鲁商服务

Lushang Life Services Co., Ltd.
魯商生活服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 2376

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENTS

1. ABOUT THIS REPORT

1.1. INTRODUCTION

For the convenience of expression and reading, Lushang Life Services Co., Ltd. is referred to as "**Lushang Services**", the "**Company**", "**we**" or "**us**" in this report. This report is the fourth sustainability report published by Lushang Services since its listing. It aims to disclose the Company's contributions and performance in terms of environmental, social and governance ("**ESG**") in a transparent and open manner, so as to respond to the concerns and expectations of various stakeholders on the Company's sustainability management.

1.2. REPORTING PERIOD

The reporting period for the content of this report is from January 1, 2025 to December 31, 2025 (the "**Reporting Period**" or "**Year**"). In order to enhance the comparability and completeness of this report, certain content also appropriately covers prior and subsequent periods. Unless otherwise indicated, the scope of this report is the same as that of the 2025 annual report of the Company.

1.3. REPORTING SCOPE

This report covers Lushang Services and its subsidiaries, including Lushang Life Services Co., Ltd. ("**Lushang Services**"), Shandong Lushang Architectural Design Co., Ltd. ("**Lushang Design**"), Shandong Licheng Shanlin Catering Management Limited ("**Shandong Licheng Catering**"), Daantong (Shandong) Mechanical and Electrical Equipment Engineering Co., Ltd. ("**Daantong Mechanical and Engineering**"), Shandong Lushang Tang'an Property Co., Ltd. ("**Lushang Tang'an Property**").

1.4. BASIS FOR THE PREPARATION OF THIS REPORT

This report is prepared mainly in accordance with Appendix C2 Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or "**Stock Exchange**") and with reference to the United Nations' Sustainable Development Goals ("**SDGs**") Corporate Action Guidelines.

1.5. PRINCIPLES OF REPORTING

The preparation process of this report follows the principles of "materiality", "quantitative", "balance" and "consistency" in the ESG Reporting Code issued by the Stock Exchange to fully and accurately respond to stakeholders' concerns about Lushang Services. The principles of reporting are as follows:

Table: Principles of reporting

Principles of reporting	Definitions	Response of the Company
Materiality	According to the ESG Reporting Code, materiality refers to the threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported.	The Company fully considered its business characteristics, communicated with stakeholders to identify material ESG issues at present, submitted them to the Board for consideration and final approval, and engaged a third-party professional institution to prepare this report.
Quantitative	Key performance indicators ("**KPIs**") in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The KPIs of the Company in environmental and social aspects are presented in the form of quantitative information with accompanying narratives to facilitate evaluation and validation.
Balance	The report should provide an unbiased picture of the Company's ESG performance. The report should avoid selections that may inappropriately influence a decision or judgment by the report reader.	This report objectively, fairly and truly reflects the effectiveness and practice of the Company's ESG management work in 2025.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	Following the principle of consistency, the Company will consistently disclose ESG information in the following years to facilitate comparisons over time.

1.6. SOURCES OF INFORMATION

The information in this report is derived from the Company's official documents, statistical data or publicly available information, and has been approved by the internal supervision mechanism. The Board of the Company is responsible for the authenticity, accuracy and completeness of the content of this report and has confirmed that it has reviewed and approved this ESG Report on March 27, 2026.

1.7. ACCESS TO THIS REPORT

This report is available in Chinese and English versions for readers' reference, and is published in electronic form. You can download this report from the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.lushangfuwu.com).

2. ABOUT THE COMPANY

2.1. COMPANY PROFILE

Lushang Life Services Co., Ltd. is a comprehensive property management service provider with a market leading position in Shandong Province and a proven track record of rapid growth. Headquartered in Jinan, Shandong Province, the Company has, through 20 years of development since its inception in 2006, expanded its coverage to nearly all prefecture-level cities in Shandong Province and to Beijing and Harbin. Shandong Province, one of the most populous and economically prosperous provinces in China, has been and will continue to be our strategic development center. According to data from the National Bureau of Statistics, as of December 31, 2025, Shandong Province's GDP ranked third among China's provinces, and the per capita annual disposable income of residents in Shandong Province was higher than the Chinese average. Throughout our development, we have been committed to conducting our business under the vision of "Building a nationwide first-class modern service enterprise". We believe that our commitment to customer satisfaction and customer-oriented culture have shaped our brand image and helped us establish a leading market position in Shandong Province.

2.2. BUSINESS SEGMENTS

The Company's business primarily includes three business lines: (1) property management services; (2) value-added services to non-property owners; and (3) community value-added services.

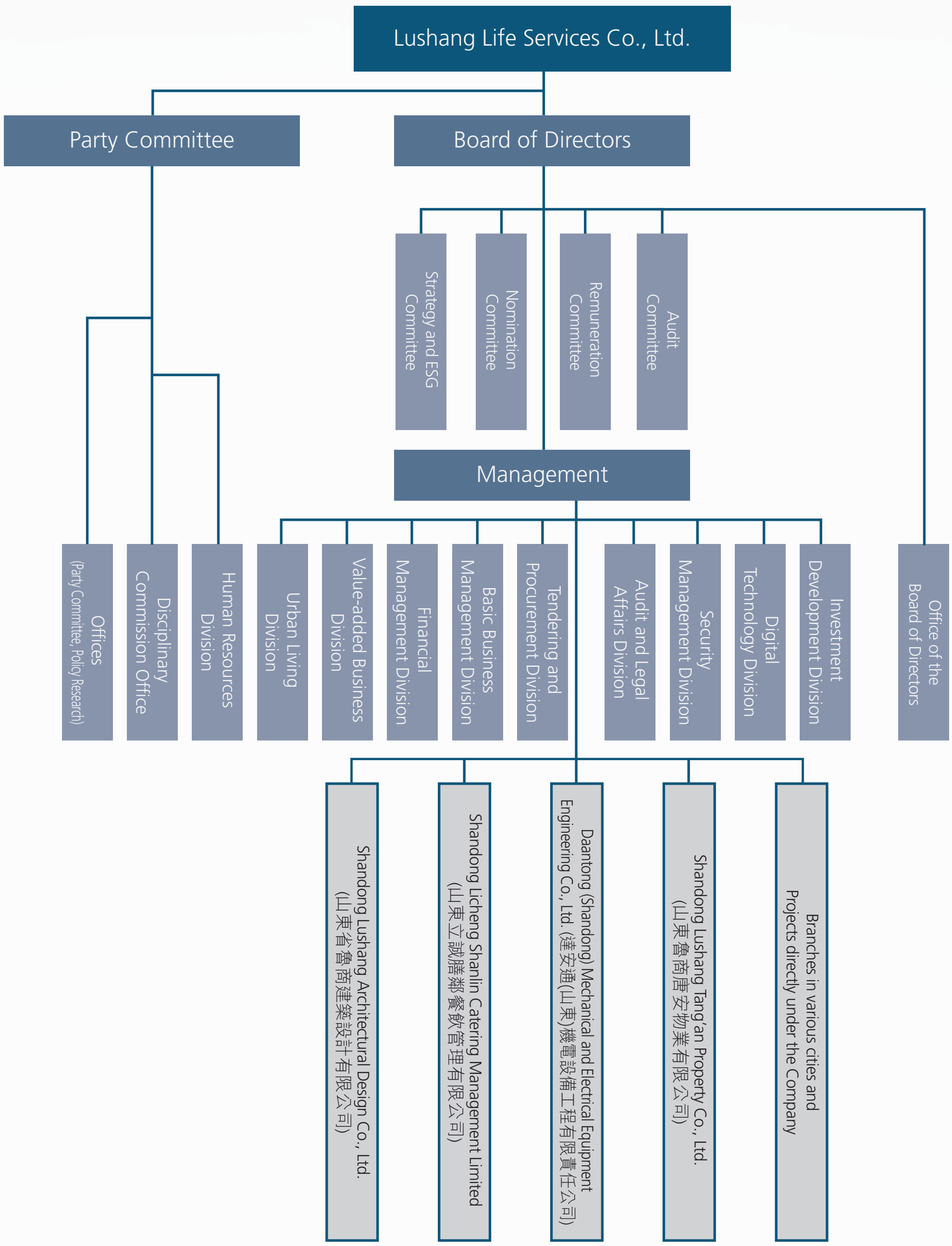
Property Management Services. The Company provides property developers, property owners (including public entities), residents and tenants with a wide range of property management services, comprising cleaning, security, greening, repair and maintenance, public area maintenance and other property management related services. The Company manages a diverse portfolio of properties, including residential properties, commercial properties such as commercial complexes, office buildings and apartments, and public properties including municipal facilities such as city roads, schools, theme towns, hospitals, banks, industrial parks and airbase.

Value-added Services to Non-Property Owners. The Company's value-added services to non-property owners primarily consist of: (1) design services, where we provide property developers and schools with preparation of construction blueprints and relevant design plans before construction, as well as interior design for sales offices, model units, and common areas of developers, commercial complexes, and hotels; (2) patrol and security management for construction sites, and consulting services in which we advise on various stages of property developers' business operations; (3) landscaping services; (4) pre-delivery services; and (5) other customized services such as repair and maintenance services.

Community Value-added Services. The Company's community value-added services primarily consist of: (1) community space and resource management services; (2) parking space management services; (3) utility management services; and (4) community living services.

2. ABOUT THE COMPANY

2.3. ORGANIZATIONAL STRUCTURE



2. ABOUT THE COMPANY

2.4. HONORS

Lushang Services was awarded the "Best Member of 2025" (2025年度最佳會員單位) by the Shandong Property Management Association (山東省物業管理協會)

Lushang Services was awarded the 2025 "Shandong Province Property Management Industry Development Report Editorial Committee Member Unit"(山東省物業管理行業發展報告編委單位)

Lushang Services was awarded the "2025 Shandong Province Property Industry Leading Enterprise in Non-Residential Management Area"(2025年山東省物業行業非住宅管理面積領先企業)

2. ABOUT THE COMPANY

2025 "Shandong Province Property Industry Leading Enterprise in Residential Management Area" (山東省物業行業住宅管理面積領先企業)

2025 "Shandong Province Property Industry Leading Enterprise in Cross-Province City Expansion" (山東省物業行業進入外省城市數量領先企業)

2025 "Shandong Province Property Industry Leading Enterprise in Brand Communication" (山東省物業行業品牌傳播領先企業)

2025 "Shandong Province Property Industry Leading Enterprise in Digital & Intelligent Construction" (山東省物業行業數智化建設領先企業)

Lushang Services ranked 29th in "2025 China Property Service Top 100 Enterprises"(2025中國物業服務百強企業) by the Beijing China Index Academy (北京中指信息技術研究院)

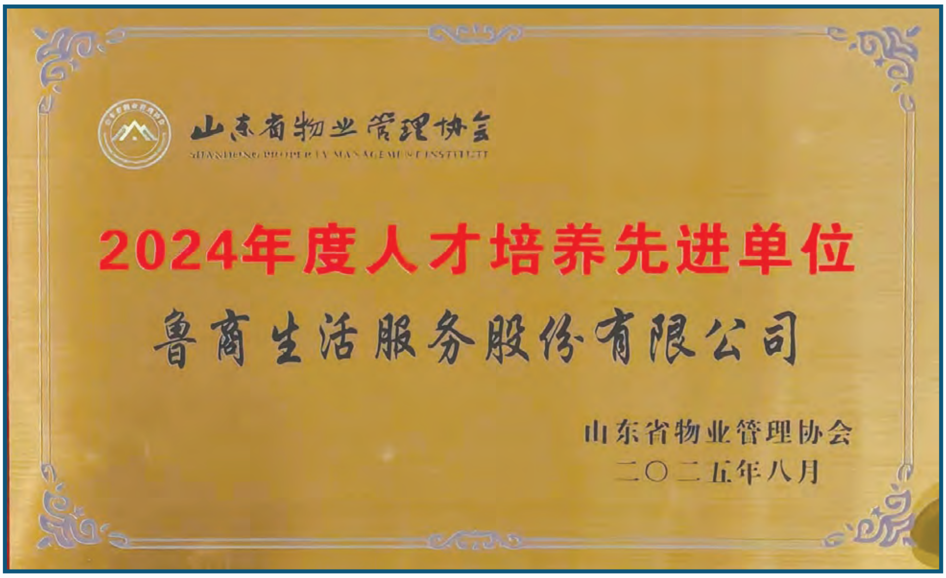
Lushang Services was awarded the "2025 China State-owned Property Service Excellence Enterprise"(2025中國國有物業服務優秀企業) by the Beijing China Index Academy (北京中指信息技術研究院)

2. ABOUT THE COMPANY

Lushang Services was awarded the 2025
"Jinan Property Management Association Gold Member Unit"(濟物協金牌會員單位)

In the 2025 Shandong Province Property Management Project Standard Grade Evaluation (2025年度山東省物業管理項目標準等級評定) organized by the Shandong Property Management Association (山東省物業管理協會): Lushang Services Heze Lan'an Mansion project (魯商服務菏澤藍岸公館項目) was awarded 5A Grade and Jinan Guo'ao City project (濟南國奧城項目) was awarded 3A Grade

2. ABOUT THE COMPANY



In August 2025, Lushang Services was awarded the "2024 Annual Advanced Unit for Talent Development"(2024年度人才培養先進單位) by the Shandong Property Management Association (山東省物業管理協會)

In January 2025, Lushang Services was selected as the "2024 Jinan TOP5 in Property Service Capability"(2024物業服務力濟南TOP5) by the CRIC Property Management (克爾瑞物管)

In January 2025, Lushang Services was selected as the "2024 Shandong Province TOP50 Property Service Capability Enterprises"(2024山東省物業服務力TOP50企業) by the CRIC Property Management (克爾瑞物管)

3. SUSTAINABILITY MANAGEMENT

3.1. STATEMENT OF THE BOARD

The Board believes that promoting sustainable development is as important as achieving long-term business growth. As such, we are continuously committed to maintaining a high degree of sustainable development in business operations, promoting sustainable development plans in areas such as sound corporate governance, environmental protection, labor rights and community development, and actively communicating and maintaining good relationships with stakeholders such as customers, investors, the government, suppliers and non-profit organizations.

3.2. ESG GOVERNANCE STRUCTURE

The Company has established a top-down ESG governance structure and supervision mechanism. The Board, being the highest decision-making body among the ESG governance structure, assumes full responsibility for the Company's ESG strategy and reporting, regularly monitors the Company's ESG issues, performance, climate risks and opportunities, and periodically reviews, discusses and approves the Company's ESG governance policies, strategy and risks.

The Board has established the Strategy and ESG Committee, and has authorized the Strategy and ESG Committee to perform its responsibilities within its terms of reference. The Strategy and ESG Committee refines and implements ESG-related work based on the major issues, strategies and guidelines derived from the ESG materiality assessment; formulates and implements policies on improving the Company's ESG performance; coordinates the annual environmental, social and governance (ESG) reporting work; reviews and evaluates the content and quality of ESG reports to ensure that the ESG report satisfies the requirements of the Board and through materiality assessment and collection of ESG matters of concern to investors, determines specific implementation strategy and reports to the Board and informs the Board on the Company's ESG performance, vision and strategy through board meetings, special reports and other relevant communication channels. The Company has established an ESG Working Group under the Strategy and ESG Committee, comprising members from senior management and heads of core business departments of the Company. Serving as a cross-functional coordinating body, the ESG Working Group is responsible for coordinating and promoting the day-to-day implementation of ESG-related initiatives, monitoring progress toward ESG goals, facilitating collaboration among business departments, and regularly reporting on progress and challenges to the Strategy and ESG Committee to ensure the effective implementation of ESG management strategies. As the units responsible for the practical implementation of ESG initiatives, each business department is tasked with fulfilling the requirements of the ESG management strategy, continuously monitoring progress toward ESG management goals within their respective areas, and providing feedback on implementation status to the ESG Working Group.

The Company has linked executive remuneration to multi-dimensional ESG performance, incorporating ESG indicators such as trade union activities, Party-building tasks, and safety management in addition to operational metrics. The Company regularly conducts specialized ESG training, organizing at least one centralized training session annually to educate core management personnel on ESG laws and regulations, state-owned asset supervision, and compliance requirements for listed companies, while also evaluating the effectiveness of initiatives and identifying areas for improvement based on annual ESG rating results. In 2026, the Company will further refine its ESG management system, optimize its management structure, clarify responsibilities at all levels, and comprehensively enhance the standardization and precision management level of ESG.

