

用心構築美好生活

BUILDING BETTER LIVES

Grow into a customer -
preferred smart city service brand

2023

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

永升服务集团有限公司

Ever Sunshine Services Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 01995

用心每一天

让客户省心放心开心

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1. ABOUT THIS REPORT

Ever Sunshine Services Group Limited (hereinafter referred to as “Ever Sunshine Services” or “Ever Sunshine” or the “Company”) and its subsidiaries (hereinafter referred to as “we” or the “Group”) is pleased to release our fifth Environmental, Social and Governance (“ESG”) report (hereinafter referred to as this “Report”).

INTRODUCTION TO THE REPORT

On the basis of previous years’ ESG reports, the Company will further comprehensively and objectively disclose the vision, strategies and practices related to environmental, social and governance of Ever Sunshine Services during the period from 1 January 2023 to 31 December 2023 (the “Reporting Period”) to promote stakeholders’ understanding of the Company’s sustainable development performance. Unless otherwise stated, the scope of the Report is consistent with the Company’s 2023 annual report.



BASIS OF PREPARATION

This Report has been prepared in accordance with “Environmental, Social and Governance Reporting Guideline” (the “ESG Reporting Guideline”) as set out in Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). An index of the content of the indicators in the ESG Reporting Guideline is detailed in the Appendix section of this Report to facilitate quick reference by readers. The disclosures in this Report comply with the “comply or explain” provisions of the ESG Reporting Guideline.

REPORTING SCOPE

The policy documents, statements, data, etc. in this Report cover the actual scope of the Group’s business, except where individual information is specifically stated.

DATA SOURCES

This Report follows the principles of materiality, quantitative, balance and consistency of the ESG Reporting Guideline. The data and Cases are all derived from the Company’s statistical reports and related documents. Unless otherwise specified, the currency amounts included in this Report are in RMB.

APPROVAL OF THE REPORT

This Report follows the materiality principles of the ESG Reporting Guideline and was considered and approved for issue by the board (the “Board”) of directors (the “Directors”) on 26 April 2024.

REPORT COMMITMENT

The Company undertakes that this Report does not contain any false statements or misleading statements and is responsible for the truthfulness, accuracy and completeness of its content.

ACCESS TO THE REPORT

This Report is available in traditional Chinese and English for readers’ reference. The electronic version of the Report is available on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.ysservice.com.cn).

FEEDBACK ON THE REPORT

If you have any question or feedback on this Report and its content, please feel free to contact us via the following methods:



You can also contact us through the following channel:
Email address: IR@ysservice.com.cn

2. THE OPENING REMARKS

In 2023, the recovery of the real estate industry may not meet the initial expectations, bringing certain challenges to the property management service industry. Ever Sunshine Services resolutely focuses on improving the quality of service, devotes more efforts to improve customer experience, and flexibly copes with the changes to maintain our leading position in the competition. In 2023, we always adhered to the "Platform + Ecosystem" strategy, adhered to the quality of service, served our customers with dedication, enhanced the level of green and low-carbon development, and continued to make progress in order to become a customer-preferred smart city service brand.

Operational Sustainability, Focus on Quality Management

Ever Sunshine Services always adheres to the spirit of long-termism, constantly refines the management of sustainable development, adheres to the sincerity of the original heart, and constructs a better life with heart. In 2023, by combining the six-factor methodology of "culture, system, experience, awareness, skills and tools, and scenarios", we continued to improve our service quality and customer satisfaction through "Keeping the Truth to the Future (持真致远)", upgraded our services from "things" management to "people" services, focused on the whole-age experience of "people", and provided comprehensive services for the whole space of the city and the whole cycle. We participated in the compilation of "New Demand, New Service, New Track-A Book to Read and Understand Value-added Property Services", to understand the new direction of the property industry services more deeply, and to bring quality service experience to more customers.



Green and Sustainable, Improve Low-Carbon Governance

Ever Sunshine Services always practices the concept of green development, responds to the requirements of low-carbon transformation of domestic and foreign enterprises, and leads the trend of resource conservation. In 2023, we continued to advocate green property and green office, carried out environmental protection publicity activities, and used the online informationised energy management platform to improve the environmental management system in an efficient and orderly manner. We actively responded to the national call to carry out the "Ever Sunshine Public Welfare Action" environmental protection and public welfare activities throughout the year, and continued to encourage employees and property owners to participate in waste classification and recycling and community carbon reduction actions to build a green community.

Impact Sustainability, with a Focus on Win-Win Collaboration

Ever Sunshine Services always improves the mode of cooperation among all parties, maintains close communication with all stakeholders, fully respects the opinions of customers, shareholders, employees, suppliers, communities and other stakeholders, and develops in the same frequency with the concerns of stakeholders and with social responsibility. In 2023, we continued to work with our employees to improve the talent structure of our property, enhanced the welfare and number of grassroots employees, developed an appropriate training system, and built a working environment with a comprehensive welfare system and high employee satisfaction. We promoted environmental and social responsibility among our suppliers and worked with them to drive green transformation and sustainable development throughout the supply chain. We continued to actively carry out the "Baby Run - Summer Camp" public welfare activity, agricultural support work, helped in the sale of agricultural products, actively supported other communities in extreme weather, such as rainstorms, and shared the responsibility of the society.

Towards 2024, the opening year of "Ever Sunshine Second Five-Year Plan", we will continue to make progress on the road of sustainable development, and always adhere to the original heart of "Building better lives". Together with our customers, employees, shareholders, partners and other stakeholders, we will guard the beautiful vision of "a customer-preferred smart city service brand".

3. ABOUT THE COMPANY

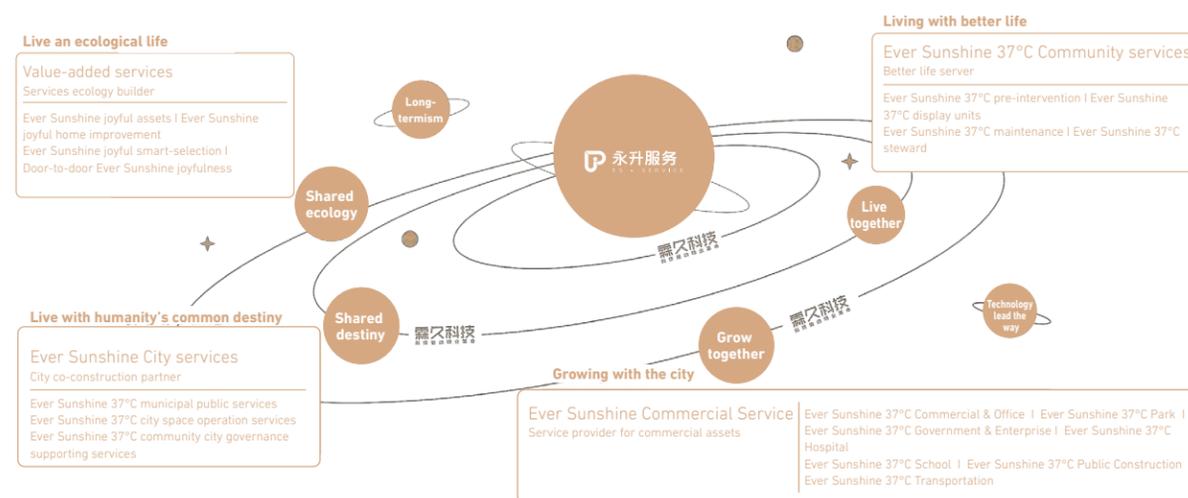
With the core mission of "Building better lives", Ever Sunshine Services is committed to "Let customer be trouble-free, worry-free, and discontent-free", provides customers with "satisfaction + surprise" quality services, drives diversified development with technological innovation, develops comprehensive smart city services, comprehensively lays out a "Four-wheel drive", builds a "platform + ecological" type enterprise, and promotes Ever Sunshine Services to become a customer-preferred smart city service brand.

Company Profile

Ever Sunshine Services is a comprehensive smart city services brand, which was listed on the Main Board of the Stock Exchange in December 2018 (stock code: 01995HK). The Company has a level 1 qualification of property, enjoys a good reputation and is growing rapidly. Its product matrix covers five major types of services, namely community services, city services, value-added services, commercial services and smart services.

Ever Sunshine Services has been awarded as one of the Top 100 Property Management Services Enterprises in China for consecutive years, and was ranked 12th among the Top 100 Property Services Power Enterprises in China in 2023, and has obtained a series of national system certifications. Ploughing into the property management services industry for many years, Ever Sunshine Services always pursues to provide customers with a better life, and has developed into a property service enterprise with diversified and innovative exploration, with a full range of project types covering the ten major industries such as residential, commercial, communities, office buildings, schools, hospitals, exhibition halls, culture and tourism, transportation hubs, city services, etc., comprehensively assisting in the new development of a harmonious society, and aiming to become a customer-preferred smart city service brand.

As of 31 December 2023, Ever Sunshine Services had a management scale of more than 221.4 million square metres, a contracted area of approximately 308.3 million square metres, and provided better living services for more than 1.01 million households in 110 cities across China. Looking ahead, Ever Sunshine Services will focus more on and improve service efficiency and quality, innovating service content, providing customers with comprehensive and personalized services, and gradually building a service ecosystem of "professionalism and expertise (專業專精)".

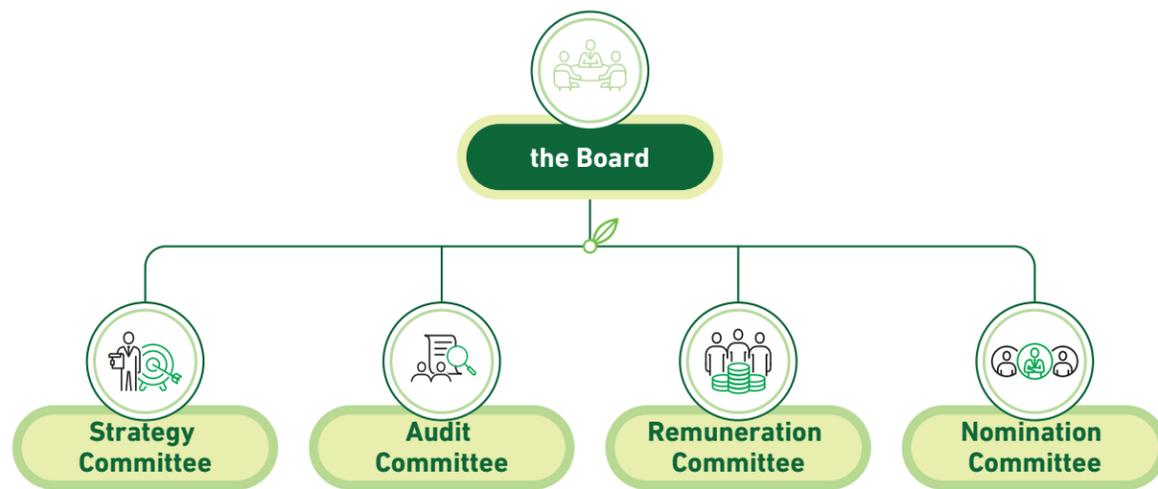


Ever Sunshine Services Product Matrix -Gravitational Service Ecology 2.0



Organization Structure

Ever Sunshine Services is committed to maintaining high standard of corporate governance. In view of the Company’s business scope and actual situation, the Board has set up four committees, namely the Strategy Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee to work together for collaborative management. We firmly believe that a good organization structure plays a key role in the sustainable development and performance of the Company. We will continue to rely on a sound and robust organization structure to continuously improve our corporate governance and provide a solid foundation for the sustainable development of the Company.



Corporate Culture

Ever Sunshine Services focuses on customer needs, and has built a set of positive, progressive and clearly orientated corporate culture system. We always adhere to the corporate mission of “Building better lives”, guide our employees to adhere to the value that their own good is not as good as everyone else’s, and face every customer with appreciation and gratitude, and struggle happily every day, so that our customers can really feel “trouble-free, worry-free, and discontent-free” of Ever Sunshine Services.

We adhere to the eight business principles of development, service, cooperation, innovation, decision-making, authorization, implementation and risk control, and constantly create corporate value. We will continue to strive to achieve the vision of “Become a customer-preferred smart city service brand”.

Mission	Building better lives
Vision	Become a customer-preferred smart city service brand
Values	Let customer be “trouble-free, worry-free, and discontent-free” An appreciative eye, a grateful heart Happy struggle With heart and soul every day Better for ourselves than for everyone else
Operating Principles	Principle of Development, Principle of Service, Principle of Cooperation, Principle of Innovation, Principle of Decision-making, Principle of Authorization, Principle of Implementation, Principle of Risk Control.



Responsibility for 2023

ECONOMIC INDICATORS



Financial Performance



Total assets
(RMB100 million)

Performance of 2023

88.3

Performance of 2022

80.4



Total equity
(RMB100 million)

Performance of 2023

52.1

Performance of 2022

48.3



Income
(RMB100 million)

Performance of 2023

65.4

Performance of 2022

62.8



Profit and total comprehensive income for the year
(RMB100 million)

Performance of 2023

5.3

Performance of 2022

5.8



Profit and total comprehensive income for the year attributable to owners of the Company
(RMB100 million)

Performance of 2023

4.3

Performance of 2022

4.8



Product Services



Number of cities we serve

Performance of 2023

110

Performance of 2022

116



Contracted GFA (000' square meters)

Performance of 2023

308,265

Performance of 2022

303,435



Number of contracted projects

Performance of 2023

1,678

Performance of 2022

1,542



GFA under management
(000' square meters)

Performance of 2023

221,408

Performance of 2022

209,954



Number of projects under management

Performance of 2023

1,307

Performance of 2022

1,148



Number of households we serve households

Performance of 2023

>1,010,000

Performance of 2022

>930,000



Customer satisfaction %

Performance of 2023

87.4

Performance of 2022

86.7



ENVIRONMENTAL INDICATORS



Total greenhouse gas emissions
(tonnes of CO₂e)

Performance of 2023

382.30



Total energy consumption
(kWh)

Performance of 2023

695,622.84



Total purchased electricity
(kWh)

Performance of 2023

650,571.39



Total water consumption
(tonnes)

Performance of 2023

2,774.77



Responsibility for 2023

SOCIAL INDICATORS



Employment Compliance

The total number of employees (persons)

Performance of 2023

24,605

Performance of 2022

26,685

The total number of male employees (persons)

Performance of 2023

15,367

Performance of 2022

15,468

The total number of female employees (persons)

Performance of 2023

9,238

Performance of 2022

11,217

Percentage of male employees (%)

Performance of 2023

62.5

Performance of 2022

58.0

Percentage of female employees (%)

Performance of 2023

37.5

Performance of 2022

42.0

The number of fresh graduates recruited (persons)

Performance of 2023

167

Performance of 2022

175

Social insurance coverage (%)

Performance of 2023

100

Performance of 2022

100

Safety and Health

Number of production safety trainings (times)

Performance of 2023

312

Performance of 2022

620

Number of emergency drills (times)

Performance of 2023

1,337

Performance of 2022

2,440

Community Investment

Social welfare input in 2023 (RMB in 10 thousand)

Performance of 2023

22

Performance of 2022

17

Care for Employees

Employee activities carried out number

Performance of 2023

350+

Performance of 2022

320+

Number of emergency drills (times)

Performance of 2023

About **4,000**

Performance of 2022

About **3,500**

Training and Development

The number of employees trained (persons)

Performance of 2023

24,211

Performance of 2022

26,231

Total training investment (RMB in 10 thousand)

Performance of 2023

328.4

Performance of 2022

261.6

Number of hours of training for serving male employees (hours)

Performance of 2023

91.5

Performance of 2022

91.4

Number of hours of training for serving female employees (hours)

Performance of 2023

88.9

Performance of 2022

88.3

Awards for 2023

Level/Issued by	Awards
CRIC Property Management, China Property Research	Top 10 Overall Strength of Property Service Enterprises in China in 2023
	Leading Enterprise of Property City Services in China in 2023
	Top 100 Enterprises of Property Service in China for Brand Value
	Top 20 Enterprises of City Services in China in 2023
	China's Top 30 Enterprises of Property Service Brand in East China in 2023
	Top 100 Enterprises of Property Service Strength in China in 2023
	Leading Enterprises of Property Service Satisfaction in China in 2023
Shanghai Property Management Industry Association	Top 20 Enterprises of School Property Service Strength in China in 2023
	Leading Growth Enterprise in Property Management in Wuhan
	Five-star Enterprise of Property Service Comprehensive Strength Star Rating Assessment in Shanghai in 2023
Urban Development Magazine, China Property Management (Quality Housing) Enterprise Alliance	China Property Management (Quality Housing) Enterprise Alliance
	Ranked No.1 among the Top 100 Comprehensive Property Service Enterprises in Shanghai in 2023
Shanghai Property Management Industry Association	

4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Ever Sunshine Services manages ESG issues from the top down in a holistic manner, and through communication with stakeholders, actively understands the sustainable development requirements of the industry and the society, and continuously refines the sustainable development management work.

Statement of the Board

The Board of the Company attaches great importance to sustainable development management and has incorporated ESG governance into its corporate governance structure. We have established a multi-level, regulatory, efficient and enforceable ESG management framework in accordance with the disclosure requirements of the Stock Exchange's ESG Reporting Guideline, which is continuously updated and improved to give the Board a leading role in participating in the oversight of the Group's ESG affairs.

ESG governance responsibility

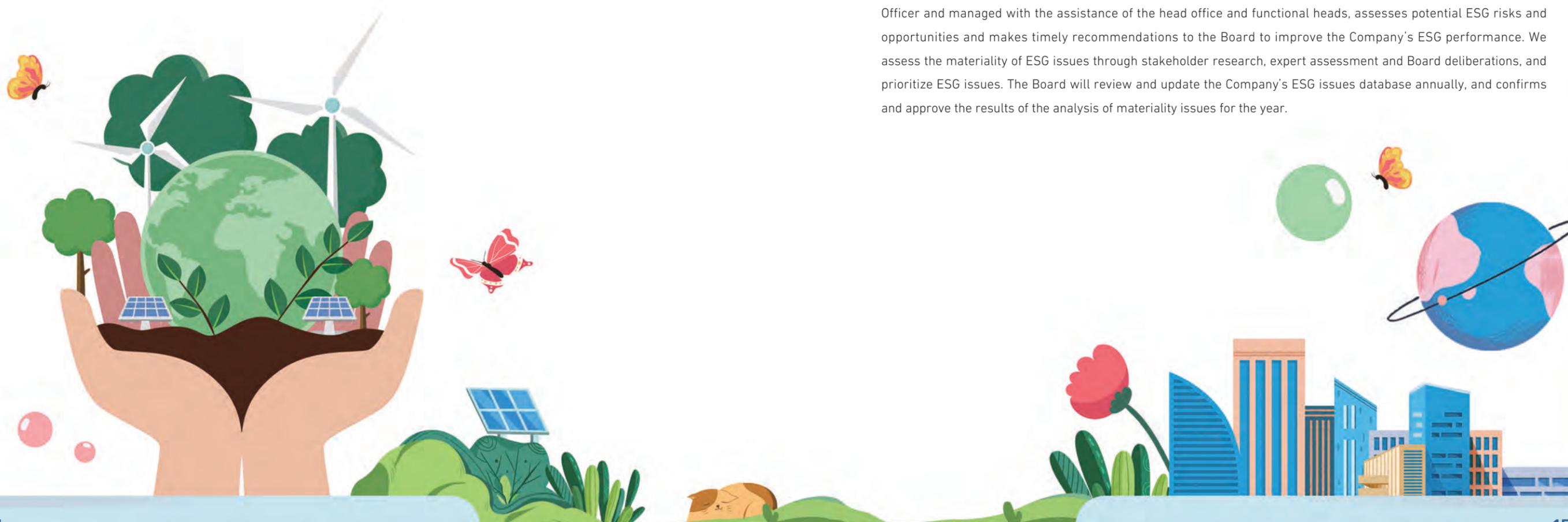
The Board is fully responsible for the Group's ESG management policies, strategies and reporting. It is the highest decision-making body for ESG management of the Company and sets the Company's ESG management policies, strategies, priorities and targets on ESG-related matters; and coordinates the review of annual ESG performance, risk management, achievement of key targets and information disclosure. The Board is required to regularly review and ensure that appropriate and effective internal ESG management and monitoring systems are in place; to identify and assess ESG-related risks and opportunities affecting the Company's operations; to review the Group's ESG performance and progress towards achieving its targets; and to communicate with issuers by approving and signing publicly disclosed annual ESG reports.

ESG target management

The Board takes full responsibility for setting and managing the Group's goals, identifying and continually improving the management of and response to climate change risks and opportunities. The Board carries out an annual review of the goals and their governance and will continue to deliberate, review and track progress towards achieving them.

ESG risk management

Ever Sunshine Services attaches importance to the significant impact that ESG risks may have on the Group, and actively identifies and manages ESG risks. The Group's ESG Committee, which is coordinated by Chief Executive Officer and managed with the assistance of the head office and functional heads, assesses potential ESG risks and opportunities and makes timely recommendations to the Board to improve the Company's ESG performance. We assess the materiality of ESG issues through stakeholder research, expert assessment and Board deliberations, and prioritize ESG issues. The Board will review and update the Company's ESG issues database annually, and confirms and approve the results of the analysis of materiality issues for the year.



ESG Governance Structure

Ever Sunshine Services has established an ESG governance structure with clear responsibilities for decision-making, execution and supervision, as well as efficient operation. Meanwhile, we review the ESG governance structure and functions in accordance with the Group's latest business development goals, business needs and the regulatory requirements of the Stock Exchange, and continuously review and improve the corporate governance system.

ESG Governance Structure of Ever Sunshine Services

Governance Level	Personnel Composition	Key Functions
Highest Governance Body	Board	<ul style="list-style-type: none"> Responsible for the formulation of the Company's ESG management policy, strategy, ESG-related issues priorities and targets; Co-ordinate the review of annual ESG performance, risk management, achievement of key targets and information disclosure; Audit and ensure that appropriate and effective internal ESG management and control systems are in place; Identify and assess ESG-related risks and opportunities that impact on the Company's operations; Review the Group's ESG performance and its goals and their achievement; Take full responsibility for the ESG's governance strategy and reporting.
ESG Committee	Coordinated by the executive president of the Company and comprises the heads of the functional departments of the Company's headquarters	<ul style="list-style-type: none"> Maintain the operation of the ESG system, enhance employees' awareness of environmental and social responsibility; Identify ESG issues related to the main operations of the Company, and/or the shareholders and other important stakeholders of the Company; Guide, monitor and review the implementation of ESG work of the Company, and respond to the latest ESG issues; Ensure that the Company complies with relevant legal and regulatory requirements and promote all departments to implement various ESG policies; Assess the risks and opportunities that the Company may face and make relevant recommendations to the Board as appropriate to enhance the Company's ESG performance.
ESG Management Executive Level	Executive personnel of relevant functional departments of the headquarters, regional companies, and other business units	<ul style="list-style-type: none"> Implement relevant resolutions of the Board and ESG Committee; Implement the collection, recording and reporting of ESG related documents and data; Implement and optimize the Group's ESG concepts, strategies and measures in daily operation and management.

The Board of Ever Sunshine Services also has four special committees in respect of strategy, nomination, remuneration and audit, each of which performs its duties, effectively assists the Board in performing duties and supervising the business operations of the Company, and pays attention to specific issues and practices in the sustainable development of the Company regularly.

Communication with Stakeholders

Ever Sunshine Services builds a perfect stakeholder communication mechanism, opens up diversified communication channels, sets up year-round questionnaires to fully understand their views and aspirations. We disclose corporate information through channels such as our official website, WeChat public website and management roadshows; we use general meetings, employee and property owner satisfaction surveys, supplier exchanges and investor enquiries to grasp and respond to stakeholders' concerns in a timely manner, and use them as a basis to continuously improve our strategic planning for sustainable development.

Stakeholders	Major Aspirations	Communication Channels or Means
Customers	<ul style="list-style-type: none"> Professional and comprehensive products and services Harmonious community culture Customer relationship maintenance Customer information protection 	<ul style="list-style-type: none"> Carry out daily business operations Set up a customer service center Conduct customer satisfaction surveys Carry out on-site visits by customer manager Set up an online service platform
Employees	<ul style="list-style-type: none"> Protection of legitimate rights and interests Salary and benefits Occupational health and safety Career development and opportunities 	<ul style="list-style-type: none"> Conduct performance review/assessments Conduct employee engagement surveys Carry out employee talks/Views exchange sessions Carry out caring activities for employees

Stakeholders	Major Aspirations	Communication Channels or Means
Shareholders/ Investors	Financial performance and profitability Protection of rights and interests Information disclosure and transparency	Convene general meetings Complete information disclosure in a timely manner Publish reports regularly Hold investor meetings/Carry out investor enquiries
Government	Comply with laws and regulations Legal operation and pay taxes according to the law Implement national policy	Accept the supervision and management of government departments Participate in government meetings or training Report on policy implementation
Suppliers and Business Partners	Mutual benefit and win-win cooperation Fair and open relationship Promote industry development	Supplier Assessment/Audit Hold regular meetings Conduct on-site visits Promote project cooperation
Community or Non-governmental Associations	Protect the community environment Support and carry out charity activities	Control of greenhouse gas and waste emissions Organize or participate in charity/poverty alleviation activities Carry out donations and volunteer activities

Material Issues Identification and Analysis

Ever Sunshine Services carries out annual research on issues of materiality, fully analyzes and summarizes the different levels of concern of stakeholders on environmental, social and governance issues, and incorporates the results of the analysis of the materiality of the issues into the Company's business decision-making considerations and work plans.

Process to Assess Material Issues



2023 ESG Material Issues Matrix for Ever Sunshine Services



Materiality	Ranking	Materiality Issue	Scope	No.
High Materiality Issues	1	Occupational Health and Safety of Employees	Social	6
	2	Anti-fraud and Anti-corruption	Governance	21
	3	Supply Chain Management	Social	14
	4	Energy Saving and Consumption Reduction	Environmental	5
	5	Employees' Rights and Benefits	Social	8
	6	Compliance Operation	Governance	19
	7	Employees Recruitment and Diversity	Social	7
	8	Customer Satisfaction	Social	9
	9	Tackling Climate Change	Environmental	1
Moderate Materiality Issues	10	Employee Development and Training	Social	13
	11	Green Property	Environmental	3
	12	Product Quality and Service	Social	18
	13	Corporate Governance	Governance	20
	14	Customer Well-being and Health and Safety	Social	11
	15	Smart Property	Social	16
	16	Customer Information and Privacy Protection	Social	10
	17	Biodiversity	Environmental	4
	18	Social Communication and Participation	Social	17
	19	Avoiding Child Labour and Forced Labour	Social	15
	20	Risk Management and Sustainable Business	Governance	23
	21	Green Office and Environmental Promotion	Environmental	2
	22	Charity and Community Building	Social	12
	23	Intellectual Property Rights Protection	Governance	22

ESG Key Actions and Performance

With reference to the United Nations 2030 Sustainable Development Goals (SDGs) and the Stock Exchange's ESG Report Guideline, we have integrated ESG concepts into our daily operations and management, and the key ESG actions and performance of Ever Sunshine Services in 2023 are set out below.

Reporting Chapter	SDGs	Stock Exchange's Indicators	2023 Key Actions and Performance
CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT	 	B5 General Disclosure B5.1 B5.2 B5.3 B5.4 B6.3 B7 General Disclosure B7.1 B7.2 B7.3	<ul style="list-style-type: none"> Held 6 Board meetings and 2 general meetings, carried out over 500 investor communications Internal audit work covered 100% of the business segments, 11 audit projects were completed, and 8 important systems and processes were improved and optimized Carried out integrity training courses for all employees, and such courses include the "Eight Military Regulations" ("八大軍規") training, course for occupational ethics and conflict of employee interests Carried out 288 anti-corruption trainings for executive directors, management and employees, with 34,296 participants "The Letter of Commitment to Integrity" (《廉潔承諾函》) was signed by 100% of the suppliers Carried out 27 anti-corruption trainings for suppliers, with 24.67 hours of training and 644 participants 208 copyrights, 3 patents and 268 trademarks were obtained

4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Reporting Chapter	SDGs	Stock Exchange's Indicators	2023 Key Actions and Performance
LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART	  	B6 General Disclosure B6.2 B6.5	<ul style="list-style-type: none"> ➤ Renewal of ISO 9001 Quality Management System Certificate ➤ Customer satisfaction result of 87.4% ➤ 100% of projects coverage of safety inspections and safety activities, with 0 production safety-related accidents, 0 fire-related accidents and 0 related administrative penalties for the year ➤ Carried out 312 safety production trainings with 6,499 participants, and total 1,337 emergency drills were carried out, involving 15,220 participants ➤ 96.1% response rate for customer service complaints; 95.53% completion rate for handling; 91.97% satisfaction with handling ➤ Door-to-door service had an annual work order in-time response rate of 96.30%, a work order in-time completion rate of 99.38% and a work order satisfaction rate of 99.8%

4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Reporting Chapter	SDGs	Stock Exchange's Indicators	2023 Key Actions and Performance
LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION	  	A1 General Disclosure A1.5 A1.6 A2 General Disclosure A2.3 A2.4 A3 General Disclosure A3.1 A4 General Disclosure A4.1	<ul style="list-style-type: none"> ➤ Set goals for greenhouse gas emissions, energy use efficiency, water use efficiency and waste management ➤ Improve climate contingency plans, rationalize expenditure planning and prepare contingency budgets ➤ Put on line the new energy consumption platform to achieve smart energy consumption monitoring, and carry out prepaid electricity meter management and energy-saving light renovations in the Group's underground car parking space ➤ Carry out retrofitting of "Water-saving Communities" and "Waste-free Communities retrofitting" ➤ Reduce consumption of paper consumables through a paperless office ➤ Carry out quarterly ESG-wide initiatives

Reporting Chapter	SDGs	Stock Exchange's Indicators	2023 Key Actions and Performance
ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT	   	B1 General Disclosure	<ul style="list-style-type: none"> Updated the HR inspection management method, added process inspection and proposed rectification suggestions; released the administrative inspection management method Added administrative process inspection and established a monthly monitoring system and mechanism for key administrative indicators Continuously updated a number of human resources and administrative management systems to meet the needs of the industry and corporate development Built a smart employee occupational health and safety management system to effectively capture abnormal data and protect employee safety Established the Ever Sunshine Staff Mutual Aid Association to promote the diversification of staff support methods and the implementation of staff welfare The average annual employee satisfaction score across all functions was 4.14, representing an increase from 3.88 in 2021
		B1.1	
		B2 General Disclosure	
		B2.3	
		B3 General Disclosure	
		B4 General Disclosure	
B4.1			
B4.2			

Reporting Chapter	SDGs	Stock Exchange's Indicators	2023 Key Actions and Performance
KIND EVER SUNSHINE, WARM HEARTED COMMUNITY	    	B8 General Disclosure	<ul style="list-style-type: none"> Donated 5,010 flower stick saplings to the Tengger Desert in Alxa League. Carried out agricultural support work to assist in the sales of agricultural products Participated in the preparation and launch of the first book on value-added services in the property management industry Organized public welfare activities to pick up litter and conserve resources
		B8.1	
		B8.2	

5. RESPONSIBILITY FEATURE: Warm Hearted “Sunshine and Vigour Festival” to Convey the Goodness of the Community

In order to improve the quality of community services and provide more professional and personalized services, in July 2023, Ever Sunshine Services inherited the service model of 37°C community and upgraded the 37°C community to “Ever Sunshine 37°C Star Community”. We are committed to building a multi-dimensional pattern of co-management among the district office, residents and property owners, and Ever Sunshine Services, to create a better community where “everyone has responsibility, everyone does his or her duty, and everyone enjoys it”.

