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GUANGZHOU YUEXIU HOLDINGS LIMITED
 SUSTAINABILITY REPORT 2019

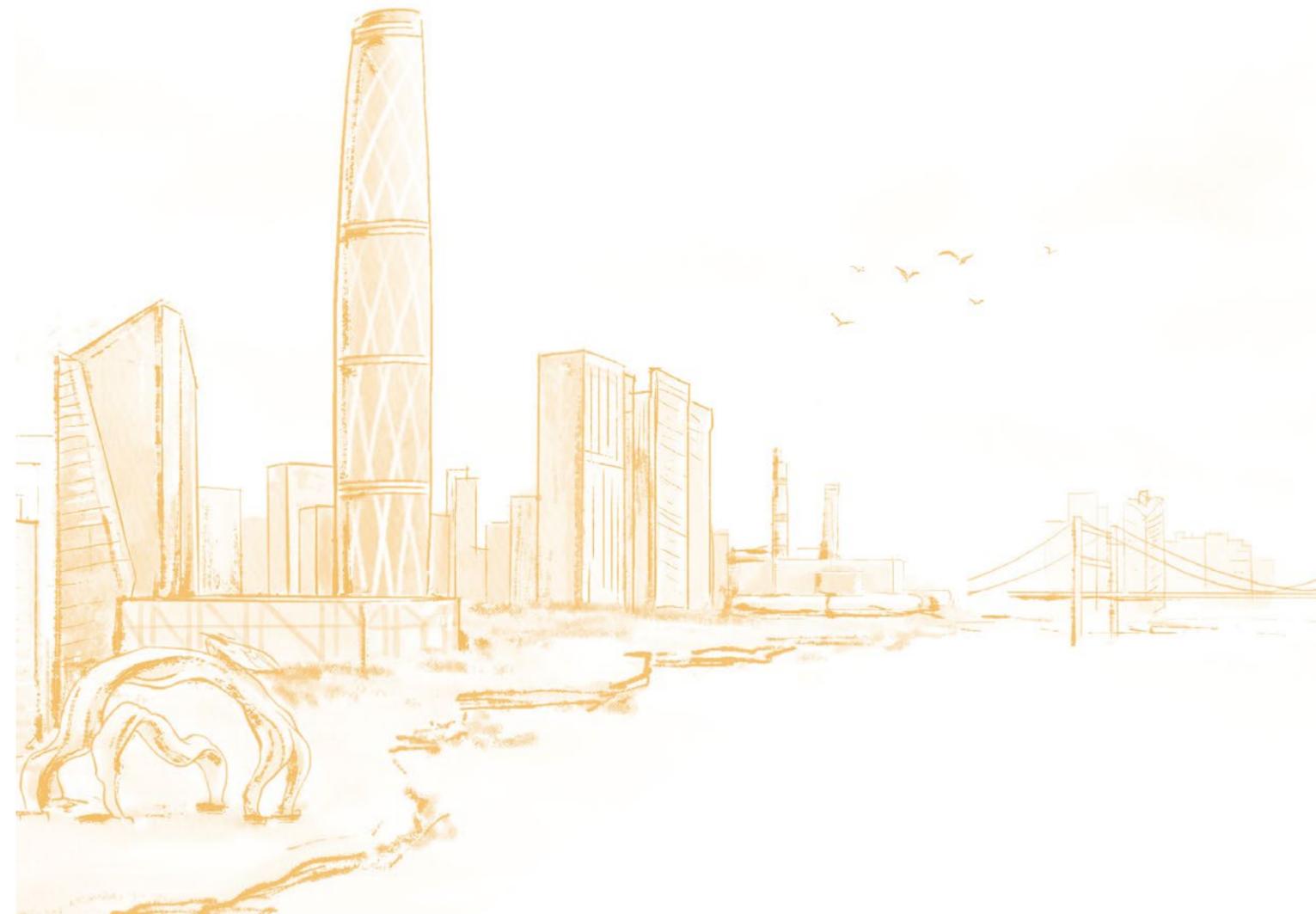
GUANGZHOU YUEXIU HOLDINGS LIMITED SUSTAINABILITY REPORT 2019



BEYOND EXCELLENCE

While pursuing innovative, coordinated, open, green development that benefits everyone, Yuexiu Group works relentlessly to deliver the corporate mission of "return on investments to shareholders, reward employees, and give back to the society". We seize opportunities to make adjustments and improvements, reform and innovate, striving to contribute more to building Guangzhou into a glamorous and energetic international metropolis.

