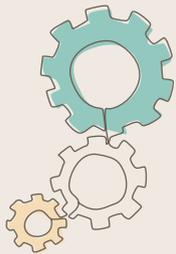


# Empowering a Prosperous Future



We recognise the strong interdependence between our success and the well-being of the communities we serve; a prosperous community is the fundamental basis for the Group’s development. We believe sustainable growth enables sustainable success, which is achieved by creating values for all of our stakeholders while balancing financial gains. In response to evolving customer and community needs, we have embraced advanced technology and carried out sustainable investments.

With the dual objectives of accelerating technological innovation and embedding ESG into our core strategy, we are dedicated to not just envisioning a prosperous future — we are actively constructing it.



**19 solutions**

Tested in Cohort 1 & 2 with 17 tech ventures supported through CCG Accel – Powered by HKSTP



**58%**

Of the Group's total financing facilities are green or sustainability-linked



**~4.8 billion**

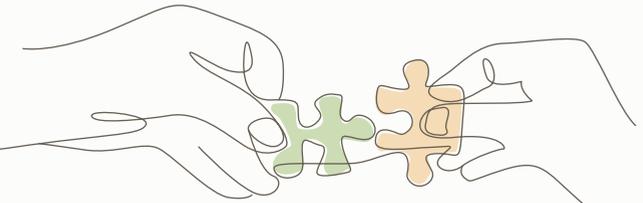
Of green loan secured in FY2022/23 (HKD)



**2 buildings**

Acquired in London which are in high sustainability performance

# Nurturing Innovative Solutions through Incubation Partnership



## Impact Summary - Cohort 1 & 2 of CCG Accel - Powered By HKSTP

The Group is dedicated to fostering the role of innovation and entrepreneurship in igniting social change and propelling economic growth in Hong Kong. We are keen to support and collaborate with local innovators and ideators and, together, solve the immense social and economic challenges Hong Kong and the world are facing. Actively creating opportunities for anyone to showcase their passion for our community, we have placed substantial investment in identifying and cultivating ground-breaking solutions that address current challenges and bolster our resilience to future changes.

As part of this commitment, the Group has initiated the “CCG Accel - Powered by HKSTP” accelerator programme in collaboration with Hong Kong Science and Technology Parks Corporation (“HKSTP”) in 2021. This programme encompasses a series of initiatives where tech ventures in Hong Kong showcase and test their smart city solutions in different locations managed by the Group, based on different themes related to property management.

The “CCG Accel - Powered by HKSTP” accelerator programme is structured into three cohorts. The first cohort of the programme used Central Market, a location that embodies the harmonious blend of historical significance and forward-thinking innovation, as a test bed for the novel technologies

invented by selected tech ventures. The participating tech ventures were tasked to address three significant challenges specific to Central Market, including Environment & Sustainability, Operations & Facility Management and Customer Experience. A variety of technological solutions, such as cooling paint, an AI-propelled air purification system and a real-time refrigeration system were tested.

Following the success of the first cohort, the second cohort took place in the commercial buildings under

the Group with three focuses on Green Buildings, Operation Efficiency and Safety and Wellness. The selected tech ventures collaborated with the Group Property Services team to jointly develop solutions tailored to real-life scenarios. These solutions were tested within our commercial properties, such as Nina Tower, NINA MALL, One Chinachem Central, Two Chinachem Central and Chinachem Exchange Square.



## Tech Venture Highlights



APICEM Technology Services Company Limited (“ATS”) developed a solution specifically addressing the concentration of viruses and bacteria in the back-of-house areas of buildings, such as utility and trash rooms, which critically require effective air filtering systems. Building on its achievements in Cohort 1, ATS refined its system by reducing its size to suit commercial premises. Furthermore, the team discovered that this system could also eliminate nitrogen dioxide, a harmful compound emitted by vehicles and cigarettes. With this upgrade, ATS planned to test the new, 65-cm tall device in a water pump room at Two Chinachem Central during Cohort 2. This innovation has the potential to be a game-changer for property management companies, offering a durable solution for sterilising these essential areas.



