



越秀房地產投資信託基金

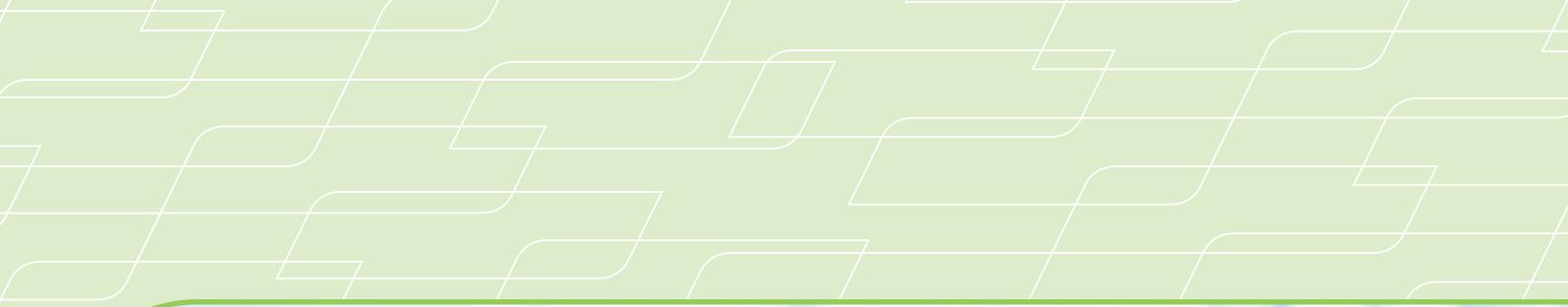
YUEXIU REAL ESTATE INVESTMENT TRUST

A Hong Kong collective investment scheme under section 104 of the Securities and Futures Ordinance <chapter 571 of the Laws of Hong Kong>
Stock Code : 00405

*VISION FOR A
STEADY FORTUNE*

Environmental, Social
and Governance Report

2017





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ABOUT YUEXIU REAL ESTATE INVESTMENT TRUST

Yuexiu Real Estate Investment Trust ("Yuexiu REIT", 00405.HK) was listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 21 December 2005, and it 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 enhancing operations of existing properties.

The property portfolio of Yuexiu REIT comprises eight high quality properties, namely White Horse Building Units ("White Horse Building"), Fortune Plaza Units ("Fortune Plaza"), City Development Plaza Units ("City Development Plaza"), Victory Plaza Units ("Victory Plaza"), Yue Xiu Neo Metropolis Plaza Units ("Neo Metropolis"), and Guangzhou International Finance Center ("GZIFC") in Guangzhou, Yue Xiu Tower in Shanghai ("Yue Xiu Tower"), and Wuhan Properties in Wuhan (including Wuhan Yuexiu Fortune Center, Starry Victory Shopping Center, with 1,134 commercial parking spaces and 375 residential parking spaces), with a total area of ownership of approximately 991,000 sq.m.; All properties are located in the central business district ("CBD") of Guangzhou, Shanghai and Wuhan, respectively. The categories of the properties include professional clothing market, Grade-A offices, multiple functional commercial offices, retail business, hotel and serviced apartments etc.

The Manager of Yuexiu REIT is Yuexiu REIT Asset Management Limited. With extensive professional and practical experience in real estate investment, asset management and capital operations, Yuexiu REIT Asset Management Limited brings long-term and steady investment incomes to the Unitholders of Yuexiu REIT through actively managing its assets and expanding its operations. While the real estate investment trust market is flourishing, the Manager is committed to becoming a professional asset management institution with a focus on the commercial property market, continuing asset appreciation capability, commercial operation capability, capital operation capability and a leading position in the industry.

Moreover, 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.

Brief introduction of the Board:

- Chairman and Non-Executive Director: Mr. LIN Zhaoyuan
- Executive Director and Chief Executive Officer: Mr. LIN Deliang
- Executive Director and Deputy Chief Executive Officer: Mr. CHENG Jiuzhou
- Non-Executive Director: Mr. LI Feng
- Independent 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

ABOUT THIS REPORT

Overview

This report is the second 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 2017, based on the principles of materiality, quantitative, balance and consistency. The annual update on the sustainable development performance of the Company under the four major issues of the Yuexiu REIT in 2017 (Environment, Economy/Market, Employment and Community) has been provided in this report.

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”, which 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 and Boundary of the Report

Yuexiu REIT’s property portfolio (the “Properties”) consists of White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza, Neo Metropolis, and Guangzhou International Finance Center in Guangzhou, Yue Xiu Tower in Shanghai and Wuhan Properties in Wuhan.

Yuexiu REIT’s properties disclosed in the report of this year consist of six commercial properties located in Guangzhou and one commercial property located in Shanghai. The scope of disclosure of individual indicators will be explained in corresponding positions. Since the Wuhan Properties was acquired by Yuexiu REIT on 21 December 2017, this report will not disclose the management of Wuhan Properties and related indicators in 2017.

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 Sources and Reliability Statements

All the data used in this report is 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 13 February 2018.

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 yxft.ir@yuexiureit.com or call (852)3607 1886.



CHAIRMAN'S MESSAGE

LIN ZHAOYUAN
Chairman

2017 is a big year for Yuexiu REIT. On 21 December 2005, Yuexiu REIT was officially established; in 2012, Guangzhou International Finance Center, the landmark building of Guangzhou, officially became the property held by Yuexiu REIT; in 2015, Yuexiu REIT stepped out of Guangzhou and acquired Yue Xiu Tower (formerly Hongjia Building) in Zhuyuan CBD, Pudong New Area, Shanghai, making its property portfolio more geographically diversified; on 21 December 2017, on the occasion of the 12th anniversary of the establishment of Yuexiu REIT, we successfully entered the hinterland of the Central Plains and completed the acquisition of Wuhan Yuexiu Fortune Center, Starry Victory Shopping Center, and 1,134 commercial parking spaces and 375 residential parking spaces; such acquisition means that Yuexiu REIT will be further oriented to the country and increase its overall asset size and profitability. After the successful acquisition of Wuhan Properties, Yuexiu REIT's properties consist of White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza, Neo Metropolis, and Guangzhou International Finance Center in Guangzhou, Yue Xiu Tower in Shanghai, and Wuhan Properties in Wuhan, with a total area of ownership of approximately 991,000 sq.m..

With the maturity of the domestic leasing market and the support of overall policy guidance, the trend of securitization in the domestic real estate market is accelerating, and various local real estate companies are actively conducting various practical trials. As a listed real estate investment trust fund that mainly invests in mainland properties, Yuexiu REIT is very pleased to see that the channel for the securitization of domestic real estate continues to widen, and we believe that the market for real estate investment trusts in the future will become more and more widespread in the domestic market. We also hope that we can actively cooperate with all parties and continue to promote the development and maturity of the overall market with our own strength.



While continuously optimizing the capital structure and improving profitability, Yuexiu REIT also deeply understands that we are not isolated in this society, and it is our responsibility to interact with the environment and society and actively assume corresponding responsibilities. In 2017, on the basis of the previous year, we continued to promote the establishment and improvement of the overall environmental, social, and governance system. From various departments to the property management personnel, we fully implemented the management and collection system for environmental and social information, allowing fund managers to know more about the environmental and social impact of Yuexiu REIT in the process of operation, and allowing the frontline property management staff to better understand the materiality of environmental and social factors to the sustainable development of Yuexiu REIT. The communion with the community and the green transformation of its properties are the focus of Yuexiu REIT in 2017 on sustainable development. In 2017, we held charity exhibitions at the Guangzhou International Financial Center and Victory Plaza for many times, including the promotion of traditional culture and the provision of fundraising venues for charities, which brought warmth to our community. In terms of environmental reform, we achieved gratifying results in 2017. In December 2017, Guangzhou International Finance Center has passed the comprehensive evaluation of the US Green Building Committee and was awarded a LEED (Leadership in Energy and Environmental Design) Platinum certification by high scores (with a total score of 88 points), becoming the first high-rise landmark building with the LEED V4 standard for LEED Platinum certification in China.

In 2017, Yuexiu REIT has taken a solid step, but the road ahead of us is still very long. We will continue to operate on business improvement, management improvement and financial improvement in our properties, especially the newly acquired properties, which will be the next important work of Yuexiu REIT. We also realize that a real estate trust fund is more than just an innovative real estate product and financial product, but also a service that provides the local community with life, entertainment and work space. It is precisely because of this that the success of Yuexiu REIT is inextricably linked to the prosperity of merchants in shopping malls, customer satisfaction, the growth of companies in offices and the comfort of employees, and closely related to the support from the whole society to Yuexiu REIT. In the future, we are looking forward to building closer relationships with various stakeholders and conducting closer communication, and we will further implement the concept of sustainable development, environmental and social indicators in our daily work and evaluation, grow together with the society and the environment, and become symbiotic and prosperous together.

OVERVIEW OF DEVELOPMENT IN 2017

Important honors



- Yuexiu REIT has won the "BDO ESG AWARDS - Best in Reporting Awards in the category of Main Board-Middle Market Capitalization" granted by BDO



- Neo Metropolis has been awarded the title of Three-star Business Building in Yuexiu District



- Yuexiu REIT has won the "BDO ESG AWARDS - Best in ESG Awards in the category of Main Board-Middle Market Capitalization" granted by BDO



- Victory Plaza has been awarded the "Charity Plaza" plaque issued by the Guangzhou Charity Association



- Yuexiu REIT has won the "2017 Business Performance Award" granted by Guandian.cn



- City Development Plaza has been awarded the "Credibility Service Training Base" issued by the Guangdong Property Management Industry Institute



- Yuexiu REIT has won the "2017 China Real Estate Developers TOP100" granted by Guandian.cn



- Fortune Plaza has been awarded the "Building Sustainability Index Certification Mark" issued by Guangzhou Tianhe CBD Administrative Committee



- Yuexiu REIT has won Enterprise Award under "Outstanding Listed Company Tours 2017" selected by Hong Kong Economic Journal



- GZIFC has been awarded the "Building Sustainability Index Certification Mark" issued by Guangzhou Tianhe CBD Administrative Committee



- Yuexiu REIT has won the Main Board and Extraordinary Enterprise Award under "Hong Kong Outstanding Enterprise 2017" presented by Economic Digest

OVERVIEW OF DEVELOPMENT IN 2017

Economy / Market:

- On 21 December 2017, the official acquisition of Yuexiu REIT included Wuhan Yuexiu Fortune Center, Starry Victory Shopping Center, 1,134 commercial parking spaces and 375 residential parking spaces; the successful entry into the Central China region has become another milestone in the development of Yuexiu REIT nationwide;
- In 2017, the overall occupancy rate of Yuexiu REIT's properties was 85.9%;
- In 2017, the Company's total operating income was RMB 1,853.899 million, with total distributable income of RMB 862,631,100, and RMB0.2771 per unit of funds was distributed.

Environment

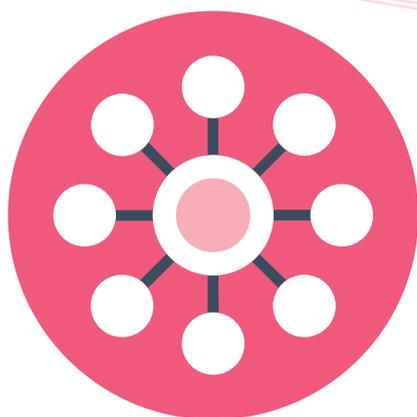
- GZIFC has won LEED EBOM (Existing Building Operations and Maintenance) Platinum certification with high score (88 points);
- Ascott The Residence has changed its original halogen lamps to LED lamps, saving 40,000 kWh per month.



Communities:

- Precision Poverty Alleviation: In 2017, the Company donated a total of 903 books for Chimi Village, and donated RMB13,023.4 to subscribe for books.

SUSTAINABLE DEVELOPMENT POLICIES



Yuexiu REIT conducted in-depth investigations and understanding of the management of each property, conducted comprehensive ESG training for property management.





In 2017, Yuexiu REIT continued to consolidate and advance on the basis of its previous work, improved its own sustainable development strategy and work system from top to bottom for better management of its own environmental and social risks, and tapped corresponding development opportunities.

SUSTAINABLE DEVELOPMENT POLICIES

Principles of Sustainable Development

Yuexiu REIT has formulated three principles of sustainable development based on its own business types and development direction, and has achieved win-win development with various stakeholders in economics to create greater economic value; the Company has developed inclusion with local communities in the society and allowed the communities to enjoy the development results; the Company has adhered to green development in the environment to create energy-saving and environmentally-friendly property management.



Win-Win Development

to provide customers with outstanding products and services to provide harmonious working environment for employees to provide constant and stable returns for shareholders; and to create higher economic value with the stakeholders



Inclusive Development

engagement with the community; concern about livelihoods care for the underprivileged taking full advantage of our platforms and resources and sharing the values and achievements with society



Being Green

to conduct green property management to operate in an energy-saving and environmentally friendly way to research and develop energy-saving technologies to strive to become the leading example of green operations within the industry and perseverance on green sustainable development

Structure of Sustainable Development

In 2017, Yuexiu REIT continued to consolidate and promote its own sustainable development governance structure. On the basis of having established a complete structure in 2016, we conducted in-depth investigations and understanding of the management of each property, conducted comprehensive ESG training for property management personnel, identified issues on the daily management of property management, determined the responsibilities of management personnel, continuously monitored and reported on the environmental and social performance of the properties.

