



慧居科技

慧居科技股份有限公司 Wise Living Technology Co., Ltd

(於中華人民共和國註冊成立的股份有限公司)
(A joint stock limited liability company incorporated
in the People's Republic of China)

股份代號 Stock code : 2481



Environmental, Social and Governance Report

環境、社會及管治報告

2025

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About the Report

INTRODUCTION

Wise Living Technology released the annual Environmental, Social and Governance (“**ESG**”) report (the “**Report**”) for 2025, aimed at disclosing the Group’s ESG-related strategic policies, management measures and performance in response to stakeholders’ expectations on the Group’s sustainability and information disclosure, thus enhancing stakeholders’ understanding of and confidence in the Group.

SCOPE OF REPORT

The Report is an annual report. Unless otherwise specified, its time span is from 1 January 2025 to 31 December 2025 (“**2025**” or the “**Year**”). The policies and data collection cover the headquarters office of Wise Living Technology and its 11 project subsidiaries¹ with actual business activities.

DESCRIPTION OF NAMES

For the convenience of expression and reading, unless otherwise specified, in the Report, “**Wise Living**”, “**Wise Living Technology**” and the “**Group**” refer to Wise Living Technology Co., Ltd and its subsidiaries.

SOURCE OF INFORMATION

The information and data used in the Report are from, among others, official documents, reports and internal statistics of Wise Living as well as public information. Unless otherwise specified, the monetary amount involved in the Report is denominated in RMB. The Group undertakes that the Report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

BASIS OF PREPARATION

The Report has been prepared in accordance with the provisions as set out in Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) in Appendix C2 under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “**HKEX**”). The content index of the indicator is set out in Appendix 2 of the Report for ease of user access.

¹ Shanxi Shuangliang Renewable Energy Industry Group Company Limited (山西雙良再生能源產業集團有限公司) (“**Shanxi Shuangliang Renewable Energy**”), Taiyuan City Renewable Energy Heat Supply Company Limited (太原市再生能源供熱有限公司) (“**Taiyuan Renewable Energy**”), Datong City Renewable Energy Heat Supply Company Limited (大同市再生能源供熱有限公司) (“**Datong Renewable Energy**”), Shanxi Transformation and Comprehensive Reform Demonstration Zone Heat Supply Company Limited (山西轉型綜合改革示範區供熱有限公司) (“**Shanxi Demonstration Zone Heat Supply**”), Shuozhou City Renewable Energy Thermal Company Limited (朔州市再生能源熱力有限公司) (“**Shuozhou Renewable Energy**”), Lanzhou New Area Shuangliang Thermal Power Company Limited* (蘭州新區雙良熱力有限公司) (“**Lanzhou Shuangliang**”), Gansu Shuangliang Smart Energy Management Company Limited (甘肅雙良智慧能源管理有限公司) (“**Gansu Smart Energy**”), Hulunbuir Shuangliang Energy System Company Limited (呼倫貝爾雙良能源系統有限公司) (“**Hulunbuir Shuangliang**”), Wise Living Tech-Thermal Power (Zhengzhou) Company Limited (慧居科技熱力(鄭州)有限公司) (“**Wise Living Tech-Thermal Power**”), Wise Living Energy (Baotou) Limited (慧居能源(包頭)有限公司) (“**Wise Living Energy**”), Shanxi Xixian Shuangliang Low Carbon Environmental Clean Energy Company Limited (山西省隰縣雙良低碳環保清潔能源有限公司) (“**Shanxi Xixian Shuangliang**”).

REPORTING PRINCIPLES

Reporting Principles	Definitions of Reporting Principles in ESG Reporting Code	Wise Living's Response
Materiality	When the Board of Directors determines that ESG issues have a significant impact on investors and other stakeholders, the issuer should report on these matters.	Identify current major sustainability issues and disclose the Group's ESG risks and management initiatives through ongoing communication with stakeholders, taking into account the Group's strategic development and business operations.
Quantification	Key performance indicators relating to historical data are measurable. The issuer should set targets (which can be actual figures or directional, forward-looking statements) to reduce individual impact. In this way, the effectiveness of ESG policies and management systems can be assessed and validated. Quantitative information should be accompanied by a narrative, explaining its purpose and impacts, and providing comparative data where appropriate.	Disclose environmental and social key performance indicators of the Group quantitatively and elaborate the quantitative information with text.
Balance	The ESG Report should provide an unbiased picture of the issuer's performance, and should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Group has elaborated on sustainability issues that have a significant impact on its business, including results of work and challenges.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The Group will ensure that the scope of disclosure and reporting methodology of the report are broadly aligned on an annual basis, allowing stakeholders to compare the Group's performance.


REPORT ACCESS AND LIAISON

The Report is issued in both Chinese and English. If there is any discrepancy between the versions, the Chinese version shall prevail. An electronic version of the Report is available on the website of the Stock Exchange at www.hkexnews.hk or the official website of the Group at www.hjkj.cn. If you have any questions or opinions about the Report and its contents, please contact us as below.

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Website: www.hjkj.cn

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Message from the Chairman

As the seasons change, new chapters unfold. In 2025, seizing the opportunities presented by the “Dual Carbon” strategy and fully leveraging its core strengths in new energy technology and digitalization, Wise Living Technology accelerated its strategic expansion and market presence in the zero-carbon industrial park sector, and achieved significant milestones. For the year, we not only made breakthrough progress in heating technology innovation and the development of green energy, but also continued to deepen our commitment to sustainable development. In the face of the global energy transition and market challenges, Wise Living Technology remained steadfast in its mission to “improve the human living environment and transform lifestyles”, moving resolutely along the path of high-quality development.

Environmental responsibility has always been at the core of Wise Living’s development. We have actively contributed to the implementation of the “dual carbon” goals, continuously promoting the use of clean energy, developing and utilizing renewable energy sources such as geothermal and solar power, and providing clean heating through waste heat recovery technology. We have established a heating technology center to actively conduct research on the application of various new energy heat services, formulated development plans for carbon-neutral technologies, increased investment in scientific research, actively explored and implemented suitable new energy solutions, in order to continuously enhance our capabilities in the transformation and application of clean energy heating technologies. In addition, we have continued to promote energy efficiency improvements and carbon emissions management across all aspects of our production and operations, effectively integrating the concept of green development into the entire operational lifecycle.

Putting people first has always been Wise Living’s unwavering commitment. We prioritize the protection of our employees’ rights, their health and well-being, and their professional development, and have continuously refined our talent management system to create a supportive, positive, and inspiring work environment. Through diverse initiatives such as skills training and promotion incentives, we strive to unlock the potential of every employee, ensuring that personal growth is in line with our corporate development. In terms of employee safety management, we have pioneered the “Seven Ones” safety management philosophy and consistently maintained the “Seven Zeros” safety target for years, thereby establishing the most robust safety barrier for our employees.

In terms of corporate governance, we are committed to meeting market expectations through high-standard ESG practices. We have continuously refined our governance structure by strengthening our risk management system and oversight mechanisms to ensure the transparency, fairness, and efficiency of the Group’s operations, thereby effectively safeguarding the interests of our stakeholders. In addition, we have integrated sustainability principles into our supplier lifecycle management, establishing ESG-related requirements at every stage of the supplier management process to ensure that sustainability requirements are effectively implemented throughout the supply chain.

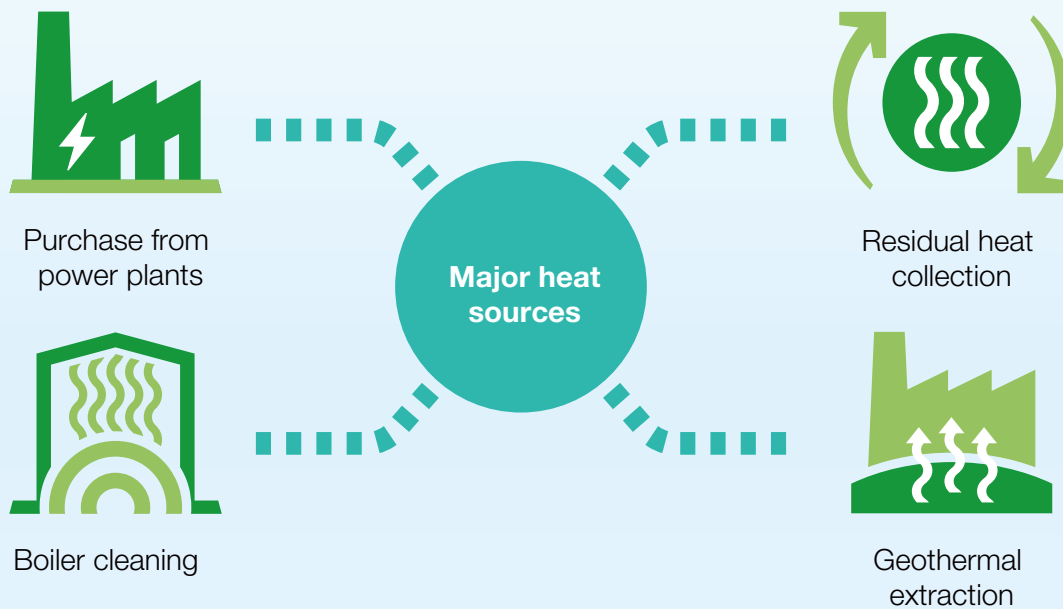
Looking ahead, as the global energy transition becomes an unstoppable force, the Group will continue to uphold our commitment to sustainable development. Guided by the “dual carbon” goals, the Group will deepen technological innovation, expand global partnerships, and explore more diverse green energy solutions. We look forward to collaborating with all stakeholders to lead the way in sustainable development amid industry transformation, and to contribute our strength to achieving global carbon neutrality goals and advancing the green transition of the energy sector.

Li Baoshan

Chairman of Wise Living Technology Co., Ltd

1. OVERVIEW

Wise Living Technology, which is a listed company, is the second largest non-state-owned cross-provincial heat service provider of clean and united energy in the PRC in terms of actual heat services area in 2025. Adhering to the development concept of three-dimensional energy extraction, multi-energy complementarity, green and low carbon, the Group takes the lead in demonstrating and continuously innovating in the field of clean energy heating, including renewable and new energy sources. The Group has mastered a variety of new energy technologies such as cogeneration, residual heat collection, and geothermal heating, and is at the forefront of the country in terms of united energy and technology integration.



Wise Living's Major Heat Sources

As a cross-provincial heat service provider, the Group has the capability to manage a number of heating supply projects in different provinces of China. The concession rights are granted to the Group to provide exclusive heat services in Shanxi Shuozhou, Gansu Lanzhou, Inner Mongolia Baotou, Inner Mongolia Hulunbuir, Shanxi Transformation and Comprehensive Reform Demonstration Zone, Shanxi Taiyuan and Henan Xinmi.

The Group continues to optimize and innovate the heating supply model, and designs heating solutions according to local conditions through the combined application of various energy sources to better serve people's livelihood. At the same time, in terms of promoting low-carbon transformation and environmental protection, the Group has conducted in-depth research on the issue of fossil fuel substitution, striving to advance clean energy for heating. This effort significantly contributes to reducing resource consumption, enhancing pollution control efficiency, and protecting the ecological environment.

About the Group



Shuozhou Project



Lanzhou New Area Project



Shanxi Transformation and
Comprehensive Reform
Demonstration Zone Project



Taiyuan Project



Hulunbuir Project



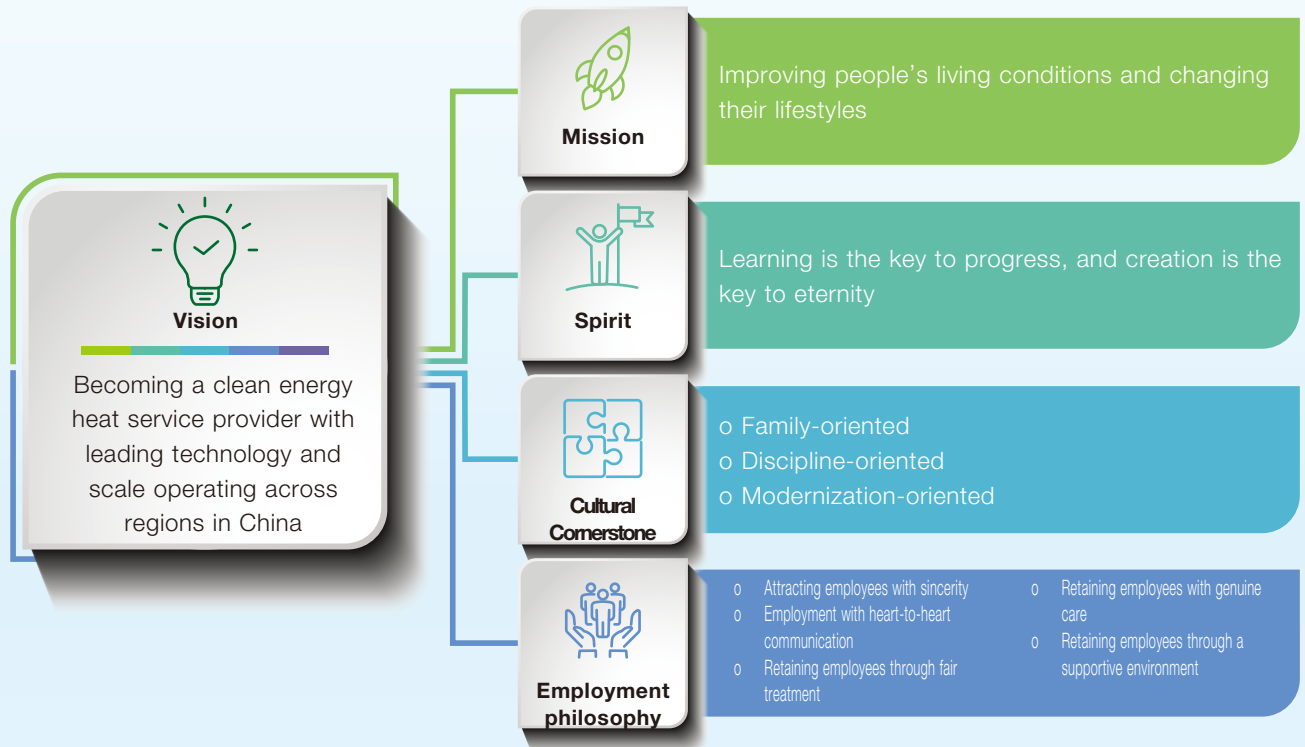
Baotou Project



Henan Xinmi Project

About the Group

Wise Living has been rooted in the industry for more than ten years, shaping its unique value system that meets the demands of all stakeholders. And the Group's cultural cornerstone characterized by the construction of "three modernizations" and value system complement each other, encouraging the Group to forge ahead and achieve sustainable development while creating social benefits.



Principal activity

Wise Living mainly provides heat services, heat-related engineering construction services and EMC (energy management contract) services to residential or non-residential customers under concession rights in the "Three North Region" (i.e. Northeast China, North China and Northwest China). Among them, the majority of the Group's revenue from the provision of heat services and engineering construction services is derived from concession rights agreements, all of which are operated through the BOT (Build-Operate-Transfer) model. The concession rights grantor signs a contract with the Group and grants exclusive rights, allowing the Group to invest, build and operate infrastructure for heat services.



About the Group

Heat service

Heat service is the main business of the Group. The Group comprehensively applies a variety of energy sources to realize centralized provision and distribution of heat in the region. These energy sources include coal, deep geothermal energy, solar energy, biomass energy, etc. In addition, the Group continues to develop advanced technologies, using absorption heat pump technologies to collect industrial waste heat, shallow and medium geothermal energy to transfer heat and hot water to the external.

Engineering construction service

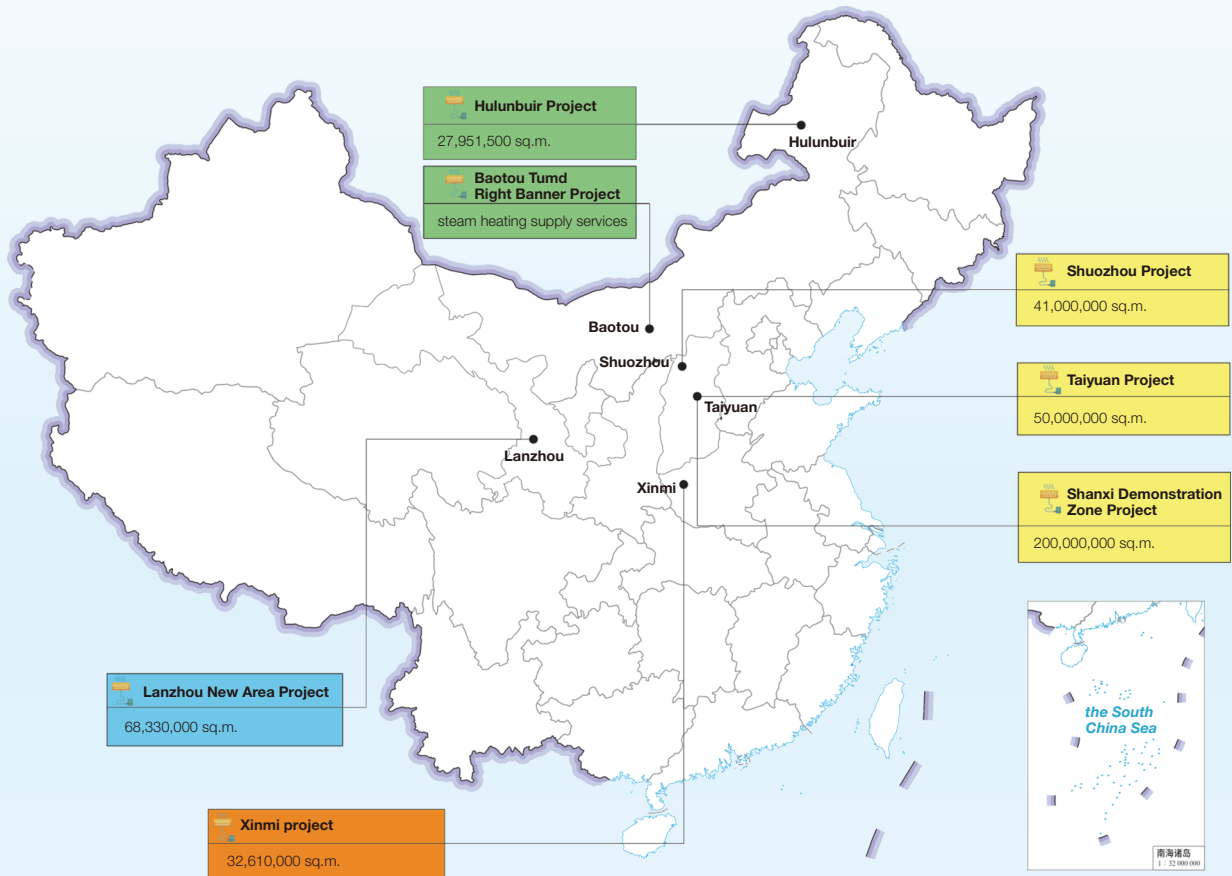
The Group's engineering construction services are engineering services related to the construction of heating infrastructure, including construction activities such as assembling heat production equipment, developing transmission pipelines, and constructing buildings and plants during the construction period of heat supply projects.

EMC service

The Group provides energy-conservation service to energy consuming enterprises to achieve energy saving goals. Under the energy management contract (EMC), the Group is responsible for installing the equipment and machinery for the purpose of energy saving, and operating and managing the residual heat collection facilities. In return, the Group is entitled to profits accrued from energy conserved as a result of its energy-conservation services provided.

About the Group

As of 31 December 2025, the Group owned the aforesaid 7 heat service projects within the scope of the concession area. There was also 1 heat service project of steam supply project that is not in operation and 1 heating area in custody. And its actual heat services area (measured in terms of GFA) was approximately 52.6 million sq.m., representing 11% of the total concession area.



Concession Area by Region as of 31 December 2025

About the Group

Development history

2010

October 2010

The Group invested in Shanxi Shuangliang Renewable Energy through increasing its capital by RMB25.5 million to provide heat services in Shanxi Province, the PRC

November 2012

Concession right was granted to the Group for heat services within the concession area of Taiyuan, Shanxi for 25 years

September 2013

Concession right was granted to the Group for heat services within the concession areas of Hulunbuir, Inner Mongolia for 30 years

August 2016

The Group became listed on The National Equities Exchange and Quotations

September 2018

Concession right was granted to the Group for heat services within the concession area in Shanxi Transformation and Comprehensive Reform Demonstration Zone Xiaohu Industrial Park and Science and Technology Innovation City* (山西轉型綜合改革示範區瀟河產業園區和科技創新城) for 30 years

July 2023

The Group was listed on the Hong Kong Stock Exchange

September 2010

The establishment of Wise Living

January 2012

Concession right was granted to the Group for heat services within the concession area of Shuozhou, Shanxi for 30 years

June 2013

Concession right was granted to the Group for heat services within the concession area of Lanzhou New Area, Gansu Province for 30 years

October 2013

The Group assisted Shentou Second Power Station of Shuozhou, Shanxi in improving condensing heat cycle technology and installing waste heat recovery to power system. Such power station was accredited as "2013 Power Best Plant" by Power Magazine

December 2021

Concession right was granted to the Group for heat services within the concession area of Xinmi, Henan for 30 years

2025

2. ACCOLADES OF THE GROUP IN 2025

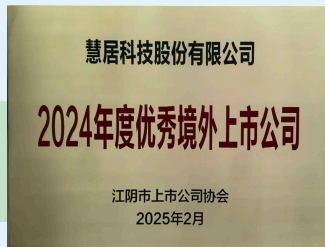
Dedicated to energy services for over a decade, Wise Living Technology has consistently integrated the principles of sustainable development into its corporate culture for building a new, green, and low-carbon energy service system. In 2025, Wise Living Technology received numerous accolades for its ESG management and innovative R&D efforts, including the following:



Wise Living Technology was granted the “2025 China ESG Digital Empowerment Brand” Award



Shuozhou City Renewable Energy Thermal Company Limited was awarded the title of “National Civilized Unit”



Wise Living Technology was granted the “2024 Outstanding Overseas-Listed Company” Award



Shuozhou City Renewable Energy Thermal Company Limited was granted the “May 1st Labor Award for 2025”



Lanzhou New Area Shuangliang Thermal Power Company Limited was awarded the title of “2025 Provincial Specialized and New Enterprises”



Shanxi Xixian Shuangliang Low Carbon Environmental Clean Energy Company Limited was granted the “May 1st Labor Award of Linfen City for 2025”



Wise Living Tech-Thermal Power (Zhengzhou) Company Limited was awarded the title of “Outstanding Enterprise in Public Utilities Service” in Xinmi City



Shanxi Xixian Shuangliang Low Carbon Environmental Clean Energy Company Limited was honored as the “2024 Outstanding Contributor to County-Level Economic Development”

About the Group

3. 2025 KEY PERFORMANCE

Economic performance



Heat services area:
52.6 million sq.m.



Coverage of heat service projects: **4** provincial administrative regions



Total assets:
RMB **6,115,050** thousand



Total equity:
RMB **1,620,245** thousand



Revenue:
RMB **1,506,290** thousand



Total tax paid:
RMB **92,498.41** thousand

Environmental performance



Water consumption intensity:
0.995 m³/thousand of revenue



Greenhouse gas emissions:
532,184.40 tCO₂e



Total comprehensive energy consumption:
1,456,997.68 MWh

Social performance



Customer satisfaction during the year:
99.5%



Number of intellectual property patents:
144



Employee satisfaction during the year:
99%



Percentage of directors participating in anti-corruption training during the year: **100%**



Average training hours per employee:
18.1 hours

1. STATEMENT OF THE BOARD

The Group places a high priority on ESG management and effectively integrates the principles of sustainable development into every aspect of its operations by implementing responsible initiatives such as green and low-carbon initiatives and employee care. The Board has overall responsibility for the Group's ESG work, and is responsible for formulating the Group's ESG development policies, strategies and objectives, so that all business decision-making activities fully incorporate ESG elements, whose relevance shall be identified by the Board, ensuring that the Group's risk management and internal control mechanisms effectively identify and monitor ESG-related risks, reviewing and approving annually the release of the Group's ESG report and other ESG information, and communicating with relevant stakeholders in a timely manner.

The Group has established environmental, social and governance policies, and has initially proposed key ESG internal targets covering greenhouse gas (“GHG”) emissions, pollutant emissions, resource consumption, etc. The Board reviews the progress towards the targets and understands and manages ESG risks through regular meetings to ensure that the Group has sufficient management capabilities on sustainable development matters.