Dayta AI specialises in people flow analysis. It uses artificial intelligence to analyse customer characteristics and behaviours by capturing and analysing CCTV images in shopping malls. This technology helps clients improve their marketing strategies by providing insights into their Customer and demographics. Central Market's management teams have used this technology to gain deeper insights into their customers and create more personalised and attentive visitor experiences based on real data.



i2Cool invented a passive radiative cooling paint patented in Hong Kong that can achieve an electricity-free and refrigerant-free self-cooling effect. By applying this paint on the roof or external walls of buildings, the indoor air temperature can be decreased, saving the energy usage of air-conditioning systems and reducing carbon emission and so forth to cut down both running and installation costs of cooling equipment and reduce the amount of maintenance needed. i2Cool conducted a comprehensive performance test of its innovative cooling paint, iPaint, on the rooftop of One Chinachem Central. This marked only the second occasion for i2Cool to evaluate iPaint's effectiveness during winter the first field test took place at Central Market in early 2022 as part of Cohort 1. Since that initial trial, i2Cool has advanced to the second generation of iPaint, following CCG's recommendation to broaden the product's colour palette. This development included a transparent coating suitable for windows and rooftops, as well as paints in various colours. As a non-invasive and highly efficient solution, iPaint again promised to assist property management companies in achieving their targets for reducing energy consumption.



Novelte Robotics's Heritage corner guiding robot provided a futuristic and interactive experience for visitors keen on learning about the site. This fully automated robot enhanced the area's appeal with its personalised service, simultaneously reducing staff workload. It also enriched the customer experience at Central Market, offering a unique heritage tour that added a distinctive element to their visit.



NXT Smart Technology (Hong Kong) Company Limited (“NXT”) has showcased the pivotal role of artificial intelligence (AI) and advanced sensing technology in the future of facility management by developing Ambient 16. This AI-driven system is capable of monitoring 16 types of real-time data, including temperature, humidity, carbon dioxide levels, light, motion, vibration and sound. Based on the big data, the management team can be alerted when there are any deviations to the curve, such as unexpected traffic flow or abnormal usage. They can then devise a unified management approach across the entire property portfolio. These sensors are set to be installed in the toilets of NINA MALL and the shopping area of Papillon Square.



SCAN  
FOR MORE

As we are navigating the journey of Cohort 3, we will continue to reinforce our leadership in championing a tech-empowered, sustainable future for Hong Kong's economy, fulfilling our commitment to empowering communities and ensuring a prosperous future. Cohort 3 of the "CCG Accel - Powered by HKSTP" accelerator programme centres on generative AI solutions with the entire CCG business as its stage. These solutions are being applied to various aspects of property operations, encompassing both external and internal dimensions, overall management and internal workflows, with an emphasis on enhancing human interactions. Continuing the approach of the previous cohorts, shortlisted tech ventures will collaborate with the Group, employing generative AI to develop solutions that enhance performance and experiences across our business spectrum. This includes commercial buildings, offices, shopping malls and hotels, aiming to benefit both clients and employees.

