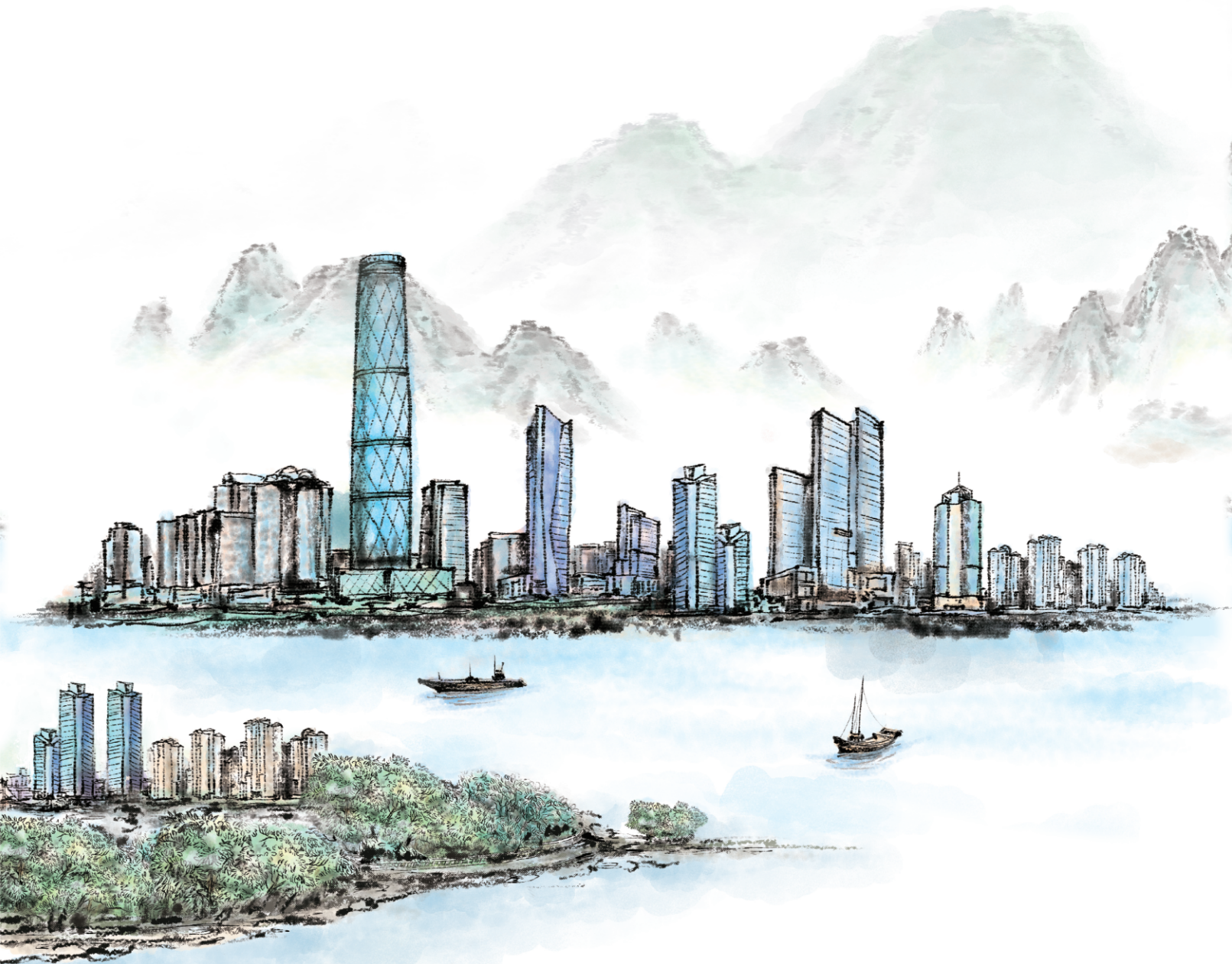


 越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED

Stock Code: 00123

Where Good Living Starts



**YUEXIU PROPERTY
COMPANY LIMITED**

Environmental, Social and Governance Report

2016

ABOUT THE REPORT

● Overview

This Report (“the Report”) is the annual Environmental, Social and Governance Report (referred to as the “ESG Report”) released by Yuexiu Property Company Limited. It focuses on the disclosure of Yuexiu Property Company Limited and its subsidiary companies (collectively referred to as the “Group”) on their ideas, key progress and results relating to environmental, social and governance performance from 1 January 2016 to 31 December 2016.

Since 2010, the Group has proactively published the corporate social responsibility report for 7 consecutive years.

● Preparation Basis

The Report was prepared according to the Environmental, Social and Governance Reporting Guide (ESG Guide) under Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong and also with reference to the core part of the Sustainability Reporting Guidelines (G4 guidelines) of the Global Report Initiative and the Guidelines on the Corporate Social Responsibility of Real Estate Enterprises of Guangdong Province published by Guangdong Real Estate Association.

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

● Scope and Coverage of the Report

The policy documents, declarations and data in the Report cover the actual operation of Yuexiu Property Company Limited and its subsidiary companies.

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

● Salutation Description

To facilitate presentation and reading, “Yuexiu Property” and “we” both refer to Yuexiu Property and its subsidiary companies.

The Report uses the same definitions of the Group’s “2016 Annual Report”, unless otherwise specified.

● Data Sources

The data used herein all comes from Yuexiu Property Company Limited and its subsidiary companies.

● Access and Response to the Report

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

For any comments or suggestions on the environmental, social and governance performance of the Group, please email ir@yuexiu.com.hk.



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Management Message



Chairman: Zhang Zhaoxing



Vice chairman, General manager: Lin Zhaoyuan

Integrating ESG management with past achievements in social responsibilities

In 2016, upholding the major economic working principle of "de-stocking and stabilizing growth" set by the central government, the Group put forward the management objective of "activating resources, improving abilities and strengthening commercial property business" and achieved stable and constant business growth. Along with the outstanding business performance, Yuexiu Property has been actively undertaking social responsibilities and attained achievements in various respects including targeted poverty alleviation, community participation, care for employees and environmental protection with recognition from stakeholders. This year, Yuexiu Property continued to strive to improve by closely integrating social responsibilities with its operation. With respect to our business model, we identify the environmental, social and governance risks and opportunities that Yuexiu Property encounters in business processes such as supplier management, raw material purchasing, construction and property operation and formulate targeted management policies and integrate such factors with past achievements in social responsibilities to progressively improve our sustainable development strategy.

Identifying environmental and social demands and grasping opportunities for social development

Yuexiu Property believes that the integration of commercial and social demand can produce greater social impacts. Therefore, the Group keeps exploring the integration points among business development, society and the environment and integrates its resources to respond to social demand to create greater benefits. With respect to product design, in order to further implement the concepts of energy conservation, environmental protection and sustainable development, Yuexiu Property is committed to the implementation and promotion of green construction which integrates modern science and technologies. In regard to talent management, in 2016 the Group promoted and improved the plan of co-investment and win-win profit-sharing plan, implemented a senior management share incentive mechanism, and achieved mutual benefits for staff development and company growth. In regard to community building, the Group held eco-running races and healthy hiking activities to advocate a healthy and green lifestyle. At the same time, through charitable activities such as supporting villagers and workers to return home and helping children in poverty to study, we aim to promote positive energy in society and repay our community.

Formulating the future ESG management objective in light of social development

Looking ahead to 2017, Yuexiu Property will pursue the objectives set by the "13th Five-Year Plan" for Social Responsibility Planning, uphold the core values of "quality, integrity and excellence", pursue the corporate mission of "achieving a good life" and promote the close integration of social responsibilities and corporate culture. The Group will continue to practise environmental and low-carbon development concepts. We will increase the coverage rate of green construction through scientific innovation and promotion, strengthen green property management and build the green community of Yuexiu Property. Yuexiu Property will increase premium land resources in a comprehensive and diversified way and avoid resource wastage through refined management, so as to further reduce idle land. In order to actively respond to policies, Yuexiu Property will increase its participation in urban renewal projects such as the "Three Olds" transformation, and public housing projects to improve urban landscapes and serve the community. Yuexiu Property is committed to being more attentive to public opinions and voices in the future, continuously strengthening its awareness of social responsibilities, improving social responsibility management and promoting social responsibilities practices to build a positive public image and lead the business advancement.



Company Profile

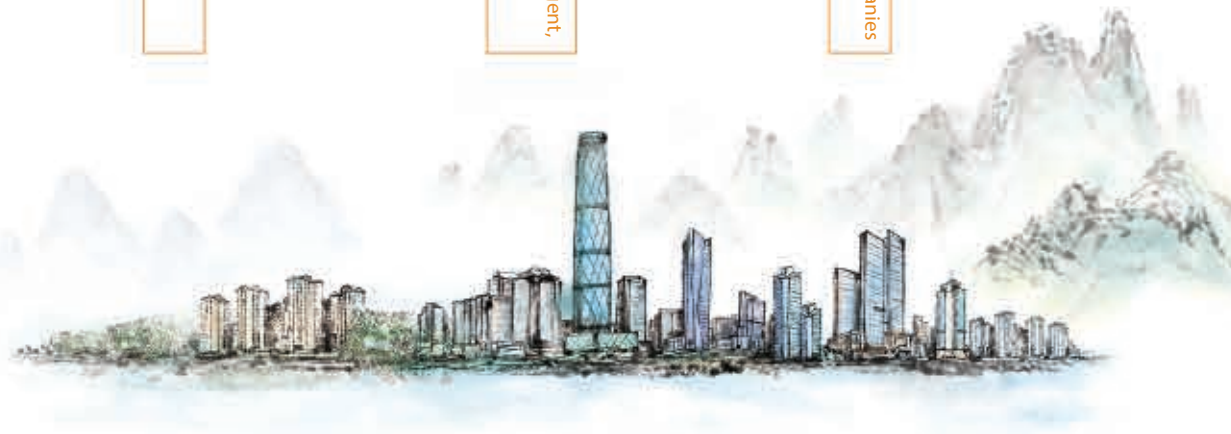
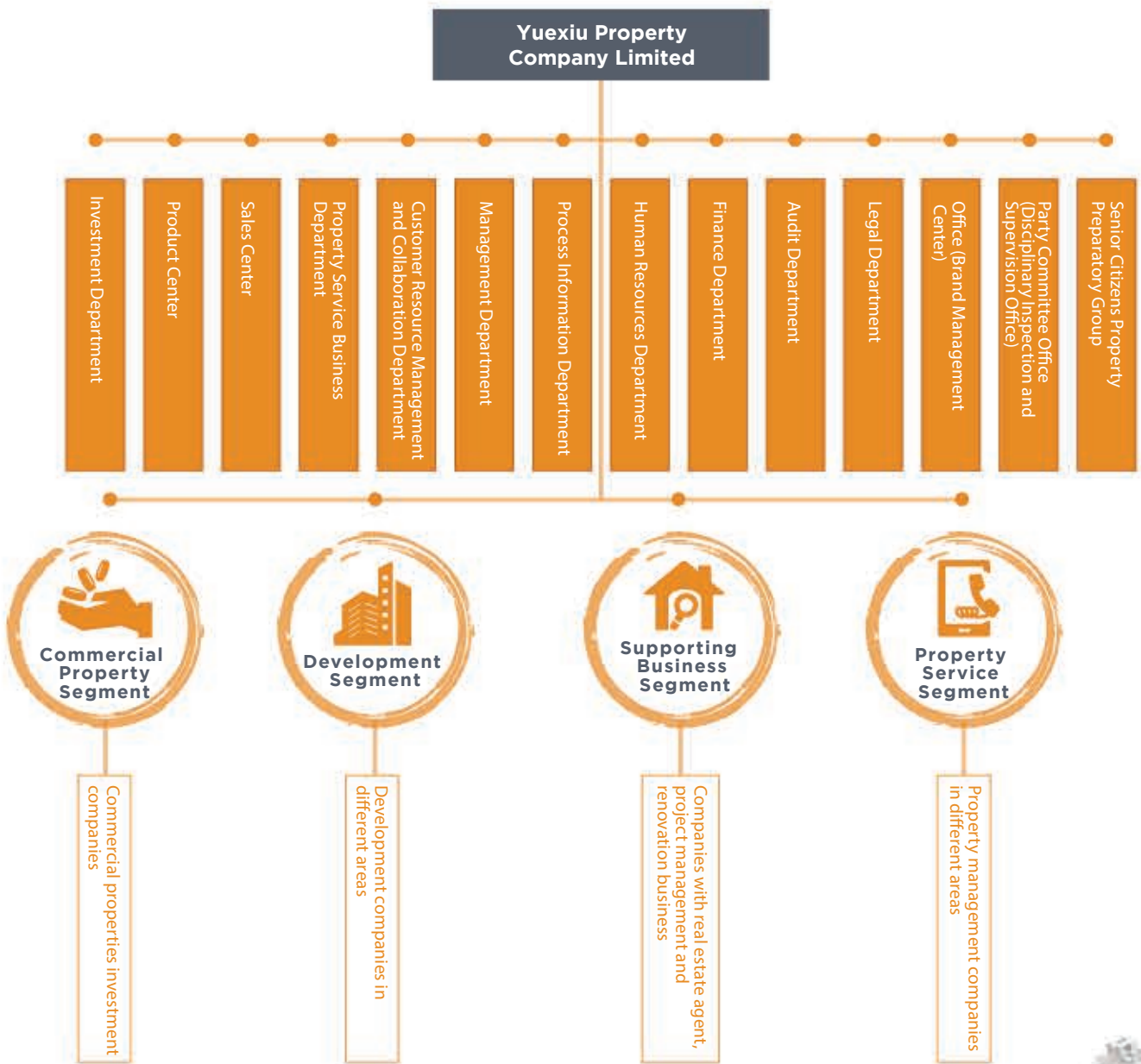
Yuexiu Property Company Limited (00123.HK) got listed on the Stock Exchange of Hong Kong on 15 December 1992. The principal activities of the Group consist of property development and investment. Yuexiu Property has become an integrated real estate developer with focus on residential property development and commercial property operation. Our projects cover various types of business such as residences, office buildings, commercial property, hotels and other business types. We had successfully developed the Guangzhou International Finance Centre, the landmark building of Guangzhou with a height of 432 metres.

