



越秀地產股份有限公司

YUEXIU PROPERTY COMPANY LIMITED

Stock Code: 00123

Where Good Living Starts



Environmental, Social and
Governance Report

2017



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ABOUT YUEXIU PROPERTY COMPANY LIMITED

ABOUT YUEXIU PROPERTY COMPANY LIMITED

Yuexiu Property Company Limited (00123.HK) got listed on the Stock Exchange of Hong Kong on 15 December 1992. The principal activities of the Group consist of property development and investment. Yuexiu Property has become an integrated real estate developer with equal focuses on residential property development and commercial property operation. Our projects cover various types of business such as residences, office buildings, commercial property, and hotels. We had successfully developed the LEED platinum certified hyper building landmark - Guangzhou International Finance Centre.

Yuexiu Property has accumulated more than 30 years of experience in integrated real estate development, operation and management. At present, it has expanded its presence to 12 cities nationwide, forming a national layout with the Pearl River Delta, Yangtze River Delta and Central China, where Guangzhou, Hangzhou and Wuhan are as its cores. The value of the aggregate contracted sales (including contracted sales by joint venture projects) for the year amounted to approximately RMB40.87 billion, representing a year-on-year increase of 35.1%. As at 31 December 2017, the total landbank of the Group was approximately 16.27 million sq.m..

As of 31 December 2017, Yuexiu Property owned a 36.72% interest in Yuexiu Real Estate Investment Trust (00405.HK), the first real estate investment trust focusing on properties in the Mainland China market. Yuexiu Property is the only Hong Kong-listed Mainland developer with its own REIT.





ABOUT THE REPORT

2.1. OVERVIEW

This Report (the "Report") is the annual Environmental, Social and Governance Report (referred to as the "ESG Report") released by Yuexiu Property Company Limited. It focuses on the disclosure of Yuexiu Property Company Limited and its subsidiary companies (collectively referred to as the "Group") on their ideas, key progress and results relating to environmental, social and governance performance from 1 January 2017 to 31 December 2017.

Since 2010, the Group has proactively published the Corporate Social Responsibility/Environmental, Social and Governance report for 8 consecutive years.

2.2. PREPARATION BASIS

The Report was prepared according to the Environmental, Social and Governance Reporting Guide (ESG Guide) under Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong and also with reference to the core part of the Global Report Initiative (GRI) Guidelines and the Guidelines on the Corporate Social Responsibility of Real Estate Enterprises of Guangdong Province published by Guangdong Real Estate Association.

The contents of the Report were prepared according to a set of systematic procedures. The Report was prepared through the following procedures: identifying important stakeholders, identifying and prioritizing major ESG issues to formulate the ESG Report's coverage, collecting relevant materials and receipts, compiling data on the basis of information and examining report data.

2.3. SCOPE AND COVERAGE OF THE REPORT

The policies, data and information in this report cover the actual business scope of Yuexiu Property Company Limited and its subsidiary companies, except for some individual data with specific notes.

The report is presented in Renminbi ("RMB"), unless otherwise specified.

2.4. SALUTATION DESCRIPTION

To facilitate presentation and reading, "Yuexiu Property", "the Group" and "we" both refer to Yuexiu Property and its subsidiary companies.

The Report uses the same definitions of the Group's "2017 Annual Report", unless otherwise specified.

2.5. DATA SOURCES AND RELIABILITY STATEMENT

The data used herein all comes from Yuexiu Property Company Limited and its subsidiary companies. The board of directors is responsible for the truthfulness, accuracy and completeness of the contents of the report.

2.6. ACKNOWLEDGEMENT AND APPROVAL

This report has been acknowledged and released by the board of directors.

2.7. ACCESS AND RESPONSE TO THE REPORT

The electronic version of the Report can be downloaded from the following website: <http://www.yuexiuproperty.com>.

For any comments or suggestions on the environmental, social and governance performance of the Group, please send Email through ir@yuexiuproperty.com.



MANAGEMENT MESSAGE



Chairman: Zhang Zhaoxing



In 2017, Yuexiu Property continued to take "Where Good Living Starts" as its mission with fulfilment of its social responsibilities as one of its fundamental principles for business development. Yuexiu Property committed itself to the corporate mission of "Repay Shareholders, Employees and Society", and kept improving its economic performance and social performance.



GOOD OPERATIONAL RESULTS ACHIEVED AND ESG MANAGEMENT CONTINUOUSLY IMPROVED

In 2017, working around the theme of the year - Upgrade Management to Improve Quality and Consolidating Resources to Promote Development, Yuexiu Property achieved sustained and stable growth by comprehensively upgrading its management and accelerating its improvement of operational quality, and making full use of and consolidating various resources to build the core competences for business development. Contracted sales (together with sales from the joint venture projects) were recorded amounting to approximately RMB40.87 billion throughout the year, up 35.1% year on year; The revenue was approximately RMB23.79 billion, up 14.0% year on year; The core net profit was approximately RMB2.35 billion, up 36.7% year on year; Full-year dividends paid per share amounted to HK\$0.092, representing a year-on-year increase of 41.5% in Hong Kong Dollar terms.

While achieving the said business results, Yuexiu Property continued to improve its ESG management, allocate the rights and responsibilities of management to each functional department, each subsidiary and each property project, to ensure that its executives can keep updated with the environmental and social impact from business of Yuexiu Property, obtain comprehensive and accurate information as the basis for decision-making, and keep advancing Yuexiu Property on its path of sustainable development.



Vice Chairman, General Manager: Lin Zhaoyuan



MANAGEMENT MESSAGE



IMPLEMENTING SOCIAL RESPONSIBILITIES BY COMBINING SOCIAL AND ENVIRONMENTAL NEEDS

Yuexiu Property insists on starting from the Group's own products to meet the needs of society and environment, which is a true sustainable development mode, to obtain win-win results in economy, environment and society, and to create greater benefits.

With respect to environmental protection, Yuexiu Property strictly complied with the national guidelines on eco-friendly architectural design for project design, construction and operation. In 2017, it completed the eco-friendly building certification for four projects, and meanwhile promoted eco-friendly properties. In order to reduce carbon emissions, Yuexiu Property actively carried out energy-saving and water-saving alteration on the properties under its management, thus improving electricity efficiency and water-saving intensity.

With respect to social welfare, the Yuexiu Property poverty alleviation taskforce adhered to the working philosophy of "Build Roads for Convenience, Export Labour for Wealth, Introduce Projects for Development, and Rely on Officials for Implementation", and continued to carry out targeted poverty alleviation in Chimi Village, Xiniu Town, Qingyuan City, Guangdong, so as to repay the society.

With respect to workforce development, Yuexiu Property officially launched the Swan Program in 2017, which aimed to explore and cultivate project and regional leaders. This program intends to cultivate a large number of outstanding talents with business thinking and ability to manage the whole industry chain. It not only builds a development platform for employees and becomes the backbone of the Group, but also effectively helps the implementation of the strategic objectives of "13th five-year plan" at the Group.

With respect to product development, Yuexiu Property responded to the call of the Chinese government, accelerated its layout of new businesses, such as urban renewal, elderly-care properties and long-term rental apartments according to market demand in 2017, and established and developed specialized platforms to meet the growing demand for urban renewal, elderly-care and house lease in the cities where the Group has a presence.

WITH RESPECT TO SUSTAINABLE DEVELOPMENT, YUEXIU PROPERTY WILL CONTINUE TO ADVANCE AND ACHIEVE MORE SUCCESSES OVER TIME

Yuexiu Property has won the high praise of the capital market for its efforts in the ESG fields. In 2017, Yuexiu Property was awarded Gold Award for Corporate Governance and Best Corporate Social Responsibility Initiative Award by The Asset, and meanwhile Best in ESG Award (mid cap) and Best in ESG Reporting Award (mid cap) by BDO, demonstrating the recognition of the capital market for Yuexiu Property's outstanding performance in corporate social responsibility (CSR) and ESG reporting.

Sustainable development is not an overnight job. In front of the achievements, Yuexiu Property will continue its hard efforts, such as to keep improving its ESG management system, further integrate ESG efforts into business management and culture, and strive to achieve more remarkable results. This is what stakeholders expect of us and our corporate social responsibilities. Hopefully, this report can convey our determination with respect to ESG, and also serve as a bridge between Yuexiu Property and various stakeholders, and work as a new starting point for Yuexiu Property on the road to sustainable development in the future.

04

SUSTAINABILITY APPROACHES

Yuexiu Property has been striving to achieve win-win results among itself, shareholders and business partners, and actively promoting its own steady and sustainable development, so as to better address its responsibilities for all stakeholders. With this report, we hope to share our environmental, social and governance performance with the community and stakeholders, and to receive feedback so that we can better reorient ourselves towards sustainability in the future.







SUSTAINABILITY APPROACHES

4.1. SUSTAINABILITY POLICY AND FRAMEWORK

Yuexiu Property has been adopting the “Corporate Governance Code” set out in Appendix 14 to the HKEx Listing Rules as its corporate governance code and conducting business operations in accordance with the requirements thereof. In order to effectively implement the requirements of the Corporate Governance Code, the board of directors is responsible for assessing and identifying the Group’s environmental, social and governance risks, and ensuring that the Group has established and run an effective environmental, social and governance risk management and internal control system. Yuexiu Property has established a top decision-making layer for ESG management with senior management as its member, so as to provide strategic guidance for the Group’s overall ESG management, and report relevant risk control to the board of directors in a timely manner, helping the board of directors have a comprehensive and timely understanding of the Group’s environmental, social and governance risks and make relevant decisions. The overall ESG management roles and responsibilities are allocated as follows:

Hierarchy of ESG Management	Staffing	Specific Duties
ESG Work Leading Group	Led by the general manager and consists of top persons-in-charge of all related functions	<ol style="list-style-type: none"> 1. Discuss sustainable development 2. Identify ESG related risks 3. Develop ESG strategies 4. Review effectiveness of ESG work
ESG Work Management Team	Heads of Departments form a ESG management team	<ol style="list-style-type: none"> 1. Study specific work based on overall ESG strategy and direction 2. Arrange corresponding staff to implement the work 3. Supervise concrete implementation of the work 4. Report to the ESG work leading group on task implementation
ESG Work Implementation Group	Head office functional departments Regional companies Supporting companies	Head office functional departments, regional companies and supporting companies send dedicated colleagues to set up the working group <ol style="list-style-type: none"> 1. Collect, sort and submit information 2. Implement specific work task 3. Promptly report the work status





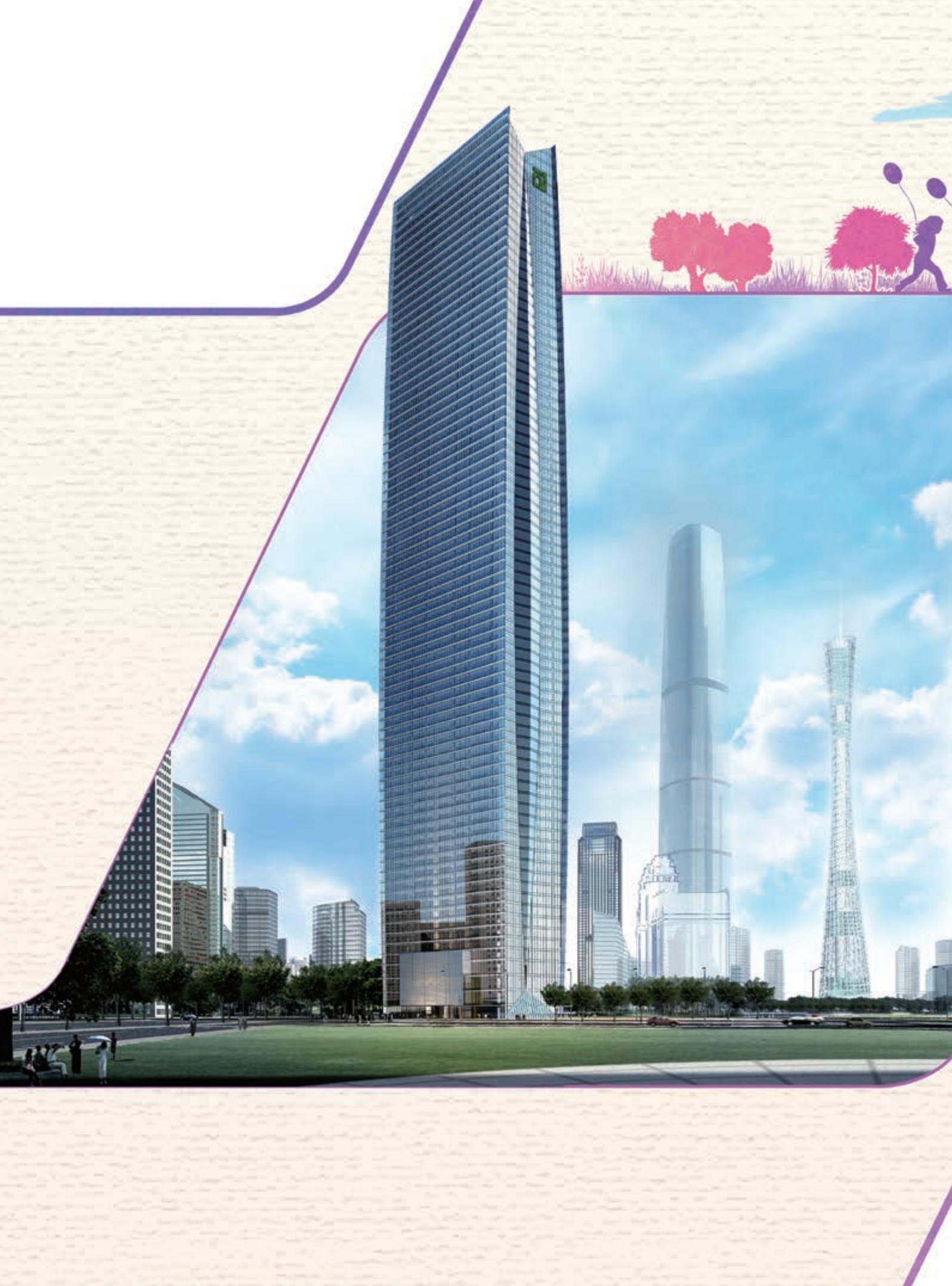
SUSTAINABILITY APPROACHES

4.2. SUSTAINABILITY GOALS

Looking ahead to 2018, Yuexiu Property will continue to maintain a high level of corporate governance, provide customers with better quality products and services. While maintaining the steady growth in the financial term, the Group consciously integrate environmental, social and governance concepts with the Group's mission, values, business and system, and pursue comprehensive and sustainable development throughout.

- Economic responsibilities: To continue to achieve steady and sustained economic growth with the management goal of "Business-driven quality improvement, innovation-driven development".
- Product Responsibilities: To keep our commitment to quality, safety and environment friendliness, so as to provide customers with high quality service and maintain its industry leading standards.
- Staff Responsibilities: To establish a scientific and excellent human resources management policy for employees, provide a healthy and harmonious workspace, and create a large and fair room for career development.
- Supply chain responsibilities: To strictly control supply chain product procurement, impose high supplier selection criteria, strengthen procurement supervision, and build a responsible supply chain.
- Environmental responsibility: Yuexiu Property will improve the management of wastes, resources and emissions to the maximum extent along all of its business processes and whole cycle of products, and effectively reduce the negative impact of its operation on the environment.
- Social responsibilities: To actively participate in public benefit and charity activities and community development, and further invest in targeted poverty alleviation and industrial assistance among others.







