

**方圓生活服务**  
FINELAND LIVING SERVICES

**Fineland Living Services Group Limited**  
**方圓生活服务集團有限公司**

*(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**

**2024**

THINK

MORE,

FOR YOU

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

Fineland Living Services Group Limited (the “**Company**” or “**we**”) hereby presents its Environmental, Social and Governance (the “**ESG Report**” or “**Report**”). The Report provides not only a true reflection of the Company's efforts to fulfil economic, environmental, and social responsibilities in the pursuit of sustainable development but also 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 Group's Environmental, Social and Governance Report is an annual report and covers the period from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”).

## Reporting Basis

The Report was prepared in accordance with the requirements of Appendix C2 “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (the “**HKEX**”). The Group has complied with the disclosure requirements of the “comply or explain” provisions set out in the ESG Reporting Guide. During the process of preparing the Report, we summarized the Group'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 Group disclosed its Environmental, Social and Governance (the “**ESG**”) performance following the principles of “materiality, quantitative, balance, and consistency” as set out in the ESG Reporting Guide.

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 Group's strategic development and business operations, we can identify current material sustainability issues.
Quantitative	The Report should disclose key performance indicators (“ <b>KPIs</b> ”) 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 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 2025 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 Group's official website at [www.finelandassets.com](http://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](mailto: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, we 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 always endeavor to safeguard the rights and interests of our shareholders, employees, customers, and other stakeholders. The Board, its special committees, and other bodies have been established with clearly defined responsibilities and authorities, to form an effective mechanism of checks and balances. At the same time, we keep improving our corporate governance regime to ensure various decisions are science-based and transparent. The Company has established a comprehensive internal management system and risk control system 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, we are keenly aware of the importance of environmental protection. A series of initiatives, such as energy conservation, emission reduction, and waste sorting, have been adopted to deal with environmental issues. Meanwhile, our employees are encouraged to participate in environmental protection activities, raise their environmental awareness, and do their part in green development together.

On the front of social responsibility, we always uphold the concept of "serving and giving back to the community" to get actively involved in public welfare and social development programs. We direct particular attention to vulnerable groups and provide them with necessary help and support. At the same time, we emphasize a people-oriented approach, focusing on the needs of our employees and customers. The Company values staff training and welfare, and provides a safe and comfortable working environment. In addition, the Company also actively participates in social welfare activities to give back to the community and demonstrate its sense of social responsibility.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As an integrated service provider of modern life with oriental characteristics, the Company has integrated the philosophy of “Thinking More for You to Start a Better Life” into every aspect of its business. In the process of property services, the Company pays attention to details and provides personalized service solutions from the perspective of customers' needs. Meanwhile, we are actively introducing new technologies and innovative methods to enhance service efficiency and quality, creating more value for our customers. We strive to become a leading integrated service provider in China, making positive contributions to the society and the environment.

This Report fully discloses the progress and effectiveness of the Company's ESG work in 2024. As a responsible property management enterprise, we will unswervingly implement the ESG concept and contribute to building a better community and promoting social progress. By continuously strengthening self-improvement and refining the ESG management framework, we will realize stable development and do good to the public over the long run. 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.

At the beginning of the reporting period, the immediate holding company and ultimate holding company of the Company are Mansion Green Holdings Limited and Widethrive Investments Limited, respectively, both were incorporated in the British Virgin Islands with limited liability and Mr. Fong Ming and Ms. Tse Lai Wai were the ultimately controlling parties of the Group.

On 24 January 2024, there was a share transfer agreement entered into by Mr. Fong Ming to sell his certain interests in the Company. Upon the completion of such agreement, the Company is directly held as to 24.3% by Mansion Green Holdings Limited, as to 16.2% by Aspiring Vision Holdings Limited, as to 15.0% by Huiyu Investment Holdings Limited and as to 0.99% by Mr. Huang Peng and/or his spouse. Pursuant to the deed of concert parties entered into on 24 January 2024, Mr. Fong Ming, Ms. Tse Lai Wa and Mr. Huang Peng are parties acting in concert in respect of the Company and the ultimately controlling parties of the Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Company Honors

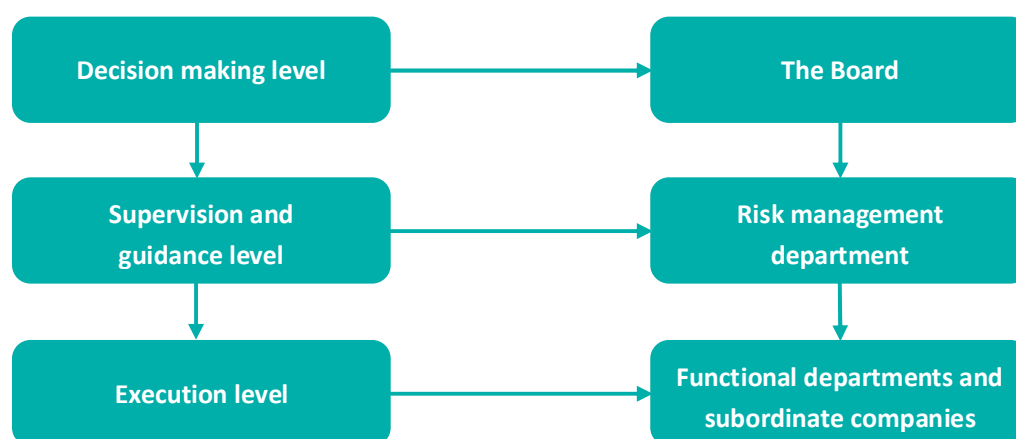
Award	Awarding Institution
AAA-grade Credit Enterprise	China International Electronic Commerce Center, etc.
Outstanding Enterprise in ESG Development	Beijing China Index Academy
2024 Outstanding Member of the Guangdong Property Management Industry Association	Guangdong Property Management Industry Institute
2024 Property Service Enterprise with Comprehensive Development Strength in Guangdong Province	Guangdong Property Management Industry Institute
2024 Top Property Service Brand in the Greater Bay Area	Guangdong Property Management Industry Institute
2024 Outstanding Property Service Enterprise in Social Employment	Guangdong Property Management Industry Institute
2024 New Media Operation - Excellent Property Enterprise	Guangdong Property Management Industry Institute
Hunan Five Star Property Service Project-Kai Suan City	Hunan Property Management Industry Institute
Guangzhou Minimum Emergency Unit Competition (Team Event)	Public Security Bureau of Guangzhou Municipality
2024 "Beautiful Homes" Model Community	Zhaoqing Real Estate Industry Association
Founding Meritorious Unit in Guangzhou Parking Association in celebration of the 20 <sup>th</sup> Anniversary	Guangzhou Parking Association
Outstanding Industry in Guangzhou Parking Association in celebration of the 20 <sup>th</sup> Anniversary	Guangdong Property Management Industry Institute
2024 Annual Contribution Member	Guangzhou Property Management Association
Associate member	Jiangmen Property Management Industry Institute
Jiangmen Garden Residential Community	Jiangmen Municipal City Administration and Law Enforcement Bureau

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ESG GOVERNANCE

Always guided by its deep understanding of ESG, the Group has established a comprehensive and sophisticated risk management regime to address various risks effectively. To ensure effective ESG management, our ESG governance structure, comprising the Board, risk management department, respective functional departments, and subordinate companies, has been established to promote ESG management and disclosure. The Board, the ultimate decision-making body of the Group, is responsible for the Group's ESG governance work as a whole. The risk management department, serving on the supervision and coordination level, is responsible for implementing ESG governance strategy, coordinating ESG matters, compiling ESG reports, and reporting relevant work progress to the Board on a regular basis. In its regular identification and assessment of material risks, the Company pays particular attention to ESG related risks, which involve environmental sustainability, social responsibility fulfilment, and corporate governance structure, among other aspects. After in-depth identification and assessment, the Company identified a number of potential climate change risks and formulated targeted response strategies for the Year. Each functional department or subordinate company, serving on the execution level, is responsible for implementing plans set up by the risk management department and reporting on the relevant work progress and data. To ensure robust operations in the face of these challenges, the Company will continue to strengthen ESG risk management in the hopes of creating greater value for society and the environment.