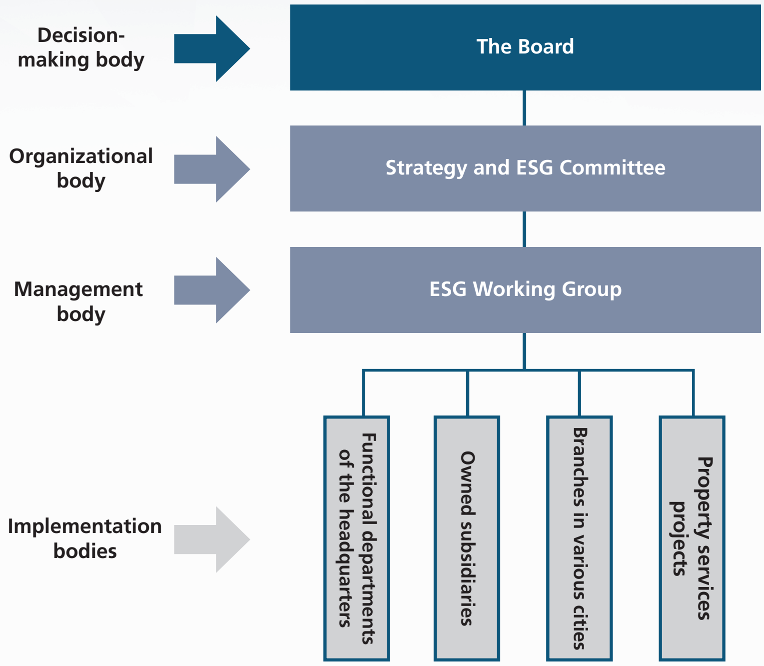


Diagram: ESG governance structure of the Company

3.3. COMMUNICATION WITH STAKEHOLDERS

Sustainable development is inseparable from the opinions of stakeholders. Lushang Services maintains close contact with stakeholders, including but not limited to shareholders and investors, customers and property owners, government departments and regulatory authorities, partners and employees, and is committed to creating a multi-tier and multi-channel communication mechanism to receive suggestions from stakeholders. The Company has incorporated relevant issues into its development, actively responded to the demands and expectations of stakeholders, and enhanced its sustainable development capabilities. The following table presents the key issues concerned by and the main communication channels with various stakeholders:

Table: Communication channels with and issues concerned by key stakeholders

Key stakeholders	Communication channels	Issues concerned
Government and regulatory authorities	• Policy implementation and reporting • Information disclosure • Routine inspections by government departments	• Compliant operations • Participation in public governance • Emissions management
Shareholders and investors	• General meeting • Investor hotline • Company announcement • Results conference • Roadshow and reverse roadshow	• Operational performance • Improvement of information transparency • Risk control • Sustainable profitability
Customers/Property owners	• Customer satisfaction survey • Customer service hotline • Community cultural activity	• Service quality • Customer privacy protection
Employees	• Democratic life meeting • Employee representatives' meeting • Employee activity • Complaints and feedback	• Employee rights and benefits • Employee development and promotion • Occupational health and safety
Suppliers/Partners	• Tendering and procurement communication • Supplier management system	• Supply chain management • Anti-corruption
Media and non-governmental organizations	• Social media • Official website • Press conference • Exchange meeting	• Protection of ecological environment • Support to charity activities • Development of community welfare
Communities	• Forum • Charity activity • Community activity	• Community building • Community culture • Emissions
Industry associations	• Exchange meeting • Social media • Information disclosure	• Employment • Anti-corruption • Emissions

3.4. DETERMINATION OF MATERIAL ISSUES

According to the definition and identification of material issues, questionnaire surveys and assessment and selection of material issues, the Company identified 30 ESG issues of concern to the Company and its stakeholders pursuant to the ESG Reporting Code issued by the Stock Exchange of Hong Kong Limited and the Sustainability Reporting Standards issued by the GRI and in line with the actual development of Lushang Services. By carrying out stakeholder surveys and expert opinion consultation, the materiality of material issues has been sorted from two aspects, i.e. the materiality of the economic, environmental and social impact of Lushang Services, and the materiality of the impact on stakeholders' assessment and decision-making. Based on the above ESG materiality assessment results, we have made detailed disclosure on key issues in the corresponding chapters to better respond to the concerns and expectations of various stakeholders.

1

Identification of ESG issues

Based on the business model of Lushang Services and according to national policies and the ESG Reporting Code the Company identified 30 material ESG issues in the aspects of environment, employment, services, governance, communities, etc.

2

Stakeholder surveys

The Company rated the materiality of the 30 issues by inviting stakeholders to conduct anonymous questionnaire surveys.

3

Materiality analysis

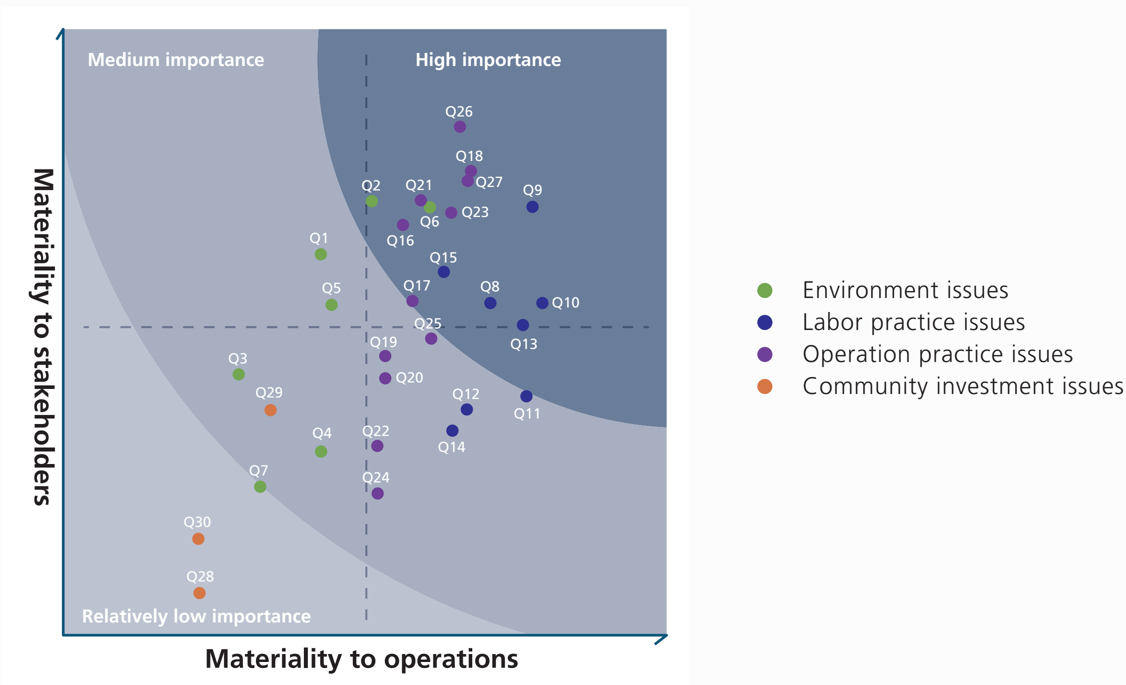
Based on the surveys of 1,018 stakeholders and according to expert opinions, the Company formed an analysis matrix of material issues sorted from two aspects of the materiality of issues.

4

Confirmation by management

The management reviewed and gave feedback on the analysis of material issues, and put it as the focus of disclosure in the ESG report for the Year and the work plan for improving ESG performance in the future.

Diagram: Analysis process of material issues



During the Year, the Company identified 14 important ESG-related issues, which will be discussed in detail in each chapter of this report.

Issues	Highly important issues	Corresponding chapters
Environment	2. Greenhouse gas emissions	7. Green Operations and Sustainable Development
	6. Response to climate change	7. Green Operations and Sustainable Development
Employment	8. Employment compliance	6. Be People Oriented and Foster Mutual Development
	9. Employee benefits	6. Be People Oriented and Foster Mutual Development
	10. Remuneration and benefits	6. Be People Oriented and Foster Mutual Development
	13. Occupational health and safety	6. Be People Oriented and Foster Mutual Development
	15. Anti-child labor and forced labor	6. Be People Oriented and Foster Mutual Development
Operation practice	16. Operational compliance and standardization	4. Strictly Control Risks and Practise Honestly
	17. Risks identification	4. Strictly Control Risks and Practise Honestly
	18. Products and services quality	5. Premium Quality and Service Excellence
	21. Customers/owners health and safety	5. Premium Quality and Service Excellence
	23. Customer services management	5. Premium Quality and Service Excellence
	26. Customers privacy protection	5. Premium Quality and Service Excellence
	27. Anti-corruption and anti-money laundering	4. Strictly Control Risks and Practise Honestly

SPECIAL TOPICS: 104TH ANNIVERSARY OF THE FOUNDING OF THE CHINESE COMMUNIST PARTY – LUSHANG SERVICES ORGANIZED A SERIES OF ACTIVITIES TO CELEBRATE THE FOUNDING DAY ON JULY 1ST

To celebrate the 104th anniversary of the founding of the Chinese Communist Party, thoroughly implement the spirit of the Central Party's Eight-point Regulation, and strengthen the conduct of Party members and cadres, the Party Committee of Lushang Services has meticulously organized a series of Party-building activities featuring distinct themes and diverse formats. These activities closely integrated patriotic education and the cultivation of Party spirit with the Company's business operations and development, effectively rallying the patriotic enthusiasm and drive of the vast majority of cadres and employees, and providing a strong political guarantee for the Company's high-quality development.

The Party Member Congress "Opens" a New Chapter of Development

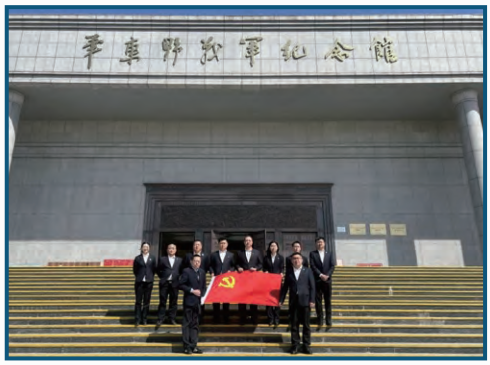
In January 2025, the First Party Member Congress of Lushang Life Services Co., Ltd., under the Communist Party of China, was successfully convened. The congress emphasized adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, rallying efforts to promote the enhancement of service quality and innovation in service models, and striving to build a nationally leading modern service enterprise.

Military Parade Viewing "Solidifies" Patriotic Sentiments

To commemorate the 80th anniversary of the victory of the Chinese People's War of Resistance against Japanese Aggression and the World Anti-Fascist War, on the morning of September 3, 2025, Lushang Services organized all its cadres and employees to collectively watch the live broadcast of the military parade ceremony. Company leaders and all cadres and employees at the headquarters gathered in the headquarters conference room, while each unit synchronized its viewing by project, collectively experiencing the nation's prosperity and national confidence. By the end of that month, the Company also organized multiple red education activities to further inspire employees' patriotic fervor and sense of mission.

Tomb-Sweeping Ceremony "Forges" Revolutionary Loyalty

During this year's Tomb-Sweeping Day, various Party branches of Lushang Services organized tomb-sweeping activities to deeply mourn revolutionary martyrs and draw spiritual strength. The First, Second, and Third Party branches, as well as the Jinan Urban Company Party branch, visited the Licheng Revolutionary Martyrs Cemetery for tomb-sweeping, followed by a visit to the memorial hall and the organization of integrity-themed Party lessons. Party members from the First Party branch wrote "Spiritual Inheritance Cards"(精神傳承卡), pledging to integrate the martyrs' spirit into their work. The Qingdao Urban Company Party branch, after sweeping tombs in Yantai, went to a benchmark project of red property services for exchange and learning. The Linyi Urban Company Party branch organized a themed Party day activity at the Huadong Field Army Memorial Hall, where they renewed their Party membership vows and underwent ideological baptism.



The Party Committee Deploys Initiatives to "Embark on" a New Journey of Work Style Improvement

In March 2025, the Company convened a Party Committee meeting and a meeting of the Leading Group for Party Building Work, comprehensively launching in-depth study and education on the implementation of the spirit of the Central Party Eight-point Regulation. In March 2025, the Party Committee held another meeting to delve into the study and implementation of General Secretary Xi Jinping's important expositions on work style construction, providing guidance for fostering a clean and upright work environment across the entire Company.

Warning Education "Building" a Clean and Honest Defense Line

To thoroughly implement the spirit of the Central Party's Eight-point Regulation, continuously strengthen work style and discipline construction, and advance the deepening and solidification of clean service construction, the Company organized a warning education activity titled "Practicing the Spirit of the Central Party's Eight-point Regulation and Strengthening Work Style and Discipline Construction" (踐行中央八項規定精神　強化作風紀律建設) in April 2025. At the Jinan Municipal People's Procuratorate Anti-corruption Education Base, employees visited nine exhibition areas including "Era's Strong Voice, Rules and Regulations, Dual Lives, Industry Risks, and Confessions Record" (時代強音、規矩方圓、雙面人生、行業風險、懺悔實錄). The base's guide used methods such as display boards, images and videos to conduct in-depth analysis of typical cases of duty-related crimes through vivid anti-corruption cases, delivering a profound anti-corruption education lesson to the employees.

Grassroots Penetration "Empowering" New Governance Capabilities

Lushang Services has consistently upheld the principle of Party building leading the overall reform and development landscape, forging a development model where Party building fully permeates grassroots operations and deeply integrates with business practices. This Year, the Company's "Party Building Empowers Grassroots Governance" (黨建賦能基層治理) case was showcased and discussed at a State-owned Assets Supervision and Administration Commission training workshop. It was also selected for inclusion in the "Letting Reform Penetrate the Grassroots" (讓改革穿透基層) collection of exemplary cases among provincial state-owned enterprises.

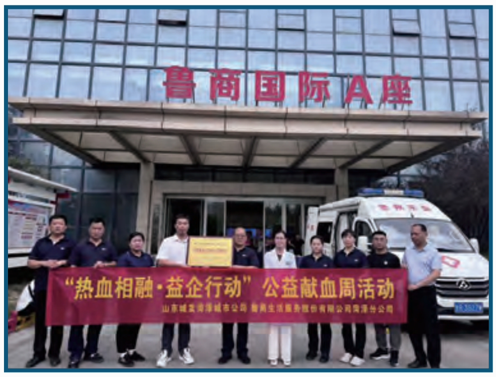
Lei Feng Volunteerism "Embodying" the Spirit of the Times

During the "Lei Feng Month" (雷鋒月) in March 2025, the Party Committee of Lushang Services led its Party branches in a series of volunteer service activities. Specifically, the Party branch of the Design Institute organized Party member volunteers to carry out the "Snow and Ice Removal, Warming the Community" (掃冰除雪　情暖社區) volunteer service at Jinan Quan Yun Village (濟南全運村) community. Affected by a strong cold wave, the community was suddenly hit by heavy snowfall. Armed with shovels, brooms, and other tools, the Party members collaborated with community staff to clear snow and ice layers, ensuring safe and smooth road conditions. Through these practical actions, they safeguarded residents' travel safety and vividly demonstrated the Party members' fine spirit of serving the people and contributing to society.

3. SUSTAINABILITY MANAGEMENT

Public Welfare Blood Donation "Safeguarding" Life's Hope

In June 2025, in response to the joint "Blood Donation to Pass Hope, Join Hands to Save Lives" (獻血傳遞希望攜手挽救生命) voluntary blood donation month campaign initiated by the Shandong Provincial Health Commission, the CPC Shandong Provincial Committee Working Committee for Departments Directly Under the Provincial Party Committee, the Shandong Provincial Committee of the Communist Youth League, and the Shandong Red Cross Society, Lushang Services collaborated with other organizations to launch a public welfare blood donation week. A "Guardian of Spring Shoots Project" (守護春芽計劃) blood donation site was established in Jinan, with donated blood prioritized for the treatment of pediatric patients at Shandong Cancer Hospital. Simultaneously, public welfare blood donation stations were set up in branch locations including Jining, Heze, Linyi, and Harbin. These activities effectively alleviated seasonal clinical blood supply shortages and earned widespread praise from community residents and blood centers across regions.



Tree Planting for Greening "Helps" Boost Rural Revitalization

To thoroughly implement the important speech spirit of General Secretary Xi Jinping during his inspection of Shandong, the Party branch of the Design Institute organized Party members in March 2025 to carry out the "Planting New Green, Boosting Rural Prosperity" (植樹添新綠助力鄉村興) themed Party Day activity in Sanjianxi Village, Zhangqiu (章丘三澗溪). The Party members enthusiastically participated in tree planting activities, sowing "trees of hope"; then, following the footsteps of the General Secretary, they visited the Party-masses service center and the rural revitalization exhibition hall, learning the inspiring story of how Sanjianxi Village (三澗溪村) transformed into a "model of rural revitalization in Shandong" (鄉村振興齊魯樣板). This activity further inspired Party members to stay true to their mission, take responsibility, and contribute to the Company's high-quality development and rural revitalization.

Visits and Condolences: "Warmth" That Brings the Party and the People Together

Before the Spring Festival, the Company's Trade Union and Party branches conducted in-depth visiting and caring activities for employees in difficulty, expatriate staff, and veteran Party members' families, delivering the organization's care and warmth, further strengthening the centripetal force between the Party and the masses.

Through the "July 1st" themed Party building series activities, the Company continues to leverage the leading role of Party building, transforming the Party's political and organizational advantages into development advantages. This not only strengthened the discipline awareness, service awareness, and patriotic sentiment of all cadres and employees but also deeply integrated Party building with business operations. These efforts effectively enhanced employee cohesion, service efficiency, and the core competitiveness of the enterprise, injecting powerful endogenous momentum into achieving the "Quality Leap Year" (品質躍升年) goal in 2025 and providing strong political and organizational guarantees for building a nationally leading modern service enterprise.

4. STRICTLY CONTROL RISKS AND PRACTISE HONESTLY

The Company is committed to efficient governance, and has strictly complied with the relevant provisions of the Listing Rules of the Hong Kong Stock Exchange. The Company has established and enhanced its corporate governance structure, continuously improved the establishment of integrity, and set up whistle-blowing channels and whistle-blower protection systems, so as to effectively protect the Company's independent legal person status.

4.1. STANDARDIZING CORPORATE GOVERNANCE

In strict compliance with relevant laws and regulations such as the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Company has standardized its operations and improved its corporate governance structure. The general meeting, the Board and the management have clearly defined responsibilities, cooperate with each other with checks and balances, and operate in a sound manner.

