方圆生活服务
FINELAND LIVING SERVICES

Fineland Living Services Group Limited
方圓生活服務集團有限公司

(formerly known as Fineland Real Estate Services Group Limited 方圓房地產服務集團有限公司)
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9978)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<2025>

CONTENT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Fineland Living Services Group Limited (the "**Company**" and "**We**"), together with its subsidiaries (the "**Group**") hereby presents its Environmental, Social and Governance ("**ESG**") Report (the "**Report**" or "**ESG Report**"). The Report provides not only a true reflection of the Company's efforts to fulfil economic, environmental, social responsibilities in the pursuit of sustainable development, and its practices and achievements in promoting sustainable development, and also serves a response to material issues of concerns to stakeholders. The Company hopes to increase communication and contact with various stakeholders through the release of the Report.

Reporting Scope

The Report covers the Group's core business: the provision of professional property management services and value-added services for residential and non-residential properties in the People's Republic of China (the "**PRC**").

Reporting Period

The Company's ESG Report is an annual report and covers the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**"). Unless otherwise stated, the scope of this Report is consistent with that of the Company's Annual Report 2025.

Reporting Basis

The Report was prepared in accordance with the requirements of Appendix C2 "Environmental, Social and Governance Reporting Code" (the "**ESG Reporting Code**") to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (the "**HKEX**"). The Company has complied with the disclosure requirements of the "comply or explain" provisions set out in the ESG Reporting Code. During the process of preparing the Report, we summarized the Company's performance in corporate and social responsibilities as per the principles of "materiality, quantitative, balance, and consistency". Please refer to the table below for our understanding of and response to such reporting principles.

Reporting Principles

The Company disclosed its ESG performance following the principles of "materiality, quantitative, balance, and consistency" as set out in the ESG Reporting Code.

Reporting principle	Definition	Our response
Materiality	The issues covered in the Report should reflect the significant impacts of the Group on the economy, environment, and society, or the scopes which might affect the assessments or decisions made by investors and other stakeholders.	Through continuous communication with investors and other stakeholders, combined with the Company's strategic development and business operations, we can identify current material sustainability issues.
Quantitative	The Report should disclose key performance indicators ("**KPIs**") and targets in a measurable manner.	The Group quantitatively discloses its environmental and social KPIs and targets as appropriate, and provides textual explanations on quantitative resources.
Balance	The Report should reflect fairly the overall sustainability performance of the Group.	The Group has explained in detail the sustainability issues that have a significant impact on the business, including the results achieved and the challenges it faces.
Consistency	The Group should use consistent disclosure principles for the preparation of the Report to allow for meaningful comparisons of ESG data over time.	The Group will ensure that the disclosure scope and reporting methods of the Report are generally consistent every year.

Source of Information

The information disclosed in this Report is derived from the Group's formal documents, statistics, or public information. The Board of Directors (the "**Board**") is responsible for the truthfulness, accuracy, and completeness of the content contained herein.

Approval of the Report

This Report was reviewed and confirmed by the Board on 30 April 2026 prior to approval for publication.

Access to the Report

The Report is published in Chinese and English versions and is only available online unless specific requests for hard copies are received from the shareholders. In case of any discrepancy between the Chinese and English versions of the Report, the English version shall prevail. You may visit the Company's official website at www.finelandassets.com or the website of the HKEX at https://www.hkexnews.hk for an electronic copy of the Report.

Comments and feedback

We welcome your feedback on the Report for our sustainability initiatives. Please contact us by email at ir@fydc.cn.

BOARD STATEMENT

The Board is responsible for assessing and identifying the ESG related risks of the Group and ensuring that appropriate and effective ESG risk management and internal control systems are in place. To achieve this goal, the Board maintain close communication and work with the management of the Company to identify and address significant ESG risk factors. Also concerned about the sustainable development of the Group, the Board works with the management of the Company to specify the sustainability strategy and set ESG related targets in light of the Group's operations.

In terms of corporate governance, we endeavor to safeguard the rights and interests of our shareholders, employees, customers, and other stakeholders. The Company has established the Board, its special committees, and other bodies, with clearly defined responsibilities and authorities, forming an effective mechanism of checks and balances. The Company keep improving our corporate governance regime to ensure various decisions are science-based and transparent. The Company has established a comprehensive internal management policy and risk control policy to ensure the compliance and stability of its business operations. At the same time, the Company also actively maintains sound communications with its shareholders, investors and stakeholders to enhance its corporate governance.

With respect to environmental responsibility, the Group actively promotes measures such as energy conservation, emission reduction and waste sorting, and encourages employees to participate in environmental protection activities to raise environmental awareness and jointly promote green development.

On the front of social responsibility, the Company upholds the concept of "serving and giving back to the community", participates in public welfare initiatives, cares for vulnerable groups, and provides necessary assistance and support. At the same time, the Group places great emphasis on employee growth by offering a sound career development platform and competitive benefits, thereby actively fulfilling its responsibilities as a corporate citizen.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This report fully discloses the Group's ESG progress and achievements in 2025. The Group remains firmly committed to embedding ESG principles, continuously enhancing its management systems, and striving to build better communities, drive social progress, and achieve long-term stable development and enhanced social value.

The Board and all directors hereby guarantee that there are no false records, misleading statements, or material omissions in the content of this Report, and they are individually and jointly liable for its truthfulness, accuracy, and completeness.

ABOUT THE COMPANY

Company Profile

The Company was incorporated as an exempted company in the Cayman Islands with limited liability. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at Unit B, 17/F., United Centre, 95 Queensway, Admiralty, Hong Kong.

The principal activities of the Group are the professional property management services and value-added services for residential and commercial properties in the PRC.

Controlling shareholders of the Company are Mr. Fong Ming, Ms. Tse Lai Wa and Mr. Huang Peng.

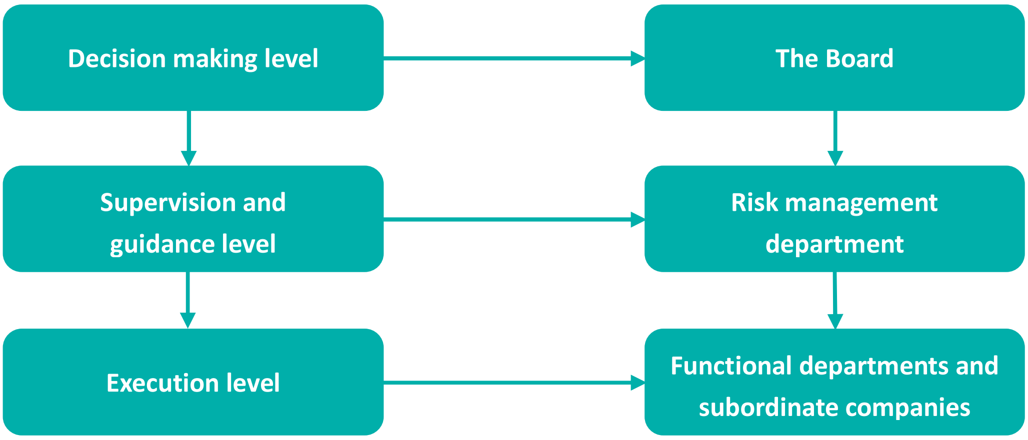
Company Honors

Award	Awarding Institution
Juncheng Nanshan Spring Garden - Model Property Management Demonstration Project in Yunfu	Yunfu Property Management Industry Institute
Fangyuan Huayu Shuian Residential Complex - Residential Complex at First-class Service Standard in Guangzhou	Guangzhou Property Management Industry Institute
Model Member of Xinxing Property Management Industry Institute	Yunfu (Xinxing) Property Management Industry Institute
Third Place in 2025 Annual Minimum Emergency Unit Competition in Conghua District	Ping'an Conghua Construction Leading Group Office of the CPC Conghua District Committee, Guangzhou
Model Member of Guangzhou Property Management Industry Institute	Guangzhou (Nansha District) Property Management Industry Institute
Nansha Yunshan Shiyi Garden - Model Project of Nansha Property Management Industry	Guangzhou (Nansha District) Property Management Industry Institute

ESG GOVERNANCE

The Group maintains a deep understanding of ESG and has established a comprehensive risk management system to effectively address various risks. To ensure the effectiveness of ESG management, the Group has put in place a governance framework comprising the Board of Directors, the risk management department, various functional departments and subsidiaries. Within this framework, the Board of Directors serves as the highest decision-making body, responsible for overseeing ESG governance, while the risk management department acts as the supervisory and coordinating level, responsible for implementing ESG strategies, coordinating ESG-related matters, preparing the ESG report, and reporting progress to the Board on a regular basis.

Chart of Sustainability Governance Framework



The Group regularly conducts major risk identification and assessment, covering factors such as changes in the market environment, updates to policies and regulations, and internal operational conditions. The assessment process for the year included data collection, risk identification, risk analysis, evaluation and the formulation of response strategies, with particular attention paid to the impact of macroeconomic conditions, industry competition and changes in customer demand on the Group's business. Through in-depth analysis, the Group identified key risk areas, including market risk and operational risk, and assessed their potential impact. The results indicate that the overall risk level remains controllable. Based on these findings, the Group has developed targeted risk management measures and contingency plans, and continues to strengthen its risk monitoring and early warning mechanisms to ensure stable development in a complex and ever-changing market environment.