We are committed to building a beautiful community system of “one community, one heart”, and have set up three teams, namely the Star Volunteer Team, Ever Sunshine Services Project Team and the Property Owners’ Committee, to strengthen the grass-roots services and safeguard the rights and interests of the property owners. Ever Sunshine Services organizes the warm-hearted “Sunshine and Vigour Festival”, carries out a number of community activities combining entertainment and life, and focuses on the construction of the environment and facilities in the community around the seven good life feelings of the customers, such as beautiful environment, convenient life, and colourful life, so as to improve the property owners’ sense of identity and sense of belonging, and to share a harmonious and bright future with the property owners.

Warm Hearted Festival, Provide 37°C Quality Service

At the beginning of 2023, we prepared a wealth of New Year’s and festive activities for our customers. We did our best to make our customers feel at home with our well-decorated community scenes and warm-hearted festive activities.

Spring Festival as the first of the hundred festivals, for Ever Sunshine Services, the Spring Festival in the celebration of more than a responsibility, we stand firm, for the millions of property owners of the wonderful festival escort. Before the festival, we start to dress up the environment of the community, create a good festive atmosphere for the Spring Festival with lanterns and coloured lights, and are committed to providing more, better and more comprehensive festive activities for property owners.



**5. RESPONSIBILITY FEATURE:
WARM HEARTED “ SUNSHINE AND VIGOUR FESTIVAL”
TO CONVEY THE GOODNESS OF THE COMMUNITY**

Case



Different Taste of New Year of Ever Sunshine Services

Ever Sunshine Services had set up a special Wishing Tree for property owners in 37°C communities, allowing them to write down their wishes on red paper to pray for peace and prosperity in the New Year. Meanwhile, we launched a Spring Festival blessing delivery activity in the communities of Ever Sunshine Services across the country, posting spring couplets and lucky charms for vacant houses, and delivering couplets, lucky charms, cabbages and rice to the elderly in the community, so that the property owners could feel the warmth of home from Ever Sunshine Services during the festive season.

In addition, we also actively carried out New Year’s games and organized Spring Festival couplet writing, window cuttings, lantern tying as well as dragon and lion dances in the 37°C community, so that both old and young property owners could participate in the strong atmosphere of Spring Festival.



Property Owner’s New Year Wishing Tree



Ever Sunshine Services Delivered Cabbages to Property Owners



Ever Sunshine Community Spring Festival Couplet Writing Activity



Ever Sunshine Young Property Owner Tying Lanterns

**5. RESPONSIBILITY FEATURE:
WARM HEARTED “ SUNSHINE AND VIGOUR FESTIVAL”
TO CONVEY THE GOODNESS OF THE COMMUNITY**

In addition to the Spring Festival, we also carried out a large number of holiday activities, such as wrapping lanterns and stringing sugar gourds on the Lantern Festival, and cutting hair and tasting green dumplings on the second day of February. Adhering to the mission of “Building better lives”, we let the property owners feel the 37°C warmth of Ever Sunshine Services in entertainment, which not only enriches the community life, but also provides the property owners with more happiness, creates a city of temperature, and warms up their daily life.

Vitality in Full Swing to Protect 37°C Community Enthusiasm

Ever Sunshine 37°C community is committed to creating a passionate and energetic community for the property owners, operating the community temperature with heart, igniting the passion of life with love and full vigour, so that the property owners can experience the warmth like home and get along with the employees as if they were friends and relatives.

During this year, we continued to carry out the “17th Sunshine and Vigour Festival” to provide property owners with a variety of exciting activities and find joy in life for children and adults.

Case



Escorting the Start of the School Season

With the end of the winter holidays, young owners entered a new semester, Ever Sunshine Services had set up a total of more than 100 “School Guards” across the country, and we had selected high-quality vegetables and fruits as well as meat and poultry online in Ever Sunshine Life Apps to protect the health of young property owners. In addition, we also launched a free design service for children’s rooms, focusing on reducing the burden of parents and escorting the young property owners of the start of the school season.



Publicity Tweets of WeChat for the Start of the School Season

**5. RESPONSIBILITY FEATURE:
WARM HEARTED “ SUNSHINE AND VIGOUR FESTIVAL”
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TO CONVEY THE GOODNESS OF THE COMMUNITY**

Case



Express Love through Service

1- Ever Sunshine “Smart-Selection” Service:

Ever Sunshine Services provides Ever Sunshine “Smart-Selection” service all year round, fresh fruits are bought and delivered on behalf of the elderly and physically challenged property owners. We are committed to “Weekly Tour”, “Taste Hunt Plan” and other Ever Sunshine characteristics of “Smart-Selection” theme, for residents to continue to select and recommend quality and low-priced products, but also to inject a little bit of “ Smart-Selection Sweet” of Ever Sunshine into the lives of residents.



Ever Sunshine Taste Hunt Plan and Seasonal Fruit Group Purchase

2-“Joyfulness to Home” Service

Ever Sunshine Services provides “Xiaole to home” housekeeping service for property owners. Since 2022, Ever Sunshine Services has carried out self-employed cleaning training, and the cleaning employees have completed the polishing and rehearsal of their professional skills through the training contents of theory + practical exercises + door-to-door service. This year, we had launched a new model of community elderly care, with cleaning employees going to the door to carry out sanitation and cleaning, cooking and feeding for the elderly living alone, which had won the recognition and satisfaction of many residents of Ever Sunshine.



Auntie Kong, the Cleaning and Housekeeping Lady of Project Jinting, Comes to Door.

3- Ever Sunshine Mercure Window Replacement Service

Ever Sunshine mercure window replacement service can provide property owners with fast window replacement service, using safe and healthy door and window brands, backed by the industry brand strength of Ever Sunshine Services and subsequent protection services, quality and safety are guaranteed to fully meet the needs of property owners.



Mercure of New Windows and Doors at Ever Sunshine

**5. RESPONSIBILITY FEATURE:
WARM HEARTED “ SUNSHINE AND VIGOUR FESTIVAL”
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**5. RESPONSIBILITY FEATURE:
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TO CONVEY THE GOODNESS OF THE COMMUNITY**

Case



May Summer Activity

1- Weighing to welcome the beginning of summer

“Weighing people light and heavy at the beginning of summer.” Folk has always had the traditional custom of “weighing people” at the beginning of summer, Ever Sunshine Services employees hung a large wooden scale in the open space, hanging bamboo baskets on the scale hooks, young property owners sitting in the baskets and weighing, weighing people while playing the scale flower, while speaking auspicious words, “Scale flower-beating twenty-three, the little official grows up to take the examination to be admitted by Peking University!”, this is Ever Sunshine employees most sincere good wishes for the babies.



Weighing Activity for Young Property Owner

2 - Egg-lifting Activity at the Beginning of Summer

“Hanging eggs on the chest at the beginning of summer, young people are difficult to get sick.” For the babies, Ever Sunshine Services prepared boiled gulp eggs, through the cold water soaked in a colourful silk thread or flannel woven into the mesh pocket, young property owners could DIY their own eggs, painted the favourite colours and patterns for them, but also allowing babies to hang around the neck, both good looking and tasty.



Young Property Owner Lapped up an Egg On Chest

3- Mother's Day Activity

On the day of Mother's Day, we set up a time gramophone and a mother's love confession wall in the community, allowing property owners' families to take photos together with their mothers, write down their love for their mothers that they were too shy to express, and froze their mothers' moments of happiness, so as to keep time for love. On that day, employees of Ever Sunshine Services offered carnations to mothers in the community, and also organized young property owners to make handmade gifts for their mothers, dedicating full of love to their mothers.



Time Gramophone Photo Shoot Activity



Young Property Owners Were Pasting their Love for their Mothers



Ever Sunshine Services Employee Was Laying Flowers For a Mother



Young Property Owner with a Hand-Made Fan for Her Mother

**5. RESPONSIBILITY FEATURE:
WARM HEARTED “ SUNSHINE AND VIGOUR FESTIVAL”
TO CONVEY THE GOODNESS OF THE COMMUNITY**

Case



520 Matchmaking and Declaration Activity

On the day of 520, we prepared many surprises for the property owners and families: a bouquet of blooming flowers to share this sweet time; a dreamy net red punch card wall to make the goodness fixed at this moment; the warmth of matchmaking activities and confession wall to make every love complete in Ever Sunshine Services, and the elegance of the 100-metre-long scrolls of painting and calligraphy and the wall of praying for blessings to make the love long-lasting and the wishes come true.



苏州·宽阅雅苑-单身青年相亲活动

Ever Sunshine Services Organized Matchmaking Activity



青岛·浪琴海-百米长卷书画

Hundred-Metre-Long Scrolls of Calligraphy and Painting

Case



Ever Sunshine Services in Action

In order to let the property owners feel the convenience and enthusiasm in the 37°C community, we carry out various convenient services, such as cleaning floor mats, charity clinic, voluntary haircutting, etc., to fully protect the property owners' rights and interests, and make our best endeavour to provide the property owners with the convenience of life.



福州·公元大观-520爱心义诊

Love Clinic Activity



杭州·宸宇府-便民剪发

Haircutting for the Convenience in Ever Sunshine Services

**5. RESPONSIBILITY FEATURE:
WARM HEARTED “ SUNSHINE AND VIGOUR FESTIVAL”
TO CONVEY THE GOODNESS OF THE COMMUNITY**

Case



Old and Young Property Owners' Sports Meeting

In early summer, Ever Sunshine Services organized a sports meeting for old and young property owners, encouraging everyone to use sports to wake up their bodies and drive away fatigue, cheering, shouting, laughing and running under the sun with vigourmax.



苏州·铂悦犀湖

Badminton Competition of Sports Meeting of Ever Sunshine Services

Case



Ever Sunshine Services Neighbourhood Festival

The community can also be lively! Ever Sunshine Services moved the cinema and bazaar to the community, anyone who wanted to see a blockbuster, could come to the open-air cinema; anyone who wanted to feel the hustle and bustle of the bazaar, could bring your children to the Neighbourhood Festival bazaar to play the game of lasso; anyone who wanted to shop for more high-quality and affordable goodies, could pick up in the Smart-Selection corner waiting for you, did not have to worry about the heavy things, because steward personally helped you to send up the stairs.



金华·湖品花园-邻里节集市

Neighbourhood Festival Bazaar Lasso Stalls



济南·瑞锦台-露天电影院

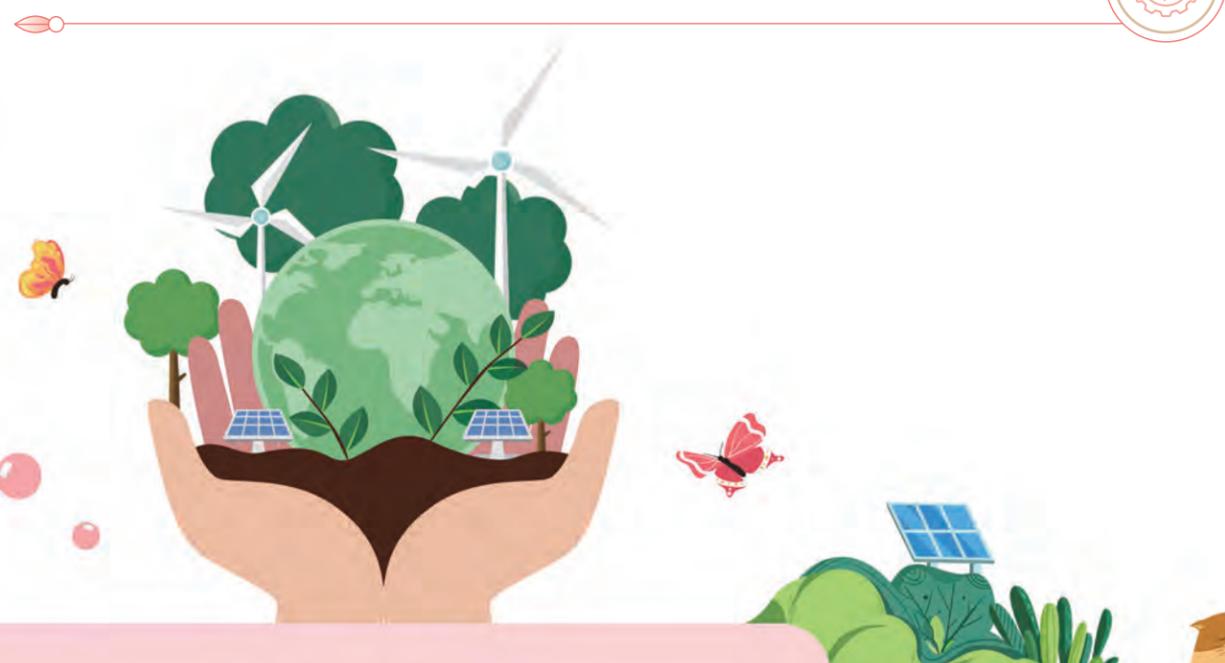
Property Owners Watching an Open-air Film

Through a series of activities of the festival, we integrate youthful vigour with property services to ensure 37°C service quality. In the future, Ever Sunshine Services will continue to take “Yongsheng 37°C Star Community” as the fulcrum, and use the enthusiastic and lively service mode to make “everyone feel the service temperature and enjoy a better life”.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Ever Sunshine Services is committed to strengthening its risk management and internal control system, actively identifying and effectively controlling potential risks, promoting a culture of integrity, facilitating the development of the supply chain towards green transformation, and ensuring that the intellectual property rights of the Group and its partners are legally protected against infringement.

Guide Indicators Responded to in This Chapter		Material Issues in This Chapter
Respond to SDGs	Response to Indicators of HKEX	<ul style="list-style-type: none"> - Compliance Operation - Anti-fraud and Anti-corruption - Intellectual Property Rights Protection - Risk Management and Sustainable Operations - Supply Chain Management
 	B5 General Disclosure B5.1 B5.2 B5.3 B5.4 B6.3 B7 General Disclosure B7.1 B7.2 B7.3	



GOALS PROGRESS

Goals Setting

- Further standardize the Company's governance system
- Increase goals for board diversity, including gender, cultural and experiential diversity
- Improve transparency in corporate governance and ensure disclosure of information in line with best practices
- Improve the Company's governance system
- Establish a sound and overall risk prevention and control system
- Create an atmosphere of integrity, law-abiding, compliance, sunshine and transparency of the integrity culture
- Resist improper business practices such as embezzlement, corruption and fraud

Progress Review

- Board meetings: 6
- General meetings: 2
- Introduce directors of different genders to achieve diversification of the Board
- 90% of internal audit issues corrected
- Provide 288 offline trainings on business ethics and anti-corruption to the Executive Directors, management and employees, with a training duration of 240.9 hours and 34,296 participants; online, 55 training materials on business ethics were released through the morning meeting system, with a cumulative reading volume of 528,000 times
- The Letter of Commitment to Integrity (《廉潔承諾函》) was signed by 100% of the suppliers
- Carry out 27 trainings for suppliers on anti-corruption and integrity

Next Plan

- Review goals: ensure that the goals are in line with the Company's actual situation and development direction, and that the development progress is better than the industry average
- Continuous improvement: develop and implement a continuous improvement plan for existing corporate governance issues
- Technological innovation: explore new environmental technologies and social responsibility projects to promote the Company's sustainable development
- Continue to comprehensively improve the ability to anticipate and control the three lines of defence against risks
- The annual internal audit focuses on the Company's overall internal control management, including the degree of internal control perfection in each business port and the level of regional risk prevention
- Based on the positioning of supervision, strengthen the monitoring role of the investigation of whistleblowing and early warning indicators, and zero tolerance for corrupt behaviour
- Push for full rectification of problems and optimization of risk prevention systems and internal controls

Board Governance Responsibility

Ever Sunshine Services strictly follows the Listing Rules and relevant regulations in the execution of corporate governance, and actively fulfils the governance responsibility of the Board to ensure the long-term development of the Company through efficient decision-making. To all stakeholders, including shareholders, investors and the public, we have a responsibility to actively and transparently fulfil our obligations to disclose information on economic, environmental, social and governance matters, and we welcome the community’s scrutiny of us. In order to achieve effective governance, we have established a diversified governance structure, clarified the responsibility of each management department, established communication channels with stakeholders and standardized investor relations management, aiming to build business partnerships based on equality, mutual benefit and trust.

Diversity of the Board

Ever Sunshine Services focuses on achieving diversity in the composition of its Board. When nominating and appointing Board members, the Company insists on qualification and competence as the primary criteria, while taking into account business needs and the benefits of Board diversity. Diversity of Board members is considered in a number of dimensions, including gender, age, expertise, experience, cultural background, and educational experience. As of 31 December 2023, there are seven members of the Board of Ever Sunshine Services, including one female director, of which three are Executive Directors, one is a Non-Executive Director and three are Independent Non-Executive Directors. Three of the Board members have extensive experience in the property management and real estate industry, one executive director currently serves as the Chief Financial Officer of the Company and has professional experience in risk management with functions related to finance and risk management and one independent non-executive director holds the Responsible Investment Essentials qualification from the United Nations PRI Institute.

During the reporting period, Ever Sunshine Services convened:

Board meetings

6 times

general meetings

2 times

Carried out investor communications

over **500** times

Key contents of the 2023 Board Meeting and General Meeting of Ever Sunshine Services

Meeting	Content
Board	<ul style="list-style-type: none"> ➤ Discussion of the Company’s annual/half-yearly results and reports; ➤ Changes in the composition of non-executive directors and board committees; ➤ Change of the Company’s auditor; ➤ Consideration of the findings of the independent investigation; ➤ Review of the Board’s diversity policy; ➤ Review of corporate governance policies and practices; ➤ Review of the effectiveness of risk management and internal control systems; ➤ Review the mechanism by which the Board can obtain independent views and opinions; ➤ Approve the publication of the Group’s unaudited consolidated management accounts for 2022; ➤ Review of the shareholder communications policy; ➤ Approve the declaration of an interim dividend and recommend the declaration of a final dividend; ➤ Proposed change of company name and change of company logo; ➤ Approval of continuing connected transactions and review of continuing connected transactions entered into in 2022, etc.
General Meeting	<ul style="list-style-type: none"> ➤ Consideration and adoption of the 2022 Annual Report; ➤ Re-election of directors; ➤ Renewal of the appointment of the auditor; ➤ The general mandates to issue shares and repurchase shares; ➤ Declare final dividends, etc.

Emphasis On Business Ethics Management

Ever Sunshine Services pays great attention to risk management and is committed to executing its risk management responsibilities by establishing efficient risk control systems and processes. The Company’s Audit and Supervision Centre is responsible for promoting internal control and integrating risk identification and management strategies into the daily management and business operations of each department in an orderly manner. In this way, we are able to identify risks in advance and resolve them quickly to ensure the sound operation and sustainable development of the Company.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Risk Management System

During the reporting period, Ever Sunshine Services continued to strengthen the "Three Lines of Defence" risk management model, and continuously and comprehensively improved its risk management prediction capability and control effectiveness to further implement its risk management responsibilities. The Company has established a hierarchical management structure led and supervised by the Board and implemented by headquarters and regional functional departments. Meanwhile, we have set up an Audit and Supervision Centre to carry out independent supervision to ensure the effective implementation of risk management measures and safeguard the stable development of the Company.

"Three Lines of Defense" for Risk Management

Lines of Defense of Risk	Head/Department	Risk Management Duties and Responsibilities	Duties and Responsibilities
<p>The first line of defense Response to risks with the attitude of masters</p>	Regional manager (heads of functional department and project frontline)	Risk management taker under the leadership of the President	<ul style="list-style-type: none"> ➤ Identify, manage and report risks; ➤ Use initiatives to anticipate and solve problems and reduce the Group's risk.
<p>The second line of defense Make risk management systematic</p>	Headquarters functional departments		<ul style="list-style-type: none"> ➤ Develop, revise and improve internal systems for systematic control; ➤ Provide professional knowledge and tools for risk issues, identify and respond to risks.
<p>The third line of defense Guarantee with objective Independence</p>	Audit and Supervision Center	Risk management supervisor who independently reports to the Board and Audit Committee	<ul style="list-style-type: none"> ➤ Independently and objectively identify and evaluate risk issues and regularly monitor and audit; ➤ Identify problems and promote fundamental solutions to them; ➤ Risk management training with high frequency and variety; ➤ Maintain audit oversight as a deterrent, based on risk prevention and control, to protect business development.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Risk Management Process and Control Measures

Ever Sunshine Services is committed to strengthening risk management by continuing to implement key policies such as the "Risk Management Measures for Major Operations" (《重大運營風險管理辦法》), "Internal Control Management Measures for the Rental and Sales Department" (《租售事業部內控管理辦法》) and "Management Measures for Emergency Incidents" (《突發事件管理辦法》), and continuously optimizing the four-phase risk management process, namely "Risk Identification-Assessment-Response-Monitoring and Improvement". Meanwhile, the Company has continued to pay attention to the identification of ESG-related risk elements, and further integrated labour risk and extreme weather risk into the comprehensive risk assessment and management system to ensure more comprehensive and effective risk control.

Risk Management Process

Control Phase	Control Measures
<p>1st Phase: Risks identification</p>	<ul style="list-style-type: none"> ➤ Proactive Detection and Reporting: all departments and employees of the Company report all mega and major incidents occurring in the property management area within the first hour; ➤ Routine Group Audits: the Group audits carry out routine internal control management audits, special audits and whistleblowing investigations every year to proactively and systematically identify risks; ➤ Regional initiatives to carry out self-inspection: the audits lead regions to set up audit teams to carry out self-inspection and actively practice the principle of "everyone is responsible for what concerns me" to identify possible established or potential risks in a timely manner through daily inspections; ➤ Regular inspections by various departments at headquarters: the business departments at headquarters, in conjunction with the regions, carry out annual sunshine self-inspections within their own lines covering the entire Group, as well as occasional inspections and spot checks on a sample of regions and projects to identify various risks and issues and to urge rectification; ➤ Automatic monitoring and early warning: audit neural network early warning indicators are online and running (5 risk early warning indicators have been put online) to identify specific risk matters through the system and put on the brakes in a timely manner by monitoring beforehand and during the process; manual monitoring of administrative penalties in the same industry to serve as a warning internally.

Control Phase	Control Measures
2nd Phase: Risks assessment	<ul style="list-style-type: none"> ➤ The level of risk (high, medium, or low risk) is assessed with reference to the classification of the risk (hidden safety incidents, major incidents and extraordinary incidents) and the standards (e.g. nature, amount, etc.).
3rd Phase: Response to risks	<ul style="list-style-type: none"> ➤ Regular regional and headquarters functional inspections: the headquarters function departments sort out the current situation through the inspection, deal with risks in time, analyze and review the problems, identify gaps and remedy them, standardize the business standard; ➤ Response to risks identified by regular audits: The Audit and Supervision Centre carries out regular audits of risk points, issues report, or risk reminder letters for violations of company regulations that have not yet caused adverse effects, and pursues the direct responsibility and management responsibility of those responsible. Meanwhile, it designates the person responsible for risk rectification, supervises the rectification of risk matters by the deadline and provides timely feedback to management on rectification measures and results; ➤ Response to major and extraordinary incidents: a special team will be set up by the regional head in collaboration with the Chief Executive Officer and the Group's functional departments in charge to deal with them; ➤ Response to violations: cooperate with the judicial authorities to deal with them.
4th Phase: Supervision and improvement	<ul style="list-style-type: none"> ➤ Supervision and improvement: Incorporate all the issues identified and recommendations made during the audit process into the scope of rectification, follow up on the rectification of issues on a monthly basis, and formulate measures and plans for those issues that require continuous rectification; ➤ Collaborative transformation: The Audit and Supervision Centre continues to strengthen follow-up supervision and inspection, profoundly analyses the root causes of the problems, carries out joint investigation and reform as well as breakthroughs and ensures that the rectification and improvement of compliance are in place, improve the omissions in internal control and ensure the implementation of the Company's decisions and deployment.

Internal control system

Ever Sunshine Services insists on implementing comprehensive, in-depth and regular internal control processes and measures. The Company continues to regulate business operation behaviours and reveal key risk points through the "Internal Control Manual - Business Prohibitions" (《內控手冊-業務禁止事項》) and the "Risk Management Checklist" (《風險管理清單》), and has added new the "Management Measures for Accountability" and newly revised the "Internal Control Guideline", which include the "Business Prohibited Matters", to further strengthen the Company's internal control. The Company is committed to building a comprehensive risk management system that effectively integrates business key risk points into the Company's management and business processes, thereby forming a regular and comprehensive internal risk management and control control framework.

During the reporting period, we carried out continuous internal sunshine self-inspection and achieved a 90% rectification rate for the risks identified. We carry out risk inspections and internal audits several times a year, and regularly carry out internal control management audits, special audits and investigations of all regions and business functions within the scope of our Group's operations. According to the internal management needs, the Company carried out four special audits in 2023, including work order management, fee management and integrity index special, and promptly analysed, rectified and improved the mechanism for the problems to enhance the lean management level.

In 2023,

internal audit coverage in business segments and regions reached

100%

number of projects completed

11 cases

8

important systems and processes were improved and optimized

Internal Audit System of Ever Sunshine Services

Type of Audit	Content of the Audit
Internal Control Management Audit	We develop audit and review procedures and plans, conduct comprehensive internal control assessments based on the operations of regional or city companies, gain a comprehensive understanding of the organization's risk management. By obtaining information on relevant audits, approvals, contracts and processes, we gain an in-depth understanding of the handling procedures of various activities, identify business risks and problems, and supervise the audit risk unit to carry out rectification until the rectification is completed, forming closed-loop management. Through the improvement of systems and processes, the overall internal control management level and risk prevention capability of the organization will be enhanced.
Special Audit	Audits are conducted on specific issues, specialized businesses or management departments, focusing on specific areas and moving from point to point to facilitate the resolution of systemic business problems and enhance the management of the business; Special audits such as the special audit on paid work order management, the special audit on parking revenue, the special audit on multiple incomes and the satisfaction survey.
Resignation Audit	Audits are conducted on the performance of duties, operational performance and personal integrity of former senior management during their tenure of office, to determine the compliance of their management activities, examine whether there are any fraud, work errors, management deficiencies or other adverse operational risks and potential problems, making management recommendations on the above risks and problems.

Internal Controls Response System and Measures

Type of Internal Controls	Response System	Response Measures
Operation	<ul style="list-style-type: none"> the Eight Military Management Regulations of Ever Sunshine Property the Code of Business Conduct for Ever Sunshine Services Internal Control Manuals - Business Prohibitions Internal Control Manuals - Risk Management Checklist Management Measures for Interest Conflict among Employees Management Measures for Major Operational Risk General Outline for Working Together, Symbiosis and Win-win Cooperation with Supply Sides - Procurement Management System Cost Collection Practice Guideline Seal Management Measures Management Measures for Accountability Contract Management Measures Quality Management Measures for Pre-Intervention Services Project Public Liability Insurance Management Measures Customer Satisfaction Management System Human Resources Inspection Management Scheme Group Data Management System Guideline on the Management of Car Parking Charges 	<ol style="list-style-type: none"> "The Eight Military Management Regulations of Ever Sunshine" Property are the bottom line of the Company's operation: corruption and bribery, misappropriation of public funds, connected transactions, outside part-time jobs, improper relationships, competition in the same industry, disclosure of confidentiality, and falsification are prohibited; "The Code of Business Conduct for Ever Sunshine Services" specifies the business conduct that employees should follow in their work, regulating the behaviour of employees as well as related parties of the Company, in order to maintain an operating environment of integrity and fair trading and to safeguard the sustainable, sound and healthy development of the enterprise; The Audit and Supervision Centre has prepared and issued a comprehensive "Internal Control Manual", which is a further refinement of the Eight Military Regulations ("八大軍規") and is closer to the actual business management. The "Internal Control Manual - Business Prohibitions" and the "Risk Management Checklist" clarify the prohibitions, operational specifications and key risk control points for various types of business, making the business professional, compliant and standardized.

Type of Internal Controls	Response System	Response Measures
	Risk Analysis of Commonly Asked Questions on Property Fee Collection and Guidance on Legal Basis Operational Guideline on Standardization and Compliance in Contracting Internal Control Management Measures of the Rental and Sales Department Guideline for the Implementation of Safe and Civilized Construction of Xuhong Decoration Management Measures of Inspection of Xuhong Decoration	4. The operations department improves systems, processes, authorizations and systems, establishes special risk control mechanisms (monthly special inspections, annual inspections, etc.), and establishes a sound operational risk warning mechanism to address various internal control risks.
Finance	Accounting Information Quality Control System Tax Management System Guidelines on Property Tax File Management Practice for Ever Sunshine Property Value-added Tax Accounting Manual for Ever Sunshine Financial Instruments Management Measures	Through comprehensive system construction and improvement, process optimization, authorization system improvement and system risk control enhancement, as well as proactive and comprehensive self-inspection, special inspection for finance and headquarters financial inspection, the Financial Management Centre identifies problems and urges them to rectify and facilitate the improvement of the mechanism.

Compliance Management Construction

Ever Sunshine Services upholds the corporate governance principles of integrity, law-abiding, compliance and transparency, and has established a comprehensive compliance management system. The Company extensively implements anti-corruption and business ethics policies and establishes accountability mechanisms, and also pays attention to key areas such as rights protection and litigation management as well as information security. Through strict policies and systems, the Company ensures that business behaviour is standardized and maintains a safe and compliant business environment.

Integrity Management System

Ever Sunshine Services is firmly against any form of bribery and corruption, and is committed to building a sound integrity building and business ethics management system to ensure that the Company’s management measures on integrity and business ethics are effectively implemented and promoted.

Integrity and Business Ethics Management Framework

Management Level	Members	Key Responsibilities
The Board	Members of the Board	Has overall responsibility for the supervision and management of the Company’s overall operational risk
Business Ethics/ Integrity Building Management Team	Executive Director, Head of Audit and Supervision Centre, Head of Human Resources and Administration Centre and other relevant department heads	<ul style="list-style-type: none"> Review and supervise the implementation of business ethics and integrity building and anti-corruption-related systems and establish corresponding management mechanisms and processes Promote and train occupational ethics-related systems and conduct codes Supervision and leading investigations into suspected fraud and disciplinary offences committed by employees within the Company

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Governance System

Ever Sunshine Services abides by the Company Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition, and the Provisional Provisions on the Prohibition of Commercial Bribery and other relevant laws and regulations. The Company also implements strict internal control measures and continues to implement a series of efficient and rigorous integrity management systems, including the "Eight Military Management Measures for Ever Sunshine" (《永升八大軍規管理辦法》), the "Code of Business Conduct for Ever Sunshine Services" (《永升服務商業行為操守準》), and the "Anti-Corruption Policy" (《反貪腐政策》), etc. Meanwhile, the "Anti-Corruption Management Measures" are updated and the anti-corruption management system is further improved to resolutely eliminate corruption, misappropriation of public funds, connected transactions, leakage of confidential information and falsification and other improper behaviours. The Company also regularly reviews and updates these systems to ensure continued compliant operations and maintenance of ethical standards.

