

**YUEXIU REAL ESTATE
INVESTMENT TRUST**

Environmental, Social and Governance Report

2016

ABOUT THIS REPORT

● Overview

This report is the first independent Environmental, Social and Governance (“ESG”) Report of Yuexiu Real Estate Investment Trust. It focuses on the disclosure of the Company’s philosophy, significant measures and efficiency of ESG aspects in 2016, based on the principles of materiality, quantitative, balance and consistency.

● Basis of Preparation

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “ESG Guide”).

The contents included in this report are determined through a set of systematic procedures. The preparation of this report involves identifying key stakeholders, identifying and prioritizing material ESG related issues, determining the boundary of the ESG report, collecting relevant materials and data, compiling and reviewing data.

● Explanation for Abbreviations

To facilitate the preparation and reading of this report, “Yuexiu REIT” and “Trust” mean “Yuexiu Real Estate Investment Trust”; “Manager” means “Yuexiu REIT Asset Management Limited”, are responsible for managing Yuexiu REIT in accordance with the trust deed as the Manager of Yuexiu REIT. Therefore, in this report, both “Company” and “we” mean “Yuexiu Real Estate Investment Trust” and “Yuexiu REIT Asset Management Limited”.

● Scope of the Report

Yuexiu REIT’s property portfolio (the “Properties”) consists of six commercial properties located in Guangzhou and one commercial property located in Shanghai. This report will disclose the ESG risks and performance of the Properties under the Trust in accordance with the “materiality” referred to in the ESG Guide. The policy document, statement and data set in this report cover each of the Properties and companies under the Trust. This report mainly focuses on the disclosure of the Trust’s and the Manager’s relevant management policies, guidelines and social reliabilities, as well as the quantitative data related to the energy consumption and safety of the Properties.

● Data Source and Reliability Assurance

All the data used in this report are obtained from the Trust and holding companies under it and has been reviewed by the board of directors.

● Confirmation and Approval

This report was reviewed and confirmed by the ESG Leading Group of the Company and approved by the board of directors on 8 May 2017.

● Availability of and Response to this Report

The electronic version of this report is available at the following website: www.yuexiureit.com. If you have any advice or suggestion on the ESG performance of the Company, please email to kwan.terry@yuexiureit.com or call (852)3607 1886.



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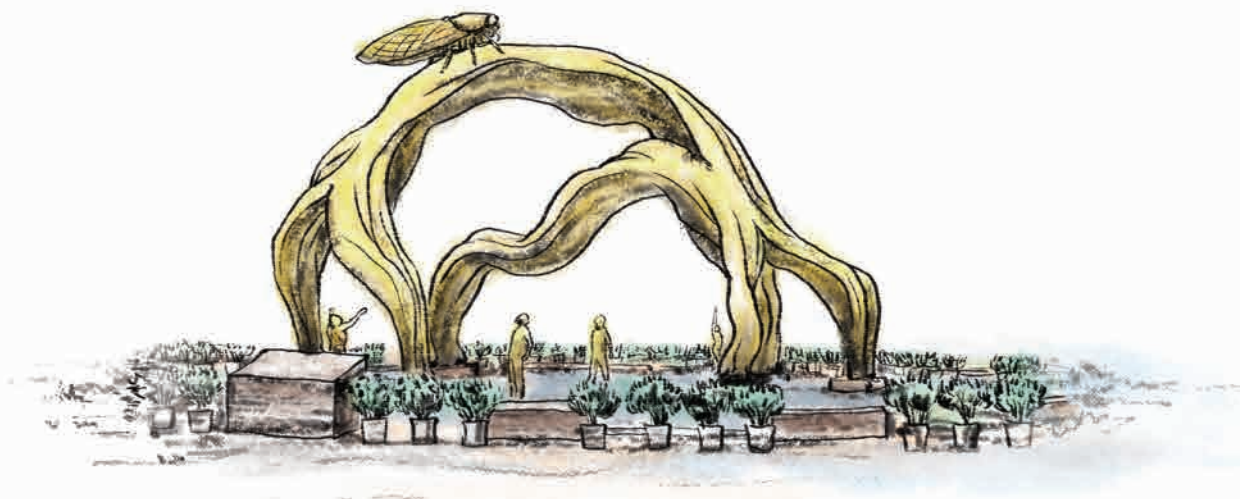
Statement of The Senior Management



Chairman: Lin Zhaoyuan



CEO: Lin Deliang



Incorporating Sustainable Development into the Long-term Strategies

We have been adhering to the core values of “professionalism, stability, excellence and win-win strategy” and striving to be a responsible corporate citizen to create long-term value for investors, tenants, cooperation partners and employees, while adhering to sustainable operational management and taking on social responsibilities. In the future, the Company will continue to adhere to the sustainable development strategy to ensure the quality, efficient and sustainable growth of the Trust in terms of its scale and return.

Assisting in the Harmonious Societal Development as a Corporate Citizen

While staying focused on the commercial real estate market and maintaining our leading position in the capabilities of asset appreciation, business operation and capital operation, the Company will attach more importance to the development strategies for environment protection and social contribution.

We have adopted many environmental protection measures in the daily operation of the Trust, which include formulating green policies, promoting environmental philosophy and introducing energy conservation and emissions reduction, through means such as replacement of old equipment in our properties with energy-saving equipment, equipping the Guangzhou International Finance Centre with a smart electric vehicle charging station and installing a system to recover condensate water from chillers. With the above measures, we demonstrate commitment in our green development strategy under the New Normal while simultaneously reducing operating costs, thereby bringing practical benefits to investors, tenants and partners etc.

We care about staff rights, and have provided a fair and healthy working environment as well as established an equal and harmonious promotion platform for our staff. We grow together with our tenants during our business cooperation and seek to constantly improve our property management service levels to create a better operational environment for them. Furthermore, the Company is also devoted to charity and public welfare activities, and involved in community development to fulfill corporate social responsibility. The Company also coordinates and plans for long-term public welfare measures in separate phases. In 2016, our Company led our staff to actively take part in charity activities such as voluntary teaching, blood donation and financial donations. It has been an encouraging experience to witness the enthusiastic participation of our staff.

Determination in our Sustainable Development Strategy, Full Consideration of Aspects in Economic, Environmental and Social Development

We will adhere to the principle of stable yet progressive growth in our business strategy, through maintaining sound operating and asset quality improvement, robust risk management, and readiness to guard against various risks which we may face in the long term.

In 2017, we will actively carry forward the LEED EB Platinum Certification for the core asset of Yuexiu REIT, Guangzhou International Finance Center. The concept of sustainability will be embedded in our development principles, and we aim to achieve higher environmental standards on the sustainability of our land use, efficiency in the utilization of water resources, preservation of energy resources and the atmospheric environment, utilization of building materials and resource, indoor environmental quality and other innovative design etc.