SUSTAINABLE DEVELOPMENT POLICIES

Overall governance structure

Governance Levels of Sustainable Development	Members	Daily Duties
 <p>The Sustainable Development Leading Group</p>	<p>Mr. LIN Deliang, CEO of the Company, served as the Team Leader, and members included Mr. CHENG Jiuzhou, Deputy CEO, and Mr. KWAN Chi Fai, CFO.</p>	<ul style="list-style-type: none"> • Formulate the Company's overall objectives and strategies for sustainable development • Deploy company resources to support sustainable development
 <p>Sustainable Development / ESG Working Group</p>	<p>Led by Internal Control Audit Department, heads of various departments are responsible for related work, with designated contact persons for communication</p>	<ul style="list-style-type: none"> • Conduct research on sustainable development management policies used in Yuexiu REIT • Evaluate and report on the current status of sustainable development • Plan medium and short-term sustainable development work programs • Oversee the progress of related work
 <p>ESG Management Teams of Properties</p>	<p>Counterpart staff of various properties responsible for environmental and social information</p>	<ul style="list-style-type: none"> • Carry out daily management and statistics of the corresponding environmental and social indicators of properties • Periodically report on corresponding indicators • Propose improvement suggestions for daily management

SUSTAINABLE DEVELOPMENT POLICIES

Identification and Communication with Stakeholders

- **Tenants:**

Tenants rent Yuexiu REIT offices and shopping malls

- Tenants' trust and satisfaction are the cornerstones of our ability to continuously improve our performance
- Their main concerns: Shopping mall / office location, internal environment, property service quality, safety facilities, property energy consumption, rental level, shopping mall traffic
- Our daily contact: Regular visits, satisfaction surveys, complaint hotlines, resident property management

- **Customers:**

Customers enjoy services in shopping malls, hotels, and apartments in properties of Yuexiu REIT

- Customers are direct users of our commercial properties and it is our responsibility to provide them a safe and comfortable environment
- Their main concerns: Property location, merchant portfolio, property environment, safety facilities, property transportation convenience
- Our daily contact: Complaint mail, regular inspection, complaint hotline, satisfaction survey

- **Employees:**

There were 819 employees hired directly by the Company.

- The continuous growth of outstanding employees is the key to our sustainable development
- Their concerns: Remuneration, development space, employee benefits, promotion policies, training system, corporate reputation, job intensity, internal communication channels
- Our daily communication: Direct communication, employee mailbox / hotline, training programs

- **Government:**

Local government of the registration, listing and operation of Yuexiu REIT

- The support of the government is the focus of our ability to produce a wider range of economic and social positive impacts
- Their concerns: Complying with local laws and regulations, paying taxes according to law, promoting local economic growth and local employment, and producing positive social benefits
- Our daily communication: Regular visits, policy communication

- **Unit-holders and investors:**

Yuexiu REIT's existing shareholders and potential investors

- The fund holders of Yuexiu REIT provided the economic foundation for our development, Yuexiu REIT therefore was obliged to create satisfying expectations and sustainable economic returns for shareholders
- Their concerns: Share prices, dividends, financial conditions, business prospects, future development plans, governance, management selection and recruitment
- Our daily communication: Unit-holders' Meeting, financial information disclosure, investor hotline / mailbox, investor relations roadshow

SUSTAINABLE DEVELOPMENT POLICIES

- **Suppliers:**

Suppliers provide devices and services required for routine operations for Yuexiu REIT

- The suppliers provide us high-quality products and services and are an important part of the operation of Yuexiu REIT, at the same time, they also need to abide by the supplier management system of Yuexiu REIT
- Their concerns: Procurement policies, supplier management system, fair trade, on-time delivery, timely payment, communication channels, and maintaining good partnerships
- Our daily communication: Supplier review, regular visits

- **Media:**

The media focuses on Yuexiu REIT and promotes our operating performance and service conditions

- The continual supervision by media can help the community understand the situation of Yuexiu REIT, and urge Yuexiu REIT to increase the transparency of its operations
- Their concerns: Social impacts, financial performance, future direction, awards obtained
- Our daily communication: Regular visits, event invitations, public opinion monitoring

- **Local communities:**

The communities where Yuexiu REIT's properties are located

- The communities and local residents support our business growth, and our properties also provide living space for local residents
- Their concerns: The environmental impact of the properties, the recreational facilities provided in the properties, the traffic and opportunities brought by the properties for the local area
- Our daily communication: Public welfare activities, complaint hotline

Material Aspects and List

We hired an external professional consultant to review and evaluate the sustainable development issues of the Company this year, from the perspective of stakeholders, the consultant generalized and summarized the sustainable development issues that were of importance to the Company as the basis for the preparation of this report.

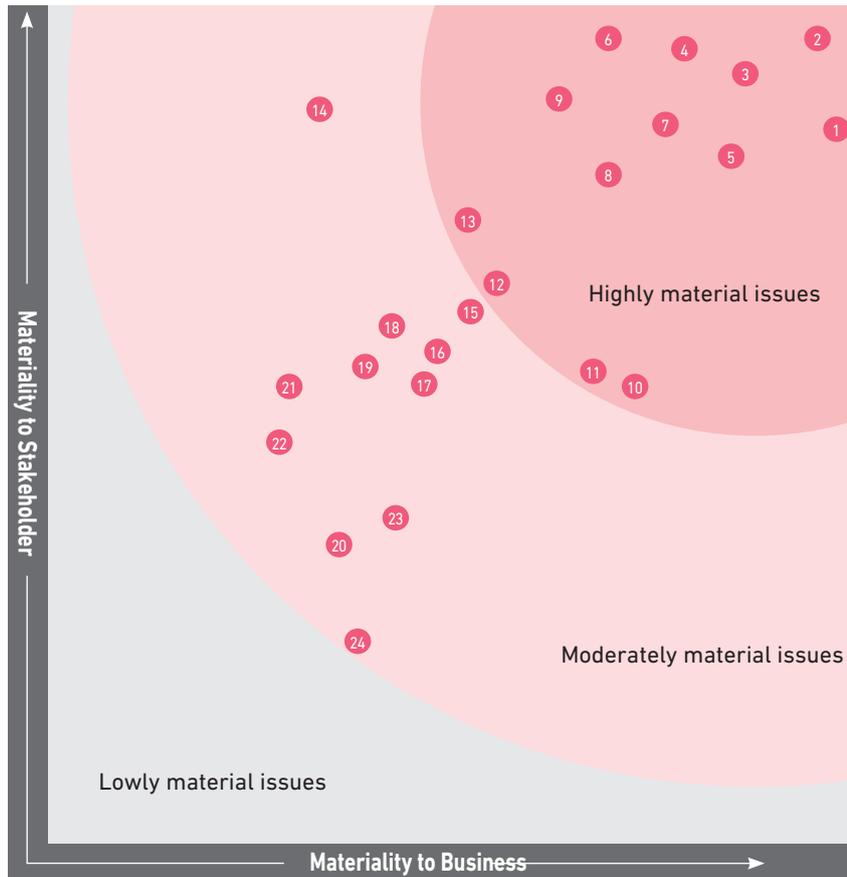
Process of Materiality Assessment

- To review the results of the materiality assessment of 2016: To obtain a draft of the stakeholder engagement and materiality issues assessment in 2016, and to assess the rationality and applicability of the 2016 results based on the overall business development of Yuexiu REIT in 2017.
- To formulate the stakeholder engagement plan of this year and implement: In combination with the situation of Yuexiu REIT this year, with reference to the real estate industry and the overall economic and social development, we will communicate and investigate with key stakeholders and obtain corresponding raw data.
- Comprehensive two-year results are quantified and ordered from two dimensions: Considering the results of the two years in a comprehensive manner, the issues were ranked from the two dimensions of "Materiality for the future development of Yuexiu REIT" and "Materiality for stakeholders" to obtain a material issue matrix and list.
- To submit the report to management and get confirmation: A report on the assessment of the overall stakeholder engagement and materiality issues was submitted to management and approved by the management.

SUSTAINABLE DEVELOPMENT POLICIES

Materiality Matrix

Yuexiu REIT ESG Report Materiality Matrix



List of Issues

Highly material issues

- 1 Labor Rules
- 2 Energy Management
- 3 Corruption Lawsuit
- 4 Property Safety and Health Protection
- 5 Product Quality Verification
- 6 Complaint Handling
- 7 Staff Training and Development
- 8 Employee Safety and Health Protection
- 9 Customer Information Security
- 10 Overall Environmental Impact
- 11 Staff Diversity
- 12 IPR Protection

Moderately material issues

- 13 Greenhouse Gas Emission
- 14 Supply Chain Management
- 15 Water Resource Management
- 16 Non-hazardous Solid Waste Management
- 17 Community Inclusion
- 18 Use of Decorative Materials
- 19 Employee Retention
- 20 Reduction of Waste Generation
- 21 Social and Public Welfare
- 22 Measures for Emission Reduction
- 23 Hazardous Solid Waste Management
- 24 Emission Management

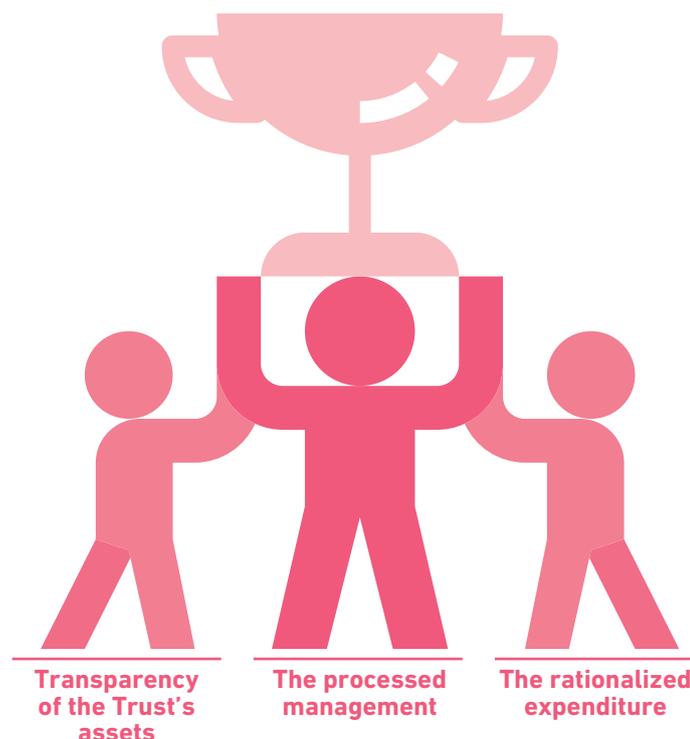
SUSTAINABLE DEVELOPMENT POLICIES

Anti-corruption and Sound Governance

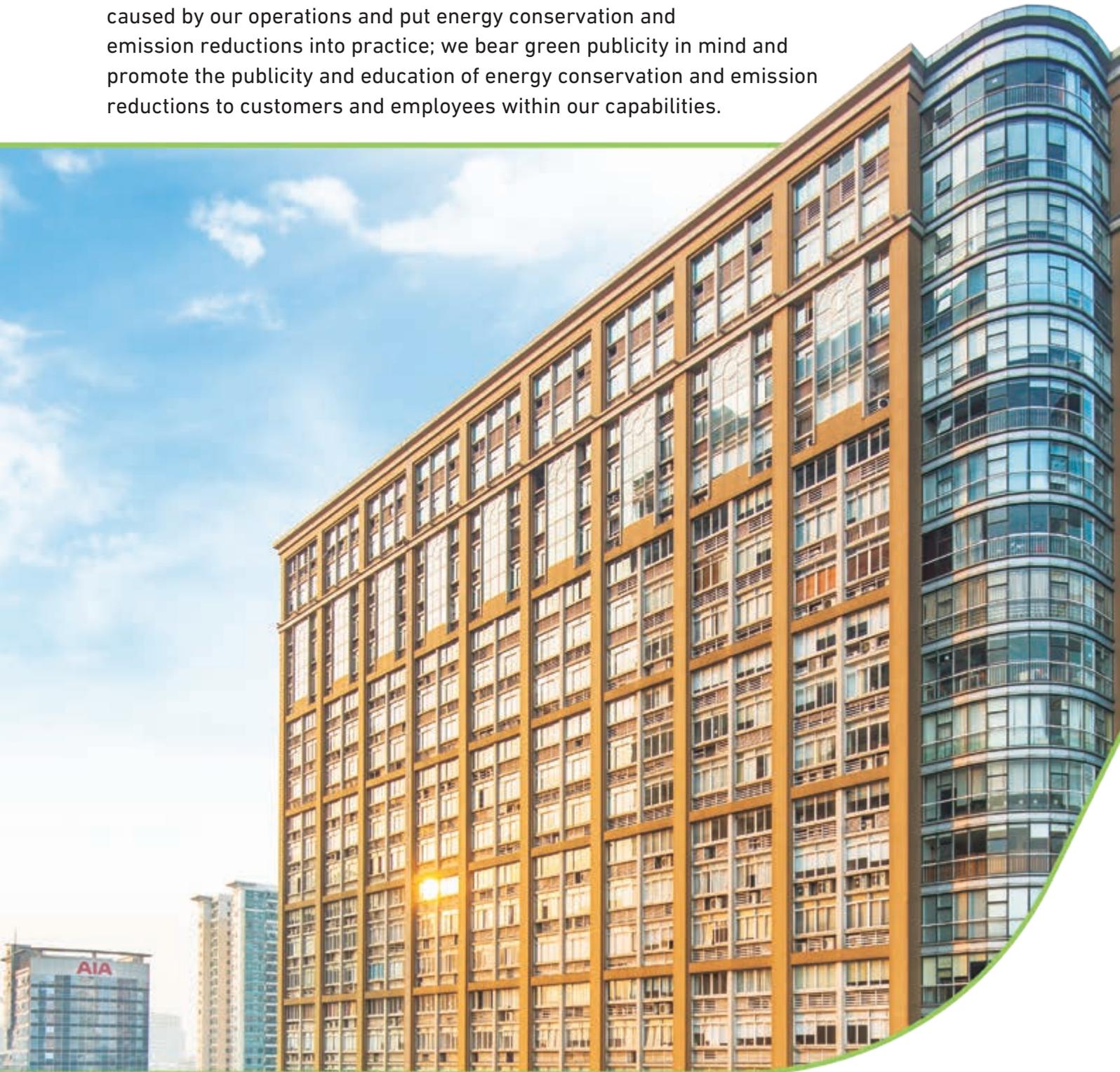
Yuexiu REIT has fully complied with the code provisions set out in the Corporate Governance Code set forth in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited with emphasis on transparency, independence, accountability, responsibility and fairness. We have formulated anti-corruption regulations such as the Administrative Rules on the Remuneration and Business Expenditure of the Management Team and Notice on Doing a Good Job of Checking and Resolving Unstable Problems. . 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.

