

Sundy Service Group Co. Ltd 宋都服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 9608

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT
2020



CONTENTS

ABOUT THIS REPORT	2
1. ABOUT SUNDY SERVICE	3
2. CHAIRMAN' S MESSAGE	4
3. ESG SUMMARY	5
3.1 Reporting Principles	5
3.2 Communications with Stakeholders	5
3.3 Identification of Material Issues	7
4. ENERGY SAVING, ENVIRONMENTAL PROTECTION AND GREEN DEVELOPMENT	8
4.1 Emission Control and Disposal in Compliance with Regulations	8
4.2 Resources Saving and Low-Carbon Operation	11
4.3 Actively Respond to Climate Changes	12
5. TALENT RECRUITMENT AND COMMON GROWTH	13
5.1 Equal Employment with Rights Protection	13
5.2 Promoting Employees Growth through Trainings and Development	17
5.3 Caring about Health and Safety	20
6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES	22
6.1 Putting Services and Quality First	22
6.2 Emphasizing Feedbacks and Safety Guarantee	24
6.3 Smart Communities with Convenient Services	25
6.4 Close Cooperation for Mutual Benefits and Win-Win Results	27
7. INTEGRITY AND DEVOTED TO DUTY	30
8. GIVING BACK SOCIETY WITH CHARITABLE ACTIVITIES	31
9. APPENDICES	35
9.1 Index of the Environmental, Social and Governance Reporting Guide Issued by the Hong Kong Stock Exchange	35



ABOUT THIS REPORT

INTRODUCTION TO THE REPORT

This report is the first environmental, social and governance (“**ESG**”) report (the “**Report**”) released by Sundry Service Group Co. Ltd (the “**Company**” or “**Sundry Service**”). Adhering to the principles of materiality, quantitative, balance and consistency, it comprehensively illustrates the Company’s management approach and work performance in respect of the environment, society and governance during the period from 1 January 2020 to 31 December 2020 (the “**year**”), and focuses on the matters concerned by the stakeholders. Unless otherwise stated, the information presented in the Report represents the performance of the Company in 2020.

SCOPE OF THE REPORT

The subject of the Report is the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) and covers all businesses of the Group. Unless otherwise stated, the scope of the Report is consistent with the presentation of the 2020 Annual Report of the Group.

BASIS OF THE REPORT

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

PUBLICATION METHOD

The Chinese and English versions of the Report can be downloaded from the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Group’s website (<http://www.songduwuye.com/>). For any comments or suggestions on the environmental, social and governance performance of the Group, please email to ir9608@songduwuye.com.

1. ABOUT SUNDY SERVICE

Established in 1995, the Group has over two decades of experience in the property management service industry in the People's Republic of China (the “PRC”). On 18 January 2021, Sundy Service was successfully listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 9608.HK). The Group is headquartered in Hangzhou, Zhejiang with National Level One Property Management Qualification. As a member of the China Property Management Institute, the Group ranked the 54th among the top 100 property enterprises in terms of comprehensive strength in 2020 and was among top 50 model enterprises in terms of satisfaction of PRC property customers in 2020. Its urban service project in Caihe Sub-district was awarded top 5 urban service projects of PRC property enterprises in 2020.

We have maintained continuous development in the Yangtze River Delta region over 20 years. Currently, the business of the Group covers 17 cities, providing businesses including property management services, value-added services to non-property owners, community value-added services and other businesses, namely hotel business and long-term rental apartment business. The service sectors cover residential properties, villas, office buildings, commercial properties, hotels, hospitals, plants, agriculture and other types of properties.

For FY2020, the Group's revenue reached RMB256.7 million, representing a year-on-year increase of 15.4% as compared with RMB222.5 million for FY2019. The Group recorded gross profit of RMB77.9 million for FY2020, representing a year-on-year increase of 20.0% as compared with RMB64.9 million for FY2019. As at 31 December 2020, the GFA under management under the property management services of the Group was 8.2 million square meters, representing an increase of approximately 39.0% as compared with approximately 5.9 million square meters as at 31 December 2019. As at 31 December 2020, the contracted GFA of the Group reached 11.3 million square meters.

With the service concept of “creating accessible livable living for property owners and their families” and with customers as the core and the quality as cornerstone, the Group consistently improves services and is devoted to offering a safe, tidy, beautiful and comfortable working and living environment for property owners. Meanwhile, the Group closely follows the pace of the times of “smart interconnection of all things” and actively conducts innovation to empower life services via AIoT Intelligent Internet of Things. Externally, it expands various service scenarios with the demands of property owners as the center; internally, we reduce labour costs and energy consumption and improve efficiency through intelligent scenarios to effectively save costs. We extend the boundary of services and redefine the standards of urban services on old communities. We jointly explore the management and operation models of old communities with governments with the “grass-roots big property governance model of golden housekeeper in Caihe Sub-district” as the starting point and are devoted to becoming one of top property services and urban management services suppliers in the Yangtze River Delta region.



2. CHAIRMAN'S MESSAGE

To all stakeholders,

As a reputable integrated property management service provider in the property management industry in Zhejiang province, the Group has maintained continuous development in the Yangtze River Delta region for 25 years with extensive industry experience and outstanding brand reputation. With the service concept of “creating accessible livable living for property owners and their families” and with the quality as cornerstone, we consistently reform basic property services and empower property management services via AIoT Intelligent Internet of Things. We continuously enhance risk management, seize opportunities, practice the values of “integrity, sincerity, honesty and innovation” and cooperate with our stakeholders to create positive influence on the improvement of service quality and environmental protection.

It is the basis for our long-term development to listen to the appeals of our stakeholders and respond to them in time. We keep communications with our stakeholders and facilitate their understanding of the development and operation policies of the Group. We also provide effective feedbacks to their appeals in a timely manner to ensure the enhancement of the partnership and joint development.

In terms of service quality management, we attach great importance to lean management and systematic construction. We strive to improve the quality of property services through the on-site management and control of quality of property services to establish a long-term mechanism on the management of property quality.

We care about the interests, development, health and safety of employees, strive to guarantee their legitimate interests and provide them with fair development and promotion channels. We implement the occupational health and safety management system, endeavour to reduce occupational safety risks and provide a safe and comfortable working environment to enhance our business competitiveness.

We are well aware of the environmental protection responsibilities to be undertaken by a corporate citizen. During our routine operation and development, we consistently emphasize the importance of environmental protection, actively practice green and low-carbon development and implement the environmental management systems. We work hard to reduce the impacts on the environment in our routine operation, promote energy saving and emission reduction and identify the impacts of climate change on us and endeavour to achieve green development.

The sustainable development of the Group depends on the participation and supports of all stakeholders. We maintain communications with stakeholders and conduct communications on material sustainability issues. We believe that Sundry Service will forge ahead and maintain stability on the road of sustainable development.

By order of the Board

Sundry Service Group Co. Ltd

Yu Yun

Chairman

Zhejiang, the PRC

31 May 2021

3. ESG SUMMARY

3.1 REPORTING PRINCIPLES

The Report followed the ESG Reporting Guide and applied the following principles:

- Materiality:** In order to identify and assess the material concerns of our stakeholders, we have conducted materiality assessment surveys through a number of stakeholders engagement activities to determine the factors that have material impacts on our sustainable growth.
- Quantitative:** The quantitative principle applies to all information in this report. All performance indicators are provided with clear definition and unit measurement is clearly stated.
- Balance:** The information and cases in the Report are from the statistical reports, relevant documents and internal communication documents of the Group during the reporting period.
- Consistency:** We follow the ESG Reporting Guide in reporting. If there are any changes to the comparison with previous reports in the future, the Group will add annotations to the corresponding contents of the Report.

The Board provides oversight on matters relating to ESG by evaluating, prioritizing and managing ESG-related issues that are material to the Group, and monitors the progress made towards its goals and targets.

3.2 COMMUNICATIONS WITH STAKEHOLDERS

The stakeholders of the Group on environmental, social and governance mainly include investors, customers, employees, government, suppliers and community. It is an intrinsic requirement on the Group to perform transparent operation responsibilities to stakeholders, an important approach to develop the extensive social influence of the Group and a key measure for the Group to optimize the establishment of the service system to enhance communications with stakeholders.