**Chart of Sustainability Governance Framework**



### STAKEHOLDER COMMUNICATION

The Group emphasizes the participation of its stakeholders, including, among others, employees, customers, third party real estate agencies that cooperate with the Group, shareholders, and regulators. All of them have a substantial impact on the success of the Group's business or activities. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the workplace and under community to which the Group belongs.

In compiling the Report, the Group consulted its internal stakeholders to monitor and manage its impact on all aspects of the environment and society. In addition, the Group has established various engagement channels for its stakeholders to express their concerns regarding the Group's operation so the Group may further understand and address their concerns. With this understanding, the Group believes that stakeholders may have a considerable level of influence in developing sustainability strategies and fulfilling social responsibilities, which is the basis for the Group's strategy formulation and decision-making.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

# 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.

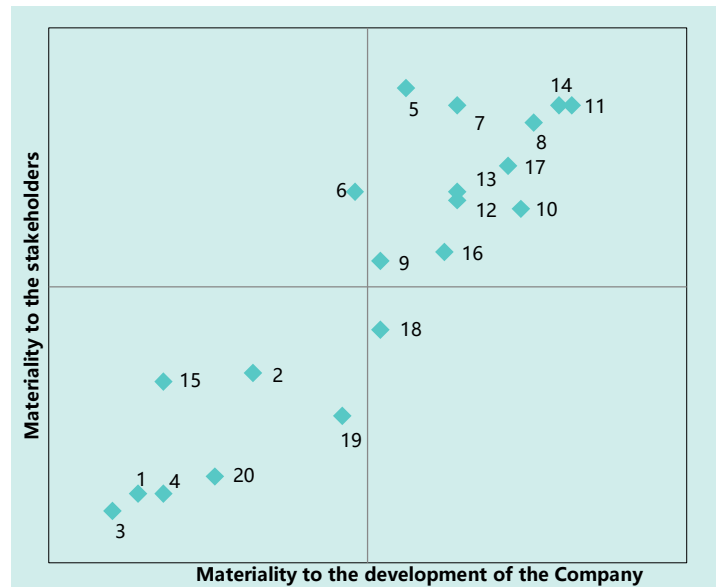
The materiality assessment on ESG issues of the Group during the Reporting Period covers the following steps:

Step 1	The Group identified the following 20 issues in accordance with the disclosure requirements set out in the ESG Reporting Guide 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, 10 topics 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. <b>Employee benefits and remuneration</b>	11. <b>Health &amp; safety of the customers/property owners</b>	16. <b>Business compliance and standardization</b>
2. Use of resources	6. Employee development and training	12. <b>Product and service quality</b>	17. <b>Anti-corruption and anti-money laundering</b>
3. Environment and natural resources	7. <b>Physical and mental health of employees</b>	13. <b>Protection of intellectual property rights</b>	18. ESG supervision
4. Climate change	8. <b>Labor standards</b>	14. <b>Information security protection</b>	19. ESG risk management
	9. <b>Supply chain management</b>	15. Charity and community services	20. Communication about ESG issues
	10. <b>Customer relationship management</b>		

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### QUALITY SERVICES

#### Crafting Exceptional Living Experiences Through Dedicated Service

The Group adheres to the "people-oriented and service first" principle of service, the service philosophy of "thinking more for you, lighting up your better life", and the service tenet of "meeting what customers need". In 2024, the Group focused on the dual-drive strategy of "enhancing quality satisfaction" and "building exemplary projects." Through three key initiatives of standardized development, digital empowerment and talent cultivation, the Group has comprehensively elevated property service quality to new heights.

#### *Establishing a Full-cycle Quality Management System*

- Intelligent Quality Control**  
 Introducing a digital closed-loop management system for the entire workflow of "inspection - task assignment - rectification - approval". Through standardized checklists, real-time work order tracking, and big data analytics, the system precisely identifies service gaps to ensure timely and effective quality improvements. Automated inspection reports are generated, achieving 35% year-on-year increase in rectification completion rate and response time to customer complaints reduced to under 2 hours.
- Multi-Tiered Joint Inspection Framework**  
 Our three-tier inspection system, "combining headquarters supervision, regional collaboration, and project-level self-audits", conducts comprehensive service assessments across all operations. By implementing a structured process that includes "time-bound rectifications, itemized tracking until resolution, and continuous refinement through post-inspection reviews", we ensure comprehensive quality control. Over the past year, we completed 12 rounds of specialized inspections, achieving an impressive 98% problem rectification rate and establishing a robust, self-improving quality management cycle.

#### *Creating Exemplary Projects with Strong IP*

- Building Five Benchmark Dimensions**  
 Focused on five key dimensions, "environmental quality, facility management, community culture, service responsiveness, and smart experience", we have established detailed standards. Through model unit design, circulation optimization, and scenario-based service upgrades, we aim to build exemplary projects that integrate "high-standard quality, harmonious community ambiance, and benchmark demonstration capabilities." The first batch of these model projects has achieved a 96% customer satisfaction rate, setting a regional benchmark for tours and reference.
- Building a Community Cultural Ecosystem**  
 Launched the "four seasons renewal program", a themed campaign featuring over 20 community events such as neighborhood markets and parent-child workshops aligned with festivals and seasonal traditions. Simultaneously, the "Fineland Living Services+" program was introduced to enable digital event registration and reward point redemption, enhancing property owner engagement and community cohesion.

#### *Cultivating Professional Service Teams to Enhance Management Efficiency and Expertise*

- Tiered Capacity-Building System**  
 Established a three-dimensional training matrix combining "online courses, offline workshops and rotations at benchmark projects", with 12 standardized courses covering core competencies such as equipment maintenance, complaint resolution, and emergency response. Achieved annual average of 80+ training hours per employee, and 100% certification rate for front-line service personnel.

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- Service Skills Competition

Quarterly "service star" awards and skills contests were conducted, featuring scenario simulations and emergency drills to maximize team potential. In 2024, this initiative selected over 50 elite property managers and drove a 22% year-on-year increase in customer satisfaction ratings.

