

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



BETTER VLINKER BETTER LIFE

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Value Co-creation

ABOUT THIS REPORT

Reporting Scope

This report encapsulates the environmental, social, and governance (ESG) objectives, advancements, and achievements of Vlinker for the duration spanning from January 1, 2023, to December 31, 2023. To ensure the consistency and integrity of the information, certain sections have been reviewed and expanded upon.

Reporting Period

The report encompasses environmental, social and governance (ESG) goals, progresses, as well as the performance of Vlinker for the period spanning January 1, 2023 to December 31, 2023. Some contents are reviewed have been elaborated further to maintain the information's continuity and integrity.

Reporting Framework

This report adheres to the guidelines set forth in the "Environmental, Social, and Governance Reporting Guide" (ESG Reporting Guide) of the Hong Kong Stock Exchange. Additionally, it aligns with the United Nations 2030 Sustainable Development Goals (SDGs), the standards outlined by the Global Reporting Initiative (GRI), the Sustainable Accounting Standards Board (SASB), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Contact us

For any feedback or inquiries, please feel free to contact us via email at brand@Vlinker.com.cn or by sending letters to 29/F, Plaza 66 Tower I, 1266 Nanjing Xi Road, Shanghai 200000.

COMPANY INTRODUCTION

Vlinker: Empowering the next generation for a brighter tomorrow



In the domain of real estate evolution, Vlinker stands tall as a beacon of innovation and progress. With over 12 years of expertise in the dynamic housing rental industry, we have seamlessly transitioned into a comprehensive asset management platform specializing in "fundraising, investment, construction, and asset management". Leveraging government and social resources, alongside strategic collaborations with esteemed institutions both domestically and internationally, Vlinker is poised to revolutionize the housing landscape.

Our commitment is unwavering: to pioneer affordable rental housing initiatives on R4 land and to refurbish non-residential (commercial, industrial, etc.) stock houses in accordance with regulations, catering specifically to the burgeoning needs of new citizens and the vibrant youth demographic.

The year 2023 heralds the third phase of Vlinker's asset-heavy transformation journey. Rooted in our founding ethos, we remain steadfast in our dedication to the youth demographic, ensuring that every endeavor embodies excellence, affordability, and community cohesion. Our vision is clear: to elevate the quality of life for new residents and young individuals alike, fostering a sense of fulfillment, joy, and security through meticulously crafted, multi-dimensional living spaces and vibrant neighborhood dynamics.

Amidst the backdrop of Shanghai's urban renewal action, Vlinker remains at the forefront, championing systematic reconstruction and innovative promotion strategies. Our goal is to cultivate an ecosystem of creativity and sharing within our rental communities, characterized by profound humanistic care and a pulsating spirit of innovation.

12 years of cultivation in Shanghai

1,000,000 m²

Area under construction

35,000 rooms

Number of rooms under management

300,000 people

Total residents served

25,000,000,000 yuan

Assets under management

Mission Vision Value

Enabling a better
life for young
people

Leading rental
housing asset
management
platform

- Excellence in customer experience
- Win-win partnerships
- Practical responsibility
- Result-oriented

PROJECT INTRODUCTION

Vlinker Youth Community: 9 projects distributed in core areas of Jing 'an, Hongqiao and Minhang.



Jing'an Hutai Road Community

Launched in 2014, 1,800 rooms.
Located a mere 200 meters from
Line 7 Dachang Town station.



Minhang Pujiang Central Community

Launched in 2022, 3,116 rooms.
Youth community unveiled with the
largest number of rooms in Shanghai
Direct shuttle bus to Line 8 Shendu
Road station

A total of 3 projects completed
construction in 2023:



Minhang Pujiang
Park Community

On April 6, 2023,
construction of all the
finished buildings.



Jiading Jiangqiao
Community

On May 28, 2023, the
project's construction
attained completion,



Jing'an Daning Project

On September 16, 2023,
the project's construction
attained completion, 5.5
months ahead of the
target.



CEO's LETTER

“ Create and share value with more participants ”

It brings me great pleasure to once again present our annual Environmental, Social, and Governance (ESG) Report. Following the release of our inaugural ESG report last year and the establishment of a comprehensive three-year action plan, I am delighted to note the positive reception and engagement from numerous stakeholders within the housing rental industry.

The year 2023 marks a pivotal moment for Vlinker as we reinforce and embed our ESG strategy. In the wake of unprecedented changes catalyzed by the post-pandemic landscape, economic recovery faces formidable challenges, prompting greater societal emphasis on striking a balance between economic growth and sustainable development. Within this dynamic context, the significance of ESG in guiding the sustainable trajectory of enterprises has never been more pronounced.

We firmly believe that ESG actions serve not only as a benchmark for self-assessment and evaluation but also as a conduit for business leaders to actively communicate their corporate mission to external stakeholders, generate social value, and cultivate mutual trust. This aligns seamlessly with the prevailing trend of the Internet ecological economy.

Therefore, in 2023, our ESG initiatives are honed with a sharper focus: Value Co-creation. This strategic direction underscores our commitment to collaborative efforts aimed at fostering shared value and sustainable growth within our ecosystem.

The concept of "value co-creation" has been steadily gaining momentum for nearly two decades, evolving in tandem with changing practical environments. This model revolves around enterprises serving as nodes within an ecosystem comprising business partners, suppliers, consumers, and other stakeholders.

Through interaction and resource integration, this collaborative approach fosters the co-creation of value. At Vlinker, we have seamlessly integrated this ethos of people, environment, and society care into the promotion and execution of our ESG strategies.

Central to this endeavor is our commitment to green environmental protection. Over the past year, we've undertaken robust initiatives to achieve high-quality outcomes. Notably, four projects, including Pujiang Center and Pujiang Park, have attained LEED pre-certification. Additionally, Jiading Jiangqiao and Jing'an Daning projects have secured 2-star green building certification, while three others, such as Pujiang Park and Dahongqiao, have received 1-star green building certification. The completion of the Jing'an Daning Project in September marked a significant milestone, showcasing deepened integration of renewable energy in buildings and the promotion of photovoltaic power generation. Furthermore, our proprietary app, "Green Planet," serves as a conduit for community engagement, encouraging households to undertake offline low-carbon tasks in alignment with youth preferences, fostering energy-saving and environmentally friendly habits.

As a platform connecting households and thousands of partners, we remain steadfast in our commitment to integrating environmental protection at every stage of construction and operation. We strive to foster consensus with an expanded network of partners, fulfilling our pledge to thrive alongside the Earth.

In our commitment to social responsibility, we've embarked on a collaborative journey with residents, employees, industry partners, and government stakeholders. In May, the inaugural talent station in Minhang District, Shanghai, found its home within the vibrant Youth Community of Pujiang Center. Guided by leadership from Minhang District at all levels, we collaborate with local enterprises and young talents to foster a cohesive community that integrates employment, entrepreneurship, and housing seamlessly.

Within the Vlinker community, we're constantly enhancing various living arrangements and scenes. We prioritize supporting resident communication and neighborhood relations, revitalizing human connections, and exploring CO-LIVING practices.

Employee experience, recruitment, and growth are paramount to us. By fostering a happy, open, and conducive working environment, alongside implementing structured training, incentives, and promotion strategies, we aim to attract and retain top talent while nurturing innovation and practical skills among our workforce.

Furthermore, we're dedicated to enhancing our governance framework, crucial for value co-creation. This entails strengthening compliance management, risk control, and internal systems, while fostering transparency, efficiency, and equality in governance through collaboration with stakeholders.

We remain steadfast in our commitment to embracing change wholeheartedly. The significance of ESG as a fundamental strategy at Vlinker remains unwavering. Our mission of 'doing business for good' through ESG initiatives, alongside our three-tier governance structure, and our ongoing exploration of ESG actions tailored to Vlinker's unique characteristics, all remain constant.

Driven by our mission of "Enabling a better life for young people" and the tangible outcomes of our ESG efforts, Vlinker has garnered trust from both domestic and international investment institutions, enabling us to create and share value with a broader spectrum of stakeholders.

As part of our annual tradition, Vlinker is committed to sharing our actionable code, corporate philosophy, and values, along with our global engagements through the ESG report. Our aim is twofold: to empower newcomers with the insights of pioneers and to foster collaboration and inspiration among peers, thereby achieving mutual success and painting a new canvas of value creation amidst the ever-evolving landscape."

周君强
VLINKER CEO

ESG STRATEGY

In 2015, the UN member states ratified 17 Sustainable Development Goals (SDGs) to guide sustainable economic growth, addressing a spectrum of challenges from equitable treatment of individuals to combating resource scarcity and climate change. In 2022, Vlinker developed a comprehensive three-year action plan for our ESG initiatives, aligning our sustainability objectives with 10 of the UN's 17 SDGs. In 2023, we honed our focus on five key aspects: "green planet", "staff development", "community building", "collaborative success", and "trust through compliance". This delineated our action goals and pathways for implementation. In line with our vision and mission, we remain dedicated to executing our three-year action plan, furthering our commitment to the UN SDGs and making meaningful contributions to global sustainable development efforts.

Staff Development (S)

Our Vision:

- Dynamic, inclusive, and energized workplace environment
- Tailored training and varied career paths
- Competitive salary and a fair promotion system
- Comprehensive benefits and all-round welfare

Our Actions:

- Foster an Equitable and Inclusive Organizational Culture
- Embrace an Open-Office Environment
- Facilitate Seamless Integration of Newcomers
- Implement a Robust Leadership Development Program
- Offer Comprehensive Professional Development Opportunities
- Ensure Fair Performance Appraisal Mechanisms
- Provide Opportunities for Biannual Salary Increases
- Conduct Biannual Talent Inventories and First-Line Job Competitions
- Host Annual Performance Reviews and Awards Ceremonies
- Enrich Employee Welfare Benefits
- Expand Support and Care Coverage to a Broader Audience



Green Planet (E)

Our Vision:

- Green construction
- Full-scale low-carbon matrix
- Sustainable attitude across collaboration areas

Our Actions:

- Implement Sustainable Design, Materials, and Technology Applications
- Enhance Site Control to Ensure Standardized and Civilized Construction Practices
- Achieve Remarkable Scale and Quality in Green Building Development
- Leverage Digital Technology for Multi-Scene Energy Saving and Carbon Reduction Efforts
- Promote and Foster a Green Lifestyle Among Residents



Cooperation to Win (S)

Our Vision:

- Supporting talent settlement in the city
- Facilitating urban renewal
- Promoting public welfare

Our Actions:

- Transform the "Industrial Waste" into the "City Regeneration"
- Create a "15-minute life circle" rental sample
- Focus on "One city, one product, one group"
- Improve the balance between jobs and housing
- Launch special benefits for graduation season
- Launch the "Sunshine People" plan for seven consecutive years
- "Sunlight Foundation" to build a public welfare matrix



Community Building (S)

Our Vision:

- Innovation of physical space
- System of "co-governance, co-building, co-sharing, and co-existence"
- Connection between tenants, enterprises and cities

Our Actions:

- Elevate Experience with Assembly Upgrades
- Enhance Service Standards with a People-Centric Approach
- Implement Theme Implantation to Enrich Atmosphere
- Establish Resident Committees for Community Engagement
- Foster Collaboration through VV PLANET: Connecting Different Industries Internally and Externally
- Create Echo Island: A Third Social Space for Community Interaction
- Cultivate New Neighborhood Relations: Fostering Intimacy, Mutual Assistance, and Harmony



Compliance for Trust (G)

Our Vision:

- Efficient corporate governance system
- High-level compliance and risk management
- Digital intelligence empowerment in corporate governance
- Responsible supplier management

Our Actions:

- Board Diversity
- Governance for Sustainable Development
- Multidimensional Compliance System
- Integrated Risk Management
- Intellectual Property Protection and Management
- Information Security Measures
- Data Management
- Smart Community Initiatives
- Business Collaboration
- Standardized Supplier Management
- Anti-Corruption and Anti-Bribery Systems
- Multi-Dimensional Evaluation and Performance Appraisal



ESG ISSUES OF STAKEHOLDERS

At Vlinker, we prioritize stakeholder input as a cornerstone of our business triumphs. Our pledge is to foster enduring partnerships and refine our services and operations through ongoing dialogue and feedback channels. By actively involving stakeholders, we gain invaluable insights into their expectations and requirements, enabling us to integrate them into our business strategies and project endeavors. This collaborative approach ensures the delivery of superior and more impactful solutions.

Stakeholders	Shareholder/ Investor	Resident	Government	Staff	Business Partner	Industry/ Association	Media/ Public	Community/ Street
Key Issues	• Financial performance	• Product quality and safety	• Law-abiding approach	• Salary and benefits	• Business ethics	• Intellectual property management	• Information transparency	• Community Security
	• Compliance operation	• Property service	• Compliance	• Occupational health and safety	• Win-win partnership	• Sustainable supply chain	• Innovation and development	• Project compliance
	• Risk management	• Information security	• Information security operation	• Training and development	• Fair and transparent	• Green and environmental protection	• Compliance operation	• Green and environmental protection
	• Information disclosure	• Privacy and security	• Business ethics	• Diversity, equality, and inclusion	• Product quality and safety	• Protection	• Responsible marketing	• Community protection
	• Innovative development	• Enrich supporting facilities	• Occupational health and safety	• Identity belonging		• Win-win cooperation	• Public welfare activities	• Co-construction
	• Business ethics	• Diverse community	• Green environmental protection					• Public welfare activities
Communication Channels	• General meetings of shareholders	• Vlinker App	• Disclosure of information	• Satisfaction survey	• Supplier audit and evaluation	• Industry events	• Press conference	• Community activity
	• Regular reports and announcements	• WeChat official account	• Regular communication and reporting	• Internal office system	• Project cooperation	• Project procurement	• Media interview	• Official website and social media
	• Online and offline meetings	• Satisfaction survey	• Product feedback reporting	• Online and offline communication	• Supplier contracts and agreements	• Online and offline communication	• Official website and social media	
	• Email and telephone	• Complaints and handling	• Supervision and inspection	• Online and offline training activities	• Regular research	• Achievement sharing		
		• Promotion of online and offline activities						

ESG KEY MATRIX

In 2023, Vlinker initiated an evaluation of the key ESG (Environmental, Social, and Governance) issues affecting our business, industry, and stakeholders. Following the GRI (Global Reporting Initiative) guidelines, we solicited input from both internal and external parties through surveys and discussions focusing on three primary ESG topics. This comprehensive process, known as materiality assessment, helps us gauge the importance of each ESG concern, culminating in the development of the ESG Key Matrix. We are committed to ongoing discussions surrounding these issues, monitoring our progress, and striving to achieve our goals in this realm.