05

CONSISTENT COMPLIANCE AND EFFECTIVE GOVERNANCE

Yuexiu Property strives to maintain a high level of corporate governance in order to protect the rights and interests of shareholders and improve accountability. The Group has been adopting the “Corporate Governance Code” set out in Appendix 14 to the HKEx Listing Rules as its corporate governance code and conducting business operations in accordance with the requirements thereof. The Group integrates environmental, social and governance risk management into its daily operations and internal control on the basis of compliance with the Corporate Governance Rules of Listed Companies.



CONSISTENT COMPLIANCE AND EFFECTIVE GOVERNANCE

5.1. RESPONSIBLE COMMUNICATION

Yuexiu Property identifies key stakeholders by analysing the interaction between the Group and stakeholders in daily operations. Yuexiu Property has a wide range of stakeholders, including shareholders and investors, employees, customers, suppliers, governments, communities, industry associations, chambers of commerce and media. Yuexiu Property attaches importance to the communication with stakeholders in order to achieve common progress and development. Therefore, Yuexiu Property responds to the reasonable expectations and requests from stakeholders in the following ways.



Owner/Resident

Residents in Yuexiu Property residential projects

- The satisfaction of owners and residents with Yuexiu Property residential products and property services is the basis for our long-term development
- Their main concerns: Geographic location, surrounding facilities, internal environment, property service quality, and community security equipment
- Our daily communications: Regular visits, satisfaction surveys, complaint hotlines, and resident property management



Staff

Employees directly employed by Yuexiu Property

- A growing team of excellent staff is the key to the sustainable development of Yuexiu Property
- Their concerns: Salary and treatment, room for development, employee benefits, promotion policy, training system, corporate reputation, work intensity, and internal communication channels
- Our daily communication: Direct communication, employee mailbox/hotline, and training programs



Shareholders and investors

Existing shareholders and potential investors of Yuexiu Property

- The existing and potential investors of Yuexiu Property provide the economic foundation for our development. Yuexiu Property is dedicated to creating a sustainable economic return that can meet the expectations of our shareholders
- Their concerns: Share price, dividend, financial position, business prospects, future development plans, governance, management selection and employment
- Our daily communication: Information disclosure, shareholders' meetings, investor meetings and roadshows, and investor hotline/mailbox



Media

Media that is interested in Yuexiu Property and reports on our operational performance and services

- Media reports can make the community more aware of Yuexiu Property, and urge Yuexiu Property to improve its operation
- Their concerns: Business and product situation, financial performance, future development direction, and corporate social responsibility among others
- Our daily communication: Press conferences, interviews, and regular seminars among others



Mall/office users

Users and customers who work and shop in the office buildings and shopping malls owned by Yuexiu Property

- Customers are the direct users of our office buildings and shopping malls. It is our responsibility to provide them with a safe and comfortable work and shopping environment
- Their main concerns: Geographic location, internal environment, property service quality, security facilities, energy consumption, rental level, and customer traffic
- Our daily communications: Complaint mailbox, routine inspections, complaint hotline, and satisfaction survey



Government

Local governments of locations where Yuexiu Property is incorporated, listed and operated

- The support of the government to Yuexiu Property is the guarantee that we can have a larger range of positive economic and social impact
- Their concerns: The business can comply with local laws and regulations, pay taxes according to law, promote local economic growth, boost local employment, and produce positive social benefits
- Our daily communication: Regular visits, and communication on policies



Suppliers

Suppliers who provide Yuexiu Property with equipment and service required for daily operation

- The suppliers provided Yuexiu Property with high-quality products and services, and became an important part of Yuexiu Property operation process. At the same time, they also have to abide by Yuexiu Property's supplier management policy
- Their concerns: Procurement policy, supplier management policy, fair trade, timely payment, and partnership maintenance
- Our daily communication: Supplier review and regular visits



Local communities

Local communities where Yuexiu Property operates

- The communities where Yuexiu Property operates and local residents support our business growth, while Yuexiu Property also makes its contribution to the development of the community
- Their concerns: The impact of property construction and management on local communities and residents
- Our daily communication: Community public welfare activities and complaints hotline

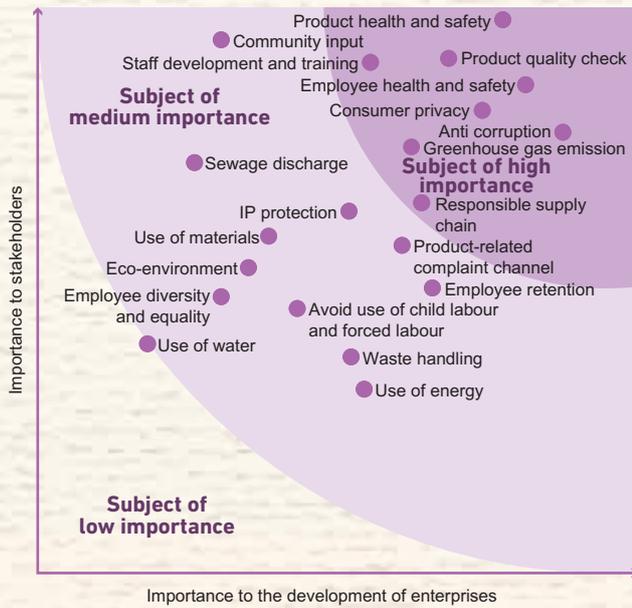


CONSISTENT COMPLIANCE AND EFFECTIVE GOVERNANCE

5.2. RESPONSIBILITY ISSUES

During the report preparation period, in order to further understand the stakeholders' concerns, Yuexiu Property entrusted an independent consulting company to conduct a materiality evaluation. At the same time, stakeholders' feedback on and expectations of Yuexiu Property's fulfilment of social responsibility during the past year has been studied, so as to help establish the report framework and respond to their views.

Matrix - ESG Reporting Significance



List of materiality issues
High materiality issues
Product health and safety
Employee health and safety
Integrity and anti-corruption
Product quality verification
Consumer privacy
Staff development and training
Responsible supply chain
Greenhouse gas emissions
Moderate materiality issues
Community investment
Employee retention
Protection of intellectual property rights
Product complaint channel
Use of materials
Sewage discharge
Waste disposal
Avoiding use of child and forced labour
Use of energy
Ecosystem
Staff members' diversity and equality
Use of water resources





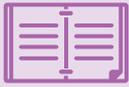
CONSISTENT COMPLIANCE AND EFFECTIVE GOVERNANCE

5.3. BE CLEAN-HAND AND UPRIGHT

Yuexiu Property continuously improves its rules and regulations, and comprehensively inhibits any emerging corruption signs, so as to cultivate talents with integrity. Yuexiu Property has formulated the Yuexiu Property Guidelines for Full Implementation of Talks around the Principal Roles with respect to Strict CPC Governance, and the Yuexiu Property Implementation Plan for the Supervision of CPC Discipline Committee over Grassroots Conduct, and other anti-corruption norms. Through improving the communication mechanism about the conduct of Party members, we strengthened our fight against corruption and advocated clean governance, promoted the development of the CPC's work style and clean corporate governance in a broader and deeper manner, so as to better serve our core mission, and realize Good Governance in the real estate market.

Yuexiu Property has successively issued the Guidelines for the Implementation of the "Three Important and One Large" Decision-Making System, the Detailed Rules for the Supervision and Administration, the Guidelines for Ombudsman System and other rules and regulations, and strictly followed the aforesaid guidelines to carry out various related work. In addition, Yuexiu Property requires all departments and subsidiaries to report "Three Important and One Large" decisions on a quarterly basis. Statement of Responsibility for Clean and Honest Governance is signed every year. All the staff are required to sign the Statement of Undertaking in relation to Clean and Honest Conduct, which has been mainstreamed into the onboarding process. Each position is screened and organized to sign Point-Of-Risk Management Ledger.

Anti-Corruption Measures Taken by Yuexiu Property



[Case Study]

- The Group has published a clean governance whistleblowing mailbox, complaint hotline and Email address, and make available clear supervision and complaint channels;
- Each branch has set up audit and inspection positions, which are responsible for organizing the staff to sign Statement of Undertaking;
- An anti-corruption supervision team has been established and the letters of appointment have been assigned to anti-corruption supervisors, who are responsible for the supervision of bidding and tendering;
- According to the requirements of the Party Committee at a higher level, the Group has carried out alert talks and integrity education for the staff;
- The employees are arranged to fill in the department-specific or role-specific corruption risk review form;
- Business partners have been randomly interviewed for anti-corruption purpose all along;
- An anti-corruption and self-discipline notice has been sent every traditional festival;
- The Group's departmental meetings are encouraged to organize all attendees to study the above measures and guidelines.





CONSISTENT COMPLIANCE AND EFFECTIVE GOVERNANCE

5.4. SOCIAL RECOGNITION

Corporate Governance Gold Award 2017
Social Responsibility Best Initiative Award
The Asset Magazine

Listed Company Award of Excellence 2017
Hong Kong Economic Journal, PR Asia

Best IR in Corporate Transaction (Mid Cap)
Hong Kong Investor Relations Association

China Excellent Real Estate Corporation Awards 2017
China Excellent Real Estate Corporation Awards Commission

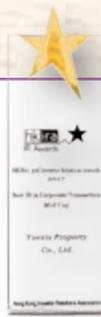
Best Listing Company Investor Relations Award 2017
China Financial Market Magazine

Best in ESG Awards (Mid Cap)
Best in ESG Reporting Awards (Mid Cap)
BDO

Most Valuable Real Estate Listed Company 2017
Zhitongcaijing.com

Social value Enterprise Award
Anjuke

Social Responsibility Enterprise Award -
Guangzhou Yuexiu Elderly-Care Investment Holding Co., Ltd.
Guangdong Elderly-Care Services Association





06

QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

For its own products, Yuexiu Property started from supply chain management to ensure product quality and promote technological innovation along its overall operation chain. Under the call of the new era, we are more in line with the needs of the community and the needs of the business development, and keen to open up new types of businesses, so as to strengthen the powerful engine for development.







QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

6.1. SUPPLY CHAIN MANAGEMENT

Yuexiu Property is committed to optimizing supply chain management, in order to ensure eco-friendly sourcing and supply through transparent tendering, responsible sourcing, quality management and delivery evaluation. Such practices are first documented and then implemented at the management level and then at the individual level.

Yuexiu Property has formulated the Tendering and Procurement Administrative Measures (Revised), Construction Project Suppliers Management Rules (Revised), Materials and Equipment Suppliers Shortlisting Guidelines (Provisional), and Design (Consulting) Service Provider Management Rules, which provide standard procedures and effective management methods for supplier classification management, categorization, inspection and evaluation, and database expansion. The Group has carried out performance evaluation on its suppliers on a regular basis, and blocked or blacklisted the suppliers whose overall rating is “disqualified” according to the opinions of various departments and as required by the Rules.

How Does Guangzhou Regional Company Manage Suppliers

The Guangzhou Regional Company follows the various rigorous supplier management systems of Yuexiu Property and registers its suppliers in ERP supplier management system.



[Case Study]

THERE ARE **1,101 SUPPLIERS**
IN TOTAL WHO MEET THE ENTRY REQUIREMENTS.



Yuexiu Property also regards “sustainable procurement” as one of the key tasks in its development of social responsibility management system, and integrates the appraisal of social responsibility indicators through supplier evaluation, selection and monitoring.

Guangzhou Regional Company created a Yuexiu Property Regional Company Supplier Database



[Practice]

In order to further optimize the supply chain management, Guangzhou Regional Company created a Regional Company Supplier Database on the basis of the Yuexiu Property supplier resource pool, and selected suppliers by following the principle of proximity to reduce energy consumption, and achieved the goal of cost reduction and energy conservation by increasing the volume of centralized procurement. In addition, the Group has included a labour protection clause into the contract, requiring suppliers to improve the employees’ labour registration procedures, and conclude a labour contract with employees, and clearly specify the rights and obligations of both parties, and requiring suppliers to set up an earmarked account for wage margin to protect the interests of employees. At the same time, an anti-corruption agreement has been further signed with suppliers to eliminate bribery and corruption and ensure strict enforcement.

Guangzhou Regional Company requires suppliers to use energy-saving and environment-friendly building materials



[Practices]

Guangzhou Regional Company does a good job in application and promotion of new technologies, new skills, new materials, new equipment promotion and collection, sorting and filing of building-specific energy saving information; The requirements for environmental protection and energy saving testing has been included as an important clause in the contract, clearly requiring it to be responsible for filing, testing, acceptance and certification among others with respect to environmental protection and energy conservation. Photocopies of the invoices provided by the supplier for new environment friendly and energy saving building materials are attached as proof of payment.



QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

6.2. QUALITY ASSURANCE

Yuexiu Property has been in strict compliance with the Construction Law of the People's Republic of China, the Fire Prevention Law of the People's Republic of China and other laws and regulations for a long time. In 2017, Yuexiu Property updated the contents of 7 existing technical standards and systems and issued 7 quality technical standards in accordance with the Several Opinions on Promoting the Modernization of the Residential Industry and Improving the Quality of Residential Buildings, the GB50096 Design Code for Residential Buildings and the GB50368 Construction Code for Residential Buildings as well as relevant national residential building standards, with a view to more effectively manage construction, decoration and other links of its own projects, such as acceptance, quality monitoring and finishing, so as to ensure the quality and safety of its products more effectively. Yuexiu Property maintains the health and safety standard of construction products ultimately delivered to users in every aspect through comprehensive and prudent construction product quality control so that everyone can set their mind at rest to live, work and enjoy recreational activities in the products constructed by Yuexiu Property.

6.2.1. Quality Management

In 2017, in order to further develop "Yuexiu Treasure", Yuexiu Property requires all regional companies to strictly abide by Yuexiu Property Product Quality Assurance Project Management Guide, and strive to establish a cutting-edge quality and safety control system. The Group optimized the whole process, from material and process control, construction management, quality and safety assessment, quality acceptance, performance appraisal and accountability among others, through improvement of the related requirements on construction quality and safety and precise and strict product quality management. Customer satisfaction is the driving force of Yuexiu Property's growth. Yuexiu Property pursues the improvement of the safety level at each link, and ensures the quality of the delivered products, so that Yuexiu Property could become the first choice of customers for life, work and entertainment.

In addition, the Yuexiu Property Product Centre revised, compiled and issued 7 quality control measures such as Quality Management System for Conceptual Design, Quality Management System for Preliminary Design and Quality Management System for Construction Drawing Design in 2017; and it updated and amended 7 existing technical standard systems, such as: Unified Technical Measures, Design Standard Model for Construction Drawing, Disclosure Standard for Preliminary Design, Disclosure Standard for Construction Drawing, and Design Review Management Rules.

6.2.2. Quality Evaluation

Quality evaluation mechanism is compulsory for the Group's quality control. In order to ensure product safety, customer satisfaction and business reputation, Yuexiu Property has formulated evaluation systems, such as Project Quality Evaluation Management Rules (Revised), Product Quality Assessment and Accountability Rules (for Trial Implementation) and Third-Party Testing Guide for Materials and Equipment, and standardized and institutionalized the quality evaluation process.