The Board of Directors will also strictly review the corporate information issued by the Company, as well as internal corporate governance practices, staff and the Board's code of conduct and other documents to ensure that the Company's corporate governance policies are in line with regional regulations, and conduct timely updates, so that the Company can always maintain a high level of corporate governance. We will continue to improve various rules and regulations, and through prevention, supervision, and rewards and penalties, we will ensure that the Company adheres to business ethics and establishes a clean corporate culture. 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 2017, and there were no legal proceedings as a result of corruption from the Company or our employees.



Yuexiu REIT always organically combines the concept of environmental green development with corporate management. We adhere to green management, strictly abide by laws and regulations concerning environmental protection, and also formulate a series of internal management policies for regulation; we insist on green operations and actively implement practices that combine with business operations to reduce the environmental impact caused by our operations and put energy conservation and emission reductions into practice; we bear green publicity in mind and promote the publicity and education of energy conservation and emission reductions to customers and employees within our capabilities.





INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

Overall energy consumption in 2017

Electricity use



105,685,761

Kwh

Water consumption



952,431

m3



INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

In the future, we will insist green sustainable development and penetrate the green development, low-carbon development and sustainable development strategies into every aspect of operation and management, striving to become the industry's green benchmark.

Green Management

The Company strictly complies with the relevant environmental management policies promulgated by the State and formulates a series of internal policies to regulate the internal green management of the Company and actively fulfill the corporate social responsibilities for environmental protection.

The Company strictly abides by the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, Energy Conservation Law of the People's Republic of China, Construction Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Regulations of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Waste, Provisions on the Administration of Urban Construction Garbage, National Hazardous Waste Inventory and other local laws and regulations promulgated by more than 30 countries and regions.

Moreover, in response to environmental management, the Company has also formulated internal policies such as Environmental Monitoring Process, Environmental Factors Identification and Evaluation Process, Environmental Protection Work Guidelines, Guidelines for Property Smoking Control Management and Implementing Rules for Energy Consumption Management and other internal policies to carry out regular inspections on the environmental quality of the properties of REIT. Environmental risks of environmental pollutants, such as waste water, exhaust gas, noise, and solid wastes, are identified and controlled, and appropriate environmental protection measures or countermeasures are taken. In daily work, we pay attention to the use of environmentally friendly materials and environmentally friendly methods to carry out activities related to environmental protection.

The overall environment management plan for 2017 prepared by White Horse Building is as follows:

- Organize service centers conducts annual evaluations of environmental factors, especially environmental factors that affect water, air, noise, and pollutant control;
- The problems found in the environmental evaluations, such as the secondary pollution that the tank may cause, the odor in the toilet that may affect customer experience, and the possibility that the peak season may cause the indoor air to be stale, etc., shall be rectified;
- The environment is properly beautified and optimized under the premise of ensuring the control of water, air and pollutants.

Green Operation

By adhering to the concept of sustainable architecture with low energy consumption and high quality, Yuexiu REIT actively renovate the interior of the properties to reduce the energy consumption of the building. Moreover, the Company has been promoting green and environmental property operation concept, reducing the energy and resource consumption in all aspects of corporate activities, products and services as much as possible and performing its commitment to green operation thoroughly.

INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

Green Building

GZIFC has fulfilled the concept of green building and won the LEED Platinum certification

In December 2017, GZIFC has passed the comprehensive evaluation of the US Green Building Committee and was awarded a LEED Platinum certification with a total score of 88 points. Platinum certification is the highest level of all LEED certification levels, which is hailed as the "Oscar Award" for the green building industry. Only 5% of the world's construction projects receive this honor, so the certification is of extremely great value. The obtaining of the LEED V4 standard for LEED Platinum certification by GZIFC as the first high-rise landmark building in China fully demonstrates the excellent performance of the GZIFC as a model of green building in energy conservation, environmental protection and sustainable development, as well as the excellent standards of the project in design and operational management.



Since the beginning of its design and construction, GZIFC has been adhering to the concept of constructing sustainable building with low energy consumption and high performance, its green spirit was integrated in many dimensions such as green landscape, energy saving and daily management.

- In terms of greening landscape, the green area of GZIFC is approximately 10,200 sq.m., with a greening rate of approximately 33%, which not only guarantees the landscape, but also achieves the purpose of saving water;
- In terms of the architectural structure of external walls, GZIFC has adopted a fully transparent hidden frame hollow double glazed LOW-E floor-to-ceiling glass curtain wall, while protecting customers' enjoyment of natural light, it can effectively block ultraviolet rays and reduce air conditioning energy consumption;
- In terms of energy saving and consumption reduction, GZIFC combines real-time monitoring of energy consumption with the building equipment automation system (BA system) for 24 hours, through the new exhaust air recovery, air conditioning condensate recovery, artificial irrigation and other technologies, as well as the extensive application of LED lamps, which can greatly reduce the consumption of electricity and water resources;
- In terms of controlling indoor environmental quality, GZIFC implements the management of "Smoking-free Building" and has built-in CO₂ monitors and multiple air purification treatment equipment to ensure clean air and customer's physical and mental pleasure.
- In terms of daily management, GZIFC uses environmentally friendly air-conditioning refrigerants to reduce the damage to the ozone layer and the greenhouse effect; the extensive application of LED and low-mercury lamps effectively reduces mercury pollution; at the same time, during the renovation and management process, the use of non-environmental materials is strictly controlled, and noise and dust are effectively controlled. the generation of harmful gases is reduced, and the decoration waste is classified and treated for recycling;
- In terms of the selection of operational supplies, strict attention is paid to environmental friendliness. The detergents and equipment used in the daily cleaning process all meet the standards of the China Quality Certification Center.

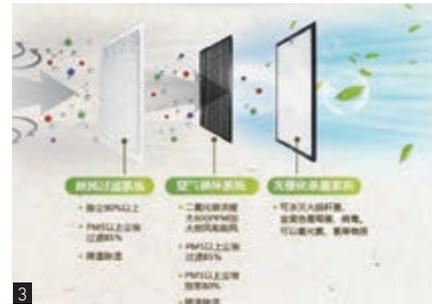
INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT



1



2



3



4



6



7



5



8



9

- 1. Hidden frame glass curtain wall
- 2. GZIFC Greening Landscape
- 3. GZIFC Air Purification Fresh Air System
- 4. LEED-EB Certification - Energy Auditing Launch Conference
- 5. LEED-EB Certification - Water System Testing

- 6. LEED-EB Certification - Light Pollution Detection
- 7. LEED-EB Certification - Electrical System Testing
- 8. LEED V4 Green Building Rating Category
- 9. Platinum, Gold, Silver and Certified

INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

Green Properties

We have been working hard to create an environmentally friendly, low-carbon operation concept and create a healthy and green building environment.

Water Conservation

Property	Measures for water conservation
Fortune Plaza	<ol style="list-style-type: none"> 1 To conduct a thorough inspection of the building water supply pipeline to ensure that there is no water leakage in the building and no water is wasted; during the same period, the problem of leakage at the bottom of the large water landscape at South Square was discovered and resolved in a timely manner.
City Development Plaza	<ol style="list-style-type: none"> 1 To conduct a thorough inspection of the building water supply pipeline to ensure that there is no water leakage in the building; check and adjust the inlet valve of the low water tank to ensure that no water is wasted. 2 To conduct water conservation training and publicity for the staff of the building to develop good habits of using water. 3 In autumn and winter, when cooling towers is rarely used, when conditions permit, and it does not violate the provisions of the contract, the frequency of cleaning for the cooling tower will be reduced to achieve the purpose of water conservation. 4 To strengthen the management and control of daily pool cleaning and to strictly control the amount of water used for pool cleaning to avoid waste. 5 To revise the system document to standardize the customer's air-conditioning coiling construction and fire-fighting renovation for second decoration and to redefine the water-discharging charges for air-conditioning and fire-fighting construction.
Neo Metropolis	<ol style="list-style-type: none"> 1 To conduct a thorough inspection of the building water supply pipeline to ensure that there is no water leakage in the building. 2 To improve the flood alarm equipment to identify and deal with leaks as early as possible.



INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

Power Conservation

Property	Measures for water conservation
Fortune Plaza	<ol style="list-style-type: none"> 1 Building Automation system is added to comprehensively control energy consumption of building, the intelligence of the building is improved, the energy consumption is basically controlled by an intelligent system, and the extra loss from the air-conditioning and public lighting is reduced. 2 To continue to promote the coiling fan cleaning and motor replacement engineering, at the same time, to provide filter cleaning services to customers, to improve the energy efficiency of air conditioning for customers and to reduce the cooling load of air conditioning units.
City Development Plaza	<ol style="list-style-type: none"> 1 The lighting LED lamps on first floor are divided into A circuite, B circuit and necessary lighting, and the switching times are specified. All lamps will be switched on during peak hours of work, but only one of A and B circuits is switched on after 9:30. All lamps will be switched on again during 17:30-18:30, the peak hours of off-work. After 20:00, only necessary lighting is left. Time control function is also set, which greatly reduces the waste of electricity. 2 All equipment rooms are replaced with LED lamps. 3 Host cold source system renovation and debugging for central air-conditioning at podium building and tower areas, including the realization of the remote communication of the refrigeration host, the frequency conversion control of the refrigeration pump and the cooling pump, the installation of water temperature sensors and pressure difference sensors, the installation of cold source energy efficiency optimization control cabinets at suitable locations in the cold source room, and the installation of outdoor temperature and humidity sensors at suitable locations outside the cold source room; the renovation and debugging of air-cooled air conditioner at the end area of the podium building, including the realization of the remote control of the air-cooled air conditioner in the podium building area, the installation of indoor temperature sensors, indoor temperature and humidity sensors, electric dampers, and intelligent air conditioner control boxes, etc.
White Horse Building	<ol style="list-style-type: none"> 1 To require employees and tenants to turn off the power when leaving the workplace, to replace the original fluorescent lamps and tungsten lamps with more energy-saving LED lamps, turn off the air-conditioning host in advance, to use the remaining temperature of the air-conditioning for cooling, and to post this type of energy-saving publicity slogan at the locations of direct use of resources to avoid possible energy waste. 2 To strengthen the management of the use of hot water provided free of charge to customers within the property, the hot water must not be used for non-drinking purposes. 3 To subcontractors are required to classify and dispose of waste, recycle paper, plastic and metal products to reduce waste of resources.

INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

Waste Management



Hazardous Waste Treatment

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. The storage places for waste substances must be equipped with warning labels and facilities with ventilation, are leakage proof. Additionally, inspection on the usage and storage of hazardous items at each property shall be carried out semi-annually.



Architectural Waste Treatment

The construction waste of Yuexiu REIT's properties is generally the waste of sheet, concrete and tile generated during the renovation of stores, for construction waste. The Company has specially hired a construction company to handle the construction waste, so that special treatment can be done to reduce the pollution to the environment.

Due to the nature of business, Ascott Serviced Apartment ("Ascott The Residence") may consume various types of disposables during its operations. To gradually reduce the resource consumption and environmental pollution caused by disposable items, Ascott The Residence will conduct detailed follow-up management of various types of disposable consumables, and gradually use recyclable supplies instead of disposable consumables, and multiple signs are set to remind guests to reduce the use of disposable items.