By presenting this sustainability report, we invite you to join us in reviewing our journey in the previous year, and share with you our original aspiration. We will draw strength from the past, give further play to our expertise, continue to pursue excellence and create a brighter future.



A Letter to Stakeholders

Dear friends,

The year 2019 marked the 70th founding anniversary of the People's Republic of China, and our sprint towards the goals set for the 13th Five-Year Plan period. In 2019, Yuexiu Group adhered to the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We implement the guiding principles of the Party's 19th National Congress and the second, third, and fourth plenary sessions of its 19th Central Committee in full; strengthen our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership; stay confident in the path, theory, system, and culture of socialism with Chinese characteristics; and uphold General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and uphold the Party Central Committee's authority and its centralized, unified leadership. We remained true to our original aspiration, kept our mission firmly in mind, and made unremitting efforts towards it. Our business revenue registered RMB 64.8 billion, up by 29% from the previous year, and profits totaled RMB 15.9 billion, up by 22%. We maintained rapid growth in all key performance indicators, and produced desirable outcomes from reform and innovation. All this laid a solid foundation for us to complete our plan for the 13th Five-Year Plan period and to chart the course for the 14th Five-Year Plan period.

We promote innovative development with transformation and upgrade. In 2019, we completed the mixed-ownership reform, making a huge leap towards the optimization of equity structure and gathering strength to launch another round of reform. With food business newly added, we have formed a "4+X" modern industry system covering all the primary, secondary and tertiary sectors. Among our subsidiaries, Yuexiu Property secured investment from Guangzhou Metro, its second largest investor, to expand its transit-oriented development (TOD) and urban renewal business; Yuexiu Financial Holdings became the second largest investor of CITIC Securities, as part of its strategic transformation and upgrade initiative; Yuexiu Transport, with the investment from Guangdong Rising Assets Management Co., Ltd., saw remarkable increase in its asset value and paid mileage; and Chong Hing Bank opened its Shanghai branch as a stepping stone to establish national presence.

We serve coordinated development by advancing progress on multiple fronts. We maintain solid and stable operation, tighten control over investment and financing and especially related risks, promote the application of information technology in an orderly manner, and improve the efficiency and quality of corporate management. In 2019, we raised RMB 10 billion of equity capital from the Industrial and Commercial Bank of China (ICBC), and the partnership was hailed as a model in the Chinese capital market and China's SOE reform. In addition, we employ internet technology to upgrade products and services, develop intelligent products and launch customer-oriented, convenient and considerate services. To better serve the national strategy for developing the Guangdong-Hong Kong-Macao Greater Bay Area, we position ourselves as "an important platform company in the Greater Bay Area", actively help local enterprises with financing issues and contribute to the regional "Vegetable Basket" Project.

We facilitate open development through win-win cooperation. We highly value our relationship with governments at all levels, business partners and suppliers. We have been advancing strategic cooperation with local governments and business partners such as the headquarters of Shanghai Pudong Development Bank, GuangDong Exchange Holding Group Co., Ltd., Guangzhou Industrial Investment Holdings Group (GIHG), and Changsha Metro Group, to deliver projects on the ground and win-win benefits.