Integrity Management System

Management Rules/System	Brief Description of the Content of the Rules/System
Eight Military Management Measures for Ever Sunshine	The Company is serious about discipline, regulates internal management and staff code of conduct, establishes and maintains good moral standards and professional standards, and establishes eight military regulations, which include: prohibition of corruption and bribery, prohibition of misappropriation of public funds, prohibition of connected transactions, prohibition of disclosure of secrets, prohibition of outside part-time jobs, prohibition of competition in the same industry, prohibition of falsification, and prohibition of improper relationships.
Management Measures for the Declaration of Conflict of Interests of Employees	These management measures apply to all employees and are designed to help employees properly handle conflicts of interest that occur in the course of their work, prevent the improper acquisition of benefits and prevent fraud from occurring. These management measures are used to clarify the definition of conflict of interest, the way to declare it, and to regulate the workflow of conflict of interest declaration and handling.
Code of Business Conduct for Ever Sunshine Services	To clarify the code of business conduct to be followed by employees in their daily activities and to regulate the conduct of employees and related parties of the Company such as suppliers and customers, in order to maintain an operating environment of integrity and fair trading and to safeguard the continued sound, high quality and healthy development of the Company in a friendly and ethical business environment.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Management Rules/System	Brief Description of the Content of the Rules/System
Whistleblowing Management Scheme	It sets out the Company's policy and commitment to whistleblowing and the protection of whistleblowers, and details on how to report fraud and other irregularities, clarifies the principles and methods of whistleblowing management, regulates the content of whistleblowing and the handling procedures, and ensures that whistleblower information is effectively protected. This policy applies to all employees and third parties with whom the Company deals (e.g. customers, suppliers) and the Company encourages the boards of directors of joint ventures to adopt and comply with similar policies.
Anti-Corruption Policy	The Company has an effective and enforceable anti-corruption policy with a zero tolerance for bribery and corruption. This policy covers anti-bribery, conflict of interest management and anti-corruption management systems.
Necessary Instructions on Supervision and Reporting	Require all face-to-face customer premises such as property service centres and rental and sales centres to post the "Necessary Instructions on Supervision and Reporting" to publicise corrupt practices opposed by the Company, the ways to report them and the reporting policy, so as to promote joint monitoring of staff favoritism in business activities by people inside and outside the Company.
Letter of Commitment to Integrity	All suppliers who sign a contract with Ever Sunshine Services are required to sign this document. The supplier promises not to provide financial support, not to invite relevant personnel of Ever Sunshine Services to participate in any banquet, travel, leisure and entertainment activities that may affect the impartial performance of their duties; not to lend money, housing, transportation, communication tools and other items to Ever Sunshine Services employees for use, as well as kickbacks and formalities; not to participate in all kinds of procurement activities of Ever Sunshine Services by collusion, bid-rigging and other improper means. If the supplier violates the above commitments, Ever Sunshine Services has the right to take relevant punitive measures, such as entering information on violations and crimes into the "Enterprise Anti-Fraud Alliance", "blacklist", etc.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Management Rules/System	Brief Description of the Content of the Rules/System
Management Measures for Accountability	In order to safeguard the Company's operation in accordance with the law, prevent operation and management risks, strengthen internal management, enhance the Company's supervision mechanism, and ensure the reciprocity of responsibilities and rights, the Audit and Supervision Centre, together with the Human Resources Administration Centre, compiled the Measures. It is clear that employees who cause or may cause economic loss or adverse impact on the Company due to violation of laws and regulations, favouritism, falsification, disclosure of company secrets, dereliction of duty, negligence and abuse of power, etc., belonging to the behaviours that should be pursued and punished.

Ever Sunshine Services regularly discloses the "Corporate Integrity Code" and "Anti-Corruption Policy" to the public and ensures that they are audited and updated at least once a year. These codes apply to all members of Ever Sunshine Services and its subsidiaries, including ordinary employees, directors, supervisors and senior management, as well as all third parties with whom we have business dealings, such as customers and suppliers. We perform regular internal business ethics audits in accordance with these codes and policies to ensure that all relevant parties act ethically and with integrity.

During the reporting period,

the middle and senior management personnel (including Chief Executive Officer, headquarter function head, regional general manager, regional function head, city company general manager and area general manager) signed the Statement of Responsibility for Integrity Building (《廉正建設責任書》)

signing rate

159 **100%**

personnel

all new employees sign "the Commitment Letter of Eight Military Regulations" (《八大軍規承諾函》),

signing rate

100%

vendors signing the "Integrity Commitment Letter" (《廉正承諾函》), the "Sunshine Declaration" (《陽光宣言》),

signing rate

100%

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Accountability Mechanism

In 2023, Ever Sunshine Services found one corruption incident involving misappropriation of company funds through self-inspection in regional departments such as financial, customer value and engineering, which has been transferred to the judicial authorities for handling. After discovering the relevant situation, the Company quickly and comprehensively completed the investigation and handling, and transferred the person involved to the judiciary, which demonstrated the Company's attention to the corruption issue and zero-tolerance attitude. Meanwhile, we have followed up and strengthened a number of control measures in response to the above situation, including:

- 1 Optimization of financial management:**
the implementation of a systematic reconciliation of operations and finances and a day-to-day and month-to-month closure system ensures transparency and immediate monitoring of the flow of funds.
- 2 Clear division of responsibility:**
the responsibility for recovering outstanding fees for different years was clearly divided to ensure timely handling of outstanding fees.
- 3 Enhanced monitoring and auditing:**
The monitoring and auditing of stewards' mobile phones have been strengthened to prohibit them from opening payment collection functions and binding bank cards to prevent illegal collection.
- 4 System security upgrade:**
parking cloud, prepaid meters and energy consumption system were deployed to strengthen the control and protection of financial data.
- 5 Publicity and training:**
increase publicity on negative cases and integrity education and training to raise employee awareness of integrity and self-discipline.
- 6 Inter-departmental cooperation:**
multi-departmental joint documents were issued to clearly regulate the management of fees and charges, prohibit illegal collection behaviour, and ensure the strict implementation of the Company's policies.

Through these measures, Ever Sunshine Services aims to enhance the level of internal control, prevent the occurrence of similar incidents in the future and ensure the compliance and transparency of the Company's operations.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Rights Defence and Litigation Management

Ever Sunshine Services pays great attention to the management aspects of advocacy and litigation and compliance. We have updated and optimized the "Management Measures for Litigation Case" and issued management bulletins on key litigation matters, emphasising employee representation and control of attorney fees. Meanwhile, we moved litigation management from offline to online and promoted e-contracts through incentives linked to regional performance, aiming to improve management efficiency. In addition, following the revision of the National Civil Procedure Law, we advocate online court hearings except for difficult cases in order to reduce costs. These measures reflect the Company's rigorous handling and emphasis on rights and litigation management.

The annual goal for electronic signatures was 75% usage,

78% was achieved

The annual goal for standard contracts was 75% usage,

75% was achieved

The annual goal for legal literacy trainings was 24,

26 was achieved

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Information Security Management

Ever Sunshine Services demonstrates a comprehensive concern for the management of information security within the Company. We strictly follow the "Data Security Law of the People's Republic of China" and the "Management Measures for Information Security Level Protection", and continue to implement key internal management documents such as the "Information Security Management System", the "Strictly Prohibiting the Destruction of the Company's Information System Data" and the "Strictly Prohibiting the Disclosure of the Company's Confidential Information". Through these systems, we ensure the construction of a comprehensive and standardized information security management system, which provides solid support and protection for the Company's information security.

In 2023, we continued to carry out annual reviews and triennial external audits of our acquired ISO 27001 information security management system certification in accordance with relevant requirements to ensure that the management system complies with national and industry standards and requirements.



Ever Sunshine Services ISO 27001 Information Security Management System Certification

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Security Management Measures

- 1) Email security management: adopt an automatic identification system to block spam and phishing emails, and issue security announcements and educational materials to prevent data destruction and leakage of company information.
- 2) Enhanced confidentiality policy: strict confidentiality rules are implemented, emphasising the prohibition of leaking any form of confidential company information through the "Eight Military Regulations".
- 3) Accountability mechanism: further regulations on information management are adopted through the "Management Measures for Accountability", and clear penalties are set up for mishandling of information or security leakage.
- 4) Sunshine self-inspection: Continuously assess and improve the information security situation through line self-inspections led by the Audit and Inspection Centre with Headquarters function departments.
- 5) Early warning and special audits: use the neural network early warning system, special audits are carried out on abnormal data to ensure information security and business compliance.

Whistleblowing Supervision Mechanism

Ever Sunshine Services actively promotes its whistleblowing and anti-corruption policy to all employees, suppliers and customers, and is committed to creating a transparent whistleblowing mechanism in accordance with the "Whistleblowing Management Measures". We have established dedicated whistleblowing channels and detailed whistleblowing acceptance procedures, and implemented a whistleblower protection policy to effectively expose and deter any irregularities. In order to strengthen supervision and enhance transparency, the Company has posted the Notice on Supervision and whistleblowing in prominent positions in public areas such as property service centres and leasing and sales centres, encouraging people inside and outside the Company to participate in supervision and work together to create a clean and self-disciplined work culture environment. In 2023, the Company had experienced one major incident of corruption involving employee who illegally collected and privately misappropriated the property fee master property fee and car parking space management fee, etc. At present, the relevant personnel have been transferred to the judicial processing.

In 2023,

the number of cases in which the Audit and Supervision Centre completed whistleblowing investigations was

12.

with an incident closure rate of

95%

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Public Whistleblowing Channels

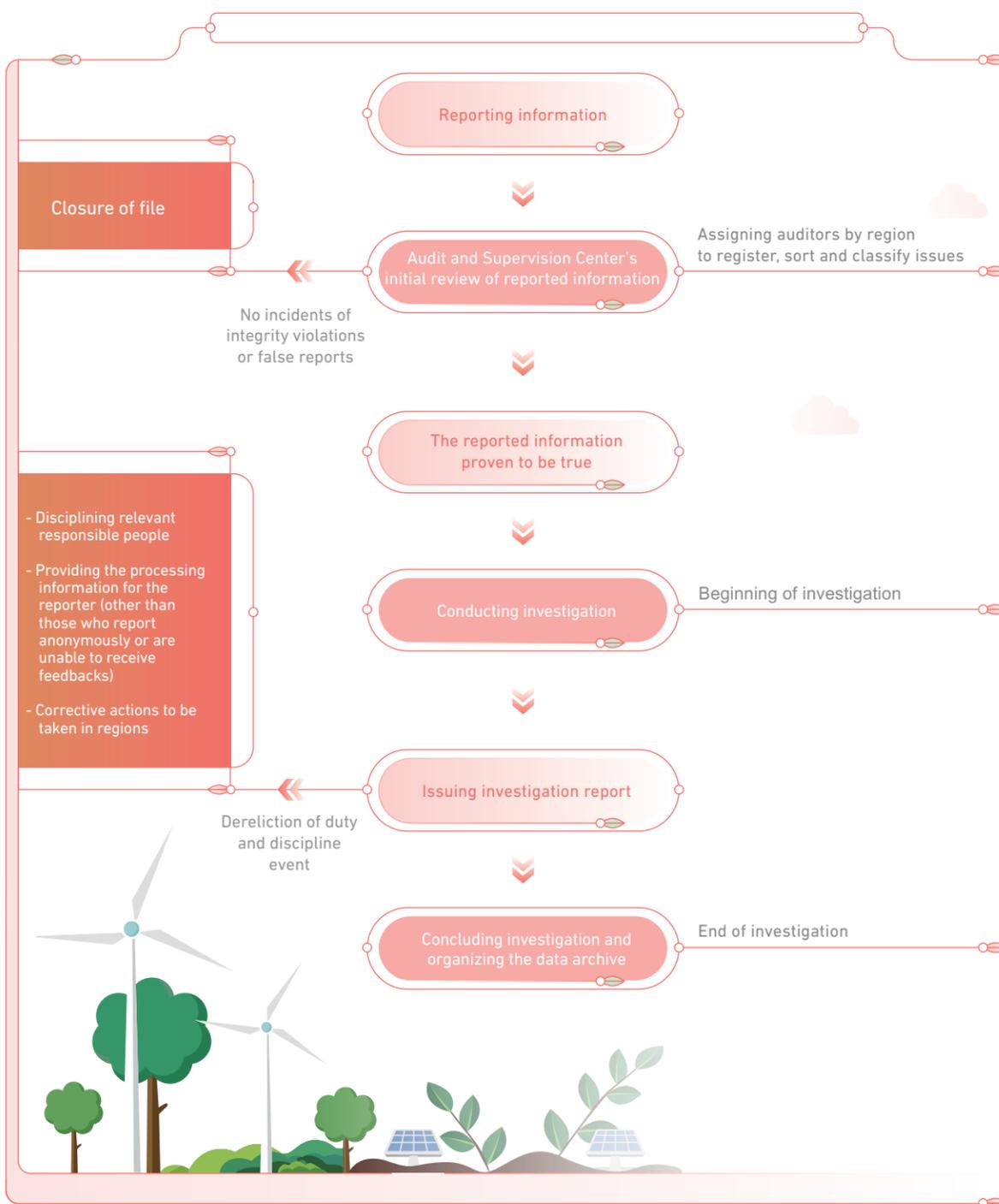
Reporting Channels Available for the Public

- Letter whistle-blowing: 8/F, Building 5, Henderson CIFI Centre (South), Lane 1088, Shenhong Road, Minhang District, Shanghai, Audit Monitoring Centre of Ever Sunshine (attention), postcode: 201107
- Report by phone: 400 080 7878 ext. 2 button
- Report by E-mail: jubao@ysservice.com.cn
- Company website: Whistleblowing_Ever Sunshine Services (www.ysservice.com.cn)



6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Whistleblowing Management Process:



6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Protection for Whistleblower:

1 Whistleblower Protection Policy:

- Whistleblowing confidentiality: We are committed to keeping all whistleblowing materials and the identity of the whistleblower strictly confidential, except where disclosure is required by law or in the event of a referral of a fraud case to the judicial authorities.
- Protection against retaliation: Ensure that whistleblowers are treated fairly, which includes protecting whistleblowers from unfair dismissal, persecution or improper punishment. Any form of retaliation against whistleblowers or witnesses will be taken seriously.

2 Specific Measures:

- Real-name priority: We encourage real-name whistleblowing and give priority to real-name whistleblowing. Meanwhile, we will provide feedback on the results of the investigation to the real-name whistleblower.
- Anonymous whistleblowing: For whistleblowers who do not wish to be identified, the option to whistleblow anonymously is provided.
- Oppose false whistleblowing: We are against any form of malpractice such as false whistleblowing, defamation and libel.



6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Business Ethics Training

Ever Sunshine Services is committed to building a sunny and transparent work culture through a series of rich and diverse integrity training and publicity activities. These activities are open to management, all employees, suppliers and customers, including "Integrity Month" activity, "Integrity Talk", Integrity morning meeting, new staff training on integrity culture, integrity Promotion at supplier conference, online professional ethics and integrity ecology courses, and Internal Control Selection. Our goal is to create a working atmosphere of reverence for rules, contractual spirit, unity of purpose, long-term co-operation, co-development and win-win co-existence through various forms of training and publicity.

Coverage Rate of Anti-corruption and Business Ethics Training

Training Target

Full coverage

Management and all staff (including regular and probationary staff)

Coverage Rate
100%

Training Target

Full line coverage

All business departments

Coverage Rate
100%

Training Target

Full level coverage

Internal (middle and senior management, project managers and (general employees, new employees); External (suppliers, customers)

Coverage Rate
100%

Anti-corruption and Business Ethics Training Content

Training Target	Training Content
Board	<ul style="list-style-type: none"> ➢ "The Eight Military regulations", Internal Control Management and "Integrity Eco-Governance System" (《廉正生態治理體系》), etc
Training for management and employees	<ul style="list-style-type: none"> ➢ "Internal Control Manual - Business Prohibitions" (《內控手冊-業務禁止事項》), the "Risk Management Checklist" (《風險管理清單》), the "Internal Control Manual" and "The Eight Military Regulations" ➢ Anti-corruption training: Integrity morning meetings, online learning courses such as "the Integrity Eco-Governance System" ➢ Business ethics training: Integrity morning meetings, "Conflict of Interest Course for Employees"
Suppliers and customers	<ul style="list-style-type: none"> ➢ "The Eight Military Regulations", "Supplier Integrity Pledge", "Business Prohibitions and Cases of Business Violations" ➢ Consensus on long-term cooperation, prohibited employee behaviour and whistleblowing policy, avoidance of conflict of interest, anti-unfair competition and anti-commercial bribery, etc.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

During the reporting period,

All Chief Operation Officers signed the "Responsibility Statement for Integrity Building of the Chief Operation Officer" selected

1
internal control
benchmarking team

12
internal control achievers

5
internal control stars

excellent deeds were promoted through the morning meeting system

A total of

288 trainings
on anti-corruption, sunshine culture and business ethics were carried out for executive directors, management and employees

a training duration of
240.9 hours

participants of
34,296 people

Released

55 issues of anti-corruption propaganda through the Company's morning meeting system for mandatory reading before work

a cumulative reading volume of
528,000 times

1 online course was developed and produced

the Company's management and all employees completed the online course and passed the examination
100%

Carry out

27 trainings
on anti-corruption and business ethics for suppliers

hours of training
24.67 hours

participants of
644 people

Case



2023 Group Internal Control Achiever Selection of the Year

Since 2022, the Audit and Supervision Centre has been carrying out the annual selection of internal control achievers. 12 Internal Control Achievers and 5 Internal Control Stars were selected by the Company in 2023, and awards were presented at the morning meeting of Integrity, to publicize the excellent deeds, encourage more Ever Sunshine employees to strictly control the business risks while completing their own duties, actively carry out self-examinations, promote the construction of Integrity, practice the concept of integrity and compliance in their business, and encourage the headquarter and regional partners to strive to be internal control masters and work together to build a self-integrity organization.



Internal Control Star of the Group Award Presentation in 2023

Case



Integrity Promotion at Supplier Conference

The Audit and Supervision Centre led the regional suppliers to carry out integrity promotion to ensure the Company's sustained healthy and high-quality development. Each region around the "quality first, with one heart and one mind, symbiosis and win-win" theme, held a supplier conference, the main purpose is to strictly affirm to the suppliers of the Company's integrity attitude and integrity practice behaviour, so that the suppliers comply with the Company's rules of integrity, put an end to corrupt practices, establishing a integrity cooperative relationship.



Southeast Regional Supplier Conference "Integrity Promotion"

Protection of Intellectual Property Rights

Ever Sunshine Services deeply recognises the importance of protecting intellectual property rights and is committed to safeguarding our and our partners' intellectual achievements from infringement. To this end, we firmly implement the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and other relevant laws and regulations, and practically implement the Group's internal regulations, such as the Trademark Management Measures, the VI Management Measures and the Brand Management System. In addition, we have standardised and routinised the steps for the protection of intellectual property rights and clarified the specific terms for the protection and use of trademarks. We also attach great importance to and respect the intellectual property rights of our partners, ensure the use of their intellectual property rights within the boundaries of the authorisation and provide the necessary support and assistance in the event of infringement.

During the reporting period, there was an incident of intellectual property rights protection involving the unauthorised use of the Company's trademark and name by a company. We acted swiftly upon discovery, fixing evidence and enforcing measures to protect our rights, demonstrating our resolute attitude towards the protection of intellectual property rights. Meanwhile, in order to ensure consistent implementation of trademark use and standard visual identity, we continue to follow detailed relevant operating guidelines to further improve the implementation of our brand identity and protection of intellectual property rights.

In addition to the protection of intellectual property rights, the Company also incentivises internal innovation, training all employees of Linjiu Intelligent Technology Co., Ltd. ("Linjiu Technology") in patent application, and incentivising employees to apply for patents through bonuses to further enhance the Company's brand value.

As of 31 December 2023,

223

copyrights,

3

patents and

275

registered trademarks
had been obtained

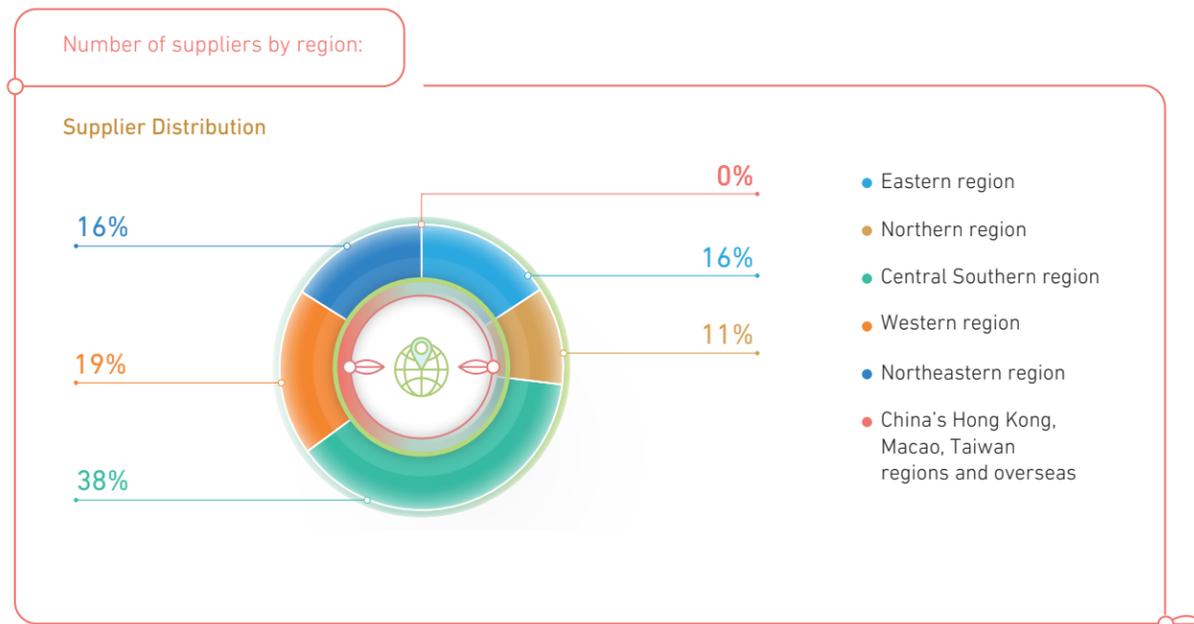
Trademark Protection:

- 1 Establish awareness of protection:**
Establish awareness of trademark protection throughout the Group and promote information on the rational and usage norms of trademarks;
- 2 Make a trademark plan:**
make a plan for trademark to avoid infringing on registered trademarks of others', when promoting emerging businesses or building emerging firms;
- 3 Keep preliminary communication:**
keep preliminary communication with the Group's legal department, the brand department and external professional institutions, before promoting trademark registration, and ensure the feasibility, legality and compliance of the proposed registered trademark. The application of trademark registration is subjected to the completion of preliminary communication and the internal approval;
- 4 Standardize advertisement behaviors:**
strictly standardize the use of trademark when naming the products or services or conducting public preach. Do not use others' registered trademarks as public preach name of the Group's products or services to avoid trademark infringement.



Create a Sustainable Supply Chain

During the reporting period, Ever Sunshine Services continued its commitment to building a sustainable supply chain. To this end, we have continued to optimize our supply chain management system and introduced effective supplier management regulations. We have actively improved our supply chain management system and introduced innovative supplier management regulations to ensure that environmental protection and sustainability are at the centre of procurement decisions. In addition, we provide specialised training and assessments to our suppliers to urge them to take up their environmental and social responsibilities and work together to promote the green transformation and sustainable development of the entire supply chain.



Supplier Management System

Ever Sunshine Services adheres to the implementation of the Bidding and Tendering Law of the People's Republic of China and related laws and regulations, and continues to optimize internal systems such as the "Management Measures for Project Service Suppliers" (《項目服務類供貨商管理辦法》) and the "General Outline for Working Together, Symbiosis and Win-win Cooperation with Supply Sides" (《供方同心同德共生共贏總綱》). Through these measures, we are committed to enhancing the effectiveness of our supplier management system and ensuring the compliance and fairness of our procurement activities.

Supplier Management Principles of Ever Sunshine Services

The principle of cooperation	Symbiosis and Win-win Cooperation.
First principle	The selection of all business suppliers is based on the principle that the Group's strategic suppliers are the primary suppliers, supplemented by regional collecting suppliers and special suppliers, with all business suppliers selected.
The principle of integrity and self-discipline	All employees involved in the procurement process shall maintain integrity and shall not use their position or authority for personal gain, nor shall any individual use any means to alter or attempt to influence the outcome of a procurement decision.
The principle of fairness and impartiality	We must be fair to all suppliers when selecting shortlisted suppliers, tendering, negotiating and making decisions, and establish and maintain a good reputation and image of the Company.
The principle of Open decision-making	There must be full transparency in the procurement process, with active cooperation, full communication and information sharing among departments, eliminating shady deals.

The principle of separation of Three authorities

Procurement operations should follow the principle of separation of three authorities, i.e. the demand function/department is responsible for the development of technical standards and the identification of shortlisted units; the cost function is responsible for/participates in commercial analysis and price negotiations; the procurement manager is responsible for organizing, coordinating and promoting the execution of the procurement process and is responsible for the quality of the procurement process; and the procurement selection team makes the final decision. The procurement process shall be based on the principle of segregation or separation of procurement and inspection, i.e. the procurement personnel shall not be the same person as the user personnel, or if they are the same person, then at least the acceptance personnel shall be included for acceptance, and it shall be prohibited for a single person to complete the procurement process alone from start to finish.

The principle of pre-emptive control

Through the procurement plan report and other means, cross-departmental communications are carried out to reach a consensus on the procurement methods and shortlisting criteria, so as to control the quality and improve the efficiency of procurement at the source.

The principle of full competition

Adequate market sourcing is required to ensure adequate competition by selecting multiple suppliers who meet the quality requirements and are close in strength to participate in the tenders for procurement businesses.

The principle of confidentiality

All procurement documents are important secrets of the Company and must not be disclosed or improperly promised. Procurement documents include shortlisted suppliers, tender documents, tender negotiations, decision making processes, supplier privacy documents, agreements, contracts, etc.

The principle of traceability

Procurement information, including supplier selection (inspection, shortlisting, evaluation, satisfaction survey, etc.), procurement plans, tender documents, bid documents, tender opening records, tender enquiry records, minutes of relevant meetings, etc., must be collected, collated, filed and stored (or transferred to the archives) in a timely manner, and uploaded to the procurement information system platform if electronic filing is carried out. In principle, all procurement operations must be completed online once the non-engineering procurement information system is online to ensure that procurement operations are traceable online.

The two-eight principle

Non-engineering procurement operations implement differentiated procurement management actions in accordance with the two-eight principle, i.e. the procurement function and cost function are involved in the control of key and large value operation (except for special operation involving confidentiality), while the rest is done independently by each procurement requirement department.

Suppliers Audit Mechanism

Based on the key factors such as suppliers' qualification, cooperation area and procurement mode, Ever Sunshine Services adopts the three levels of "Strategic Procurement", "Centralised Procurement" and "Special Procurement" for effective management. In addition, we have adopted a rating methodology that includes "initial assessment, continuous monitoring and dynamic adjustment of ratings" and incorporates environmental impact and social risk into the assessment requirements. Through this rigorous assessment and rating mechanism, we aim to ensure that the products and services provided by suppliers meet high standards of quality and calibre, and create a sustainable supply chain.

Supplier Inventory and Audit Process

Selection of Intended Inventory Supplier	Audited for Inventory	Rating and Signing of Contracts	Cooperative Assessment	Supplier Assessment and Rating
<ul style="list-style-type: none"> Consider user needs, brand identity, quality control, whether it is a green product, etc. 	<ul style="list-style-type: none"> Submit information in accordance with the requirements for inventory Enter the supplier inventory after reviewing and approving, 	<ul style="list-style-type: none"> Determine the level of the supplier in accordance with the rating requirements and signing of the contract 	<ul style="list-style-type: none"> Sign a de facto service contract Monthly automatic collection of assessment results by the system 	<ul style="list-style-type: none"> Carry out multi-dimensional assessment of suppliers every three months Adjust supplier level in January and July of each year

Supplier Rating Management

Ever Sunshine Services evaluates suppliers by taking into account a variety of factors, including enterprise scale, qualification certification, business risk, performance record and frequency of cooperation. In order to enhance management efficiency, we have set up a Group Procurement Selection Team and a Regional Procurement Selection Team according to the different levels of suppliers. Through monthly process evaluations and based on the cumulative scores, the level of suppliers is adjusted in January and July of each year.

Procurement Plan and Standards

Ever Sunshine Services's procurement plan is closely aligned with the customer service programme, focusing on demand, cost, procurement methods and bidding rules. We tend to choose green and organic products to promote the sustainable development of the supply chain. Meanwhile, we have optimized the selection of supplier products, clarified the division of labour between the region and the Group, and incorporated the management of regional product shelves into the Group's unified audit, in order to strengthen the effective management of the Group and regional suppliers.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Supplier Management Improvement

Ever Sunshine Services carries out comprehensive management of suppliers, including daily or occasional file management, performance assessment, relationship maintenance and complaint monitoring, to ensure compliant operation and reduce risks. Performance assessment is now based on objective criteria such as customer feedback, satisfaction and employee attendance, and is generated through an online system with uniform and well-established appraisal dimensions. We also carry out due diligence on suppliers, including service contract audits and service quality spot checks by a panel of experts, to ensure efficient supply chain operations and service quality.

For the management of complaints against suppliers, we require merchants to pay a deposit in order to pay compensation in advance, focusing on merchants with a high return rate, seasonal products with many complaints for the merchants to visit the assessment and replacement, as well as regional suppliers to the headquarters unified audit. These measures have strengthened the effective management of suppliers and improved service levels and customer satisfaction.

Supplier ESG Management Mechanism

Ever Sunshine Services attaches great importance to the health and safety of our suppliers' labour and is committed to enhancing the ESG management mechanism of our supply chain. We require our suppliers to comply with OHSAS 18001 or ISO 45001 occupational health and safety management standards, and integrate health and safety factors into supplier evaluation and contract management.

For service outsourcing contracts, we require all contractors to operate in accordance with their contractual health and safety policies as a means of strengthening and promoting contractors' management of employee health and safety:

- Service employees are required to undergo professional knowledge and skills training and pass the assessment before they can take up the service. For order and safety posts, the employee must be certified;
- The contractor is required to take out appropriate personal accident and medical insurance for the service personnel;
- Work at height must be carried out in accordance with "Safety Procedures for Overhanging Work at height" (高處懸掛作業安全規程) and the relevant national and local regulations. The operator must be certified and take the necessary safety precautions;
- The contractor is required to provide an adequate amount of labour protective equipment for its employees and to register and count them regularly, and to set up a special dangerous goods store with dedicated management staff;
- The contractor is required to organize a monthly "Safety Knowledge Training" for all employees.

6. CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Green Supply Chain Management

Ever Sunshine Services prioritises working with green and sustainable suppliers that comply with ISO 9001, ISO 14001 and OHSAS 18001 standards. We value the environmental performance of our suppliers. We provide financial incentives to service suppliers who use environmentally friendly equipment and tools in the semi-annual performance assessment to encourage the replacement of consumable materials that are prone to secondary pollution. In addition, Linjiu Technology works with suppliers to develop and apply online data to promote environmentally friendly services and equipment. Each year, the Company also recognizes outstanding suppliers who have demonstrated outstanding environmental performance, thereby reinforcing the entire supply chain's concern and commitment to environmental protection. This year, we will further strengthen our commitment to sustainable development by favouring organic agricultural products and actively promoting green farming activities. This year, we will continue to carry out activities such as the "Taste Hunt Plan" and "Weekly Group Purchase" to find more green products for our property owners.

During the reporting period, more than

150 groups

purchases were carried out in each region of the country each month,

covering projects across the country, and approximately

1,154 projects

carried out group purchases each week,

with

78,000 users

having get access to weekly group purchases,

and the customer satisfaction rate was

100%.

Case



Continue the "Taste Hunt" for a Green Supply Chain Transition

In 2023, Ever Sunshine Services continued its "Taste Hunt Plan", which focused on introducing organic and green products with the concept of "going to the mountains and the sea, tasting all kinds of flavours, adding colours to the table". The plan aims to provide property owners with healthy and sustainable food choices, covering a wide range of organic vegetables and green agricultural products, enriching property owners' dining tables while supporting sustainable agriculture and demonstrating our commitment to environmental protection.