On the other hand, we will increase our involvement in community development and care, promote green initiatives within various properties of the Trust, and act responsibly while making sustainable contributions to the community which supported our growth.

Responsibility and Governance

Company Profile

Yuexiu Real Estate Investment Trust (“Yuexiu REIT”) was listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 21 December 2005, and is the first listed real estate investment trust in the world which invests in real property in mainland of the People’s Republic of China (“PRC”).

Yuexiu REIT focuses on commercial properties such as offices, retail properties, hotels and apartments, etc.. to generate considerable rental income, and we achieve stable revenue growth through the acquisition of new properties and through enhancing operations of existing properties.

Objectives and goals

With the continuous development of commercial real estate industry, market competition is increasingly intensified. With years of operation, each property under the Trust has been gradually developing to sound operation. In order to keep a good development trend while maintaining and attracting high-quality customers, the Manager plans to carry out asset enhancement projects for selected properties every year, in order to preserve and increase the value of the properties and to create a solid foundation to maximize their rents and protect the interests of investors.



Corporate governance

The Manager of Yuexiu REIT is Yuexiu REIT Asset Management Limited, which has extensive professional and practical experience in real estate investment, asset management and capital operation. The Manager has provided long-term stable investment income for the unitholders through active and effective asset management and business expansion. At the time when the real estate investment market is booming, the Manager is committed to becoming a specialized and leading asset management agency focused on the commercial real estate market, with the sound management capability in asset appreciation, commercial and capital operation.

The staffs of the leasing agents are also seasoned professionals who are dedicated to the market for many years and equipped with extensive experience in commercial property leasing, marketing and leasing management in the PRC.

Mr. Lin Zhaoyuan	Chairman and Non-executive Director
Mr. Lin Deliang	Executive Director and Chief Executive Officer
Mr. Cheng Jiuzhou	Executive Director and Deputy Chief Executive Officer
Mr. Li Feng	Non-Executive Director
Mr. Chan Chi On, Derek	Independent Non-Executive Director
Mr. Chan Chi Fai, Brian	Independent Non-Executive Director
Mr. Cheung Yuk Tong	Independent Non-Executive Director
Mr. Chen Xiaoou	Independent Non-Executive Director



Environmental, Social and Governance

In order to better incorporate the concept of social responsibilities into the Company's strategies and decisions and to further direct the social responsibility practices of the Company, the Trust has established a Corporate Social Responsibility Leadership Team which is led by CEO Lin Deliang, and comprises of members including Deputy CEO Cheng Jiuzhou and CFO Terry Kwan. The CSR leadership team leads the ESG working group, which is led by internal control and audit department, and comprises of designated members from each department with responsibilities to conduct research on ESG policies, governance and planning, to oversee the implementation, and to ensure the practice of social responsibilities in every aspect of our operations.

The ESG Development Strategy of Yuexiu REIT

Yuexiu REIT has formulated the following three principles relating to the management of environmental, social and governance issues with reference to the nature of its business and operations:



Identification and Communication with Stakeholders



Material aspects and list of ESG issues

During preparation of this report, we have especially engaged an independent consulting company to identify and assess material ESG issues, in order to gain profound understanding of the aspects that stakeholders are concerned about, as well as their opinions and expectations on our ESG performance in 2016, which will be taken into account when preparing this report.

The materiality assessment process mainly goes through the following four steps: 1) identify material ESG issues that may have significant impact on our business or stakeholders; 2) rank the ESG issues according to their degree of materiality; 3) verify the results together with the senior management; 4) review the process of materiality assessment.



Through the above assessment process, we have identified important social responsibility issues and form the following matrix. Relevant contents will be disclosed in detail in the following sections of this report.

Yuexiu REIT ESG Materiality Matrix



	Type	Key indicators	Description of indicators
Issues with high importance	Use of Resources	KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.
	Use of Resources	KPI A2.3	Description of the energy use efficiency initiatives and results achieved
	The Environment and Natural Resources	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them
	Employment	KPI B1.1	Total workforce by gender, employment type, age group and geographical region
	Health and Safety	KPI B2.1	Number and rate of work-related fatalities
	Health and Safety	KPI B2.2	Lost days due to work injury
	Health and Safety	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored
	Training and Development	KPI B3.1	The percentage of employees trained by gender and employee category
	Training and Development	KPI B3.2	The average training hours completed per employee by gender and employee category
	Labour Standards	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour
	Labour Standards	KPI B4.2	Description of steps taken to eliminate such practices when discovered
	Product Responsibility	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons
	Product Responsibility	KPI B6.2	Number of products and service related complaints received and how they are dealt with.
	Product Responsibility	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights
	Product Responsibility	KPI B6.4	Description of quality assurance process and recall procedures
	Product Responsibility	KPI B6.5	Description of consumer data protection and privacy, how they are implemented and monitored.
	Anti-corruption	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases
Anti-corruption	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	
Issues with moderate importance	Emissions	KPI A1.1	The types of emissions and respective emissions data.
	Emissions	KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.
	Emissions	KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.
	Emissions	KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.
	Emissions	KPI A1.5	Description of the measures for mitigate emission and results achieved
	Emissions	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.
	Use of Resources	KPI A2.2	Water consumption in total and intensity.
	Use of Resources	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.
	Use of Resources	KPI A2.5	Total packaging material used for finished products and, if appropriate, with reference to per unit produced
	Employment	KPI B1.2	Employee turnover rate by gender, age group and geographical region
	Supply Chain Management	KPI B5.1	Number of suppliers by geographical region
	Supply Chain Management	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.
	Community	KPI B8.1	Focused areas of contribution
	Community	KPI B8.2	Resources contributed to the focus area

