CLIFFORD MODERN LIVING

祈福生活服務
CLIFFORD MODERN LIVING

祈福生活服務控股有限公司
CLIFFORD MODERN LIVING HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 3686

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2024

CONTENTS

*   English translation for reference only. Should there be any inconsistency between the Chinese and English version, the Chinese version should prevail.

ABOUT THE REPORT

REPORT INTRODUCTION

Clifford Modern Living Holdings Limited (the "**Company**"), together with its subsidiaries (the "**Group**"), is delighted to release its 2024 Environmental, Social and Governance ("**ESG**") Report (the "**Report**"), aiming to present to stakeholders and the public the Group's system establishment and performance in environmental, social and governance aspects in 2024.

REPORT SCOPE

The Report covers the period from January 1, 2024, to December 31, 2024 (the "**Reporting Period**" or "**This year**").

Unless otherwise specified, the business scope covered by the Report is consistent with the annual report, including five main businesses, namely property management services, retail services, off-campus training services, information technology services and ancillary living services.

DEFINITIONS OF TERMS

For the convenience of expression and reading, in the Report, Clifford Modern Living Holdings Limited is referred to as "Clifford Modern Living" or the "Company", depending on the context, and Clifford Modern Living Holdings Limited and its subsidiaries are collectively described as "the Group" or "we". As the Report involves a number of subsidiaries under Clifford Modern Living, for easier expression, unless otherwise stated, the following terms are defined as:

Property Management Services	Refers to	Guangzhou Panyu Clifford Property Management Limited ("**Panyu Property Management Company**"), Foshan Clifford Property Management Limited ("**Foshan Property Management Company**")
Retail Services	Refers to	Guangzhou Clifford Trading Limited
Information technology services	Refers to	Guangzhou Clifford Communications Limited, and Guangzhou Kejian Computer Technology Limited
Catering services	Refers to	Guangzhou Shankang Catering Management Limited
Employment placement services	Refers to	Guangzhou Welcome Employment Limited ("**Welcome Employment Company**")

REPORT PREPARATION STANDARD

The Report is prepared in accordance with the Appendix C2 – Environmental, Social and Governance Reporting Code ("**ESG Code**") set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited on the Stock Exchange of Hong Kong Limited ("**HKEX**"). The Report strictly follows the four reporting principles of "materiality", "quantitative", "consistency" and "balance" specified in the ESG Guide, in an attempt to fully reflect the Group's management and performance in ESG aspects. The following methods are adopted in the Report to address the aforementioned four principles, i.e., we respond to the principle of "materiality" by analyzing and assessing material issues; respond to the principle of "quantitative" by preparing a list of quantitative data; respond to the principle of "consistency" by ensuring that the disclosure scope and reporting methods of the Report are consistently applied each year and that historical data are well comparable; and respond to the principle of "balance" by reviewing negative issues and poor performance.

DATA SOURCE AND RELIABILITY STATEMENT

The information and data in the Report are derived from official documents and statistical data within the Group or public data, and have been reviewed and approved by the internal supervision mechanism. The Board of Directors is responsible for the authenticity, accuracy and completeness of the Report.

PREFACE

2024 is a year of in-depth adjustment for the industry, and it is also a year of both opportunities and challenges. At the starting point of the new era, Clifford Modern Living forges ahead with determination and innovation and keeps in mind its corporate mission of "leading industry development and creating a better lifestyle". To this end, Clifford Modern Living takes seriously its responsibility for environment, society and economic. While vigorously promoting business growth, we also adhere to the core concept of sustainable development. We are committed to creating a better life for society and public, and contributing to national economic development.

CONSOLIDATING GOVERNANCE AND ANCHORING THE CONCEPT OF SUSTAINABILITY

We continue to practice the concept of sustainable development management and focus on the coordinated development of economic, social and environmental benefits. In order to integrate the concept of sustainability into the decision-making and operation of the enterprise, we have established an ESG management system composed of the Board of Directors, the ESG Committee and the ESG Execution Management. Through regular stakeholder communication channels, we have deeply understood and collected the expectations and requirements of all parties for the sustainable development of Clifford Modern Living. And we are committed to continuously creating greater value for all parties. At the same time, we adhere to the bottom line of compliance operations, build a culture of integrity, and improve anti-corruption and whistleblowing mechanisms to create a clean and honest working environment.

BUILDING QUALITY SERVICES AND CREATING A COMFORTABLE LIVING SPACE

We always adhere to the brand concept of "Your Best Life Partner", take customers first, deeply understand the demands of customers, and strive to provide customers with professional and high-quality life services. Keeping up with the development trend of the times, we continuously strengthen the research and development and application of intelligent technologies, in order to provide customers with a more convenient and efficient service experience. At the same time, we also pay attention to protecting the rights and interests of customers, actively implement information and privacy protection measures, deepen responsible marketing management, and strive to create a better living life for customers.

JOINING HANDS WITH EMPLOYEES TO DRAW A BETTER FUTURE

We uphold the people-oriented philosophy and attach great importance to the legitimate rights and interests, growth and development, health and safety, and care for well-being of employees. We formulate diverse and equal employment policies to protect employees' rights and interests, and build a comprehensive and scientific training and career promotion system. We also continuously improve employee disease protection and difficulty assistance mechanisms. In addition, we continue to strengthen communication with suppliers, strictly manage environmental and social risks in the supply chain, and strive to build a sustainable supply chain system.

PROMOTING LOW-CARBON OPERATIONS FOR A GREEN ECOLOGICAL HOME

We regard environmental protection as an important foundation for sustainable development, and reduce the negative impact on the environment by reducing emissions, properly disposing waste, using energy-saving and carbon-reducing equipment, optimizing the utilization of water resources, and promoting the concept of green office. At the same time, we actively respond to the national "carbon peaking and carbon neutrality" strategy, based on the framework of governance, strategy, risk management, metrics and targets, improve the governance process, monitoring measures and procedures of climate-related risks and opportunities, lay out low-carbon development paths, and promote the green transformation of business operations.

STAYING COMMITTED TO PUBLIC WELFARE UNDERTAKINGS FOR A HARMONIOUS SOCIETY

In addition to pursuing economic benefits, we also do not forget to pool own strength and various public resources to actively participate in social welfare and charity undertakings to promote high-quality social development. In terms of community building, we wholeheartedly provide property owners with a variety of community cultural activities such as free clinical programs, the community service day, cultural and sports events and festivals to promote the harmonious development of the community. In terms of public welfare donations, with the purpose of "gratefulness, service, enthusiasm, compassion", we also continued the Group's tradition of donating books and clothes to children in mountain areas, in order to give back to the society and convey warmth and care with practical actions.

ANNUAL AWARDS AND RECOGNITIONS

This year, the Group received a number of industry awards for its outstanding performance in product responsibility, employment management and environmental protection, including the "Caring Company", "Outstanding Listed Company Award 2024" and "MPF Good Employer".

No.	Unit	Award/Recognition	Awarding Organization
1		Caring Company	Hong Kong Council of Social Service
2	Clifford Modern Living	Outstanding Listed Company Award 2024	Preparatory Committee of Outstanding Listed Companies
3		Good MPF Employer	Mandatory Provident Fund Schemes Authority
4		2024 "Annual Contribution Member Unit"	Guangzhou Property Management Industry Association
5	Panyu Property Management Company	2024 Greater Bay Area Property Service Brand Enterprises	Guangdong Property Management Industry Association
6		2023-2024 Guangdong Property Management Industry Integrity Benchmark Enterprise	Guangdong Property Management Industry Association

ANNUAL AWARDS AND RECOGNITIONS

No.	Unit	Award/Recognition	Awarding Organization
7		2024 Outstanding Property Enterprises in Promoting Social Employment	Guangdong Property Management Industry Association
8		2024 Guangdong Property Industry Comprehensive Strength Enterprises	Guangdong Property Management Industry Association
9	Panyu Property Management Company	Clifford Estate Community Outstanding Contribution Award	Clifford Estate Neighborhood Committee
10		2024 Guangzhou Property Service Model Community	Guangzhou Huadu Property Management Industry Association Guangzhou Huadu Housing and Urban-Rural Construction Bureau
11	Foshan Property Management Company	2023 Advanced Community for Waste Sorting of the Year (Awarded in 2024)	Zhongcun Street Clifford Estate Community Residents Committee

7
2024助力社会就业优秀物业企业
广州市番禺祈福物业管理有限公司

8
2024广东物业行业综合实力企业
广州市番禺祈福物业管理有限公司

9
祈福新邨
居委会
祈福新邨社区突出贡献奖
广州市番禺祈福物业管理有限公司
2024年7月
DATE

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（2024年度）
广州市物业服务模范小区

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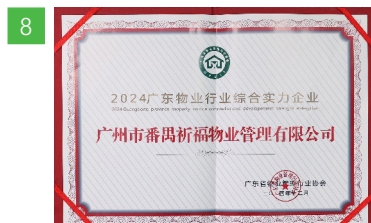
No.	Unit	Award/Recognition	Awarding Organization
12		"Excellent Member Unit" in 2024	Zhaoqing Real Estate Industry Association
13		Outstanding Contribution Unit	Guangzhou Huadu Property Management Industry Association
14		2024 Guangzhou Property Service Excellent Community	Guangzhou Huadu Property Management Industry Association Guangzhou Huadu Housing and Urban-Rural Construction Bureau
15	Foshan Property Management Company	Excellent Property Management Projects in Huadu District in 2024	Guangzhou Huadu Property Management Industry Association
16		Outstanding Property Service Enterprise in Huadu District in 2024	Guangzhou Huadu Housing and Urban-Rural Construction Bureau Guangzhou Huadu Property Management Industry Association
17		Excellent unit in community service work in 2024	Xinhua Street North Station West Neighborhood Committee

ANNUAL AWARDS AND RECOGNITIONS

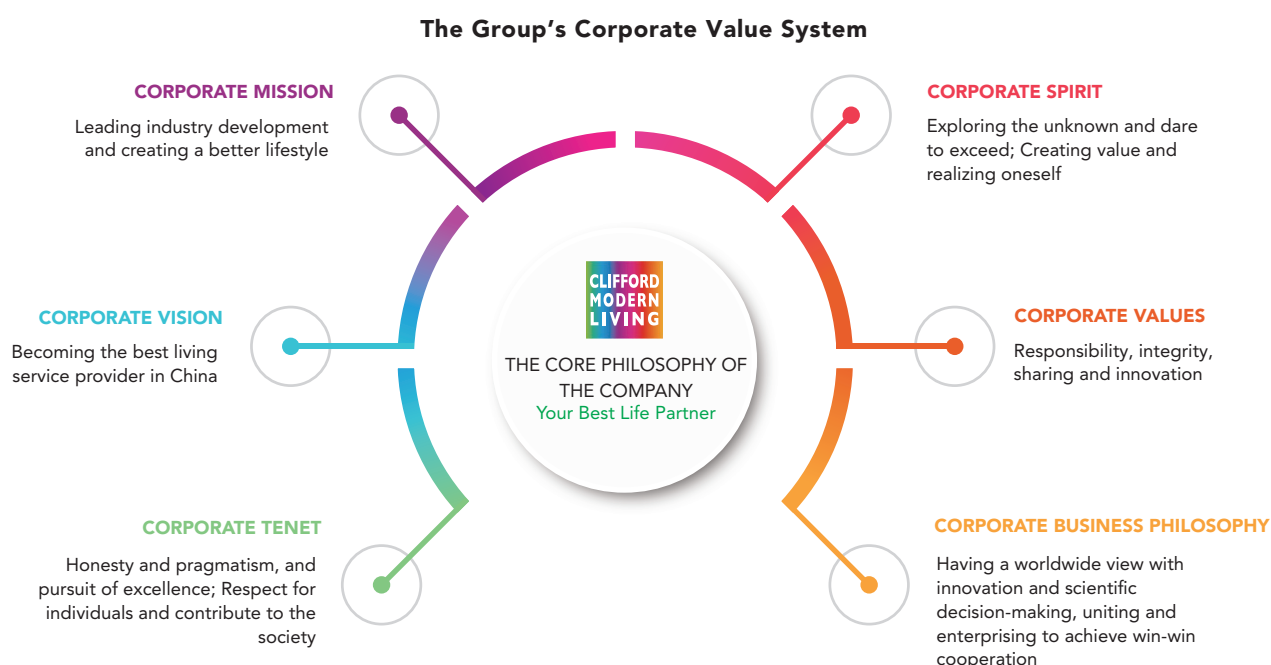| No.	Unit	Award/Recognition	Awarding Organization
18	Foshan Property Management Company	2024 Guangzhou Property Service Demonstration Community	Guangzhou Huadu Property Management Industry Association Guangzhou Huadu Housing and Urban-Rural Construction Bureau
19	Welcome Employment Company	Guangzhou Housekeeping "Peace of Mind Service Certificate" Project (2020-2023) Advanced Enterprise with Certified Business	Guangzhou Home Service Comprehensive Platform
20		2024 Guangzhou "Ingenuity Cup" Vocational Skills Competition Domestic Attendant (Maternal and infants Nursing) Project Outstanding Organization Award	Guangzhou "Ingenuity Cup" Vocational Skills Competition Organizing Committee
21		2024 Domestic Service Credit 5A Enterprise	Guangzhou Housekeeping Service Integrated Platform
22		2024 "Partner of Excellence Award"	Guangzhou Family Service Association

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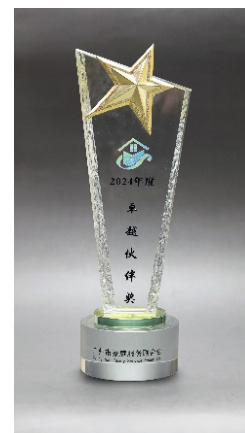
1 SUSTAINABILITY MANAGEMENT

We highly recognize the importance of sustainable development management to the long-term and stable operation of the Group, uphold the corporate mission of "leading industry development and creating a better lifestyle", and establish an effective and scientific ESG governance structure and social responsibility system. We maintain high ethical standards in daily management, and seek to operate in a way that is consistent with environmental and social benefits. By doing this, we commit ourselves to creating an influential and sustainable brand of responsibility.

Under the core philosophy of being "Your Best Life Partner", the Group has developed a comprehensive corporate value system. Focusing on the general pursuit for a better life, we optimize resource allocation and business layout to expand our scope of service. In addition, we persistently provide inclusive and butler-type living services for customers to progressively realize our corporate vision of "becoming the best living service provider in China".

The Group's Corporate Value System

CORPORATE MISSION
Leading industry development and creating a better lifestyle

CORPORATE SPIRIT
Exploring the unknown and dare to exceed; Creating value and realizing oneself

CORPORATE VISION
Becoming the best living service provider in China

CORPORATE VALUES
Responsibility, integrity, sharing and innovation

CLIFFORD MODERN LIVING

THE CORE PHILOSOPHY OF THE COMPANY
Your Best Life Partner

CORPORATE TENET
Honesty and pragmatism, and pursuit of excellence; Respect for individuals and contribute to the society

CORPORATE BUSINESS PHILOSOPHY
Having a worldwide view with innovation and scientific decision-making, uniting and enterprising to achieve win-win cooperation
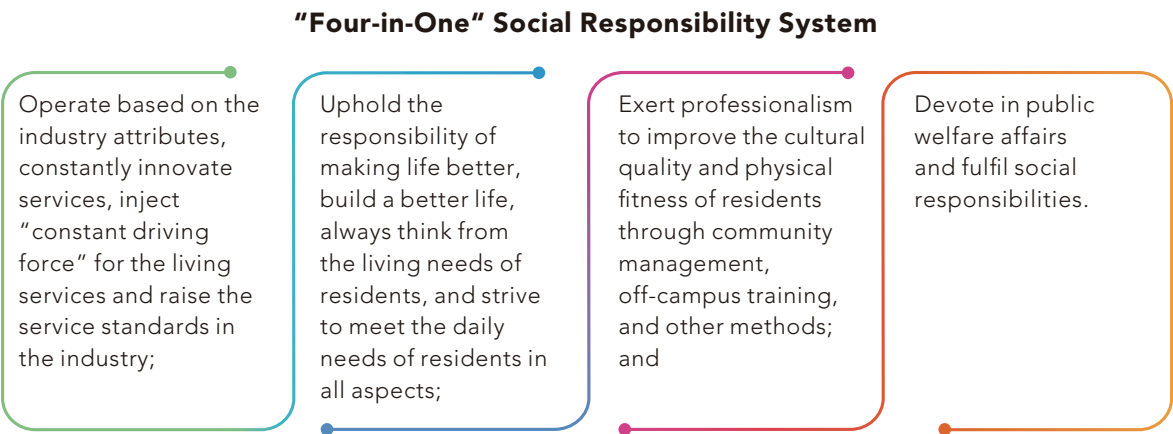
1 SUSTAINABILITY MANAGEMENT

1.1 BOARD STATEMENT

Having incorporated the concept of sustainability into its daily operations and decision-making, the Group has established a sound and effective ESG management system, and made constant efforts to refine the multi-level ESG management structure to push the Board of Directors to play a leading role in ESG affairs. The Board of the Group is responsible for developing ESG management policies, strategies and objectives, evaluating ESG-related risks, opportunities and material issues, regularly reviewing the implementation progress towards ESG objectives, and assessing the relevance of ESG objectives to the Group's business, continuously promote the long-term steady development of the Company.

1.2 ESG STRATEGY

As a company's sustainability management is dependent on its ESG strategy, the Group has created a unique "Four-in-One" social responsibility system that incorporates environmental, social and governance considerations into every facet of daily management. With the aid of this system, we could direct the Group to constantly improve its services, build a better life for our residents and boost their qualities, and contribute to the public well-being, thus firmly advancing on the path to sustainability.

"Four-in-One" Social Responsibility System

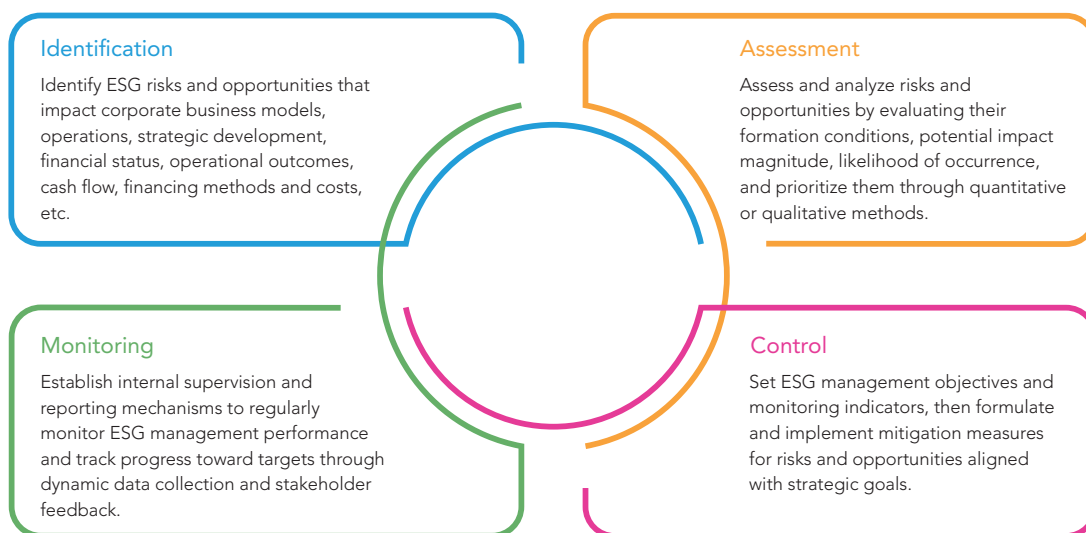|			
Operate based on the industry attributes, constantly innovate services, inject "constant driving force" for the living services and raise the service standards in the industry;	Uphold the responsibility of making life better, build a better life, always think from the living needs of residents, and strive to meet the daily needs of residents in all aspects;	Exert professionalism to improve the cultural quality and physical fitness of residents through community management, off-campus training, and other methods; and	Devote in public welfare affairs and fulfil social responsibilities.