Ningxia - Mudflats



Zhejiang-Zhoushan-Seafood



Yunnan-Diqing-Tibetan-scented Pig



Shaanxi - Fuping - Persimmon Cake

Supplier Communication and Training

Ever Sunshine Services attaches importance to effective communication with suppliers, and has adopted a multi-level and multi-channel strategy to improve communication efficiency and ensure the accurate delivery of information. In 2023, we increased the frequency and coverage of supplier visits, aiming to improve the level of supplier service and customer satisfaction, and implemented the following key measures to further improve the efficiency of supplier communication. In 2023, Ever Sunshine Services carried out 83 group-level supplier visits and 605 regional visits, with a coverage rate of 100%.

- Regular visits and hierarchical communication: monthly visits to national key merchants and regional suppliers, quarterly visits to seasonal suppliers, and at least two communications to new merchants.
- Pre-event communication: monthly communication in advance according to the marketing activity plan, including product selection meeting and small interview meeting with strategic suppliers.
- Offline activities: Merchants Selection Meeting is held every month.
- Annual meeting: Supplier Appreciation Meeting and Merchants Selection Meeting are held at the beginning of each year.
- Supplier training: Monthly safety education for relevant suppliers, standardisation of labour safety and hygiene education for service personnel, and regular ESG-related training for suppliers on anti-corruption and other issues.

Case



Ever Sunshine Services Held 2023 Strategic Cooperation Conference, Had "Common Commitment, Community, Common Growth" with Partners

On January 8, 2023, the 2023 strategic cooperation conference of Ever Sunshine Services with the theme of "common ecology and common growth - youth Ever Sunshine, it's good to have you" was opened in Shanghai, focusing on the main theme of "common commitment, community and common growth". Zhou Hongbin, executive director and president of Ever Sunshine Services, Li Tao, Chief Operation Officer, and other senior management team gathered with annual strategic partners from all over the country to draw a new blueprint for collaboration and win-win situation.



Theme of the Strategic Co-operation Conference

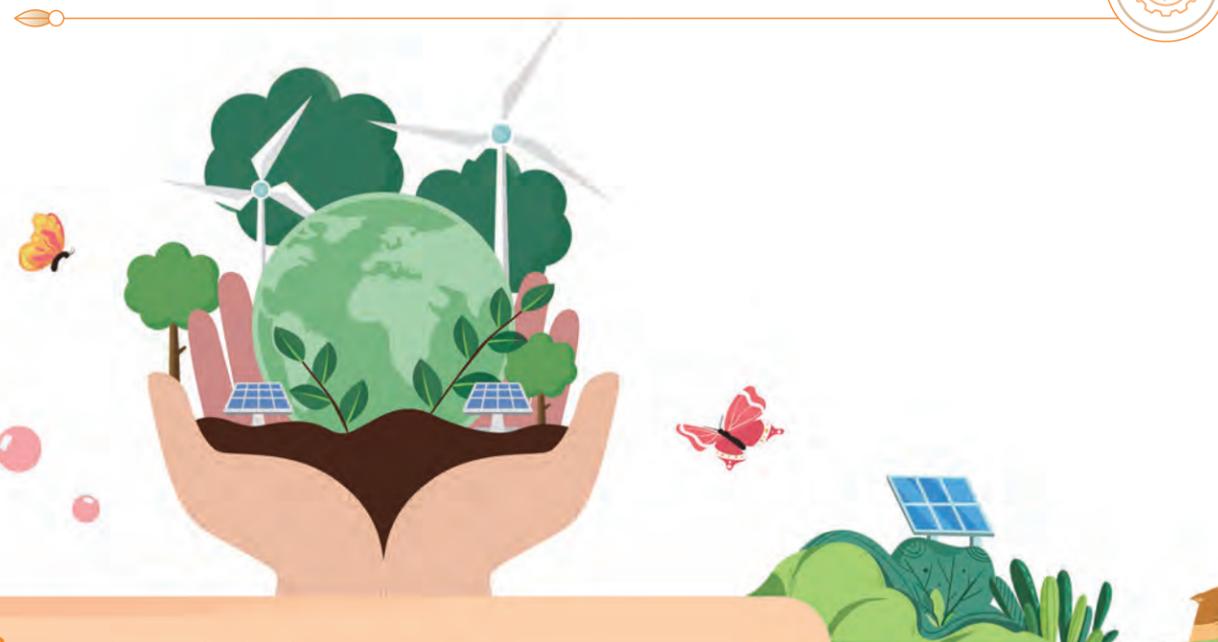


Scene of the Strategic Co-operation Conference

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Ever Sunshine Services continues to uphold the mission of "Building better lives" and is committed to realizing the core value of "Let customer be "trouble-free, worry-free, and discontent-free"". We promote diversified development through technological innovation and follow the development strategy of "platform + ecosystem", striving to become a customer-preferred smart city service brand. We continue to optimize our service performance and product quality, and strengthen our intelligence and data capabilities. Meanwhile, we actively promote the health and well-being of our customers, and safeguard their privacy and health and safety in order to increase customer satisfaction.

Guide Indicators Responded to in this Chapter		Material Issues in this Chapter
Respond to SDGs   	Response to Indicators of HKEX B6 General Disclosure B6.2 B6.4 B6.5	- Service Quality - Product Quality and Service - Smart Property - Customer Satisfaction - Customer Information and Privacy Protection - Customer Well-being and Health and Safety



GOALS PROGRESS

Goals Setting

- Project management transformation: 211 projects in 10 regions from outsourcing to self-management.
- Service Team Building: through the strategy of "selecting good people", "cultivating people" and "retaining people", we select, cultivate and retain a service team with high quality, strong communication and good image
- Counselling Officer Team Development: strengthen the counselling officer team to enhance service awareness and level, and provide comprehensive logistical support to employees
- Customer Complaint Management Optimization: expand the 400 personnel team, increase the proportion of satisfaction survey, and ensure 100% result return and process return for customer complaints
- Systematic Customer Complaint Handling: systematically handle and enhance the ability to handle customer complaints through the Group-Regional-Project three-level meeting system

Progress Review

- Project transformation: a total of 147 projects were converted to self-management throughout the year, covering 2,016 order employee positions, and the full staffing rate was maintained at over 95% through the construction of recruitment channels
- Empowerment training is fully online: implementation of online and offline training for stewards, order, and environmental lines, with a 96.04% pre-service certification rate for stewards, 94% pass rate for order certification, and 59.67% pass rate for environmental certification.
- Whistleblowing Complaints Management: make a progress in awareness, operational training, consciousness-raising to achieve 100% rapid response and rapid resolution of project issues through monthly analysis and early warning
- Customer Service System Construction: senior management have established a systematic customer service system and made "customer satisfaction" a core indicator for strategic evaluation and performance assessment at all levels
- whistleblowing Complaints Management Mechanism: establish a comprehensive whistleblowing complaints management mechanism, requiring management to participate in regional complaints analysis meetings to gain an in-depth understanding of customer needs and optimize service design

Next Plan

- Strengthen key position capacity: carry out project head wolf capacity training, cultivate all-round stewards, and build a multi-talented team of experts
- Business Restructure: back to the professional ingenious heart and low-cost operations based on an integrated labour model
- Self-operated project management: standardize the basic work of project operation, deepen the integration of the battle map and task system, enhance the explicit customer service force, focus on deepening the cultivation in the main city areas, and set up benchmark projects
- Efficient Supply Chain Building: establish a one-stop procurement platform and improve the quality of strategic sourcing and centralized procurement suppliers
- Risk Control: implement front-loaded operational risk control to eliminate high risks and eliminate problems in the operational process

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

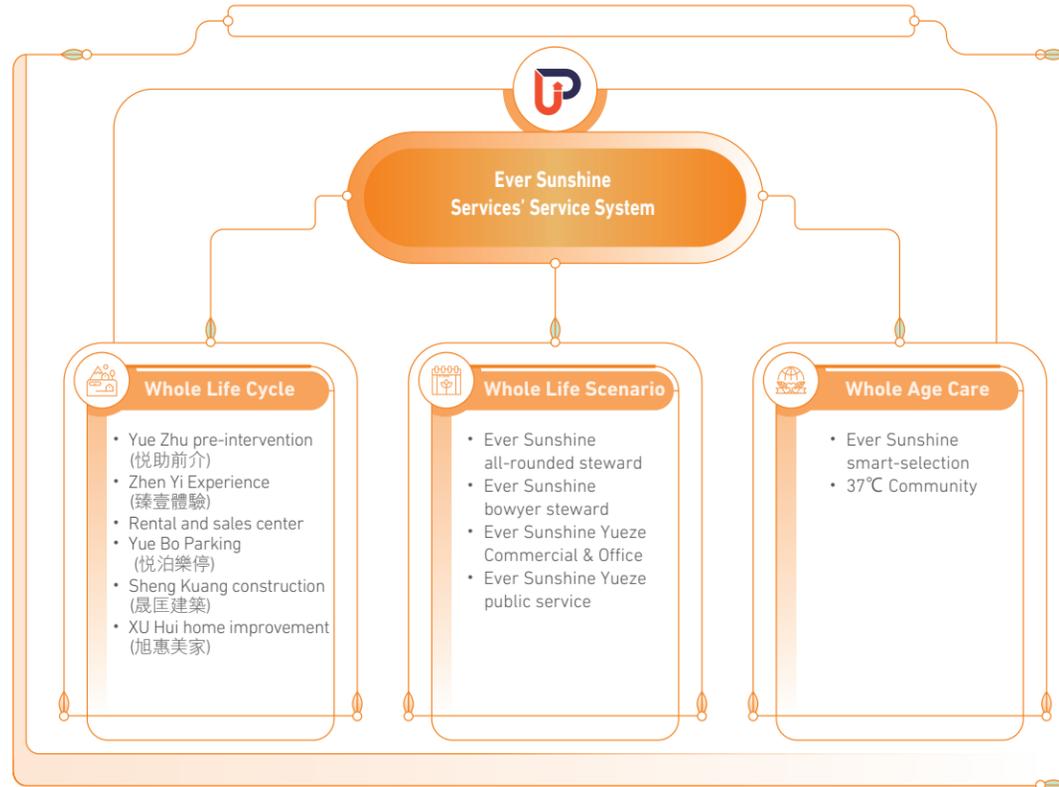
SERVICE QUALITY AT THE CORE

Ever Sunshine Services insists on the overall development strategy of "platform + ecosystem", adheres to "long-termism" and "technology leadership", upgrades its services from "things" management to "people" services, focuses on the whole-age experience of "people" and provides comprehensive services for the whole space and cycle of the city. WE have built a complete service product matrix:"gravitational service ecosystem", covering five categories of services: "community services, value-added services, commercial services, city services, and smart services", and endeavour to become the leader of better life services and promote the smart transformation of the property services industry.

Property Service Management System

Ever Sunshine Services strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on Product Quality and the Law of the People's Republic of China on Protection of Consumer Rights and Interests, and is committed to continuously optimizing and updating our quality management system.

Ever Sunshine Services is deeply engaged in quality management, and creates the "gravitational service ecosystem", which covers five categories of services, namely, "community services, value-added services, commercial services, city services and smart services", and specializes in 10 major industries, including residential, commercial, parks, schools, hospitals, exhibition halls, culture and tourism, elderly care, transport hubs and city services. Meanwhile, we have created an outstanding service concept based on the service features of "whole life cycle+", "whole life scenario+" and "whole age care+". For more information, please visit our website (www.ysservice.com.cn).



Ever Sunshine Services' service system

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

In compliance with the regulations, we have carried out annual reviews and external audits every three years of the ISO 9001 quality management system certifications that the Company and Linjiu Technology have obtained to ensure that our management system continues to comply with national and industry standards and regulations.



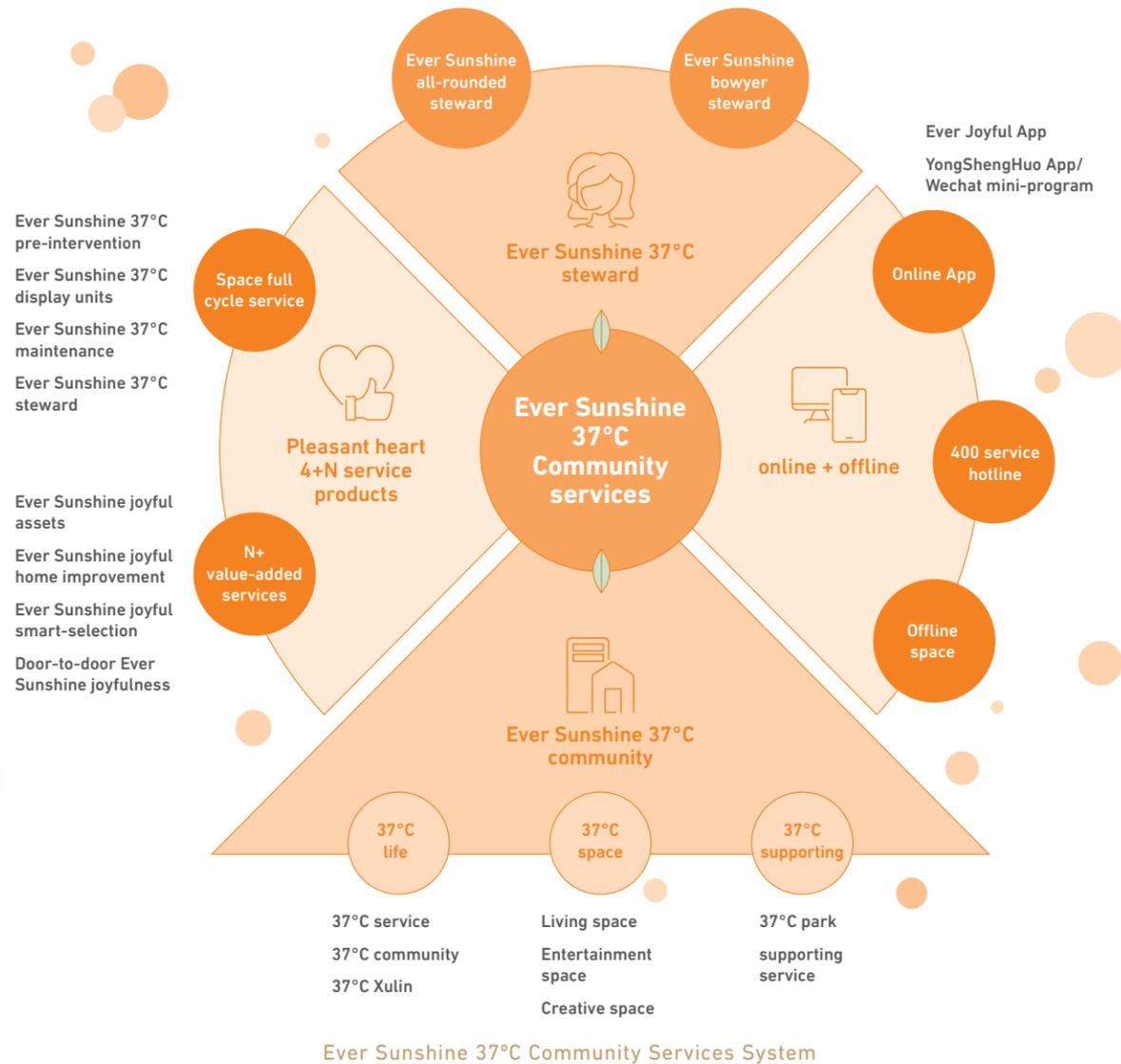
ISO 9001 Quality Management System Certificate for Ever Sunshine Services

ISO 9001 Quality Management System Certificate for Linjiu Technology

Property Services Ecological Building

Living with better life

Ever Sunshine Services upholds the mission of "Building better lives", adheres to the service concept of "satisfaction+ surprise" and the concept of responsible development. We integrate the concept of sustainable development into our daily operations to create excellent service quality. By combining the six-factor methodology of "culture, system, experience, awareness, skills, tools, and scenarios", we have developed a unique "platform + ecosystem" service model to provide customers with holistic solutions, and are committed to becoming a "better life service provider".



Case



Ever Sunshine 37°C Community Canteen To Meet The Property Owners' Dining Convenience

In order to facilitate and meet the property owners' dining needs, Ever Sunshine 37°C Community Canteen has landed in three projects, namely Shandong Ever Sunshine Yinshengtai 37°C Smart Home Pension Service Centre, Shijiazhuang Xuhui Zhongruifu and Shijiazhuang Xuhui Gongyuan. It is a public facility integrating catering, communication and service, with the main purpose of providing healthy and nutritious catering services at affordable prices. Meanwhile, the canteen site can also be used to create a place for communication of cultural, recreational and educational activities, and become a "meeting room" shared by neighbours.



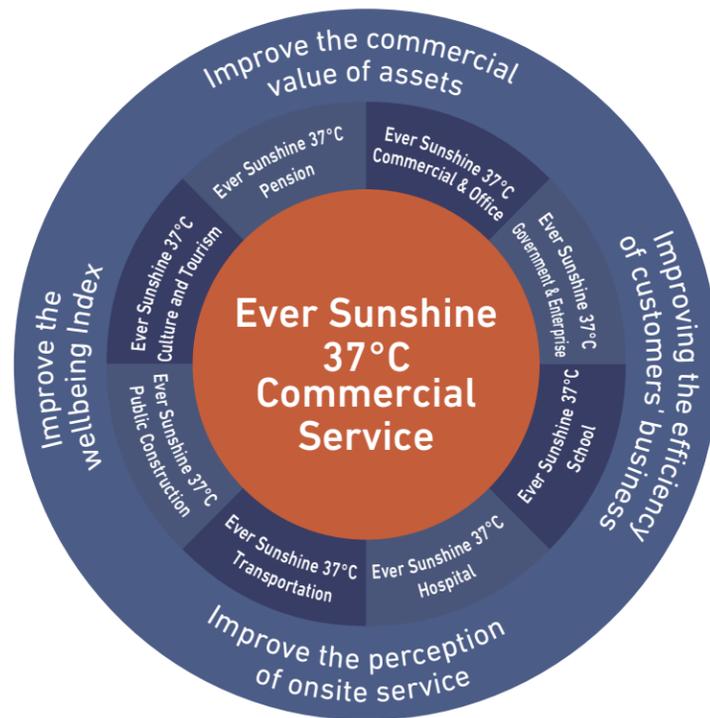
Ever Sunshine Canteen Scene

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Growing with the city

As a professional property service brand dedicated to "non-residential" projects under Ever Sunshine Services, Yongsheng 37°C Commercial Service understands the connotation of "better lives" and carries out a fine division of labour for commercial services. We focus on ingenious heart service, constantly improve service quality, and cover every scene of city life. With the help of technological innovation, we lead the development of service diversification, provide customers with smart integrated service solutions, and aim to become a leading "smart city service operator".

Ever Sunshine 37°C Commercial Service System



7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Case



Carry out Standardized Services to Help the Development of Exhibition Services

Ever Sunshine Services has mature experience in exhibition venue management services, with rich experience in project services in Beijing, Shanghai, Jiangsu, Xinjiang and other places, and outputs comprehensive services such as conference services, order maintenance, environment maintenance, engineering maintenance, etc., to meet the multi-level and diversified needs of all parties involved in the exhibitions. Ever Sunshine Services will give full play to its outstanding capabilities in VIP reception, security inside and outside the exhibition halls, cleaning and other ancillary property services to continuously improve the service level of the exhibition venues and help the development of exhibition services.



We provide professional Commercial office service for Exhibition Centre

Living and breathing with humanity

Focusing on city space operation, value-added industrial development and community livelihood services, Ever Sunshine Services is committed to establishing a more efficient management system by building a smart city technology platform. We assume an important role in comprehensive city management and operation, and enhance the ability of comprehensive city management by providing refined, specialized and smart service products. We aim to promote a virtuous development cycle of city operations and to enhance citizens' sense of well-being.

Ever Sunshine 37 °C
City Service System



Case



Deeply Plough into City Public Building Services, Create a Better Travelling Experience

In order to ensure that passengers have a clean and tidy travelling environment, Ever Sunshine cleaning team carries out comprehensive in-depth cleaning of metro gates, escalators, entrances and other areas before daily operation, and carries out comprehensive disinfection and disinfection after operation; during the whole train operation period, cleaning employee uninterruptedly patrols and cleans the areas, and carries out special in-depth cleaning of the canopies, platform doors and other special cleaning work; we arranges a special person to be on duty for the toilet, and such person patrols and cleans every 15 minutes to ensure that the toilet is hygienic and clean, and the environment is fragrant, so that passengers can travel with peace of mind and comfort.



Ever Sunshine Services Undertakes Metro Public Construction Services

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Living with life, living with ecology

Pursuing the concept of "better life", Ever Sunshine implements the development strategy of "platform + ecosystem" in project operation, and builds a service ecosystem around the needs of customers. Adopting the business model of "self-operated + jointly operated", Ever Sunshine Services continuously explores and realizes diversified value-added services. At present, the Company's BU value-added service development has covered four major areas:

1 Ever Sunshine joyful smart-selection (retail services):

Focusing on the common needs of customers during festive seasons, we provide quality products and services to satisfy customers' pursuit of a better quality of life, forming a new community retail model with reciprocal interactions within the community;

2 Ever Sunshine joyful home improvement (home improvement services):

A professional team is formed to integrate home resources and bring together well-known brands to provide one-stop home ownership services for property owners;

3 Door-to-door Ever Sunshine joyfulness (door-to-door services):

We study customers' daily life scenarios and provide home life services covering housekeeping, home appliance maintenance, home care, in-home decoration and home beautification;

4 Ever Sunshine joyful assets (rental and sales services):

We provide 37°C services to preserve and increase the value of our customers from a professional perspective, including housing leasing, housing escrow, new home sales, car parking space sales, asset valuation and title deeds, helping property owners to manage their assets.

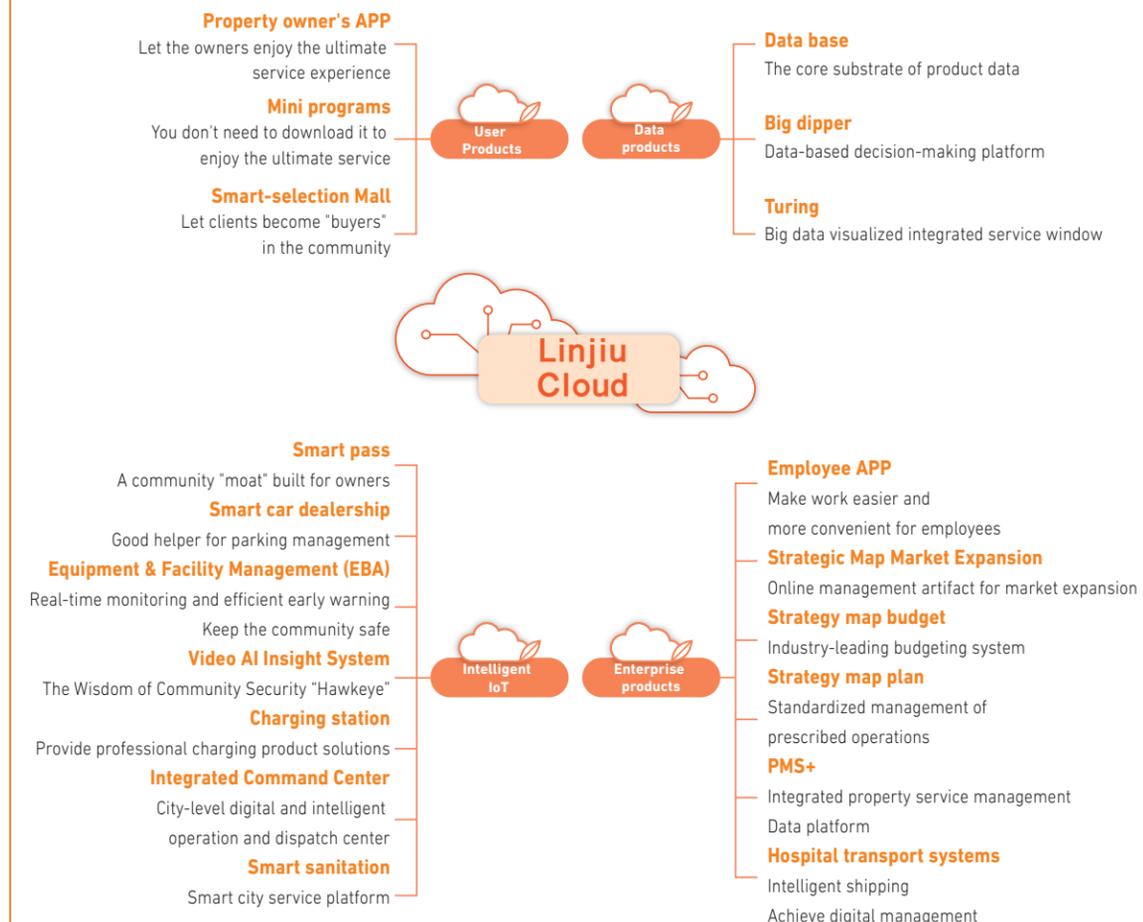
Share the future with technology

Linjiu Technology, as a service brand focusing on smart city under Ever Sunshine Services, has created a five-dimensional smart service system from meeting customers' needs by making use of cutting-edge technologies, such as mobile office, Internet of Things, artificial intelligence, big data, cloud technology, 5G, and so on. We are committed to establishing an open eco-technology platform to promote the transformation of traditional city property services in various aspects such as smart life services, ecological community platform, transparent enterprise management, standardized daily operations and smart group decision-making, and to accelerate the realization of a comprehensive smart upgrade of the industry.

Linjiu Technology is committed to enhancing the intelligence and digitization of property management by leveraging the "Linjiu Cloud" platform and AIoT solutions. We have launched Smart Communities and six Smart Application Modules, and through the Turing System, we provide a comprehensive digital service experience for management teams, stewards, property owners and other property stakeholders. These innovations aim to improve efficiency and communication fluency, allowing all users to enjoy the convenience and effectiveness of digital property services.

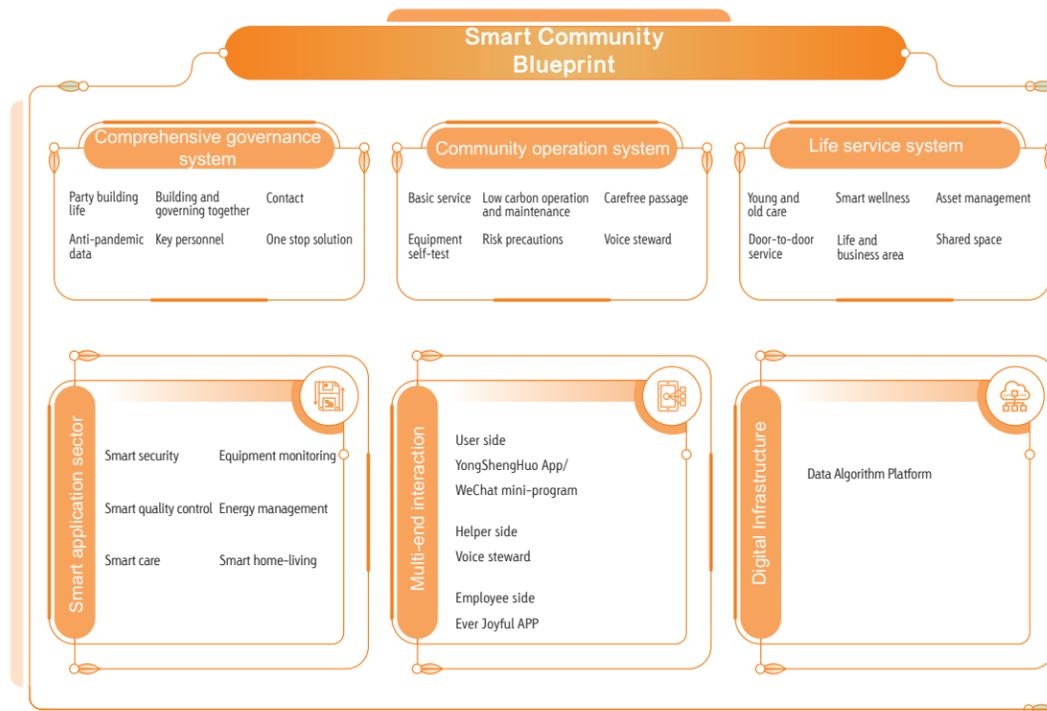
7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Ever Sunshine Smart Service System

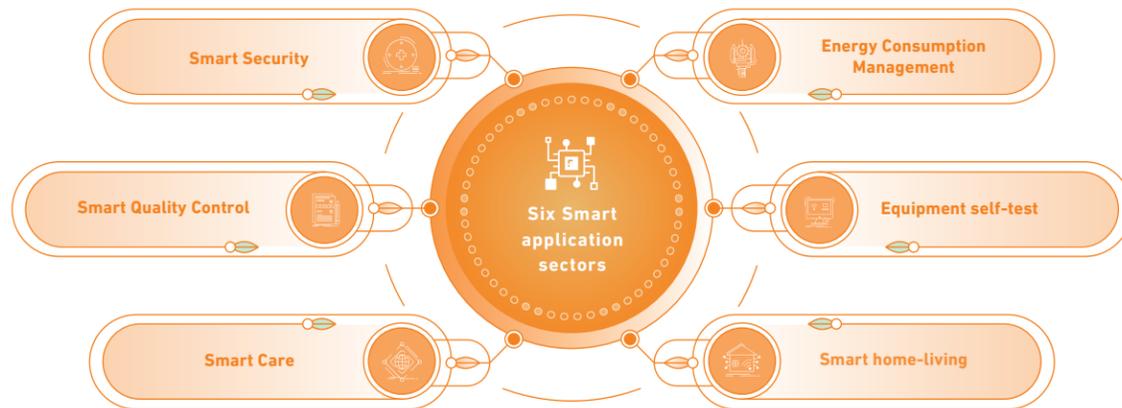


7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART



Smart Community Blueprint



Six Smart Application Sectors

Linjiu Technology's technological strength has been widely recognized, and the Company has been selected as one of the "2023 Specialized, Small and Medium-sized Enterprises" list, becoming a high-tech enterprise in Guangdong Province and holding the first-class information system integration service qualification. The Company has also been awarded "Top 5 Property Service Enterprises in China in Digital Strengthen Ranking" and "Top 50 Smart Community Solution Providers", demonstrating its industry leadership in the field of smart communities.



Linjiu Technology has been selected as one of the "2023 Specialised Small and Medium-sized Enterprises"

Case



Smart Community, Creating a Life with Temperature

At the beginning of Spring Festival in 2023, Chongqing Property Management Industry Association announced the list of Chongqing Smart Property Demonstration Projects for 2022. Among the 71 annual smart property demonstration projects, 8 projects managed by Ever Sunshine Services Chongqing were on the list. Relying on the Group's smart city service brand "Linjiu Technology", Ever Sunshine Services improves the quality of service with the digital smart engine, so that the property owners can feel the smart convenience and warm care of life, and keep moving forward on the road of creating a better life and harmonious community.



Property Owners Use Smart Identification to Enter and Exit Gates



"Smart Energy-Saving Lamps" Adopted in the Community

Building Better Life Services

We adhere to the principle of "customer-centred", take the industry's leading standards as our own pursuit, and focus on improving the quality of service to meet customer demand for property services. We constantly optimize and standardize the high-level service system of Ever Sunshine Services, clarify the division of labour among various functional departments, and are committed to creating a better life experience for our customers.

Expand Service Channel

As a steward of our residents' lives, we firmly believe that our services must reach out to every one of our customers. To this end, we have transformed our service model and focused on improving service quality to ensure that our customers truly feel the value of our property services. In 2023, Ever Sunshine Services dispatched a total of 1,738 technical engineers to provide home services, while promoting a multi-skilled labour model in all regions. We also provided comprehensive training to stewards and engineers with the aim of improving their home service capabilities and coverage. These measures have effectively facilitated the implementation of more home service projects, ensuring that customers receive a more comprehensive and high-quality service experience.