Anti-corruption and Sound Governance

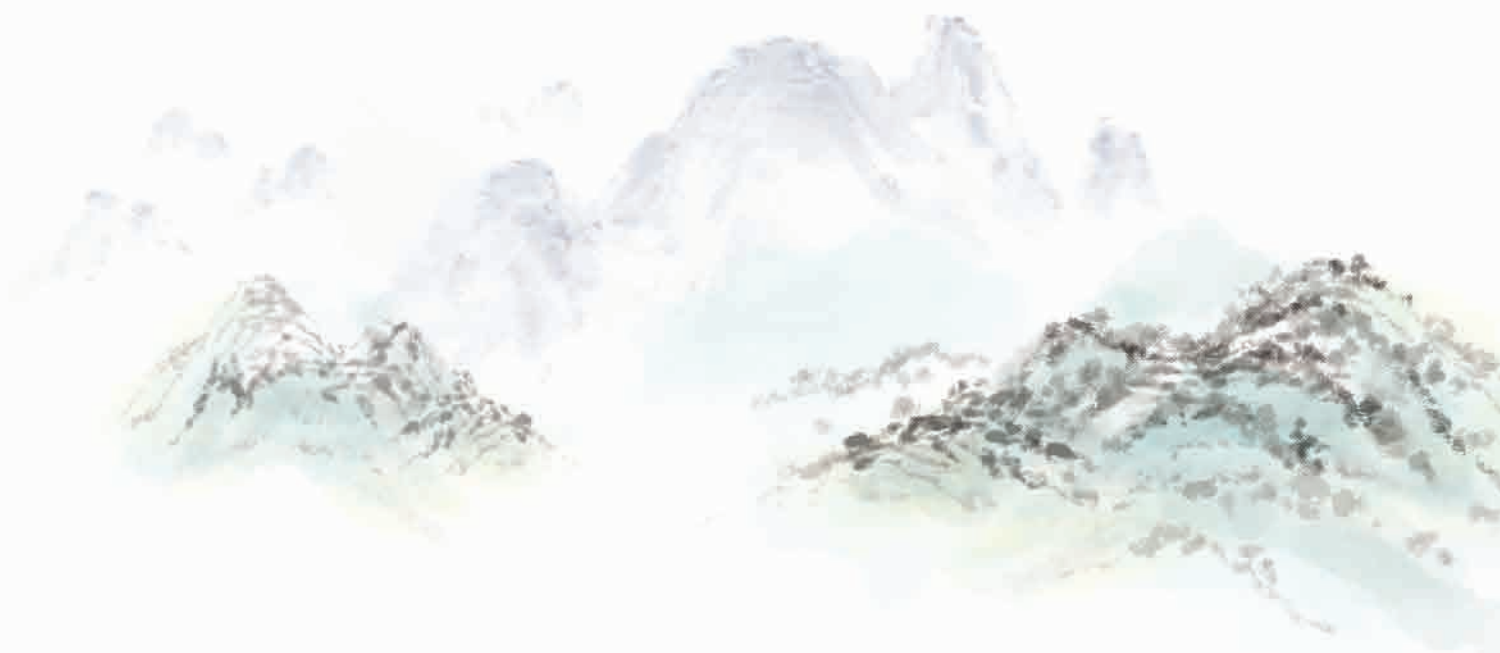
Anti-corruption system

We regard anti-corruption as one of the most important elements of corporate governance. Our fund operation and leasing business strictly abide by the applicable laws and regulations in Hong Kong and Mainland China in accordance with the relevant legal environment and we strive to continuously optimize the rules, regulations and processes so as to ensure the robust measures are placed to prohibit from corruption. We have formulated anti-corruption regulations such as the Administrative Rules on the Remuneration and Business Expenditure of the Management Team. We are committed to ensuring transparency of the Trust's assets, the processed management and the rationalized expenditure. Meanwhile, through the internal supervision and management system, any issues with the management's tendency to bribery, corruption, malpractice, abuse of authority, abuse of power and other types of illegal, irregular or violating behaviors, or misconducts that may cause great losses to the Company's reputation or economy will be put under strict supervision and handled with impartiality.

Related cases and results

Yuexiu REIT has fully complied with the code provisions set out in the Corporate Governance Code set forth in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited with emphasis on transparency, independence, accountability, responsibility and fairness. If cases of corruption were to occur, our full attention on the cases and relevant penalties will apply. If necessary, we will take actions such as legal proceedings to protect the Company's overall interests, and to ensure the establishment of ethical practices of integrity.

No corruption cases occurred in 2016, and there were no legal proceedings as a result of corruption from the Company or our employees.





FOUR SEASONS HOTEL

Win-win development and benefit to all parties

Yuexiu REIT has been adhering to the philosophy of “professionalism, stability, excellence and win-win strategy” in its operation and management. To become a corporate citizen, we have been adhering to excellent service quality, meticulous staff care, win-win cooperation in the supply chain management strategy, and are committed to create sustainable value for the stakeholders.



Trainings handled

1,413



Total number of employees

900



Dedication to Customer Service

Yuexiu REIT constantly takes improvement in customer satisfaction and trust as its goal. It adheres to superior quality of service and prioritizes customer interests. We consider the provision of quality service and a comfortable environment as our highest priority and are also committed to enhancing and maintaining the design criteria for property premises to create an ambience and environment that is of high taste and standards to customers. This is our basic and core social responsibility as well as the key factor of success and development in an intense and competitive market.

Premium customer service

Through a detailed review of every phase of operations and management, Yuexiu REIT has established a high quality customer service system to ensure that service experience for customers are of highest standards. We regularly conduct customer satisfaction surveys and investigations on customer needs as references to further optimize customer experience

Customer Privacy Protect

Tenants' confidential information may be involved in the communication process between Yuexiu REIT and tenants. We are fully aware of the importance of protecting our customers' privacy and have formulated a policy specifically to protect customer privacy, to regulate the handling of corporate customer information and confidentiality measures while requiring its properties to attach great importance to protect the information and security of the related customer privacy.

Complaint Handling

The Company has formulated a "Complaint Handling Approach". As the main customer base for each property is different, the types of demand and common complaints also varies. In order to speed up complaint resolutions, each property has established their respective complaints management system based on its management approach, to keep abreast of dissatisfaction from tenants or customers. A "customer first, communication unimpeded" complaint handling channel is established to alleviate dissatisfaction in a timely manner, to instill confidence from customers to our service through efficient complaint resolutions.

Complaint management system for customers established by White Horse Building

The clothing trading mall of White Horse has a customer service hotline, which pledges to provide customers with service from White Horse Mall for complaints filed within 24 hours upon the purchase of goods if the customer express dissatisfaction to product quality due to discrepancies from the description of goods and merchandise and other factors. The dedicated team of White Horse Mall will immediately communicate with concerned customers and seek to come to a resolution with mutual consent. This mechanism is used to maximize the protection of the interests of customers, while ensuring the reputation for trades carried out in White Horse Mall.



Service Innovation

Through years of hard work, the business strategy of Yuexiu REIT have developed from business development to stable operation. In order to retain and introduce high-quality customers, and to maintain good business momentum, we are actively exploring and practicing in service innovation and asset preservation and enhancement. In 2016, we have taken a number of measures to update our property for enhancing users' experience.

Innovative 6S Star Service provided by Guangzhou International Finance Center

Yuexiu REIT regarded Guangzhou International Financial Center as a pilot and started 6S Star Service System which fulfills attributes such as "Smile", "Speed", "Specialty", "Security", "Sincerity" and "Share" to address rising service expectations of high-end customers and to enhance the core competitiveness of the project. Through management style of the 6S system, Guangzhou International Finance Center has committed to implement the signature service concept into all service details, and to integrate brand, business, property services and other resources, to provide a safe, comfortable, efficient working environment for assigned enterprises.