FRAMEWORK OF VALUE CO-CREATION

In 2023, Vlinker embarked on its pioneering journey by integrating the Value Co-Creation model into our ESG initiatives, marking a groundbreaking move within the housing rental sector. "Value Co-Creation" represents a paradigm shift in management, demanding collaboration between companies and stakeholders to jointly create value. We understand that no single entity can fulfill all needs or generate all value alone. Instead, by forging alliances with diverse stakeholders, we harness a wealth of resources, knowledge, and expertise to craft innovative, market-driven solutions. This collaborative approach not only strengthens our networks but also expands our market presence, enhances competitiveness, and drives sustainable development across environmental, social, and governance fronts.

Value

Focus:
Enabling a better life for
young people

Developed from five dimensions, including "green planet", "staff development", "community building", "cooperation to win" and "compliance for trust", aligned with ESG development objectives, we aim to foster sustainable enterprise growth and enhance overall quality of life.

Co

Key agents:
Employees, residents,
business partners and other
stakeholders

Every agent possesses distinct resources, knowledge, and expertise, and through collaboration, all agents are encouraged to make meaningful contributions towards achieving sustainable goals.

Creation

Approach:
Collaborate closely based on
mutual trust to explore
needs, ideas and solutions

Inspire residents to actively engage in community affairs and collaborate with business partners, suppliers, government entities, and other stakeholders to drive community, regional, and urban development initiatives forward through innovation.



ESG KEY PERFORMANCE

Co-living in Green Planet

4 projects of Vlinker were awarded LEED O+M v4.1 gold certification, making it China's leading rental brand with the largest number of LEED certifications. Furthermore, Vlinker has 3 "One-star Green Construction" buildings and 2 "Two-star Green construction" buildings.

The Pujiang Central Community has implemented various energy-saving initiatives, resulting in monthly electricity savings of approximately 13,500 yuan. Notably, precise control of landscape lighting has led to savings of 21 yuan per month. Additionally, employing traditional manual panel control methods has enabled savings of 2,000 yuan per month by efficiently managing equipment usage. Moreover, radar induction control lighting has contributed to monthly savings of 9,000 yuan, while implementing energy-saving measures in the garage has resulted in savings of 2,500 yuan per month.

All 5 buildings within the Jing'an Daning project have implemented an intelligent photovoltaic management system and light storage power system. This initiative is anticipated to result in significant energy savings, including 62.69 tons of standard coal, 167.3 tons of carbon dioxide, 1.27 tons of sulfur dioxide, and a reduction in electricity costs amounting to 164,000 yuan.

Vlinker established a construction waste recycling system to separate recyclables from waste, recycling more than 10,000 tons of construction waste annually.

Vlinker has implemented digital systems in the backend, incorporating process automation and intelligence. This has significantly reduced manual operations, enhancing both quality and efficiency. Furthermore, by conducting in-depth analysis of backend data, Vlinker can provide scientific and accurate insights to support energy-saving and carbon reduction initiatives.

Co-developing diversity and inclusion for staff

Vlinker has 176 talented employees, of which women account for 35% and women in management comprise about 36%.

The total training hours are 156 hours, the average training time of senior executives is 36 hours, whereas the average training time of general employees is 60 hours.

We provide a comprehensive welfare system to achieve 100% social insurance coverage and 100% physical examination coverage

In January and July 2023, Vlinker arranged 2 promotion/salary adjustment for employees; they were chosen from the top 20% of performers within the company or department.

Through monthly, quarterly and annual rewards, Vlinker has rewarded more than 100 employees and invested about 1.55 million yuan in cumulative rewards.

ESG KEY PERFORMANCE

Co-constructing the community

Vlinker has revitalized the Central Hutai Road Community, focusing not only on physical space renovations but also on innovating multiple public areas. Following the renovation, the renewal rate increased to **55%**, representing a **20%** decrease in backsliding compared to previous levels, while achieving an impressive rental rate of **96%**.

To achieve the vision of "co-governance, co-building, co-sharing, and co-development", Vlinker built a community construction system of "**one mechanism, one space, one platform, and one relationship**". In order to create a friendly relationship in the community, it has set up a rental committee as a pilot basis, relied on "Echo Island" and connected external resources through "VV PLANET."

40 + community activities were organized throughout the year, with **2,417** participants, and **50** KOL being found and trained.

Vlinker has entered into agreements with **26** brands to offer resource support for community construction efforts.

Additionally, we have released **2** editions of "Vlinker YOU News", distributed not only to residents for free but also to various fashionable hubs across Shanghai. Moreover, this year, Vlinker has actively participated in exhibitions, earning the distinction of being a recommended brand **2** times: first at The Paper Urban Renewal Conference in 2023, and then at the second anniversary exhibition of "THE BOOK AND".

Co-operating to establish a blueprint

With an average area of **20** square meters in the set and a rent level of **2,000** yuan/month, Vlinker continues to anchor the products of "high quality, low price, small family, large community", fully implementing the people-oriented orientation of affordable rental housing focusing on "new residents and young generation".

The Pujiang Central Community established connection with surrounding merchants to roll-out the "Blessing DAY" program, and screens **36** high-quality merchants within an area of **3** kilometers, including clothing, food, living, transportation, beauty, pets, leisure and entertainment, skills upgrading and other categories of services. In doing so, it provided exclusive discounts for **2,800** residents.

Vlinker launched the "Fresh-graduate Vlinker Project" during the graduation season, which encompassed **5** residential services and benefited **1,325** graduates.

ESG KEY PERFORMANCE

Co-operating to establish a blueprint

For **7** consecutive years, Vlinker and the Shanghai Sunshine Public Welfare Foundation have collaborated on the "Sunshine People" program. In 2023, **18** residents were honored with the title of "Sunshine People". Concurrently, the Shanghai Sunshine Public Welfare Foundation and Vlinker Group jointly organized **7** donation drives throughout the year, resulting in a total donation of **1.21** million yuan.

Co-building compliance for mutual trust

Vlinker values the independence and diversity of the board of directors. **4** of our directors possess proven experience in the fields of real estate, finance, consulting and other industries.

Vlinker prioritizes the protection of customer information privacy. We are proud to affirm that no instances of customer privacy breaches have occurred, nor have we received any complaints related to customer information leakage.

Vlinker remains dedicated to enhancing resident service quality by establishing a comprehensive complaint-handling process. In 2023, we conducted **4** customer satisfaction surveys, collecting **3,503** questionnaires, resulting in an impressive overall satisfaction rate of **99.8**%.

As the number of projects in both construction and operation continues to grow, Vlinker has witnessed a steady increase in the number of suppliers year after year, reaching a total of **702** in 2023—an increase of **102** compared to the previous year. To further enhance the standardization of our supplier management process, Vlinker has taken proactive measures. We not only oversee the supplier association audit but also spearhead the engineering supplier audit and supplier fraud audit initiatives.

Vlinker's digital transformation has proven highly efficient, encompassing comprehensive digitization across management, decision-making, office operations, and property management. This approach has resulted in the development of cross-departmental and cross-business application systems, accelerating the modernization of our corporate governance system and capabilities. Notably, the launch of our Marketing System 1.0, which automates coupon distribution, has yielded significant benefits. Human efficiency has increased by **100** hours per month, the distribution error rate has been reduced to **0**%, and capital losses have been successfully avoided.

Annual Most Valuable Rental Housing Asset Management Platform
The 12th BRICS Forum · BRICS Value Award

2023 China Real Estate Finance 50 people (Zhou Junqiang, CEO of Vlinker Group)
The 12th BRICS Forum · BRICS Value Award

Best Real Estate Asset Manager
SHPEA CPERE Annual Meeting

Outstanding Community Development Enterprises in China's Housing Rental Industry
URI

TOP10 Leading Housing Rental Company
CRIC

ESG Leaders in China's Housing Rental Sector
URI

Pujiang Town "Charity Star"
Shanghai Charity Foundation, Minhang District Civil Affairs Bureau

BEST ALTERNATIVE PROJECT
MIPIM ASIA AWARDS 2023

Urban Renewal · Community Empowerment Case (Pujiang Central Community)
The Paper

Asia-Pacific Outstanding Award FINALIST (Pujiang Central Community)
ULI 2023

TOP100 Extraordinary Housing Rental Projects in China (Central Hutai Road & Pujiang Central Community)
URI



01

CO-LIVING IN GREEN PLANET



ESG action stems from the principle of harmonious coexistence between humanity and nature, serving as both the starting point and ultimate objective. At Vlinker, we firmly believe that by safeguarding the environment, we receive its reciprocal benefits. Recognizing this paramount responsibility, we continuously contemplate how to internalize this sense of duty, translate it into actionable measures, and make tangible contributions to the preservation of our planet's greenery.

In 2023, multiple projects have entered an accelerated construction phase. We are committed to embedding environmental protection principles into design, construction, and operations. Additionally, we will persist in innovating, exploring, and implementing green building practices. Concurrently, we aim to collaborate with residents in cultivating green communities,



Green Construction

4

LEED pre-certified projects

3

1-star Green Building

2

2-star Green Building

Green Planet Project

(Four-month launch)

3,604

Participants

45,426

Green Behavior Check

850.23 kg+

Cumulative reduction of carbon emissions



Renewable Energy Equipment

Photovoltaic equipment installed in the Jing 'an Daning Project

62.69 ton

Standard coal saving
(annual)

167.3 ton

CO₂ reduction
(annual)

1.27 ton

Sulfur dioxide reduction
(annual)

16.4 ten

thousand yuan Electricity
savings (annual)

Low Carbon Matrix

100 %

Digital coverage in the
backhouse

13,500 yuan

Pujiang Central Community
with energy-saving schemes
and measures, Amount of
electricity saved per month

ENHANCEMENT OF GREEN CONSTRUCTION

In 2023, several projects of Vlinker entered the construction stage. According to statistics, there are 3 construction sites with a total area of 321,813 square meters. Among them, the Minhang Pujiang Park Community, Jiading Jiangqiao Community, and Jing'an Daning project completed construction. While ensuring the basic requirements of quality and safety, we maximize resource conservation and reduce the adverse environmental impact of construction activities through scientific management and technological progress. All construction sites adhere to standardized and refined practices, following unified standards and methods. Green is prioritized as the predominant background color, ensuring adherence to green construction performance objectives. The same green standards are applied to partners throughout the supply chain.

Sustainable design, materials and technology applications

We integrated the principles of low carbon and environmental protection into the initial stages of design and planning. We opted for low energy consumption technologies and actively sought alternative renewable materials to promote sustainability. Additionally, we facilitated the integration of photovoltaic systems with building infrastructure, thereby enhancing overall building efficiency and sustainability.

Low energy consumption design

- Efficient palisade structure;
- Highly-effective doors and windows;
- Excellent airtight performance;
- Thermal bridge design;
- Heat recovery fresh air system

Renewable materials

- Accelerate construction material iteration to reduce dependence on limited wood resources with renewable materials

Green rooftop

- "Recharge" idle roofs, embrace the gift of nature, and harvest clean, environmentally-friendly and renewable solar energy.



Jing' an Daning Project: A sustainable concept fully implemented in the construction sector

All five buildings of the Shanghai Jing'an Daning Project were successfully completed in September 2023. The project is now progressing to the next stage, focusing on fine decoration construction and the development of supporting facilities. The completion is anticipated for 2024. This project exemplifies the comprehensive implementation of sustainable construction concepts.

• Photovoltaic lighting low-carbon vision

All five buildings are equipped with intelligent photovoltaic management system and optical power storage system to reduce electricity costs and provide clean energy for the community.



• Effective emission reduction for material iteration

We have opted for composite boards with excellent integrity and vibration resistance. This not only conserves wood but also ensures a smooth surface, facilitating smoother surface layer decoration. As a result, it streamlines labor, reduces building material consumption and minimizes industrial waste emissions.

• Recycling and reusable packaging

All entry materials are recycled packaging to the maximum extent possible to avoid plastic pollution.



• Rain import, purification and composite utilization of sponge system

Rain collection and recycling system is established to collect, regulate, store and purify rain, before being used for road washing.

Strengthen site control, standardized and civilized construction

In 2023, our focus is on significantly enhancing the level of civilized construction management across all company construction sites. Each project has reinforced measures, accountability, and meticulous implementation to bolster safety and civilized construction management. Consequently, substantial progress has been achieved.