STAKEHOLDER COMMUNICATION

The Group places great importance on the engagement of stakeholders, including employees, customers, partners, shareholders and regulatory authorities, all of whom have a significant impact on the success of the Group's business. The Group actively collaborates with its stakeholders to build mutually beneficial relationships and seeks their views on business plans and initiatives, working together to promote sustainable development in the workplace and the community.

During the preparation of this report, the Group has consulted with internal stakeholders to effectively monitor and manage environmental and social impacts. At the same time, the Group has established multiple communication channels to allow stakeholders to express their concerns regarding the Group's business operations, enabling the Group to better understand and respond to their expectations. The Group firmly believes that stakeholders have a significant influence on the formulation of its sustainability strategy and the fulfillment of its social responsibilities, which also serves as the foundation for the Group's strategy and decision-making.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders	Issues of concern	Engagement channels
Government	Compliance with laws and regulations Proper tax payment Promote regional economic development and employment	On-site inspections and checks Research and discussion through work conferences as well as work reports preparation and submission for approval
Shareholders and investors	Risk management Return on investment Information disclosure and transparency Protection of interests and fair treatment of shareholders	Annual general meeting and other shareholder meetings Annual and interim reports, announcements and circulars Websites, both of the Company and the HKEX Company contact information
Employees	Safeguard the rights and interests of employees Working environment Career development opportunities Occupational health and safety Staff salary, benefits and well-being	Training, seminars and briefing sessions Entertainment, cultural, sports and other activities Intranet, emails and notices Meetings and conferences
Customers	Safe and high-quality products and services Stable relationship Integrity Reputation, brands and market demands	Company website and bulletin board Meetings, Emails and satisfaction surveys via phone calls Service hotline Industry exhibitions Mobile application

Stakeholders	Issues of concern	Engagement channels
Partners	Long-term partnership	Business meetings, supplier conferences and phone calls
	Honest cooperation	Regular meetings
	Fairness and openness	Review and assessment
	Information sharing	Tendering process
	Risk reduction	Strategic cooperation
Industry peers/ Industry associations	Experience sharing	Industry conferences
	Cooperation	Site visits and field trips
	Fair competition	
Market regulators	Compliance with laws and regulations	Annual and interim reports, announcements and circulars and other published documents
	Information disclosure	Seminars
Public and communities	Community involvement	Volunteering
	Career opportunities	Charity and social investment
	Social responsibilities	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group attaches importance to the materiality assessment of ESG issues for the purpose of promptly and comprehensively understanding the materiality of each issue to the business development of the Group and expectations of stakeholders, in order to facilitate the Group's effective disclosure of ESG information and continuous improvement to the management level of relevant issues.

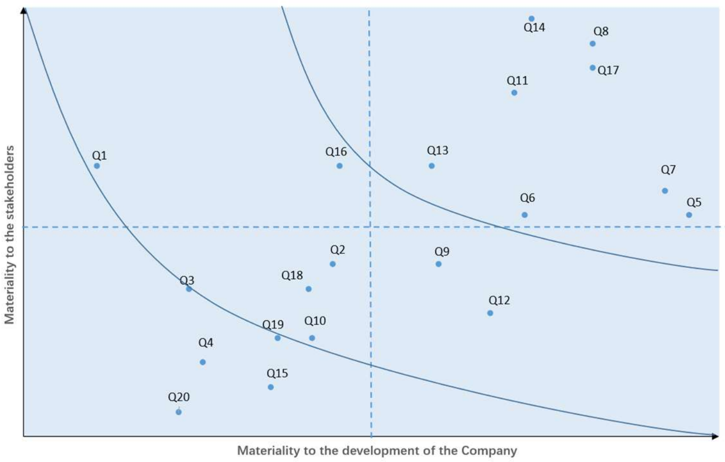
The materiality assessment on ESG issues of the Group during the Reporting Period covers the following steps:

Step 1	The Group identified the following 20 issues in accordance with the disclosure requirements set out in the ESG Reporting Code and based on the business characteristics and daily operation of the Group. These issues are considered to have impacts on the environment and society during our operation.
Step 2	Based on the understanding of the demands and expectations of stakeholders during daily operation, the Group determined the materiality of ESG issues by benchmarking the key points and trend of ESG work of industry peers.
Step 3	Based on the results of the materiality assessment, the Group discussed and determined the key disclosure of the Report for the Reporting Period and the key points for improvement in the future ESG work of the Group.

Matix of Material Issues

We categorize issues into three levels by importance, with the issues of high materiality concentrated in the upper-right area of the diagram, the issues of moderate materiality in the middle area, and the issues of low materiality in the lower-left area.

According to the results of assessment, 8 topics (bolded in the following chart) are regarded as the most concerned issues of the Group and its stakeholders. While taking into account environmental and social responsibilities, the Group will pay more attention to the above areas, and strive to achieve continuous improvement and sustainable business development.



Environmental Aspects	Social Aspects		Governance Aspects
1. Emissions	5. **Employee benefits and remuneration**	11. **Health & safety of the customers/property owners**	16. Business compliance and standardization
2. Use of resources	6. **Employee development and training**	12. Product and service quality	17. **Anti-corruption and anti-money laundering**
3. Environment and natural resources	7. **Physical and mental health of employees**	13. **Protection of intellectual property rights**	18. ESG supervision
4. Climate change	8. **Labor standards**	14. **Information security protection**	19. ESG risk management
	9. Supply chain management	15. Charity and community services	20. Communication about ESG issues
	10. Customer relationship management		

QUALITY SERVICES

Compliance to Enhance Service Quality

The Group strictly complies with relevant laws and regulations, including the Consumer Rights Protection Law of the People's Republic of China (中華人民共和國消費者權益保護法), the Cybersecurity Law of the People's Republic of China (中華人民共和國網絡安全法), the Measures for the Graded Protection of Information Security (資訊安全等級保護管理辦法), and the Regulations on the Security Protection of Computer Information Systems (電腦資訊系統安全保護條例). Accordingly, the Group has established a series of internal management policies, such as the Customer Service Management Policy the Venue Operation Management Policy, the Quality Control Policy, and the 400 Call Center Operation Management Policy.

Since 2025, the Group has continuously improved its customer service system by successively revising or formulating a number of work guidelines, including the Customer File Management Work Guideline, the Customer Reception Work Guideline, the Customer Complaint Handling Work Guideline, the Customer Communication Work Guideline, the Fee Collection Work Guideline, the Pet Management Work Guideline, the Community Cultural Activity Work Guideline, and the Exit Project Fee Collection Work Guideline. These initiatives have further enhanced the standardization of management, ensured standardized service processes and effective implementation, and provided customers with a higher quality and more efficient service experience.

Providing High-Quality, Thoughtful, Timely and Attentive All-Round Services

Upholding the philosophy of "refining quality and crafting meticulous service", the Company adheres to the principles of people-orientation and service excellence. With the mission of "thinking more for you to create a better life", the Company implements a customer-needs-oriented service approach. Starting from the actual needs of property owners, the Company continuously strengthens standard service procedures, consolidates the service foundation, enriches service content, and enhances service quality with sincerity, striving to provide customers with high-quality, thoughtful, timely and attentive all-round services.

- 24-Hour Customer Service Hotline: A quality supervision hotline has been established to respond to customer needs around the clock. Customer complaints are instantly converted into work orders and accurately assigned to the corresponding projects for follow-up. Upon completion of processing, telephone follow-ups are conducted and property owners are invited to provide feedback, achieving closed-loop management of issue tracking.

- Digital Inspection Management: Using a quality inspection system APP, daily, weekly, monthly, quarterly and annual inspection plans are set to achieve intelligent inspection routing and efficient rectification of quality work orders, thereby improving the timeliness of service control.

- Remote Monitoring Management: An integrated control center conducts 24-hour online supervision of service etiquette and code of conduct for key positions in projects, conducting spot checks and promptly addressing irregularities to ensure uniform service standards.

- Joint Inspection Mechanism: The Group's headquarters conducts routine and ad-hoc spot checks to carry out project service inspections, issue rectification requirements and track their completion, ensuring quality control with no blind spots.

- Diversified Training Empowerment: Combining online and offline training methods, comprehensive skills training is provided to project service personnel, continuously improving service standards and ensuring steady enhancement of service quality.

- Comprehensive Service Enhancement Initiatives: in-depth customer interviews to accurately understand needs, the establishment of project management team reception days to build efficient communication channels, organizing company-wide labor activities to strengthen service responsibility awareness, implementing standing post service to demonstrate a professional image, as well as organizing diverse community cultural activities and providing thoughtful resident convenience services. Through the above measures, the Company has comprehensively improved service quality and refined service standards, truly earning high recognition and deep trust from property owners.

Customer Satisfaction Survey

The Company consistently adheres to a customer-needs-oriented service philosophy. Through diversified channels such as customer interviews, satisfaction questionnaires, enterprise WeChat, official public accounts and mobile applications, combining online and offline approaches, the Company listens to customer voices comprehensively and accurately identifies the deep-seated needs of property owners.

In 2025, the Group organized over 200 project management team reception day activities throughout the year, achieving full project coverage and 100% satisfactory completion of customer requests. To enhance the precision of its surveys, the Company developed the "Fineland Butler+" mini-programme, through which 42,165 property owners were invited to participate in the assessment. The overall service satisfaction rate reached 95.29%, representing an increase of 3.22% compared with the corresponding period in 2024.