Stakeholders	Appeals and expectations	Communications and engagement mechanism	Corporate responses
Investors	<ul style="list-style-type: none">Boost the Company's market value and profitabilityContinuously improve the Company's environmental and social responsibility performance	General meeting, information disclosure, and the Company's website	<ul style="list-style-type: none">Release periodic reports, disclose information in a truthful and comprehensive manner, endeavour to improve results and generate profitsAdvance corporate governance and risk management level, convene general meetings, enhance investor relations management and strive to improve environmental and social responsibility management

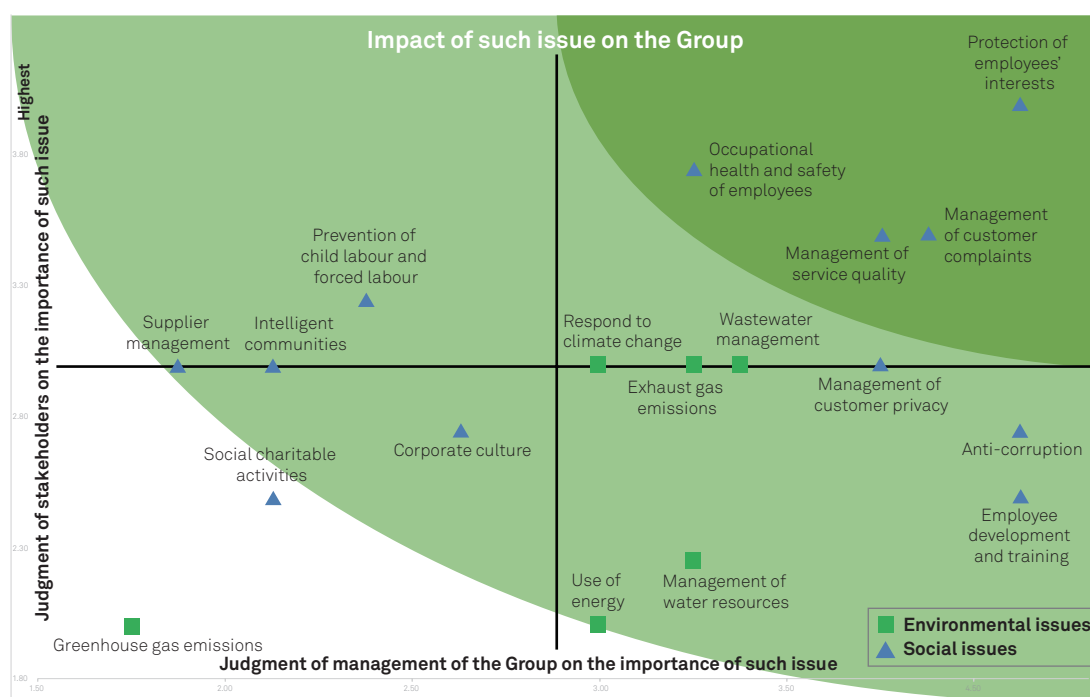
3. ESG SUMMARY

Stakeholders	Appeals and expectations	Communications and engagement mechanism	Corporate responses
Customers	<ul style="list-style-type: none"> • Provide high-quality products and services • Safeguard customer's legitimate interests 	Sign contracts and agreements, and customer satisfaction survey	<ul style="list-style-type: none"> • Provide digital, inter-connected, green and healthy living experience • Improve the customer service system and customer opinion, feedback and complaints mechanism
Employees	<ul style="list-style-type: none"> • Uphold employee remuneration and benefits • Care for safety and health of employees • Offer equal promotion and development opportunities • Improve communication mechanism 	Labour contracts and employee satisfaction survey	<ul style="list-style-type: none"> • Strictly abide by the items of labour contracts, improve remuneration and benefit system • Offer safe and healthy working environment • Offer development paths for both position and function, and organise staff training • Offer equal communication channel and implement negotiation and communications mechanism
Government	<ul style="list-style-type: none"> • Observe the law, operate in compliance with the regulations, and in line with national policies 	Engage in relevant governmental meetings	<ul style="list-style-type: none"> • Strictly observe relevant laws and regulations, continuously enhance corporate compliance management, and respond to national policies
Suppliers	<ul style="list-style-type: none"> • Fair and impartial cooperation with integrity, mutual benefits and win-win results to promote industry development 	Sign contracts and agreements, and regularly hold tender and bidding, and supplier meetings	<ul style="list-style-type: none"> • Actively perform the contracts and agreements by adhering to public and transparent business principles, adopt public and transparent procurement model, and develop an accountable supply chain
Community	<ul style="list-style-type: none"> • Co-construct community civilisation • Support community public welfare and focus on social development 	Organise cultural community activities, advocate and organise charitable activities	<ul style="list-style-type: none"> • Construct harmonious and civilised community • Devote to the public welfare by carrying out extensive charitable activities

3.3 IDENTIFICATION OF MATERIAL ISSUES

During the year, we obtained internal and external stakeholders' appraisal by questionnaire surveys on the materiality of ESG-related issues and comprehensively considered the impacts of all issues on the business development of the Group and stakeholders to provide guidance and orientation for the Group to carry out corporate operation and environmental, social and governance work.

Based on the summarization and analysis on the results of materiality appraisal by stakeholders, we formed the following materiality matrix. Based on the concerns of stakeholders on corporate operation and environmental, social and governance issues and the ESG Reporting Guide and as the Group is principally engaged in the provision of property management services, key issues are mainly on management of customer complaints, management of service quality, protection of employees' interests, occupational health and safety of employees and other social aspects.



Materiality Matrix of ESG Issues of the Group for 2020

Based on the analysis results on material issues, the Report disclosed issues of high materiality in details to respond to internal and external key issues. Key environmental and social issues of high materiality during the year are as follows:

Environmental issues

Wastewater management
Exhaust gas emissions
Respond to climate change

Social issues

Protection of employees' interests
Management of customer complaints
Management of service quality

4. ENERGY SAVING, ENVIRONMENTAL PROTECTION AND GREEN DEVELOPMENT

4.1 EMISSION CONTROL AND DISPOSAL IN COMPLIANCE WITH REGULATIONS

The Group deeply implements green development concepts with an attitude of being responsible for society. We strictly abide by the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution and other relevant laws and regulations and pay attention to the impacts of our own operating activities on the environment. During our routine operation, we publicize garbage classification and recycling, energy saving and environmental protection and continuously emphasize the importance of environmental protection to enhance the awareness of the Group on environmental protection.

Waste Management

The Group follows regulations on environmental protection, actively responds to the policies of national and local policies on garbage classification and publicizes garbage classification, collection and recycling. During the service process, we mainly classify waste into four categories to collect, including kitchen waste containers (green), recyclable waste containers (blue), toxic and hazardous waste containers (red) and other waste containers (grey) or waste containers (yellow) based on local requirements. All waste containers are posted with guide pictures for the corresponding category to remind residents to correctly classify garbage. The classified waste is regularly cleared by professional clearing companies.



Waste Containers with Four Colors

4. ENERGY SAVING, ENVIRONMENTAL PROTECTION AND GREEN DEVELOPMENT

Office waste from routine operation refers to unrecyclable waste from production and operation (including living). We classify the office waste into hazardous waste, recyclable waste and unrecyclable waste.

- a. Hazardous waste: Inflammable, explosive and radioactive waste with kinds of hazards to the environment and personal safety.
- b. Recyclable waste: Waste with recyclable value for other groups and individuals other than the Group.
- c. Unrecyclable waste: Waste with no recyclable value for any groups and individuals.

For toxic and hazardous solid waste generated from the office of the Group, namely hazardous waste on the Directory of National Hazardous Wastes or those recognized as hazardous based on the identification standards and methods on hazardous wastes under national regulations, such as waste batteries, waste asbestos, waste fluorescent tubes, solvent buckets, cans and bottles, we require our employees to throw them into hazardous waste containers. The toxic and hazardous wastes generated during the Group's operation are waste toner cartridges and waste ink boxes in a small amount, which are recycled by qualified recyclers, with less impact on the environment. Therefore, total hazardous waste produced is not disclosed in the Report. For recyclable waste, they are regularly disposed by the waste disposal agent based on the quantity. Meanwhile, we encourage double-sided printing to save the use of paper. For unrecyclable waste, we place them into other waste containers or entrust the waste disposal agent to clear them based on the quantity.

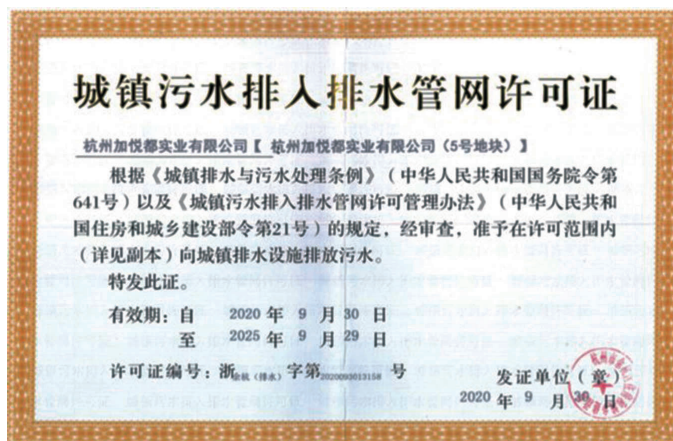
To reduce office waste, we carry out publicity in office areas, tea rooms, bulletin boards and other notable locations to enhance the awareness of employees on garbage classification. We arrange tutors on garbage classification, establish the "container leader" system and determine the responsibilities of individuals to provide guidance to employees on waste classification and promote mutual supervision and promotion among employees. With the joint efforts of the Group and all employees, the Yangguang International (陽光國際), a project under management of the Group, was awarded an "Outstanding and Advanced Demonstration Unit for Garbage Classification" in the district and several employees were awarded the title of "Outstanding Tutors on Garbage Classification".