1.3 ESG GOVERNANCE SYSTEM

The Group attaches great importance to ESG management and has established a three-tier ESG governance structure consisting of the Board of Directors, ESG Committee and ESG Execution Management based on the development and ESG management needs, to clarify the responsibilities and obligations at each level.

ESG Governance Structure

ESG Working Level	Personnel Composition	Main Responsibilities
Highest Governance Body	Board of Directors	➤ Assume full responsibility for the group's ESG management policies, strategies and reporting; ➤ Responsible for formulating ESG management policies, strategies and objectives, evaluate the risks, opportunities and material issues associated with ESG; ➤ Regularly monitor and review the progress towards achieving ESG goals; ➤ Ensure an appropriate and effective ESG management and internal monitoring system is in place; ➤ Receive reports from ESG committee on major ESG issues and review ESG performance and accomplishments of the goals; and ➤ Approve and sign off on the annual ESG report.
ESG Committee	Coordinated by the CEO Composed of relevant senior management	➤ Develop and review the responsibilities, visions, strategies, structures, principles and policies regarding ESG issues of the Group; ➤ Monitor the communication channels and methods between the Group and its stakeholders; ➤ Analyze the major trends and identify related risks and opportunities regarding ESG, and assess the adequacy and effectiveness of ESG structure and business model of the Group; ➤ Monitor the ESG performance of the Group; ➤ Supervise the expenditure on corporate social responsibility of the Group; and ➤ Review the annual ESG report of the Group, and submit it for the approval of Board of Directors.
ESG Execution Management	Composed of principal responsible persons and execution staff of each functional department and affiliated companies	➤ Implement the resolutions of the Board of Directors and the ESG Committee; ➤ Implement daily ESG management and report regularly to the ESG Committee on the work progress; and ➤ Collect ESG-related information and data, and assist in the preparation of annual ESG report.

1.4 ESG RISK MANAGEMENT

The Group attaches great importance to the possible impact of ESG risks, integrates ESG risks and opportunities into the business operation and management process, and establish an ESG risk management system comprising key stages such as identification, assessment, control, and monitoring. The Group carries out regular risk assessments to ensure the adequacy and effectiveness of risk management (including ESG risk management) and internal control, and to provide solid grounds for the Group's development and the long-term benefits of our stakeholders. Further information about the Group's risk management and internal control can be found in the Corporate Governance Report section of this annual report.

Identification
Identify ESG risks and opportunities that impact corporate business models, operations, strategic development, financial status, operational outcomes, cash flow, financing methods and costs, etc.

Assessment
Assess and analyze risks and opportunities by evaluating their formation conditions, potential impact magnitude, likelihood of occurrence, and prioritize them through quantitative or qualitative methods.

Monitoring
Establish internal supervision and reporting mechanisms to regularly monitor ESG management performance and track progress toward targets through dynamic data collection and stakeholder feedback.

Control
Set ESG management objectives and monitoring indicators, then formulate and implement mitigation measures for risks and opportunities aligned with strategic goals.

ESG Risk Management System

1.5 CULTIVATION A CULTURE OF HONESTY AND INTEGRITY

The Group prohibits all forms of corruption and fraud, and resolutely eliminates all kinds of bribery, extortion, fraud, money laundering and unfair competition. The Group strictly complies with the *Anti-money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery* and other relevant laws and regulations, formulates and implements policies such as the *Clifford Group Discipline Inspection Work Regulations* and the *Clifford Group Gift and Cash Gift Management Measures*. Otherwise, we also stipulate the system of reporting scope, reporting methods, cooperation obligations and corresponding reward and punishment in the *Employee Handbook*. Specifically, we make continuous efforts to improve the anti-corruption supervision and management system, and facilitate internal reporting channels and conduct anti-corruption education to create a positive atmosphere of honesty, self-discipline and integrity. This year, there were no corruption cases filed and concluded against the Group and our employees.

### 1.5.1 Anti-corruption Mechanism

The Group resolutely puts an end to any form of corruption and fraud. To minimize fraudulent behavior, the Group requires all subsidiaries to sign the *Integrity Statement* with all partners and suppliers. In addition, the Board of Directors requires all subsidiaries to set up integrity clauses when signing contracts with external parties to prevent fraud and ensure the integrity of departments during the performance of contracts.

1.5.2 Reporting Mechanism and Processing Procedures

The Group sets up a variety of internal reporting channels, including on-site reporting, telephone reporting, email reporting, WeChat reporting, and website reporting. We also place complaint mailboxes at canteens, office spaces, bus stops, hotel lobbies, major project sites and other places of subsidiaries, to encourage employees and the public to report any disciplinary violations and illegal acts. All of these efforts aim to create a powerful synergy for a comprehensive, regular and long-lasting supervisory framework.

For any reports received, the Group has formulated the following procedures:

Case acceptance	The Discipline Inspection Department sorts out and registers the received reports or clues found, and reviews the authenticity of the reported information.
Review and Report	Once the reported information is reviewed and the case is confirmed as improper, it will undergo formal investigation, following which an investigation report will be submitted to the Board and relevant departments.
Case file management	A case file management system will be established, and cases will be filed in detail following the principle of "one case, one file". We will then draw on past experiences to strengthen honesty and self-discipline management to avert future problems.
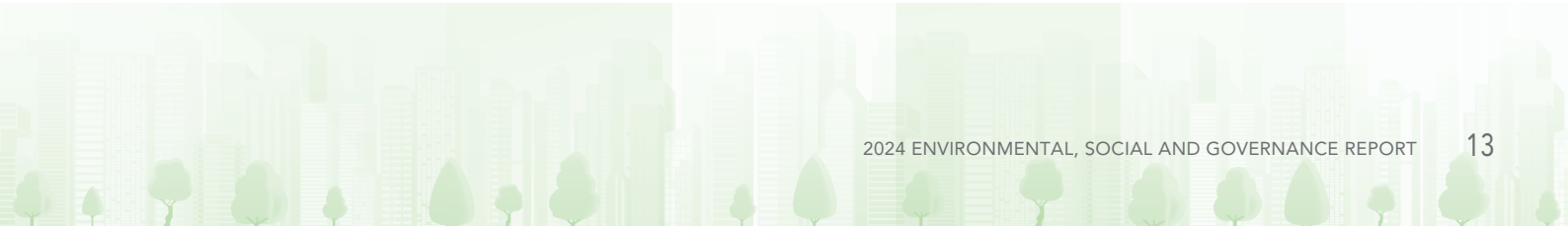
The Group is committed to achieving and maintaining the highest standards of confidentiality. We place great importance on managing privacy protection for whistle-blowers and strengthens the confidentiality mechanism. In addition, the Group has formulated and strictly implemented whistle-blower protection initiatives to prevent retaliation against whistle-blowers and to effectively protect their rights. Personnel involved in the case investigation is not allowed to disclose any case information without proper authorization, and investigators should withdraw if the case is related to their own interests or those of their close relatives.

"Principle of Confidentiality" in Whistle-blower Protection

- It is strictly prohibited to disclose the name, department, address or other information of the whistle-blower;
- It is not allowed to present materials involving the personal information of whistle-blowers, such as whistle-blower letters, to the department or person under investigation; and
- In the publication of reports and rewards to those who have successfully reported a case, unless with the consent from the whistle-blower, the whistle-blower's name and department shall not be disclosed explicitly or implicitly.

1.5.3 Integrity Promotion and Education

To strengthen anti-corruption publicity and promote integrity, the Group has put up anti-corruption posters at important places and opened a "discipline inspection column" on the internal OA (Office Automation) website. This serves as a platform to report violations of laws and regulations within the Group, demonstrating our commitment to zero-tolerance against disciplinary violations and corruption. At the same time, the Group actively organizes specialized integrity training for employees at different levels and positions and all Board members. Diversified approaches are adopted, such as employee training and self-study, to publicize the latest legal norms and internal standards of conduct relating to anti-corruption, thus fostering a strong sense of integrity and honesty among all employees.

Case: **Integrity training for new employees on "Adhere to the bottom line of laws and regulations and abide by professional ethics"**

This year, the Group adhered to integrity education as an entry point, and conducted online and offline integrity training for more than 400 new employees. The training content includes watching the video courseware of integrity, interpreting the requirements of integrity law and regulations, analysing real corruption cases. Besides, it introduced responsibilities of the Discipline Inspection Department and the contact information and channels for receiving reports and complaints. The aim was to help employees enhance their work attitude of "self-discipline, self-respect and self-awareness" and the practice awareness of "righteousness, honesty, and integrity".

2 STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT OF ESG ISSUES

The long-term interests and sustainable development of the Group are inseparable from the support and trust of stakeholders. Therefore, we place a high value on communication and exchange with stakeholders and have created multi-level and highly flexible communication channels to listen to their demands and timely respond to their expectations. We have also concluded an ESG materiality matrix and a list of issues to serve as important references for the Group's future sustainability management.

2.1 STAKEHOLDER ENGAGEMENT MECHANISM

The Group recognizes that the support from stakeholders is the cornerstone for the Group's steady development and their opinions can help identify potential risks and opportunities facing the business. Therefore, we have set up a variety of communication channels, including reporting, opinion survey and platform building, to ensure a thorough and effective understanding of the needs of stakeholders and actively respond to them with practical actions.

Stakeholders	Major Communication Channels	Main Demands	Communication and Response
Customers/ Owners	• Property service center • Customer service • Official website • Customer satisfaction survey • Official WeChat • Customer interview • Regular patrol	• High-quality products and services • Customer information protection • Business integrity • Compliance operations	• Improve product and service quality • Apply information technology • Optimize internal control and risk management • Improve customer communication mechanism
Employees	• Intranet • Employee meeting • Employee email • Employee interview • Employee activity and training • Online survey	• Legitimate rights • Clear career pathway • Salary and benefits • Healthy and safe working environment	• Establish barrier-free communication channels for employees • Improve career promotion mechanism • Provide competitive salary • Strengthen safety management system

Stakeholders	Major Communication Channels	Main Demands	Communication and Response
Governments and regulators	• Regular visit • Policy communication • Hosting of or attendance at meetings • Public event • Tax information submission	• Response to national policies • Compliance with laws and regulations • Lawful operations and tax payments • Employment promotion	• Adjust development strategy • Receive investigation and supervision • Strengthen anti-corruption and integrity practices • Actively participate in regional development
Investors/ Shareholders	• Shareholder meetings • Financial report • Official website • Public reporting	• Financial performance • Sustainable profitability of the Group • Protection of rights and interests • Transparency of the Group	• Improve profitability • Enhance corporate value • Convene shareholders meetings • Disclose daily information
Suppliers and partners	• Direct communication and interview • Online survey • Supplier meeting • Annual review and evaluation • Bidding activity	• Win-win cooperation • Openness and fairness • Achievement of common growth	• Optimize project management • Improve supplier selection mechanism • Build a supplier communication platform
Community	• Activity cooperation • Interviews and surveys • Public reporting	• Community environment protection • Engagement in social welfare • Creation of a harmonious community • Promotion of community development	• Fully practice green operations • Carry out public welfare projects • Actively participate in community building • Provide high-quality cultural resources
Industry associations	• Regular visit • Activity cooperation • Hosting of or attendance at meetings	• Promotion of industrial development • Fair competition	• Exchange industry experience • Participate in industry events

2.2 MATERIALITY ASSESSMENT OF ESG ISSUES

The Group actively undertakes materiality assessment of ESG issues to get a timely and thorough understanding of the significance of each material ESG issue to the Group's businesses, associated risks and opportunities, and the concerns of stakeholders. Based on the assessment results, we carry out targeted management improvement measures, so as to ensure that the Group's development strategy is consistent with ESG materiality issues and the demands of stakeholders, and take proactive steps to support ongoing improvement in the Group's ESG disclosure and the management of related issues.

Process of materiality assessment of ESG issues for this year:

STEP 1

Identification

- A list of 2024 material issues was updated with reference to the requirements of the ESG Code issued by HKEX, relevant policies, industry trends, the Group's development strategy as well as ESG management-related issues from the previous year.

STEP 2

Stakeholder Communication

- We communicated with stakeholders through various channels such as interviews and industry research to learn about the expectations and requirements of stakeholders on the Group's ESG performance in 2024.

STEP 3

Assessment

- Based on the communication results with our stakeholders, we assessed the material issues in two dimensions, namely "Materiality to the Group' business development" and "Materiality to stakeholders". The results are shown in the materiality matrix and the list.

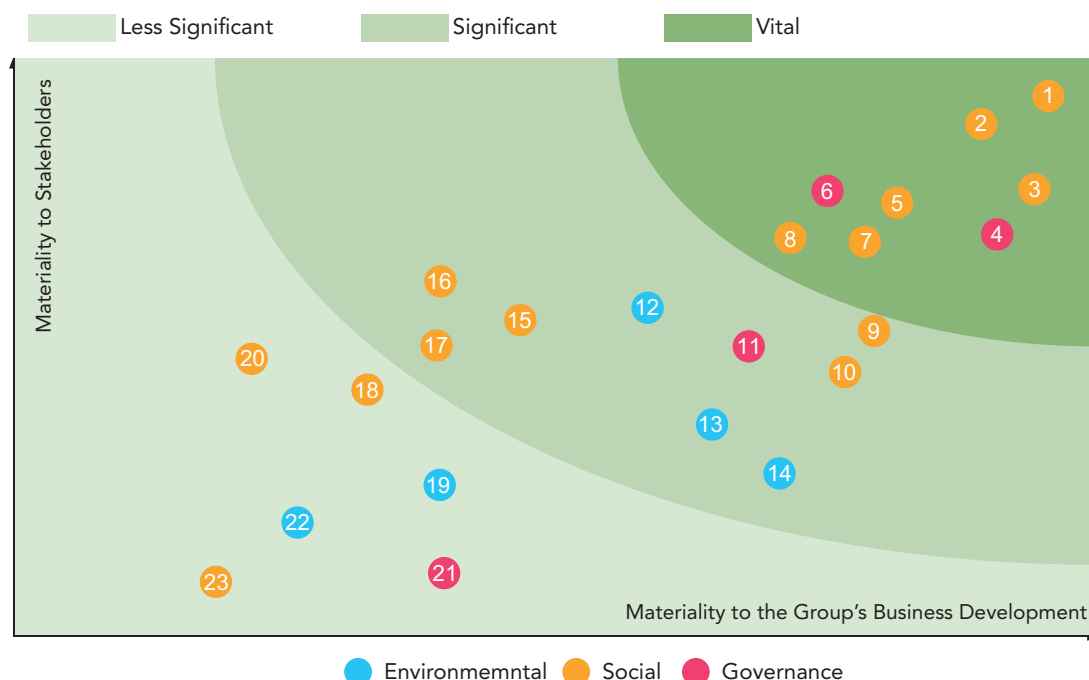**STEP 4**

Response

- The Group's management discussed the materiality matrix and analysis results in the 2024 annual report and determined key ESG areas to improve with reference to stakeholder opinions and materiality assessment results.

Materiality matrix and list of material ESG issues for this year:

Vital	Significant	Less Significant
1 Service and product quality	9 Employee salary and benefits	18 Community development
2 Customer health and safety	10 Promotion of smart services	19 Pollutants and waste disposal
3 Customer satisfaction and complaint handling	11 Enhancement of corporate internal governance	20 Participation in social welfare activities
4 Customer privacy and information security	12 Green operations	21 Maintenance and protection of intellectual property rights
5 Employee health and safety	13 Energy management	22 Conservation of water resources
6 Compliance operation and anti-corruption	14 Addressing climate change	23 Responsible marketing and promotion
7 Food safety	15 Employee training and promotion	
8 Sustainability management of supply	16 Diversified recruitment and team building	
	17 Labor rights protection	

3 QUALITY MANAGEMENT, CREATING EXCELLENT SERVICES

Adhering to the core concept of "Your Best Life Partner", the Group is guided by customers' needs, listens to their voices and gains insight into their needs, continuously optimizes its service quality system and provides diversified value-added services. Aligning with the times, we enhance our intelligent service offerings, constantly improve the environment and safety order of the community, and strive to create a comfortable, secure and convenient living space. At the same time, we pay attention to the protection of customers' rights and interests, promote responsible marketing with integrity and compliance, and adopt diversified management measures to protect customer information and privacy. In addition, we have also established a sound intellectual property management system to protect our own innovation achievements while preventing and eliminating infringement.

3.1 IMPROVEMENT OF PRODUCT AND SERVICE QUALITY

With the goal of "providing customers with more convenient services and creating a better living environment", the Group strictly complies with the laws and regulations including the *Urban Real Estate Administration Law of the People's Republic of China*, *Product Quality Law of the People's Republic of China*, and the *Regulation on Realty Management*. We comprehensively implement product and service quality management standard and enables services through professional training to ensure continuous provision of high-quality services to our customers.

3.1.1 Quality Assurance of Property Management Services

Under the guidance of the service concept of "providing customer-oriented services and striving for excellence", the Group continues to improve the property management service mechanism and set clear daily work and service standards for key positions, aiming to create a warm and high-quality community environment and provide customers with more considerate and thoughtful services.

Service Mechanism Construction

The Group continues to improve the property service quality mechanism, formulates and implements internal systems such as the *Management Policy of Customer Service Department*, to clarify the working procedures of property business and strengthen the standardization and process of services. We promote the steady improvement of service quality through job instructions and the quality performance indicators set accordingly.

➢ **Job instructions:** Continuously update the job instructions and system documents of key front-line departments such as customer service, security, cleaning and engineering. Combined with the actual situation, improve the corresponding operating specifications, ensure the standardization and consistency of service processes, meet the actual needs of property management, and provide a solid guarantee for all departments to carry out their work efficiently and standardized.

➢ **Quality performance indicators:** According to job instructions and system documents, set clear monthly quality performance indicators, evaluate employees' service ability and professional level, provide quantitative verification standards for managers, and ensure the continuous improvement of service quality.

In order to further consolidate the foundation of service quality, the Group continues to improve its internal quality supervision mechanism and vigorously carries out systematic training, striving to build a high-quality and professional service team to provide customers with better and more efficient service experience.

➢ **Internal oversight mechanisms:**
- **Self-inspection and improvement:** "Weekly Improvement" work and self-inspection and self-correction work require all departments to carry out improvement work once a week.

- **Service Evaluation:** Conduct monthly inspections and evaluations at the manager level to strengthen service supervision, standardize employees' service etiquette and image, and provide quality services to property owners.

➢ **Daily training:**
- **Public training:** Service etiquette, standard terms, employee behavior standards, home service procedures, complaint handling procedures, safety production norms, anti-fraud publicity, etc.

Public training site photo

- **Professional training:** Each major is conducted according to the annual training plan, and the training content covers equipment safety and standard operation, equipment use, pesticide use, operation safety operation, emergency handling, etc.