The Company has established four Board committees, including the Audit Committee, Remuneration Committee, Nomination Committee and Strategy and ESG Committee. As of the end of the Reporting Period, the Board consisted of two executive Directors, three non-executive Directors and three independent non-executive Directors, including four female Directors.

4.2. RISK MANAGEMENT

The Company has established and continues to refine its risk management system. Through a routine risk identification and assessment mechanism, the Company systematically monitors potential risks and development opportunities in areas such as operations, compliance, ESG, and climate change. Based on this, the Company develops targeted response strategies and integrates management requirements into daily operations.

With regard to ESG and climate risk management, the Company has incorporated relevant issues into its regular risk monitoring system. Under the oversight of the Strategy and ESG Committee, the ESG Working Group coordinates with various business departments to regularly identify and assess ESG-related risks, as well as physical and transition risks associated with climate change, and to develop corresponding mitigation measures. Specific management strategies and response measures regarding climate-related risks are detailed in the "Response to Climate Change" section of this report.

Based on the results of risk identification and business development needs, the Company continuously optimizes its regulatory framework to further strengthen its risk defenses. In terms of compliance management, the Company has drawn on our experience in handling previous legal disputes to revise and improve the "Administrative Measures for Legal Disputes" (《法律糾紛案件管理辦法》), optimize case management processes, and strengthen performance evaluation and accountability mechanisms, thereby effectively enhancing its ability to prevent legal risks. In terms of intellectual property protection, the Company has formulated the "Administrative Measures for Trademarks and Trade Names" (《商標、字號管理辦法》) to standardize trademark registration and usage procedures, mitigate intellectual property risks in daily operations, and strengthen brand competitiveness. In terms of internal auditing, the Company has successively introduced regulations such as the "Administrative Measures for Internal Audits" (《內部審計管理辦法》), the "Administrative Measures for Economic Responsibility Audits of Key Leaders of Affiliated Units" (《所屬單位主要領導人員經濟責任審計管理辦法》), the "Measures for Compilation and Review of Internal Audit Drafts" (《內部審計工作底稿編審辦法》), and the "Interim Administrative Measures for Internal Audit Files" (《內部審計檔案管理暫行辦法》). These efforts aim to continuously enhance audit quality and improve the effectiveness of risk identification and internal controls.

The Audit Committee, established under the Board of the Company, is responsible for overseeing the integrity of financial reporting, the effectiveness of internal controls, and internal and external audit work. During the Year, the Audit Committee's primary responsibilities included: reviewing the Committee's charter to ensure compliance with regulatory requirements; deliberating on the Company's annual audit reports, results announcements, and interim reports; and maintaining communication with the accounting firm to provide professional advice on financial matters and audit work. Concurrently, the Company conducted both regular and ad hoc assessments to identify major risks and perform special inspections, ensuring the effective operation of the risk management system. No major risk incidents of the Company occurred during the Reporting Period.

4.3. INTEGRITY ESTABLISHMENT

Lushang Services has always regarded integrity establishment as the cornerstone of the Company's compliant operations and sustainable development. The Company has established an anti-corruption working mechanism under the unified leadership of the Party Committee, with the Disciplinary Commission providing organizational coordination, departments fulfilling their respective responsibilities, and employees actively participating. By strengthening integrity defenses across multiple dimensions—including institutional development, organizational safeguards, educational campaigns, and oversight and accountability—the Company ensures a clean and upright corporate environment.

4.3.1 Management Policies and Institutional Safeguards

As the highest decision-making body, the Board of the Company bears ultimate responsibility for all matters related to anti-corruption and integrity establishment. The Board has established an Audit Committee and a Strategy and ESG Committee, which work in concert to advance integrity risk management from the perspectives of financial oversight and ESG governance, respectively. The Company's senior management rigorously implements the principle of "dual responsibilities for each position" (一崗雙責), integrating integrity establishment requirements into their respective business areas. The General Manager of the Company and other members of the executive team lead by example in adhering to integrity standards and regularly receive reports on the work of the Disciplinary Commission. As the specialized supervisory body for anti-corruption efforts, the Company's Disciplinary Commission is staffed with full-time discipline inspection officers and has established discipline inspection committee members within each grassroots Party organization, thereby building a comprehensive supervisory network.

At the institutional level, the Company strictly enforces internal management systems related to anti-corruption, clearly defining the criteria for acts such as bribery, extortion, fraud, and money laundering, as well as reporting channels, investigation procedures, and disciplinary measures. These policies not only apply to all employees but also extend to all suppliers and business partners through contractual agreements and integrity commitments. The Company requires suppliers to sign an "Integrity Cooperation Agreement" (《廉潔合作協議》) that includes explicit anti-commercial bribery clauses. The Company takes disciplinary actions against non-compliant suppliers, such as blacklisting and termination of cooperation, thereby extending integrity requirements throughout the entire supply chain.

In terms of management system construction, the Company continues to benchmark against industry best practices, fully integrating anti-corruption requirements into its internal control system and continuously refining it. At the same time, the Company actively responds to national integrity initiatives, voluntarily accepts guidance from disciplinary inspection and supervision authorities, and has all management personnel sign a "Commitment to Integrity in Business Conduct" (《廉潔從業承諾書》), putting the principles of integrity and honesty into practice through concrete actions.

In terms of integrity establishment and oversight, the Company is committed to integrating Party conduct and integrity establishment into its operational management. It reinforces the primary responsibility of the Party Committee and the supervisory responsibility of the Disciplinary Commission, focusing on high-risk areas such as bidding and procurement. The Company strengthens oversight of "Three Majors and One Large"(三重一大), employs audit and big data tools to strictly enforce discipline and hold individuals accountable, and conducts regular educational campaigns to instill a sense of caution. By advancing the three-pronged approach of "dare not to commit corruption, are unable to commit corruption, and do not want to commit corruption"(不敢腐、不能腐、不想腐) in an integrated manner, to ensure the Company's compliant, stable, and high-quality development.

4.3.2 Integrity Training and Communication Education

The Company places great emphasis on anti-corruption awareness campaigns and capacity building, and regards integrity training as a key tool for enhancing compliance awareness among all employees and establishing a mental defense against corruption. During the Reporting Period, the Company systematically conducted a wide range of anti-corruption communication and education activities tailored to employees at different levels and business partners, and incorporated the relevant content into its regular training system.

In terms of employee training, the Company organized a training program focused on anti-corruption. The training covered both the dissemination of internal policies—such as those regarding anti-commercial bribery, conflicts of interest, and whistleblowing mechanisms—and the interpretation of laws and regulations, including the "Anti-Unfair Competition Law of the People's Republic of China" (《中華人民共和國反不正當競爭法》).

In terms of communication with business partners, the Company extends its anti-corruption requirements to supply chain management. Through supplier conferences, thematic seminars, and contractual provisions, the Company communicates its integrity principles and compliance requirements to suppliers and partners. All newly qualified suppliers are required to undergo integrity and compliance training and sign the "Supplier Integrity and Ethics Commitment Letter" (《供應商廉潔誠信承諾書》) to ensure they understand and commit to complying with relevant anti-corruption regulations.

The Company implements a quantitative management system for anti-corruption training progress. During the Reporting Period, the Company organized a total of 14 specialized anti-corruption training sessions and educational activities, with a cumulative participation of 432 employees, achieving 100% coverage of personnel in key positions. Among them, Board members participated 14 times and senior management participated 20 times, ensuring full coverage of the "critical few". 100% of new employees received integrity training, and the annual training participation rate for personnel in key positions reached 100%. Additionally, integrity and compliance communications were conducted with all core suppliers during the Year, and the signing rate for Supplier Integrity Commitment Letter reached 100%.

Through systematic training and ongoing communication and guidance, the Company has fostered a growing culture of integrity in the workplace, and compliance awareness among all employees has significantly increased. During the Reporting Period, the Company did not face any concluded litigation cases involving corruption.

Company-wide Warning Education Meeting Held to Report on Typical Cases

In June 2025, Lushang Services held a warning education meeting. The Company reported on typical cases in recent years involving Party members and cadres who violated the spirit of the Central Party's Eight-point Regulation. The meeting called on all Party members and cadres to use these cases as a mirror to strengthen their integrity and build a solid defense against corruption. It also required Party organizations at all levels to earnestly assume their primary responsibility, deepen the "four-responsibility coordination" (四責協同) mechanism, and strengthen supervision and management outside of "eight hours".

Awareness Training for New Employees

In June 2025, the Company's Disciplinary Commission organized an integrity awareness education activity for new employees to help them strengthen their commitment to integrity conduct. The Company conducted a collective integrity talk centered on the theme "Upholding the Bottom Line of Integrity and Preserving the Essence of Integrity"(堅守廉潔底線，永葆清廉本色). The talk addressed three key areas: understanding the characteristics of the industry, strictly adhering to discipline and regulations, and strengthening self-discipline. During the event, the new employees collectively watched an educational video. They unanimously expressed their commitment to fulfilling their duties, maintaining integrity, and adhering to discipline in their future work, thereby contributing to the Company's development.

Hosting a Special Lecture on Education for State-Owned Enterprises and Training for Disciplinary Inspection Committee Members

In October 2025, the Company's Disciplinary Commission launched a series of integrity education activities to support the Company's high-quality development. The activities focused on "critical few"(關鍵少數), and Comrade from the Petitions Office of the Provincial Commission for Discipline Inspection and Supervision (省紀委監委信訪室) was invited to deliver a special lecture titled "Upholding Integrity and Discipline to Support the High-Quality Development of State-Owned Enterprises" (《堅持正風肅紀護航國有企業高質量發展》), in which he analyzed typical cases in light of the realities of state-owned enterprises. Concurrently, the Company's Disciplinary Commission organized a 2025 training program to enhance the supervisory capabilities of grassroots disciplinary inspection committee members. Participants systematically studied the "Duties of Disciplinary Inspection Committee Members of Party General Branches (Party Branches)" (《黨總支(黨支部)紀律檢查委員工作職責》) and the Shandong Provincial "Ten Strict Prohibitions" (十嚴禁) Code of Conduct for disciplinary inspection cadres, and watched the educational warning film "Strictly Guard Against "Darkness Under the Lamp"" (《嚴防「燈下黑」》). This initiative established a comprehensive education and supervision system spanning from the "critical few"(關鍵少數) to "specialized supervisors"(監督專責).

4.4. PROTECTING INTELLECTUAL PROPERTY RIGHTS

Lushang Services strictly complies with laws and regulations on intellectual property rights such as the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), Patent Law of the People's Republic of China (《中華人民共和國專利法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and Enterprise Intellectual Property Compliance Management System—Requirements (《企業知識產權合規管理體系要求》), and encourages employees to actively pursue innovations while respecting and protecting the intellectual property rights of others. Lushang Services formulated and issued the Administrative Measures for Trademarks and Trade Names (《商標、字號管理辦法》) to help the Company establish a sound management system on trademark and trade names, standardize procedures on trademark registration and application, minimize intellectual property risks in daily operations, further enhance the level of intellectual property protection, and prevent others from unauthorized use or infringement of the rights of the Company's trademark and trade names. The Company also conducts regular inspections of office software and requires employees to use genuine software to avoid piracy and infringement of office software.

As of the end of the Reporting Period, Lushang Services and its subsidiaries actively managed intellectual property rights, and owned 25 trademarks, 20 patents and 34 copyrights. Of which, the numbers of patents and copyrights have increased by 4 and 7 respectively as compared to 2024, demonstrating the gradual improvement in the management of intellectual property rights. In the future, we will continue to strengthen intellectual property management to ensure that intellectual property is effectively protected and contribute to the Company's sustainable development.

5. PREMIUM QUALITY AND SERVICE EXCELLENCE

Lushang Services upholds the corporate mission of "being a service provider for a better life" and deeply understands customers' needs, thereby providing diversified, refined, professional and personalized community services for property owners.

5.1. MANAGEMENT SYSTEMS AND CERTIFICATION

Lushang Services has established a comprehensive customer management system that ensures customer service quality and continuously enhances the customer experience through multiple dimensions, including organizational structure, policy development, and system certification.

In terms of organizational structure, the Company has clearly defined three-tiered customer management responsibilities among the Board, senior management, and specialized departments. The Board oversees customer service strategies and performance through the Strategy and ESG Committee, ensuring that customer management aligns with the Company's overall strategy. Senior management, led by the General Manager and the Deputy General Manager in charge, is responsible for formulating and driving customer management strategies, regularly reviewing customer satisfaction reports, and guiding improvement efforts. The Company has established the basic business management department as a dedicated customer management unit, which oversees various project service centers staffed with full-time customer service personnel responsible for daily customer service, relationship maintenance, and complaint handling.

In terms of policy development, the Company has formulated and implemented a series of policy documents, including the "Quality Management Manual" (《質量管理手冊》), "Customer Requests Work Instruction" (《客戶訴求作業指導書》), and "Daily Service Inspection and Control Procedure" (《日常服務檢查控制程序》), to clearly define customer service standards, communication protocols, and complaint handling procedures.

In terms of system certification, the Company adheres to the quality policy of "Standardization and Continuous Improvement"(規範標準、持續改進) and, during the Reporting Period, successfully completed the recertification of ten management systems, including: GB/T 19001 quality management system, GB/T 24001 environmental management system, GB/T 45001 occupational health and safety management system, GB/T 31863 enterprise quality credit evaluation system, GB/T 24353 risk management system, GB/T 15496 enterprise standardization system, GB/T 19025 quality management, competence management and personnel development system, GB/T 31950 integrity management system, GB/T 22080 information security management system, and GB/T 23331 energy management system. The scope of certification covers property management services (residential, commercial complexes, schools) and urban road cleaning and maintenance, signifying that the Company meets national standards in quality, environment, occupational health and safety, information security, energy management, and integrity development.

5.2 IMPROVING CUSTOMER SATISFACTION

To gain a comprehensive understanding of customer experiences and service expectations, the Company commissions a third-party professional organization to conduct an annual customer satisfaction survey. The survey comprehensively covers all projects within the property sector. The scope of the 2025 survey is divided into two main categories: residential and commercial-office complexes. The residential segment included 39 projects across 11 cities, while the commercial-office segment covered 13 projects across 5 cities. The survey system collected customer evaluations on key indicators such as property housekeepers, cleaning and sanitation, order maintenance, and complaint handling, providing objective data for service improvements.

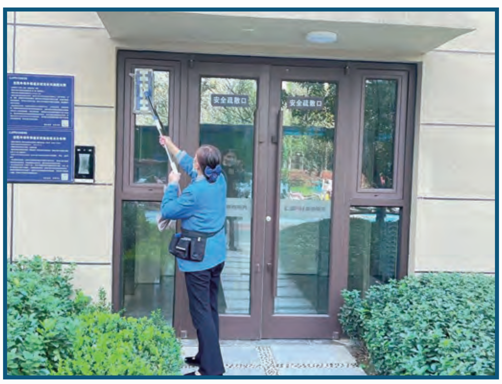
During the Year, overall satisfaction with the Company's service projects continued to rise, with an overall satisfaction score of 87.6, representing an increase of 0.1 points compared to 2024. Specifically, the 2025 satisfaction score for residential properties was 84.1 points, representing an increase of 0.1 points compared to 2024; the score for commercial properties was 91.1 points, representing an increase of 0.1 points compared to 2024. In 2025, Lushang Services continued to implement its annual plan for convenience and community cultural activities, collaborating with the Value-added Business Division to organize over 370 community cultural events. These convenience and community cultural activities helped bridge the gap with customers and enhanced customer loyalty. Satisfaction targets for 2026: residential projects will aim for no less than 84 points, and commercial complex projects will aim for no less than 91 points.

Customer satisfaction	Unit	2025	2024	Improvement in 2025 over 2024
Residential category projects	Points	**84.1**	84.0	0.1
Commercial complex category projects	Points	**91.1**	91.0	0.1
Overall satisfaction score	Points	**87.6**	87.5	0.1

Lushang Services has always regarded customer satisfaction as the ultimate measure of service quality. Guided by the "Five Hearts" (五心) service philosophy—a sincere heart, a warm heart, a reassuring heart, A reliable heart, and a comforting heart—the Company continuously optimize the customer experience through five key areas: developing flagship projects, enhancing on-site quality, strengthening housekeeper services, deepening engineering services, and advancing digital service transformation.

Building Benchmark Projects to Set Service Standards: The Company is committed to driving overall improvement through benchmark demonstration. The Company selects projects with strong foundations in the residential and commercial and office sectors and comprehensively aligns them with industry benchmarks in areas such as service processes, staffing, and environmental design. During the Year, projects such as Linyi Lushang Center (臨沂魯商中心) and Yantai Lushang Penglai Impression (煙台魯商蓬萊印象) have demonstrated outstanding performance in key indicators such as property housekeepers and complaint handling. Some indicators have surpassed industry benchmark levels, establishing replicable service models of excellence that are being promoted to other projects through experience sharing and on-site observation. In the commercial and office sector, projects such as Jinan Lushang Guo'ao City (濟南魯商國奧城) and Linyi Lushang Center (臨沂魯商中心) have consistently maintained industry leadership, becoming regional service benchmarks.

Improving On-Site Quality and Strengthening the Foundation of Service: The Company prioritizes basic services—such as cleaning and sanitation, order management, and landscaping maintenance—as the cornerstone of quality improvement, establishing a routine inspection and dynamic improvement mechanism. In response to common issues identified in satisfaction surveys—such as building cleanliness, vehicle management, and elevator maintenance—each project has developed specific improvement plans, clearly defining deadlines and assigning responsibility. At the same time, the Company continues to optimize the "small yet critical details"(關鍵小事) of property management services, integrating health consultations and daily living services into routine operations to ensure residents feel the warmth of "service right at their fingertips"(服務就在身邊).