Disposable toiletries
4,625
kg



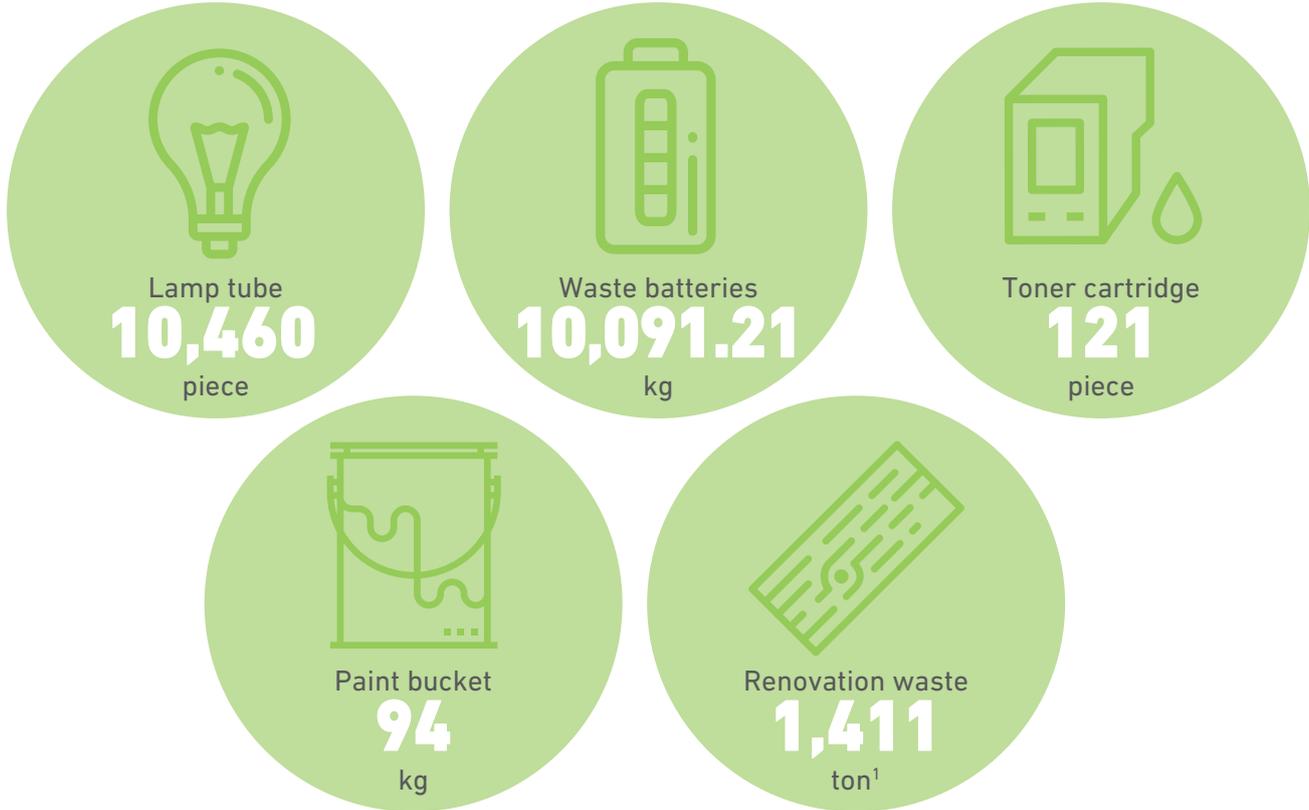
Disposable plastic bags
1,197.2
kg



Disposable slippers
3,501.6
kg

INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

Total hazardous waste produced



Total non-hazardous waste produced



¹ The renovation waste of this year is mainly generated from the upgrading renovation of Yue Xiu Tower.

INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

	Total consumption in 2017	Intensity in 2017 (per RMB1 million income)	Intensity in 2017 (per person)
Office Paper (kg)	49,813.17	26.87	60.82
Diesel (L) ¹	2,378	1.28	2.90
Natural gas (m3) ²	54,300	29.29	66.30
Electricity use (Kwh) ³	74,140,306.03	39,989.38	90,525.40
Water consumption in total (m3)	952,431.30	513.72	1,162.92
Greenhouse Gas⁴ Emission			
	Total consumption in 2017	Intensity in 2017 (per RMB1 million income)	Intensity in 2017 (per person)
Scope 1 of greenhouse gas emission (CO ₂ equivalent-ton) ⁵	667.19	0.36	0.81
Scope 2 of greenhouse gas emission (CO ₂ equivalent-ton) ⁶	46,738.05	25.21	57.07
Total greenhouse gas emission (CO ₂ equivalent-ton)	47,405.24	25.57	57.88

1 The scope of statistics for diesel consumption is the amount of diesel consumed by vehicles/generators owned by Yuexiu REIT;

2 The scope of statistics for natural gas consumption is the natural gas consumed by the equipment owned by the properties Yuexiu REIT, which does not include natural gas consumed in shopping malls, restaurants and dining halls in the office buildings;

3 The scope of statistics for power consumption is the power consumption of the non-rental/sales part of the properties of the Yuexiu REIT, including the power consumption of the public parts of the properties and the property management office.

4 Carbon dioxide equivalent is a measure used to compare the emissions from various greenhouse gases; the calculation of carbon oxide equivalent has taken into account the types of greenhouse gases emitted by greenhouse gases emission sources, such as carbon dioxide, methane, and nitrous oxide. The total greenhouse gas emission of Yuexiu REIT is limited to the direct/indirect carbon dioxide emissions generated from the energy consumption by the non-lease/sale portion of Yuexiu REIT's properties.

5 According to the ISO 14064 International Standard for GHG Emissions Inventories and Verification, the scope of GHG emissions refers to the direct GHG emissions, and refers to emissions directly from the sources owned and controlled by the organization, such as emissions from vehicles owned by itself;

6 According to the ISO 14064 International Standard for GHG Emissions Inventories and Verification, the scope of GHG emissions also refers to indirect sources of energy, such as indirect GHG emissions caused by purchased electricity;

INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

While managing well the energy consumption of the public parts of its properties, Yuexiu REIT also makes publicity of energy conservation and emissions reductions for office buildings and merchants that have already been leased out, so that the overall energy consumption of its properties has dropped significantly compared to 2016.

Type ¹	2016	2017
Electricity use (Kwh)	143,631,501	105,685,761
Water consumption in total (m3)	1,267,600	952,431

Green Publicity

In addition to actively practicing the concept of environmental protection in property operations, we haven't forgotten to conduct green publicity and carry out energy-saving and emission-reduction promotion and education activities for our customers.

“Energy Saving and Environmental Protection” Campaign of GZIFC

From 26 April to 6 May 2017, GZIFC held the theme exhibition of “What You Don't Know About GZIFC - LEED EB Platinum Certification Green Maze”. This exhibition has attracted many office workers to stop and visit, the exhibition adopted giant Easter eggs, flower and plants to decorate the green maze, making people feel like walking in a green sea and attracting white-collar workers to take photos with the green maze. The purpose of this event is to share with the public more about the latest information of the GZIFC and LEED Platinum certification, so that white-collar workers and citizens can better understand the superior quality of the GZIFC and the office environment while improving their own awareness of energy conservation in the office environment and environmental protection.



¹ The power and water consumptions above are not part of the disclosure requirements as they contain parts that are not used by us to maintain our property management (the part used by the tenants), and they are used only for comparison of energy efficiency.

INTEGRATED DEVELOPMENT WITH THE ENVIRONMENT

Neo Metropolis - 2017 World No Tobacco Day Campaign

To promote the World No Tobacco Day and reduce the harm caused by smoking to the environment of the building and office workers, on 31 May 2017, Neo Metropolitan Service Center held a World No Tobacco Day campaign themed "Smoke-free Office, Making both You and Me Relaxed" in the lobby. By signing the Letter of Commitment for "Non-smoking Office" with the office customers of the building, this campaign has mobilized the customers to reduce smoking in the public areas through their internal controls. The event also adopted the form of a "smoking control" prize-giving quiz for the customers passing through the lobby to promote the dangers of smoking and the building's work on smoking control. This event was positively responded to by the office customers of the building and a total of 450 customers participated in the event.

The event aims to promote the smoke-free office environment through the theme and guide customers to understand the effects of smoking on the human body and the environment through the guiding smoking control questions. With high customer involvement and high recognition of the theme, we have received good effect from the publicity on smoking control.



City Development Plaza Making Energy Saving Promotion to Customers

To carry out the promotion of energy conservation and environmental protection to customers, the property management personnel of City Development Plaza led the customers into the air-conditioner room, pump room and low-voltage room to learn about the daily maintenance work of the building. During the event, the management personnel of the building explained the principle of equipment operation to the customers and guided some daily energy-saving measures on site.

In addition, from September to October 2017, City Development Plaza also held the first energy conservation competition for customers, comparing the average power consumption per sq.m. of customer units in September and October with July and August, and selecting the top six customers with the best energy-saving results to encourage the customers to save energy and reduce consumption. In the course of the event, the service center of City Development Plaza also delivered on-site energy-saving knowledge to the customer units and posted energy-saving tips.

WIN-WIN WITH ALL PARTIES



White Horse Building has an average daily passenger flow of tens of thousands of people and the annual transaction volume of more than

RMB2 billion





By upholding the business philosophy of “professionalism, stability, excellence and win-win strategy”, we have been adhering to the supply chain management strategy of improving service quality and win-win cooperation, and also being committed to creating sustainable value for customers, partners, and industry peers to achieve a win-win situation.



WIN-WIN WITH ALL PARTIES

Outstanding Service

Yuexiu REIT's basic and core social responsibility is to provide high-quality service for customers. We have been constantly taking improvement in customer satisfaction and trust as our goal. We consider the provision of quality service and a comfortable environment as our highest priority. We adhere to superior quality of service and prioritize customer interests. We are also committed to offering high-quality and high-standard service to customers.

Customer Service

Yuexiu REIT has perfect internal policies for customer service, as well as a high-quality customer service system, striving to create the best quality service experience for customers. We regularly conduct customer satisfaction surveys and investigations on customer needs as references to further optimize customer experience and service standards.

Perfect Customer Service Policies

Yuexiu REIT has established customer service-related policies such as "Yuexiu REIT Customer Resource Management Operational Guidelines", being committed to building a good cooperative relationship with customers, improving the pertinence and efficiency of the investment promotion work to ensure that the customer follow-up, negotiation and contract signing are conducted in a procedural and standardized manner. In addition, the Company has established the "Yuexiu REIT Tenancy Relationship Management Operational Guidelines" to strengthen the tenancy relationship management of Yuexiu REIT, improve the level of our tenancy relationship management, enhance tenants' satisfaction and loyalty, optimize the tenant portfolio of properties and enhance the core competitiveness of properties.



The properties of Yuexiu REIT have also established internal policies to put customer service policies into practice and at the very end:

Guangzhou Baima Business Operation Management Co., Ltd.

To strengthen the relationship with members and gain insights into the membership, Guangzhou Baima Business Operation Management Co., Ltd. ("Baima Business Operation Management"), which is responsible for the property management of White Horse Building, has formulated the "Management System for Visits to Members of the Guangzhou White Horse Chamber of Commerce", which mainly includes:

- Understanding the needs of members, share the latest marketing, promotion and development trends of the market with members, and promote the rights and interests of members.
- Improving the management system for visits to members, specify and standardize the management contents by articles, such as membership distribution, frequency of visits to members, and content of visits to members.

This system regulates the work procedures for visits to members, which is conducive to improving the image and service level of White Horse Building and enhancing the recognition and satisfaction of members in the work of the building.

Guangzhou Yicheng Property Management Co., Ltd.

To provide more comprehensive and standardized services to customers, Guangzhou Yicheng Property Management Co., Ltd. ("Yicheng Property"), which is responsible for the management of some of the properties of Yuexiu REIT, has formulated nearly 10 full-scale working guidelines, such as "Guidelines for Customer Reception Business", "Guidelines for Customer Call Operations", "Guidelines for Customer Satisfaction Survey" and "Guidelines for Management of Clients'

WIN-WIN WITH ALL PARTIES

Opinions”, as well as 9 customer service standards covering the items from front desk customer services, cleaning services, to security services, and employee daily behavior standards, which strictly control every detail of property management and customer services, and strive to establish a high-quality customer service system and create the best quality service experience for our customers.

In addition, Yuexiu REIT’s properties are also actively pursuing innovations in customer service systems, working together with third-party organizations to innovate and implement mysterious visitor surveys.

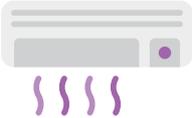
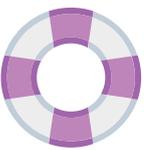
Mysterious Visitor Survey

To keep abreast of the customer’s feelings and evaluation of the property management services Yuexiu REIT, and to realize the normal and seamless supervision of property management services, we have implemented mysterious visitor surveys. Through the surveys by mysterious visitors, we have implemented seamless supervision of property management service personnel, such as front desk customer service, security personnel, cleaning service personnel, hotline operators, and parking cashiers of all properties, and taken effective measures to correct and improve the insufficiency of services to promote the continuous improvement of the level of property management, and to maintain a high quality of customer services.

Mysterious visitors mainly need to focus on the feelings and evaluation in the process of using the property and receiving the services related to the property, including the mental outlook, the dress image and etiquette of the personnel contacted during the commuting; the environmental sanitation of the public area; the property door services/inspector services or attitude; maintenance of public order; customer’s repair or complaint handling; quality of customer hotline services; service evaluation of customer service area; experience and evaluation during the customer’s special service process.

Attentive Customer Service Culture

City Development Plaza: 6M-EC Services

					
More Efficient	More Comfortable	More Exquisite	More Convenient	More Heartful	More Secure
Providing indoor maintenance and WeChat booking service for customers to make the services more efficient	Providing indoor cleaning, carpet cleaning and other cleaning services to make office life more comfortable	Cleaning air-conditioner filters for customers timely, maintaining building equipment to make the property facilities more exquisite	At EC House, there are hair dryers, tool boxes, mobile phone chargers and other items available for free, making your office life easier	Providing customers with disposable items for free, tools to borrow, books to borrow to let property services more heartful	Providing free fire safety knowledge training for customers, with 24-hour monitoring and security checks to make the office environment more secure



WIN-WIN WITH ALL PARTIES

Guangzhou International Finance Center (“GZIFC”): 6S Star Diamond Services

Yuexiu REIT has launched the 6S Star Diamond service system - “Smile Service, Speed Service, Specialty Service, Security Service, Sincerity Service, Share Service” - at GZIFC as a pilot, trying to meet the increasing service requirements of high-end customers and enhance the core competitiveness of the project. Through the management of 6S system, GZIFC promises to apply the brand service concept to every detail of service, integrate various resources such as brand, business and property services, and better provide a safe, comfortable and efficient working environment for the enterprises to be settled.