2. ESG GOVERNANCE CONCEPT AND STRUCTURE

Concept of ESG Responsibility


Wise Living guides the Group's business planning, production and operation, and service practices with the development concept of “three-dimensional energy acquisition, multi-energy complementarity, green and low carbon”. The Group has integrated the concept of sustainability into all aspects of the Group's development, seeking to:




Establish the foundation of compliance and integrity in corporate governance



Promote the transformation of environmental protection and low carbon in environmental management



Ensure high quality and innovative services in provision of heat and security of supply



Foster a progressive and satisfactory workplace in terms of employee development

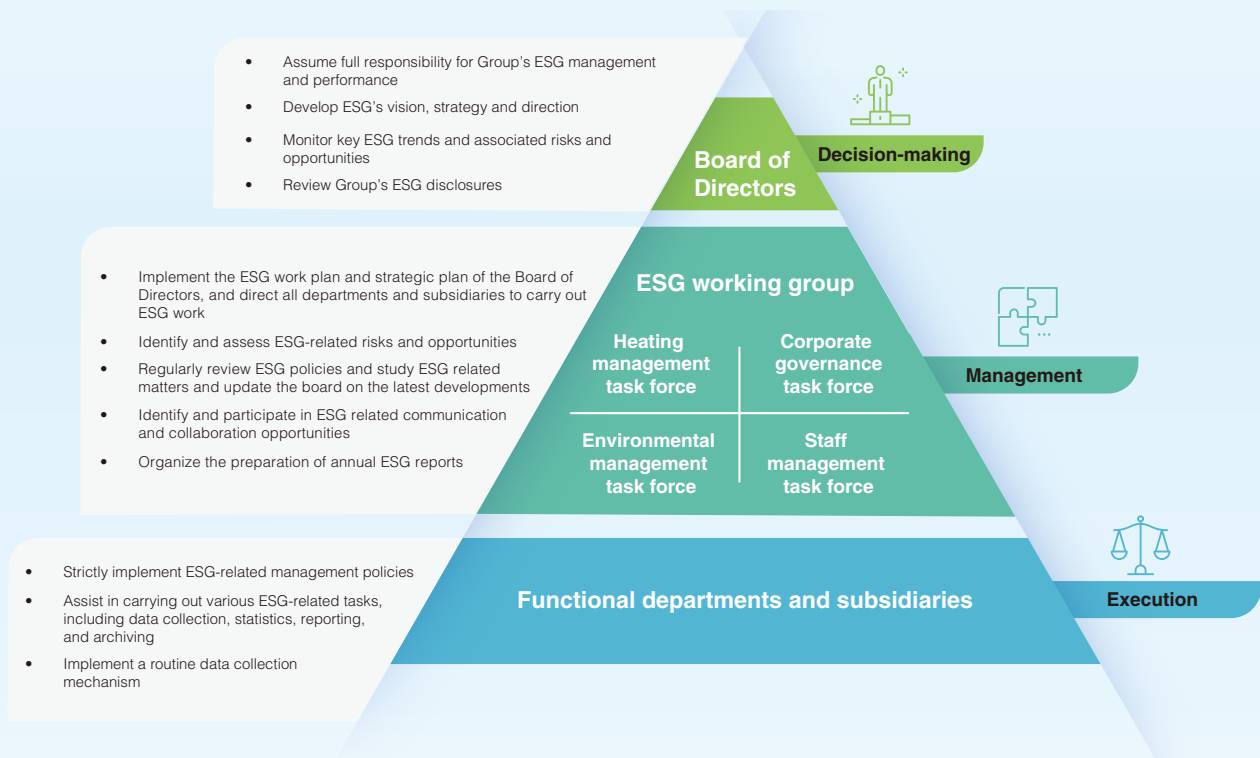


Do good to the heart and benefit the people in terms of social welfare

ESG Governance

ESG Governance Structure

The Group has established a three-tier ESG management framework with the Board of Directors as the highest decision-making body, earnestly fulfilling all ESG management responsibilities and comprehensively enhancing the quality and efficiency of ESG-related management. To support the Board of Directors in efficiently addressing ESG-related matters, we have established a dedicated ESG Working Group under the leadership of the Board Office. The ESG working group is composed of senior management and heads of relevant departments, with the executive director and general manager of the Group as the group leader. The ESG working group consists of four special working groups: heating management, corporate governance, environmental management and employee management, and the heads of heating subsidiaries, Board Office, safety and environmental management department, human resources department etc., serve as executive leaders to assist the general manager in supervising the Group's ESG matters and ensure the effective implementation of the Group's ESG-related strategies. The specific roles and responsibilities within the Group's ESG governance structure are as follows:



ESG Governance Structure

The responsibilities of the ESG Working Group include, but are not limited to:

- Under the direction and oversight of the Board, being responsible for handling all ESG-related matters, monitoring and assessing the ESG-related risks to which the Group may be exposed;
- Identifying and assessing climate change risks and opportunities, organizing regular meetings to discuss and decide on ESG-related issues for further resolution by senior management;
- Regularly reporting to the Board on ESG-related risks, opportunities and performance, and providing advices to the Board on environmental, social and governance reporting, strategies, measures and objectives;
- Participating in domestic and international conferences on ESG-related matters;
- Disclosing and reporting Group’s ESG information and providing feedback to the Board.

3. STAKEHOLDER ENGAGEMENT

The Group attaches great importance to the communication with various stakeholders. Through the establishment of a regular and multi-channel communication mechanism, we actively seek to understand the priorities and feedback of all stakeholders, and respond specifically to their expectations and needs, in order to foster mutual understanding and communication. In addition, we adjust our ESG strategic direction in a timely manner in line with the expectations of stakeholders, and continuously improve the performance of sustainable development work. The stakeholders, their expectations and needs, communication channels and responses of the Group are set out as below:

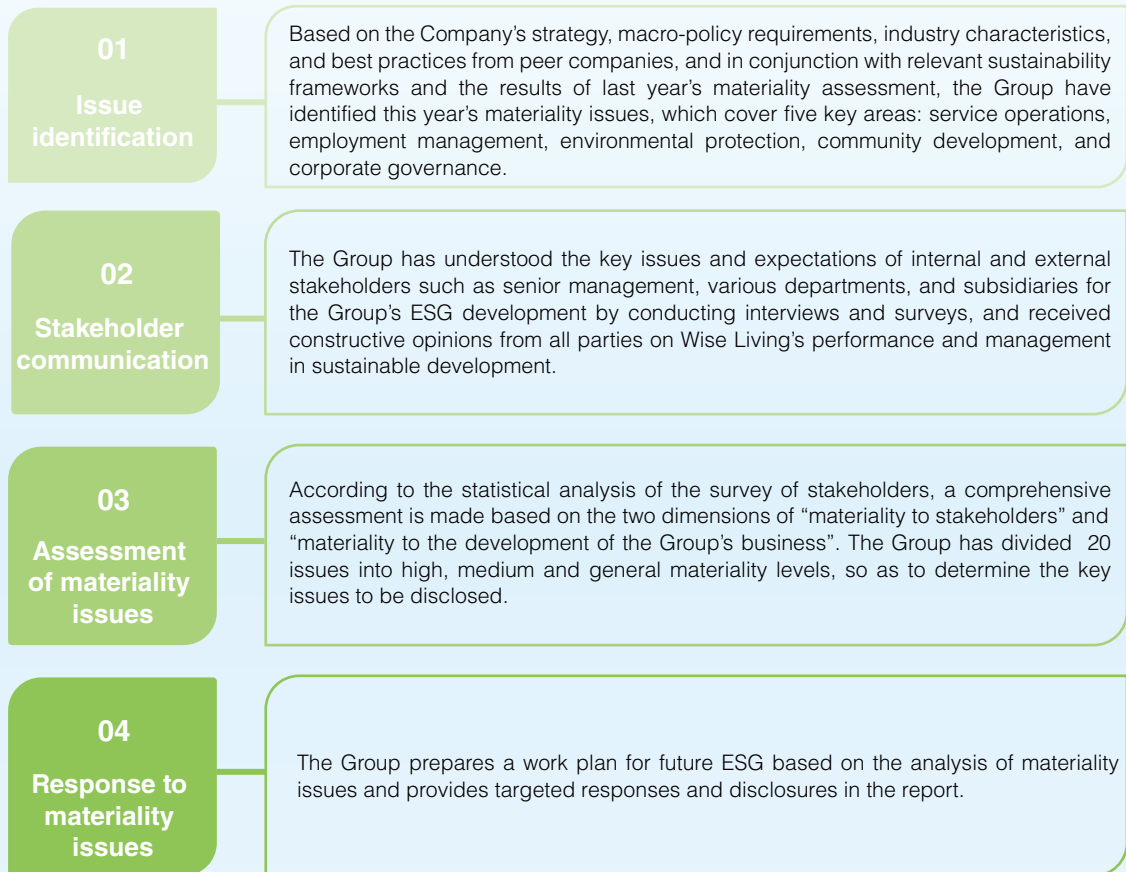
Stakeholders	Expectations and Needs	Major Communication Channels	Response
Shareholders and investors	<ul style="list-style-type: none"> • Corporate governance • Risk control • Financial results and investment returns • Information disclosure 	<ul style="list-style-type: none"> • Shareholders' meeting • Annual report and interim Results Report • Circulars and announcements • Email and telephone inquiries • The Group's official website • Social medias 	<ul style="list-style-type: none"> • Improve corporate governance • Optimize risk and compliance systems • Maintain good profitability • Disclose daily information
Government regulators	<ul style="list-style-type: none"> • Compliance operations • Tax payment according to law • Safe production • Efficient use of energy • Response to national policies 	<ul style="list-style-type: none"> • Information submission • On-site inspection • Government documents • Special meeting 	<ul style="list-style-type: none"> • Operate in compliance with laws and regulations • Pay taxes on time and in full • Uphold the bottom line of safe production • Promote the use of clean energy • Actively implement policies and regulations

ESG Governance

Stakeholders	Expectations and Needs	Major Communication Channels	Response
Employees	<ul style="list-style-type: none"> • Remuneration and benefits • Employee's rights and interests • Healthy and safe workplace • Communication opportunities • Career development opportunities • Education and training support 	<ul style="list-style-type: none"> • Employee care activities • Employee research • Employee safety protection measures • Staff representatives' meetings • Employee training • Regular performance assessment 	<ul style="list-style-type: none"> • Optimize salary and benefit system • Safeguard the legitimate rights and interests of employees • Ensure a safe workplace • Equal communication and grievance mechanism • Improve career promotion mechanism • Carry out thematic training
Customer	<ul style="list-style-type: none"> • Stable heat service • Sound customer service • Smooth communication channel 	<ul style="list-style-type: none"> • Customer satisfaction survey • Customer service hotline • The Group's official website • Social medias 	<ul style="list-style-type: none"> • Ensure heating quality • Promptly address customer needs • Offer diverse feedback channels
Supplier	<ul style="list-style-type: none"> • Open and fair procurement • Good and stable cooperative relationships • Business ethics and reputation • Supply chain management mechanism • Green procurement 	<ul style="list-style-type: none"> • Supplier bidding audit • Procurement arrangement • Agreement and contract • Periodic evaluation and audit • Supplier communication 	<ul style="list-style-type: none"> • Implement a public tender • Perform contractual obligations • Sign integrity clauses • Improve supplier management system • Create a responsible supply chain
Industry organizations and industry associations	<ul style="list-style-type: none"> • Resource information sharing • Win-win 	<ul style="list-style-type: none"> • Expert training • Strategic cooperation 	<ul style="list-style-type: none"> • Promote expert teamwork and communication • Promote strategic cooperation and organizational communication • Society and the public
Investment in public welfare activities	<ul style="list-style-type: none"> • Environmental protection • Promotion of local economic development 	<ul style="list-style-type: none"> • Offline activities • The Group's official website • Social medias 	<ul style="list-style-type: none"> • Be devoted to charity • Improve the construction of local heating facilities • Provide jobs

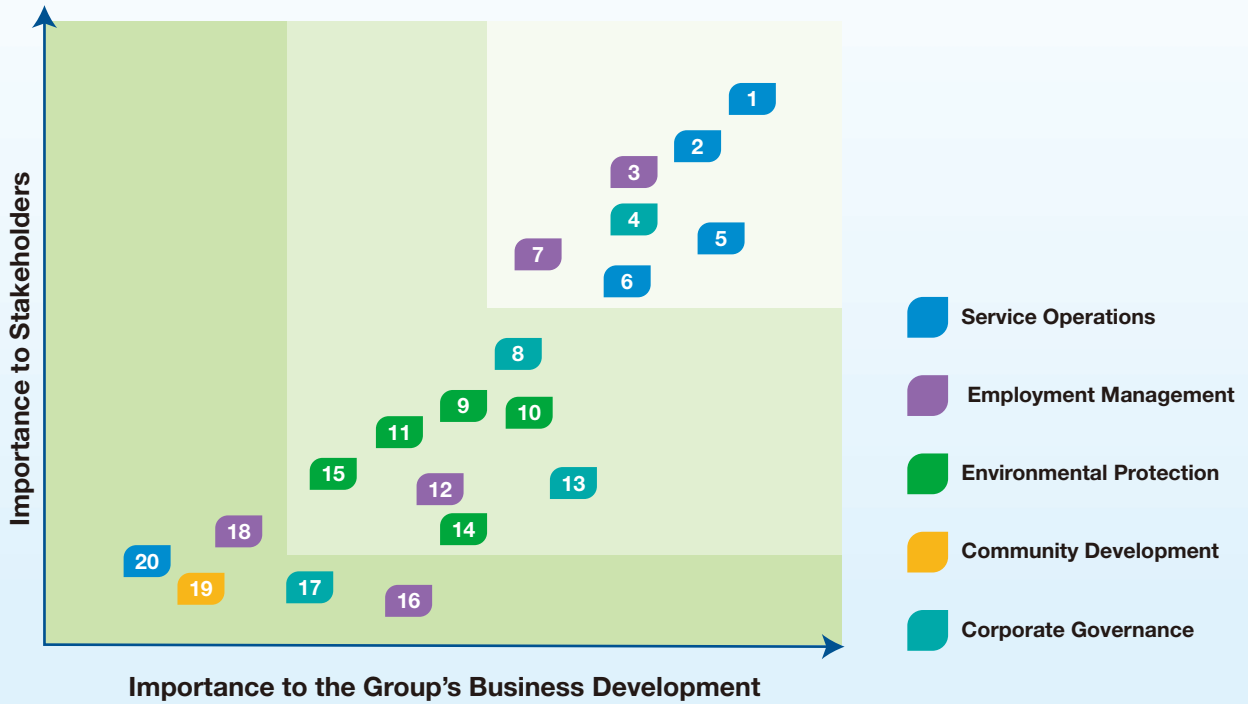
4. ASSESSMENT OF MATERIALITY ISSUES

The Group identifies and assesses the materiality of various ESG issues to its business operations through the following four steps to establish a prioritization of ESG issues, and integrates the management and improvement of key issues into the Group’s sustainability strategy.



ESG Governance

The following are the results of the 2025 materiality assessment:



Materiality	No.	Materiality Issue
Highly important	1	Stable heat supply
	2	Quality service
	3	Occupational health and safety
	4	Tax payment according to law
	5	Technological innovation
	6	Supply chain management
	7	Employee rights protection
Important	8	Business ethics and anti-corruption
	9	Energy management
	10	Water management
	11	Air pollutant management
	12	Development and training
	13	Comprehensive risk management
	14	Waste management
	15	Response to climate change
General	16	Diversity, equality and inclusion
	17	Optimization of corporate governance
	18	Employment practice
	19	Practice of social welfare
	20	Customer privacy protection



Sound Corporate Governance and Strict Compliance



Wise Living Technology believes that a sound internal control and risk management system can help identify and control potential violations, and is also an important support for building the Group in accordance with the law and operating in compliance with regulations. In order to ensure the stability and success of the Group, the Group has accelerated the construction of various management systems, strengthened risk management and control, actively implemented a culture of integrity and anti-corruption, and optimized the information security mechanism, so as to lay a solid foundation for the high-quality development of the Group with efficient compliance management.

01 INDICATOR RESPONSE



B7 Anti-corruption

02 ISSUE RESPONSE



Optimization of corporate governance
Tax payment according to law
Comprehensive risk management
Business ethics and anti-corruption
Customer privacy protection

03 PERFORMANCE HIGHLIGHT



Number of Board meetings:

7 times

Accumulated tax amount: More than

RMB 92,498 thousand

The Group conducted **19** compliance training sessions for employees and

directors for a total of **24** hours

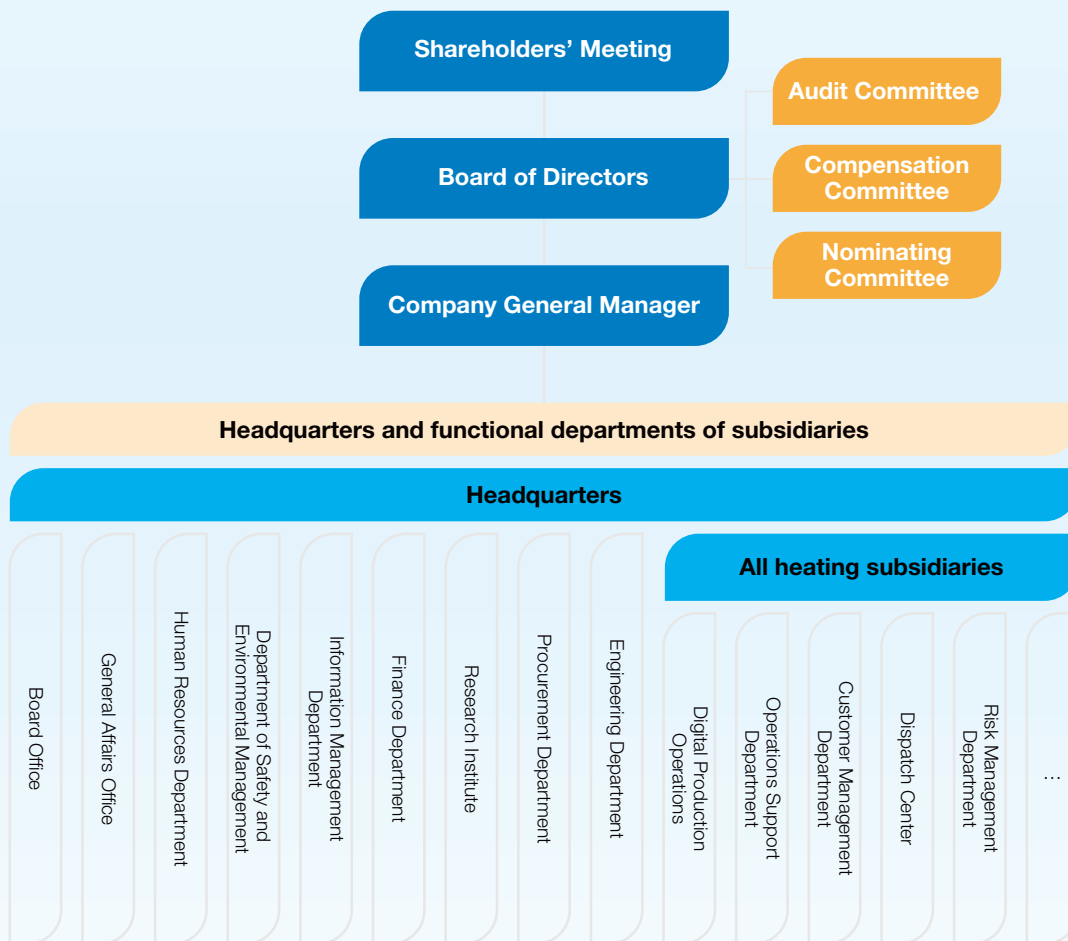
The Group has obtained **Level 3 certification** in information security

Sound Corporate Governance and Strict Compliance

1. RESPONSIBILITY AND MANAGEMENT SYSTEM

1.1 Governance structure

Closely aligned with the relevant requirements of the Company Law of the People’s Republic of China and the Corporate Governance Code of the Hong Kong Stock Exchange, Wise Living continuously improves the corporate governance structure and management system, and establishes and implements the duties of the Shareholders’ Meeting and the Board, with a top priority of developing a sound corporate governance framework across all endeavors. At the same time, we continue to standardize subject rights and responsibilities, implement business responsibilities, and strengthen regulatory effectiveness. The Chairman works with various functional departments and subsidiaries to fully implement business goals and management requirements for further standardized management and operations, ensuring the stable development of Wise Living in the compliance governance.



Group's Governance Structure

Sound Corporate Governance and Strict Compliance

In 2025, Wise Living held the following meetings

Shareholders' Meeting

3 times

Board Meeting

7 times

1.2 Anti-corruption and anti-fraud

The Group regards integrity as the foundation of our enterprise and basis for cooperation, strictly adheres to the legal bottom line, and pays attention to strengthening system and mechanism construction. Wise Living strictly abides by the Anti-money Laundering Law of the People's Republic of China and other laws and regulations, has established an anti-fraud and anti-corruption management system, which is composed of the Board, management and functional departments, and has formulated the Anti-Fraud Management System (《反舞弊管理制度》), so as to comprehensively standardize the compliance of corporate operations, prevent fraud, and reduce the risk of non-compliance, thus effectively safeguarding the rights and interests of the Group and all parties. During the Year, there were no concluded corruption litigation cases brought against the Group or its employees.

Management responsibility

As the highest decision-making level, the Board of Wise Living is responsible for the integrity construction of the Group and its subsidiaries. In terms of the concept of responsibility, the management of the Group takes the lead in establishing and improving the control environment for fraud management from the aspects of governance structure, policy system, distribution of authority and responsibilities, management philosophy, sense of morality and values of employees. In terms of specific management implementation, the management of Wise Living is responsible for establishing and regularly reviewing the effectiveness of the operations of the anti-fraud internal control mechanism. The internal control department is responsible for the internal control evaluation. As an independent department, the Audit Department conducts internal control inspection and supervision, and the Human Resources Department cooperates to carry out anti-fraud training, internal and external publicity, and the signing of integrity commitments by our employees and partners.

Behavior identifying and whistleblowing handling

In order to clearly identify violations, Wise Living has defined eight major types of fraud and taken corresponding measures. Among them, the acceptance of bribes and kickbacks, and embezzlement, misappropriation, and theft of corporate assets and finances are considered serious violations. In addition, Wise Living has established various channels for reporting violations of discipline, which are disclosed through Employee Handbook (《員工手冊》), management systems, daily communication, and official website announcements. Internal employees, partners and outsiders can report suspected violations through the president's mailbox, e-mail, telephone hotline, mail, face-to-face communication and other means.

Whistleblowing channels

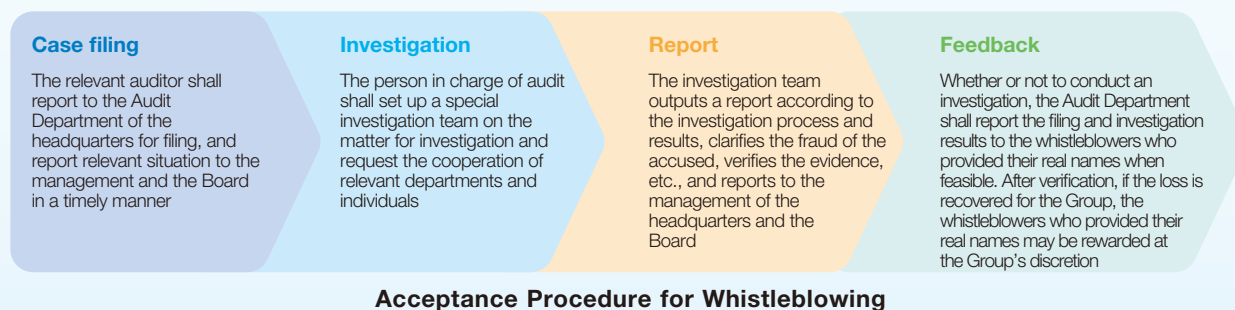
Hotline: 0510-86850605

Email: hjkj@shuangliang.com

Address: Audit Department of Wise Living Technology Co., Ltd at 7/F,
International Hotel, No. 299 Chengjiang West Road, Jiangyin

Sound Corporate Governance and Strict Compliance

In addition, Wise Living has formed a closed-loop management procedure for reporting and handling from case filing, investigation, report to feedback, and initiated acceptance procedures at corresponding materiality for employees at different levels to ensure that the headquarters and subsidiaries form a unified and concerted effort to effectively combat violations of laws and regulations.



Protection mechanism for whistleblowers

In order to fully protect the rights and interests of whistleblowers, Wise Living's Anti-Fraud Management System (《反舞弊管理制度》) clearly stipulates two measures to provide them with information protection and investigation protection.

- In the whistleblowing process, Wise Living allows the whistleblower to report with anonymity or real name, and the Audit Department ensures that the information reported, and the personal information of the whistleblower are strictly confidential;
- During the investigation, both the whistleblower and those involved in assisting the investigation are protected. The Group strictly prohibits all acts of discrimination or retaliation, and prevents departments or individuals from obstructing, hampering or interfering with investigations. Otherwise, they will be warned, demoted or removed from their posts or subject to other disciplinary action until the termination of the labor contract, based on the actual condition, and any of them who commits a serious violation and is suspected of a criminal offense will be transferred to the relevant government departments or judicial organs for handling according to law.

Anti-fraud and anti-corruption education

The Group's Human Resources Department regularly leads the sorting out of the Position List for Confidentiality, Anti-fraud and Background Investigation (《保密、反舞弊、背景調查崗位清單》), requiring that all employees in key positions of the Group sign a commitment letter and a confidentiality agreement against fraud. All employees receive education on integrity and dedication in their daily work, learn and abide by the definitions, whistleblowing methods and procedures in respect of corruption in the Employee Handbook (《員工手冊》).

In order to simultaneously enhance the integrity awareness of all parties in the cooperative relationship, the Group requires all external units to be aware of and sign the Commitment Letter against Commercial Bribery (《反商業賄賂承諾書》), promising that the cooperative transaction will never adopt commercial bribe and provides them with whistleblowing channels to ensure that the performance process is public and legal.

Wise Living actively creates a culture of honest practice. During the Year, in order to promote self-discipline for all employees, the headquarter and the Human Resources Department of the subsidiaries conducted 6 anti-corruption training sessions for employees and directors for a total of 12 hours and 4 ethical conduct training sessions for a total of 5 hours, to enhance compliance awareness and ethical conduct among all employees, ensuring the Group's operations remain sound and transparent.

Sound Corporate Governance and Strict Compliance

Prevention of conflict of interests

The concept of fair and objective practices runs through Wise Living’s operations. Wise Living strives for the common development of personal interests and corporate interests, so avoiding and properly handling conflict of interests as soon as possible is the right way to protect all its stakeholders.

To this end, the Group has clearly defined four main scenarios of conflict of interests and three preventive measures for conflict of interests, including employment contract management, voluntary reporting, and whistleblowing, which will help to identify and timely prevent conflicts with the interests of stakeholders as a whole in the process of management, decision-making, voting, execution, information transmission, etc., which affect objective opinions, and ensure that the interests of all parties are not harmed. During the Year, the Group’s headquarter and its subsidiaries conducted a total of 9 conflict of interests training sessions for a total of 7 hours, involving 493 participants in total.

Labor Contract	The employee is aware of and complies with the non-compete clause in the labor contract
Reporting	If there is an actual or potential conflict of interests, report it to the Company
Whistleblowing	Any informed parties may report through the whistleblowing channel

Preventive Measures for Conflict of Interests

1.3 Information security and privacy protection

Informatization and digitalization are important means for a modern enterprise to optimize operation management, improve service quality and enhance operational efficiency. Wise Living continuously improves the Group’s information security management system in accordance with the Cybersecurity Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China and other laws and regulations. At present, the Group has obtained the Level 3 certification for information security, and there were no corporate information security accidents or information leakage of customers, employees, and partners during the Year.

System construction

Wise Living formulates and implements documents such as the Informatization Management System (《信息化管理制度》) to standardize internal data security management, clarify data protection responsibilities, and prevent data security risks at the institutional level.

Organizational support

Wise Living provides organizational support from the three aspects of “decision-making, management and technology”, and has set up an information security work leading group composed of the heads in charge of the Group headquarter and subsidiaries to be responsible for making decisions on major information security issues and ensuring the effectiveness of information security strategy formulation and process architecture. The Board Office is responsible for supervising the information security management of the Group, and assisting in the management and implementation of specific information constructions such as information security, data center and asset equipment, network security, endpoint security, and emergency management. At the technical level, the Group has assembled a team of professionals spanning the fields of information technology, technical support, and system operations. Leveraging their solid expertise and keen industry insight, they provide comprehensive, specialized technical support for information security initiatives.