Strengthening Housekeeper Services to Deepen Customer Connections: Property housekeepers serve as the vital link between property owners and services. The Company continues to refine its "Five-Heart Housekeeper" (五心管家) service model, strengthening the housekeeper team across three key areas: response efficiency, communication skills, and problem-solving capabilities. The Linyi City Company held a Customer Service Housekeeper Skills Competition, covering etiquette training, written assessments, and on-site simulations to enhance housekeepers' professional knowledge and ability to handle complex issues; the Harbin City Company organized a Security Team Skills Competition, featuring military drill formations and firefighting drills, to elevate the service standards of frontline staff. In their daily service, the housekeeper team actively responds to residents' needs. For example, housekeepers at the Jining Canal Mansion project (濟寧運河公館項目) swiftly resolved a sudden water leak, while security personnel at the Taishan You project (泰山佑項目) successfully rescued a resident attempting suicide. Through these concrete actions, they have put into practice their commitment to "warm-hearted protection and sincere service"(暖心守護、真情服務).

Enhancing Engineering Management to Empower Lean Operations: The Company continues to advance the systematic development of its engineering management framework, comprehensively improving the management of facilities and equipment across four key dimensions: cost optimization, equipment maintenance, energy management, and professional capacity building. In terms of cost optimization, we systematically explore the potential for utilizing maintenance funds, expand their scope of application, and empower projects to initiate necessary repair and renovation work, thereby effectively spreading operational costs. In terms of equipment maintenance, we prioritize preventive maintenance, conduct routine inspections of facility and equipment aging, and strictly implement maintenance plans; we have established a specialized elevator company, introduced a professionalized operational model, and improved the quality and safety standards of elevator maintenance. In terms of energy conservation and environmental protection, the Company organized a centralized procurement of LED radar-sensor lights for parking garages, covering 28 projects and replacing 13,100 light fixtures, with an estimated annual electricity savings of 800,000 kWh.

Digital Transformation, Reshaping the Service Experience: The Company is driving service upgrades through digital transformation, releasing the "Three-Year Rolling Development Plan for Digital Technology (2026–2028)" (《數字技術三年滾動發展規劃(2026-2028)》) and launching the "Smart Cloud Brain" (智慧雲腦) initiative to empower the entire customer service process with technology. For property owners, the intelligent customer service bot "Lu Xiaofu" (魯小服) comprehensively covers scenarios such as repair requests, inquiries, and complaints, providing 24/7 response within seconds to ensure "no issues left unresolved overnight and service available around the clock"(問題不隔夜、服務不打烊); For employees, the knowledge assistant "Lu Xiaozhi" (魯小智) consolidates documents such as Company policies and operational guidelines. Employees can ask questions using natural language to receive precise interpretations within seconds, boosting problem-resolution efficiency by 70%. In terms of smart community development, the Company has introduced an automated drone patrol system that works in tandem with ground-based surveillance to form a "sky-ground integrated"(天地聯動) network. This system enables intelligent identification and early warning for scenarios such as blocked fire lanes and objects being thrown from heights, significantly enhancing community safety and the resident experience.

5.3. CUSTOMER COMPLAINT MANAGEMENT

Lushang Services places great importance on addressing customer feedback and complaints. We have established open communication channels and a rigorous closed-loop management system to ensure that every concern receives a timely and appropriate response. The Company views complaints as opportunities to improve our services, continuously refining complaint handling processes to enhance customer satisfaction.

To ensure unobstructed channels for customer feedback, the Company has established a diversified, routine mechanism for receiving complaints and suggestions. Property owners can submit complaints or suggestions at any time through property housekeepers, the customer service hotline, the intelligent customer service bot "Lu Xiaofu" (魯小服) in the community app, or in person at project service centers. Additionally, the Company commissions a third-party professional organization to conduct annual customer satisfaction surveys and regularly organizes resident forums to proactively gather feedback, gain a comprehensive understanding of customer concerns, and ensure that customer voices are effectively conveyed to management.

Regarding the complaint handling process, the Company has established the "Customer Complaint Handling Guidelines" (《客戶訴求作業指導書》), which clearly define the standards and time limits for each stage of the process, including complaint receipt, verification, resolution, and follow-up. Upon receiving a complaint, customer service representatives must respond within the specified timeframe, coordinate with relevant departments to investigate and resolve the issue, and provide feedback to the customer. They must also conduct a satisfaction follow-up to ensure a closed-loop management process. For requests for fee reductions or waivers arising from service deficiencies, the Company has established the "Implementation Rules (Regulations) for Property Service Fee Reductions and Waivers" (《物業服務費減免贈實施細則(辦法)》), which clearly defines the approval processes for reductions on vacant units and negotiated reductions under special circumstances. These processes are managed through the "My Home Cloud" (我家雲) system to enable online approval and traceability, ensuring a standardized and transparent handling process.

Indicator	Unit	2025	2024
Number of complaints received	case	**1,311**	1,458
Complaint resolution rate	%	**100.00%**	100.00%
Complaint handling satisfaction rate	%	**93.50%**	93.20%

5.4. CUSTOMER SAFETY

Lushang Services protects the health, safety and privacy of customers from multiple aspects such as system construction, rule establishment, safety training and action planning, and has continuously increased investment in safe production and improved safe production management, with an aim to minimize operational safety hazards and safeguard the health and safety of customers with practical actions.

5.4.1 System and Institutional Development

The Company places a high priority on safety issues and has established the Safety Committee, i.e. the highest discussion and decision-making body of the Company's safe production work headed by the Company's Party secretary and chairman. A Safety Committee office is established and is responsible for day-to-day management. Guided by the principles of "clarifying responsibilities, setting targets, and strengthening foundations"(明責、定標、強基), the Company systematically revised the safety production responsibility list for all employees, signed 357 target responsibility agreements at all levels, and optimized the appointment of 31 grassroots safety officers, thereby establishing a work system characterized by "responsibility at all levels, everyone is responsible, and each bears their own responsibilities"(層層負責、人人有責、各負其責). Concurrently, the Company improved 23 institutional regulations and visual guidelines to comprehensively consolidate the foundation of safety management and establish a long-term mechanism for safety production.

The Company strictly complies with laws and regulations such as the "Safe Production Law" (《安全生產法》) and the "Fire Prevention Law" (《消防法》). It has formulated internal regulations including the "Rules for Safety Management" (《安全管理制度》) and the "Emergency Plan for Unexpected Public Incidents" (《突發公共事件應急預案》), conducts regular identification of environmental factors and hazard sources, and promptly implements control measures. By deepening fire prevention and control, managing high-risk operations, and controlling personnel risk sources, the Company routinely carries out hazard inspections and education campaigns, comprehensively enhancing safety governance in key areas. At the same time, the Company incorporates safety assessment scores into its operational performance evaluations to strengthen managers' safety awareness and their ability to fulfill their duties.

5.4.2 Safety Management Practices

In terms of safety inspections and hazard remediation, the Company conducted more than 70 safety inspections of various types throughout the Year, identifying and rectifying 950 hazards. This ensured comprehensive coverage of inspections during critical periods and closed-loop management of issues, effectively enhancing overall risk prevention and control capabilities. For special operations such as climbing, use of fire and operations with limited space, we conducted surprise inspections and both open and unannounced investigations using methods such as the "visits directly to low-level employees on-site with no notification, no advance notice, no listening to reports and no reception" (四不兩直) and "reviews thereafter" (回頭看). Units that failed to adequately rectify hazards were publicly notified and held accountable to ensure that safety responsibilities were fully implemented. At the same time, we have focused on preventing major risks and identifying deep-seated hazards, targeting persistent issues with precision to effectively integrate the "prevention-first"(預防為主) safety philosophy into our operational practices.

In terms of technology-enabled safety supervision, the Company has completed the unified integration of 792 surveillance cameras covering key areas across the headquarters and its 37 subsidiaries, establishing a remote monitoring platform to enable routine online patrols of critical zones. Furthermore, we are accelerating the development of a remote control system for fire alarm panels; a localized implementation plan has already been formulated. In the future, we will further leverage technological means to enhance the intelligence of safety supervision and improve emergency response efficiency.

5.4.3 Training, Drills, and Capacity Building

In terms of safety capacity building, the Company organizes annual safety management training sessions. The curriculum adheres to the principles of "practical application and tangible results"(實戰、實效), focusing on three core modules: "hazard identification"(查找隱患), "emergency response organization and implementation"(應急組織實施), and "practical skills reinforcement"(實操強化). Instruction is delivered through a combination of theoretical lectures, scenario simulations, and hands-on exercises. The training effectively enhanced the hazard identification and emergency response capabilities of 140 participants, all of whom successfully passed the assessment. Addressing weaknesses in emergency response across various units, the Company implemented targeted measures, developed customized drill scripts, and facilitated standardized, practical drills at 50 units, significantly improving emergency response capabilities at the frontline operational level. Additionally, we piloted the deployment of specialized mobile fire containment barriers and chassis coolers for electric vehicle fires in Jinan and Linyi, and organized corresponding drills to proactively address emerging risks through innovative measures.

Multi-project Joint Drills: Building a "Firewall" for Fire Safety

During the national "119 Fire Safety Awareness Month"(119消防宣傳月), all projects under Lushang Services simultaneously launched a series of diverse and substantive fire drills and training activities. By widely mobilizing employees and property owners to participate, the initiative focused on promoting knowledge of safe fire and electrical usage, comprehensively enhancing everyone's fire prevention and emergency response capabilities, and effectively translating the "life first"(生命至上) philosophy into concrete actions to safeguard safety.

5.5. INFORMATION SECURITY AND PRIVACY PROTECTION

The Company places a high priority on information security protection, and strictly safeguards against the risk of leaks involving corporate trade secrets, core data, and customer information. To this end, the Company has established the "Cybersecurity Management Regulations" (《網絡安全管理規定》), which aim to clarify the division of cybersecurity responsibilities. Adhering to the principle that "whoever manages is responsible, whoever builds is responsible, and whoever uses is responsible"(誰主管誰負責、誰建設誰負責、誰使用誰負責), the Company strengthens security management throughout the entire process of information system planning, construction, operation, maintenance, and use. It strictly enforces cybersecurity classification protection requirements and implements a cybersecurity accountability system and accountability mechanism; at the same time, the Company has established a comprehensive security protection system comprising a local intranet, a local VPN firewall, and local 360 antivirus software. This system builds a robust security barrier across multiple dimensions—including network perimeters, endpoint security, and intranet isolation—to comprehensively ensure the security of the Company's network operations and information. The Company has successfully established an information security management system compliant with the ISO/IEC 27001:2022 standard and obtained the relevant certification. The scope of this certification covers information security management activities related to property management services, green plant maintenance, and cleaning, collection, and transportation services for urban domestic waste.

6. BE PEOPLE-ORIENTED AND FOSTER MUTUAL DEVELOPMENT

Lushang Services has strictly complied with laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and Regulations on Work Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》) as well as the rules and regulations of the places where its businesses are located. The Company firmly implements the concept of people-oriented and respecting talent and labor. The Company effectively protects employees' legitimate rights and interests such as welfare and compensation, health and safety, equal opportunities for promotion and employees' right to choose their jobs. We also organized diverse employee activities so as to enhance employees' sense of belonging and happiness, and realize the common growth of the Company and its employees.

During the Year, Lushang Services continued to focus on "paying attention to value creation", rationalize the human resources structure, and clarify the division of labor and responsibilities. We improved the system, strengthened the top-level design, and built a comprehensive human resources management system; promoted the construction of a learning organization, promoted cultural construction and business training through internal and external training, and improved the training system; optimized the performance-based remuneration system, deepened the "three-channel" promotion system, highlighted the assessment and incentive orientation, and improved per capita efficiency.

6.1. COMPLIANT EMPLOYMENT AND DIVERSITY

Lushang Services strives to protect the rights and interests of its employees and eliminate child labor and forced labor. Lushang Services strictly complies with regulations such as the Regulations on the Special Protection of Juvenile Workers of the People's Republic of China (《中華人民共和國未成年工特殊保護規定》), Regulations on the Prohibition of Child Labor (《禁止使用童工規定》) and Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and has formulated policy documents such as the "Recruitment Guidelines" (《招聘作業指導書》) and the "Administrative Measures for Employees" (《員工管理辦法》) to ensure that, for all procedures of employee recruitment, interviews, employment approval and employment registration, the submitted materials should be consistent with the identity card, so as to eliminate the use of child labor and forced labor. The Company strictly abides by the statutory working hours, provides overtime pay according to national regulations, and controls overtime work to ensure the physical and mental health of employees. In addition, we respect employees' right to choose their jobs freely, and has established an employee termination mechanism, in order to standardize the circumstances of dismissal and termination of labor. If any violation of labor standards is identified, we will actively take relevant elimination measures to ensure legitimate and compliant employment for protecting the interests of labor. During the Reporting Period, the Company did not employ any child labor or forced labor.

6. BE PEOPLE-ORIENTED AND FOSTER MUTUAL DEVELOPMENT

1	Analysis of recruitment demand	Each department of the headquarters and each business unit proposes recruitment needs based on development planning, staffing and future workload. The recruitment process begins.
2	Review of recruitment plan	The recruited positions, reason for recruitment and other information are submitted to the mailbox of the headquarters for review, and for signing and approval by the person-in-charge of each business unit.
3	Review of recruitment information	Review and approval by the headquarters/branches in cities of the information published on the recruitment poster and websites/social circles
4	Publishing recruitment information	Receive resume of candidates through the Company/project mailbox for unified management
5	Review of resume	Analysis the identity information, academic information and suitability for the position of candidates
6	Invitation for interview and arrange on-site interview	Arrange on-site interview according to the tier of management and arrange written test for professional positions, if required. Interview assessment forms will be filled in.
7	Notice of employment	Collection of employment information for well-performed interviewees. The following in the appendix to the notice of employment should be included: recruitment plan, recruitment poster/information, screenshot of the mailbox, interview assessment form, copy of identity card, registration form of candidate, copy of academic certificate, copy of academic proof, medical examination report, proof of termination of employment contract, certificate of no criminal record, copy of household registration permit
8	Purchase of employer's Liability insurance	Purchase of employer's liability insurance at least 48 hours prior to commencement of employment
9	Commencement of employment	The employee officially takes up his post and the recruitment process is completed

Diagram: Lushang Services Recruitment Process

Lushang Services also attaches great importance to the acquisition and training of diverse talents. We advocate for an employment culture that promotes equal opportunity and diversity and inclusion. In the "Recruitment Guidelines" (《招聘作業指導書》), the Company has clearly established principles of fair hiring, requiring that the recruitment process be based on job qualifications and evaluate candidates based on their educational background, work experience, and professional skills, without discrimination based on factors such as race, gender, age, or religious beliefs. The Company has published a reporting channel on the YunZhiJia intranet (雲之家內網), opening it to both internal and external stakeholders. We strictly safeguard the personal information of whistleblowers and earnestly protect the legitimate rights and interests of employees.

We have always regarded the integration of industry and education as a core strategy for driving the deep integration of the education chain, talent chain, industrial chain, and innovation chain, and have been awarded as a member unit of the Shandong Industry-Education Integration Promotion Association (山東省產教融合促進理事單位). This Year, the Company continues to deepen industry-education integration, positioning talent strategy as a key driver of industry innovation and high-quality development. The Company has established in-depth school-enterprise partnerships with Qingdao Vocational and Technical College of Hotel Management and Shandong City Service Institute. Through the joint establishment of the "Lushang Modern Urban Services College" (魯商現代城市服務學院) and "school-enterprise cooperative order-based classes" (校企合作訂單班), we have created a comprehensive talent development pathway spanning from theoretical instruction to industrial practice. These collaborations extend beyond joint curriculum development, shared training facilities, and faculty resources; they also integrate the Company's "12345" development strategy and innovative practices in building the "15-Minute Community Living Circle" (一刻鐘便民生活圈) into educational settings, thereby facilitating precise alignment between the talent chain and the industrial chain. This series of initiatives represents not only a long-term strategy by Lushang Services to build a talent pool and enhance service quality, but also demonstrates its social responsibility and industry commitment to empowering vocational education and supporting the innovative development of modern urban services.

At the same time, Lushang Services has established standard operating procedures (SOP) for the selection of employees to optimize the recruitment process and improve recruitment efficiency.

As of December 31, 2025, Lushang Services had a total of 1,310 employees. Among them, 471 held a bachelor's degree or higher, 446 held an associate's degree, and 393 held a degree below the associate's level.

Table: Employment Data for Lushang Services

Employment Indicator	As of December 31, 2025	As of December 31, 2024
Total number of employees	**1,310**	1405
By gender		
Male	**697**	765
Female	**613**	640
By age group		
< 30	**295**	355
30-50	**872**	898
> 50	**143**	152
By employee category		
Full-time junior staff	**1,278**	1,366
Full-time middle management	**24**	28
Full-time senior management	**8**	11
By employment type		
Full-time	**1,310**	1,405
Part-time	**0**	0
By geographical region		
East China	**1,176**	1,267
Northeast China	**112**	115
North China	**22**	24

Employment Indicator[1]	For the year ended December 31, 2025	For the year ended December 31, 2024
Total number of employees lost (number)	**169**	189
Employee turnover rate (%)	**12.45%**	13.30%
By gender		
Male	**12.18%**	14.20%
Female	**12.77%**	12.24%
By age group		
< 30	**16.00%**	17.82%
30-50	**12.66%**	13.89%
> 50	**3.39%**	1.66%
By employee category		
Full-time junior staff	**12.45%**	13.56%
Full-time middle management	**0.00%**	3.77%
Full-time senior management	**0.00%**	0.00%
By employment type		
Full-time	**12.45%**	13.30%
Part-time	**0.00%**	0.00%
By geographical region		
East China	**12.77%**	13.38%
Northeast China	**7.93%**	14.48%
North China	**17.39%**	4.00%

Note:

1. The formula for calculating employee turnover rate: employees leaving this year/(number of employees at the beginning of the year + number of employees at the end of the year)/2*100. The Company has conducted statistical data analysis on different classification groups (including gender, age, employment type and geographical region).