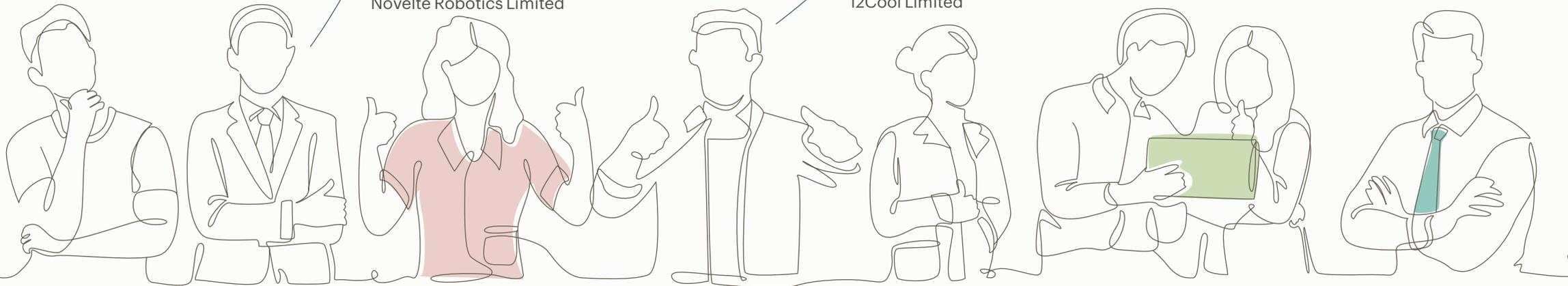
In retrospect, we believe that Cohort 1 and Cohort 2 were able to provide an effective platform for brave thinkers and innovators to experiment with their ideas in real-life scenarios. With the support from the Group, the participating ventures explored how their ideas and solutions prompt innovative urban management and operation, including how sustainability can be creatively integrated into Hong Kong' urban fabric. In the first two cohorts, together with the tech ventures, we leveraged cutting-edge technologies to advance a sustainable and economically vital city, which is a basis for building a prosperous future, and we hope to further magnify the impact of innovation and entrepreneurship in Cohort 3.

The "CCG Accel - Powered by HKSTP" accelerator programme provided a first-time opportunity for adopting heritage guided tour robot in Hong Kong which helped to enrich the company profile.

Albert Lam  
Novelte Robotics Limited

The "CCG Accel - Powered by HKSTP" accelerator programme was helpful and the experience was valuable as this is the first time to adopt the cooling paint on a building and a concrete surface. Chinachem group provided suggestions during the trial to minimise the impact to the environment, for example, applying tape around the painting area border.

Martin Zhu  
i2Cool Limited



## Fostering Industry-Academic Collaboration for the Sustainable Greater Bay Area

The Group has been working towards building a green and thriving GBA, in which Hong Kong and other GBA cities together form a highly integrative, sustainable and prosperous urban economy. As part of this journey, we have been actively partnering with various innovation leaders in the GBA who share a common vision with the Group. In November 2022, the Group and the Hong Kong Polytechnic University (“PolyU”) signed a Memorandum of Understanding (“MoU”) intending to enhance research collaboration between industry, academia and research organisations. The MoU has solidified our commitment to fostering the development of innovative solutions that contribute to the sustainable growth and development of the GBA.

This strategic partnership capitalises on the collective strengths and expertise of PolyU in interdisciplinary research and of the Group in property and community development. The MoU has established a framework for both parties to undertake three pilot research projects focusing on achieving carbon neutrality, fostering an inclusive society and promoting a green economy.

This industry-academia collaboration will involve the development of cutting-edge technology and systems to reduce carbon emissions and energy consumption in a next-generation data centre, explore innovative models of intergenerational housing for future Hong Kong community settlements in the GBA and experiment with the use of blockchain technology in promoting a green economy.



Prof. Jin-Guang Teng  
President of PolyU

This industry-academic collaboration will see PolyU and Chinachem working together to create solutions for major sustainability challenges including energy consumption, climate change, an ageing population and the adoption of green behaviour.



# Sustainable Finance and Responsible Investment



## Green Finance Framework

The Group has established a Chinachem Group Green Finance Framework (“the Framework”) to guide its Green Financing Transactions (“GFT”) in support of its business strategy and vision. The Framework references the Green Bond Principles 2018 issued by the International Capital Market Association (“ICMA”) and the Green Loan Principles 2021 developed by the Loan Market Association (“LMA”), the Asia Pacific Loan Market Association (“APLMA”) and the Loan Syndications and Trading Association (“LSTA”). It enables fundraising through bonds and loans, directing the proceeds to Eligible Projects for environmental benefits.