In 2023,

door-to-door service had an annual work order in-time response rate of

96.30%

a work order in-time completion rate of

99.38%

a work order satisfaction rate of

99.8%

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Clear Division of Responsibilities

In order to assist in creating a higher level of good life service system for our customers, Ever Sunshine Services has further updated its customer management system to enhance the overall service efficiency and quality by clarifying the effective division of labour and cooperation among stewards, suppliers and project managers to ensure the continuity and satisfaction of customer experience.

<p>Stewards Responsibilities</p>	<ul style="list-style-type: none"> Independently manage the assigned grid, mobilize and evaluate the staff of various ports within the grid, such as cleaning, landscaping, security, maintenance. Responsible for collection of accounts, service fulfilment, customer satisfaction, environmental hygiene, public order, equipment and facility management within the grid. Implement an evaluation system based on key behaviours and grid performance.
<p>Supplier Responsibilities</p>	<ul style="list-style-type: none"> Meet daily operational and quality standards. Clarify operational standards and monitor to ensure environmental hygiene, green management, etc. are in line with standards. Carry out performance evaluations based on objective data such as customer evaluations, work orders, and on-site quality.
<p>Project Manager Responsibilities</p>	<ul style="list-style-type: none"> Meet daily operational and quality standards. Clarify operational standards and monitor to ensure environmental hygiene, green management, etc. are in line with standards. Carry out performance evaluations based on objective data such as customer evaluations, work orders, and on-site quality.



7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Quality Enhancement Training

We continue to improve our service quality training system, strengthen the competence of all-round stewards and project managers, introduce the online performance evaluation and training system for stewards, implement the composite employment model, and encourage the skills enhancement of frontline employees, so as to ensure that our customers enjoy high-quality property services in line with the service standards of Ever Sunshine Services.

<p>Rock-solid Plan (磐石計劃)</p>	<ul style="list-style-type: none"> Aimed at good project managers of the various communities under management. The main content includes the means of "online learning + face-to-face training + benchmarking visits + assignment reporting + graduation exams + post-training tasks" to ensure that learning is applied.
<p>Elite Plan (菁英計劃)</p>	<ul style="list-style-type: none"> For newly recruited online frontline employees, clarifying job standards and strengthening business knowledge. The main content covers key areas such as stewards roles, customer service, emergency response, professional ethics, digital operations, teamwork, project management, etc., to comprehensively enhance employees' professional skills and service quality.
<p>New Feather Empowerment Special Training Camp (新羽賦能特訓營)</p>	<ul style="list-style-type: none"> Includes online pre-service competency certification covering about 1,700 stewards with a 96% certification pass rate; offline special training camps are carried out in multiple regions covering approximately 500 stewards. The main content covers butler role positioning, responsibilities, customer communication, handling of claims, interviewing skills, file management, and digital smart operation.
<p>Security Guard Officer Training Camp</p>	<ul style="list-style-type: none"> Nationwide militarised special training camp to enhance the professionalism and service capability of security guard officers. Includes group, regional and project-level transfer training, with participation and completion rates of 100% and 97%, respectively, and a certification rate of 90%.
<p>Certification of Environmental Specialists</p>	<ul style="list-style-type: none"> Aimed at professional competence enhancement of environmental management employees, covering 424 trainees. Includes cleaning quality control management, greening quality, and environmental work operations.





"New Feather UP"
Stewards Special Training Camp



Environmental Experts Training



Security Guard Officers Training Camp

Responsible Marketing

While adhering to responsible marketing and promotional strategies, Ever Sunshine Services has also strengthened its management of customers' financial systems. We strictly follow the "Advertising Law of the People's Republic of China" and other related regulations, and will issue weekly pre-shift mandatory readings to require our team to maintain a professional and prudent attitude when carrying out marketing and sales activities and managing customers' finances. All sales practices and financial handling must be compliant and truthful to ensure that commitments to customers and financial transactions are transparent and effective, thus fully protecting customers' interests.

Starting from 2023, the assessment calibre of the Company's financial management system for customers was changed to the comprehensive collection rate, including property fees, car parking fees and energy consumption fees, and the requirements for the collection management and charging channels for each item were strengthened:

1 Property fee management:

mainly through the "Ever Sunshine Joyful" APP, e-bill, official Alipay/WeChat and other ways of charging, accepting bank transfer, bank transfer or payment at the front desk of the property service centre. It is strictly prohibited for employees to collect Company's money from their personal accounts, and violations will be dealt with seriously.

2 Car parking fee management:

achieve 100% online fee control of the car parking system. The project manager and order supervisor/ shift supervisor manage the project together, supervise the compliance of charging, and regularly check whether the charging amount and invoice of each charging post are consistent with the system amount.

3 Rubbish removal management:

regulate construction waste dumping points and implement centralized dumping and removal. Combined with local policies and regulations, it clarifies the construction waste short barge/removal charges to customers, ensures the same calibre of fee settlement, and maintains a balance of income and expenditure.

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Focus on Customer Rights and Interests

Upholding the rights and interests of our customers is the foundation of the business of Ever Sunshine Services, and our top priority is to protect the rights of our customers in the community and continue to enhance their residential experience. We are fully committed to safeguarding the health and well-being of our customers, as well as focusing on their privacy and information security, and upholding their legal rights in all aspects. Meanwhile, we continue to improve the quality of our services and increase customer satisfaction.

Guard Customer Safety and Health

The Company is committed to guarding the safety and health of our customers. We focus on safeguarding the health and well-being and privacy of our customers, ensuring that every customer enjoys the protection of safety, health and confidentiality in our services.

Customer Health and Wellbeing

For Ever Sunshine Services, ensuring the safety and health of our customers is our unchanging commitment. We strictly abide by the relevant laws and regulations of the People's Republic of China, including the Law of the People's Republic of China on Work Safety, and comply with the principle of "Safety First and Prevention First". For which, we have formulated internal management regulations, including the "Property Emergency Management (General)" and "Basic Management Requirements for Facilities and Equipment (General)", to establish a overall Health And Safety Management System for customers, to ensure that the safety, health and well-being of our customers are effectively safeguarded.

Safety Management System

In order to better raise the standard of health and safety for our customers and to improve our risk prevention capability, we have implemented a three-tier safety management mechanism covering the general headquarters, affiliated property companies and property service centres. The President is directly responsible for coordinating production safety and occupational health and safety matters, and strictly enforces the "one-vote veto system" in safety management to ensure that no work programme involving potential safety hazards is implemented.

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Three-tier safety management responsibility system



Safety Management Assessment

In order to ensure production safety, Ever Sunshine Services has formulated a comprehensive production safety responsibility assessment plan on an annual basis, according to which each of its property companies is rigorously evaluated in terms of achieving safety goals, fulfilling safety responsibilities, and occupational health and safety management. In addition, the headquarters of the Company signs a safety responsibility agreement with the primary safety officer of each property company every year, specifying the safety goals, work responsibilities and responsibility tracking mechanism for the next financial year. The annual remuneration of all responsible safety personnel, including the President, and related managers will be closely linked to the Company's annual safety performance as a means of safeguarding higher safety management standards and practices.

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Safety Risk Management

Ever Sunshine Services has revised the "Management measures for Emergencies" to strengthen the pre-identification and management of safety risks in the community. We are committed to preventing risks before they occur and ensuring a safe and healthy living environment in the community. Through comprehensive risk control and emergency planning, we aim to safeguard the safety of our customers and reduce potential human and financial losses by responding quickly and effectively to all types of emergencies through standardized emergency response, reporting and handling processes.

Emergency Identification and Early Warning	Emergency Preparedness Response	Follow-up Prevention and Handling
<ul style="list-style-type: none"> We identify the type, degree, cause and development trend of risks in a timely manner by effectively identifying and analysing a combination of quantitative information, such as data on emergencies, satisfaction surveys, work order anomalies, inspection results, team performance and third-party opinions. Based on the results of the analyses, risk warnings are issued in a timely manner, and targeted treatment measures are taken in accordance with established procedures. 	<ul style="list-style-type: none"> When dangerous emergencies (e.g. fire) occur, we take effective measures in strict accordance with the emergency plan. We require that when a dangerous emergency occurs, we report it at the first time through the "Ever Sunshine Joyful" APP, and at the same time activate the emergency response plan to protect the lives and properties of our customers. 	<ul style="list-style-type: none"> After an incident, we follow the principle of "three don'ts" (analysis of the cause of the accident, education of those responsible, and lack of precautionary measures), clarify responsibilities, formulate an accident handling plan, and record the handling process. Based on the seriousness of equipment accidents, we learn lessons and take effective management preventive measures. In response to fires, equipment safety, and pipeline network accidents, we formulate targeted emergency plans and carry out regular drills to prevent major safety and property damage.

Emergency Handling Process



7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Supervisory Inspection

In order to strengthen the service operation of residential projects, Ever Sunshine Services has paid more attention to supervisory inspection and implemented a stricter supervisory inspection management, focusing on projects with low operation quality, high risk or many complaints. Through regular inspections by the Group and regional joint supervisory teams, we ensure that service standards are enforced, property owner satisfaction is enhanced, and the overall management level is continuously improved.

Throughout 2023, monthly routine inspections of hidden safety hazards and risk sources were carried out, combined with one safety-themed activity per month, covering 100% of the projects

with **0** production safety-type liability accident

0 fire-type liability accident

and **0** related administrative penalty for the year

Supervisory Inspection

Type of Supervisory Inspection	Department Responsible	Inspection Content	Coverage Rate
Basic Quality Inspection	Regional Customer Value Management Department	Carry out at least two supervisory inspections and cross-inspections of projects per month, including general community inspections and fire inspections	Coverage of 100% of projects
Morning meetings are held for quality inspection	Regional Customer Value Management Department	Responsible for carrying out supervisory inspections and re-inspections, and overseeing the cross-inspection of the quality of morning meetings held for all projects under the jurisdiction of the region, and the frequency of monthly inspections should not be less than 1 time/project/month	Coverage of 100% of projects

Type of Supervisory Inspection	Department Responsible	Inspection Content	Coverage Rate
	Each city/region head is responsible for organizing each project manager/project head	Carry out cross-inspection of the quality of morning meetings held across projects within the city/region, and the frequency of monthly checking should not be less than 1 time/project/month	Coverage of 100% of projects
Nightly quality inspection	Regional Customer Value Management Department	Carry out supervisory inspections and re-inspections and oversee nightly quality cross-inspection for all projects under the jurisdiction of the region	Monthly inspection coverage of no less than 30% of the number of projects under the jurisdiction of the region and 100% quarterly coverage
	Each city/area head is responsible for organizing each project manager/project head	Carry out nightly quality cross-inspection of projects within the the city/region	
Pre-holiday special inspection	Each city/area head is responsible for organizing each project manager/project head	Carry out special inspections on holidays or at specific times	Coverage of 100% of projects

Safe Production Trainings and Drills

Ever Sunshine Services actively carries out various types of safety training and drills, such as community security, emergency response, fire safety and elevator personnel rescue, etc. Through these multi-channel and multi-form safety education activities, we aim to strengthen the safety skills and awareness of our employees, deepen their understanding of safety, and ensure that the health and well-being of our property owners are fully protected.

In 2023, Ever Sunshine Services organized and carried out a total of 312 safe production trainings with over 6,449 participants. An aggregate of 1,337 emergency drills have been carried out with 15,220 participants.

Case

Innovative Management to Create a "Security Guard Officers"

Around the "service standards, risk identification, hidden danger investigation, emergency drills, special inspections" and other dimensions, 2023 autumn special training camp had special training to enhance the professionalism and service ability of the order backbone members, and the elite backbone transferred the special training content to each of project order members. Through rigorous training and learning to improve, the "Security Guard Officers" of Ever Sunshine Services have efficient and rapid professional disposal response capabilities in response to fire fire, flood emergency, riot control and other types of emergencies.



Southwest Regional Training Scene of The "Security Guard Officers" Special Training Camp



Scene of Autumn 2023 Group "Security Guard Officers" Special Training Camp

Customer Privacy Protection

Ever Sunshine Services highly values and makes every effort to protect the privacy and information security of our customers. We abide by the "Personal Information Protection Law of the People's Republic of China" and other relevant regulations, and actively update and implement key internal documents such as the "Ever Sunshine Life Privacy Policy" and "User Service Agreement". We aim to provide standardized processes and management measures to safeguard customer privacy. In addition, we have implemented a comprehensive information management and hierarchical control mechanism to effectively prevent any possible risk of information leakage. In 2023, the Company did not have any incidents of customer information leakage or internal data leakage, nor did we have any information security-related complaints.

In February 2023, Linjiu Technology was awarded the Network Security Level Protection Level 3 certification by the Ministry of Public Security. The security standards of all Linjiu Technology's products have reached the highest rating of the national non-banking institutions, further demonstrating that Ever Sunshine Services can provide a higher level of protection for user data and privacy security.



Linjiu Technology Network Security Level Protection Level 3 Certificate

Customer Information Security Management

To ensure internal data security and customer privacy, we use bastion machines to enhance data protection and incorporate information security into our three-tier management system. We carry out regular information security flight controls and strictly manage data modification and query processes. In addition, we are promoting the onlineisation of customer files, while still implementing a strict three-tier management system for offline files. To further emphasise the importance of customer privacy, the performance of customer privacy protection is directly linked to the President's performance appraisal to ensure that management attaches great importance to privacy protection.

- **Information modification:** the process is requested by the person responsible for the data, and the approval process is ultimately approved by Chief Data Officer of Ever Sunshine Services, to ensure all data is secure;
- **Data export:** Ever Sunshine Services generally do not allow any employee to export data, all data basically need to be accessed online to avoid leakage of customer data due to random export by employees;
- **Information query:** Ever Sunshine Services online system will hide customer phone numbers, at the same time, we carry out three-tier control of offline customer information, and establish a perfect system for the access and borrowing of relevant documents to ensure employee compliance query;
- **Information leakage:** we have a comprehensive contingency plan for information leakage emergencies and strictly implement precautionary measures to ensure that information is not leaked.

Information Security Training

Ever Sunshine Services has carried out information confidentiality training for all employees of the Company, with a coverage rate of 100%. Meanwhile, the Company carries out information security training at least once a year, which involves the management of customer information files, daily maintenance of customer information, and on-line management of customer information.

Customer Privacy Awareness

We carry out front-line grass-roots employees' publicity for customers' privacy protection, incorporate it into online courses, promote it throughout the Company, incorporate it into quality inspections, and repeatedly remind it during management supervision. Meanwhile, we made information security a mandatory part of new staff training and a mandatory part of our stewards training camp to ensure that most of our staff understand the privacy aspects of Ever Sunshine Services.

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Focus on Customer Satisfaction

We have always valued the voice of our customers and are committed to continuously improving our customer service management practices based on customer requests and feedback. In 2023, we updated our satisfaction survey and assessment methodology, adopting a comprehensive satisfaction evaluation methodology and focusing more on identifying and rectifying problems, with comprehensive satisfaction consisting of instant evaluation (20%), APP survey evaluation (40%) and in-house telephone survey evaluation (40%). In 2023, the customer satisfaction survey result was 87.4%.

Based on the results of our satisfaction survey and customer feedback, we are committed to improving our customer service management mechanism and constantly upgrading our customer management system in order to better solve customer problems and quickly respond to customer needs.

- **Annual satisfaction enhancement plan:** Taking into account the actual operational situation, we have formulated a targeted annual satisfaction improvement plan and ensured its effective implementation through supervision at the Group, regional and district levels.
- **Unsatisfactory item tracking:** Carry out regular satisfaction surveys and actively seek to understand and resolve customer dissatisfaction through the Company's in-house telephone call centre to ensure timely response and improvement.
- **Mobile service:** Implement full walk-around management, including on-site inspections and customer contacts by stewards, and proactive inspections and customer visits by managers, to improve service quality and management efficiency.
- **Large customer visit mechanism:** For commercial properties, a regular key customer visit mechanism was established at the project, regional and head office levels, with special focus on new deliveries, renewals, operational risks and star benchmarking projects, to further understand customer satisfaction and service needs, and 4,000 key customer visits were completed in 2023, and 87 customer comments and suggestions were addressed.
- **Headquarters fly inspection:** The headquarters carries out flying inspections of commercial property projects, and has defined and refined the inspection system (three levels of inspections: monthly project inspections, quarterly regional inspections, and group flying inspections.) In 2023, we established a library of positive and negative inspection standards for quality inspections, and clarified the inspection standards, which would help to improve customer satisfaction through more standardized management.

7. LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

Complaint Handling Process

Ever Sunshine Services performance implements the "Complaint Management Regulations", adheres to the "1530211" principle, and sets up three 100% goals (including 100% timely response, 100% timely completion, 100% satisfaction with the handling) to ensure the standardization and efficiency of complaint handling. We have incorporated timely response and prompt resolution of complaints into the Company's strategic evaluation system, with the aim of standardizing the handling process, improving implementation efficiency, and ensuring the effectiveness of feedback to enhance customer satisfaction. In 2023, customer service complaints response rate of the Company: 96.1%; processing completion rate: 95.53%; processing satisfaction: 91.97%; stewards achieved 100% accompanied home visits for property owners reporting work orders within the household.

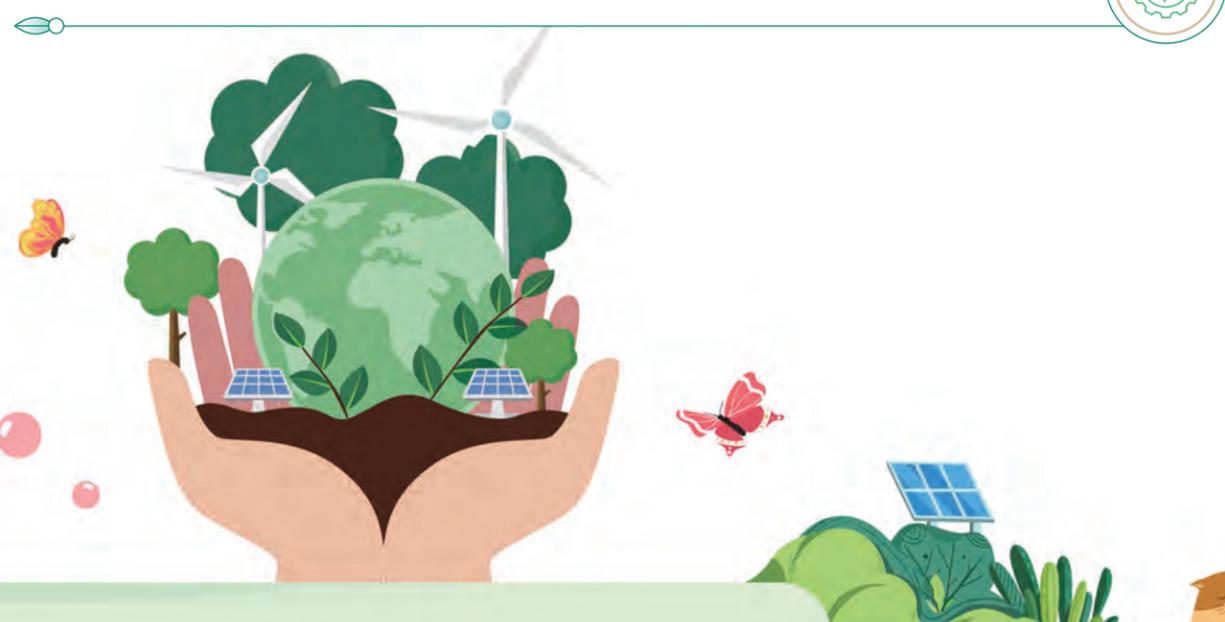


- **The "1530211" principle:** for a complaint from a customer, we require the steward and relevant customer service staff to take the order within 15 minutes; contact the customer within 30 minutes; reply or solve the problem within 2 hours, or provide a solution to the customer within 1 day if the problem is complex; and complete a return visit within 1 working day after the complaint has been dealt with.
- **Complaint classification and control:** we insist on the classification and control of customer complaints. For general complaints, serious complaints and major complaints, we assign different levels of responsible persons to take charge of handling them, so as to effectively improve the efficiency of complaint handling and provide customers with quick and satisfactory answers.
- **Complaints escalation processing:** if the complaint is not resolved for more than 7 days, it will be escalated to the person in charge of the city area; after 15 days, it will be escalated to the person in charge of regional customer value business department; after 30 days, it will be escalated to the person in charge of the region; after 60 days, it will be escalated to the person in charge of the customer value business department of the Group.
- **Complaint/satisfaction analysis meeting:** In order to continuously optimize our services, we hold regular meetings for whistleblowing complaints and satisfaction analysis at all levels to ensure timely response and effective resolution of customer issues.

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Ever Sunshine Services strictly follows the Law of the People’s Republic of China on Environmental Protection and other laws and regulations, actively responds to the opportunities and challenges of climate change, improves the internal environmental management system, practices green property operation with efficient energy management initiatives, pays attention to biodiversity, advocates green office, and creates sustainable cities and communities with practical actions.

Guide’s Indicators Responded to in this Chapter		Material Issues in this Chapter
Respond to SDGs   	Response to Indicators of HKEX A1 General Disclosure A1.5 A1.6 A2 General Disclosure A2.3 A2.4 A3 General Disclosure A3.1 A4 General Disclosure A4.1	– Tackling climate change – Green office and environmental promotion – Green property – Biodiversity – Energy saving and consumption reduction



GOALS PROGRESS

Goals setting

- Optimize the environmental management system to ensure that preventive measures and contingency plans are in place for all types of emergencies
- Improve lean management, complete the renovations of energy-saving lamps and the pilot project of prepaid electricity meters within the Group, and expand the applications of energy-saving and emission reduction technologies
- Continuously carry out water resource management and waste segregation management
- Create a green and low-carbon community and advocate green offices

Progress review

- Set goals for greenhouse gas emissions, energy use efficiency, water use efficiency and waste management
- Improve the climate contingency plan, rationalize expenditure planning and prepare contingency budgets
- Upload a new energy consumption platform to achieve smart energy consumption monitoring, and carry out prepaid meter management and energy-saving light renovations for the Group’s underground car parking space
- Build the “Water Saving Communities” and “Waste Free Communities” actively
- Reduce paper consumable consumption through paperless office
- Carry out ESG initiatives in all employees wide on a quarterly basis

Next plan

- Improve the climate risk management system, carry out climate risk and opportunity assessments, and promote climate scenario analyses
- Further refine energy-saving and emission reduction actions at the operation level, flexibly utilize emission reduction technologies, and promote smart properties
- Promote the use of prepaid electricity meters to expand the benefits and influence of energy-saving renovations
- Continuously advocate a green and low-carbon lifestyle to form a sustainable community culture



Cope with Climate Change

The impact of climate change on the whole society is becoming more and more prominent. Under the national goal of “2030 Carbon Peak, 2060 Carbon Neutral”, Ever Sunshine Services has always been committed to promoting a green, low-carbon and sustainable development model and contributing to environmental protection. We disclose information on climate risks and opportunities related to the Group’s operating activities and the measures taken to cope with them from the four dimensions of governance, strategy, risk management as well as indicators and goals.

Climate Change Governance System

Ever Sunshine Services has set up an ESG Committee, led by the CEO, and is responsible for overseeing sustainable development issues including climate change; the ESG Committee has set up an executive team, which is responsible for the management and implementation of specific affairs, and integrating climate change actions into daily operation. The ESG Committee annually reviews climate change related policies and systems, assesses the achievement of climate goals, and reviews the performance of climate risk management to ensure the effective promotion of climate risk management.



Ever Sunshine Services Climate Change Governance System

Climate Change Response Strategies

Ever Sunshine Services is well aware of the physical risks posed to the Company by extreme weather events that may be triggered by climate change, and is also aware of the transformation challenges that may be brought about by changes in the market environment and regulatory policies. We follow the guidelines of national policies, integrate industry dynamics, and take into account the interests of all stakeholders based on our own business characteristics and operational practices, and actively carry out climate risk assessment. We are committed to mitigating the negative impacts of climate change on our operation and financial performance through the development and implementation of effective response strategies.

Ever Sunshine Services' Risk Analysis of Climate Change

Type of Risk	Climate-related Risks	Risk Segmentation	Risk Impact
Physical risks	Acute risk	Extreme events such as typhoons, floods, high temperatures, snowstorms and freezing temperatures	<ul style="list-style-type: none"> • Damage to property • Threats to the personal safety of property owners and employees • Increased repair or rebuilding costs • Unstable resource and energy supply • Increased inputs for early warning emergency management
	Chronic risk	Gradual changes in temperature and rainfall, rise of sea level	
Transition risks	Policy and regulatory risks	Enhanced responsibility for emissions reporting and compliance requirements	<ul style="list-style-type: none"> • Regulatory and capital market requirements for disclosure of corporate carbon emissions, carbon reduction targets and actions to address climate change are becoming more stringent, which may make it more difficult and costly for companies to manage their operations to ensure compliance
		Changes in regulatory requirements and standards for products and services	<ul style="list-style-type: none"> • The need to deliver products and services to more stringent green standards, resulting in increased operating costs and the possibility of regulatory penalties or complaints from property owners for failing to meet standards or regulatory requirements

Ever Sunshine Services' Risk Analysis of Climate Change (Continued)

Type of Risk	Climate-related Risks	Risk Segmentation	Risk Impact
Transition risks	Policy and regulatory risks	Climate change related litigation risks	<ul style="list-style-type: none"> Enterprises may be exposed to climate change related litigation, with risk impacts including stakeholder claims, reputational and financial losses from the spread of negative news, and related disruptions to operations
	Technical risks	Low carbon product services instead of traditional product services	<ul style="list-style-type: none"> Stranded energy-intensive and ageing assets under property management due to the availability of greener, low-carbon product or service options
		Low carbon technology transition	<ul style="list-style-type: none"> Lack of professionals and motivation in green technology research Promoting the gradual transformation and development of property management towards green and smart property requires substantial investment of resources Promote energy-saving upgrades to old, energy-intensive equipment and facilities that affect normal property operations
	Market risks	Change of consumer behaviour	<ul style="list-style-type: none"> In a green consumer environment, competitors or new entrants to the industry offer green products and services, resulting in customer migration and reduced market shares and profits for the enterprises
	Reputational risk	Stakeholder concerns about negative events	<ul style="list-style-type: none"> Damage to enterprises' reputation as a result of not fully meeting its social responsibility or climate response commitments Negative events cause enterprises to lose their ESG ratings in the capital markets

Climate Change Risk Management

We have integrated climate risk management strategies into our risk management framework and implemented our unique three-tier risk prevention and control system, namely "Region - Headquarter - Audit and Supervision". We follow the four-stage risk management process of "identification - assessment - response - monitoring and optimization" to manage climate-related risks, ensuring that climate risks are comprehensively identified, assessed and managed throughout the entire operational process, effectively enhancing the risk response capability of the entire Company and reducing the potential damage of climate risks to the business and financial affairs of Ever Sunshine Services.

Physical risk management

We have a systematic emergency management process for emergencies, including emergency response plans to deal with extreme weather risks, such as the "Property Emergency Management Regulations" (《物業应急管理規定》), the "Emergency Response Plan for Disastrous Weather" (《災害性天氣應對應急預案》), the "Emergency Response Plan for Handling Earthquake Disasters" (《地震災害處理預案》), the "Emergency Response Plan for Handling Snowstorms" (《降暴雪處理應急預案》), the "Emergency Response and Handling Plan for Fires" (《火災應急響應與處理預案》), "Emergency Management Measures" (《突發事件管理辦法》), forming a complete process closed-loop management system according to four steps: front-end management, process management, track and review, and training exercise.

Emergency Response Process for Extreme Weather Emergencies

Management Step	Management Measures
Front-end management	<ul style="list-style-type: none"> Follow weather warnings and monitor extreme weather Regularly inspect and maintain property facilities to enhance resilience to disasters Stockpile necessary emergency supplies, such as sandbags, waterproof materials and lighting equipment, with a dedicated fund as a reserve Formulate and publicize emergency plans so that employees and property owners are equipped with countermeasures
Process management	<ul style="list-style-type: none"> When an extreme weather warning is received, the emergency plan is immediately implemented to notify relevant personnels and take measures such as shutting down facilities and evacuation When a disaster occurs, the property company quickly evacuates people, ensures the safety of property owners, activates emergency lighting and drainage systems to reduce the impact of the disaster, coordinates external rescues and cooperates with the government in disaster relief, while keeping the information up to date and informing property owners of the situation
Track and review	<ul style="list-style-type: none"> Carry out safety inspections of the affected areas after the disaster to ensure that there are no hidden dangers Summarize the problems and experiences exposed in the disaster and improve the emergency response plan Recognize and reward disaster response employees to enhance the team's emergency response capability Review the response process to improve the ability to respond to climate change
Training Exercise	<ul style="list-style-type: none"> Organize regular training on responding to climate change and emergencies to improve the safety and emergency response capabilities of employees Test the effectiveness of the emergency response plan through regular extreme weather emergency simulation drills Encourage property owners to participate in training and drills to enhance the community's emergency response capability Summarize the experience of the drills and continuously improve the response measures

From the customers' perspective, we have formed a set of standard process for alerting customer of extreme weather, ensuring that important information can be conveyed to property owners in a timely and effective manner to safeguard their lives and properties in the event of extreme weather conditions.

Standard Process for Alerting Customer of Extreme Weather

Collection of meteorological information	<ul style="list-style-type: none"> Arrange a dedicated person who is responsible for paying attention to meteorological forecasts and obtain early warning message on extreme weather in a timely manner
Confirmation of the scope of the impact	<ul style="list-style-type: none"> Determine the extent of the impact of extreme weather on the neighbourhood based on information released by the meteorological service department
Development of response measures	<ul style="list-style-type: none"> Based on the weather conditions, develop appropriate countermeasures, such as water and electricity cut off supply, closure of neighbourhoods, etc
Post a reminder	<ul style="list-style-type: none"> After being informed of the extreme weather warning information, the reminder process shall be activated within the shortest time and reminder information shall be released to property owners through various channels, including but not limited to community bulletin, WeChat group, SMS notification, telephone notification, and Ever Sunshine Life APP push, etc., to ensure that at least 95% of the property owners are able to receive the reminder information. The reminder information should be discretionary in language, concise, avoid ambiguity and reduce unnecessary panic
Keep an eye out for updates	<ul style="list-style-type: none"> Continuously monitor developments during the duration of extreme weather, update alerts every 2-3 hours to ensure that information is timely
Ex post facto summary feedback	<ul style="list-style-type: none"> After the extreme weather is over, the response is summarized, lessons are learnt and processes are continuously optimized

Case



Fearless of Wind and Rain, Ever Sunshine Services Team Actively Responds To Super Typhoon Attack

In July 2023, in order to cope with the continuous heavy rainfall brought about by Super Typhoon "Doksuri" (杜蘇芮), Ever Sunshine Services Team, together with the district office and communities, moved when they heard of the "flood" and swam against the current, insisted on being on duty and at the forefront of the situation, guarding the safety of the lives and properties of the employees and the property owners, and ensuring the normal operation of the communities in various regions of Ever Sunshine Services.

Before the typhoon, Ever Sunshine Services Team had activated the emergency plan for typhoon and flood prevention, checked and replenished the flood prevention materials, inspected the key areas of the community to check for potential safety hazards, and cooperated with the community to carry out typhoon prevention publicity. When the typhoon and rainstorm came, we acted quickly to set up a cordon, posted safety signs, put tarpaulins on electric cars, and helped property owners with mobility problems to go home, guarding the personal and property safety of property owners' families.