Professional training site photo

Community landscaping

The Group recognises that beautifying the community environment is a key part of improving service quality. To this end, we are committed to creating a clean, tidy, green and livable community environment, and standardize the quality of environmental services by maintaining and renovating community facilities, renewing green vegetation and optimizing cleaning services, so as to create a clean, tidy and greener community environment.

➢ **Maintenance and renovation:** Daily inspection of public facilities, and timely anti-rust treatment, coloring renovation and other repair work in view of the serious paint peeling on the guardrail surface and rust and perforation in some locations, so as to improve the overall look and feel of the guardrail and prolong its service life; For signs that are blurred due to long-term sun exposure and weathering, update and replace them in time to ensure that all kinds of signs are clear and eye-catching, with clear guidance; Carry out comprehensive road paint renovation and maintenance on the paint peeling on the surface of speed bumps to ensure traffic safety and improve the driving environment of owners.

➢ **Greening vegetation:** Renew and transform the aging, messy, poorly growing and vacant greening into suitable varieties, appropriately increase the color and level matching, increase the planting of spherical shrubs, and enrich the landscape. This year, the total green area of approximately 6,500 square meters was renovated, which improved the overall green landscape of the community.

➢ **Cleaning services:** In order to improve cleaning efficiency, cleaning equipment such as high-pressure dredging and cleaning machines and vacuum cleaners are equipped, and tools such as aerial work lifts and pipeline endoscopes are added to improve cleaning effects and work efficiency, and reduce the burden of cleaning personnel. At the same time, it regularly evaluates and updates the cleaning process, adjusts the shift scheduling system and cleaning sequence, and conducts professional cleaning skills training to ensure efficient and safe cleaning services for customers.

Panyu Property Management Company has obtained the Class A Pest Control Enterprise Service Capability Assessment Certificate and the Class I Sanitation and Cleaning Service Enterprise Capability Certificate.

Class A Pest Control Enterprise Service Capability Assessment Certificate

Class I Sanitation and Cleaning Service Enterprise Capability Certificate

This year, we engaged a third-party professional organization to conduct annual review of ISO9001 Quality Management System Certification, ISO14001 Environmental Management System Certification and ISO45001 Occupational Health and Safety Management System Certification of Panyu Property Management Company in accordance with international standards and standardized procedures, and successfully obtained the annual review certificate. This means that our management system continues to meet international standards and is a strong proof of providing customers with a high-quality, safe and environmentally friendly service experience.

ISO9001 Quality Management System Certification

ISO14001 Environmental Management System Certification

ISO45001 Occupational Health and Safety Management System Certification

Thoughtful customer care

The Group always adheres to the service concept of "providing customer-oriented services and striving for excellence". By incorporating a range of innovative service models, we endeavour to meet the diverse needs of customers in different scenarios, and strives to create warm services with strong humanistic feelings, so that every property owner feels the meticulous attention from our property management, making both work and life more vibrant and welcoming.

➢ **Office properties:** gain in-depth insight into the actual needs of office customers, and continuously upgrade heart-warming service measures. We constantly enrich our reserve of heart-warming service supplies, carefully equipping the lobby with daily items such as umbrellas, wet tissues, charging cables and hair ropes, and also providing emergency supplies such as tool sets, wheelchairs, hair dryers, disposable slippers and shoe dryers to prepare for customers' emergency needs. Starting from the small details, we take practical actions to ensure that our clients truly feel the attentive, considerate, and warm service provided by our property management. This approach adds a human touch to the office environment in commercial buildings.

Heart-warming service supplies

➢ **Residential properties:** On the foundation of organizing traditional festival activities such as the Spring Festival and Dragon Boat Festival, the Group also focuses on caring for the elderly as a key aspect of community service. We actively carry out home visits to offer greetings and care to the elderly; voluntarily take care of their daily lives to address practical difficulties they face; and provide escort services to ensure their travel safety. At the same time, we conduct a variety of convenient services for the community, regularly holding free clinic consultations, haircuts, and small appliance repairs. For many years, we have worked hand in hand with professional medical teams from the Clifford Hospital to continuously conduct free clinic, offering the elderly professional health consultations and basic physical examinations. From daily care to health care, we comprehensively enhance the happiness and convenience of life for the elderly in the community.

Free clinic

Free haircut

Repair small home appliances

Festival events

Home visits

3.1.2 Quality Assurance of Retail Services

The Group's retail services strictly abide by the *Work Safety Law of the People's Republic of China* and other laws and regulations, formulate and implement internal management systems such as the *Management Policy of Commodity Access* and the *Operation Manual of Clifford Supermarket*, comprehensively regulate important aspects such as commodity supply chain management, quality assurance of commodities on sale and return and exchange, and strive to create a safe, convenient and comfortable shopping experience for customers.

Commodity supply chain management

The Group regards supplier management as the core link of commodity quality assurance and therefore has established a dedicated supply chain management team. The team is responsible for the whole process management from supplier screening to product traceability, so as to ensure the continuity of product quality and supply, and provide customers with healthy and safe products.

➢ **Supplier access:** Suppliers are required to submit necessary qualification documents such as product quality inspection reports and food hygiene licenses to ensure the legality and quality reliability of supplied goods. At the same time, buyers need to conduct on-site inspections of the actual business premises of suppliers, evaluate their operating conditions, storage conditions, production processes, etc., and ensure that suppliers have sufficient supply capacity and quality assurance levels.

➢ **Warehousing acceptance:** The warehousing goods need to check the inspection report, commodity business hygiene license qualification, shelf life and packaging integrity. After all the inspection items are qualified, the goods can be put into storage to prevent unqualified goods from entering the circulation link.

➢ **Evaluation and assessment:** Conduct a comprehensive assessment of suppliers once a year to determine whether to renew the contract. If any significant quality issues are discovered during the cooperation period, we will require the supplier to return the goods and properly handle any customer complaints arising from the issue. At the same time, we will quickly assess the supplier to decide whether to terminate the cooperation, and promptly seek new suppliers to ensure the quality and stability of product supply.

➢ **Product traceability system:** Establish the source traceability system of fresh food in the supply chain to achieve traceable management of the entire process from goods reception to dispatch. Before warehousing, meticulously register the origin of the goods, information about upstream suppliers, and product details to establish batch management and shelf life records, ensuring the accuracy of information for both incoming and outgoing goods.

Quality assurance of commodities on sale

The Group strictly implements the *Management Code for Near-Expired Goods*, strengthens the management of the validity period of commodities, and ensures that expired commodities are removed from shelves on time. Before daily business operations, we conduct a thorough inspection of product quality to promptly remove any damaged, spoiled, or expired commodities, ensuring that the commodities are fresh, clean, and hygienic. In addition, the Group's Safety and Quality Department conducts monthly inspections on store hygiene and product quality, and any issues found must be rectified within 24 hours to maintain product quality and safety.
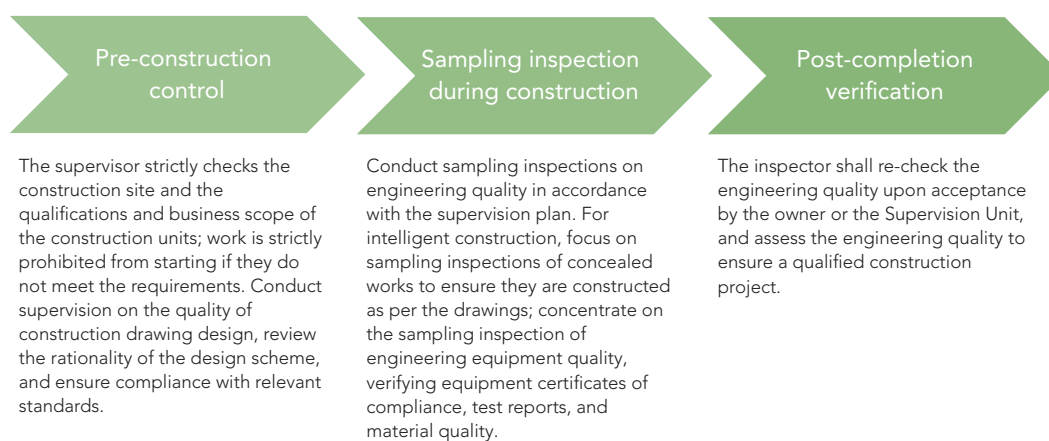
To protect the rights and interests of consumers, the Group strictly complies with relevant regulations such as the Law of the *People's Republic of China on the Protection of Consumer Rights and Interests* and establishes a comprehensive process for customer returns and exchanges. In response to complaints regarding product quality issues, we immediately initiate an evaluation mechanism and conduct a comprehensive investigation. Once a quality issue is confirmed, we promptly arrange for exchanges or refunds to ensure that consumer rights are protected in a timely manner. The identified problematic commodities will be strictly destroyed according to established procedures to prevent them from re-entering the market, thus safeguarding the legal rights and shopping safety of consumers. This year, the Group has not had any instances where commodities needed to be recalled due to safety and health concerns.

3.1.3 Quality Assurance of Information Technology Services Project

The information technology services of the Group strictly abide by laws and regulations such as the *Product Quality Law of the People's Republic of China* and the *Regulation on the Quality Management of Construction Projects*, and formulate and implement internal systems such as the *Project Quality Control Mechanism* and the *Project Management Center Work Specifications*. We are responsible for the full-cycle management of projects, including demand research, scheme design, bidding, contract management, construction supervision, acceptance and delivery, ensuring strict control and standardized implementation of each link. At the same time, we formulate detailed construction standards covering various types of projects to provide scientific guidance for project implementation. Through strict management and standardized operation throughout the entire process, the Group is committed to providing customers with products and services with high standards and high efficiency, continuously enhancing customer satisfaction and market competitiveness.

The information Technology Service Department of the Group has set up an engineering inspection team to carry out comprehensive supervision on key aspects such as project quality, project progress control and engineering equipment procurement by combining monthly routine inspections and irregular sampling inspections. The inspection results will be reported directly to the management, so that the management can fully grasp the project dynamics. Once a problem is found during the inspection process, we will strictly implement the corresponding punitive measures according to the severity of the problem, thereby creating a strong constraint and effectively ensure that the quality of the project is maintained at a high standard.

Pre-construction control	Sampling inspection during construction	Post-completion verification
The supervisor strictly checks the construction site and the qualifications and business scope of the construction units; work is strictly prohibited from starting if they do not meet the requirements. Conduct supervision on the quality of construction drawing design, review the rationality of the design scheme, and ensure compliance with relevant standards.	Conduct sampling inspections on engineering quality in accordance with the supervision plan. For intelligent construction, focus on sampling inspections of concealed works to ensure they are constructed as per the drawings; concentrate on the sampling inspection of engineering equipment quality, verifying equipment certificates of compliance, test reports, and material quality.	The inspector shall re-check the engineering quality upon acceptance by the owner or the Supervision Unit, and assess the engineering quality to ensure a qualified construction project.

Contents of engineering quality supervision

3.1.4 Quality Assurance of Catering Services

The Group's catering services attach great importance to catering safety, strictly abide by the *Food Safety Law of the People's Republic of China* and other laws and regulations, establish and enforce internal management systems such as the *Daily Management Policy of Food and Beverage and Operation* and *Operation Management Manual of Food Safety*, continuously improve food safety management requirements, and implement quantitative grading management of food hygiene. In daily operations, employees at all position need to strictly implement raw material procurement management, food processing operation requirements, environmental and equipment management and other tasks following established procedures and guidelines, and endeavor to provide a healthy, safe and high-quality catering service experience for customers, using practical actions to protect customers' dietary health.

Quality control and oversight initiatives

➢ **Personnel qualification examination:** All employee for catering services are required to hold health certificates, food safety officer certificates and food safety training certificates, and administrative penalties are imposed on unlicensed personnel to make corrections within a time limit. At the same time, we strictly control the health certificates and qualifications of employees through qualification review, centralized physical examination and written assessment, in order to effectively improve the level of food safety management. Additionally, we encourages employees to acquire professional certifications, like health management credentials, to bolster their expertise and elevate the standards of our catering services.

➢ **Regular inspection mechanism:** The Safety and Quality Department of the Group conducts regular inspections every month, and the catering service safety team implements daily control, weekly inspection and monthly scheduling to jointly minimize food safety risks.

Daily control	Weekly inspections	Monthly scheduling
• The canteen carries out daily inspections according to the risk control list, and records the *Daily Food Safety Inspection Record;* • Immediately take preventive measures for identified food safety risks, and report them to the food safety director or principal responsible person according to the process; and • Even if no problems are found, they should be recorded and a zero-risk reporting system should be implemented.	• Carry out a comprehensive safety hazard investigation once a week, covering kitchens, warehouses, restaurants and other areas; • Check the production date of ingredients in cold storage and warehouse to ensure that there is no expired or expired food; and • Analyze the status of food safety management and solve the problems found in daily management.	• Hold a food safety management report meeting once a month; • Summarize the food safety management and risk investigation of the current month, and plan the key work of next month; and • Prepare the *Minutes of Monthly Food Safety Scheduling Meeting* to ensure orderly progress of the work.

Catering safety team inspection mechanism

The Group actively accepts on-site inspections from government regulatory bodies such as the local fire brigade, the Market Supervision Administration, and the street catering department, ensuring that all management practices comply with regulations. At the same time, we have introduced the "Open Kitchen" system to display the operation process of the canteen in real time and enhance transparency. Invite parent committee members to visit the canteen and taste meals, listen to opinions extensively, fully accept the supervision of government regulatory agencies and the society, and ensure food safety and service quality.

Case: **Internet Open Kitchen**

The Group has introduced the "Open Kitchen" system, which uses video to live-stream key stages of food preparation in school cafeterias to the supervisory authorities, achieving open and transparent management. This system strengthens food safety management in school cafeterias and standardizes the handling and cooking processes, thereby establishing a robust safety line for the diet of teachers and students.

Screenshot of "Open kitchen" system

Case: **Invite parent committee members to visit the canteen**

In December 2024, the Group organized an event for the parents' committee to visit the school canteen. During the event, the canteen manager provided a comprehensive explanation of the operation process to the parents and invited them to inspect the hygiene of the kitchen and dining area, followed by a meal tasting. Parents gave positive feedback on the taste, nutritional balance, and portion size of the meals. This activity effectively enhanced the parents' trust in the cafeteria's food safety, fostering cooperation between home and school to jointly ensure the dietary health of the students.

Visit and inspect the kitchen

Parent committee meal tasting

This year, the Group's catering services obtained a number of certifications such as ISO14001 Environmental Management System Certification, ISO45001 Occupational Health and Safety Management System Certification, ISO9001 Quality Management System Certification and ISO22000 Food Safety Management System Certification successfully passed the annual supervision and audit, reflecting our continuous compliance and efficient implementation of various management standards in catering operations.

Certification

ISO14001 Environmental Management System Certification

ISO45001 Occupational Health and Safety Management System Certification

ISO9001 Quality Management System Certification

ISO22000 Food Safety Management System Certification

Hazard Analysis and Critical Control Point (HACCP) Certification

3.1.5 Quality Assurance of Employment Placement Services

The Group's employment placement service focuses on optimizing internal processes and ensures that employees work in an orderly and efficient manner by establishing clear job responsibilities, work standards, and procedures. To maintain high service quality, the Group regularly conducts quality supervision and inspections, evaluates employees' skills, and supervises work discipline to accurately meet customer needs. Additionally, the Group places a high priority on the advancement and development of employees' capabilities, organizing systematic annual training sessions, off-site studies, and encouraging participation in competitions, all aimed at continuously improving service quality.

Highlights of professional skill enhancement initiatives

- **Annual training program**: We tailor a comprehensive annual training program for our employees and conduct professional training courses regularly to ensure that our employees can deepen their professional knowledge and thus provide excellent service experience to our customers.

- **Off-site Learning and communication**: To enhance our employees' professional skills and management capabilities, we carefully select outstanding learning resources within the industry and systematically arrange for employees to engage in off-site learning and exchange activities, helping them to broaden their horizons and absorb cutting-edge concepts.

- **Participation in Service Competitions**: We encourage our employees to actively participate in external professional service competitions, competing alongside top talents in the industry to learn advanced service experiences and skills. We integrate these competitive experiences into our daily work to motivate employees to continuously improve, enhance the overall service level of the Group, and strengthen our competitiveness and influence in the industry.

Send employees for off-site training

Case: **Welcome Employment Company was rated as a 5A domestic service comprehensive credit rating enterprise in Guangzhou**

In November 2024, the employment placement service of the Group actively participated in the Peace of Mind Housekeeping Service Month jointly sponsored by Guangzhou Municipal Bureau of Commerce, Guangzhou Municipal Bureau of Human Resources and Social Security and Guangzhou Women's Federation. The activity carries out dynamic comprehensive evaluation around the basic information, service strength, management level, public credit and other dimensions of domestic enterprises and employees. With its outstanding performance in service quality control, professional talent training and standardized management, the Group's employment service has been awarded the title of Guangzhou 5A domestic service comprehensive credit rating enterprise for three consecutive years, continuously leading in the field of domestic service in Guangzhou.

Award ceremony scene map

5A domestic service comprehensive credit rating enterprise in Guangzhou

3.2 PROMOTING INTELLIGENT SERVICES

The Group keeps pace with the trend of intelligent service development, continuously strengthening technological research and application to facilitate the implementation of intelligent scientific and technological achievements. Leveraging the empowerment of intelligent services, we comprehensively enhance service quality and management efficiency, delve into the construction path of smart communities, actively explore diverse value-added service areas, and are committed to providing customers with more convenient and efficient service experiences.

Smart Services

To enable more customers to enjoy a smart lifestyle, the Group is continuously delving deeper into the field of smart technology and persistently upgrading the capabilities of our smart systems. From optimizing intelligent security systems to ensure the safety of residents, to creating convenient online service platforms that allow for one-click handling of maintenance requests, payments, inquiries, and other services, we are constantly expanding the boundaries of smart system applications.

Sky eye video surveillance system

- Adopt fully digital, networked high-definition cameras and equipped with advanced face recognition equipment to greatly improve the security level of the community; In case of abnormal behavior, the system can immediately transmit relevant data to the public security system for verification, accurately identify suspicious persons, and effectively increasing the sense of safety for residents.

IoT monitoring system

- Suitable for domestic water pump rooms and fire pump rooms, it can transmit relevant alarm information in real time to the mobile APP of property management personnel, improving the response efficiency of property management services and ensuring the water supply safety for residents.

Security patrol system

- According to the characteristics of the community and the actual work of the security department, a number of patrol lines are set up, and patrol tasks are automatically issued. On-duty personnel use the mobile app of the system to receive and complete corresponding patrol tasks, thereby optimizing community security management through scientific means.

Intelligent fire alarm system

- The intelligent fire alarm system integrates electrical fire monitoring, fire-resistant door monitoring, fire hydrant and sprinkler endpoint water testing, as well as emergency lighting and evacuation indication functions. Utilizing modern intelligent fire engineering technology, this system achieves automatic fire alarm and linkage with fire extinguishing systems, extinguishing potential catastrophic fires during the retardant phase or at an early stage, effectively safeguarding the lives of community residents.

Intelligent building automation system

- The 5A-level intelligent business complex managed by Clifford Property adopts intelligent building automation system, which centrally controls and manages the building's environment and air conditions, ventilation, water supply and drainage, lighting and other building equipment according to different working hours, external environmental factors and usage needs, and gives full play to the role of energy saving, consumption reduction and efficient operation.

Online visitor system

- Owners can register the visitor's vehicle on the mobile App in advance. Visiting vehicles with the same registration information will be released directly, thus improving the convenience for residents, external visitors and taxi drivers to enter and exit the community.