Sound Corporate Governance and Strict Compliance

Information security management measures

Wise Living continues to promote comprehensive and strict information security management, selects a third-party cloud service provider to provide professional information security services for the Group and provides the Group and its subsidiaries with exclusive databases, protection systems, audit and evaluation services. In addition, the Group also strengthens independent security management. In accordance with the principles of “coordinated arrangement, resource sharing, and integration of peace and war”, the Group uniformly plans, implements and manages the disaster backup of Wise Living’s important information systems. We regularly organize drills on emergency plans, and designate special personnel to manage and maintain emergency plans to ensure the effectiveness of emergency plans and availability in case of disasters.

Information security monitoring	Information security check	Information security assessment	Information security audit
Integrate and utilize monitoring resources; Establish a system of weekly, monthly or quarterly reports for operation monitoring; Early warning, response and disposal	Organize a special inspection on information security annually	Assess the information security at least once a year	Carry out the technical audit of the daily operation management of information system and the whole process of information security incidents when appropriate

Four Key Points of Information Security Management

Customer data security

Wise Living strengthens the Company’s data security and customer privacy security through technical control and management practices, effectively preventing the leakage of customer data and privacy. During the Year, the Group did not have any major information security incidents such as the leakage or loss of customers’ privacy data.

- In terms of technical control, the Group requires subsidiaries to establish a sound client management system to record all client equipment information and software configuration information. The client should install virus prevention software uniformly and set up user passwords and screen protection passwords, among other security protection measures.
- In terms of management, the Group clarifies the confidentiality responsibilities of employees in Employee Handbook (《員工手冊》) and conducts information security-related training for new entrants and employees on an annual basis to improve their customer information protection awareness. At the same time, the Group has continuously built information security and privacy protection barriers by standardizing the requirements for information security management and trade secrets protection in the Confidentiality Agreement (《保密協議》), covering all employees, suppliers, partners and other stakeholders.

Sound Corporate Governance and Strict Compliance

1.4 Tax payment according to law

Paying taxes in good faith is the most basic social responsibility of an enterprise. As a responsible corporate citizen, Wise Living always pays enterprise income tax in accordance with the provisions of the Enterprise Income Tax of the People's Republic of China and other laws and regulations, and strengthens the foundation of internal tax management. During the Year, the Group had no tax disputes.

Strengthening tax regulations

With a diverse and expansive business portfolio, Wise Living always strictly focuses on the systematization and standardization of the Group's tax management, and requires the financial departments of the Group's subsidiaries to establish and implement appropriate tax norms according to business characteristics and territorial management requirements. In order to ensure the effectiveness of the Group's tax policies, Wise Living headquarter organizes subsidiaries to collect and sort out the developments of tax laws and policies from time to time, follow the changes in the overall national tax trend in a timely manner, adjust internal policies as required, arrange tax planning, and carry out internal sharing and communication. In terms of tax communication, the Group has established procedures for the communication, coordination and reporting of tax planning arrangements for subsidiaries within the headquarter. The Group also maintains liaison with tax authorities to promote compliance, rationality and efficiency in tax management across the Group.

While seeking to expand our Group and ensuring heat services for people's livelihood, Wise Living also actively fulfills its tax obligations, striving to expand tax revenue for the country. During the Year, the cumulative tax payment by the Group exceeded RMB92.498 million, truly implementing "Doing business with integrity and paying taxes in compliance with law".



CHAPTER II

Guarantee Centralized Heating and Warm Thousands of Households



Wise Living has established a complete quality management system for heating engineering. Concentrated on the innovative application of heating technology, the Group actively introduces digitalised heating technology and gradually optimizes intellectual property management to fully guarantee the quality of heat services for users. These efforts contribute to the sustainable and sound development of central heating.

01 INDICATOR RESPONSE



B6 product responsibility

03 PERFORMANCE HIGHLIGHT



Required to establish the whole process quality management system of heat services and strictly control heating quality

Shanxi Demonstration Zone Heat Supply, our subsidiary, launched the IoT connectivity for equipment at the first batch of 9 sites

Lanzhou New Area Shuangliang Thermal Power Company Limited was awarded the title of “2025 Provincial Specialized and New Enterprises”

Intellectual property patents:

144

02 ISSUE RESPONSE



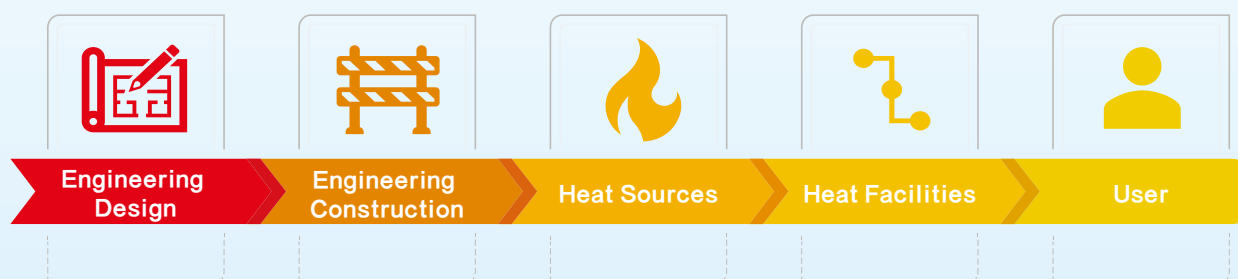
Stable heating technological innovation

Guarantee Centralized Heating and Warm Thousands of Households

1. QUALITY HEAT AND QUALITY CONTROL

1.1 Heating quality management system

With the policy of “putting quality first in our 100-year plan”, Wise Living is committed to providing quality and stable heat services for the society, and strictly controls the quality management of the whole process of heating supply. From standardizing the design standards and supervising the construction quality in the early stage of the heating engineering, to ensuring the stability of the heat source after the operation of the heating engineering, and paying attention to the daily operation and maintenance and optimization management of the heating pipe network and heat exchange station, the Group checks the work details of each heating link to build a high-quality heating system and lay a solid foundation for the goal of comprehensively guaranteeing centralized heating.



Design of heating engineering

Wise Living strictly controls the design quality of the heating engineering to ensure smooth construction. The heating engineering and system of Wise Living is subject to project feasibility studies before design. In the design time, the Standard for Urban Residential Area Planning and Design (GB50180–2018) and the Design Code for City Heating Network (CJJ/T34–2022) are taken as the main planning and design basis, and the design details of the heating system, such as layout, equipment selection, and pipeline design in the design scheme, have been fully demonstrated and verified.

In order to improve the design effect, the Group actively draws on and introduces the best practices and experience in the industry and integrates them into its own project design solutions to improve the reliability of the design and the efficiency of heating supply. At the same time, the design also pays attention to equipment and material selection, on the basis of ensuring that the industry meets the standards, the use of efficient heating equipment, reasonable pipe layout, and the selection of reliable quality materials to ensure the stable operation of the heating system under various working conditions.

In addition, the Group engages external designers with senior business experience to provide professional planning and design services for large-scale heating projects. Each link of the engineering design plan is jointly reviewed and checked by the Group’s internal and external heating experts, and the level and scientificity of the heating project design are continuously optimized to better meet the local heating standards and customer expectations.

Guarantee Centralized Heating and Warm Thousands of Households

Construction of heating engineering

Wise Living has established a complete construction quality management system. We implement construction technical specifications and engineering quality standards with respect to technology and implement the engineering quality responsibility system with respect to management, laying a solid foundation for the official operation of the heating business.

In accordance with the Construction Law of the PRC, the Code for the Construction and Acceptance of Urban Heating Pipe Network Engineering, the Code for the Acceptance of Construction Quality of Building Foundation Engineering, and other laws and regulations, the Group formulates and implements the Construction Quality Management System (《工程質量管理制度》), Project Management Measures (《工程管理辦法》), Construction Organization Plan (《施工組織方案》), Thermal Pipe Network Engineering Construction Enterprise Standards (《熱力管網工程施工企業標準》), Station Engineering Construction Enterprise Standards (《站類工程施工企業標準》), Construction Quality Acceptance Management System (《建築工程施工質量驗收管理制度》) and other heating engineering construction and acceptance standards, the Group has clearly standardized the project quality of the construction unit. At the same time, Wise Living has established a project supervision department, which is responsible for the overall quality control of the project in the early stage of the project, and strengthened the Group's own responsibility for the supervision of the project quality, so as to control the project quality in three stages: before, during and after the project. In this way, we ensure strict management of all construction phases and effective control over the quality of heating system construction.

<p>Pre-control</p>	<ul style="list-style-type: none"> • Qualification Review and Training: Screen compliant entities and conduct pre-construction safety training as well as internal departmental oversight training; • Preliminary Planning and Issue Management: Hold a kick-off meeting to clarify project requirements, require the contractor to strictly adhere to construction technical specifications and engineering quality standards, and ensure that issues from previous projects are addressed in advance; • Site and Technical Preparation: Complete site surveys, drawing reviews, and technical briefings to lay a solid foundation for construction.
<p>In-process control</p>	<ul style="list-style-type: none"> • Personnel and Responsibility Management: Clearly define project management and safety responsibilities, including requirements such as welders passing certification exams before being allowed to work; • Construction Progress Monitoring: Monitor construction progress in real time, address issues promptly, strictly inspect the quality of incoming materials, and strengthen construction quality management through a series of initiatives and meetings, such as excellence-in-construction campaigns, quality assessment activities, and regular quality meetings; • Control of Critical Stages: Strictly monitor key milestones in each project, such as surveying and layout, and trench excavation; strengthen performance evaluations for repair work; and maintain video records for the inspection and acceptance of concealed work.
<p>Post-control</p>	<ul style="list-style-type: none"> • Full-process Meeting Support: Implement the management requirements of the “Five Project Meetings” to ensure the efficient progress of acceptance inspections; • Protection of Completed Work and Acceptance: Contractors are required to properly protect completed work to avoid the need for rework; • Implementation of Closed-Loop Management: Strictly enforce acceptance standards to establish a closed-loop quality control system.

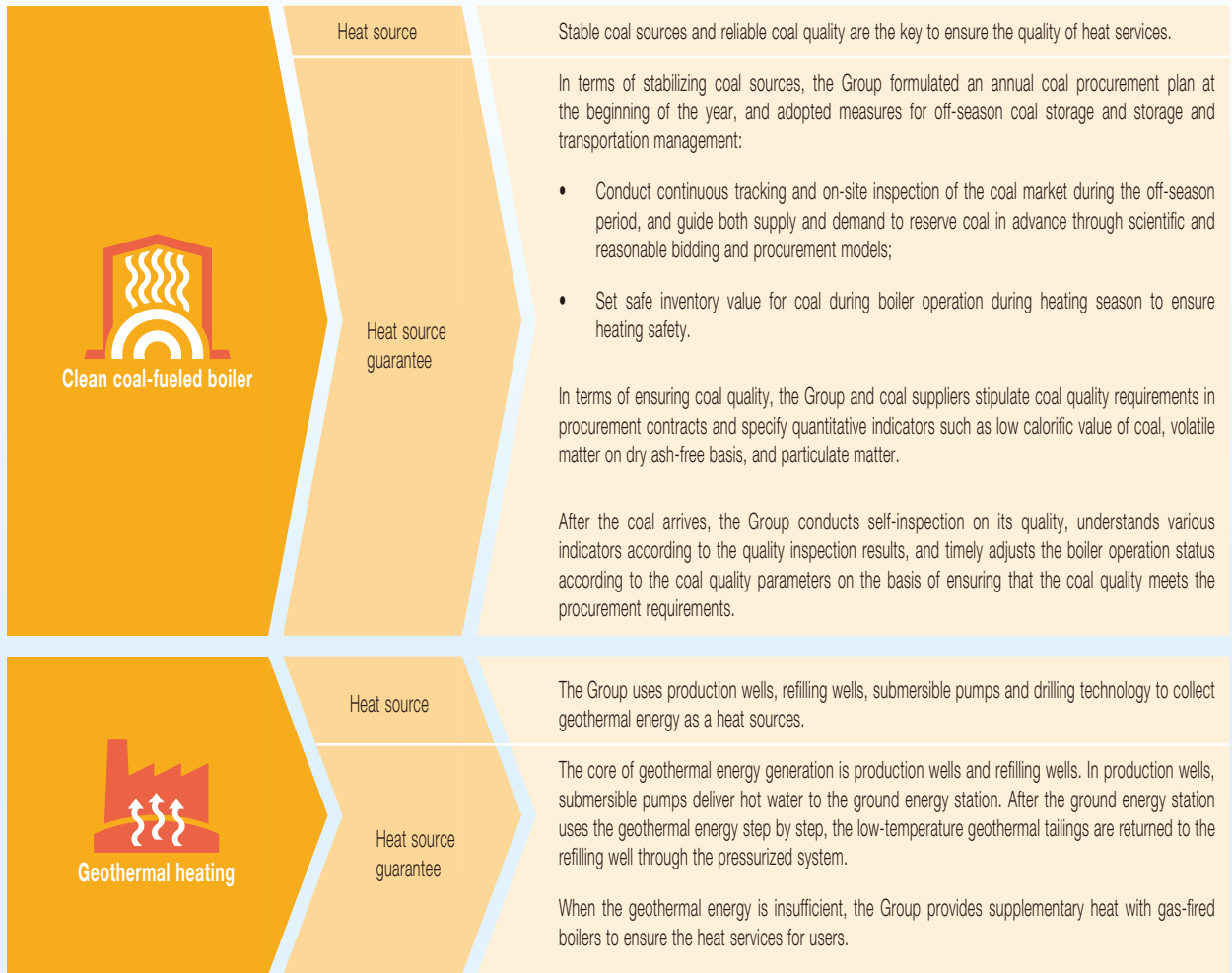
Guarantee Centralized Heating and Warm Thousands of Households

Stable heat sources

Wise Living regards ensuring the stability of heat sources as the foundation of its business. Under the clean heat services, the Group strives to ensure the reliability and stability of heat sources such as heat procurement from cogeneration plants, residual heat collection, clean boiler and geothermal extraction.



Guarantee Centralized Heating and Warm Thousands of Households



Guarantee Centralized Heating and Warm Thousands of Households

Heat facilities

The heating facilities of Wise Living mainly involve boiler system, heating pipe network and heat exchange station. Its stable operation ensures the efficiency of heating facilities and is also one of the key points of heating quality assurance. The Group has formulated management systems such as the Production and Operation Management System (《生產運行管理制度》), Operation Procedures (《運行操作規程》), Production Inspection Requirements (《生產巡檢要求》), Maintenance Action Plan (《檢修行動方案》), Maintenance Operation Instructions (《檢修作業指導書》), and Production Emergency Plan (《生產應急預案》) etc., to clarify the management responsibilities of each post on the production site and standardize the actual operation and maintenance management requirements of heating facilities.

Wise Living mainly adopts management measures such as daily operation and maintenance of facilities and optimal dispatch and maintains the efficient operation of heating facilities from the dimensions of operation, maintenance and inspection, emergency response, and optimization.

Heating Facilities Maintenance

The Group places great emphasis on regular equipment maintenance and, based on historical operational data, continuously optimizes and upgrades its equipment to ensure safe, stable, economical, and efficient operation during the heating season.

- *Maintenance and optimization of heat exchange stations*

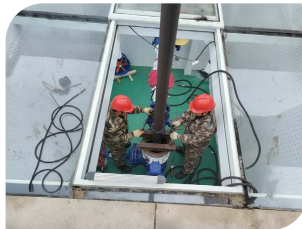
In accordance with the principle of “treating winter ailments in summer”, the Group regularly conducts comprehensive inspection and maintenance of the heat exchange station and its configured heat exchangers, circulation pumps, make-up water pumps, valve, meters and other equipment during the non-heating season, such as derusting and touch-up painting, lighting and cleaning. At the same time, the Group has established standardized operating procedures and formed a dedicated cleaning team to perform regular cleaning of plate heat exchangers, thereby reducing fouling on the plates, increasing heat transfer efficiency, and improving energy efficiency. In addition, in order to promote lean production, we conduct annual mapping and upgrading of the heat exchange station, try our best to eliminate hidden dangers in the station, and improve the safety of the heat exchange station.

Guarantee Centralized Heating and Warm Thousands of Households



Case Study: “Treating Winter Ailments in Summer”: Risk Screening and System Overhaul

In 2025, our subsidiary Shanxi Xixian Shuangliang launched a comprehensive “Treat Winter Ailments in Summer” maintenance and inspection campaign during the summer maintenance window. Based on operational data from the previous heating season, Shanxi Xixian Shuangliang conducted a comprehensive safety inspection of the county’s heating system, identifying a total of 170 potential hazards. These included coal-fired heating plants, energy islands, emergency gas-fired heating stations, and 45 heat exchange stations. In response to the issues identified, Shanxi Xixian Shuangliang formulated a detailed maintenance and technical improvement plan to ensure that all issues are addressed without exception. Shanxi Xixian Shuangliang also carried out a systematic renovation of the primary pipeline network and heat exchange stations, replacing a total of 135 corroded valves and 325 meters of corroded piping, repairing 4,609 meters of insulation, and performing oil-lubrication maintenance on 1,350 valves. To date, all 45 heat exchange stations have undergone maintenance and have passed pressure tests and trial operations, meeting heating standards and significantly improving the overall operational efficiency of the system.



Guarantee Centralized Heating and Warm Thousands of Households



Case: Maintenance and Performance Improvement of Heat Exchangers in Heating Systems

To ensure a stable heat supply during the local heating season, from May to June 2025, our subsidiary Hulunbuir Shuangliang conducted a comprehensive cleaning of the heat exchangers in the heating system during the non-heating season and performed targeted cleanings based on operational data during the heating season. Following maintenance, the pressure differential between the inlet and outlet of the secondary-side piping network of the heat exchanger was reduced to less than 0.5 bar, thermal conductivity increased by more than 10%, plate corrosion was effectively prevented, and internal leaks in the plate heat exchanger were eliminated. In addition, Hulunbuir Shuangliang continuously monitored the operation of the heat exchangers and conducted post-operation reviews and standard optimizations.



- **Maintenance of boiler systems**

The Group has established a comprehensive boiler operation and control system that strictly standardizes preparatory work for all stages of boiler startup, shutdown, and operation, dynamically adjusts key operating parameters, and implements focused monitoring of risk points across all production processes. At the same time, we have established clear principles for handling production incidents and a tiered response mechanism. By implementing standardized process management, we ensure the stable operation of our boilers, thereby laying a solid foundation for continuous and reliable heating services.

Start-up

1. **Pre-start inspection:** combustion chamber and flue, coal feeding system, etc.
2. **Preparation before start-up:** boiler water supply, hydraulic test, etc.
3. **Attention during start-up:** cold start-up procedure control, boiler load lifting regulations, etc.

Operation

1. **Pressure and temperature adjustment:** circulating water flow or reducing boiler load, etc.
2. **Combustion adjustment:** bed temperature, returning material temperature, material layer thickness, etc.
3. **Regular operation during operation:** air preheater ash hopper discharges ash, sewage exhaust, etc.

Shutdown

1. **Boiler banking heat standby and restart:** comprehensive inspection, load reduction, etc.
2. **Prepare for cold standby shutdown:** comprehensive inspection, burning clean raw coal hopper coal, etc.
3. **Normal boiler shutdown procedure:** economizer soot blowing, load reduction, etc.

Emergency response

1. **Faulty boiler shutdown:** emergency measures with reference to "boiler shutdown" regulations
2. **Frequent accident handling:** analysis of accident causes to make targeted response

Guarantee Centralized Heating and Warm Thousands of Households

Heating Emergency Management

The Group has defined the conditions for activating emergency plans and the categories of incidents, and has established a systematic emergency response plan. With regard to emergency management for pipeline network leaks, we have established a production emergency repair plan that identifies types of pipeline failures, classifies incident severity levels, and clearly defines emergency response measures for different types of failures. On this basis, the Group has specially formulated the Emergency Drill Plan for Leakage of Heating Trunk Pipeline Network (《供熱主幹管網洩露應急搶險演練方案》), set up an emergency team in each production area, and clarified the responsibilities of each team member and the emergency drill steps. Emergency teams quickly carry out emergency rescue work, evaluate and summarize after drills, analyze reasons for deficiencies and rectification items in drills, and take corrective and optimization measures to maximize the response to emergencies and mitigate adverse effects.

Precise Operation Control

The Group has developed comprehensive operational plans and in-home service protocols. The operational plans cover key aspects such as assessing the basic conditions of the pipeline network, adjusting parameters, and performing water injection operations; the in-home service protocols focus on inspecting household heating conditions and indoor temperatures, ensuring that users' indoor temperatures meet standards and effectively safeguarding residents' heating experience. At the same time, the Group has established a dedicated heating support team, clearly defined the responsibilities of each position, and holds daily meetings on operational support and data analysis to dynamically monitor the status of the heating system, ensuring that issues are identified and addressed promptly.

In terms of heating network management and optimization, the Operations Department at the production site has established a routine hazard identification mechanism, conducting daily network inspections to promptly address various safety hazards such as water accumulation, leaks, and pipe deterioration. This year, Wise Living actively promoted the renovation of aging heating pipeline networks. By upgrading the pipeline infrastructure, the Company has effectively addressed key challenges such as frequent leaks, high maintenance frequency, and significant heat loss, thereby significantly improving heating efficiency and providing a solid foundation for ensuring a stable and compliant heating supply to residents.

2. TECHNOLOGICAL INNOVATION AND INTELLIGENT OPERATION

2.1 Technological innovation and application cases

Wise Living always regards technological innovation as one of the sustainable development policies, strives to comprehensively enhance its independent innovation capabilities, endeavors to achieve technological leadership in the field of heating, improve core competitiveness, and create more value for customers and society. The Group has independent research and development capabilities and advanced heating technology and carries out technical exchanges with industry peers to jointly promote the high-quality development of the heating industry. In 2025, several subsidiaries of the Group received local technology innovation awards. For example, Lanzhou New Area Shuangliang was honored as a "Provincial Specialized and Sophisticated Small and Medium-sized Enterprise", while Hulunbair Shuangliang was named an "Innovative Small and Medium-sized Enterprise" in the Inner Mongolia Autonomous Region in 2025.

Adhering to the R&D philosophy of "learning leads to advancement, innovation leads to eternity", the Group has established an R&D center in Taiyuan City, Shanxi Province, set up its own R&D team and established a heating technology center at the Carbon Neutrality Research Institute. Leveraging the extensive industry experience of our R&D team in the fields of heating service design and technology, we are continuously strengthening research, innovation, and application in both traditional and new energy heating technologies to solidify the foundation of technological innovation.

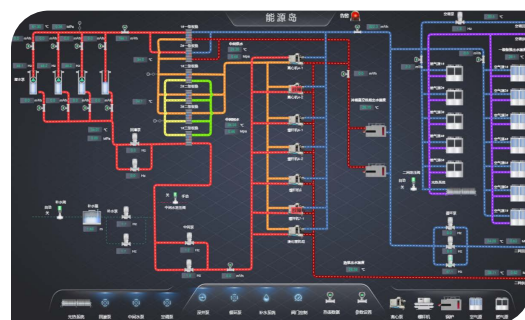
Guarantee Centralized Heating and Warm Thousands of Households

In recent years, the Group has produced numerous outstanding innovations and applications in the areas of digitalization and intelligentization. These include comprehensive coverage of the data access and sensing layer, optimization of the network and system layers, and pilot projects for IoT connectivity. By leveraging technology to enhance the quality and efficiency of heating services, the Group has demonstrated its core competitiveness in sustainable development.



Case: Accelerating the IoT Upgrade of Heating Stations

This year, the Group actively promoted the IoT connectivity for equipment at the first batch of 9 sites of Shanxi Transformation and Comprehensive Reform, with an aim to break down data transmission barriers in traditional facilities and enable the intelligent upgrade of heating systems. Throughout the project implementation, we worked closely with professional engineers to carry out systematic hardware upgrades on the on-site lower-level devices (such as programmable logic controllers (PLCs) and other core control equipment) at nine sites. Based on verified, precise parameters, we proceeded as planned with the design of monitoring screens for the upper-level systems (human-machine interfaces (HMIs) and configuration systems). This has laid a solid technical foundation for the future stable upload of data and its in-depth application, thereby clearing key obstacles.

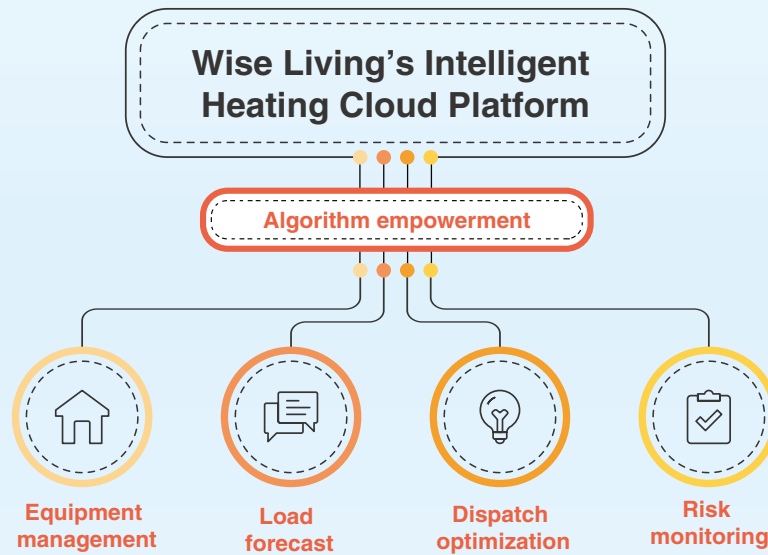


While building its own excellent technical capabilities, the Group also actively cooperates with excellent industry research institutions and educational institutions to jointly promote the technical standardization of the heat industry, including collaborating with multiple parties to draft provincial technical specifications for the heat service industry, such as Technical Code for Shallow Ground-source Heat Pump System (《淺層地源熱泵系統工程技術規範》) and Technical Code for Middle and Deep Geothermal Heating Engineering (《中深層地熱供熱工程技術規範》), etc., contributing Wise Living's technology and experience to promote the progress of the industry.

Guarantee Centralized Heating and Warm Thousands of Households

2.2 Intelligent heating system

Wise Living uses algorithms to empower the heating system, and applies an “intelligent heating cloud platform” that integrates equipment management, load forecasting, dispatch optimization, risk monitoring and other functions. The intelligent heating cloud platform combines advanced digital means such as geographic information technology (GIS) and artificial intelligence technology to conduct comprehensive real-time monitoring of the operating parameters, control effects and energy consumption of the heating system, and conduct operational monitoring, analysis and intelligent dispatch of heat services and use. In terms of function realization, the intelligent heating cloud platform can adjust the control of the heat exchange station and the heat source in a timely manner according to the changes in the heat used at the end, accurately regulate the balance between supply and demand of the heating system, effectively avoid excess heating and heat waste, reduce heat imbalance, and realize the whole process control of heating production, and greatly reduce the comprehensive energy consumption of the heating system.