During the rainstorm, employees of Ever Sunshine Services stood firm at their posts and regularly inspected low-lying areas to eliminate potential safety hazards. After the typhoon, there were problems such as fallen trees in the community, and Ever Sunshine Services Team immediately carried out rescue work, cleaned up the broken branches, and ensure the smoothness of the roads; meanwhile, they cleaned up the accumulated water, overhauled the water seepage points, and strengthened the investigation of potential safety hazards, so as to help the property owners to restore the normal order of life. Ever Sunshine Services Team showed decisiveness and action in dealing with natural disasters, demonstrating the professionalism of Ever Sunshine employees and their firm commitment to community safety.



福州·都会里-准备防汛沙袋



嘉兴·润泽华庭-设备设施巡查



温州·大发凯旋门-建立防汛堤坝



温州·大发凯旋门-及时清理雨水

Flood Control Factsheet of Ever Sunshine Services

Policy risk management

In order to reduce the policy risk, our ESG Committee management and business departments track and carry out in-depth research on climate change-related laws and regulations, industry standards and regulatory developments, assess the potential impact of policies, prioritise risks and maintain close contact with regulators, and formulate internal management strategies that are in sync with policy standards in order to safeguard business compliance. We incorporate policy risk management into our overall risk management system and continuously improve our management processes to increase our flexibility in responding to policy changes. Meanwhile, we are committed to reducing carbon emissions from our operations and actively facing the challenges posed by climate change.

Technical risk management

Ever Sunshine Services practices green operation and continues to carry out energy-saving technological transformation and energy management upgrading. When choosing a technological transformation strategy, we will judge the feasibility of the strategy by combining a variety of factors, such as technological costs, operational needs, market performance, and expected results, and choose the most suitable energy-saving technological transformation project. We attach great importance to internal technical capacity development. Linjiu Technology has set up a small but sophisticated technical team through systematic risk analysis, focusing on the flexible use of energy management systems in residential scenarios, and promoting the Company's advancement towards digital intelligence.

Market risk management

With a keen insight into market trends and potential risks, Ever Sunshine Services has fully integrated the concept of environmental protection and development into the Company's management system, and is committed to creating a modern property service benchmark with green competitiveness. We attach great importance to the needs of property owners, and in the current year, we focused on continuing the promotion of new energy vehicles and installing additional charging piles in the community, so as to meet the expectations of property owners under the premise of ensuring cost-effectiveness, and to realize higher economic value. Meanwhile, we took the initiative to accept third-party assessments and obtained LEED Green Building Certification and WELL Healthy Building Certification for our projects in an effort to enhance market competitiveness.

Reputational risk management

In setting and disclosing ESG goals, Ever Sunshine Services follows a strict internal consideration process to ensure the reasonableness and feasibility of the goals. The Board and the ESG Committee are jointly responsible for the in-depth assessment of ESG goals, setting up a special ESG governance structure, with the ESG Committee taking the lead in supervision and coordination. The ESG Management Executive Team is responsible for the specific implementation, to ensure that ESG practices are in line with the Company's goals through a structured governance model, to control the impact of negative events, and to effectively promote the sustainable development strategy.

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Climate Change Indicators and Goals

Every year, we carry out rigorous statistical analyses of various types of greenhouse gas emissions and energy consumption data, as detailed in the "Appendix I: 2023 ESG Key Performance Indicators" section of this Report. The specific greenhouse gas emissions and energy control systems and initiatives are detailed in the "Protect the Green Environment" section of this Report.

In 2024, Ever Sunshine Services sets the following goals for assessing and managing significant climate risks and opportunities, based on a prudent review:

Metrics and Targets	Management Goals for 2024	Key Paths
Greenhouse gas emission intensity (Tonnes CO ₂ e/person)	2% reduction compared with 2023	<ul style="list-style-type: none"> Improve energy management efficiency Upgrade/renovate equipment and facilities
Energy consumption intensity (kWh/person)	2% reduction compared with 2023	<ul style="list-style-type: none"> Explore the use of renewable energy Develop an energy saving management strategy
Water use intensity (tonnes/person)	2% reduction compared with 2023	<ul style="list-style-type: none"> Create a water saving community Advocate the concept of water saving Dispose of water and drainage in accordance with regulations
Non-hazardous waste emission intensity (tonnes/person)	2% reduction compared with 2023	<ul style="list-style-type: none"> Qualified third party compliance treatment Classification and differentiated treatment Recycle and reuse

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Energy Management Measures

Ever Sunshine Services is committed to energy consumption saving and emission reduction in property operation, strictly enforcing the "Energy Consumption Management Guidelines" (《能耗管理指引》), fully implementing the requirements and guidance on equipment, energy consumption data and management analysis, and constructing a set of comprehensive energy consumption management system. In 2023, in accordance with the relevant regulations, we carried out an annual review of the ISO 14001 environmental management system and ISO 50001 energy management system that we have obtained, in order to ensure that our management system strictly follows national and industry standards.



Ever Sunshine Services has adopted a number of energy saving and emission reduction measures, including various optimization schemes for lighting, basement, building and office electricity, such as adjusting the illuminance and position of lamps and lanterns, installing solar panels on building and street lights, and setting up different scenarios for basement lights, etc., so as to achieve environmental protection and energy saving while meeting customers' needs. Meanwhile, we set clear internal control goals for energy saving, and strictly monitor and analyse the energy consumption of each scenario, including monthly measurements of water, electricity and gas energy consumption, as well as monitoring the peak and valley states in winter and summer seasons. For any abnormal energy consumption situation, we implement a real-time monitoring and rapid response mechanism to ensure continuous operational efficiency enhancements.

Case



Swan Community Energy Management System Promotes Efficient Electricity Management

Most of the water and electricity meters in the projects of Ever Sunshine Services use mechanical meters, and must be read manually every month, which not only causes a large amount of wasted manpower, but also leads to arrears of electricity bills due to untimely meter reading, which seriously affects the cash flow of the project. For this reason, Linjiu Technology has developed "Swan Energy Consumption Prepayment System" (天鵝能耗預付費系統), which supports a variety of metering equipment, batch control of markers through the energy management centre equipped with a large Turing screen, remote diagnosis of data problems, and multi-dimensional display of the project situation; such as connecting to the smart meter can be automatically read to settle the bill, and connecting to the traditional meter can be automatically reminded of the transcription. The system can be connected to Ever Sunshine Life (永升活) APP and Ever Sunshine Joyful (永小樂) APP to assist users in recharging, checking historical usage, effectively controlling meter reading and payment realisation, and revitalising the project.

Ever Sunshine Services has carried out a pilot in Peninsula No. 1 (半島一號) project, and carried out a comprehensive renovation of 45 shops in the project, accessed a total of 45 prepaid internally controlled meters, and completed the upgrade of smart electricity meters for all shops.



Large Turing Screen of Swan Energy Management System

Case



Integrate Ecology and Intelligence, Green Building Innovation of LCM Landmark CIFI Plaza (LCM置匯旭輝廣場)

LCM Landmark CIFI Plaza is located in Yangjing Street, Pudong New Area, Shanghai. The project is cleverly integrated with the Eco-Art Park, and utilizes advanced outdoor environmental monitoring technology and carefully planned shade design to create a pleasant outdoor space and mitigate the heat island effect. The building itself adopts a high-efficiency protective structure, implements energy-saving water use strategies, equipped with high-efficiency cooling and heating source equipment to effectively reduce energy consumption. The indoor environmental quality benefits from a fresh air system and a smart monitoring platform, creating a fresh and comfortable office and consumer environment.

LCM Landmark CIFI Plaza has created a green, comfortable and sustainable place with the improvement of smart service system, the application of high-efficiency facility and equipment, the promotion of green and low-carbon lifestyle, and the continuous green operation and maintenance, achieving the reduction of carbon emission per unit area by about 3.71kg CO₂ per year. In 2023, the project won the Gold Award of "Green and Low Carbon Renovation of Existing Buildings in Shanghai" (「上海市既有建築綠色低碳更新改造評定」) and a two-star green building certificate, becoming an excellent case of city green development.



LCM Landmark CIFI Plaza Wins Gold Award of Green and Low Carbon Renovation of Existing Buildings in Shanghai



LCM Landmark CIFI Plaza was awarded Two-star Certificate of Green Building Label

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Protect the Green Environment

Ever Sunshine Services upholds its commitment to social responsibility and environmental protection by implementing an energy and water conservation management system, standardizing waste separation and recycling management, strengthening environmental management, effectively enhancing resource utilization efficiency and maintaining ecological diversity. We advocate the participation of all stakeholders, including employees, property owners and suppliers, to jointly promote the concept of sustainable development and contribute to the protection of the environment and the harmonious coexistence of the community.

Strengthen Resource Management

We have strengthened resource management in terms of water resources and waste, emphasised the development of environmental awareness among our management team, operated in strict compliance with the resource and environmental management system, encouraged the use of environmentally friendly equipment and tools, and guided our residents to participate in water saving and waste classification to create a green and conservation-oriented community.

Water resources management

Ever Sunshine Services always insists on creating a "water-saving community" and actively promotes the concept of water saving in the property management and operation process. As of 31 December 2023, all of the communities managed by Ever Sunshine Services are located in non-water resource protection zones. The communities entirely rely on municipal water supply system for drinking water. In terms of water consumption, the main consumption includes water for residents' daily life, facility maintenance, cleaning and greening irrigation. In terms of drainage management, the community strictly enforces municipal discharge standards to ensure that domestic wastewater is properly disposed and has no negative impact on neighbouring water sources.

Waste management

As the community manager, Ever Sunshine Services is responsible for the collection and disposal of non-hazardous waste, and commissions a qualified third party to regularly remove and transport it, with an emphasis on classification, recovery and recycling. The management of construction waste follows strict specifications, including fencing enclosure, covering and dustproofing, centralized dumping and removal, publicising operating hours and regulations, managed by dedicated staff, and keeping the site clean. Fee settlement follows local policies, uniformly charging by household or building area, avoiding per-vehicle billing, while negotiating fees with external suppliers to ensure financial balance. At the regional level, Ever Sunshine Services participates in the inventory and improvement of projects with inverted costs, ensures management execution through mutual and monthly inspections, and assists projects in adjusting their clearing contracts.

During the year, we have formulated the "Guidelines on Medical Waste Management" (《醫療廢物管理指引》) and the "Guidelines on Disposal of Clinical Waste" (《醫院定點垃圾處理指引》) specifically for the healthcare environment, to differentiate the management of clinical waste and conventional waste generated from hospital operations, and to adopt specialized measures aiming to reduce the potential risk of waste to the health of personnel and the environment.

In 2023,

Ever Sunshine Services successfully carried out and contracted

3 waste classification projects,

set up

5 recycling locations,

covered the communities in

3 streets

and invested over

RMB 160,000 in the projects.

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Case



Ever Sunshine Services Promotes Pilot Recycling of Used Items and Encourages Residents to Participate in Resource Reuse

In 2023, Ever Sunshine Services launched a pilot recycling for used items in Chenyuefu (宸悅賦) and Qinghuayuan (清華園) projects in Nanjing. The first day of the Chenyuefu project attracted the participation of 26 property owners, and the total income from recycling used items reached RMB 744. The Qinghuayuan project had established a low-carbon community of 200 people, with a recycling amount of RMB 48 on the first day of the activity, and regularly organizes "Do Environmental Protection, Grab Benefits" 「做環保·搶福利」 activity to encourage property owners to participate in resource recycling and jointly promote green living.



Used Items Recycling Activity of Nanjing Chenyuefu Project



Used Items Recycling Activity of Nanjing Qinghuayuan Project

Environmental management

In order to strengthen the professionalism of the environmental management team, we have launched the Environmental Specialist Certification process, which focuses on training employees to identify the environmental quality of the site, mastering the basics of greening maintenance, and comprehensively improving the business level of the person in charge of environmental management. The course covers cleaning quality control management, greening quality from the basics, environmental work scene operation and environmental work scene practical assessment, through a combination of online and offline ways, to ensure that each participant can meet the professional skill standards required for the position. A total of 424 trainees participated in the certification this year.

In 2023,

The property system of Ever Sunshine Services held a total of

18 certificates,

including

2 new certificates for food safety management system and hazard analysis and critical control point system,

and safety management system to department canteen catering management. In addition, the existing

13 systems have successfully passed the annual audit.

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION



Corporate Social Responsibility Management System Certification for Ever Sunshine Services



Competence in Domestic Waste Classification Service Certification for Ever Sunshine Services



Enterprise Standardized Management System Certification for Ever Sunshine Services



Food Safety Management System Certification for Ever Sunshine Services



Hazard Analysis and Critical Control Point System Certification for Ever Sunshine Services



Cleaning and Sanitation Qualification Levels Certification for Ever Sunshine Services

In our co-operation with suppliers, we encourage service suppliers to adopt environmentally friendly equipment and tools, and provide financial incentives to those who actively replaced materials that are prone to secondary pollution during the semi-annual performance assessment, as well as annually recognize outstanding co-operation suppliers who have excelled in the field of environmental protection. Meanwhile, Linjiu Technology is working with suppliers to develop and apply online data to promote environmentally friendly service equipment.

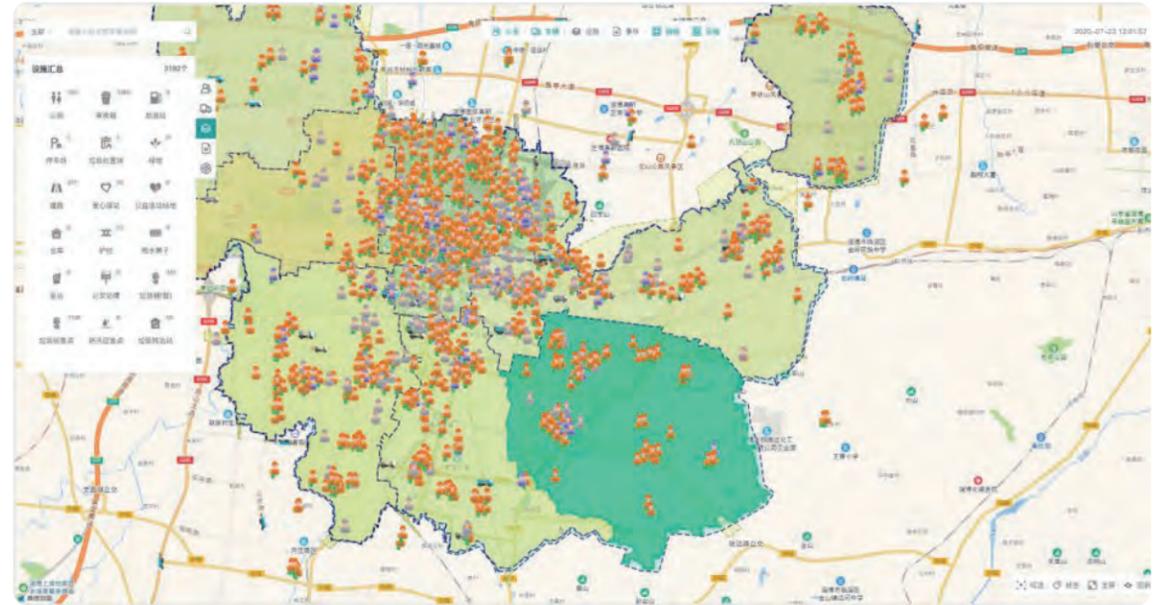
Case



Smart Sanitation Project Revolutionises Online Management, Empowers and Improves Efficiency

Ever Sunshine Services and Linjiu Technology have collaborated to promote the development of the smart sanitation project, aiming to achieve real-time monitoring of sanitation operations and efficient scheduling of resources through the construction of a smart sanitation big data operation platform, a comprehensive management platform for sanitation and cleaning, a monitoring platform for transfer station, and an operational smart scheduling centre. This system capable of accurately managing the performance of cleaning personnel, automatically scheduling shifts, generating attendance reports, detecting operating areas and achieving smart assessment, as well as managing the entire life cycle of sanitation vehicles in a refined manner, including repairs, maintenance, and annual inspections, and optimizing collection and transportation paths through machine learning to improve efficiency and reduce costs.

The smart sanitation project also achieved full online access to stewards walk-around management tasks, improving service quality and customer satisfaction through standardized workflow and docking with multiple systems. By building indicator billboards and mobility platforms and integrating IT resources, the project further empowers and enhances efficiency, providing a convenient means of management and monitoring for multiple systems.



Smart Sanitation Operations Cloud Map

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Biodiversity conservation

Ever Sunshine Services strictly follows the *Environmental Protection Law of the People's Republic of China*, the *Biosecurity Law of the People's Republic of China*, the *Wild Animal Conservation Law of the People's Republic of China* and other relevant policies and regulations on biodiversity protection, actively assuming responsibility for ecological protection and helping to build an ecological civilization. We integrate the concept of biological protection into community construction and management, do not destroy or encroach on the habitats of wild species, do not pollute any natural environment and resources, avoid the misuse of pesticides, and strengthen ecological observation of the community to prevent the invasion of alien species. We create a complex green environment in the community with a combination of trees, bush and grass to provide a habitat for wild birds and small animals in the surrounding area.

Build a Green Office Environment

In the practice of property management, we implemented a series of management norms including the "Office 7S (seiton, seiri, seiso, seiketsu, shitsuke, save, service) Management Operation" and the "Green Office Initiative" to promote the concept of green office, and to facilitate the saving of resources and the reduction of carbon footprint. During the year, our administrative work was guided by energy saving and cost reduction, and we implemented four green office initiatives, namely, classification and hierarchical management of courier delivery, adjustment and optimization of fixed-line telephone network packages, regular and quantitative distribution of office supplies and daily necessities, and reduction in the number and optimization of the varieties of green plants and flowers, which effectively reduced the costs of courier delivery, fixed-line telephones, office supplies and green plant maintenance.

Operational Guidelines for 7S Management

SEITON	SEIRI	SEISO	SEIKETSU	SHITSUKE	SAVE	SERVICE
						
Scientific layout Easy access	Need or not need One to keep, one to leave	Litter removal Beautifying The environment	Cleaning environment Follow through	Forming system Make it a habit	Be proud of saving Shame on waste	Service with heart Customer first

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Green Office Initiative

Green Offices Initiative	Specific Requirements
	<ul style="list-style-type: none"> Use online meeting software such as Tencent Meeting as much as possible
	<ul style="list-style-type: none"> Start with me, start with the little things
	<ul style="list-style-type: none"> Turn off the lights after using the meeting room before leaving Put computers to sleep after leaving work and turning off computers not in use in the vicinity
	<ul style="list-style-type: none"> Keep taps as low as possible when using water and turn them off when finished Do not leave the water while it is being filled to prevent it from overflowing If a water tap is leaking, contact the Administration Department to report the leak in a timely manner
	<ul style="list-style-type: none"> Double-sided printing Do not discard single-sided paper, blank pages can be used as draft paper
	<ul style="list-style-type: none"> Promote the use of less or no public cutlery, which is environmentally friendly and hygienic Eat sensibly, eat civilly and order in moderation
	<ul style="list-style-type: none"> In summer, the cold air conditioner panel temperature should be set at 26°C - 28°C In winter, the heating and air conditioner panel temperature should be set to 20°C Turn off the air conditioner when public areas are unoccupied
	<ul style="list-style-type: none"> When travelling, give preference to public transport such as metro and bus No air travel within 2 hours by high speed train to destination
	<ul style="list-style-type: none"> Buy according to actual demand in combination with stock quantities to avoid over- or under-stocking supplies Liquidation of material stocks and prioritization of internal idle materials For city companies, projects in close proximity or in an office area, advocacy for shared material resources



Green Office Publicity Poster

Create a Green Community Life

Ever Sunshine Services is concerned about the harmonious development of man and nature, and pragmatically carries out the creation of garden-style residential areas. Through the establishment of a sound environmental management system in the community, strengthening energy control, reducing energy consumption, proper disposal of waste and other measures, Ever Sunshine Services practices the green concept, with Ever Sunshine high standards and high quality to help the eco-garden city "cell project" to provide property owners with a more harmonious and livable ecological and civilized community. In 2023, the projects under the management of Ever Sunshine Services Jiangsu Region won the title of "2022 Municipal Garden-style Residential Area (Unit)", such projects are distributed in Suzhou, Wuxi and Xuzhou.

CASE



Garden-Style Residential Area in Suzhou, Creating a Green and Ecological Living Experience

In November 2023, four projects of Ever Sunshine Services Jiangsu Region, namely Metropolis Shangpin Garden (都會上品花園), Hefeng Garden (和風花園), CIFI Boyuefu (旭輝鉞悅府) and Xijing Yunting (熙境雲庭), were honourably listed on the list of "Suzhou Garden Residential Areas (Units)" in 2022 of Suzhou Gardening and Greening Administration Bureau.

Metropolis Shangpin Garden Project builds a "1+3+N" landscape feature system, with one IP to build three images and generate N life scenes. Through the landscape spine, Metropolis Shangpin Garden Project has put in a series of landscape nodes connecting the north and south entrances to create an exquisite homecoming experience.

Hefeng Garden Project adopts the design and living concept of the park wind forest system, arranging a number of themed forest belts, such as sequoia forest, camphor forest, sapium forest, sapodilla forest, etc., combining with the walking system to set up seasonal ornamental value of cherry blossom paths, luan tree paths of blooming colourful foliage, and the ground cover is made up of perennial flower borders, conventional shrubs, as well as aquatic plants, ornamental grasses, etc., to create a natural, interesting, and humane community living scenario.

Suzhou Boyuefu draws on Suzhou's garden-style landscape creation, bridging and polishing Suzhou's classical gardens, Japan's withered landscapes, Singapore's future trees, and Southeast Asia's natural ways, and integrating "quietness, elegance, courtesy, and transmission" (「靜、雅、禮、傳」) into the buildings and the property owners' lives, so as to highlight the unique oriental tastes with modern aesthetics.

Xijing Yunting is a Jiangnan garden style, which adopts sunken green space sponge facilities, so that the sponge concept fits perfectly with traditional greening. The rainwater is discharged into the sunken green space to realize the natural dissipation of rainwater, and the recycled rainwater is fed back into the green irrigation, cleaning water, landscape water, etc., which provides carbon sink space for the city construction. In 2023, the project won the award of "Provincial Sponge City Community".



Metropolis Shangpin Garden

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

As a pioneer in green property management, Ever Sunshine Services actively promotes green concepts and practices standards in our community operations. We utilize our professional management service capabilities to promote sustainable development, encourage low-carbon travel and create an environmentally friendly and harmonious living environment for our property owners. During the year, we continued to promote new energy vehicles, and in conjunction with SAIC Volkswagen, we carried out more than 10 car shows, attracting the participation of more than 1,000 groups of property owners.



Promotion Activity of New Energy Vehicles

8. LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

As of 31 December 2023, Ever Sunshine Services had nearly 800 residential and commercial projects under its management, of which:

The number of projects that had landed motor vehicle charging piles was

158. representing **20%** of all projects.

The total number of motor vehicle charging piles landed nationwide was over

2,900.

The number of projects that had landed non-motorized vehicle charging piles was

425. representing **54%** of all projects.

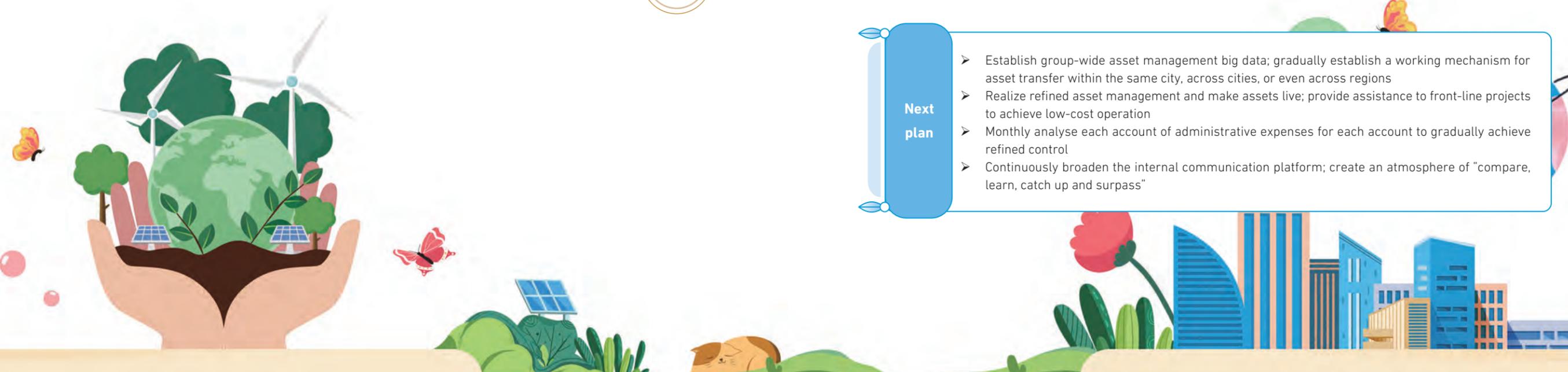
The total number of electric vehicle charging piles landed nationwide was over

2,454.

9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Ever Sunshine Services regards employees as the solid cornerstone of the Company's development and the key driving force to realize the vision of "Building better lives". We have built a perfect employee welfare and protection system based on the principle of fairness and justice, and created a broad space for employees to grow. We are committed to creating a green, healthy and safe workplace, stimulating the vitality of employees and growing together.

Guide Indicators Responded to in this Chapter		Material Issues in this Chapter
Respond to SDGs    	Response to Indicators of HKEX B1 General Disclosure B1.1 B2 General Disclosure B2.3 B3 General Disclosure B4 General Disclosure B4.1 B4.2	<ul style="list-style-type: none"> Occupational health and safety of employees Employees recruitment and team building Employees' rights and care Employee development and training Employee compensation and benefits Avoiding child labour and forced labour



Goals progress

Goals setting

- Further improve the scientific and standardized nature of the Company's human resources and administrative management system, and strengthen the construction of the Group's management system
- Build efficient recruitment channels and upgrade the recruitment management system to create a continuous high-quality talent supply chain
- Regularly check the compliance and effectiveness of the Company's human resources and administrative anagement, and rectify the situation in a timely manner
- Strengthen the digital management of information technology, set up standards and norms to achieve management efficiency
- Understand the voices of employees and increase employee engagement and satisfaction year on year
- Strengthen employees support and provide richer benefits and activities for employees

Progress review

- Updated the HR inspection management method, added process inspection and proposed rectification suggestions; released the administrative inspection management method
- Added administrative process inspection and established a monthly monitoring system and mechanism for key administrative indicators
- Continuously updated a number of human resources and administrative management systems to meet the needs of the industry and corporate development
- Built a smart employee occupational health and safety management system to effectively capture abnormal data and protect employee safety
- Established the Ever Sunshine Staff Mutual Aid Association to promote the diversification of staff support methods and the implementation of staff welfare
- The average annual employee satisfaction score across all functions was 4.14, representing an increase from 3.88 in 2021

Next plan

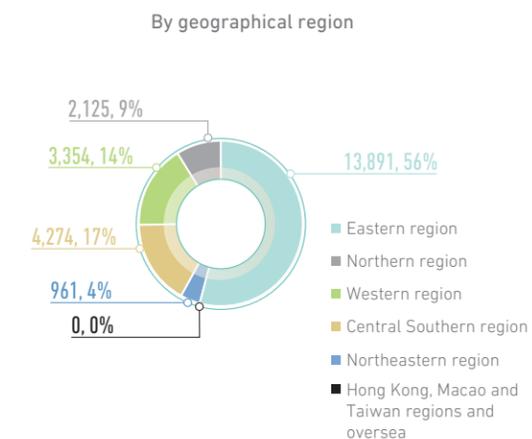
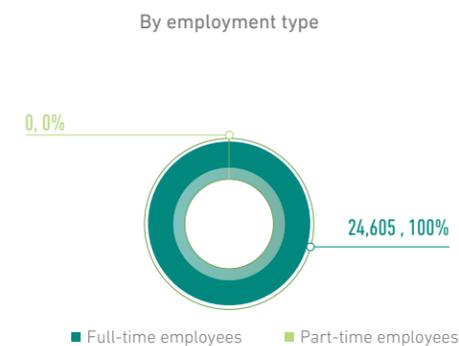
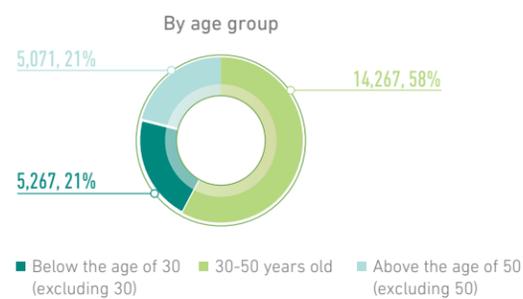
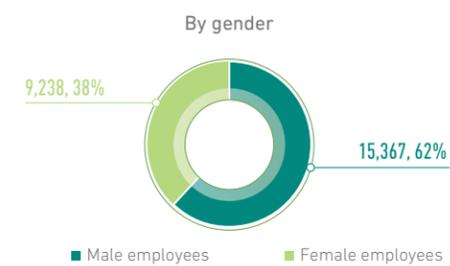
- Establish group-wide asset management big data; gradually establish a working mechanism for asset transfer within the same city, across cities, or even across regions
- Realize refined asset management and make assets live; provide assistance to front-line projects to achieve low-cost operation
- Monthly analyse each account of administrative expenses for each account to gradually achieve refined control
- Continuously broaden the internal communication platform; create an atmosphere of "compare, learn, catch up and surpass"

Protect the Rights and Interests of Employees

Ever Sunshine Services follows the guidelines of fair recruitment, values human rights, protects the legal rights of employees, and provides a rich welfare package. We have established an efficient employee communication mechanism and actively adopt employee feedback to enhance their sense of belonging and responsibility.

Equal Employment and Recruitment

We follow the guiding principles of the International Labour Organization (ILO) and the United Nations Global Compact on human rights, and strictly abide by the Labour Contract Law of the People's Republic of China, the Contract Law of the People's Republic of China and other relevant laws and regulations. We are firmly against child labour and forced labour, and guarantee equality and fairness in the recruitment and promotion process through a set of compliant employment and labour rights and benefits protection systems, and continuously optimize and improve the system to build a diverse and inclusive workplace environment. As of 31 December 2023, Ever Sunshine Services had a total of 24,605 employees.



Prohibition of child labour and forced labour

We strictly abide by the *Labour Law of the People's Republic of China*, sign employment contracts with all regular employees. We eliminate all forms of child labour through background checks on employees and prohibit the use of forced labour of any kind. In the event of child labour (which has not occurred so far), we will immediately stop the employee's work and send him/her to the hospital for a medical examination, and notify the local labour bureau, then send him/her back to his/her original place of residence or school with the consent of the labour bureau and ask his/her guardian to sign confirmation documents, and return the relevant documents to the personnel department for filing after obtaining the seal of the government agency to confirm. As of 31 December 2023, there were no cases of child labour or forced labour employed in all employment segments of Ever Sunshine Services.