Smart access control

- The smart access control system features facial recognition and video intercom functions, and is linked to the elevator control system. Once resident opens the door, the elevator automatically goes down to the visitor floor and picks up the visitor to the designated floor to improve the traffic efficiency.

Smart elevator

- Installed AI anti-vehicle elevator system automatically triggers an alarm when an electric scooter enters the elevator to restrict riding, and simultaneously notifies the property security personnel to eliminate violations and create a safe living environment for the community.

- The elevator is equipped with the Bluetooth elevator control function of mobile phone, which allows owners to take the elevator via mobile APP without the need to press the elevator buttons.

Integrated management system for intelligent parking lot

- The Integrated Management System for Intelligent Parking Lot, which centers on automatic license plate recognition technology, realizes unattended entry and exit, visual intelligent parking space guidance and reverse vehicle search, as well as visual intelligent operation and management. It not only enhances the parking experience for car owners but also reduces the cost of maintenance and management.
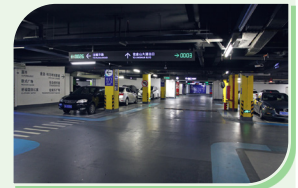
Smart healthcare

- Retrofit operating room facilities and equipment for customers, build a remote monitoring system for clean air conditioning units, and achieve real-time monitoring and alarms for pressure differences, temperature and humidity, and the status of ventilation and air conditioning equipment in various areas of the operating room. This remote monitoring system covers key components such as fresh air valves, chilled water valves, humidifier valves, and filters. Data is transmitted in real-time to the nursing station and monitoring room, facilitating remote management, creating a safer medical environment, and enhancing the quality of hospital services.

Integrated Comprehensive Home Services

- The Clifford Property Home Service Mini Program offers a one-stop solution for comprehensive home services, including childcare, elderly care, home organization and storage, home repairs, appliance maintenance and cleaning, electrical and plumbing inspections, pipe unclogging and maintenance, pest control (including termites and other four major pests), air pollution management/formaldehyde removal, gardening services, moving and delivery, and vehicle annual inspection agency services. It quickly responds to residents' home-related issues, providing convenient experiences for property owners.

At the same time, we introduce advanced equipment, including parking lot floor scrubbing robots, curtain wall cleaning robots and floor cleaning robots, to reduce the labor burden of employees, improve service accuracy and response speed, and provide customers with a more intelligent and efficient service experience.

3.3 PROTECTING THE RIGHTS AND INTERESTS OF CUSTOMERS

The Group always prioritizes the rights and interests of our clients, focusing on enhancing community safety and order management, and is committed to creating a harmonious and secure environment. We actively listen to customer feedback, respond swiftly and handle complaints appropriately to maintain good customer relations. At the same time, we strictly implement honest and compliant marketing policies, and strive to protect clients' information security and privacy rights.

3.3.1 Customer Health and Safety

Adhering to the principle of "Safety First, Prevention as a Priority, Integrated Management", the Group strictly followed the relevant laws and regulations such as the *Work Safety Law of the People's Republic of China* , the *Fire Protection Law of the People's Republic of China*, the *Regulation on Realty Management*, formulated and implemented internal systems such as the *Policy on Management of Work Safety Responsibility*, the *Policy on Management of Safety Performance*, the *Emergency Management Policy* and established a sound safety management system, clearly standardized safety management work, to ensure the safety of the Group's business operations and protect the lives of customers and employees.

Safety Production Management System

The Group has established a safety production leading group with a safety office under it, and regularly convenes safety production and fire safety meetings to analyze, study, coordinate and coordinate safety production management. The Group has also formulated a detailed and comprehensive safety management system, as follows:

Policy	Main contents
Policy on Safety Target Management	Break down work safety targets and indicators and assign them to all departments in the form of letter of safety target responsibility, and assess the implementation results every half year.
Policy on Management of Work Safety Responsibility	Carry out work safety responsibility system in each department with the general manager working as the principal responsible person. Leaders at all levels, employees and functional departments shall all be responsible for the safety within their work scope.
Policy on Management of Safety Education and Training	Specify contents such as onboarding safety education for new employees, safety training for general manager and production vice manager, specialized training for safety personnel, pre-work resumption safety education, job-transfer training and training for special operation workers.

Policy	Main contents
Safety Inspection Policy	Organize two comprehensive safety inspections, two seasonal inspections, and at least one professional inspection every year and conduct daily inspections of on work sites.
Emergency Management Policy	Establish an emergency plan system including comprehensive emergency plans, special emergency plans (such as firefighting and disaster relief, special operation accident rescue, and flood prevention), on-site disposal plans, and organize an emergency rescue drill every six months.
Policy on Management of Safety Performance	Set up a leading group and task force on safety performance evaluation, organize safety standardization performance evaluation at least once a year, and rectify unqualified items in a timely manner.
Policy on Fire Safety Management	Prohibit fireworks and post warning signs across the entire area, install fire-fighting supplies and conduct regular firefighting drills. Operators at each position are responsible for monitoring the electrical components of the equipment to prevent fires.
Policy on Management of Work Safety Meeting	Establish a safety work conference system including company-level and department-level safety conferences, departmental pre-work meetings and production site meetings to learn and exchange knowledge on work safety laws & regulations, safety accident cases, and production process operations.

Multi-dimensional safety protection system

The Group always prioritizes the rights and interests of our clients and community safety by establishing a comprehensive security prevention system, facility management system, construction supervision system, emergency management system, and fire management system, to build a safe community environment in all aspects.

➢ **Public security prevention management**
   Comprehensive application of combining technologies, personnel and equipment to secure the community:

   • At each entrance and exit of the property, a one-person-one-card system is implemented for access, with pedestrians, non-motorized vehicles, and motor vehicles entering and exiting through flap barriers, non-motorized vehicle lanes, and license plate recognition systems respectively, effectively preventing unauthorized individuals from entering;

- Within the community, a combination of fixed posts and patrol posts is adopted, with patrol posts utilizing an electronic patrol system to inspect every hour, intensifying checks in key areas, and working closely with fixed posts to form a tight network of human security;

- Security staff members, in their daily work, practice listening, observing, smelling, and patrolling more frequently, and use powerful flashlights at night to inspect hidden and dimly lit areas, eliminating potential security hazards; and

- The SkyEye surveillance system provides real-time monitoring, promptly identifying and addressing abnormal situations, further enhancing the community's security prevention capabilities and ensuring the safety of residents' lives and property.

➢ **Facilities Management**
- Daily patrols and inspections are conducted on public area lighting, recreational facilities, signage, road traffic facilities, building gates, elevators in high-rise buildings, and fire safety equipment. Any issues found are promptly reported to the relevant functional departments for handling; and

- For equipment with safety hazards due to malfunctions or damage, timely cordoning off is carried out to prevent the occurrence of safety production accidents.

➢ **Construction management**
- All construction work must be approved and registered before it can proceed;

- The Security Department of the Group will check whether the construction work content is consistent with the approved project, whether there is out-of-scope construction or non-compliance construction, strengthen safety supervision during the construction process, and eliminate all kinds of potential safety hazards; and

- Any behavior that does not comply with construction safety will be promptly dissuaded, and work will be halted for rectification until it meets the safety construction requirements.

➢ **Emergency management:**
  - Formulate the *Clifford Property Emergency Response Plan*, and standardize the handling procedures of emergencies such as fire, trapped people in elevators, power and water outages in the park, natural disasters, falling objects and gas leakage; and

  - Set up a small emergency unit, maintain linkage with the local police station, coordinate daily activities such as tour training, emergency training and drills, and learn the safety management experience of professionals.

➢ **Fire management**
  - Establishing a mini fire station equipped with a water tank fire truck, fire protection suits, positive pressure air respirators, chainsaws, fire hoses, nozzles, and other professional equipment to provide professional emergency safety protection for property owners; at the same time, a professional firefighter serves as the fire station chief, responsible for the maintenance of facilities and equipment;

Miniature fire station

  - Forming a volunteer fire brigade, training volunteer firefighters, and enhancing the emergency management awareness and capabilities of employees and clients; and

  - Regularly holding fire safety promotional activities and fire drills to disseminate fire safety knowledge to clients and improve their ability to handle fire safety incidents.

Case: **Emergency evacuation drill**

This year, the Clifford Property Fire Brigade organized high-rise fire evacuation, Clifford Tunnel fire evacuation and village bus emergency drills. Each drill was conducted in strict accordance with the established plan. All participants, including the property fire brigade, residents of the community and employees of the property company, showed a high degree of mental concentration and quick response ability, and the response was timely and reasonable. Field tests show that key facilities such as fire water sources, alarm systems and fire elevators are operating normally, providing a reliable material basis for dealing with actual emergencies. These drills have effectively enhanced the ability of employees and owners to respond to emergencies, and built a solid line of defense for the safe and stable operation of the community.
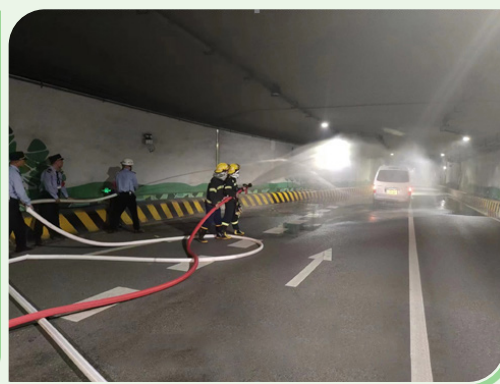
Emergency evacuation drill site

Countermeasures to prevent typhoon, flood and rainstorm

➢ **Preparation beforehand**

- **Emergency meeting:** Organize an emergency meeting with management personnel to discuss and arrange the necessary precautions and work deployments for extreme weather conditions.

- **Material inspection:** Ensure that safety equipment such as helmets, raincoats, boots, gloves, emergency lights, walkie-talkies, water absorbers, and submersible pumps are available and in good condition.

- **Drainage system clearance:** Clean the drainage systems in advance to ensure they are unobstructed and functioning properly.

- **Equipment inspection and protection:** Check drainage equipment, water collection wells, mechanical and electrical equipment, etc. to ensure normal operation. Additionally, implement waterproofing measures and place sandbags nearby.

➢ **During the event**

- **Personnel on standby:** During the alarm period, relevant personnel are on standby to ensure timely emergency response.

- **Strengthen inspections:** Increase the frequency of inspections in areas prone to leaks, promptly report and deal with any abnormalities found.

➢ **Post-event recovery**

- **Comprehensive inspection:** Inspect equipment and facilities after heavy rain, and repair damaged parts.

- **Cleaning and restoration:** Check the stability of billboards and other facilities, clear the drainage systems on equipment floors, underground garage drainage channels, rain drainage pipes, floor drains, etc., and clean up sand, mud and debris to ensure smooth flow; Clean up the flooded parts and resume normal use as soon as possible.

Comprehensive safety inspection

The Group attaches great importance to safety management and has set up a safety and quality department to put safety at the top of all work. The Safety and Quality Department conducts monthly safety management inspections for each business segment, aiming to comprehensively investigate and completely eliminate potential safety hazards. After the inspection, the department will timely and accurately distribute the inspection results to relevant departments with the help of the inspection electronic form system. After receiving the results, relevant departments need to conduct an in-depth analysis of existing problems and formulate practical targeted improvement measures.

2024 Inspection Data Form

To further enhance our employees' awareness of safety issues, the Group has incorporated safety management into the performance assessment system for the heads of various business units, motivating them to strictly implement safety management tasks and ensuring that safety hazards are properly addressed, safety issues are resolved, and safety requirements are thoroughly enforced. Additionally, for employees who violate safety and quality management standards, we will impose corresponding penalties based on the actual circumstances. This approach strengthens the safety management awareness and sense of responsibility among all staff, fostering a positive safety management culture in all aspects and ensuring the stable operation of the Group.

3.3.2 Customer Relationship Management

The Group takes customer needs as the guide, smooths customer communication channels, establishes an efficient customer service guarantee response system, ensures timeliness and response speed of services, and provides customers with excellent service experience.

Diversified communication channels

In order to gain accurate insight into customers' demand for products and services, we have established diversified channels including on-site complaints, letters, faxes, emails, supervision and complaint hotline, community WeChat official account, suggestion box, etc., to facilitate customers to make suggestions or complaints, and to quickly carry out special rectification in response to customer feedback, so as to fully promote the continuous improvement of product and service quality and strive to bring customers a better and caring experience. This year, the Group's overall customer satisfaction rate was 96.80%.

The feedback channels of each business are as follows:

➢ **Property Management Services**
  • By holding resident meetings, setting up service centers, conducting home visits, and making phone calls, we collect and investigate evaluations on various aspects of service including security and order, public health and environment, community greening, maintenance of public facilities, community shuttle bus services, property customer service centers, and overall property evaluations. This allows us to make targeted improvements to our services and continuously enhance the satisfaction of our property owners.

➢ **Retail Services**
  • Take online questionnaire collection and offline one-on-one questionnaire interview to conduct a dual-channel survey, covering online and offline purchasing services, distribution services, purchasing methods, supermarket categories, promotional activities, etc.

➢ **Information Technology Services**
  • Mainly collect customer needs through telephone return visits, including service timeliness, after-sales service quality, attitude of after-sales service personnel, etc.

➢ **Catering Services**
  • Each canteen conducts quarterly satisfaction surveys, irregular on-site visits, online WeChat and other surveys among diners, and sets up suggestion boxes and contact information of canteen managers in the canteens to collect feedback and suggestions from customers.

➢ **Employment placement services**
  • Customer satisfaction surveys are conducted monthly, covering service attitude, professional skills, dress code, etc.

Responding to customer demands

The Group has formulated and implemented internal management systems such as *Policy on Customer Complaint, Customer Complaint Handling Standards* and *Complaint Handling Skills*, clarified the complaint handling process and classification, and set up a reward and punishment mechanism. After receiving complaints, they will be handled at different levels according to the content, channel, type and severity to ensure quick response, appease customers' emotions, and timely feedback to relevant departments to ensure effective verification and handling.

- **Property Management Services:** Investigate the incident within 48 hours, and reply to customers within 72 hours.

- **Retail Service:** Establish a 72-hour response and resolution mechanism, conduct data analysis on the survey results, obtain relevant upgrade suggestions, and send them to each store for optimization and improvement, so as to properly handle customer feedback.

- **Information Technology Services:** Implement the *Management Policy of After-sales Service Department* and clarify the response level and time requirements of after-sales service. For user complaints, once confirmed to be true, customer service needs to contact technicians immediately to ensure a reply within half an hour. At the same time, the service frequency and customer satisfaction of customer service will be included in the performance appraisal, and the appraisal results will be used as the basis for bonuses, salaries and promotions, in order to encourage the customer service team to continuously improve service quality.

- **Catering Service:** Launch an investigation within 48 hours once any feedbacks or suggestions are received and make a response within 72 hours.

- **Employment Placement Service:** Try to solve problems for customers on the spot. If problems exceed the scope of authority, they should be reported to their superiors immediately, so as to confirm the solution and reply in time.

The Group regularly organizes property complaint sharing sessions, inviting experienced staff to share successful case studies and analyze the causes of unsuccessful ones. This encourages communication, learning from experiences, and enhances the ability of all staff to handle complaints. It aims to resolve dissatisfaction in a professional and efficient manner, thereby maintaining good customer relationships.

3.3.3 Responsible Marketing

In order to ensure the compliance of marketing content, the Group strictly follows the *Advertising Law of the People's Republic of China* and other relevant laws, regulations and industry norms. For the information and materials of advertising, promotion and publicity, we have established a stringent evaluation and control process that reviews from multiple dimensions such as legality, authenticity, and rationality. Only after passing the review can the materials be published externally, continuously deepening the Group's internal compliance with marketing management. At the same time, the Group implements a strict review and management mechanism for promotional materials designed and published by third parties. Before actual deployment, all promotional materials in cooperation with third parties must be submitted to the Group for review to ensure that the marketing materials meet the Group's compliance requirements, and we firmly resist false, misleading, deceptive, and ambiguous marketing practices.

The Group has formulated and strictly implemented the Group Image System Manual and uniformly adopted the Clifford VI system. We set up standardized formal language and systematic visual symbols to standardize the basic elements of brand vision in various application scenarios, and clearly require all business segments to strictly follow the guidelines of the VI system to standardize the use of brand elements such as fonts and colors, effectively reduce the risk of illegal use of marketing materials and maintain the consistency and standardization of the Group's brand image.

3.3.4 Customer Information and Privacy Protection

The Group strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Cybersecurity Law of the People's Republic of China* and other relevant provisions on information security and privacy protection, formulates and implements internal management systems such as the *Confidentiality Policy on Owners' Information* and *the Regulations on Information System Data Security Management*, clarifies the management norms of customer information and privacy protection, and adopts diversified management measures to implement customer information and privacy protection.

Starting from the technical level, the Group takes the intranet security platform as the core, to deeply analyze business processes and identify potential security risks. By implementing detailed access control measures, we effectively reduce the risk of information leaks through key channels such as networks, equipment, and document circulation. On this basis, we have established a traceability system for query and operation records in the property management system, enabling real-time or retrospective queries, clearly displaying the records of employees' access to owner information, and significantly strengthening the control over the security of owner information.

Information collection

· Clearly define the purpose of collecting customer information and provide a clear and understandable privacy policy explanation and details on the collection and use of personal information
· Customers have the right to access, update, and delete their personal information.

Employee access authority classification

· Set different permissions for different positions, and employees can only use the functions within their respective permissions
· Customer information review requires step-by-step approval
· The system realizes the query and operation record tracing query functions, which can check who and when to query the corresponding data and information in real time or tracing way

Store data locally

· Localized deployment of the system to reduce the risk of data leakage and other security risks caused by data on public cloud servers

Customer file management mechanism

· Centralized management of archives, standardized archives storage and management requirements, one file per household, orderly storage
· Important documents are kept in electronic format, encrypted for security, and managed by designated personnel who are responsible for their storage, lending, and retrieval. Specific managers are equipped with keys to the archive room and key cabinet, and no other personnel are allowed to enter the archive room without authorization
· The archives room is set up with 24-hour monitoring to ensure data security

Sign a confidentiality agreement

· All employees sign confidentiality agreements when they are employed, and key monitoring positions sign special confidentiality agreements for monitoring centers
· Personal information collection (face recognition, IC card processing, etc.) must be authorized by the customer and signed relevant documents before processing
· If it involves equipment that needs to collect customer information, the relevant maintenance unit shall sign a confidentiality agreement
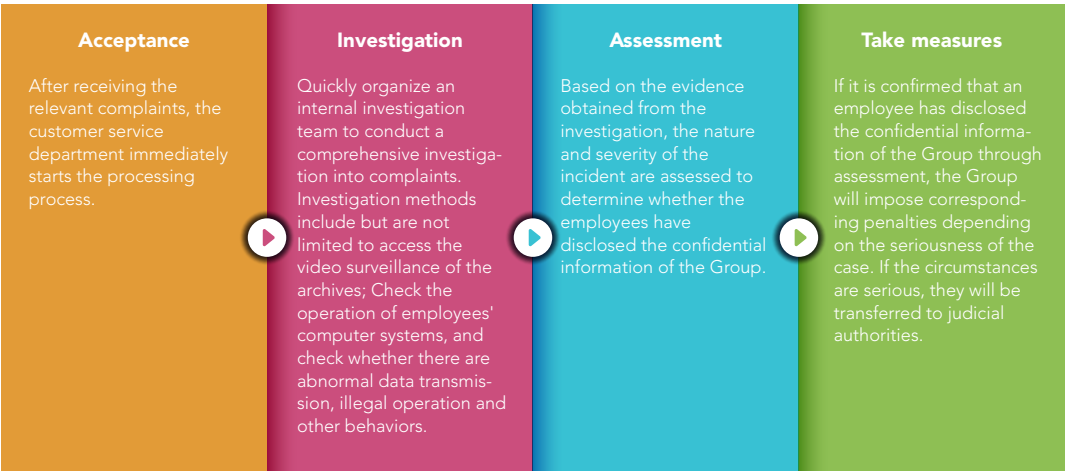
Customer information and privacy protection

In order to continuously strengthen the management of information security and data privacy protection, the Group has formulated the *Response Plan for Owner Information (Privacy) Leakage* to implement full-process control over data security incidents, from acceptance, investigation, assessment to taking measures, ensuring that we can respond quickly and effectively in the event of a data security incident, minimizing the impact on customers and the company to the greatest extent possible.