Due to business characteristics, non-hazardous waste generated by the Group's operations and by customers/owners are collected and processed by the local municipal departments, and the Group is unable to separately measure the non-hazardous waste generated by the Group's operations. Therefore, total non-hazardous waste produced is not disclosed in the Report.

4. ENERGY SAVING, ENVIRONMENTAL PROTECTION AND GREEN DEVELOPMENT

Wastewater Management

The Group mainly provides services to residential projects. It has to pass the environmental appraisal opinions of governmental authorities during the design of commodity houses. Drainage pipes are not allowed for mixed discharge of rainwater and sewage and they should be discharged through separate pipes. A license on the discharge of urban sewage into drainage pipeline shall be obtained. It shall update the license on the discharge of sewage after the expiry of the license.



Sewage Discharge License

We attach importance to the saving and efficient utilization of water resources during the service process. We mainly publicize water saving in major places for water sourcing, such as having reminders on saving water in public washrooms. Toilets and urinals are installed with press switches or inductive switches to save water resources.

Greenhouse Gas Management

We were not involved in the consumption of natural gas, petrol for business vehicles during the year. Our direct greenhouse gas (GHG) emissions was 0 and indirect GHG emissions was 13,135.86 tonnes of carbon dioxide equivalent (tCO₂e)¹ with a total GHG emissions of 13,135.86 tCO₂e and a GHG emission density of 3.41 kgCO₂e/square meter.

Electricity consumption is the main source of indirect GHG emission of the Group. In order to reduce and manage energy consumption efficiently, we encourage employees to reduce energy consumption by turning off office devices when they are not in use, making use of natural lighting in clear weather and turning off air conditioners when the temperature is appropriate.

The Group was not involved in violation of regulations with significant effects on the Group in terms of emissions during the year.

¹ Calculation of GHG emissions: Indirect GHG emissions: The consumption of purchased electricity of the Group multiplies the corresponding emission factor, which refers to the Circular of the General Office of the National Development and Reform Commission on the Formulation of the 2016 and 2017 Carbon Emission Reports and Plans on Inspection and Emission Monitoring Plans; Total GHG emissions: sum of direct GHG emissions and indirect GHG emissions.

4. ENERGY SAVING, ENVIRONMENTAL PROTECTION AND GREEN DEVELOPMENT

4.2 RESOURCES SAVING AND LOW-CARBON OPERATION

The Group strives to practice green development concepts and strictly abides by the Law of the People's Republic of China on Energy Conservation and other relevant laws and regulations. The Group has established the quality, environment and occupational health management system in 2008 and consistently upgrades the management system based on environmental factors and external requirements. We always maintain compliant operation of systems, latest management systems and normalized compliant obligations and requirements of laws and regulations. We consistently emphasize the leadership, focus on property owners' concerns, establish three-level management and control documents, set up organizational structure, specify the working responsibilities and boundaries of the corresponding departments and require all departments and subsidiaries and regions to put the service quality first and carry out familial services. We always start from the concerns of property owners and practically solve the problems of property owners.



ISO Authentication Certificates

The Group actively responds to national policies on energy saving and emissions reduction to reduce consumption from the source. Based on relevant requirements of the Ministry of Housing and Urban-Rural Development (MOHURD), the property construction companies adopt energy-saving and thermal insulation materials and conduct enclosure design on the main structure of commodity houses and heat water resources with solar energy or air source heat pumps to meet the daily demands of property owners. Upon the approval of projects under management, we proposed reasonable suggestions on corresponding designs on energy consumption, such as the divisional design on lighting and the adoption of LED light, to achieve the purpose of reducing energy consumption from the source. During the year, our consumption of electricity was 21,530,659.8 kWh with an electricity consumption density of 5.60 kWh/square meter, which was mainly used in offering public services for property owners.



4. ENERGY SAVING, ENVIRONMENTAL PROTECTION AND GREEN DEVELOPMENT

The Group deeply implements the concept of green operation and actively undertakes corresponding social responsibilities. We have established the corresponding management systems and proposed relevant requirements on the use of air-conditioners, the utilization of water resources and the saving of office consumables. For projects under management, we carry out patrol inspections on the use of public resources and incorporate them in the scope of routine work. We conduct energy-saving transformation on qualified projects, such as technical transformation for lighting in underground garages, energy-saving lights for ground lighting, inductive switches in corridors, having reminders on saving water in public washrooms and press switches or inductive switches for toilets and urinals, to achieve the purpose of saving energy. Meanwhile, we compare the information on the use of resources in projects under management and handle issues in time to avoid the waste of resources.

The water resources consumed by the Group are from municipal pipelines and it has no problems in sourcing water. Our total water consumption was 2,790,894.70 cubic meters during the year with a water consumption density of 1.38 cubic meters/square meter, which was mainly used in providing public services.

In the future, we will:

- consistently pay attention to the Law of the People's Republic of China on Energy Conservation, the Environmental Protection Law of the People's Republic of China and other relevant requirements and dynamics released by the MOHURD and local competent authorities and quickly adjust the internal rules of the Group to make them more standard;
- strengthen regulation on energy consumption and resources waste within the Group and consistently implement the technical transformation mechanism on reducing energy consumption; and
- enhance the publicity of green and environmental protection and energy saving, actively create a green and energy-saving environmental protection atmosphere and create a working and living environment advocating "glorious saving and disgraceful waste".

Due to business characteristics, the use of packaging materials is not related to the operation of the Group. Therefore, total packaging material used for finished products is not applicable.

4.3 ACTIVELY RESPOND TO CLIMATE CHANGES

The Group is devoted to effectively managing and responding to risks on climate change in operation and formulating corresponding procedures on responding to emergencies on extreme disaster weathers and other physical risks. In case of extreme disaster weathers, the Quality Management Department of the Group arranges employees to release reminders and notes to property owners and actively carries out safety inspections on public facilities and equipment and carries out structural reinforcement, thermal insulation, cooling and other corresponding measures to prepare for emergencies based on the alarm and information released by national and local meteorological departments and governments as well as reports of local mainstream media. In addition, based on actual conditions on extreme weathers, we initiate the corresponding handling measures based on the Procedures for Emergency Preparation and Response Control to minimize any potential losses.

5. TALENT RECRUITMENT AND COMMON GROWTH

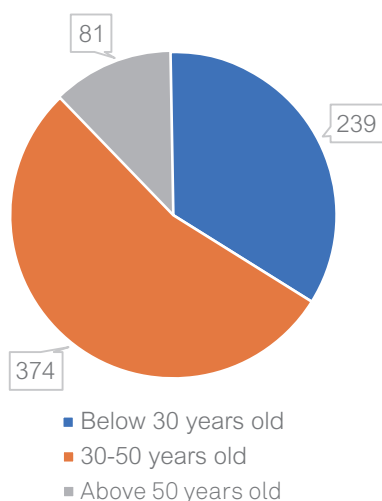
The Group strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Security Law of the People's Republic of China and other relevant laws and regulations of the state and gradually improves the human resources systems and management systems of the Group. We fully guarantee the legitimate interests of employees, distribute employees' remuneration with sufficient amount on time and contribute to social insurance and housing provident funds in a timely manner.

5.1 EQUAL EMPLOYMENT WITH RIGHTS PROTECTION

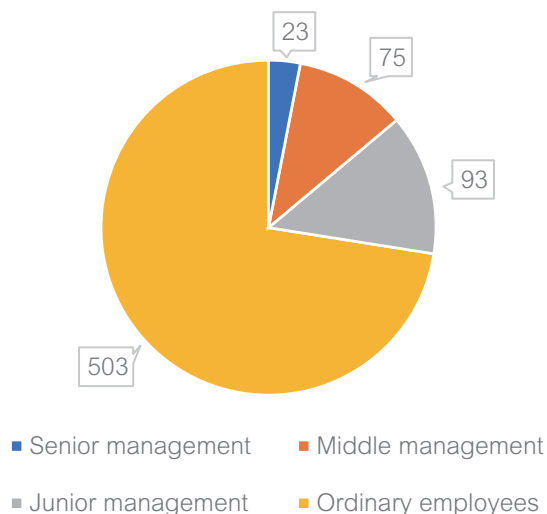
The Group strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Provisions on Prohibition of Child Labour and other relevant laws and regulations and has established relevant management systems on the employment of staff, such as the Administrative System on Employee Relationship, the Administrative System on Job Changes of Employees and the Administrative Measures for Talent Recommendation. We reject the employment of minors less than 18 years old during the recruitment and abides by strict examination procedures to ensure the recruitment process in compliance with laws and regulations.