Ensure fire safety in crowded areas

Yuexiu REIT considers safety and fire safety standards of its properties a priority, especially for areas with potential risks within the property premises. For example, during the design stage of White Horse Building, areas of highly populated areas for fashion shows with higher potentials for fire hazards and security were given heightened attention to firefighting equipment and designs such as automatic sprinkler systems, flame retardant construction materials, central air conditioning system with automatic partitions upon detection of high temperatures etc.

Asset enhancement projects

As properties in Southern China is not equipped with central heating system, The Four Seasons Hotel of Yuexiu REIT seek to provide increased comfort for customers through the installation of hot water circulated heating system in floorboards of the guestrooms. Staff from back office will adjust the system to the winter mode during lower temperatures, so that guests do not need to rely excessively on heating during cold weather below 10 degrees. At the same time, in order to increase environmental benefits, this system is used to reduce unnecessary energy consumption which may be combined with the central air-conditioning system while improving customer comfort.

We conducted large-scale asset enhancement projects for different floors within White Horse Building which is in accordance with various degrees of depreciation. The height of each storey was originally quite low. This situation was rectified upon the introduction of an energy-efficient, space-saving air conditioning system. Height of the ceiling for each storey were also increased, resulting in better circulation overall improved comfort.

Automatic Light-sensing water cannon to extinguish open flames

Guangzhou International Financial Center is equipped with light-sensing water cannons, which can automatically sense open flames within its designated range. If the fire intensity reaches a certain extent, the water cannon will detect and extinguish the fire in an effective manner, to reduce the possibility of fire spread.



Meticulous care for Employees

We have always regarded employees as the most important asset and the cornerstone of enterprise's sustainable development. We advocate the atmosphere of work-life balance through a competitive compensation and welfare scheme, diversified training and development opportunities, and abundant employee care activities, aiming to let our employees enjoy benefit from our comprehensive career and work-life balance support.

Employee Profile

In order to protect the rights and interests of employees, Yuexiu REIT has formulated the Employee Manual, which clearly stipulates that the Company implements contract management terms for all labor. Meanwhile, as the Company's properties are located in Mainland China, relevant employees are protected by the Labor Law, the Labor Contract Law and the relevant local labor laws and regulations promulgated by PRC. The Company strictly prohibits the recruitment of child labor or forced labor, and pledges to effectively safeguard the basic rights of employees. In 2016, no cases of irregularities or any complaints relating to human rights and labor measures were reported to the Trust.

Yuexiu REIT strictly implements the provisions of the Employee Manual, and execute penalty on any violations of national and regional laws, or company regulations. For those who committed violations repeatedly, company may consider the termination of employment contracts.

We uphold a people-oriented management philosophy, and envisions to respect, be inclusive, and maintain staff diversity through the elimination of discrimination arising from factors such as religion, gender, and cultural background differences. We provide equal opportunities during processes of recruitment and promotion, training and development, salary and benefits for all staff, to create a fair, inclusive and open working environment.



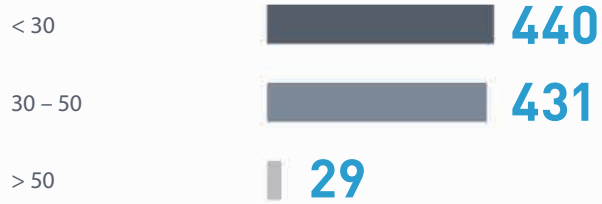
Total number of employees by gender, employee category, age group



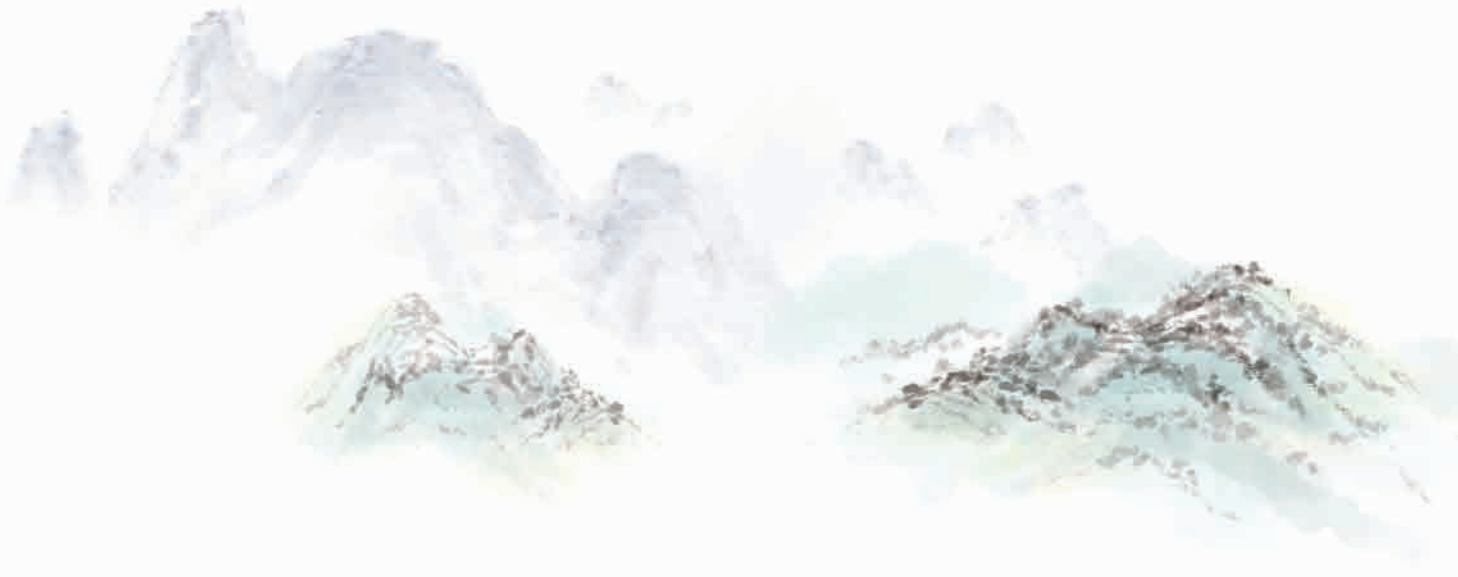
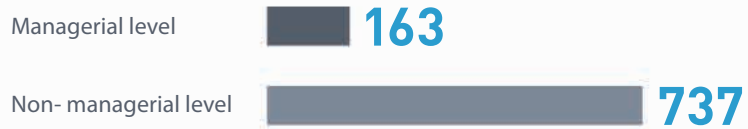
By gender