We support green development by going low-carbon. We uphold the vision of sustainable development. We have formulated a rigorous environmental management system and practiced green property services and office. We have also improved the resource utilization rate, stepped up water- and electricity-efficient renovation, and advocated the low-carbon lifestyle. In 2019, Guangzhou International Finance Center won the BOMA China Certificate of Excellence (COE), an international acknowledgement of our green building. Yuexiu Property obtained green building certificates for its LN Garden Residential Compound and Hotel Nansha, Yuexiu Exhibition Center and Financial City project in Guangzhou. And Yuexiu Transport promoted the use of eco-friendly materials to better the quality of roads by consistently introducing new comprehensive road maintenance services and improving its engineering construction management.

We pursue development that is for everyone by contributing to public wellbeing. We work hard to create a happy workplace. In 2019, we recruited 18 professional managers, 597 key talents and about 350 fresh college graduates to join the Yuexiu family. We founded Yuexiu Party School (or Ling Xiu University) and the Education and Training Department of Yuexiu Group to reinforce training, taking "double youth" work as the platform, and guide young employees, especially young elites, to innovate and contribute. We go all out to fight poverty with industrial development, financial services and technological support. In the national fight against COVID-19, we rushed to the aid of Hubei province and Guangzhou city immediately after the outbreak, and efficiently and orderly resumed work and production at the headquarters and subsidiaries to meet people's basic needs.

As Chairman Mao Zedong is famously quoted, "Xiongguan Pass is as iron as it is today, and we are now striding forward from the beginning." Yuexiu Group will carry forward the corporate value of "Beyond Excellence" and seize every minute to advance corporate reform and development and Party building to a higher level, and contribute more to a moderately prosperous society in all respects.

Zhang Zhaoxing, CPC Committee Secretary and Chairman of Yuexiu Group

Ye Shanhu, Deputy Party Secretary, Vice Chairman, General Manager of Yuexiu Group

Contents

- 02 A Letter to Stakeholders
- 06 About Us
- 10 Sustainability Management
- 14 Focus: Contributing to the National Fight Against Poverty
- 16 Focus: Combating COVID-19 and Resuming Production and Work Through Concerted Efforts
- 18 Focus: Forging ahead with Our Original Aspiration and Mission

1 Innovative Development Drives Corporate Transformation and Upgrade

- 22 Advancing SOE Reform for High-quality Development
- 24 Promoting Industrial Upgrade to Strengthen Competitive Edge
- 24 Developing Excellent Products and Creating More Value
- 26 Tapping into Human Resources to Unleash the Innovation Power



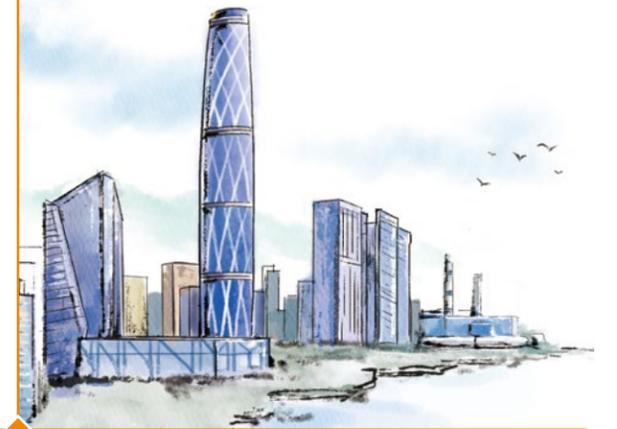
2 Coordinated Development Improves Business Operation

- 30 Consolidating the Operation Basis and Enhancing Effective Management
- 32 Enhancing Work Safety to Protect Employees' Health and Safety
- 33 Providing High-Quality Services to Win the Trust of Customers
- 36 Boosting Regional Development and Urban Vitality