Standard construction

Following relevant national systems and measures, we actively support and encourage construction sites to adhere to national standards. We prioritize progress aligned with natural climate conditions, utilize energy-saving and environmentally friendly materials and equipment, and minimize pollution emissions. Through scientific management and stringent quality control measures, we ensure construction quality is maintained at the highest standards.

Safety training

Implement the safety personnel inspection system, conduct weekly safety inspections, and hold early morning meetings to address safety concerns. Additionally, we provide daily safety training for specialized tasks to ensure on-the-job safety for all personnel.

Reduce pollution

Proactively assess site characteristics to mitigate dust, noise, odour, and other pollutants. This includes assigning dedicated personnel to clean construction vehicles entering and exiting the site, as well as employing professional sprinklers to wash and dampen road surfaces so as to prevent dust pollution.

Waste recycling

Develop a construction waste recycling system, which involves repurposing dismantled materials and segregating recyclable waste to minimize material consumption, waste emissions, and garbage disposal costs.

Remarkable scale and quality of green building development

In our pursuit of green building development, we have achieved significant milestones. Whether it is scaling up development or creating benchmark projects for high-star green buildings, we have successfully met our annual objectives and are gradually establishing a pattern for green community development.

Notably, four projects—Pujiang Center, Pujiang Park, Jing'an Daning, and Jiading Jiangqiao—have all attained LEED-EB Gold pre-certification from the US Green Building Council. This marks Vlinker as the first national housing rental brand to receive LEED O+M v4.1 pre-certification. Furthermore, the Jiading Jiangqiao and Jing'an Daning projects have been awarded the 2-star certification of China Green Building, while the Pujiang Park, Dahongqiao, and Jiading Nanxiang projects have been bestowed with the 1-star certification of China Green Building.



DIGITALLY ENABLING MULTI-SCENE ENERGY SAVING AND CARBON REDUCTION

Drawing inspiration from matrix thinking, we have devised a comprehensive green operation management system tailored to the unique circumstances of enterprise and community operations. This system covers four dimensions, each further subdivided to ensure meticulous management of the entire enterprise and community processes in a scientifically-driven manner.

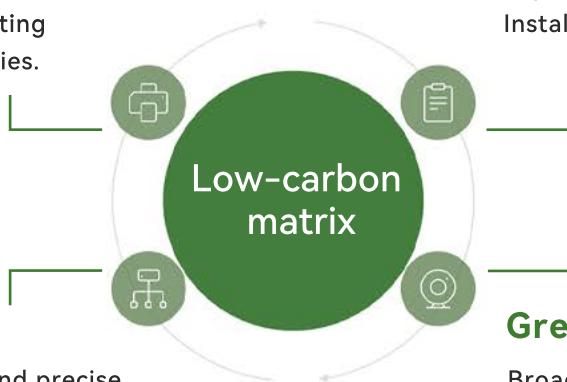
Green Operation

Enhance energy conservation and environmental protection through robust system management, leveraging digital tools to implement these measures effectively.

Utilize environmentally friendly materials in g initiatives.

Standardize low-carbon management practices for supplier products and services.

Promote environmental awareness by incorporating environmental signs and slogans in public facilities.



Green Office

Electricity conservation: Implement intelligent and precise management of lighting, office, and property facilities.

Water conservation: Enhance daily plumbing management, regulate the height of floating balls in reservoirs, and control pump activation frequency.

Office supplies management: Encourage paperless office practices to reduce single-use consumables.

Green Community

Establish a comprehensive environmental management system and engage households through a participatory mechanism.

Promote the concept of low-carbon living for universal participation.

Implement waste classification practices.

Install charging infrastructure or reserve charging piles.

Green Future

Broaden the deployment of renewable energy equipment, such as integrating photovoltaic and smart management systems into camp communities.

Enhance green operations through digital enhancements.

Encourage additional partners and social entities to participate in the low-carbon initiative.

Digitalization drives power savings and reduces consumption

In 2023, we leveraged digital technologies to enact energy-saving and environmental protection measures at the Pujiang Center project. By studying usage scenarios and habits, we monitored and managed electricity usage through three key measures, aiming for safe, convenient, efficient, and energy-saving electricity management. As per our records, Pujiang Center saves approximately 13,500 yuan per month. The adoption of digital technologies has offered us innovative approaches to conserve energy, reduce consumption, and advance sustainable development.

Time and intensity of illumination control

The outdoor landscape and streetlights are precisely controlled according to the four seasons' rising and setting times

21 yuan/month

Electricity fee saved



Equipment power control

Implement button controls to manage electricity consumption in the project's property and equipment rooms. Standard reminder signs, such as "Turn off the lights when leaving."

About 2,000 yuan/month

Electricity fee saved

Radar sensing

Using radar sensing to control lights to turn on, off or dim

About 9,000 yuan/month

Electricity fee saved (corridors)

About 2,500 yuan/month

Electricity fee saved (garages)

Build a green lifestyle

We view environmental protection as an integral aspect of community well-being, recognizing it as a comprehensive, nationwide initiative that should be embraced from both grassroots and governmental levels. Thus, we extend an invitation to every member of our ecological network to participate in our green initiatives. Through the integration of our "Green Planet" app section and other community projects like "Co-manage Garden," we bridge offline green activities with online rewards, motivating residents to adopt green lifestyles. This includes embracing green products, engaging in eco-friendly initiatives, and fostering a culture of sustainability. Our aim is to make green living a shared norm within the Vlinker community.



Energy Saving at Your Fingertips

Encourage residents to adopt habits such as powering off appliances when not in use and utilizing on-demand settings to minimize household energy consumption.



Empty Plate Campaign

Encourage residents to practice the new course of action to reduce waste in their daily diet based on their specific needs, diet knowledge, and reasonable consumption



Go Green

Encourage residents and staff to use low-carbon transportation tools such as community shuttle buses, new energy vehicles and co-sharing bicycles



Renewal of Circulation

Invite tenants on a regular basis to wrap their unused items as gifts and exchange them with neighbors in order to give old items a new lease of life

Shuttle bus: Improve energy efficiency and promote Go Green

We have unveiled a novel Go Green scheme to encourage residents and staff to use free shuttle buses.

Energy Conservation and Emission Reduction

Our transportation fleet exclusively consists of green energy vehicles, enhancing energy efficiency and reducing emissions' environmental impact. Furthermore, we've installed environmental protection-themed display boards on our buses, conducting outreach on environmental conservation to bolster residents' awareness and behaviors.

Efficient Scheduling

Our shuttle bus service has undergone multiple upgrades to enhance residents' pick-up and drop-off experiences. We've adjusted queuing methods, optimized departure intervals, and improved vehicle utilization rates while reducing empty trips. Presently, during peak morning hours, buses depart every 3 minutes and 20 seconds, significantly reducing travel time from 5 minutes to 3 minutes and 40 seconds. We've expanded our service to operate seven days a week, offering additional morning and evening routes, with the last bus departing at 11:45 PM. In response to resident feedback, we've revised our shuttle bus schedule four times to ensure clarity and accessibility for all residents.

微领地浦江中心社区 班车时刻表 - 工作日

出发点: 浦江中心社区

清晨

06:00 06:20 06:40

早高峰

07:00-09:00 平均间隔5分钟一班

上午

09:00 09:10 09:20 09:30 09:45
10:00 10:30 11:00 11:30

下午

12:00 12:55 13:55 14:55 15:55
16:55 17:10 17:25 17:40 17:55
18:05 18:15

晚高峰

18:25-20:25 平均间隔5分钟一班

晚上

20:35 20:45 20:55 21:10 21:25
21:40 21:55 22:15 22:35 22:55
23:15 23:40

出发点: 沈杜公路地铁站

清晨

06:05 06:25 06:45

早高峰

07:05-09:05 平均间隔5分钟一班

上午

09:05 09:15 09:25 09:35 09:50
10:05 10:35 11:05 11:35

下午

12:05 13:00 14:00 15:00 16:00
17:00 17:15 17:30 17:45 18:00
18:10 18:20

晚高峰

18:30-20:30 平均间隔5分钟一班

晚上

20:40 20:50 21:00 21:15 21:30
21:45 22:00 22:20 22:40 23:00
23:20 23:45

由于天气、交通等原因，班车具体到达时间会略有波动，请以实际情况为准



Green Planet: To cultivate a pleasant game experience & attain environmental goals



What is Green Planet?

One project	One action	One benefit	One career
“Green Planet” is a project launched on Vlinker APP among the communities	Proactively contribute to green lifestyle through “Empty Plate Campaign” and “Go Green”	“Planet Energy” can be used to redeem gifts and virtual awards from the online store.	“Green Planet” is guided by “Enabling a better life for young people”, beginning with “community life”, in order to motivate more young people to participate in sustainable promotion.

- 节约用水**
(只有在住用户可以参与)
当你用水量低于社区的平均值时，星球将在次日6点，根据差额产生星能量喔!
- 节约用电**
(只有在住用户可以参与)
当你的用电量低于社区的平均值时，星球将在次日6点，根据差额产生星能量喔!
- 光盘行动**
点击“去拍照”，将光盘后的照片上传。每晚21点审核通过后，次日6点即可收获星能量!
- 闲物流动**
将闲置物品放置在回声小岛的交换区内，并拍照上传，审核通过后即可收获星能量!
- 骑行出行**
点击“去拍照”，将照片或骑行记录的截图上传，每晚21点审核通过后，次日6点即可收获星能量!
- 早起出行**
在7:30前扫码社区指示牌，即可收获星能量喔!

- Sense of accomplishment for more guests
- More APP usage
- More green behavior
- More equipment efficiency
- More brand power
- Less energy waste
- Less rubbish
- Less food waste
- Less carbon emissions
- Less manpower input

Sustainable attitude across collaboration

Join the Public Art program named "Seed paper" to sow green hope

Vlinker introduces the shared garden concept to the second-anniversary of the brand "THE BOOK AND", named "Nearby Echo Exhibition" through the distribution of "seed paper," enabling individuals to express their own voices and resonate with others through public art.

Seed paper, unlike traditional paper, incorporates plant seeds within the pulp, and its handmade production ensures a relatively high germination rate. When planted in soil, seed paper is both recyclable and biodegradable, making it perhaps the most natural method to convey dreams, hopes, blessings, and love to others.

Bringing green ideas into the traditional festival with customized sustainable and creative gift boxes

Through innovative design, our original disposable packaging is ingeniously repurposed into a range of versatile items. For instance, our Dragon Boat Festival gift box can be transformed into both a flying chess board and a Chinese chess board, adding an element of fun to the festivities while simultaneously reducing waste.





02

CO-DEVELOPING DIVERSITY AND INCLUSION FOR STAFF

Strengthening employee care has been a cornerstone of Vlinker's ESG initiatives from the outset, representing a crucial aspect of our commitment to sustainability. We recognize employees as invaluable assets, integral to co-creating value and driving sustainable progress.

At Vlinker, we foster an environment that encourages continuous learning and supports employees in achieving work-life balance, aiming for holistic growth and fulfillment. We firmly believe that a nurturing and supportive workplace experience fosters creativity, self-motivation, and effective team collaboration. By cultivating a culture of care and respect, we aim to convey positive energy and emotions to our customers, ultimately contributing to the collective welfare of our internal and external stakeholders.



Security

0 event

Safety accident/occupational disease/work-related injury

100 %

Labor contract signing rate/
social insurance coverage rate/
physical examination
coverage rate

Care

2 times

Shanghai Andersen Fairyland
Spring team building;
Club Med Mediterranean adjacent
to Anji Resort Autumn team building

Opportunity

156

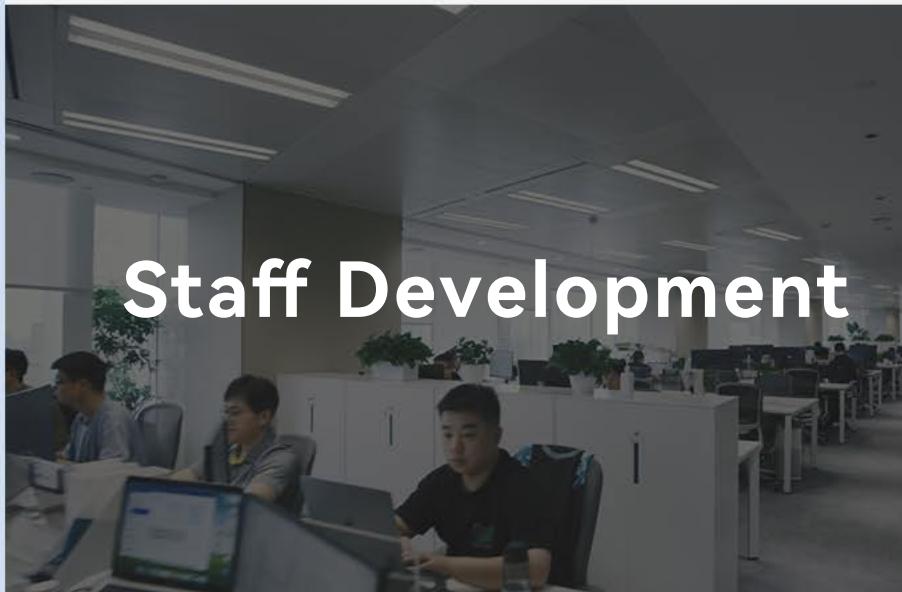
Total training hours

36

Training time per senior manager

60

Training time per general staff



Equity

35 %

Percentage of female employees

36 %

Percentage of female managers

2 people

Ethnic minorities

150,960 yuan

Total amount of Mid-Autumn rewards issued

155 ten thousand yuan

Cumulative special bonuses

DYNAMIC, INCLUSIVE, AND ENERGIZED WORKPLACE ENVIRONMENT

As a housing rental asset management company operating across various industries and regions, our workforce comprises individuals from diverse backgrounds, representing a spectrum of positions and cultures. Embracing the principles of Diversity, Equity, and Inclusion (DEI), we cultivate a "Dynamic, inclusive, and energized" work environment imbued with Vlinker's ethos. Our goal is to nurture talent development, foster collaborative innovation, and facilitate mutual growth, thereby establishing the foundation for long-term sustainable value co-creation.