With respect to low-satisfaction items and complaint issues identified in the surveys, the Company has established a closed-loop mechanism covering work order generation, accurate assignment, prompt handling and property owner evaluation, ensuring that services are effectively delivered and continuously improving the property owner experience and satisfaction.

Establishing Multiple Channels for Customer Complaints

The Company consistently places customer requests in a position of high importance and actively establishes a diversified customer complaint channel system. Through clearly defined work requirements, the integration of online and offline service models, and the use of intelligent platforms, the Company comprehensively publicizes complaint channels to ensure that customer requests receive timely responses and efficient handling, striving to achieve the satisfaction of every property owner with the property management services.

Complaint Handling Performance in 2025 and 2024

	Unit	2025	2024
Complaint rate	%	1.29%	35.68%
Handling rate	%	97.25%	100%
Completion rate	%	96.52%	100%
Satisfaction rate	%	89.31%	91%

CCTV Exclusive Interview Demonstrating the Path to Service Excellence

To establish industry benchmarks, tell compelling Chinese stories, and convey the voice of China, in September 2025, Mr. Sun Ligong ("**Mr. Sun**"), Executive Director and Chief Executive Officer of the Company, was invited to participate in an interview for the "Rising National Brands" special featured series. During the interview, Mr. Sun shared his insights on innovation and growth in the property management services sector.

- Industry Transformation: From "Gatekeeper and Cleaner" to "All-Round Assistant"
  In contemporary society, the property management services industry is undergoing profound transformation, shifting from the traditional "gatekeeper and cleaner" model to that of an "all-round assistant" for a better life. However, traditional property management companies face numerous challenges in their development, including efficiency bottlenecks, service homogenization, and the diverse needs of property owners. Mr. Sun remarked in the interview that the principal social contradiction currently reflected in the property management industry in China, is a gap between customers' growing demand for a better life and the uneven quality of services provided by the industry. The industry urgently needs to transform and upgrade towards high-quality development. Among the pressures driving this transformation, the need for digital transformation, the low level of service productization, and unstable service quality are the most significant challenges.

- Refined Management: Building Core Corporate Competitiveness
  In light of these challenges, the Company has chosen to focus on "refined management" to strengthen its internal capabilities. On the one hand, the Company has optimized the organizational structure to enhance response speed and improved its standardization system to ensure consistency and compliance in service delivery. On the other hand, it has established a quality supervision mechanism covering the entire service process and implemented tiered assessments and special incentives to stimulate team creativity. In terms of talent, the Company emphasizes the cultivation of employees with "multiple skills in one role", laying a solid foundation for service quality through systematic training and rigorous recruitment.

- Distinctive Services: Creating a Community with Warmth and Principles
  In terms of service innovation, the Company focuses on two key concepts: "warmth" and "principles". Services with "warmth" focus on the genuine needs of people, respect the living habits of different groups, and provide differentiated and attentive services. Services with "principles" regard safety as the foundation of a better life. The Company regularly maintains facilities and equipment, establishes safety responsibility and accident assessment indicators, organizes various emergency drills on a regular basis, establishes mechanisms for incident reporting and emergency response, organizes safety inspections for special circumstances, and implements customer information protection measures to comprehensively reduce safety risks.

- Grassroots Governance: Promoting Owner Autonomy and Renovation and Renewal
  In terms of community co-construction, the Company actively promotes owner autonomy. Currently, 40% of its projects have established or are in the process of establishing owners' committees, striving to build community relationships based on mutual trust and collaboration. At the same time, the Company actively promotes the use of special funds to upgrade and renovate facilities and equipment in older communities, improving the living environment of residents.

- Smart Communities: Promoting Transformation and Upgrading through Digitalization
  The transformation and upgrading of the industry are inseparable from digitalization. The Company has completed the digitalization of fundamental services, established a smart property management platform enabling online payment, invoicing, reporting, and inspection functions, and has upgraded smart access control systems, parking systems, and remote monitoring systems to provide property owners with more convenient and efficient services.

- Future Planning: Long-Termism Leading High-Quality Development
  The Company adheres to "long-termism", upholding integrity in operations, service excellence, and efficient operations. It continues to deepen the development of existing resources, seize market opportunities, return to the essence of service, and respond quickly to customer needs. In the future, the Company will leverage continuous innovation, solid management, and warm services to work hand in hand with property owners to create better communities and build safe and comfortable living environments.

Safety Management System

The Company has always prioritized the personal safety and occupational health of its customers and employees as the primary goal of enterprise management. Through a systematic safety management system, normalized risk inspection mechanism, and comprehensive protective measures, the Company has built a solid safety defense. The Company complies with the Work Safety Law of the People's Republic of China (中華人民共和國安全生產法), the Fire Protection Law of the People's Republic of China (中華人民共和國消防法), the Property Management Regulations (物業管理條例), and the Regulations on the Supervision of Special Equipment Safety (特種設備安全監察條例), and has formulated safety production management policies such as the Work Safety Management Policy and the Emergency Management Measures.

Work Safety Management

The Company has established a sound work safety management system and has specifically established a work safety team, headed by the Director of the Quality Management Centre, with project managers as team members. In 2025, the work safety team further improved the Company's work safety management mechanism, which includes the following six key elements:

- Implement work safety policies, guidelines and regulations, promote and disseminate various work safety rules and regulations, supervise and inspect the implementation.
- Develop regular work schedule and policy objectives for work safety, take responsibility for the implementation, and put forward suggestions for continuous improvement.
- Organize work safety training: conduct work safety training and assessment for related safety managers and project managers on a regular basis; organize training courses for violators; review the training and certification of special equipment operators; and organize safety education for employees returning to work or transferring to new positions.
- Establish a regular safety inspection system. The Company organizes quality and work safety inspections on a quarterly basis, urges employees to comply with work safety systems and operating procedures, and conducts safety inspections of fire protection and other relevant work safety equipment and tools.
- Guide labor protection work in the frontline. In case of emergency, have the authority to stop normal business and promptly bring together relevant leaders to study and address the situation.
- In the event of a casualty, promptly assist relevant departments in the investigation, gathering information, analyzing and reporting, and formulating measures to prevent further escalation and recurrence.

At the supervisory level, each project signs a Work Safety Responsibility Letter. The project manager serves as the work safety responsible person, while relevant personnel assume corresponding responsibilities based on their respective job descriptions. The project manager also acts as the fire safety responsible person, and the head of the security serves as the fire safety manager. By assigning clear responsibility to specific individuals, the Company effectively drives the implementation of safety management.

At the assessment level, the Company has formulated assessment indicators based on characteristics of each project. At the same time, drawing on industry fire safety accident cases, the Group places great importance on the safety management of key fire safety units, further strengthened hazard identification, rectification, and the management of fire control rooms, thereby ensuring that no fire safety accidents attributable to responsibility occurred throughout 2025.

Safety Risk Management

Safety is a fundamental element for the stable development of an enterprise. The Company has institutionalized a rigorous safety inspection regime, mandating quarterly assessments and ad-hoc evaluations during critical operational milestones to ensure comprehensive risk mitigation.

Firstly, the Company has implemented a regular safety mechanism covering, but not limited to, safety training program, the operational status verification of safety facilities, compliance with safety policies, and incident management and documentation. Through thorough risk identification and evaluation processes, we proactively identify potential safety hazards and implement immediate corrective actions to maintain operational integrity.

Secondly, the Company maintains a professional emergency response team responsible for addressing and managing various safety emergencies. Through well-defined functional safeguards and regular emergency drills, the Company has established clear protocols for incident escalation, designated personnel, corrective action plans with defined timelines and verification and feedback mechanisms, to ensure the proper execution of corrective measures and timely feedback.

Furthermore, we conduct specialized safety inspections during major holidays, sensitive periods, and extreme weather conditions such as typhoons and flood seasons. These inspections aim to comprehensively identify potential safety risks, ensuring the proper functioning of facilities and equipment to meet community stability and property owners' daily needs. Through these efforts, we reinforce safety measures during critical periods, fostering a secure and harmonious environment for both employees and the public.

According to statistics, the Company has carried out four rounds of periodic self-inspections and self-corrections, along with six targeted safety inspections during major holidays and sensitive periods. The inspections covered public area facilities, renovation and construction zones, and commercial operation areas, identifying approximately 2,000 safety deficiencies, including unauthorized renovations and obstructions in fire exits caused by tenant belongings. Through deficiencies registration, voluntary rectification, and enforced corrective measures, we have achieved 100% closed-loop rectification.

Security Awareness Training

In 2025, the Company further reinforced training on workplace safety to address safety risks and emergencies. Such training is concentrated in the following areas:

- Training on safety laws/regulations and work safety management policies: The Company ensures that employees understand and comply with work safety-related laws and regulations, such as the Work Safety Law (安全生產法), the Fire Protection Law (消防法) and the General Code for Building Fire Protection (建築防火通用規範) disseminates and fulfils the legal responsibilities and obligations in the process of property management and services, and prompts staff members to attach greater importance to safety management. Work safety responsibility system, rules and policies, and relevant operating procedures are in place to ensure that employees are clear about their respective work safety responsibilities and operating requirements.

- Fire safety training: The training about basic firefighting knowledge and skills, including causes of fire, preventive measures, use of fire extinguishers, and fire evacuation, better prepares employees for fire emergencies.