Guarantee Centralized Heating and Warm Thousands of Households



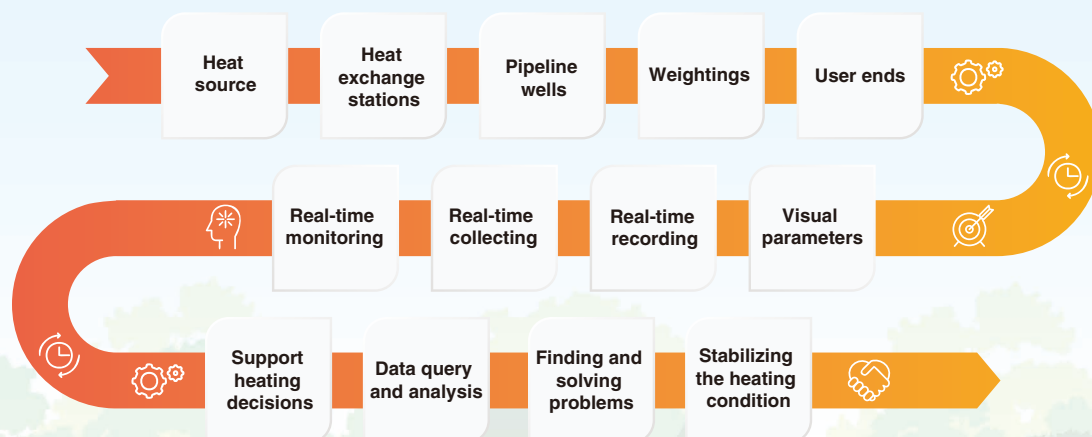
Case: Lanzhou Smart Heating Platform and Construction Project

In 2025, our subsidiary Lanzhou New Area Shuangliang accelerated the development of its smart heating platform and completed a number of digitalization tasks, including:

- **System Feature Development:** Assisted Wise Living Times in developing a billing system and setting up an AI customer service bot, and launched a fault reporting feature for both the mini-program and desktop versions;
- **Safety and Environmental Dashboard:** Completed the design and deployment of the dashboard to enable dynamic, visual monitoring of key safety and environmental indicators;
- **Customer Service System Upgrade:** The mini-program now includes features to view past support tickets and call logs;
- **Load forecasting algorithm:** Completed offline validation testing of the new algorithm, selected and optimized feature parameters;
- **System Inspection and Upgrades:** Completed a comprehensive system inspection across the entire network; installed additional drainage points and integrated water level alarms with the pump control platform;
- **Infrastructure Operations and Maintenance:** Completed the renovation of network lines at 31 heating stations; advanced the site surveys and design planning for dedicated VPN lines at 28 newly constructed heating stations.

Equipment management

The intelligent heating cloud platform can monitor and manage heat sources, heat exchange stations, pipeline wells, weightings, and user ends. The platform fully realizes the visualization, automation and digitization of the operation status of the thermal system, and improves the speed and level of the operation dispatch decision of the heating system.



Guarantee Centralized Heating and Warm Thousands of Households

Load forecast

In view of the lag problem of heat supply and demand, Wise Living's intelligent heating cloud platform can establish a prediction model for heat supply under different meteorological conditions based on load prediction algorithm, so as to make real-time prediction of the heating load of each thermal unit in the next period. Combined with historical data, weather changes, secondary hydraulic balance, room temperature monitoring and other working conditions, Wise Living's intelligent heating cloud platform can make rolling forecasts of the thermal load in the next 48 hours, as well as the supply and demand trend of the full heat network, accurately locating areas with significant load forecast deviations.

Dispatch optimization

Wise Living' intelligent heating cloud platform has a balance control algorithm to provide strategies for the whole network balance control. Based on load prediction and simulation model technology, the platform adopts model prediction control method to analyze the online hydraulic balance of the entire network according to real-time data, judge the operation situation and safety margin of the heat network, calculate the optimal balance control plan under the target conditions with intelligent algorithm, determine the parameters of each thermal station, and automatically send the control data to each controller, so as to achieve automatic balance control and optimal operation scheduling of pipe network.

Risk monitoring

Wise Living' intelligent heating cloud platform uses the analysis and simulation function of GIS to store, manage, retrieve, maintain and update the basic data of various equipment, and provides scientific and reliable basis for the inspection, analysis, statistics and risk warning of the heating pipe network through the visual management of GIS maps.

The intelligent heating cloud platform builds a heating system model, including large facilities and structures such as heat sources, pipe networks, heat exchange stations, buildings, etc., and refines them to pipelines, valves and other equipment or parts. It can dynamically monitor and diagnose the operating parameters of heating units and equipment online, statistically analyze and grasp the operating status of the entire network and give early warning and alarm reminders for abnormal fluctuations of key parameters, so as to facilitate rapid detection of operational risks. For example, the Group uses distributed optical fiber temperature sensing technology for real-time temperature monitoring. When there is a local leak in the pipeline, the digitalised heating system can capture these abnormal signals in time, and locate and mark the location of the accident point in the electronic map, which is convenient for pipeline maintenance personnel to overhaul and handle in time and avoid the occurrence of major accidents.

2.3 Intellectual property management

Wise Living attaches great importance to scientific research achievements and intellectual property management, has formulated system documents such as the Intellectual Property Management System (《知識產權管理制度》), clarified intellectual property management norms, and strengthened its own intellectual property operation level. In terms of prevention of infringement, the Group regularly searches the patent items with infringement risk of Wise Living's patent on the inquiry website for reviewing patent information every quarter, and conducts infringement risk analysis and confirmation for specific items to protect the Group's patent security. In terms of awareness enhancement, the Group also conducts intellectual property protection exchange training to enhance the patent application skills and intellectual property protection awareness of its employees.

Guarantee Centralized Heating and Warm Thousands of Households

The Group has continued to improve the relevant regulations on intellectual property protection, and encouraged technology research and development innovation and intellectual property protection. After years of production practice and technological innovation accumulation, Wise Living owns 144 intellectual property patents.

Wise Living's key core patents	
1. A heating device for central heating	9. An equipment for comprehensive utilization of waste heat of coal slag
2. A central heating device that can utilize waste heat	10. A waste heat utilization device for flue gas pipeline
3. A kind of thermal insulation pipeline for central heating	11. A regenerative industrial waste heat recovery equipment
4. An energy-saving central heating control device	12. Low-temperature residual flue gas heat recovery and utilisation technology
5. A central heating desulfurisation and dust removal device	13. Fully-sealed free expansion high temperature pellet conveying device
6. A distillation device for waste heat utilisation	14. A multi-module assembly heat extraction device
7. An industrial heat exchanger	15. A starting pole piece processing and positioning device
8. An energy-saving and environmentally friendly central heating device	

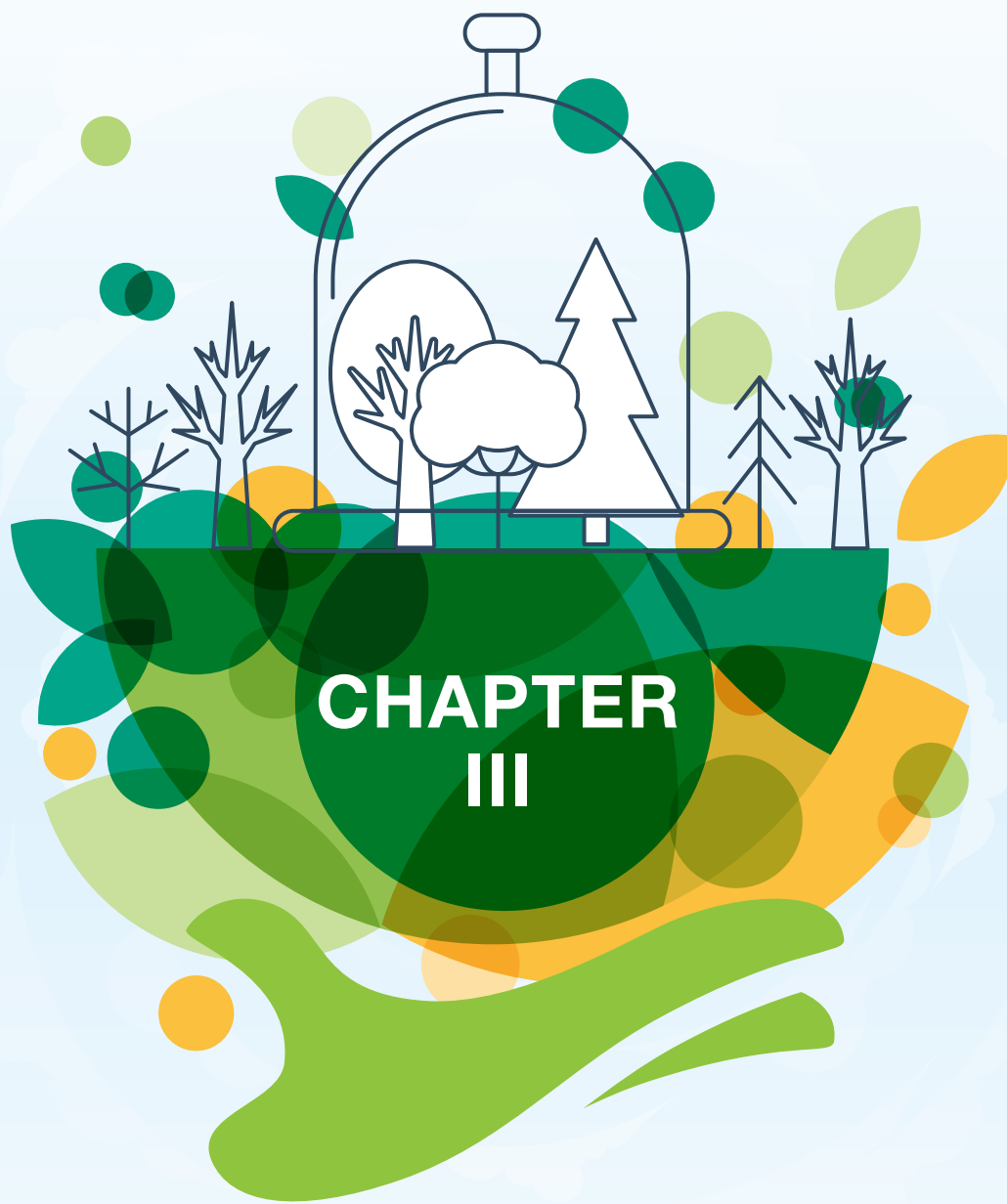
3. IMPROVING EFFICIENCY AND LEAN MANAGEMENT

Wise Living has implemented 6S management as the core strategy of its lean management, aiming to enhance work efficiency and strengthen environmental protection responsibilities through on-site management methods in six dimensions encompasses organizing (Seiri), straightening (Seiton), sweeping (Seiso), cleaning (Seiketsu), literacy (Shitsuke), and safety (Safety).

The first step in the Group's implementation of 6S management is to delineate responsibility areas, ensuring that each area has a designated person in charge. This approach ensures that management standards are enforced at every stage, thereby enhancing overall work efficiency. Normalized organizing and straightening, not only is the efficiency of the workplace optimized, but resource waste is also reduced, meeting green development requirements.

Moreover, during the heating season and the off-season, the Group conducts both scheduled and unscheduled comprehensive inspections, to ensure the optimal performance of equipment and systems and guarantee the proper implementation of 6S management. This inspection mechanism aids in the timely identification and resolution of problems, mitigates potential safety risks, and reinforces the commitment to environmental protection responsibilities.

With 6S management, the Group not only boosted work efficiency but also reinforced its dedication to environmental protection, underscored the Company's steadfast determination towards ongoing improvement and responsibility fulfillment, relentlessly pursued excellence through meticulous management, providing employees with a safe and efficient working environment, while delivering greater environmental benefits to society.



CHAPTER III

**Practicing Clean Heating and
Protecting Green Homeland**



Wise Living Technology adheres to environment-friendly heating, attaches great importance to its own environmental protection responsibilities, plans in an orderly manner and takes multiple measures to reduce or avoid the adverse effects on the environment in any operating process. The Group is committed to becoming a pioneer and leader in the heat service industry to implement the concept of green development. At the same time, the Group analyzes and assesses the business' climate resilience, and seizes with forward-looking climate opportunities and makes "Wise Living contributions" to the response to climate change.

01 INDICATOR RESPONSE



- A1 Emissions
- A2 Use of resources
- A3 The Environmental and Natural Resources
- Part D: Climate-related disclosure

02 ISSUE RESPONSE



- Energy management
- Water management
- Waste management
- Air pollutant management
- Response to climate change

03 PERFORMANCE HIGHLIGHT



Using 2023 as the base year, water consumption intensity reduced in 2025 by :

12.3%

Environmental pollutants discharge compliance:

100%

The "Energy Island No. 1" project in Xi County,

Shanxi, derives approximately **95%** of its heating supply from clean energy.

Practicing Clean Heating and Protecting Green Homeland

1. ADDRESSING CLIMATE CHANGE

Wise Living is keenly aware that climate change is a common challenge facing the entire world. The Group actively implements the national “dual carbon” strategy, integrates climate change response into its overall sustainable development plan, gradually refines its climate governance framework, proactively identifies the potential impacts and risks posed by climate change, systematically plans its climate governance and engagement, and advances efforts to address climate change. In accordance with the relevant requirements of the HKEX’s “Implementation Guidance on Climate Information Disclosure under the Environmental, Social, and Governance Framework (《環境、社會及管治框架下氣候信息披露的實施指引》)”, we have conducted a series of analyses. By focusing on the following four core elements: governance, strategy, risk management, and metrics and targets. We aim to enhance transparency in our climate-related work and provide guidance for such initiatives.

Governance

A systematic and comprehensive governance framework is the cornerstone of effective climate management. The Group has established a top-down approach to climate change management and has implemented a three-tier governance structure comprising the “decision-making, management, and operational levels” to collaboratively advance the Group’s efforts to address climate change. For details on the Group’s ESG governance structure, please refer to the “ESG Governance” section.

As the highest decision-making body, the Board of Directors bears primary responsibility for climate change management. With the support of the ESG Working Group, it regularly reviews climate-related risks and opportunities and incorporates climate considerations into the ESG strategy and the Group’s strategic planning; the ESG Working Group, acting as the management layer, implements climate-related work plans and strategic planning through dedicated task forces, and supervises and guides departments and subsidiaries in carrying out climate-related work; functional departments and subsidiaries, acting as the execution layer, are responsible for cooperating with the ESG Working Group to implement relevant work plans and report related information. The Board primarily reviews risks and opportunities related to climate change and monitors progress toward sustainability goals and metrics by receiving regular reports from the ESG Working Group (at least once a year).

To effectively guide the Group’s efforts and actions in addressing climate change, we have established the Response to Climate Policy for Wise Living Technology (《慧居科技應對氣候政策》) to clarify the guidelines and requirements for setting climate change-related strategies and targets. We will work together with internal and external stakeholders, including customers and suppliers, to implement climate change management requirements and ensure the effective advancement of our climate change response initiatives. The Group also places a strong emphasis on enhancing its climate change management capabilities by providing climate-related training to the Board of Directors to ensure they possess the necessary expertise and capabilities to oversee climate-related matters and stay abreast of trends in climate-related policies, markets, and technologies. At the same time, the Group is considering further refining the mechanism for integrating climate-related indicators into existing employee performance evaluations, promoting the effective alignment of greenhouse gas emission targets, energy targets, and other such goals with compensation assessments, and driving the steady implementation of climate governance initiatives.

Strategy

The Group closely monitors the risks and opportunities posed by climate change. By identifying, analyzing, and assessing the impact of climate-related risks on its business, operations, and finances, the Group develops targeted response measures and seizes industry opportunities arising from climate change, thereby continuously advancing its climate change response efforts in a substantive and effective manner.

Practicing Clean Heating and Protecting Green Homeland

To gain a deep understanding of the potential impact of various risks and opportunities on the Group, we have categorized the timeframes of risk impact based on an analysis of our business model and value chain, taking into account factors such as the characteristics of each risk:

Time frame	Short-term	Medium-term	Long-term
Definition	1–3 years	4–10 years	Over 10 years

To gain a deeper understanding of the impacts of climate change, the Group has identified, analyzed, and assessed relevant climate risks and opportunities based on its own operations. We have compiled a list of climate risks and opportunities relevant to the Group and are actively implementing management measures to address the potential impacts of each category of significant risks and opportunities. Our aim is to mitigate and control risks, capitalize on relevant opportunities, and enhance our capacity to respond to climate change. In the future, we will update our list of climate change-related risks and opportunities as needed to ensure its comprehensiveness and relevance.

Risk categories	Potential impact	Impact on value chain	Time frame	Countermeasures	Financial impact	
Physical risks	Acute					
	Extreme weather events such as extreme cold, high temperature, strong wind, heavy rain, sand and dust occur frequently	<ul style="list-style-type: none"> Destruction of production or office equipment, resulting in loss of assets or energy shortages, disrupting the normal conduct of production activities 	Operation	Medium and long term	<ul style="list-style-type: none"> Pay close attention to weather forecasts and take early measures against extreme weather 	Operating revenue
	Chronic					
Changes in climate patterns	<ul style="list-style-type: none"> Employee safety issues due to extreme weather conditions 	Operation	Long-term	<ul style="list-style-type: none"> Formulate emergency plan for extreme weather and do a good job in ensuring safety in advance 	Cost	
Average temperature rise	<ul style="list-style-type: none"> Impact on workforce management, e.g. reduced operational efficiency due to employee absence Extreme cold leads to a surge in heat demand Generally higher temperatures lead to longer non-heat service periods 	Operation, downstream	Long-term	<ul style="list-style-type: none"> Purchase insurance for heat exchange equipment and machinery, take effective temperature control measures to prevent equipment failure Through the intelligent heating cloud platform, control the heating system in time, to ensure the user's heating temperature under extreme cold weather Simultaneously develop refrigeration business to enhance business climate resilience 	Operating revenue	

Practicing Clean Heating and Protecting Green Homeland

	Risk categories	Potential impact	Impact on value chain	Time frame	Countermeasures	Financial impact
Transformation risk	Policies and laws					
	Higher carbon prices	<ul style="list-style-type: none"> Increased costs for compliance 	Operation	Short-term	<ul style="list-style-type: none"> Strengthen legal compliance management, pay close attention to policy updates, efficiently manage environmental performance in accordance with compliance requirements, and formulate the "Measures for Energy Conservation Review of Fixed Asset Investment Projects" 	Cost
	Stricter disclosure obligations for emissions		Operation	Short-term	<ul style="list-style-type: none"> Control the operating parameters of heating system in real time, conduct maintenance and optimization of heating facilities, improve heating efficiency and reduce heat loss 	Cost
	Stricter regulation on pollutant emissions, products and services		Operation	Short and medium term	<ul style="list-style-type: none"> Plan to trade carbon credits and generate additional revenue with clean heating business model through CCER (China Certified Emission Reduction) mechanism 	Cost
	Technology					
	R&D and investment in low-carbon transformation technologies	<ul style="list-style-type: none"> Facilities and equipment such as coal-fired boilers are scrapped in advance 	Operation	Medium and long term	<ul style="list-style-type: none"> Continue to explore new technologies to ensure long-term sustainable development 	Cost and assets
		<ul style="list-style-type: none"> Increased costs of adopting new technologies, new heat sources and new processes 	Operation		<ul style="list-style-type: none"> Geothermal energy, biomass energy, etc. have been explored and developed to achieve low-carbon heat source combinations 	Cost
	Market					
	Raw material cost	<ul style="list-style-type: none"> Coal mining and electronic costs or prices fluctuate, affecting production costs and stability 	Upstream	Short-term	<ul style="list-style-type: none"> The signing of procurement agreements guarantees a stable supply Implement multiple heat sources combination for heating 	Cost
	Increased attention or negative feedback from stakeholders	<ul style="list-style-type: none"> Rising investor expectations for green, low-carbon, renewable energy technologies 	Downstream	Medium and long term	<ul style="list-style-type: none"> Actively respond to stakeholders' needs and disclose information related to climate change response 	Operating revenue

Practicing Clean Heating and Protecting Green Homeland

The Group firmly believes that taking the lead in climate change mitigation and adaptation efforts will not only effectively address the operational risks posed by climate change but also unlock new development opportunities for the Company and drive its green and high-quality development.

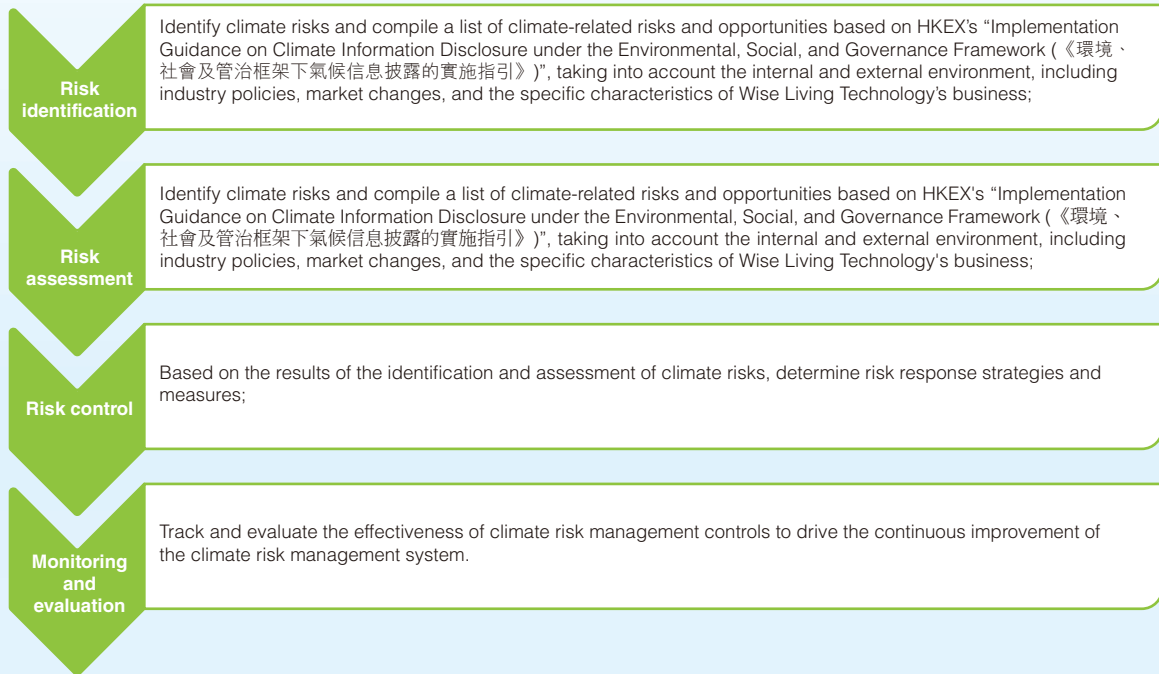
Opportunity categories		Potential impact	Impact on value chain	Time frame	Financial impact
Opportunities	Resource utilization efficiency	<ul style="list-style-type: none"> Improve resource utilization and “three wastes” management efficiency, recycle water resources and reduce enterprise operating costs 	Operation	Medium and long term	Cost
	Energy use	<ul style="list-style-type: none"> Renovate old heating facilities to improve heating efficiency and reduce energy consumption Increase the use of clean energy, and create the “Energy Island No.1” project in the Shanxi Transformation and Comprehensive Reform Demonstration Zone through the comprehensive utilization of a number of new energy technologies 	Operation	Long-term	Cost and assets
	Market	<ul style="list-style-type: none"> Gain market recognition, and implement green technology and enterprise green low-carbon transformation to ensure sustainability of business development 	Downstream	Long-term	Operating revenue

To systematically assess climate-related risks and enhance climate resilience, the Group will progressively advance its climate scenario analysis efforts to identify the potential impacts of various climate scenarios on business performance and develop climate strategies with dynamic adjustment capabilities based on scenario assumptions. As the Group is currently in the early stages of climate-related disclosure, this report does not yet provide quantitative information on the short-, medium-, and long-term financial impacts of climate-related risks and opportunities. Looking ahead, the Group will continue to refine its analyses, quantify the relevant impacts, and enhance transparency regarding climate-related financial impacts.

Practicing Clean Heating and Protecting Green Homeland

Risk Management

Wise Living Technology has integrated a climate change risk management framework into its existing risk management system to proactively identify, assess, and manage potential climate risks, and conduct assessments of climate-related risks and opportunities, establishing a climate risk management mechanism comprising “risk identification, risk assessment, risk control, and monitoring and review”. We incorporate the assessment of physical and transformation risks into our internal control reviews to develop response plans, evaluate their effectiveness, and enhance our climate resilience.



Practicing Clean Heating and Protecting Green Homeland

Indicators and Targets

Wise Living Technology actively promotes technological innovation and the optimization of management processes. Through measures such as equipment upgrades and the implementation of energy-saving technologies, we are committed to achieving a synergistic win-win outcome that balances environmental and economic benefits. The Group prioritizes the monitoring and management of climate-related indicators, regularly tracking and reviewing greenhouse gas emissions performance, and continuously monitoring and evaluating energy efficiency and the effectiveness of carbon reduction initiatives.

2025 Greenhouse Gas Emissions Data of Wise Living Technology

KPI		Unit	2025
GHG	GHG emissions (Scope 1)	tCO ₂ e	457,683.23
	GHG emissions (Scope 2)	tCO ₂ e	74,501.17
	Total GHG emissions (Scope 1 + Scope 2)	tCO ₂ e	532,184.40
	Total GHG emission intensity	tCO ₂ e/thousand of revenue	0.353

To achieve effective management outcomes, the Group has established and publicly disclosed quantitative targets, focusing on two key areas: resource consumption control and emissions management, taking the data in 2023 as the base. By regularly monitoring progress toward our goals and the status of our initiatives, the Group will review and dynamically adjust these goals as needed to ensure the precise implementation of our environmental management efforts. At the same time, the Group is also focusing on establishing a sustainable low-carbon development framework. Currently, we have not yet implemented a carbon pricing mechanism. Looking ahead, we will draw on our operational experience to explore the establishment of an internal carbon pricing mechanism. We will scientifically determine price levels and clarify accountability, thereby laying a solid foundation for advancing structured decarbonization, deepening the concept of carbon reduction among all employees, and guiding the Company toward the adoption of a sustainable low-carbon operational model.

Target categories		Target details	Performance in 2025
Resource Consumption Targets	Energy target	By 2025, reduce non-renewable energy use intensity by 5%	0.953 MWh/thousand of revenue
	Water target	By 2025, reduce water consumption intensity by 5%	0.995 m ³ /thousand of revenue
Emission Targets	GHG emission target	By 2025, reduce GHG (Scopes 1&2) emission intensity by 5%	0.353 tCO ₂ e/thousand of revenue

Practicing Clean Heating and Protecting Green Homeland

2. GREEN DEVELOPMENT AND LOW-CARBON OPERATION

Wise Living continues to improve the management of energy conservation and consumption reduction, improve efficiency of resource utilization, and strive to reduce the possible negative impact of exhaust gas, wastewater and waste on the environment, and integrate green environmental protection throughout the entire operation link to build an environment-friendly enterprise, ensuring the harmonious coexistence of the Group’s business development and natural ecology.