Equal and inclusive organizational culture

We cultivate a fair institutional environment for all employees, ensuring that individuals from diverse positions, genders, races, and ages feel respected and valued. By fostering an inclusive culture, we empower each employee to unleash their full potential and explore new opportunities for growth and innovation.

176 people

Number of employees

35%

Percentage of female employees

36%

Percentage of female managers

3 people

Supporting international students to settle down in Shanghai

Protect the legitimate rights and interests of female employees

Notably, 36% of managers and 35% of employees are constituted by women. The office area is equipped with a privacy protection space with glass walls that can be atomized for lactating employees.

Employment support for university students

We conduct ongoing recruitment efforts across various colleges and universities, offering internships with pathways to full-time employment. Additionally, we actively support international students in their transition to living and working in Shanghai. In 2023, we facilitated the successful settlement of three international students in the city.

Open-office ecology

An open-office environment has been shown to enhance the physical and mental well-being of employees while simultaneously boosting productivity and creativity.

As our company transitions into an asset management platform and expands its projects, we have welcomed more outstanding partners. In line with our commitment to integrating principles of green development, human-centric care, office culture, and professional efficiency, we officially relocated to the 29th floor, Phase I, Plaza Hang Lung, 1266 Nanjing West Road on February 20, 2023.

- Located in Jing'an Temple business circle

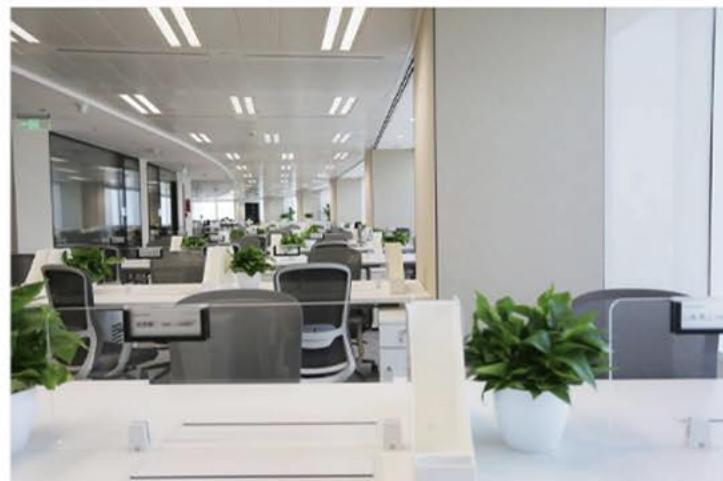
Our new location offers easy access to renowned multinational corporations, financial institutions, and technology firms, facilitating employee commutes and site visits.

- Adhering to the principle of full open design

Our workspace encourages collaborative interactions among management and employees. This fosters seamless communication across different departments and allows for spontaneous brainstorming sessions to drive innovation.

- Well-arranged meeting rooms, supporting spaces and flexible, private personal space

We prioritize both openness and privacy in equal measure, creating an office environment that champions equality and inclusivity.



Tailored training and varied career paths

We aspire for every employee to thrive within Vlinker and realize their full potential. To achieve this, we offer personalized and diverse training and development pathways tailored to individual needs. Vlinker has established a comprehensive multi-tiered talent development framework that not only facilitates the seamless integration of new employees into our growth trajectory but also fosters a "dual-track career development" approach encompassing both leadership and specialized expertise. This framework is complemented by a range of systematic and equitable training opportunities, fostering a conducive environment for learning and personal growth. Recognized for our exemplary corporate culture, employee welfare initiatives, commitment to professional development, and adept human resource management practices, Vlinker has been honored with the prestigious "BEST Employer" designation by BEST ROI.



- Training objectives: To form regular training output for personnel at various stages & levels.
- Training form: online combined with offline, Online, Offline.
- A guaranteed system: fully leverage the "VSTAR Cloud School" learning assessment tracking, implant points, certificates, medals/other management methods, and combine employee promotion & evaluation.

Compassionate integration of newcomers

We attach great importance to the recruitment and onboarding experience of interns and recent graduates to ensure their seamless integration into Vlinker. In 2023, we introduced an "integration roadmap" designed to guide new hires through their first six months with us. This roadmap consists of structured onboarding training, ongoing work guidance, opportunities for organizational learning, progress tracking, regular communication, and performance evaluation. Through this systematic approach, we address any challenges faced by new employees and ensure their smooth transition into our company culture and workflows.

Day 1

On-boarding

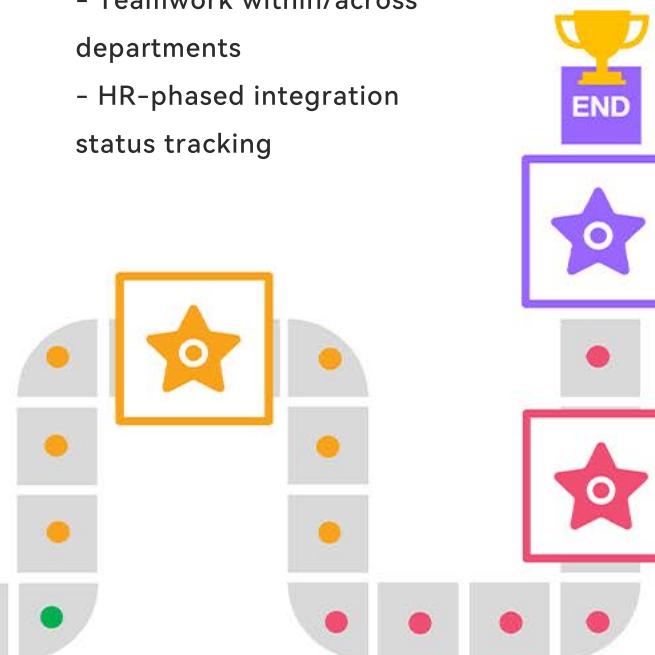
- Handling of entry
- Submit and sign the materials
- Office area/community visit
- Work station, office package
- IT account setup
- Orientation training



Monthly

department integration

- Job coaching by line leaders
- Teamwork within/across departments
- HR-phased integration status tracking



Sixth-month

probation evaluation

- Complete a probation report
- Complete a trial presentation and defense, involving the department leader, the department leader/colleagues, and HR staff
- Complete "Probation Evaluation" on the OA platform

First quarter

Sharing & Communication

- Company culture course
- Company business model
- User guide related to office equipment
- External information release policy
- Performance appraisal guidelines
- Administrative processes

- Deliver a 20-minute presentation.
- Draw on valuable insights from past professional roles, external methodologies, and successful corporate case studies.
- Present to a wider audience of colleagues.
- Actively listen to and absorb knowledge from other high-performing colleagues.

Leadership development program

With a future-centric vision aimed at addressing new challenges, micro-territories have initiated tailored learning and development initiatives like "Innovative and Win-win" and "Action Learning." These programs are designed to enhance the leadership skills of middle and senior managers, as well as key employees aspiring to management roles. Focused on transforming managerial roles and enhancing team management capabilities and task execution, these initiatives aim to empower managers to drive team performance, foster innovation, and ensure the overall management prowess of the company and its departments remains current and effective.



【Action Learning】 Workshop: Learning by doing while solving practical problems

In 2023, we implemented the "action learning" module by initiating a four-month workshop project. This project was structured around four key issues and involved group discussions facilitated by the PCC professional learning coach team, certified by the ICF International Coach Association. Utilizing scientific team diagnosis and performance improvement tools, participants engaged in a focused and structured learning approach, simulating the resolution of practical challenges while actively learning through practical application.

Focus on 4 key issues and establish goals

1. Strengthen team comprehension of the industry chain using efficient organizational mechanisms; Foster collaboration and communication between departments to achieve unified management standards.
2. Enhance stability in project approval indicators, minimizing changes from investment decision to implementation, thereby improving efficiency and outcomes of investment and financing endeavors.
3. Effectively elevate the comprehensive management level of suppliers across various business segments to better align with business requirements.
4. Prioritize the "customer experience" to enhance customer satisfaction in community operations.

“ It has been very useful for me to systematize my daily work and refine it into better ways in order to feed it back into my work. ”

——Hu Xinning

“ I hope to learn more about project management/ change management, especially for communicating more frequently across departments, to understand others concerns and their perceived obstacles. ”

——Chen Kai

Professional development program

Aligned with the company's growth trajectory, Vlinker identified promising employees across departments to engage in a six-month "Talent Development Plan." This initiative encompasses community rotations, mentorship, specialized training for "Super Star" & "Future Star" designations, and practical assignments to systematically nurture high-potential individuals and build a cadre reserve. Participants certified through this program gain entry into the company's high-potential talent pool and receive priority consideration for promotions and salary increases. The company focuses on the development of this talent pool and allocates resources accordingly to groom future department directors.

• [Super Star] : For community team leader/head/general manager

Tailored for community team leaders, heads, and general managers, this five-month initiative comprised 15 sessions focusing on community management. Topics covered included team building, performance delivery, and optimizing large-scale operations. The training incorporated a blend of online courses and offline case studies, led by internal part-time lecturers.



• [Future Star] : For highly-potential talents

Designed for high-potential talents, this four-month course comprised 12 sessions covering project management tools, effective communication, and presentation skills. The program emphasized a mix of theoretical learning and practical application, with instruction provided by internal part-time lecturers.



• [Praise me with praise] : Seasonal match

In July 2023, Vlinker organized a competence challenge competition for community employees, inviting participation from community managers, butlers, and frontline staff. The competition aimed to foster healthy professional development, with outstanding performers being rewarded with promotions, salary increases, and potential position adjustments.

COMPETITIVE SALARY AND A FAIR PROMOTION SYSTEM

01 Fair performance appraisal system

It includes spring strategic planning (three-year planning), autumn strategic planning (one-year planning), Strategic Decoding (OGSM), annual company Performance (OBC), annual department performance (OBC), annual employee performance (PBC), quarterly performance tracking and review, employee monthly performance, performance coaching as well as other performance management initiatives. A properly aligned EHR performance management system ensures the efficient and scientific execution of performance management processes.

02 Half-year talent inventory and front-line post competition

Every six months, we conduct a talent inventory and competition for frontline staff positions. This ensures that employees with development needs receive ample opportunities for promotion or transfer, thereby revitalizing their enthusiasm and preventing job burnout.

03 Pay adjustment opportunity twice a year

Twice a year, in January and July, we conduct promotion and salary adjustments for employees based on their performance. Only those employees ranking in the top 20% of the company's or department's performance are considered for promotion or salary adjustment, thereby ensuring fairness and transparency in the process.

04 Annual review and awards

Besides our regular promotion and incentive system, we've established a distinct indicator system and assessment rules. Each year, we identify the most outstanding employees across the entire group to recognize their growth, acknowledge their contributions to Vlinker, and set a benchmark for all VSTARs to follow.

Annual Retreat: Sharpening solidity and strength, Towards a winning new chapter of 2023

During the group's annual retreat, themed "Sharpening Solidity and Strength, Towards a Winning New Chapter of 2023," Zhou Junqiang, CEO of Vlinker Group, delivered a comprehensive annual report. He reviewed industry trends, business progress, organizational restructuring, brand development, and more. Additionally, he outlined the company's strategy for the New Year, setting new goals for all employees. The retreat also included the presentation of annual honors such as Learning Star, Sales Star, Outstanding Newcomer, Outstanding Employee, Cornerstone Award, MVP, and others, recognizing the contributions of outstanding individuals. Vlinker's success is cultivated upon the solid foundation of every excellent VSTAR.



COMPREHENSIVE BENEFITS AND ALL-ROUND WELFARE

Strengthening basic rights and interests; constantly supplementing diversified welfare services

We provide a comprehensive welfare system for each employee, covering health and safety, risk protection, family care, vacations, and more. Alongside the essential "five social insurance and one fund" benefits, we proactively provide various competitive supplementary perks, available to all employees from the start of their probation period.

Production safety

- Conduct safety training and fire drills regularly;
- Ensure full purchase of employers' liability insurance;
- Construction, operation project & site staff with additional purchase of accident insurance.

Health care

- Provide employees with annual physical examinations such as cancer screenings and other items
- Provide employees with paid sick leaves

Work-life balance

- Seniority leave: Employees are entitled to additional company welfare annual leave, beyond statutory annual leave, based on their seniority with the company.
- Examination leave: Additional leave is provided to support employees taking academic promotion or professional qualification examinations.
- Incentive vacation: Employees achieving a certain total performance score are rewarded with additional vacation days in the following

Special benefits

- Staff birthday
- Funeral and etiquette supports
- Mid-Autumn Festival gift
- Housing benefits
- Special project



Staff support programs to broaden the coverage of humanistic care

As societal and ecological complexities grow, the focus of employee needs shifts from material to emotional well-being. Vlinker prioritizes the holistic well-being of its employees, addressing both physical and mental health concerns. Through initiatives like the Employee Assistance Program (EAP), we've established a comprehensive support system for employees and their families. This ongoing assistance aims to help employees strike a healthy work-life balance, fostering greater happiness and a stronger sense of belonging within the company.