By age



By employee category



Salary, Benefits and Training

• Salary structure, pay time and mode, salary adjustment

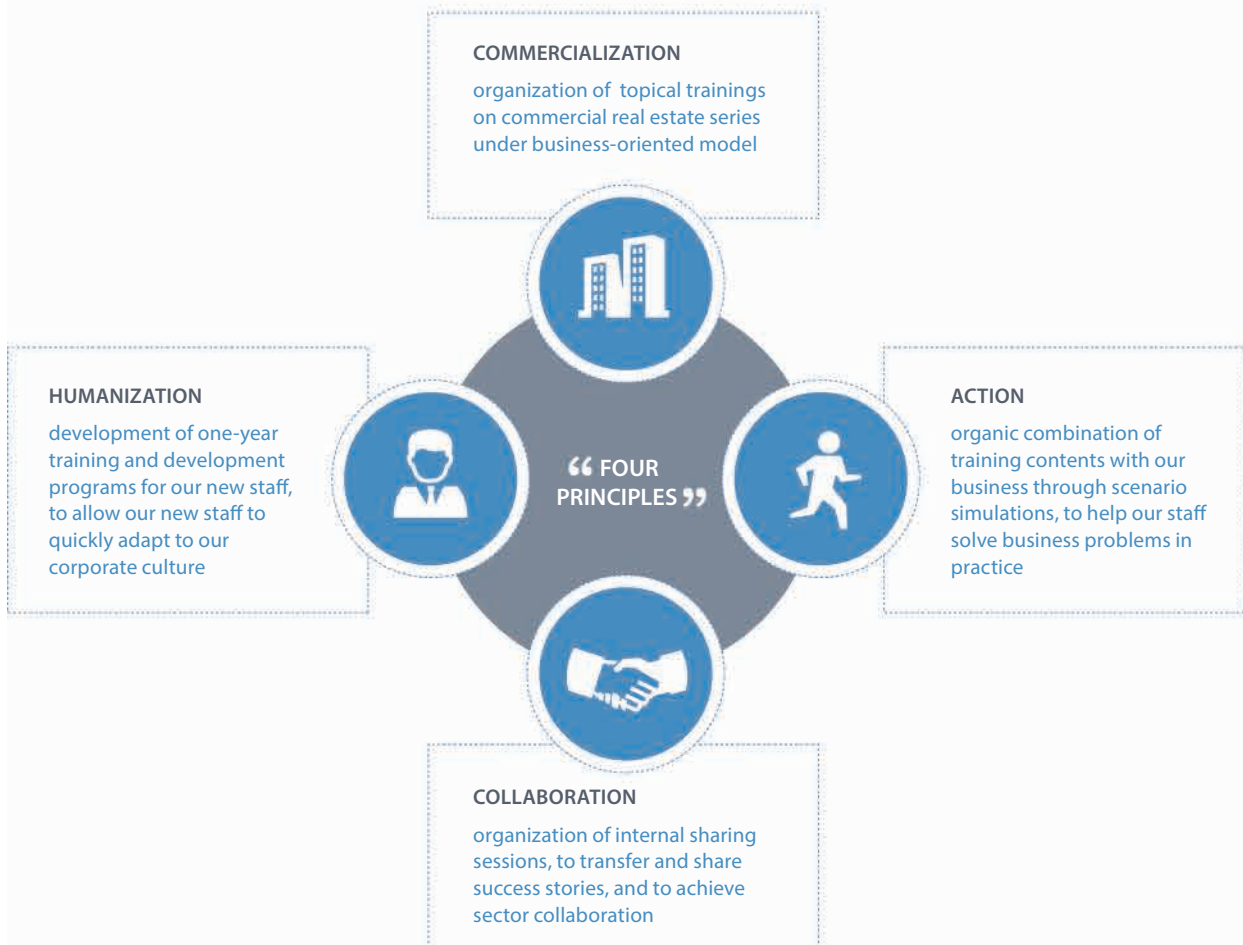
According to the Employee Manual of Yuexiu REIT, employee remuneration consists of fixed remuneration, discretionary bonuses and benefits. The salary is scheduled to be paid regularly on a monthly basis, and will be transferred one working day in advance in case it falls on a rest day. The Company strictly abide by the Social Security Law, Tax Law and other laws and regulations. Based on employee performance and leave situations, the Company will conduct corresponding adjustment to salary, to maximize the protection of the rationality and fairness of the payment.

• Competitive welfare

Yuexiu REIT provides highly competitive compensation and benefits to employees. The statutory benefits cover social insurance, housing provident fund, company annuity and others. The corporate welfare includes transportation subsidies, food subsidies, birthday gift and others. Besides public holidays, annual leave, family leave and other statutory holidays, employees are also eligible for special leave and sick leave authorized by the Company.

• Training and Development

Yuexiu REIT always pays attention to the development and cultivation of talents. In order to inspire the potential of our staff and improve their service ability, we not only encourage and support our staff to participate in external continuous training and self-improvement, but also establish a sound staff training and development mechanism within the company based on the following “four principles”.



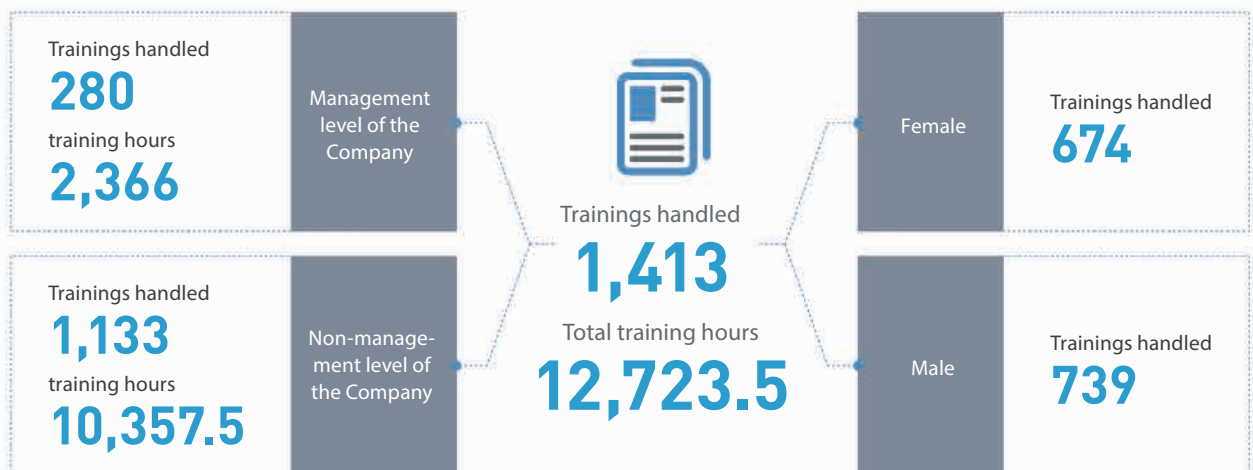
● Staff training policy and data

Yuexiu REIT established a career development platform for its staff, and includes its staff training programs into the Staff Manual to ensure the effective implementation of training measures. Yuexiu REIT enhances staff knowledge, skills and overall quality by inviting internal and external lecturers to carry out training, business communication meetings, rotation learning, online learning and daily tutorship via various channels, and lay a solid foundation for staff's career development.

