
			Choi Wan (II) Estate (5 buildings)	Blue
			Choi Ying Place	Blue
			Choi Ying Estate (5 buildings)	Blue
			Chuk Yuen (South) Estate (8 buildings)	Blue
			Kin Ming Estate (10 buildings)	Blue
			Ko Cheung Court (5 buildings)	Silver
			Kwong Tin Estate (4 buildings)	Blue
			Lower Wong Tai Sin (II) Estate (15 buildings)	Blue
			Shek Mun Estate (6 buildings)	Blue
			Shun Lee Estate (7 buildings)	Blue
			Shun On Estate (3 buildings)	Blue
			Upper Ngau Tau Kok Estate (9 buildings)	Blue
			Yau Lai Estate (14 buildings)	Blue

APPENDIX A – AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/Personnel	Award
Quality Water Supply Scheme for Buildings – Flushing Water	WSD	Country House	63 Pokfulam	Blue
			Cheung Ching Estate (8 buildings)	Gold
			Cheung Hang Estate (6 buildings)	Blue
			Choi Wan (II) Estate (5 buildings)	Silver
			Choi Ying Estate (5 buildings)	Gold
			Chuk Yuen (South) Estate (8 buildings)	Silver
			Kin Ming Estate (10 buildings)	Gold
			Ko Cheung Court (9 buildings)	Gold
			Kwong Tin Estate (4 buildings)	Gold
			Shek Mun Estate (2 buildings)	Silver
			Shek Mun Estate (4 buildings)	Blue
			Shun On Estate (3 buildings)	Blue
			Yau Mei Court (7 buildings)	Gold
			Cadogan	Merit
Commendation Scheme on Source Separation of Domestic Waste 2023/24	EPD	Country House	MacPherson Place	Merit
			One East Coast	Merit
			Upper East	Merit
			Cheung Hang Estate	Merit
2023 Hong Kong Volunteer Award (received in 2024)	Agency for Volunteer Service	Easy Living	Shun Lee Estate	Caring Estate