The Group has a total of 694 employees during the year, including 282 male employees and 412 female employees, and all of them are full-time employees. The Group employed no part-time employees. Meanwhile, among the full-time employees, 7 are ethnic minorities and 3 are physically challenged. During the year, the Group had 13 interns and 5 of them were retained. The turnover rate of male and female employees of the Group is 29.43% and 27.91%, respectively. The turnover rate of employees below 30 years old, 30-50 years old and above 50 years old is 37.66%, 25.13% and 18.52%, respectively. The composition of employees is shown in the figures below:

Age Distribution of Employees (person)

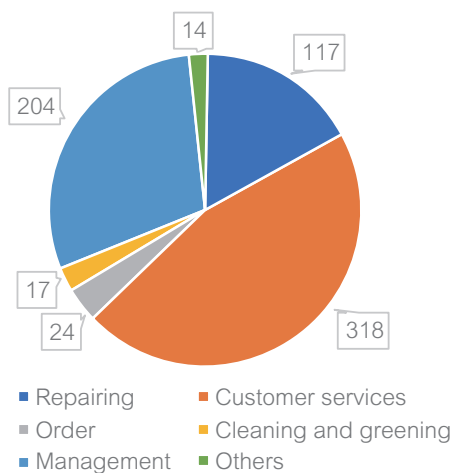


Level Distribution of Employees (person)

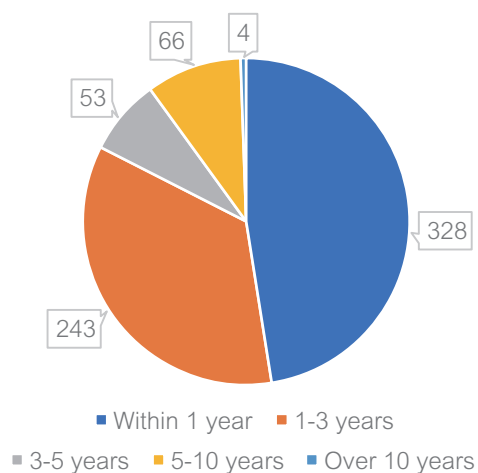


5. TALENT RECRUITMENT AND COMMON GROWTH

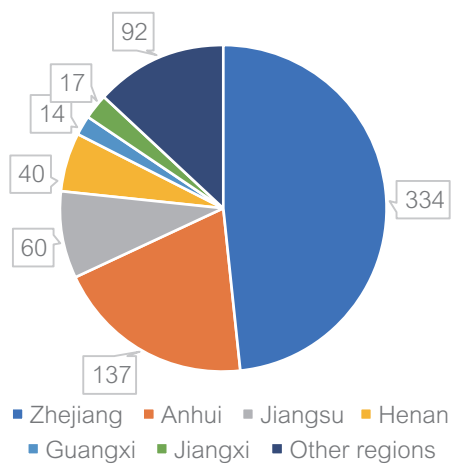
Position Distribution of Employees (person)



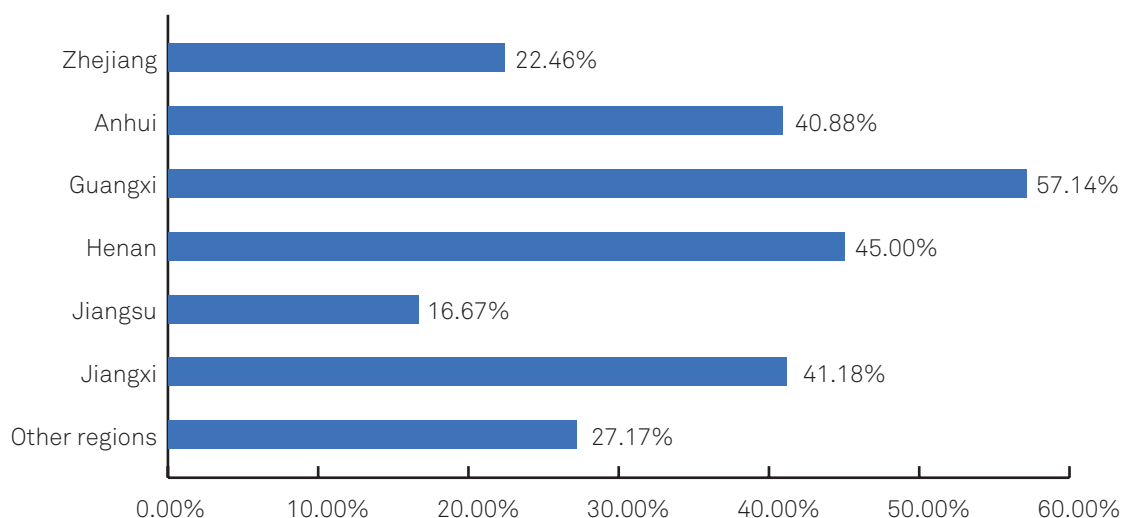
Working Age Distribution of Employees (person)



Geographical Distribution of Employees (person)



Employee Turnover Rate by Region



Remuneration mechanism

In accordance with relevant laws and regulations and following the basic principles of “one precondition”, “two fairness” and “three matching”, the Group set out specific standards on the salary, bonus, welfare and other remunerations of employees. We pay monthly salary to our employees and distribute quarterly/annual performance-based bonuses based on their performance appraisal. Meanwhile, in order to stimulate and attract outstanding talents and access to external talent markets, improve the attractiveness of the Group to key talents and enhance the competitiveness of the Group in the talent market, we make exceptions to the regular position-based remuneration when we formulate the remuneration for people who made outstanding contributions to the Group and people with extraordinary talent.

The Group puts people first and provides employees with effective care and guarantees. We endeavour to guarantee the remuneration, working hours, equal opportunities, diversity and anti-discrimination, adhere to equal remuneration for equal work and equality of male and female employees, prohibit the employment of child labours and eliminate forced labour. We also guarantee equal employment opportunities and labour guarantees for employees with different nationalities, races, genders, religions and cultural background. In terms of holidays and working hours, the Group abides by national laws and regulations of the PRC and compensates employees with overtime pays or leaves in case of working overtime. For the survey on employees’ satisfaction, we conducted the inspection on the atmosphere of organizations for 2020 through DingTalk towards all employees in December 2020.

5. TALENT RECRUITMENT AND COMMON GROWTH

Promotion Channels

The Group implements the Administrative System on Job Changes of Employees and other relevant rules. The promotion of employee shall meet the following conditions:

- Outstanding professional ethics, sense of responsibility and dedication as well as strong desire for success;
- Strong learning ability and problem-solving ability;
- Outstanding team spirit and influence on others; and
- Outstanding individual working ability and work output.

In 2020, 40 employees achieved internal promotion in the Group, including 6 ordinary (same class) promotions and 22, 11 and 1 promoted as junior, middle and senior management members, respectively.

In the future, we will:

- Continuously improve the management of talents pools and carry out the reserve and development of talent pools.
- Conduct normal debriefing reviews. We will arrange three parties' (human resources, superiors and business staff) debriefing reviews on employees having been promoted and becoming full-time employees and adjust the positions of disqualified employees on time.

Anti-Child Labour and Forced Labour

In accordance with the Law of the People's Republic of China on the Protection of Minors, the Provisions on Prohibition of Child Labour and other laws and regulations of the PRC, the Group prohibits the employment of minors below 18 years old. We follow strict review procedures in recruitment, including verifying the identity cards and relevant valid certificates of applicants and background investigation on applicants to avoid misuse or use of information by mistakes. During the year, the Group recorded no employment of child labour and other violations of laws and regulations.

In 2020, the Group recorded no labour disputes arising from the violation of laws and regulations or the employment of child labour or forced labour.

5.2 PROMOTING EMPLOYEES GROWTH THROUGH TRAININGS AND DEVELOPMENT

In 2020, the Group gradually improved the training management system and formulated plans on induction tutoring on new employees, the establishment of lecturers team and the building of course base. It continuously developed trainings to meet the demand for diversified and hierarchical trainings as well as employees' demands for self-development. It has established training systems and structures and occupational development plans on employees with the characteristics of Sundy Service from points to lines and planes.

Training Camp for reserve project managers

The training camp is under the unified organization of the Group with the purpose of cultivating employees with potentials of project managers through external recruitment and internal selection. The training camp integrates online and offline trainings through centralized trainings and position rotations to improve the quality and skills, professional knowledge, practice means and comprehensive management capabilities of talents and cultivate comprehensive project management talents in line with the corporate culture with strong professional quality for the Group.

Sundy Students

The training class is to cultivate management trainees with a junior college degree or above recruited through college-enterprise cooperation and campus recruitment. Management trainees will gradually become management talents of "Sundy models" with high quality, capability and sense of recognition through tutors' guidance and project learning. Meanwhile, as reserving talents for grass-roots and middle management positions of the Group, they form the preliminary team to reserve talents of the Group.