The business of Yuexiu Property is mainly based in Guangzhou, and has gradually expanded to 12 cities. Now it forms a national footprint with the Pearl River Delta, Yangtze River Delta and Central China as cores.

As of 31 December 2016, Yuexiu Property owned a 39.1% interest in Yuexiu Real Estate Investment Trust (00405.HK), the first real estate investment trust focusing on properties in the Mainland China market. Yuexiu Property is the only Hong Kong-listed Mainland developer with its own REIT.



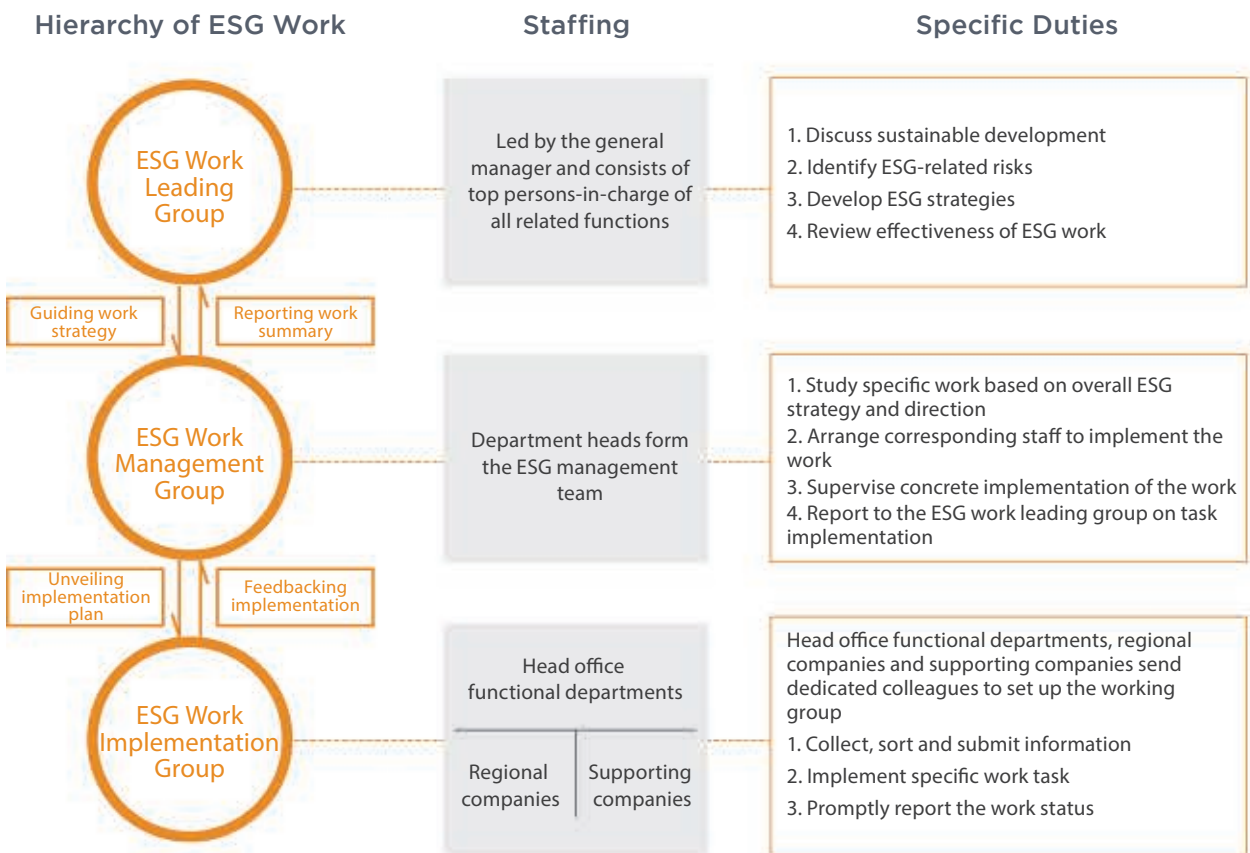
Organisation chart of ESG work related departments



Responsibility Governance

Responsibility Structure

In order to better integrate social responsibility concepts into our strategy and decision-making and further guide our social responsibility work practice, Yuexiu Property has set up the ESG Work Leading Group led by the management. We have established an environmental and social work management system in line with the business development of the property segment of Yuexiu Property.



Responsibility Strategy

During the social responsibility establishment process, Yuexiu Property has always adhered to the responsibility concept of "beyond excellence" and further promoted the development of the Group's social responsibility establishment under the guidance of the "strategic guidance - supervision and management – work execution" chain.

Communication with stakeholders

With reference to stakeholders covered in the ESG guidance and the extent of the mutual influence between the Group and stakeholders in our daily operation, Yuexiu Property has identified key stakeholders.

The stakeholders of Yuexiu Property cover a wide range of sectors, including shareholders and investors, employees, customers, suppliers, the government, communities, industry associations, chambers of commerce and media. In order to achieve mutual advancement and development, Yuexiu Property emphasizes communication with stakeholders, and thus we have responded to the reasonable expectations and views of stakeholders in the following manners.



Responsibility issues

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

The materiality evaluation is divided into four implementation stages: First, identify significant ESG issues which may impact Yuexiu Property's business and its stakeholders, and then prioritize the potential materiality issues, verify the results with the management and conduct a final review on the materiality evaluation process.

Materiality evaluation process



Materiality matrix of the environmental, social and governance issues of Yuexiu Property



High materiality issues

- 1.Product health and safety
- 2.Staff health and safety
- 3.Integrity and anti-corruption
- 4.Product quality verification
- 5.Consumers privacy
- 6.Staff development and training
- 7.Responsible supply chain
- 8.Greenhouse gases emission

Corresponding contents

- Quality and security
- Health and safety
- Responsibility strategies
- Quality and security
- Customer satisfaction
- Talent cultivation and development
- Suppliers
- Green management

Moderate materiality issues

- 9.Community investment
- 10.Staff retention
- 11.Protection of intellectual property rights
- 12.Product complaint channels
- 13.Use of materials
- 14.Sewage discharge
- 15.Waste disposal
- 16.Avoiding use of child and forced labour
- 17.Use of energy
- 18.Ecosystem
- 19.Staff members' diversity and equality
- 20.Use of water resources

Corresponding contents

- Community co-prosperity
- Employment policies and labour standards
- Quality products and services
- Customer satisfaction
- Green buildings
- Green management
- Green management
- Employment policies and labour standards
- Green management
- Green buildings
- Equality and pluralism
- Green management

Integrity and honesty

Yuexiu Property strengthened the establishment of an anti-corruption mechanism, promoted the broad and in-depth development of an integrity governance establishment, focused on core work, and achieved “good governance” in the real estate market. Yuexiu Property has continuously improved various rules and regulations to prevent corruption in all areas, and nurture talents in an honest and clean culture. Pursuant to relevant laws such as the “Company Law of the People’s Republic of China” and the Group’s various rules and regulations, Yuexiu Property has formulated the Work Instructions of Yuexiu Property on Fully Implementing Subject Responsibility of Strict Administration of Party, Implementation Plan of Yuexiu Property Discipline Inspection Committee on Supervision Work of Promoting Primary Honest Work and other regulations. Through the improved whistle-blowing system, violations of the “eight requirements” of the Central Committee, social malady and corruption among the public were seriously investigated.



Social Honours

- 2016 China Green Property Enterprise TOP30

Standardized Ranking (China) Research Institute
- Corporate Governance Gold Award 2016

The Asset Magazine

- Listed Company Award of Excellence 2016

Hong Kong Economic Journal, PR Asia
- China Excellent Real Estate Corporation Awards 2016

China Excellent Real Estate Corporation Awards Commission
- Best Listed Company Corporate Awards 2016

China Financial Market Magazine

- Large-scale Development in terms of Comprehensive Strength for 2016 — Guangzhou Starry Sky City

LEJU
- The Annual Property with Collection Value of Top China Real Estate for 2016 — Guangzhou Starry Haizhu Bay

ANJUKE
- China Real Estate & Home Design Championship for 2016 Top 10 Best Selling Famous Development in Guangzhou — Nansha Southern Le Sand (Yuexiu Binhai Yucheng)

Home. 163.com, Guangdong Chamber of Real Estate

- Annual Influential High-end Landmark in the Fourth Hubei Real Estate Gold House Prize — Wuhan International Financial City

Hubei Daily
- Online Media Awards of Hangzhou, China Most Influential Property for 2016 — Hangzhou Starry Upper City

Tencent
- The Third Shenyang Real Estate Gold List Awards Selection The Most Beautiful Property in Shenyang in Vision — Shenyang Yuexiu Hill Lake

Shenyang Real Estate Association





Quality Products and Services

Yuexiu Property is customer-oriented and strives to provide quality real estate products, while constantly improving its customer service and complaint handling mechanism to protect consumers' interests and provide customers with quality products. In the product research and development process, Yuexiu Property attends to be the protection of intellectual property rights and ensures that no infringement on the intellectual property rights of other companies or individuals is made during the entire product life cycle commencing from the product design stage.

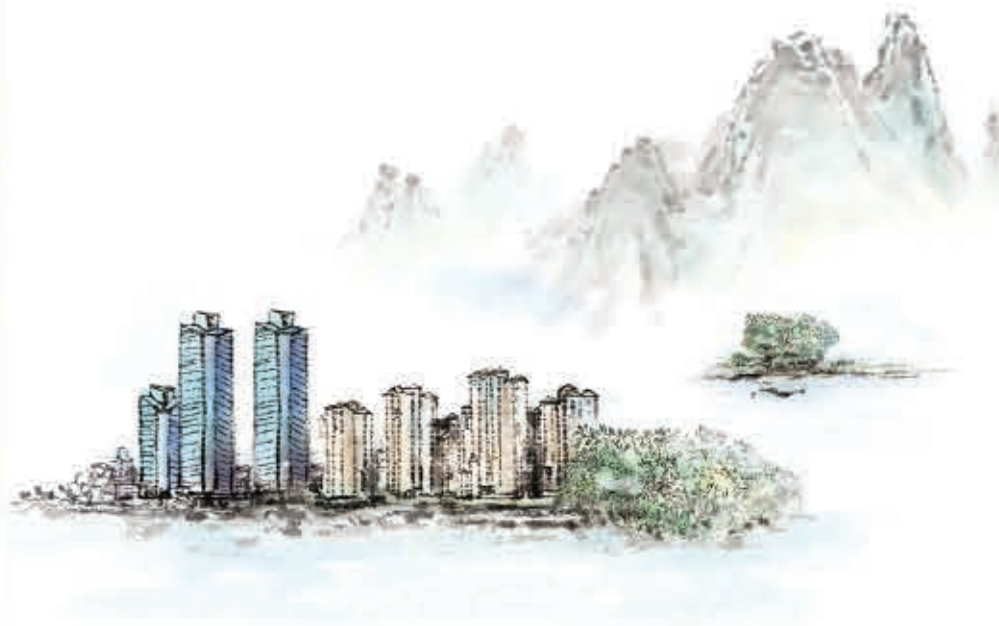


the overall customer satisfaction rate reached

77.75%

representing a year-on-year increase of

9 percentage points



Quality and Safety

According to the *Circular of the State Council on Promoting the Continuous and Healthy Development of the Real Estate Markets*, the *Several Opinions Concerning the Promotion of Housing Industry Modernization to Improve Housing Quality*, *Design Code for Residential Buildings GB50096*, *Residential Building Code GB 50368* and relevant national construction standards, Yuexiu Property issued two quality and technology standards: *Management Manual of Mainstream Product Technology of Residential Refined Decoration and Acceptance Standards for Quality of Residential Projects* in 2016, to manage more efficiently various aspects of construction and decoration in connection with its own projects such as acceptance of work, quality control and refined decoration process, thereby achieving clearer assurance for the quality and safety of its own products.

Quality and safety control

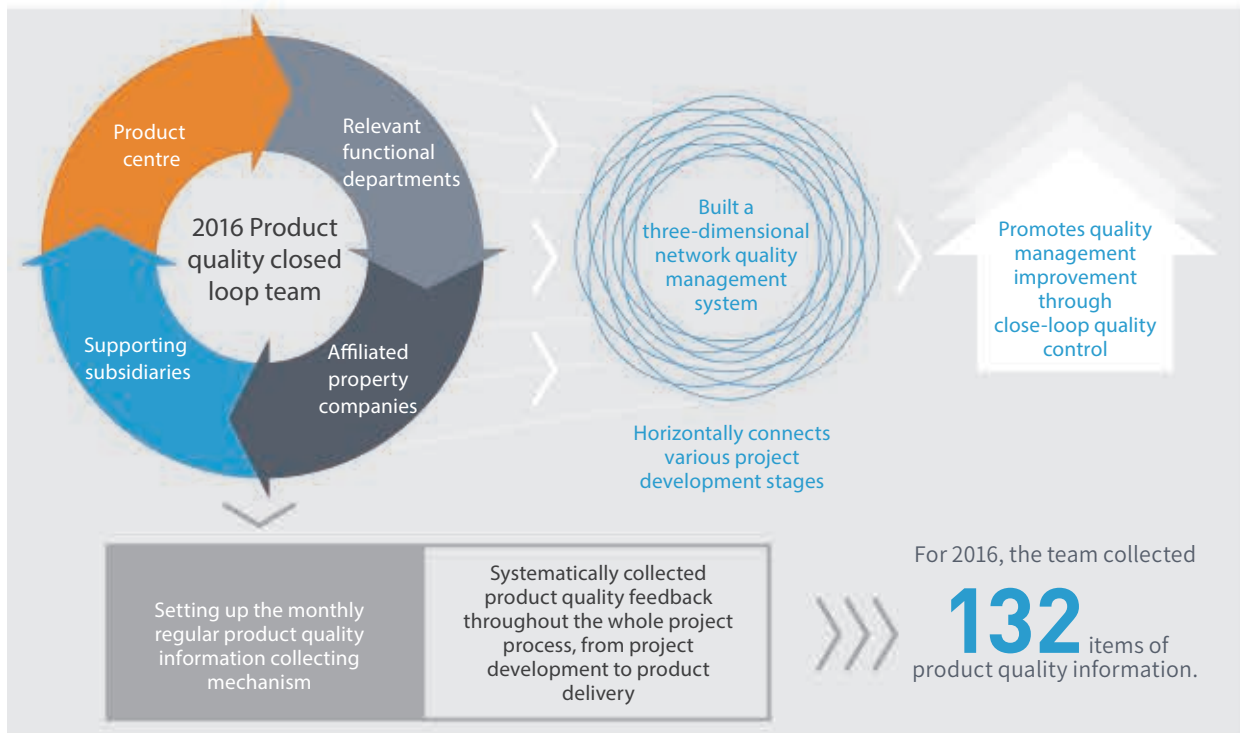
In 2016, Yuexiu Property established an above-average quality standards and product safety management system, enhanced relevant requirements for construction quality and safety, improved construction management, materials and technical control, quality acceptance, quality and safety evaluation, and accountability, and was committed to building the "Yuexiu Treasure".