- Emergency response training: The training about response to various emergencies, including natural disasters and man-made accidents like earthquakes, floods, and fires, gives employees life-saving skills to help themselves and others in emergency situations.

- Safety training for operations in confined spaces: Train employees to understand the definition and characteristics of confined spaces and to identify potential risks associated with working in confined spaces, such as oxygen deficit, accumulation of toxic/hazardous gases, and inflammables & explosives. The Company has formulated and trained employees to comply with the safety operation procedures for confined spaces, including preparations before operations, monitoring during operations, and cleaning up after operations.

- Safety inspection and potential hazards screening training: Employees are trained on how to conduct safety inspections and identify and address safety concerns and potential hazards in a timely manner, ensuring the safety and stability of the property management process.

- Personal safety and labor protection training: Update employees' understanding of the basic knowledge of personal protection and labor protection on a regular basis, including the correct use of safety measures and protection supplies, to ensure the health and safety of employees in the workplace.

Customer Safety Assurance

The Group consistently prioritizes the life safety of customers, establishing a comprehensive "prevention-monitoring-response" safety management system. This principle is not only codified as a core provision in the Customer Service Management Policy, but also rigorously implemented throughout all daily service operations.

In 2025, with the aim of embedding safety awareness deeply in the heart and translating safety skills into practice, the Company adopted a working model of "inspection as training, the site as the classroom". Throughout the year, the Group conducted 425 on-site safety inspection and training sessions. Among these, 170 were fire safety inspection and training sessions, which enhanced employees' emergency response capabilities through fire scenario simulations and instruction on equipment use. Specialised training sessions for elevators, flood control and explosion prevention were each conducted 85 times, targeting different risk characteristics and improving all employees' professional skills in responding to special equipment failures, natural disasters, and sudden violent or terrorist incidents. Through such on-site training, the Company eliminated potential hazards while forging a highly competent workforce.

Customer Information Protection

The Group places utmost importance on customer privacy protection and has implemented a series of stringent management measures to ensure the standardized, secure collection, maintenance, and administration of customer information. We have established the Customer Records Management Guidelines, which clearly define the requirements for continuity, accuracy, completeness, integrity, and confidentiality in customer records management.

For paper records, the Company implements dedicated personnel management, with records stored in designated locked cabinets or drawers to ensure that the record room or cabinets remain tidy and are equipped with functions such as moisture-proof, dust-proof, insect-proof, rodent-proof and damage-proof protection, while also being fitted with safety facilities such as fire extinguishers. For electronic records, the Company strictly restricts the transmission and use of electronic records to company-authorised work computers and work mobile phones only, and prohibits the storage of any customer information on personal devices. In addition, the Company regularly conducts specialised training covering all customer service personnel and positions that may have access to customer information, ensuring that every employee is fully proficient in and strictly complies with the relevant provisions on customer information protection.

In 2025, to strengthen information security management and protect user privacy, the Group implemented the following initiatives:

- When tendering and developing business systems such as property management fee collection systems and electronic invoicing systems, the Group sets forth clear requirements for suppliers regarding software copyright, system security, user privacy, product technology and functionality.

- The property management fee collection system and electronic invoicing system contain personal information of property owners, property information, payment records, etc. The Company uses dedicated servers and network security equipment to isolate and store such information, preventing data leakage or theft. Users are required to verify their network identity and system account when accessing business systems.

- For mobile applications such as online payment, invoicing, reporting and repair requests, the Company enters into customer privacy protection agreements with clients.

- The Company establishes system access authorities and creates individual accounts for relevant employees. Employees log into business systems using their individual accounts and operate in accordance with preset system permissions, cross-level or over-authority access is prohibited.

- The Company conducts information security training. Prior to the launch of business systems, the Company organizes system usage and information security training to clarify account usage responsibilities, enhance employees' awareness and understanding, strengthen their sense of responsibility, and effectively reduce non-compliant behavior.

Build Harmonious Communities

The Group actively participates in grassroots governance, enhancing community governance capacity through the leadership of the Party and increasing residents' sense of well-being through the development of "Red Property".

Party Leadership and Red Property

The Company steers project operations with Party building at the helm, illuminating the "Red Faith" and allowing the Party's care to permeate every aspect of property management work. Through precisely targeted services, the Company effectively enhances residents' sense of well-being and security, enabling the red faith to take root and flourish in the community. Through activities such as waste sorting, the Company adopts a multi-pronged approach encompassing environmental improvement and engaging guidance to cultivate "Red Awareness", making environmental protection a new community norm. The Company also ignites "Red Vitality" through community activities, having meticulously organized 13 community cultural events to increase community vitality, bring neighbors closer together, and work hand in hand with property owners to jointly draw the blueprint for a better life in the community.

Launch of the "Fangxin Neighborhood Festival"

The Company has enhanced its connection with property owners through the "Fangxin Neighborhood Festival". In the beautiful April season, the Fineland community "Convenience Reception Day" commenced with warmth, building a communication channel through caring services and bringing care at residents' doorsteps. By providing convenience services, health protection closely, and attentive manager receptions, the Company walks hand in hand with property owners in gratitude, looking forward to a better future together.

Community Public Service Promotion and Implementation

Besides delivering basic property management services, the Company deeply integrates the promotion of public services with the implementation of convenience initiatives. Through community bulletin boards, official public accounts, on-site promotions and other channels, the Company announces and widely promotes convenience service activities, including appliance repair, charitable medical consultations, and "clean for the Spring Festival" initiatives, proactively providing public welfare services to property owners and demonstrating corporate social responsibility.

In 2025, the Company regularly conducted convenience service activities across multiple communities, providing residents with a range of services such as knife sharpening, small appliance repair, doormat cleaning and electric vehicle cleaning, effectively solving small daily challenges faced by residents. These activities achieved broad coverage and strong service orientation, earning widespread recognition and consistent praise from community residents.

New Chinese Style Community Cultural Development and Promotion

Upholding the corporate essence of "Oriental gathering wisdom, modern life craftsmanship", the Company places great emphasis on the development of traditional community culture. Guided by promotional efforts and implemented through activities, the Company promotes traditional festival culture and neighborhood interaction concepts through online and offline channels. The Company meticulously plans special folk activities for festivals such as the Dragon Boat Festival and the Winter Solstice, allowing property owners to experience the charm of traditional customs through hands-on participation and companionship, enriching the cultural and spiritual life of the community, strengthening emotional bonds, and continuously building a harmonious community that embodies both Oriental cultural heritage and the warmth of modern life.

CORPORATE GOVERNANCE

Enhanced Risk Management and Control

To further enhance the Company's competitive edge and response capabilities in operational risk management, the Company has formulated relevant policies including the Crisis and Incidents Handling Procedure, the Measures for Managing Risk Control Liaisons, the Project Operational Risk Control Policy, the Environmental Management Policy, and the Safety Management Policy, taking into account the various risks that may arise in the course of business operations as well as the actual circumstances of different departments.

These documents cover various aspects of risk management from risk identification and assessment to risk control and monitoring. As the Company emphasizes, projects should strengthen risk monitoring and forewarning in their daily operations, and respond quickly to risks when they occur, thereby reducing potential losses caused therefrom.

Driving Technological Innovation

The Company has made significant progress in information technology construction. Through the application of a series of innovative technologies and system upgrades, it has not only improved the efficiency and service quality of property management, but has also enhanced equipment monitoring and fire safety response capabilities through smart solutions.

In 2025, the Company launched its Enterprise WeChat resident interface system to facilitate better communication and fully integrating the fee collection system. By setting fee reminder rules, batch fee reminder tasks will be automatically triggered on a regular basis from the fee collection system. Once generated, the corresponding grid butler sends the task with one simple click via Enterprise WeChat to the relevant property owner in arrears. At the same time, the system provides reports to monitor whether butlers have executed the sending tasks, thereby offering an effective management tool for headquarters to drive project fee collection efforts.

The Company has established a smart remote equipment monitoring platform to achieve regional centralized management of equipment, improve the quality of on-site equipment monitoring and maintenance, while enabling faster response to emergency equipment alert. At the same time, the Company has formulated the EBA System Operation and Maintenance Management Measures, which have been implemented in certain projects.

During the year, the Company has continuously advanced the intelligent upgrading of its fire protection facilities. The current fire protection systems all feature automatic fire detection and alarm capabilities for incipient-stage fires. These systems are integrated with the alarm system at the fire control center, and have direct interfaces to the fire department's telephone line, the automatic fire suppression control panel, and the fire alarm public address system. In the event of a fire, the system immediately activates audible/visual alarm signals on the alarm devices within the fire-affected zone, while simultaneously indicating the fire location or zone code on the alarm equipment at the fire control center. Upon receiving an alarm, management personnel are able to immediately initiate the emergency response plan, prioritize the response and handling of the fire incident, and effectively coordinate the safe evacuation of occupants. The system also enables the activation of the automatic fire suppression control panel, the closure of fire doors to isolate the affected zone, and the automatic discharge of water or extinguishing agent to suppress the fire, while concurrently starting the fire pump and the automatic smoke extraction system.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Integrity in the Workplace

The Company attaches great importance to anti-corruption and strictly complies with relevant laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法), the Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法), and the Tendering and Bidding Law of the People's Republic of China (中華人民共和國招標投標法). It has also formulated the Internal Audit Management Policy, the Audit Supervision and Accountability System, the Audit Supervision Work Guidelines for the Tendering Process, and the Departure Audit Management Policy, establishing an internal control system covering anti-corruption, anti-money laundering and anti-fraud.