For each green finance transaction, the Group asserts that it will adopt the principles on the use of proceeds, project evaluation and selection, proceeds management and reporting.

## Allocation of Green Loan and Sustainability-Linked Loan Proceeds



Year Executed	Category	Project	Currency	Facility Amount	Maturity Date
January 2023	Green Loan	Non-industrial development at Tung Chung Town Lot No.45	HKD	4.8 billion	January 2028
June 2022	Sustainability-Linked Loan		HKD	1 billion	Subject to the Bank’s annual review
January 2022	Green Loan	Caroline Hill Road Commercial Project	HKD	13 billion (Share of the Group: 5.2 billion)	January 2027
December 2021	Sustainability-Linked Loan		HKD	1 billion	December 2024
November 2019	Green Loan	Residential Development at Ho Man Tin Station Project Package Two Development	HKD	5.3 billion	May 2025

## Sustainable Investment Criteria

We understand that prosperity extends beyond financial gains, encompassing the well-being of our communities and the health of our planet. This understanding shapes our approach to investment as we are guided by a set of the ESG Investment Guidelines (“the Investment Guidelines”) to ensure that our portfolio aligns with our values and contributes to a more sustainable future. Moreover, investing in sustainability helps us build a more resilient and enduring portfolio, which will generate maximum value in the long run and face minimum risks compared to a traditional portfolio.

To maintain a responsible investment strategy, we strive to uphold an average MSCI ESG Rating of BBB or higher for our investment portfolio. We carefully consider the ESG rating of companies during our analysis, ensuring that ESG performance is evaluated alongside financial metrics. We also prioritise the purchase of sustainable bonds whenever available from the same issuer. Furthermore, we thoroughly review the ESG reports of asset management companies for our fund investments as well as any ESG-relevant credentials held by asset managers during selection process. We strive to identify and support companies with strong ESG practices.

In order to pursue sustainable investment, we have excluded sectors that conflict with our values. These include:



Tobacco

Casinos & Gaming

Weapons &  
Military Equipment

With the Investment Guidelines, we aim to create a sustainable portfolio that generates positive financial returns while making a meaningful impact on society and the environment.