Data security incident handling process

Acceptance	Investigation	Assessment	Take measures
After receiving the relevant complaints, the customer service department immediately starts the processing process.	Quickly organize an internal investigation team to conduct a comprehensive investigation into complaints. Investigation methods include but are not limited to access the video surveillance of the archives; Check the operation of employees' computer systems, and check whether there are abnormal data transmission, illegal operation and other behaviors.	Based on the evidence obtained from the investigation, the nature and severity of the incident are assessed to determine whether the employees have disclosed the confidential information of the Group.	If it is confirmed that an employee has disclosed the confidential information of the Group through assessment, the Group will impose corresponding penalties depending on the seriousness of the case. If the circumstances are serious, they will be transferred to judicial authorities.

Additionally, the Group focuses on the education and promotion of customer information and privacy protection. In routine training, we remind employees to pay attention to the protection of customer information and privacy, strengthen their professional ethics, and enhance their awareness of the rule of law, firmly opposing the behavior of disclosing or selling customer information. This year, the Group has not experienced any significant information security incidents such as customer privacy leaks, loss, or illegal access to or attacks on information systems.

3.4 PROTECTING INTELLECTUAL PROPERTY RIGHTS

The Group attaches great importance to the protection of intellectual property rights, strictly abides by laws and regulations such as the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, formulates and implements internal policies such as the Intellectual Property Management Manual, implements the whole process management of the application, maintenance and management of intellectual property rights, continuously deepens the management of intellectual property rights, protects innovation achievements in a timely manner, provides a strong guarantee for the Group's R&D innovation, business development and daily operation, and provides institutional guidance for intellectual property protection and R&D innovation.

Intellectual Property Management System Certification

In order to fully mobilize the enthusiasm and creativity of employees, the Group has set up special funds for intellectual property management and formulated the *Reward and Punishment Policy on Intellectual Property.* The system aims to reward collectives and individuals who have made outstanding contributions to the creation, application, management and protection of intellectual property rights, and at the same time impose appropriate penalties on employees who violate intellectual property regulations. Through the two-way incentive mechanism, the Group is committed to enhancing employees' awareness of intellectual property rights, standardizing employees' behavior and stimulating innovation.

In addition, the Group has formulated the *Intellectual Property Training System* and actively carried out intellectual property training programs, aiming at comprehensively enhancing employees' awareness and professional capabilities of intellectual property protection, and preventing and eliminating infringement from the source.

➢ **Company level:** The human resources department is responsible for it, with the cooperation of the intellectual property department, to ensure that employees have a comprehensive understanding and understanding of intellectual property rights.

➢ **Department level:** The head of the department and part-time intellectual property officer are responsible for in-depth explanation of the intellectual property system process and procedure operation rules based on the actual situation of the department, so as to ensure that employees can accurately apply relevant knowledge in actual work.

➢ **Daily intellectual property training:** The Human Resources Department is responsible for developing the annual training plan and strictly supervising and inspecting its implementation; each grassroots unit, in conjunction with its own situation, formulates a training plan that fits the needs of the unit and organizes and implements it efficiently to ensure that the training efforts are effectively carried out.

4 INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES

The Group adheres to the people-oriented concept, cherishes every employee, strictly implements compliant employment, and effectively protects the basic rights and interests of employees. We continue to optimize the talent development and promotion mechanism, cultivate and motivate outstanding talents, and create a harmonious and inclusive working environment for employees. At the same time, we pay attention to employees' needs, attach importance to health and safety, actively carry out a variety of employee care activities, listen to employees' voices, and jointly create a warm and sunny corporate culture atmosphere.

4.1 EMPLOYMENT AND RIGHTS

The Group pays attention to employment compliance, strictly abides by laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, formulates and implements internal systems such as the *Operations Code of Human Resources and Administration Department* and the *Recruitment Rules* comprehensively standardizes recruitment management, optimizes the remuneration and welfare system, resolutely resists the employment of child labor and forced labor, ensures the legal and compliant recruitment and employment process, and creates an equal, inclusive and diverse workplace environment.

4.1.1 Compliance Employment

The Group strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on Prohibiting the Using Child Labor* and the *International Labor Standards*, formulates and implements internal rules and regulations such as the *Employee Handbook*, regulates matters such as contract management, working hours and vacations, and effectively protects the rights and interests of employees. The Group prohibits forced labor. In cases where overtime is necessary, we strictly follow regulations to provide employees with corresponding compensatory time off or remuneration to safeguard their rights. At the same time, during the recruitment process and other relevant stages, we carefully review the valid identification documents of applicants and strictly prohibit the employment of child labor. Once any violation is discovered, the Group will promptly investigate and rectify, and hold the dereliction of duty accountable to safeguard the rights and interests of employees with practical actions. This year, there were no forced labor or child labor events within the Group.

4.1.2 Recruitment Management

In the process of talent selection, the Group always adheres to the principles of open recruitment, equal competition and merit-based selection. By utilizing a diverse range of channels such as online platforms, internal referrals, and community advertisements, we widely attract outstanding talents to meet the business needs of various departments and inject vitality into the group's development. At the same time, we actively open the door to internships for college students, helping young students to hone their skills and broaden their horizons through practice.

Case: **Realizing Dreams in Greater Bay Area for A Promising Future**

In July 2024, the Group joined hands with Clifford Group to hold the 7th Beijing, Guangzhou, Hong Kong and Taiwan University Student Internship Exchange Program in Guangzhou. During the program, we organized lectures, visits, sharing and other activities to help college students have a deeper understanding of Guangdong-Hong Kong-Macau Greater Bay Area's development achievements and feel the brilliant achievements of the country's modernization drive. Meanwhile, the students also interned in various business sectors of the Group, accumulating rich workplace experience, enhancing their comprehensive abilities, and laying a solid foundation for their future career development.

Ice-breaking scene of the 7th Beijing, Guangzhou, Hong Kong and Taiwan University Student Internship Exchange Program

4.1.3 Equal Opportunities, Diversity and Anti-Discrimination

The Group is committed to creating a diverse, inclusive, fair and just workplace environment. Career development processes such as recruitment, employee assessment and promotion are not affected by factors such as nationality, ethnicity, marital status, age, gender, religious beliefs, etc., and are judged based on individual abilities and achievements to provide equal development platforms for employees with different backgrounds. In addition, the Group actively provides employment opportunities for people with disabilities and veterans. As of December 2024, the Group has recruited a total of 36 people with disabilities and 163 veterans.

4.1.4 Salary and Benefits

The Group is always committed to building a competitive and attractive remuneration and welfare system, putting employee well-being at its core. With reference to industry trends and market salary levels, we comprehensively consider various factors such as employees' personal abilities, job performance and job value, and comprehensively evaluate employees' salaries and bonuses to ensure that salary distribution not only conforms to market rules, but also accurately reflects employees' contributions.

Incentives

In order to fully stimulate the enthusiasm and creativity of employees and unleash the maximum potential of the team, we have formulated and implemented internal incentive systems such as the *Incentive Plan for Management Efficiency* and *Profit Sharing Plan for New Business Development*. Through clear incentive measures, we integrate the personal interests of employees with the development of the Group. This enables our employees to realize their own value in the development of the group and share in the fruits of the company's growth.

Incentives

Incentive Plan for Management Efficiency	Profit Sharing Plan for New Business Development
Encourage all business entities to "increase revenue and reduce expenditure, reduce costs and increase efficiency", and reward management personnel who can effectively improve the cost-benefit ratio of business.	To motivate employees and teams in pioneering new business ventures, we have established a dedicated reward mechanism. When a new business achieves the target profit and passes the profit performance evaluation, the corresponding rewards will be distributed.

Employee benefits

The group is committed to providing a comprehensive welfare system for its employees. In addition to strictly implementing statutory benefits such as five social insurances and one housing fund, statutory holidays, and paid annual leave, we also offer a variety of supplementary benefits to support our employees with meticulous and thoughtful care.

Healthcare protection category	• **Employee physical examination:** Arrange annual physical examination to help employees promptly understand their health conditions. • **Group health insurance:** Provide additional health insurance to enhance employees' medical protection. • **Anti-cancer fund:** A special fund that offers financial support to employees and their families affected by cancer.
Care and support category	• **Hospitalization allowance:** Provide a condolence allowance to employees during hospitalization to express care and concern. • **Educational assistance for children of employees in need:** Offer financial support to help children of employees in financial difficulty with their educational expenses. • **Birthday benefits:** Giving blessings and benefits to employees on their birthdays. • **Holiday benefits:** Distribute benefits on important holidays to add festive atmosphere.
Economic subsidies category	• **Year-end double salary:** An additional salary reward to increase employees' economic income. • **Meal allowance:** subsidize employees' meal expenses and reduce living costs.
Convenient transportation category	• **Inside transportation:** Provide commuting convenience for employees and save transportation costs and time.

Employee benefits

4.2 EMPLOYEE TRAINING AND DEVELOPMENT

The Group places great emphasis on the construction of a talent pipeline. Based on our development plans and the individual needs of our employees, we continuously build a comprehensive and scientific employee training system and career advancement mechanism. This helps to uncover the potential of our talents and supports the rapid development of both the enterprise and its employees.

> This year, the Group conducted a total of 497 training sessions, with an average of 11.82 hours per capita.

4.2.1 Training

The Group has formulated and implemented the Training Management Policy, which clearly standardizes the training structure, training types, division of training work and responsibilities, so as to help employees quickly adapt to job requirements and realize knowledge conversion and ability improvement. The Group has established a comprehensive training network under the leadership of the General Manager, which consists of the Human Resources and Administration Department and various business units, training programs of different levels and depths are established. We strive to create a multi-level, multi-dimensional employee training system that covers all levels and positions within the Group. This is done to promote a comprehensive improvement in employees' professional skills and overall quality. The training system of the Group mainly includes:

Type of training	Participant	Training Contents
New employee onboarding training	New employees	Covering topics such as group introduction, corporate culture, integrity in professional conduct, cybersecurity training, professional ethics, business etiquette, emergency incident handling, crisis management and risk prevention, discipline, and the operation of office equipment and facilities, this training helps new employees quickly become familiar with their positions and integrate into the corporate culture. Building on this, we have introduced a new employee onboarding examination mechanism. Using exams to promote learning, we assess new employees' grasp of the training content through scientific and rational evaluation methods, thereby enhancing the effectiveness of their learning.
On-the-job training	All employees	Covering key contents such as production safety, politeness and etiquette, and integrity, we continue to strengthen the training of employees with the help of daily pre-shift meetings, after-shift meetings, and weekly work meetings. This year, we organized a special training on "100% Smile Service" to further improve the service level of our employees.

Type of training	Participant	Training Contents
Business expertise training	Professional skills employees	Design training courses for various professional skills to help employees in various departments improve their professional level and professionalism. At the same time, online job training is set up to explore more possibilities for employees' career development.
Professional qualification certificate training	Employees in specific positions	Organize employees to attend training courses organized by professional training institutions or relevant national departments, such as Food Safety Administrator Certificate, Intermediate Fire Facility Operator Certificate, Property Administrator Professional Qualification Certificate, etc., to help employees improve their professional standards and competitiveness, and lay a solid foundation for future career development.
Executive training	Senior Management	Conducting executive-specific training that combines online and offline methods. This year, we have conducted an online training session titled "Interpretation of the Personal Information Protection Law and Corporate Compliance Governance" to enhance executives' level of compliance governance in data processing and protection.
Training of soft skills and professional quality	All Staff	Covering work reporting ability, business document writing, communication skills, etc., through "mentoring", face-to-face guidance and training of employees, so that they can learn and master skills in practice and improve work efficiency and quality.

Case: **AI Training**

In 2024, the Group kept pace with the digital wave and added AI training courses, including "AGI General Artificial Intelligence Usage Training" and "Generative AI Application Training". The courses are rich in content, covering the value of AI, questioning techniques, and practical skills. They comprehensively help employees adapt to the demands of digital transformation, significantly improving work efficiency and quality. AI training enables employees to stay at the forefront of technology, enhancing their competitiveness in the digital age and laying a foundation for their personal career development and the sustainable development of the Group.
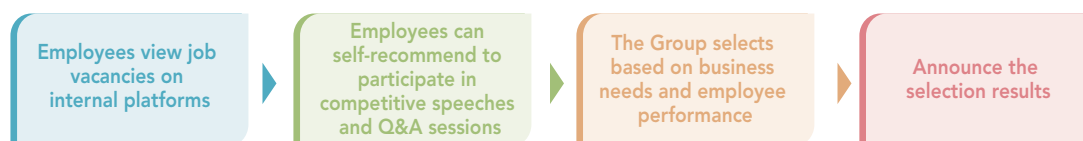
4.2.2 Assessment and Promotion

The Group insists on promoting development through assessment and promotion through development. We have formulated a scientific and reasonable assessment system for employees at different levels to stimulate the initiative of all employees, stimulate team vitality and improve work efficiency.

	Employee	Assessment dimension
Design of assessment system	General employees Core management employees	Evaluate their work performance in terms of technical ability, business ability and work performance. Assess its comprehensive capabilities in many aspects, such as management ability, communication ability, system construction ability, innovation ability and risk control ability.
Application of assessment results		After the assessment, the Group will conduct face-to-face communication with employees to ensure that employees fully understand their work performance and improvement direction. The assessment results will serve as an important basis for the payment of performance-based pay, encouraging employees to continuously improve their work performance and ensuring the fairness and reasonableness of salary distribution.

In addition, the Group offers employees opportunities for internal promotion or job rotation, with the aim of unlocking their potential, optimizing the personnel structure, and providing a broad career development space. Through these opportunities, employees can find positions within our organization that better suit them, achieve their personal career goals, and at the same time, contribute to the overall efficiency improvement of the Group.

Employees view job vacancies on internal platforms	▶	Employees can self-recommend to participate in competitive speeches and Q&A sessions	▶	The Group selects based on business needs and employee performance	▶	Announce the selection results

Internal promotion or internal transfer process

4.3 EMPLOYEE HEALTH AND SAFETY

The Group strictly complies with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and the *Regulation on Work-Related Injury Insurance*, formulates and implements internal safety management systems such as the *Policy on Management of Work Safety Responsibility* and the *Policy on Fire Safety Management*, clarifies the rights and obligations of each position in production safety, prevents and reduces various production safety accidents from the source, and effectively protects the life safety of employees.

Employee health and safety protection

The Group systematically enhances employees' awareness of safety management through regular meetings on production safety, investigation of potential accidents, safety drills, safety education and training, etc., and strives to create a safe and stable working environment.

Safety production meeting	• Convene periodic meetings to analyze potential safety issues and ensure the implementation of safety production and management systems.
Investigation of hidden dangers	• Strengthen the investigation and management of hidden dangers, establish monthly, quarterly, and pre-holiday safety production inspection systems. Work teams should conduct pre-shift, mid-shift, and post-shift inspections. Implement safety production patrols in key areas and critical links to promptly identify and eliminate accident hazards.
Safety drill	• Hold fire safety drills every year, pay attention to the actual results of the drills, analyze the problems found in the drills, and revise and improve the emergency plans in time.
Safety education and training	• Regularly carry out training on emergency plans, emergency knowledge, self-rescue and mutual rescue and escape skills to improve employees' safety awareness and emergency response skills.

Case: **Safety Production Meeting**

Panyu Property Management Company attaches great importance to safety production and holds regular safety production meetings every month. The meeting summarized the production safety situation last month, reported in detail various problems encountered in the production safety process, and proposed targeted solutions. At the same time, the meeting clarifies the responsibilities and tasks of each department to ensure that all measures can be effectively implemented. Through a systematic and regular safety management mechanism, we effectively enhance our level of safe production and ensure the safe and stable operation of the Group.

Safety production meeting

The Group continuously refines the safety management requirements for employees. We regularly organize "New Employee Onboarding Safety Training". Each department uses team meeting time to conduct safety education and training, and organizes safety training work according to the monthly safety training plan. In addition to purchasing work injury insurance for employees, the Group also supplements with commercial insurance such as employer's liability insurance and health insurance. We strengthen the implementation of the work injury accountability system. Based on the type of business, we provide employees with corresponding labor protection supplies and regularly replace them to effectively ensure the personal safety of employees during work.

This year, the Group conducted 59 safety drills covering 567 employees.

4.4 EMPLOYEE COMMUNICATION AND CARE

The Group actively builds diversified communication channels, listens attentively to employees' voices, and comprehensively understands their suggestions and opinions on the Company. At the same time, we carefully plan and carry out a series of diversified employee care activities, and specially set up a support fund for employees in need, just to make every employee feel the care and respect of the Group from the inside out, effectively enhance employees' happiness and sense of belonging, and gather the strength of the Group to move forward.

4.4.1 Open Communication

The Group has always adhered to democratic principles and actively built diverse communication channels. By setting up a general manager's mailbox and a complaint hotline, and regularly holding tea parties, symposiums, and face-to-face talks with new employees, we have established a comprehensive and multi-level communication system. This ensures that employees' issues and demands can be conveyed in a timely and smooth manner and receive full attention and proper responses. In addition, for departing employees, the Group arranges for dedicated personnel to conduct face-to-face talks, to gain a deep understanding of the reasons for their departure, and to actively carry out retention efforts. We value the contributions of every employee to the group's development and strive to retain talent resources to the greatest extent possible, maintaining the stability and cohesion of the team.

Tea party communication activities

4.4.2 Employee Care Activities

The Group continues to deepen employee care initiatives and is committed to creating a warm and harmonious working environment. We actively organize a variety of activities to enrich employees' leisure lives, enhance their sense of happiness, and promote a balance between work and life, enabling employees to engage in their work with greater enthusiasm and a more positive attitude. In addition, the Group has established a special fund to assist employees in difficulty, aimed at providing timely financial aid to employees facing life challenges. We hope that through these warm-hearted measures, we can join hands with our employees and move towards a brighter future.

Case: **August 1st Veterans' Care**

On August 1st, 2024, in order to express our care and respect for our veteran employees, the Group specially organized a consolation activity. This consolation was carried out in the form of distributing practical gifts. We fully considered the daily needs of our employees and purchased packages of daily necessities such as grains and oils. These packages were then distributed to 110 veteran employees in the Group, conveying our warmth and festive greetings to them. The consolation activity has won unanimous praise from our veteran employees and further enhanced their sense of belonging and cohesion to the company.