Internal Management

The Company prioritizes prevention over punitive action, and has put in place a range of integrity control measures. Background checks on integrity are conducted during employee recruitment. Upon joining, employees are required to sign the Employee Integrity and Compliance Employment Agreement and declare their economic dealings with the Group and suppliers, as well as internal family relationships. In 2025, the Company issued the Notice on Declaration of Employee Family Relationships, requiring employees to complete the Family Relationship Registration Form. Any gifts or monetary presents received in the course of business that are non-returnable must be surrendered to the Company and duly registered for record-keeping purposes. Furthermore, the Company has established whistleblower reporting mechanisms, under which whistleblowers shall be afforded protection and may receive rewards.

External Cooperation

The Company incorporates integrity clauses into all agreements executed with the suppliers, carries out periodic on-site inspections and mutual exchanges, and maintains updated complaint reporting channels up to date. Furthermore, leveraging platforms including the China Anti-Fraud Alliance and the Greater Bay Area Enterprise Supervision Alliance, the Company shares intelligence on untrustworthy behavior with industry peers and collaboratively establishes a risk firewall.

Training and Education

The Company conducts integrity training on a regular and ongoing basis, in which members of the Board of Directors also participate. New hires are required to complete mandatory integrity induction training within the first month of their employment. In 2025, a total of 792 new employees completed such training, achieving a 100% passing rate on the post-training assessment. Furthermore, the Company organized several on-site integrity awareness and promotional training sessions in January, April, and November 2025, attracting approximately 200 attendees. Post-training questionnaire showed that all participating employees achieved significant improvement in their understanding of ethical business conduct.

Supervision Channels

The Company makes its whistleblowing hotline and suggestion box publicly available at locations including the customer service front desk and official bulletin boards. Through internal training sessions, meetings, and the OA system, the Company ensures that all employees are fully informed of the reporting mechanism. The Company strictly maintains the confidentiality of all whistleblower information. Members of the Risk Control Department possess professional backgrounds primarily in law and finance, and work in close coordination with other departments. Furthermore, the Company actively collaborates with government agencies and specialized anti-corruption bodies to continuously enhance the overall integrity standards across the industry.

During the reporting period, neither the Group nor any of its employees was the subject of any legal proceedings relating to corrupt practices.

SOCIAL RESPONSIBILITIES

Valuing Talent and Achieving Mutual Success

The Group strictly adheres to the Labor Law of the People's Republic of China (中華人民共和國勞動法), the Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法), the Work Safety Law of the People's Republic of China (中華人民共和國安全生產法), the Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法), the Regulations on the Management of Occupational Health in the Workplace (工作場所職業衛生管理規定), the Work-related Injury Insurance Regulations (工傷保險條例), the Regulations on the Prohibition of Using Child Labor (禁止使用童工規定), and the Law of the People's Republic of China on the Protection of Minors (中華人民共和國未成年人保護法). In 2025, the Company revised its Human Resources Management Policy, which encompasses the human resources management framework, recruitment and onboarding, promotion management, compensation and benefits, leave management, and training management. Article 17 of Section 3, "Recruitment Workflow," under Chapter 4, "Recruitment Management Regulations," explicitly stipulates that "the use of child labor or the unlawful employment of underage workers is strictly prohibited." Guided by this system, the Company continuously refines its policies in light of actual management circumstances, implements a diversified management approach, and simultaneously affords employees greater opportunities for career advancement and enhanced welfare benefits. The Company also revised its Administrative Management Policy, which covers the administrative management framework, seal and file management, office environment management, employee dormitory and canteen management, and business travel management. These amendments establish relevant standards at the institutional level, elevate employee safety awareness, strengthen employee safety management, and effectively safeguard employee safety in the workplace.

Talent Recruitment

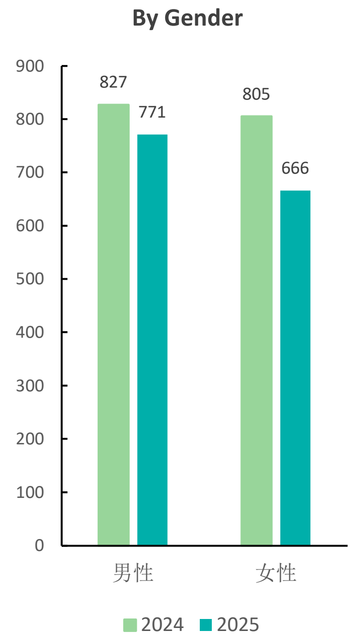
The Group regards talent as a core strategic asset. Guided by the principles of "excellent organization and empowering talent", it has systematically developed an integrated talent ecosystem encompassing the "sourcing, developing, deploying, and retaining" of employees. The Company continuously optimizes its human resources mechanisms and processes to stimulate organizational vitality and individual potential, fostering mutual creation, shared success, and collaborative growth between employees and the enterprise. It is also improves talent development and incentive systems, consolidates the human resources management framework, provides systematic support for talent management, and offers clear career pathways for employees.

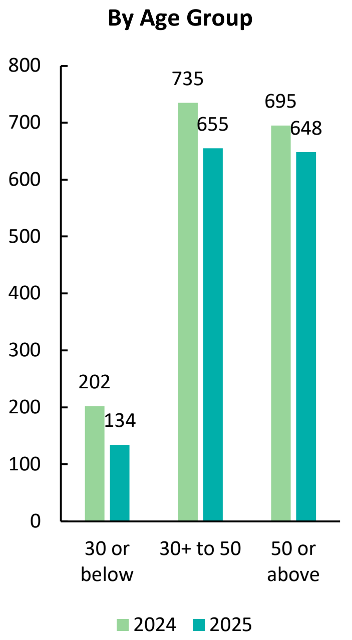
The Company's recruitment system strictly follows the Human Resources Management Policy. It adopts mainstream online platforms (such as BOSS and Liepin), industry communities and internal referrals as multiple channels to attract talent. In the selection process, the Company firmly rejects discrimination based on factors such as skin color, nationality, gender, age, religion, marital status and fertility status. Candidates are required to pass multi-level interviews and a compensation system evaluation before being approved for hiring, ensuring precise matching of job requirements and the introduction of talented and virtuous individuals, thereby providing solid support for the Company's sustainable business development.

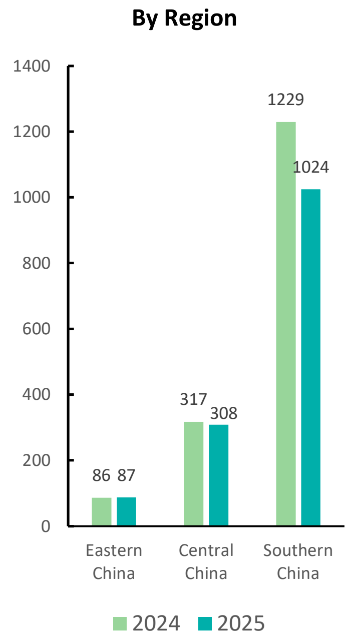
To strengthen talent pipeline development, optimize the team's knowledge structure, and reinforce the reserve of management capabilities, the Company publicly recruited management trainees from both campuses and society in 2025. After joining, trainees are assigned professional mentors and undergo a development mechanism combining systematic training with on-the-job practice. Targeted empowerment through special assignments facilitates their rapid integration and growth, injecting new momentum into the Company's sustainable development.

Furthermore, to enhance the alignment between personnel and positions, the Company regularly conducts key talent reviews. In August 2025, the Company completed a review of its core project management personnel. At the same time, it organized and established a dynamic database of employee qualification certificates, accurately capturing the current state of the workforce and training needs, providing clear direction for talent deployment, and dynamically optimizing the matching of personnel to positions.

As of December 31 2025, the Group employed a workforce of 1,437 persons. The employee composition is detailed below by gender, age, and region:







Employee Health and Safety Protection

The Company places great emphasis on the physical and mental health of its employees and provides comprehensive health and safety protection. In accordance with the Administrative Management Policy, which encompasses the Security and Confidentiality Policy, the Office Environment Management Regulations, the Employee Dormitory Management Regulations and the Employee Canteen Management Regulations, the Group has established relevant standards at the policy level to enhance employee safety awareness, strengthen employee safety management, and effectively ensure workplace safety.

The Company also places great emphasis on the rights and interests of its female employees and strictly complies with relevant national and local laws and regulations. Female employees who comply with the family planning policy are entitled to maternity leave, miscarriage leave and contraceptive measure leave in accordance with the Guangdong Province Employee Maternity Insurance Regulations (廣東省職工生育保險規定) and the Guangdong Province Population and Family Planning Ordinance (廣東省人口與計劃生育條例) (for regions outside Guangdong Province, local policies apply). Maternity allowances are paid in accordance with national regulations. Breastfeeding female employees are entitled to one hour of paid nursing time per business day until their baby reaches one year of age.

The Company is committed to providing a comfortable and safe working environment and preventing occupational hazards. Specific measures include:

- Conducting regular employee health examinations, with the costs borne by the Company;

- Conducting regular safety inspections to ensure the implementation of various safety measures;
- Engaging with the community and conducting regular fire drills and training;
- Caring for employees' physical and mental health and conducting regular employee care activities;
- Strengthening work safety awareness through the arrangement of office and fire safety inspections and drills.