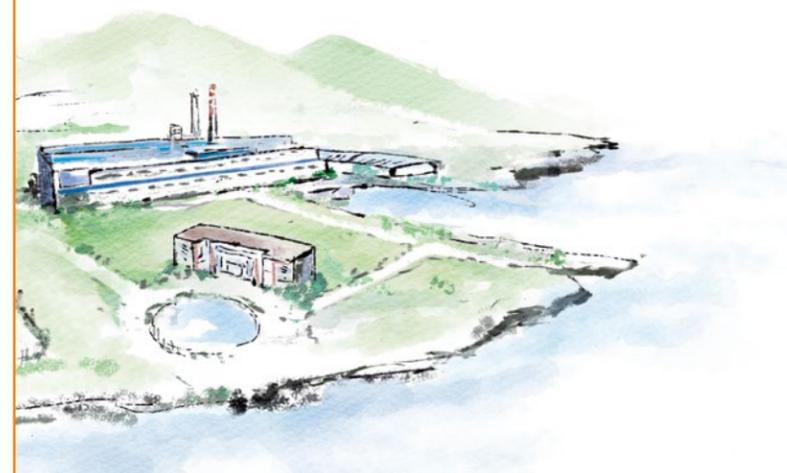
3 Open Development Creates Multi-Faceted Values

- 42 Building Strategic Partnership and Sound Business Ecosystem
- 46 Building a Responsible Supply Chain, Driving Industrial Development



4 Green Development Protects Our Beautiful Home

- 50 Environmental Management Lays the Foundation for Green Development
- 50 Green Operation Makes Low-Carbon and Eco-Friendly Development a New Normal
- 55 Green Activities Extend Eco-friendly Footprints



5 Shared Development Improves People's Livelihood

- 58 Increasing Employee Value, Building a Happy Workplace
- 61 Repaying the Society and Co-building a Harmonious Society

- 66 Outlook
- 67 Key Performance Indicators
- 68 Reporting Index
- 69 About This Report

About Us

Company Profile

Yuexiu Group was established in Hong Kong in 1985. After 35 years of reform and development, the Group has formed a "4+X" modern industrial system with finance, real estate, transportation infrastructure and agriculture and food as core industry; traditional industries such as papermaking; and strategic emerging industries that may enter in the future. We have control over five listed companies (funds), i.e., Chong Hing Bank (01111.HK), Yuexiu Property (00123.HK), Yuexiu Transport Infrastructure (01052.HK), Yuexiu Real Estate Investment Trust (00405.HK), and Yuexiu Financial Holdings (00987.SZ), with an overall asset securitization rate of about 95%.

Finance

Yuexiu Group aspires to build a comprehensive financial holding group with "cross-border operations and national presence". In addition to Yuexiu Financial Holdings and Chong Hing Bank, we own multiple financial subsidiaries engaged in banking, asset management, leasing, industry fund, futures, guarantee and small loan services, with assets under management exceeding RMB 240 billion.

In 2019, our financial business

revenue stood at RMB **11.2** billion, an increase of **37%**
 profits stood at RMB **4.2** billion, up **66%** year on year

Papermaking

Guangzhou Paper Group is a modern, comprehensive industrial company specialized in pulping, papermaking, thermal power generation and environmental protection. Its predecessor was Guangzhou Paper Mill founded in 1936. Its leading product "Guangzhou Paper" newsprint is a famous Guangdong brand that wins the heart of users across the country.

In 2019, it generated business

revenue stood at RMB **2** billion
 profits stood at RMB **260** million

Real Estate

Yuexiu Group attaches equal importance to commercial and residential properties. We own Yuexiu Property and Yuexiu Real Estate Investment Trust (Yuexiu REIT) and adopts the "real estate + REITs" dual-platform business model, with assets under management exceeding RMB 200 billion.

In 2019, the real estate

contract sales registered at about RMB **72.11** billion, up by **24.8%** year on year
 and core profits about RMB **3.51** billion, up by **24.8%** year on year

Transport

Yuexiu Transport was founded in 1996 and is one of the only two certified high-tech companies among Chinese expressway operators. Yuexiu Transport, a stabilizer for the Group development, runs 15 expressways and bridge projects in six Chinese provinces and municipalities, with the toll mileage totaling 535 kilometers and assets RMB 36.79 billion.