August 1st Veterans' Care

Case: **Employee's quarterly birthday party**

In 2024, in recognition and appreciation of our employees' hard work, Foshan Property Management Company of the Group held quarterly employee birthday parties in March, June, September, and November. On the day of the event, the company meticulously prepared a sumptuous feast. Employees gathered around, raised their glasses to express care for each other and to exchange blessings, with the venue filled with laughter and joy. By organizing these quarterly birthday parties, we have enabled our employees to tangibly feel the group's care and affection, and fostered a harmonious and positive internal atmosphere.

Employee birthday party

5 LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME

The Group regards environmental protection as an important foundation for sustainable development, actively practices green and low-carbon operation methods, and is committed to promoting win-win growth in environmental, social and economic benefits. In response to the national "carbon peaking and carbon neutrality" strategy, the Group incorporated climate change issues into strategic planning, implemented energy conservation and carbon reduction measures, and continuously improved its resilience to climate risks. In addition, the Group also actively carries out natural environment and ecological protection activities, and contributes to protect lucid waters and lush mountains with practical actions.

5.1 GREEN OPERATIONS

In strict compliance with the *Environmental Protection Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Wastes*, the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise* and other laws and regulations, the Group reduces the negative environmental impact of operations by reducing emissions, properly disposing of waste, using energy-saving and carbon-reducing equipment, optimizing water resource utilization, and promoting the concept of green office.

5.1.1 Environmental Management Objectives

The Group has set four environmental management objectives in respect of reducing emissions and waste, improving energy efficiency and water efficiency, to assess the effectiveness of environmental management measures.

Emissions reduction target

- Promoting energy-efficient equipment and apparatus to reduce greenhouse gas emissions from energy;
- Increasing the number of electric buses and community charging piles to widen the application of clean energy and further contribute to the national "carbon peaking and carbon neutrality" goals.

Discharge reduction target

- Properly handling hazardous waste and actively engaging in domestic waste sorting to realize the reduction, resource utilization, and harmless processing of waste.

Environmental target

Energy efficiency target

- Improving energy efficiency by utilizing energy-saving technologies and monitoring electricity consumption;
- Advocating the concept of green office, strengthening green office management, and reducing unnecessary energy consumption.

Water efficiency target

- Optimizing water-saving appliances and water use plans, monitoring and analyzing water consumption by intelligent methods to decrease water loss and improve water efficiency;
- Reinforcing water-saving promotion, strengthening the assessment of responsibility for water efficiency target to raise the water-saving awareness.

5.1.2 Emission Management

1) Exhaust emissions

The exhaust emissions generated by the Group largely derive from the combustion of fuels used in our corporate vehicles of different business segments. In view of exhaust gas pollution, the Group strictly complies with policies and standards such as the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Emission Standard for Odor Pollutants (GB14554-93)* and the *Integrated Emission Standard for Air Pollutants (GB16297-1996)*.The Group expands the use of new energy vehicles to reduce exhaust emissions at the source, including nitrogen oxides, sulfur oxides, and particulates, striving to minimize the environmental impact of business development.

- For the transformation of its transportation fleet and corporate vehicles, the Group replaces traditional fuel vehicles with new energy buses to practice environmental-friendly operations to a higher degree. As of December 31, 2024, the Group had a total of 52 village buses, of which 38 were new energy village buses, accounting for 73.08%, of which the mileage of new energy village buses accounted for 92.44%, effectively reducing the exhaust emissions generated by traditional fuel vehicles;

- The Group replaces gasoline hedge trimmers with lithium battery hedge trimmers and replaces the gasoline blower with electric blower for landscaping clean to prevent exhaust emissions; and

- The Group increases the number of charging piles for new energy vehicles and charging spaces for electric two-wheelers, and guide and encourage owners to adopt new energy travel methods.

New energy village buses

Electric vehicle charging piles

Two-wheeled vehicle charging piles

2) **Sewage treatment**

Adhering to the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, all business segments of the Group have taken active measures to control sewage and ensure sewage treatment in compliance with laws and regulations. This year, the Group had no major violations involving sewage discharge.

Property Management Services

Communities to which we provide property management services adopt a separate water discharge system, that is, rainwater and sewage are treated by two independent systems, after which the rainwater is discharged into natural waters while sewage is discharged into rivers after meeting relevant standards. To ensure that different types of wastewaters can be treated appropriately and effectively, the Group has taken the following measures:

- **Oil removal from sewage and wastewater:** Independent oil removal system has been installed to treat sewage and wastewater in local communities. The oil-containing wastewater from daily operations is first piped into an automatic spiral residuals' removal equipment, which filters out large particles of residuals and oil, and then discharges the wastewater and odor. This equipment has a thermostat heater to effectively prevent pipe clogging due to oil solidification at low temperatures.

- **Intercepting drainage:** To prevent sewage from washing machine in front balcony and concealed pipes of resident from mixing with rainwater, we added main interceptor pipes to block sewage and discharge it to the sewage treatment plant. In addition, we set up an overflow well to discharge rainwater directly to the original rainwater pipeline networks to ensure smooth drainage during heavy rains.

Retail services

- The Group stipulates that the sewage generated in the daily operations of our supermarkets, convenience stores and fresh food markets under the retail services must be treated by special sewage pipes. It is strictly prohibited to directly discharge the sewage to rainwater wells to avoid adverse effects on the environment. In addition, merchants of cooked food and meat products in retail services carry out oil and residue treatment on sewage before discharge.

5.1.3 Waste Treatment

Following the principles of "reduction, resource utilization, and harmless processing", we have formulated detailed internal management policies and put into practice measures concerning collection, disposal and comprehensive utilization of waste during our operation. We give priority to the comprehensive utilization of reusable solid wastes, and classify hazardous waste from general waste according to the *National Catalogue of Hazardous Wastes*, separating them properly in the collection, storage, utilization and disposal. Hazardous waste is handled by certified third-party recyclers to ensure effective management of wastes and avoid environmental pollution. For chemical liquid waste, according to the *Regulations on the Control over Safety of Dangerous Chemicals*, waste engine oil, waste diesel oil and waste lubricating oil shall not be directly discharged into sewers, and shall be stored in sealed buckets and handed over to recyclers for disposal. This year, the Group continued to manage the online monitoring equipment for pollution sources and established basic equipment information files to ensure the stable operation of the monitoring equipment and the effective transmission of monitoring data.

Property management services

- Setting up a waste sorting leading group to coordinate relevant work;

- Disseminating knowledge about waste sorting among community residents through various forms such as advertisements, bulletin boards and leaflets, to raise local residents' awareness in this regard;

- Set up classified trash cans in the community, including recyclable trash cans, hazardous trash cans, kitchen waste trash cans and other trash cans, mark the types and logos of garbage classification, and make detailed picture guidelines to facilitate owners to classify trash cans;

- Sorting, storing and handling waste by category during collection and transportation, to avoid waste of resources and environmental pollution due to mixed waste. Collecting domestic waste and handing it over to the municipal sanitation department for disposal. Collecting green waste and handing it over to partners for secondary processing to be used for incineration power generation or to produce fertilizer. Collecting and disposing hazardous and kitchen waste in a unified manner; and

- Using clothing bins and intelligent waste bins to reuse recyclable materials.

Waste sorting bins with graphic guides

Clothes recycling bins

Case: **Intelligent waste bins**

This year, Property management services has introduced intelligent waste bins. Residents can scan the code on their mobile phones to unpack the box and sort the garbage. Points can be earned every time you put garbage reasonably. When the points reach a certain value, residents can use the points to exchange for various daily necessities or cash. The convenience and environmental incentives of intelligent waste bins can enable more residents to actively participate in environmental protection actions and improve the efficiency of garbage disposal.

Intelligent waste bins

Case: **Recycling of green plants and seedlings**

This year, in order to save the purchase expenses of seedlings as much as possible and reduce the generation of greening waste, Panyu Property Management Company re-greened the seedlings pruned from the original green plants that are suitable for cutting or dividing plants, so as to recycle the seedlings and reduce greening waste. This year, Panyu Property Management Company cut and divided approximately 150,000 seedlings, saving approximately RMB300,000 in purchasing seedlings and reducing approximately 12 tons of greening waste.

Cutting propagation re-greening

Separating propagation re-greening

Retail services

- Set up classified recycling trash cans in stores, and post garbage classification management guidelines to guide and encourage customers to properly sort and place garbage;

- Posting signs of plastic bag charges and providing degradable bags to encourage customers to use degradable bags or bring their own shopping bags, to reduce plastic pollution at the source; and

- Advocating green packaging and environmental-friendly materials for fresh food.

Catering services

- Setting up a garbage sorting leading group, and clarifying the responsible department. Formulating internal policies such as the *Operation Standard for Waste Sorting* and the *Daily Management Policy of Waste Sorting* to regulate the drop-off, collection and disposal of garbage by types and to ensure standardized and orderly operations; and

- Ensuring that waste is sorted and treated in accordance with regulations and requirements. After recyclable waste is classified, we will contact renewable resource recycling companies for door-to-door recycling. Hazardous waste, kitchen waste and other waste are handed over to institutions with professional qualifications for processing to ensure that waste disposal is legal and compliant.

5.1.4 Energy Consumption Management

The Group actively explores low-carbon development pathways and strictly abides by the *Energy Conservation Law of the People's Republic of China*, the *Circular Economy Promotion Law of the People's Republic of China* and other laws and regulations. We continue to optimize internal policies, such as the *Policy on Management of Energy Conservation and Consumption Reduction,* the *Policy on Management of Energy, Electricity and Water Conservation* and *the Operations Code of Human Resources and Administration Department*. By strengthening the management of energy-consuming equipment and improving the energy efficiency across the entire management process, we aim to reduce energy consumption and carbon emissions and achieve lean management.

Property management services

The Group's property management services actively promotes green property initiatives and achieves the refined energy management through various energy-saving measures.

- The lighting equipment adopts new LED energy-saving lamps, such as infrared sensor lights and radar sensor lights. Solar lighting lamps are used in remote areas of the community. Lamps with automatic timer switches and sound activated lights are installed in public areas;

- According to the weather temperature, ambient air quality and commuting rush hour, dynamically adjust the opening time of fresh air and exhaust system on floors and parking lots to achieve energy saving effect;

- Utilize a smart control system for central air conditioners to adjust the chilled water supply temperature based on weather conditions, thereby achieving energy savings;

- Strictly adhere to temperature control standards for air conditioners, and regularly clean the air filters to ensure optimal performance and efficiency, thereby achieving energy savings;

- Real-time monitoring of operation status of fire-fighting fans, generator sets and water collection well pumps through network platform to prevent unnecessary electricity consumption due to incorrect operation;

- Regularly perform statistics on the electricity consumption data of each area, and arrange personnel for maintenance in a timely manner if abnormal electricity consumption is found;

- Adopt smart building systems including building automation systems, smart lighting systems, and power monitoring systems to reduce energy consumption and carbon emissions while controlling operating costs;

- Strengthen the management of vehicle fuel consumption, and promptly scrap the vehicles with high fuel consumption and substandard environmental indicators;

- Promote the use of new energy equipment and increase 5 pure electric sweepers and 21 pure electric hair dryers to reduce the frequency of use of gasoline sweepers and hair dryers; and

- Increase the promotion of energy conservation and consumption reduction, and post relevant slogans on the community bulletin boards and in offices.

<div style="background-color:green; color:white;">**Case:**</div> **Intelligent light control transformation of public lighting**

This year, Panyu Property Management Company carried out intelligent transformation on 190 outdoor public lighting fixtures such as street lamps and garden lamps in various districts of the estate, and replaced the original microcomputer time-controlled switches with intelligent light control switches, so that the outdoor public lighting fixtures can automatically and accurately control the light-on and off time according to the change of weather, so as to make full use of natural light and reduce unnecessary power consumption.
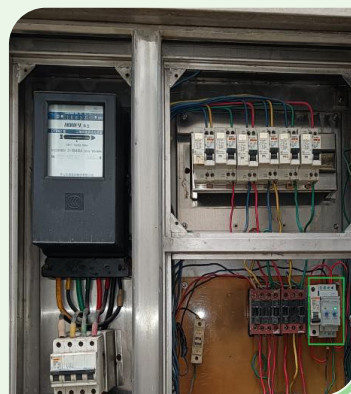
Intelligent light control switch

Catering services

- All canteens under the Group's catering services are required to make monthly energy budgets to refine energy management. To ensure the effective implementation of energy-saving measures, the management of water and power consumption is in the charge of the responsible person in each area whose income is linked with energy consumption in this area. This motivates employees to actively participate in energy-saving initiatives and raises the overall awareness of energy saving; and

- Replace long-term lighting fixtures with LED energy-saving lamps to effectively conserve electricity.

Retail services

- Replace lighting fixtures with LED energy-saving lamps and conduct more frequent light switch inspections in office areas to strengthen energy management;

- Regulate the temperature in supermarkets to avoid excessive cooling or heating and reduce energy consumption;

- Regularly maintain air conditioners and refrigeration equipment to ensure normal operation and prevent energy waste; and

- Make full use of the supermarket's geographical advantages by installing closed glass and air curtains beside and above escalators to reduce the loss of central air-conditioning, increase energy efficiency and achieve energy-saving goals.

5.1.5 Water Resources Management

The Group advocates water conservation and strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China*. We have also formulated and implemented internal regulations such as the *Policy on Management of Energy, Electricity and Water Conservation*. This helps us to take measures to save water and recycle water resources in our operations. This year, the Group encountered no difficulties in accessing water resources.

Water conservation at the source

- Adopt the automatic drip irrigation and spraying system for the seedlings in the garden. This system is equipped with rainwater humidity sensing functionality, allowing for scheduled and measured watering, as well as regulated water distribution during rainy or humid weather conditions. This mitigates problems regarding uneven manual watering and low water resource utilization;

- Repair 241 water supply pipe leaks, and recover approximately 1.29 million cubic meters of water loss;

- Install sensor faucets to release water based on actual consumption, effectively utilizing water resources; and

- Promote publicity and promotion activities for water conservation to achieve nationwide conservation and oversight by everyone.

Water conservation in the process

- Assign dedicated personnel to regularly record water meters, observe and analyze water consumption, and utilize new detectors to monitor abnormal water usage. Arrange immediate checks on the pipe network and take effective measures to prevent leakage when abnormalities are detected;

- Set up an operation schedule for waterscape facilities in the community to prohibit continuous operation of waterscape facilities for 24 hours, and reduce the height of the waterscape;

- Water supplement for waterscape is detected by an infrared detection device, with water supplied through an automatic circulating system. This avoids water waste due to excessive water supply; and

- Introduce ground surface with water absorption capacity to the community, and collect rainwater or wastewater for filtration and storage. It is our first choice to use rainwater or recycled water as water for greening. We use high-efficiency sprinklers to irrigate the roadside green belt, and strictly prohibit the use of tap water for irrigation.

Before water supply pipe leaks

After water supply pipe maintenance

5.1.5 Noise Management

The noise generated by the Group mainly comes from the daily operations of equipment and vehicles. Therefore, we have implemented a series of effective measures to reduce noise pollution. The Group prioritizes the use of low-noise and low-vibration equipment when constructing, renewing and expanding production equipment. We adopt sound insulation covers, sound insulation rooms and mufflers to reduce noise. Besides, our vehicles are all equipped with compliant appliances in accordance with national regulations to avoid affecting the surrounding environment. To further optimize noise management, the Group also clearly stipulates that no noise-generating constructions or renovation activities should be carried out on public holidays, festivals and holidays and at night.

5.1.6 Green Office

The Group advocates "green office and low-carbon lifestyle", creating a culture of energy conservation at workplace, and raising employees' awareness of green office, green lifestyle, and green consumption. The Group also promotes low-carbon administration and green mobility, including saving water, power, office consumables and adopting green mobility, to support energy conservation and emissions reduction.

Saving water at workplace

- Post water-saving signs in public water usage areas, such as tea rooms and toilets, and apply water-saving devices such as sensor faucets, water tanks; and
- The Administration Department regularly checks whether water pipes, drainage equipment and other facilities are leaking in offices, tea rooms and toilets and immediately reports leaks to relevant departments for disposal.

Saving power at workplace

- Turn off all lights, computers, printers and other office equipment before the end of the workday, and assign delicate personnel for inspection;

- Strictly adhere to temperature control standards for air conditioners, and promote natural ventilation to reduce the running time of air conditioners; and

- Make use of natural light and reduce the use of electric lights/illumination devices.

Saving office consumables

- Encourage to print on both sides of paper to reduce paper consumption;

- Promote paperless office, do not print non-essential contents, and reduce the transmission and storage of paper documents;

- Install induction hand dryers and central axis tissue paper in restrooms to reduce waste of toilet paper;

- Encourage employees to bring water glass and lunch boxes to reduce the frequency of using disposable products. Disposable portfolios are no longer allowed in the meeting;

- Reduce the frequency of using benzene-containing solvent products, such as glue and correction fluid; and

- Use rechargeable batteries instead of primary batteries.

Advocating green mobility

- Encourage employees to commute by taking bus or riding bicycles;

- Share official vehicles for same destinations or close destinations; and

- Make proper vehicle schedules, and strengthen the management of oil fees, bridge fees and maintenance fees.

5.2 ADDRESSING CLIMATE CHANGE

In order to enhance the ability to cope with climate change, the Group actively responds to the national "carbon peaking and carbon neutrality" strategy, incorporates climate change issues into its strategic planning, and with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), improves climate-related management mechanisms, strengthens the identification, assessment and response to climate-related risks and opportunities from the perspective of governance, strategy, risk management, indicators and targets, so as to enhance corporate climate resilience and promote corporate green transformation and upgrading.

5.2.1 Governance

In order to effectively manage and address climate change risks and opportunities, the Group has established an ESG governance structure with clear responsibilities to coordinate, implement and supervise climate change-related work. Among them, the Board of Directors is responsible for reviewing and making final judgments on significant climate change risks and opportunities, regularly supervising climate change-related targets and reviewing the progress of targets. For details, please refer to the section headed "ESG GOVERNANCE SYSTEM" of the Report. At the same time, we regularly conduct internal training and sharing sessions on climate change to the Board and management to ensure that the Board and management have appropriate skills and capabilities to monitor and respond to climate change risks and opportunities.

5.2.2 Policies

The Group encourages its subsidiaries to strengthen the management of energy-consuming equipment, improve energy efficiency, and promote the application of green and low-carbon technologies and equipment in their business operations to reduce energy consumption and greenhouse gas emissions. At the same time, the Group identifies and evaluates climate-related risks and opportunities that may have short-, medium-or long-term impacts on our business model, value chain and finance based on its own business characteristics and the national "carbon peaking and carbon neutrality" strategy, and formulates targeted response actions.

Type of risk/ opportunity	Description of Risk/ Opportunity	Business model	Potential impact Value chain	Finance	Impact Time	Response Action
Physical Risk	Acute risk: increasingly severe extreme weather events, such as typhoons, floods and sudden natural disasters.	The critical infrastructure of the property was severely damaged, resulting in water and power outages, which affected the daily life of the owners.	The transportation network or supply chain of supermarkets, convenience stores and fresh food markets under retail services may be disrupted, resulting in a shortage of some people's livelihood commodities.	Business model: Increased maintenance costs and extreme weather insurance expenses due to facility damage. And when the infrastructure of the property is damaged, it may lead to the loss of tenants, which may affect the rental income. Value chain: Disruptions in the supply chain lead to a shortage of livelihood commodities in supermarkets, convenience stores and fresh markets, thus affecting sales revenue.	Short-term	• Formulate emergency plans for extreme weather, such as the *Clifford Property Emergency Response Plan*, the *Policy of Clifford Property on Work Safety and Fire Safety Management*, and the *Retail Sector Work Safety Policy*. • Set up flood control teams and emergency rescue teams, organize flood control emergency drills before the arrival of the rainy season every year, and continuously improve the ability of disaster prevention and rescue. • Through the owner's WeChat group, special customer service WeChat, etc., push the desk and rainstorm warning to remind the owner to take preventive measures. • Before the arrival of Taiwan and rainstorm weather, the anti-falling nets of road drainage wells, anti-falling nets of manholes, sewage pumps at basement outlets, doors and windows of high-rise elevator machine rooms and other equipment in various areas of the community should be investigated for potential safety hazards. • Pay close attention to the weather forecast of supermarkets, convenience stores and fresh food markets, and adjust the arrival arrangement or stock up in advance for extreme weather.