The Yuexiu Property Product Centre also formulated the Detailed Rules for Product Quality Assessment and Accountability, which not only serves as an assessment and accountability system for the Group's internal staff, but also explicitly includes project quality into the annual performance assessment of relevant parties (including departments and subsidiaries, and design, supervision and construction units), and holds accountable relevant suppliers for quality events such as customer class litigation, so as to better track product production responsibilities and contribute to product quality assessment.

6.3. R&D AND INNOVATION

Yuexiu Property adheres to the philosophy of respecting innovation and pursuing excellence, continuously cultivates eco-friendly and healthy human settlement products, continuously fuses advanced concepts in technology and products, and explores innovation. Combined with high-tech intelligent building system, higher requirements are put forward for product development and innovation. The Group continues to explore, actively develop, and further expand innovative products, such as prefabricated buildings and mainstream hardcover standards.

Research and development Philosophy at Yuexiu Property:

- Systematically improve the quality of products and achieve product upgrading by means of smart eco-friendly building technologies
- Research into indoor prefabricated/modular basis system, including partition system, integrated ceiling system, dry floor system, door and window cover system, sandwich pipeline system, and integrated kitchen and toilet system among others to make hardcover quality, cost and efficiency controllable.
- Research into integrated optimal design of room type, and expand more humanized spaces.



[Case Study]

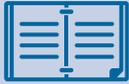
Study on Prefabricated Buildings

The Niutian Project in Jianggan, Hangzhou was the first pilot with respect to prefabricated module by Yuexiu Property. With Project Niutian, we gradually developed the control system of Yuexiu Property prefabricated building, met the challenges of the prefabricated building revolution in all aspects, and created "Yuexiu Eco Treasure".



QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

Product Standardization R&D Base, Yuexiu Property Product Centre



[Case Study]

Yuexiu Property Product Centre has a product standardization research and development base (Product R&D Base) in Jinzhou North Road, Huangpu District, Guangzhou, which covers an area of approximately 23,000 sq.m.. As an experimental field for Yuexiu Property's innovation product experiment, improvement, optimization and upgrade, the Product R&D Base comprehensively researches into and displays the product standardization results, and continuously promotes the implementation of fine/hardcover decoration, component parts, smart home, garden landscape, eco-friendly buildings, new materials and new process results, laying a solid foundation for advancing Yuexiu Property toward industrialization.

In 2017, the Product R&D Base carried out two specialized pilot studies on mainstream hardcover standard and lower temperature dehumidification board room for South China.

6.4. NEW BUSINESS DEVELOPMENT

Yuexiu Property actively responded to the call of national policy, constantly looked into the market demand, and explored in the existing product system. The Group believes that "optimize products toward market demands" is one of the fundamentals of the Group's sustainability. Under the guidance of the customer values, we develop differentiated products and humanized products that can create value for customers.

6.4.1. Develop Elderly-Care Property Vigorously

In recent years, the aging of the population is becoming increasingly serious in China. It has become an important social challenge to look after the lives of senior citizens. In 2017, Guangzhou Yuexiu Elderly-Care Industry Investment Holding Co., Ltd was formally established and successfully acquired 51% equity interest of Shenzhen Yinxing Modern Elderly-Care Service Co., Ltd.

In order to better understand and develop its elderly-care business, Yuexiu Property carried out the research on Three-Level Elderly-Care Network System for Home Care and Special Report on Yuexiu Property's Development of Elderly-Care Property Business in 2017, and analysed both opportunity and development points of elderly-care property in depth, so as to better fit the "whole-person care" concept of Yuexiu Property Elderly-Care Service.

Successful Acquisition of 51% Equity Interest of Shenzhen Yinxing Modern Elderly-Care Service Co., Ltd.

Shenzhen Yinxing Modern Elderly-Care Service Co., Ltd. is a specialized elderly-care brand chain operator, which was established in November 2015. The main services currently available include Yinxing College, Yinxing Medical, Yinxing Life, Yinxing Institution, and Yinxing Garden among others. Among them, Yinxing Garden elderly-care home, located in Xiaogang, Haizhu district, Guangzhou, started to operate in June 2017, with 257 working beds for the first stage, which is the first high-end integrated medical and nursing elderly-care service facility launched by Shenzhen Yinxing.



[Case Study]





QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

6.4.2. Actively Participate in Urban Renewal

As a vanguard of Chinese key central cities, Guangzhou has issued urban renewal policies intensively in recent years, which promotes the construction level of urban renewal in an all-round way. According to Guangzhou Urban Renewal Master Plan (2015-2020) issued by the Guangzhou municipal government, Guangzhou will complete 42-50 sq.km. urban renewal in 2020. Yuexiu Property takes the full advantages of combined production and finance, plays the role of urban renewal service provider, actively participates in the formation of Guangzhou State-Owned Enterprise Development Alliance, aggregates the resources of state-owned enterprises in land, finance and development, innovates urban renewal investment and financing mode, and promotes the new urbanization in Guangzhou.

Establishment of Guangzhou State-Owned Enterprise Development Alliance

In July 2017, Guangzhou State-Owned Enterprise Development Alliance jointly initiated and established by Yuexiu Property, the Real Estate HQ of Guangzhou Metro and Zhujiang Industry was formally established, and Yuexiu Property served as the chairman member. The development alliance will gather state-owned enterprises with land, development and financial resources, build a collaborative platform for state-owned enterprises in the field of urban renewal, and strive for policy support in the transformation of old state-owned enterprises, urban renewal and development and construction, so as to help Guangzhou improve the image of the city and realize industrial upgrading.



Guangzhou State-Owned Enterprise Development Alliance was formally established

Representative Work of Urban Renewal - I: Tianhe Sports Centre CBD

Yuexiu Property has successively developed high-end commercial properties such as Mayor's Plaza, Metropolis Square, City Development Plaza, Fortune Plaza and Victory Plaza, and converted a 5.2-sq.km. abandoned old airport in Tianhe District into a well-known business district in Guangzhou, directly promoting regional leapfrog development and realizing the eastward shift of the city centre.



[Historical Review]



Old Look



New Appearance



QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

Representative Work of Urban Renewal - II: Jiangnan New Village

Yuexiu Property initiated the development mode of residential community, built the first-generation commercial housing in China, created the prosperity of Jiangnan West CBD in Guangzhou, promoted the location value of Haizhu district, and changed the regional layout of Guangzhou city.



[Historical
Review]



Old Look



New Appearance

Representative Work of Urban Renewal - III: Ersha Island

Yuexiu Property took the lead in introducing the concept of international style, building New World Garden, Gold Ark and other high-end villa communities of unique style. The old and shabby small fishing village was transformed to a pearl on the pearl river and has become a paradigm for the national high-end international communities.



[Historical
Review]



Old Look



New Appearance



QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

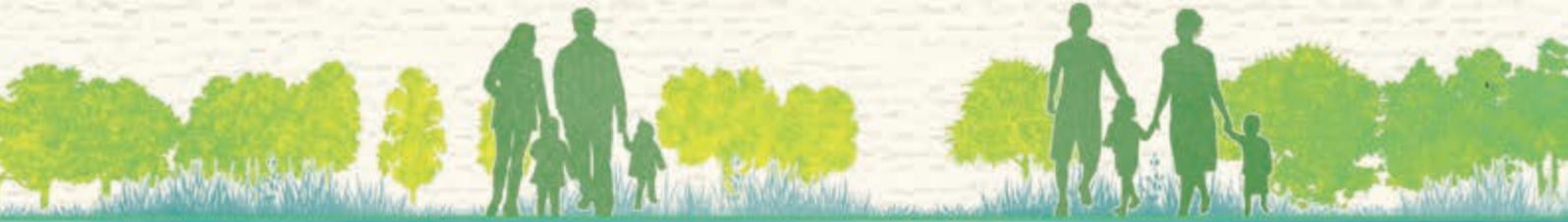
6.4.3. Expanding Long-Term Rental Business

Since 2016, the Central, Guangdong Provincial and Guangzhou Municipal governments have successively issued relevant policies to vigorously cultivate and develop the housing rental market. In the report of the 19th CPC National Congress, the concept of “housing is for living in, not for speculation” was particularly reiterated. It was also stressed to put in place a housing system that ensures supply through multiple sources, provides housing support through multiple channels, and encourages both housing purchase and renting, to meet the housing needs of all of our people. Guangzhou, as one of the first 12 cities in China to pilot in the housing lease market, officially released the Work Plan for Accelerating the Development of Guangzhou Housing Rental Market in July 2017, which demonstrates Guangzhou’s determination and strength to respond to the call of the central government.

Yuexiu Property actively responded to and implemented the call of the Central and Guangzhou municipal governments to vigorously cultivate and develop the housing rental market. Yuexiu Property will rely on its strong ability to integrate resource, mature ability to operate its business and consistent financial advantages, strengthen mechanism innovation and resource integration, vigorously expand the housing rental market, actively play the role of pioneer, and achieve a win-win situation for the government, enterprises and customers.







07

COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

Yuexiu Property is committed to a healthy and comfortable working and living space for local communities, and efficient use of resources to live in harmony with nature. Therefore, Yuexiu Property fully integrates the concept of sustainable and low-carbon development in the process of R&D, design, management and operation. Yuexiu Property believes that eco-friendly development strategy can rebuild the unity of organic harmony between human being and nature, achieve the high-level coordinated development of social economy and natural ecology, and establish the civilized relationship between human being and sustainable development, which leads to both coexistence and mutual interest between man and nature and mutual prosperity of ecology and economy.



COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

7.1. ECO-FRIENDLY STRATEGY

Yuexiu Property follows the coordinated and interactive pattern of economic, social and ecological systems. In 2017, Yuexiu Property strengthened the identification and management of environmental risks. According to the relevant requirements of the Environmental Protection Law of the People's Republic of China and the National Hazardous Waste Inventory, the Group formulated the Environmental Factor Identification and Assessment Management Procedure and the Waste and Chemical Management Procedure, requiring all the departments to actively cooperate and identifying the environmental impacts caused by pollutants such as waste gas, waste water, waste and noise in a timely manner. At the same time, Yuexiu Property pays attention to the cultivation of eco-friendly building specialists. As of the end of 2017, Yuexiu Property has 15 assessment specialists with the Guangdong eco-friendly building logo.

7.2. ECO-FRIENDLY BUILDING

According to the Group's sustainable development strategy, Yuexiu Property designed and built its own projects with reference to National Guidelines for Design of 1- and 2-Star Eco-friendly Building, Management Measures for 1 and 2-Star Eco-friendly Building Identification Logo (For Trial Implementation) and Detailed Rules for Implementation of Eco-friendly Building Identification Logo (Revised for Trial Implementation). According to the Detailed Rules for Management of Eco-friendly Building Construction Projects, Yuexiu Property adopted comprehensive and full-process project control from the project initiation stage to the post-operation assessment stage.

With respect to the promotion and application of eco-friendly building-oriented design, management and other means, Yuexiu Property uses smart design means, such as CFD, Ecotect and other CAD analysis software, and routinely integrates them into the planning and design process, and includes them in the Company's standards as the prescribed steps of project design, so as to intervene project planning and design as early as possible and minimize consumed resources.

Yuexiu Property completed four eco-friendly building certifications in 2017, with a total certified area of 274,613 sq.m..

Key Projects of Yuexiu Property with Eco-Friendly Building Certification in 2017

Project Type	Project Name	Certification level	Certified Area (sq.m.)
Residential property	Building A1-A4, Starry Haizhu Bay, Guangzhou	1-star National Eco-friendly Building	127,920
Commercial Property	Building A5, Starry Haizhu Bay, Guangzhou	1-star National Eco-friendly Building	32,082
Residential property	Building B1-B3, Starry Haizhu Bay, Guangzhou	1-star National Eco-friendly Building	91,878
Commercial Property	Building B4, Starry Haizhu Bay, Guangzhou	1-star National Eco-friendly Building	22,733



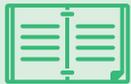
COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

Eco-Friendly Building Practices

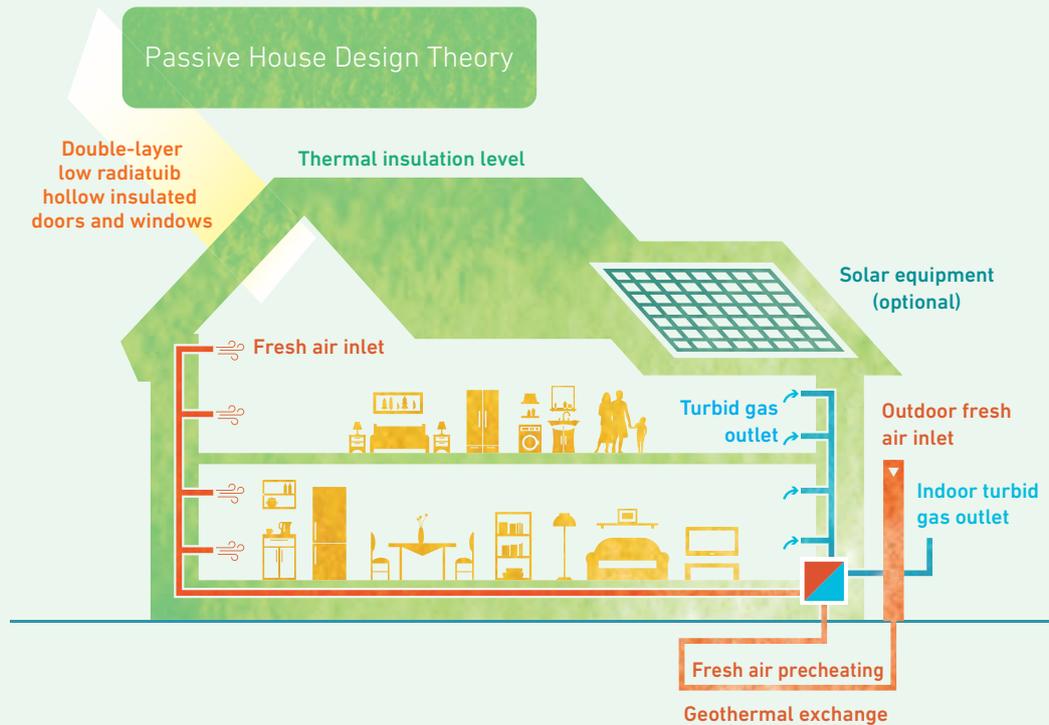
“Passive House”, also known as “passive ultra-low energy greenhouse”, is a new concept of energy-saving buildings from Germany, which originated in the 1980s. Passive house is a highly energy-saving and comfortable building, which achieves constant temperature, humidity and oxygen in all seasons through ground, walls, doors and windows insulation, fresh air system and renewable energy sources, such as solar and geothermal energy.