Ascott The Residence: “Heartware” Service Culture

Ascott The Residence has long implemented its iconic “Heartware” service culture. “Heartware” means respecting the personal choices and lifestyles of the guests, helping the guests to quickly integrate into the local culture, creating a “second home” atmosphere for the customers, and striving to exceed the imagination of the residents through the meticulous services, making the coexistence more colorful. “Heartware” service culture allows us to listen to the voice of guests and grow together with our guests.



Quality Customer Service Experience

Yuexiu REIT strives to create the best quality service experience for its customers, including conducting customer satisfaction surveys, publicizing safety knowledge, providing a variety of community cultural activities, and optimising the experience of various communication channels with customers, etc.

• Providing attentive services

Ascott The Residence Butler Service System

The customer service team of Ascott the Residence has set up a “Butler Host” to communicate with long-stay guests and provide services, such as accompanied registration after check-in, follow-up to solve any engineering problems in the room, and providing city information for guests who are not familiar with Guangzhou, as if they were private housekeepers.

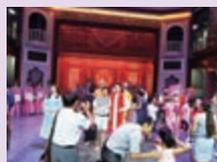
Guests Activities at Ascott The Residence

Ascott The Residence organizes a monthly guests activity that allows the guests to get to know each other and narrow the distance between staff and guests, such as Halloween parties and Thanksgiving activities. The customer service team conducts event planning in advance, sends invitations, and celebrates the holiday with the guests on the day of the event.



Pearl River Night Tour - Guests Activities at Ascott The Residence

On 18 August 2017, Ascott The Residence sincerely invited 58 guests to board the “Red Boat”, a cruise ship that featured local culture in Guangzhou, and enjoy Guangzhou’s unique features and night views of the Pearl River. The boat presented an art performance “Story of Ship”, which featured the story of the famous Cantonese opera star of the Red Boat Troupe, during this period, there were high-tech modern mechanical and human interactive performances, a 360-degree changing viewing space, 3D holographic images and traditional art, the viewing experience with the actors, such as zero-distance contact, made the guests full of praise. Taking this opportunity, we hoped to bring closer the distance between the guests and let the guests enjoy the beauty of culture and art, and enjoy a rare leisure time.



WIN-WIN WITH ALL PARTIES

• Promote Community Inclusion

Shuttlecock Game Reload at Victory Plaza

To create a relaxed and healthy atmosphere for work, Victory Plaza held the Second Shuttlecock Game Community Cultural Event on 30 November 2017 – Shuttlecock Game Reload. The event was enthusiastically supported by new and old customers, being divided into “Single Game” and “Group Competition”, a total of 100 customers participated in the single game in limited time and 10 teams participated in the competition. In the single game, the athletes devoted themselves to playing all their skills in the cries of their colleagues; in the group competition, 10 teams from different units of the building emerged in an endless stream, adding a lot of exciting moments to the game. The customers enjoyed the fun and interest brought by kicking shuttlecock in this event, which eased the work pressure, and also narrowed the distance with the property service personnel of Victory Plaza.



• Protect Property Safety

City Development Plaza Holds 2017 Fire Exercises

On 16 November 2017, the City Development Plaza held fire exercises where Deputy Head of the Engineering Department of the Service Center explained the fire safety knowledge and skills essentials to nearly 500 customers who participated in the exercises. Customers were organized to enter the simulated escape room for experience, such experience made the customers feel the importance of fire safety more truly. The exercises once again examined the operation of the fire protection equipment and facilities of the City Development Plaza and the emergency response capability of the service center personnel, and strengthened the awareness of the customers to attach importance to fire safety work.



Emergency Evacuation



Firefighting and Rescue



Escape Room Experience



WIN-WIN WITH ALL PARTIES

City Development Plaza “Plaza Protector” Appointment Activities

On 14 November 2017, the “Plaza Protector” Appointment Ceremony for the “20th Anniversary of City Development Plaza, Better Future” activities was held at City Development Plaza, 11 key customers, such as United Electronics, Industrial Real Estate and Shanghai Pudong Development Bank participated in the event, and City Development Plaza issued appointment letters to the first batch of Plaza Protectors to help everyone participate in the safety management of the building. The Safety Department of City Development Plaza explained to the customers in detail the knowledge of fire safety and occupational health in the office space and led them to understand the daily safety production management of the building. City Development Plaza has initiated a call to all Plaza Protectors of the building, hoping everyone will be courageous to shoulder the responsibility of safety management of the building and work together to create a safe working environment for the building.



Appointment Ceremony of “Plaza Protector”



Awarding Appointment Letter for “Plaza Protector”

Neo Metropolis - 2017 Safety Ambassador Activity

On 28 November 2017, in combination with the theme of “Safety Responsibility, Focusing on the Implementation” of the 2017 Fire Safety Month, Neo Metropolis Management Service Center organized 82 “Safety Ambassadors” of the building and conducted fire safety training. On the day of the event, the customers were divided into groups, video and comics were used to interact with customers on safety education. During the activity, the “Safety Ambassadors” carefully watched the 2017 Fire Warning Education video, carefully recorded the points, and further clarified their responsibilities as the safety ambassadors of the building; during the link of searching for hidden dangers, each team of ambassadors discussed warmly, competed for the first place, and truly experienced the safety management work of the building.

Through such training, the old and new customers of the building have fully implemented the responsibility for safe production, improved the quality and awareness of safety management; and the participation of all the people in the fire safety work of building and safety first were truly achieved.





WIN-WIN WITH ALL PARTIES

Privacy Protection

Yuexiu REIT is fully aware of the materiality of protecting customers' privacy and has formulated a special customer privacy data protection policy to protect customer privacy. In the course of specific management, in terms of the links that may involve the customer's confidential information, we strictly require our properties to attach great importance to protecting the data concerning customer privacy and its security.

We have established the "Yuexiu REIT Tenancy Relationship Management Operational Guidelines", requiring all our property management companies to standardize the process of tenant file archiving and management, and pay attention to the confidentiality of files, prohibit the abuse, and ensure that the tenants' personal safety and property are effectively protected.

Yicheng Property has established the "Customer Relationship Management Measures" to provide guidelines for the management of customer information; for the tenants' information and other business information, the designated personnel are responsible for organizing the collected customer information in a timely manner, summarizing, documenting, and doing a good job of confidentiality.

Ascott The Residence also has strict rules and regulations to protect the privacy of guests, if there is a data protection notice and consent form on the check-in form, if the guest does not agree that his own data information is used for follow-up service and internal management sharing, the guest information will be kept strictly confidential. All incoming calls or visitors will be verified by the front desk and confirmed by the guest before they can transfer the calls or visits.

Complaint Handling

The Company has formulated a specific complaint handling policy. As the main customer base for each property is different, the types of demand and common complaints also vary. To optimize complaint handling, each property has established their respective complaints management system based on its management approach, to keep abreast of dissatisfaction from tenants or customers and instill confidence from customers to our service through efficient and reasonable complaint handling.

The "Yuexiu REIT Tenancy Relationship Management Operational Guidelines" established by us clearly indicates that we should attach great importance to the handling of tenant complaints, establishing and improving the complaint handling mechanism, handling various complaints in a timely manner, and continuously improving operations and services. The Company is required to conduct monthly statistical analysis of the tenant's complaints and handling, and to report it in the monthly operating report.

The Company has put forward higher requirements for the management of its properties. Yicheng Property attaches great importance to customer complaints and follow-up handling, and it has special "Guidelines for the Handling of Customer Complaints" in place to standardize the implementation process of the complaint handling, to ensure that the customer complaints received can be handled in a timely and effective manner to make the customer satisfied. Ascott The Residence has also established a strict complaint management system: each employee should pay attention to the feedback from the guests and listen patiently to show empathy; each employee has the corresponding authority to solve problems for the guests; for the complaint-handling beyond their authority, the employees are required to report immediately to their superiors, and quickly seek solutions for the guests.



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• Complaint Channel and Handling Procedure

Yicheng Property

After receiving customer complaints, the Service Center Property Department accepts and judges the level of complaints, and completes the corresponding records in the "Customer Service Record"; the relevant responsible department analyzes the cause of the complaint after receiving the "Customer Complaint Handling Record" and follows up after the complaint is reviewed by the person in charge of the department; the handling result will be sent back to Property Department/Customer Service Department on the second working day. General complaints are required to be processed and responded within 4 hours, and major complaints are required to be processed and responded within 1 working day. The on-time rate and return visit rate of complaint handling must reach 100%.

Ascott The Residence

A guest can directly complain to the customer service staff or the manager or make an online complaint. After checking out, the system will send a feedback form to each guest via email, and the guest can evaluate or complain about the accommodation experience. Guests staying for a long period of time will also receive a system-based feedback form two weeks after their stay.

All kinds of complaints received by Ascott The Residence in 2017 were processed in real time and received good feedback.

Hardware complaints (times)	59
Software complaints (times)	44
Other (Complaints arising from problems other than the property itself) (times)	22



Case Fortune Plaza Actively Responded to Customer Complaints

On the morning of 8 November 2017, Fortune Plaza Property Management Department received a complaint from tenant, reflecting the excessive dust in the decoration of the adjacent units, causing the decoration dust to float into corridors, toilets, and even office areas, which had certain impact on the Company's normal office and employees' health. In response to this customer complaint, the Property Management Department completed the complaint rating (as general complaint) and corresponding records, then immediately reported to the relevant responsible department. The responsible department took corrective measures in a timely manner and proposed a reason analysis:

1. The responsible department immediately arrived at the decoration site, urged the construction unit to install glass doors as soon as possible to block the

dust from floating out, asked the unit to clean up the dust in the public areas every day, and communicated with the Engineering Department to check the environmental sanitation of the public areas on a regular basis.

2. In response to this incident, the Service Center added relevant contents on requirements on the environmental sanitation of public areas in the "Pre-renovation Communication Record" form, and emphasized such issues in the future communication meetings.

Property Management Department completed the handling of the complaint on the day of receiving it. The customer expressed their satisfaction with the results and efficiency of the complaints handled by the Property Management Department.

Service Upgrade

To maintain the good operating conditions of its various properties, Yuexiu REIT plans to make capital improvements to some of its properties each year to increase the value of the properties, create a solid foundation for maximum rents, and protect the interests of investors. At the same time, we are actively exploring and practicing in areas, such as service innovation and industrial communication, to use our resources to bring greater value to tenants in business operations, and to grow together with the merchants.

• Capital Improvement

In 2017, Yuexiu REIT adopted a number of measures to update its properties, enhance user experience, and increase the value of the properties.

Guangzhou International Finance Center ("GZIFC"): HD Digital Surveillance

To effectively improve the monitoring and management of office buildings and ensure the safety of each customer, GZIFC added a HD digital surveillance system in 2017 to provide a strong basis for smoking control, security supervision and evidence collection.

*Construction Management Site
Dust Control (Vent Protection)*



Victory Plaza: Podium Building External Facade Renovation Project

In the past two years, Victory Plaza has closely followed the transformation of Tianhe CBD and successively introduced internationally renowned merchants, gradually becoming the new international fast fashion experience center in Tianhe CBD. However, due to the old style of the podium building's original design, it cannot attract people to the greatest extent. Therefore, Victory Plaza rectified the commercial display of the old eastern facade, the LED floodlights with frequent failures, and the curtain walls of podium building with poor overall image. It also improved the overall visual effect of external facade by revising the internal structure and external image to interpret the new image of "lightness, fashion, and motion". After the renovation project, Victory Plaza attracted more attention and people flow while increasing advertising revenue, and enhancing the public awareness of "VT101" and the competitiveness of the plaza in the market.



Analysis of East Façade



Upgrade Effect after Renovation

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Ascott The Residence: Overflow System Renovation

The swimming pool of Ascott The Residence is connected to the equipment room. Once overflow occurs, the swimming pool equipment room will fail. To monitor the water level of the swimming pool and avoid overflow accidents, Ascott The Residence has carried out the renovation of the overflow system in 2017 by adding water level alarm. When the water level reaches the warning line, the power supply can be cut off and a warning can be issued. After receiving the reminder, the pool water storage capacity can be adjusted manually.



• Growing with Merchants

In 2017, while conducting commercial property operation and management, we actively explored areas such as service innovation and industry exchange to bring more value to tenants and grow together with merchants.

White Horse “Brand Collection Hall” Unveiled at China International Fashion Accessories Expo

From 15 to 17 March 2017, White Horse Clothing Market, with its top ten outstanding original design brands, entered its Hall 4.1 of China International Fashion Accessories Expo held in Shanghai. This year, for the first time, White Horse has made its debut in the form of “Brand Collection Hall”, with the appearances including zippers, spools, and other apparel design elements. The exhibition hall adopts the format of seamless space display, with the top ten fashion brands at a glance showing the original design aesthetics in diversified and multi-angle manners, and the smooth lines maximize the understanding of the merchants for white horse new fashion. Thanks to its well-known brand effect and the concept of “Collection+”, White Horse has demonstrated the charm of its products and brought buyers a visual feast on fashion and art.



WIN-WIN WITH ALL PARTIES

Thanks to Red Musical Festival, Victory Plaza Lit the Colorful Shopping Week

From 22 April to 1 May 2017, Victory Plaza "Colorful Shopping Week" was held, with exciting activities such as the Spotlight Red Music Festival, large-scale public welfare roadshows, creative markets, award shopping and lucky draws, so as to grasp consumer hotspots of May Day holiday, increase passenger flow and promote sales; the Company has provided consumers with a wealth of exciting entertainment experiences and further enhanced its popularity.