Type of risk/ opportunity	Description of Risk/ Opportunity	Business model	Potential impact Value chain	Finance	Impact Time	Response Action
	Chronic risk: prolonged heat waves that may be caused by rising global average temperatures.	The efficiency of employees' outdoor work is reduced, and safety risks such as heat stroke are increased.	Long-term high temperature weather makes it more difficult to transport and store fresh products.	Business model: Heatstroke incidents of employees may incur additional medical and insurance costs. Value chain: Increase energy consumption and operating costs of cold chain systems for fresh products.	Long-term	• Provide employees with protective equipment, high temperature subsidies, summer cooling items, and remind employees to replenish water in time. • Upgrade cold chain facilities to adopt more efficient refrigeration technology and insulation materials to reduce energy consumption and losses.
Transitional Risk	Policy and legal risks: With the increasing global attention to climate change, the country has successively introduced more stringent carbon emission reduction policies.	As carbon emission reduction policies and regulations become stricter and government departments strengthen supervision, companies need to face increasing compliance pressure.	Stringent carbon emission reduction policies and regulations have limited the production of upstream suppliers, and some key suppliers may reduce or even stop production due to failure to meet the policy requirements.	Business model: More resources may need to be invested to meet compliance requirements, resulting in increased operating costs. Value chain: When looking for alternative suppliers, additional contingency procurement costs such as expedited transportation fees, temporary procurement contract signing fees, etc. may be incurred.	Medium-term	• Always pay attention to and interpret climate change-related policies and regulations, and timely adjust internal management systems and business processes to ensure compliance operations. • Incorporate climate policy and regulatory risks into the supplier assessment mechanism, and establish emergency plans to clarify the responsibilities of each department after key suppliers stop production.
	Technical risk: The development of low-carbon and energy-saving technologies will affect the competitiveness, production and distribution costs of enterprises.	There are uncertainties in enterprises' adaptation, iteration and use of low-carbon energy-saving technologies, equipment and production processes.	The need to re-evaluate the supply chain to find more environmentally friendly materials and services may affect the stability of the supply chain.	Business model: The transition to low-carbon, energy-efficient technologies typically requires a high initial investment, which may put short-term pressure on the company's financial position and affect capital flows. Value chain: Changes in supplier selection can lead to fluctuations in procurement costs.	Medium-term	• Comprehensively evaluate the cost-effectiveness of low-carbon energy-saving technology investment projects from multiple dimensions such as technical feasibility, economic rationality, and environmental impact. • Diversify supplier selection, or establish long-term and stable cooperation with high-quality suppliers to reduce the risk of fluctuations in procurement costs.

Type of risk/ opportunity	Description of Risk/ Opportunity	Business model	Potential impact Value chain	Finance	Impact Time	Response Action
Climate Opportunity	Resource efficiency: various favorable opportunities and positive impacts brought about by improving resource utilization efficiency.	By applying energy-saving and emission-reduction technologies, resource recycling technologies, etc., the efficiency of resource use in the operation process can be effectively improved.	By optimizing transportation methods and transportation routes, transportation efficiency can be improved and transportation fuel or energy consumption can be reduced.	Business model: Practices such as energy conservation and emission reduction and resource recycling can reduce operating costs. Value chain: Optimizing transportation methods and routes can reduce transportation costs.	Medium-term	• By replacing energy-saving equipment, renovating old equipment and facilities, and adding energy control switches, the efficiency of resource utilization in the operation process is improved. • Guide and encourage retail service suppliers to give priority to low-carbon emission commodity transportation methods and distribution routes, so as to reduce the number of transportations, increase the full load rate, and reduce transportation costs and resource consumption.

5.2.3 Risk Management

On the basis of identifying and assessing climate risks and opportunities, the Group incorporates climate risks into the Group's ESG risk management system, and clarifies the responsibilities of relevant departments and subsidiaries, as well as the management requirements and specifications of key links. For details, please refer to the section headed "ESG RISK MANAGEMENT" of the Report.

5.2.4 Indicators and Objectives

The Group actively responds to the "carbon peaking and carbon neutrality" strategic goal and formulates scientific and reasonable emission reduction targets to promote the implementation of the sustainable development strategy. For details, please refer to the section headed "Environmental Management Objectives" of the Report. The Report discloses the greenhouse gas emission data of Scope 1 and Scope 2 in 2024. For details, please refer to APPENDIX II: KEY PERFORMANCE LIST.

5.3   PROTECT THE NATURAL ENVIRONMENT AND ECOLOGY

The Group strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Wild Animal Protection Law of the People's Republic of China*, the *Outline of Nature Conservation of the People's Republic of China*, the *Regulations of Guangzhou Municipality on Urban Greening* and other laws and regulations, and strives to reduce the potential impact of its business activities on biodiversity and natural ecological environment. In actual operation, property management services use pesticides carefully, minimize the pollution of pesticide residues to vegetation, and ensure the greatest protection of the ecological environment; The retail service actively cooperates with the environmental impact assessment of government departments to ensure that all working procedures meet the national environmental pollution control requirements.

Case:	Mountain forest fire drill

In June and September 2024, the Group's Foshan Property Management Company organized mountain forest fire drill to further improve employees' emergency response skills in firefighting and disaster relief, and required employees to strengthen daily inspections, strictly control wild fire sources, and implement fire prevention responsibilities to ensure that the surrounding mountain forest environment of the community is not damaged, so as to protect the forest fire prevention work and green ecological environment of the community.

Mountain forest fire drill on site

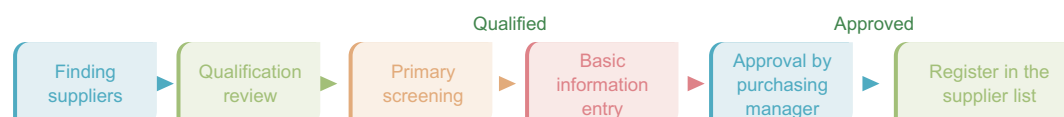# 6 MUTUAL BENEFIT AND WIN-WIN, DRIVING VALUE GROWTH

The Group always adheres to the concept of establishing long-term and stable cooperative relationships with suppliers, and is committed to achieving a good situation of mutual benefit and win-win through the joint efforts of both parties. In this process, the Group has continuously optimized supply chain management, strictly controlled the environmental and social risks in the supply chain, adhered to the principle of clean procurement, and continuously strengthened communication with suppliers to build a sustainable supply chain system. At the same time, the Group also actively participates in industry exchange activities, earnestly studies and shares excellent practical experiences and cases in the industry, aiming to accurately grasp market opportunities and promote the rapid development of the industry.

6.1 SUPPLIER MANAGEMENT

The Group strictly complies with the *Bidding Law of the People's Republic of China* and other laws and regulations. We have formulated internal management policies, such as the *Supplier Management Policy*, the *Policy on Supplier Evaluation Management*, and the *Supplier Qualification Requirements*, in which supplier selection, evaluation, and elimination are clarified for better supplier management.

6.1.1 Supplier Selection

Following the principles of openness, fairness, justice, integrity, competitiveness and efficiency, the Group evaluates key indicators of potential suppliers such as business qualification, financial status, previous performance and credit history for selection purposes. The major process is as follows:

Finding suppliers	→	Qualification review	→	Primary screening	→ (Qualified)	Basic information entry	→	Approval by purchasing manager	→ (Approved)	Register in the supplier list

6.1.2 Supplier Evaluation, Assessment and Elimination

The Group establishes a special team for supplier review to evaluate product quality, contract performance, service quality and service attitude annually. The performance of the suppliers is scored comprehensively and the suppliers are divided into four grades: A, B, C, and D:

A-grade suppliers	B-grade suppliers	C-grade suppliers	D-grade suppliers
Priority should be given when it comes to procurement, and suppliers under this category are listed as framework agreement suppliers or price memorandum suppliers;	Normal transaction is permitted;	Order quantity should be reduced; and	The transaction is terminated and the option of supplier in the procurement system is disabled.

In addition, the Group establishes a strict supplier elimination mechanism. In case of bribery, cheat, fraud, serious breach of contract or other acts detrimental to the Group, the relevant supplier will never be engaged. Suppliers who receive a D rating for three consecutive years will have their contracts terminated and not be renewed by the Group.

6.2 MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS OF THE SUPPLY CHAIN

The Group continues to strengthen the assessment and control of environmental and social factors of suppliers. While protecting the interests of suppliers, we supervise suppliers to actively fulfill their due environmental and social responsibilities to promote the sustainable development of the supply chain.

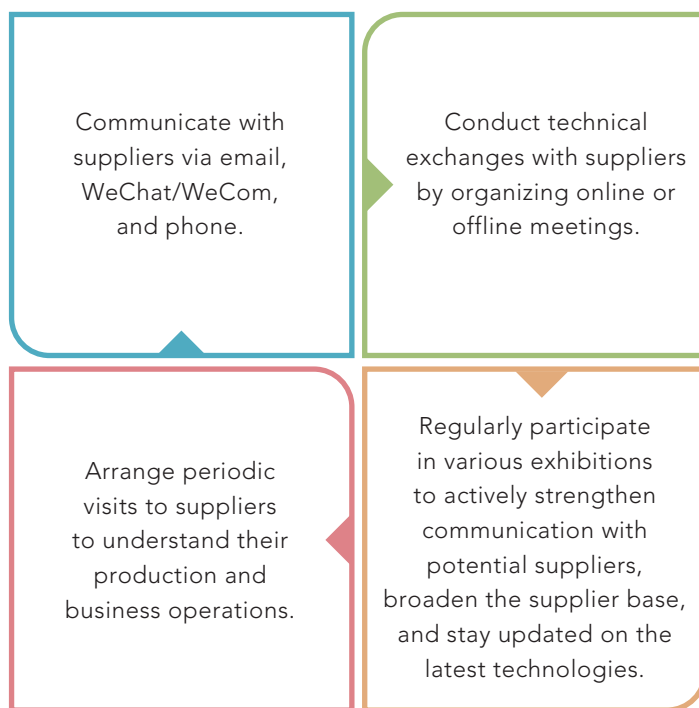|	
Environmental Risk Management	• Give priority to suppliers with certification systems such as environmental management system certification, hazard analysis and critical control point certification; • Advocate for green procurement by purchasing environmentally-friendly materials or products; and • During the on-site inspection stage of suppliers, pay attention to whether the suppliers' environmental pollution prevention and control measures meet the current legal requirements.
Social Risk Management	• Give priority to suppliers with quality management system certification, occupational health and safety system certification, food safety management system certification and other certification systems; • Put forward requirements for suppliers' business ethics and labor standards, and evaluate whether their working environment may affect employees' health during the on-site inspection stage; and • For labor procurement, suppliers are required to ensure legal employment in the service contract, and they are required to sign labor contracts with employees.

6.3 TRANSPARENT PROCUREMENT

The Group strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, formulates and implements the *Tendering Management Measures* and the *Policy on Management of Supplier Integrity Inspection* to clarify the compliance management requirements in the procurement stage, prevent corruption, fraud and unfair competition, and ensure a fair and transparent procurement process.

- Establish a strict selection mechanism for procurement personnel and conduct regular background checks, training and ethical compliance assessments for procurement personnel to ensure the professionalism and integrity of the procurement team;

- Sign the *Integrity Agreement* with our suppliers, aiming to develop honest business relation with them;

- Carry out anti-corruption supervision and inspection on abnormal suppliers and procurement;

- Ask for quotes from a minimum of three suppliers for routine purchases, and establish a multi-level internal approval mechanism for procurement prices; and

- Adopt a public invitation of bids for project or bulk purchases with the on-site opening jointly supervised by multiple departments.

6.4 SUPPLIER COMMUNICATION

To enhance the stability and operational efficiency of the supply chain, the Group has established diverse and efficient communication channels to share information with suppliers more frequently. We aim to build long-term and stable partnerships with suppliers and enhance mutual trust and cooperation.

Communicate with suppliers via email, WeChat/WeCom, and phone.

Conduct technical exchanges with suppliers by organizing online or offline meetings.

Arrange periodic visits to suppliers to understand their production and business operations.

Regularly participate in various exhibitions to actively strengthen communication with potential suppliers, broaden the supplier base, and stay updated on the latest technologies.

Communication channels with suppliers

6.5 INDUSTRY EXCHANGE

The Group actively engages in industry exchanges and collaborations with an inclusive and open attitude, and actively absorbs suggestions and successful experiences from outstanding peers to improve business operation efficiency and management level.

Case: **The 5th Guangzhou International Smart Property Management Expo**

In September 2024, the Group participated in the "5th Guangzhou International Smart Property Expo" jointly sponsored by Guangdong Provincial Department of Housing and Urban-Rural Development, Guangzhou Municipal Bureau of Housing and Urban-Rural Development, Guangdong Provincial Property Association and other units. This Expo is rich in types, covering excellent brand properties, urban services, smart technology, robotics, sanitation and greening, charging piles and other fields. Through this Expo, the Group gained an in-depth understanding and learning of the cutting-edge development achievements and innovative development directions of the property management industry, and further strengthened exchanges and cooperation with property management enterprises in Guangdong Province.

The 5th Guangzhou International Smart Property Management Expo on site

Case: **Zhaoqing Real Estate Industry Association-Study and Exchange Activities in Dongguan and Shenzhen**

In August 2024, the Group participated in the research and exchange activities in Dongguan and Shenzhen organized by Zhaoqing Real Estate Industry Association. During the activity, we gained an in-depth understanding of Dongguan and Shenzhen's advanced experience in urban construction, real estate development and property management, and visited Dongguan China Resources Yuefu, Shenzhen Gemdale Center Office Building and Sea World Shuangxi Garden successively. Through this activity, we not only absorbed excellent property management experience, but also jointly discussed new opportunities for industry development and future research topics.
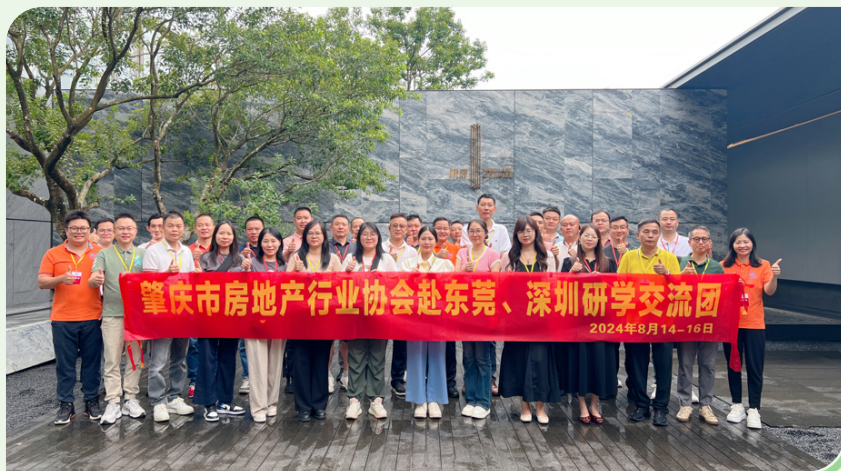
Study and Exchange Activities in Dongguan and Shenzhen on site

7 DEDICATED TO PUBLIC WELFARE, ENHANCING PEOPLE'S WELL-BEING

While focusing on our own business development, the Group has always maintained a passion for public welfare and actively engaged in social and charitable causes, caring for the well-being of the people. This year, in response to the call of the High-quality Development Project for Hundred Counties, Thousand Towns, and Ten Thousand Villages of Guangdong Province, we have pooled our own resources and various public resources, and joined hands with sectors of society. Through a variety of community activities and charitable donation activities, we have continuously improved the service quality of the entire area of towns and streets, and promoted balanced development between urban and rural areas. In addition, to encourage employees to actively participate in volunteer activities and fully demonstrate the spirit of being ready to help others, the Group's volunteer team, guided by the principles of "gratitude, service, enthusiasm, and love," and based on the principle of "rooted in the enterprise, facing society," has organized and planned various volunteer activities in accordance with the regulations of the Rules of Clifford Modern Living's Volunteer Team, contributing our own strength to the construction of a harmonious society.

7.1 WARM ATMOSPHERE, COLORFUL COMMUNITY

The Group focuses on building a harmonious community and continuously strengthens communication and interaction among neighbors in the community by actively carrying out diversified free clinic activities, convenience activities, cultural and sports activities, holiday activities and parent-child activities, so as to enhance community unity, cohesion and sense of belonging.

Caring for residents' health and practicing convenient services

The Group pays close attention to the physical and mental health as well as the living convenience of the residents. By launching various special free medical consultation activities and convenient service day activities, we actively do practical things for the public and are committed to continuously improving the residents' quality of life.

Case: **Free clinic on Party Founding Day**

In July 2024, the Group held a free clinic activity for the founding of the Party in the Clifford Estate Community, Panyu District, Guangzhou City. A total of 20 party member medical experts were invited to provide multi-departmental diagnosis and treatment services for community residents. They offered targeted health guidance and popular science education to help residents screen for basic diseases and enhance their awareness of health care.

Free clinic on Party Founding Day

Case: **Convenience service day**

In October 2024, the Group held a convenience service day in Clifford Estate Community, Panyu District, Guangzhou, which included free maintenance of electric vehicles and bicycles, free haircuts, free key allocation, repair of small household appliances, clearing fans, vacuuming and mite removal, etc., and launched on-site quiz activities with prizes. Through this activity, we not only meet the daily needs of property owners, but also convey the caring feelings of property services, and further enhance the owners' sense of community belonging.

Convenience service day

Create a scholarly atmosphere and enrich cultural and sports activities

The Group is well aware that building civilized communities is the cornerstone of constructing a harmonious society. To this end, we actively organize community cultural and sports activities, aiming to create a scholarly atmosphere where a love for reading becomes a prevailing trend and to meet the residents' needs for physical exercise and entertainment.

Case: **Mobile library bus activity**

This year, the Group joins hands with the Guangzhou Children's Mobile Library to hold a mobile book cart activity once a month in the Clifford Estate Community in Panyu District, Guangzhou City. This activity not only provides young people and children with access to literature but also enriches the cultural life of community residents. In 2024, the Group held a total of 11 mobile book cart activities, serving 373 people, lending 5,203 books, and returning 1,893 books.

Mobile library bus activity

Case: **Clifford Marathon activity**

In December 2024, the Group organized the Clifford Marathon. As a prelude of "Guangzhou Marathon", this year's Clifford Marathon attracted approximately 1,000 sports enthusiasts. The event not only ignited residents' passion for and pursuit of a healthy lifestyle but also effectively enhanced the community's cohesion and centripetal force.

Blessing Marathon Event Site

Enjoy beautiful festivals and enrich residents' lives

In addition to carrying out various cultural and sports activities, the Group also organizes a variety of characteristic community activities during various holidays throughout this year, which not only leads community residents to feel the festive atmosphere, but also takes this opportunity to carry forward the excellent traditional Chinese culture and promote community harmony.