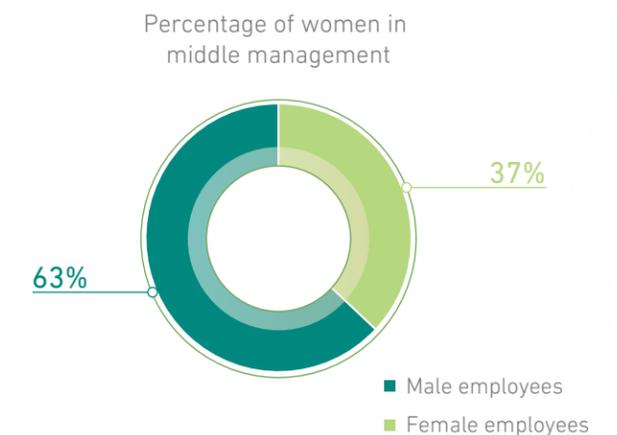
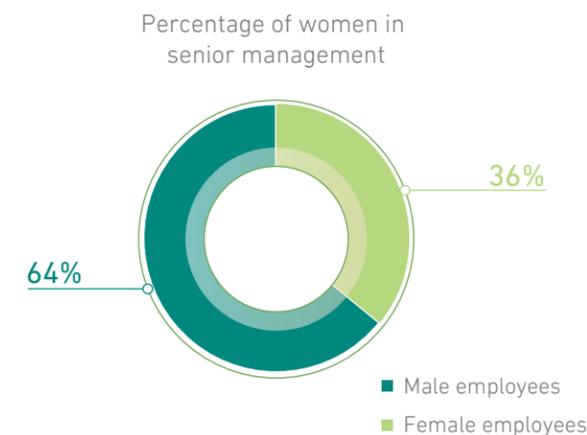
Employment equity

We implement an open and fair recruitment process and safeguard the fairness of employment through the "Recruitment Management System". We offer positions based on business needs and the abilities and qualities of our employees, and ensure that the recruitment, selection and retention process is not influenced by factors such as gender, age, race, nationality, place of origin, religious beliefs, sexual orientation, political stance, marital status or physical condition. We eliminate unreasonable dismissal at will, support equal employment for groups such as the disabled and veterans, and are committed to realizing the workforce diversity and creating a harmonious and friendly work environment. We cooperate with China Veterans Network, together with online and offline channels, and have recruited 162 veterans in 2023, contributing to the placement of veterans as an enterprise.

Diversity and inclusion

We endeavour to create a diverse and inclusive work environment by setting diversity recruitment goals and expanding our diverse talent pool to achieve gender, age and geographical balance. We formulate internal policies related to the anti-discrimination, diversity and inclusion. For example, the "Code of Business Conduct" (《商業行為操守準則》) ensures that every employee is treated equally, the "Code of Professional Conduct" (《職業行為守則》) should be signed annually by all employees, which explicitly prohibits any discrimination and harassment. Employees have the rights and are expected to report violations to the relevant authorities, and the information reported will be treated in strict confidence to ensure that the complainant and the person concerned are dealt with in a timely and clear manner.

Highlighted data



9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Best Employer of choice recognised and awarded in the past three years for Ever Sunshine Services:

2021
Awarded the "China Best Employer Award 2021" and the "China Best Employer in Shanghai" by ZhilianZhaopin (智聯招聘)



2022
Awarded the "2022 Top Human Resources Management Awards" by 51job (前程無憂)



Awarded the "Best CSR Youth Force Employer Branding Project for 2022" by the CIWEI Youth Force Annual Summit (刺猬年輕力年度峰會)



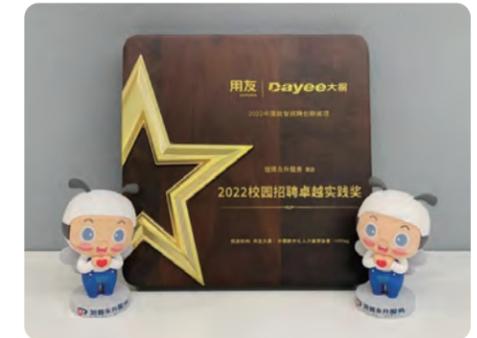
9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Best Employer of choice recognised and awarded in the past three years for Ever Sunshine Services:

2022
Awarded the "China Property Best Employer for 2022" by Researchable Think Tank (可研智庫)



Awarded the "Campus Recruitment Excellence in Practice Award" by Yongyou Dayee (用友大易) and China Digital HR Association



2023
Awarded "Shanghai Extraordinary Employer in 2023" by Liepin (獵聘)



9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Best Employer of choice recognised and awarded in the past three years for Ever Sunshine Services:

2023

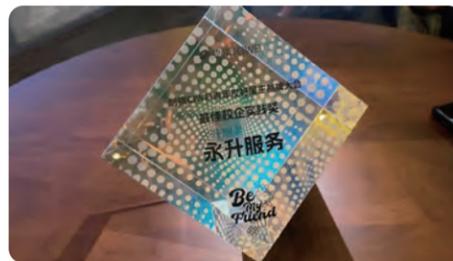
Awarded "Best Employer of the Year in China" by ZhilianZhaopin (智联招聘)



Awarded "Favourite Employer of Talent" by BOSS Zhipin (BOSS直聘)



Awarded "Best School-Enterprise Practice Award" by CIWEI (刺猬) Youth Friendly Employer Brand Conference



9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Best Employer of choice recognised and awarded in the past three years for Ever Sunshine Services:

2023

Awarded the Award of "Youth Friendly Employers" by CIWEI (刺猬)



Awarded "2023 Best Employer Enterprises for Property in China - TOP13 Enterprises of Organizational Strength" by Researchable Think Tank (可研智库)



Open Up Communication Channels

In order to enhance the efficiency of employee communication, Ever Sunshine Services actively expands communication channels, including labour union activities, regular communication meetings and relevant researches, so as to ensure that the reasonable opinions and suggestions of our employees are properly and efficiently dealt with. Meanwhile, in line with our brand concept of "Better lives in Ever Sunshine, without stopping", we have strengthened our grass-roots party building efforts to enhance employee engagement and effectively integrate the advantages of co-construction and shared governance into the daily lives of our property owners.

Labour Union and communication meetings of the CPC Party branch

Since its establishment in 2019, the labour union of Shanghai Yongsheng Property Management Co., Ltd (上海永升物業管理有限公司) has always been committed to fulfilling its role in employee communication and rights protection. The labour union comprehensively covers all employees of the Company. We are committed to protecting our employees' freedom of association and their right of collective bargaining, which is explicitly stated in our internal policies. To ensure diversity of representatives, the labour union holds annual employee congresses by region, stipulating that neither frontline employees nor female employees should account for less than 50% of the representatives. During the year, we successfully held an employee congress with over 488 participants to consider and vote on new systems and policies. Meanwhile, we continued to hold party communication meetings to regularly assess the progress of party building work, understand the ideological dynamics of Party members, and guide the development direction of red properties. In 2023, Ever Sunshine Services listed the establishment of the General Branch Committee of the CPC of Shanghai Yongsheng Property Management Co., Ltd.

As of 31 December 2023:

The total number of participants of the labour union in Ever Sunshine Services was

2,305

of which

2,107

were front-line employees

and

345

were female employees.

Ever Sunshine Services has

18 Party branches,

12 Party building demonstration sites

and

852 people

Party members nationwide.

Case



Ever Sunshine 37°C Star Community (「永升 37°C 繁星社區」) Leads Grassroots Governance with Party Building

On 1 July 2023, "Ever Sunshine 37°C Star Community", a service product of Party Building of Ever Sunshine Services leading grassroots governance, was launched with great sincerity. "Ever Sunshine 37°C Star Community" builds a new form of community service with the core of "Party building leading, multi-party co-governance, orderly management and long-term governance". With the leadership of Party building to continuously improve the level of property management services and grassroots governance, Ever Sunshine Services and district office, residents and property owners to formed a new pattern of community services with joint consideration, multi-governance.

Among them, Ever Sunshine Jiangsu Team actively explored the new mechanism of community property party building, and Suzhou Tiandu Building (蘇州天都大廈) and Taizhou Xihu Cuiyuan (泰州西湖翠苑) projects became the provincial-level demonstration points of Jiangsu Province's party building-led property management service work. Taking Taizhou Xihu Cuiyuan Project as an example, under the leadership of the Party branch of Xiangjiang Property, Xihu Cuiyuan Project, coordinated and promoted by the Party group of the project, established the 37°C Star Party Service Centre, set up the "Party member vanguard post" and the Star Volunteer Service Team, and carried out the principle of "three opennesses and three transparencies", which effectively improved the professional service capability and property owners' satisfaction. The Volunteer Service Team consists of members from the community, property owners and property employees, who actively participate in public welfare activities such as community safety inspections and rubbish classification. Through regular Party meetings, the team achieves information sharing and work integration, and jointly builds a governance model of co-building, co-management, co-governance and co-sharing.



Party Service Centre of Taizhou Xihu Cuiyuan Community

Employee talks and regular exchange meeting

We have continued the mechanism of employee talks and regular communication meetings, and added the "Criticism and Self-criticism Meeting" for the senior management team to establish a channel for communication between the management team and its frontline employees, so as to help the senior management to obtain the feedback from their subordinates, and to review the current stage of management and decision-making. We hold monthly joint general manager meetings, quarterly joint management team meetings, and semi-annual and annual general officers' meetings in accordance with the annual management calendar to review our development strategies and business progress. During the year, we emphasised the importance of regional general managers personally holding in-depth talks at project sites to understand the real thoughts of frontline employees. Meanwhile, we extended communication to a wider group of non-frontline employees through the live broadcast of regional general managers to ensure that employees' opinions and suggestions were promptly heard, adopted, and implemented in the form of corresponding improvement plans. In 2023, employee talks covered nearly 400 projects in 10 regions, with approximately 4,000 persons participating in face-to-face exchanges; a total of 24 general managers participated in the "Criticism and Self-criticism Meeting".

President's live room

We continue to build an equal partnership by opening the "President's Live Room" and "General Manager's Live Room" to open up a direct communication platform between tens of thousands of employees and the management team, with topics including, but not limited to, industry insights, strategic consensus, business thinking, organizational observations, and personal perceptions, to form an open and transparent communication mechanism. In 2023, 5 sessions of the President's Live Room were launched, and a total of 16 sessions of the General Manager's Live Room were launched. The average length of each live broadcast was 1 hour, and the cumulative number of viewers exceeded 20,000 people.

Salary and Benefit Guarantee

Ever Sunshine Services strictly abides by the requirements of the *Labour Law of the People's Republic of China* and the *Social Insurance Law of the People's Republic of China* on remuneration and benefits, and continues to optimize the "Salary Management System" (《薪酬管理制度》) the "Performance Management System" (《绩效管理制度》) to ensure that the remuneration of employees is in line with the legal requirements and industry standards, and provides reasonable salaries and bonuses based on the results of performance evaluation. Meanwhile, we actively create a welfare system with the characteristics of Ever Sunshine, adhering to the concept of "Creating and Sharing Together" (「同創共享」), making use of innovative business units, motivating employees to carry out innovative businesses in their daily work, and expanding the ways for employees to increase their incomes by means of the Employees' Mutual Aid Association and comprehensive employment.

As of 31 December 2023:

"Ever Sunshine Employees' Mutual Aid Association" had been participated by

5,800 employees

, and 3 families of employees had received assistance from the Employees' Mutual Aid Association.

The cumulative income increase of frontline employees in the region was nearly

RMB 15 million

and the highest individual income increase of frontline employees for the whole year was

RMB 80,000

and the TOP 100 threshold of income increase of employees was more than

RMB 3,500 per month

which achieved an average monthly income increase of more than

7% for frontline employees.

Remuneration components

Our remuneration and benefit system consists of short-term remuneration (including fixed salary and variable performance-based bonus) and long-term incentives (e.g. equity incentives). For junior employees, we provide adequate basic salary and timely salary adjustment, while ensuring timely payment of incentive bonuses. For middle and senior management, we implement a high performance-oriented remuneration strategy and increase the proportion of performance income to stimulate the enthusiasm and potential of our employees.

Remuneration Components of Ever Sunshine Services

Short-term Remuneration	Long-term Remuneration Incentives
<p>Fixed component: Employees' basic wages, wages specified for their positions, allowances (including meal allowance, transport allowance, off-site redeployment allowance, and communication allowance) and subsidies (including high or low temperature subsidies, duty subsidies, etc.)</p> <p>Floating component: Planned overtime fee, variable performance-based bonuses (monthly performance bonus, performance bonus, half-yearly/annual merit bonus, annual bonus), holiday gratuities, business commission, project profit bonus</p>	<p>Equity incentives: Best Legend Development (PTC) Limited, one of the shareholders of the Company, holds shares of the Company in trust and has adopted an employee stock ownership plan in 2019. The shares held by it are used to reward key management of the Group, including directors, senior management and employees, as well as those who have made special contributions to the Group, in order to attract talent retention and motivate outstanding talent to grow with the business.</p>

For outsourced employees, we evaluate them based on business performance indicators such as property owner satisfaction, work order processing efficiency and environmental maintenance to determine the amount of payment for the month. Meanwhile, if we receive positive comments from the property owners in a project, both regular and outsourced employees will have the opportunity to receive RMB several hundreds of instant incentive bonuses to enrich the composition of salary incentives of Ever Sunshine Services.

Salary setting and salary adjustment

We take into account market trends, industry development, corporate conditions and individual contributions of our employees, and implement reasonable salary setting and adjustment based on the principle of fairness. In determining the starting salary of employees, we follow the T5 salary setting standard strictly based on their experience and ability; Meanwhile, we set a window for salary adjustment twice a year to ensure that employees have sufficient time to strive for salary enhancement in order to strengthen the competitiveness of salaries in the market. During the year, we adjusted the salary structure based on the results of market research, and refined the division of job sequences, tilting the incentive resources to the frontline employees of the business and the strugglers. Combined with the strategic logic of "platform + ecosystem" (「平台 + 生態」), we incorporated the contribution of eco-business into the salary and bonus assessment system to ensure that frontline employees could get the corresponding commission from the eco-business, and the project management team could also get the bonus for eco-business synergies, so as to incorporate the concept of sustainable development into the salary system of the employees.

Employees benefits

We continue to improve our remuneration and benefit systems, such as the "Welfare Management Scheme" (《福利管理辦法》) and the "Vacation Management System" (《假期管理辦法》), to provide employees with a variety of material non-pay benefits including statutory benefits, basic benefits and special benefits, and to diversify our benefit structure, so as to further enhance the happiness and sense of belonging of our employees.

Welfare System of Ever Sunshine Services

Statutory Benefits	Basic Benefits	Special Benefits
<p>According to national or local regulations, we provide employees with:</p> <ul style="list-style-type: none"> ◆ statutory holidays and annual leave ◆ social insurance, including basic pension insurance, medical insurance, unemployment insurance, work injury insurance etc. ◆ employee accident insurance/ employer's liability Insurance ◆ housing provident fund other ◆ other legal employee benefits 	<p>All employees can enjoy:</p> <ul style="list-style-type: none"> ◆ holidays other than statutory holidays, including sick leave, marriage leave, maternity leave, paternity leave, care leave, parental leave, work-related injuries leave, causal leave, condolence and bereavement leave ◆ staff welfare medical check-ups ◆ holiday bonuses/gifts for traditional festivals such as Spring Festival and Mid-Autumn Festival ◆ employee birthday bonuses/gifts, wedding gifts, new born baby gifts, condolence payment ◆ hospital comfort items/ consolation payment ◆ allowance, including meal allowance, communication allowance, transportation allowance, etc. ◆ high and low temperature allowance and high and Low temperature care in Kind 	<p>Employees who meet conditions can enjoy:</p> <ul style="list-style-type: none"> ◆ supplementary commercial insurance ◆ accidental injury insurance ◆ staff dormitory and housing subsidies ◆ employee housing benefits ◆ dispatching employee subsidies in different places ◆ Ever Sunshine Staff Mutual Fund

Facilitate Career Development

Talent is the fundamental guarantee for Ever Sunshine Services to adhere to long-termism and high-quality development. We are committed to the cultivation of employees' ability, attach importance to their career development needs, establish a set of perfect training system, provide employees with a broad career development path and a clear promotion mechanism, so as to stimulate the potential of employees, and employees work together and grow together.

Talent Attraction

Based on the "Recruitment Management System" (《招聘管理制度》), Ever Sunshine Services has built a series of supporting policies including the "Management Guidelines for Headhunting Cooperation" (《獵頭合作管理指引》), the "Operational Procedures for Internal Recommendation" (《內部推薦操作流程》), the "Interview and Selection Evaluation Criteria" (《面試選拔評估流程》), the "Operational Specifications for Background Check Management" (《背景調查管理操作規範》), and the "Operational Guidelines for Hiring Procedures" (《錄用流程操作指南》), which are aimed at standardizing and optimizing the talent recruitment process. We regularly carry out human resources audits to assess and rate our human resources management through multi-dimensional evaluations, such as labour compliance, personnel changes, employee rewards and punishments, salary performance, talent development and organizational development, and make improvements to the issues identified in the audits, so as to ensure that the positions and talents are accurately matched, and that the functional departments can maximize their effectiveness.

Digital recruitment

Our "Dayee Recruitment System" establishes a detailed set of online operation guidelines to digitally optimize the recruitment process. In the interviewing process, we adopt AI technology for objective assessment to ensure the fairness of the interview process, and introduce the e-signature function to further improve the efficiency of the recruitment process. In addition, the Talent Map function of "Dayee Recruitment System" enables agile collection and tracking of talent data, as well as monitoring the dynamics of internal talent to ensure efficient use of talent pool information.

In 2023, Ever Sunshine Services recruited a total of **16,231 people** into the Company and signed tripartite agreements with **167 "Ever Power"** freshmen of 2024. The recruitment process was assessed by multi-dimensional screening through multiple online channels, the "Dayee Recruitment System" and AI interviewing tools, and **12 university-enterprise** co-operation agreements were signed with 12 universities

9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

University-Enterprise cooperation

We are committed to establishing close partnerships with colleges and universities in many places, using holiday internship programmes to enhance the vocational skills of university students, with the aim of training professionals in the field of property management for the Company, the industry and even the country. During the year, we have not only maintained our school-enterprise cooperation with Shenyang Institute of Engineering (瀋陽工程學院), Lanzhou Technology and Business College (蘭州工商學院), Fujian Business University (福建商學院), Chongqing Technology and Business University (重慶工商大學) and Chongqing University of Technology (重慶理工大學), but also expanded our school-enterprise cooperation with Shanghai Jianqiao University (上海建橋學院), Urban Operation and Management School of Shanghai Urban Construction Vocational College (上海城建職業學院城市運營管理學院), Henan University of Animal Husbandry and Economy (河南牧業經濟學院), and Jiangsu Urban and Rural Construction Vocational College (江蘇城鄉建設職業學院), to build up teaching and employment practice bases, and to realize two-way empowerment between schools and enterprises.



Ever Sunshine Services was awarded as the employment practice base of Shanghai Jianqiao University



Ever Sunshine Services and Urban Operation and Management School of Shanghai Urban Construction Vocational College Signed School-Enterprise Co-operation Agreement



Ever Sunshine Services and Jiangsu Urban and Rural Construction Vocational College Signed School-Enterprise Cooperation Agreement



Ever Sunshine Services and Henan University of Animal Husbandry and Economy Jointly Held an off-Campus Practice Teaching Base Awarding Ceremony

9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Campus recruitment branding

Ever Sunshine Services continues to consolidate the employer brand image of school recruitment, and continues to promote the "Ever Power" (「永動力」) campus recruitment programme. In this year, we had added the "Rising Force" (「升力軍」) campus recruitment brand, which aims at recruiting and cultivating future professional and technical backbones of Ever Sunshine as well as industry elites, including but not limited to engineering, environment, safety and other professional lines. Both of our two core talent development brand programmes carry out induction training, providing new young talents with all-round development and career growth support through well-planned courses and activities, such as "cultural integration, role transition, and business overview".



2023 Ever Power Training Camp

In 2023, Ever Sunshine Services recruited a total of

43 persons of
"Rising Force"

who were systematically and professionally cultivated after joining the Company through pre-job training, job coaching and skill enhancement, and

8 "Engineers of RMB 1,000" had appeared

in half a year after joining the Company, which was a solid step towards the rejuvenation of technical experts.

Case



Awaken Better Life Experience Camp of New "Sunshine" City to Cultivate New Industry Talents

Ever Sunshine Services Jiangsu Regional Division actively implements the 2024 "Ever Power Development Plan" (「永動力發展計劃」), absorbing and reserving new talents in the industry in advance, and realizing the organic docking between the education of colleges and universities and the employment needs of enterprises.

In the "Awaken Better Life Experience Camp of New 'Sunshine' City - Suzhou Station", we invited more than 20 student representatives from Applied Technology School of Soochow University, Anhui Polytechnic University, Harbin Huade University, etc., to explore the development strategy of Ever Sunshine Services and the "Ever Power" cultivation programme, and to experience the results of cutting-edge smart property management in depth.

The activity included ice-breaking action, "Building better lives"- enterprise introduction, introduction of future power - Ever Power, introduction of Suzhou Boyue Xihu project, first experience of property service - three-step handover post, task PK, DIY Children's Day display board, and awarding of assessment results, etc. It helped members of Ever Power, to achieve rapid professional role shaping and development, create internal talent supply chain of Ever Sunshine Services, and build independent blood-forming mechanism for middle and senior management talents of the Company.



Awaken Better Life Experience
Camp of New "Sunshine" City

Talent Cultivation

Ever Sunshine Services attaches great importance to the growth and development of talents, continuously updating the "Training Management Measures" (《培訓管理辦法》) and "School Enrolment Training Management Measures" (《校招生培訓管理辦法》), continuously improving the training management mechanism, standardizing the training management work, and formulating a training management system suitable for the development of talents in the Company. In this year, we comprehensively upgraded the training system for fresh graduates, strengthened the building of leadership cultivation system, encouraged employees to receive re-education, further expanded the number of self-developed courses on the online platform of the "Xueshenghui" (學升薈), and expanded the environment-related training content based on the concept of sustainable "Second Five-Year Strategy" 「二五戰略」 of Ever Sunshine Services, so as to build Yongsheng's talent team with all our heart.



Training management system

Ever Sunshine Services standardizes and improves the training management process and develops a suitable training system for the growth of our talents. We encourage and support the training of internal instructors, and transform the accumulated industry experience into internal training resources to enhance the market competitiveness of talents. For instructors with outstanding performance in internal certification, we provide generous teaching subsidies and set up an annual excellent instructor or coach selection, with a maximum bonus of up to RMB 3,000 per person, in order to motivate and recognize their outstanding contributions.

Training Management System Structure

Training and Operation	Resource Management	Instructor Training
Training plan development	Course graded management	Instructor qualification
Training organization and implementation	Course development review	Instructor incentive mechanism
Evaluation of training records	Course replication upgrade	Instructor conduct requirement
Outbound training Management		

Talent training system

According to the requirements of "Second Five-Year Strategy" of Ever Sunshine Services, we have carried out a comprehensive iteration and upgrading of our talent development system, and set up the Ever Sunshine Manager Management Committee to be responsible for the overall operation of the talent development system. During the "2nd Five-Year" period, our talent development strategy focuses on improving the professional skills of frontline employees and ensures that new employees must pass the job qualification certification before joining the Company. As our employees continue to grow in their positions, we will help them obtain different levels of skills certification through online and offline learning and assessment. Meanwhile, we will also strengthen the professional competence training of each functional line, systematically promote the existing talent training plan, and specially launch the "Digital Intelligence Plan" 「數智計劃」 to enhance the digital competence of project managers of Ever Sunshine Services and employees in integrated management positions above.

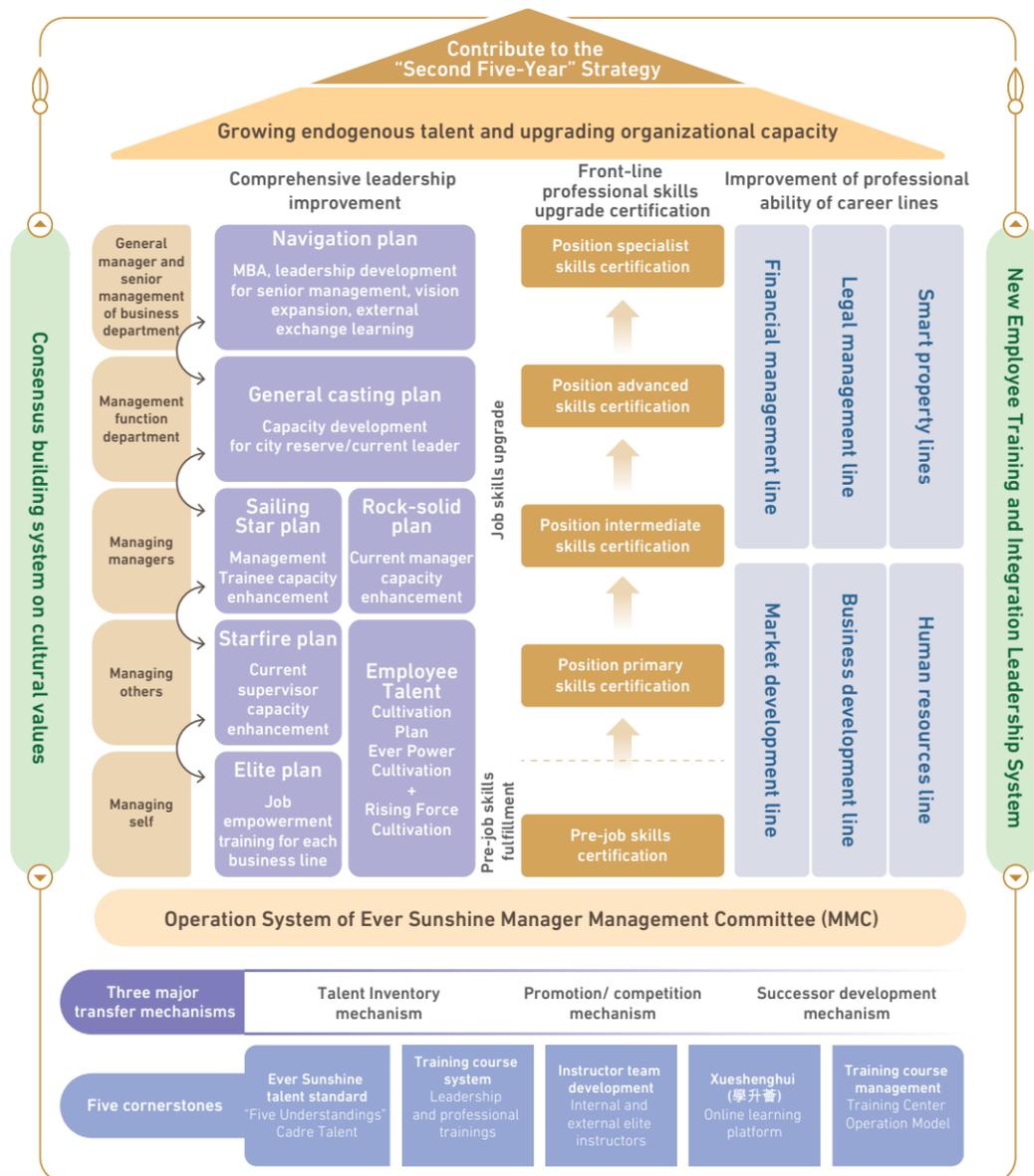


Diagram of Ever Sunshine's Talent Training System

Fresh graduate cultivation

In 2023, Ever Sunshine Services upgraded the training system for fresh graduates, not only expanding the training targets (including professional and technical talents with specialist qualifications), but also launching the "Elite Plan - Accelerated Training Programme for Employees" for school recruits to accelerate their career growth. Meanwhile, we clarified the career development paths of school recruits and established "six systems" including personnel management, career development, competence training, teaching management, posting and grading, and pay and performance, in order to strengthen the cultivation and development management of school recruits and help them grow rapidly.

Academic enhancement and skills certification

We provide our employees with financial support for re-education and professional qualification examinations, and help them understand certification requirements and learning resources, as well as covering training and examination costs. Meanwhile, we encourage senior management with career development needs to attend MBA or EMBA programmes. According to the "Training Management System", employees can obtain relevant certificates or upgrade their qualifications according to the needs of the Company and their personal development. In 2023, we launched an online skills learning and certification system on the "XueShenghui" online platform, which realized online graded learning and certification for frontline employees, with a cumulative total of 1,728 certifications, which had effectively contributed to the enhancement of postal skills and service levels.

Leadership training

For supervisory level employees, we have fully implemented the "Spark Plan - Project Supervisor Training Camp" and "Star Plan - Reserve Manager Training Camp", covering a total of 452 trainees, laying a solid foundation for the construction of first-line supervisory positions to improve management capacity. For manager-level employees, we have continued to optimize the "Rock-solid Plan- Manager-level Training Camp" learning methods and curricula, and constructed a "battle and training" combination training system based on the creation of a practical training base, which has covered a total of 521 project managers, strongly promoting the construction of management capacity for frontline grass-roots management positions. For middle management, we have planned and organized the "Sharpening Generals Plan - City General Training Camp", which covered a total of 44 trainees. Meanwhile, in the strategic talent inventory, for the "excellent" and "outstanding grades" of the outstanding personnel that we inventoried, the human resources department will take the lead in formulating and implementing the employee's exclusive IDP personal development plan and linking the training results with the employee's promotion, which completely builds up the workflow of "identification of high-potential personnel - formulation of IDP plan - implementation of training projects - special assessment by the Manager Management Committee (MMC) - selection and appointment of personnel".

Environmental management training

Ever Sunshine Services carries out the "Spark Plan - Environmental Supervisor" training camp on a quarterly basis in different regions, with the main training contents related to environmental service standards, environmental supplier management, greening and garden maintenance, and the use of environmental tools. In the process, it has created a unique "3-1 Project" training and certification model, i.e. "1 day of theoretical learning, 1 day of practical exercises, 1 month of practice and effect presentation verification" for skill learning and verification certification. In 2023, the project covered a total of 237 employees in environmental positions throughout the year.



Spark Plan - Environmental Supervisor Training Camp

Reasonable Promotion

We take “value recognition, openness and transparency, and gradual progress” as the principle of promotion management. Through fair performance evaluation and promotion decisions, we identify and cultivate talents with development potential. We provide our employees with two career development paths, “management sequence” and “professional sequence”, to ensure that each employee can find the appropriate growth space according to his/her professional expertise.

Two-Track Career Development Path for Ever Sunshine Services¹

Management Sequence Development Path:	Professional Sequence Development Path:
Squad leader/reserve squad leader	Professional head
Department head	Professional manager
Department manager	Business line specialist
Department director	Senior business line manager
Regional or group senior management	Chief business line specialist

¹ The post names in the chart are only simple examples and do not correspond to the post names in the job grading system.

According to the “Promotion Management System” (《晋升管理制度》), we set up promotion opportunities twice a year, and the promotion of employees is subject to a debriefing report, and the results of promotion are announced publicly after a comprehensive assessment by the Human Resources Department. Meanwhile, we have also implemented a job competition system to ensure the reasonable mobility of talents. During the year, Ever Sunshine Services established a “Group-level Internal Competitive Recruitment Management Mechanism”. The mechanism covers the whole process of management from the confirmation of job requirements, the release of the competition announcement, to the independent application by employees or recommendation by management, the qualification review and job description report, until the finalization of the competition results. This process regulates the standard operation of internal competition, and through the participation of city general managers, area general managers, heads of departments and project leaders in the qualification review process, it enhances the degree of manpower and job suitability and maintains the fairness and transparency of the promotion process.

As of 31 December 2023, Ever Sunshine Services issued internal competitions at the group level on a monthly basis

11 times

with the main competitions involving the frontline grassroots management project manager post and the frontline middle management region/city general post, and a total of

79 people

participated in the competitions, and

61 people

been recruited successfully

Protect Health and Safety

Ever Sunshine Services regards the occupational health and safety of employees as the cornerstone of healthy development. We strictly abide by relevant laws and regulations such as the *Law of the People’s Republic of China on Work Safety* and the *Law of the People’s Republic of China on Prevention and Control of Occupational Diseases*, and formulate and improve the occupational health and safety management system. We implement regular safety inspections during the operation of our projects. Meanwhile, we strengthen occupational health and safety training in our daily management to ensure that we provide a safe and healthy working environment for our employees.