Spotlight Red Music Festival, organized by the Guangzhou Fashion Tianhe Culture Season Organizing Committee and the Tianhe Road Chamber of Commerce, is a super audition feast that includes red music, fans support, cross-border interaction and immersive experience. Victory Plaza, as a forward-looking and innovative representative of the Tianhe CBD



in Guangzhou, has become an important strategic base for this event. Through the integration of resources, many passion elements such as passionate live music, cutting-edge Internet+, crazy rising net celebrity culture, and open-minded fans support will be integrated.

The Festival has been actively participated in by merchants including Uniqlo, Le Caesar, Honshu Sushi, Qiaomei Without Borders and Meten and other merchants at Victory Plaza, through interesting interactions and live broadcasting of exploring the stores. As a result, more fans will learn about their quality products and services.



WIN-WIN WITH ALL PARTIES



Win-win Situation for Multiple Parties

Yuexiu REIT knows that our own development cannot be separated from the support of the multiple parties, apart from the steady development. We also endeavor to create value for our partners and industry peers to maximize our profits and achieve win-win results for multiple parties.

Industry

Guangzhou White Horse Clothing Market is located at White Horse Building, which has become the largest indoor clothing trading market in Guangzhou with the largest scale, best equipment, most complete facilities, most standardized management, the most extensive radiation, the largest transaction volume, and the best profit. White Horse Building has an average daily passenger flow of tens of thousands of people and the annual transaction volume of more than RMB2 billion.

As the leading clothing market in Guangzhou, the commercial operations and property management of White Horse Building undertake the responsible for the industry benchmark. For a long time, White Horse Building not only has been trying its best to provide tenants with quality property management, but also actively explored service development and industry innovation, cherished every opportunity for cooperation and exchange with the industry, and worked hand-in-hand with partners to create brilliance together.

The 10th White Horse Apparel Procurement Festival

In August 2017, the "New Silk Road Led by White Horse" 2017 Guangzhou White Horse Apparel Procurement Festival was opened. This year's White Horse Apparel Procurement Festival is an important entry point for demonstrating the transformation and upgrading achievements of White Horse, and promoting the development of the internationalization of White Horse. It has launched the selection activities for top ten cutting-edge brands of White Horse, held quality brand new product launch conferences, and integrated a series of marketing activities, striven to promote more professional markets and clothing brands for initiative change, positive innovation, and promote the full construction of the garment industry chain. In 2017, the national "One Belt and One Road" project has achieved fruitful results, thanks to such trend, and White Horse has created a new international structure opened a new chapter in the development.



The 10th White Horse Apparel Procurement Festival Launching Ceremony



Mr. Lin Zhaoyuan, Chairman of Yuexiu REIT was addressing



Silk Road Forum

WIN-WIN WITH ALL PARTIES

White Horse Clothing Market Reached Cooperation Agreement with Busan Economic Promotion Agency of Korea

In November 2017, White Horse Clothing Market participated in the Busan International Fashion Week in Busan, South Korea. During the period, White Horse Clothing Market signed a strategic cooperation agreement with Busan Economic Promotion Agency and reached a consensus on the circulation and trade of fashion design industry, and further explored the possibility of cooperation between White Horse and the fashion design industry of Korea.

White Horse went deep into South Korea's fashion hinterland, aiming to develop overseas fashion resources, bring the White Horse brand out, and introduce the original designs of foreign leading designers into China. In the future, White Horse will engage in deeper conversations with relevant Korean organizations to expand channels and build platforms for Chinese apparel brand companies and play a strong driving role.



Busan Fashion Week Opening Ceremony



White Horse Clothing Market Signing Strategic Cooperation Agreement with Busan Economic Promotion Agency

Foreign Guests of Guangzhou Fashion Week Visited White Horse Building

On 10 November 2017, approximately 40 foreign guests attended the 2017 Guangzhou Fashion Week and came to White Horse Building for visit and study. The foreign guests who attended the Guangzhou Fashion Week were fashion industry elites from countries such as France, Italy and South Korea. During the period, Manager of Marketing and Promotion Department of White Horse Building conducted a comprehensive introduction to the history and operation of White Horse for foreign guests, and the foreign guests gave positive feedback to the performance of the merchants at White Horse Building. The exchange activity built a good external exhibition platform for the merchant products of White Horse Building and promoted the exchange and interaction between both parties.



Introduction of History and Status of White Horse for Guests



Foreign Guests Stopped to Watch Boutique Clothes

WIN-WIN WITH ALL PARTIES

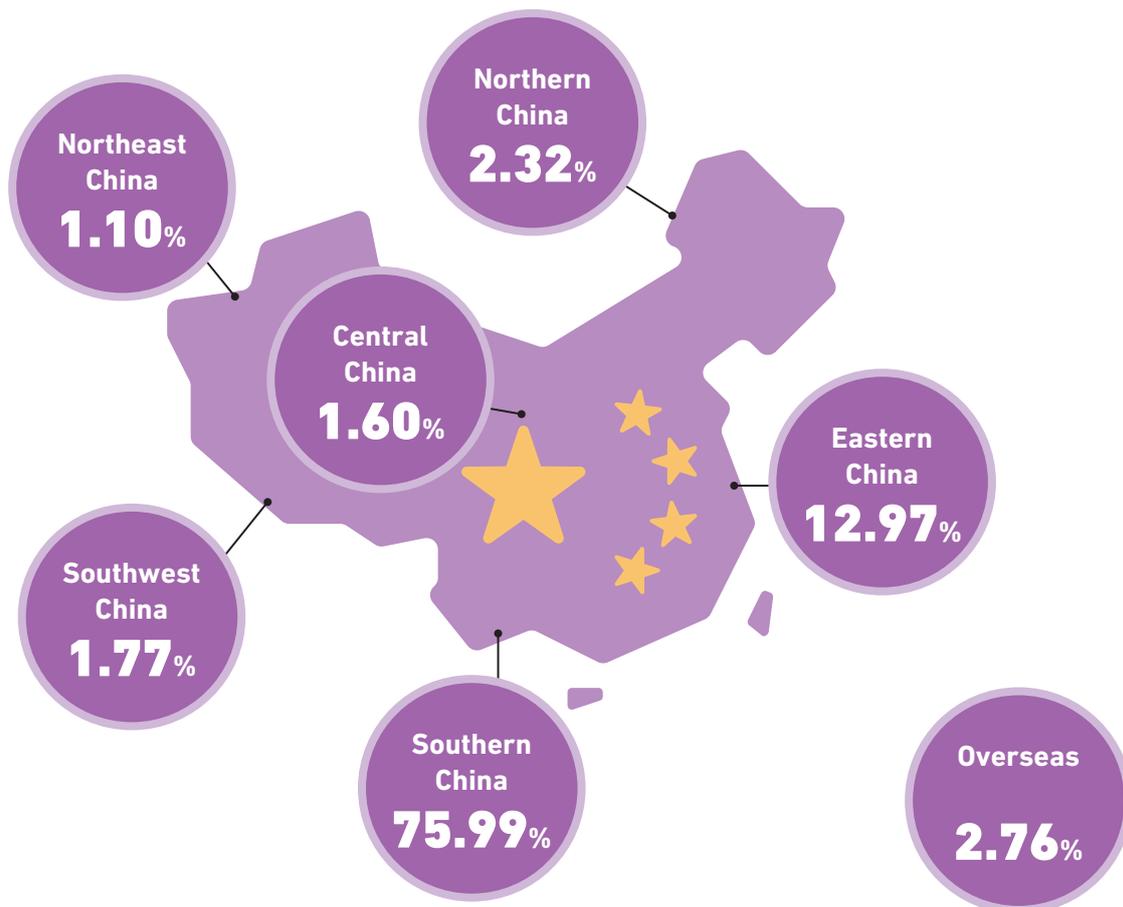
Suppliers

Yuexiu REIT maintains positive and long-term cooperative partnership with suppliers. While fulfilling our corporate social responsibility, we also actively promote suppliers' awareness of sustainable development and control the quality of suppliers' products and services by establishing comprehensive supplier management policies.

- **Supplier management policies**

We have formulated a series of management and control documents such as the "Management Review Procedure for Material Suppliers" and "Guidelines for the Management of Material Suppliers" to ensure that suppliers meet the needs of the Company. Through a comprehensive procurement system, Yuexiu REIT has implemented a strict procurement procedure to control quality standards, which is not only a guarantee for the interests of us and our customers, but also a spur to our suppliers.

- **The Regional Distribution Ratio of Yuexiu REIT's Suppliers in 2017***



*Note: The supplier's region is based on its place of registration



Ascott The Residence strictly manages and controls the quality of suppliers:

- Cooperative suppliers are required to submit relevant inspection documents or qualification documents. For example, food suppliers are required to submit relevant safety food inspection reports, and engineering construction suppliers are required to submit documents related to construction qualifications.
- Qualification review must be conducted for newly developed suppliers. For example, inspecting the supplier's on-site environment and understanding the supplier's business situation will provide a clearer understanding of the needs of both parties.
- Supplier evaluations are conducted twice per year to eliminate suppliers whose annual assessment is below 60 points.

We have always regarded employees as the most important asset and the cornerstone of enterprise's sustainable development.

We provide a competitive compensation and welfare scheme, diversified training and development opportunities, and abundant employee care activities for employees.

We also are committed to maintaining a balance between their work and life and creating a harmonious and warm working atmosphere, aiming to let our employees enjoy benefits from our comprehensive career and work-life balance support.





GROWING TOGETHER WITH EMPLOYEES



GROWING TOGETHER WITH EMPLOYEES

People-oriented

Yuexiu REIT insists on the people-oriented management idea, respects and embraces each employee, promotes employee diversity, eliminates the discrimination due to factors such as gender, ethnicity, religious beliefs, and cultural differences, and never tolerates occurrence of unethical labor behaviors such as child labor and forced labor. We have been always making efforts to creating a fair, inclusive and open working environment for employees. In 2017, there were no violations or any complaints related to human rights and labor measures at Yuexiu REIT.

- *Laws and Regulations to Comply with*

The properties of Yuexiu REIT are located in mainland China, therefore, the Company strictly abides by the national laws and regulations of the People's Republic of China on Labor Law and the Labor Contract Law of the People's Republic of China, as well as the relevant labor laws and regulations promulgated by various local governments, and effectively protect the labor rights of all employees. In terms of remuneration system, the Company strictly abides by laws and regulations such as the "Social Security Law" and "Tax Law", deducts and pays social insurance, provident fund, enterprise annuity, and employee's personal income tax from the salaries, and makes corresponding adjustments to the remuneration according to the employee's performance and leave conditions to maximize the rationality and fairness of salary distribution.

- *Staff Policy / Human Resources Management Strategy*

The Company has formulated the Employee Manual, which clearly stipulates that the Company implements contract management terms for all labor to protect the rights and interests of employees and advance the growth of employees. As the Employee Manual stipulates, the Company shall execute penalty on any violations of national and regional laws, or company regulations. For those who committed violations repeatedly, the Company may consider the termination of employment contracts.

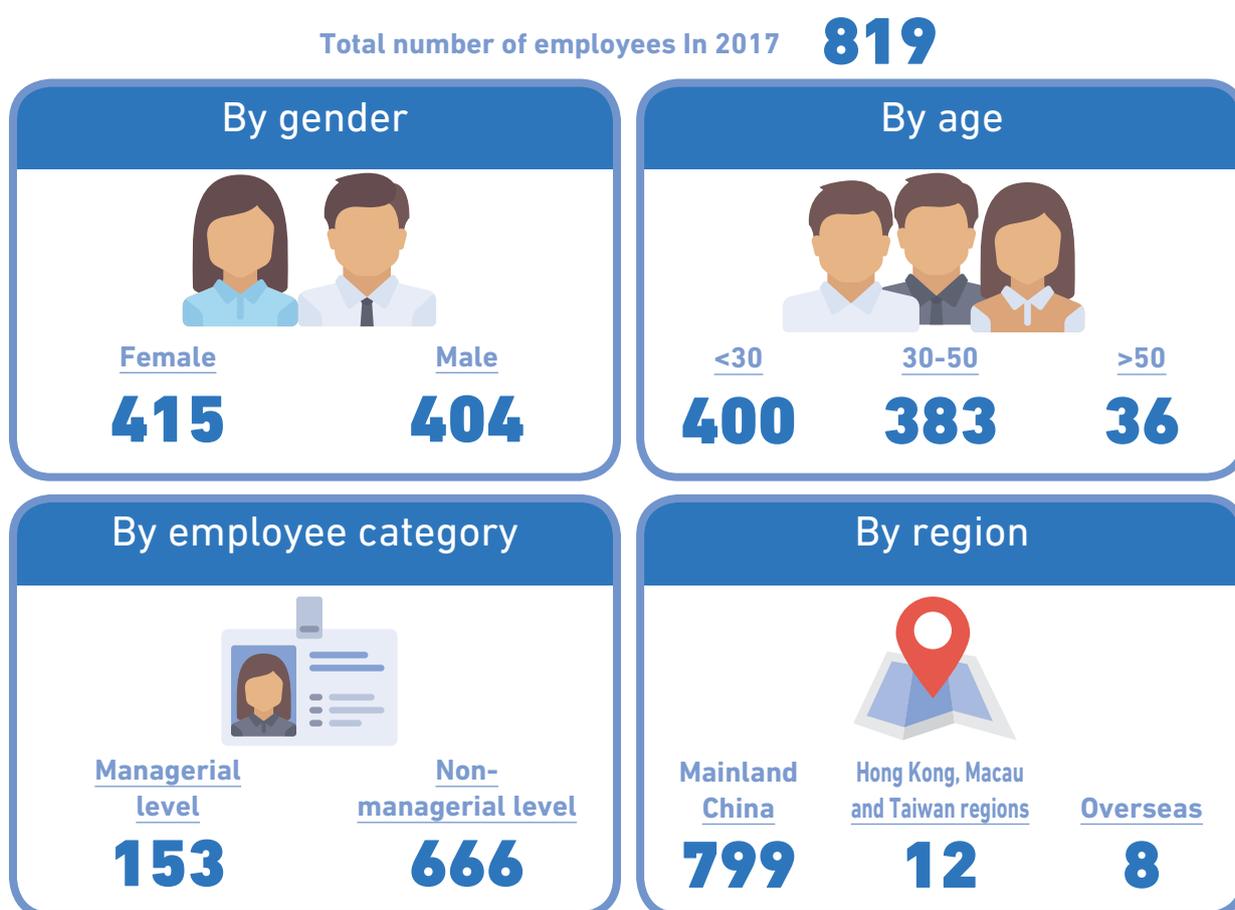
We uphold a people-oriented management philosophy, and envision to respect, to be inclusive, and to maintain staff diversity through the elimination of discrimination arising from factors such as religion, gender, and cultural background differences. We provide equal opportunities during processes of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