Case: **"Full Moon Mid-Autumn Festival Celebrating Reunion, and Happy Gathering at Clifford" activity**

In September 2024, the Group joined hands with the Community Party Committee and Community Residents' Committee of Binfen Hui to hold the "Moon Full of Mid-Autumn Festival Celebrating Reunion, Warm and Happy Gathering at Clifford" activity at the Clifford Lakefront Plaza, with 40 parent-child families participating. The event included activities such as mooncake DIY, lantern riddles, and arrow throwing, aiming to lead community residents to experience the fun of the festival. It also took this opportunity to promote and inherit excellent traditional Chinese culture, creating a harmonious and happy festive atmosphere.

"Full Moon Mid-Autumn Festival Celebrating Reunion, and Happy Gathering at Clifford" activity

Case: **Community Activity of "Harmonious Neighborhood, Fragrance of Dragon Boat Festival"**

In November 2024, the Group planned and organized the community event "Harmonious Neighborhood, Fragrant Dragon Boat Festival Zongzi", which attracted many residents to actively participate. Through this activity, we not only let residents feel the unique charm of traditional festivals, but also built a bridge of communication between neighbors, created a harmonious and beautiful community atmosphere, and further enhanced the cohesion and sense of belonging of the community.

"Harmonious Neighborhood, Fragrance of Dragon Boat Festival" Community Activity

Organizing parent-child activities to create a harmonious atmosphere

The Group pays attention to the growth and development of individual families in the community. We creatively organize a wide variety of parent-child activities, which are aimed at enhancing parent-child interaction and neighborly relations to build a united and friendly community.

Case: **"Colorful Floral Art, Love at Clifford" Mother's Day parent-child flower arranging activity**

In May 2024, the Group organized the "Colorful Floral Art, Love at Clifford" Mother's Day parent-child flower arranging activity, with 40 parent-child families participating. During the event, family members worked together to create beautiful and creative flower baskets as gifts for their mothers. Through this activity, we provided children with a platform to express their love to their mothers, not only allowing them to convey their affection but also enhancing each family's sense of belonging to the community.

"Colorful Floral Art, Love at Clifford" Mother's Day parent-child flower arranging activity

Case: **Easter parent-child egg hunt**

In March 2024, the Group held an Easter egg hunt activity for parents and children within the community. A total of 50 families actively participated in the event. While allowing residents to experience the fun of searching for colorful eggs, the activity also enhanced communication between parents and children, contributing to the development of a happy community.

Easter parent-child egg hunt activity

7.2 EMBRACE CHARITY, GIVING BACK TO SOCIETY

The Group devotes itself to charity through various channels and transmits the power of public welfare. This year, we continued to send warmth to remote mountainous areas and social vulnerable groups through activities such as book donation, clothing donation and charity sale, and fulfilled our corporate social responsibilities with practical actions.

Case: **The 17th Clifford charity book donation activity**

In June 2024, the Group participated in the 17th Clifford Charity Book Donation Campaign. During the event, the Group organized employees to assist with book sorting, categorization, counting, and registration. The collected books were then sent to several remote mountainous areas, including Qingyuan, Yunfu, Meizhou, and the Yao Autonomous Region, to allow more children in these areas to experience the power of knowledge. A total of 26,492 books were donated, and 87 volunteers participated in the activity.

The 17th Clifford charity book donation activity

Case: **The 9th clothing donation campaign**

In November 2024, the Group organized the 9th Clothing Donation Campaign. During the event, the Group called on employees to actively participate in the collection and sorting of clothes, and donated the clothes to impoverished children in the mountainous areas of Sichuan, delivering warmth and care to the underprivileged regions through practical actions.

Clothing donation campaign

Case: **The 3rd Charity Sale**

In November 2024, the Group actively responded to the call of the Panyu District Property Management Association and the Panyu Charity Association in Guangzhou City. We held the 3rd Charity Sale at the European Plaza of Clifford Binfen World in Panyu District, Guangzhou City. The items for sale included creative handicrafts, green plants and flowers, stationery, and retail products. The proceeds from this charity sale will be donated to Jinxing Primary School in Guizhou to help improve its teaching environment and facilities.

Charity sale

APPENDIX I: POLICY LIST

ESG Indicator	Compliance with National Policy	Internal policies
A. Environmental	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes Evaluation Standard for Green Construction of Building Environmental Protection Law of the People's Republic of China Atmospheric Pollution Prevention and Control Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise Energy Conservation Law of the People's Republic of China Circular Economy Promotion Law of the People's Republic of China Wild Animal Conservation Law of the People's Republic of China Chinese Programme for Natural Protection Boiler Air Pollutant Emission Standard Regulations on the Safety Management of Hazardous Chemicals Emergency Response Law of the People's Republic of China	Policy on Management of Energy Conservation and Consumption Reduction Policy on Management of Energy, Electricity and Water Conservation Rules on Waste Sorting Management
B1. Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Provisions on the Prohibition of Using Child Labor Law of the People's Republic of China on the Protection of Minors International Labor Standards	Employee Handbook Incentive Plan for Management Efficiency Profit Sharing Plan for New Business Development Recruitment Rules Training Management Policy Measures for Talent Introduction Operations Code of Human Resources and Administration Department

ESG Indicator	Compliance with National Policy	Internal policies
B2. Health and Safety	Labor Law of the People's Republic of China Fire Protection Law of the People's Republic of China Work Safety Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Regulation on Work-Related Injury Insurance Regulation on Realty Management	Policy on Work Safety Management Work Safety Rules and Procedures Policy on Work-related Injury Management Policy on Safety Target Management Policy on Management of Work Safety Responsibility Policy on Management of Safety Education and Training Safety Inspection Policy Emergency Management Policy Policy on Management of Safety Performance Policy on Fire Safety Management Policy on Management of Work Safety Meeting Clifford Property Emergency Response Plan Policy of Clifford Property on Work Safety and Fire Safety Management Retail Sector Work Safety Policy
B5. Supply Chain Management	The Bidding Law of the People's Republic of China Regulation on the Implementation of the Bidding Law of the People's Republic of China	Supplier Management Policy Policy on Supplier Evaluation Management Policy on Management of Supplier Integrity Inspection Procurement Management Policy Supplier Qualification Requirements

ESG Indicator	Compliance with National Policy	Internal policies
B6. Product Responsibility	Civil Code of the People's Republic of China Trademark Law of the People's Republic of China Copyright Law of the People's Republic of China Advertising Law of the People's Republic of China Patent Law of the People's Republic of China Product Quality Law of the People's Republic of China Law of the People's Republic of China on the Protection of Consumer Rights and Interests Cybersecurity Law of the People's Republic of China Urban Real Estate Administration Law of the People's Republic of China Product Quality Law of the People's Republic of China Regulation on Realty Management Regulations on Quality Management of Construction Projects Opinions of the General Office of the State Council on Promoting the Sustainable and Healthy Development of the Construction Industry Food Safety Law of the People's Republic of China	Intellectual Property Management Manual Reward and Punishment Policy on Intellectual Property Training Policy on Intellectual Property Rules on Owners' Archives Management Policy on Customer Complaint Management Complaint Follow-up and Handling Process Emergency Response Plan Rules on Shelf Life of Goods Policy on Management of Responsibilities of Operation Department Project Quality Control Mechanism Confidentiality Policy on Owners' Information Response Plan for Owner Information (Privacy) Leakage Policy on Corporate Research and Development Reserves Project Management Center Work Specifications Management Policy of After-sales Service Department Management Policy of Customer Service Department Customer Complaint Handling Standards Management Policy of Commodity Access Operation Manual of Clifford Supermarket Management Code for Near-Expired Goods Hygiene Management Rules Requirements on Production Materials Standards Daily Management Policy of Food and Beverage Operation Management Manual of Food Safety Group Image System Manual Intellectual Property Training System Regulations on Information System Data Security Management

ESG Indicator	Compliance with National Policy	Internal policies
B7. Anti-Corruption	Company Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Anti-Monopoly Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Interim Provisions on Banning Commercial Bribery	Integrity Training for New Employees Clifford Group Discipline Inspection Work Regulations Clifford Group Gift and Cash Gift Management Measures
B8. Community Investment		Rules of Clifford Modern Living's Volunteer Team

APPENDIX II:
KEY PERFORMANCE LIST

ENVIRONMENTAL KEY PERFORMANCE LIST

ESG Indicator	Unit	2024
Nitrogen oxides	Kilogram	307.54
Sulfur oxides	Kilogram	0.21
Particulate matter	Kilogram	6.40
Total greenhouse gas emissions (Scope 1 + Scope 2)	Tonne of carbon dioxide	6,146.86
Greenhouse gas emission intensity (Scope 1 + Scope 2)	Tonne of carbon dioxide/RMB'000 operating income	0.02
Scope 1 (carbon dioxide equivalent emissions)	Tonne of carbon dioxide	629.17
Scope 2 (carbon dioxide equivalent emissions)	Tonne of carbon dioxide	5,517.69
Hazardous waste	Kilogram	421.08
Hazardous waste intensity	Kilogram/RMB'000 operating income	0.0011
Non-hazardous waste	Kilogram	231,903.96
Non-hazardous waste intensity	Kilogram/RMB'000 operating income	0.63
Direct energy consumption	Thousand kWh	3,052.05
Indirect energy consumption	Thousand kWh	10,282.69
Total energy consumption	Thousand kWh	13,334.74
Energy density	Thousand kWh/RMB'000 operating income	0.04
Water consumption	Cubic meter	183,270.19
Water consumption intensity	Cubic meter/RMB'000 operating	0.50
Plastic bag	Tonne	0.45

Note:

The collection period of environmental data covers January 1, 2024 to December 31, 2024. The scope of collection includes:

- Energy consumption of group headquarters, office areas of business segments, subordinate supermarkets, fresh food markets, convenience stores, catering services; and

- Energy consumption of corporate vehicles and transportation vehicles at group headquarters and each business segment;

1. The disclosed values of emission data are obtained from the consumption of gasoline and diesel by the Group and each business segment. The relevant emission factors refer to the Reporting Guidance on Environmental KPIs of the Stock Exchange.

2. The disclosed values of greenhouse gas emissions are obtained from the consumption of gasoline, diesel, natural gas, and purchased electricity. The emission factors in Scope 1 are calculated with reference to the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Construction Operators (Enterprises) (Trial) issued by the General Office of the National Development and Reform Commission; the greenhouse gas data in Scope 2 are attributed to the purchased electricity. The greenhouse gas emission factors of power grid in China refer to the latest national grid average emission factor published by the Ministry of Ecology and Environment of the PRC, while those in Hong Kong refer to the Reporting Guidance on Environmental KPIs of the Hong Kong Stock Exchange.

3. The non-hazardous waste of the Group is waste from office areas, such as office waste and kitchen waste.

4. The energy consumption value derives from the use of gasoline, diesel, natural gas and purchased electricity. The energy consumption factors refer to the General Rules for Calculation of the Comprehensive Energy Consumption (GB2589–2020).

5. The water consumption of the Group mainly comes from the operation of various business segments and offices.

6. The plastic bags used by the Group are mainly from the paid plastic shopping bags provided to customers by the supermarkets in retail services segment.

SOCIAL KEY PERFORMANCE LIST

ESG Indicator		Unit	2024
B1. Employment			
B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region			
Total number of employees		Person	618
	Male employees	Person	221
	Female employees	Person	397
By category	Senior management	Person	11
	Middle management	Person	42
	General employees	Person	565
By type	Full-time employees	Person	594
	Part-time employees	Person	0
	Contract employees	Person	24

ESG Indicator		Unit	2024
By age	Employees aged 30 and below	Person	72
	Employees aged between 31 and 40	Person	139
	Employees aged between 41 and 50	Person	263
	Employees aged 50 years and above	Person	144
By region	Employees in Chinese mainland	Person	613
	Employees in Hong Kong, Macao, Taiwan and Overseas	Person	5
B1.2 Employee turnover rate by gender, age group and geographical region[1]			
Turnover rate		%	28.39
By gender	Male employees	%	30.28
	Female employees	%	27.29
By age	Employees aged 30 and below	%	49.65
	Employees aged between 31 and 40	%	24.04
	Employees aged between 41 and 50	%	25.50
	Employees aged 50 years and above	%	21.74
By region	Employees in Chinese mainland	%	28.55
	Employees in Hong Kong, Macao, Taiwan and Overseas	%	0.00
B2. Health and Safety			
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year[2]			
	Number of work-related fatalities	Person	0
	Rate of work-related fatalities	%	0
B2.2 Lost days due to work injury			
	Total days lost due to work-related injuries	Day	241
B2.3 Occupational health and safety measures adopted			
	Annual Health Check up	Person	554
	Number of safety drills (including fire drills)	Time	59
	Number and percentage of participants in safety drills	Person/%	567/91.75

[1] The formula for calculating employee turnover rate is: the number of employees in that category who have left / (the number of employees in that category who have left + the total number of employees in that category at the end of the year) × 100%.

[2] Number and rate of work-related fatalities occurred in 2022 and 2023 are 0, respectively.

ESG Indicator	Unit	2024
B3. Development and Training		
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)		
Percentage of employees trained	%	98.71
By gender Male employees	%	95.93
Female employees	%	100.00
By category Senior Management	%	63.64
Middle management	%	100.00
General employees	%	98.94
B3.2 The average training hours completed per employee by gender and employee category		
Total training hours of employees[3]	Hour	648.83
By gender Male employees	Hour	10.61
Female employees	Hour	12.50
By category Senior Management	Hour	11.68
Middle management	Hour	15.43
General employees	Hour	11.56
B5. Supply Chain Management		
B5.1 Number of suppliers by geographical region		
Total number of suppliers	Nr.	670
Chinese mainland	Nr.	659
Hong Kong, Macao and Taiwan regions	Nr.	10
Overseas	Nr.	1
B5.2 Number of suppliers where the practices are being implemented		
Number of suppliers that have implemented the practices	Nr.	670

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[3]   The data represents the total duration of the training conducted.

ESG Indicator	Unit	2024
B6. Product Responsibility		
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons		
Product recycling	Tonne	0
B6.2 Number of products and service related complaints received and how they are dealt with		
Number of customer complaints received	Time	2,769
Customer satisfaction	%	96.80
B6.3 Observing and protecting intellectual property rights		
Number of patents applied for	Case	0
Number of patents granted	Case	0
B7. Anti-corruption		
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		
Number of corruption lawsuits filed or concluded	Case	0
B8. Community Investment		
B8.2 Resources contributed to the focus area		
Public welfare investment	RMB	21,227.28
Number of employees participating in volunteer activities	Person/time	134

APPENDIX III: HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE

ESG KPIs		Chapter
Part B: Mandatory Disclosure Requirements		
Governance Structure		
(i)	A disclosure of the board's oversight of ESG issues;	SUSTAINABILITY MANAGEMENT
(ii)	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	SUSTAINABILITY MANAGEMENT
(iii)	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	SUSTAINABILITY MANAGEMENT
Reporting Principles		
Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	ABOUT THE REPORT
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	ABOUT THE REPORT
Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	ABOUT THE REPORT
Reporting Boundary		
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		ABOUT THE REPORT

ESG KPIs		Chapter
Part C: "Comply or explain" Provisions		
Aspect A1: Emissions		
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.*	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME
A1.1	The types of emissions and respective emissions data.	APPENDIX II: KEY PERFORMANCE LIST
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX II: KEY PERFORMANCE LIST
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX II: KEY PERFORMANCE LIST
A1.5	Description of emission target(s) set and steps taken to achieve them.	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME

ESG KPIs		Chapter
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME
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).	APPENDIX II: KEY PERFORMANCE LIST
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	APPENDIX II: KEY PERFORMANCE LIST
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	APPENDIX II: KEY PERFORMANCE LIST
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	LOW-CARBON DEVELOPMENT, BUILDING A GREEN HOME

ESG KPIs		Chapter
Aspect B1: Employment		
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.	INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	APPENDIX II: KEY PERFORMANCE LIST
B1.2	Employee turnover rate by gender, age group and geographical region.	APPENDIX II: KEY PERFORMANCE LIST
Aspect B2: Health and Safety		
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.	INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	APPENDIX II: KEY PERFORMANCE LIST
B2.2	Lost days due to work injury.	APPENDIX II: KEY PERFORMANCE LIST
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES
Aspect B3: Development and Training		
General Disclosure	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	APPENDIX II: KEY PERFORMANCE LIST
B3.2	The average training hours completed per employee by gender and employee category.	APPENDIX II: KEY PERFORMANCE LIST

ESG KPIs		Chapter
Aspect B4: Labour Standards		
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.	INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES
B4.1	Description of measures to review employment practices to avoid child and forced labour.	INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES
B4.2	Description of steps taken to eliminate such practices when discovered.	INCLUSIVE AND INTEGRATED, GROWING TOGETHER WITH EMPLOYEES
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	MUTUAL BENEFIT AND WIN-WIN, DRIVING VALUE GROWTH
B5.1	Number of suppliers by geographical region.	APPENDIX II: KEY PERFORMANCE LIST
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	MUTUAL BENEFIT AND WIN-WIN, DRIVING VALUE GROWTH
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	MUTUAL BENEFIT AND WIN-WIN, DRIVING VALUE GROWTH
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	MUTUAL BENEFIT AND WIN-WIN, DRIVING VALUE GROWTH

ESG KPIs		Chapter
Aspect B6: Product Responsibility		
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.	QUALITY MANAGEMENT, CREATING EXCELLENT SERVICES
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	APPENDIX II: KEY PERFORMANCE LIST
B6.2	Number of products and service related complaints received and how they are dealt with.	QUALITY MANAGEMENT, CREATING EXCELLENT SERVICES
B6.3	Description of practices relating to observing and protecting intellectual property rights.	QUALITY MANAGEMENT, CREATING EXCELLENT SERVICES
B6.4	Description of quality assurance process and recall procedures.	QUALITY MANAGEMENT, CREATING EXCELLENT SERVICES
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	QUALITY MANAGEMENT, CREATING EXCELLENT SERVICES

ESG KPIs		Chapter
Aspect B7: Anti-corruption		
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.	SUSTAINABILITY MANAGEMENT
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.	APPENDIX II: KEY PERFORMANCE LIST
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	SUSTAINABILITY MANAGEMENT
B7.3	Description of anti-corruption training provided to directors and staff.	SUSTAINABILITY MANAGEMENT
Aspect B8: Community Investment		
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.	DEDICATED TO PUBLIC WELFARE, ENHANCING PEOPLE'S WELL-BEING
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	DEDICATED TO PUBLIC WELFARE, ENHANCING PEOPLE'S WELL-BEING
B8.2	Resources contributed (e.g. money or time) to the focus area.	DEDICATED TO PUBLIC WELFARE, ENHANCING PEOPLE'S WELL-BEING

ESG KPIs	Chapter
Part D: Climate-related Disclosures	

This section will take effect for fiscal years starting on or after January 1, 2025, and during the reporting period, the Group disclose in accordance with Section D 17 (1): "An issuer must disclose its Scope 1 greenhouse gas emissions and Scope 2 greenhouse gas emissions pursuant to paragraphs 28(a), 28(b) and 29 on a mandatory basis."

D28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent , classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions.	APPENDIX II: KEY PERFORMANCE LIST
D29	An issuer shall: (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	APPENDIX II: KEY PERFORMANCE LIST