

CORPORATE GOVERNANCE REPORT

Communication with Shareholders and Investor Relations

The Group believes that effective communication with shareholders is key for improving investor relations and will ultimately assist the investment community in understanding the Group's business performance and strategies. Through regular, comprehensive, and interactive communication, we strive to enhance communication with investors through various communication channels. These include in-person meetings, telephone conferences, overseas roadshows, and project-site visits organised for the community. The Group seeks to establish a trusting and productive relationship with its shareholders and investors. The annual general meeting of the Company was held in May 2024. The Group organised briefings and media interviews for results announcements and maintained regular contact with the media through press releases, announcements, and other promotional materials. The Group is committed to enhancing corporate transparency and providing timely disclosure of information on the Group's developments to help shareholders and investors make informed investment decisions. The Group is dedicated to enhancing corporate governance practices on business growth and strives to attain a balance between corporate governance requirements and performance. The Board believes that sound corporate governance is essential to the success of the Group and will enhance shareholders values. During the year, there was no change in the Company's constitutional documents.

Dividend Policy

The Company has adopted a dividend policy and aims to allow its shareholders to share Company's profits and for the Company to retain adequate reserves for business needs and growth.

The recommendation and declaration of dividends are subject to the discretion of the Board. The Board shall take into account various factors the Board may deem relevant, including but not limited to the Group's actual and expected financial performance, working capital requirements, capital expenditure requirements and commitments, operations and business strategies, liquidity position, retained earnings and distributable reserves, etc., and market conditions and external factors.

The Company is inclined to maintain a stronger liquidity position for its relatively capital intensive site assembly business operation, and makes no assurance that dividend will be paid for any given period or will be paid in any particular amount.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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MESSAGE FROM THE CHAIRMAN

Dear Valued Stakeholders,

As Chairman of the Board of Directors, I am honoured to present our Group's 2024 Environmental, Social and Governance (ESG) report. In alignment with the Hong Kong Exchange's enhanced climate-related disclosure requirements, we have strengthened our commitment to transparent reporting whilst advancing our sustainable development initiatives.

The climate crisis remains a pressing global concern, with Hong Kong's pledge for carbon neutrality by 2050 serving as a crucial milestone. The Group has redoubled its efforts in sustainable practices, where we have invested in energy-saving technologies and intelligent building solutions throughout our portfolio. Our modernisation programmes have yielded impressive outcomes, delivering marked reductions in both energy consumption and operational expenditure.

We recognise that our workforce is paramount to our success. Hence, we have bolstered our talent development programmes considerably. We take pride in our comprehensive training initiatives, which equip our personnel with the expertise needed to tackle contemporary challenges in sustainable property management. Our training curriculum now encompasses advanced instruction in green building technologies, sustainable property management, energy conservation measures and occupational health and safety.

Customer satisfaction and trust remain cornerstone principles of our operations. In light of emerging digital risks, we have fortified our digital infrastructure through an extensive cybersecurity enhancement programme, ensuring robust protection whilst maintaining exemplary standards of customer privacy. Our dedication to corporate social responsibility has intensified, with enhanced programmes fostering community resilience and social inclusion.



MESSAGE FROM THE CHAIRMAN

As we forge ahead, we maintain our dedication to advancing sustainable development through innovation and collaboration. Our strategy continues to harmonise with global sustainability standards whilst addressing local challenges and opportunities. We have established objectives for the forthcoming years, including heightened carbon emission reduction targets across our operations. I am confident that our sustained efforts will make a meaningful contribution towards a more sustainable and resilient Hong Kong.

I wish to express my sincere gratitude to our dedicated team, whose commitment and expertise have been vital to our sustainability achievements. Their innovative mindset and unwavering dedication continue to propel our success. I also extend my appreciation to our stakeholders for their steadfast support and trust in our sustainability journey. Together, we are crafting a more sustainable and prosperous future for generations to come.

Chan Hing Tat

Chairman

Hong Kong, 20 March 2025



ABOUT THIS REPORT

Soundwill Holdings Limited and its subsidiaries (“Soundwill” or the “Group”) are pleased to present the 2024 Environment, Social and Governance Report (the “Report”). The Report outlines the Group’s management approaches, policies and practices in environmental, social and governance (“ESG”) aspects for its key stakeholders.