Training indicators		Data for 2020
Percentage of trained employees by gender (%)	Total number of male employees trained (person)	278
	Total number of female employees trained (person)	310
	Percentage of trained male employees (%)	98.58%
	Percentage of trained female employees (%)	75.24%
Percentage of trained employees by function (%)	Total number of senior management members trained (person)	15
	Total number of junior and middle management members trained (person)	168
	Total number of grass-roots employees trained (person)	405
	Percentage of senior management members trained (%)	65.22%
	Percentage of middle management members trained (%)	100.00%
	Percentage of grass-roots employees trained (%)	80.52%
Average trained hours of employees	Average trained hours of male employees (hour)	81.50
	Average trained hours of female employees (hour)	91.50
	Average trained hours of senior management members (hour)	31.00
	Average trained hours of junior and middle management members (hour)	83.50
	Average trained hours of grass-roots employees (hour)	90.50

5. TALENT RECRUITMENT AND COMMON GROWTH

During the year, we also carried out:

Course for New Employees

To help new employees understand and get familiar with the development history, corporate culture and common rules and systems of the Group, enhance their sense of belonging and recognition and better implement the instructions of the Group, we held the course for new employees. Through the course, new employees were able to quickly get familiar with each other and we integrated the corporate environment into interactions through games, funny questions and websites.



Course for New Employees

Trainings on Corporate Culture of Sundy Service

Corporate culture is the soul of corporate development. To facilitate employees to comprehensively and systematically understand the corporate culture, concepts and corporate value of the Group, improve the sense of belonging of employees and enhance the cohesiveness of the enterprise, we carried out trainings on the corporate culture of the Group. New and old employees reviewed the development history of the Group through on-site listening and developed a better knowledge on corporate missions, development visions, values and other core cultural concepts.



Trainings on Corporate Culture of Sundy Service

Cloud Classes

During the outbreak of the COVID-19 (the “**Epidemic**”), we adjusted training models based on policies on the prevention and control of the Epidemic and transferred offline trainings to online platforms with the focus on “humanization”. Employees can enter online cloud classes of Sundy Service for course study and appraisal after logging in their DingTalk accounts, which boosted the flexibility of study hours for employees and the convenience and environmental friendliness of appraisal. The management can export learning and appraisal materials at the background and conduct tracking.



Cloud Classes

Our training plans and targets for 2021 are as follows:

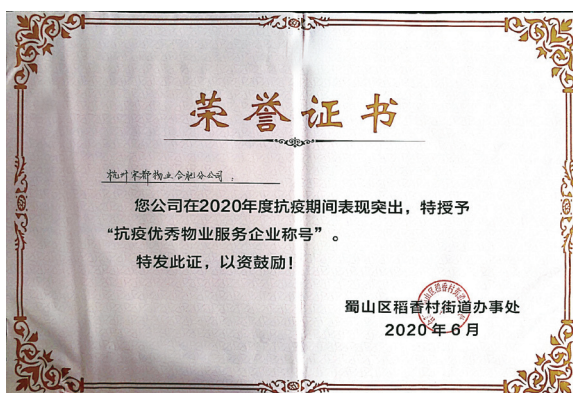
- Provide nearly 100 employment positions for college interns, implement the “Sundy Students program 2.0” and achieve the target of independent management and operation of projects after three years of trainings for green-hand employees;
- Establish separate property housekeeper cultivation mechanisms. Through the establishment of professional occupational development plans, training plans, training courses and promotion channels for housekeepers, it will develop cultivation plans on professional lines on housekeepers and allow housekeepers to provide more professional property services for property owners; and
- Help new employees understand the conditions of the Group and integrate them into the corporate culture and working environment as soon as possible. The Group will enhance and specify the learning targets of new employees and the tutoring and teaching targets of the management, establish a corporate culture of transmission, assistance and tutoring, enhance the stability of employees and the replicability of new employees tutoring in new investment and expansion projects and plan and pass the tutoring plan on new employees.

5. TALENT RECRUITMENT AND COMMON GROWTH

5.3 CARING ABOUT HEALTH AND SAFETY

The Group attaches high importance to the health and safety of employees at workplaces. On the basis of strict compliance with the Fire Control Law of the People's Republic of China, the Law of People's Republic of China on the Prevention & Control of Occupational Diseases and other relevant laws and regulations of the PRC, we formulated comprehensive management systems and relevant systems on employee health and safety, mainly including occupational safety education, induction physical checkups, annual health checks and emergency management of safety accidents. Meanwhile, in summer, we distribute allowances for high temperature to employees as an expression of gratitude under high temperature. We also distribute summer drinks, mung bean soup and other cool drinks to the front-line staff. We provide employees with cotton overcoats, cotton gloves and fan heaters in winter.

During the outbreak of the Epidemic in 2020, we also adopted actions to guarantee the life safety of employees. We sought channels for procuring materials for the prevention of the Epidemic, such as masks, disinfectants, ethanol, protection suits and protection spectacles, to ensure that employees can work with basic protection. We sprinkled disinfectant fluid in working areas twice a day and took the temperature of employees twice a day. We strictly prohibited employees from dining together, updated the dormitory management regulations and enhanced dormitory management during the outbreak of the Epidemic. We took the temperature for entering and leaving the dormitory, sterilized the environment and prohibited employees leaving working communities during rest hours. For projects under management, we learnt about the conditions of all property owners' families and carried out daily inspections. For attending employees during the outbreak of the Epidemic, we offered an extra subsidy of RMB125/day and awarded the honorary title of "Advanced Individuals" to employees with outstanding performance in the prevention of the Epidemic on the Labour Day. Hefei Branch of the Group was awarded an "Outstanding Property Service Enterprise in Fighting the Epidemic" and several employees were awarded relevant honorary titles on fighting the Epidemic. The Jianggan District Caihe Subdistrict Old Residential Community Project under the management of the Group won the "the Pioneer in Fighting against the Epidemic" honour from the government sub-district office.



Honours Awarded during the Outbreak of the Epidemic

5. TALENT RECRUITMENT AND COMMON GROWTH

Based on the nature of the Group's work, employees are involved in relevant knowledge on occupational safety to different extent in daily work. We have established relevant systems on the prevention of work-related injuries of employees. We enhance the occupational safety skills of employees through safety education, trainings on standard working procedures of project employees and other means and set out strict requirements on holding the work permits for operations, with details set out below:

- Repairing and maintenance companies shall have business licenses and qualification certificates for construction and repairing. Working staff shall hold the work permits for operation and professional responsible persons shall be arranged on site;
- Operators of repairing service plans shall hold aerial work permits and wear safety helmets and belts in aerial operation;
- Special employees shall be arranged for operation with fire;
- Employees shall hold the work permits for welding operation;
- Elevator maintenance employees shall hold the work permits for operation;
- Service quality and standards meet regulations or industrial standards;
- Providing safety education for employees before taking positions and regularly organizing safety trainings on employees; and
- Conducting irregular safety inspections.

During the year, the Group recorded no violation of regulations on providing a safe working environment and preventing employees from occupational diseases.

During the year, the Group had no fatalities reported, but lost 243 working days because of work-related injured cases.



6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

6.1 PUTTING SERVICES AND QUALITY FIRST

The Group pays attention to the control of services quality and had formulated the corresponding management systems, such as the waste management rules, the position requirements on working staff, the warehouse management systems, the emergency proposal, the administrative systems on saving water and electricity, the risk appraisal method on source of dangers, the appraisal standards on quality of property services, the control procedures on identification of source of dangers and risk appraisal, the control procedures on property management and services, the information management system and the operation guidance on the maintenance of customer relationship, to enhance our service quality.

Honors and awards:

- Yangguang International (陽光國際) was awarded the demonstration community for outstanding garbage classification; and
- Star of Dongjun (東郡之星) and Lijun Park (麗郡園) were awarded excellent property management residential communities in Qiantang New Area.

For the quality management of services, the Group conducts quality inspections on the quality of services on a quarterly basis and requires to rectify problems with the prescribed period for acceptance after rectification. Meanwhile, we conduct inspections on projects under management through independent third parties and issue corresponding investigation reports. We will solve targeted quality issues of services and guarantee the stable output of the quality of services. We require adopting mobile technology systems on the communities in maintaining records on routine inspections, customer service and reception, patrolling in the communities, accident and repairing reporting and other matters. We also monitor the quality of services through the 400 service hotline, handle and conduct call-backs on issues raised by property owners, irregularly inspect the service attitude of employees and point out their deficiencies to rectify and prevent them. We improve the service quality through focusing on prevention with regulation as ancillary means, routine tutoring, control of nodes as well as other measures.

In the future, the Group will improve our service quality through the following measures:

- Establish customer service groups, regularly conduct customer visits and provide familial services;
- Reinforce and solidify basic service measures, carry out updating and iteration of services and products and provide functional services; and
- Expand communication channels with customers and vigorously promote the official WeChat account of Sundy Service besides the 400 customer hotline and smoothen online and offline communication platforms.