The Group strictly abides by the relevant laws and regulations on environmental protection such as the Environmental Protection Law of the PRC and the Regulations on Environmental Protection Management of Construction Projects, formulates relevant internal policies to standardize the Group’s environmental protection related work, and continuously improves the internal environmental management system and optimizes the environmental management system.

2.1 Energy and resource management

Adhering to the concept and principle of green development, Wise Living takes multiple measures to rationally use resources and optimize community pipe network maintenance, so as to reduce unnecessary resource and energy consumption.

Energy management

With the goal of conserving energy and reducing consumption, we continue to guide and encourage our subsidiaries to plan their energy use rationally, and we improve energy efficiency through measures such as energy-saving technological upgrades, energy recovery and reuse, and equipment maintenance. We have established a mechanism for monitoring and evaluating abnormal energy consumption, conducting regular inspections of the operational status of boilers, pipeline networks, and heating stations to promptly identify and rectify faults in the heating system. We also assist other companies in achieving energy savings through Energy Performance Contracting (EMC) services, thereby reducing the waste of resources and energy both within and outside the Group.



Case: Energy-Saving Technological Upgrades Empowering Low-Carbon Operations

In 2025, focusing on efficient energy utilization, our subsidiary Hulunbuir Shuangliang increased investment in energy-saving technological upgrades, and purchased 87 energy-saving electromagnetic switches for motors, which were installed in heat exchange station systems. By providing power purification and voltage stabilization, this equipment effectively improved the operational efficiency of heat exchangers and reduced energy consumption.



Application of Energy-Efficient Equipment

Practicing Clean Heating and Protecting Green Homeland



Case: Optimizing Heating Plant Systems to Improve Energy Efficiency

In 2025, our subsidiary Lanzhou New Area Shuangliang addressed issues at the Phase I heating station of the Big Data project, including high energy consumption of the units, insufficient heating coverage leading to poor circulation, and suboptimal heating performance, by implementing systematic optimization and upgrades. By operating a single unit to meet actual demand, the company reduced energy waste at its source. In addition, during the renovation process, Lanzhou New Area Shuangliang made full use of existing materials, effectively improving energy efficiency while maximizing resource utilization to support low-carbon operations.



Optimization and Improvement of the Heating Station System

The Group actively improves the supervision and regulation of total energy consumption and intensity through the management system of intelligent heating cloud platform. In response to changes in outdoor weather conditions, the strategic control module of the intelligent heating cloud platform enables time-based temperature regulation for heating units, optimizes temperature profiles, and further enhances the energy management of heating stations, thereby reducing energy consumption while ensuring that users' heating needs are met.

Power consumption management

- The intelligent heating cloud platform can strictly control the operating parameters of circulation pumps. During the early and late stages of the heating season, it appropriately reduces the number of circulation pumps in operation or lowers the frequency of the variable-frequency drives. At night and on holidays, it operates the circulation pumps at the heating substation at a reduced frequency to ensure adequate circulation at the end of the secondary network while reducing power consumption at the heat exchange station.

In addition, we take root in clean heating, continues to explore renewable energy utilization opportunities, and continue to move towards green transformation with better energy structure and advanced clean technology advantages. Shanxi Shuangliang Renewable Energy, a subsidiary of the Group, actively practices the concept of three-dimensional energy extraction from the sky, ground and underground in the clean energy heating system. It has basically formed a number of key advanced technology matrices for energy extraction and consumption, including photovoltaic power generation and heating, solar thermal power generation and solar boilers, air sources, sewage sources, reclaimed water sources, shallow geothermal energy, medium geothermal energy and deep dry heating.

We actively advance the Energy Island construction project. By integrating various technologies for the comprehensive utilization of new and renewable energy sources, we promote energy conservation and emissions reduction while ensuring the well-being of the public, thereby contributing to the achievement of clean heating goals. In the future, Wise Living will continue to work on the technology research and development and application of geothermal energy in the support for people's livelihood and the improvement of the ecological environment, increase the development and investment of geothermal technology, innovate business models, drive the upgrading of the industry, expand geothermal energy application scenarios, and help geothermal energy develop in an all-round way.

Practicing Clean Heating and Protecting Green Homeland

“ENERGY ISLAND NO. 1” PROJECT IN SHANXI TRANSFORMATION AND COMPREHENSIVE REFORM DEMONSTRATION ZONE

The Energy Island No. 1 project in Shanxi Transformation and Comprehensive Reform Demonstration Zone was independently designed and constructed by Shanxi Shuangliang Renewable Energy, a subsidiary of the Group. Since its commencement of official operation in 2019, it has been a demonstration project for the comprehensive use of green energy, as well as the largest “geothermal + multi-energy” joint energy heating project in China. The project integrates 13 kinds of clean energy utilization technologies such as shallow geothermal energy, medium and deep geothermal energy, solar photovoltaic, solar thermal, air source heat pump, wind power generation, energy storage, etc., with three-dimensional energy extraction, cascade utilization, and multi-energy complementarity, and the heating scale reaches one million energy levels, which can achieve a heating area of about 1.06 million square meters and a cooling area of 200,000 square meters.

At the same time, the project marks the first application of the fifth-generation new geothermal energy utilization technology jointly developed by Shanxi Shuangliang Renewable Energy and the Guangzhou Branch of the Chinese Academy of Sciences — “phase change heat extraction technology for medium-deep gravity heat pipes”. This technology is free from geographical constraints, requiring no geothermal water. It features excellent thermal conductivity, high heat extraction capacity, high utilization potential, and energy-saving benefits, etc., earning it the reputation of an underground super boiler.



Image of the Energy Island No. 1 Project in Shanxi Transformation and Comprehensive Reform Demonstration Zone

The green energy island project in the science and innovation city of Shanxi Shuangliang Renewable Energy was awarded the “2024 Typical Case of Industry-Innovation Integration in Shanxi Carbon Valley”. As one of the typical representatives, the “Energy Island No. 1” project in Shanxi Transformation and Comprehensive Reform Demonstration Zone has produced good demonstration effects and domestic and foreign influence, thanks to its core strengths, including a diverse range of renewable energy sources, advanced technologies for optimizing complementary energy combinations, highly intelligent heating system management, and individual heating areas exceeding one million square meters.

Practicing Clean Heating and Protecting Green Homeland

Advantages and Characteristics of Clean Heating of “Energy Island No. 1” Project in Shanxi Transformation and Comprehensive Reform Demonstration Zone

Comprehensive utilization and management of several new energy technologies	Digital empowerment of green energy
<p>“Energy Island No. 1” realizes the scientific matching and multi-energy complementary heating (cooling) technology route of various energy sources under different climatic conditions. During the heating operation in winter, according to the different conditions of the initial cold period, the final cold period and the severe cold period, the Energy Island strictly controls and reasonably matches each use technology to achieve the most economical and most efficient operation.</p>	<p>“Energy Island No. 1” not only serves as the National Thermal Power Regulation and Command Center, the Data Analysis Center, and the Emergency Response and Disaster Backup Center of Wise Living, but also shoulders the responsibility of ensuring the safety, stability, economy and wisdom of all heating companies under Wise Living.</p>
Achieving comprehensive environmental governance	Geothermal and multi-energy complementary intelligent heating
<p>The core area of Science and Technology Innovation City in Comprehensive Reform Demonstration Zone, Xiaohu Industrial Park and Wusu Comprehensive Bonded Zone are all planned for geothermal heating of “Energy Island No.1”, with a total planned heating area of 200 million square meters. With comprehensive environmental management as our core objective, we will replace traditional coal-fired heating with geothermal energy, thereby reducing air pollutant concentrations at the source and minimizing the over-exploitation of groundwater and the consumption of fossil fuels.</p>	<p>The integrated wells are authorized to jointly bear the responsibility of supplying 70% of the heat source of the Energy Island. From water intake to refill, the geothermal water system adopts a closed cycle, taking only heat but not water, therefore the whole process is featuring zero pollution, zero discharge and zero loss, thus realizing both development and protection of geothermal resources. The remaining 30% of the heating adopts new energy technologies such as air source heat pumps, solar photovoltaics, solar thermal energy, and two condensing heat collection boilers are also configured as backup heat sources for peak shaving, which are multi-energy complementary and more stable.</p>

Practicing Clean Heating and Protecting Green Homeland

“Energy Island No. 1” Project in Xi County, Shanxi

In 2025, our subsidiary, Shanxi Xixian Shuangliang, further advanced the construction and operation of the “Energy Island No. 1” clean heating project. By leveraging technologies such as clean energy substitution, system-wide energy efficiency optimization, and multi-energy complementary operation, the company established a multi-energy complementary green heating system to provide clean heating to the Beicheng New District of Xi County.

<p>Clean energy substitution</p>	<ul style="list-style-type: none"> By using geothermal energy as the primary heat source to replace traditional coal-fired boilers, coal consumption has been significantly reduced.
<p>System energy efficiency optimization</p>	<ul style="list-style-type: none"> By analyzing operational data, we have identified and resolved the issue of heat loss caused by excessive flow in the pipeline network, thereby improving energy efficiency.
<p>Multi-energy complementary operation</p>	<ul style="list-style-type: none"> In actual operation, the system flexibly utilizes various clean energy sources, such as geothermal energy, air-source heat pumps, and gravity heat pipes, and only activates gas boilers for peak-shaving during extreme weather conditions or similar situations, thereby maximizing the use of green heat sources.

In 2025, the “Energy Island No. 1” project in Xi County, Shanxi Province, provided heating to an actual area of 381,600 square meters, with clean energy accounting for approximately 95% of the total heating supply. Of these, geothermal energy accounted for approximately 81.67%, gravity-fed heat pipes account for approximately 4.21%, and air-source heating accounted for approximately 9.52%. The “Energy Island No. 1” project in Xi County, Shanxi Province was selected in December 2025 as a demonstration project under the “Lucid Waters and Lush Mountains Are Invaluable Assets” Practice Innovation Base, recognized by the Ministry of Ecology and Environment of the People’s Republic of China.

In 2025, the proportion of clean energy used for heating in the “Energy Island No. 1” project in Xi County, Shanxi reached approximately

95%

Practicing Clean Heating and Protecting Green Homeland

In the future, Shanxi Xixian Shuangliang will focus on fully tapping into geothermal potential and optimizing system operations to continuously improve the project's energy efficiency and cost-effectiveness, thereby laying a solid foundation for expanding the coverage of clean heating.

- **Harnessing Geothermal Potential:** To further improve the efficiency of geothermal resource utilization and reduce reliance on backup gas boilers, the plan for the 2025–2026 heating season is to convert two backup wells into production wells. By increasing the volume of geothermal water extracted, we will continue to strengthen geothermal energy's capacity to serve as the primary heat source.
- **Optimizing System Operations:** To address the energy waste caused by “high flow rates and low temperature differentials” in the pipeline network during certain heating seasons, we plan to implement refined operational controls during the 2025–2026 heating season. By optimizing pipeline flow parameters, we aim to significantly reduce energy consumption in transmission and distribution, thereby further enhancing the project's overall energy efficiency.



Image of the Energy Island No. 1 project in Xi County, Shanxi

Water management

Wise Living attaches great importance to the management and protection of water resources. The Group actively implements water resource conservation measures in all aspects, strictly follows industrial water treatment design norms, transforms and improves industrial water efficiency, and deepens water conservation optimization measures to reduce waste of water. Wise Living's water sources mainly come from the municipal network, and there is no problem in obtaining suitable water sources.

We actively implement technical optimization measures to reduce water consumption. The Group comprehensively optimizes the equipment for condensate and softened water, and adjusts the PH value of water to neutral by setting up an automatic dosing device to reduce the hardness of water production, prolonging the time for water producing, reduce the number of regeneration, and effectively reducing the water consumption for regeneration. This has resulted in annual water savings of approximately 2,000 tons. The Group has also improved its water loss management through the Intelligent Heating Cloud Platform, thereby reducing water consumption while ensuring that users' heating needs are met.

Water loss management

- For heating stations experiencing significant water loss during operation, the analysis module of the Intelligent Heating Cloud Platform retrieves the unit's makeup water curves and analyzes the patterns of water loss at the heating station. By identifying the time periods during which water loss occurs, the system enables targeted inspections and timely repairs in the corresponding heating zones, thereby reducing water loss at the heating station.

Practicing Clean Heating and Protecting Green Homeland

In addition, we promote the recycling and reuse of water resources. The Group uses a flue gas heat recovery system to collect, store, and reuse the condensate generated. During the 2025 heating season, approximately 61,000 metric tons of condensate were recovered. A closed-loop industrial water system was used to cool the high-pressure turbine bearing housings of the boilers. After being used to cool the fans, the cooling water is returned to the water treatment plant's storage tanks for reuse, with approximately 200,000 metric tons of water reused annually, significantly improving water resource utilization efficiency.

2.2 Eco-environmental protection management

In the process of geothermal energy extraction, Wise Living Technology always prioritizes the protection of the ecological environment, implementing stringent measures to control our impact on it, to realize green and sustainable energy development. Given the considerable depth of the geothermal water layer, the Group has adopted cementing technology in the drilling process, to prevent contamination of shallow groundwater. By using cement-like materials to seal the surroundings of the wellbore as well as specialized cementing equipment, we ensure the secure isolation of aquifers.

Upon completion of drilling, it is necessary to install a casing in the well to further segregate the formation from the interior of the pipe. This is followed by a sequence of specialized procedures including cementing and logging, resulting in a well that meets environmental standards. This meticulous operational process substantially diminishes the environmental risks associated with geothermal extraction, and provides strong guarantee for the sustainable utilization of geothermal resources.

2.3 Emission management

Wise Living strictly abides by the Law on the Prevention and Control of Atmospheric Pollution of the PRC, the Law on Water Pollution Control of the PRC, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other laws and regulations, and regards exhaust gas, wastewater and waste management as the top priority in environmental protection. We have firmly established a pollution control framework centered on discharge permits. In 2025, guided by the principles of "comprehensive coverage of all factors and standardization of all processes", we continued to optimize the management of emissions such as air and wastewater, and further refined the "single-permit" environmental management system. At the same time, the Group practices clean heating, reduces air pollution through equipment transformation, puts wastewater and waste under professional management, and minimizes the possible impact on the environment during operation.

Exhaust gas emission

In order to reduce the impact of exhaust gas emissions on the environment, Wise Living actively promotes prevention and control measures, continuously improves processes for air pollution control, implement total emissions control for pollutants at major discharge points, actively conducts pollutant monitoring, and regularly entrusts qualified third parties and local environmental protection bureaus to sample and monitor, in order to ensure compliance with emissions regulations. The boilers in the Lanzhou area, which mainly use coal-fired heat, have completed the ultra-low emission renovation engineering in accordance with the Plan for Winter Clean Heating in the Northern Region (2017–2021) 《北方地區冬季清潔取暖規劃 (2017–2021)》, and have passed the completion acceptance of the local ecological environment bureau project in 2019.

Practicing Clean Heating and Protecting Green Homeland



Case: Renovation of Ultra-Low Flue Gas Emissions in Circulation Fluidized Bed Hot Water Boilers

The project renovated and upgraded the existing dust collector cloth bag, added mist eliminators and trays in the desulfurization tower, used limestone or gypsum wet flue gas desulfurization process to transform the existing desulfurization tower, and added 3 sets of SCR (Selective Catalytic Reduction) denitrification devices for the flue gas of the existing 3 boilers, and equipped two sets of online monitoring systems. After the completion of the project, the nitrogen oxides, sulfur dioxide and particulate matter emitted by the boiler flue gas can meet the special emission limits of air pollutants set by the Air Pollution Emission Standard for Thermal Power Plants (GB 13223–2011).

Wastewater management

The Group strictly manages all aspects of wastewater treatment. We implement standardized wastewater treatment processes and technologies, and are equipped with professional wastewater treatment facilities to effectively treat both industrial and domestic wastewater. We provide professional sewage treatment equipment, formulate testing standards, and conduct dynamic testing to ensure that nitrogen, Chemical Oxygen Demand, Biochemical Oxygen Demand, etc. meet the first-class standard limits and are discharged into the municipal drainage pipe network in compliance with regulations. At the same time, in strict accordance with the standard of Urban Sewage Recycling — Urban Miscellaneous Water Quality (《城市污水再生利用 — 城市雜用水平水質》)(GB/T 18920–2002), the Group reuses part of the wastewater for plant greening and dust reduction.

Taking Lanzhou Shuangliang, a subsidiary of the Group, as an example, it organizes the testing of PH value, COD and other indicators in strict accordance with the requirements of the Technical Guidelines for Self-monitoring of Pollutant Discharging Units — Thermal Power Generation and Boilers (HJ 820–2017) (《排污單位自行監測技術指南 — 火力發電及鍋爐(HJ 820–2017)》), and discharges the wastewater into the municipal pipe network and into the sewage treatment plant in compliance after meeting the discharge standards.

Waste management

In accordance with the relevant laws and regulations, Wise Living formulates and implements relevant pollution prevention and control management systems and operating procedures for each subsidiary, adopts targeted professional treatment of industrial solid waste based on coal ash and slag in the production process, and identifies domestic garbage and toxic and hazardous waste for garbage classification management, and fills in the solid waste combing list. For hazardous waste, we have established a dedicated temporary storage area and contracted qualified entities to carry out safe disposal. We strictly enforce the hazardous waste transfer manifest system to ensure that waste is disposed of in compliance with regulations.

The Group always adheres to source reduction to maximize the reduction of landfills, actively promotes waste reduction and recycling, and continues to explore technology and management paths for waste reduction, recycling and harmlessness to enhance employees' environmental awareness.

Practicing Clean Heating and Protecting Green Homeland



Case: Upgrading and Modernizing Hazardous Waste Management

In 2025, our subsidiary, Lanzhou New Area Shuangliang, carried out an upgrade and renovation of its hazardous waste storage facility to enhance the safety of the hazardous waste storage environment. Based on the principles of “compliance, safety, environmental protection, and long-term durability”, we selected low-VOC, solvent-free epoxy floor coatings that offer impermeability, corrosion resistance, and anti-static properties in this renovation project. The work was carried out in accordance with standardized procedures, and designated areas for the classified storage of hazardous waste were established, complete with spill containment systems. This three-tiered protection system thoroughly addressed the original floor’s leakage risks and effectively mitigated safety hazards.



Upgrading and Modernizing Hazardous Waste Management

2.4 Green office

Wise Living actively explores the green office model, implements digital office to improve energy efficiency, advocates the concept of environmental protection and energy saving, consolidates employees’ awareness of environmental protection, and continuously improves the Group’s green operation and management level.

Paperless Office	<ul style="list-style-type: none"> • Encourage the use of electronic version of documents; • Double-sided printing and secondary use of printed paper to reduce unnecessary paper waste.
Enhance Environmental Awareness	<ul style="list-style-type: none"> • Promote publicity and education on energy conservation and emission reduction and establish employees’ awareness of energy conservation and low carbon.
Green Travel	<ul style="list-style-type: none"> • Encourage employees to travel on public transport; • Equipped with new energy vehicles.
Material Use	<ul style="list-style-type: none"> • Adopt green printing method and environmental protection raw and auxiliary materials; • Ensure that the entire life cycle of printed matter from raw material selection, production, use and recycling meets the requirements of green environmental protection.
Resource Savings	<ul style="list-style-type: none"> • Turn off the faucet regularly and check the faucet for leaking water to repair in time, reduce the waste of water; • Encourage employees to turn off office equipment after work and reduce standby time for high-power equipment.

Practicing Clean Heating and Protecting Green Homeland



Case: Organizing an Energy Conservation Awareness Week

In 2025, our subsidiary Shanxi Demonstration Zone Heat Supply held an Energy Conservation Awareness Week under the theme “Energy Conservation and Efficiency Improvement: Renewal and Leadership”. Through activities such as energy-saving educational animations and the sharing of everyday energy-saving tips, this event actively promoted and disseminated energy-saving knowledge. At the same time, Shanxi Demonstration Zone Heat Supply strongly promoted the concept of “green travel”, encouraging employees to prioritize walking, cycling, or using public transportation for commuting and daily travel.



Learning Through Energy-Saving Educational Animations



CHAPTER IV

Optimizing Customer Service to Drive Industry Development



Wise Living sets standards for user heating network access and payment, continuously optimizes the heat service management system, listens to user feedback and strives to improve user satisfaction. The Group also integrates ESG requirements into the entire supply chain management process and actively engages in communication and training with suppliers, and simultaneously strengthens the upstream and downstream management of the heating business to promote the prosperity and development of the industry.

01 INDICATOR RESPONSE



B5 Supply chain management
B6 Product responsibility

02 ISSUE RESPONSE



Quality service
Supply chain management

03 PERFORMANCE HIGHLIGHT



Ensure that the average indoor temperature of residents is not lower than

18 degrees Celsius

Complaint resolution rate of

100%,
customer satisfaction rate of
99.5%

24h all-day heating, all-day monitoring and all-day business acceptance

In 2025, there was no major ESG negative impact or serious violation of laws and regulations among the suppliers of the Group

Optimizing Customer Service to Drive Industry Development

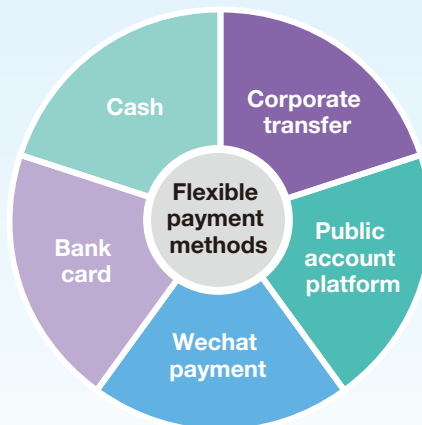
1. WHOLE NETWORK HEATING AND CUSTOMER SERVICE

1.1 Heating network access and payment management

The Group is deeply engaged in the heat service industry in the “Three North Region”, expanding the use of clean energy through the construction of a huge heating network, laying the foundation for improving the regional environment. The Group standardizes the heating network access process and provides diversified heating cost payment methods to enhance customers’ heating experience.

The Group is committed to improving the process and service of network access and has implemented the Heating Network Access Management System (《供熱入網管理制度》) to promote the standardization, normalization and institutionalization of heating network access services. Before carrying out heating network access, the Group will conduct a thorough investigation of the region, understand the demand for heat, evaluate the market potential, and compile the annual network access plan. After accepting the customer’s demand for access to the network, the engineering and technical department shall carry out the construction survey and prepare the preliminary design proposal. After the preliminary proposal is jointly reviewed, the Group leaders will further consider and approve the construction proposal and project budget and arrange to sign the heating network access contract with the users. After the signing of the contract, the heating customer service department will take the lead in launching the project start-up meeting to ensure adequate material supply and appropriate personnel arrangements, providing high-quality service experience throughout the process.

On the basis of strictly abiding by laws and regulations and industry service standards, the Group is committed to providing convenient and transparent heating payment services. The Group has clear guidelines on all aspects of heating payment management, pays attention to communicating with customers in terms of contract terms, notifies users of price adjustments and other changes in a timely manner, and handles service requests efficiently. At the same time, the Group provides different settlement methods and flexible payment options for heat services. When taking legal measures against overdue payments, the Group will also take into account the financial situation of customers and strive to ensure that the whole process of service is responsible, and revenue is in compliance with the law.



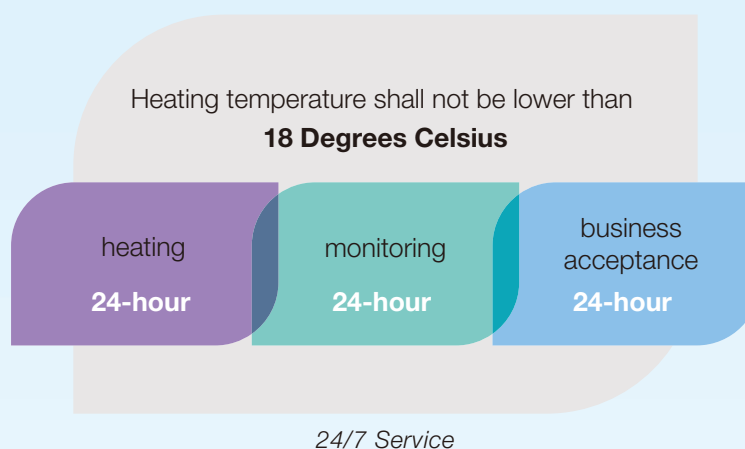
Optimizing Customer Service to Drive Industry Development

1.2 Customer service management system

The Group's resident customers are mainly household customers, while non-resident customers include property companies, commercial operators, government agencies, educational institutions, hospitals, airports, stations, etc. The Group continuously improves the Customer Service Manual (《客戶服務手冊》), fulfills specific work requirements such as heating responsibilities, service commitments and fault handling, and attaches importance to customer feedback. By improving the workflow, the Group creates a warm and efficient heating experience for millions of households.

All-day service

The Group regards “urban heating is no trivial matter, house heating must be ensured” as its service purpose and promises to provide 24-hour uninterrupted heat service during the heat service period stipulated by the government, and to ensure that the average indoor temperature of residents is not less than 18 degrees Celsius. In addition, the Group monitors the whole heating process 24 hours a day, and the staff on duty will conduct spot checks on the heating area and adjust the flow of the heating network in time. In case of facility failure, emergency repairmen on standby will arrive at the scene in time for equipment maintenance. Wise Living provides users with business consultation, information inquiry, business complaints and fault repair services 24 hours a day, and with timely feedback. Depending on the severity of the fault, minor repairs are guaranteed to be completed on the same day, while major and medium repairs will not exceed three days.



Customer complaint handling

Wise Living has always upheld its “customer-first service commitment”, enhancing the customer experience by promptly addressing customer needs and providing standardized maintenance services. At the same time, we have built a perfect customer complaint handling mechanism for this purpose and use heat service management software to improve service efficiency, facilitating timely responses to customer needs.