As early as five years ago, Yuexiu Property has been practicing the philosophy of eco-friendly building in their actions. In Starry Cullinan (Guangzhou), Starry Regal Court (Jiangmen), Starry City (Hangzhou) and other projects, it used a large amount of energy-saving and environment-friendly materials. It helps buildings achieve the effect of “being warm in winter and cool in summer” from three aspects, i.e. external wall insulation, roof insulation, doors and windows insulation:

- **External wall insulation:** Yuexiu Property used aerated concrete block wall to achieve heat insulation for the main external walls of the Starry Cullinan project (Guangzhou); In the Starry City project (Hangzhou), we upgraded the wall insulation materials, using sintered shale hollow block and expanded glass bead insulation mortar. In hot summer, indoor temperature is maintained at 24°C - 28°C, so only electric fans can also make owners feel comfortable.
- **Roof insulation:** The Guangzhou Starry Cullinan project used a new extruded polystyrene board as heat insulation material for roofs, while roof floating plates are covered with high reflection coating, effectively reducing the heat island effect of roofs.
- **Door and window insulation:** In the insulation design of doors and windows, Yuexiu Property’s projects widely use Low-E hollow glass. The glass can effectively insulate against heat, sound and radiation. By blocking and reflecting a large amount of solar energy, it can reduce cooling load of air conditioners in summer and indoor heating loss in winter, and improve the heat insulation performance of windows in winter.
- **Fresh air system:** This system delivers fresh air being filtered from outdoor to home, and discharges the indoor turbid air after energy exchange to the outside, thus reducing energy loss. It saves electricity for owners while ensuring fresh air.



[Case Study]





COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

Guangzhou Starry Haizhu Bay has obtained the 1-Star Eco-friendly Building Design Logo

Project design highlights: Taking the passive technologies as the priority, the project comprehensively used the eco-friendly and building energy-saving technologies suitable for residence, meeting the requirements of one-star eco-friendly building design logo stated in the Eco-Friendly Building Assessment Standards with respect to indicators in the following six aspects: land saving, energy saving, water saving, material saving, indoor environment quality and operation and management.

- Multi-layered landscaping is employed by combing tree, bush and grass. Plants are reasonably configured by choosing those suitable for local climates and soil conditions. In the landscaping configuration, the intensity of trees reached 3 trees per 100 sq.m..
- High-efficiency light sources, high-efficiency lamps and energy-saving control measures are used in public areas, and energy-saving switches are used for stair lamps and corridors to save lighting-related energy consumption.
- The water efficiency of water-saving appliances is all level 3, effectively saving water resources.
- Structure and materials are reasonably selected for exterior walls, exterior windows and floors. The air sound insulation capacity of the enclosure structures meets the requirements, reducing the indoor background noise level.
- Water meters and power meters are installed per household for separate metering and billing as effective measures to save water and electricity.



[Case Study]



7.3. ECO-FRIENDLY CONSTRUCTION

Yuexiu Property strictly complies with Yuexiu Property Standardization Atlas for Safe and Civilized Construction, which sets specific requirements on wastewater discharge, construction waste treatment, environmental sanitation of the construction process, and demands suppliers (construction units) with contract constraints to implement these requirements. Yuexiu Property is committed to minimizing the environmental impact of its construction process.

Yuexiu Property insists on carrying out comprehensive environmental impact assessment on its newly-built projects. In 2017, the construction projects under Yuexiu Property did not have any significant negative impact on the environment and natural resources.



COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

Regional Companies Practice Eco-friendly Construction in Depth



[Measures]

Shenyang Company

- Construction sites are reasonably planned. The stock sites of fine decoration materials are moved from outdoor to indoor underground garage, effectively avoiding dust and land pollution. In addition, in the process of construction, waste can be classified for storage and centralized for pickup among other things.
- In order to make full use of design resources, Shenyang Company used ceramic tiles instead of stone for some parts during decoration. Energy-saving and environment-friendly materials were used for indoor decoration. Indoor air quality was maintained at level 1 standard. During the fine decoration process, finished parts were well protected to maximize material savings.

Guangzhou Company

- The use of new construction materials was promoted. Aerated concrete block and other new non-clay wall materials were widely used, protecting and saving non-renewable land resources.
- New technologies with obvious material saving effects, such as steel bar straight threaded connection and electroslag pressure welding technology, were employed to reduce the waste of steel bar tailings at the construction site.
- Temporary facility and containment materials were reused.

Yuexiu Starry Tunnel, Shenyang

In order to improve the living experience of owners and effectively solve the noise problem, Yuexiu Property built the first noise reduction "road cover" in northeast China - Yuexiu Starry Tunnel for Shenyang Yuexiu Starry Winking. The whole soundproof cover is approximately 900 metres long, and the tunnel covers the south boundary of Yuexiu Starry Winking.

The tunnel uses a steel frame matched with metal composite sound absorption plates, lighting sound insulation plates and ventilation metal grid plates, can effectively block traffic noise by 25-30 decibel, and meets the requirements for international premium living environment. In addition, the tunnel has the functions of fire prevention, ventilation, wind prevention, snow load and the like, and is internally provided with lighting measures and green belts, and features top surface cleaning and structural maintenance among others.

The Yuexiu Starry tunnel was established to improve the life quality of the project owners and seek to benefit the vast number of surrounding residents.



[Case Study]





COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

7.4. ECO-FRIENDLY PROPERTY

Yuexiu Property and its affiliated property service companies gradually promote and optimize various measures, and establish relevant management regulations in order to reduce carbon emissions, improve electricity efficiency and water saving intensity. For example, we chose a large amount of energy-saving LED lamps, efficient variable frequency energy-saving water supply pump set, and energy-saving variable frequency control VRV air conditioning unit, and installed timer control for toilet exhaust and indoor ventilation fan equipment; Sanitary Ware is all water-saving ones.



[Case Study]

Guangzhou property service company actively promotes the lighting system renovation project

In 2017, the Guangzhou property service company started the energy saving improvement project for lighting systems in the 15 service centres and car parks under its management. By using energy contracts, original fluorescent lighting systems were transformed into LED lighting systems, and manual switches were transformed into sound control switches. The amount invested was RMB29,200 for the 15 service centres and car parks to purchase lighting lamps and energy-saving lamps, thus saving a total of 380,000 Kwh for the whole year.



[Case Study]

Old Property Renovation - Zhonggang Leather City

The greenhouse gas emission of Yuexiu Zhonggang Leather City (known as Xiangkang Commerce Building) in Guangzhou largely came from the energy consumption in daily operation, particularly air conditioning and shop lighting. In recent years, the energy consumption of air conditioning was mainly reduced through the transformation and replacement of some high-energy consuming equipment and aging air conditioning insulation layer; In daily operation, energy waste was reduced by strengthening the building patrolling, paying close attention to the indoor and outdoor temperature, and adjusting the start-stop time of the host in a timely manner; In the aspect of lighting, the energy consumption of downlights and light-pipes of high floor energy consumption is reduced by replacing them with LED lamps of low energy consumption.

In 2017, the downlights and light pipes of high floor energy consumption were replaced with LED lamps of low energy consumption, and the damaged insulation layer of chilled water pipes for air conditioning were replaced. As a result, 5% of water and electricity were saved respectively on a year on year basis.



Yuexiu Zhonggang Leather City



COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

Yuexiu Financial Tower was recognized by Tianhe CBD Building Sustainability Index

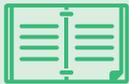
Dual Eco-Friendly Building Certifications

Yuexiu Financial Tower is a demonstration project of eco-friendly buildings in Guangzhou. In the early planning stage, the concept of eco-friendly building design has been introduced. It boasts of high-efficiency cold and heat source equipment, full heat recovery fresh ventilation system, solar photothermal technology, adjustable external shading, rainwater recycling and light pipe lighting technology among others. The green concept has been well implemented from design to construction.

At present, Yuexiu Financial Tower has been awarded LEED-CS Gold Pre-certification and 3-star National Eco-friendly Building Design Logo, and considered the model project of the National Science and Technology Support Program "R&D and Demonstration of Key Energy Conservation Technologies in Hot Summer and Warm Winter Area", and given the title of "Guangzhou Eco-Friendly Building Demonstration Project".

Recognized by Tianhe CBD Building Sustainability Index

In 2017, Yuexiu Financial Tower passed the Tianhe CBD Building Sustainability Index, which was organised by the Guangzhou Tianhe CBD Management Committee and the Hong Kong Quality Assurance Agency (HKQAA). As the first office building in Guangdong whose property management company obtained four standards in one certification (ISO9001, ISO14001, ISO50001, and OHSAS18001), the air conditioning cabinet at each floor of Yuexiu Financial Tower is installed with photocatalytic filters and double air filters, making PM2.5 interception rate reach 99% and formaldehyde and benzene removal rate reach 90%, so as to ensure fresh air for the building, and a third party has been commissioned to conduct an air quality inspection every quarter.



[Case Study]



Yuexiu Financial Tower



COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

Yuexiu Financial Tower was recognized by Tianhe CBD Building Sustainability Index (Continued)

Energy Saving Renovation

In 2017, Yuexiu Financial Tower achieved the goal of saving energy by 1% in the whole year through the continuous implementation of energy-saving measures. The largest carbon emission of the building comes from electricity, and the carbon intensity of the building is 1.93 kg carbon dioxide equivalent/year/1,000 sq.m., which is approximately 10% lower than 2.15 kg carbon dioxide equivalent/year/1,000 sq.m. in 2016. The energy saving measures taken by Yuexiu Financial Tower include:

- The lighting is turned on or off at regular intervals using the intelligent lighting control system for its public areas
- Radar sensors and LED lamps were installed for the underground car park
- The air conditioning system adjusts temperatures by adding or removing units through the cold source group control
- Solar heated water is supplied for the toilets of 60th floor or above

With the above energy saving measures combined, the electricity consumption intensity decreased from 7.9 W/sq.m. in 2016 to 7.1 W/sq.m. in 2017 for the public areas, down 10% year on year.

Water Saving Renovation

Water-saving measures taken by Yuexiu Financial Tower include:

- Condensate water is collected and recycled from the air conditioning system
- Rainwater is collected and recycled

Water consumed in the public areas decreased from 91,957 m³ (0.7 t/sq.m. per capita) in 2016 to 106,641 m³ (0.693 t/sq.m. per capita) in 2017, down 1% year on year.



[Case Study]



Lobby View



Intelligent Elevator Dispatching System reduces elevator waiting time



COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

7.5. ECO-FRIENDLY OFFICE

In addition to its own products, Yuexiu Property also attaches great importance to the environmental impact in terms of energy consumption and resource use at its own office, and actively implements the philosophy of Eco-friendly Office, and therefore formulated Yuexiu Property Office Area Administration Guidelines to manage the use of energy in its office space and create an eco-friendly workplace.

7.5.1. Office Energy Consumption Reduction

The following provisions in the Yuexiu Property Office Area Administration Guidelines impose mandatory requirements on energy saving measures in its office areas, and require designated personnel of each department to be responsible for the management of electricity consumption in the office area within the department, so as to ensure that the lights and related fixtures and equipment such as computers and printers are turned off in time when the last person leaves his/her office. The last leaving colleague is responsible for checking whether there are unsafe factors such as water and electricity-related ones in the office area and turning off them when he or she leaves.

Yuexiu Property Office Area Power Saving Measures



[Measures]

- Power Saving - Lighting. Energy-saving lamps are used inside and outside the office areas. For the office areas with better natural lighting conditions, natural lights are taken full advantage of during the daytime; The number of lights is minimized at night for the common areas. Power is turned on and off for roads in the office areas at fixed time every night. Lights should be turned off when no one is in the office. Both day and ever-on lights should be strictly avoided.
- Power Saving - Office equipment. It is necessary to set the power saving mode to be on when office equipment is idle and turn off them in time if they will not be in use for a long time, reducing energy consumption when standby.
- Computer displays are adjusted to an appropriate brightness.
- Chargers are unplugged when they are not in use to avoid long-term electricity consumption.
- It is strictly prohibited to connect and install lights and power sockets without permission. If it is indeed necessary, it shall be approved by the general administration department.

Energy Consumption of Yuexiu Property in 2017



[Data]

	Total 2017	Density 2017 (per RMB1,000,000 revenue)	Density 2017 (per person)
Gasoline (litres)	195,158.90	8.20	26.81
Diesel (litres)	63,919.60	2.69	8.78
Natural gas (m ³)	1,545,252.00	64.95	212.26
Pipeline gas (m ³)	54,779.80	2.30	7.52
Canned liquefied petroleum gas (kg)	8,598.00	0.36	1.18
Electricity consumption (KWH)	55,241,556.91	2,322.05	7,588.13
Total Energy Consumption (KWH)	74,913,159.00	3,148.94	10,290.27

Note: The annual environmental statistics for 2017 covers Yuexiu Property's office areas (including a total of 15 office areas, i.e. those of the headquarters, branches and regional companies), and the residential and commercial properties managed by the Group (including the waste, energy consumption, water consumption and carbon emissions of the property management office and non-shared areas). The data with respect to energy consumption, water consumption, and greenhouse gas emissions were only collected for the projects under operation for 12 months or more as a going concern.



COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

7.5.2. Water Saving - Office

Yuexiu Property pays attention to water saving and consumption reduction, starting from daily life, with administrative, technical, economic and other administration means to strengthen water management, adjust the structure of water use, improve the way of water use, and utilize water scientifically and reasonably, to avoid the waste of water resources and also improve the staff's awareness of water saving.

Water Saving Measures for Office Areas at Yuexiu Property



[Case Study]

- Automatic induction faucets and Energy-saving flush toilets are employed, while buckets are put in the washroom to recycle tea water for plants.
- Dripping faucets are repaired in a timely manner, and bubbling, overflowing, dripping and leaking are strictly prevented, so as to put an end to the "running water" phenomenon.
- The recycling of water resources is implemented. A waste water recycling pool has been set up. The recycled water is reused for site cleaning and other non-production functions after sedimentation, so as to reduce the amount of tap water used. Recycled water is used for watering plants whenever possible.

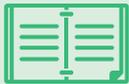
Water Consumption of Yuexiu Property in 2017



[Data]

	Total 2017	Water consumption intensity (per RMB1,000,000 revenue) 2017	Density 2017 (per person)
Total water consumption (m ³)	2,805,950.55	117.95	385.43

Hainan Company - Water Saving Measures in the Construction Stage



[Case Study]

The Hainan Company has taken a number of water-saving measures during the construction phase of projects, such as water-saving sanitary ware, automatic flushing electric detector and water-saving shower head among others. In the process of daily property management, we also developed a concrete water management system, and regularly monitored monthly water consumption, further controlling daily water consumption.





COMMUNION BUILDING AND ECO-FRIENDLY DEVELOPMENT

7.5.3. Make the Best Use of Resources

According to the business nature and actual operation of Yuexiu Property, the types of waste are mainly general wastes, such as waste paper, paper skin, and construction waste with a small amount of wastes that have a greater impact on the environment, such as waste lamps. Wastes largely come from office areas, construction sites and public areas of the properties under management. Yuexiu Property strictly implements solid waste treatment methods, such as discharge after treatment, separate storage, solid waste recovery and sewage and soil treatment, so as to achieve reduced volume, harmless and recycled resources and better environmental benefits.

Waste Treatment and Recycling		
ESG Indicator	Unit	Quantity
Waste		
Waste fluorescent tube	Piece	19,408
Printer cartridge	piece	839
Horticultural waste	Ton	813.70
Waste recovery		
Recovery of waste paper/waste paper skin	Ton	214.89

(Note: according to the business nature and actual operation of Yuexiu Property, the wastes are mainly those generated from living and office sources, without any waste in Hazard Waste Inventory of the People's Republic of China)

Hainan Company - Emission Reduction



[Case Study]

The Hainan Company strictly implements the national and local environment friendly emission standards to reduce emissions and energy consumption: Wherein, flue gas generated by generators is discharged after synchronous treatment with secondary circulating water spraying; The kitchen fume is discharged after being successively treated through different functional segments, such as filtration and static electricity; In addition, the Hainan Company has installed water spray cooling measures for outdoor air conditioning units, and the hot air generated by air conditioning evaporators will be synchronously cooled by spray water. The results of several inspections conducted by the environmental protection department are in line with the requirements thanks to our great attention and strict implementation of energy conservation and emission reduction.