6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

In terms of the protection of intellectual property rights, the Group attaches importance to the protection of the benefits of relevant owners of intellectual property rights. We are mainly involved in the protection of intellectual property rights on office software. We procure office software for our daily office through official channels and strictly abide by relevant laws and regulations for their use in compliance with relevant laws and regulations.

For the protection of property owners' privacy, the Group strictly abides by the Law of the People's Republic of China on the Protection of Rights and Interests of Consumers, the Cybersecurity Law of the People's Republic of China and other relevant laws and regulations. We have established the information management system, specifying the requirements on the privacy confidentiality of property owners and the legal right to investigate the individual illegal activities in the system. We establish separate archives on property owners and set up a special archive room with special responsible persons. Anyone who need to check the information on property owners have to register before entering the archive room. Computers with customers' archives and information require passwords and are under the professional protection of users. The Group implements an accountability system and it shall report to the general manager room for approval for copying, photocopying and borrowing property owners' information. For the change of property owners' information, the principal responsible person shall initiate the procedures and go through approvals level by level to the general manager room. The change shall be conducted by special employees and the front-line employees from projects under management shall have no right to change arbitrarily.

In the future, we will install surveillance cameras at the reception area and supervise and regulate the standard operation of working employees on the basis of following national laws to guarantee the safety of the electronic information of customers to the maximum extent. Meanwhile, we will monitor the areas for the storage of paper archives, check the corresponding records and effectively supervise persons entering and leaving the areas.

In 2020, the Group was not involved in violation of regulations in terms of liability for relevant products and services with significant effects.



6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

6.2 EMPHASIZING FEEDBACKS AND SAFETY GUARANTEE

To meet market expectations and guarantee the consistency of the quality of the Group, the Group has obtained the ISO9001 authentication certificate on international quality management system. We implement standard management in strict compliance with the requirements of systems in the overall operation and production process and conduct applicability and compliance appraisal on the systems each year. We accept the examination and recertification by professional agencies on system certification and the two parties sign contracts for mutual restrictions. Meanwhile, we consistently improve and enhance the quality of services with the demands of property owners as the starting point to achieve the purpose of meeting market demands.

The Group has set up the 400-0050033 national service hotline and arranged special employees to answer customers' calls. We require our employees keeping effective records on customers' appeals and ask the organizations and employees involved to communicate and reply within half an hour and revert the results to the 400 hotline and carry out special call-backs. The case will be closed when property owners are satisfied with the results and call-backs are required if they are dissatisfied until meeting their satisfaction. For complaints out of reasonable scopes, they will be submitted to superior levels for joint signing before closing. Relevant organization and individuals involved in deliberate postponement or avoidance or exceeding the required time limit without any good causes will be punished based on the performance of organizations. During the year, we received 198 complaints. The closing rate of the complaints of the year reached 99.28%. Also, we continue to follow up those unhandled cases, so as to make sure owners are satisfied with most of the results of handled complaints.

In terms of the protection of community security, we integrate technical prevention and safety prevention to guarantee the safety of property owners. Technical prevention mainly consists of the boundary alarming system, internal monitoring system in the communities, access control system for residential buildings, barrier gate systems in the communities, fire prevention systems, facial recognition systems and other systems. We also arrange relevant employees, such as gate sentries, patrols, fire prevention and monitoring personnels and vehicle monitoring personnels, as supplements based on composition of the systems. We supplement the deficiency of hardware facilities through facial recognition and the registration and verification of the entry and leaving of persons and vehicles to achieve community safety to the greatest extent. The Group supervises the duty performance of employees through intelligent software on the communities used by the Group and reviews the performance of tasks on each project under management each week. We also install anti-surveillance facilities on key positions to conduct sample inspections irregularly and handle issues spotted in time. Relevant responsible persons in cases of gross violation are punished based on management systems on award and punishment. We conduct appraisal on employees at all positions on a monthly basis to solve targeted issues.

6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

At the beginning of the Epidemic, the Group strictly followed the requirements of the government on the prevention and control of the Epidemic in respect of the property management of the community. We procured corresponding materials for fighting against the Epidemic, such as masks, thermometers, disinfectants, ethanol and protection suits. To prevent the spread of the Epidemic, employees took the temperature each day and only those with normal temperature could start working. We arranged designated employees to sterilize public areas many times each day, covering elevators, halls and other areas with frequent entry and exit of employees. We stepped up efforts in publicity, reminded property owners not to go out unless for special matters, promoted the prevention of the Epidemic every day and prohibited outsiders entering service areas. Gate sentries provided corresponding disinfectant and ethanol for sterilizing property owners. It continuously improved the emergency proposal on infectious diseases based on information on the prevention of the Epidemic and relevant guidance released by the government and released the proposal to the operational units for implementation, thus effectively curbing the spread of the Epidemic and laying a solid foundation for the smooth resumption of work as well as the restoration of the social order.

Honours and Awards:

- Ranked 54th among the Top 100 of the Property Enterprises in China in Terms of Comprehensive Strength; and
- “Gold Butler” and “the Pioneer in Fighting against the Epidemic” granted by the government sub-district office of Jianggan District.

With the development of technology in the future, the Group will closely follow the trends of times, actively adopt modern technical means to strengthen safety management of the communities and invest necessary capitals to safeguard, upgrade and update current technical protection products. We will provide trainings to relevant employees to adapt the development of new technologies and actively explore the feasibility study on the application of new technical products in the safety of projects.

6.3 SMART COMMUNITIES WITH CONVENIENT SERVICES

In order to further improve the quality of the Group and improve customers' satisfaction, the Group developed the “Sundy Service” platform. The platform is a special WeChat service platform specially developed for property owners of the Group and has integrated various life services and functions, covering all service resources of the Group and providing one-stop intelligent service communities with outstanding services for members. The platform was introduced in July 2020 with various services, including house repairing, one-touch calling, community announcements, community activities, considerate housekeepers, online billing, life services and feedbacks. Currently, it has achieved such functions as house repairing, complaints and suggestions and community announcements. The Group will gradually open other functions and further facilitate customer expansion and channels for horizontal connection with the Group.

6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

The “Sundy Service” platform follows the development of times and actively responds to appeals of property owners. The introduction of the platform facilitated the rapid handling of house repairing for property owners and expanded channels for communications with customers. It has accurate time records. The online reporting function effectively records appeals of property owners to avoid mutual prevarication among departments in the repairing and warranty process, facilitates the restoring of facts and speeds up the repairing process.



Operational Procedures of “Sundy Service” Platform

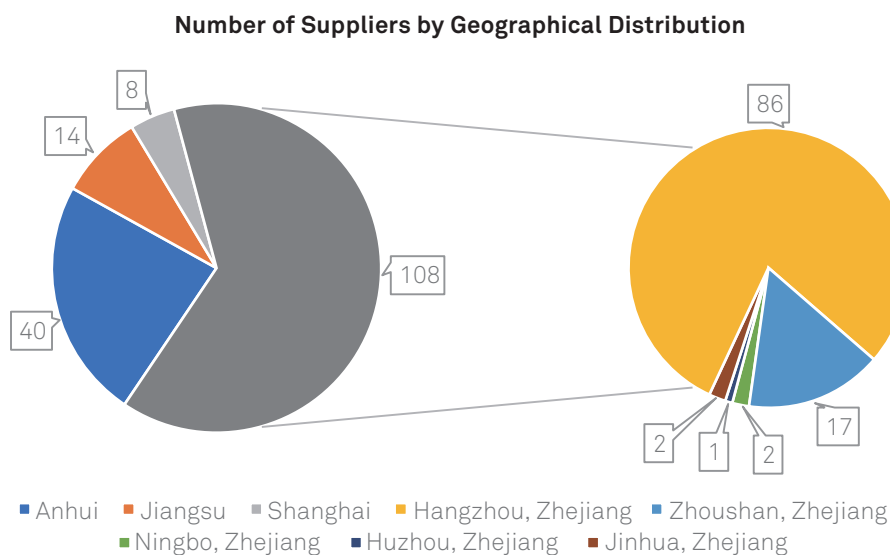
6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

In the future, we will provide residents with more convenient value-added services through innovating intelligent service models and connecting more intelligent products, community commercial and public services to the platform. We will carry out more lean and intelligent community management and establish smooth information flows with systematic capabilities to achieve online and digital management of the whole community. Through the grass-roots IoT platform of intelligent communities, we achieved intelligent and centralized management of facilities and equipment in communities and consistently expanded intelligent modules based on actual demands to solve the incompatibility of equipment of different brands, covering barrier gates of parking lots, elevator control for buildings, video surveillance, security alarming, energy lighting, intelligent access control and other series of community hardware systems. For property management, it can effectively reduce labour costs on property services and improve the efficiency of services and response to incidents. Meanwhile, focusing on core demands and demands under life scenarios of property owners, we provide extreme intelligent experience under full scenarios, including access control on safe travelling, rapid vehicle access, super APP elevator calls, one-touch alarming, smart home and experiences on other diversified “black technologies”, to solve all problems of property owners on community life.