Reporting Boundary

This Report details our material Environmental, Social and Governance (“ESG”) performance throughout the 2024 financial year, from 1 January 2024 to 31 December 2024 (the “Reporting Year”). The scope encompasses our core Hong Kong operations, including building management, property leasing and development activities. Maintaining consistency with our previous reporting framework, we present environmental and social key performance indicators (“KPIs”) across our primary operational estate. The properties covered in this Report include:



Commercial buildings

- Soundwill Plaza (including Headquarter Office)
- Soundwill Plaza II — Midtown
- 10 Knutsford Terrace
- THE SHARP



Residential buildings

- Park Haven
- Warrenwoods



Industrial buildings

- iPLACE
- iCITY



ABOUT THIS REPORT

Reporting Standards

This Report has been crafted in alignment with the Environmental, Social and Governance Reporting Guide (henceforth referred to as the “ESG Guide”) as outlined in Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In preparing this Report, we have diligently adhered to the four fundamental reporting principles set forth in the ESG Guide: materiality, consistency, quantitative measurement and balanced representation.

Report Approval

The Group has maintained our commitment to ensuring this Report’s accuracy and reliability. The information presented herein has been meticulously compiled from our internal policy documentation and statistical records. This ESG Report received the Board’s thorough review and formal approval in March 2025.

Materiality

Throughout the year, we conducted a comprehensive stakeholder engagement survey. Through meticulous materiality assessment, we have identified key areas of focus, which have informed both the structure and essential disclosures within this Report.

Consistency

Except where explicitly noted, we have employed uniform methodologies in measuring and calculating our KPIs, thereby ensuring a fair and balanced assessment of our ESG performance.

Balance

We have endeavoured to present our ESG performance in a balanced and forthright manner, ensuring a comprehensive and impartial representation of our achievements and challenges.

Quantitative

Where practicable, we have presented quantitative KPI data alongside comparative figures, whilst providing comprehensive details regarding the calculation methodologies, standards utilised and underlying assumptions.

Report Publication and Contact

The Report is prepared in both Chinese and English and is available on the websites of Hong Kong Exchanges and Clearing Limited (the “HKEX”) (www.hkexnews.hk) and the Group (www.soundwill.com.hk).

The Group welcomes and values all feedback and suggestions on the Report or its sustainability performance.

Email: sw.pr@soundwill.com.hk

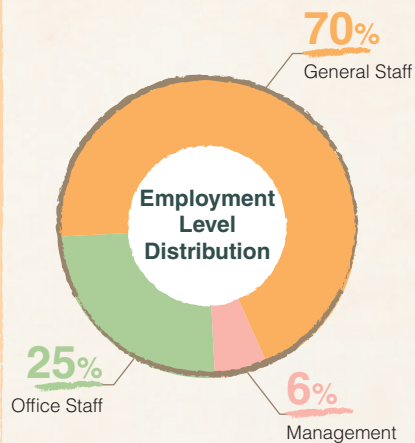
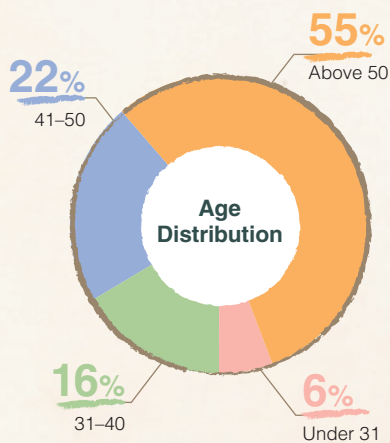
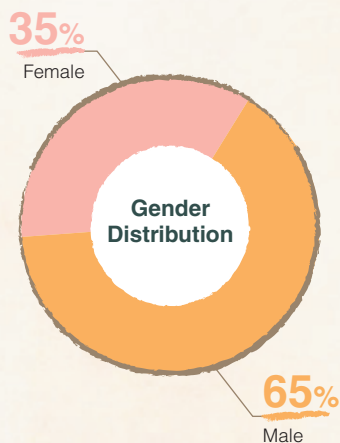
Tel: 2916 2823

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2024 AT A GLANCE

EMPLOYMENT

Workforce distribution



Occupational health and safety



Work-related injuries:

1



Fatalities for 3 consecutive years:

0

CUSTOMERS

Customer Service



Satisfied with tidiness of public area:

98.3%



Satisfied with the overall customer service:

97.6%

ENVIRONMENT

Targets (Base year: 2022)



GHG and air emissions:

- To ensure their emissions are well-aligned with its business growth by 2027



Wastes:

- To ensure its consumption is well-aligned with its business growth by 2027



Energy consumption:

- To reduce the Group's energy consumption intensity by 6% by 2027
- To take energy-saving measures into account as one of the selection criteria for new suppliers and investment by 2027