GROWING TOGETHER WITH EMPLOYEES

- *Staff Data*

Total number of employees by gender, employment category, age group and geographical region



Employee turnover rate by gender, employment type, age group and geographical region¹

Overall employee turnover rate In 2017	25.9%
Female	27.7%
Male	24.1%
<30	30.7%
30-50	21.0%
>50	17.5%
Mainland China	26.1%
Hong Kong, Macau and Taiwan regions	25.0%
Overseas	11.1%

¹The turnover rate is calculated as: Number of employees of this group in the year who resigned / (original number of employees in this group + number of employees recruited for this group in the year)

GROWING TOGETHER WITH EMPLOYEES

Employee Training

Yuexiu REIT always puts the development and cultivation of talents in the first place. We encourage and support employees to participate in various types of training, maintain continuous self-appreciation, and also establish a complete employee training and development system within the Company, strive to improve the employees' ability to work, broaden the career development channels for employees, and assist each employee in tapping their enormous potential.



Employee Training System

Yuexiu REIT established a career development platform for its staff, including its staff training programs into the Employee Manual to ensure the effective implementation of training measures. At the same time, we have developed a systematic and standardized employee training system to provide employees with diverse training and learning opportunities. 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 and other channels, and promotes the mutual realization of employees' personal growth goals and the Company's long-term development strategy.

- *Training System of Ascott The Residence*

Ascott The Residence actively follows the training system developed by the Company to ensure that each employee can receive diversified training opportunities that match his career development. Training content includes but not limited to: Weekly job skills training, monthly operation-related training (such as service remedial training), quarterly professional training and annual professional training (such as language training, service etiquette training, host training, operation department certification training and leadership training, etc.). The training content provided by Ascott The Residence covers a wide range of fields and can meet the training needs of employees in various aspects such as improving their work ability, professional quality and career development.



- *Employee Training Cases*

In 2017, the Company organized several professional trainings such as "Project Engineering Renovation Training", "Real Estate Valuation Method and Focus Training" and "Crisis Public Relations Processing Training", carrying out employee training on project management system operation risks, real estate assessment points, and employee crisis prevention awareness, respectively, to improve employee-related capabilities and enhance the professional quality of employees in various aspects.

In 2017, Ascott The Residence hired an external training agency to provide employees with two nine-person personality communication skills, fire drills and various service skills, etc., to comprehensively enhance their professional skills and safety awareness.



GROWING TOGETHER WITH EMPLOYEES

- *Staff Training Data*

Staff Training Data in 2017

Classification standards	Trainings handled	Total training hours	Average training times of each employee	Average training hours of each employee
	3,235	15,244.5	3.9	18.6
Classified by employee category				
Managerial level	466	2,020.5	3	13.2
Non-managerial level	2,769	13,224	4.2	19.9
Classified by gender (number of employees under training)				
Female	1,894	9,094	4.6	21.9
Male	1,341	6,150.5	3.3	15.2

Caring for Employees

The Company attaches great importance to the care of the employees, not only striving to protect the safety and health of each employee, but also promising to provide a safe and comfortable working environment for the employees; the Company also continues to improve the staff care policies and measures to create a harmonious working atmosphere and enhance the sense of belonging to the Company by employees from every bit of care.

Employee Health and Safety Management 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.



GROWING TOGETHER WITH EMPLOYEES

Employee Health and Safety Management Policies of Yicheng Property:

- Yicheng Property actively implemented the safety production policy of "Safety First, Prevention first, and Strict Adherence to the Deadline" and prepared the "Guidelines for the Investment of Safety Production Funds", "Administrative Measures for Safety Production Responsibility System", "Guidelines for Fire Exercises", "Guidelines for the Management of Security and Fire-fighting Equipment Accounts" and "Safety Operation Regulations", and other safety management system documentation for various aspects, clarified the safety production operation rules of various departments Yicheng Property and raised the awareness of safety awareness among all employees.
- To implement the "Prevention First" work policy, Yicheng Property has formulated the corresponding documents such as "Guidelines for Occupational Safety and Health Management" and "Administrative Measures for Occupational Health and Safety". Through controlling the various occupational hazards generated during the work process, the working conditions were improved and the health of employees was protected so as to achieve the purpose of coordinated operation and development.

Employee Health and Safety Management Policies of Ascott the Residence:

Ascott The Residence has long been focusing on environmental protection, safety and health management. While providing clean and quality products to its customers, it also pays more attention to environmental conditions and employees' safety and health conditions by committing to creating an enterprise of green civilization and safe civilization and satisfying employees and the society. Ascott The Residence fully implements the concept of occupational health and safety through the following aspects:

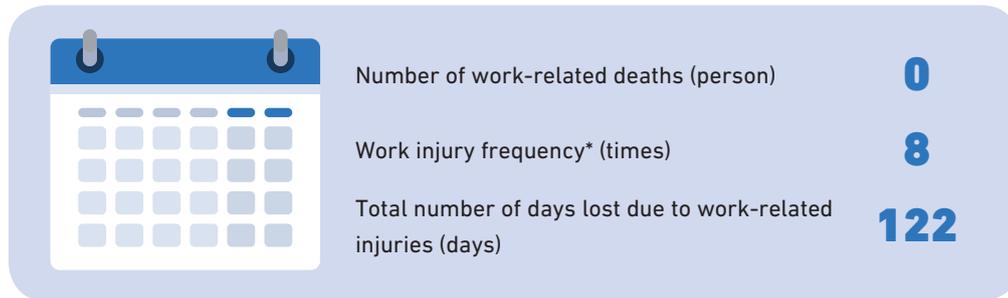
- To comply with national and regional laws and regulations and other relevant regulations related to environment, health and safety ("EHS");
- To form the EHS related policies into documents to improve the environmental, health and safety awareness of all employees;
- To continuously improve the EHS related performance and improve the employees' working and living environment.

Fire Safety Measures of Ascott The Residence:

- The use of fireproof materials: To prevent the occurrence of safety accidents, Ascott The Residence has carried out fire-retardant treatment to most of the flammable materials by using flame retardant, fireproof impregnating agent and fireproof coating. In addition, for the sake of fire safety, Ascott The Residence adopted fireproof materials as the substitutes for flammable materials in civil construction to reduce fire load and reduce fire propagation speed and effectively prevent fires.
- The maintenance of fire protection equipment: Ascott The Residence regularly will inspect fire-fighting equipment such as fire hydrants, fire extinguishers and gas masks, to ensure the normal use of fire prevention equipment such as fire water bags, smoke sensors and fire pipes, and effectively protect the safety of every employee and guest.

GROWING TOGETHER WITH EMPLOYEES

- *Health and Safety Related Data*



*Note: The statistics of work-related injuries are based on the findings of the Social Security Bureau.

In terms of employees' questions and complaints about the Company's system and operations, we have formulated a handling policy for employees' complaints and set up channels for opinions to listen to employees' opinions.

- **Employee Complaints Handling Procedure**

Every year, the Company organizes an informal discussion with Chairman participated by the Chairman and all employees of the Company, whereby any complaints or problems from the employees can be submitted directly to the Chairman for handling or resolution under the leadership of the Chairman.

Ascott The Residence

Ascott The Residence has a General Manager Complaint Mailbox to listen to each employee's suggestions and opinions on Ascott The Residences. After receiving employee complaint information, the General Manager will jointly investigate and resolve the content of the incident with HR Manager, and maintain timely communication and necessary talks with the employee to ensure that the employee's complaint is known and properly resolved.

COEXISTENCE AND PROSPERITY WITH THE COMMUNITY

More than 100 people participated donated



903
books

+



RMB **13,023.4**
to subscribe for books

in White Horse Building
“Read Out Love” Charity Book Fundraising Activity





With “Giving Back to Society in Good Faith and Building a Better Community” as the vision, Yuexiu REIT actively organizes the employees to participate in social charity activities, cares for vulnerable groups, helps poverty areas, and responds to social needs.

COEXISTENCE AND PROSPERITY WITH THE COMMUNITY

Targeted Poverty Alleviation

•Poverty Relief Activities at Chimi Village *Helping the Poor and Sending Warmth*

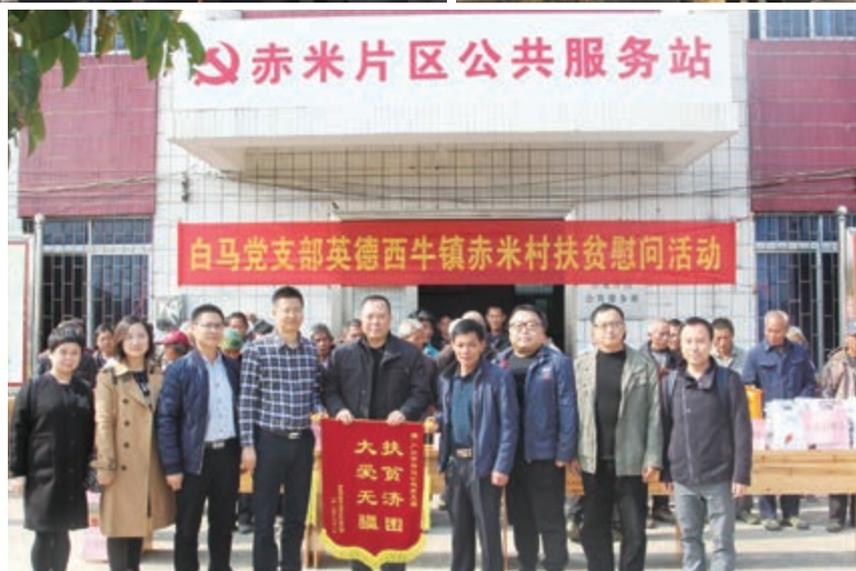
To implement corporate social responsibility, in December 2017, the Company organized a group of more than 40 people to carry out poverty alleviation activities in Chimi Village, Xiniu Town, Yingde City. The Poverty Alleviation and Relief Team sent sympathy gifts such as sympathy money, grain and oil, clothing to the villagers of Chimi Village.



Sending sympathy money and gifts to villagers of Chimi Village



Villagers of Chimi Village presented a banner to the Poverty Alleviation and Relief Team Visiting the Poverty Alleviation Industry in Chimi Village – Cabbage Cultivation



COEXISTENCE AND PROSPERITY WITH THE COMMUNITY

Community Contribution

As a responsible enterprise, the Company is familiar with the profound understanding of thanksgiving. While developing itself, it also pays attention to the development of surrounding communities and continues to pay attention to various social issues, including paying attention to vulnerable groups, promoting gender equality, supporting children and young people, caring for nature and the environment, and paying attention to cultural education.

Caring for Vulnerable Groups

Neo Metropolis 2017 Blood Donation Activity

On 3 November 2017, Neo Metropolis Service Center, together with the Office of Guangta Subdistrict, held a blood donation activity themed "Gathering Every Drop for Endless Life" at rear plaza of Neo Metropolis, which was the fifth consecutive year that Neo Metropolis held the blood donation activity.



The activity attracted many customers from the building to participate enthusiastically and a total of 145 customers participated in the blood donation.

The activity was highly praised by the customers of the building and leaders of the subdistrict office. On the road of enthusiasm for public welfare, courage to take social responsibility, and positive energy transmission, Neo Metropolis will continue its efforts.

Promoting Gender Equality

Victory Plaza - Holding Hope for Rural Women

On 4 March 2017, co-organized by Victory Plaza, Guangzhou Charity Association, Rural Women Development Foundation Guangdong (hereinafter referred to as "Green Buds") and Guangdong Radio and Television Newscast "Great Love Sounds - Public Welfare China" and other organizations, "Holding Hope for Rural Women", the fifth episode of Guangzhou Public Welfare & Creative Market "One Story Warms A City" was held at Victory Plaza.