Optimizing Customer Service to Drive Industry Development

Prompt response to user needs	Standardized maintenance service	24-hour complaint handling mechanism
<p>The Group responds to the user’s questions in a timely manner, and the user can call the customer service telephone directly or go to the business hall of the heating company for consultation. It will take no more than 3 working days for customer service to receive the inquiry and reply to the question. Questions that cannot be answered online will be transferred to the relevant departments for professional consultation and processing. This will ensure that users’ problems are fully resolved.</p>	<p>The Group has formulated stringent maintenance specifications, requiring staff to verify the maintenance content before maintenance and patiently answer users’ questions. During maintenance, it is necessary to ensure that the work site is neat and orderly, and it is strictly prohibited to destroy existing facilities without permission. Maintenance personnel are committed to improving the quality and efficiency of repairs. For any repairs that fail to meet standards, the Group will arrange another visit to ensure customer satisfaction.</p>	<p>The Group has set up a 24/7 complaint hotline. When users have objections to heating quality, service attitude, payment and other matters, they can call the hotline 24 hours a day to complain and report. The Group will handle each complaint with a highly responsible attitude, responding promptly to ensure that the legitimate rights and interests of users are protected.</p>

In 2025, the Group received a total of 14,561 service feedback and 32,008 customer return visits. The complaints raised by customers were mainly related to minor technical problems. For complaints, the Group followed up and handled them in accordance with relevant procedures and systems, with a handling rate of 100%, and no major complaints related to the quality of heat services were received.

In addition, the Group has established a data archiving and storage mechanism to sort out and archive all kinds of video, paper and other data fed back by staff, so as to minimize the possibility of disputes and provide a reasonable basis for handling user complaints.



Case: Adhering to the “Daily Settlement” Principle, Creating a High-Efficiency Service Loop

Our subsidiary, Hulunbuir Shuangliang, has established a smart service system based on the principle of “addressing issues before complaints arise”, thereby achieving a fundamental transformation in its service model. In 2025, by integrating data from both its “in-house temperature monitoring” and “residential room temperature monitoring” systems, Hulunbuir Shuangliang gained precise insights into both macro-regional and micro-household-level conditions. The company proactively intervened and adjusted operations in advance during scenarios such as the start of the heating season and extreme cold weather, resolving issues before complaints were even filed. At the same time, Hulunbuir Shuangliang strictly implemented the “daily clearance and settlement” policy and its commitment to resolving government service requests within 48 hours. To improve efficiency, Hulunbuir Shuangliang will contact users in advance to begin resolving issues before work orders are officially issued. Through monthly work order root-cause analysis, the company has enabled long-term solutions to address common issues at their source, thereby continuously improving service quality and user satisfaction.

Optimizing Customer Service to Drive Industry Development

Customer service training

Customer service professional training is an important part of improving the service quality of enterprises. The Group carries out targeted customer service training every year, including basic etiquette, business knowledge, communication skills, sales skills, etc. For the Year, the Group conducted structured service process training for customer service personnel, involving heating-related emergency response procedures and simulated maintenance practical assessments. The training integrated theory with practice to ensure timely and effective responses to customer inquiries.



Case: Strengthening the Foundations of Customer Service Staff and Enhancing Service Professionalism

In 2025, in preparation for the new heating season, the Customer Service Department of our subsidiary, Taiyuan Renewable Energy, organized comprehensive training for all staff prior to the start of operations. The training strictly aligned with service standards and job responsibilities, and innovatively incorporated a “real-world scenario simulation” module: by conducting in-depth analyses of historical data, it focused on residential complexes with high volumes of service requests and recurring issues to preemptively rehearse response procedures and time-sensitive requirements for “mass incidents” and “public opinion incidents”, thereby shifting from reactive response to proactive prevention.

The purpose of this training is to translate the philosophy of “customer-centric and service-oriented approach” into actionable steps. By strengthening our capabilities in proactive analysis and standardized response, the team is committed to translating our work into a high-quality service experience that users can truly feel and appreciate, thereby laying a solid foundation for building a harmonious and supportive relationship between the utility provider and its customers.

1.3 Improvement of customer satisfaction

The Group practices the service concept of “warm people, warmer hearts”, and attaches great importance to the satisfaction of users. In order to strengthen the relationship with users, the Group goes into various communities to listen to the users, keeps users’ opinions in mind, and serves every user wholeheartedly by strengthening communication and publicity and standardizing data archiving.

In 2025, customer satisfaction reached

 **99.5%**

Optimizing Customer Service to Drive Industry Development

Communication and coordination

The Group is stationed in the community within its jurisdiction, deeply understands the user's evaluation of the service and actively solicits suggestions. For issues of special concern to users, the Group will reach consensus with administrative units, residents' representatives, property management companies and other parties through the mechanism of discussion and consultation.



Case: Close Community Engagement, Heartwarming Service

In 2025, our subsidiary Shuozhou Renewable Energy established a refined grid-based service system. Grid officers were deployed across all residential communities to regularly share updates on service improvements, progress on fault resolution, and helpful tips on heating usage. They also used short-video platforms to continuously educate residents on heating basics and promote the concept of “warm-hearted service”. Currently, Shuozhou Renewable Energy has deployed 149 full-time grid officers, providing services to 642 residential communities across the city and ensuring seamless communication channels with all users. At the same time, the Shuozhou Renewable Energy has organized multiple rounds of specialized skills and service training to continuously improve the professional competence and service awareness of grid officers, ensuring that all user requests during the heating season are “responded to immediately and handled efficiently”, thereby effectively enhancing service capabilities and user satisfaction.

Publicity and promotion

The Group regularly sends people to distribute brochures in the community, and shares heating knowledge with users in the form of short videos through social platforms, so that users can understand heating safety knowledge, investigate potential safety hazards, and further reduce the incidence of accidents.



Case: Deeply Understanding User Needs, Building a Solid Foundation for Service

Adhering to a “customer-centric service philosophy”, our subsidiary, Lanzhou New Area Shuangliang, systematically compiled the Customer Service Manual (《客戶服務手冊》) and the Heating Basics Brochure (《供熱常識宣傳冊》) this year, and carefully produced a series of short educational videos on heating knowledge. This information was widely shared through community and property management channels to various homeowners' groups, effectively raising awareness about district heating. While increasing user understanding, this initiative significantly reduced the number of inquiries and complaints. In addition, during the non-heating season, Lanzhou New Area Shuangliang proactively visited various residential communities to conduct outreach activities. Staff explained heating policies, basic heating knowledge, service standards, and payment procedures to residents on site. They also introduced convenient measures such as offering gifts for advance payment of heating bills, thereby fostering direct communication with users and further enhancing the user experience and sense of satisfaction with the service.

Optimizing Customer Service to Drive Industry Development

2. INDUSTRY DEVELOPMENT AND WIN-WIN COOPERATION

2.1 Whole process management of supply chain

The high-quality development of Wise Living is inseparable from the support of partners. We regard suppliers as important partners, integrate the concept of sustainable development into supplier management, build a responsible supply chain system, and achieve win-win cooperation with suppliers to create a better future.

We always adhere to the procurement policy of “fairness, openness, quality and quantity”. We have formulated a series of supplier management systems, such as the Supplier Management Measures (《供應商管理辦法》) and the Procurement and Supply Business Management System (《採供業務管理制度》), to strictly control the whole process of supplier access, selection, review and evaluation, and implement dynamic management of the list of qualified suppliers to significantly strengthen supply chain risk management. At the same time, we require that at least three suppliers be identified and undergo a fair evaluation for each category of materials and equipment, in order to improve the transparency and standardization of procurement and fully protect the interests of both parties.

Full process management of suppliers	
Supplier access evaluation	<p>During the supplier access process, we follow a standardized procedure consisting of “qualification review–assessment of supplier capabilities–comprehensive evaluation of the supplier’s objectives and advantages–approval for access”. We focus on evaluating the supplier’s operational performance and production or supply capabilities. Specifically, we assess the technical specifications, quality, delivery times, and after-sales service of the materials and equipment being procured, and complete the supplier access review on the procurement platform.</p> <p>This year, the Group strengthened its ESG risk screening of suppliers and its supply chain security risk assessments, and developed differentiated evaluation methods for equipment and service providers.</p>
Qualified supplier screening	<p>After the primary selection of qualified suppliers, the relevant leaders and professional department personnel of the Group will inspect and evaluate the production site and users of the primary suppliers, and finally select the qualified suppliers on this basis. For the selected qualified suppliers, the Group can first conduct a small amount of trial of the products provided by them, and then request for bulk supply after the trial is qualified and the after-sales service is approved by the on-site construction, technology and operation departments.</p>
Supplier assessment and evaluation	<p>The normal supply process starts after the supplier is admitted successfully. If the supplier has problems in terms of quality, delivery time and after-sales service during supply, the Group needs to re-develop and reserve suppliers, and adjust the suppliers with problems in a timely manner.</p>

Optimizing Customer Service to Drive Industry Development

Full process management of suppliers	
Supplier Grading and Classification Management	<p>Based on suppliers' quality standards, contract compliance, delivery capabilities, after-sales service, and pricing, we will categorize them into different tiers and implement differentiated management strategies.</p> <ul style="list-style-type: none"> • Strategic Partner Suppliers: We engage in in-depth cooperation with them through high-level exchanges, long-term agreements, and priority support, and offer preferential order allocation and priority access to new product development. In 2025, the Group further strengthened in-depth cooperation and collaborative innovation with strategic suppliers, optimized classification and grading metrics, and enhanced the evaluation and management of suppliers in different categories within the bid awarding management system; • Qualified suppliers: we maintain normal business cooperation with them and focus on improving product quality and service; • Restricted suppliers: we will reduce or suspend the awarding of new contracts to them, and require them to make corrections within a specified timeframe until the termination process is initiated.

This year, to standardize procurement practices, improve supply chain efficiency, and strengthen risk management and integrity initiatives, we have further optimized our supplier management system by digitizing processes, maintaining a dynamic supplier directory, and establishing formal communication channels.

Process digitization	<ul style="list-style-type: none"> • By leveraging data from business systems (such as quality issues and delivery delays), we have established an automated mechanism for collecting and updating key supply chain metrics, effectively enhancing the objectivity and timeliness of our assessments.
Dynamic Directory	<ul style="list-style-type: none"> • The Group implements dynamic management of its list of qualified suppliers. As a general rule, suppliers that have not been awarded a contract for two consecutive years will be placed on hold. If they wish to be reactivated, they must pass a new round of evaluation; • The Group has established a list of designated suppliers for certain general-purpose materials and implements centralized procurement to ensure product quality while reducing procurement costs and improving procurement efficiency.
Institutionalized communication	<ul style="list-style-type: none"> • We have established a long-term communication mechanism with our suppliers and promote mutual growth by regularly providing them with our evaluation results.

Optimizing Customer Service to Drive Industry Development

Implementation of the “Youyuncai” Information Platform

“Youyuncai” is a bidding and procurement platform launched by the Group in 2023, designed to achieve full-process information management of suppliers and enhance the transparency and standardization of the supply chain. This year, the development of “Youyuncai” has progressed from process digitization to a new phase of digital and intelligent transformation centered on “full process closed-loop management, intelligent compliance, and ecosystem collaboration”, and has achieved significant results in practical application.

The platform’s effectiveness is primarily reflected in the following areas: First, it has achieved “dual breakthroughs” in efficiency and cost reduction. The full digitization of the process has generally shortened transaction times and significantly reduced traditional transaction costs such as transportation and printing expenses. Second, it has yielded significant results in terms of fair competition and cost control. Cloud-based bid opening has enhanced transparency, while the group-wide unified supplier database has broken down geographical barriers, fostering broader market participation and strengthening cost control capabilities through data analysis.

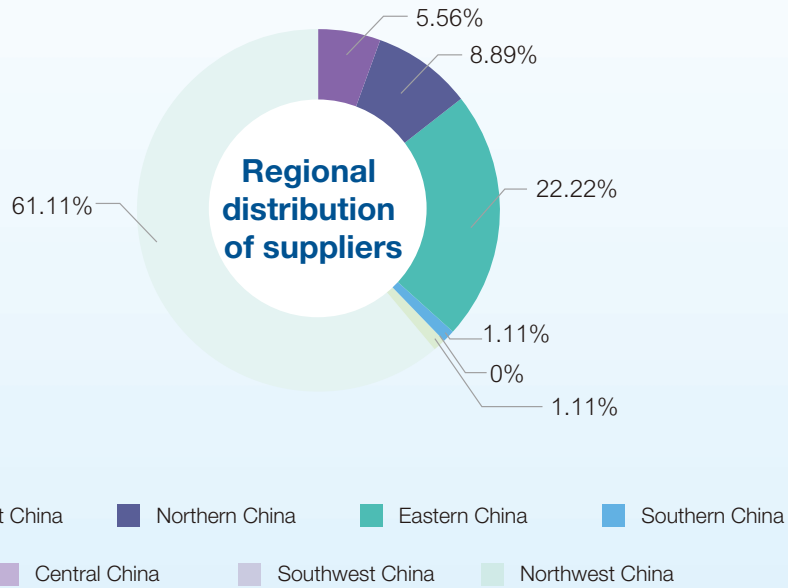
Full process digitalization and automation

- Implement full process digital management across the entire process, from budgeting and procurement to payment;
- The entire bidding process, including invitation, submission, opening, evaluation, and award, is conducted online;
- By applying AI technology, we can intelligently identify bid-rigging and collusive bidding, thereby effectively reducing review time;
- Record the entire transaction process online and provide risk alerts to minimize human intervention;
- Through the “Company Search” module, we can aggregate supplier information to establish a credit evaluation system and a risk early-warning mechanism.

In the future, the “Youyuncai” platform will continue to evolve toward a more intelligent, open, and collaborative ecosystem, leveraging digital capabilities to continuously empower the Group’s supply chain to achieve robust, efficient, and sustainable development.

Optimizing Customer Service to Drive Industry Development

In 2025, the number of suppliers of the Group by region is as follows:



2.2 Supply chain ESG management

Wise Living also pays attention to ESG management of suppliers and tends to cooperate with suppliers with excellent ESG performance. The Group incorporates ESG issues such as environmental protection, protection of employee rights and interests, occupational health and safety, business ethics and anti-corruption into the supply chain management system and sets ESG-related requirements in all aspects of procurement and supplier management to ensure the effective implementation of sustainable development requirements in supply chain management. In addition, the Group prioritizes cooperation with suppliers in the province to reduce GHG emissions caused by transportation and ensure on-time delivery.

In 2025, there were no major ESG negative impacts or serious violations of laws and regulations by suppliers of the Group.

Optimizing Customer Service to Drive Industry Development

ESG Management Requirements of Wise Living's Supply Chain	
Environmental protection	<ul style="list-style-type: none"> • Compliance Requirement: Construction personnel must first register with the Group's Safety and Environmental Protection Department and complete environmental and safety training before being permitted to enter the site; • Procurement standard formulation: In terms of the procurement contracts of production equipment, we set the terms of equipment energy-saving indicators to implement the requirements of green production, energy saving and emission reduction. For coal purchase contracts, we set coal quality requirements such as low sulfur content, moisture content and volatile content to control the emission of waste gas from coal-fired boiler heating; • Supplier access: We inspect the environmental protection qualification of suppliers, and require them to provide certification documents such as ISO 14001 Environmental Management System Certificate; • Supplier process management: We implement category management, carry out environmental protection capability audits on suppliers providing environmental protection equipment/services, and regularly check the validity period of waste gas, wastewater and other pollutants treatment qualification of environmental protection service providers. For construction units, we urge them to implement pollution prevention measures during the infrastructure phase in accordance with national environmental protection laws and regulations. These measures include centralized stacking and unified removal of construction waste, implementation of noise protection methods, etc. Additionally, we conduct regular on-site inspections of construction projects. Should any violations be found, immediate corrective action is demanded.
Employee rights protection	<ul style="list-style-type: none"> • Contract signing: When signing contracts with all bidding construction units, we will require them to sign the Agreement on Guaranteeing the Payment of Migrant Workers' Wages (《保障農民工工資支付協議》), supervise their employment management, and prevent and stop the contractors of the project from defaulting on the wages of migrant workers; • In case of any violation of the above agreement, the corresponding liquidated damages shall be deducted from the project payment to effectively protect the legitimate rights and interests of the supplier's employees.

Optimizing Customer Service to Drive Industry Development

ESG Management Requirements of Wise Living's Supply Chain	
Occupational health and safety	<ul style="list-style-type: none"> • Supplier access: We inspect the production license and occupational health qualification of suppliers, and require them to provide documents such as production license and ISO 45001 Occupational Health Management System Certification; • Supplier process management: In the construction process of the project, construction contractors must hold valid legal qualifications and establish an independent safety production assurance system, the Construction Organization Plan (《施工組織方案》) formulated by the construction unit of the project stipulates measures to ensure safe and civilized construction, such as requiring the construction party to equip and properly wear necessary labor protection supplies, setting up safety enclosure, safety signs and safety propaganda slogans on the site, and conducting regular onsite inspection. At the same time, a full-time safety officer is specially appointed to be responsible for the safety management of the project site, and also to carry out safety training and education for the construction party to improve its safety production awareness.
Business ethics and anti-corruption	<ul style="list-style-type: none"> • Procurement bidding: “Youyuncai” bidding and procurement platform features an anti-corruption monitoring function. The system backend monitors the bidding management dynamics of bidders during the admission, bid quoting and other processes through the bidder’s IP address, so as to effectively prevent the occurrence of collusive bidding. Once collusive bidding is found, the involved supplier is immediately blacklisted, and no further collaboration will occur; • Supplier access: Suppliers are required to provide proof of their corporate integrity qualifications and their performance in terms of business ethics. For example, suppliers should not be listed on websites such as the “National Enterprise Credit Information Publicity System” as severely illegal and untrustworthy enterprises. Additionally, the heads of suppliers should not have any record of bribery or criminal behavior on the “China Judgments Online” website; • Contract signing: All suppliers are required to sign an integrity procurement agreement, namely the Integrity Responsibility Statement (《廉政責任書》), to regulate the activities between business parties, prevent any illegal or disciplinary actions aimed at gaining improper benefits, thereby protecting the rights and interests of all parties involved in the contract.

Optimizing Customer Service to Drive Industry Development

2.3 Industry Exchange and Development

We have always placed great importance on diverse communication and close collaboration with our industry peers and supplier partners. On the one hand, through regular business coordination, technical seminars, and specialized training, we ensure that all parties across the supply chain share a clear understanding of the Group's ESG management objectives and compliance requirements. By fostering stable, mutually trusting partnerships, we lay a solid foundation for building a sustainable supply chain and achieve mutual success. On the other hand, we actively organize or participate in cutting-edge industry forums, professional trade shows, and technical exchange events. By proactively staying abreast of the latest industry trends and technological advancements, we continuously expand the scope of communication and deepen collaboration across the entire value chain. Through these efforts, we unite the industry's collective strength to jointly promote the green and sustainable development of the heating sector.



Case: Deepening Industry Collaboration to Drive Technological Advancement

In June 2025, the deputy general manager of our subsidiary, Lanzhou New Area Shuangliang, led a delegation comprising core technical staff and frontline employee representatives to participate in the 2025 Gansu (Lanzhou) HVAC Exhibition. The exhibition focused on the demand for clean heating in Northwest China, bringing together over 100 leading companies in the industry to showcase new technologies and supporting products in areas such as clean heating and photovoltaic energy storage. A high-level forum on green and low-carbon development was held concurrently. Through site visits and discussions, as well as benchmarking against industry leaders, employees deepened their understanding of how technological innovation drives energy efficiency improvements, broadened their industry perspectives, and strengthened their confidence in leveraging technology to enhance service quality. This has laid the groundwork for exploring low-carbon heating system solutions, optimizing the user experience, and helping to build a green, smart, and efficient heating system.





CHAPTER V

Care for Employees and Growing Together



Wise Living adheres to the management concept of “people-oriented”, and builds a unique talent view of “recruiting people attentively, employing people earnestly and retaining people with good benefits, feelings and environment” to guide talent management. The Group respects each employee, advocates mutual assistance among employees, fully protects their rights and interests, attaches importance to the training of talents, pays attention to their health and safety, and is committed to strengthening the construction of “family-oriented” cohesion to jointly promote the development of the enterprise.

01 INDICATOR RESPONSE



- B1 Employment
- B2 Health & safety
- B3 Development and training
- B4 Labor standard

02 ISSUE RESPONSE



- Employment practice
- Diversity, equality and inclusion
- Employee rights protection
- Occupational health and safety
- Development and training

03 PERFORMANCE HIGHLIGHT



Total number of employees:

816

Training hours per capita:

18.1 hours

2025 Employee Satisfaction Score:

99 points

Care for Employees and Growing Together

1. COMPLIANT EMPLOYMENT AND EQUAL TREATMENT

1.1 Compliant employment and protection of labor rights and interests

Wise Living strictly abides by the Labor Law of the People’s Republic of China and Provisions on the Prohibition of Using Child Labor and other employment and labor-related laws and regulations, formulates the Basic System of Human Resources (《人力資源基本制度》) and Employees’ Code of Conduct (《員工行為規範》), sticks to the bottom line of compliant employment. The Group signs labor contracts with employees in accordance with the law and provides employees with such working conditions and benefits as agreed in the contracts.

In terms of compliant employment, the Group explicitly prohibits the use of child labor and forced labor, and has established and improved a sound employee information verification system. The Human Resources Department conducts strict verification of employees’ information and certificates. If it finds that the information submitted by an employee is materially inaccurate, the labor contract will be terminated immediately according to the system, and the serious circumstances will be dealt with in accordance with the law. In daily work, the Group requires each department to arrange work tasks reasonably and strictly control employees’ work and overtime hours to prevent illegal employment of forced labor. In 2025, there was no child labor and forced labor in the Group.

1.2 Inclusive workplace

Guided by the talent policy of “respecting and attracting talents, employing talents in an unconventional manner, and pursuing the best possible use of talents”, Wise Living strives to create a diverse workplace environment. The Group actively supports the Universal Declaration of Human Rights and the International Covenants on Human Rights, strictly adheres to the requirements of international conventions such as the Discrimination (Employment and Occupation) Convention of International Labour Organization and the United Nations Global Compact, advocates diversity and equal opportunities, prohibits any forms of discrimination and prejudice, and treats employees of different nationalities, races, genders, religious beliefs and cultural backgrounds fairly. In 2025, the Group received no complaints about human rights issues and no major labor disputes occurred.

1.3 Talent recruitment

Wise Living has established a comprehensive talent recruitment system and an internal competition mechanism based on the principles of openness, fairness and impartiality, laying a solid talent foundation for the Group’s sustainable development. With regard to internal competition, the Group employs a standardized selection process to identify outstanding employees who demonstrate strong professional ethics, exceptional job performance, and a proactive attitude, and promotes them into management roles. This fosters a healthy growth environment characterized by fair competition, where the capable are promoted and the underperforming are replaced. As for external recruitment, the Group recruits social talents through various channels, such as social recruitment and school-enterprise cooperation, continuously expanding our talent pool.

<p>Social recruitment</p>	<ul style="list-style-type: none"> • Wise Living recruits talents through online channels such as third-party recruitment platforms and the official website of the Group. • For the recruitment of heating station staff in remote areas, Wise Living actively cooperates with the local village committees to recruit suitable personnel through on-site job fairs, in order to ensure the demand for workers in various positions and support local employment.
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Care for Employees and Growing Together

School- enterprise cooperation

- With the integration of industry and education as its core objective, Wise Living actively establishes talent recruitment channels with universities and vocational colleges. The Group has partnered with institutions such as Lanzhou University of Technology, Lanzhou Jiaotong University, Lanzhou University of Information Science and Technology, and Taiyuan University of Technology to implement joint industry-university programs. These initiatives focus on the Group's key development areas, such as clean energy technology, to cultivate top-tier talent through targeted training programs and establish a dedicated channel for recommending outstanding graduates.

2. TALENT DEVELOPMENT AND WORKING TOGETHER

2.1 Employee compensation and performance management

Based on the principle of “distribution according to labor”, Wise Living has established a standardized remuneration management system. Through its Remuneration System (《薪酬體系》), the Group clearly defines remuneration standards for all levels and positions, strictly enforces equal pay for equal work, and eliminates pay discrimination based on factors such as gender, ethnicity, or disability. Employees' remuneration mainly consists of basic salary, performance payroll, seniority allowance and academic allowance, reflecting the value of the position and individual contributions.

The remuneration committee of Wise Living is responsible for regularly evaluating the overall remuneration standard according to national policies, price levels, industry and regional competition, combined with the overall effectiveness of the Group, to ensure that employees are provided with remuneration standards that have a competitive edge in the region and the industry, so as to fully demonstrate the recognition of the value of the employees and their contribution to the Group.

In terms of performance, the Group sets up different appraisal plans for supervisors and grass-roots employees in accordance with the Performance Appraisal Measures (《業績考核辦法》), and organizes monthly, annual and specialized performance appraisals to reasonably evaluate the work effectiveness of employees, linking performance to compensation to motivate employees.

2.2 Employee development and training opportunities

The personal development of employees is an important part of the sustainable growth of Wise Living. Wise Living has formulated and implemented a Talent System Building (《人才體系建設》) program, conducted regular talent inventory, and established clear evaluation criteria for exemplary talent through horizontal comparisons of employees in various business segments. The Group has built a systematic talent pool to precisely identify candidates for key positions, thereby steadily strengthening the development of its talent pipeline. Going forward, the Group will continuously optimize the mechanism of “selecting, educating, employing and retaining staff” to empower employee growth.

Care for Employees and Growing Together



Case: Special Incentive Mechanism for Key Talent

To attract strategically valuable professionals, the Group has developed a series of targeted incentive programs for key talent, focusing primarily on core project personnel and business partners, such as the General Manager Recruitment Program. These incentive mechanisms go beyond mere financial incentives; they also provide eligible talent with exclusive career development opportunities and support for market expansion, including professional skills training and prioritized allocation of resources, to help them achieve substantial breakthroughs in business development. The implementation of this series of incentive measures will not only effectively enhance the professional capabilities and comprehensive competencies of key employees, but also further expand the Company's market reach and industry influence, ultimately providing a strong impetus for the Company's overall strategic development.

In addition, we have established a Training Handbook 《培訓大手冊》 to guide the systematic development of the Group's talent training mechanisms and to promote the establishment and implementation of systematic training programs covering employees at all levels, from frontline staff to middle and senior managers. This year, the average number of training hours per employee reached 18.1 hours. The Group has established a diversified, comprehensive training framework that encompasses a wide range of programs, including new employee orientation, specialized business training, Party-building themed training, and reading and study sessions. Additionally, the Group periodically invites external experts to deliver specialized lectures, thereby fully enhancing employees' overall competence.

- ***New hire orientation to help employee quickly adapt to job needs***

The Group produces online course for new hire orientation as one of their standardized measures to assist the new employee for their onboarding, which includes code of conduct, foundation of safety management, etc., helping new employees quickly become familiar with company policies and job requirements. After training, we also conduct training tests and training satisfaction surveys for employee to ensure the effectiveness of training and help new employees integrate smoothly into their teams and roles.

- ***Business-specific training to enhance the professionalism of staff***

The Group's Human Resources Department has planned and implemented a series of specialized training programs focused on enhancing core competencies and mitigating compliance risks. The training covers topics such as fire safety, occupational health and safety, regulations governing the heating industry, and legal knowledge including the Civil Code, with the aim of comprehensively improving employees' professional capabilities and strengthening their awareness of compliance.