Career Care

- Probation assistance
- Job coaching
- Growth support
- Mental health management
- Departure care



Festival Care

- Universal holiday care (New Year's Day, Spring Festival, Labor Day, National Day, Mid-Autumn Festival, Chongyang Festival, etc.)
- Special holiday care (Women's Day, Youth Day, Mother's Day, Children's Day, Father's Day, Teachers' Day, etc.)
- Other festival care (Celebration, Annual meeting)



Family Care

- Care for elders
- Care for children
- Personal care

Teambuilding: United team with power

In 2023, we meticulously planned two large-scale group retreats, providing employees with rejuvenating experiences amidst picturesque landscapes and elegant surroundings. Such interactions and creative engagements can foster mutual understanding and trust, thus fueling creativity and imagination.

• Shanghai Andersen Fairyland spring teambuilding

A unique event took place on May 26 at Andersen Fairyland in Yangpu district. Over 150 members from various departments including fundraising, investment, construction, management, and backhouse functions participated in the team-building exercise. Seasoned VSTARS passed on their expertise while new partners brought fresh energy to the team. This outdoor excursion allowed everyone to step away from the office, immerse themselves in nature, and alleviate work-related stress.

• Club Med Mediterranean adjacent Anji Resort autumn teambuilding

Autumn is the season of harvest. On October 18–19, we hosted a two-day team-building event at the Club Med Mediterranean adjacent to Anji Resort. The event began with the Autumn Harvest Music Festival, symbolizing abundance and prosperity. Our VSTARS were randomly assigned to six groups and tasked with learning different musical instruments in a short period. They then came together to perform a self-selected song, showcasing their teamwork and talent.



03

CO-CONSTRUCTING THE COMMUNITY

As commercial housing evolves, the newer generation places greater emphasis on quality of life. Rental housing is no longer just a place to live; it's a lifestyle choice and even an aesthetic preference. Beyond mere accommodation, communities now serve as hubs for emotional, social, and cultural fulfillment for young citizens. This necessitates innovative concepts and heightened refinement in community construction.

In 2023, we integrated these insights into our community development process. We introduced pioneering "model" projects to drive innovation and activate larger physical spaces. Additionally, we empowered community tenants to shape their surroundings, creating a collaborative environment that caters to residents' multifaceted needs and resonates with their core values.



Community Activities

40 events

Annual community activities

2417 people

Number of participants



Physical space innovation

Central Hutai Road Community completed renovation officially and upgrading in 2023

55 %

Renewal rate

20 %

Backsliding rate

96 %

Occupancy rate

Construction system

2 issues

«Vlinker YOU News»

35 times

Echo Island Events

50 people

Community Stars

IP collaboration

26 brands

Number of collaboration

19 events

IP activities

2 times

Exhibition

INNOVATION OF PHYSICAL SPACE

In 2023, as our customer base evolved and our building entered the renovation and maintenance phase, we undertook a transformation of the Central Hutai Road community, which had been operational for nine years. This involved renovating the physical space while navigating challenges such as epidemic prevention, rent exchanges, rent solicitations, and decorations.

Throughout the renovation process, we took into account the evolving needs of new residents, particularly young people, and addressed issues related to interior design, social spaces, digital technology, and lifestyle preferences. The community was repositioned and upgraded building by building, focusing not only on physical renovations but also on enhancing the overall living experience through diverse scene innovations.

• Experience-oriented, assembly upgrade

Our renovation plan was experience-oriented, aiming to elevate the quality of life for residents. In addition to updating facade painting and renovating public and private areas, we paid meticulous attention to details. Apartment areas were reorganized to optimize functionality, with separate zones for rest, leisure, kitchen, bathroom, and storage. We also upgraded room assemblies, added new household appliances, and introduced ergonomic mattresses for enhanced comfort.

• People-oriented, service upgrade

Moreover, our approach remained people-oriented, with a focus on service enhancements. Before the transformation, we engaged with original residents to provide various options, including temporary relocation for unmodified buildings, maintaining original rental rates, offering renewal coupons, and providing professional moving services at no cost to residents.

• Theme implantation, atmosphere upgrade

Furthermore, we implemented thematic elements to elevate the community atmosphere. Each of the five buildings was assigned a unique social theme, such as reading, music, sports, MBTI, and movies. Additionally, functional spaces such as basketball courts, fitness areas, and shared kitchens were incorporated to create an open "community third space" alongside the common public and private areas.



中环社区升级改造，在房间设施做了产品升级之外，公区内容也被大大丰富。



COMMUNAL KITCHEN

富有生机的篮球场和羽毛球场，将被加上跳远、跳房子等互动区域；中环游乐场初具雏形！共享厨房与餐厅分流，减少油烟味儿。

SYSTEM OF “CO-GOVERNANCE, CO-BUILDING, CO-SHARING, AND CO-DEVELOPMENT”

The community serves as more than just a hub for rental housing; it embodies a rich social ecosystem. As pioneers in long-term rental community development, Vlinker has consistently approached planning with fresh perspectives and innovative methods, envisioning a community founded on principles of "co-governance, co-building, co-sharing, and co-existence." Here, residents and various stakeholders collaborate to infuse spaces with vitality, address pressing issues, and forge lasting connections, interactions, and memories.

To actualize this vision in 2023, we embarked on a groundbreaking endeavor by introducing the "value co-creation" model to community construction. This initiative has led to the establishment of a robust community construction system characterized by a unified mechanism, spatial integration, a central platform, and interconnected relationships. By fostering stronger connections and interactions among residents, partners, suppliers, and other stakeholders, we've cultivated an inclusive environment that encourages the expression and cultivation of diverse values. Moreover, this approach has bolstered resource support for community development efforts. In implementing this system, traditional operators have transitioned from leadership roles to guides, facilitators, and supporters, empowering every individual and stakeholder to play an active role in shaping the community's future. As a result, the community has transcended its identity as merely a "Vlinker community" to become a shared space that belongs to all of us.

One
Mechanism

Resident Committee

Community co-governance with building as unit and "President + Building president + Resident Committee representative" as organizational structure

One
Space

Echo Island

Community co-creation space initiated and designed by residents is a part of community construction

One
Platform

VV PLANET

Independent lifestyle brand, through YOU Market, "Vlinker YOU News" and other carriers, to achieve the linkage of resources inside and outside the community

One
Relationship

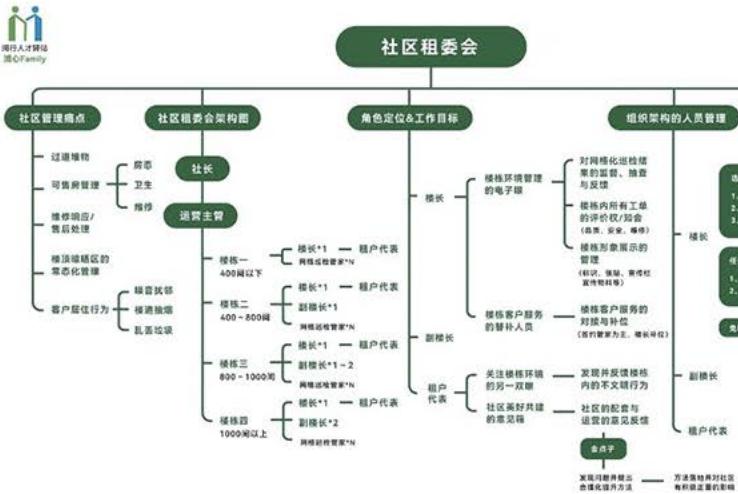
New Neighbor Relationship

Resource sharing, mutual assistance and mutual benefits between communities and households foster stronger mutual trust and a "nearby" ecology

Resident committee: Build a community for common affairs

The crucial aspect of "co-building" entails cultivating residents' sense of ownership and fostering their autonomous engagement through communication and collaborative efforts. In 2023, we proactively encouraged residents to partake in community development initiatives and shoulder responsibilities. Within the Pujiang Center project, we initiated a pilot program by establishing a committee and spearheading the adoption of a collaborative governance model blending "operating service entities + autonomous organizations." This approach established a comprehensive framework enabling households to actively engage in community affairs.

Empowered as co-creators, the committee assumed leadership roles and responsibilities in decision-making processes, driving a multi-faceted and interdisciplinary approach to co-creation. Through practical collaboration, the community and committee explored methods of organizational co-development, resource sharing, and collective decision-making. They jointly navigated community affairs, made collective decisions, and worked together to address various challenges. With the active involvement and collaboration of the Tenancy Authority, our community development has transitioned to a new phase characterized by equal participation and joint decision-making among residents.

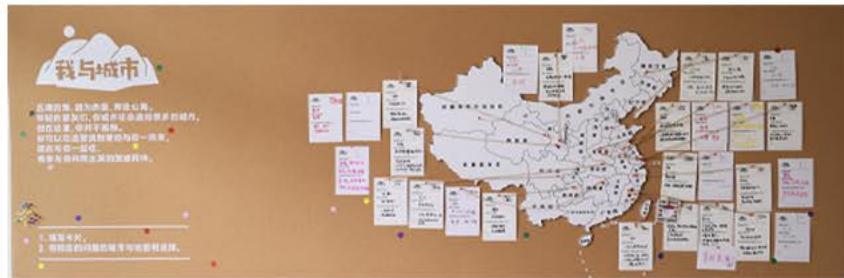


Echo Island: A “Petri Dish” for More Issues and Energy

Echo Island stands as a shining example of a public space within the youth community that sees significantly higher usage compared to other areas. This space, conceived and co-created by residents, has emerged as a focal point for the development of micro-territorial communities.

Functioning as a shared and inclusive public space, Echo Island empowers residents to become active co-creators. Through discussions on space planning, operational management, local connections, and sustainability, residents explore the diverse possibilities of community public spaces. In the renovation of the Central Hutai Road project this year, we fully entrusted the space of Echo Island to the residents, granting them soft rights and freedom. Our aim is to foster a culture of sharing space and cultivate a "Petri dish" that can accommodate various issues and energies, facilitating mutual transformation between residents and space and fostering ongoing orderly development.

Today, islanders have the freedom to utilize the site and initiate their own activities. To date, Echo Island has successfully hosted gatherings for idle exchange, movie screenings, pet parties, and other events, cementing its status as one of the most beloved areas in the community. Under the framework of Echo Island, it has catalyzed the formation of spontaneous organizations such as community gardens and stray animal care communities.



Echo garden: a wonderful small ecological system

As residents are granted more rights and freedoms, the appeal of communities is no longer solely tied to their buildings and functionalities, but rather to the people themselves. Wei Jie, a resident of Pujiang Central Community, initiated a project centered around "pollinator protection" and proposed the creation of a garden within the community. This idea garnered widespread support from fellow residents. The community provided open space for residents to unleash their creativity and offered financial and resource backing. The outcome was a visually pleasing and eco-friendly garden, which served as a model for replication across the Central community. This garden serves as more than just a bridge between the community and nature; it also functions as a natural social hub for fostering interests, promoting environmental conservation, and facilitating exchanges and collaborations. Embracing a philosophy of cooperation with nature rather than confrontation, the garden incorporates the principles of "Permaculture" and employs the Pokassie composting method to turn waste into valuable resources, thus promoting natural sustainability. The team diligently collects food waste for composting to maintain the ecological balance of the garden.

1. Kitchen waste was fermented by EM bacteria and transformed into odorless organic fertilizer



3. The liquid fertilizer can be used against the dilution water to water the flowers



2. The Pokasy compost process requires a short fermentation time, is devoid of pungent odor, and can be carried out at home to turn kitchen waste into natural fertilizer



4. The solid fertilizer can be buried in the soil and fermented again for a period of 2-3 weeks as a base fertilizer for plants

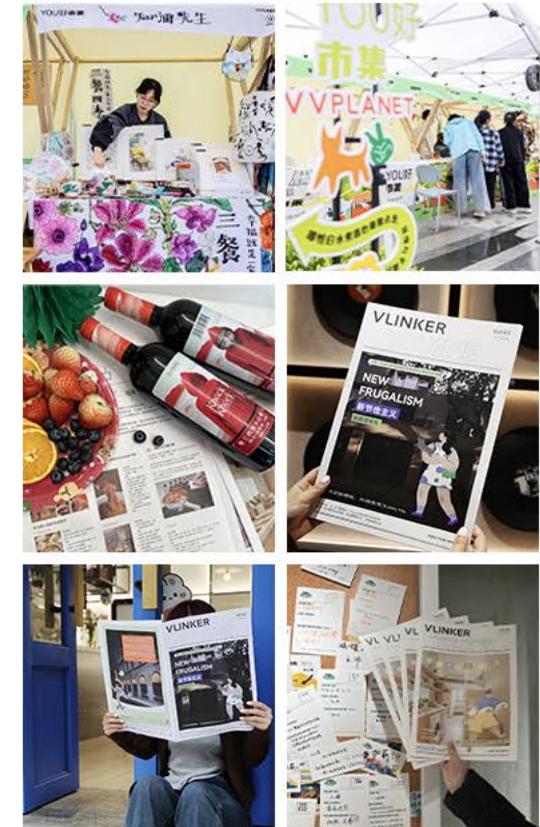


VV PLANET: Integration of different industries, internal and external interaction

In 2023, our community development expanded into a platform and brand of its own. We launched our lifestyle brand, VV PLANET, alongside the YOU market and "Vlinker YOU News" as key channels. This initiative facilitated collaboration with various cross-border brands, fostering interaction and connectivity among internal and external resources within the community. Drawing insights from residents, community operators, and brand partners, we curated a diverse community lifestyle encompassing accommodation, education, entertainment, social networking, employment, and entrepreneurship. This holistic understanding of community life fostered a sense of unity and shared experiences, aligning with the sustainable principles of human-to-human and human-to-community symbiosis.