6.2. LABOR RIGHTS AND DEMOCRATIC COMMUNICATION

Lushang Services strictly complies with relevant laws and regulations, including but not limited to Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and Law of the People's Republic of China on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》) The Company establishes a comprehensive system to safeguard employee rights and interests, and ensures that employees' voices are heard and their rights are protected through robust democratic communication mechanisms.

6.2.1 Protection of Employee Rights

The Company adheres to a people-oriented philosophy and comprehensively safeguards employees' legitimate rights and interests through various measures, including compensation and benefits, occupational health, and collective bargaining. Regarding compensation and benefits, the Company has formulated and strictly enforces regulations such as the "Compensation Management Measures of Lushang Life Services Co., Ltd."(《魯商生活服務股份有限公司薪酬管理辦法》), "Administrative Measures for the Employees"(《員工管理辦法》), "Performance Appraisal Management Measures"(《績效考核管理辦法》), and the "Employee Handbook"(《員工手冊》). These regulations clearly define core rights and benefits, including compensation standards, working hours, vacation schedules, various allowances, and working conditions, ensuring that employees' compensation aligns with their contributions. The Company has established a scientific compensation management system, determining position and skill-based wage standards through collective bargaining, and has formulated compensation management measures for property business market expansion. The Trade Union continues to deepen efforts to safeguard employee rights, covering multiple aspects such as welfare support, health protection, optimization of the work environment, work-life balance, and career development support, thereby comprehensively protecting employees' legitimate rights and interests. At the same time, the Trade Union strictly adheres to the "Implementation Rules for the Revenue and Expenditure Management of Grassroots Trade Union Funds in Shandong Province" (《山東省基層工會經費收支管理實施細則》), ensuring funds are used appropriately for collective benefits such as employee education, cultural and sports activities, and holiday and birthday greetings, so that employees can feel the Company's care throughout the year. To assist employees facing hardship, the Company has established a hardship relief fund to provide financial and material aid to employees who have fallen on hard times due to serious illness or unexpected difficulties. Additionally, a warmth delivery fund has been set up to support seasonal care initiatives, thereby building a multi-tiered employee care system. The Company places great emphasis on the implementation of collective bargaining mechanisms. Through the Trade Union, it signs collective agreements with employees covering core rights and interests such as compensation management, attendance and leave policies, and benefits for inter-city transfers. During the Reporting Period, the employee representatives' meeting reviewed and approved multiple collective agreements, with 100% of employees covered by these agreements. This ensures that fundamental employee rights—including compensation, working hours, and rest and leave—are effectively safeguarded at the institutional level.

6.2.2 Democratic Communication Mechanisms

We place a high priority on employee communication and have established a routine democratic communication mechanism centered on the Trade Union organization, with multiple channels operating in parallel. Since 2021, the Company has established the Lushang Services Trade Union Committee to fully fulfill its functions of democratic management and oversight. Currently, 100% of employees are union members, achieving full organizational coverage and ensuring that every employee can participate in the Company's democratic management through the Trade Union.

In terms of institutional development, the Company has established a regular system of employee representatives' meeting as the core mechanism for democratic communication. The employee representatives' meeting convenes at least once a year, with agenda items dynamically adjusted based on employee needs and their urgency, ensuring that employees can participate in the discussion and decision-making of major company matters. In addition to the employee representatives' meeting, the Company has established daily feedback channels such as suggestion boxes and continues to diversify communication methods. This ensures that employees can voice their concerns anytime and anywhere, forming a multi-tiered democratic communication system that integrates democratic management into every aspect of daily operations.

6.2.3 Improving Employee Satisfaction

The Company views employee satisfaction as a key indicator for measuring the effectiveness of democratic communication and organizational health, and has established a routine, comprehensive survey and evaluation system. We conduct an annual comprehensive employee satisfaction survey, with questionnaire design covering dimensions such as the work environment, career development, compensation and benefits, and communication culture, to ensure the comprehensive collection of authentic employee feedback. The survey covers all employees, with a 100% participation rate. In addition to the annual survey, the Company conducts ad-hoc satisfaction surveys more frequently than the annual survey based on business development and management needs. For example, we gather immediate feedback from specific departments, new employees, or following major policy adjustments to dynamically capture employee needs at a higher frequency and respond quickly. Through a systematic satisfaction survey mechanism, we incorporate collected employee feedback into management improvement plans, forming a closed-loop management cycle of "survey-analysis-improvement-feedback." At the same time, the Company has established diverse feedback platforms, including offline employee suggestion boxes and online suggestion mailboxes (where feedback can be sent directly to the General Manager). We maintain a record of employee requests and ensure closed-loop follow-up to effectively address employee concerns. We continuously optimize internal management to foster an open, respectful, and mutually beneficial work environment.

6.2.4 Caring for Employees and Team Vitality

The Company places great importance on the physical and mental well-being of its employees and on team cohesion, treating the enrichment of employees' leisure lives and the promotion of healthy lifestyles as integral components of its corporate culture. The Lushang Services Trade Union continues to deepen the "Sports+" (運動+) new model, using diverse sports programs as a vehicle to guide employees in adopting healthy lifestyles and fostering a positive, collaborative work environment, thereby making sports a vital link for uniting the team and revitalizing the organization. By regularly organizing various cultural and sports activities, the Company not only provides employees with a platform to relieve stress and build physical fitness but also subtly strengthens their sense of belonging and cohesion, ensuring that the philosophy of "healthy living and happy working" (健康生活、快樂工作) takes root in everyone's hearts.

Running Builds Strength, Walking Together Builds Unity

In response to the call from the Lushang Services Trade Union, Lushang Services organized 79 employees to participate in the 3rd Employee Health Run. Along the picturesque shores of Huashan Lake in Jinan, the Company's team members approached the race with the unwavering belief of "never give up, never leave anyone behind" (不拋棄、不放棄). They cheered each other on and moved forward hand in hand along the course, with all participants successfully completing the race. This event not only allowed employees to release work-related stress through the coordination of their strides and breathing while enriching their cultural and recreational lives, but also showcased the Lushang Services team's healthy, positive, and competitive spirit through collective collaboration, thereby uniting "strength of heart" (心力量) for the Company's development.

A New Chapter in Health · Rejuvenation Through Exercise

In response to the national call for the three-year "Year of Weight Management" (體重管理年) initiative, Lushang Services has launched the "A New Chapter in Health · Rejuvenation Through Exercise" (健康啟新程·運動煥活力) health and fitness campaign. The Company has created a "Sports+" (運動+) model to enrich employees' leisure time with a diverse range of sports activities. The campaign covers multiple sports, including soccer, badminton, and table tennis: On the soccer field, players sprint freely, showcasing their competitive spirit through swift maneuvers; during badminton training, power players deliver crisp smashes while technical players demonstrate agile footwork, filling the air with constant laughter and cheer; table tennis activities, meanwhile, draw on the "table tennis spirit" (乒乓精神) to inspire employees to play boldly, fight hard, and strive for excellence. This initiative has fostered closer bonds among colleagues, effectively alleviated work-related fatigue, and empowered employees to face future challenges with renewed vigor.

6.3. EMPLOYEE TRAINING AND DEVELOPMENT

Lushang Services places great emphasis on the growth and development of its employees, viewing talent development as the core driver of the Company's sustainable growth. The Company has established a comprehensive employee training and development system that empowers employees' professional growth in every aspect—from institutional development, resource allocation and practical innovation to the conversion of results—while laying a solid talent foundation for the Company's high-quality development.

6.3.1 Talent Development and Promotion Mechanisms

The Company closely integrates employee career development with corporate strategy. In accordance with the "Administrative Measures for Employees of Lushang Life Services Co., Ltd." (《魯商生活服務股份有限公司員工管理辦法》) and the "Talent Pool Management Measures for Lushang Life Services Co., Ltd." (《魯商生活服務股份有限公司人才庫管理辦法》), it has established a promotion system based on the principles of fairness, impartiality, and transparency. With the core criterion of combining moral integrity and professional competence, the Company has created clear pathways for talent development. The Company has established a "four horizontals and three verticals" (四橫三縱) talent development system, which mainly consists of three systems (i.e. the training system, talent pipeline system and recruitment system) and talent development programs such as the "Spark Program" (星火計劃), "Elite Program" (菁英計劃), "Manager Enrichment Program" (鑄金計劃) and "Leading Wild Goose Program" (頭雁計劃). This system forms talent pools at all levels to support the selection, cultivation, and appointment of talent.

Regarding career advancement, the Company has implemented a diversified selection mechanism. Through open competitive recruitment, all employees—regardless of seniority—can compete for their desired positions based on merit. Meanwhile, the democratic nomination of executives leverages the collective wisdom of team members and management to select talented individuals who demonstrate leadership, outstanding performance, and widespread recognition. During the Reporting Period, the Company thoroughly implemented its talent development strategy and strengthened its management pipeline. Through a rigorous selection process, 29 management trainees were selected based on merit. The age structure now features a tiered composition dominated by those born in the 1980s and supplemented by those born in the 1990s (80後主導、90後補充), injecting fresh energy into the Company's sustainable development.

6.3.2 Training Management System and Policies

The Company has established a Human Resources Division to serve as the central coordinating body for employee development and training management. This department is responsible for planning, implementing, and evaluating the training system to ensure that training initiatives are closely aligned with the Company's strategic objectives. The Company's senior management actively participates in delivering training and fostering talent development. The Company has established a mechanism for mid-to-senior level managers to conduct internal training sessions, enabling them to directly convey their management experience and professional insights to trainees, thereby demonstrating management's strong commitment to talent development. Within the strategic framework established by the Board, the Company continues to increase investment in talent development and has incorporated employee development into the key agenda of corporate governance. The Company has issued and adheres to the "Employee Training Instructions" (《員工培訓作業指導書》), formulates annual training plans each year, and has established a comprehensive and systematic training operation mechanism to ensure that training activities are conducted in accordance with established procedures and progress in an orderly manner.

6.3.3 Diverse Training Practices

The Company adheres to a training philosophy that combines internal and external resources and is tailored by category and level, providing employees with a wide range of learning opportunities.

Regarding internal training, the Company selects experienced and highly skilled employees to serve as internal trainers, delivering training courses tailored to practical work scenarios. During the Reporting Period, the Human Resources Division organized monthly thematic training sessions covering 28 topics, with content spanning core areas such as customer service, general management, value-added operations, and AI technology, effectively enhancing employees' professional competence. Concurrently, the Company has actively promoted the "Taoguang Book Club – Reader Camp" (韜光讀書會－朗讀者讀書營) initiative, holding a cumulative total of 36 sessions and collecting 9,926 reflective essays. Through methods such as managers leading reading sessions and sharing mind maps, the initiative has fostered a strong culture of "company-wide learning and continuous improvement" (全員學習、持續精進).

Regarding external training, the Company actively leverages high-quality external resources to broaden employees' horizons. This Year, the Company selected 76 key business personnel to participate in a variety of cutting-edge, practical, and specialized courses within the industry, introducing leading industry concepts and practical experience to provide strong support for management upgrades and business innovation.

The Company places a high priority on training to enhance leadership and management capabilities, and has established systematic talent development programs tailored to employees at different levels. For mid-to-senior level managers, the Company has prioritized the "Leading Wild Goose Program" (頭雁計劃) to enhance their job performance capabilities. This includes organizing benchmarking visits to leading property management companies in Shenzhen, conducting on-site inspections of high-quality projects, and delivering a series of training sessions on topics such as the prevention of operational and legal risks, the logic behind value-added services, and financial and human resources management of the Company. To date, 11 specialized training sessions have been conducted, reaching a total of 1,364 participants. For management trainees and operational managers, the Company organized specialized capability-building training sessions, inviting industry experts to deliver lectures, thereby comprehensively enhancing the overall competence and professional capabilities of these personnel.

The Company strongly supports employees in pursuing higher education and obtaining professional certifications. It systematically organizes national vocational qualification exams for property managers and smart building managers. In 2025, a total of 65 employees successfully passed the qualification assessments. In addition, the Company has established a comprehensive training effectiveness evaluation system that comprehensively measures training outcomes across four dimensions: response, learning, behavior, and results. The Company links training outcomes to employee promotions and awards, thereby fully motivating employees to participate in training.

The Company's continuously refined training system and achievements in talent development have garnered high recognition within the industry. In August 2025, Lushang Services was awarded the honorary title of "2024 Advanced Unit in Talent Development" (2024年度人才培養先進單位) by the Shandong Provincial Property Management Association (山東省物業管理協會). This serves as a full affirmation of the Company's accomplishments in building a learning organization, empowering employee growth, and shaping the organization's core competitiveness.

Training time	Unit	2025	2024
Average training time for employees	Hour/person	**31.75**	11.86
By gender			
Male	Hour/person	**31.34**	10.87
Female	Hour/person	**32.21**	13.05
By employee category			
Full-time junior staff	Hour/person	**32.19**	10.97
Full-time middle management	Hour/person	**44.33**	41.74
Full-time senior management	Hour/person	**32.00**	49.91
Training percentage	**Unit**	**2025**	**2024**
Percentage of employees trained	%	**99.85%**	99.29%
By gender			
Male	%	**100.00%**	99.22%
Female	%	**99.67%**	99.38%
By employee category			
Full-time junior staff	%	**99.92%**	99.27%
Full-time middle management	%	**95.83%**	100%
Full-time senior management	%	**100.00%**	100%

6.4. EMPLOYEE HEALTH AND SAFETY

Lushang Services strictly complies with relevant laws and regulations, including but not limited to the Safe Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Law of the People's Republic of China on Occupational Disease Prevention and Control (《中華人民共和國職業病防治法》) and Regulations on Work Injury Insurance (《工傷保險條例》), and has internally formulated the "Safety Management Plan and Emergency Plan" (《安全管理計劃與應急計劃》) to provide employees with a safe and healthy working environment. Lushang Services considerately purchases employer liability insurance for its employees, organizes free physical examinations for all employees on a regular basis every year, and sends health condolences to sick employees. Through these measures, we effectively enhance our employees' sense of security and happiness, and provide all-round protection for their safety and health.

This Year, Lushang Services released the "Employee Safety Behavior Guidelines Chart" (《員工安全行為規範一覽圖》). It specifically outlines the "Nine Don'ts" (九不原則) of safe behavior, establishing clear boundaries to provide employees with precise guidance for their daily operations. The implementation of these guidelines marks a significant step forward in the Company's safety management system, moving toward a more scientific and refined approach.

"First Lesson" on Safety Production Start-up

In February 2025, Lushang Services organized the "First Lesson" on Safety Production Start-up, mobilizing all management and staff to refocus their attention and ensure a smooth start to the new year's safety production efforts. The meeting conveyed the spirit of higher-level safety directives. The Company's general manager personally led the session, systematically deploying key tasks such as hazard identification for resuming work and production, fire safety rectification, and control of hazardous operations. He also outlined requirements for enhancing intrinsic safety across the five critical elements of "people, machinery, materials, methods, and environment" (人、機、料、法、環). Conducted in a hybrid "online + offline" format, the event reached the Company's senior management, heads of all departments and business units. Through leadership-driven initiatives and tiered accountability, the activity strengthened safety awareness among all employees, laying a solid foundation for the Year's safety production efforts.

National Fire Safety Awareness Month Themed Drills

In November 2025, Lushang Services, in line with the theme "Fire Safety for All, Life First" (全民消防、生命至上), organized a series of fire drills and training activities across all its projects. Through a combination of theory and hands-on practice, employees participated firsthand in practical exercises such as using fire extinguishers, operating fire hoses, and high-rise evacuation drills, ensuring that every participant mastered essential fire safety skills. To address the emerging risk of new energy vehicle fires, some projects specifically simulated charging fires in underground garages. They systematically rehearsed the entire process—from reporting the fire, using specialized equipment for extinguishing and evacuating personnel—significantly enhancing employees' practical response capabilities for such special fire situations. This multi-project joint drill not only reinforced the "life first"(生命至上) safety mindset among all staff but also internalized preventive skills through immersive training, laying a solid safety foundation for the Company's high-quality development.

Lushang Services did not have any work-related fatalities in the past three years.

Indicators	2025	2024	2023
Lost days due to work injury	**391**	984	295
Number of work-related fatalities	**0**	0	0
Percentage of work-related fatalities	**0**	0	0

7. GREEN OPERATIONS AND SUSTAINABLE DEVELOPMENT

Lushang Services firmly establishes and practises the concept of "green environment is the most valuable asset" (綠水青山就是金山銀山), continues to explore low-carbon properties, and contributes to the national goal of "carbon peaking and carbon neutrality". During the Reporting Period, we have strictly complied with laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固定廢棄物污染環境防治法》) and Law of the People's Republic of China on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》), and formulated internal rules and regulations such as the "Public Energy Management Operation Guide" (《公共能源管理作業指導書》) and the "Energy Saving and Consumption Reduction Management Guide" (《節能降耗管理工作指引》). We promoted low-carbon and green office, actively built green communities and refined environmental management measures.