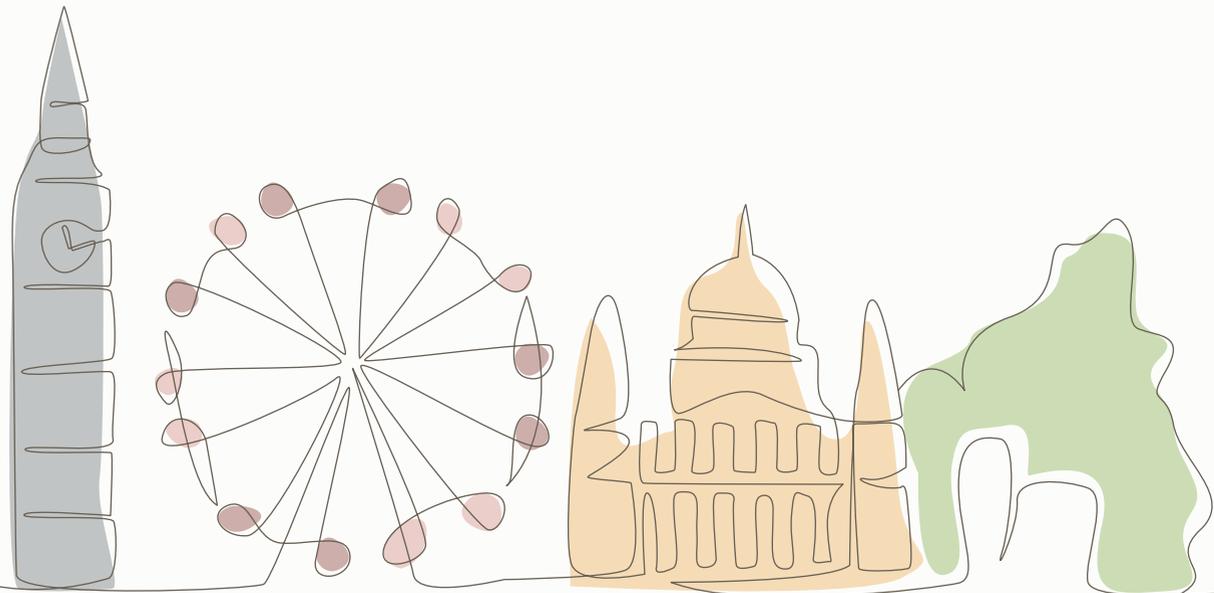
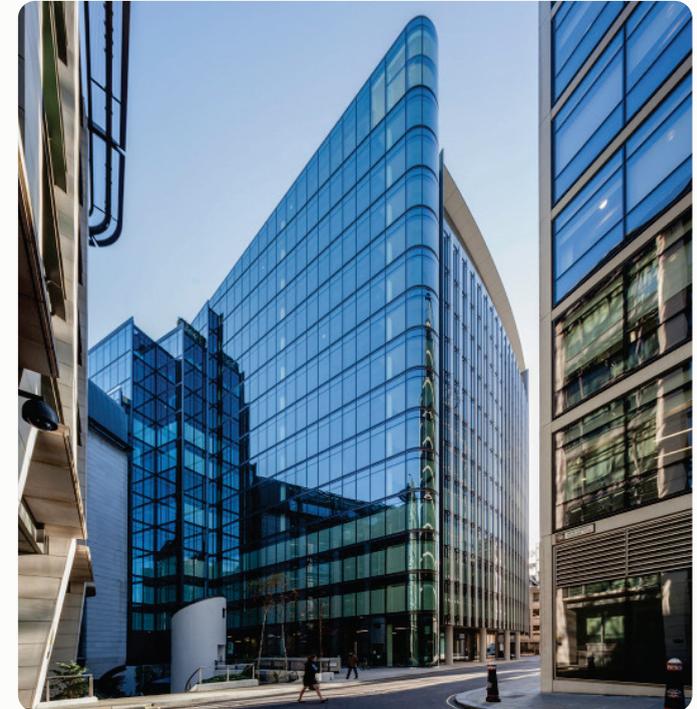
## ESG Criteria in Technical Due Diligence

The Group’s commitment to sustainable development extends to the acquisition of new buildings. We have been actively incorporating ESG principles into our technical due diligence process to ensure the buildings we acquire achieve a high sustainability standard and will create positive value for People, Prosperity and Planet. During the process, building safety and deleterious materials, such as asbestos, concrete (HAC, Chlorides and Woodwool) and lead (in water pipes or paint), used in the construction of the building will be scrutinised.

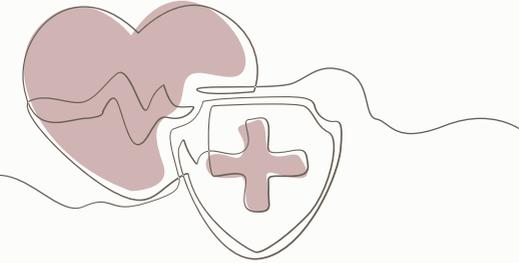
In addition, we will conduct throughout an examination of environmental hazards faced by the building (e.g., flood, fire, health and safety and land contamination risks) as well as any relevant Energy Performance Certificate (“EPC”). We will also screen out any buildings that are not rated, at the minimum, the second-highest level in a green building standard (e.g., WELL).