• YOU Market: Establish new relationship

In May 2023, we jointly became the stall owner of the first phase of YOU Market together with ArtNest, Jiukou Mountain, Ipluso, Shifang Shenghua and several residents. Different brands and households decorate their stalls in the outdoor public area of Pujiang Center, thus establishing new connections between communities, households and brands in the city center.



• 《Vlinker YOU News》 : Inspire new ideas

This eco-friendly newspaper, crafted from recycled paper, aims to disseminate information about leading a better life and fostering a sense of community enjoyment. In 2023, the newspaper collaborated with various cross-border brands such as Echo Island, Beautiful Book, Minquality, Little Red Hood of Olam, Eclipse, Republic, and China Machinery Industry Press, releasing two consecutive issues packed with life-inspiring content. Apart from being distributed freely to residents, "Vlinker YOU News" is also available at trendy locations like Shanghai K11, oz Coffee on Nanchang Road, and Yizhi Library, enhancing its accessibility and reach.

• IP Collaboration: Show new vitality

With No. 6 factory, Shifang Shenghua, Yixuo, Otter Ton Ton as well as other IP collaboration, continue to create interesting co-branded products.

New neighborhood relationships: intimacy, mutual assistance, and harmony

Community building goes beyond mere communication and scene construction; it's about fostering strong, neighborly relationships in the neighborhood. These relationships are built on collaboration, with autonomous sharing and action at their core, influencing each other's lives. Guided by our community construction system, we cultivate community consciousness and enhance community life through a diverse range of activities and a culture of bottom-up governance. By harnessing the combined efforts of residents and community leaders, we foster warm neighborhood relations and create a genuine sense of closeness.

In 2023, we organized and executed over 40 community activities in collaboration with residents. While the community oversees large-scale events, residents take charge of niche activities based on their interests, covering health, leisure, community building, cultural exchange, and public welfare. Residents have embraced the practice of sharing happiness, experiences, knowledge, and resources, addressing challenges and experiencing personal growth through community-driven or self-organized activities.

Empower resident KOL

Our emphasis lies in pinpointing and nurturing community Key Opinion Leaders (KOLs), offering them space, publicity, and resource support tailored to their abilities and requirements, thereby empowering them. Through this process, young individuals will find it easier to explore their identity, aspirations, and evolve into influential figures within their community.



Provide assistance and care for stray animals

To aid in the rescue efforts for stray cats, we are enlisting compassionate residents to serve as caretakers for these furry companions. Key Performance Indicators (KPIs) for the rescue mission have been developed collaboratively by residents and the community, with a focus on the individual traits and locations of the cats. A comprehensive list of animals requiring sterilization and medical treatment was compiled, and their progress post-discharge is being closely monitored.



CONNECTION BETWEEN TENANTS, ENTERPRISES AND CITIES

In 2023, we envision the ideal rental community as more than just a local entity—it extends beyond its boundaries to enrich the overall character and fabric of the city. Whether through initiatives like the scarecrow travel projects or active participation in citywide exhibitions, we strive to foster a deeper connection between residents and the city itself. By encouraging residents to discover their unique ties to the urban landscape, we aim to cultivate a sense of belonging and pride among new citizens and young people, inviting them to actively engage in the ongoing narrative of urban development.

Explore and make a new sound

In the Paper Urban Renewal Conference 2023 held in Zhangyuan, we took the case of the youth community in Pujiang Center.

Additionally, various projects such as the renovation of the old site of the Raisde Institute of Technology, the conceptual plan for post-disaster recovery and reconstruction in Jiuzhaigou County, the Moynihan train hall in New York, the Vialia Bigo comprehensive transportation hub in Spain, and the Chicago Post Office building were showcased.

Vlinker contributed to the "Echoes of the Neighborhood," a public art exhibition at Baoli Shiguang Li, and participated in a public art project named "THE BOOK AND," featuring stories from community tenants. Together with artists and partners, Vlinker launched a call from "onlookers" to "participants", from "approaching to" to "becoming nearby".





04

CO-OPERATING TO ESTABLISH A BLUEPRINT

Simon Zadek's "Five stages of CSR" model suggests that achieving collaborative profits through collective action represents the highest level of a company's ability to fulfill social responsibility. Vlinker, leveraging its business expertise, collaborates with various stakeholders including the government, industry partners, and the community to create win-win social and economic value.

In 2023, we initiated high-impact projects aimed at improving people's lives and revitalizing urban areas. Through active engagement in social welfare initiatives and collaborative efforts with partners who share our values, we strive to fulfill our responsibilities as a responsible member of the industry.



Talent settlement

20 m²

Average space

2,000 yuan

Average rate

15-min YOU Life Circle

36 merchants

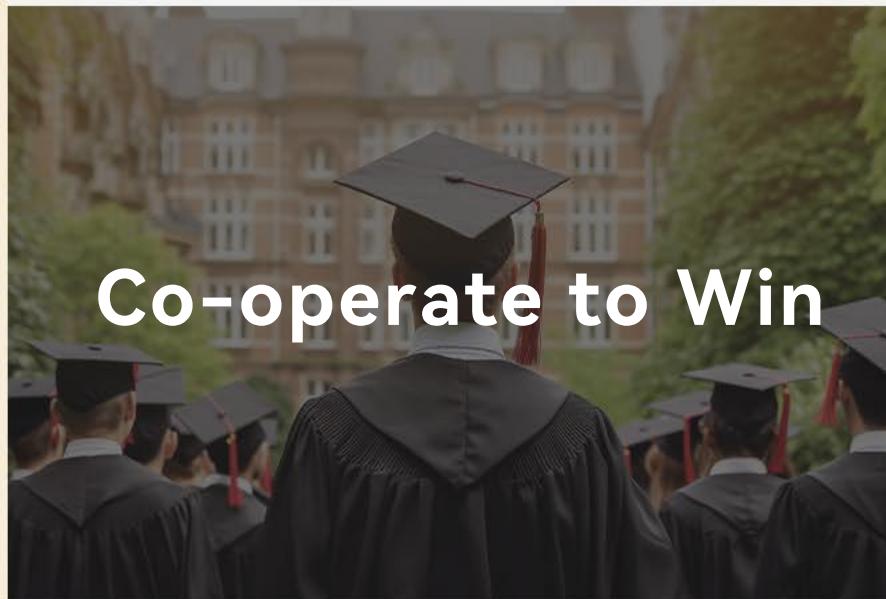
Merchant linkage

2,800 people

Number of households served

3 km

Life circle



Charity activities

7 years

Continuously hold "Sunshine People"

18 people

2023 "Sunshine People" award

Junior Vlinker Project

1,325 people

The number of graduates
benefited

SUPPORTING TALENT SETTLEMENT IN THE CITY

Focus on "One city, one product, one group"

According to statistics, Shanghai's migrant population stands at 10,319,900. In 2023, the number of college graduates in Shanghai hit a record high of 236,000, marking a 9,000 increase from the previous year. This substantial influx of people has generated significant demand for housing. Historically, young adults in Shanghai have had to allocate a considerable portion of their income towards rental housing expenses, leading to instability in rental arrangements, subpar rental experiences, and an imperfect rental supply business model, among other housing-related challenges. In 2021, statistics revealed that 58.1% of college graduates in Shanghai earned salaries ranging from 5,000 to 9,000 yuan per month, while the average rental rate stood at 109.24 yuan per square meter per month. This places Shanghai's rental rates among the highest in the country, with rent-to-income ratios exceeding 30%.

For the past 12 years, we have been deeply entrenched in this sector. Guided by a customer-centric approach, we have consistently offered products characterized by "high quality, low cost, small apartments, and extensive communities," with rental rates starting at 2,000 yuan per month. This commitment reflects our dedication to providing affordable rental housing options tailored to the needs of new residents and young individuals.



► Vlinker resident characteristics

Highly-educated

85%

Bachelor degree or above

Primarily in the fields of technology, finance, research and other professional sectors

Young

23-28

years old
Age Distribution

95% of Z generation

Equal ratio of genders

Male 51%

Female 49%

Percentage of female tenants rising year by year



Take the lead in piloting "balance between jobs and housing"

In May 2023, the Pujiang Center Vlinker Youth Community was inaugurated, marking the establishment of the first talent hub in Shanghai's Minhang District.

Situated at the heart of the Minhang District's high-tech zone, the Pujiang Central Youth Community was developed through a collaboration between Vlinker and the Pujiang Town government. Together, we organized specialized job fairs, Future Talk sessions, and entrepreneurship sharing events with neighboring enterprises. These initiatives aimed to not only offer employment and entrepreneurial prospects to new residents and young individuals but also to provide enterprises and investors with access to a pool of talented individuals and business opportunities.

The job fair in particular saw participation from numerous companies like Weisong and Kaiying, based in Pujiang Town, offering a multitude of job opportunities. This attracted a significant number of job seekers seeking employment opportunities. Additionally, the Future Talk and Entrepreneurship Sharing sessions garnered interest from young attendees eager to hear firsthand entrepreneurial experiences from industry leaders, thereby inspiring them with diverse life possibilities.



FACILITATING URBAN RENEWAL

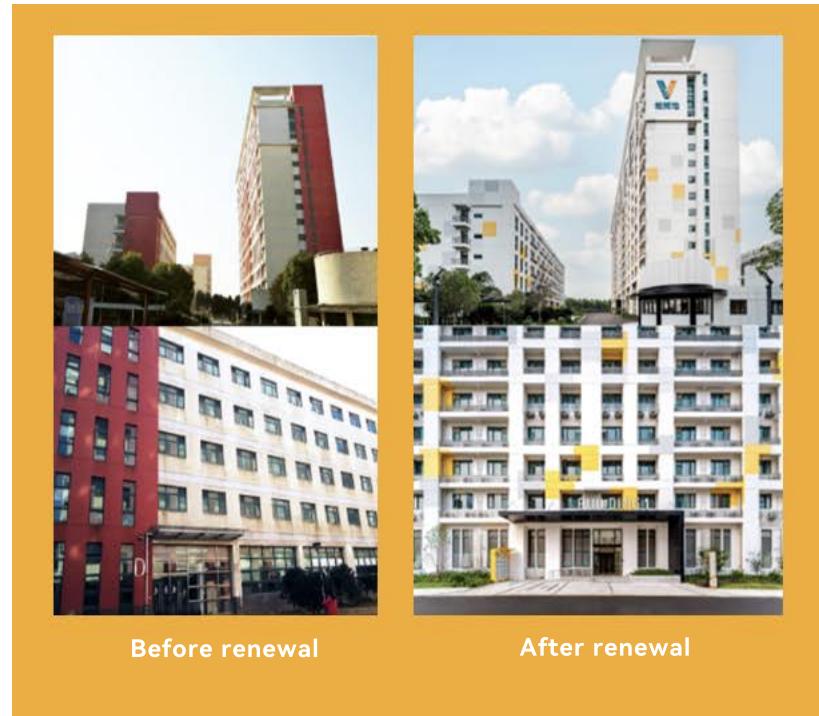
The reconstruction of old cities and the rejuvenation of existing assets are natural progressions for cities as they mature. Preserving the cultural essence of urban neighborhoods, making sound investment decisions, and ensuring sustainable development poses both challenges and opportunities for those involved in urban renewal. We remain focused on existing assets, including those that may be underutilized. By collaborating with property owners, we aim to facilitate urban renewal by acquiring and transforming projects that align with government standards for affordable rental housing and Vlinker's investment principles.

Transform "Industrial Waste" into "City Regeneration"

In 2022, the idle factory dormitory in Pujiang Town will be converted into a total of 3,116 affordable rental housing community, namely, Pujiang Central Vlinker Youth Community. At 22:35 on March 31, 2023, the occupancy rate of the Pujiang Central Community had reached 93%, marking the beginning of stable operations.

The majority of residents in the community are employed by businesses in and around Pujiang Town, with a focus on technology, finance, and research sectors. This concentration of talent has spurred increased activity in the surrounding area, with the opening of supermarkets, restaurants, and other essential amenities. Additionally, entertainment options such as mystery games and escape rooms have been introduced, enhancing the overall quality of life.

The transformation of this site from an "Industrial Waste" into "City Regeneration" earned recognition as a "Community Empowerment Case" at the 2023 Paper Urban Renewal Conference.



Create a "15-minute life circle" rental sample

The concept of the "15-minute life circle" revolves around meeting daily needs like "clothing, food, living, and transportation" within a 15-minute radius. In the Shanghai R4 project, rental communities are predominantly situated farther from the city center, with a higher density of plots and larger complexes exceeding 1,000 rooms. Consequently, it becomes imperative to ensure that these communities offer comprehensive public services to cater to residents' daily requirements, spanning medical care, education, commerce, transportation, and sports facilities.. As a pilot initiative, we have selected the Pujiang Central Vlinker Youth Community to implement the "BLESSING DAY" program. This initiative involves collaborating with nearby merchants to curate a selection of products and services from high-quality vendors. These offerings encompass various aspects of daily life, including clothing, food, housing, transportation, beauty, pets, leisure, entertainment, skill enhancement, and more. Through partnerships with establishments such as barber shops, pet hospitals, yoga studios, and others, we aim to provide exclusive discounts, thereby enhancing the overall living experience within the community.



PROMOTING PUBLIC WELFARE

Embracing the ethos of "business for good", we actively engage in philanthropic endeavors and foster a culture of individual involvement in charitable activities within our company and across various communities.