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Performances Highlights



GHG and air emissions:

3,925.79 tCO₂e



Wastes disposed to landfills:

4,097.15 tonnes



Energy consumption:

6,781.72 MWh

COMMUNITY

Targets

Focused in

Caring for the underprivileged



Sponsoring NGOs

Engaging the community

Performances Highlights

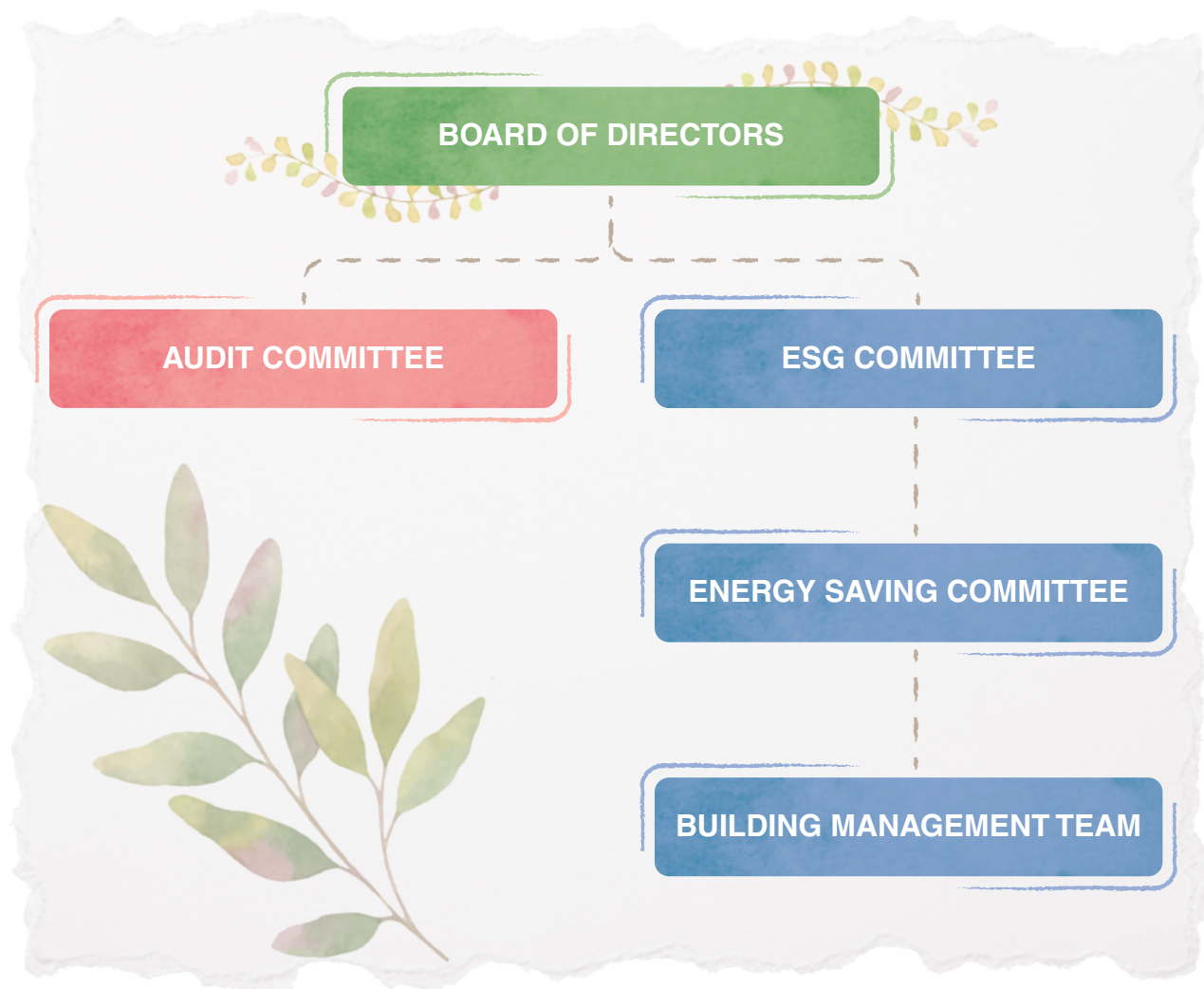
- Contributed **467** volunteer hours
- Donated approximately HK\$ **300,000** cash and in-kind donations
- Partnered with the People Service Centre to launch the 6-month "Morning Sun Ambassadors environmental volunteer initiative" (「朝陽大使」環保義工計劃) program
- Contributed on the areas of "Conserving the Environment", "Caring for the Needy", "Aiding the Development of Children and Youth" and "Supporting Social Enterprises and Community Organisations"

OUR APPROACH TO ESG

ESG Governance

As a conscientious organisation, the Group remains steadfast in its pursuit of sustainable business expansion whilst safeguarding stakeholder interests. We recognise the vital role of a robust ESG management framework in fostering our strategic and long-term advancement, and we continually strive to elevate our ESG performance.