The strength and safety of construction products are closely related and ensuring the health and safety of all products delivered is a task to which Yuexiu Property attaches great importance. Yuexiu Property strictly complies with the "Construction Law of the People's Republic of China" and the "Fire Control Law of the People's Republic of China" and maintain the health and safety standard of construction products ultimately delivered to users in every aspect through comprehensive and prudent construction product quality control so that everyone can set their mind at rest to live, work and enjoy recreational activities in the products constructed by Yuexiu Property.

System establishment

In 2016, the product centre of Yuexiu Property revised and issued 6 quality control regulations: *Detailed Rules for Management of Project Quality Evaluation (Revised)*, *Product Quality Assessment and Accountability Guidelines (Provisional)*, *Guidelines for Handover of Refined Decoration Projects*, *Engineering Sample Management Guidelines (Provisional)*, *Guidelines for Third-Party Test on Materials and Equipment (2016)* and *Management Guidelines of Refined Decoration Materials of Residential Projects*. Meanwhile, in order to effectively achieve quality improvement, comprehensively meet customers' needs and provide customers with quality products, Yuexiu Property collected feedback on important product information and included it in the product quality information feedback manual for reference and evaluation.

Management mechanism: Closed-loop quality control





Case: Conduct surveys to improve product quality

For common technical and quality problems encountered during project implementation, Yuexiu Property completed the following surveys, promoted implementation of quality improvement measures and rectified product quality defects, which effectively reduced quality risk and enhanced customer satisfaction, including:

1. Completed 10 technology surveys, i.e., exposed reinforcement inspection survey and treatment, inspection on ground levelling and fracturing of heating floor and technical improvement, inspection on under counter basin construction quality and technical improvement, inspection on polyurethane waterproofing construction problems and material optimization, technical optimization of levelling layer of external waterproofing of basement foundation slabs, inspection on differences between delivery standards and real objects, survey on discharge connection of "ground tube" toilet bowls, standard working days for concrete structure construction, survey on applicability

of technology of sticking floor tiles to wall, survey on application of installation technology of aluminium alloy auxiliary frame, and implementing corresponding measures.

2. Under the leadership of the Group's Product Quality Closed Loop team, completed 6 subject surveys directly relating to quality, i.e., wet-mixed mortar quality management, interior insulation wall crack, deformation and failure of strip aluminium buckle ceiling, annulated connection of cast-iron pipe and PVC pipe, external wall plastering, cladding and fixing technology, and embedded box for setting tank base plates.

Quantitative performance evaluation

The quality performance evaluation and accountability mechanism is an important measure in ensuring that corporate quality control is in place. The Product Centre of Yuexiu Property organized and issued the *Detailed Rules for Product Quality Evaluation and Accountability of Guangzhou City Construction & Development Co., Ltd.*, institutionalizing and standardizing the Group's quality performance evaluation and accountability work. The system not only is an evaluation and accountability system for internal personnel, but also explicitly includes project quality in the annual performance evaluation of related parties (including departments and subsidiaries, and design, supervision and construction units). The Group has applied specific supplier contract terms correspondingly, implemented a supplier management mechanism with better price and quality, and pursued supplier liabilities relating to quality issues including customer group complaints.

To better realize the Group's product quality philosophy and objectives, from 2016 onwards, on the basis of third-party evaluation results, Yuexiu Property has issued the quality management objective quantitative index for the Group's newly started projects including Hangzhou Jiangan Niutian Land Parcel, etc., enhancing projects' product quality and linking product quality with evaluation and accountability.

Construction inspection

The Group's construction inspection is an important process control measure to ensure that the Group's project quality has improved according to the Group's quality management philosophy and requirements and also an effective method to implement corporate quality management responsibility. In 2016, the product centre of Yuexiu Property optimized the construction inspection template. Two rounds of construction inspection and refined decoration inspection revealed that the Group's overall construction project had improved in respect of system implementation, internal work management and onsite management, and a foundation for achieving product quality improvement had been laid.

Delivery inspection

In 2016, the product centre worked with the Property Service Department to revamp the product delivery standard management guidelines and carry out 15 joint delivery inspections, issued prompt warnings on potential risks and urged corrective actions for projects to be delivered. This served as a final check on the product quality before delivery to customers.

Through strict quality control procedures and constant accurate measurement, Yuexiu Property effectively supervises the product process and imposes strict self-control before product delivery to customers. In 2016, the Group's overall quality was improved significantly and Shenzhen Ruijie Construction Engineering Consulting Co., Ltd was hired to conduct a third-party independent survey. The resulting score for residential general contracting, commercial renovation sub-contracting and residential renovation sub-contracting was 82.17, 83.28 and 76.23 (total: 100), up by 6.03%, 3.25% and 2.22% year-on-year respectively. As compared with industrial peers, the 2016 averages for residential general contracting and renovation subcontractor reached or surpassed the industrial average. In 2016, the overall customer satisfaction rate reached 77.75%, representing a year-on-year increase of 9 percentage points, and the project acceptance rate (without reparation) increased 3.6 percentage points from the prior year to 56.54%.



Customer Satisfaction

Customer satisfaction is the largest reward for Yuexiu Property's service work. Therefore, during the daily operation, Yuexiu Property provides standardized, process-oriented and user-friendly services, and in the process of product sales and service delivery, strives to be honest, transparent, comprehensive and intimate.

Responsible marketing and promotion

In the process of product promotion and marketing, Yuexiu Property strictly complies with the *Measures for Regulating the Sales of Commercial Houses* to ensure the transparency in the sales process. Salesmen must convey comprehensive and accurate information, and provide the corresponding documents to consumers for reference.

Information security assurance

According to *The Consumer Protection Act*, Yuexiu Property ensures customer information security through strict regulation of the rights and procedures to use the customer information. The clarification of management responsibilities for customers information prevents the leakage of personal information.

Resident satisfaction survey

The customer relation division of the quality management department formulated the Annual Resident Satisfaction Survey Plan. According to such plan, the service centre of the property management company is responsible for survey design and statistical analysis. The service centre notifies residents by publishing satisfaction survey notices on the community's notice board and internet platform. After residents complete the satisfaction questionnaire, the service centre collects and summarizes the questionnaire for statistical calculation. According to resident feedback, the responsible person of the service centre was responsible for formulating and implementing corrective measures. The service centre publishes the Report of the Service Centre on Resident Satisfaction Survey and reports to all residents after improvement measures have taken place to let residents feel that act in response was taken. In addition, the quality management department reviews the reports submitted by the service centre and monitors the operation of the service centre in a timely manner according to the opinions of residents.

Customer complaint handling procedure

To regulate handling procedures for customer complaints, promote service quality improvement and provide customers with quality services, in accordance to the *Complaint Handling Procedure*, Yuexiu Property has set up the customer relation maintenance center specializing in handling customer complaints. The service centre handles customer complaints with prompt and active communication. More importantly, the service centre focuses on experience reviews, regular consultation of customer complaint files, summarizing common complaints and adopting tangible measures to prevent recurrence.



Case: Warmhearted property management despite the cold winter

In the winter of 2016, a cold wave hit the ancient city of Hangzhou, and the property management centre of Hangzhou Starry City received a phone call. "An elderly member of my family has high blood pressure and is now at home. Would you check on her? I'm coming home from aboard." This was a call from an owner, who, since he was aboard, sought help from the service centre to check on a sick relative. After receiving the call, the service centre staff immediately rushed to the apartment with police and doctors, and persuaded the relative to go to the hospital for a medical examination. The service centre staff helped the relative dress up, turned off the water and electricity, closed all windows and doors, and accompanied him to the ambulance. Upon arrival at the hospital, the staff helped the relative to register and paid the hospital fee. After the doctor's treatment, the staff accompanied the relative to wait for her son. "We are sincerely grateful for your help today" said the son. After the son's arrival at the hospital, the staff felt relieved and left.



Case: Neighbourhood coordination of Guangzhou Jiang Nan New Mansion

An owner from Guangzhou Jiang Nan New Mansion complained that a nearby resident usually turned on the washing machine after 11:00 pm which seriously affected such resident's rest. To improve the relationship between the two residents, the property management service centre made several proposals by writing "a letter to neighbours", which helped reduce the noise impact on surrounding neighbours and solved the conflict between the two residents. Afterwards, the owner reported to the management service centre, and expressed gratitude to the service centre upon resolution of the problem.



Green Development

Yuexiu Property is committed to providing the local community a healthy and comfortable living and working space, while making efficient use of resources and living in harmony with nature. Thus, Yuexiu Property has fully introduced sustainable and low-carbon development ideas into research and development, design and management operation, and implemented green development practice.

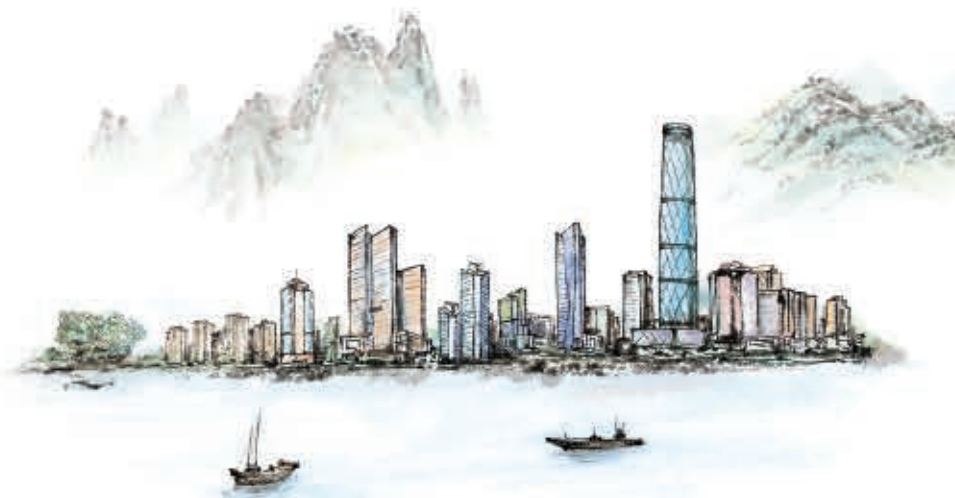


As at 31 December 2016, Yuexiu Property had completed

226 construction material tests in aggregate

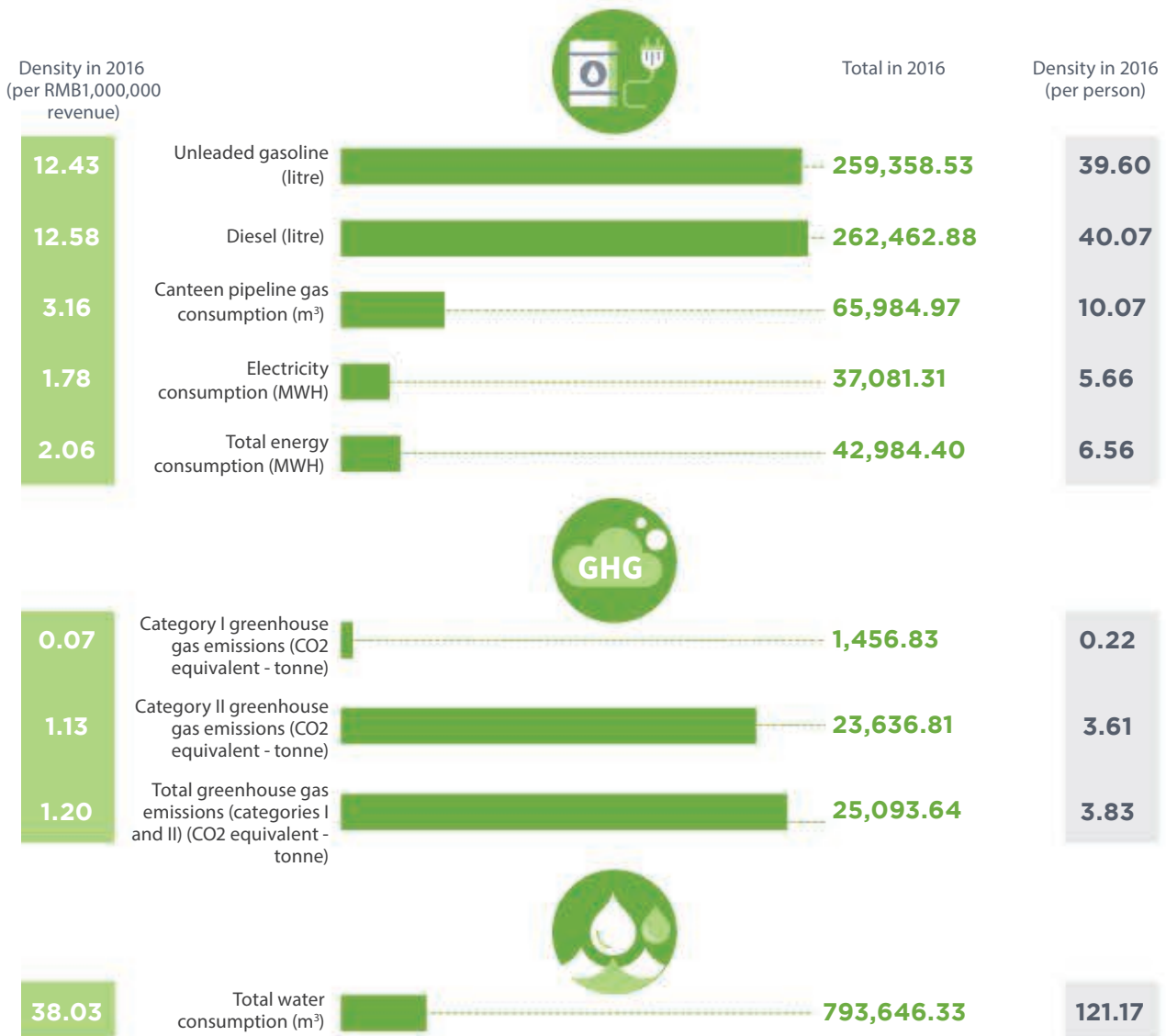
with a passing rate of

100 %



Green Management

In observance of the principles of coordinated interaction between economic systems, social systems and the ecosystem, Yuexiu Property advocates green offices and green operation, follows the green trend and has incorporated the green concept into the Group's operation and management, which effectively improves employees' awareness of environmental protection, energy-saving and low-carbon ideas and improved the resource utilization rate.