Throughout 2023, this principle continued to guide and empower our altruistic initiatives. Central to our approach was the "Sunshine People" campaign, serving as a catalyst for organized and systematic social responsibility efforts and the advancement of welfare initiatives.

In September 2023, Vlinker was honored with the prestigious "Charity Star" accolade by Pujiang Town in the Minhang District as part of the China Charity Day event themed "Gathering Kindness, Loving in Shanghai." The event, organized by the Minhang District Representative Office of the Shanghai Charity Foundation and the Minhang District Civil Affairs Bureau under the auspices of the Pujiang Town People's Government, recognized our commitment to philanthropy.

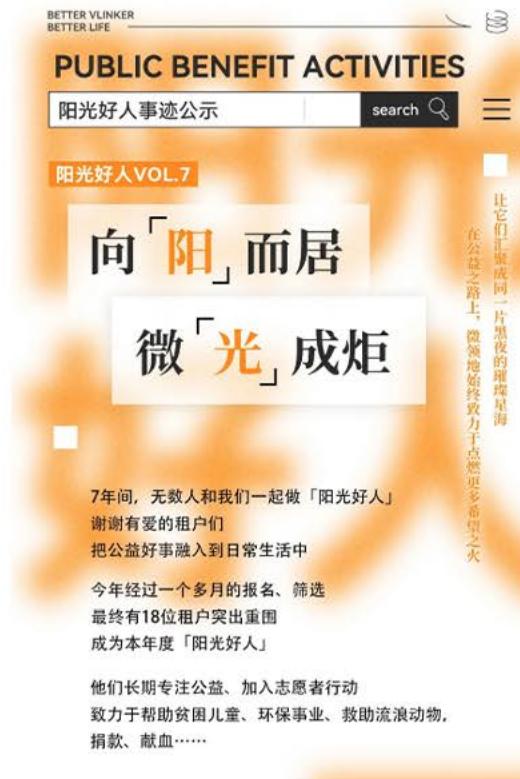
During the event, Vlinker made significant contributions, donating 200,000 yuan to the Shanghai Charity Foundation Minhang Representative Office and 300,000 yuan to the Minhang Chunshen Education Development Foundation. These donations were aimed at enhancing the quality of life for socially disadvantaged groups and supporting community education initiatives.



The "Sunshine People" plan for seven consecutive years, charity within reach

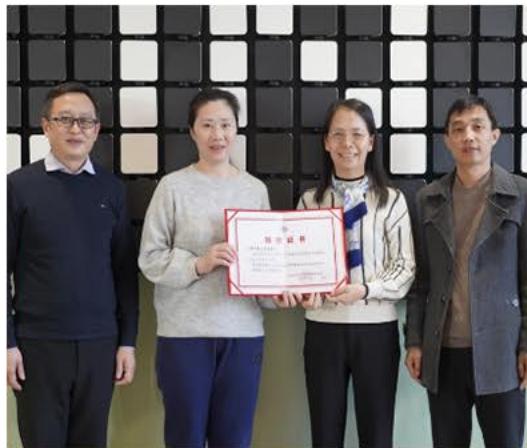
Since its inception in 2016, the "Sunshine People" program, a collaborative effort between Vlinker and the Shanghai Sunshine Public Welfare Foundation, has entered its seventh year. Under the theme of "Spreading Sunshine, Caring for Public Welfare, Entrepreneurship and Innovation, Striving to Be a Good Person," the program aims to inspire employees and residents to engage in altruistic acts and contribute to society while pursuing their personal goals.

Over the past seven years, the "Sunshine People" program has motivated nearly 10,000 young individuals in the community and society to dedicate themselves to public welfare, fostering a culture of collective service. In 2023, 18 residents were recognized for their exceptional contributions to initiatives such as assisting underprivileged children, rescuing stray animals, and environmental conservation. These individuals were honored as "Sunshine People" and received subsidies from Vlinker and the Shanghai Sunshine Foundation to support their ongoing philanthropic endeavors.



"Sunlight Foundation" to build a public welfare matrix

Since its inception, the Shanghai Sunshine Public Welfare Foundation, spearheaded by the founder of Vlinker, has prioritized support for children facing severe illnesses, financially disadvantaged college students, post-disaster recovery efforts, and elderly individuals encountering unique challenges. Through a diverse array of public welfare initiatives, it has mobilized increased participation in philanthropy and made significant contributions to society. In 2023, the Sunshine Foundation remained committed to addressing societal needs, identifying areas requiring assistance, and ensuring that love and support reached those most in need.



■ Special housing Fund for Shanghai Ocean University



■ Donation to the "Sunshine Baby" rehabilitation program for children following liver transplantation



■ Sunshine "heart" (congenital heart disease and pulmonary hypertension) surgery donation for children belonging to poor families



■ Donation for free medical treatment in the Zunyi Old Area

Diversity of the Board

4 members

Board of members

Multi-industry experience

Industry experience in real estate, finance, consultation, etc.

Multidisciplinary skills

Professional skills in business management, law, finance, investment management, etc

Digitalization

100 hours/month

Human efficiency

Marketing System 1.0 -- Automatic coupon distribution was officially launched.

0 %

Automatic coupon distribution, error rate is reduced to 0%, avoid loss of capital

Satisfaction and privacy protection

100 %

Satisfaction with customer complaint handling

99.8 %

Resident satisfaction rate

0 time

Customer privacy disclosure

0 time

Complaint received due to disclosure of customer information



Supplier

702

Number of suppliers

102

Number of new suppliers in 2023

05

CO-BUILDING COMPLIANCE FOR MUTUAL TRUST

The implementation of a robust and proficient corporate governance system is intricately linked to the success and expansion of businesses, playing a pivotal role in shaping their reputation and gaining the confidence of investors and other stakeholders.

In 2023, Vlinker remained steadfast in establishing and refining a governance system of the highest caliber. This entailed continuously refining the governance framework to align with the company's growth trajectory, enhancing the compliance and transparency of management practices, streamlining internal and external control processes, bolstering safeguards for intellectual property rights and customer data, and delineating ESG responsibility expectations for supply chain partners. Through comprehensive advancements across multiple dimensions, Vlinker aimed to achieve sustainable operational excellence and realize its long-term strategic objectives.



EFFICIENT CORPORATE GOVERNANCE SYSTEM

An efficient and professional governance system serves as a cornerstone for enterprises to persistently innovate and deliver high-quality products and services to customers and society. It serves as a vital mechanism to facilitate long-term business expansion and protect the rights and interests of both internal and external stakeholders. In 2023, Vlinker remained committed to prioritizing the establishment of an effective governance system and cultivating a responsible corporate identity. The board, in collaboration with other departments, assumed the responsibility of overseeing the realization of the company's strategic objectives, including those related to ESG considerations, with a focus on creating sustainable value for shareholders. Moreover, the company strived to comprehensively understand and meet the expectations of stakeholders in order to foster mutual trust and engagement.

Diversity of the Board

Ensuring diversity in leadership is essential for maintaining competitiveness and fostering sustainable growth. When selecting candidates for our board of directors, we consider various factors such as expertise, experience, perspective, skills, and background.

In 2023, Vlinker's board of directors comprised four members. These directors brought industry experience from sectors including real estate, finance, consulting, and more, as well as professional skills in enterprise management, law, finance, and investment management. This diversity of perspectives enables a more comprehensive approach to strategic decision-making within the company.

Governance for sustainable development

At Vlinker, sustainability is at the heart of everything we do.

Vlinker's ESG initiatives are driven by a structured top-down approach, overseen by our board of directors. We place a premium on integrating ESG considerations into our strategic decisions and business operations. Our Sustainable Development Committee is responsible for devising ESG strategies, policies, and objectives, aligning them with our long-term plans. Moreover, they ensure the effective implementation of these initiatives, translating them into measurable performance targets. This approach includes linking performance with compensation, a practice communicated across all levels of the organization.

To execute these plans, ESG working groups, comprising departmental leaders, are tasked with coordinating and implementing various ESG actions. At Vlinker, we are committed to continually enhancing our ESG management system, fostering the harmonious integration of the community, environment, and society, and generating sustainable corporate value. We remain responsive to the evolving ESG expectations of our stakeholders, consistently improving our capacity for sustainable development management.

Board of Members

Directly participate in ESG governance, exert its decision-making and supervisory role on ESG matters, driving the implementation of ESG concepts & strategies

Decision-makers

The Sustainable Development Committee

Formulate strategies, frameworks, principles, and policies concerning ESG initiatives; oversee the execution of ESG objectives; monitor and assess ESG key performance indicators and overall performance; report findings and offer recommendations to stakeholders, the Board on the above matters.

Planners

ESG Work Group

Under the guidance of the Sustainable Development Committee, various departments including the General Manager's Office, Legal Affairs, Financial Audit, Administrative Personnel Center, Construction Sites, Business Investment Center, Operation Center, Brand Department, and others will collaborate to implement ESG initiatives and advance related activities.

Executers

MULTIDIMENSIONAL COMPLIANCE SYSTEM

Multifunctional compliance system

- ▶ Enhance the compliance system incrementally and institute a framework for oversight and integrity to ensure all business operations align with legal requirements;
- ▶ Each department is responsible for formulating detailed compliance systems, sorting out business operation processes and carrying out standardization construction;
- ▶ Ensure that the contracts with customers and suppliers adhere to legal standards, mitigate legal risks, and maintain standardized procedures throughout the entire process.

Multiple integrated risk management

- ▶ Improve the risk management framework by establishing company-level risk control teams to identify, assess, and address potential risks throughout the entire process
- ▶ Boost the efficacy and efficiency of the "three systems" – risk identification, assessment, and response – to ensure systematic and comprehensive management and control of various risks within the company.

Intellectual property protection and management

- ▶ Proactively drive copyright registration efforts, particularly for the company's core technology, software, documents, and creative works, ensuring the safeguarding of rightful interests.
- ▶ Specify the rights and obligations of relevant parties clearly in contracts to uphold copyright responsibilities, ensuring transparency and clarity of copyright ownership, and standardizing contract management.
- ▶ Implement security measures such as encryption technology, access controls, and network security protocols to prevent unauthorized acquisition and usage of copyrighted materials.

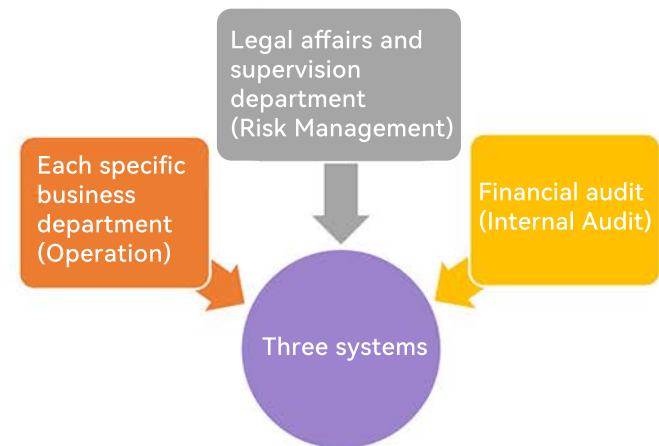
Process of contract signing

Submit to the legal Department and other relevant departments (financial, etc.) for review

If no error is found, submit to OA or the document system

The administration and personnel department is responsible for seal control and data printing and stamping

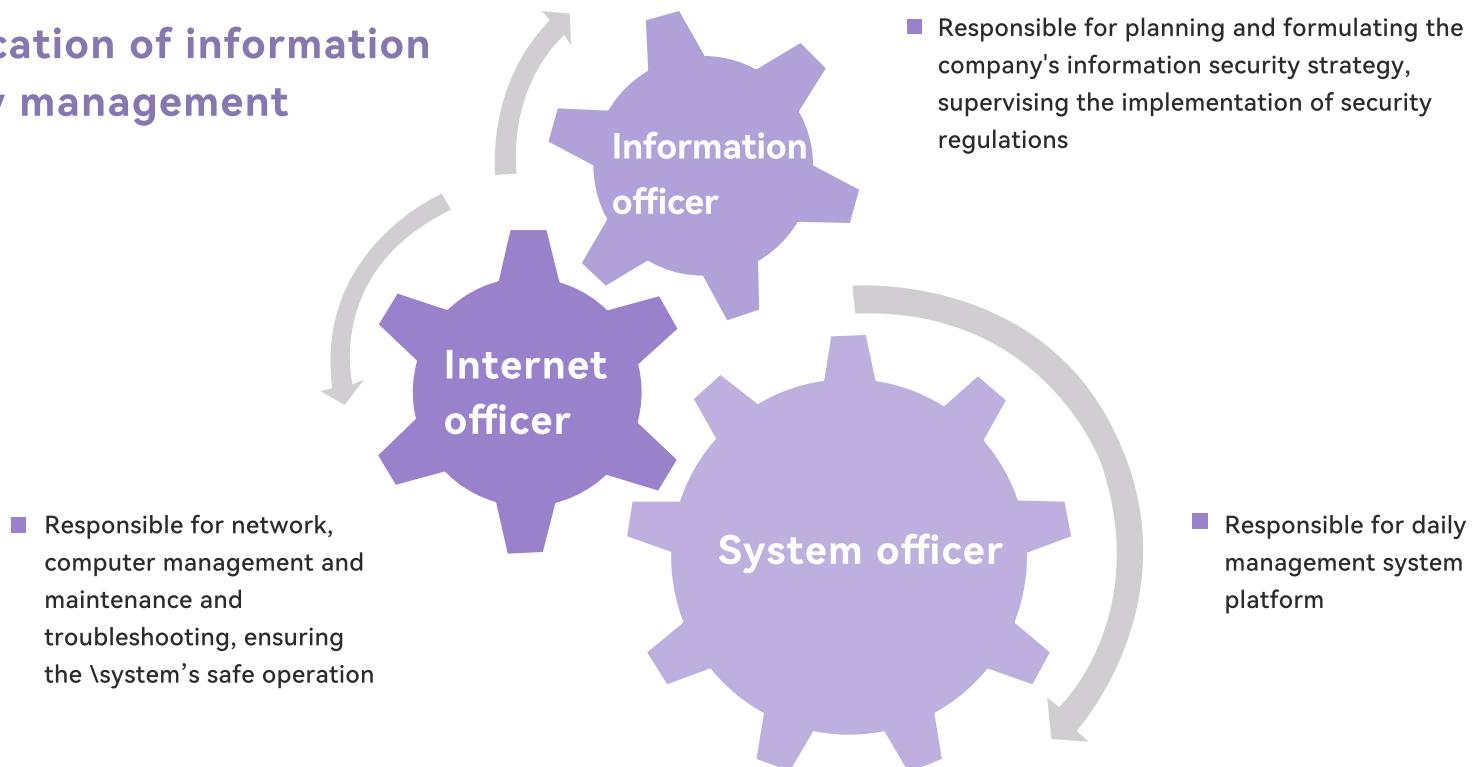
The initiating part shall be submitted to the administrative personnel department to complete the filing



Building a strong information security barrier

- ▶ We have established relevant systems and documents, such as information security policies, management systems, and operating procedures, which delineate the information security responsibilities and obligations of employees and outline the company's management and control measures for information security.
- ▶ Regular information risk assessments are conducted to identify potential information security risks and develop appropriate preventive and control measures.
- ▶ To safeguard customer information privacy, measures are implemented to prevent theft or leakage. These measures include encrypted storage, access control, and encrypted transmission of customer information.