Governance Structure



The Board

As the highest governing body of the Group, the Board maintains ultimate responsibility for sustainability and climate-related matters, whilst ensuring their thorough integration into governance, strategy, risk management and reporting frameworks. The Board provides comprehensive oversight of sustainability and climate-related matters, whilst sanctioning all pertinent major decisions.

OUR APPROACH TO ESG

The Environmental, Social and Governance Committee

Under the Board's governance, the Environmental, Social and Governance Committee (the "ESG Committee") oversees the Group's sustainability and climate-related initiatives. The Committee comprises senior management representatives from Finance & Accounts, Legal, Property Management, Administration & Human Resources, and Corporate Communications departments. Its principal responsibilities encompass:

- undertaking comprehensive monitoring of the Group's ESG performance
- evaluating and assessing ESG matters' relevance and materiality for Board consideration
- establishing robust policies and implementing measures for ESG and climate-related governance
- facilitating regular discourse and assessment of programme efficacy
- delivering strategic updates to the Board regarding crucial developments

The Energy Saving Team and Building Management Team

The Energy Saving Team bears responsibility for executing ESG policies and initiatives whilst collecting pertinent data to analyse their effectiveness. Moreover, it works in conjunction with the Building Management Team to evaluate and document significant ESG developments, benchmarking against industry counterparts regarding ESG risks, opportunities and innovations to steadily enhance the Group's ESG performance.

Extension to Climate-related issues

In 2024, the Group started the discussion on the establishment of a Climate-related body to strengthen our climate governance structure. This dedicated body focuses exclusively on climate-related issues and opportunities. It will be tasked with evaluating climate risks, developing adaptation and mitigation strategies, and monitoring the Group's progress towards its climate-related targets. Through regular assessment of climate impacts on our business operations, the committee ensures that climate considerations are effectively integrated into our long-term strategic planning and decision-making processes.

Overview of Work Conducted by the ESG Committee in 2024

Focus	Feb 2024	Jul 2024	Nov 2024
ESG Performance Review	✓	✓	✓
ESG Reporting	✓	✓	✓
Climate Change		✓	✓
Energy	✓	✓	✓
Employee Training	✓		
Community Investment	✓		

OUR APPROACH TO ESG

ESG Strategy

We are committed to embedding ESG principles throughout our business operations and organisational culture. Our comprehensive ESG report framework centres on four key pillars, each reflecting our heartfelt dedication to sustainable practices: “Empowering Our People”, “Protecting Our Planet”, “Building Strong Communities”, and “Delivering Service Excellence”. These pillars, encompassing our focus on People, Community, Customers and Environment, constitute a strategic blueprint that directs our resource allocation and guides our continuous ESG advancement.



Environment — Protecting Our Planet

Focus areas:

- Energy
- Waste
- Supply chain risk management

Target:

- Closely monitor the market trend to reduce waste and promote waste production
- Timely review the procedure and criteria of procurement and assessment of suppliers

Strategy:

- Gradually reduce carbon footprint
- Promote green lifestyle through public channels
- Continue to develop mobile application and implement e-marketing strategies
- Maintain a high standard management system of suppliers

Performances:

- Excluding the fluctuating GHG emissions and energy consumption data from iCITY, which was under construction last year, our overall emissions decreased by 4.39% and electricity consumption fell by 1.94%.