*Environmental statistics include the energy consumption, water consumption and carbon emissions from all office locations of the Group, and the public areas of residential communities and commercial properties under property management of the Group.

Carbon dioxide equivalent is used as a measure of the comparison of greenhouse gas emissions. The calculations of carbon dioxide equivalent have included GHG emissions from sources, including carbon dioxide, methane and nitrous oxide etc.

Due to the business nature of Yuexiu Property, exhaust emissions, including nitrogen oxides, sulfur oxides and other pollutants discharged under the national laws and regulations, are not significant during the daily operation.

According to the ISO 14064 GHG inventory standards, GHG emissions category I refers to direct greenhouse gas emissions, particularly direct emission sources owned and controlled by the organization, such as emissions from its own vehicles; GHG emissions category II refers to indirect energy emission sources, such as indirect greenhouse gas emissions caused by the purchase of electricity.

In 2016, Yuexiu Property strengthened the system of identification and management of environmental factors and, according to *Environmental Protection Law of the People's Republic of China* and *National Hazardous Waste Inventory*, and enacts the *Procedures for Management of Identification and Assessment of Environmental Factors and Waste and Chemical Management Procedures*, which requires the relevant departments to actively cooperate and promptly identify the impact of pollutants (waste gas, waste water, waste substances and noises) on the environment as precautionary measure. Effective measures must be undertaken as rapid response to reduce the negative impact where environmental pollution is found.

Waste management

The Group's general waste and hazardous waste are classified as follows:



- Damp-proof, sunscreen, rust-proof and anti-deterioration work should be carried out for raw material and finished product warehouses to prevent formation of waste substances and waste materials.
- Packaging materials should be reasonably used in the service process to reduce waste materials, waste substances and hazardous waste;
- Waste should be stored separately according to type and nature, and waste with contradictory chemical properties or protection methods should not be stored in the same place;
- Locations where hazardous wastes specified in *National Hazardous Waste Inventory*, such as oily waste, mercury-containing fluorescent tubes, waste nickel-cadmium batteries, etc. are temporarily stored should be marked with "hazardous waste" in a conspicuous place. Its container should be clearly labelled with the name of the waste and the quantity (if possible) specified, and recycled by the qualified recycling company within the deadline.

Green Construction

Green construction provides people with healthy, comfortable and efficient utilization of space and allows them to live in harmony with nature. Green construction maximizes resource savings (energy, land, water and materials), protects the environment and reduces pollution throughout their life cycle. To actively respond to the strategic layout of the CPC Central Committee and the State Council regarding green construction, Yuexiu Property has adjusted its architectural design plan according to actual conditions, for example in “hot summer and warm winter” regions, it has adopted the architectural concept of “source reduction” and such greening measures as natural ventilation, natural lighting, sun shading and heat insulation and rainwater collection.



Green materials

Material quality is a key aspect in product quality control, and Yuexiu Property always emphasizes material management. In 2016, on top of the GB requirements, such as *Standard for Technical Requirement and Test Method of Sand and Gravel for Ordinary Concrete*, the Group carried out extra third-party material testing to ensure that all construction materials had complied with the national legal requirements in environmental and related aspects. As at 31 December 2016, Yuexiu Property had completed 226 construction material tests with a passing rate of 100% to further ensure product quality.







Yuexiu Property had completed

226 construction material tests in aggregate

with a passing rate of

100%

Green building achievement

					
Natural ventilation	Natural lighting	Sun shading and heat insulation	Rainwater collection	Solar water heating system	Waste disposal
<p>Good natural ventilation helps create a healthy and comfortable outdoor environment. In building design, Yuexiu Property fully considers the project's geographical location, climatic condition, surrounding building layout, wind speed and orientation of the site. Wind helps to increase natural ventilation and creates a comfortable outdoor environment through building orientation, building layout, and landscaping and water arrangement.</p>	<p>Good natural lighting can enhance the degree of comfort. In strict accordance with the requirements of sunshine distance in the <i>Urban Residential Area Planning and Design Standards</i>, Yuexiu Property has improved the sunshine design in apartment configuration and reduced building energy consumption through building distance and apartment layout to achieve harmony between building and nature.</p>	<p>As compared with other building enclosure components, external glass doors and windows are least effective in heat preservation and insulation and are one of the main factors affecting the interior thermal environment and energy savings of a building. During architectural design, Yuexiu Property properly reduces the amount of sunshine by installing sun shades for external windows, concave windows and balconies, as well as by adopting vertical sun shading methods. This greatly reduces room temperature and energy consumption due to air conditioning.</p>	<p>Rainwater collection is an important measure to reduce water ponding and save water resources. By collecting rainwater on the roof and exterior of the building, Yuexiu Property achieves water recycling by making use of the collected rainwater for landscaping, afforestation and toilets.</p>	<p>Solar water heating systems can be installed in residential housings and public buildings with less floors. Due to the limited roof area, buildings with more floors generally cannot meet the space requirements for heat collectors. In order to achieve efficient use of solar energy and provide residents with convenient water-heating facilities, Yuexiu Property has established an equipment platform for each household for installation of equipment such as solar thermal collectors and hot water storage tanks.</p>	<p>Timely disposal of building waste is the basic requirement for maintaining a clean and tidy community. Yuexiu Property has formulated a waste disposal plan requesting construction companies to adopt central collection, simple classification and central transportation and timely disposal of construction waste. In order to prevent damage to the ecological environment due to casual dumping of building waste, waste that will be externally transported is disposed of by qualified transportation units.</p>



Case: Combination of green construction and Lingnan architecture

Lingnan Hillside Project is a residential project in Science City, Luogang, Guangzhou and won a Gold Prize for Excellent Residence Community in the China Civil Engineering Zhan Tianyou Awards in 2016. The project aims to reflect Lingnan culture and style in architectural design and landscape design and display the charm of green buildings and Lingnan's unique architectural culture.



Gold Prize for Excellent Residence Community in the China Civil Engineering Zhan Tianyou Awards in 2016

The technical highlights of the project are as follows

01

Planning and layout: Yuexiu Property adopted a point layout for 13 high-rise buildings, made full use of green technologies (sunshade, natural ventilation and natural lighting) and traditional Lingnan architecture, and combined design with computer simulation techniques, so as to better display the effect of green technologies.



03

Utilization of non-traditional water resources: Yuexiu Property adopted LID technologies such as rainwater collection and concave-down greenbelt and multiple penetration measures to improve rain water penetration, reduce flooding and reduce municipal rainwater drainage pressure.



02

Enclosure structures: Hollow glass is used to improve the quality of living space.



04

Lighting system: Efficient green building technologies such as light courts, light-guide tubes and LED light sources have been adopted.



Green Property Management

Yuexiu Property believes that green property management is not only the cornerstone of development of green construction but also an inevitable trend in property management. Therefore, Yuexiu Property has effectively reduced operational energy consumption in various properties and recycled waste through scientific management, technology guidance and transformation while ensuring service quality.

As a property management company practising green property management, to reduce carbon emissions and improve efficiency of use of electricity, Yuexiu Property gradually implements various energy saving measures :

saving about

96,000

KWH of electricity
every year



Reduce unnecessary lighting fixtures: Yuexiu Property Management (Zhejiang), turned off 50% unnecessary lighting fixtures within management scope, saving about 96,000 KWH of electricity every year.

saving about

63,072

KWH of electricity
every year



Control lighting time and centralized control of energy consumption: Yuexiu Property Management (Wuhan) has saved 28,032 KWH of electricity every year by installing time switches to control lighting fixtures; and 35,040 KWH of electricity every year by designating responsible persons to turn on the lighting fixtures in various lobbies and spaces at specified times. The above measures have saved a total of 63,072 KWH of electricity every year.

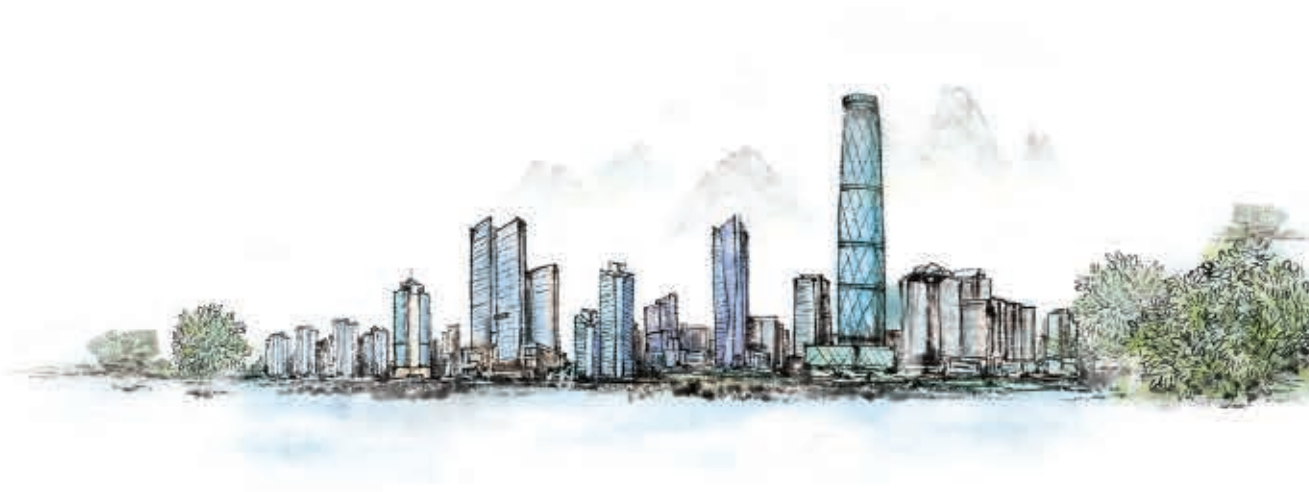
saving about

216

KWH
every year



Remove the elevators' automatic return function: Yuexiu Property Management (Shenyang) has reduced electricity consumption by 216 KWH every year.





Care for Employees

With its employees as the foundation of its development, Yuexiu Property is devoted to building core competitiveness with abundant and quality human resources, so as to promote corporate sustainable development. Therefore, Yuexiu Property has made great efforts to build an open, efficient and harmonious staff team so as to turn enthusiastic and energetic employees into an essential part of the Group' s successful transformation and sustainable development.



Total number of employees

6,550



The signing rate of collective contract was

100 %



Employment Policies and Labour Standards

According to the *Labour Law*, *Labor Contract Law* and other relevant laws issued by the state, Yuexiu Property has established a systematic, normalized and humanized human resources-related system and policies covering salary, job training, code of conduct, working time, performance evaluation, welfare, health and safety, diversity and anti-discrimination, child labour and forced labour, etc., in order to ensure ethical conduct, provide good conditions, a clear route and a broad platform for career development.



In 2016, the Group has not occurred any claim related to labor practice and human right.

Labour contract

To regulate the employment relationship with employees and protect employees' legitimate rights and interests according to the law, Yuexiu Property has signed a formal labour contract with all employees, so as to specify the rights and obligations of the corporation and employees and provide reliable legal proof and reference for employees in resolving labour disputes and safeguarding legal rights.

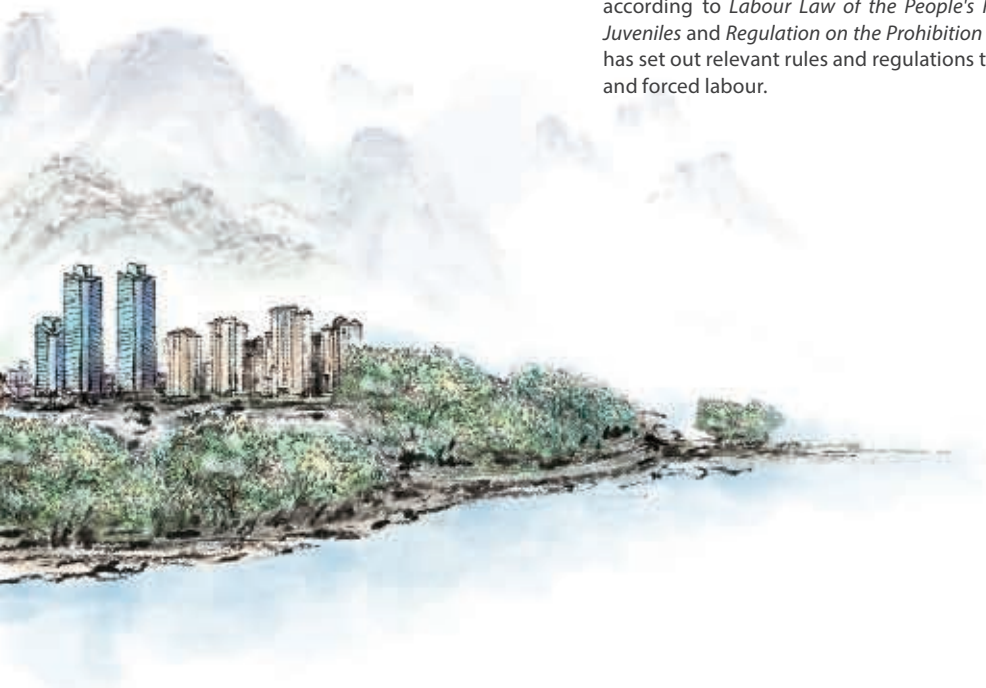
All the employees in mainland China have joined the labour union. The collective contract covers the content of collective bargaining agreement. The signing rate was 100%. Special regulations on labour protection for female employees are added in the contracts.