6.4 CLOSE COOPERATION FOR MUTUAL BENEFITS AND WIN-WIN RESULTS

The Group carries out close cooperation with different types of suppliers through the increasingly improvement of the supply chain management system and strictly controls the selection of suppliers for materials procurement and services outsourcing to establish an efficient supply system. Our suppliers mainly include: service providers and subcontractors for cleaning, security, greening/gardening, architecture/decoration environment, fire prevention, equipment repairing and maintenance, energy saving, information, finance, legal, accounting, media and corporate planning and other comprehensive services. During the year, the Group strengthens the assessment of suppliers’ environmental and social factors based on ISO9001 quality management system and ISO14001 environmental management system.

The Group has a total of 170 suppliers and the geographical distribution of suppliers is as follows:



6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

Appraisal on Suppliers

The Group conducts annual appraisal on all suppliers based on actual centralized procurement or outsourcing during the year. Materials suppliers are appraised based on a weight of 50%, 20%, 15% and 15% on quality, delivery, price and cooperation, respectively; while outsourcing (including property outsourcing and service outsourcing) suppliers are appraised based on a weight of 70% and 30% on quality and service as well as business, respectively. The scoring standards on quality are set by the corresponding professional departments and are filed with the human resources administration center.

Based on appraisal results, we classify suppliers into levels A, B, C and D. Suppliers will be considered as having withdrawn when they are involved in one of the following circumstances:

- Being assessed as level C for two consecutive years;
- Having quality issues in supply/service, failing to improve repeatedly or meeting requirements after taking rectification measures;
- Being involved in breaching of contracts or integrity and other activities with negative influence and failing to rectify such activities;
- Being involved in false representations, forgery of documents, pretending shoddy goods to be of high quality, fraudulent pricing, breaching contracts, bribery and other breach of business ethics during qualification verification, bidding or quoting of fees, performance of contracts and subsequent services; and
- Suppliers voluntarily asking for withdrawal with reasonable grounds.

We are committed to conveying our notions of environmental protection, safety and corporate social responsibility to suppliers. When we cooperate, we inform suppliers to strengthen our cooperation in environmental and occupational health and safety protection. We conduct irregular monitoring and inspection over the material suppliers to monitor their performance in environment, health and safety. For the suppliers who do not meet our requirements, we will propose rectification suggestions; for suppliers that still fail to meet our requirements after rectification, we will take corresponding measures such as reducing orders, changing suppliers, etc., so as to manage the environmental and social risks of the supply chains.

6. INTELLIGENT MANAGEMENT AND SINCERE SERVICES

Suppliers involved in one of the following circumstances will be listed on the blacklist and publicized in the announcement system of the Group. Procurement departments at all levels are prohibited to select such suppliers for procurement, outsourcing and bid inquiry. Suppliers on the blacklist are not allowed to apply to be included as suppliers within three years:

- Being involved in falsification or defrauding in obtaining the registration qualification;
- Being involved in bidding collusion or bribery;
- Failing to conduct construction, provide products or outsource services based on drawings or bidding documents, resulting in safety accidents or potential safety hazards and refusing to rectify or failing to pass acceptance after rectification;
- Failing to pass annual performance appraisal and refusing to rectify or failing to pass acceptance after rectification;
- Being involved in significant quality defects or safety accidents for the reasons of suppliers within 2 years after the delivery of projects;
- Terminating supply and services arbitrarily in the provision of products and services without the approval of the Group and resulting in significant results on the Group; and
- Spreading rumors recklessly in the industry and seriously damaging the reputation of the Company.



7. INTEGRITY AND DEVOTED TO DUTY

The Group strictly abides by the Criminal Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition and other laws and regulations of the PRC and consistently improves relevant management mechanisms and systems on anti-corruption. The Group will sign the supplier integrity agreement upon entering into contracts with suppliers. We made "management integrity declarations" at the debriefing meeting in 2020 and arranged special inspection and audit employees on reviews. In addition, the Group established redline management standards on employees, out of which the relevant codes of conduct of employees specify details and punishment of the embezzlement, corruption, bribery and other negative activities of employees. Employees involved in the abovementioned activities may be subject to pay cuts, demotion, removal or termination of their employment contracts. The direct responsible person or direct supervisor having known the above activities of such employees but failed to report may receive verbal warning, demerit, notice of criticism, pay cuts or other punishment. All subsidiaries and branches of the Group arrange anti-corruption training every year. All employees are required to pass the test about the redline management standard after the training. Meanwhile, the Group established independent inspection and reporting mailboxes which are safeguarded by special employees. We strictly keep the information of whistle-blowers confidential and require relevant employees to keep the information of whistle-blowers confidential. Relevant employees involved in divulging secrets will receive administrative punishment. The Group has established the special hotline: (0571) 86821030-808 and mailbox sdwyjubao@songdu.com for whistle-blowing. We also have reminders about the "ten prohibitions" of the Group in meeting rooms to promote anti-corruption.

In 2020, the Group was not involved in corruption cases or lawsuits.

8. GIVING BACK SOCIETY WITH CHARITABLE ACTIVITIES

The Group has been focusing on the quality of services. While achieving rapid corporate development, we always actively perform social responsibilities. We are devoted to creating a harmonious and happy community environment and a friendly neighbor atmosphere and creating a warm property management model for property owners.

LOVE LABA

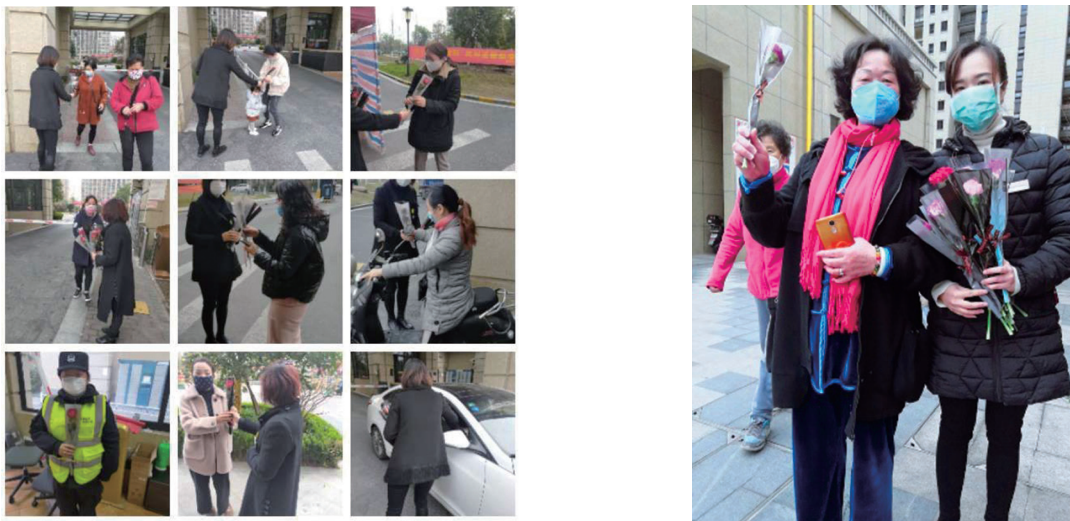
The 8th day of the December of lunar year is the traditional Laba festival for Han people. Laba festival has a long tradition and history in China. It is a tradition for residents to drink and make Laba porridge. Our employees in communities offered Laba porridge and allowed property owners to enjoy the warmth.



Love Laba Activities

THANKSGIVING ON MARCH 8 FESTIVAL

March 8 Women's Day is a traditional holiday across the world as well as a festival for women. To show our special care for female residents in communities and enrich the spare life, the Group organized thanksgiving activities and lectures on health knowledge. We stimulated the enthusiasm of female residents in working and allowed them to enjoy the comfortable life in communities.



Thanksgiving Activities on March 8 Festival

8. GIVING BACK SOCIETY WITH CHARITABLE ACTIVITIES

“GOLDEN WRENCH” CUSTOMER CARE ACTIVITIES

The Group carried out “Golden Wrench” customer care activities from 20 April 2020 to 30 June 2020, offering 31 items of repairing services for free with a total budget of RMB250,000 and covering 11 residential projects and 13,478 households of customers. The housekeeper arranged the appointment time for door-to-door services based on the requests of property owners and the engineering department offered door-to-door repair at the appointment time. To further improve the satisfaction of customers, we conducted call-backs through the 400 hotline on customers received free repairing services and asked them to provide feedback on services. It effectively narrowed the distance between enterprises and customers and practically solved certain practical difficulties of customers.