Guangzhou Company - Solid Waste Treatment Measures at Project Sites



[Case Study]

- Separate warehouses of hazardous and toxic materials are set up at project sites.
- Onsite materials should use packaging materials reasonably, reducing scraps, wastes and hazardous wastes as much as possible, making effective sorting, and recycling wastes properly.
- Dedicated recycling points are set up for waste batteries, which are recycled by recyclers with specialized qualifications.
- Measures such as replacement, protection and management are taken to carry out harmful soil management.

08

FULL HEARTED COMMITMENT AND SINCERE SERVICE

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Yuxiu Property is customer-oriented, integrating customers' expectations and requirements into the service product lines, and constantly improving customer service experience through efforts in customer information security, customer communication, customer care and harmonious community building.







FULL HEARTED COMMITMENT AND SINCERE SERVICE

8.1. CUSTOMER INFORMATION SECURITY AND RESPONSIBLE MARKETING

Yuexiu Property strictly abides by the provisions of the Consumer Protection Law of the People's Republic of China, and strictly implements the Mobile Case Manager Management Standards (Provisional) and other relevant internal systems, and defines the authority and relevant procedures of the staff on each position with respect to the use of customer information, defines the management responsibilities with respect to customer information, prevents the leakage and loss of personal of consumers, and comprehensively protects the security of customer information. In addition, in accordance with the Group's Guidelines On Customer Contact Management During The After-Sales Service Phase, we will strengthen group-wide customer information security management, standardize the process of customer information access and user access rights, standardize the environment in which customer information is kept, reduce the risk of illegal use and dissemination of customer information, provide customers with safe and honest customer service during the period from ordering to delivery, prevent and control contract performance risks, improve service quality and optimize customer experience.

In the process of product marketing and promotion, Yuexiu Property strictly abides by the Measures for Regulating the Sales of Commercial Houses to ensure that the information conveyed in the sales process is true, legal, scientific and accurate, and provides relevant documents to customers for reference, so that the marketing satisfies the requirements of social responsibility, thus a transparent sales and promotion environment is created.

8.2. CUSTOMER COMPLAINT AND COMMUNICATION

To regulate the handling procedures for customer complaints, promote service quality improvement and provide customers with quality services, in accordance to the Complaint Handling Procedures, Yuexiu Property has set up a customer relation maintenance centre specializing in handling customer complaints. The service centre handles customer complaints promptly and actively. More importantly, the service centre focuses on reviewing experience, regularly consulting customer complaint files, summarises common complaints and adopts tangible measures to prevent recurrence.

Yuexiu Property Service Guangzhou Company Held A "Owners' Day" Event

Yuexiu Property Service Guangzhou Company held a "Owners' Day" event, in order to facilitate service quality improvement, promote communication with residents, establish a channel to understand the needs and advices of residents, and establish a long-term mechanism for customer interviews. On the morning of 26 November 2017, the "Owners' Day" event was kicked off in Guangzhou Starry Garden. During the event, the leaders of Yuexiu Property Service Guangzhou Company personally led a team, approached residents closely, listened to owners' voices, and received real opinions and feedback; On the morning of 3 December 2017, the "Owners' Day" event was held in Springland Garden with the theme of "Smiles Brighten Life, and Services Deliver Love". There was a dedicated reception area created at the event venue to receive visiting owners and deal with their requests; An open publicity area was deployed to advocate and regulate civilized community behaviours and promote home safety and security; A convenience area was set up with partners to deliver a range of conveniences services for the community, such as housekeeping services and home appliance repair; And a cosy wish wall was erected for owners to leave good wishes and visions.

These series of events were actively participated in by many owners and welcomed and recognized by the majority of owners. The on-site staff of the events conducted in-depth communication and exchange with the owners who came to participate in the events, took notes of their needs and advices in detail, and then arranged for handling and follow-up visit, so as to earnestly implement the feedbacks obtained from the events and achieve the original purpose of the events. The "Owners' Day" events will become an important communication bridge between Yuexiu Property Service Guangzhou Company and its customers.



[Case Study]



Yuexiu Property "Owners' Day" Event Scene



FULL HEARTED COMMITMENT AND SINCERE SERVICE

At Yuexiu Property Service Shenyang Starry Blue Sea, a customer manager was recognized for his help to an owner



[Case Study]

On 20 December 2017, at Yuexiu Property Shenyang Starry Blue Sea, Gao Ai, a customer manager, upon receiving a complaint from Ms. Ye, an owner, that the water out of her kitchen faucet was often too small and affected her daily water use, immediately contacted the maintenance team to send an experienced plumber to the owner's house for inspection. The plumber carefully checked the water supply pipeline and found that the kitchen water heater was installed, and the scale in the kitchen water heater caused the clogging. After identifying the problem, the plumber helped remove the scale inside the faucet, and checked the water flow many times, to ensure that the owner can use water normally. The customer manager also explained in detail to the owner's senior family member about the cause of the small water flow and how the problem was handled for now. On 29 December 2017, the Shenyang Starry Blue Sea service centre received a letter of commendation from the owner. The letter recognized and appreciate Gao Ai, the customer manager, for her passionate service and full-hearted dedication to meet various needs of customers.



The letter of commendation that Shenyang Starry Blue Sea Property Service received from the owner

In order to ensure timely awareness of problems with respect to their own services and management and to correct and monitor them, the customer relationship team of the quality management department at Yuexiu Property Service Company developed the Annual Household Satisfaction Survey Program, which requires the service centres of the property service company to look after the design, distribution and statistical analysis of questionnaires and to publish satisfaction survey notices on the community bulletin boards and network platforms, and follow up to collect and sort responses. In addition, the service centre will also prepare a household satisfaction survey report on the basis of the rectification made, and publish it in the community, in order to have a positive feedback effect and let residents feel the quality of the feedbacks from the questionnaire and the sincere improvements by the property service company.





FULL HEARTED COMMITMENT AND SINCERE SERVICE

At Guangzhou Yuexiu Starry Garden, the owner satisfaction was as high as 95% or above

Yuexiu Starry Garden in Guangzhou is the first residential neighbourhood in Guangzhou Pearl River New Town, and was built at the end of 2001. In recent years, as a survey of a third-party company shows, the owner satisfaction rate is more than 95%, and even as high as 100% in 2015. The high satisfaction of the owners originates from the diligent care of Yuexiu Property Services for every owner:

- **Secure and Well Organized:** Starry Garden is the first neighbourhood under the management of Yuexiu Property Service Company to start shared parking business, and approximately 200 shared parking transactions take place every day. At this neighbourhood, vehicle parking, entry and exit are well organized under the professional and efficient direction of Yuexiu Property Service Company staff.
- **Sanitation:** Starry Garden pays special attention to the overall environmental sanitation in the neighbourhood. A "better environment" campaign was held, regulating and improving the overall sanitation and landscaping. In addition to routine maintenance, Yuexiu Property service managers lead all office staff to participate in general cleaning every month, particularly cleaning blind spots that tend to be ignored during normal times. In terms of landscaping maintenance, the property service company also built a small nursery base at one corner of the neighbourhood garden in addition to daily maintenance.
- **Service-specific Communication:** In order to create more opportunities for direct communication with owners, Yuexiu Property Service managers, such as property service managers and customer service directors, greet residents on their way to work in the mornings and to home in the afternoons at the gates of the neighbourhood every day, which not only allows the property management to become familiar with owners faster, but also provides opportunities for direct feedback between owners and the property service company. With respect to repair and maintenance services, Starry Garden introduced an interconnected and competitive mechanism for equipment administrators, where the surrounding neighbourhoods are combined as one for mobile order assignment, in order to avoid any service delay.
- **Community co-development:** In order to provide more opportunities for owners to communicate with each other, there are community co-development events every month, including sports and recreation, and neighbourhood bookstore among others. For owners, a good and jointly developed community brings real changes in neighbourhood relations and living atmosphere.



[Case Study]



Shared Parking Service



Environment Cleaning Day Sweepup Event



Community Co-development Event Snapshot



Awards to Starry Garden Property Service Centre



FULL HEARTED COMMITMENT AND SINCERE SERVICE

Diversified Ways of Communication with Owners



[Case Study]

Yuexiu Property Service regional companies have all opened WeChat public accounts, such as Yuexiu Property Service Guangzhou Company (Public account: 越秀物業廣州), Nansha Company (Public account: 越秀物業南沙公司), and Pearl River Delta Company (Public account: 珠三角越秀物業), to publish information on service initiatives, community activities and latest developments from these property service companies, and strengthen communication with owners. In the process of services, Building Managers' WeChat is more often used. By adding them as their own contacts on WeChat, owners can raise requests for services and easily interact with them; And the service centres can conveniently send information on various services, tips and notifications via Building Managers' WeChat accounts for point-to-point contact; Building Managers record the daily work of the property service staff in form of diary or illustration, giving owners a clear picture of what they are doing every day.

8.3. BUILD A HARMONIOUS COMMUNITY

8.3.1. Care for Customers

Yuexiu Property always puts what customers need first. Therefore, in 2017, Yuexiu Property Service created a series of humanized and branded customer care events from the perspective of health care and elderly-care that customers are most concerned with, and kept moving forward with the philosophy of "Serve Customers and Care for Customers".

Free Health Check-up in Neighbourhood



[Case Study]

The Free Health Check-Up in Neighbourhood events, organized by Yuexiu Property Service Hangzhou Company, were warmly welcomed by owners. In 2017, Yuexiu Property Service brought free health check-up and health lectures to Starry City, Starry Joy City and Starry Upper City in Hangzhou. The health check-up events attracted owners of all ages. The events also brought owners a lot of daily healthcare knowledge and won unanimous support of owners. As a traditional customer care event of Yuexiu Club, the health check-up events intend to let owners not forget to care for their own health and family in the fast-paced urban life and work.



Provide free health check-up for owners



FULL HEARTED COMMITMENT AND SINCERE SERVICE

Care for Senior Owners



[Case Study]

Aunt Zhang, who lives in Starry Blue Sea (Shenyang), is a senior woman over 70 years old. Her husband has been bedridden with diabetes for a long time. Her two daughters are unable to take care of them at home because of their busy work. Dong Xue, a customer service manager from Yuexiu Property Service Shenyang Company, takes the initiative to act as their "Manager Daughter" after being aware of the situation. It has become an indispensable part of Dong Xue's work to care for and check the old couple regularly. She accompanies the old couple for transfusion and needle replacement. No matter how tedious a thing is, she always does her best. Over time, with her family-like company, Dong Xue has gradually developed deep affection between the old couple and the property service staff.

Our Heart is with Owners for Dedicated Care



[Case Study]



A Thank-You flag from an owner of Starry Blue Bay (Qingdao)

On the sixth day of the Chinese New Year 2017, the mother of Mr Yang, a resident of Starry Regal Court (Jiangmen), was lost. The property security team immediately started the search and investigation, and finally helped Mr Yang find her mother using CCTV playback and floor-by-floor search. Mr. Yang sent a thank-you note to Yuexiu Property Service, recognizing the Yuexiu Property Service's spirit of "being people-oriented, being highly responsible and providing enthusiastic service", and extending his most sincere thanks to Yuexiu Property Service.

In addition, an owner from Starry Blue Bay (Qingdao) also sent a thank-you flag to Yuexiu Property Service during the spring festival, recognizing it for its continuous attention to the senior people with arthritis and diabetes during the past year.





FULL HEARTED COMMITMENT AND SINCERE SERVICE

8.3.2. Community Communion

Community communion is the basis of harmonious development of community. Yuexiu Property integrates the needs of the neighbourhoods, encourages the diversity, resident engagement and bonding by holding a series of holiday events for its neighbourhood, and strives to create a new era of urban neighbourhoods with cosiness and love.

In 2017, Yuexiu Property Service held a variety of community communion events, including:

- In January 2017, Yuexiu Property Service Guangzhou Company held a voluntary event "Give Away New Year Scroll to Greet Spring Festival"
- Yuexiu Property Service at Guangzhou Lingnan Hillside held a neighbourhood cultural event "Rice Pudding Wrapping for Dragon Boat Festival"
- On 8 March 2017, Yuexiu Property Service Guangzhou Company organised a range of caring activities for female owners and tenants

Community Communion Events: Happy New Year and Merry Lantern Festival

On the eve of the spring festival in 2017, Yuexiu Property Service sent owners fortune stickers, red envelopes and greeting cards with the sincere blessings from Yuexiu Property, to happily greet the Chinese New Year together. Yuexiu Property Service staff all held their posts and organized colourful and exciting lantern festival events for owners in all major neighbourhoods across China: Gold Arch Residence in Ersha Island, Guangzhou turned the lantern festival event into a big party celebrated by both Chinese and foreign friends; All neighbourhoods in Wuhan held various exciting community events, such as rice ball giveaway, lantern riddle guess, and lantern making; In Shenyang, the Hill Lake Project organized a lantern festival gathering for property owners at its club, where bowls of warm rice balls make people feel cosy in the cold winter.



[Case Study]



Yuexiu Property Service held a series of spring festival gala

Family Dinner and Food Sharing in Neighbourhood

Yuexiu Property Service Nansha Company held a "Hundred Family Banquet" event at Southern Le Sand with 18 tables in total and 180 participants. At the site of the event, there were a stage and lottery games, allowing our friends/owners to enjoy food while having casual chats, so as to promote the affection between neighbours. These events won the high recognition among owners: A close neighbour is better than a distant relative!



[Case Study]







09

PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

Yuexiu Property takes excellent talents as the foundation for its development, and is committed to building core competitiveness and promoting sustainability with abundant and high-quality human resources. Therefore, Yuexiu Property is committed to building an open, efficient and harmonious team, so that passionate and energetic employees can become an important guarantee for the sustainable development of the Group.





PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

9.1. HUMAN RESOURCES OVERVIEW

Yuexiu Property has developed a formal and personal human resource management system in a systematic manner according to the relevant laws such as the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China, including staff salary and welfare management measures, staff attendance management system, staff performance management system, reserve echelon personnel training and management measures, mentorship management measures, and internal trainer team building and internal training course management measures. These policies cover pay and benefits, vocational training, codes of conduct, working hours, performance appraisal, welfare benefits, health and safety, diversity and anti-discrimination, child labour and forced labour and other aspects to guard against multiple ethical risks. At the same time, Yuexiu Property is committed to creating a fair, open and equal career development path within the Group and establishing a "management + professional skill + sales" three-channel development path. The Group provides good conditions, a clear path and a broad platform for the career development of the majority of employees. Its corporate culture is passionate, simple and inclusive, encouraging mutual help and mutual aid.

By the end of 2017, the total number of Yuexiu Property employees was 7,280, of which the per cent of female employees was approximately 34.6%, and the proportion of employees aged 29 and below was approximately 29.3%.