Salary and welfare system

Yuexiu Property has strictly implemented the government and the Group's salary and welfare policies. The Group provides competitive salaries and pays each month's salaries on a timely basis.

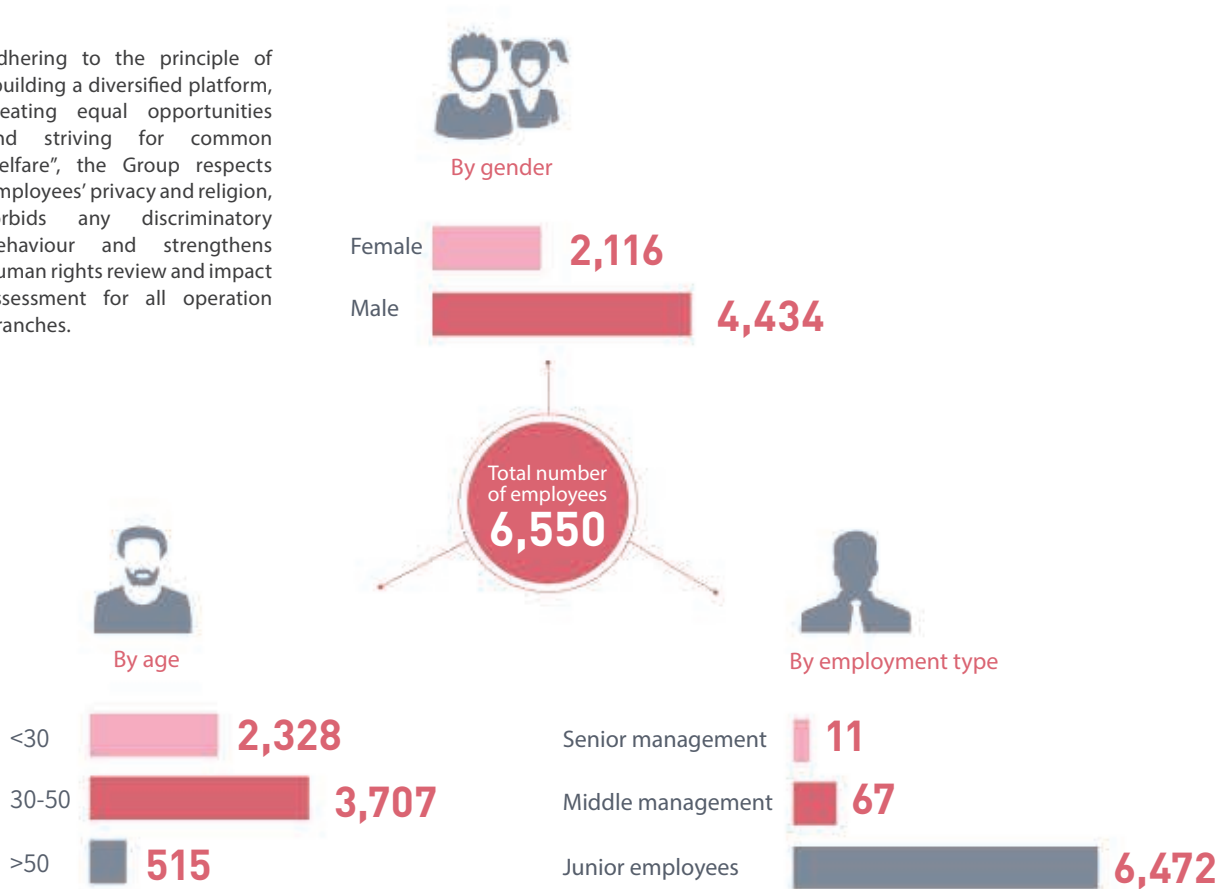
Prohibition of use of child and forced labour

To protect the employees' basic rights and prohibit the use of child and forced labour, according to *Labour Law of the People's Republic of China*, *The Law of the Protection of Juveniles* and *Regulation on the Prohibition of Employing Child Labour* etc, Yuexiu Property has set out relevant rules and regulations to prohibit use of child (under the age of sixteen) and forced labour.



Equality and Diversification

Adhering to the principle of “building a diversified platform, creating equal opportunities and striving for common welfare”, the Group respects employees’ privacy and religion, forbids any discriminatory behaviour and strengthens human rights review and impact assessment for all operation branches.

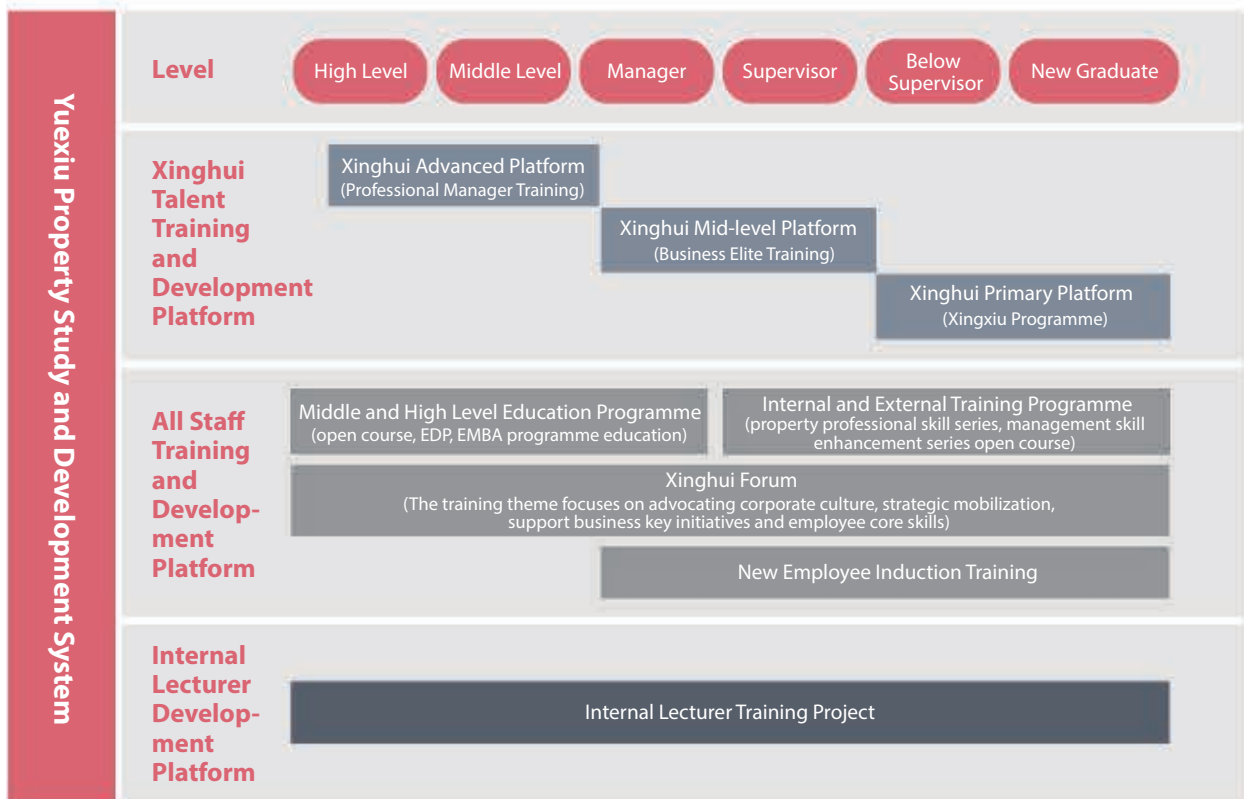


Talent Training and Development

Employee training is the primary means for Yuexiu Property to promote employee growth, implement talent strategies and achieve long-term development. Employees’ long-term development not only benefits from practice and experience in daily work but also hangs on the enterprise’s continuous and effective talent training.

Talent training system

Persisting in the “people-oriented” management concept, Yuexiu Property builds a multi-level, all rounded and three-dimensional talent team with the characteristics of Yuexiu Property to provide strong human resource support for sustainable development, and solid support for helping employees enhance their knowledge, master professional skills, improve career planning and provide better working environment and ample practice opportunity, to create a vibrant and proactive work atmosphere and establish a sound talent cultivation and use mechanism.





Total Training hours

211,228.5 hours

Average training hours for each employee in 2016:

32.25 hours

Training hours

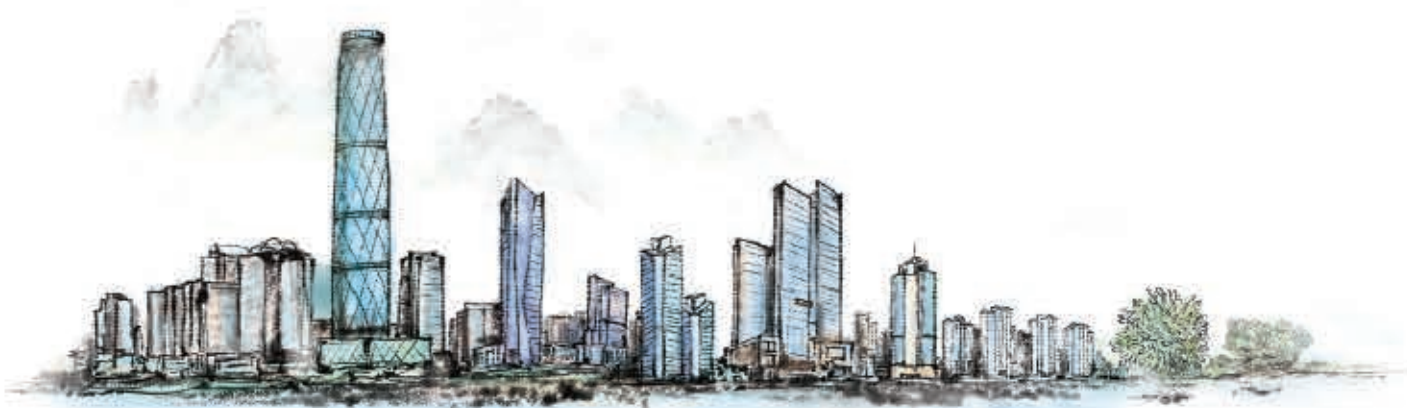
Management **7,607** hours

Non-management staff **203,621.5** hours

Career development

To improve the management staff members' continuous contribution to the corporate performance and input-output ratio of human capital, Yuexiu Property has established a professional manager system to help them improve their career plans, abilities and performance.

Practising "talent is the core capital of an enterprise", Yuexiu Property has established a career development plan that suits individual employees. The career plan covers fresh graduates, junior employees and employees at middle and senior levels. Meanwhile, the Group has comprehensively built an employee development system through internal open competition for posts, reserve talent training projects, talent review, engagement survey, the Xinghui talent development platform and so on.



Health and Safety

Safety management

● Production safety

To ensure the safety of the Group's employees, Yuexiu Property adheres to the management policy of "safety first, prevention first and comprehensive treatment", and has formulated the detailed management rules and sound management procedures for production safety in strict accordance with the *Production Safety Law of the People's Republic of China* and other relevant national and local laws and regulations.



Management structure of production safety

Yuexiu Property has set up a Production Safety Committee to supervise production safety and ensure that responsibilities are assumed. The structure of the responsible persons of the Group is as follows:



principal person in charge, responsible for daily operation and management in an all-round way



principal persons in charge above the deputy level, responsible for the Group's production safety work



deputy leaders of the Group, principal persons in charge of relevant functional departments of the Headquarters and the first persons in charge of production safety of subsidiaries



To effectively control production risks and protect the employees' health and the safety of the Group's property, Yuexiu Property strives to build a production management system covering prevention, protection and accountability.

Relevant regulations, documents and contents

Production Safety Responsibility Regulations

Through clear allocation of responsibility, the Group has applied the safety principle to every aspect of production and operation so that rules can be followed and who is responsible must be investigated.

Occupational Health Management

The Group not only requires employees to acquire and understand relevant occupational health knowledge before taking up posts but also provides them with necessary protective equipment to prevent the occurrence of occupational diseases and protect their health and safety. In addition, the Group has established and maintained an occupational health record for employees and would change the position based on their health needs.