### *Customer Satisfaction Survey*

The Company meets what customers need, wins their satisfaction with thoughtful services, listens to their voices through various channels from multiple dimensions, and gains deep insights into the needs of property owners, thus raising service standards constantly. In doing so, we go all out to furnish property owners with a diversity of high-quality, personalized property services.

To comprehensively evaluate the effectiveness of our 2024 "service quality enhancement initiative", the Group adopted a customer-centric approach by innovating our research methodology. Leveraging the "Fineland Butler+" mini-program, we conducted our annual customer satisfaction survey to precisely collect client feedback and provide data-driven insights for service optimization.

The survey results indicate an overall customer satisfaction score of 92.07, demonstrating strong recognition of our service quality and reflecting the solid mutual trust established with our clients. Through data analysis, we have not only verified the interim achievements of the "service quality enhancement initiative" but also precisely identified areas for improvement in our service delivery. Moving forward, we will remain customer-centric, further advancing our "warm and high-quality" service upgrades to continuously elevate the service experience, making a better life more accessible.

### *Establishing Multiple Channels for Customer Complaints*

The company places paramount importance on addressing customer concerns by establishing multiple complaint channels. Through integrated online-offline platforms and smart technologies, we have systematically publicized complaint channels while ensuring timely responses and resolutions, with the ultimate goal of achieving 100% customers' satisfaction. This commitment is operationalized through four key approaches:

- A 400 national call command center has been set up to answer service hotline calls, manage the WeChat official account, and create and follow up tickets in the intelligent community system when receiving, among other things, requests for repair, reports, complaints, and suggestions from property owners. After tickets are closed, callbacks and ratings will be performed to ensure issue tracking in a closed-loop manner.
- Each project strictly implements the following requirements: the 400 services hotline, corporate WeChat account QR code of butlers, and other contact information are placed prominently at property service areas; online one-to-one communication is made; customer requests are registered in the form of tickets; and the project service center arranges the designated personnel responsible to review how the closed tickets have been actually handled.
- The Company coordinates business inspections across the board. It tightens requirements for the management of the customer interfaces through frequent spot checks to ensure that all records of communication with customers, visits to customers, and tickets are followed up by the designated personnel.

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- The Customer Service Day activity is organized, in which all managerial personnel go to the front line to fully understand customer needs, answer their questions, respond to their requests, and help property owners solve their problems, thus fulfilling management responsibilities.

### Complaint Handling Performance in 2024 and 2023

	Unit	2024	2023
Complaint rate	%	35.68%	0.68%
Handling rate	%	100%	100%
Resolution rate	%	100%	100%
Satisfaction rate	%	91%	90.77%

### Safety Management System

The Group prioritizes the safety and occupational health of both customers and employees as a core corporate objective. Through a systematic safety management framework, regular risk assessment protocols, and comprehensive safeguards, we have established a robust security infrastructure. In July 2024, we amended key safety policies including the Work Safety Management Policy (安全生產管理制度) and Emergency Response Procedures (突發事件管理辦法).

#### Work Safety Management

The Group has established a comprehensive work safety management system, spearheaded by a dedicated Work Safety Team under the direct leadership of the Deputy Director of the Quality Management Department. To ensure effective implementation of corporate safety protocols, the company mandates all projects to execute Work Safety Responsibility Agreements (安全生產責任書), which clearly designate project managers as primary safety accountability officers while assigning specific safety management responsibilities according to job functions. Furthermore, Fire Safety Management Agreements have been instituted, appointing project managers as fire safety officers and security heads as fire safety supervisors. This accountability framework ensures precise delegation of safety obligations to individual personnel, thereby systematically advancing all safety management initiatives throughout the organization.

The Group has developed tailored work safety performance metrics based on the specific conditions of each project, with particular emphasis on monitoring responsibility-related safety incidents across managed properties. Throughout 2024, the Group successfully maintained a zero-accident record in work safety performance.

#### 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.

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Secondly, the Company maintains a professional emergency response team responsible for addressing and managing various safety incidents. Through well-defined functional safeguards and regular emergency drills, we have 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.

In addition, we have conducted 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, ensure the proper functioning of facilities and equipment, and maintain community stability while meeting property owners' daily needs. Through these efforts, we have further strengthened holiday safety measures, creating 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 2024, the Company emphasizes and reinforces 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. Besides, a work safety responsibility system, work safety 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.



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- Safety training for operations in confined spaces: The training teaches employees about the definition and characteristics of confined spaces and how to identify potential risks in confined space operations, 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: The training teaches employees the basic knowledge of personal safety 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.

### Case:

In 2024, the Company carried out a total of 932 emergency drills, which consisted of 78 fire drills, 252 elevator rescue drills, 269 flood prevention drills, 260 anti-riot drills, 73 fire drills for electric vehicles. These drills further prepared employees for emergency response and examined the reserve of emergency supplies, interdepartmental coordination and cooperation, and project team cohesion. As a result, 33 fire and flood emergencies were handled properly across the Company throughout the year, ensuring the personal and property safety of property owners.



Fire fighting scene at a fire drill



Fire fighting scene at resident's home

### *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 (客戶服務管理制度), but also rigorously implemented throughout all daily service operations.

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The Customer Service Management Policy translate the customer-oriented philosophy into actionable guidelines, requiring all staff to treat resident safety protection as their primary duty. Through standardized operational procedures and emergency drill exercises, we ensure that safety protocols are effectively executed at the service frontline. In daily operations, our personnel maintain close observation of resident activities in common areas, with particular focus on vulnerable groups such as seniors and children who face higher safety risks. During patrols, any identified hazards - including slippery walkways or lighting failures that may endanger property owners - are immediately marked with warning indicators and promptly addressed.

We firmly recognize that safety forms the foundation of quality living. Our team remains vigilant at all times, safeguarding every resident's personal safety through meticulous attention. We fully honor our commitment to resident safety protection and strive to create a secure and comfortable living environment. Moving forward, we will continue upgrading our intelligent security system, incorporating technologies such as AI behavior analysis to enhance the predictive and proactive capabilities of our safety protections. We are committed to leveraging technological advancements to safeguard our community.

### *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" (客戶檔案管理工作指引), which clearly define the requirements for continuity, accuracy, completeness, integrity, and confidentiality in customer records management. All physical customer documents are stored in locked filing cabinets or dedicated archives under the supervision of designated personnel. Access to customer records and contracts requires strict approval procedures, with defined return deadlines to ensure timely retrieval and secure custody of encrypted files. Electronic records are permitted for internal circulation only on company-authorized work computers and mobile devices. Storage of customer records on personal computers, mobile devices, USB drives, or other electronic equipment is strictly prohibited. Employees must close files and lock their computers when leaving their workstations to further enhance information security.