During the reporting period, the Company complied with all material aspects of China's workplace safety-related laws and experienced no incidents that had a material adverse impact on its operations.

Employee Salary, Benefits, and Promotion

To stimulate team vitality and strengthen the talent pipeline, the Company conducts systematic talent reviews on a regular basis in accordance with the Human Resources Management System and relevant promotion policies. Key talents are provided with targeted development programs and multi-channel career support. At the same time, the Company has formulated and implemented performance assessment systems, including the Employee Performance Management Guidelines, the Project Management Team Quarterly and Annual Organizational Performance Assessment Scheme, and the Project Customer Service Butler Quarterly Performance Assessment Scheme, which deeply align individual performance with organizational performance and establish differentiated assessment criteria for different levels and positions. Through regular evaluations and adhering to the principle of "value-led, contribution-first", the Company facilitates the promotion and compensation increase of high-performing employees.

Pursuant to the Employee Performance Management Guidelines, the Company conducts regular performance appraisals based on job characteristics. The results of these appraisals are applied to areas such as bonus distribution, promotions and salary adjustments, training and development, recognition and awards selection, and performance coaching. Pursuant to the Employee Reward and Discipline Management Policy, employees who meet the criteria for recognition are duly rewarded, while those who violate rules are subject to disciplinary action. The Company also holds an annual "Excellence Awards" ceremony to recognize teams and individuals who demonstrate outstanding performance and actively embody the Company's mission and values.

In terms of employee benefits, the Company contributes to social insurance and the housing provident fund for its employees in accordance with applicable laws, provides seniority subsidies, and organizes annual health check-ups. Employee canteens are established at project service centers, or meal subsidies are provided. Employees at project service centers are entitled to accommodation benefits in accordance with approved standards. Additionally, high-temperature subsidies are provided in line with national and regional policy standards.

Employee Training and Development

To strengthen the talent pool, enhance the overall competence of project teams, and reinforce core competitiveness, in 2025， the Company aligned its efforts with its strategic development objectives, to promote deep collaboration between headquarters functions and various projects, and coordinate the development of professionals across disciplines including engineering, customer service, and human resources and administration. Through a combination of systematic training and post-training assessments, the Company continuously reinforced learning outcomes and empowered employee growth.

Several special training sessions were organized during the year:

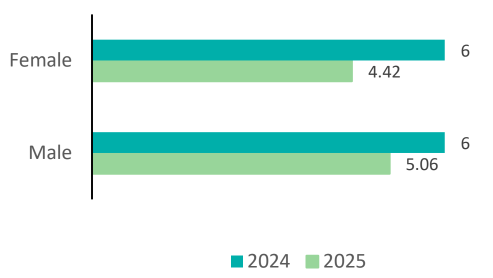
- In April and November, management and skills enhancement training was provided for project managers and headquarter employees, with a total of 15 courses offered;
- Hands-on intensive training was provided for project engineering supervisors, covering 9 core courses;
- A "rolling battle" style intensive training programme was implemented for project customer service staff on a regional basis;
- A dedicated series of courses was developed for project human resources and administration officers, completing a total of 12 sessions.

In the development of supervisory-level talent, the Company organized specialized training sessions in batches between August and September. These sessions employed diverse teaching methods, including case studies, hands-on exercises, and interactive Q&A sessions. Through a closed-loop management mechanism comprising satisfaction surveys, knowledge transfer assessments, and effectiveness tracking, the Company ensured the tangible impact of the training. The program was designed to build a core team of key personnel with both technical expertise and managerial capabilities.

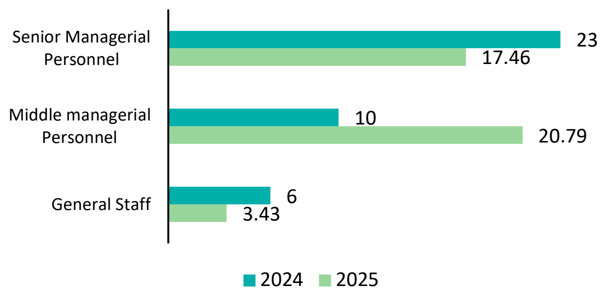
For newly promoted project management talent, the Company conducted management capability enhancement courses in December, inviting outstanding managers to share their practical experience, thereby facilitating the inheritance and integration of management experience.

Furthermore, the Company places great emphasis on the professional capability building of regional project teams. In June and December, specialized training sessions covering all business lines were conducted at the Company's projects in Nansha, Guangzhou, and Liuyang, Hunan, respectively. These sessions significantly enhanced the professional service standards and operational execution capabilities of the project teams.

These systematic and targeted training initiatives have optimized the Company's talent structure and provided a solid talent foundation for the Company's sustainable development.



Average training hours by gender



Average training hours by rank

Building Sustainable Supply Chain

The Company is committed to building a healthy, efficient, and risk-controlled supply chain system. It strictly adheres to a supplier onboarding and qualification mechanism developed under the guidance of management systems including ISO 14001, ISO 45001, and ISO 9001, with a focus on energy conservation, environmental protection, cost reduction, efficiency enhancement, and standardized management. Concurrently, the Company has established the Bidding and Procurement Management Policy and the Supplier Management Policy to standardize procurement processes, ensure that partners meet business requirements, and mitigate cooperation risks.

Supplier Qualification Mechanism and Evaluation

The Company applies a unified access and dynamic evaluation management system for suppliers. The evaluation covers multiple dimensions, including reputation, qualifications, service quality, financial condition, performance capability, and sustainability performance. All suppliers must undergo on-site inspections and comprehensive assessments, and only after being approved and formally included in the supplier database are they eligible to participate in the Company's procurement bidding processes. In invited bidding, no fewer than three qualified suppliers are required to participate, and the principles of "approval before procurement" and multi-departmental joint supervision are strictly followed to ensure the openness, fairness, and impartiality of bidding activities.

As of 2025, the Company's supplier database contained approximately 517 commonly used qualified suppliers (including 326 for fundamental property services and 191 for value-added services). Through monthly reviews, mid-year and year-end assessments, the Company applies a dynamic mechanism that rewards strong performers and replaces underperformers, thereby stabilizing service quality and performance capability.

Supply Chain Integrity and Compliance Management

The Company regards integrity and compliance as the cornerstone of its supply chain management. All agreements executed with suppliers contain standalone integrity clauses - replacing the previous practice of signing separate integrity agreements, which explicitly prohibit any form of commercial bribery. At the same time, the Company has publicly disclosed reporting channels (including the designated department and telephone number) to all employees and business partners. Through platforms such as the China Anti-Fraud Alliance, the Company shares information on dishonest conduct and jointly builds an industry-wide risk firewall.

In 2025, when conducting coordinated tendering for major contracts, including fire protection maintenance, elevator maintenance, cleaning and landscaping, and insurance, the Company consulted project and business departments regarding the service attitude, quality, and performance of existing suppliers, and excluded underperformers from the invitation list.

Sustainable Supply Chain Practices

In supplier selection, the Company gives priority to partners that meet environmental and safety standards. Construction-related suppliers are required to provide safety qualifications and emergency response plans, as well as to secure insurance coverage for their employees. When selecting products, the Company prioritizes environmentally certified products that pose no safety hazards. Furthermore, the Company actively responds to environmental protection policies by promoting rainwater and sewage separation renovation projects and requiring qualified vendors to perform regular cleaning and compliant discharge of septic tanks and grease traps. At the same time, through the establishment of reasonable renovation and construction schedules and the encouragement of environmentally friendly processes and materials, the Company actively implements community noise reduction management to ensure that environmental impacts are minimized.

Improving Rules and Regulations and Respecting Intellectual Property Rights

The Company places great emphasis on intellectual property management and strictly complies with relevant laws and regulations, including the Patent Law of the People's Republic of China (中華人民共和國專利法), the Trademark Law of the People's Republic of China (中華人民共和國商標法), the Copyright Law of the People's Republic of China (中華人民共和國著作權法), the Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法), and the Regulations on the Protection of Computer Software (電腦軟體保護條例). The Company has also established the Intellectual Property Management Measures, which clearly define the responsibilities of competent departments, regulate the commercial use of intellectual property, and set forth corresponding disciplinary measures to safeguard the Company's rights and interests.

The Company has established a protection mechanism across four dimensions: patents, copyrights, trademarks, and anti-unfair competition. A rigorous review and maintenance process ensures that innovative achievements receive timely protection. The Company regularly combats infringement in key areas, places strong emphasis on the registration and protection of original works, and continuously maintains its core trademarks. At the same time, the Company actively responds to acts of unfair competition to uphold a fair competitive environment, thereby providing a solid foundation for the Company's stable and sustainable development.

In terms of brand promotion, the Company operates in accordance with internal policies including the Brand Building Management Procedure, the Crisis Public Relations Management Procedure, and the Media Relations Maintenance Guidelines. It also strictly follows the Brand Identity System Management Guidelines, which set forth clear specifications for internal and external brand communication activities such as visual identity, environmental signage, and advertising placement. Through a clear brand development strategy and a robust management system, the Company continuously strengthens employee brand awareness and enhances brand value and market position.