Category	Total number of employees, 2017	Percentage
Total number of Employees	7,280	100%
Male Employees	4,762	65.4%
Female Employees	2,518	34.6%
Senior management	116	1.6%
Middle management	491	6.7%
Grass-roots employees	6,673	91.7%
29 years old and younger	2,132	29.3%
30-49 years old	4,541	62.4%
50 years old or older	607	8.3%
Mainland China	7,253	99.6%
Overseas	27	0.4%





PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

9.2. PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS

Yuexiu Property maintains the basic interests and rights of employees. According to the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors and the Provisions of the People's Republic of China on the Prohibition of the Use of Child Labour, Yuexiu Property has formulated and issued Yuexiu Property Compensation Management Standards, Yuexiu Property Performance Management Standards, Yuexiu Property Job Position Management Standards, Yuexiu Property Rewards and Penalty Management Standards and Yuexiu Property Employee Onboarding and Offboarding Management Guidelines, and other human resources management systems. These systems cover the core HR businesses, such as talent introduction, management, training and development, assessment and exit, and protect the legitimate rights and interests of employees in terms of recruitment, salary, welfare, promotion, leave and resignation.

Yuexiu Property prohibits the use of child labour (minors under the age of 16) and forced labour. In 2017, no discrimination and use of child labour or forced labour are identified in all aspects of employment, and labour dispatch was in line with the national requirements.

9.2.1. Remuneration and Benefits System

Yuexiu Property strictly implements the salary and welfare policy systems of the nation and the Group, provides competitive salaries in the market, pays attention to the incentive and fairness of its internal salary and benefits while recruiting in outstanding external talents, so as to meet the Group's demand for high-quality talents, and realizes the sustainable development of the Group.



[Case Study]

Long-term Incentive Scheme

In 2017, the Group further deepened the implementation of its long-term incentive scheme and promoted its share-incentive plan for key employees. The plan of co-investment by project management teams was also fully promoted within the Group with an aim to share risks and profits to effectively motivate them.





PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

9.3. TALENT TRAINING AND DEVELOPMENT

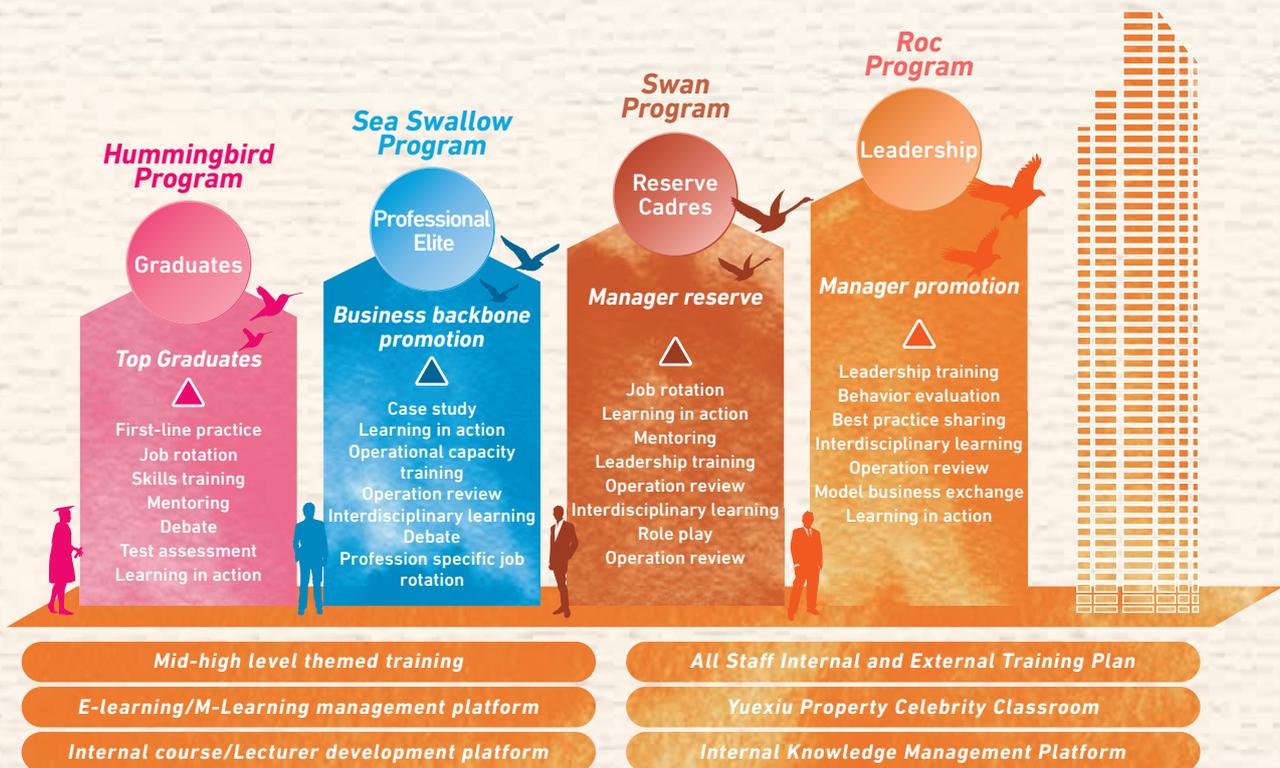
Yuexiu Property is committed to broadening the career development path for employees, helping them achieve successes for the Group and themselves. Employee training is the important way to support employees' career development, implement human resource strategy and achieve long-term development. Continuous and effective personnel training is an important means to facilitate the long-term development of employees.

To improve the management staff members' continuous contribution to the corporate performance and the input-output ratio of human capital, Yuexiu Property has established a professional manager system to help them improve their career plans, abilities and performance. Practising "talent is the core capital of an enterprise", Yuexiu Property has established a career development plan that suits individual employees. The career plan covers fresh graduates, junior employees and employees at middle and senior levels. Meanwhile, the Group has comprehensively built an employee development system through internal open competition for posts, reserve talent training projects, talent review, engagement survey, the Starry talent development platform and so on.

9.3.1. Talent Training System and its Effectiveness

In order to promote the personal growth and career development of employees, Yuexiu Property and its subsidiaries established a reasonable and scientific staff development system. The Group developed targeted training strategies for employees by sorting internal and external trainings on the basis of talent review; and according to the results of talent review, the Group established personnel files and paid attention to the staff development trend; At the same time, the Group established an internal lecturer system to provide employees with a showcasing platform, and promote the personal development of employees.

Yuexiu Property talent training system consists of: "Hummingbird Program", "Sea Swallow Program", "Swan Program" and "Roc Program". This training system is designed to pool together talents of high calibre and high quality, who appreciates Yuexiu culture, into the Group, and build a talent reserve pool for Yuexiu Property.



Panoramic view of Yuexiu Property Talent Development System



PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

Employee Training Statistics		Total number of attendees	Percentage	Total Training hours	Percentage	Average training hours per employee
By Gender	Total number of persons attending training	68,291	100%	195,352	100%	26.8
	Male employees	42,122	61.7%	111,353	57.0%	23.4
	Female employees	26,169	38.3%	83,999	43.0%	33.4
By Employee Category	Senior management	1,580	2.3%	4,909	2.5%	42.3
	Middle management	6,977	10.2%	18,392	9.4%	37.5
	Grass-roots staff	59,734	87.5%	172,051	88.1%	25.8





PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

The Swan Talent Program

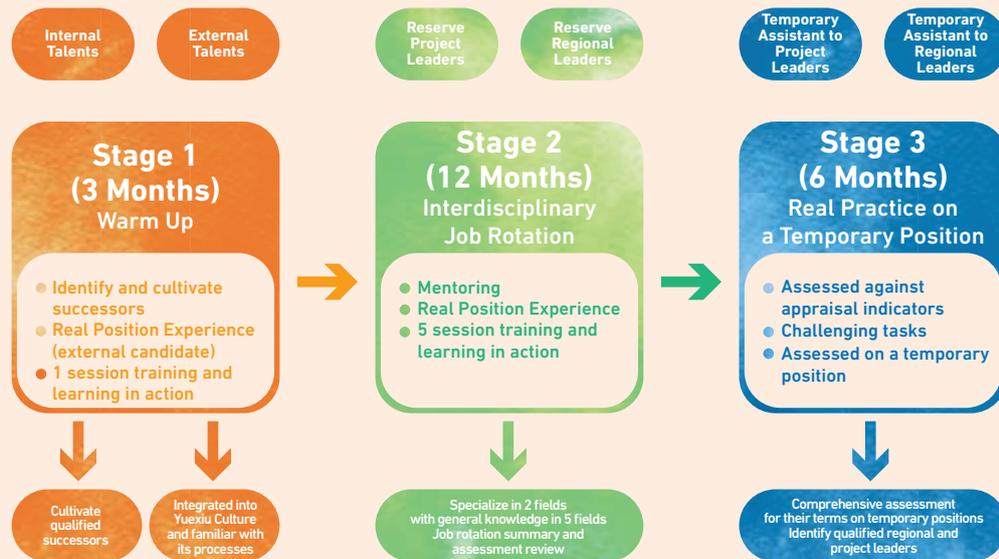
In 2017, Yuexiu Property launched the Swan Program, which aims to explore and cultivate project leaders and regional leaders. Since its launch in July, the Program has received great attention from the Group and outside. More than 500 people from both inside and outside the Group signed up to participate in the selection, and finally 70 people stood out and were shortlisted for the first phase of the training.

According to the plan, the Swan Program will cultivate 200 outstanding project leaders and regional leaders with business thinking and ability to manage the whole industry chain by 2020, effectively supporting the achievement of the strategic objectives of the Group during the 13th five-year plan.

The implementation of "Swan Program" marked the full start of Yuexiu Property's human resources development strategy for the 13th five-year plan. According to the 13th five-year plan, Yuexiu Property should not only expand continuously in scale, but also vigorously develop strategic emerging sectors, such as urban renewal, elderly-care industry and housing lease. All these need to be supported with sufficient talents, and the Swan Program is the key link in the talent strategy of Yuexiu Property during the 13th five-year plan.



[Case Study]



Swan Program - Triathlon Training Mechanism

In the training mechanism of Swan program, candidates need to go through various training stages, such as job rotation, mentoring, role-playing, and operation review, and rounds of assessment and screening. The ultimate goal is to become outstanding project leaders and regional leaders with business thinking and ability to manage the whole industry chain.



PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

9.4. ENSURE THE SAFETY AND HEALTH OF EMPLOYEES

Yuexiu Property adheres to the management approach of “Put Safety and Prevention First with Comprehensive Governance”, and regards the life safety of its employees as the top priority. In strict compliance with the Production Safety Law of the People’s Republic of China and other relevant national and local laws and regulations, we have formulated the Responsibility System for Safety in Production, Occupational Hygiene Management System, Occupational Health Management System, Security/Deposit System for Safe Production Responsibilities, Safe Production Assessment and Rewards and Punishment System, Input and Guarantee System for Safety in Production and other management systems, and standardized the detailed rules for the administration of production safety and improved production safety management process, and regularly organized employees to participate in safety knowledge training and fire safety drills according to the process guidelines. The Group adheres to signing Production Safety Responsibility Statement every year, to ensure the safety of life of employees and promote the sustainable development of employees and the Group in a responsible manner.

9.4.1. Occupational health and safety

In order to improve the safety awareness of employees, Yuexiu Property has established a sound safety training management system, which requires every new employee joining the Group to take onboarding safety training, fire drill training and vehicle safety training among others. After new employees are trained on the basic knowledge of safety management, they need to complete the Yuexiu Property headquarter staff production safety ABC test, and cannot start their work formally until they pass the test.

Security Efforts by the Staff at Yuexiu Property Guangzhou Sheraton Nansha Hotel



[Case Study]

A safety committee has been established at Yuexiu Guangzhou Sheraton Nansha Hotel. The security department of the hotel organizes monthly safety inspection and emergency drills, and carries out at least two fire evacuation drills for all staff of the hotel every year; When joining the hotel, new employees need to participate in various training on fire control, so that they can be familiar with both practices and theories; The hotel has set up an emergency plan system and mechanism for nights, and has conducted targeted training for all departments. The emergency plan is stored in each department for easy review and consultation by all employees. The staff manual also includes safety knowledge, so as to ensure that all employees have the health and safety awareness.

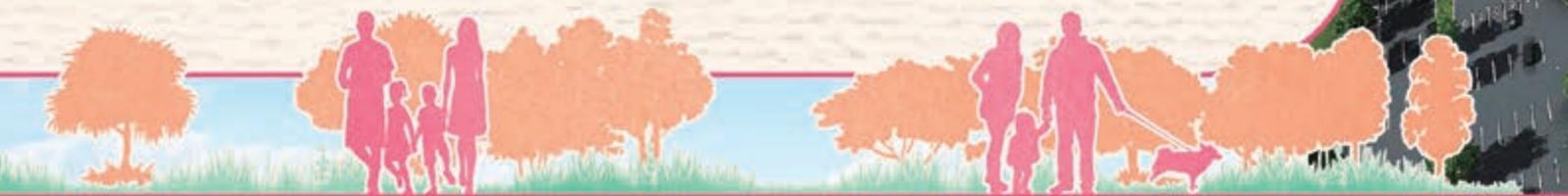


Yuexiu Guangzhou Nansha Sheraton Hotel

10

PAYBACK TO COMMUNITY WITH GREAT LOVE

For a long time, Yuexiu Property hasn't forgotten to pay back and contribute to the society while ensuring the sustainable development of the Group. Yuexiu Property actively fulfils its corporate social responsibility, devotes itself to diversified public welfare practices, cares for vulnerable social groups, builds a beautiful community and creates sustainable social value.