### *Internal Information Security Standards*

Enhanced Certification Requirements for Information Security and User Privacy

- Procurement and Development Standards for Business Systems:  
For key systems such as property billing systems, work order and inventory systems, and electronic invoicing systems, we mandate that suppliers must possess certifications issued by government-approved or industry-recognized authorities. These certifications validate the supplier's software security assessment and development capabilities, covering critical dimensions such as software quality, information security, and data integrity, which ensure that all systems are secure and reliable by design from the outset.
- Data Isolation and Encryption Protection  
Given the sensitive nature of the data stored in property billing systems and electronic invoicing systems, including customer personal information, property details, and payment records, we utilize dedicated servers and advanced network security appliances to ensure physical and logical segregation of sensitive data. All user access to operational systems requires network authentication and system account login credentials, all sensitive data is protected using industry-leading encryption algorithms to ensure end-to-end security.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- The Group assigns unique individual accounts to each relevant employee and strictly configures corresponding system permissions based on their positions and responsibilities. Employees must log into operational systems using their personal accounts, with no capability for unauthorized privilege escalation, effectively ensuring standardized system management and data security.
- Prior to the official launch of operational systems, we conduct multiple rounds of system usage and information security training sessions, aimed at enhancing employees' awareness of account usage responsibilities while strengthening discipline and accountability. Through these programs, employees gain thorough understanding and compliance with relevant regulations, significantly reducing the occurrence of policy violations. Furthermore, we have established a comprehensive log auditing mechanism where all system operations performed under any account are meticulously recorded and fully traceable, which not only facilitates timely identification and rectification of potential security risks, but also provides substantial evidence for security incident investigations when necessary.

### Public Relations and Community Engagement

The Group actively fosters positive community relations through participation in local events and public welfare initiatives. In 2024, we are committed to promoting community development through various outreach programs, including celebrating traditional Chinese festivals by organizing diverse cultural activities and delivering thoughtful and accessible public services to meet the varied needs of community residents. These ongoing efforts continually enrich the spiritual lives of our community members while advancing our vision of creating a harmonious neighborhood environment imbued with eastern cultural charm.

### Party Building Efforts

With reference to the Plan for Building an Urban and Rural Community Service System during the 14th Five-Year Plan Period (十四五城鄉社區服務體系建設規則), the Company has relied on Party organizations to provide community-based property management services, thus making solid progress towards Party building. A community governance system featuring resident participation has formed under the leadership of Party building. In doing so, we work to build community property services into a platform of service for the primary-level Party organizations.

The Company explores ways to hold joint Party building activities for the well-being of the public. By teaming up with sub-district offices, police stations, urban management departments, neighborhood committees, and other organs and taking into account the actual project conditions, the Group mobilizes resources to help address common problems in community management and matters of concern to property owners through negotiation. For example, we provide community-based property management services under the Party's leadership to promote the spirit of revolution through community services. To celebrate revolutionary festivals such as the CPC Founding Day and the National Day, the Company has organized a number of revolution-themed activities like touring, movie-watching, and reading corners in pilot communities, thus realizing the close combination of property management services with community governance and education on the history of revolution.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Nansha party branch in party-building activities



Party activity at one residential project

### *Building a New Chinese-style Community Culture*

The “wisdom of modern oriental living” is the essence of the Company's corporate culture. We attach great importance to the fostering of a community culture with excellent cultural traditions. Holiday celebrations and parent-child activities are held to help enrich the lives of community residents, strengthen neighborhood communication, and create a community culture advocating the traditional oriental lifestyle.

In the celebration of the upcoming Mid-Autumn Festival, the Company organized and coordinated many residential communities to take part in a garden party with the theme of moon appreciation, a tradition important to the Chinese culture. At the party, property owners could make mooncakes, appreciate lanterns, and lantern riddles to celebrate the festival together.

### *Getting Involved in Public Interest Programs*

In 2024, the Company focused on offline environmental promotion campaigns by installing educational displays and 3D installations at project sites, featuring waste sorting and energy conservation. These initiatives integrated environmental concepts into daily operations. Through active collaboration with neighborhood offices and property owners' committees, we organized and participated in multiple waste sorting seminars and eco-knowledge competitions, demonstrated our commitment to environmental stewardship while raising awareness among employees and community residents.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### CORPORATE GOVERNANCE

#### Enhanced Risk Management and Control

To further enhance its competitive edge in and response to operational risk management, the Company has formulated a number of in-house policies taking into account various types of risks that might arise from the business process and the actual conditions of different departments, which include the Crisis Handling Procedures (危機事件處理流程), the Measures for Managing Risk Control Liaisons (風險控制對接人管理辦法), the Operational Risk Control Policy for Projects (V1.0) (項目運營風險控制管理制度(1.0)), the Environmental Management Policy (環境管理制度), and the Safety Management Policy (V1.0) (安全管理制度(V1.0)).

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.

#### Digitalization Initiatives

The Group has achieved significant progress in digitalization by implementing a series of innovative technologies and system upgrades, which improved the efficiency and quality of property management and enhanced equipment monitoring and fire safety response capabilities through intelligent solutions.

##### *Property Quality and Equipment Management Systems*

In 2022, the Group launched its property quality management and equipment management systems, enabling standardized management, automated task planning, and workflow generation, which have significantly improved the consistency and efficiency of property management. Through systematic oversight, potential issues in quality and equipment management can be promptly identified and resolved, ensuring continuous service improvement.

##### *Upgrades to Property Fee Collection and Payment Platforms*

In 2024, the new property fee collection system, an upgraded WeChat mini program payment feature and a fully electronic invoicing system, substantially increased the efficiency and convenience of fee collection. Property owners can now make payments and request invoices through online platforms, eliminating the inconvenience of traditional payment methods and improving satisfaction and loyalty.

##### *Implementation of Smart Remote Equipment Monitoring Platform*

The introduction of the smart remote equipment monitoring platform has enabled centralized management of equipment zones, significantly improved the quality and response speed of on-site equipment monitoring and maintenance. The formulation and implementation of the EBA System Operation and Maintenance Management Guidelines (EBA 系統運維管理辦法) have provided systematic support for the platform's stable operation. Currently, the system has been deployed in select projects with positive results.

##### *Continuous Improvement in Fire Protection System Intelligence*

The fire protection system features automatic early-stage fire detection and alarm capabilities, integrating with fire control center alarms, emergency calls to fire departments, automatic fire suppression control panels, and fire broadcast systems to establish a comprehensive emergency response mechanism. In the event of a fire, the system immediately triggers an alarm and pinpoints the fire location, allowing management personnel to swiftly activate emergency protocols, organize evacuations, and initiate firefighting measures to minimize risks to personnel and property.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Integrity in the Workplace

The Group attaches great importance to anti-corruption. In accordance with the pertinent laws and regulations in China such as the Anti-Unfair Competition Law of the PRC (中華人民共和國反不正當競爭法) and the Anti-Money Laundering Law of the PRC (中華人民共和國反洗錢法), we have formulated the Internal Audit Management Policy (內部審計管理制度), the Audit and Supervision Accountability Policy (審計監察問責制度), the Guidelines for Audit and Supervision of the Tendering Process (招標過程審計監督工作指引), and the Exit Audit Management Policy (離任審計管理制度). Meanwhile, we have carried out a number of specialized activities to implement anti-corruption requirements and strengthened supervision around the prevention & control of epidemic-prone diseases and the exercise of power. During the Reporting Period, there were no legal cases regarding corrupt practices brought against the Group or its employees.