In 2025, the Company achieved new breakthroughs in its brand promotion strategy. Moving away from its previous focus on a high-end new media matrix, the Company adopted a new core principle of "serving the front line and staying close to the front line", shifting toward a model better suited for community-based communication. Throughout the year, dedicated video channels were launched for 25 projects, focusing on the creation and distribution of short videos featuring daily community services, convenience measures, and community activities. By presenting authentic images of property service details, the Company effectively bridged the distance with residents and enhanced its brand influence and strengthened its connection with the community.

Case 1: Conducting Intellectual Property Training to Mitigate Infringement Risks

The Company regularly conducts intellectual property training covering areas such as relevant laws and regulations, patents, trademarks, and copyrights, providing guidance to employees on how to avoid infringement. Such training effectively enhances employees' awareness of intellectual property rights and provides a solid foundation for the Company's stable and sustainable development.

Case 2: Risk Assessment of Promotional Content on the Official Website

The Company conducted a risk assessment of the text and images used for promotional purposes on its official website. Upon identifying issues such as non-compliant font usage, the Company immediately issued compliance alert, clarified the channels for obtaining licensed materials, and successfully avoided potential infringement liability and administrative penalty risks.

GREEN DEVELOPMENT

The Company is committed to environmental protection and has adopted and implemented measures to meet the goals and targets for environmental protection. Our core subsidiary in property management service segment has obtained the certification of ISO 14001: 2015 Environmental Management System. The Company thoroughly complies with laws and regulations including the Circular Economy Promotion Law of the PRC (中華人民共和國循環經濟促進法), the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法), and the Law on the Prevention and Control of Atmospheric Pollution of the PRC (中華人民共和國大氣污染防治法). In practice, we standardize the solidification and stabilization treatment technologies for fly ash from domestic waste incineration, as well as related construction and operational management practices, to prevent environmental pollution caused by fly ash, achieve safe fly ash disposal, and protect public health. The Company also strictly follows relevant standards such as the Powdered Activated Carbon for Domestic Waste Incineration Flue Gas Purification (生活垃圾焚燒煙氣淨化用粉狀活性炭) and the Technical Standard for Leachate Treatment of Domestic Waste (生活垃圾滲瀝液處理技術標準), ensuring proper treatment of domestic waste leachate. Under the premise of ensuring engineering quality, safety, and operational reliability, all waste treatment and disposal activities comply with national and local environmental protection regulatory requirements.

Rational Use of Resources

The Company places great emphasis on the effective utilization of resources. The resources required for its operations primarily include electricity, natural gas, and water for the buildings under management, fuel for the Company's vehicles, and daily office supplies (such as paper). The Company actively complies with relevant laws and regulations, strictly controls pollutants generated from its service activities, and ensures that all emissions meet national and local standards.

The Company advocates for green procurement strategies, gives priority to advanced energy-saving technologies and high-efficiency equipment, and has developed detailed energy management plans to ensure the efficient and rational use of energy. At the same time, the Company regularly conducts energy management training to enhance employees' energy-saving awareness and practical skills.

In daily office operations, the Company promotes paperless practices, cost conservation, and energy consumption control, encouraging all employees to participate and lead by example.

In the areas of waste classification and resource recycling, the Company effectively implements relevant regulations, improves the resource recycling network, and enhances recycling efficiency. Furthermore, through close collaboration with the community, the Company has established additional environmental education programs to raise environmental awareness and participation among both residents and employees.

The Company comprehensively manages all types of emissions, including domestic sewage, catering fumes, household waste, and carbon emissions, all of which strictly comply with national and local standards. The Company has established a robust sewage discharge management system, implemented a rainwater and sewage separation mechanism, and conducts regular pipeline inspections, cleaning, and unblocking to ensure the smooth operation of the discharge system.

For catering businesses, the Company explicitly requires the installation of oil fume filtration and purification equipment, the possession of valid emission permits, and the provision of grease separation devices and oil traps, with regular oil grease cleaning to effectively control oil fume and grease emissions.

In terms of waste classification, the Company has established a rigorous classification system and strictly follows local household waste classification operational guidelines. From disposal, collection, and transportation to treatment, end-to-end refined management is implemented to ensure the effective execution of classification efforts. The general waste generated by the Company is collected and cleared on a daily basis by licensed waste collection companies, ensuring same-day removal. Hazardous waste is stored separately and transported by specialized companies.

In 2025, the Company's emission density of both hazardous and non-hazardous waste per unit area decreased, demonstrating that the Company's measures to optimize resource utilization have begun to show initial results. The Company plans to further reduce the emission intensity of all types of waste in 2026.

Indicator	Unit	2025	2024
Non-hazardous waste	tonne	13.27	12.13
Hazardous waste	tonne	12.91	33.46
Non-hazardous waste generation intensity	tonne/million sq.m.	0.77	0.85
Hazardous waste generation intensity	tonne/million sq.m.	0.90	2.35

Energy Conservation Measures

The Company's carbon emissions primarily arise from electricity consumption in daily operations. To achieve low-carbon targets, the Company has integrated energy conservation and carbon reduction measures into its daily operations and has developed a scientific energy utilization plan to ensure efficient and rational use of energy. At the same time, the Company actively promotes green and environmentally friendly procurement. Specific measures include: the comprehensive adoption of solar lights for community garden, radar-sensing zoned energy-saving retrofits in parking lots, energy-saving retrofits in pump rooms, and upgrades to monitoring and access control equipment, all in an effort to build green and environmentally friendly communities.

Lighting Retrofits

To improve energy efficiency, the Company promotes the use of LED energy-saving lighting fixtures in basements, or the retrofitting of radar-sensing LED energy-saving lights. These fixtures automatically adjust lighting intensity through smart devices, achieving intelligent control where "lights turn on when people approach and turn off when people leave," significantly reducing lighting energy consumption during non-use periods.

In addition, the Company has installed timers in activity areas to ensure that only minimum lighting is maintained during nighttime hours, effectively reducing the total daily lighting duration and further conserving electricity.

Water System Upgrades

The Company's water sources include municipal water supply networks and rainwater collection, and no issues have been encountered in the water sourcing process. To enhance water resource utilization efficiency and conserve water, the Company has implemented the following measures:

- Rainwater collection system: rainwater collection systems have been installed, and the collected rainwater is used for landscaping irrigation and public area cleaning, achieving water resource reuse.

- Utilization of basement forced drainage: when the quality of basement forced drainage meets the standards for landscaping water, it is incorporated into the scope of water used for landscaping irrigation and public area cleaning, thereby expanding sustainable water sources.

- Automatic Sprinkler System: Upgraded landscaping watering pipelines and retrofitted them into an automatic sprinkler system, enabling watering operations to be carried out automatically at scheduled times and in controlled quantities, thereby improving efficiency and preventing water waste.

Addressing Climate Change

Acutely aware of the far-reaching impact of climate change on the global ecology and society, the Company is therefore committed to mitigating such impact through a range of strategies and actions and continually enhancing its adaptability and resilience to climate-related consequences. To combat the problem, we continue to do our best to reduce the greenhouse gases by promoting energy efficiency and to reduce use of resources.

Governance

The Board has integrated climate change and industry regulatory trends into its core strategic considerations, and has formulated and implemented a governance system for climate change-related issues which clearly defines responsibilities and ensures that climate issues are integrated into the processes of corporate operations and management. The Board has overall responsibility for climate-related risks and opportunities, and delegates its oversight function to the management team, which comprises members with various professional backgrounds. This system systematically identifies and assesses physical risks, transition risks, and emerging compliance risks, while actively exploring market opportunities presented by green services and transparent operations.

During the Reporting Period, a cross-departmental crisis risk management function was incorporated into daily operations and management. The management team was responsible for coordinating, responding to, and making key decisions regarding critical events, including extreme weather conditions. No climate-related issues requiring escalation to the Board beyond standard procedures were identified during the Reporting Period.

Risks, Strategies and Resilience

The Group has directly incorporated sustainable development into its business strategy and daily operations, progressively driving the transition towards green and low-carbon management. Climate-related risks are mainly concentrated on the potential impact of extreme weather on the continuity of its operating locations. Extreme weather conditions may expose the Group to certain risks of property losses. However, due to the inherent uncertainties associated with climate change, the extent of any potential losses cannot be quantified at this stage. Based on the Group's existing risk identification and response mechanisms, climate change has not had, and is not currently expected to have, a material impact on the Group's financial position or operating performance. For further details, please refer to the paragraphs headed "Risks and Opportunities" in this report.

The results of climate scenario analysis have been reviewed by the Board and management. Although climate-related risks do not currently have a material impact on strategic decision-making, the Group has incorporated climate factors as one of the considerations in formulating operating budgets, resource allocation and business expansion plans.

Looking ahead, the Group plans to further adjust its business model by: (i) expanding energy-saving retrofits and green management practices; (ii) exploring intelligent energy management systems; and (iii) highlighting green and sustainable services in bids for new projects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Management

To manage climate-related risks, the Group has integrated climate impact management into its annual work. During the Reporting Period, a cross-departmental crisis risk management function was incorporated into daily operations and management. The management team was responsible for coordinating, responding to, and making key decisions regarding critical events, including extreme weather conditions. The team promptly assesses relevant risks and implements preventive measures such as pre-typhoon inspections, securing rooftop equipment, and arranging standby contractors for emergency repairs. A regular internal review of climate change impacts was conducted during the Reporting Period, enabling the Group to evaluate its existing risk management mechanisms, preventive measures, and emergency response procedures.