7.1. USE OF RESOURCES

7.1.1 Energy management

Lushang Services places a high priority on energy efficiency and treats energy conservation and emissions reduction as a key component of its operational management. By establishing robust management systems, refining institutional frameworks, implementing technological upgrades, and conducting refined operations and maintenance, the Company continuously reduces its energy intensity, thereby supporting green operations and sustainable development.

The Company has established a multi-tiered energy management framework that clearly defines the responsibilities of each management level. Under the sustainable development strategy framework established by the Board, the Company continues to increase investment in energy conservation, incorporates energy management into the key agenda of corporate governance, and promotes green operations at the strategic level. The Company's senior management attaches great importance to energy conservation efforts and, through the Basic Business Management Division, supervises and guides energy-saving and consumption-reduction activities across all projects to ensure the effective implementation of energy conservation targets. As the coordinating department for energy management, the Basic Business Management Division is responsible for formulating energy conservation and consumption reduction policies and annual targets, implementing energy-saving retrofits, and providing technical guidance. City-level subsidiaries are responsible for supervising projects in establishing energy management records, establishing robust energy consumption analysis systems, and overseeing energy conservation, consumption reduction, and retrofit efforts. Individual projects are responsible for the specific implementation of energy-saving measures, maintaining energy metering records, and conducting regular energy consumption analyses, thereby forming a coordinated, tiered energy management system that ensures implementation at every level.

At the institutional level, the Company has formulated and implemented the "Public Energy Management Operation Guide" (《公共能源管理作業指導書》) to standardize the management of energy consumption records, clarify requirements for internal energy consumption planning, monitoring, and oversight, and establish routine monitoring of energy use across projects. Additionally, the Company has issued a series of specialized guidelines, including the "Lushang Service Energy Consumption Control Management Measures" (《魯商服務控制能源消耗管理辦法》) and the "Energy Conservation and Consumption Reduction Management Measures" (《節能降耗管理措施》), thereby establishing a comprehensive energy management system that covers all business operations.

7. GREEN OPERATIONS AND SUSTAINABLE DEVELOPMENT

The Company actively supports the national "Dual Carbon" strategy and is exploring the application of clean energy in property management settings. Pilot installations of solar streetlights and courtyard lights have been implemented in select projects, utilizing solar photovoltaic power to meet the lighting needs of the premises. In new construction and renovation projects, the Company promotes the use of technologies such as smart LED lighting and air-source. Furthermore, the Company keeps pace with cutting-edge industry technologies, exploring new energy-saving solutions for equipment such as air conditioning systems. Through technical upgrades and refined management, the Company achieves comprehensive energy conservation. Closely integrating these efforts with property management operations, the Company focuses on key areas such as lighting, elevators, air conditioning, and water supply and drainage systems. By systematically advancing the development and utilization of clean energy alongside the application of energy-saving technologies, the Company ensures the deep integration of energy-saving measures with its core business operations.

The Company has incorporated energy conservation and consumption reduction into its project operations evaluation system. Each project formulates an annual energy usage plan and consumption targets for the following year based on historical energy consumption patterns and actual usage needs. Additionally, a "Energy Metering Management Record" (《能源計量管理台帳》) has been established, with designated personnel responsible for updating, compiling, and archiving energy data. By recording energy meter readings monthly and regularly summarizing and analyzing energy consumption trends, the Company identifies abnormal fluctuations, promptly investigates their causes, and takes corrective action.

Lighting System Upgrades

The Company continues to advance energy-efficient lighting upgrades, comprehensively optimizing lighting in public areas, hallways, and the park. LED radar-sensor lights have been fully implemented in parking garages, automatically turning on when people or vehicles approach and dimming or turning off when they leave; park lighting facilities are equipped with time and light-sensing controllers that automatically adjust lighting based on different times of day and light intensity; Some projects are progressively replacing traditional streetlights with solar-powered streetlights to fully leverage renewable energy. During the Reporting Period, the Company organized a centralized procurement of LED radar-sensor lights for parking garages, covering 28 projects and replacing 13,100 light fixtures, with an estimated annual electricity savings of 800,000 kWh.

Energy Conservation in Air Conditioning Systems

The Company has developed and promoted the "Guidelines for Energy Conservation and Consumption Reduction in Central Air Conditioning and Ventilation Systems" (《中央空調及通風系統節能降耗指南》), focusing on both management and technical measures. On the management side, indoor temperature settings are strictly controlled (no lower than 26°C in summer and no higher than 20°C in winter), and condensers, evaporators, and duct filters are cleaned regularly to ensure efficient equipment operation; Technically, the Company promotes the application of energy-saving control technologies for air conditioning. Time controllers or thermostats are installed in elevator machine room air conditioning systems to prevent unnecessary operation during non-working hours. During transitional seasons, natural ventilation is fully utilized to reduce the duration of air conditioning operation. The Company also implements peak-shaving strategies, scientifically scheduling the operation of air conditioning units to take full advantage of off-peak electricity rates and reduce electricity costs.

Table: Energy consumption of Lushang Services

Indicator	Unit	2025	2024
Gasoline consumption	Litres	**58,251.38**	61,966.15
Intensity of gasoline consumption	Litres/hundred km	**14.15**	13.95
Diesel consumption	Litres	**267,327.03**	393,471.88
Intensity of diesel consumption	Litres/hundred km	**23.28**	31.83
Electricity consumption	MWh	**38,659.48**	38,529.17
Intensity of electricity consumption	MWh/million m^2 of managed area	**1,675.02**	1,634.11

7.1.2 Water resource management

Lushang Services has been committed to promoting water conservation within the Company. To this end, we have vigorously enhanced the water-saving awareness of all employees through comprehensive and in-depth publicity and education, and actively carried out on-site publicity activities to widely popularize water-saving knowledge and skills. In terms of the implementation of specific water-saving measures, we posted water-saving reminder labels in each restroom to remind employees to turn off the faucets at all times. For dripping faucets, we arranged personnel to repair them immediately and regularly check the water meter readings to check for hidden leaks; in terms of the selection of facilities and equipment, we selected faucets and urinals with water-saving labels and installed infrared sensing faucets and urinals. At the same time, we installed rainwater collection devices to collect rainwater for watering plants, and implemented water-saving actions in all aspects. During the Reporting Period, we did not encounter any problems in obtaining water.

Table: Water consumption of Lushang Services

Indicator	Unit	2025	2024
Total water consumption	thousand m^3	**710.97**	642.58
Intensity of water consumption	thousand m^3/million m^2 of managed area	**30.80**	27.25

7.2. EXHAUST GAS MANAGEMENT

As a service-oriented company, our operations do not generate water pollutants commonly found in manufacturing processes. In terms of air pollutants, the Company's main pollutant emissions come from the operation of its vehicles. To further reduce emissions, we have established strict requirements that all vehicle drivers must turn off the engines when parked and waiting to eliminate unnecessary exhaust emissions, and such measures help us to fulfill our commitment to green development through actions.

Table: Exhaust gas emissions of Lushang Services

Indicator[1]	Unit	2025	2024
Nitrogen oxides (NOx)	kg	**4,845.37**	5,598.06
Sulfur oxides (SOx)	kg	**5.16**	7.25
Particulate matter (PM)	kg	**386.04**	455.17

Note:

1. The emissions of nitrogen oxides, sulfur oxides and particulate matter are mainly from the gasoline and diesel consumed by the vehicles of the Company. The emissions are calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs".

7.3. WASTE MANAGEMENT

The waste generated from the Company's office generally include waste paper, ink cartridges, toner drum units, lamps, batteries, etc. Classified recycling bins are set up in the office area, and hazardous waste is collected and stored separately and handed over to qualified professional companies for disposal. We also have a comprehensive waste management plan for the waste generated from the projects managed by us. The waste generated from the projects, including recyclable waste, hazardous waste, green waste and renovation and construction waste, are sorted and processed by the Company and disposed according to the requirements. The sewage is directly discharged to the municipal sewage pipeline to ensure that our sewage discharge complies with local environmental protection requirements. The septic tanks are regularly cleaned and treated by professionally qualified units. The Company sorts its garbage and requires merchants to dispose each kind of garbage upon sorting. The Company engages special personnel to conduct secondary sorting for domestic garbage, kitchen garbage, toxic and hazardous waste and renewable resources.

Table: Exhaust gas emissions of Lushang Services

Indicator	Unit	2025	2024
Total non-hazardous waste produced	kg	**55,253.70**	42,956.75
Intensity of non-hazardous waste	kg/million m^2 of managed area	**2,394.01**	1,821.89
Total hazardous waste produced	kg	**2,511.91**	4,672.73
Intensity of hazardous waste	kg/million m^2 of managed area	**134.38**	198.08

Notes:

1. The total amount of non-hazardous waste includes decoration waste and office paper.

2. The total amount of hazardous waste includes toner drum units, toner cartridges, batteries, masks, lamps, etc.

7.4. RESPONSE TO CLIMATE CHANGE

Lushang Services recognizes that climate-related issues may have a material impact on our business operations and long-term value. Therefore, the Company has integrated climate change considerations into its core strategy and strengthened its assessment of climate-related risks to comprehensively evaluate their material impact on the business, thereby developing targeted mitigation measures. The Company discloses climate-related information in accordance with the four-pillar framework of the ESG Reporting Code (Governance, Strategy, Risk Management, and Metrics and Targets).

7.4.1 Governance

The Company has established a three-tier climate governance framework comprising the Board, the Strategy and ESG Committee, and the ESG Working Group, which incorporates the management of climate-related risks and opportunities. As the highest governing body, the Board is responsible for overseeing the Company's climate-related policies and strategies, and leads the deliberation, decision-making, management, and oversight of climate-related matters. To ensure climate issues are addressed systematically, the Board includes them on the agenda of its regular meetings at least once a year, focusing on the climate-related risks and opportunities the Company faces, and assessing whether the Company has implemented effective measures to mitigate and adapt to the impacts of climate change. The Strategy and ESG Committee reviews progress on climate targets annually and makes adjustments as necessary to ensure the strategy is advancing as planned. When overseeing strategies, major transactions, risk management, and related policies, the Board also considers climate-related risks and opportunities and assesses their potential impact on the Company's business development and operations.

To ensure that the Board possesses the expertise necessary to fulfill its oversight responsibilities, the Company supports directors in enhancing their climate-related knowledge and capabilities. Initiatives include providing professional learning resources, organizing targeted internal training, and supporting participation in climate-focused programs and seminars hosted by external professional organizations. This helps strengthen the Board's ability to address climate challenges and stay abreast of the latest developments regarding climate risks and opportunities.

Building on the Board's strategic oversight, day-to-day climate governance responsibilities have been delegated to the ESG Working Group. The ESG Working Group's responsibilities include executing climate strategies, achieving climate targets, overseeing the implementation of the Company's climate-related actions and plans, and reporting on the progress of climate-related assessments to enhance the Company's resilience. Each business unit and functional department is responsible for fully integrating the aforementioned climate-related control measures and procedures into their daily policies and operations, thereby proactively identifying relevant climate risks and opportunities and effectively implementing specific climate action plans.

7.4.2 Strategy

The Company has refined its risk assessment procedures to analyze the potential impacts of climate change on its business and value chain, thereby evaluating and developing optimal response measures. During the Reporting Period, the Company conducted its first comprehensive climate scenario analysis, covering both physical and transition risks as well as related opportunities, and carried out a detailed screening and assessment of each category of risks and opportunities.

Physical Risks	Risks associated with the physical impacts of climate change, including acute risks driven by extreme weather events or chronic risks resulting from long-term changes in climate patterns.
Transition Risks	Risks associated with the transition to a low-carbon economy, which may involve policy, legal, technological, and market changes arising from the need to address climate change mitigation and adaptation requirements.

To comprehensively analyze the various climate-related risks and opportunities that may arise in the course of business development, the Company has selected the scenario models and related parameters listed in the table below, taking into account factors such as global warming trajectories, changes in climate policies and their timeframes, industry characteristics, and strategic objectives. These selections are consistent with China's "Dual Carbon" strategy and the Hong Kong Government's goal of achieving carbon neutrality by 2050. The Company analyzes the current impacts of climate risks and opportunities, as well as the expected impacts over the short, medium, and long term (as of 2030, 2040, and 2050). These time horizons were defined with consideration of the Company's operational budget cycle and strategic business planning cycle. In the scenario analysis, the Company assumes that its climate-related policies and reporting scope will remain unchanged within the expected scope of risk impacts.

Scope	Scenarios Used
Consistent with the scope of this report.	**IPCC Scenario Framework (for physical risk analysis):** • SSP 1-2.6: Global temperature rise is limited to within 2.0°C. Government-led social, economic, and clean energy transitions align with historical trends. Stringent policies exacerbate corporate transition risks, while physical risks remain significant. • SSP 5-8.5: Global temperature rise exceeds 4°C. Government climate action is slow, emissions reduction and adaptation efforts are stagnant, and inadequate policies exacerbate the impacts of extreme weather, increasing immediate and long-term physical risks for businesses. **NGFS Scenario Framework (for transition risks and opportunities analysis):** • Net Zero 2050: Early adoption of stringent climate policies. Aims to limit global warming to within 1.5°C and achieve global net-zero CO_2 emissions around 2050 by reducing energy demand and promoting low-carbon technologies. • Business-as-Usual: Continues only the climate policies currently in place, resulting in continued growth in greenhouse gas emissions. Global warming is projected to exceed 3°C, leading to severe physical risks.

The Company recognizes that combining quantitative and qualitative analysis allows for a more comprehensive assessment of climate-related risks and opportunities. However, because relevant operational data is dispersed across different business units and there remains a high degree of uncertainty regarding industry-accepted measurement methods for such metrics, the Company is currently unable to reliably compile various cross-industry metrics in a reasonable and cost-effective manner. Furthermore, the Company's climate-related actions are fully integrated into its day-to-day business operations, and there are no separately identifiable funds dedicated to addressing climate-related risks and opportunities, which further prevents the Company from providing quantitative data regarding the current and expected financial impacts of these climate initiatives. Nevertheless, based on qualitative assessments and analyses conducted under selected scenarios and timeframes, the Company has identified the impacts of the following 5 key climate risks and opportunities. The Company is also actively strengthening its internal data integration systems and scenario modeling capabilities to gradually enhance the quantitative nature of its climate disclosures.

7. GREEN OPERATIONS AND SUSTAINABLE DEVELOPMENT

Types of Risks and Opportunities	Scope of Impact	Severity Levels[1] Short-term	Medium-term	Long-term	Impact on Business Models and the Value Chain	Impact on financial performance
Physical Risks						
Acute – Extreme weather events	Company-managed property projects and office premises				Business Model: • Extreme weather conditions, such as heavy rain or snowstorms, may cause damage to facilities and equipment at managed projects, lead to flooding within the parks, or result in power outages, thereby disrupting normal property management operations. • Hot weather may increase health and safety risks for employees working outdoors. Value Chain: • Commuting difficulties for employees may disrupt staffing arrangements. • Outsourced services such as cleaning and landscaping may be unable to arrive on time due to weather conditions. • Restricted mobility for property owners places higher demands on the emergency response capabilities of property services.	Loss of Revenue: Extreme weather has led to a decline in foot traffic at commercial facilities, impacting revenue from value-added services. Increased Costs: Expenses related to emergency measures, such as facility and equipment maintenance and replacement, as well as de-icing and snow removal, have risen.
Chronic – Changes in precipitation patterns	Company-managed property projects and office premises				Business Model: • Changes in precipitation patterns (such as longer rainy seasons) may increase the risk of water infiltration in underground spaces and make facility maintenance more challenging. Value Chain: • Landscaping maintenance plans need to be adjusted to alter the proportion of drought-tolerant or flood-tolerant plants. • Higher standards and more frequent maintenance are required for drainage systems.	Increased costs: • Rising costs for facility renovations and maintenance.

7. GREEN OPERATIONS AND SUSTAINABLE DEVELOPMENT

Types of Risks and Opportunities	Scope of Impact	Severity Levels[1] Short-term	Medium-term	Long-term	Impact on Business Models and the Value Chain	Impact on financial performance
Transition Risks						
Tightening of Policies and Regulations	Overall compliance of the Company's operations				Business Model: • Compliance with increasingly stringent energy efficiency standards and climate-related disclosure requirements is leading to greater regulatory complexity. • Local governments are imposing stricter performance metrics on property projects regarding energy conservation and emissions reduction. Value Chain: • Operational carbon emissions must be tracked and reported. • Suppliers may raise prices due to rising carbon costs.	Increased costs: • To meet the new requirements, investments will be needed in carbon accounting tools, reporting systems, and related consulting services, leading to higher compliance costs. • Carbon costs passed on by suppliers may result in higher procurement costs.
Opportunities						
Operational Efficiency Optimization	Company-managed property projects and office premises				Business Model: • Optimize operational strategies by promoting clean energy and energy-saving technologies. Value Chain: • Encourage logistics partners to use more environmentally friendly packaging materials.	Cost Savings: • Direct reductions in energy-related expenses, such as electricity and water bills, leading to improved project profit margins. • Extended equipment lifespan, resulting in reduced replacement frequency and capital expenditures.
Expansion of Green Products and Services	Company-managed residential and commercial projects				Business Model: • Property owners and tenants are increasingly inclined to choose properties with green certifications and low-carbon operations, which helps enhance a project's market competitiveness and customer loyalty. Value Chain: • Communicate energy-saving and emissions-reduction achievements to property owners to build a green brand image. • Set higher standards for suppliers' environmental practices to drive collective improvements in supply chain resilience.	Increased Revenue: • Green property projects may command a premium, leading to higher rental rates. • A strong green brand image facilitates market expansion and the acquisition of new projects, driving revenue growth.