### Prevention Predominates over Crackdown

Before employees are recruited, we conduct in-depth background checks to ensure high-integrity candidates are selected from the beginning. When employees join us, they are required to sign the Integrity and Compliance Agreement, which clearly defines the code of conduct. At the same time, we require employees to proactively declare their transactions with companies within the Group, financial links with suppliers, and family relationships with other persons within the Group, to safeguard the interests of the Company. The gifts in cash and in kind that are received due to business or work and cannot be returned should be handed in and registered to ensure transparency and compliance. In addition, the Company has established whistle-blowing channels through which employees and suppliers could report any corrupt behaviors found, and get protected and rewarded accordingly. With these specific measures, the Company aims to create a clean corporate culture and ensure sound development.

### External Cooperation Norms

We sign integrity agreements with suppliers and conduct regular inspections and exchanges to ensure that both parties comply with such agreements. In addition, we also make use of authoritative platforms such as the Enterprise Anti-Fraud Alliance of China and the Guangdong-Hong Kong-Macao Greater Bay Area Corporate Supervision Alliance to carry out in-depth learning and exchange sessions with industry peers, share with them the blacklists of dishonest employees and suppliers, and build a firewall against risks together. With these steps, we are committed to creating a fair, transparent, and clean business environment.

### Risk Prevention Measures:

- Business processes are spot-checked to ensure operational compliance;
- Specific inspections are conducted on key areas and critical positions;
- Integrity education is intensified to raise awareness of integrity among all employees. These measures enable us to effectively prevent integrity risks, thus laying a solid foundation for our sound development.

### Establishment of Supervision Channels

The Company attaches great importance to corruption reporting by providing safe and effective whistle-blowing channels for employees and external stakeholders to jointly maintain the clean image of the Company. Whistle-blowing channels, including the telephone hotline and postal box to receive complaints, are made internally known at places of prominence such as the customer reception and bulletin board to ensure that employees and external stakeholders (like suppliers) can reflect their problems conveniently. Besides, a number of means including internal training, meetings, and OA announcements are used to make sure that employees are fully aware of and understand the whistle-blowing mechanism. At the same time, the Company keeps the personal information of whistle-blowers strictly confidential to protect their safety and privacy.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### SOCIAL RESPONSIBILITIES

The Group adheres to the core philosophy of "people-oriented development," regarding human resources as the enterprise's most valuable asset. We are committed to fostering a humane and respectful work environment that promotes continuous employee growth and development while enhancing overall performance through effective incentive mechanisms. To this end, the Company prioritizes talent cultivation in human resource management, offering diversified career development pathways. We continuously refine our HR management systems in alignment with the Group's development, establishing clear governance frameworks for organizational HR practices and standardized guidelines for employees.

#### People-Centric Approach for Mutual Growth and Success

The Group's recruitment system strictly complies with the Human Resource Management Policy (人力資源管理制度), which underwent comprehensive revisions in April 2024. The updated policy encompasses critical areas including the HR management framework, recruitment and onboarding procedures, promotion mechanisms, compensation and benefits planning, leave management, and training and development strategies. The Group remains dedicated to optimizing these policies to adapt to the evolving management practices, implement diversified management models, and provide employees with career advancement opportunities and competitive benefits packages.

#### *Talent Recruitment*

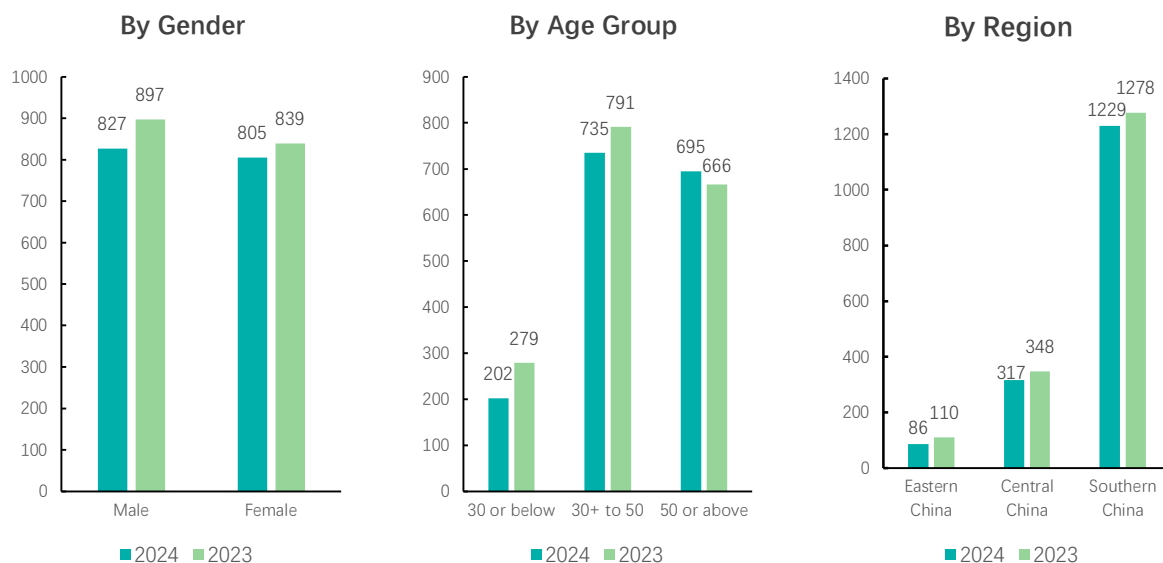
The Company employs a multifaceted approach to talent sourcing, utilizing internal referrals, online recruitment platforms, and social media channels to attract qualified candidates. Throughout the recruitment process, the HR Department strictly adheres to legal requirements, verifying candidates' information, to ensure full compliance with labor regulations in contract execution and employee record-keeping, enabling accurate reporting to statutory authorities when required.

The Company upholds fair and impartial hiring principles, prohibiting discrimination based on race, nationality, gender, age, religion, marital status, or pregnancy. Compensation packages are determined through multi-stage interview assessments and alignment with internal salary banding structures, with all hiring decisions subject to rigorous internal approval processes to precisely match organizational needs with candidate competencies. Additionally, the Company actively facilitates internal transfers to foster talent mobility and career development.

The Human Resource Management Policy explicitly prohibits the employment of child labor and the non-compliant hiring of underage staff, demonstrating the Group's strict adherence to labor regulations and its commitment to safeguarding employee rights.

As of December 31, 2024, the Group employed a workforce of 1,632 persons. The employee composition is detailed below by gender, age, and region:

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



### Employee Health and Safety

The Group attaches great importance to the physical and mental health of its employees by providing them with a comprehensive set of health and safety protection measures. In 2024, we arranged employees to take health check-ups and organized staff activities. The Administrative Management Policy (行政管理制度), which consists of the Security and Confidentiality Policy (安全保密制度), the Office Environment Management Rules (辦公環境管理規定), the Staff Dormitory Management Rules (員工宿舍管理規定), and the Staff Canteen Management Rules (員工食堂管理規定), has been formulated to set up relevant standards, thus raising safety awareness among staff, strengthening employee safety management, and guaranteeing workplace safety effectively.