- ***Corporate culture heritage training to deepen employees' understanding of the Company's culture and values***

The Group treats corporate culture training as a regular activity in its operations, organizing specialized training sessions multiple times throughout the year to communicate the corporate culture, values, and latest policies to employees. This helps guide all employees to deeply understand and put into practice the company's core principles and strategies, thereby strengthening team cohesion and unity.

Care for Employees and Growing Together

In addition, the Group encourages employees to proactively enhance their professional skills and actively supports all employees in taking various professional certification exams. The Group reimburses employees for exam fees related to professional certifications and other relevant tests, providing comprehensive support to help employees obtain professional qualifications, improve their overall competence, and ensure that their personal growth aligns with the Company's development.

3. EMPLOYEES' RIGHTS AND INTERESTS AND HARMONIOUS WORKPLACE

3.1 Employee activities and care

Wise Living focused on enhancing employees' sense of work happiness and belonging by striving to provide comprehensive protection for employees' work life and enriching employees' spiritual and cultural life. The Group paid "five social insurances and one housing provident fund" for all employees in accordance with the laws, provided statutory holidays and actively cooperated with the relevant policies of the local government to help impoverished employees and migrant employees apply for rental subsidies and registration of collective residence. On this basis, according to the Employee Manual (《員工手冊》), the Group provided employees with various kinds of benefits such as commercial insurance, holiday gifts, physical examination, high-temperature subsidy, shuttle bus, etc., so that employees can feel the care and warmth of the Group.



Case: A Heartwarming Spring Festival Gathering Brought People Together, Uniting Hearts and Minds to Embark on a New Journey

On 16 January 2025, all employees of our subsidiary, Shanxi Xixian Shuangliang, gathered in the conference room to participate in the Spring Festival tea party, an employee appreciation event. During the activity, company leaders delivered New Year's addresses, reflecting on the significant achievements in the company's development over the past year, expressing sincere gratitude to all employees for their hard work, and clearly outlining the direction for the coming year to boost team morale. The event featured a talent show segment, where employees presented wonderful performances such as harmonica playing, dancing, and singing, with interactive segments interspersed throughout to further liven up the atmosphere. This activity not only allowed employees to experience the joy of the holiday season and the warmth of teamwork amid their busy schedules, but also strengthened communication and collaboration among staff, fostering a sense of unity and providing momentum for efficient work in the coming year.

3.2 Communication with employees

In order to understand the status of the operation and management, Wise Living conducted regular employee satisfaction surveys and collected employees' opinions and needs from the perspectives of work environment, work position, training and development opportunities and remuneration packages. The Human Resources Department assessed the effectiveness of human resources management, identified potential problems and formulated improvement plans in a timely manner based on the results of the surveys. In 2025, the overall employee participation rate of the Group remained at a relatively high level, with employee satisfaction score of 99 points.

Care for Employees and Growing Together

Wise Living wished to establish a harmonious labour relationship to effectively resolve the conflicts arising from the employment. For this purpose, Wise Living continued to improve the internal communication mechanism of employees so as to listen to suggestions and requests in a timely manner and built a diversified communication channel for employees:

- The employees may submit feedback directly to the head of department, the person in charge and the manager of the human resources department, and the relevant departments may promptly investigate and resolve the matter;
- The Group set up employee mailbox and complaint mailbox to listen to the employees' concerns;
- The human resources department regularly reviewed the employees' situation through telephone communication, including their recent work arrangements, issues that need to be coordinated to address and training needs, to pay attention to the growth and livelihood of employees.

Labour Union Construction

The Group placed great emphasis on the labour union construction. In accordance with the relevant requirements of the Constitution of Trade Unions of China, the Trade Union Law of the People's Republic of China and the Regulations on the Work of Trade Unions of Enterprises (Trial), the Group had formulated the Trade Union Committee Management System (《工會委員會管理制度》) to protect the rights and interests of employees. All employees are automatically become union members upon entry, and the independent trade union represents 5% of all employees. We actively organize employees to participate in the Group's democratic elections, negotiations, decisions, management, and supervision, and organize learning and educational activities as required by the union.

4. SAFETY PRODUCTION AND HEALTH PROTECTION

4.1 Safety management system

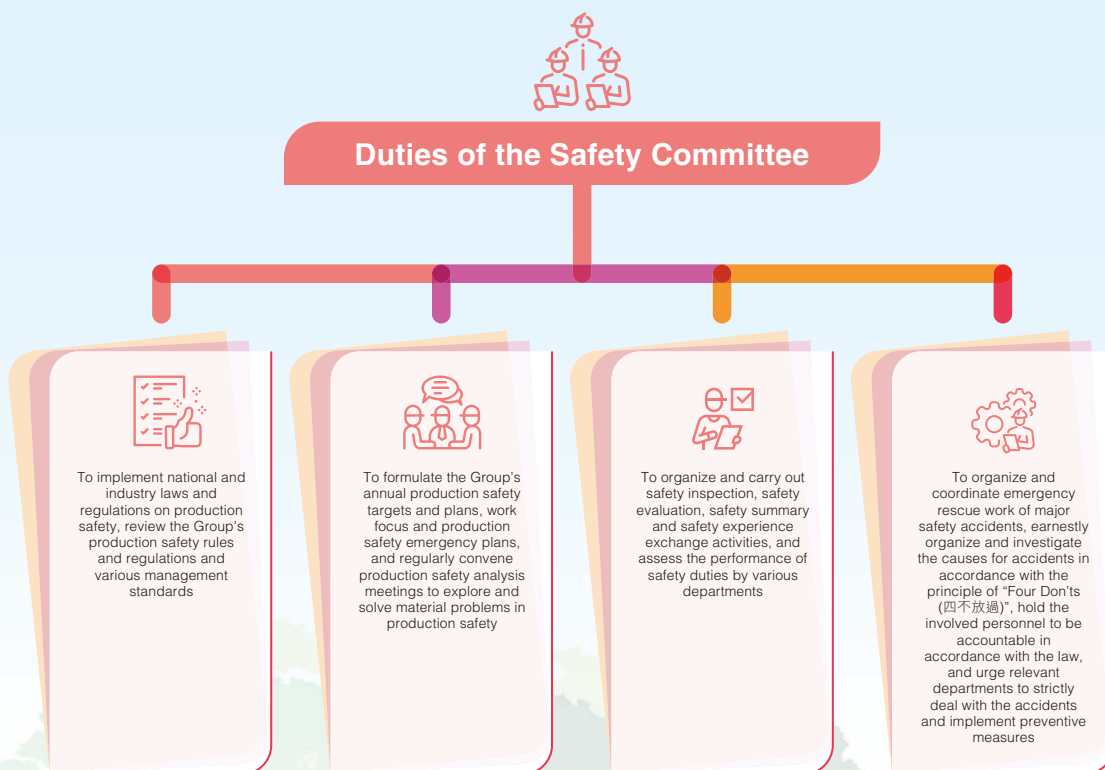
Wise Living regards production safety as the top priority of operation and management, innovatively puts forward the production safety management concept of "seven ones", and has maintained the safety production goal of "seven zeros" over the years. On the basis of strictly abiding by the laws and regulations including Work Safety Law of the PRC, the Group has established and improved rules and regulations in respect of production safety and a safety standardization management system with reference to ISO 45001 occupational health and safety management system certification.

In terms of system construction, the Group has formulated specialized systems such as Production Safety Laws and Regulations (《安全生產法律法規》), Production Safety Management System (《安全生產管理制度》) and Production Safety Operation Rules (《安全生產操作規程》) to ensure specific management and implementation work such as safety risk assessment, production safety supervision and investigation and management on potential hazards, special operation management and occupational health management are standardized, and production safety defense is well in place.

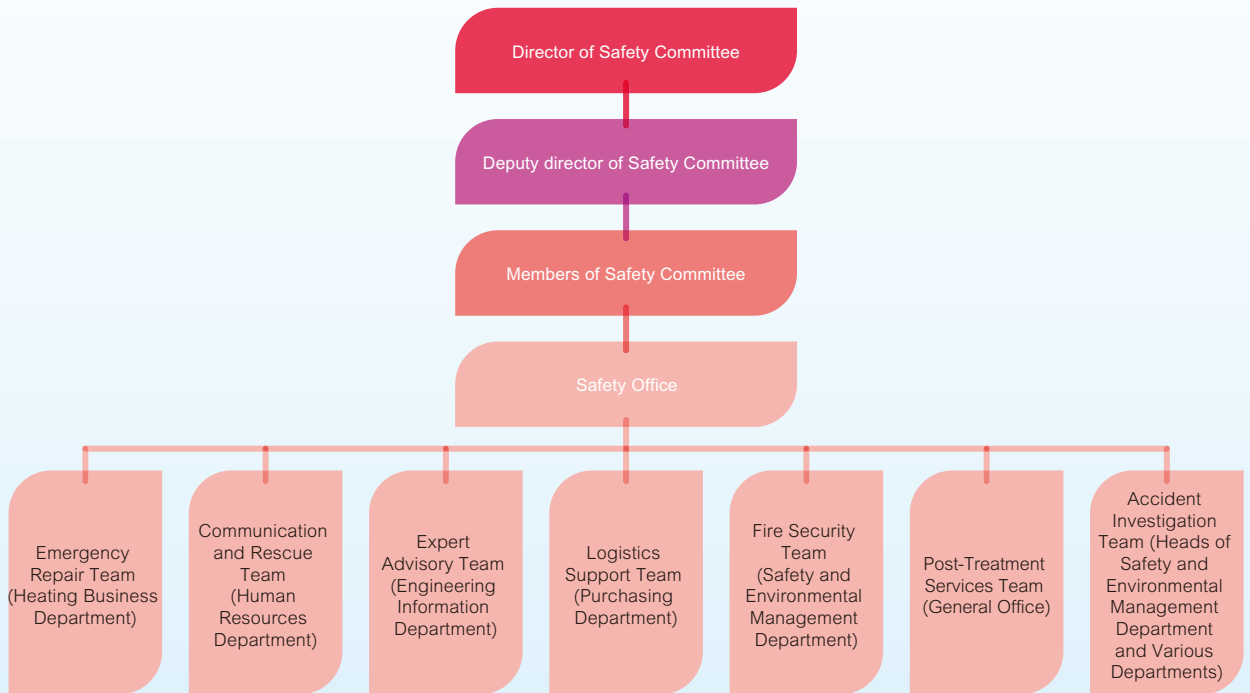
Care for Employees and Growing Together

Production Safety Management Concept	Production Safety Objectives
<p>“Seven Ones” for Production Safety</p> <ul style="list-style-type: none"> One report on safety status on a daily basis One-to-one file for entire employees One elimination of potential hazards on a weekly basis One risk assessment on a monthly basis One production safety report on a quarterly basis One benchmarking for safety work on a semi-annually basis One safety work appraisal on a yearly basis 	<p>“Seven Zeros” for Production Safety</p> <ul style="list-style-type: none"> “Zero” serious injuries to personnel “Zero” fatality “Zero” major equipment damage “Zero” severe fires “Zero” explosion accidents “Zero” malignant and improper operation accidents “Zero” serious safety traffic accidents

In terms of organizational construction, the headquarter of the Group has set up a safety committee fully responsible for the work arrangement in relation to production safety of the Group. In particular, the chairman of the Group serves as the director of the safety committee, each vice general chairman charge serves as the deputy director, and the members are composed of the heads of various departments and subsidiaries of the Group. A safety office has been established under the safety committee, which is mainly undertaken by the safety and environmental management departments of the headquarter and each subsidiary and headed by the department manager as the office director, providing assistance to the heating business department, human resources department, engineering information department and other departments on construction of the production safety management system.



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Safety Organization Structure of the Group

4.2 Protection of safety operation

Wise Living practically establishes the principle of “safety first” and attaches great importance to ordinary and specialized production safety inspection to ensure operational safety. The Group regulates and directs the investigation of potential safety hazards:

- The ordinary inspection activities are conducted with a focus on the investigation of potential safety hazards. Professional evaluation methods and tools for potential safety hazards are adopted to inspect fire security, limited space operations, aerial work, hazardous chemicals, electric shock etc. Wise Living conducts ordinary inspection at least once a week. In response to matters such as water leakage of valves, aging equipment, insufficient fire-fighting equipment and non-standard production by personnel discovered in the course of inspection, the relevant persons in charge have implemented rectification measures in a timely manner by means of replacement, maintenance, purchase and training, etc. The Group has managed to eliminate potential accident hazards on a weekly basis and minimize such hazards.
- Special safety inspections are mainly conducted on a seasonal and professional basis. In view of the seasonal characteristics and the geographical conditions and climatic characteristics, Wise Living focuses on the seasonal safety inspections with emphasis on lightning prevention, flood control, winter protection and fire prevention. Professional safety inspections are carried out on special equipment, safety equipment, dangerous goods and other equipment at the start and stop of installations and the completion of new installations. Wise Living launched major safety activities such as safety production inspection “100-day Action” and safety production month to escort operation safety during the Year.

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Safety Inspection Modules

In 2025, to fulfill our primary responsibility for workplace safety and establish a systematic, standardized safety risk prevention and control system, we designed and implemented customized safety checklists, designating them as core safety management measures for the year. This checklist was designed in strict accordance with the principles of “compliance and adaptability, risk-oriented approach, and comprehensive coverage”. Based on regulations and standards such as the Work Safety Law and the Basic Specifications for Enterprise Work Safety Standardization, and taking into account industry-specific characteristics and actual enterprise risk profiles, it established a multi-tiered, multi-scenario inspection system.

Safety Checklist System	
Core Categories	Checklist
By inspection subject	Equipment and Facilities Schedule: Including special equipment, electrical equipment, etc.
	Area Safety Inspection Checklist: Including production workshops, storage areas, etc.
	Work Activity Checklist: Including work at heights, confined space work, etc.
By time dimension	Daily Inspection Checklist
	Quarterly Summary Table
	Temporary Special Checklist: such as pre-shutdown inspection for holidays

During implementation, we established a closed-loop mechanism of “inspection–recording–correction–verification–archiving”. Through inspections, we clearly identified the departments responsible for rectifying hazards, as well as the deadlines and specific measures for correction. At the same time, we utilized digital tools to create an inspection database, enabling dynamic tracking of the effectiveness of rectification efforts for recurring hazards. By using checklists as a training tool, we shortened the time it takes for new employees to become proficient in safety inspections, strengthen safety compliance awareness among all staff, and, through standardized inspections, shifted the focus of safety risk management to an earlier stage, thereby effectively fortifying our production safety defenses for 2025.

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Case: Combining Inspection and Drills to Strengthen the Safety Net

Our subsidiary, Wise Living Tech-Thermal Power, has established a comprehensive system for identifying safety hazards and managing emergencies. In 2025, Wise Living Tech-Thermal Power conducted 48 routine weekly inspections to ensure that potential hazards were identified promptly. Concurrently, the company organized 10 special inspections to conduct in-depth investigations of key areas and critical processes. A total of 23 safety hazards were identified, with a 100% rectification rate achieved, ensuring “each identified issue is rectified, and the corresponding item is marked as resolved”. In addition, Wise Living Tech-Thermal Power organized a total of six emergency drills, including confined space operations drills and fire drills that simulated real-life emergency scenarios, covering critical operational procedures as well as evacuation and rescue protocols, to ensure the drills aligned with actual operational needs.



Valve Chamber Inspection



Primary Station Safety Inspection



Confined Space Emergency Drill

4.3 Occupational health and safety training

“Production safety is everyone’s responsibility” is the safety standard of Wise Living. According to the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, Provisions on the Supervision and Administration of Occupational Health at Worksites and other national and industry regulations, Wise Living has formulated and strictly implemented the Occupational Health Management System (《職業健康管理制》), etc., to prevent and protect workers from the health impact caused by occupational harmful factors. During the Year, Wise Living invested RMB572,900 in protecting the health and safety of its employees. The main initiatives in occupational safety and security are as follows:

Equipped with labor protection supplies

According to the actual work features of the posts, the Group provided our employees with high-level labor protection products, such as safety helmets, work clothing, gas masks, dust-proof masks, anti-dust masks sets, etc., and provided the training of correct use methods to ensure the safety of employees’ work and operations.

Care for Employees and Growing Together

Creating health records

In order to track the health of the employees, the Group established occupational health monitoring records for the employees, and conducted daily monitoring of workplaces with toxic and harmful risks, and realized dynamic management of employee health. The Group organized occupational health examinations for employees exposed to occupational disease hazard every year, and the testing items were identified according to the occupational hazard factors, including coal dust, noise, other dust, carbon monoxide, sulfur dioxide and nitrogen oxides, etc., to prevent occupational diseases for the employees.



Case: Implementing EHS Management to Strengthen Occupational Health Safeguards

To comply with occupational health regulations, our subsidiary Lanzhou New Area Shuangliang made occupational health training a core component of its 2025 EHS safety education program and established a systematic training framework organized by level and category. The training program focused on practical results, ensuring that all employees receive comprehensive training on regulations and health management. Pre-employment training for key positions must be no less than 8 hours, while customized training was provided for specialized roles. Practical skills were reinforced through a blended approach combining online and in-person sessions. As verified by a four-dimensional assessment, 100% of employees passed the knowledge test, over 98% passed the job skills assessment, and employees have developed healthy safety habits. There were no occupational health incidents throughout the year, and the rectification rate for potential hazards reached 100%. We have strengthened compliance management and fostered an EHS culture that prioritizes health.



Conducting safety trainings

The Group has developed the Management Approach of Safety Production Education and Training (《安全生產教育與培訓制度》) covering all employees to standardize safety education work, improve the safety production awareness of all employees, enhance the safety knowledge of all employees, and master the necessary safety skills. The Group actively organized and carried out three-level safety education for new employees or various safety training or drills (such as fire protection, occupational health, special equipment, limited space and special operations, etc.).

Care for Employees and Growing Together



Case: All Speak Safety, All Act in Emergency

Wise Living Technology has always prioritized safety education. Throughout this year, the company has organized extensive employee safety training programs, covering areas such as Valve Chamber Inspection, Primary Station Safety Inspections, and Confined Space Emergency Drills.

- Our subsidiary Hulunbuir Shuangliang organized a total of 18 safety education and training sessions through a combination of online and offline formats. Of these, 11 sessions were conducted online and 7 were held offline. Training topics included work safety, traffic safety, occupational disease prevention, electrical safety, emergency first aid knowledge, and high-altitude work safety.
- Our subsidiary Lanzhou New Area Shuangliang conducted safety training on topics including fire safety, work safety, and high-risk operations in the heating industry. The training provided employees with essential knowledge on safety operation standards, operating procedures, approval systems, emergency response measures, common types of onsite hazards, and hazard identification methods. These efforts have strengthened employees' "Red Line Awareness" and "Bottom-Line Thinking."
- In line with the seasonal characteristics of the heating industry, our subsidiary Taiyuan Renewable Energy conducted large-scale, centralized, company-wide safety training and comprehensive emergency drills before the start of the heating season in the second half of the year. Full coverage was achieved, spanning from management personnel to frontline field operators. Training topics included fire prevention, evacuation techniques, and heating system emergency repairs. These training sessions effectively enhanced employees' emergency response capabilities and served to both validate and optimize the feasibility and effectiveness of the company's existing emergency response plans.





**CHAPTER
VI**

**Devoting Ourselves to
Public Welfare Undertakings and
Fulfilling Social Responsibilities**



Wise Living Technology always adheres to the original intention of serving people's livelihood, takes the initiative to participate in social welfare undertakings, and insists on giving back to the society with professional heat services and enthusiastic service attitude. The Group strives to organically integrate its core business, service network and corporate social responsibility, mobilize Wise Living employees to participate in person, actively shape the Group's humanistic care concept and fulfill corporate social responsibility.

01 INDICATOR RESPONSE



B8 Community investment

02 ISSUE RESPONSE



Engaging in social welfare

03 PERFORMANCE HIGHLIGHT



Donation projects and activities for public welfare:

16

Accumulated amount of various donations:

RMB 241,000

Devoting Ourselves to Public Welfare Undertakings and Fulfilling Social Responsibilities

1. SOCIAL CO-CONSTRUCTION WARMING PEOPLE'S HEARTS

Wise Living Technology adheres to public welfare and good deeds, and advocates and promotes the construction of community infrastructure by carrying out community public welfare activities and charitable activities. Since its establishment, the Group has participated in a total of 16 public welfare donation projects and activities which involved cash, materials and other forms, with an actual donation amount of nearly RMB241,000. Our responsibility and commitment have been recognized by the society.

Total Number and Amount of Wise Living Technology's Charitable Contributions in 2025

Public welfare projects and activities



in total **16** times

Actual accumulated amount of donations nearly



RMB241,000 in total

Wise Living specially formulated the Community Management Policy (《社區管理政策》) and established an inspection group for community services to standardize budget management of public welfare funding projects and the landing and implementation of community projects.

While making use of the professional and technical advantages and resources of heat services in various places to deliver warmth to thousands of households, the Group has developed public welfare activities with the theme of community construction and community care such as environmental protection, elderly care and child care, and organizes employees to go deep into the community every year, so that the acts of kindness and righteousness can be approached and reach the hearts of the people.



Case: Focusing on People’s Livelihoods and Caring for Their Well-being, We Organized Heartwarming Outreach Activities

Building on its core business strengths, our subsidiary Hulunbuir Shuangliang actively organized charitable outreach activities in 2025 to fulfill its social responsibilities:

1. **Paying Spring Festival Visit to a Senior Living Facility:** Under the theme “Putting the ‘Warmth Project’ into Action, Conveying Sincere Care Through Visits and Warm Greetings”, Hulunbuir Shuangliang organized second-level supervisors and employee representatives to visit a senior living facility before the Spring Festival to deliver gifts and festive greetings to the residents, conveying the company’s care;
2. **Paying Visit to the Landscape and Greening Service Center:** Hulunbuir Shuangliang, in collaboration with senior leaders from the Hulunbuir Municipal Bureau of Housing and Urban-Rural Development, dispatched a team led by the company’s Deputy General Manager and Director of the Heating Control Center to visit the Hailar District Landscape and Greening Service Center to extend their regards. They delivered gifts to frontline staff involved in heating services to foster industry collaboration.



Paying Spring Festival Visit to a Senior Living Facility



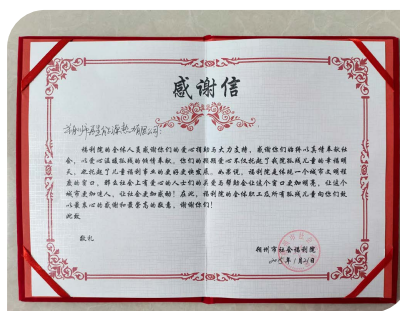
Paying Visit to the Landscape and Greening Service Center

Devoting Ourselves to Public Welfare Undertakings and Fulfilling Social Responsibilities



Case: Spreading the Warmth of Urban Civility through Charitable Donations

In its commitment to social responsibility, our subsidiary, Shuozhou Renewable Energy, has consistently demonstrated its dedication through concrete actions. This year, Shuozhou City Renewable Energy Thermal has actively responded to social welfare needs by providing ongoing charitable donations to local welfare homes, thereby promoting social harmony and integration.



Trophies and letters of appreciation received by the Shuozhou City Renewable Energy Thermal



Case: Spreading Smiles, Safeguarding a Bright Future for Children with Cleft Lip and Palate

This year, our subsidiary, Lanzhou New Area Shuangliang, actively fulfilled its corporate social responsibility by participating in the “2025 Mother’s Smile Campaign: Love in Lanzhou” public welfare project. Lanzhou New Area Shuangliang provided the volunteer teams with robust logistical support and operational assistance, allowing volunteers to focus more fully on surgical care and compassionate support, thereby ensuring the smooth implementation of charitable relief efforts.



At the charity event

2025 ESG Key Performance Indicators

ECONOMY

Classification	KPI	Unit	2024	2025
Economy	Operating income	RMB'000	1,648,287.30	1,506,290.00
Business	Total heat supply	GJ	26,183,274.28	28,104,279.67
	Total heat supply intensity	GJ/thousand of revenue	15.885	18.658

ENVIRONMENTAL PERFORMANCE

Classification	KPI	Unit	2024	2025
Exhaust gas	NO _x emissions	Kg	88,471.36	83,404.35
	SO ₂ emissions	Kg	19,417.87	18,707.70
	Particulate matter	Kg	5,976.66	4,714.79
	Total emissions of exhaust gas	Kg	113,865.89	106,826.84
	Total emission intensity of exhaust gas	Kg/thousand of revenue	0.069	0.071
GHG	GHG emissions (Scope 1)	tCO ₂ e	423,391.07	457,683.23
	GHG emissions (Scope 2)	tCO ₂ e	62,364.55	74,501.17
	Total GHG emissions (Scope 1 + Scope 2)	tCO ₂ e	485,755.61	532,184.40
	Total GHG emission intensity	tCO ₂ e/thousand of revenue	0.295	0.353

2025 ESG Key Performance Indicators

Classification	KPI	Unit	2024	2025
Non-renewable energy	Direct energy — coal	MWh	1,193,652.58	1,290,827.82
	Direct energy — gasoline	MWh	971.49	867.65
	Direct energy — diesel	MWh	457.48	513.31
	Direct energy — natural gas	MWh	2,854.12	2,447.26
	Total direct energy consumption	MWh	1,197,935.67	1,294,656.04
	Total direct energy consumption intensity	MWh/thousand of revenue	0.727	0.859
	Purchased energy — electricity	MWh	116,221.67	140,409.29
	Total purchased energy consumption	MWh	116,221.67	140,409.29
	Total consumption intensity of purchased energy	MWh/thousand of revenue	0.071	0.093
	Total non-renewable energy consumption	MWh	1,314,157.34	1,435,065.32
	Total non-renewable energy consumption intensity	MWh/thousand of revenue	0.797	0.953
Renewable energy	Geothermal energy mining (heating)	MWh	59,148.43	21,932.35
	Geothermal energy mining intensity	MWh/thousand of revenue	0.04	0.01
	Photovoltaic power generation ¹	MWh	215.06	—
	Photovoltaic power generation intensity	MWh/thousand of revenue	0.00013	—
	Total renewable energy consumption	MWh	59,363.49	21,932.35
	Total renewable energy consumption intensity	MWh/thousand of revenue	0.036	0.015
Comprehensive energy consumption	Total comprehensive energy consumption	MWh	1,373,520.82	1,456,997.68
	Total comprehensive energy consumption intensity	MWh/thousand of revenue	0.833	0.967

¹ As the current photovoltaic power generation is relatively small and has a limited impact on operations, quantitative statistics are not provided.