Note:

Definition of severity levels: "Light": Handled according to existing standard procedures; 'Moderate': Requires ongoing monitoring; "Dark": Requires the development of a management strategy and tracking of its implementation.

Measures to Address Risks and Seize Opportunities:

Risk Type	Measures to Address Risks
Extreme weather events	• The Company has formulated and refined policies such as the "Emergency Plan for Flood Prevention" (《防汛應急預案》), the "Emergency Response Plan for Sudden Disease Outbreaks" (《突發疫情應急處置預案》), and the "Response to Media and Guidance on Public Opinion for Emergencies" (《突發事件媒體應對、輿論引導應急處置》). These policies clearly define emergency response procedures, division of responsibilities, and resource allocation for extreme weather events such as heavy rain, heavy snow, and typhoons, and regular drills are conducted. • Establish an extreme weather early warning mechanism, closely monitor information released by meteorological authorities, pre-position flood control supplies and snow removal equipment, and conduct hazard inspections in key areas (such as underground parking garages and electrical distribution rooms). • Implement flexible work arrangements to reasonably adjust outdoor work schedules during high temperatures and heavy rain to ensure employee health and safety; provide heatstroke prevention and cooling protection for employees working in high-temperature conditions during the summer.
Changes in precipitation patterns	• Optimize the park's landscaping maintenance plan, adjust irrigation frequency based on precipitation patterns, and promote water-saving irrigation technologies (such as micro-sprinklers and drip irrigation). • Strengthen inspection and maintenance efforts, promptly repair leaks, and enhance the drainage system's flood discharge capacity. • In new construction and renovation projects, incorporate the sponge city concept by selecting permeable paving and rainwater harvesting and reuse facilities.
Tightening of Policies and Regulations	• Closely monitor developments in national and local climate-related policies and regulations to ensure that the Company's operations and disclosures comply with regulatory requirements. • Establish a robust energy consumption monitoring system, and gradually build carbon accounting capabilities to prepare for future participation in the carbon market. • Prioritize the procurement of equipment and services with energy-saving and environmental certifications to promote the green transformation of the supply chain.

Opportunity Type	Measures to Seize Opportunities
Operational Efficiency Optimization	• Develop annual energy-saving renovation plans and continuously implement energy-saving renovation measures such as the replacement of lighting with LED fixtures and the adoption of smart air conditioning control systems. For details, please refer to section 7.1.1 "Energy Management" in this chapter. • Pilot and promote distributed photovoltaic power generation systems in managed projects where conditions permit, to optimize the energy mix and reduce carbon emissions. • Continuously improve energy performance through the energy management system, establish energy efficiency standards for equipment procurement, and prioritize the selection of high-efficiency, energy-saving equipment. • Guide outsourced service providers to adopt environmentally friendly operational practices, such as using water-saving equipment for cleaning services and electric tools for landscaping maintenance.
Expansion of Green Products and Services	• Actively seek external honors and recognition in the field of sustainable development to enhance market competitiveness of projects and brand image. • Communicate the projects' energy-saving and emissions-reduction achievements and green operational philosophy in marketing efforts to foster a responsible brand image.

Although the Company has not yet established a dedicated climate transition plan, it has implemented responsive measures, and the measures disclosed in the previous reporting period have been fully implemented. The relevant funding and execution have been carried out using the Company's internal capital and existing human resources. During the Reporting Period, the Company established climate-related targets to comprehensively advance decarbonization and climate resilience initiatives. During the Reporting Period, the Company did not incur any capital expenditures, financing, or investments specifically dedicated to addressing climate-related risks and opportunities.

Despite the proactive measures taken, the Company still faces significant uncertainties regarding the effective implementation of its future climate resilience plans, including the unpredictable pace of global and regional climate policy updates, shifting customer demand for green services, and the evolving speed and severity of the physical impacts of climate change. Nevertheless, the Company believes it possesses strong adaptability and resilience, enabling it to adjust its strategies and business models in the short, medium, and long term to address climate change. This adaptability is embedded in the Company's ongoing strategic planning and operational management, allowing it to promptly adjust business priorities, operational processes, and value chain collaborations in response to evolving climate risks, regulatory changes, and market dynamics.

Looking ahead, the Company will regularly monitor climate-related risks and opportunities, assess the effectiveness of mitigation measures, adjust strategies based on operational performance, and track progress toward all climate-related targets through ongoing monitoring. The Company will promptly adjust its climate-related targets in response to operational performance and external climate trends to ensure that the targets remain both achievable and ambitious. The Company will also optimize mitigation and adaptation measures based on progress toward these targets and the results of impact assessments. These clear targets will guide the orderly advancement of all climate response actions, effectively supporting the Company in achieving its established climate-related goals and further enhancing its resilience to the challenges of climate change.

7.4.3 Risk Management

The Company has integrated processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities into its overall risk management framework and system, thereby embedding climate risk management into daily operations. This integration aligns with the Company's existing risk management structure, and there were no significant changes to the Company's risk management processes during the Reporting Period.

Throughout the process, the Company considered parameters such as asset location and type, historical exposure to extreme weather, and energy consumption patterns, while utilizing climate data from public scenario sources as well as internal data, such as energy and resource consumption records and operational incident logs. The following is an overview of the Company's climate risk and opportunity management process:

- Identification: The Company conducts peer benchmarking by researching climate change trends, domestic and international industry developments, and technological advancements, while also gathering stakeholder feedback. The Company also performs climate-related scenario analysis, taking into account its own operational conditions and business characteristics. These initiatives enable the Company to comprehensively and objectively gather data on potential climate risks and opportunities across all business locations, ensuring that the final list of climate risks and opportunities covers key aspects of the entire business process.

- Assessment: The Company conducts a comprehensive assessment to analyze the potential impacts of climate-related risks and opportunities on its business model, value chain, and financial performance, and evaluates the likelihood of their occurrence and the corresponding severity of their impacts.

- Prioritization: Based on the assessment results of climate-related risks and opportunities, the Company prioritizes identified items according to their likelihood of occurrence and severity of impact. This prioritization process aligns with the Company's overall risk management framework and business objectives.

- Monitoring: The ESG Working Group is responsible for continuously monitoring and analyzing climate-related risks and opportunities within its scope of operations, as well as the effectiveness of the mitigation and response measures implemented. Building on this, the Strategy and ESG Committee conducts regular comprehensive assessments and monitoring, consolidates information, and reports periodically to the Board on the identification, assessment, and management of climate-related risks and opportunities. This process strengthens the Board's oversight based on frontline information and ensures that risk mitigation measures and initiatives to capitalize on opportunities are effectively implemented across all departments.

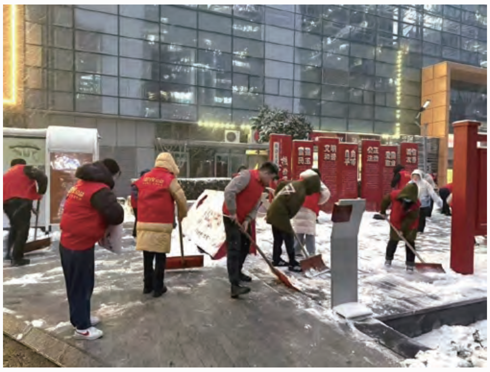
This Year, in the face of risks and challenges posed by extreme weather, Lushang Services adhered to the principle of "prioritizing prevention while combining prevention with response" (預防為主、防抗結合). The Company established a robust emergency response mechanism for extreme weather, taking concrete actions to safeguard community safety and ensure the safe travel of residents. Whether it was sudden summer downpours or sudden winter blizzards, all Company units swiftly activated emergency response plans, establishing a closed-loop management system covering the entire chain—from stockpiling supplies and identifying potential hazards to emergency response. Throughout the Year, emergency personnel were deployed thousands of times, and hundreds of pieces of emergency equipment and supplies were mobilized. Through efficient organization, we conveyed the warmth of our service, and through resolute action, we reinforced the safety barrier.

Acting at the First Sign of Flooding: Building a Solid "Safety Dike" for Flood Prevention

In the summer of 2025, Shandong Province experienced sudden heavy rainfall following a prolonged heatwave. All units under Lushang Services swiftly activated their flood prevention emergency plans, launching a "Special Inspection of Vacant Properties" (空置房專項巡檢) campaign before the downpour arrived. They conducted door-to-door inspections to verify that windows and doors were securely closed and to check for water seepage through balcony drains and walls; They conducted comprehensive inspections of critical infrastructure, including drainage networks, storm drain covers, and sewage pumps, to ensure unobstructed drainage. During the downpour, staff remained on duty around the clock, dynamically monitoring key areas such as underground parking garages and low-lying road sections. They promptly stacked sandbags, laid down anti-slip mats, set up warning signs, and assisted vehicles stuck in floodwaters. At the same time, the customer service team disseminates real-time alerts and safety tips through resident chat groups and SMS platforms, patiently addressing residents' concerns, and providing the residents a "safety umbrella for the rainy season" (汛期安全傘) through precise prevention and efficient response.

Responding to Snowfall: Ensuring Safe Travel

As the year draws to a close and the new year begins, many parts of Shandong have experienced heavy snowfall. Lushang Services swiftly activated its snow removal emergency plan, adopting a "mechanization-first, manual-support" (機械為主、人工為輔) approach to efficiently clear snow from parks, streets, and communities. Before dawn, staff had already assembled, wielding snow shovels and brooms to thoroughly clear main roads, building entrances, garage entrances, and sidewalks throughout the residential complexes. They promptly laid down anti-slip mats and posted safety warnings, and continued to patrol during peak resident traffic hours to address any remaining ice immediately. The sweat shed in the bitter cold and the proactive protection provided transformed into a sense of security and peace of mind for residents as they stepped out.



7.4.4 Metrics and targets

Lushang Services has made enhancing climate resilience and promoting sustainable business models a core strategic priority, and has consistently worked to ensure that its sustainable development goals and related action plans align with global sustainability standards. The Company prioritizes alignment with China's "Dual Carbon" strategy and Hong Kong's carbon peak and carbon neutrality targets, which also serve as key pillars for China's fulfillment of its obligations under the "Paris Agreement".

To align with these climate frameworks, the Company continuously assesses its ESG key performance indicators and has established emission reduction and management targets that correspond to the requirements of national and regional climate and sustainability frameworks. Although these targets have not yet been verified by an independent third party and were not developed using industry decarbonization pathways, the Board will monitor progress and performance toward these targets annually and assess whether revisions are necessary. Furthermore, the Board will continue to refine the mechanisms for setting, evaluating, and verifying these targets to ensure the transparency and credibility of the Company's decarbonization efforts.

To translate these governance targets into tangible emissions reductions, the Company is focused on achieving substantive decarbonization through energy efficiency improvements and operational process optimization. At this stage, the Company has no plans to use carbon credits for emissions offsetting, but will closely monitor developments in the carbon credit market and relevant policies so that it can utilize such tools as supplementary support for achieving its long-term carbon neutrality goals at the appropriate time.

Emissions reduction targets for Company operations:

Target Category	Description
Greenhouse Gas Emissions	• By 2030, reduce the total intensity of Scope 1 and Scope 2 greenhouse gas emissions by 5% compared to the 2025 baseline.
Energy and Resource Management	• By 2030, reduce the total energy consumption intensity by 5% compared to the 2025 baseline. • By 2030, increase the proportion of energy-efficient products and equipment used in projects. • By 2030, improve monitoring of abnormal water and electricity consumption and continue to reduce waste of water and electricity resources.
Waste Management	• By 2030, strengthen awareness campaigns on waste sorting in managed projects and promote the reuse of recyclable resources by increasing waste sorting facilities and channels.

During the Reporting Period, the Company conducted greenhouse gas identification, assessment, and inventory activities to effectively manage its greenhouse gas emissions. These efforts covered the Company's operational scope, and the calculation of Scope 1 and Scope 2 emissions was completed in accordance with the requirements of the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". The Company also referenced the "Greenhouse Gas Protocol: Enterprise Value Chain (Scope 3) Accounting and Reporting Standard (2011)" to complete the data compilation for Scope 3 emission sources. Based on the Company's core operations, emission scale estimates, data availability, and industry research findings, the following categories were included in the Company's Scope 3 emissions accounting scope:

- Category 1: Purchased Goods and Services
- Category 2: Capital Goods
- Category 5: Waste generated in operations
- Category 6: Business Travel
- Category 7: Employee Commuting

During the Reporting Period, the Company's greenhouse gas emissions were as follows:

Indicator [1,2]	2025	2024
Scope 1 and Scope 2 total greenhouse gas emissions (tCO2 equivalent)	**21,778.93**	23,162.92
Intensity of total greenhouse gas emissions (tCO2 equivalent/ million m^2 of managed area)	**943.63**	982.40
Scope 1 greenhouse gas emissions (tCO2 equivalent)[3]	**1,203.20**	1,645.72
Scope 2 greenhouse gas emissions (tCO2 equivalent)[4]	**20,575.73**	21,516.90
Scope 3 greenhouse gas emissions (tCO2 equivalent)[5]	**3,408.97**	334.10

Notes:

1. The Company uses the operational control method to account for its greenhouse gas emissions. This method defines the scope of the accounting based on the Company's control over the implementation of operational policies across its business activities. It not only more accurately reflects the Company's actual responsibilities in carbon emissions management but also helps strengthen the monitoring and management of greenhouse gas emissions, ensuring that the accounting results align with the Company's sustainability goals.

2. The calculation of greenhouse gas emissions follows the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)", "Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" jointly issued by the Environmental Protection Department and the Electrical and Mechanical Services Department in Hong Kong. The Company's greenhouse gas emissions include carbon dioxide, methane, and nitrous oxide, and are presented in tCO2 equivalent to enhance readability.

3. Scope 1 emissions result directly from the Company's routine use of automotive fuel. The emission factors used in the calculation refer to "Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

4. Scope 2 refers to indirect greenhouse gas emissions from energy use, including electricity purchased from power companies. The emission factors used to calculate greenhouse gas emissions from purchased electricity are derived from data provided by the Ministry of Ecology and Environment of the People's Republic of China.

5. Scope 3 greenhouse gas emissions cover Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 5 (Waste generated in operations), Category 6 (Business Travel), and Category 7 (Employee Commuting). Category 1 and Category 2 emissions are estimated using the Environmentally Extended Input-Output (EEIO) Model; Category 5 includes waste disposal and indirect emissions from water and electricity consumption, calculated based on the Hong Kong Exchanges and Clearing Limited's "Appendix 2" and relevant data from the Water Supplies Department, respectively; Category 6 is calculated using the International Civil Aviation Organization (ICAO) Carbon Calculator; and Category 7 is estimated using emission factors from the China Products Carbon Footprint Factors Database (CPCD). This Year's Scope 3 emissions have fluctuated compared to the same period last year, primarily due to the expansion of the accounting boundary, which has broadened the scope of emissions coverage and more accurately reflects the emissions impact across the value chain.

The Company's strategic focus is on optimizing core business performance and creating long-term value, which aligns with its current risk management approach. The Company has not yet implemented an internal carbon pricing mechanism, nor has it incorporated climate-related factors into its compensation policies or governance framework. This is primarily because these factors have not yet been demonstrated to have a direct and material connection to the Company's industry, current operational priorities, or financial decision-making requirements. The Company will continue to monitor developments in climate-related metrics, industry best practices, and the application of internal carbon pricing, and will proactively assess the feasibility of incorporating these factors into its governance framework and compensation policies when conditions are mature.

8. OPERATE EARNESTLY TO PURSUE WIN-WIN COOPERATION

As the concept of sustainable development penetrates into every aspect of business operations, supplier management has become a key link in the Company's implementation of the ESG concept. Lushang Services is deeply aware of this and regards supplier management as an important part of promoting the sustainable development of itself and the supply chain. Lushang Services has strictly complied with the Law of the People's Republic of China on Bid Invitation and Bidding (《中華人民共和國招標投標法》), Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》) and Interim Measures for the Administration of Bidding Agency Service Charges (《招標代理服務收費管理暫行辦法》), and has formulated and implemented internal policies such as the Administrative Measures for the Procurement of Lushang Services (《魯商服務採購管理辦法》) and the Administrative Measures for the Supplier Management of Lushang Services (《魯商服務供應商管理辦法》) to further standardize the bid invitation and bidding process. The Company has established a comprehensive supplier management system, working from multiple dimensions to ensure service quality while actively fulfilling its social responsibilities and responding to environmental challenges.