FLAVORFUL REED LEAVES AND CELEBRATING DRAGON BOAT FESTIVAL

To celebrate the Dragon Boat Festival and carry forward the morals of patriotism, the Group held activities on making glutinous rice dumplings and offering wormwood so as to enhance the sense of recognition and pride on ethnic culture of the public in communities.



Activities on Dragon Boat Festival

SUNDY • FLOWER YOUNG NEIGHBORHOOD FESTIVAL

Taking July as an opportunity, the Group held the Flower Young Neighborhood Festival. Focusing on allowing property owners to learn about and recognize the “Sundy Service” platform, it introduced the purpose of the establishment of the platform, the convenience to life from the use of the platform as well as the various services/activities available on the platform from the perspective of property owners after the upgrading and extension of offline services to online services of the “Sundy Service” platform, allowing property owners to identify, actively recognize and use the platform to bring convenience to their life. We held interactive programs during the activity and enlivened the atmosphere through the distribution of gifts, stimulating the enthusiasm of property owners.



Sundy • Flower Young Neighborhood Festival

DELIVERING COOLNESS ACTIVITY IN SUMMER AND BRINGING COOLNESS TO PROPERTY OWNERS

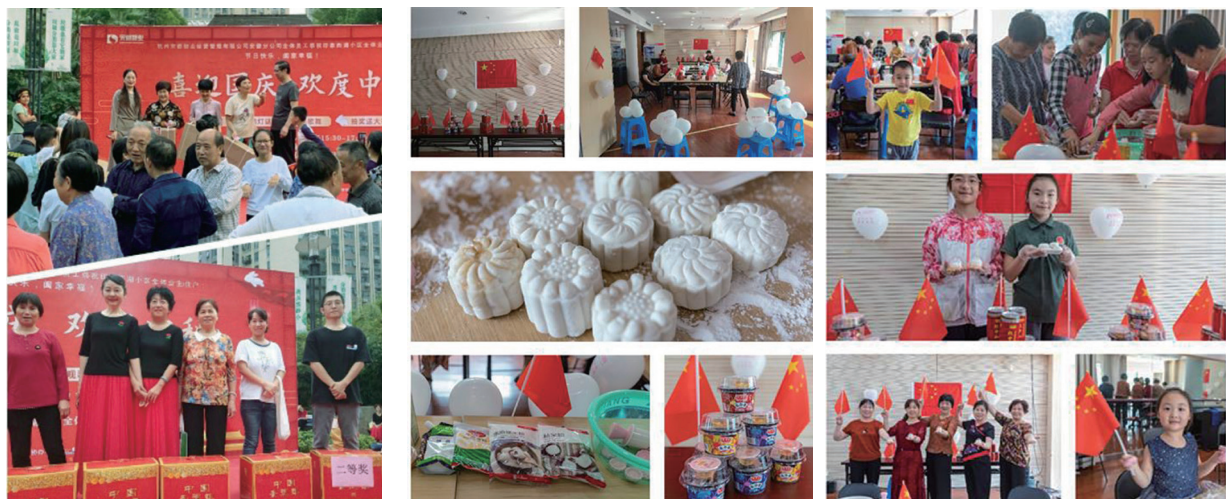
In summer with cicada chirping and heat waves, the Group delivered herbal tea and gifts in all projects and held swimming contests and other activities to bring coolness and happiness to property owners in communities in hot summer.



Delivering Coolness Activity in Summer

EMBRACING NATIONAL DAY AND CELEBRATING MID-AUTUMN DAY

With the moon shining in the sky, cool breeze comes from different directions. Four seasons have passed and the moon is like a mirror for the year. What a happy day for reunion on the Mid-Autumn Day ! To celebrate the upcoming Mid-Autumn Day and National Day in 2020 and enrich the spare life of property owners in communities, we held community activities on embracing the National Day and celebrating the Mid-Autumn Day, allowing property owners to fully relax after the tight work, enjoy the holidays, promote neighborhood harmony and fully display the orientation, cohesion and radiation functions of community culture.



Activities on Embracing National Day and Celebrating Mid-Autumn Day

8. GIVING BACK SOCIETY WITH CHARITABLE ACTIVITIES

RESPECTING THE ELDERLY ON DOUBLE NINTH FESTIVAL

To carry forward the traditional virtues of respecting, nursing, loving and assisting the elderly and create a happy and peaceful festival for the elderly in communities, we held activities on bringing love and warmth to the elderly during the Double Ninth Festival to create a community atmosphere of respecting and loving the elderly.



Double Ninth Festival

In the future, we will hold regular activities and establish a long-term mechanism on the Double Ninth Festival, the March 8 Women's Day, Laba Love, Respecting the Elderly, Flavorful Reed Leaves and Celebrating Dragon Boat Festival, Embracing National Day and Celebrating Mid-Autumn Day and other traditional activities. Meanwhile, we will carry out targeted large-scaled activities, such as livable living festival and quality life festival.

9.1 INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE ISSUED BY THE HONG KONG STOCK EXCHANGE

Environmental, Social and Governance Reporting Guide		Content in the Report
Subject Areas A. Environmental		
Aspect A1: Emissions		
A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4. Energy Saving, Environmental Protection and Green Development
A1.1	The types of emissions and respective emissions information.	4.1 Emission Control and Disposal in Compliance with Regulations
A1.2	Direct (Scope 1) and indirect (Scope 2) GHG emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emission Control and Disposal in Compliance with Regulations
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emission Control and Disposal in Compliance with Regulations
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emission Control and Disposal in Compliance with Regulations
A1.5	Description of targets on mitigating emissions and steps adopted to achieve such targets.	4.1 Emission Control and Disposal in Compliance with Regulations
A1.6	Description of how hazardous and non-hazardous wastes are handled and description of targets on reducing waste and steps adopted to achieve such targets.	4.1 Emission Control and Disposal in Compliance with Regulations

9. APPENDICES

Environmental, Social and Governance Reporting Guide		Content in the Report
Aspect A2: Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	4.2 Resources Saving and Low-Carbon Operation
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.2 Resources Saving and Low-Carbon Operation
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2 Resources Saving and Low-Carbon Operation
A2.3	Description of energy use efficiency targets set and steps adopted to achieve such targets.	4.2 Resources Saving and Low-Carbon Operation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose and water efficiency targets set and steps adopted to achieve such targets.	4.2 Resources Saving and Low-Carbon Operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2 Resources Saving and Low-Carbon Operation
Aspect A3: The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	4. Energy Saving, Environmental Protection and Green Development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4. Energy Saving, Environmental Protection and Green Development
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.3 Actively Respond to Climate Changes
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.3 Actively Respond to Climate Changes

Environmental, Social and Governance Reporting Guide		Content in the Report
Subject Areas B. Social		
Aspect B1: Employment		
B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Equal Employment with Rights Protection
B1.1	Total workforce by gender, employment type (such as full-time or part-time), age group and geographical region.	5.1 Equal Employment with Rights Protection
B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Equal Employment with Rights Protection
Aspect B2: Health and Safety		
B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.3 Caring about Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	5.3 Caring about Health and Safety
B2.2	Lost days due to work-related injuries.	5.3 Caring about Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.3 Caring about Health and Safety

9. APPENDICES

Environmental, Social and Governance Reporting Guide		Content in the Report
Aspect B3: Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Promoting Employees Growth through Trainings and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Promoting Employees Growth through Trainings and Development
B3.2	The average training hours completed per employee by gender and employee category.	5.2 Promoting Employees Growth through Trainings and Development
Aspect B4: Labour Standards		
B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Equal Employment with Rights Protection
B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Equal Employment with Rights Protection
B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Equal Employment with Rights Protection
Aspect B5: Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	6.4 Close Cooperation for Mutual Benefits and Win-Win Results
B5.1	Number of suppliers by geographical region.	6.4 Close Cooperation for Mutual Benefits and Win-Win Results
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	6.4 Close Cooperation for Mutual Benefits and Win-Win Results
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.4 Close Cooperation for Mutual Benefits and Win-Win Results
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.4 Close Cooperation for Mutual Benefits and Win-Win Results

Environmental, Social and Governance Reporting Guide		Content in the Report
Aspect B6: Product Responsibility		
B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6. Intelligent Management and Sincere Services
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.2 Emphasizing Feedbacks and Safety Guarantee
B6.2	Number of products and service related complaints received and how they are dealt with.	6.2 Emphasizing Feedbacks and Safety Guarantee
B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.1 Putting Services and Quality First
B6.4	Description of quality assurance process and recall procedures.	6.1 Putting Services and Quality First
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.1 Putting Services and Quality First
Aspect B7: Anti-corruption		
B7	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7. Integrity and Devoted to Duty
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	7. Integrity and Devoted to Duty
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7. Integrity and Devoted to Duty
B7.3	Description of anti-corruption training provided to directors and staff.	7. Integrity and Devoted to Duty
Aspect B8: Community Investment		
B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8. Giving Back Society with Charitable Activities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. Giving Back Society with Charitable Activities
B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Giving Back Society with Charitable Activities