Ensure Occupational Safety

Ever Sunshine Services strictly complies with the laws and regulations such as the Regulations on Supervision and Administration of Occupational Health at Workplace, the Work Injury Insurance Ordinance and the Occupational Safety and Health Ordinance of the Hong Kong Special Administrative Region, and has formulated the “Guidelines on Management of Occupational Injuries”(《工傷管理指引》) and other internal policies covering the entire Group (including contractors), and has established a three-tier safety management system of “Headquarter - Each Affiliated Property Company - Property Service Centre”, with the President of the Company leading the occupational safety and health management. Under the leadership of the President, the ESG Committee and relevant executive departments are responsible for monitoring, reviewing and evaluating the Company’s OHS performance. We implement annual internal audits and triennial external audits to ensure the effective operation of the OHS management system. In 2023, Ever Sunshine Services successfully obtained the renewal certificate of ISO 45001 OHS management system certification.

9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

The image displays three certificates issued by Ever Sunshine Services. The first is an ISO 45001 Occupational Health and Safety Management System Certification. The second and third are notices of maintenance of registration for ISO 45001 Occupational Health and Safety Management System Certification.

Occupational health and safety policy and management measures of Ever Sunshine Services cover all employees, including contractors, suppliers and outsourced employees. We attach great importance to the occupational health and safety of our employees and link the effectiveness of their management to the performance appraisal of regional management, which effectively enhances management effectiveness and creates a healthy working environment. In 2023, we achieved the goal of 0 workplace fatality and continue to set the goal of 0 workplace fatality in 2024, placing the safety of our employees as the highest priority to ensure that every one of our employees and contractors can carry out their work in a safe and secure environment.

Emphasis on Safety Training

Ever Sunshine Services promotes the safety awareness of our employees through systematic and comprehensive occupational health and safety education. We advocate a safety culture and encourage our employees to take the initiative to participate in safety protection and work together to create a zero-accident work environment.



Employee Safety Knowledge Training

During project operations, we set up engineering training rooms in each area to reduce safety risks at work through professional training such as lighting circuit inspection, monitoring of weak electricity systems and intercom access control maintenance. All projects emphasise safety norms for construction and maintenance in daily morning and routine meetings, and carry out in-depth case studies and warning education on external fire safety incidents.

In our daily management, we attach importance to occupational health and safety training for our employees, implement pre-employment safety knowledge training, and organize regular safety training and knowledge seminars for our employees and contractors that are closely related to their work. In addition, we have launched an online course on occupational safety and organized skills competitions to stimulate employees' enthusiasm for learning. We also pay attention to the mental health of our employees and help them achieve physical and mental balance through stress and emotion management training.

In order to safeguard the lives and properties of frontline employees, Ever Sunshine Services has set up a series of courses on "Employee Safety Knowledge Training" in all training programmes for frontline employees, and carried out various kinds of fire-fighting and first-aid trainings in a practical way in the programmes, as well as collaborating with first aid organizations such as "First Response" to carry out first aid related skill training, and skill certifications.

Case



Elevator Trapped Emergency Plan Drill to Enhance the Emergency Response Capacity of Special Equipment Accidents

In order to enhance the emergency response to special equipment accidents, Boyue Lanting (柏悦瀾庭) Project of Ever Sunshine Services organized an emergency rescue drill for trapped elevators. The drill simulated a scenario in which an elevator malfunction caused passengers to be trapped, and the trapped persons sought help through the emergency alarm system. The employees on duty responded quickly and initiated the rescue process to ensure the safe evacuation of the trapped persons, and repaired the elevator failure in time to restore normal operation. Before the drill, the person in charge explained the plan in detail to ensure that all departments were clear about their respective responsibilities. During the drill, the central control room quickly coordinated resources, the order patrol post arrived at the scene quickly, the engineering department followed closely, and the customer service department was responsible for calming passengers' emotions and dealing with follow-up matters. The whole process demonstrated efficient coordination and co-operation.

This drill not only exercises the ability of various departments to collaborate in emergencies, but also enhances the use of special equipment departments to the level of emergency response to accidents, for the prevention of and response to possible future accidents of special equipment to consolidate the foundation.

Care for the Lives of Employees

Ever Sunshine Services attaches importance to the well-being of employees, through regular research to grasp the needs of employees, and actively organizes diversified activities to enhance their sense of identity and belonging to the Company. In 2023, we organized more than 350 activities in various regions, covering festivals, summer coolness, winter warmth, New Year's greetings, and company anniversaries, with a total of more than 10,000 employees participated in these activities.

Focus on Employee Satisfaction

Ever Sunshine Services pays attention to the feedback and suggestions of employees, and carries out employee engagement and satisfaction surveys to grasp the mindset and work performance of employees. We carry out annual employee satisfaction assessments for all functional teams, carefully evaluating the Company and departments in multiple dimensions, including culture and values, work tasks, learning and development, diversity and inclusion, and performance management. We continuously track the dynamics of the ratings and rankings to identify and make timely improvements in those areas that need enhancement. During the year, we re-launched the employee engagement survey, which demonstrated the effectiveness of our employee care initiatives by achieving an increase in engagement despite the pressures of the external environment.

In 2023, the engagement survey lasted for 7 days and had

8,360
person-times

with a participation rate exceeding

90%

The total employee engagement score was

87 (out of 100)

representing an increase of as compared with the 2021 engagement survey score

7 (80 in 2021)²

² No extensive employee engagement survey was carried out due to the impact of the pandemic in 2022

9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Enrich Employee Activities

Ever Sunshine Services creates a warm and harmonious working environment through rich employee activities and welfare incentives. In Chinese traditional festivals, we give holiday sympathy gifts to our employees; on their birthdays, we hold birthday parties full of warmth; in summer, we send cool tea and drinks to our employees to improve their sense of well-being. In this year, it is the 21st anniversary of the establishment of Ever Sunshine Services, the headquarters and the regional and city companies held a special morning meeting for the anniversary, to give special recognition to Ever Sunshine partners with long-term service honour, and to strive and move forward with Ever Sunshine partners with one heart.

In 2023, Ever Sunshine Services carried out more than

350

employee activities in various regions

including various kinds of festivals, high temperature care, low temperature care, New Year's greetings, etc., and the number of participated employees exceeded in total

10,000



Get Lucky Money upon Opening the Door



Birthday Party



Deliver Coolness in Summer



Long Service Honours Recognition

9. ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Ever Sunshine Services continues to help employees in difficulty by providing one-off financial assistance ranging from RMB10,000 to RMB50,000 to members and their families who suffered from serious illnesses, serious personal injuries or passed away through the "Staff Mutual Aid Fund" (「員工互助基金」) of Ever Sunshine "Staff Mutual Aid Association" (「員工互助會」). In 2023, Employees' Mutual Aid Association provided an assistance of RMB 30,000 to an employee who suffered from a malignant tumour to help him overcome his difficult situation. Since its establishment in 2022, Ever Sunshine "Staff Mutual Aid Association" has provided a total of RMB 90,000 to employees in need.

Case



Discover the Most Beautiful Ever Sunshine Employee and Showcase the Value and Strength of Ever Sunshine Employee

In July 2023, Ever Sunshine Services collected 66 wonderful images of "The Most Beautiful Ever Sunshine Employee" to showcase the beautiful moments of Ever Sunshine Services employees in their daily work in the official WeChat. Through a series of real-life stories and images, the article tells real-life examples of how Ever Sunshine Services employees find beauty, create beauty and share beauty in their respective positions. From sending flowers to mothers on Mother's Day, to playing the role of "shop assistant" to bring surprises to residents, swift handling of waterlogging problems, installing lamps for the community in the scorching summer heat, removing snow in a timely manner after a snowstorm, as well as heroically rescuing the residents from forest fires, etc., all these actions together depict a beautiful picture of how Ever Sunshine Services employees work in their daily life, reflecting the value of social responsibility and employee value in Ever Sunshine culture.

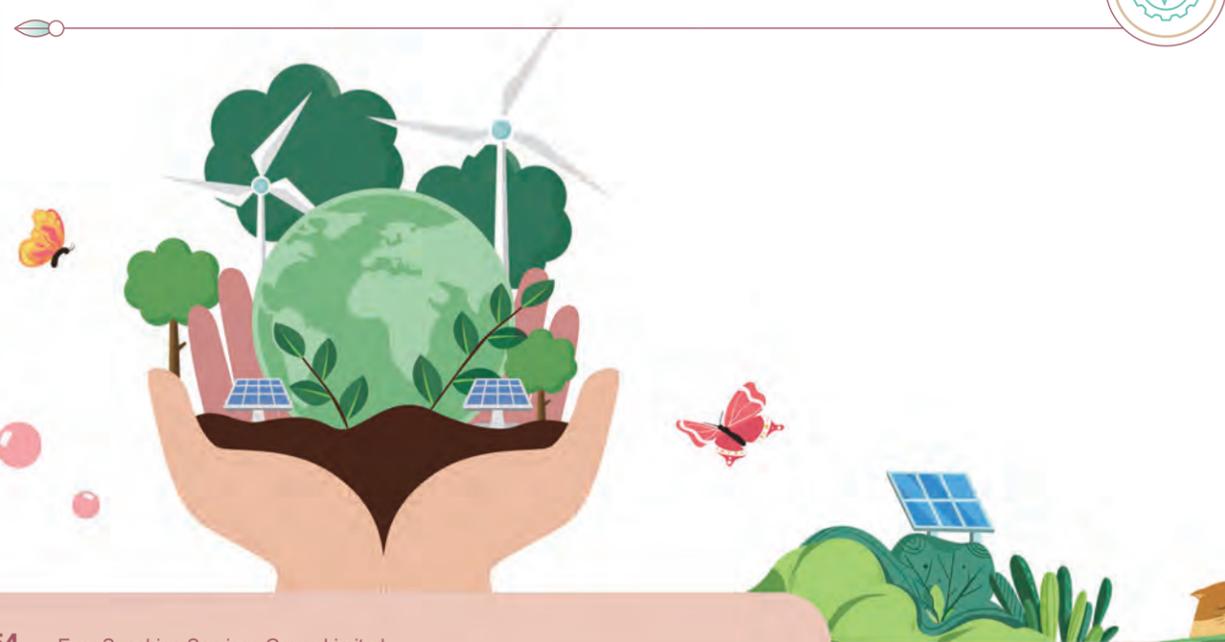


Publicity Poster for the "Most Beautiful Ever Sunshine Employee" Activity

10. KIND EVER SUNSHINE, WARM HEARTED COMMUNITY

Ever Sunshine Services actively takes social responsibility, responds to the national call, carries out a number of activities to help rural revitalization, actively participates in social welfare cooperation, exerts its own influence in the society, and provides help and support as much as it can, so as to promotes the benign interaction between the Company and the society, and contributes the strength of Ever Sunshine. During the reporting period, Ever Sunshine Services invested a total of RMB220,000 in social welfare, and the length of participation in public welfare activities of employees in 2023 was 8,500 hours.

Guide Indicators Responded to in this Chapter		Material Issues in this Chapter
Respond to SDGs	Response to Indicators of HKEX	- Charity and community building - Social communication and participation
    	B8 General Disclosure B8.1 B8.2	



GOALS PROGRESS

Goals setting

- Deepen the work of rural revitalization, further support agricultural development, and continuously increase investment in a number of social welfare undertakings such as rural education and environmental greening and protection
- Actively invest in social welfare, strengthen the exchange and communication between the Company's property owner activities and the society, and improve the influence of social welfare.

Progress review

- The "Baby Run" public welfare activity, donated 5,010 flower stick saplings to the Tengger Desert in Alxa League
- Ever Sunshine Public Welfare Action, jointly with property owners, carried out community publicity activities such as picking up rubbish in the community streets, advocating rubbish classification, not littering, etc., and advocating the public welfare of resource conservation to the outside world every month
- Carried out agricultural support work to help the sale of agricultural products
- Under extreme weather conditions such as snowstorms and heavy rains, it assumed responsibilities to guard the lives and properties of residents in communities, parks and city areas, and actively responded to the call of government departments to support other regions and communities

Next plan

- Continue to increase its investment in environmental protection and other social welfare projects. Hold the third "Baby Run" children's health public welfare activities, and directed donations to the environmental greening and protection activities
- Continue to carry out the 2024 "Ever Sunshine Public Welfare Action", to carry out public welfare activities and employee activities to conserve resources and advocate environmental protection
- Carry out community themed activities to help and love the elderly
- Carry out work to help farmers and sale their products on an ongoing basis in the course of community retailing and other value-added services
- Assume duties to guard the lives and property of residents in the community, parks and city areas during extreme weather conditions such as snowstorms and heavy rainfall

Green Action to Assist Agriculture

Ever Sunshine Services always responds to the national call for rural revitalization, and actively carries out and participates in activities to help farmers, using its own social resources, services and other advantages, and driving employees and property owners to do their best to carry out the consumption of agricultural products and help.



Green Action to Assist Agriculture-Deliver "Wealth" to Home

In 2023, with the excessive production of local cabbage and the reduced demand in some parts of the Shandong region, there was a cabbage stagnation and price decline. Ever Sunshine Services responded to the government's demand, combined with giving back activities by property owners in end of the year, after going to the origin of the products to carry out quality testing and confirming the quality was good, it sent 2 cabbages to each property owner, sending the cabbages directly with the "wealth" to home.



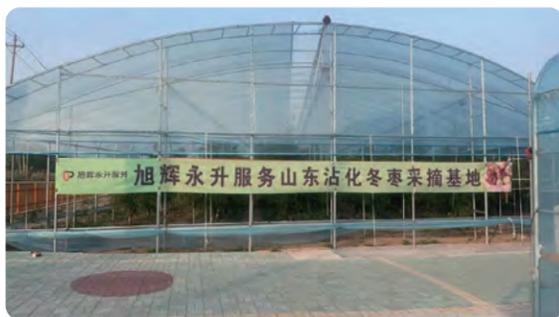
Deliver "wealth" to Home

In addition to giving back agricultural products to property owners as a community benefit, we also take advantage of the Company's social resources to actively help slow-selling agricultural products to find sales channels and promote the development of public welfare to help farmers.



Green Action to Assist Agriculture-Zhanhua Winter Jujube Co-operation Base

In October, Ever Sunshine Services and Binzhou Zhanhua Cooperative Association cooperated to actively undertake the public welfare cause of helping farmers, carried out Zhanhua winter jujube picking activities, located the Cooperative Association as a fixed cooperation base, and helped the sale of winter jujube in the form of direct delivery from the origin of the products.



Green Co-operation to Assist Agriculture - Zhanhua Winter Jujube

Case

Case

In addition, Ever Sunshine Services also actively assisted Shandong fruit farmers under the influence of extreme weather in the sale of apples and other agricultural products at a flat price, promoting the sale of agricultural products and increasing the income of farmers.



Assist Agriculture under the Extreme Weather-Shandong Apple Sales

In October 2023, extreme freezing weather in Shandong has caused frostbite and other cases of apples that were slow to sell. In order to help seasonal and on-sale agricultural products to go out of the village and enter the city better and faster, and to promote farmers to increase production and income, Ever Sunshine Services launched the "Warm Winter Action" to help farmers under the extreme weather. Regional colleagues counted the apples with farmers and packed the boxes with professional staff, and then distributed them one by one to many cities and projects for sale through sending logistics. Since the launch of the "Warm Winter Action", they have assisted the farmers to sell a total of 2,000 cabbages of apples, which has contributed to the increase of farmers' income.

Participate in Social Cooperation

Ever Sunshine Services actively undertakes social responsibility, carries out industry exchanges and participates in social cooperation. On 13 October, Ever Sunshine Services participated in the parallel forum of the Sixth Property Management Innovation and Development Forum - "Better Life" Fourth Property Community Life Service Forum, which was hosted by China Property Management Association.

In this forum, the first book about value-added services in the property management industry - "New Demand, New Service, New Track - A Book to Read and Understand Value-added Property Services" was launched. The book is edited by Mr. Zhou Hongbin, President of Ever Sunshine Services, who is the deputy chief editor and leads the community value-added business team of Ever Sunshine Services to actively participate in the work of customer research, business interviews, case summaries, and compilation, providing a large amount of research data and case materials for the editorial board.



Case

10. KIND EVER SUNSHINE, WARM HEARTED COMMUNITY

At the meeting, Mr. Zhou Hongbin, Deputy Director of the Professional Committee of Community Life Services of China Property Management Association and the President of Ever Sunshine Services, gave an introduction to the book from the perspectives of the theory and practice of value-added services, data, models and methods. After the meeting, Deputy Director Mr. Zhou Hongbin presented the new book to the representatives of the enterprises on the spot and wished them to improve the level of property community life services and contribute to the promotion of high-quality development of the property management industry. The book is now available for sale.



Mr. Zhou Hongbin's Introduction to the New Book

Ever Sunshine Services effectively practices corporate social responsibility, participates in social welfare undertakings, takes the initiative to pay attention to social issues, is committed to giving back the society with the results of the enterprise's social development, and actively engages in public welfare undertakings to deliver warmth to the city.

Case



The 2nd Baby Run

This summer, we continued to hold the 2nd Baby Run community children's health public welfare activity, through the form of morning running and games, not only could let the young property owners feel the joy of exercise, but also using public welfare planting as a form of reward for activities. For the young owners who completed the 21-day run, we donated three flower stick trees for each of them in the Tengger Desert in Alxa League in the name of such children, and up to the end of the activity, Ever Sunshine Services has donated a total of 5,010 flower stick trees.



Public Welfare Activity of Baby Run

10. KIND EVER SUNSHINE, WARM HEARTED COMMUNITY

Ever Sunshine Services insists on the strategy of green and sustainable development, advocates environmental protection and green life, and carries out the environmental protection public welfare activities of "Ever Sunshine Pubic Welfare Action" throughout the year. We organize old property owners and young property owners to pick up rubbish in the streets, and we advocate public welfare in the name of the Company and the public welfare brand of Ever Sunshine Pubic Welfare Action every month, which involves saving water, reducing waste and saving electricity, etc.



Activity of Ever Sunshine Pubic Welfare Action

Ever Sunshine Services practices the concept of sustainable development and is committed to helping the development of the society with the strength of the enterprise. We insist on leading the residents to work together to carry out rich and diversified, low-carbon and environmentally friendly green activities in the 37°C community, and jointly create a more livable green community.

Appendix I 2023 ESG Key Performance Indicators

Aspect	ESG Indicators	Unit	2022	2023
A Environmental				
A1.1 The types of emissions and respective emissions data				
	NOx	Kilogram	3.29	3.04
	SOx	Kilogram	0.07	0.07
	PM	Kilogram	0.24	0.22
A1.2 Direct and energy indirect greenhouse gas (GHG) emissions and intensity				
	Total greenhouse gas emissions	Tonnes CO ₂ e	374.77	382.30
	Direct greenhouse gas emissions (Scope 1)	Tonnes CO ₂ e	11.33	11.28
	Indirect greenhouse gas emissions (Scope 2)	Tonnes CO ₂ e	363.44	371.02
	Greenhouse gas emissions intensity	Tonnes CO ₂ e/ person	0.014	0.013
A1.3 Total hazardous waste produced and intensity				
A1 Emissions	Total hazardous waste produced	Kilogram	429.05	470.80
	Hazardous waste produced intensity	Kilogram/person	0.02	0.02
	Waste ink cartridges/toner cartridge	Kilogram	167.94	175.40
	Waste tube	Kilogram	3.04	8.28
	Waste battery	Kilogram	120.07	135.12
	Waste electric product	Kilogram	138.00	152.00
A1.4 Total non-hazardous waste produced and intensity				
	Total non-hazardous waste produced	Kilogram	58,922.65	57,471.90
	Non-hazardous waste produced intensity	Kilogram/person	2.21	1.90
	Office and domestic garbage	Kilogram	58,922.65	57,146.90
	Kitchen waste from canteen	Kilogram	/	325.00

Aspect	ESG Indicators	Unit	2022	2023
A Environmental				
A2.1 Direct and/or indirect energy consumption by type in total and intensity				
	Total energy consumption	kWh	682,515.96	695,622.84
	Energy consumption intensity	kWh/person	25.58	23.02
	Direct energy consumption	kWh	45,228.82	45,051.45
	Total diesel consumption	kWh	0.00	0.00
A2 Use of Resources	Total petrol consumption	kWh	45,228.82	45,051.45
	Indirect energy consumption	kWh	637,287.14	650,571.39
	Total purchased electricity	kWh	637,287.14	650,571.39
A2.2 Water consumption in total and intensity				
	Total water consumption	Tonnes	2,625.86	2,774.77
	Water consumption intensity	Tonnes/person	0.10	0.09

Aspect	ESG Indicators	Unit	2022	2023
B. Social				
B1.1 Total workforce by gender, employment type, age group and geographical region				
	Total number of employees	Headcount	26,685	24,605
By gender				
	Number of male employees	Headcount	15,468	15,367
	Number of female employees	Headcount	11,217	9,238
By employment type				
	Number of full-time employees	Headcount	26,685	24,605
	Number of short-term contract/part-time employees	Headcount	0	0
Number of employees by position grade				
	Number of junior employees	Headcount	23,611	22,714
	Number of middle employees	Headcount	2,936	1,754
B1 Employment	Number of senior employees	Headcount	139	137
By age group				
	Number of employees below aged 30 (excluding 30)	Headcount	8,299	5,267
	Number of employees aged 30-50	Headcount	13,080	14,267
	Number of employees above aged 50 (excluding 50)	Headcount	5,306	5,071
By geographical region				
	Number of employees in Northeastern China	Headcount	1,291	961
	Number of employees in Northern China	Headcount	2,696	2,125
	Number of employees in Eastern China	Headcount	14,499	13,891
	Number of employees in South Central China	Headcount	4,285	4,274
	Number of employees in Western China	Headcount	3,914	3,354
	Number of employees in China's Hong Kong, Macao and Taiwan regions and oversea	Headcount	0	0

Aspect	ESG Indicators	Unit	2022	2023
B. Social				
B1.2 Employee turnover rate by gender, age group and geographical region				
	Employee turnover rate	%	41	35
By gender				
	male	%	40	36
	female	%	42	34
By age group				
	Turnover rate of employees below aged 30 (excluding 30)	%	56	48
	Turnover rate of employees aged 30-50	%	36	29
B1 Employment	Turnover rate of employees above aged 50 (excluding 50)	%	28	34
By geographical region				
	Employee turnover rate in Northeastern China	%	24	36
	Employee turnover rate in Northern China	%	37	39
	Employee turnover rate in Eastern China	%	43	34
	Employee turnover rate in South Central China	%	49	37
	Employee turnover rate in Western China	%	33	32
	Employee turnover rate in China's Hong Kong, Macao and Taiwan regions and oversea	%	0	0
B2.1 Number and rate of work-related fatalities occurred in past three years				
	Number of work-related fatalities	Headcount	2021: 0	1
B2 Health and Safety	Rate of work-related fatalities	%	2021: 0	0.004
B2.2 Lost days due to work injury				
	Incidents of work injury	Case	44	55
	Total lost days due to work injury	Day	2,072	2,045

Aspect	ESG Indicators	Unit	2022	2023
B. Social				
	B3.1 The percentage of employees trained by gender and employee category			
	Total employees trained	Headcount	26,231	24,211
	Percentage of total employees trained	%	98.3	98.4
	By gender			
	Male employees trained	%	62	62
	Female employees trained	%	38	38
	By employee category			
	Junior employees trained	%	85	85
	Middle employees trained	%	14	14
B3	Senior employees trained	%	1	1
Development and Training	B3.2 The average training hours completed per employee by gender and employee category			
	Total average training hours per employee	Hour	91	91
	By gender			
	Training hours of male employees	Hour	91.4	91.5
	Training hours of female employees	Hour	88.3	88.9
	By employee category			
	Training hours of junior employees	Hour	90.1	90.6
	Training hours of middle employees	Hour	89.3	89.6
	Training hours of senior employees	Hour	114.1	97.6

Aspect	ESG Indicators	Unit	2022	2023
B. Social				
	B5.1 Number of suppliers by geographical region			
	Number of suppliers	Number of suppliers	5,621	7,583
	Number of suppliers in Northeastern China	Number of suppliers	1,108	1,227
	Number of suppliers in Northern China	Number of suppliers	653	858
	Number of suppliers in Eastern China	Number of suppliers	275	1,182
B5	Number of suppliers in South Central China	Number of suppliers	2,613	2,894
Supply Chain anagement	Number of suppliers in Western China	Number of suppliers	972	1,422
	Number of suppliers in China's Hong Kong, Macao and Taiwan regions and oversea	Number of suppliers	0	0
	B5.2 Number of suppliers whose practices relating to the engagement of vendors are implemented			
	Signing rate of suppliers signing	%	100%	100%
	Number of suppliers included in the general management process	Number	1,331	742
	B6.2 Number of products and service-related complaints received and how they are dealt with			
	Number of complaints received by the Company's Operations Department about products and services	Case	16,786	15,951
B6 Product Responsibility	Complaint closure rate	%	100	100
	Number of trademarks obtained	Number	263	275
	Number of copyrights obtained	Number	208	223
	Number of patents obtained	Number	3	3

Aspect	ESG Indicators	Unit	2022	2023
B. Social				
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period			
	Number of corruption proceedings	Number	2	1
	B7.3 Description of anti-corruption training provided to directors and staff			
B7	Anti-corruption			
	Number of directors attended the anti-corruption trainings	Headcount	4	4
	Number of employees attended the anti-corruption trainings	Headcount	26,685	24,605
	Anti-corruption training hours provided to the directors	Hour	5	6
	Anti-corruption training hours provided to the employees	Hour	172	234.9
	B8.2 Resources utilised in focus areas			
B8	Community Investment			
	Total amount invested in public welfare	RMB in ten thousand	17	22
	Total serving hours of employee volunteers	Hour	6,952	8,500

Scope of Data Statistics:

- 1) The scope of the Group's ESG reporting statistics for 2023 is consistent with the Annual Report.
- 2) The environmental data disclosed in the Group's 2023 ESG Report covers the administrative offices of the headquarter offices of Ever Sunshine Services and the regional companies of the Group. Due to the updated structure of respective employees based in administrative offices in 2023, the scope of environmental data statistics included the number of full-time employees and dispatched workers. The source of the data is the payment of relevant fees and the administrative statistics ledger.

Data Calculation Description:

- 1) The greenhouse gas scope includes carbon dioxide; Among them, direct greenhouse gas emissions (Scope 1) mainly came from the direct energy consumption generated by "official vehicles and staff canteen", and the calculation formula refers to the "Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Enterprises Operating Public Buildings (for Trial Implementation)" (《公共建築運營企業溫室氣體排放核算方法和報告指南(試行)》) issued by the National Development and Reform Commission of the People's Republic of China. Indirect greenhouse gas emissions (Scope 2) arise from indirect energy consumption caused by "purchased electricity", and the emission factors are calculated from the average emission factors of the national power grid in 2022 (0.5703tCO₂/MWh) set out in the "Notice on the Management of Greenhouse Gas Emissions Reporting by Enterprises in the Power Generation Industry for 2023-2025" (《關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作的通知》) issued by the Ministry of Ecology and Environment of the People's Republic of China.
 - a. Note to "Consistency": The carbon emissions from electricity consumption in indirect greenhouse gas emissions are calculated using the China Electricity CO₂ Emission Factor published by the Ministry of Ecology and Environment of China in the relevant year.
 - b. Note to "Consistency": In order to allow meaningful comparison of data on the use or emissions of greenhouse gases, waste, energy and water resources, etc., the intensity data for the above indicators have been standardised using the number of people working in the offices of Ever Sunshine Services for intensity calculations, consistent with 2022.
- 2) The Group's annual energy consumption includes fuel for official vehicles, fuel for staff canteens and purchased electricity, and the data is obtained from the relevant bills and administrative statistics. The energy consumption coefficients are calculated according to the General Rules for "General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)" (《綜合能耗計算通則》(GB/T 2589-2020)).
- 3) The water supply of the Group mainly comes from municipal water supply network, with the data being sourced from payment bills of water fee, financial reimbursement records and administrative statistical ledgers records. The Company did not encounter any issue in sourcing water that is fit for purpose.
- 4) In 2023, the formula for calculating the Group's employee turnover rate is the number of employees lost during the reporting period/(number of employees at the beginning of the reporting period + number of employees added during the reporting period), and the employee turnover rate for 2022 has been revised retrospectively based on the principle of consistency.
- 5) The formula for calculating the average length of training for the Group's employee is the total length of training for a particular category of employee/number of employee trained in that category.

Appendix II Index Table of Environmental, Social and Governance Report Guideline Indicators

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
Mandatory Disclosure Requirements			
Governance Structure			
	Disclosure of the Board’s oversight of ESG issues	disclosed	SUSTAINABLE DEVELOPMENT MANAGEMENT
	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)	disclosed	SUSTAINABLE DEVELOPMENT MANAGEMENT
	How the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses	disclosed	SUSTAINABLE DEVELOPMENT MANAGEMENT
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.	disclosed	ABOUT THIS REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
“Comply or explain” Provisions			
A Environmental			
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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION
KPI A1.1	The types of emissions and respective emissions data.	disclosed	APPENDIX I
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION
KPI 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.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Subject Areas, Aspects, General Disclosures and KPIs			
KPIs	Description	Disclosure status	Paragraphs disclosed
"Comply or explain" Provisions			
A Environmental			
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy water and other raw materials.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION
KPI 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).	disclosed	APPENDIX I
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION
KPI 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.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION APPENDIX I
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	not applicable	not applicable: The business nature of the Group does not involve product manufacturing.

Subject Areas, Aspects, General Disclosures and KPIs			
KPIs	Description	Disclosure status	Paragraphs disclosed
"Comply or explain" Provisions			
A Environmental			
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	disclosed	LOW-CARBON EVER SUNSHINE, SINCERE ENVIRONMENTAL PROTECTION

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
"Comply or explain" Provisions			
B Social			
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.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT APPENDIX I
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	disclosed	APPENDIX I
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.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	disclosed	APPENDIX I
KPI B2.2	Lost days due to work injury.	disclosed	APPENDIX I
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
"Comply or explain" Provisions			
B Social			
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	disclosed	APPENDIX I
KPI B3.2	The average training hours completed per employee by gender and employee category.	disclosed	APPENDIX I
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.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	disclosed	ENERGETIC EVER SUNSHINE, WITH GREAT CARE FOR TALENT

Subject Areas, Aspects, General Disclosures and KPIs			
KPIs	Description	Disclosure status	Paragraphs disclosed
"Comply or explain" Provisions			
B Social			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT APPENDIX I
KPI 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.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT

Subject Areas, Aspects, General Disclosures and KPIs			
KPIs	Description	Disclosure status	Paragraphs disclosed
"Comply or explain" Provisions			
B Social			
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.	disclosed	LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	not applicable	NOT APPLICABLE
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	disclosed	LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART APPENDIX I
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	disclosed	LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART
KPI B6.4	Description of quality assurance process and recall procedures.	not applicable	LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	disclosed	LEAN EVER SUNSHINE, QUALITY WITH INGENIOUS HEART

APPENDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
"Comply or explain" Provisions			
B Social			
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.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT
KPI 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.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT APPENDIX I
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON MANAGEMENT
KPI B7.3	Description of anti-corruption trainings provided to directors and staff.	disclosed	CONSCIENTIOUS EVER SUNSHINE, CONCENTRATE FULLY ON 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 communities' interests.	disclosed	KIND EVER SUNSHINE, WARM HEARTED COMMUNITY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	disclosed	KIND EVER SUNSHINE, WARM HEARTED COMMUNITY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	disclosed	KIND EVER SUNSHINE, WARM HEARTED COMMUNITY



永升服务集团有限公司
Ever Sunshine Services Group Limited