2025 ESG Key Performance Indicators

Classification	KPI	Unit	2024	2025
Solid waste	General office waste	Tonne	7.22	7.71
	Kitchen waste	Tonne	5.13	4.76
	Fly ash and Slag after safe treatment	Tonne	58,485.91	19,942.78
	Desulphurized gypsum after safe treatment	Tonne	3,994.50	40,303.40
	Total amount of non-hazardous waste	Tonne	62,492.76	60,246.18
	Total non-hazardous waste intensity	Tonne/thousand of revenue	0.038	3,179.19
	Water resources	Government water supply	m ³	1,625,866.62
	Total water consumption	m ³	1,625,866.62	63,438.01
	Water consumption intensity	m ³ /thousand of revenue	0.986	0.042

2025 ESG Key Performance Indicators

DESCRIPTION OF ENVIRONMENTAL DATA AND COEFFICIENTS

1. The time span of environmental data is from 1 January 2025 to 31 December 2025. The scope of data collection covers the headquarters office of Wise Living Technology and its 11 project subsidiaries with actual business activities (Shanxi Shuangliang Renewable Energy Industry Group Company Limited, Taiyuan City Renewable Energy Heat Supply Company Limited, Datong City Renewable Energy Heating Company Limited, Shanxi Transformation and Comprehensive Reform Demonstration Zone Heat Supply Company Limited, Shuozhou City Renewable Energy Thermal Company Limited, Lanzhou New Area Shuangliang Thermal Power Company Limited, Gansu Shuangliang Smart Energy Management Company Limited, Hulunbuir Shuangliang Energy System Company Limited, Wise Living Tech-Thermal Power (Zhengzhou) Limited, Wise Living Energy (Baotou) Limited, and Shanxi Xixian Shuangliang Low Carbon Environmental Clean Energy Company Limited).
2. The exhaust gas emissions are mainly from coal-fired boilers and official vehicles. The specific types of exhaust gas include NO_x , SO_2 and particulate matter. The source of exhaust gas emission data of coal-fired boilers is Lanzhou New Area Shuangliang Thermal Power Company Limited; the emission coefficient of exhaust gas of official vehicles refers to the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange.
3. GHG emissions (Scope 1) mainly come from the fuel consumption of coal-fired boilers and official vehicles, and GHG emissions (Scope 2) mainly come from the consumption of purchased electricity. The data sources are the payment bills of related expenses and the administrative statistical ledger. The 2025 Scope 1 direct energy emission coefficient refers to the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange; the GHG emission coefficient of Scope 2 purchased electricity refers to the Notice on Doing a Good Job in the Reporting and Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025 issued by the Ministry of Ecology and Environment of the PRC.
4. The types of energy consumed by the Group include non-renewable energy and renewable energy. The direct energy involved in non-renewable energy is coal for heating boilers, natural gas, and fuel for official vehicles; the purchased energy involved in non-renewable energy is electricity, and the data are from relevant cost documents and administrative statistical ledgers. Renewable energy includes geothermal energy mined from heating business and photovoltaic power generation from projects. The energy consumption conversion factors in 2025 refer to the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange, the conversion factors provided by the International Energy Agency, and the calorific value of coal self-tested due to the needs of the Group's heating business.
5. All solid wastes are non-hazardous wastes, including general office waste, kitchen waste, fly ash after safe treatment, slag after safe treatment and desulphurized gypsum after safe treatment.
6. The Group's water supply comes from the municipal pipe network, including recycled water in the heating pipe network and office and domestic water. The sources of data are financial records and administrative statistical ledgers.

2025 ESG Key Performance Indicators

SOCIAL PERFORMANCE

Classification	KPI	Unit	2024	2025	
Number of employees	Total number of employees	Person	849	816	
	By gender	Female	Person	221	216
		Male	Person	628	600
	By age	Below 30 years old	Person	170	155
		30–50 years old	Person	618	606
		Over 50 years old	Person	61	55
	By region	Chinese Mainland	Person	849	816
		Hong Kong, Macao and overseas	Person	0	0
		Senior management	Person	15	12
		Middle management	Person	132	132
		Grass-roots employees	Person	380	371
		General employees	Person	322	301
	By employment contract type	Full-time	Person	849	816
		Part-time	Person	0	0
	By function type	Operation	Person	77	164
		Administration	Person	87	97
		Finance	Person	32	30
Procurement		Person	6	7	
R&D		Person	28	28	
Others		Person	619	490	

2025 ESG Key Performance Indicators

Classification	KPI	Unit	2024	2025	
Number of senior management	Total number of senior management personnel	Person	15	12	
	By gender	Female	Person	0	0
		Male	Person	15	12
	By age	Below 30 years old	Person	0	0
		30–50 years old	Person	5	5
		Over 50 years old	Person	10	7
	Proportion of senior management hired locally	Chinese Mainland	Person	15	12
		Hong Kong, Macao and overseas	Person	0	0
Number of new employees	Total number of new hires	Person	42	22	
	By gender	Female	Person	10	9
		Male	Person	32	13
	By age	Below 30 years old	Person	24	12
		30–50 years old	Person	16	10
		Over 50 years old	Person	2	0
	By region	Chinese Mainland	Person	42	22
		Hong Kong, Macao and overseas	Person	0	0
	By employee type	Senior management	Person	0	0
		Middle management	Person	2	1
		Grass-roots employees	Person	17	11
		General employees	Person	23	10

2025 ESG Key Performance Indicators

Classification	KPI	Unit	2024	2025	
Employee turnover	Total number of resigned employees	Person	42	55	
	By gender	Female	%	3.17	5.56
		Male	%	5.57	7.17
	By age	Below 30 years old	%	10.59	10.32
		30–50 years old	%	2.75	4.79
		Over 50 years old	%	11.48	18.18
	By region	Chinese Mainland	%	4.95	6.74
		Hong Kong, Macao and overseas	%	0	0
	By employee type	Senior management	%	6.67	25.00
		Middle management	%	4.55	1.52
	Grass-roots employees	%	4.74	4.58	
	General employees	%	5.28	10.96	
Compliant employment	Coverage rate of labor contracts signed	%	100	100	
	Coverage rate of social insurance payment	%	100	100	
	Increase in basic salary	%	7	0	
	Percentage of employees covered by human rights due diligence to total employees	%	100	100	
Employee wellbeing	Parental leave days	days	180	180	
	Parental leave retention	%	100	99	
	Paid leave implementation	%	100	100	

2025 ESG Key Performance Indicators

Classification	KPI	Unit	2024	2025	
Development and training	Total number of employees trained	Person	855	755	
	Number of employees trained by gender	Female	Person	222	195
		Male	Person	633	560
	Number of employees trained by employee type	Senior management	Person	55	12
		Middle management	Person	103	119
		Grass-roots employees	Person	354	323
		General employees	Person	343	301
	Training hours per employee	Hour	17.21	18.10	17.21
	Average training hours per employee by gender	Female	Hour	15.35	19.87
		Male	Hour	17.75	17.48
	Average training hours per employee by employee type	Senior management	Hour	10.31	71.42
		Middle management	Hour	17.20	18.53
		Grass-roots employees	Hour	25.44	17.76
General employees		Hour	9.83	16.17	
Supply chain management	Total number of suppliers	Units	143	90	
	Number of suppliers by region	Northeast China	Units	8	5
		Northern China	Units	43	8
		Eastern China	Units	28	20
		South China	Units	1	1
		Central China	Units	2	0
		Southwest China	Units	60	1
		Northwest China	Units	0	55
		Hong Kong, Macao and overseas	Units	0	0

2025 ESG Key Performance Indicators

Classification	KPI	Unit	2024	2025
Product responsibility	Product recall	Times	0	0
	Number of product and service related complaints received	Case	4,803	14,561
	Complaint resolution rate	%	100	100
Health and safety	Number of concluded legal cases regarding corrupt practices	Case	0	0
	Number of work-related fatalities	Person	0	0
	Rate of work-related fatalities	%	0	0
	Number of working days lost due to work injury	Day	0	0

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MANDATORY DISCLOSURE REQUIREMENTS

ESG Indicator	Disclosure	Section
Governance Structure	<p>A statement issued by the Board of Directors, which includes the following:</p> <ul style="list-style-type: none"> (i) Disclosure on the Board's oversight of environmental, social, and governance matters; (ii) the Board's environmental, social, and governance (ESG) management policies and strategies, including the process for assessing, prioritizing, and managing material ESG-related matters (including risks to the Issuer's business); and (iii) How the Board reviews progress against environmental, social, and governance-related objectives, and explains how these objectives relate to the issuer's business. 	Disclosed ESG Governance
Reporting Principles	<p>Materiality: Environmental, Social, and Governance (ESG) reports should disclose:</p> <ul style="list-style-type: none"> (i) the process for identifying material environmental, social, and governance factors and the criteria used to select such factors; (ii) if the issuer has engaged with stakeholders, a description of the material stakeholders identified, as well as the process and results of the issuer's stakeholder engagement. 	Disclosed About the Report
	<p>Quantification: Information regarding the standards, methods, assumptions, and/or calculation tools used to report emissions and/or energy consumption (where applicable), as well as the sources of the conversion factors used, should be disclosed.</p>	Disclosed About the Report APPENDIX 1: 2025 ESG Key Performance Indicators
	<p>Consistency: The issuer should disclose in the ESG report changes in statistical methodology or key performance indicators (if any) or any other relevant factors that affect meaningful comparisons.</p>	Disclosed About the Report APPENDIX 1: 2025 ESG Key Performance Indicators
Scope of the Report	<p>Explain the scope of the ESG report and describe the process used to select which entities or operations to include in the report. If there are changes to the scope of the report, the issuer should explain the differences and the reasons for the changes.</p>	Disclosed About the Report

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THE “COMPLY OR EXPLAIN” PROVISIONS

ESG Indicator		Disclosure	Section
A1 Emissions General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	Response to climate change Green Development and Low-carbon Operation
A1.1	The types of emissions and respective emissions data.	Disclosed	Appendix 1 Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	Response to climate change
A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	Emission management
A2 Use of resources General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Green Development and Low-carbon Operation
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Energy and resource management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	Energy and resource management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable	Wise Living does not involve the use of packaging material for finished products

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ESG Indicator		Disclosure	Section
A3 Environment and natural resources General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Green Development and Low-carbon Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Energy and resource management Eco-environmental protection management Emission management Green office
B1 Employment General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and discrimination, and other benefits and welfare.	Disclosed	Compliant Employment and Equal Treatment Employees' Rights and Interests and Harmonious Workplace
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Disclosed	Appendix 1 Social Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix 1 Social Performance
B2 Health and safety General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	Safety Production and Health Protection
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Appendix 1 Social Performance
B2.2	Lost days due to work injury.	Disclosed	Appendix 1 Social Performance
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Safety management system Protection of safety operation Occupational health and safety training

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ESG Indicator		Disclosure	Section
B3 Development and training General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Talent Development and Working Together
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix 1 Social Performance
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix 1 Social Performance
B4 Labour standard General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	Compliant Employment and Equal Treatment
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Compliant employment and protection of labor rights and interests
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Compliant employment and protection of labor rights and interests
B5 Supply chain management General disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Industry Development and Win-win Cooperation
B5.1	Number of suppliers by geographical region.	Disclosed	Appendix 1 Social Performance
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	Whole process management of supply chain Industry Exchange and Development
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Supply chain ESG management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Supply chain ESG management

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ESG Indicator		Disclosure	Section
B6 Product responsibility General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	RESPONSIBILITY AND MANAGEMENT SYSTEM Quality Heat and Quality Control Technological Innovation and Intelligent Operation Whole Network Heating and Customer Service
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	Wise Living does not involve products that need to be recycled
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Appendix 1 Social Performance Customer service management system
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Intellectual property management
B6.4	Description of quality assurance process and recall procedures.	Disclosed	Heating quality management system
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Information security and privacy protection
B7 Anti-corruption General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	RESPONSIBILITY AND MANAGEMENT SYSTEM
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	Appendix 1 Social Performance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Anti-corruption and anti-fraud
B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	Anti-corruption and anti-fraud
B8 Community investment General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	Social Co-construction Warming People's Hearts
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Social Co-construction Warming People's Hearts
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	Social Co-construction Warming People's Hearts

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PART D: CLIMATE-RELATED DISCLOSURE

ESG Indicator	Disclosure	Section	
Governance			
Governance	19. The issuer must disclose: a. Information on the governance body (which may include the board of directors, a committee, or another equivalent governance body) or individual responsible for overseeing climate-related risks and opportunities. Specifically, the issuer must identify the relevant entity or individual and disclose the following information. i. How does the entity or individual determine whether it currently possesses or will possess in the future the appropriate skills and competencies to oversee strategies for addressing climate-related risks and opportunities; ii. The manner and frequency with which the entity or individual becomes aware of climate-related risks and opportunities; iii. How does the entity or individual take climate-related risks and opportunities into account when overseeing the issuer’s strategies, major transaction decisions, risk management procedures, and related policies, including whether the entity or individual has considered the trade-offs associated with such climate-related risks and opportunities; iv. How does the entity or individual oversee the setting of targets related to climate-related risks and opportunities and monitor progress toward achieving them (see paragraphs 37 to 40), including whether and how relevant performance indicators are incorporated into compensation policies (see paragraph 35); and b. The role of the management in the governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities, including the following information: i. Whether the role has been assigned to a specific member of management or a management committee, and how that individual or committee is supervised; and ii. Does the management use controls and procedures to help monitor climate-related risks and opportunities? If so, how are these controls and procedures integrated with other internal functions?	Disclosed	ESG GOVERNANCE CONCEPT AND STRUCTURE Addressing Climate Change – Governance

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ESG Indicator	Disclosure	Section	
Strategy			
Climate-related risks and opportunities	<p>20. The issuer must disclose information that enables an understanding of the climate-related risks and opportunities that are reasonably expected to affect its cash flows, access to financing, or cost of capital in the short, medium, or long term. Specifically, the issuer must:</p> <ol style="list-style-type: none"> Describe climate-related risks and opportunities that are reasonably expected to affect the issuer's cash flows, access to financing, or cost of capital in the short, medium, or long term; For each climate-related risk identified by the issuer, explain whether the issuer considers that risk to be a climate-related physical risk or a climate-related transition risk; For each climate-related risk and opportunity identified by the issuer, specify the time horizon (short-term, medium-term, or long-term) within which it is reasonably expected to affect the issuer; and Explain how the issuer defines short-term, medium-term, and long-term, and how these definitions relate to the scope of its strategic planning. 	Disclosed	Addressing Climate Change – Strategy
Business model and value chain	<p>21. The issuer must disclose information that provides an understanding of the current and anticipated impacts of climate-related risks and opportunities on its business models and value chains. Specifically, the issuer must make the following disclosures:</p> <ol style="list-style-type: none"> Description of the current and anticipated impacts of climate-related risks and opportunities on the issuer's business model and value chain; and Description of where climate-related risks and opportunities are concentrated within the issuer's business model and value chain (e.g., geographic regions, facilities, and asset types). 	Disclosed	Addressing Climate Change – Strategy

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ESG Indicator	Disclosure	Section
Strategies and decisions	<p>22. The issuer must disclose information that provides an understanding of the impact of climate-related risks and opportunities on its strategies and decisions. Specifically, the issuer must disclose:</p> <p>a. The information regarding how they have addressed and plan to address climate-related risks and opportunities in their strategies and decision-making, including how they intend to achieve any climate-related targets they have set, as well as any targets required by law or regulation. Specifically, the issuer must disclose the following information:</p> <ol style="list-style-type: none"> i. Changes made to the issuer's business model (including resource allocation) in response to climate-related risks and opportunities, both currently and in the foreseeable future; ii. Any adaptation or mitigation measures that have been or are expected to be implemented (directly or indirectly); iii. Any climate-related transition plan of the issuer (including information on the key assumptions used in developing the transition plan and the factors on which the plan relies), or, if the issuer does not have such a plan, an appropriate negative statement to that effect; iv. How does the issuer plan to achieve any of the climate-related targets described in paragraphs 37 through 40 (including any greenhouse gas emission targets, if any); and <p>b. how it currently plans and intends to provide resources for the actions disclosed under paragraph 22(a).</p> <p>23. The issuer must disclose the progress of the plans disclosed in accordance with paragraph 22(a) during each prior reporting period.</p>	Disclosed Addressing Climate Change – Strategy

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ESG Indicator	Disclosure	Section
Financial position, financial performance, and cash flows	<p>Current financial impact:</p> <p>24. The issuer must disclose the following qualitative and quantitative information:</p> <ul style="list-style-type: none"> a. How climate-related risks and opportunities affect the issuer's financial position, financial performance, and cash flows during the reporting period; and b. Information regarding the identified climate-related risks and opportunities where there is a significant risk that they will result in material adjustments to the carrying amounts of assets and liabilities in the financial statements for the next reporting year. <p>Expected financial impact:</p> <p>25. The issuer must disclose the following qualitative and quantitative information:</p> <ul style="list-style-type: none"> a. Based on its strategy for managing climate-related risks and opportunities, and taking into account its investment and disposal plans as well as the planned sources of funding required to implement that strategy, how the issuer expects its financial performance to evolve in the short, medium, and long term: <ul style="list-style-type: none"> i. Its investment plans; and ii. The planned sources of funding required to implement the strategy; and b. based on the issuer's strategy for managing climate-related risks and opportunities, its expected changes in financial performance and cash flows over the short, medium, and long term. 	<p>Addressing Climate Change – Strategy</p> <p>We are still exploring methods and processes for assessing the impact of climate-related risks and opportunities on Wise Living Technology's financial position, financial performance, and cash flows, with a view for future disclosure.</p>

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ESG Indicator	Disclosure	Section
Climate resilience	Disclosed	Addressing Climate Change – Strategy
		We will gradually strengthen and advance our scenario analysis efforts.
	26. After considering the identified climate-related risks and opportunities of the issuer, the issuer shall disclose the information that enables others to understand the resilience of the issuer's strategy and business model to climate-related changes, developments, or uncertainties. The issuer must use climate-related scenario analysis to assess its climate resilience in a manner appropriate to its circumstances. When providing quantitative information, the issuer may disclose a single figure or a range. Specifically, the issuer must disclose:	
	a. the assessment of its climate resilience as of the reporting date, which helps to understand:	
	i. The impact of the issuer's analysis on its strategies and business model (if any), including how the issuer needs to address the impacts identified in the climate-related scenario analysis;	
	ii. the scope of material uncertainties considered by the issuer in its assessment of climate resilience; and	
	iii. The issuer's ability to adapt its short-, medium-, and long-term strategies and business models in response to climate change.	
	b. how and when it conducts climate-related scenario analysis, including:	
	i. The input data used, including:	
	<ul style="list-style-type: none"> • The climate-related scenarios used by the issuer in its analysis and their sources; • Whether the analysis covers a variety of different climate-related scenarios; • Whether the climate-related scenarios used in the analysis are related to climate-related transition risks or climate-related physical risks; • Whether the issuer used scenarios in its analysis that are consistent with the latest international climate change agreements; • Why does the issuer believe that the selected climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments, or uncertainties; • the time period used by the issuer in its analysis; and • The scope of operations covered by the issuer's analysis (e.g., the operating locations and business units covered by the analysis); 	
	ii. Key assumptions made by the issuer in its analysis; and	
	iii. The reporting period for climate-related scenario analysis.	

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ESG Indicator	Disclosure	Section
Risk Management		
Risk Management	<p>27. The issuer must disclose the following information:</p> <ul style="list-style-type: none"> a. the issuer's processes and related policies for identifying, assessing, and prioritizing climate-related risks and maintaining oversight thereof, including information regarding the following aspects: <ul style="list-style-type: none"> i. The input data and parameters used by the issuer (such as data sources and the scope of business covered by the procedures); ii. Whether and how the issuer uses climate-related scenario analysis to identify climate-related risks; iii. How does the issuer assess the nature, likelihood, and extent of the impact of such risks (for example, has the issuer considered qualitative factors, quantitative thresholds, or other criteria used); iv. Whether and how the issuer prioritizes climate-related risks relative to other types of risks; v. How the issuer monitors its climate-related risks; and vi. Whether the issuer has changed the processes it uses compared to the previous reporting period, and if so, how. b. The process used by the issuer for identifying and assessing climate-related opportunities, as well as prioritizing them and maintaining oversight (including information on whether and how the issuer uses climate-related scenario analysis to identify such opportunities); and c. How and to what extent the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into the overall risk management process of the issuer. 	Disclosed Addressing Climate Change-Risk Management

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ESG Indicator	Disclosure	Section
Indicators and Targets		
Greenhouse gas emissions	28. The issuer must disclose the total absolute greenhouse gas emissions (in metric tonnes of carbon dioxide equivalent) for the reporting period, broken down as follows: a. Scope 1 greenhouse gas emissions; b. Scope 2 greenhouse gas emissions; and c. Scope 3 greenhouse gas emissions.	Disclosed Appendix 1 Environmental Performance Addressing Climate Change – Indicators and Targets
	29. The issuer must: a. Measure its greenhouse gas emissions in accordance with the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)”, unless otherwise required by the competent authority or another exchange on which the issuer is listed; b. Disclose the methods used to measure greenhouse gas emissions, including: i. the measurement methods, input data, and assumptions used by the issuer to measure its greenhouse gas emissions; ii. the reasons why the issuer selected those measurement methods, input data, and assumptions to measure greenhouse gas emissions; and iii. any changes made by the issuer to the measurement methods, input data, and assumptions during the reporting period, along with the reasons for such changes; c. Disclose its Scope 2 greenhouse gas emissions on a geographical basis for the Scope 2 greenhouse gas emissions disclosed pursuant to paragraph 28(b), and provide information on any necessary contractual arrangements that would facilitate an understanding of such emissions; and d. With respect to Scope 3 greenhouse gas emissions disclosed pursuant to paragraph 28(c), disclose the categories included in the issuer’s measurement of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories set forth in the “Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)”.	Disclosed Appendix 1 Environmental Performance

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ESG Indicator	Disclosure	Section
Climate-related transition risk	30. The issuer must disclose the amount and percentage of assets or business activities that are susceptible to climate-related transition risks.	Disclosed Addressing Climate Change – Strategy
Climate-related physical risks	31. The issuer must disclose the amount and percentage of assets or business activities that are susceptible to climate-related physical risks.	Disclosed In future reports, we will strengthen our methods and processes for assessing the financial implications of climate-related risks and opportunities.
Climate-related opportunities	32. The issuer must disclose the amount and percentage of assets or business activities related to climate-related opportunities.	Disclosed
Capital deployment	33. The issuer must disclose the amounts of capital expenditures, financing, or investments allocated to climate-related risks and opportunities.	Disclosed
Internal carbon pricing	34. The issuer must make the following disclosures: a. Explanation on whether and how the issuer applies carbon pricing in their decision-making (e.g., investment decisions, transfer pricing, and scenario analysis); and b. The price per metric tonne of greenhouse gas emissions used by the issuer to assess the cost of its greenhouse gas emissions; or an appropriate disclaimer confirming that the issuer has not applied carbon pricing in its decision-making.	Disclosed Addressing Climate Change – Indicators and Targets We have not yet implemented a carbon pricing mechanism, and will explore the possibility of implementing carbon pricing in the coming years.
Compensation	35. The issuer must disclose whether and how climate-related considerations have been incorporated into its compensation policies, or provide an appropriate disclaimer.	Disclosed Addressing Climate Change – Governance We have not yet incorporated climate-related factors into the senior management compensation, but we will explore the possibility of doing so in the coming years.
Industry metrics	36. The Exchange encourages the issuer to disclose industry metrics related to one or more specific business models and activities, or metrics related to characteristics common to the industry in which it operates. When determining which industry indicators to disclose, the Exchange encourages the issuer to refer to the industry indicators relevant to the disclosure topics as set forth in the IFRS Sustainability Disclosure Standard No. 2: Industry Disclosure Guidance and other industry disclosure requirements specified in international environmental, social, and governance (ESG) reporting frameworks, and to consider their applicability.	Disclosed Addressing Climate Change – Indicators and Targets

Environmental, Social and Governance Reporting Guide of HKEX

ESG Indicator	Disclosure	Section	
Climate-related targets	37. The issuer must disclose (a) the climate-related qualitative and quantitative targets it has established to monitor progress toward achieving their strategic objectives; and (b) any targets that the issuer is required to meet under laws or regulations, including any greenhouse gas emission targets. The issuer must disclose the following for each target: <ol style="list-style-type: none"> Indicators used to set the target; the purpose of the target (e.g., mitigation, adaptation, or science-based initiatives); the scope of application of the target (e.g., whether the target applies to the issuer's entire group or only to a portion of it, such as a specific business unit or geographic region); The applicable period of the target; The reference period for measuring progress; Milestones or interim goals (if any); In the case of quantitative target, whether it is an absolute target or intensity target; and How the latest international climate change protocol (including the legal obligations arising from it) helps the issuer set targets. 	Disclosed	Addressing Climate Change – Indicators and Targets
	38. The issuer must disclose the methods used to set and review each target, as well as how it monitors progress toward achieving those targets, including: <ol style="list-style-type: none"> Whether the targets and the methods used to set them have been verified by a third party; Procedures of the issuer for reviewing the targets; indicators used to monitor progress toward achieving targets; and The content and rationale for any amendments to the targets 	Disclosed	Addressing Climate Change – Indicators and Targets These targets have not yet been verified by a third party. We will consider seeking third-party verification at an appropriate time in the future.

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ESG Indicator	Disclosure	Section
39. The issuer must disclose information regarding its performance against each climate-related target, as well as an analysis of trends or changes in its performance.	Disclosed	Addressing Climate Change – Indicators and Targets
<p>40. For each greenhouse gas emission target disclosed in paragraphs 37 through 40, the issuer must disclose:</p> <ol style="list-style-type: none"> a. Which greenhouse gases are covered by the target; b. Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions; c. Whether this target is a total greenhouse gas emission target or a net greenhouse gas emission target. If the target is for net greenhouse gas emission, the issuer must also disclose the corresponding total greenhouse gas emission target; d. whether the target is derived using industry-specific decarbonization methods; and e. The issuer plans to use carbon credits to offset greenhouse gas emissions in order to achieve any net greenhouse gas emission targets. With respect to plans to use carbon credits, the issuer must disclose: <ol style="list-style-type: none"> i. the extent and manner in which it relies on the use of carbon credits to achieve any net greenhouse gas emission reduction targets; ii. the third-party schemes under which such carbon credits will be verified or certified; iii. the type of carbon credits, including whether the relevant offsets are based on nature-based or technology-based carbon removal, and whether the relevant offsets are achieved through carbon reduction or carbon removal; and iv. any other material factors necessary to understand the credibility and integrity of the carbon credits the issuer intends to use (e.g., assumptions regarding the effectiveness of carbon offsets). 	Disclosed	<p>Addressing Climate Change – Indicators and Targets</p> <p>Wise Living currently has no plans to use carbon credits to offset greenhouse gas emissions.</p>



慧居科技

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Wise Living Technology Co., Ltd