At an internal sharing session, staff from Asset Management Department shared "Findings from a Travel Journal for Japanese Retail Businesses", and conducted an overall analysis of the features of Japanese business projects such as shopping malls and department stores. The analysis ranges from business norms, architectural design to perspectives of business promotions, and highlighted on project innovation, interesting design ideas and elements. The sharing not only helps our staff broaden their perspectives and knowledge, but also equipped them with various business knowledge and is a platform for sharing of ideas and experience from each other.



In November 2016, the first forum of White Horse Apparel Youth Chamber of Commerce was held, and specially invited Mr. Hu Rundong as a consultant to lead our staff to actively explore business management in apparel industry under the internet New Normal. Meanwhile, the Chamber of Commerce also hoped that it could become a platform for knowledge and resources to guide the young generation to discuss industry issues together, integrate and share resources, and quickly find the immersion and fun of apparel business operations, which plays a vital role of continuing the legacy of White Horse.



Health and safety

Yuexiu REIT values the health and safety of its employees and is committed to providing a safe and comfortable working environment, in order to create a safe and healthy workplace. The Company not only strictly requires its employees to comply with relevant safety rules, guidelines and working procedures as a way to ensure the safety and health for ourselves and for others who may be affected, but also holds trainings regularly to provide its employees with relevant occupational safety and health knowledge and guidelines.



In 2016, no work-related injuries or working days lost due to work-related injuries has occurred for the Manager of Yuexiu REIT.

● Occupational health and safety measures and policies

Yuexiu REIT pays high attention to occupational health and safety for productions, and effectively controls activities related to occupational health and environmental safety through the formulation of Chemical Waste Management Procedures, the Hazard Identification and Risk Assessment and Management Procedures, the Environment, Health and Safety and Energy Management Procedures, so as to ensure the health and safety of its employees. Specific measures include noise control, setting safety facilities for hazardous chemicals, requiring the use of protection equipment for special operating workers, and arranging regular medical surveillance for staff with special operational works.

Caring for employees

Yuexiu REIT practices the two principles of “Assistance to Employees and Care for Employees” and seeks to continuously improve policies and measures related to employee welfare. On the one hand, the company helps employees with the issues they encountered during their career development, and on the other hand, the company aims to ensuring work-life balance of its employees, by organizing various cultural and sports activities to enrich employees’ leisure time, and through creating a harmonious working environment to improve employees’ sense of belonging to the company.



Sincere Cooperation with Partners

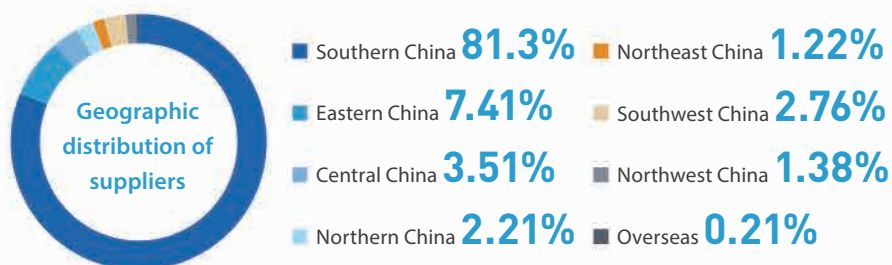
Yuexiu REIT maintains positive and long-term cooperative partnership with suppliers while imposing high level standard on suppliers' products and services. We endeavor to fulfill our corporate responsibilities by taking concrete actions to maintain ourselves' and to facilitate our suppliers' sustainable development, to create a better future with supplies hand in hand.

● Supplier assessment and support

By virtue of a sound procurement system, Yuexiu REIT has implemented stringent procurement procedures and quality control standards. This is not only a guarantee to our clients' best interest, but also an incentive to suppliers.

● Support for local suppliers

Yuexiu REIT tends to select the suppliers operating near the vicinity of our businesses. On the one hand, this provides direct contribution to the economic development of local regions, on the other hand, this minimizes the distance for logistics and transportation, hence resulting in a reduction of carbon emissions during transportation.





Realizing Green Development and Making Better Effort on Environmental Protection

We closely relate the concept of green development with enterprise operations and management, and we strictly comply with laws and regulations in relation to environmental protection, conduct energy saving and pollution reduction work systematically and effectively, and infiltrate green development, low-carbon development and sustainable development strategy into each segment of operation and management, hence constantly improving on energy conservation systems, conducting green management and seek to establish a REIT that is environmentally conscious.

Guangzhou IFC has installed effective sound and heat insulation low-radiation three-layer glass walls, saving electricity of approximately

385,000 Kwh annually.



Environmental Policies

Yuexiu REIT has established a series of policies, which not only reduce energy use for the enterprise, but also provide a green and low-carbon working and living environment for customers and the public.

Specific policies include the Environmental Pollution Prevention and Control Procedures and the Environmental Protection Work Guideline and etc., which were designed to mitigate negative impacts to the environment through regulating activities, products and services that generate wastewater, gas air emissions, noise and solid wastes from our properties, which may cause direct pollution to the environment. In addition, each of our properties has introduced the Implementing Rules for Energy Consumption Management.



Green Office

We actively carry out environmental protection activities, strengthen our staff's environmental awareness and encourage conservation of resources, so that every staff could deeply understand the low-carbon environmental philosophy and build the concept of environmental and low-carbon office to create an environmental and healthy office environment.

Ascott Apartments have also implemented the Paper Saving Management Guideline and the Office Energy Management Guideline, which underline rules on the consumption of office water, lighting, air-conditioner with reference to time, temperature and issues. Ascott requires daily record of such resources usage and designates a person to conduct regular onsite check and promote effective measures and requirements as a means to realize our annual target on energy consumption management.

Paper Conservation

The Company advocates the idea to "Think twice before photocopying" and encourages employees to determine the necessity of making photocopies and the number of copies which are required, in order to avoid wastage. The Company has set up internal bulletin board of energy conservation and environmental protection and put up environmental labeling and publicity slogans for public facilities and equipment of commercial properties, to improve the staff's awareness of environmental protection and guide our customers to conserve energy and to facilitate the development of environmental work.