From the perspective of protection of female employees, the Group strictly implements the maternity leave management provisions for female workers who comply with the national family planning policy in accordance with the Regulations on Maternity Insurance for Employees of Guangdong Province (廣東省職工生育保險規定) and the Regulations on Population and Family Planning of Guangdong Province (廣東省人口與計劃生育條例) (in the case of regions outside Guangdong Province, local policy requirements shall prevail). For the female employees who comply with the national family planning policy for abortion leave and leave for birth control measures, the pertinent laws, regulations, and policies of the State and the places of operation shall be implemented. The lactating female employees are entitled to one hour of paid breastfeeding time per day until their babies reach one year of age, and maternity allowances are paid in accordance with national regulations.

We are committed to providing a comfortable and safe working environment for our employees and protecting them against occupational hazards. The measures including but not limited to the following:

- Providing our employees with regular health check-ups at the cost of the Group;
- Conducting safety checks regularly to ensure that the safety measures are implemented;
- Interacting with the community to carry out fire drills and training regularly;

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Paying attention to the physical and mental health of our employees and carrying out staff-caring activities regularly;
- Advocating the importance of work safety by arranging office safety inspections, fire inspections, and fire drills regularly.

During the Reporting Period, the Group complied with the PRC laws in relation to workplace safety in all material respects and didn't incur any incidents which materially and adversely affected our operations.

### *Employee Salary, Benefits, and Promotion*

In accordance with the Employee Performance Management Measures (員工績效管理辦法), the Group conducts monthly, quarterly, and annual performance appraisals on employees taking into account the characteristics of different positions, and applies the performance appraisal results in many aspects of work such as the distribution of merit pay, promotion and salary adjustment, training and development, selection of model workers, and performance counselling. Pursuant to the Employee Rewards and Punishments Management Policy (員工獎懲管理制度), rewards and punishments are given to eligible employees; model workers are selected every year to commend the teams and individuals who have outstanding performance, actively practice the Company's mission and values, and continue to create value for the Company, in the hopes of motivating them to build on their track record of success.

As per the provisions for employee benefits in the Human Resources Management Policy (人力資源管理制度), the Group buys its employees social security insurance and housing provident fund in accordance with the pertinent laws and regulations, distributes seniority allowances to them, and arranges them for annual health check-ups. Meanwhile, we open staff canteens in the service center or disburse meal subsidies to employees. Besides, we pay employees high-temperature allowances in line with the policies and criteria of the State and various regions. Front-line employees are entitled to accommodation benefits as per the approved standards.

To motivate employees and increase the talent reserve, the Group according to the requirements for promotion management set out in the Human Resource Management Policy (人力資源管理制度), regularly conducts an inventory of internal personnel and provides targeted training and multi-track development paths for key position holders. At the same time, we have formulated and implemented the Employee Performance Management Measures (員工績效管理辦法), the Quarterly and Annual Organizational Performance Appraisal Program for Project Leaders (項目負責人季度及年度組織績效考核方案), the Merit / Demerit-based Appraisal Standards for Grassroots Employees (基層員工加減分考核標準), and the Fineland Butler Service Management Policy and Star-level Reward and Assessment Measures (方圓管家管理制度與星級專項獎勵考核辦法). Additionally, we have devised appraisal standards and rules for employees at all levels and in different positions, and tie the appraisal results to merit pays/bonuses and promotions of employees on a regular basis.

### *Employee Training and Development*

In 2024, the Company further strengthened its employee training and talent development system, adopting a tiered and categorized cultivation approach to comprehensively enhance team professionalism and management capabilities.

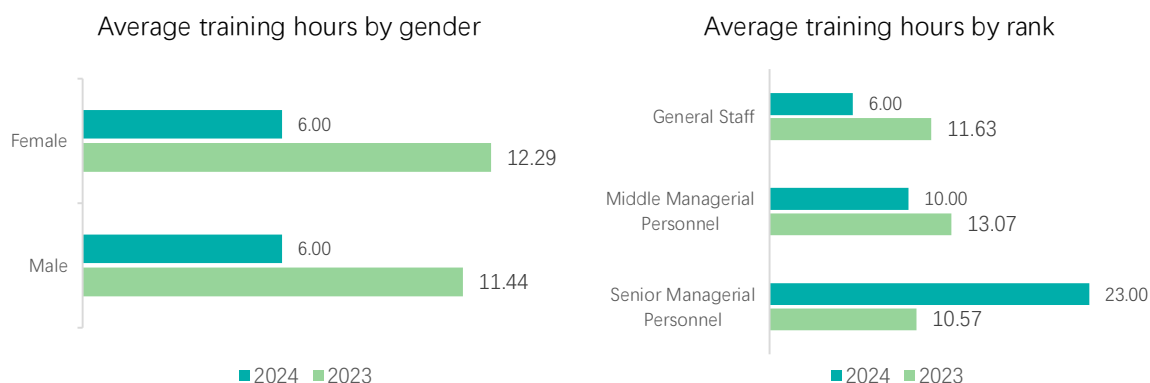
## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For middle-management development, the Company conducted three batches of specialized training sessions for 144 supervisors between August and September. The program incorporated innovative teaching methodologies including case studies, hands-on drills, and interactive Q&A sessions. A closed-loop management system featuring satisfaction surveys, training transfer assessments, and effectiveness tracking ensured tangible training outcomes, successfully building a core team with both technical expertise and managerial competence.

Regarding newly promoted project management personnel, the company organized a management capability enhancement course in December for 14 new project managers. The program included practical experience sharing sessions led by outstanding managers, effectively facilitating the transfer of management knowledge.

Concurrently, the Company prioritized professional capacity building for regional project teams. Specialized training covering all business functions was conducted in June and December for projects in Guangzhou Nansha and Hunan Liuyang respectively, benefiting 104 participants cumulatively. These initiatives significantly elevated the teams' professional service standards and operational execution capabilities.

This systematic and targeted training program has optimized the talent structure and provided solid human capital support for sustainable business development.



### Building Sustainable Supply Chain to Optimize Supplier Management

To promote the sound development of the supply chain, with guidance from the ISO 14001 environmental management system, ISO 45001 occupational safety system, and ISO 9001 quality management system, the Company has established a supplier access mechanism, which focuses on energy conservation and emission reduction, cost reduction and efficiency enhancement, the use of eco-friendly materials, and the development of standardized lists, and has formulated a number of management policies, including the Bidding and Procurement Management Policy (招標採購管理制度) and the Supplier Management Policy (供應商管理制度), to optimize the procurement process and standardize bidding behavior, ensure that cooperative suppliers comply with the requirements of the Company for business development, and avoid or reduce the risks possible derived from cooperation.