In 2019, it generated business

revenue stood at RMB **3.023** billion, up by **6.2%** year on year
 and profits stood at RMB **1.9** billion, up by **0.5%** year on year

Food

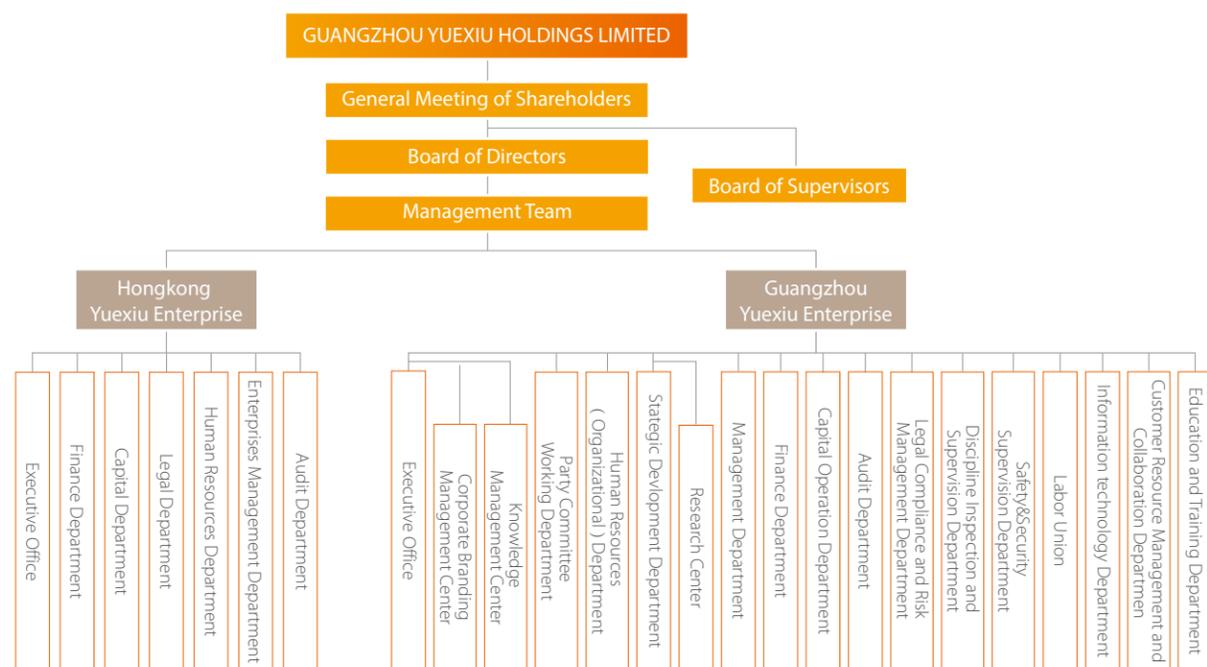
Guangzhou Flagship Development Group Co., Ltd., founded in 1949, is an urban food group specialized in dairy, animal husbandry, food processing, commercial and trade circulation. It has formed the "4+F" industry system, and is ranked among the top 500 enterprises, top 100 service providers, and top 100 manufacturers in Guangdong province.

In 2019, it generated business

revenue stood at RMB **3.536** billion, up by **42.96%** year on year
 and profits stood at RMB **885** million, up by **59.03%** year on year



Structure



Figures 2019

Business revenue RMB
64.8 billion
up by 29% year on year

Total profits RMB
15.9 billion
up by 22% year on year

Total assets RMB
666.2
billion up by 12% year on year

Pre-tax profits over
RMB **24** billion

Employee aid and relief RMB
286,000

Investment in targeted poverty alleviation in Guangdong RMB
19.161 million

Investment in safety RMB **130** million

Volunteer services organized
21,739.72 hours
76 of voluntary service activities

Yuexiu Financial Leasing has invested over RMB **20** billion in green fields since its founding

Yuexiu Property obtained 8 green building certificates, covering an area of **701,357** square meters