Implementation of streamlining documents and reutilization

The offices of properties under Yuexiu REIT promote duplex printing files. For internal documents, our staff may correct minor errors with neat, legible handwriting, and were encouraged to collect and reuse envelopes and folders. For machinery maintenance, regular maintenance work is highly encouraged to ensure that the printer is in good condition in order to reduce the rate of asset depreciation.



Advocating e-offices

To advocate electronic delivery of information and the use of e-mails to send forms, documents and faxes; to manage electronic information well in order to facilitate data search; to back up important information regularly, reduce redundant mails, organize mail recipient list and attend to customer's needs in the frequency and demand for printed matters.

Energy Conservation



Water management

The Company attaches importance to the properties' management of water resources, and developed the following basic requirements:

- To avoid excessive use of water, properties were requested to control the pressure differences in chiller water flow according to fluctuations in the morning, evening, holiday and office hours;
- Properties were requested to conduct a comprehensive inspection on regular basis to ensure that all water-related facilities are functioning properly. This is to prevent cases of water leakages, adjustment of water density of faucet etc;
- Properties are requested to plan ahead and control water levels within water tanks when conducting cleaning activities for the water tanks for domestic water. Specifically, properties are requested to refrain from over storage of domestic water within the tanks prior to plans for cleaning activities, in order to reduce the water wastage resulting from drainage of the pools due to excessive water storage.





Power management

The Company pays great emphasis on the power management of its properties, and has the following basic requirements in place:


- Central air conditioner of each property can convert automatically between the main and supporting cooling units depending on system capacity and external temperatures etc., ultimately with an aim to reduce waste of electricity;
- Each property requires that staff must turn off the lights in the management room if they leave for a period of time of more than half an hour, and must turn off computers and air conditioners after working hours in order to avoid electricity wastage;
- The number of elevators in operation within each property are adjusted in accordance with customer traffic at different hours of the day or days of the week.

Energy/water resource consumption

	Total consumption in 2016	Intensity in 2016 (per million of revenue)	Intensity in 2016 (per person)
 Energy	Unleaded gasoline (liter)	23,844.93	12.98
	Pipeline gas (m ³)	1,521,598.00	828.04
	Electricity (kwh)	127,482,461.31	69,375.23
	Total energy consumption (kwh)	143,631,500.77	78,163.44

 Water resource	Total water consumption (m ³)	1,267,599.50	689.82
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Greenhouse gas emission

	Total in 2016	Intensity in 2016 (per million of revenue)	Intensity in 2016 (per person)
 Greenhouse gas	Type I of greenhouse gas emission (CO ₂ equivalent – ton)	9,413.79	5.12
	Type II of greenhouse gas emission (CO ₂ equivalent – ton)	80,769.53	43.95
	Total greenhouse gas emission (Type I and II only) (CO ₂ equivalent – ton)	90,183.32	49.08



Green Operation

Yuexiu REIT has been promoting green and environmental life concept and devoted to saving energy, and encourages staff to reduce the energy and resource consumption in all aspects of corporate activities, products and services and performs its commitment to green operation thoroughly.

Energy-saving technologies

Yuexiu REIT closely monitors and analyzes the energy consumption mode of its properties and implements energy-saving measures based on technological upgrading to reduce environmental impact through technological innovation.

Guangzhou IFC has installed effective sound and heat insulation low-radiation three-layer glass walls with a shading coefficient of 0.3, which can significantly reduce solar radiation. CO₂ sensor modules can sense the balance of indoor CO₂. When the concentration of indoor CO₂ amounts to 800PPM, the indoor air exhausting system will be started and the supply of fresh air will be increased in order to ensure indoor air quality, saving electricity of approximately 385,000 Kwh annually.



saving electricity of approximately

385,000
Kwh annually

Guangzhou IFC Air-conditioner systems generate condensate water when the chiller is in operation, mainly due to temperature difference. In Guangzhou IFC, to avoid dripping and leakage of condensate water and to avoid wastage of accumulated condensate water, a system to recover condensate water from chillers is built-in to the building design, hence collecting and recycling the cool water. The volume of condensate water recovered amount to 9,000 m³ and water charges of RMB40,000 are saved annually.



water charges of

RMB **40,000**
are saved annually

In City Development Plaza, all lights in the first floor have been changed to LED lights and were divided into A/B circuits to facilitate different lighting needs at different times. For example, all lights will be turned on during rush hours and only one circuit of lights will be turned on only during non-rush hours, which can significantly reduce consumption of electricity. Central air-conditioners have been improved for energy saving purposes with an energy-saving rate of 20%. The energy-saving measures implemented for the project resulted in an annual energy-saving of approximately 50,311.5 Kwh.



annual energy-saving of approximately

50,311.5
Kwh

The banquet halls of Four Seasons hotels are equipped with intelligent light control system with various pre-set lighting functions for general meetings, briefings, banquet, transition and vacant models in order to ensure the reasonable use of light resources in the banquet hall for different occasions and reduce energy consumption for lighting purposes.

The car park of Guangzhou IFC is equipped with a smart electric vehicle charging station, which are self-service stations which operate at all times and are equipped with various charging interfaces to meet the requirements of different types of vehicles. This encourages large number of building customers to use electric vehicles to save fossil energy and reduce greenhouse gas emissions.





Waste management

Yuexiu REIT requires its properties to collect and manage hazardous chemical wastes such as empty bottles, empty cans or expired substances which should be collected and disposed of in accordance with relevant requirements and not be discarded casually, causing environmental pollution. The storage places for waste substances must be equipped with warning labels and facilities with ventilation, are leakage proof. Inspection on the usage and storage of hazardous items at each centers shall be carried out semi-annually and the rules for working guidelines shall be strictly implemented.



A hazardous waste treatment transit warehouse is located at each floor of Guangzhou IFC, which is categorized for the proper treatment of waste light tubes, waste energy-saving lamps, ballasts, waste oil, batteries and ink cartridge. In 2015, the grease trap in Four Seasons Hotel was upgraded from an open carbon steel grease trap to a sealed stainless steel grease trap in order to adopt more efficient and environmentally-friendly waste treatment functions, achieving automatic discharge of grease and the removal, discharge, mixing and drying of grease residue and direct cleaning of accumulated greasy fumes, which can effectively remove odors and reduce high-pollution cleaning procedures such as clearing.





Sharing the Development and Rewarding to the Society

While maintaining the corporate' s positive development, Yuexiu REIT has never forgotten to return to the community and seeks to achieve co-existence and co-prosperity with the community. We are devoted to public charity and poverty alleviation activities and fully capitalize on our platform and resource advantages to help socially vulnerable groups from the perspective of social needs by providing them financial and in-kind supportso as to create sustainable social value.