People — Empowering Our People

Focus areas:

- Health, safety, and well-being
- Training and development

Target:

- Gradually expand the scale of e-learning

Strategy:

- Promote a self-enriching working atmosphere to boost the work quality and performance
- Maintain a healthy and safe working environment

Performances:

- Frequently provided online self-training materials to employees platforms
- The Board has been undergoing regular training on ESG issues and business ethics

OUR APPROACH TO ESG



Customers — Delivering Service Excellence

Focus areas:

- Customer satisfaction and safety

Target:

- Achieve high satisfaction in major buildings

Strategy:

- Provide high standard of customer service

Performances:

- Satisfied with the overall customer service: 97.6%
- Satisfied with the tidiness of public area: 98.3%

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Community — Building Strong Communities

Focus areas:

- Business ethics and integrity
- Whistleblowing
- Community investment

Target:

- Annually review the strategy and status of community investment

Strategy:

- Engage with charitable organizations to organize events for supporting underprivileged families and advocating environmental protection
- Strategically contribute resources to community
- Regularly review the whistle-blowing policy

Performances:

- The Group partnered with the People Service Centre to launch the “Morning Sun Ambassadors environmental volunteer initiative”, consolidating our corporate social responsibility efforts and enhanced community engagement through environmental stewardship

OUR APPROACH TO ESG

ESG Risk Management

The Board is responsible for maintaining effective risk management and internal control systems that ensure the Group's continued success. In collaboration with the Audit Committee, the Board conducts comprehensive annual risk assessments that identify key risks across strategic, operational, financial, compliance, and ESG categories. The following ESG risks were identified the Reporting Year:

Risk Factors		Potential Impact	Our Response
Employee	Employees' health and safety	Workplace safety hazards in offices and construction sites may lead to injuries, severe accidents, or fatalities. Potential non-compliance with occupational safety regulations.	<ul style="list-style-type: none"> Maintain a comprehensive workplace safety policy with regular environmental assessments covering temperature, hazards, noise, and dust levels Monitor working hours for compliance and provide public liability insurance for workplace injuries
	Talent Retention	High turnover rates and loss of key personnel may impact operational effectiveness.	<ul style="list-style-type: none"> Competitive compensation packages Supportive professional development environment
Governance	Cyber and data security	Potential system vulnerabilities to cyber-attacks and unauthorized access to confidential information.	Comprehensive cyber security program including: <ul style="list-style-type: none"> Anti-virus awareness training Weekly data backup protocols Server redundancy systems Regular phishing awareness training
	Quality Risk	Inconsistent product quality may affect sales performance and customer satisfaction in residential and industrial developments.	Continuous project monitoring through Executive and Progress Update meetings
	Supply chain management	Limited supplier diversity may result in inflated costs for building materials and equipment, impacting overall project expenses.	Maintain diverse vendors through systematic selection, regular evaluations, and contract reviews to ensure competitive pricing and quality standards
Compliance & Business Integrity	Environmental & climate-relevant compliance	Non-compliance with environmental regulations regarding waste management and climate requirements may result in operational suspensions, financial penalties, and regulatory interventions.	<ul style="list-style-type: none"> Continuous compliance and anti-corruption training Legal Department oversight on key issues External legal consultation when needed
	Intellectual Property Rights and Listing Rules compliance	Potential breaches of IP rights, trade secret protection, or listing requirements leading to legal consequences.	
	Business ethics	Ethical breaches may result in significant financial losses and reputational damage.	
Social	Social responsibility	Public scrutiny of company operations and products may impact brand reputation.	Robust media response protocols and crisis management procedures

Please refer to the Annual Report's "Corporate Governance Report" section for more information on the Group's corporate governance practices.

OUR APPROACH TO ESG

Stakeholder Engagement

The Group firmly believes in stakeholder engagement as a cornerstone of enhancing our ESG performance and risk management whilst advancing our business and sustainable development objectives. We actively collaborate with our stakeholders to gain a thorough understanding of their aspirations, requirements and concerns, ensuring their viewpoints are thoughtfully incorporated into our daily operations. This approach enables us to fine-tune our strategic priorities and existing practices to ensure optimal alignment with our business endeavours. Throughout the year, we have maintained robust dialogue and engagement with key stakeholder groups via various channels.

Shareholders/
Investors

- Annual and interim reports, financial statements, and announcements
- Annual General Meeting
- Corporate website
- Investor relations enquiry hotline and email
- Press releases



Employees

- Annual performance review
- Regular meetings
- Surveys
- Employee activities
- Intranet
- Internal publications and newsletters



Customers

- Surveys
- Communication with frontline employees
- Customer service hotline and email
- The Soundwill Club mobile application
- Social media platforms



Tenants

- Meetings
- Surveys
- Customer service hotline and email
- Communication with frontline employees

Suppliers,
Vendors and
Service
Providers

- Surveys
- Continuous direct communication
- Performance review and assessment



Media

- Interviews
- Press releases and conferences
- Media enquiry hotline and email

Community
and Non-
governmental
Organisations

- Community investment initiatives
- Events, activities and exhibitions
- Press releases and conferences
- Corporate website
- Social media platforms