In addition, the Group will enhance climate risk awareness among its employees and stakeholders through training programmes, community activities, and campaigns advocating sustainable development. These efforts aim to strengthen their engagement and sense of responsibility in risk management. In line with business development needs, the Group will formulate targeted climate change mitigation and adaptation strategies to continuously enhance its long-term resilience.

Metrics and Targets

The Group has identified its primary sources of greenhouse gas emissions under Scope 2 emissions. The details of greenhouse gas emissions for the years 2024 and 2025 are as follows:

KPI	Unit	2025	2024
Scope 1 direct emissions	tonne of equivalent CO_2 emission	49.42	122.85
Scope 2 indirect emissions[1]	tonne of equivalent CO_2 emission	5,776.48	5,878.42
Scope 3 indirect emissions[2]	tonne of equivalent CO_2 emission	0.60	0.60
Total	tonne of equivalent CO_2 emission	5,826.50	6,001.27
Intensity	tonne of equivalent CO_2 emission / Revenue RMB'000	0.02	0.01

The Group is committed to continuously enhancing its climate resilience through practical and achievable targets. In the near term, the Group aims to maintain a 100% completion rate of annual pre-season climate risk inspections across all managed properties, covering critical areas such as drainage systems, rooftop equipment, backup generators, and flood prevention facilities. The Group also strives to progressively reduce service recovery time following typhoon or extreme rainstorm events by strengthening emergency protocols and standby contractor coordination. Furthermore, the Group endeavors to remediate all identified high-priority physical risk items within the same financial year, and to gradually expand energy-saving retrofits and green management practices across its eligible managed portfolio. These targets are reviewed annually by the management team and reported to the Board, ensuring accountability and continuous improvement in climate-related risk management.

[1] All were in south China region, no emissions in other regions.

[2] The emissions primarily arose from business travel by employees. The quantification process and emission factors were determined with reference to the carbon emission calculation standards of the International Air Transport Association (IATA).

RISK AND OPPORTUNITIES

The Group has integrated climate change and industry regulatory trends into its core strategic considerations, establishing a comprehensive risk management system overseen by management and jointly advanced by all departments. This system systematically identifies and assesses physical risks, transition risks, and emerging compliance risks, while actively exploring market opportunities presented by green services and transparent operations.

This year's assessment indicates that the increasing frequency of extreme weather events constitutes a prominent physical risk. Meanwhile, the implementation of the Civil Code (民法典) and strengthened regulatory oversight by housing and construction authorities across various regions, particularly the stringent requirements for the public disclosure, auditing, and fee transparency of community public proceeds, has created critical compliance and reputational risks.

In response, the Group has deeply integrated ESG and compliance management into its business processes. By strengthening emergency response, intensifying energy-saving retrofits, and proactively leveraging digital tools to promote operational transparency, the Company has transformed compliance pressures into opportunities to build trust and enhance brand value.

CATEGORY	CONTENT	RESPONSE MEASURES
PHYSICAL RISKS	▪ Extreme weather events: Increased frequency of heavy rainfall, floods, super typhoons, etc., leading to damage of buildings and infrastructure, and rising operational maintenance costs and safety risks. ▪ Long-term climate pattern changes: Prolonged high temperatures increase air conditioning energy consumption and equipment load.	▪ Develop and regularly conduct drills of emergency response plans for extreme weather, reinforce critical facilities, and stockpile emergency supplies. ▪ Conduct vulnerability assessments of assets in high-risk areas and integrate climate-adaptive design into investment and maintenance plans. ▪ Deploy smart monitoring systems to track energy consumption and equipment status in real time.
COMPLIANCE RISKS	▪ Strengthened regulations and new rules: Government has intensified oversight of property service fees and the disclosure and auditing of public proceeds (e.g., advertising, parking income). Compliance costs are rising, and the risk of penalties for non-compliance has significantly increased.	▪ Proactively establish and strictly enforce a system of separate accounts for public proceeds and regular disclosure, providing clear information to homeowners through multiple channels including online platforms and offline notices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CATEGORY	CONTENT	RESPONSE MEASURES
COMPLIANCE RISKS	▪ Market and reputational risks: Failure to meet regulatory requirements and homeowners' expectations regarding fee transparency and public proceeds management would severely damage brand reputation, leading to disputes and customer attrition.	▪ Make compliance and transparency a core brand commitment, regularly conduct homeowner communication meetings, and issue annual service and financial transparency reports to build trust.
	▪ Technological innovation: Rapid iteration of low-carbon technologies and digital property management platforms creates pressure to upgrade existing service models and systems.	▪ Deploy smart monitoring systems to track energy consumption and equipment status in real time.
MARKET OPPORTUNITIES	▪ Demand for green property services: Growing customer demand for healthy, low-carbon communities makes green operations a core competitive advantage.	▪ Launch services such as energy-saving retrofits and waste classification supervision.
	▪ Energy efficiency management and benefit sharing: Reducing energy consumption in public areas through energy-saving retrofits can improve homeowner satisfaction through cost savings or shared benefits.	▪ Establish strategic partnerships with new energy enterprises to systematically plan and safely build community charging facilities, expanding value-added service revenue.
	▪ Transparent value-added services: Being a pioneer in highly transparent and digitalized property services creates a differentiated brand advantage and attracts high-quality projects.	▪ Build a "Sunshine Property" brand image, transforming compliant and transparent practices into capital for market expansion and brand premium.

Looking ahead, the Group will continue to thoroughly review its business activities that may have an impact on the environment and will propose targeted improvement measures to further prevent adverse effects on climate change.

APPENDIX

Environmental Aspects[3]

No. of KPI	KPI	Unit	2025	2024
A1.1 Emissions[4]	Nitrogen oxides (NOx)[5]	kg	21.70	70.03
	Sulphur dioxide (Sox)[6]	kg	0.04	0.13
	Particulate matter (PM)[7]	kg	2.08	6.71
A2.1 Energy consumption	Unleaded gasoline	kWh	30,503.22	75,826.43
	Diesel	kWh	-	-
	Natural gas	kWh	348,211.13	432,032.76
	Purchased electricity	kWh	10,128,848.04	10,307,599.01
	Total	kWh	10,507,562.40	10,815,458.20
	Intensity	kWh/Revenue RMB$'000	29.94	25.39
A2.2 Water consumption	Total water consumption	tonne	428,830.34	564,549.06
	Intensity	thousand tonnes/ Revenue RMB$'000	1.22	1.32

[3] KPI A2.5 - packaging material data is not applicable to the Company's business.
[4] The emissions of nitrogen oxides, sulphur oxides and particulate matters are mainly derived from petrol and diesel consumed by the vehicles, which are calculated in accordance with "How to Prepare an ESG Report Appendix II: Reporting Guidance on Environmental Key Performance Indicators".
[5] Nitrogen Oxide (NOX) emissions (g) = mileage travelled (km) x emission factor (0.885 g/km).
[6] Sulfur Oxide (SOX) emissions (g) = Fuel Consumption Unit x emission Factor (0.885 g/km).
[7] Particulate emissions (g) = mileage travelled (km) x emission factor (0.885 g/km).

Social Aspects

No. of KPI	KPIs	Unit	2025	2024
B1.1 Total number of employees	**By gender**			
	Male	person	771	827
	Female	person	666	805
	By employment type			
	Full-time	person	1,437	1,632
	Part-time	person	-	-
	By age group			
	30 or below	person	134	202
	31-50	person	655	735
	51 or above	person	648	695
	By geographical region			
	Eastern China	person	87	86
	Central China	person	308	317
	Southern China	person	1042	1229
B1.2 Employee turnover rate[8]	**Turnover rate by gender**			
	Male	%	36%	37%
	Female	%	39%	36%
	Turnover rate by age group			
	30 or below	%	52%	50%
	31-50	%	30%	30%
	51 or above	%	40%	37%
	By geographical region			
	Eastern China	%	26%	43%
	Central China	%	48%	47%
	Southern China	%	35%	32%

[8] Turnover rate = number of employees left in such category during the year/(number of employees in such category at year end + number of employees left in such category during the year) * 100.

Social Aspects

No. of KPI	KPIs	Unit	2025	2024
B2.1 Work-related fatalities	**Number and rate**			
	Number of work-related fatalities	person	-	-
	Rate of work-related fatalities	%	-	-
B2.2 Number of working days lost due to work injury	Number of working days lost due to work injury	天	330	433
B3.1 Percentage of trained employees[9]	**Percentage of trained employees**	%	100	86
	By gender			
	Male	%	100	99
	Female	%	100	100
	By employment category			
	Ordinary	%	100	100
	Middle	%	100	98
	Senior	%	100	60
B3.2 Average training hours completed per employee	**Average training hours completed per employee**	hour	6	6
	By gender			
	Male	hour	5	6
	Female	hour	4	6
	By employment category			
	Normal	hour	3	6
	Middle	hour	21	10
	Senior	hour	17	23
B5.1 Number of suppliers	**Number of suppliers by geographical region**			
	the PRC	supplier	755	840
B7.1 Legal cases in relation to corruption	Number of legal cases in relation to corruption filed and concluded	case	-	-

[9] Average percentage of employees trained in the relevant category = total number of employees trained in the specific category/total number of employees in the specific category * 100.