Contributed

12,177 hours in
public charity activities



Donated

RMB **1.08** million
to the third parties



Community Development

Guangzhou International Financial Center, one of the assets under Yuexiu REIT, has organized up to 10 special salons in 2016, and has expanded the salon to Fortune Plaza and City Development Plaza. The salon activities not only improved the cultural atmosphere of the project and provided 6S star services to the customers, but also integrated resources among projects and facilitated frontline operations by increasing consumption and customer flow.



In March 2016, in response to the theme of Earth Hour, named "Blue Life, and Concerned about Environmental and Climate Issues", the starry sky photography exhibition of "Twilight" were held in the GZIFC, Fortune Plaza, and City Development Plaza. Hundreds of audience participated in the salon of "Guardian of Starry Night", at which, the dark night plan was promoted with the purpose to arouse much concern about the conservation of nature from more people while enjoying the art.

60+

微 SHIMMER 光
2016.03.14-27

于冬瑞个人星空摄影展
Dongrui Yu Personal Photography Exhibition

分享会时间: 2016.03.17 19:00-20:30 地点: 广州IFC [M空间]

In June 2016, Guangzhou International Financial Center and "Children Paint Fairy Tales"(童画童话) co-sponsored "Read Fairy Tales. Listen to Paintings- Exhibition on Children's Original Paintings of Fairy Tale". Most of the children who participated in the exhibition were amateur painters without professional trainings in painting techniques. Their paintings were expressions of their originality and independent-thinking, while fairy tales were original creations of the children which were reflected in the paintings.



In September 2016, Yuexiu REIT held the salon in the IFC through integration of Four Seasons Hotel's resource by inviting Mai Zhixiong, the head chef of Chinese cuisine in Four Seasons Hotel, Ye Zhenwei in Backstreet Tang Kitchen, Yan Tao, a food critic, and Mai Kui couples, sketchers, to share the originality and creativeness of Cantonese cuisine on the scene. They gathered in the Guangzhou International Financial Center to share the delicacy and illustrations at the salon, creating a feast of "Learn about Guangzhou by Taste". This event showed more than 50 paintings on old Cantonese food and culture as well as precious manuscripts, 15 illustrations on creative Cantonese cuisines of Backstreet Tang Kitchen, together with audition of Cantonese nursery rhymes recited by children. By integrating artistic influence, cultural trend and public benefit hotspot into the ordinary life and work of elites in the CBD, this event initiated trendy topics for urban elites and truly achieved seamless connection with the world.



Public Charity

Yuexiu REIT has a vision of “Contribute to the Society in Good Faith and Co-build Harmonious Communities”, and has mobilized their staff and encouraged enthusiasm in their participation in public charity activities, such as, care for disadvantaged groups and assistance to poverty-stricken area in response to social demands. In 2016, Yuexiu REIT donated RMB 1,083,266.2 to the third parties, and contributed 12,177 hours in public charity activities.

♥ Care for disadvantaged group

Condolence activities for elderly homes in Feilaixia town

A total of 80 people, including all party members, activists, league cadres, members of the expansion class in White Horse and Yicheng Company went to Feilaixia town in Qingyuan to participate in the activity for party member, themed "Striving for a Pioneer by "Two Learns and One Action" from Scratch Now", and pay tribute to the elderly by donating cash and benefits in kind of RMB 5,000.

Carnival activity of Performing for Charity on the Children’s Day in 2016

A carnival activity of “Performing for Charity” on the Children’s Day was held in Victoria Plaza in 2016. The carnival was themed “Let’s be a Child Together”, and is designed to raise donations for daily necessities for families with children patients in severe conditions and is aimed to reduce their life burden. In recognition of its benevolence, Victoria Plaza was granted a plaque of “Charity Plaza” by Guangzhou Charity Society.

Parent-child charity sale market

Victoria Plaza, together with the Ai Yang Xing (愛養星) public benefit platform held a “Parent-child Charity Sale Market”, including family charity sale at the stalls, second-hand items replacement, book donation, Wing Chun on the scene, musical instruments performance, etc. The proceeds from charity sale has been donated into “Guangzhou Creative Industry Association —Creative Dream Fund”, which is used to pay tribute to the elderly in the elderly home. In addition, a total of 122 books were received to set up a loving book corner as planned.



♥ Responding to social demands

The “Replacing old clothes with new ones and sharing love” recycling and environment-friendly regeneration public benefit activity

From 21 July to 14 August 2016, the Guangzhou White Horse Apparel Market co-operated with Fireworm Social Work Service Centre (螢火蟲社會工作服務中心) to jointly organize the “replacing old clothes with new ones and sharing love” recycling and environment-friendly regeneration public benefit activity, whereby old clothes recycling boxes are placed in buildings and all recycled clothes are delivered to Fireworm Social Work Service Centre for environment-friendly regeneration.

Terry Fox Run

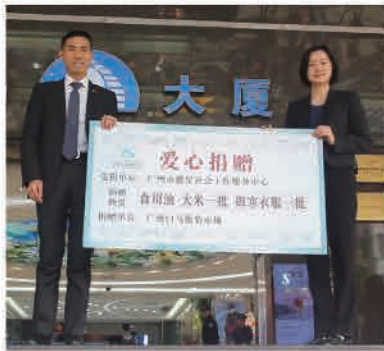
Under the leadership of Guangdong People’s Association for Friendship With Foreign Countries, Consulate General of Canada in Guangzhou, Guangdong Charity Federation and Guangzhou People’s Association for Friendship With Foreign Countries, the Terry Fox Run co-organized by Four Seasons Hotel officially started in Guangzhou on 26 October 2016. As the largest one-day fund-raising event for cancer research in the world, this event aims to raise funds for local cancer research and enhance all people’s understanding of and attention to cancer. During the event, Four Seasons Hotel raised RMB883,966.2, which was donated to Sun Yat-sen University for cancer research.



♥ Innovations for helping the poor

Love in White Horse and care for everyone

White Horse Building and Suixing Social Worker Center jointly held a public benefit innovation themed "Love in White Horse and Care for Everyone" by walking into the communities to send support for the poor families. Eventually, 78 tenants in White Horse with love and warmth donated 721 items in succession for 74 low-income families to realize their dreams.



Supporting Education in the Disaster Area

The White Horse Building also organized several charity donation activities to donate funds and goods to Daping Central Primary School in Tianquan county, Ya'an, Sichuan, including cash of RMB5,000, wool coats, cotton suits, down coats, stationery and little honey bee loudspeakers, with a view to encourage children in the disaster area to study hard and live happily.

Hundred Family Food Bank

On 8 January, the White Horse Building cooperated with Guangzhou Charity Association and Suixing Social Work Centre in launching the "Hundred Family Food Bank" large-scale public benefit program, so as to win oil and rice for poor families through crowd funding and offer assistance to them.



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