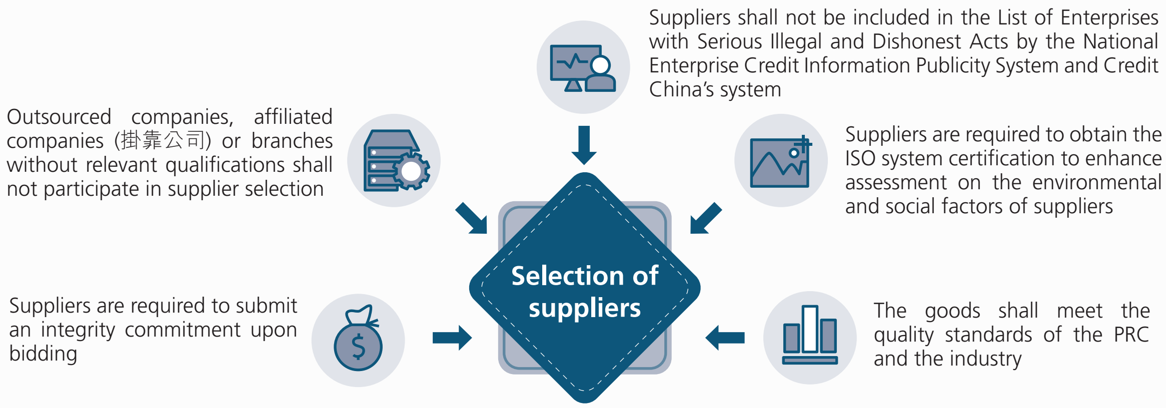
8.1. CLASSIFICATION AND SELECTION OF SUPPLIERS

Lushang Life Services Co., Ltd. is committed to establishing a fair, open, and impartial procurement system. Through robust institutional frameworks and process controls, the Company ensures that the supplier selection process is standardized and transparent, while integrating ESG principles into supply chain management to promote sustainable procurement practices.

In accordance with regulations such as the "Administrative Measures for the Procurement of Lushang Life Services Co., Ltd." (《魯商生活服務股份有限公司採購管理辦法》) and the "Administrative Measures for the Supplier Management of Lushang Life Services Co., Ltd." (《魯商生活服務股份有限公司供應商管理辦法》), the Company classifies suppliers into three major categories: daily consumables, fixed assets, and services. The Company has established differentiated screening processes based on procurement amounts and types: for purchases of goods exceeding RMB50,000, service-related procurements, and construction projects, the Company strictly enforces the bidding management measures; For daily consumables and fixed assets from long-term partner suppliers, selection is conducted through annual centralized bidding or a combination of on-site inspections and three-way price comparisons, followed by the signing of purchase and sales contracts. The procurement process encompasses 14 steps, including procurement planning, business applications, tender notice publication, document preparation and review, bid opening and evaluation, site visits and final selection, and contract signing, ensuring that every stage is conducted in a standardized and orderly manner.

During the supplier admission process, the Company has established multiple screening criteria to ensure supplier quality from the outset. Companies applying to bid must meet relevant national and company requirements and can only be included in the supplier database after undergoing a collaborative review by various departments. Admission criteria include: not being included in the List of Enterprises with Serious Illegal and Dishonest Acts by the National Enterprise Credit Information Publicity System and Credit China's system; outsourced companies, affiliated companies, or branches without relevant qualifications shall not participate; and goods shall meet the quality standards of the PRC and the industry. During the bidding phase, suppliers must submit integrity commitment, explicitly pledging to adhere to business ethics and integrity requirements.

ESG-related factors have been incorporated into our supplier screening criteria. The Company is committed to selecting more environmentally friendly products and services. For example, for the purchase of vehicles for municipal sanitation operations, six national emission standards shall be met, and the National Energy-saving Product Certification (《國家節能產品認證證書》) and ISO management system certification (quality, environment, and occupational health) shall be obtained. By integrating environmental and social responsibility requirements into its procurement practices, the Company continues to drive the supply chain toward a greener and more sustainable future.



8.2. OVERSIGHT OF SUPPLIER BUSINESS ETHICS

The Company places great emphasis on fostering business ethics within the supply chain and proactively strengthens oversight and guidance of its business partners. During the Reporting Period, the Company conducted face-to-face negotiations with suppliers and enhanced communication through forums such as contractor meetings to urge suppliers to improve their service standards, while promoting the principles of integrity and compliance in business operations. The Company has established a clear policy of conducting regular integrity training for suppliers to reinforce their awareness of anti-bribery measures and compliance requirements. Each project regularly organizes professional ethics training for outsourced personnel, such as security and cleaning staff, to further enhance their service awareness and ability to maintain integrity and self-discipline.

In addition, during the term of the partnership, suppliers must strictly comply with the "Supplier Integrity Agreement" (《供應商廉潔協議》). They must not provide Company personnel with kickbacks, cash gifts, gifts, securities, payment vouchers, or other valuables; must not seek reimbursement for expenses that should be paid personally; and must not provide banquets, travel, entertainment, fitness, transportation, communication, or office-related conveniences; nor shall they seek improper benefits for Company personnel or their relatives, engage in unauthorized part-time work for compensation, solicit trade secrets, or commit other acts of commercial bribery. The Company has established clear and specific disciplinary measures for suppliers who violate integrity requirements: depending on the severity of the offense, penalties may include warnings, downgrading, blacklisting, or contract termination; those who violate the law will be referred to judicial authorities for handling in accordance with the law.

8.3. SUPPLIER MANAGEMENT PRACTICES

To enhance supplier service levels and performance capabilities, the Company has established a comprehensive management system covering the entire supplier lifecycle. In accordance with the "Administrative Measures for the Supplier Management" (《供應商管理辦法》), the Company implements tiered management and performance evaluations for suppliers. Semi-annual and annual performance evaluations are conducted twice a year, with comprehensive scoring across multiple dimensions including quality, delivery, service, and price. Suppliers are classified into five tiers: Excellent, Good, Average, Unsatisfactory, and Blacklisted, and corresponding management measures are taken based on the evaluation results. Upon project completion, the responsible department for each project and the Project Services Division shall conduct a comprehensive annual evaluation of suppliers to establish a complete record of performance. The Company's procurement management operates under the guidance of the Procurement Committee and the Technical Committee, is subject to oversight by the Supervisory Committee, and undergoes regular inspections by relevant headquarters departments. Through these measures, the Company continuously optimizes its supplier structure and enhances supply chain resilience and compliance standards.

As of December 31, 2025, the Company had 190 suppliers, of which 141 were in East China, which had the most number of suppliers.

Table: Distribution of suppliers of Lushang Services

Distribution of suppliers by geographical region [1]	Unit	2025	2024
East China	Number	**141**	143
North China	Number	**25**	10
Northeast China	Number	**15**	11
South China	Number	**8**	9
Central China	Number	**1**	1
Hong Kong, China	Number	**0**	3

Note:

1. East China includes Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, and Shandong; North China includes Beijing, Tianjin, Shanxi, Hebei, and Inner Mongolia; Northeast China includes Heilongjiang, Jilin, and Liaoning; South China includes Fujian, Guangdong, Hainan, and Guangxi; Central China includes Henan, Hubei, and Hunan.

9. CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

Lushang Services enhanced its influence in public welfare, practised its responsibilities as a state-owned enterprise, vigorously publicized the spirit of Lei Feng (雷鋒精神) and the volunteer service concept of "dedication, kindness, mutual assistance, and betterment" (奉獻、友愛、互助、進步), further promoted the normalization of volunteer services, and continued to polish the brand of "Radiant Charity" (螢光公益). This year, the Company has invested a cumulative total of over RMB330,000 in community public welfare activities, with a total activity duration exceeding 1,200 hours and employee participation totaling over 9,600 hours. Through these concrete actions, the Company has advocated new trends and delivered positive energy. In 2026, the Company plans to exceed 10,000 hours of total employee participation in community public welfare activities and will continue to intensify its efforts in public welfare initiatives.

9.1 RADIANT VOLUNTEERS: WALKING HAND IN HAND WITH PUBLIC WELFARE

Leveraging seven "Radiant" (螢光) volunteer service teams and over 160 volunteers, the Company's Trade Union has harnessed the strengths of the property management industry to collaborate with local communities in regularly organizing volunteer activities, transforming the faint glow of individual efforts into a warm beacon of light. Taking "Lei Feng Month"(雷鋒月) as an opportunity, the Company organized volunteers to go deep into communities to carry out diverse volunteer services, demonstrating the spirit of dedication through concrete actions. At the same time, the Company actively responded to calls for public welfare, organizing employees to actively engage in charitable causes and convey the warmth of life through their passion; it also continued to carry out tree-planting and greening initiatives to add new greenery to the community and fulfill its environmental responsibilities. Furthermore, our employees spontaneously organized charitable donations, pooling their kindness to help those in need overcome their hardships.


Arbor Day Tree-Planting Event

College Entrance Exam Support Event

9. CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

Back-to-School Support Service Station

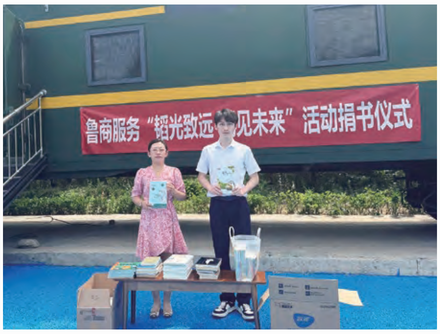
“Salute to Flame Blue”(致敬火焰藍)
Firefighter Appreciation Event

The “Riders’ Home”(騎手之家)
Station Theme Plaza is officially open

Community “Cooling Station”(清涼補給站)

9.2 CARING FOR RURAL COMMUNITIES AND SUPPORTING FARMERS

The Company actively responded to the national rural revitalization strategy by innovating support models and extending its philanthropic reach to rural areas. Through book donations, agricultural product sales assistance, and targeted support initiatives, the Company contributed to rural development and helped increase farmers' incomes. Leveraging the "Taoguang Book Club"(韜光讀書會) platform, the Company collected donated books and delivered them to rural "Love Bookhouses"(愛心書屋), illuminating the path to knowledge for rural children. Through live-streamed sales and community outreach, the Company helped expand sales channels for agricultural products such as Zibo Boshan kiwifruit and Ganzhou oranges, assisting in the sale of over 40,000 jin of agricultural products throughout the year. The Company deepened its targeted assistance agreement with Beigushan Village in Boshan, was honored with the title of "Rural Revitalization Partner"(鄉村振興合夥人), and established a long-term mechanism to support farmers. During the winter, the Company organized a charity cabbage donation campaign to deliver warmth to the elderly in rural communities.



"Concealing Brilliance for Long-term Goals · Foreseeing the Future" (韜光致遠・閱見未來) Targeted Assistance through the Book Donation Column

Heartwarming Cabbage Donation Public Welfare Activity to Support Farmers

Harvest Festival Celebration Public Welfare Activity to Support Farmers

Sales Assistance for Kiwi Fruits from Beigushan Village in Boshan

9.3 CONVENIENT SERVICE, WARMING THE COMMUNITY

Leveraging property management services, the Company has integrated convenient initiatives into daily operations, launching the "Four Seasons Service" (四季服務) campaign to foster a sense of warmth within the community. In partnership with medical institutions, the Company regularly holds free health checkups and traditional Chinese medicine consultations, offering residents free blood pressure checks and medical advice; it also organizes volunteers to provide free haircuts for the elderly and children on a regular basis. The Company continues to offer activities such as cleaning doormats, window screens, and electric scooters, as well as free knife sharpening and small appliance repairs, to help residents with their daily needs. The Company has established "Warmth Stations" (暖心驛站) to provide food delivery riders and couriers with free drinking water, rest areas, and charging services. During the summer, the Company sets up cooling stations to serve residents with plum soup and mung bean soup; it also provides thoughtful services such as cleaning vacant apartments and wiping down entry doors for residents who are away, fostering a sense of neighborly warmth.


Free Medical Consultation for Public Convenience


Free Haircut with Love Event


Floor Mat Cleaning Theme Event


Free Repair Service Event


Scissor Sharpening Service for Public Convenience


Vacant House Cleaning Theme Event

9.4 CARING FOR THE COMMUNITY, CELEBRATING TOGETHER

The Company places great emphasis on community cultural development. Centering on traditional festivals and significant occasions, it organized a variety of themed activities to foster a harmonious, warm, and supportive community atmosphere. During the Spring Festival, the Company organized events such as the God of Wealth's New Year Greetings and calligraphy sessions to write "Fu"(福) characters and distribute Spring Festival couplets; for the Lantern Festival, the Company hosted riddle-guessing contests and tangyuan-making workshops; on Women's Day, the Company held flower-arranging, lipstick-making, and wellness hammer-making activities; for the Dragon Boat Festival, the Company organized zongzi-wrapping and sachet-making sessions; during the Mid-Autumn Festival, the Company hosted DIY mooncake and lantern-making workshops; and on the Double Ninth Festival, the Company arranged visits to honor the elderly and provided free health checkups. In addition, the Company organized family-friendly activities such as children's flea markets, bubble carnivals, summer movie festivals, neighborhood festivals, and fun sports meets; it also conducted cultural and public welfare activities including Baduanjin (八段錦) training, safety knowledge competitions, Teacher's Day flower-giving, and college entrance exam support programs to enrich residents' spiritual and cultural lives.

Women's Day Flower-arranging Event

Mid-Autumn Festival DIY Mooncake Event

Bubble Carnivals

Double Ninth Festival Elderly Caring Event

Teacher's Day Flower-giving Event

Summer Movie Theme Event

APPENDIX: CONTENT INDEX TO THE ESG REPORTING CODE

Subject Area	Aspect	KPI	Adoption status
Environmental	**A1: Emissions**	General Disclosure: Information on: Incorporate green operations into the Company's development (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.	7. Green Operations and Sustainable Development
		A1.1: The types of emissions and respective emissions data.	7. Green Operations and Sustainable Development
		[Deleted at January 1, 2025]	/
		A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7. Green Operations and Sustainable Development
		A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7. Green Operations and Sustainable Development
		A1.5: Description of emission target(s) set and steps taken to achieve them.	7. Green Operations and Sustainable Development
		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.	7. Green Operations and Sustainable Development

APPENDIX: CONTENT INDEX TO THE ESG REPORTING CODE

Subject Area	Aspect	KPI	Adoption status
	A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	7. Green Operations and Sustainable Development
		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).	7. Green Operations and Sustainable Development
		A2.2: Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7. Green Operations and Sustainable Development
		A2.3: Description of energy use efficiency target(s) set and steps taken to achieve them.	7. Green Operations and Sustainable Development
		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.	7. Green Operations and Sustainable Development
		A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	7. Green Operations and Sustainable Development
	A3: The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	7. Green Operations and Sustainable Development
		A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7. Green Operations and Sustainable Development
	A4 Climate Change	[Deleted at January 1, 2025]	/
		[Deleted at January 1, 2025]	/

APPENDIX: CONTENT INDEX TO THE ESG REPORTING CODE

Subject Area	Aspect	KPI	Adoption status
Climate Change	**Part D Climate Related Disclosures**	(I) Governance	7. Green Operations and Sustainable Development
		(II) Strategy	7. Green Operations and Sustainable Development
		(III) Risk Management	7. Green Operations and Sustainable Development
		(IV) Metrics and targets	7. Green Operations and Sustainable Development
Social	**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, antidiscrimination, and other benefits and welfare.	6. Be People Oriented and Foster Mutual Development
		B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	6. Be People Oriented and Foster Mutual Development
		B1.2: Employee turnover rate by gender, age group and geographical region.	6. Be People Oriented and Foster Mutual Development

APPENDIX: CONTENT INDEX TO THE ESG REPORTING CODE

Subject Area	Aspect	KPI	Adoption status
	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.	6. Be People Oriented and Foster Mutual Development
		B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6. Be People Oriented and Foster Mutual Development
		B2.2: Lost days due to work injury.	6. Be People Oriented and Foster Mutual Development
		B2.3: Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6. Be People Oriented and Foster Mutual Development
	B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6. Be People Oriented and Foster Mutual Development
		B3.1: The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6. Be People Oriented and Foster Mutual Development
		B3.2: The average training hours completed per employee by gender and employee category.	6. Be People Oriented and Foster Mutual Development

APPENDIX: CONTENT INDEX TO THE ESG REPORTING CODE

Subject Area	Aspect	KPI	Adoption status
	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.	6. Be People Oriented and Foster Mutual Development
		B4.1: Description of measures to review employment practices to avoid child and forced labour.	6. Be People Oriented and Foster Mutual Development
		B4.2: Description of steps taken to eliminate such practices when discovered.	6. Be People Oriented and Foster Mutual Development
	B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	8. Operate Earnestly to Pursue Win-Win Cooperation
		B5.1: Number of suppliers by geographical region.	8. Operate Earnestly to Pursue Win-Win Cooperation
		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.	8. Operate Earnestly to Pursue Win-Win Cooperation
		B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	8. Operate Earnestly to Pursue Win-Win Cooperation
		B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	8. Operate Earnestly to Pursue Win-Win Cooperation

APPENDIX: CONTENT INDEX TO THE ESG REPORTING CODE

Subject Area	Aspect	KPI	Adoption status
	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.	5. Premium Quality and Service Excellence
		B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to our business
		B6.2: Number of products and service related complaints received and how they are dealt with.	5. Premium Quality and Service Excellence
		B6.3: Description of practices relating to observing and protecting intellectual property rights.	4. Strictly Control Risks and Practise Honestly
		B6.4: Description of quality assurance process and recall procedures.	Not applicable to our business
		B6.5: Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5. Premium Quality and Service Excellence

Subject Area	Aspect	KPI	Adoption status
	B7: Anticorruption	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.	4. Strictly Control Risks and Practise Honestly
		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.	4. Strictly Control Risks and Practise Honestly
		B7.2: Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4. Strictly Control Risks and Practise Honestly
		B7.3: Description of anti-corruption training provided to directors and staff.	4. Strictly Control Risks and Practise Honestly
	B8: Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	9. Contribute to Public Welfare and Take Social Responsibility
		B8.1: Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	9. Contribute to Public Welfare and Take Social Responsibility
		B8.2: Resources contributed (e.g. money or time) to the focus area.	9. Contribute to Public Welfare and Take Social Responsibility

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