Classification of information security management



DIGITAL INTELLIGENCE EMPOWERMENT IN CORPORATE GOVERNANCE

In 2023, Vlinker intensified its efforts in digitalization, persistently investing in pertinent technology and human capital. The company remained dedicated to a thorough digital transformation across management, decision-making processes, office operations, and material management. It established cross-departmental and cross-business application systems, expediting the modernization of its corporate governance structure and capacity. These initiatives contributed to enhanced operational efficiency and service quality. Touchpoint “digitalization” has become ingrained in every facet of Vlinker's management approach, aligning closely with corporate strategy.

Data Management

Intelligent: Implementing automatic processes significantly reduces manual tasks, thereby enhancing efficiency.

Accuracy and Timeliness: Setting up a centralized data center and standardizing data formats improve data accuracy and information timeliness. This also facilitates easier sharing and communication.

Insight: Conduct in-depth analysis of middle and back office data to uncover patterns, trends, and insights in business operations. These insights guide both strategic planning and day-to-day operations.

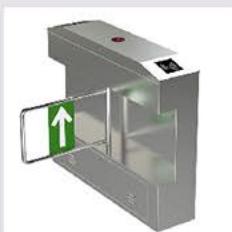
Smart Community

Smart Property: Implementing intelligent solutions for facility and equipment management, such as intelligent access control, automated water and electricity systems, and smart door locks. Additionally, advancing intelligent community security monitoring, fire alarms, and emergency response measures.

Smart Space: Utilizing data collection from various points to establish a data analysis model. These insights are then utilized for community energy conservation initiatives, optimal allocation of public areas, safety management, and efficiency enhancements.



Smart locks



Smart barrier gate



Camera



Face recognition



Smoke alarm

Business Collaboration

Ordering system: Automatically generate and assign tasks, seamlessly delivering them to relevant staff members via a digital workbench. This enables mobile office functionality and ensures timely completion of tasks following initial feedback, ultimately enhancing management efficiency and reducing problem resolution times.

Marketing system: Implementing an automated coupon distribution system resolves issues stemming from manual distribution delays or errors, thereby improving customer experience. This innovation has led to a significant increase in efficiency, saving approximately 100 hours per month, with a remarkable error rate of 0%.

Business board: Tailored data views cater to the specific needs of different management roles, enabling quick access to key information necessary for decision-making. For instance, top-level managers can focus on overarching sales trends, market shares, and financial metrics, while division managers can delve into division-specific performance indicators and operational efficiency metrics.

RESPONSIBLE SUPPLIER MANAGEMENT

We have formulated the "Supplier Management Standard Process", setting up comprehensive procedures for supplier access and review, selection and utilization, performance evaluation, and more. Suppliers are evaluated based on specific criteria, generating written assessments with feedback provided.

Standardize the supplier management process

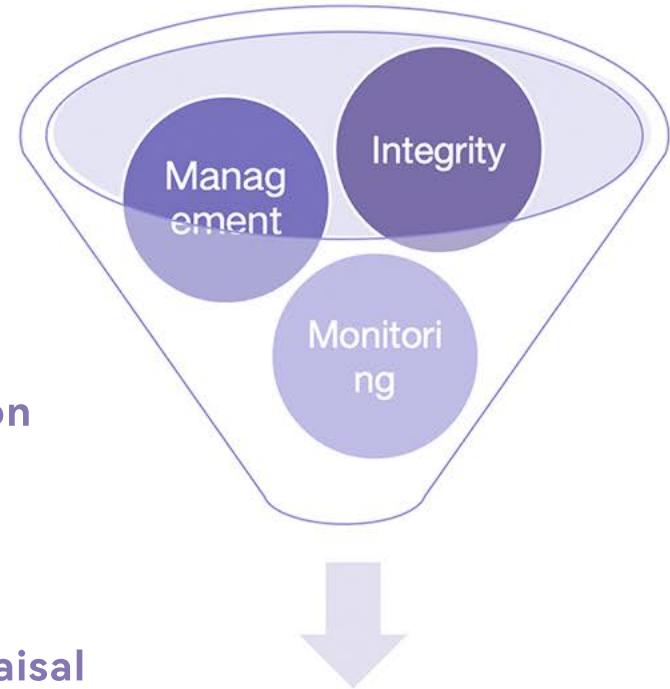
As our projects expand, the number of suppliers has grown steadily. In 2023, Vlinker not only led the supplier association audit but also initiated engineering supplier and supplier fraud audits to enhance the standardization of our supplier management processes.

Anti-corruption and anti-bribery system construction

We have enhanced our anti-corruption and anti-bribery system, incorporating risk prevention clauses into trade contracts. Additionally, we have established a company-wide system to ensure compliance among internal employees.

Multi-dimensional evaluation and performance appraisal

We have launched an online supplier scoring system and a supplier inspection and warehousing scoring system to conduct multi-dimensional evaluations and performance appraisals for all types of suppliers. This approach aims to streamline procurement processes, reduce costs, standardize internal controls, and foster a reliable supply chain.



Transparent, efficient and equitable
Three systems for supplier management

VISION 2024

Construct the value co-creation of factor aggregation

The housing rental industry serves as a reservoir of abundant resources, flowing steadily like a river. ESG, being inherently long-term in nature, requires seamless integration and gradual transformation to yield sustainable social and commercial value. In 2024, Vlinker will witness intensified delivery and expanded scale of heavy asset projects. Aligned with our three-year ESG Action Plan, 2024 will mark significant progress, focusing on achieving the following Sustainable Development Goals:

Green Building:

Striving for a comprehensive portfolio of green and low-carbon projects.

Proactive Relationship Management:

Cultivating a diverse and inclusive work environment that nurtures sustainable relationships among employees, residents, partners, and investors.

Robust Compliance Management:

Ensuring efficient and responsible company operation in health, safety, and environmental protection.

Sustainable Operational Excellence:

Integrating ESG performance with financial metrics to ensure sustainable business practices.

All-round Innovative Development:

Applying innovation achievements in various fields such as science, technology, and culture to enhance enterprise-wide management.

Exploring Financial Instrument Innovations:

Seeking innovative approaches in financial instruments to further support sustainable development initiatives.

All ESG endeavors must be rooted in value. We are committed to deepening the value co-creation model, guiding all stakeholders towards a shared understanding of value co-creation, progressing from mere collaboration to genuine coexistence. This will foster an enduring internal impetus for ESG action, ensuring consistent value creation and multidimensional feedback at every level.

In this journey, Vlinker will serve as the nexus, converging all elements towards a paradigm shift from managing material assets to nurturing social assets. This represents the quintessence of ESG action, marking a pivotal transformation at the core of our enterprise.

In the realm of housing rental, Vlinker stands as a beacon of innovation. We remain steadfast in our original mission of fostering "A better life for the young generation," advancing step by step along the ESG trajectory.

This heralds a new dawn, a fresh chapter in our journey.



Appendix

ESG Key Performance
ESG Index

ESG Key Performance

Table 1: Environmental Performance

Indicator	Description	2022	2023	Unit
Energy consumption	Electricity consumption	6,380,073	8,342,256	kWh
	Electrical energy use intensity	36.28	54.82	kWh/m ²
Water consumption	Total water use	207,360	316,025	ton
	Water use intensity	0.89	0.72	ton/m ²
Greenhouse gas emissions	Total greenhouse gas emissions	2,679.63	3067.65	ton of CO ₂
	Greenhouse gas emission intensity	0.012	0.018	ton of CO ₂ /m ²
Solid waste emissions		7,236	8,436	m ³
Negative environmental events		0	0	Time
Green Construction	LEED-EB Gold	2	2	Number
	Green Construction 2 star	2	3	Number
	Green Construction 1 star	1	2	Number

ESG Key Performance

Table 2: Social Performance

Indicator	Description	2022	2023	Unit
Staff employment	Percentage of male employees	70	65	%
	Percentage of female employees	30	35	%
	Percentage of employees below 35 years old	68	69	%
	Percentage of employees between 35 to 49 years old	30	33.5	%
	Percentage of employees above 50 years old	2	4	Person
	Percentage of women at the top of management	29	36	%
	Employees with physical disabilities	2	1	Person

ESG Key Performance

Table 2: Social Performance

Indicator	Description	2022	2023	Unit
Training and development	Staff training coverage	100	100	%
	Intermediate management training coverage	100	100	%
	Number of training hours per staff	40	60	Hour
	Number of training hours per manager	60	60	Hour
Customer Service	Overall customer satisfaction	99.8	99.8	%
	Complaint solving rate	100	100	%
Community Management	Community events	36	40	Number
Corporate Donation	Total amount of donation	1,564,500	1,212,000	Yuan
Negative incidents regarding residential security, financial security and resident complaints	Total amount of donation	0	0	Time

ESG Key Performance

Table 2: Social Performance

Indicator	Description	2022	2023	Unit
Supply Chain Management	Construction and Services	365	424	Number
	Smart Facilities and Equipment	42	52	Number
	Furniture and Electronic Facilities	64	84	Number
	Others	125	142	Number

Corporate Governance

Indicator	Description	2022	2023	Unit
Tax contribution	Amount of tax revenue	1,524.34	4,973.33	Ten Thousand Yuan
Negative corporate governance events, such as corporate breach of trust, financial fraud and employee complaints	Number of negative events exposed	0	0	Time

ESG Index

Report Framework	HKEX ESG Index	GRI	SDGs
About this report		102-46; 102-50; 102-51; 102-52; 102-53	
Company Introduction		102-1; 102-2; 102-4; 102-6; 102-7; 102-15; 102-16	
CEO's Letter		102-14	
ESG Strategy		102-21; 102-40; 102-42; 102-43; 102-44; 102-47	
Framework of Value Co-creation			
Key Performance			
01. Co-living in Green Planet			
Enhancement of green construction	A1; A1.1; A1.2; A2; A2.1; A2.3; A2.5	301-2; 301-3; 302-4; 303-4; 305-5; 306-4	  
Driving full-scale low-carbon matrix	A1; A1.5; A1.6; A2; A2.3; A2.4; A3; A3.1	302-5; 303-1; 303-2; 306-2	 

02. Co-developing diversity and inclusion for staff

Dynamic, inclusive, and energized workplace environment	B1; B2; B2.3	401-1; 403-4; 403-6; 405-1	
Tailored training and varied career paths	B3; B3.1; B3.2; B4	404-1; 404-2	
Competitive salary and a fair promotion system	B1	404-3	
Comprehensive benefits and all-round welfare	B1	401-1; 401-2; 401-3; 403-1	

03. Co-constructing the community

Innovation of physical spaces	B6; B6.2; B6.3	416-1; 416-2	
System of “co-governance, co-building, co-sharing, and co-existence”	B8; B8.1; B8.2		
Connection between tenants, enterprises and cities	B8		

04. Co-operating to establish a blueprint

Supporting talent settlement in the city	B8; B8.1	413-1	
Facilitating of urban renewal	B8	413-1	
Promoting public welfare	B8.1; B8.2	413-1	

05. Co-building compliance for mutual trust

Efficient corporate governance system	B7	2-9; 2-10; 2-11; 2-12; 2-13; 2-14	
High-level compliance and risk management	B7.1; B7.2; B7.3	205-2; 206-1	
Digital empowerment in corporate governance	B6.5	418-1	
Responsible supplier management	B5; B5.1; B5.2; B5.3; B5.4	204-1; 308-1; 308-2; 414-1; 414-2	

Appendix

ESG Key performance	A1.1; A1.2; A1.3; A1.4; A2.1; A2.2; A2.5; B1.1; B2.1; B3.1; B3.2	302-1; 302-3; 303-5; 305-1; 305-2; 305-3; 305-4; 306-3; 401-1; 403-9	
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