Production Safety Responsibility and Security Deposit Regulations

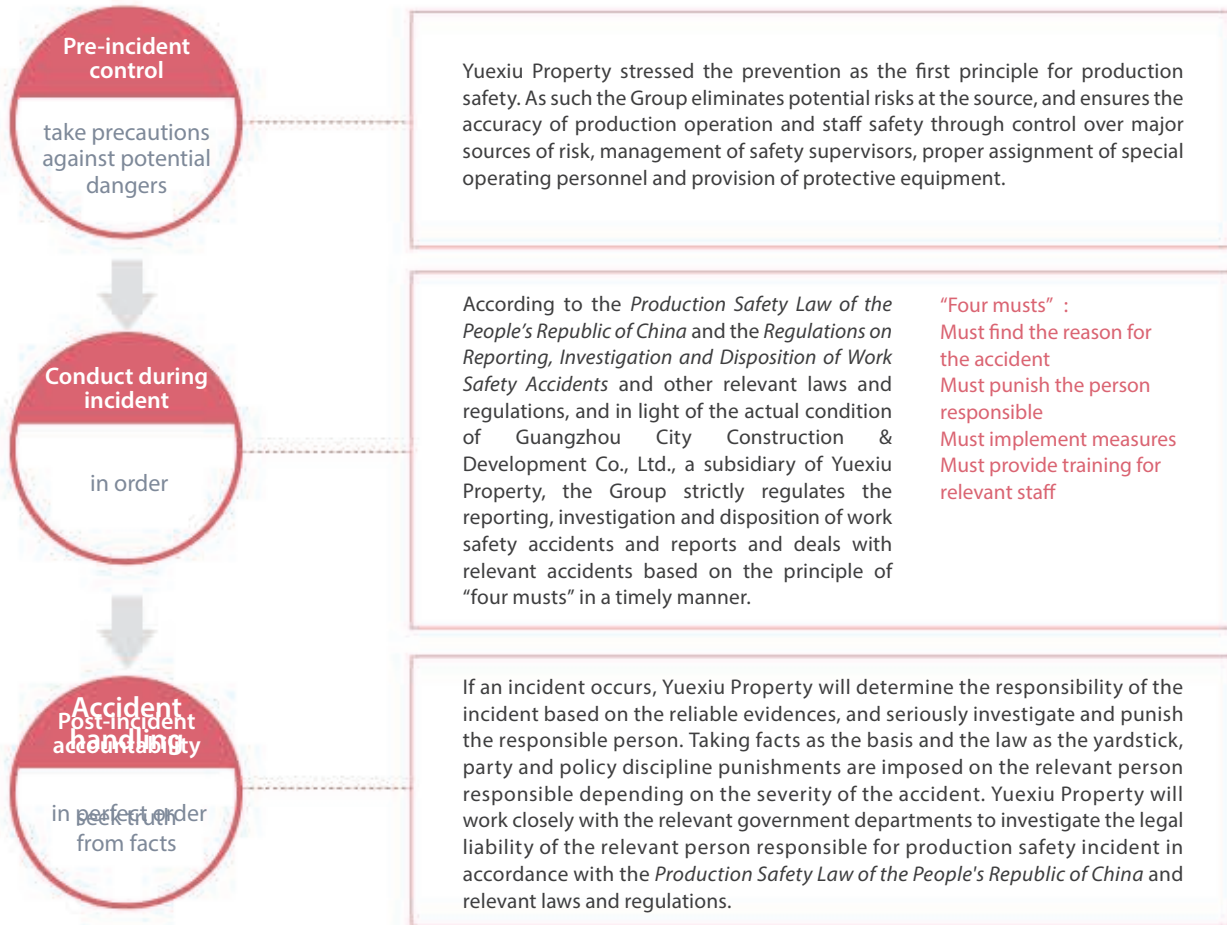
The first persons in charge of production safety and direct persons in charge of production safety paid the responsibility security deposit on a regular basis, the amount of which is linked to their annual bonus. This can achieve synergistic effect of performance growth and risk management.

Production Safety Evaluation and Reward & Punishment Regulations

The Group awards bonuses to work safety advanced units and individuals after the year-end work safety appraisal for them to play a benchmark role in increasing its overall work safety level. The Group also punishes any individuals and units that have breached work safety regulations and caused negative consequences in accordance with the regulations, to ensure that work safety meets the requirements.



Work safety management procedure



Security

In respect of security, the Group has formulated the *Rules for the Implementation of Security Work* to maintain the law and order, prevent crimes and all kinds of public security accidents, protect state safety and collective property and employee personal safety, and ensure the smooth implementation of the Group's administrative work.

Production safety management and security management by Yuexiu Property have ensured the personal life and property safety of its employees and provide them a comfortable and safe working environment.

Safety training

Safety training is the key to production safety. To enhance the employees' safety awareness, Yuexiu Property has established a sound safety training management system, requiring each new joiner to the Group to receive safety training. After completing the basic safety management training session, a new joiner needs to complete the *Test Paper on Basic Production Safety Knowledge for Employees* and pass the test before they can start their new positions to ensure that every employee is aware of the importance of work safety.

In addition, Yuexiu Property formulated a strict meetings mechanism for work safety, including annual meetings, semi-annual meetings, regular meetings and emergency meetings or special meetings held in special circumstances in relation to production safety. At the meetings, various requirements concerning work safety are issued, problems found in production are analysed and measures for improving the conditions of production are discussed to ensure the safety of employees and property of the Group.

Providing safety management basic knowledge training for new staff

New staff needs to complete the Safety Production Basic Knowledge Test Paper for employees

Taking up new positions after passing the test





Win-Win Cooperation

Taking social responsibility as one of its core values, Yuexiu Property actively pays attention to the appeals of stakeholders in the process of managing suppliers with timely communication and proper responses and formulates corresponding measures.



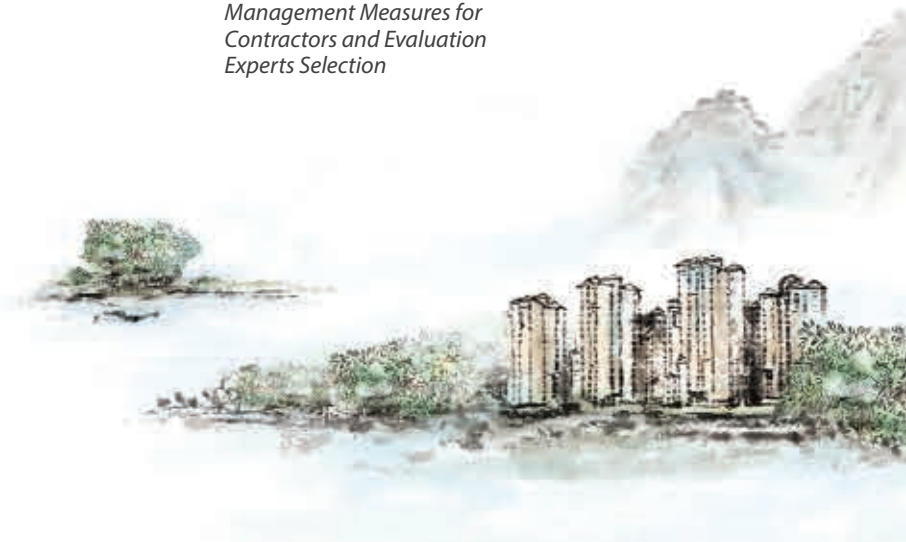
Yuexiu Property established a supplier resource library

Yuexiu Property formulated the following documents:

Management Rules of Bidding Invitation Leading Team Meetings

Management Guidelines of Bidding Evaluation Experts for Construction Project

Management Measures for Contractors and Evaluation Experts Selection

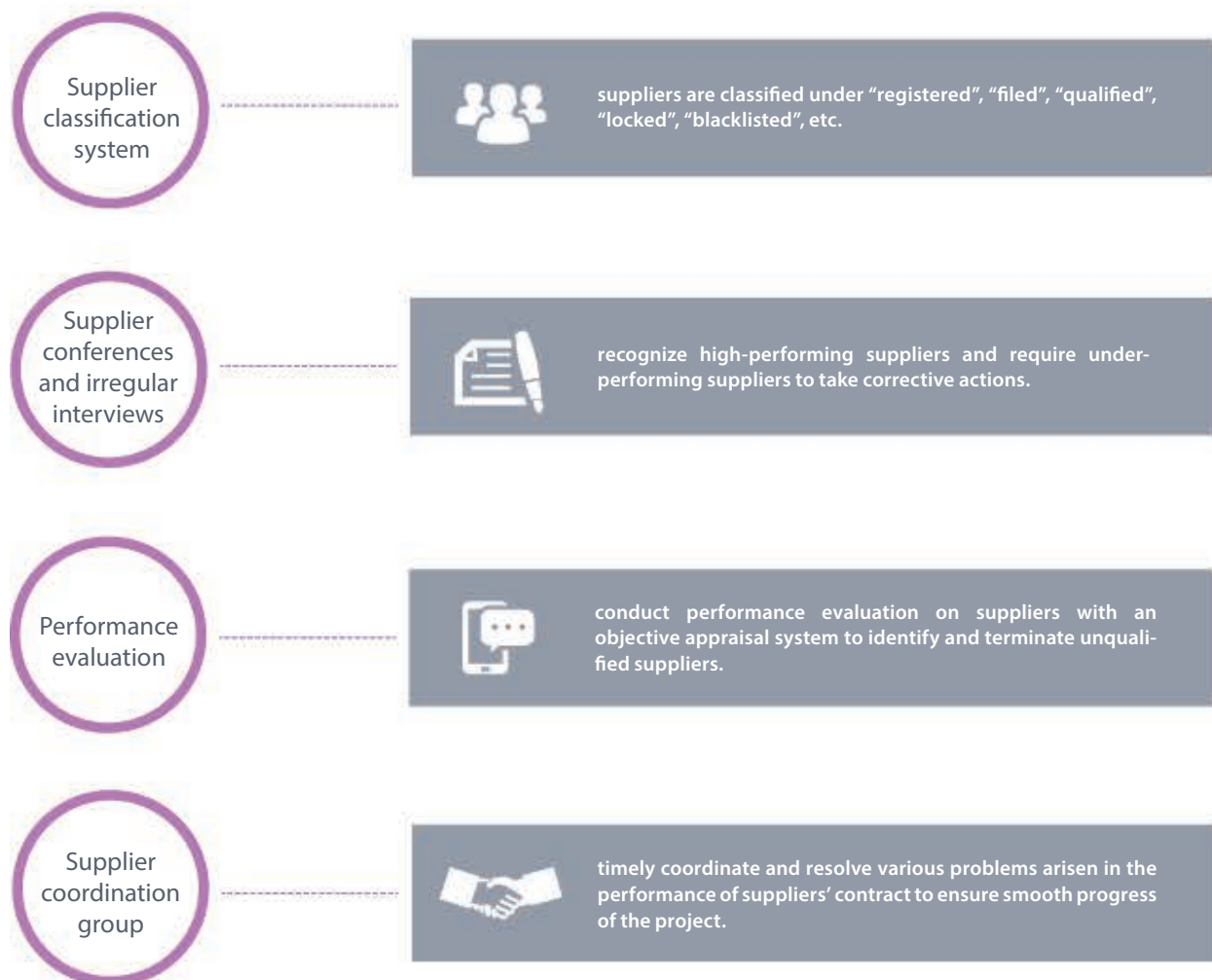


Suppliers

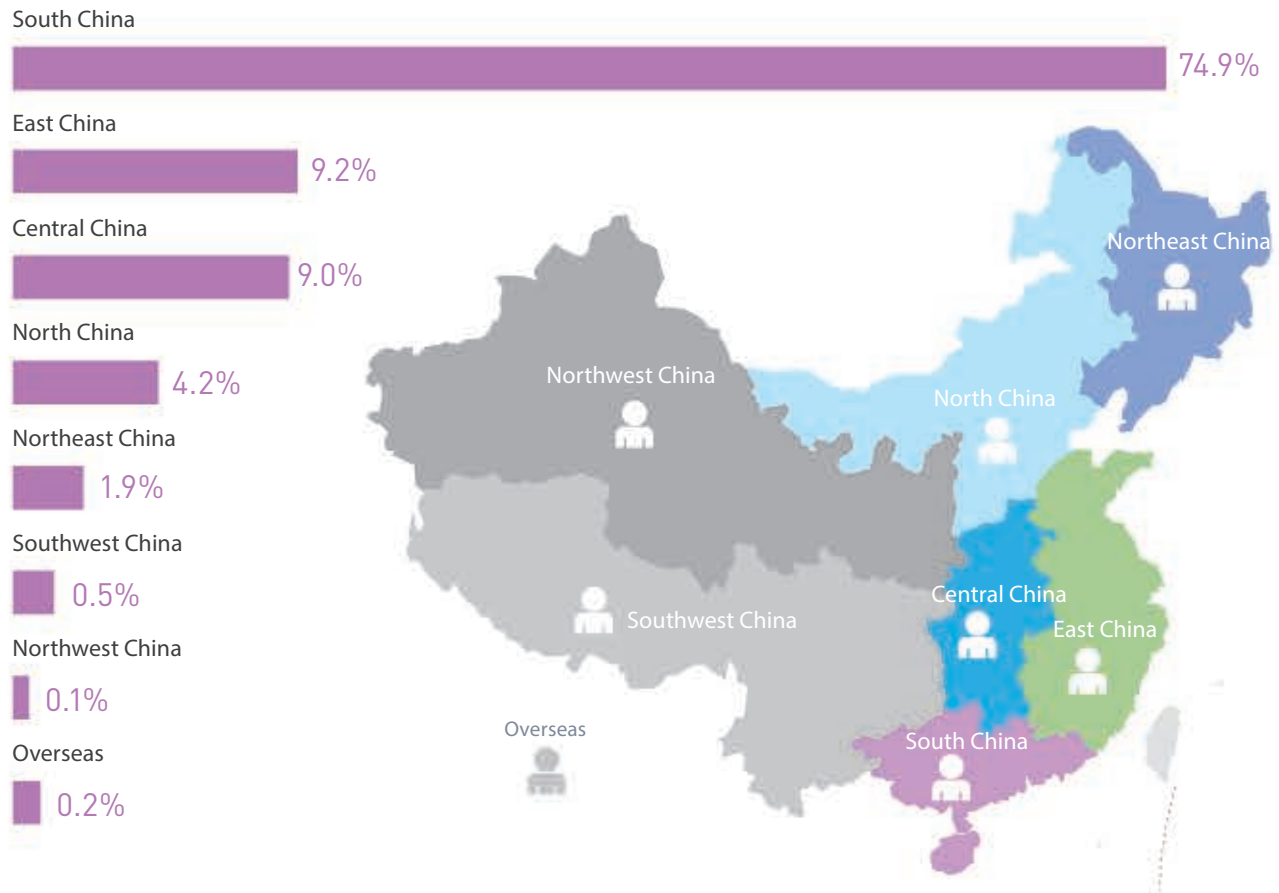
Since suppliers are critical to its design, manufacturing, quality and service, Yuexiu Property values and hopes to maintain a long-term cooperative and sustainable relationship with suppliers.