## Expanding global portfolio with sustainable acquisitions: Kaleidoscope and One New Street Square in London

During the Reporting Period, we made two strategic property acquisitions in London, UK - Kaleidoscope and One New Street Square. In addition to being a strategic investment in overseas property, these acquisitions showcase our strong commitment to fostering a sustainable built environment on a global scale. The Kaleidoscope building has been rated "Excellent" under the Building Research Establishment Environmental Assessment Method ("BREEAM"), while One New Street Square is a BREEAM "Outstanding" and WELL "Gold" building. The sustainability of these buildings is attributed to a range of sustainable elements. For instance, Kaleidoscope has water and energy-efficient management systems, as well as a robust digital infrastructure. Meanwhile, One New Street Square was designed with nature in mind and is surrounded by trees and an extensive vertical garden. These buildings provide a green and healthy environment for users to experience sustainability.



# Investing in Healthcare for a Liveable, Intergenerational Community



In line with our value proposition - "Places with Heart", we are dedicated to incorporating green and age-friendly facilities within our projects and properties. Additionally, we are committed to delivering healthcare services specifically tailored for the elderly population, with the aim of transforming Hong Kong into a more liveable city that embraces intergenerational harmony and is suitable for individuals of all age groups.

## Establishment of New Brand - CCG Healthcare

A prosperous future is a healthy future, as social well-being is intertwined with the longevity of an economy. Given an ageing population, the Group is committed to building a lively economy in which the health and well-being of the elderly are protected. In 2022, the Group launched a new brand named "CCG Healthcare," with the mission to expand the healthcare market, create heart-warming communities and optimise the industry chain for home-based elderly care. This strategic move would further enhance our capabilities in serving the elderly community, ensuring that we contribute meaningfully to building a more liveable, caring and sustainable city for all generations.

As part of our healthcare strategy, the Group acquired approximately 56% interest in Pine Care Group. Pine Care Group, now under the umbrella of CCG Healthcare, stands as a symbol of our commitment to making influential changes in eldercare services.

Since December 2022, a new flagship upscale residential care home for the elderly, "Pine Residence", has become operational. Pine Residence has a wide range of services, covering affordable upscale and upscale residential care. Medical and professional nursing support is delivered by a multidisciplinary and collaborative team, including nurses, caregivers, social workers, occupational therapists and physiotherapists. A variety of advanced gerontology methods and technologies are used to ensure the finest standard of senior care and well-being for the residents.

Our investment in the eldercare sector is a testament to our commitment to ensuring a healthy and prosperous future where elderly people are given the importance they deserve. Not only has this helped us diversify our investment portfolio, but it has also enabled us to protect the personal and social well-being of those in their golden years. As we journey with them through the last chapters of their lives, we strive to provide them with the care and support they need to lead fulfilling lives.



## Pine Residence

Pine Residence is dedicated to providing a sustainable and supportive environment for the residents, with an emphasis on both emotional well-being and physical health. Below are key features that highlight our commitment to sustainability.



### Incorporating the concept of "Reminiscence therapy"



### Proper ventilation and well-lit environment



### Provision of thoughtful and caring facilities



### Medical team takes care of the needs of the residences



## Leading the way with Anderson Road

As we look towards the future, the Group is taking action to address the demographic shift with our upcoming Anderson Road project. This project is being designed and constructed specifically for all ages, creating Hong Kong's first community that caters to people of all ages. Along with the CUHK Jockey Club Institute of Ageing, we are incorporating design thinking guided by an extensive study of how architecture can positively impact elderly health. Our approach emphasises our proactive efforts to shape a future where communities are designed to enhance the quality of life for people of all generations.

# Enhancing Community Prosperity and Supporting the Revival of the Economy



As Hong Kong emerges from the shadow of the COVID-19 pandemic, efforts have been made by the Group to drive the recovery of the local economy and bridge the social gaps that have widened during this period. In 2023, we rolled out a series of initiatives targeted at reinforcing community bonds and catalysing the economic revival.

Key among these initiatives is to reimagine retail spaces into vibrant communal spaces that not only offer a great environment for our partners and visitors but also serve as lively gathering places for

residents. Additionally, the Group introduced various promotional events and offerings to bolster the Hong Kong SAR Government's "Hello Hong Kong" campaign, aiming to bring back tourists and travellers to our vibrant city.