PAYBACK TO COMMUNITY WITH GREAT LOVE

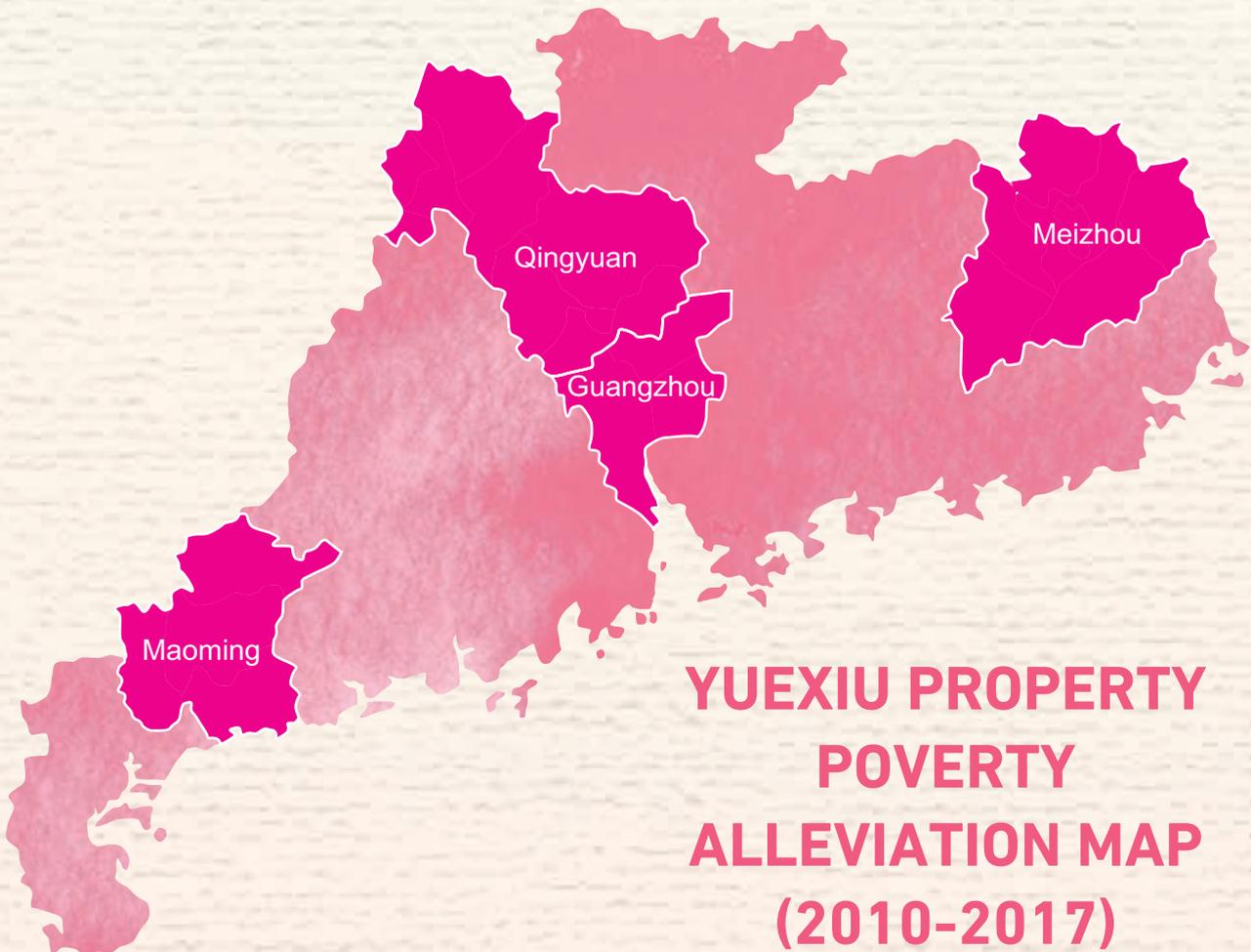
10.1 STRATEGY

Yuexiu Property takes "Where Good Living Starts" as its brand concept. It not only hopes that every resident can have their own house, but also wishes that the society will develop in a harmonious and beautiful direction. In recent years, Yuexiu Property has understood in depth and actively assumed its corporate citizenship responsibility. With a clearer concept of great corporate social responsibility as its guiding ideology, the Group systematically makes efforts in this aspect and achieves more remarkable results.

10.2 TARGETED POVERTY ALLEVIATION

Believing that "It is better to teach a man how to fish than to feed him for a day", Yuexiu Property has been focusing on implementing its corporate social responsibility by actively conducting poverty alleviation activities to help the poor.

- Since 2010, Yuexiu Property has carried out poverty alleviation and development in five poor villages in Maoming, Guangzhou, Meizhou and Qingyuan in Guangdong.
- From 2010 to 2012, with the help of Yuexiu Property, 110 poor households in Niuliujia Village, Poxin Town, Maoming were all lifted out of poverty, and the village's collective income jumped from RMB5,000 before the intervention to RMB160,000 in 2012; 172 poor households in Poyang Village, Yangjiao Town, Maoming were lifted out of poverty; Hengkeng village, Conghua, Guangzhou was 100% lifted out of poverty, and the village's collective economic income increased from RMB20,000 to RMB420,000.
- In 2014, with the help of Yuexiu Property, all poor families in Mashan Village, Baxiangshan Town, Fengshun County, Meizhou were lifted out of poverty ahead of schedule, and the village's collective income was stabilized at more than RMB150,000 per year.
- Since 2016, Yuexiu Property has carried out targeted poverty alleviation in Chimi village, Xiniu Town, Yingde, Qingyuan City, Guangdong province.





The Group is paired with Chimi village, Xiniu Town, Qingyuan City, Guangdong province for poverty alleviation.

2017 is a crucial year for the three-year targeted poverty alleviation plan. Yuexiu Property alleviation taskforce always adhered to the working philosophy of "Build Roads for Convenience, Export Labour for Wealth, Introduce Projects for Development, and Rely on Officials for Implementation", and worked towards the goal of lifting all poor households out of poverty in Chimi Village in 2017. By 2017, Yuexiu Property had implemented 24 support programs with an investment of RMB1,986,700. Programs include industrial poverty alleviation, the "No Worry about Food and Clothing with Compulsory Education, Basic Medical Care, and Housing Guaranteed" program, the organizational development of the Party Branch Committee with "Leadership, Team, Frontline, Systems and Funds" and People's Livelihood and other infrastructure construction. Yuexiu Property targeted poverty alleviation plan promotes:

- poverty alleviation for poor people in combination with the policy of "Replacement of Subsidies with Awards"
- industrial poverty alleviation projects and increase village's collective income
- dilapidated house renovation and build beautiful countryside

In 2018, Yuexiu Property will continue to adhere to the principle of targeted poverty alleviation, enhance industrial poverty alleviation and social poverty alleviation efforts, and succeed in the poverty alleviation and development of Chimi village.

The highlights of Chimi Village poverty alleviation are:

- The poverty alleviation team helped Chimi Village build a tractor road of up to 15 km and three bridges, and revitalize nearly 600 mu land.
- It invested RMB350,000 in Chimi village to build a 32kw photovoltaic power generation project, which has output 47,000 kwh electricity by the end of 2017, and the resulting economic benefits of RMB45,000 were all distributed to poor households with labour capacity in Chimi village.



[Case Study]



The Group's Management led a delegation to make poverty alleviation field visits



[Case Study]

Yuexiu Property successfully completed the Beautiful Countryside Construction Plan

Yuexiu Property efficiently completed the “Beautiful Countryside Construction Plan for Dacun, Tixia, Xinqiang, Xiadong and Dakengwei, Xiniu Town, Yingde City (2017-2020)” under a tight schedule with heavy workload. It prepared the beautiful countryside construction plan for Dachun (Xianshui Village), Tixia, Xinqian (Chimi Village), Xiadong, Dakengwei (Gaodao Village) in a manner where the Group visited these villages and presented the construction plans. The plans are targeted and accurate, converting the traditional planning objectives into quantitative indicators, and developing a practical construction assessment standard system; The plans cover the whole areas, taking into account both construction and non-construction land together for planning; The plans are traffic-oriented, building a road-based traffic system; The plans focus on facilities, equalizing basic public service facilities in accordance with the principle of “Basic Protection and Gap Filling”; The plans are supported by projects, implementing the planning objectives with key construction projects of strengthened countryside features; Supporting measures for the development and construction are developed to ensure the smooth implementation of the planning objectives.



[Case Study]

Poverty Alleviation and Study Aid Activities by Guangzhou Company

In September 2017, the Company representatives visited Yingde Chimi Primary School for poverty alleviation and study aid, donating more than 120 books, toys, stationery and sports goods worth approximately RMB3,000 to the faculty and students from the Company and employees.

In 2017, poverty alleviation and assistance activities were carried out by and fund-raising was conducted within the Company. These donations were sent to Chimi village (Yingde) in two batches, totalling RMB19,700 in cash and materials.

10.3. PASSION FOR PUBLIC GOOD

While striving to create economic benefits, Yuexiu Property has always been mindful of the corporate mission of “Three Paybacks”, actively participating in charitable donations, voluntary service and other public welfare activities every year, acting as a socially responsible person, and delivering love and positive energy to the society.



[Case Study]

Guangzhou Company organized volunteer activities

Guangzhou Company donated according to their small wish list gifts worth approximately RMB3,000 to families with difficulties in the Jianshe street neighbourhood, Yuexiu District. 2 volunteers participated in the voluntary cleaning service organized by Liede Street Neighbourhood, and 13 volunteers joined to visit senior people.



[Case Study]

Charitable Donation

The Starry Haizhu Bay project team from Guangzhou Regional Company called on the construction units to participate in the charity fund-raising event organized by Nashitou Street Neighbourhood, Haizhu district, with a total of RMB40,000 donated.





Yuexiu Property's "Group-wide Voluntary Action Day" and Other Public Service Activities

In response to the call of Guangzhou Federation of Trade Unions to carry out voluntary actions for a "clean, tidy, safe and orderly" city, Yuexiu Property launched "Beautify Guangzhou through Our Action - Group-wide Voluntary Action Day". Yuexiu Property employees practiced the spirit of work and service, i.e. "Dedication, Love, Mutual Help and Progress", to bring people in need some real help, through various voluntary actions, such as to help families with difficulties, give away to the grass-roots front-line staff, and clean the public areas of the neighbourhood.

On 21 July 2017, a voluntary labour team organized by the project management company came to clean the streets for Tianhe South Neighbourhood Service Centre. Then, after talking with the neighbourhood's sanitation workers, they found that their life and work were so hard, and sent them some refreshing drinks, thanking them for their contribution to the clean city.

On 22 July 2017, a labour team from Xingye Company went to the Huling Farm, which is located in Guiling, Maogang Village, Zhongluotan Town, Baiyun district, and helped the staff of the farm clean passages and remove moss; They also played games with students suffering mental retardation. The arrival of the voluntary labour teams brought people with intellectual disabilities a communication opportunity, allowing them to show their true self and feel equal treatment.

On 24 July 2017, a total of 10 employees from Guangzhou regional company went to Jianshe street, Yuexiu district to hold a "micro wish" serial event. During this action, after consulting the Neighbourhood Committee of the Jianshe Street, four families with difficulties were identified, including low-income households due to disabilities or illness. According to their wish list, the team bought a dehumidifier, a microwave oven, a infrared physiotherapy lamp, nutrient, oil, rice and other stuffs. On the same day, accompanied by the Neighbourhood Committee staff, the team visited these four households one by the other and gave them these assuring gifts.



[Case Study]



A voluntary action team from the project administration company



A voluntary action team from Xingye Company



A voluntary action team from Guangzhou Regional Company



10.4. CARE ABOUT EDUCATION

In 2017, Yuexiu Property focused on children's education, brought together diversified actions, such as voluntary support teaching, text reading, and book education, hoping to pass on love to the next generation of society with our own strength and help them grow.

Public Benefit Library for Kids was opened at the Yuexiu Riverside Joyful Court neighbourhood

On 14 October 2017, a public library for kids was formally opened at the Yuexiu Riverside Joyful Court neighbourhood. This library was jointly developed by Yuexiu Property Service Company and Guangzhou Little Star Children's Growth Foundation. It is the first neighbourhood public library for kids in Guangzhou. It is not only a platform promoting parent-child reading, but also a neighbourhood public benefit platform for culture exchange. During weekdays, there are professional preschool teachers in the library, offering distinctive public benefit reading courses. During the opening ceremony, Yuexiu Public Benefit Foundation donated 596 children's books to the Public Benefit Library for Kids at the Yuexiu Riverside Joyful Court neighbourhood. A second-hand book exchange area was set up in the library to guide children in the neighbourhood to share books with their little partners, thus creating a better reading atmosphere for residents.



[Case Study]





The Guangzhou Starry Sky City project team held a public benefit event called "Happy Reading at Sky City"



[Case Study]

Guangzhou Starry Sky City held a public event called "Happy Reading at Sky City" on 12 May 2017. This event was organized by Guangzhou Starry Sky City project team to promote reading activities in the neighbourhood. Starry Sky City built a public library on the second floor of the Sales Office to give away free books to teenagers, hoping to speed up the development of public reading facilities in the Baiyun District and promote the development of Culture there. The organizing committee invited experts to recommend good and suitable books for young people to read, and good post-reading articles written by teenagers will be published on the public benefit advertising wall of the Baiyun district. During the day of the event, Guangzhou Starry Sky City asked teachers and students to draw/depict their post-reading feelings with the chalks in their hands. Teachers and students from different schools and the owners of Starry Sky City came together to challenge the super-long chalk painting "A Beautiful Future of the Motherland".







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11.1 INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKEX

A. Environment			
	Disclosure Requirement	Disclosure Section	Notes
A1 Emissions	General disclosure KPI A1.2, A1.4, A1.5, A1.6	Communion Building and Eco-friendly Development	1) KPI A1.1 is not applicable as gas emissions are not significant in its scope of operations 2) According to the business nature and actual operation of Yuexiu Property, its wastes are mainly from living and office sources, without any wastes generated in the Dangerous Waste Inventory of China, so KPI A1.3 is not applicable
A2 Use of Resources	General disclosure KPI A2.1, A2.2, A2.3, A2.4	Communion Building and Eco-friendly Development	1) KPI A2.5 is not applicable as the products involved in the main businesses of the Group do not require packaging materials
A3 Environment and Natural Resources	General disclosure KPI A3.1	Communion Building and Eco-friendly Development	
B. Society			
	Disclosure Requirement	Disclosure Section	Notes
B1 Employment	General disclosure KPI B1.1, B1.2	People-oriented and Pleasant Atmosphere	
B2 Health and Safety	General disclosure KPI B2.1, B2.2, B2.3	People-oriented and Pleasant Atmosphere	
B3 Development and Training	General disclosure KPI B3.1, B3.2	People-oriented and Pleasant Atmosphere	
B4 Labour Standards	General disclosure KPI B4.1, B4.2	People-oriented and Pleasant Atmosphere	
B5 Supply Chain Management	General disclosure KPI B5.1, B5.2	Quality Product and Progressive Development	
B6 Product Responsibility	General disclosure KPI B6.2, B6.3, B6.4, B6.5	Quality Product and Progressive Development Full Hearted Commitment and Sincere Service	1) There were no product and service recall events that had a significant impact on the Group's operations during the reporting period and therefore KPI B6.1 does not apply
B7 Anti-corruption	General disclosure KPI B7.1, B7.2	Consistent Compliance and Effective Governance	
B8 Community	General disclosure KPI B8.1, B8.2	Payback to Community with Great Love	



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11.2 POLICY LIST

ESG Indicator	Laws, Regulations/Policies	Internal Policy
A Environment	National Hazardous Waste Inventory Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Eco-friendly Construction Evaluation Standard for Building Engineering Environmental Protection Law of the People’s Republic of China	Waste and Chemicals Management Procedures Environmental Factor Identification and Evaluation Management Procedure Eco-friendly Construction Management Rules
B1 Employment	Labour Law of the People’s Republic of China Labour Contract Law of the People’s Republic of China Employment Promotion Law of the People’s Republic of China Social Insurance Law of the People’s Republic of China Provisions of the People’s Republic of China on the Prohibition of the Use of Child Labour Law of the People’s Republic of China on the Protection of Minors	Yuexiu Property Compensation Management Standard Yuexiu Property Performance Management Standards Yuexiu Property Job Position Management Standard Yuexiu Property Rewards and Penalty Management Standard Yuexiu Property Employee Onboarding and Offboarding Management Guidelines
B2 Health and Safety	Labour Law of the People’s Republic of China Fire Prevention Law of the People’s Republic of China Production Safety Law of the People’s Republic of China Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases Industrial Injury Insurance Ordinance Regulations on Safety Production License OHSAS 18001 Occupational Health and Safety Management System Provisions on the Supervision and Administration of Occupational Health in the Workplace Regulations on the Reporting, Investigation and Handling of Production Safety Accidents	Responsibility System for Safety in Production Occupational Health Management Security/Deposit System for Safe Production Responsibilities Detailed Rules for Implementation of Public Security Safe Production Assessment and Rewards and Punishment System Occupational Health Management System Input and Guarantee System for Safety in Production
B3 Development and Training		Yuexiu Property Learning and Development System
B5 Supply Chain Management	Tendering and Bidding Law of the People’s Republic of China	Management Rules of RFP Leading Team Meetings Management Guidelines of Bidding Evaluation Experts for Construction Projects Construction Project Suppliers Management Rules Management Measures for Contractors and Evaluation Experts Selection Strategic Procurement Results Management Rules Management Rules for Bidding invitation and Procurement for Non-construction Projects Management Measures of Bidding Invitation for Construction Projects Tendering and Procurement Administrative Measures (Revised) Construction Project Suppliers Management Rules (Revised) Materials and Equipment Suppliers Shortlisting Guidelines (Provisional) Management Rules for Design (Consulting) Service Providers