Supplier management

To better improve supply chain management, control potential risks of supply chain, Yuexiu Property has established a supplier resource database, enhanced suppliers screening and specified the procedures and requirements for supplier filing and verification. Yuexiu Property classifies suppliers by region and category, and specifies the requirements for routine maintenance and update. The Group regularly assess or irregularly interview suppliers to obtain data for rewarding well-performers and identifying unqualified suppliers.



Regional distribution of suppliers



Responsibility management of bidding and procurement process

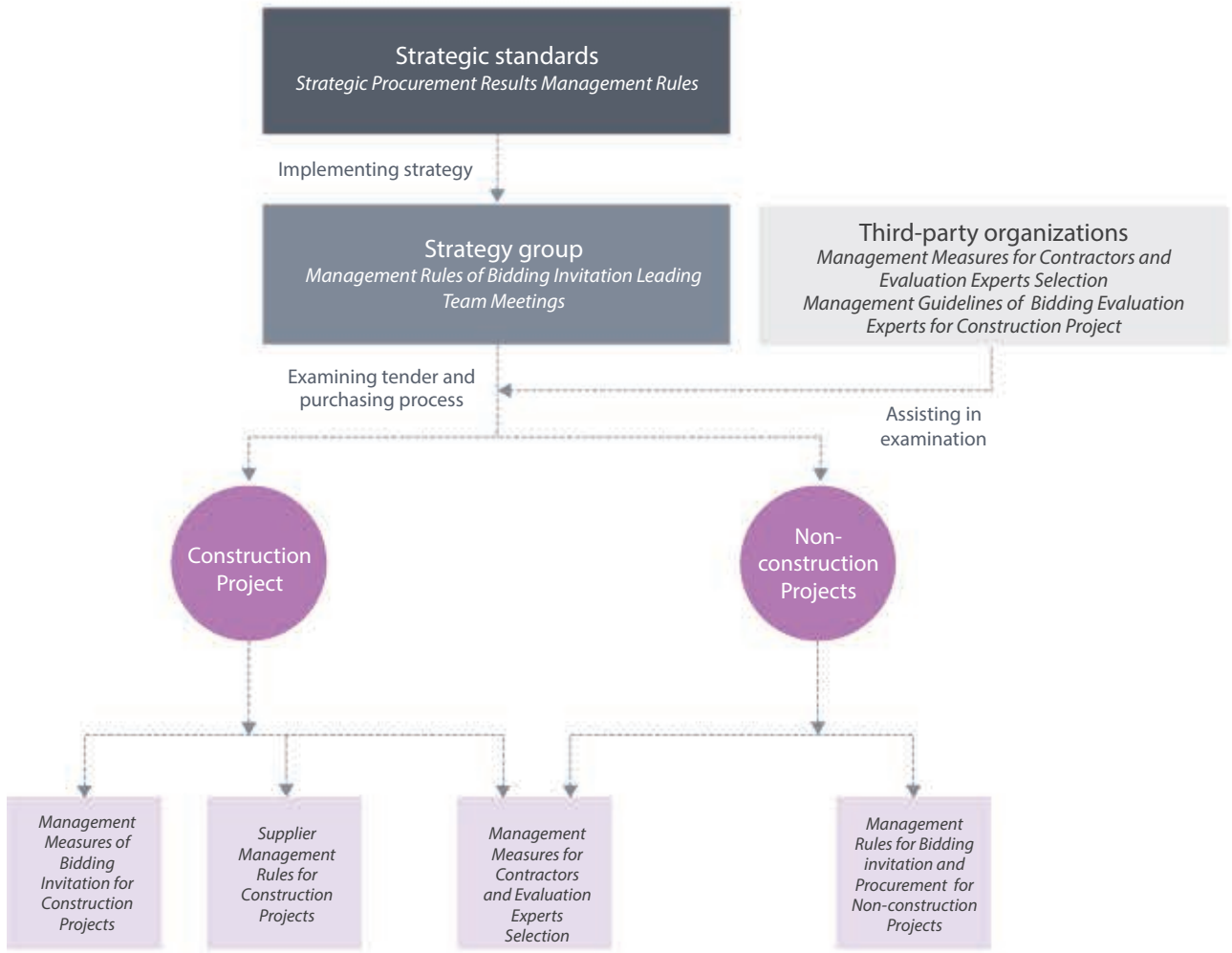
Yuexiu Property, through conducting supply chain responsibility evaluation and implementing a responsible procurement system, incorporates the concepts of social responsibility and sustainability into procurement. The Group regards social responsibility as a major criterion of supplier selection and undertakes not to take "low price" as the sole standard. Yuexiu Property undertakes social responsibilities with its suppliers jointly to build a sustainable industry chain.

To this end, Yuexiu Property has designed a set of systematic and streamlined measures for bidding and procurement management. First of all, the Group formulated *the Strategic Procurement Results Management Rules* to manage various construction, material and service strategic results and resources during project development and regulated the procedure for the use of strategic procurement results.

To implement our strategic standards, solve major problems promptly, and increase the efficiency of tender invitation and project progress, Yuexiu Property has formulated the *Management Rules for Bidding Leading Group Meetings* to specify labour division and authority among members of the bidding leading

group. In addition, to facilitate the leading group in conducting reviews on suppliers and contractors and regulate the management requirements and relevant procedures for contractors to participate in tender invitation, Yuexiu Property has established a bid evaluation expert pool. Yuexiu Property also formulated the *Management Guidelines for Bid Evaluation Expert Pool in Construction Projects and Management Measures for Contractors and Bid Evaluation Experts Selection* to regulate the relevant procedures and requirement for the management of the bid evaluation expert resource database, specify the relevant requirements for bid evaluation activities conducted by bid evaluation experts and ensure the fairness of the bid evaluation process and the scientificity of the bid evaluation result.

Yuexiu Property adopts two management measures for managing the bidding and procurement procedures in respect of construction projects and non-construction projects. For non-construction project bidding and procurement, the Group have formulated and implemented the *Management Measures for Contractors and Evaluation Experts Selection* and *the Management Rules of Tender Invitation for Non-construction Projects*, specifying tender invitation and procurement, management hierarchy setup, division of labour, management and control approach, etc. in this process. For construction project bidding and procurement, Yuexiu Property have formulated and implemented the *Management Measures of Tender Invitation and Procurement for Construction Projects*, *Management Measures for Contractors and Bid Evaluation Experts Selection* and *Management Rules for Suppliers of Construction Projects*.





Document name	Purpose
<i>Strategic Procurement Results Management Rules</i>	<ul style="list-style-type: none"> To enhance the management of various construction, material and service strategic result resources during the Group' s project development To regulate the use of strategic procurement results.
<i>Management Rules for Bidding Leading Group Meetings</i>	<ul style="list-style-type: none"> To regulate the meeting methods and decision-making procedures of the Group' s bidding leading group.
<i>Management Measures for Tender Invitation for Construction Projects</i>	<ul style="list-style-type: none"> To specify the management hierarchy setup and labour division for tender invitation and procurement To specify the management and control approach and basic work requirements of procurement and tender invitation.
<i>Supplier Management Rules for Construction Projects</i>	<ul style="list-style-type: none"> To establish a supplier resource database, enhance suppliers screening, and specify the relevant procedure and specific requirements for suppliers filing and verification; To manage suppliers in the database by region and category and specify the requirements for routine maintenance and updating. To evaluate the service quality of suppliers and provide data for rewarding high-performing suppliers and removing unqualified suppliers. To prevent and control the potential risks brought by suppliers and ensure the quality of products and services provided by them.
<i>Management Rules for Tender Invitation and Procurement for Non-construction Projects</i>	<ul style="list-style-type: none"> To regulate tender invitation and procurement for non-construction projects of the Group, its subsidiaries and entrusted partnership companies and properly define the authority and responsibility for various issues.
<i>Management Measures for Contractors and Bid Evaluation Experts Selection</i>	<ul style="list-style-type: none"> To regulate the management requirement and relevant procedure for selecting contractors to participate in tender invitation; To regulate the procedure for selecting bid evaluation experts.
<i>Management Guidelines for Bid Evaluation Experts for Construction Projects and Bid Expert Library</i>	<ul style="list-style-type: none"> To regulate the relevant procedure and requirement for the management of the bid evaluation expert resource database; To specify the relevant requirements for bid evaluation activities conducted by bid evaluation experts.

In order to verify the fulfilment of social responsibilities by suppliers and ensure the validity and authenticity of their qualification, Yuexiu Property has conducted onsite inspections to check whether suppliers have fulfilled their duties of protecting the environment and fulfilling social responsibility. At the tender invitation and procurement stage, Yuexiu Property imposes the green building construction requirement in the relevant specialized construction contracts which require construction units to conduct green construction in accordance with the relevant standards.



Joint Development of Communities

Yuexiu Property actively carries out various public welfare activities, cares for vulnerable groups in the society, makes contribution to the society and builds a better community.



Yuexiu Property invests a total of

RMB **1.44** million in Chimi Village, Xiniu Township in 2016



Carry out Targeted Poverty Alleviation in Response to the Call of the Government

Achievement of targeted poverty alleviation

Believing that “It is better to teach a man how to fish than to feed him for a day”, Yuexiu Property has been focusing on implementing its corporate social responsibility by actively conducting poverty alleviation activities to help the poor. Since 2010, Yuexiu Property has conducted several rounds of poverty alleviation activities in Niuliujia Village and Pozai Village of Maoming City, Hengkeng Village of Conghua District and Wushan Village of Fengshun County, Meizhou City of Guangdong Province. In 2016 the targeted poverty alleviation work in Chimi Village, Yingde City was officially launched and added new highlights on the basis of past work, including the trial planting of whole plant high-yield silage corn and the development of the photovoltaic power generation project, with more emphasis put on the transformation from the function of “blood transfusion” to the function of “hematopoiesis”.

Yuexiu Property invested a total of RMB1.44 million in Chimi Village, Xiniu Township in 2016. By establishing a strict management system and setting up a poverty alleviation group, the Group alleviated the poverty of disabled farmers with a poverty relief rate of 66%.

Targeted poverty alleviation strategies

The above achievements were mainly attributed to Yuexiu Property's efforts in improving people's livelihoods, supporting industrial development and promoting public utilities, as detailed below:

Improve people's livelihoods

Propagate poverty alleviation policies and establish database of poor households. By means of billboards, banners, brochures and on-site consultation, Yuexiu Property actively strengthens poverty alleviation education for villagers so as to gain a clear understanding of the targets, conditions and procedures of the poverty alleviation policy. A total of 2,150 villagers, representing 42% of the total population of the village, were educated, which greatly increased their well-being and initiative to alleviate from poverty. On that basis, Yuexiu Property, according to the requirements of the poverty alleviation document, investigated and studied the poverty level of villagers and selected 105 poor households through a fair and reasonable procedure. We had put these households on record and recorded relevant information.

Identify poor households with low protection and protect their medical care rights. During the reporting year, Yuexiu Property paid visits to 35 poor families to gain a detailed understanding of their basic conditions and combined targeted poverty alleviation with livelihood protection. With the Group's help, those households eligible for enjoying the “five guarantees” were fully reimbursed and those who had fallen into poverty due to diseases have bought new rural cooperative medical insurance. Thanks to the above efforts, treatment for poor families with serious illnesses was guaranteed, their debt burdens were relieved and the overall living conditions of villagers in Chimi Village were greatly improved.



Yuexiu Property paid visits

to **35** poverty families

Support development



Organize technical training programs to increase agricultural productivity

To put poverty alleviation into practice and increase villagers' labour productivity, Yuexiu Property set up the "Targeted Poverty Alleviation with Science Popularization" agricultural technology training program and invited Cao Jian, a researcher from the Vegetable Research Institute of the Guangdong Academy of Agricultural Science to provide technical training to villagers on the animal husbandry industry, the distinctive forestry and fruit industry and cash crops planting so as to achieve the objective of "training based on needs; replenishment based on shortage".



Innovate the agricultural development path through the trial planting of whole plant high-yield silage corn

Yuexiu Property promoted the trial planting of whole plant high-yield silage corn in Chimi Village and provided financial and technical support. During the reporting year, 1 mu of silage corn planted by the villagers recorded a yield of 3 tonnes (2,980 kg). By cooperating with Huamei Dairy Farm of Guangzhou Fengxing Milk Group, farmers directly sold farm products to the dairy farm, establishing a stable sales channel and creating jobs for local villagers. We will proceed with the trial planting of 3 more mu of high-yield corn next year to continue to carry forward the high-yield corn poverty alleviation industry to generate long-term returns for local farmers.



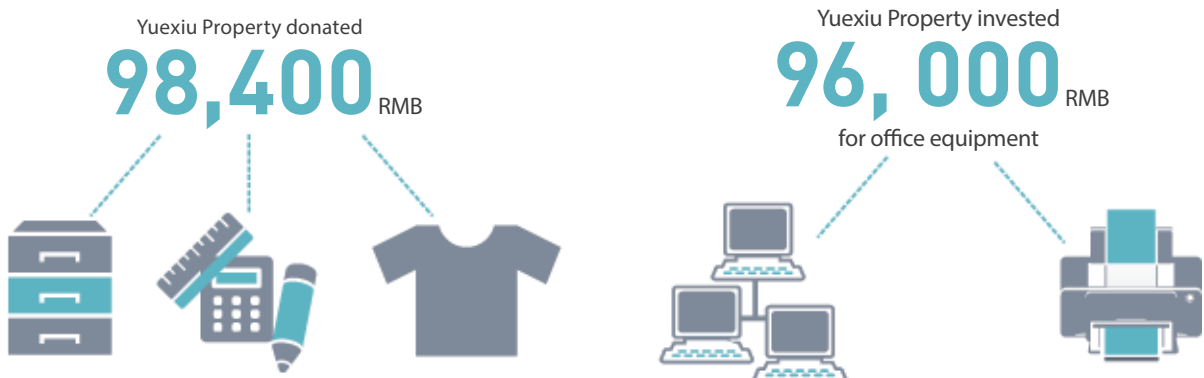
Develop photovoltaic power generation projects and create a new asset income and revenue model

In November 2016, Yuexiu Property utilized the relief fund to install 32 KW photovoltaic power generation equipment on the roofs of the Chimi Village Committee office and Chimi Primary School. After completion, it is estimated that 48,000 kwh of electricity would be generated, which brings about RMB 47, 000 of income for villagers. Every household in poverty is estimated to receive about RMB1, 300 of income every year. As photovoltaic projects have currently become clean energy projects encouraged by the government, the photovoltaic power generation project in Chimi Village was also supported by various government authorities. This will create a new model for Chimi Village to alleviate poverty, thereby injecting new vitality into village development.