The Group requires all cooperative suppliers to sign an Integrity Agreement, which explicitly prohibits any form of misconduct, including but not limited to providing cash, gifts, other services, or disguised bribes to procurement personnel in an attempt to obtain improper benefits. The Group has established a comprehensive procurement system that continuously improves the tender process to ensure transparency, standardization, and fairness, effectively eliminating potential loopholes.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Supplier Procurement System and Management*

The Group consistently upholds the core principles of openness, fairness, impartiality, and integrity, establishing and refining a systematic and scientific tendering and procurement management system to comprehensively standardize supplier qualification processes and evaluation criteria. On a monthly basis, we develop supplier evaluation plans to continuously introduce high-quality supplier resources. Through on-site assessments, we conduct comprehensive evaluations of key indicators, including suppliers' creditworthiness, service quality, certifications, track records, financial health, and contract fulfillment capabilities. Suppliers that meet the evaluation standards are included in the approved supplier registry ("**Approved Supplier Registry**"), which serves as a critical reference for future business collaborations. The Company implements a dynamic management mechanism for the Approved Supplier Registry, conducting bi-annual (mid-year and year-end) performance evaluations of partnered suppliers. A merit-based retention system is enforced to ensure suppliers' service quality and contract fulfillment capabilities align with business development needs.

Regarding procurement procedures, we strictly adhere to standardized, transparent, and equitable management principles, exercising full-process dynamic supervision and performance evaluation of suppliers. Additionally, we require suppliers to prioritize environmentally friendly products to ensure compliance with environmental standards and mitigate pollution risks. Specific measures consist of verifying eco-labeling and certification documents, establishing mechanisms to identify environmental and quality risks during production, and enhancing the identification, assessment, and control systems for major hazards to safeguard personnel health and safety.

In response to national environmental protection policies, we actively promote the renovation of rainwater and sewage diversion systems in aged residential communities. Regular cleaning of drainage basins, septic tanks, grease traps, and easily clogged pipelines are conducted to ensure compliant discharge. Suppliers participating in such projects must possess the necessary environmental qualifications, and we will implement strict supervision to verify wastewater discharge compliance.

Regarding noise control in residential communities, the Group places high importance on homeowners' concerns by scientifically scheduling renovation work hours. We require renovation suppliers to implement protective measures and develop safety contingency plans. Additionally, we mandate the use of eco-friendly materials and construction techniques while conducting real-time noise level monitoring through on-site inspections to ensure adherence to relevant standards.

For invited bidding projects, we strictly require the participation of at least three qualified suppliers in the competitive bidding process. The entire procedure, including bid opening, evaluation and negotiation, is jointly supervised by multiple departments and personnel. Following the evaluation process, a rigorous bid approval procedure is implemented to ensure compliance and transparency. We explicitly mandate all participating suppliers to provide essential documentation, including construction qualifications, safety certifications, performance records, financial statements, corporate credit reports, and employee insurance coverage. Furthermore, we require suppliers to develop comprehensive construction safety plans. All construction projects must undergo strict pre-commencement approval procedures to verify the implementation of all necessary safety measures before work can proceed.

In 2024, we conducted half-yearly performance evaluations of our cooperative suppliers through an online questionnaire survey based on the "Project-Supplier Mutual Evaluation" mechanism. The annual assessment covered 62 projects and 144 suppliers, with results indicating an overall supplier qualification rate of 96.53% and consistently high satisfaction levels in cooperation. These outcomes fully demonstrate the effectiveness of our bidding and procurement management system and the continuous improvement in our supplier management capabilities.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Strengthening Policies and Regulations with Strict IPR Compliance*

The Company attaches great importance to the management of intellectual property rights (IPRs) by forming a strong protective screen in four dimensions, that is, patents, copyrights, trademarks, and anti-unfair competition. We have established a strict IPRs review and maintenance process to ensure timely protection of innovations. For key areas, we regularly take specific initiatives to crack down on infringements and maintain market order. In the area of copyrights, a focused attention is paid to the registration and protection of original works. As to trademarks, the Company has successfully registered and retained a stable number of core trademarks. In addition, we actively combat unfair competition to maintain a level playing field. These steps have provided a solid IPR safeguard for the Company's robust development.

### SAVING ENERGY AND CUTTING EMISSIONS FOR GREEN DEVELOPMENT

The Group 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 Group thoroughly implements the PRC environmental 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 regulate the technical process, engineering construction, and operation management of solidification/stabilization of fly ash from domestic waste incineration, to prevent the fly ash from causing environmental pollution, realize the safe treatment of fly ash, and safeguard people's health. Meanwhile, we strictly abide by the Powdered Activated Carbon for the Purification of Flue Gas from Domestic Refuse Incineration (生活垃圾焚燒煙氣淨化用粉狀活性炭), regulate the treatment of leachate from domestic waste, and ensure that the treatment and disposal of all wastes comply with the requirements of national and local environmental laws and regulations while guaranteeing the quality, safety, and reliable operation of projects.

### Use of Resources

The Group places high priority on the efficient use of resources. The major resources consumed in our operations are electricity, natural gas, and water used in buildings managed by us, fuel consumed by our vehicles, and paper used in our offices.

In strict compliance with laws, regulations and policies, the Company rigorously controls pollutants generated during service activities to ensure all emissions meet national and local standards. We advocate a green procurement strategy to reduce pollutant generation at the source, while continuously optimizing energy-saving and consumption-reduction measures. Our preference for advanced energy-efficient technologies and high-performance equipment is complemented by detailed energy management planning to ensure efficient and rational energy utilization. Regular energy management training programs are conducted to enhance employees' awareness and practical operational skills.

We have proactively implemented a robust waste classification system, significantly enhanced our resource recovery network and operational efficiency. Through close collaboration with communities, we have expanded environmental education initiatives, and achieved measurable improvements in ecological awareness and participation rates among both property owners and staff.

In 2024, the Company established a comprehensive continuous improvement mechanism designed to dynamically adapt to evolving environmental protection and sustainable development trends. Through both scheduled and ad-hoc evaluations of policy and management system effectiveness, we ensure prompt refinement of existing measures to consistently meet high standards for environmental sustainability.



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### Emission Management

The Company implements comprehensive control of all emissions, including domestic wastewater, cooking fumes, household waste, and carbon emissions, with all discharge volumes strictly complying with national and local emission standards. We rigorously implement national energy conservation laws and regulations, having established a complete wastewater discharge management system that achieves effective rainwater-sewage diversion. Regular pipeline inspections, cleaning and maintenance are conducted to ensure smooth operation of the discharge system.

For food and beverage tenants, we mandate the installation of fume filtration and purification equipment along with valid emission permits. Grease separators and interceptors are required, with scheduled grease removal procedures to effectively control oil fume and grease discharge.

Regarding waste classification, we have implemented a rigorous sorting system in full compliance with local municipal waste sorting guidelines. The entire process, segregated disposal, collection and transportation to treatment, undergoes meticulous management to ensure effective execution. Through these measures, we are committed to maintaining an eco-friendly environment and achieving sustainable development.

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

### Energy Saving Measures

The Group's carbon emissions are mainly generated by the use of electricity during daily operation. With the goal of low-carbon development, we adopt and optimize energy conservation and consumption reduction measures in our daily operation, prioritize selecting energy-efficient technologies and equipment, and develop science-based energy use plans to ensure efficient and rational energy consumption.

#### Lighting System Upgrades

To further enhance energy efficiency, we have actively promoted the use of LED energy-saving lights in basements, including retrofitting existing fixtures with radar sensor-controlled LEDs. These smart devices automatically adjust lighting intensity and enable intelligent control, ensuring "lights on when occupied and off when vacant", which significantly reduced lighting energy consumption during non-operational hours.