This comprehensive approach is dedicated to reconnecting individuals, energising business activities and contributing to the revitalisation of Hong Kong's economy.



## Reimagining Retail Spaces to Strengthen Community Coherence and Local Economy

### Lucky Plaza (Shatin)



As part of our commitment to enhancing community prosperity, the Group has reimagined Lucky Plaza, an established shopping centre in Shatin that has been at the heart of the community for nearly four decades. We have embarked on an ambitious renovation plan, with \$500 million (HKD) investment that marks a new chapter for this iconic locale. The extensive renovation, which commenced in June 2021, transformed Lucky Plaza into a modern, community-centric destination.

One of the main features of this renovation is the introduction of the large-scale fresh supermarket to meet the evolving needs of the community, providing easy access to a wide variety of fresh, quality produce. Further enhancements in the later stages will include an array of lifestyle stores, handpicked to cater to the modern consumer.

This renovated Lucky Plaza extends beyond commerce; it is a place where community life is enriched, local economies thrive and social bonds are fortified, ensuring that Lucky Plaza remains a cherished all-in-one destination in Shatin for generations to come.

### Shun Fook Barn (Yuen Long)



In late 2022, the much-anticipated transformation of "Ho Shun Fook Shopping Centre" was unveiled as the "Shun Fook Barn". With a rich history of serving the community for three decades, this 30,000-square-foot mall has been thoughtfully renovated to infuse a renewed shopping and dining destination that embodies the acronym SFB: "soothing", "fresh" and "bonding".

The refreshed "Shun Fook Barn" is set to become a new stylish and relaxing community hub, providing Yuen Long residents with a rejuvenated gathering point, facilitating a leisurely and high-quality lifestyle to curate a diverse range of merchants for catering to different age groups and individual needs.

## Nurturing Local Entrepreneurs for Sustainable Growth

The growth and success of Central Market are supported by local entrepreneurship, as we partner with start-ups and local businesses to make the Market Hong Kong's local community hub. The Group and the Urban Renewal Authority ("URA") have worked together to inject the concept of "Playground for All" into Central Market and turned this landmark, which had been in operation from 1939 to 2003, into a vibrant community hotspot that combines "Approachable", "Energetic" and "Gregarious", which preserves not only collective memories but also brings new experiences to the community.

Recognising the pivotal role of entrepreneurship in economic revitalisation, the Group hosted and supported a range of events and activities to support telling the story of Hong Kong to the world while also unleashing opportunities to support local businesses and encourage creativity, encourage visitor arrivals and create a welcoming space for the community. In addition, Central Market has innovative approaches to nurturing the growth of local enterprises. We aim to turn Central Market into a breeding ground where local brands and entrepreneurs can achieve their dreams through sustainable growth, by providing a flexible yet supportive environment



### Case Study

#### Plug To Operate Business Model

We took a leadership role in supporting emerging businesses through our "Plug To Operate Business Model" programme, in which we provided ready-to-use infrastructures and stalls, including flexible contracts, basic fixtures, comprehensive point-of-sales systems and fitting-outs, to aspiring start-ups at Central Market. By reducing upfront costs related to logistics, startups can focus on running their businesses and developing their core operations. This programme aims to offer an opportunity and a platform for local brands and entrepreneurs to grow, thrive and create a broader social impact. As these businesses establish themselves, they contribute to employment and promote a more resilient and grounded economy.

#### Tenant Academy

We are committed to supporting the growth and prosperity of our tenants at Central Market. To inspire success, we have established a Tenant Academy ("the Academy"), which provides a supportive learning system to our tenants. The Academy conducts various capacity-building events and sessions to keep our tenants updated with the latest information on market and industry trends. The Academy has helped the participating tenants develop stronger business skills and equip them with the necessary tools to grow sustainably. As a result, a network of support and co-learning has been created among our tenants, which has helped local enterprises advance towards a prosperous future with the Group. During the Reporting Period, 60 tenants attended the Academy.