CONTENT INDEX AND LIST

ESG Indicator	Laws, Regulations/Policies	Internal Policy
B6 Product Responsibility	Trademark Law of the People's Republic of China Advertisement Law of the People's Republic of China Patent Law of the People's Republic of China Construction Law of the People's Republic of China Fire Prevention Law of the People's Republic of China Product Quality Law of the People's Republic of China Consumer Protection Law of the People's Republic of China Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings Opinions on Promoting the Modernization of Housing Industry and Improving Housing Quality National Guidelines for Design of 1- and 2-Star Eco-friendly Building Management Measures for 1 and 2-Star Eco-friendly Building Identification Logo (For Trial Implementation) Detailed Rules for Implementation of Eco-friendly Building Identification Logo (Revised for Trial Implementation) GB50368-2005 Construction Code for Residential Buildings Measures for Regulating the Sales of Commercial Houses	Mainstream Product Process Management Manual for Refined Decoration Residential Project Quality Acceptance Standards Project Quality Evaluation Management Rules (Revised) Product Quality Assessment and Accountability Rules (for Trial Implementation) Working Surface Handover Guidelines for Refined Decoration Projects Project Model Management Guidelines (for trial Implementation) Third Party Testing Guide for Materials and Equipment (2016 edition) Guidelines on Refined Decoration Materials Management for Residential Projects Product Quality Assessment and Accountability Rules Yuexiu Property Standardization Atlas for Safe and Civilized Construction Mutual Conditions Check Card Preliminary Design Description Template Review Requirements on Major Changes in Project Design Process Quality Management System for Conceptual Design Quality Management System for Scheme Design Quality Management System for Preliminary Design Quality Management System for Construction Drawing Design Mobile Case Manager Management Standards (Provisional) Annual Resident Satisfaction Survey Plan Complaint Handling Procedures Guidelines on Customer Contact Management During the After-Sales Service Phase
	B7 Anti- Corruption	Company Law of the People's Republic of China Anti-money Laundering Law of the People's Republic of China Anti-monopoly Law of the People's Republic of China Anti-unfair Competition Law of the People's Republic of China Interim Provisions on Banning Commercial Bribery



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11.3. KPI LIST

ESG Indicator	Unit	Quantity
A1. Emissions		
A1.2	Greenhouse gas emissions and density	
Category I: Carbon dioxide emissions	Ton	640.90
Category II: Carbon dioxide emissions	Ton	36,063.50
Total Carbon dioxide emissions	Ton	36,704.40
Emission density	Ton/RMB1,000,000 revenue	1.54
Emission density	Ton/person	5.04
A1.4	Waste	
Waste fluorescent tube	Piece	19,408
Printer cartridge	Piece	839
Horticultural waste	Ton	813.70
A1.6	Total waste recovery	
Recovery of waste paper/waste paper skin	Ton	214.89



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ESG Indicator	Unit	Quantity
A2. Use of Resources		
A2.1	Total energy consumption and density	
Gasoline	Litre	195,158.90
Diesel oil	Litre	63,919.60
Canned LPG	Kg	8,598.00
Natural gas	m ³	1,545,252.00
Pipeline gas	m ³	54,779.80
Total electricity consumption	KWH	55,241,556.91
Electricity - Residential property	KWH	28,280,152.90
Electricity - Commercial property	KWH	24,995,716.32
Electricity - Headquarters and branches office area	KWH	1,965,687.69
Total energy consumption	KWH	74,913,159.00
Energy consumption intensity	KWH/RMB1,000,000 revenue	3,148.94
Energy consumption intensity	KWH/person	10,290.27
A2.2	Water consumption and density	
Water - Residential property	m ³	2,392,823.29
Water - Commercial property	m ³	391,590.00
Water - Headquarters and branches office area	m ³	21,537.26
Total water consumption	m ³	2,805,590.55
Total water consumption intensity	m ³ /person	385.43
Total water consumption intensity	m ³ /RMB1,000,000 revenue	117.95

Note:

1. The annual environmental statistics for 2017 covers Yuexiu Property's office areas (including a total of 15 office areas, i.e. those of the headquarters, branches and regional companies), and the residential and commercial property managed by the Group (including the waste, energy consumption, water consumption and carbon emissions of the property management office and non-shared areas). The data with respect to energy consumption, water consumption, and greenhouse gas emissions were only collected for the projects under operation for 12 months or more as a going concern.
2. Carbon emission refers to carbon dioxide emission only, excluding types of greenhouse gas such as methane and nitrous oxide emitted by other emission sources.
3. Due to the business nature of Yuexiu Property, exhaust emissions, including nitrogen oxides, sulphur oxides and other pollutants discharged under the national laws and regulations, are not significant during the daily operation.
4. According to the ISO14064 GHG inventory standards, GHG emissions category I refers to direct greenhouse gas emissions, particularly direct emission sources owned and controlled by the organization, such as emissions from its own vehicles; GHG emissions category II refers to indirect energy emission sources, such as indirect green-house gas emissions caused by the purchase of electricity.
5. Carbon dioxide is accounted according to the Accounting Method and Reporting Guide for Greenhouse Gas Emissions from Industry and Other Sectors (for Trial Implementation) issued by the National Development and Reform Commission, where the emission factor of the outsourced power uses those of the South China grid (refer to China Regional Grid Baseline Emission Factors, which is published once a year)



CONTENT INDEX AND LIST

ESG Indicator		Unit	Quantity
B1. Employment			
B1.1	Number of employees		
	Total number of employees	person	7,280
Gender	Male employees	person	4,762
	Female employees	person	2,518
Type of Employee	Senior management	person	116
	Middle management	person	491
	Grass-roots employees	person	6,673
Age	29 years old and younger	person	2,132
	30-49 years old	person	4,541
	50 years old or older	person	607
Region	Mainland China	person	7,253
	Overseas	person	27
B2. Health and Safety			
B2.1	Work-related fatalities		
	Work-related fatalities	person	1
	Work-related injuries	case	18
B2.2	Total number of days lost due to work-related injuries		
	Total number of days lost due to work-related injuries	day	828
B3. Development and Training			
B3.1	Number of persons attending training		
	Total number of persons attending training	percentage	100%
Gender	Male employees	percentage	61.7%
	Female employees	percentage	38.3%
Type of Employee	Senior management	percentage	2.3%
	Middle management	percentage	10.2%
	Grass-roots staff	percentage	87.5%
B3.2	Training hours		
	Average training hours - all employees	Hours/person	26.8
Gender	Average training hours - male	Hours/person	23.4
	Average training hours - female	Hours/person	33.4
Type of Employee	Average training hours - senior management	Hours/person	42.3
	Average training hours - middle management	Hours/person	37.5
	Average training hours - grass-roots employees	Hours/person	25.8



CONTENT INDEX AND LIST

ESG Indicator		Unit	Quantity
B5. Supplier Management			
B5.1	Number of suppliers		
Region	Total	supplier	4,312
	South China	supplier	3,257
	East China	supplier	551
	North China	supplier	98
	Central China	supplier	152
	Northeast China	supplier	228
	Southwest China	supplier	13
	Northwest China	supplier	1
	Hong Kong, Macau, Taiwan and overseas	supplier	12
B6. Product Responsibility			
B6.2	Number of complaints received about products and services		
	Property-related complaints	case	1,123
	Quality-related complaints	case	178
	Marketing services related complaints	case	95
	Other complaint type	case	68
B8. Community Investment			
B8.2	Use of resources in specified category		
	Charitable donations	RMB1 million	9.67
	Statistics - employees' participation in public benefit/voluntary events	person-time	2,274



CONTENT INDEX AND LIST

11.4. GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES CONTENT INDEX - CORE OPTIONS

GRI Guidelines Indicators	Details	Disclosure Section	Notes
General standard disclosures			
Organisational profile			
102-1	Name of the organization	About Yuexiu Property Company Limited	
102-2	Primary brands, products and services	About Yuexiu Property Company Limited	
102-3	Location of the organisation's headquarters	About Yuexiu Property Company Limited	Guangzhou
102-4	The location where the organisation operates	About Yuexiu Property Company Limited	
102-5	Nature of ownership	About Yuexiu Property Company Limited	Listed on SEHK
102-6	Markets served	About Yuexiu Property Company Limited	
102-7	Scale of the organisation	About Yuexiu Property Company Limited	Details of the financial breakdown are set out in the 2016/17 Annual Reports
102-8	Data relating to employee and other workers	People-oriented and Pleasant Atmosphere	Seasonal and part-time jobs did not cause significant changes in the total number of employees
102-9	Description about supply chain	Quality Product and Progressive Development	
102-10	Significant changes in the size, structure, ownership or supply chain of the organisation	N/A	No significant change
102-11	How the precautionary approach or principle is addressed by the organisation	Quality Product and Progressive Development; Full Hearted Commitment and Sincere Service	
102-12	Endorsed charters	Full Hearted Commitment and Sincere Service; Quality Product and Progressive Development	
102-13	External memberships	About the Report; Consistent Compliance and Effective Governance	Member of Guangdong Real Estate Association
Strategy and analysis			
102-14	Statements of Decision Makers	Management Message	
Ethics and integrity			
102-16	Description of the organization's values, principles, standards and norms of behaviour	Sustainability Approaches; Management Message	For details, please visit our website: http://www.yuexiuproperty.com/gywm/ppln/
Governance			
102-18	Governance structure	Sustainability Approaches	
Communication with stakeholders			
102-40	Stakeholders contacted by the organisation	Consistent Compliance and Effective Governance	
102-41	Collective bargaining agreement	N/A	
102-42	Basis for identification and selection of stakeholders	Consistent Compliance and Effective Governance	The basis for identification of stakeholders is their recognition of the specific major issues and businesses described in the Report
102-43	The way and frequency of communication with stakeholders	Consistent Compliance and Effective Governance	
102-44	Key issues and concerns that have been raised by stakeholders, and how the organization has responded to those key issues and concerns	Consistent Compliance and Effective Governance	



CONTENT INDEX AND LIST

GRI Guidelines Indicators	Details	Disclosure Section	Notes
General standard disclosures			
Reporting Practices			
102-45	Entities included in the financial statements; reference to entities that are not covered by this Report	About the Report	
102-46	Identified material aspects and boundary	Consistent Compliance and Effective Governance	
102-47	List of materiality issues	Consistent Compliance and Effective Governance	
102-48	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement	N/A	
102-50	Significant changes in the scope and boundary	About the Report	No significant change in the boundary
102-50	Reporting period	About the Report	
102-51	Date of the last report	N/A	Please refer to the 2016 ESG report of Yuexiu Property
102-52	Reporting cycle	About the Report	
102-53	Contact information	About the Report	
102-54	GRI options to follow	About the Report	Core options
102-55	GRI Content Index	Global Reporting Initiative (GRI) Guidelines Content Index	
102-56	External certification	N/A	
Management Approach			
103-1	Explanation, description and boundary of materiality issues	Consistent Compliance and Effective Governance	
103-2	Management Approach and its elements	Consistent Compliance and Effective Governance	
103-3	Review of Management Approach	Consistent Compliance and Effective Governance	
Economic Topics			
Economic Performance			
	Management Approach	About Yuexiu Property Company Limited	
201-1	Direct economic value generated and distributed by the organization	About Yuexiu Property Company Limited	
Indirect economic impacts			
	Disclosure of Management Approach	Quality Product and Progressive Development; Payback to Community with Great Love	
203-1	Carrying out infrastructure investments and supporting services and its impact	Quality Product and Progressive Development; Payback to Community with Great Love	
Purchasing practices			
	Disclosure of Management Approach	Quality Product and Progressive Development	
204-1	Proportion of spending on local suppliers at significant locations of operation	Quality Product and Progressive Development	



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GRI Guidelines Indicators	Details	Disclosure Section	Notes
Environmental Topics			
Energy			
	Disclosure of Management Approach	Communion Building and Eco-friendly development; Content Index and List	
302-1	Energy consumption within the organisation	Communion Building and Eco-friendly development; Content Index and List	
302-3	Energy intensity	Communion Building and Eco-friendly development; Content Index and List	
Water			
	Disclosure of Management Approach	Communion Building and Eco-friendly development; Content Index and List	
303-1	Total water withdrawal by source	Communion Building and Eco-friendly development; Content Index and List	Within the scope of the Report, municipal water supply was the only source of water
Emissions			
	Disclosure of Management Approach	Communion Building and Eco-friendly development; Content Index and List	
305-1	Direct greenhouse gas (GHG) emission (Scope 1)	Content Index and List	
305-2	Energy indirect GHG emissions (Scope 2)	Content Index and List	
Sewage and Waste			
	Disclosure of Management Approach	Communion Building and Eco-friendly development	
306-2	Total weight of waste by type and disposal method	Communion Building and Eco-friendly development; Content Index and List	
Social Topics			
Employment			
	Disclosure of Management Approach	People-oriented and Pleasant Atmosphere	
401-1	Onboarding and offboarding employees	People-oriented and Pleasant Atmosphere	
Occupational health and safety			
	Disclosure of Management Approach	People-oriented and Pleasant Atmosphere	
Training and education			
	Disclosure of Management Approach	People-oriented and Pleasant Atmosphere	
404-1	Average training hours per year per employee	People-oriented and Pleasant Atmosphere	
Local communities			
	Disclosure of Management Approach	Payback to Community with Great Love	
413-1	Operating activities relating to social engagement, social impact assessment and neighbourhood development plan	Payback to Community with Great Love	



CONTENT INDEX AND LIST

GRI Guidelines Indicators	Details	Disclosure Section	Notes
Social Topics			
Customer Health and Safety			
	Disclosure of Management Approach	Full Hearted Commitment and Sincere Service; Content Index and List	
413-1	Breaches of health and safety law and regulations relating products and services	N/A	No incidents occurred during the reporting period
Customer Privacy			
	Disclosure of Management Approach	Full Hearted Commitment and Sincere Service	
419-1	Total number of substantiated complaints regarding breaches of customer privacy or losses of customer data	N/A	During the reporting period, the Group had no complaints regarding breaches of customer privacy or losses of customer data
Complaint Mechanism			
	Disclosure of Management Approach	Full Hearted Commitment and Sincere Service	
Compliance			
	Disclosure of Management Approach	Consistent Compliance and Effective Governance	
307-1	Breaches of environmental law and regulations	N/A	No incidents occurred during the reporting period
419-1	Breaches of social law and regulations	N/A	No incidents occurred during the reporting period