For activity areas, we have installed timers to maintain only minimal lighting at night, effectively reducing daily illumination time and further lowering electricity consumption. These measures are a key component of our energy-saving strategy, utilizing smart technology to promote a sustainable and eco-friendly environment.

#### Water System Upgrades

To enhance water resource efficiency and support energy conservation, we have implemented the following measures:

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- We have installed a comprehensive rainwater collection system to capture and repurpose rainwater for landscaping irrigation and public area cleaning, promoting sustainable water reuse.
- When quality meets landscaping standards, the basement drainage water is recycled for irrigation and public area cleaning, expanding our sustainable water sourcing solutions.
- We have retrofitted existing landscaping sprinkler systems with customized attachments to enable scheduled, automated irrigation, which ensures precise water distribution, maximizing efficiency while reducing waste.

### Addressing Climate Change

Acutely aware of the far-reaching impact of climate change on the global ecology and society, the Group 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.

### RISK MANAGEMENT

We have established detailed internal risk management processes and procedures to identify, assess and manage major risks like ESG-related risks facing the group effectively.

The Board plays a central role in the overall risk management and internal control systems. It establishes and maintains an effective risk management and internal control mechanism, and conducts comprehensive reviews of its effectiveness on a regular basis.

The management of the Company is responsible for implementing the procedures approved by the Board to closely monitor compliance with such procedures. Besides, the audit committee of the Company reviews the risk areas and assesses the feasibility and effectiveness of relevant procedures at least once a year.

Thanks to the above sound risk management process, we believe physical risks and transition risks arising from climate change could hardly bring significant impacts to the Group's business. As a supporter of the recommendations of the Task Force on Climate-Related Financial Disclosures, we have comprehensively assessed the potential climate related risks and identified the rising mean temperature and increasing severity and likelihood of extreme weather events such as rainstorms, floods, fires, and heatwaves as major physical risks impacting our daily operations.

The Group's operation management department is responsible for identifying and assessing any climate-related risks to which the Group's operations are exposed and for updating the Board with the latest news and developments on climate regulations and industry benchmarks, so as to help the Company make well-informed decisions.

To effectively respond to climate-related risks, the Group has implemented a series of emergency response mechanisms, which include formulating emergency response plans, carrying out regular drills and training, and cooperating with other key stakeholders. In addition, we have also taken out adequate natural disaster insurance against extreme weather events to ensure that our operations are supported and restored in a timely manner in the event of unforeseen climatic events.

In the future, we will continue to identify business activities that possibly impact the environment and develop targeted measures for improvement, so as to further prevent the potential negative impact of our operations on climate change.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX

### Environmental Aspects

No. of KPI	KPI	Unit	2024	2023
A1.1 Emissions	Nitrogen oxides (NOx) <sup>1</sup>	kg	70.03	8.56
	Sulphur dioxide (Sox) <sup>2</sup>	kg	0.13	0.12
	Particulate matter (PM) <sup>3</sup>	kg	6.71	0.82
A1.2 Greenhouse gas emissions	Scope 1 direct emissions	tonne of equivalent CO <sub>2</sub> emission	122.85	166.89
	Scope 2 indirect emissions	tonne of equivalent CO <sub>2</sub> emission	5,878.42	7,038.52
	Scope 3 other indirect emissions	tonne of equivalent CO <sub>2</sub> emission	0.6	0.76
	<b>Total</b>	tonne of equivalent CO <sub>2</sub> emission	6,001.27	7,205.41
	<b>Intensity</b>	tonne of equivalent CO <sub>2</sub> emission / Revenue RMB'000	0.0117	0.0141
A2.1 Energy consumption	Unleaded gasoline	kWh	75,826.43	70,795.29
	Diesel	kWh	-	-
	Natural gas	kWh	432,032.76	619,502.58
	Purchased electricity	kWh	10,307,599.01	12,341,781.61
	<b>Total</b>	kWh	10,815,458.20	13,032,079.48
	<b>Intensity</b>	kWh/Revenue RMB\$'000	25.39	30.59
A2.2 Water consumption	Total water consumption	tonne	564,549.06	679,808.68
	<b>Intensity</b>	thousand tonnes/ Revenue RMB\$'000	1.32	1.6

<sup>1</sup> Nitrogen Oxide (NOX) emissions (g) = mileage travelled (km) x emission factor (0.885 g/km).

<sup>2</sup> Sulfur Oxide (SOX) emissions (g) = Fuel Consumption Unit x emission Factor (0.885 g/km).

<sup>3</sup> Particulate emissions (g) = mileage travelled (km) x emission factor (0.885 g/km).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Social Aspects

No. of KPI	KPIs	Unit	2024	2023
	<b>By gender</b>			
	Male	person	827	897
	Female	person	805	839
	<b>By employment type</b>			
B2.1 Total number of employees	Full-time	person	1,632	1,736
	Part-time	person	-	-
	<b>By age group</b>			
	30 or below	person	202	279
	31-50	person	735	852
	51 or above	person	695	605
	<b>By geographical region</b>			
	Eastern China	person	86	110
	Central China	person	317	348
	Southern China	person	1,229	1,278
B1.2 Employee turnover rate <sup>4</sup>	<b>Turnover rate by gender</b>			
	Male	%	37%	43%
	Female	%	36%	43%
	<b>Turnover rate by age group</b>			
	30 or below	%	50%	53%
	31-50	%	30%	37%
	51 or above	%	37%	44%
	<b>By geographical region</b>			
	Eastern China	%	43%	44%
	Central China	%	47%	64%
	Southern China	%	32%	29%

<sup>4</sup> Turnover rate = number of employees left in such category in Year 2024/(number of employees in such category at the end of Year 2024 + number of employees left in such category in Year 2024) \* 100.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Social Aspects

No. of KPI	KPIs	Unit	2024	2023
B2.1 Work-related fatalities	<b>Number and rate</b>			
	Number of work-related fatalities	person	Nil	Nil
	Rate of work-related fatalities	%	Nil	Nil
B2.2 Number of working days lost due to work injury	Number of working days lost due to work injury	天	443	299
B3.1 Percentage of trained employees <sup>5</sup>	<b>Percentage of trained employees</b>	%	86	100
	<b>By gender</b>			
	Male	%	99	100
	Female	%	100	100
	<b>By employment category</b>			
	Ordinary	%	100	100
	Middle	%	98	100
	Senior	%	60	100
B3.2 Average training hours completed per employee	<b>Average training hours completed per employee</b>	hour	6	11.8
	<b>By gender</b>			
	Male	hour	6	11.4
	Female	hour	6	12.3
	<b>By employment category</b>			
	Normal	hour	6	11.6
	Middle	hour	10	13.1
	Senior	hour	23	10.6
B5.1 Number of suppliers	<b>Number of suppliers by geographical region</b>			
	the PRC	supplier	314	1,110
B6.2 Number of complaints about products and services	Number of complaints about service received	case	Nil	Nil
B7.1 Legal cases in relation to corruption	Number of legal cases in relation to corruption filed and concluded	case	Nil	Nil

<sup>5</sup> 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.