## Championing Local Businesses Through Diverse Themed Events

During the Reporting Period, we held more than 300 events at Central Market, and many of our events were designed to support local enterprises and together create a unique experience for our visitors. Examples of local enterprises-oriented events included various themed markets, such as French May Market, Innovation SME Marketplace, World Environmental Day Weekend Market and Mid-Autumn Market, where local enterprises demonstrated their creativity and passion through offering distinctive products and services. These events used Central Market as a platform to provide opportunities for local entrepreneurs to turn their business ideas into action and contribute to a more vibrant and diverse economy.

### Case Study

#### Ode To Good Old Hong Kong : A Prosperous Lunar New Year Fair by Central Market

Preserving and celebrating traditional art and culture is one of Central Market's missions, and we constantly engage local art talents to present the beauty of tradition at the Market. In 2023, we presented an old-school Chinese New Year celebration that was filled with memories by taking Central Market back to the old Hong Kong. Visitors rang in the Year of Rabbit at our green street stalls hosted by local brands and social enterprises, amid an immersive New Year atmosphere curated by traditional Hong Kong-style festive flower boards and 450 grad red lanterns. With six "lost but not forgotten" authentic green metal street stalls hosted by time-honour local enterprises and over 30 additional stalls offering hundreds of vintage and Lunar New Year products, such as New Year decorations, Japanese hand-drawn artwork, locally-designed Lunar New Year gifts, antique coins and silverware, the vendors invited the visitors to experience this traditional festival, traditionally.

Moreover, we collaborated with the Hong Kong Society of Illustrators to hold an art exhibition and designer market to celebrate the Chinese New Year with traditional art work. More than 40 local illustrators gathered to depict various New Year lively scenes of the lanes and streets with excellent brushstrokes. Through these events, we celebrate this important time of the year with local organisations, businesses and our community.



## Stimulating the Revival of the City's Economy and Tourism

### Case Study

#### World Cup for All @ Central Market

In an effort to contribute to the city's economic and social revitalisation, Central Market launched the "World Cup for All" initiative, in collaboration with a leading pay-TV service in Hong Kong, to host a month-long football festival and celebrate this global fest together with our communities.

The "World Cup for All" was a collaborative effort with over ten internationally recognised sponsors and official partners associated with the 22nd FIFA World Cup. From November 18 to December 18, Central Market blossomed into a vibrant gathering place for football fans, marked by the installation of an impressive 4.5-meter LED TV at the G/F OASIS, which provided complimentary live match viewings.

During the event, people gathered and celebrated the winning of their favourite teams, filling Central Market with joy, hope and happiness. More than just a series of football matches, the "World Cup for All" embodied of cultural exchange and community spirit. The line-up of football-themed activities, workshops and unique experiences was thoughtfully curated to celebrate sportsmanship and bring people together.

Through this festival, we sought to strengthen community bonds, enrich the cultural fabric of our city and contribute meaningfully to the city's revival.

#### Offering Shoppers Exciting Promotions and Rewards

Coinciding with the Hong Kong SAR Government's launch of the second phase of the Consumption Voucher Scheme, the Group ramped up the city's shopping excitement with Central Market and seven other shopping malls from the Group to offer a myriad of incentives, totalling \$1.5 million (HKD).

The return of tourists to Hong Kong, especially during the National Day Golden Week and beyond, the Group, in collaboration with over 100 merchants, rolled out a "Multiple Rewards for Travellers" promotion, enticing visitors with an array of rewards. It included cash coupons and exclusive discounts on various products and services, from dining and pharmaceuticals to cosmetics, entertainment, jewellery and electronics.

These innovative campaigns were set to boost local spending and enhance Hong Kong's reputation as a premier shopping and leisure destination.