The toll stations of Yuexiu Transport reduced invoice paper use by **10.4%** compared from 2018

Guangzhou Flagship Development Group Co., Ltd. spent RMB **2.45** million on environmental protection

The "Guangzhou Paper" newsprint scored **96.18** points in the customer satisfaction survey

CSR Honors



Group-level Honors

- Gold Medal of the Poverty Alleviation Red Cotton Cup in Guangdong Province
- 2018 Guangdong Provincial Excellent Enterprise
- 2018 Active Enterprise in Guangzhou SASAC System in News
- 2018 Active Enterprise in Guangzhou SASAC System in IT-based Management
- Listed into the Annual Social Impact List in Poverty Alleviation Achievement
- Outstanding WeChat Official Account in Guangzhou
- Guangzhou Five-Star Charity Association
- Social Responsibility Research Base in Guangdong-Hong Kong-Macao Greater Bay Area
- Southern China Public Welfare Award in Science Popularization and Educational Support
- China Knowledge Management Action Award
- Top 100 Guangzhou Brand Enterprises in 2019
- Top 500 Enterprises of Guangdong in 2019
- Top 100 Enterprises in the Service Sector of Guangdong, 2019
- Top 100 Guangzhou Innovative Enterprises in 2019
- 2019 Outstanding Enterprise in Guangzhou Municipal CPC System for Information Reporting
- Outstanding Prize, 2019 National Model Cases for the Development and Utilization of Corporate Archives and Information Resources
- 15th among Top 100 Multinational Enterprises of China in 2019
- 382nd among Top 500 Enterprises of China, 48 places up from last year



Honors of Subsidiaries

- Yuexiu Property was voted among Top 30 Most Influential Real Estate Developers of China of 2019
- Yuexiu Senior Housing was voted Best Senior Care Brand
- Yuexiu Financial Holding was awarded Best Information Disclosure Award of the The 3rd China Excellence IR "Best Information Disclosure Award"
- Chong Hing Bank won the Excellent Employer of Hong Kong 2019
- Yuexiu Industrial Fund was voted among the Top 50 Most Influential PE Investors in China 2019 of the Golden Investment Prize
- Guangzhou North Second Ring Road Company, a subsidiary of Yuexiu Transport, was won the title of High-Tech Enterprise
- Fengxing Milk, a subsidiary of Guangzhou Flagship Development Group Co., Ltd., was certified as Most Popular Base for Science Popularization in Guangzhou in 2019