Promote public utilities

Care for education, increase donation in education and improve the office environment of the village committee

Yuexiu Property, adhering to the principle of "poverty reduction by enhancing the knowledge of the impoverished", made several donations to Chimi Primary School and the village committee including learning tools, office supplies and clothing, amounting to RMB 98,400. Yuexiu Property contributed RMB96, 000 for the purchase of printers, computers and other office equipment to improve the office environment of the village committee, which improved the working efficiency of the committee and enable it to better serve the local villagers.



In 2017, Yuexiu Property will continue to focus on targeted poverty alleviation projects and explore a long-term mechanism for poverty alleviation, e.g., developing pollution-free vegetable planting and rice planting, continuing to conduct high-yield silage corn trial planting, and carrying out poverty alleviation projects for improving the living environment. Yuexiu Property hopes to win the tough battle of targeted poverty alleviation and truly achieves the vision of building a prosperous society in Chimi Village.

Green Public Welfare



Case: "Walking for health" - hiking activity starting from Xinxin Financial Centre in Jianghan District

The "walking for health" - hiking activity starting from Xinxin Financial Centre in Jianghan District was held in Jianghan District, Wuhan, Hubei, on 26 March 2016, which was hosted by Wuhan Financial Street Administrative Committee, Finance Office of Jianghan District and Xinhua Street Office and sponsored by Yuexiu Property (Wuhan). The participants included leaders at all levels from Jianghan District and senior management from nearly 100 large-scaled enterprises on the Han Kou Financial Street in Jianghan District, including over 500 employees from 50 banks and financial institutions. Each participant who completed the 10KM hike around the lake received a haloxylon ammondendron donated by SEE Hubei Project Centre. An adult haloxylon ammondendron can improve 10 m² desert. A total of 526 haloxylon ammondendrons were donated, which contributed to the improvement of the urban environment.

"Yuexiu Property, which has operated in Wuhan for 5 years and has not forgotten its corporate responsibility as a city operator, has been actively involved in urban and public welfare activities and will do better in the future."

— Mr.Xu, a representative of Yuexiu Property (Wuhan) – the sponsor of the activity



Case: The greener the environment, the healthier one's body, "Green Run" activity held by Yuexiu Starry Winking

On 18 June 2016, the public welfare activity "Green Run" organized by Yuexiu Starry Winking was successfully held in Wulihe Park, Shenyang, Liaoning, involving nearly 3,000 participants. In the activity, Yuexiu Property conducted recycling activities by paying RMB 1 for each bottle recycled and also made donations according to the participants' running distance. A total donation of RMB5,000 was collected with the running power of each participant. The green run public welfare activity was full of positive energy and allowed participants to achieve the good vision of expressing their dedication to the public good.

A total donation of

RMB **5,000** was collected



Charity



Case: "Send Love Back Home" - providing free-of-charge busride to help migrant workers return home

In Chinese New Year of 2016, Yuexiu Property, in conjunction with Yuexiu Group Public Welfare Foundation, China State Construction Engineering Corporation and Guangdong Public Service Channel, launched the program for migrant workers that provided free buses and air tickets for them to return home. Yuexiu Property donated a total of 60 plane tickets and 10 bus rides in Guangzhou, Foshan, Zhongshan and Dongguan for over 500 migrant workers who could not get tickets due to the peak season.

over

500 migrant workers benefited from the event



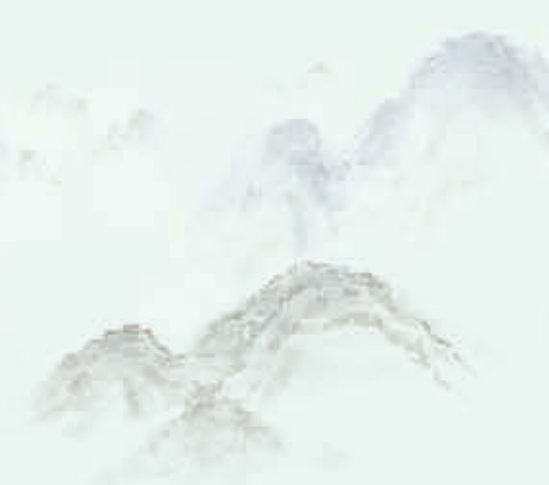
Case: "Pass on great love with small force" activity - making underprivileged children's dream of going to school come true

On 20 March 2016, Yuexiu Property (Shenyang) held the "pass on great love with small force" activity - making underprivileged children's dream of going to school come true at the property sales centre of Shenyang Starry Winking. All donated materials and money were given to children from Ciensi Village Central Primary School in Faku County to help them go to school.



Case: Charity sale of gifts for year of Monkey in flower market

During 5-7 February 2016, Yuexiu Property held a public welfare charity sale activity in the flower market in Haizhu District, Guangzhou. During the activity, the Group sold gifts celebrating the year of Monkey for charity, and also set up a charity box at the site. All the proceeds were donated to the Sun-kid Youth Charity Foundation.



Appendix

Index of Environmental, Social and Governance Reporting Guide of HKEX

General Disclosure	Disclosure Section	Disclosure Requirement
Environment		
Aspect A1: Emission		
General disclosure	Green Development	Comply or explain
Aspect A2: Use of resources		
General disclosure	Green Development	Comply or explain
Aspect A3: Environment and natural resources		
General disclosure	Green Development	Comply or explain
Society		
Employment and labour practices		
Aspect B1: Employment		
General disclosure	Care for Employees	Comply or explain
Aspect B2: Health and safety		
General disclosure	Care for Employees	Comply or explain
Aspect B3: Development and training		
General disclosure	Care for Employees	Comply or explain
Aspect B4: Labour standards		
General disclosure	Care for Employees	Comply or explain

General Disclosure	Disclosure Section	Disclosure Requirement
Operating practices		
Aspect B5: Supply chain management		
General disclosure	Win-Win Cooperation	Comply or explain
Aspect B6: Product responsibility		
General disclosure	Quality Products and Services	Comply or explain
Aspect B7: Anti-corruption		
General disclosure	Responsibility Governance	Comply or explain
Community		
Aspect B8: Community investment		
General disclosure	Joint Development of Communities	Comply or explain

GRI G4 Content Index - Core option

GRI G4 indicators	Details	Disclosure Section	Notes
General standard disclosures			
Strategy and analysis			
G4-1	Statement from Sustainability Steering Committee	Management Message	
Organisational profile			
G4-3	Name of the organization	Company Profile	
G4-4	Primary brands, products and services	Company Profile	
G4-5	Location of the organisation's headquarters	Company Profile	Guangzhou
G4-6	The country where the organisation operates	Company Profile	Mainland, China
G4-7	Nature of ownership	Company Profile	Listed on SEHK
G4-8	Markets served	Company Profile	
G4-9	Scale of the organisation	Company Profile	Details of the financial breakdown are set out in the 2015/16 Annual Reports
G4-10	Employee data	Care for Employees	Seasonal and part-time jobs did not cause significant changes in the total number of employees
G4-11	Collective bargaining agreement	Care for Employees	All mainland employees have joined the labour union
G4-12	Description about supply chain	Win-Win Cooperation	No significant change
G4-13	Significant changes in the size, structure, ownership or supply chain of the organisation	N/A	
G4-14	How the precautionary approach or principle is addressed by the organisation	Responsibility Governance, Quality Products and Services	
G4-15	Endorsed charters	Responsibility Governance, Quality Products and Services	Member of Guangdong Real Estate Association
G4-16	External memberships	Responsibility Governance	
Identified material aspects and boundary			
G4-17	Entities included in the financial statements; mention of entities that are not covered by this Report	About the Report	
G4-18	Process for assessing the importance of different aspects	Responsibility Governance	
G4-19	List of important aspects	Responsibility Governance	

GRI G4 indicators	Details	Disclosure Section	Notes
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	N/A	
G4-23	Significant changes in the scope and boundary	About the Report	No significant change in the boundary
Communication with stakeholders			
G4-24	Stakeholders contacted by the organisation	Responsibility Governance	
G4-25	Basis for identification and selection of stakeholders	Responsibility Governance	The basis for identification of stakeholders is their recognition of the specific major issues and businesses described in the Report
G4-26	The way and frequency of communication with stakeholders	Responsibility Governance	
G4-27	Key issues and concerns that have been raised by stakeholders, and how the organization has responded to those key issues and concerns	Responsibility Governance	
Report profile			
G4-28	Reporting period	About the Report	
G4-29	Date of the last report	N/A	Please refer to the 2015 social responsibility report of Yueshiu Property
G4-30	Reporting cycle	About the Report	
G4-31	Contact information	About the Report	
G4-32	In-accordance CRI options	About the Report	Core option
G4-33	External certification	N/A	
Governance			
G4-34	Governance structure	Responsibility Governance	
Ethics and integrity			
G4-56	Description of the organization's values, principles, standards and norms of behaviour	Company Profile	For details, please visit our website: http://www.yuexiu-property.com/gwym/ppln/

GRI G4 indicators	Details	Disclosure Section	Notes
Specific standard disclosures			
Economic performance			
Disclosure of management approach		Company Profile	
G4-EC1	Direct economic value generated and distributed by the organization	Company Profile	
Indirect economic impacts			
Disclosure of management approach		Win-Win Cooperation, Joint Development of Communities	
G4-EC7	Carrying out infrastructure investments and supporting services and its impact	Win-Win Cooperation, Joint Development of Communities	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Win-Win Cooperation, Joint Development of Communities	
Purchasing practice			
Disclosure of management approach		Win-Win Cooperation	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Win-Win Cooperation	
Energy and greenhouse gas emissions			
Disclosure of management approach		Green Development	
G4-EN3	Energy consumption within the organisation	Green Development	
G4-EN5	Energy intensity	Green Development	
G4-EN6	Reduction of energy consumption	Green Development	
G4-EN15	Direct greenhouse gas (GHG) emission (Scope 1)	Green Development	
G4-EN16	Energy indirect GHG emissions (Scope 2)	Green Development	
G4-EN18	Density greenhouse gas emissions	Green Development	
Water			
Disclosure of management approach		Green Development	
G4-EN8	Total water withdrawal by source	Green Development	Within the scope of the Report, municipal water supply was the only source of water
Waste			
Disclosure of management approach		Green Development	
G4-EN23	Total weight of waste by type and disposal method	Green Development	

GRI G4 indicators	Details	Disclosure Section	Notes
Products and services			
Disclosure of management approach		Green Development	
G4-EN27	Extent of mitigation of environmental impacts of products and services	Green Development	
Employment			
Disclosure of management approach		Care for Employees	
G4-LA1	Total number and percentage of new employees and leavers by age group, gender and geographical region	Care for Employees	
G4-LA2	Benefits provided to full-time employees but not provided to temporary or part-time employees, by significant locations of operation	Care for Employees	
Employee diversity			
Disclosure of management approach		Care for Employees	
G4-LA12	Composition of corporate governance organisation members and various types of employees by gender, age group, minority group and other diversity indicators	Care for Employees	
Labour issue complaint mechanism			
Disclosure of management approach		Care for Employees	
G4-LA16	Number of labour issue complaints submitted, processed and solved through the formal complaint mechanism	Care for Employees	Within the scope of the Report, the Group did not have any complaints relating to labour practice and human right
Child labour			
Disclosure of management approach		Care for Employees	
G4-HR5	Identified locations of operation and suppliers with significant risks of using child labour, and measures that help effectively stop the use of child labour	Care for Employees	Within the scope of the Report, the Group did not have any cases of the use of child labour
Forced and compulsory labour			
Disclosure of management approach		Care for Employees	
G4-HR6	Identified locations of operation and suppliers with significant risks of forced or compulsory labour, and measures that help effectively eliminate all forms of forced or compulsory labour	Care for Employees	Within the scope of the Report, the Group did not have any cases of forced or compulsory labour

GRI G4 indicators	Details	Disclosure Section	Notes
Occupational health and safety			
Disclosure of management approach		Care for Employees	
Training and education			
Disclosure of management approach		Care for Employees	
G4-LA9	Average hours of training received per year per employee by gender, and employee category	Care for Employees	
G4-LA10	Programs for skills management and lifelong learning that enhance the continued employability of employees and assist them in managing career endings	Care for Employees	
Anti-corruption			
Disclosure of management approach		Responsibility Governance	
G4-SO4	Communication and training on anti-corruption policies and procedures	Responsibility Governance	
Customer satisfaction and responsibility			
Disclosure of management approach		Quality Products and Services	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	N/A	There were no related violations during the reporting period
G4-PR5	Results of surveys measuring customer satisfaction	Quality Products and Services	
G4-PR6	Sale of banned or disputed products	N/A	The Group did not sell any banned or disputed products
Customer privacy			
Disclosure of management approach		Quality Products and Services	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy or losses of customer data	N/A	During the reporting period, the Group had no complaints regarding breaches of customer privacy or losses of customer data

Feedback

Dear reader:

Thank you for reading this report! This is the 2016 Environmental, Social and Governance (ESG) Report issued by Yuexiu Property. We do wish you can make a comment on this report and present your valuable advice to help us make continuous improvements to the report.

For any comments or suggestions on the environmental, social and governance performance of the Group, please email ir@yuexiu.com.hk.

Feedback on 2016 Environmental, Social and Governance Report of Yuexiu Property Company Limited

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Your comment: (Please tick as appropriate)

	Very good	Fairly good	General	Fairly poor	Very poor
Do you think this report highlights the important information of the Group in respect of the environment, society and governance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the information and indicators disclosed in this report are clear, accurate and complete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Which part are you most interested in?

What other information that you need to know about is not reflected in this report?

What advice do you have for our future release of environmental, social and governance reports?



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