In this event, the audience listened to the stories shared by the Village Sisters from Shixing County, Shaoguan and Mrs. Ling from Leming Village helped by the "Green Buds", recognizing that contemporary rural women and children were in urgent need of more social attention and development. On the spot, they helped rural women by participating in charity auctions, buying public goods, and voluntary fundraising. A total of nearly RMB 60,000 was donated to this event, all of which were donated to the Guangzhou Public Welfare Market Project co-sponsored by Information Times and Guangzhou Charity Association to support the "Village Companionship" program of Green Buds.



COEXISTENCE AND PROSPERITY WITH THE COMMUNITY

Supporting Children and Young People

White Horse Building “Read Out Love”

Charity Book Fundraising Activity

To help children in the mountains to bathe in the sunshine of knowledge and let the children learn more extra-curricular knowledge to broaden their visions, White Horse Building successfully launched a book fundraising activity “Read Out Love” at White Horse Clothing Market in November 2017. The books and donations raised were donated to Xinmin Primary School, Longtoushan Town, Ludian County, Zhaotong City, Yunnan Province.

The charity event was participated and supported by members from White Horse Chamber of Commerce, Headquarters of White Horse Company and staff from various projects, many merchants at White Horse Building. More than 100 people participated in the event and donated 903 books, and donated RMB13,023.4 to subscribe for books. The books donated this time were rich in categories, covering children’s literature, fairy tale comics, and science books.



Caring for Nature and the Environment

City Development Plaza - “Earth Hour”

Low Carbon Activity

“Climate, Human, Society” was the theme of “Earth Hour” activity in 2017. City Development Plaza actively responded to the call for the “Earth Hour” activity and switched the exterior lighting and light box advertising of the building from 20:30 to 21:30 on the evening of 25 March 2017. Customers were also invited to join the Earth Hour event to switch off the lighting and unnecessary power around and let the earth rest for an hour. City Development Plaza encourages customers and employees to practice sustainable lifestyles and consumption patterns in their daily lives, encourages everyone to face climate change and implement their own solutions, encourages the small changes made by everyone to stop the smog and let the blue sky appear again.

COEXISTENCE AND PROSPERITY WITH THE COMMUNITY

Paying Attention to Cultural Education

City Development Plaza - Free Notary and Legal Advisory Activities

On the occasion of commemorating the 12th anniversary of the issuance of the "Notarization Law", City Development Plaza conducted large-scale notary and legal advisory activities on 26 August 2017. The event organized a total of more than 50 notary publics from 7 notary agencies in Guangzhou to answer questions for the general public, also introduce the notarial services that were closely related to daily life, made it easy to understand the basics of notarization, and widely publicized the important functions of notarization. The event was well received by the masses.



Paying Attention to Traditional Culture

New Year Mood in Intangible Cultural Heritage - Spring Festival Intangible Cultural Heritage Art Salon

During the Spring Festival of 2017, GZIFC M Space ushered in four artists for intangible cultural heritage, who disseminated and displayed four different intangible cultural heritages to white-collar workers. The four teachers were respectively, Mr. Li Wei, inheritor of Li's Lion Dance in Foshan, Mr. Liu Guoxing, representative of Pottery Sculpture, Ms. Liu Zhongping for Foshan Woodcut New Year Pictures and Mr. Zhao Dawei, famous Chinese calligrapher. The salon event invited the audience to participate in the interaction, so that everyone participated in the production of lion head and



experienced the charm of intangible cultural heritages. The purpose of this event was to urge everyone to protect and pay more attention to the intangible cultural heritages and to promote the development of Chinese traditional arts, to let the brilliance of cultural skills never cease.

Volunteer Activities

White Horse into the Community, Offering Warmth to People

White Horse Building has long been advocating for tenants to participate in public welfare activities and encouraged young employees to become part of the community's youth volunteers, offering a kind heart and warmth to the community.

On 29 March 2017, 20 young volunteers from White Horse Building, together with the personnel from Guihuagang Community Subdistrict, went to Guihuagang and Guihuayuan Community to console the solitude for the elderly; on 3 June 2017, White Horse Building organized 26 employees' families, with a total of more than 70 people, and held the 2017 parent-child event at Foshan Nanhai Yuehui Tiandi Shopping Mall; On 25 July 2017, White Horse Building carried out grassroots condolences for more than 30 front-line workers at the city bus terminal and sanitation workers at Xicun Street sanitation station, providing community sanitation workers with refreshing drinks, having in-depth conversations and work with sanitation workers and cleaners.

ESG PERFORMANCE SUMMARY

List of Policies and Indicators (ESG Category)	Laws and Regulations to Comply with	Self-developed Policies
A1 Emission	Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Regulations of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Waste, Provisions on the Administration of Urban Construction Garbage, National Hazardous Waste Inventory	Environmental Monitoring Process, Environmental Factors Identification and Evaluation Process, Environmental Protection Work Guidelines
A2 Use of resources	Energy Conservation Law of the People's Republic of China	Environmental, Health, Safety and Energy Operations Management Procedures, Implementing Rules for Energy Consumption Management
A3 The environment and natural resources	Environmental Protection Law of the People's Republic of China	Disposal Chemicals Management Procedures, Hazard Identification Risk Assessment Management Procedures, Guidelines for Property Smoking Control Management
B1 Employment	Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Social Security Law of the People's Republic of China, Tax Law of the People's Republic of China	Employee Manual of Yuexiu Real Estate Investment Trust

ESG PERFORMANCE SUMMARY

List of Policies and Indicators (ESG Category)	Laws and Regulations to Comply with	Self-developed Policies
B2 Health and safety	Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Social Security Law of the People's Republic of China	Guidelines for the Investment of Safety Production Funds, Administrative Measures for Safety Production Responsibility System, Guidelines for Fire Exercises, Guidelines for the Management of Security and Fire-fighting Equipment Accounts, Safety Operation Regulations, Guidelines for Occupational Safety and Health Management, Administrative Measures for Occupational Health and Safety
B3 Development and training	Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Social Security Law of the People's Republic of China	Employee Manual of Yuexiu Real Estate Investment Trust
B4 Labor standards	Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Social Security Law of the People's Republic of China	Employee Manual of Yuexiu Real Estate Investment Trust
B5 Supply chain management	Company Law of the People's Republic of China, Contract Law of the People's Republic of China	Management Review Procedure for Material Suppliers, Guidelines for the Management of Material Suppliers
B6 Product responsibility	LConstruction Law of the People's Republic of China	Yuexiu REIT Customer Resource Management Operational Guidelines, Yuexiu REIT Tenancy Relationship Management Operational Guidelines, Management System for Visits to Members of the Guangzhou White Horse Chamber of Commerce, Guidelines for Customer Reception Business, Guidelines for Customer Call Operations, Guidelines for Customer Satisfaction Survey, Guidelines for Management of Clients' Opinions, Guidelines for Implementation of Mysterious Visitor Survey, Guidelines for the Handling of Customer Complaints
B7 Anti-corruption	Hong Kong Special Administrative Region ICAC Ordinance, Hong Kong Special Administrative Region Prevention of Bribery Ordinance	Administrative Rules on the Remuneration and Business Expenditure of the Management Team, Administrative Rules on "Three Public Expenses", Notice on Doing a Good Job of Checking and Resolving Unstable Problems

ESG PERFORMANCE SUMMARY

Category	ESG Index	Unit	Data	Note
A. Environment				
A1 Emission	A1.2 Greenhouse Gas Emission and Intensity			
	Type I of greenhouse gas emission	Ton	667.19	
	Type II of greenhouse gas emission	Ton	46,738.05	
	Total emission of greenhouse gas	Ton	47,405.24	
	A1.3 Hazardous Waste Produced			
	Waste fluorescent tube	Piece	10,460	
	Waste batteries	Kg	10,091.21	
	Printer toner cartridge	Piece	121	
	Paint bucket	Kg	94	
	Decoration waste	Ton	1,411	
A1.4 Non-hazardous Waste Produced				
Office Paper	Kg	49,813.17		
A2 Use of resources	A2.1 Energy consumption in total and intensity			
	Power consumption	Kwh	74,140,306.03	
	Consumption of diesel	Litre	2,378	
	Consumption of natural gas	m3	54,300	
	A2.2 Water consumption in total and intensity			
Water consumption in total	m3	952,431.30		

ESG PERFORMANCE SUMMARY

Category	ESG Index	Unit	Data	Note
B. Society				
B1 Employment	B1.1 Number of employees: by gender, employment category, age group and geographical region			
	Total number of employees	Person	819	
	Male	Person	404	
	Female	Person	415	
	Managerial level	Person	153	
	Non-managerial level	Person	666	
	29 and below	Person	400	
	Aged 30-49	Person	383	
	50 and above	Person	36	
	Mainland China	Person	799	
	Hong Kong, Macau and Taiwan regions	Person	12	
	Overseas	Person	8	

ESG PERFORMANCE SUMMARY

Category	ESG Index	Unit	Data	Note
B1 Employment	B1.2 Employee turnover rate: by gender, employment category, age group and geographical region			
	Overall employee turnover rate	%	25.9	
	Male	%	27.7	
	Female	%	24.1	
	29 and below	%	30.7	
	Aged 30-49	%	21.0	
	50 and above	%	17.5	
	Mainland China	%	26.1	
	Hong Kong, Macau and Taiwan regions	%	25.0	
Overseas	%	11.1		
B2 Health and safety	B2.1 Work-related fatalities			
	Number of work-related fatalities	Person	0	
	B2.1 Lost days due to work injury			
	Number of times of work injuries	Number	8	
Total lost days due to work injury	Day	122		



ESG PERFORMANCE SUMMARY

Category	ESG Index	Unit	Data	Note
B3 Development and training	B3.1 Number of trained employees by gender and employee category			
	Total training times	person-times	3,235	
	Male	person-times	1,341	
	Female	person-times	1,894	
	Managerial level	person-times	466	
	Non-managerial level	person-times	2,769	
	B3.2 The training hours of employees by gender and employee category			
	Total training hours	Hour	15,244.5	
	Male	Hour	6,150.5	
	Female	Hour	9,094	
	Managerial level	Hour	2,020.5	
Non-managerial level	Hour	13,224		

ESG PERFORMANCE SUMMARY

Category	ESG Index	Unit	Data	Note
B5 Supply chain management	B5.1 Number of suppliers by region			
	Southern China	Piece	1,377	
	Eastern China	Piece	235	
	Central China	Piece	29	
	Northern China	Piece	42	
	Northeast China	Piece	20	
	Southwest China	Piece	32	
	Northwest China	Piece	27	
	Overseas	Piece	50	
B6 Product responsibility	B6.1 Number of products and service related complaints received			
	Hardware complaints	Number	59	
	Software complaints	Number	44	
	Other (Complaints arising from problems other than the property itself)	Number	22	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

ESG areas and general disclosures and key performance indicators (KPI)		Corresponding sections	
A. Environment			
A1 Emission	General disclosure	6 Integrated Development with the Environment	
	KPI A1.1	The types of emissions and respective emissions data	6.2 Green Operation
	KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	6.2 Green Operation
	KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	6.2 Green Operation
	KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	6.2 Green Operation
	KPI A1.5	Description of measures to mitigate emissions and results achieved	6.2 Green Operation
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	6.2 Green Operation
A2 Use of resources	General disclosure	6 Integrated Development with the Environment	
	KPI A2.1	Total consumption and density of energies	6.2 Green Operation
	KPI A2.2	Total consumption and density of water	6.2 Green Operation
	KPI A2.3	Description of energy use efficiency initiatives and results achieved	6.2 Green Operation
	KPI A2.4	Description on whether there is any problem in finding appropriate source of water, initiatives aimed at enhancing water efficiency and results achieved	6.2 Green Operation
	KPI A2.5	Total packaging material used for finished products and with reference to per unit produced	Not Applicable

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ESG areas and general disclosures and key performance indicators (KPI)		Corresponding sections
A3 The environment and natural resources	General disclosure	6 Integrated Development with the Environment
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	6.2 Green Operation
B. Society		
B1 Employment	General disclosure	8.1 People-oriented
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region	8.1 People-oriented
	KPI B1.2 Employee turnover rate by gender, age group and geographical region	8.1 People-oriented
B2 Health and safety	General disclosure	8.3 Health and safety
	KPI B2.1 Number and rate of work-related fatalities	8.3 Health and safety
	KPI B2.2 Lost days due to work injury	8.3 Health and safety
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	8.3 Health and safety
B3 Development and training	General disclosure	8.2 Development and training
	KPI B3.1 The percentage of employees trained by gender and employee category	8.2 Development and training
	KPI B3.2 The average training hours completed per employee by gender and employee category	8.2 Development and training
B4 Labor standards	General disclosure	8.1 People-oriented
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labor	8.1 People-oriented
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	8.1 People-oriented

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ESG areas and general disclosures and key performance indicators (KPI)		Corresponding sections
B5 Supply chain management	General disclosure	7.2.2 Suppliers
	KPI B5.1 Number of suppliers by geographical region	7.2.2 Suppliers
	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	7.2.2 Suppliers
B6 Product responsibility	General disclosure	7.1 Outstanding Service
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable
	KPI B6.2 Number of products and service related complaints received and how they are dealt with	7.1.3 Complaint Handling
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights	Not Applicable
	KPI B6.4 Description of quality assurance process and recall procedures	Not Applicable
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	7.1.2 Privacy Protection
B7 Anti-corruption	General disclosure	5.5 Anti-corruption and Sound Governance
	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	5.5 Anti-corruption and Sound Governance
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	5.5 Anti-corruption and Sound Governance
B8 Community investment	General disclosure	9 Coexistence and Prosperity with the Community
	KPI B8.1 Focused areas of contribution	9.2 Community Contribution
	KPI B8.2 Resources contributed to the focus areas	9.2 Community Contribution



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