Sustainability Management

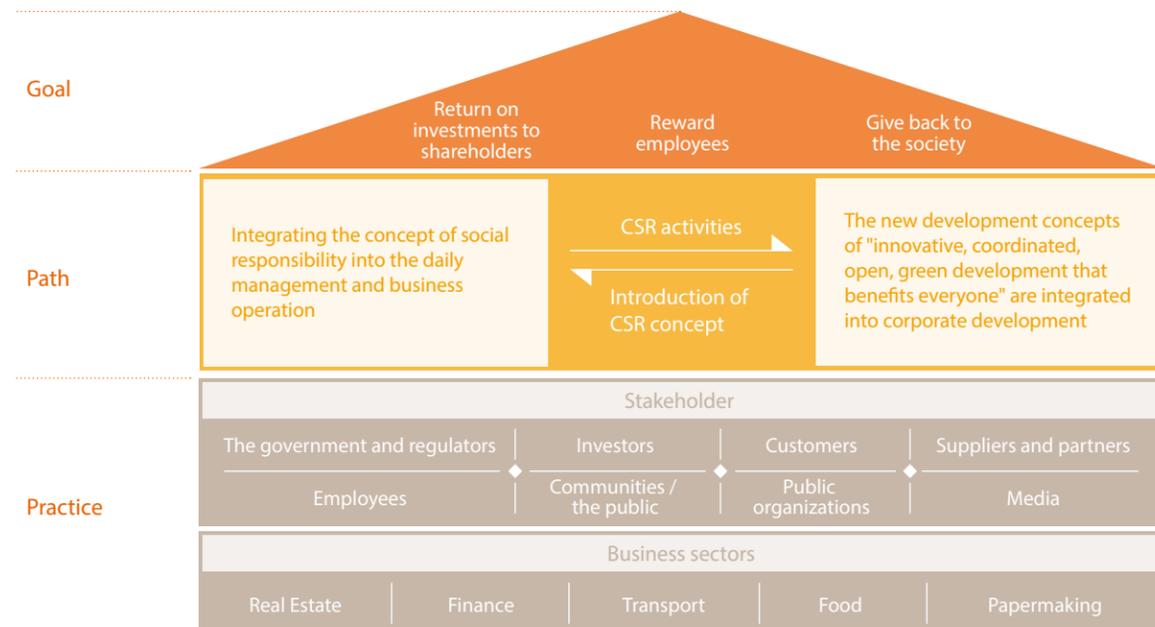
Philosophy and Goals

While implementing the new development concepts of "innovative, coordinated, open, green development that benefits everyone" in accordance with the CSR philosophy system including corporate mission, vision and core values, we have effectively fulfilled the social responsibility of state-owned enterprises (SOEs) in fields of industrial transformation and upgrading, improvement of business operation, creation of multi-faceted values, environmental protection, and improvement of people's livelihood. We are creating an unstoppable force for the sustainable development of the whole society.



Social Responsibility Model

Based on the practical situation and the modules of practice, path and goal, Yuexiu Group integrates the concept of social responsibility into the decision-making and daily operation to facilitate the organic unity of CSR fulfillment and sustainable development.



Sustainability Management System

A leading group on sustainability has been founded by Yuexiu Group to comprehensively implement various management systems from top to bottom and form a complete and systematic sustainability management system.

The leadership of sustainable development work	
The leading team of the Group for sustainable development work	Headed by the directing manager of the Group
	<ol style="list-style-type: none"> 1. Leading and planning the sustainable development work 2. Deciding and approving the directions of sustainable development work 3. Reviewing and adjusting the overall work plans

Backbone of sustainable development work			
Sustainable development work planning team of each sector	<ol style="list-style-type: none"> 1. Assisting each enterprise to develop a specific work plan 2. Coordinating the sustainable development work and resources of each enterprise 3. Supervising the sustainable development report of each enterprise to ensure that it meets the supervisory department and the Group's requirements 	Sustainable development work team of the Group	<ol style="list-style-type: none"> 1. Implementing the decisions of the leading team 2. Organizing and coordinating related work 3. Disclosure of sustainable development information

Implementation of sustainable development work			
The sustainable development work architecture of each enterprise			Sustainable development work team of the Group
Work level	Staffing	Duties	
Sustainable development work leading team of each company	Headed by general manager, composed of the highest principal of each related function	<ol style="list-style-type: none"> 1. Discussing sustainable development issues 2. Identifying related risks of society and environment 3. Developing social and environmental strategies 4. Evaluating the social and environmental work effects 	Composed of representatives from each functional department of the Group <ol style="list-style-type: none"> 1. Assisting the implementation of the work plan 2. Collecting, sorting out and sending information 3. Contacting and communicating for daily work
Sustainable development management team	A sustainable development management work composed of principals of each department	<ol style="list-style-type: none"> 1. Studying specific work according to the overall social and environmental strategies and directions 2. Appointing the staff for implementing the work 3. Specific implementation of supervision 4. Reporting the work status and conditions to the leading team 	
Sustainable development work team	Functional departments of the head- quarters departments of the headquarters departments of the headquarters	Subsidiaries The working team is composed of fulltime co-workers sent by each functional department and subsidiary of the headquarters <ol style="list-style-type: none"> 1. Collecting, sorting out and sending information 2. Carrying out specific tasks 3. Providing a timely feedback of the work progress 	

Materiality Analysis

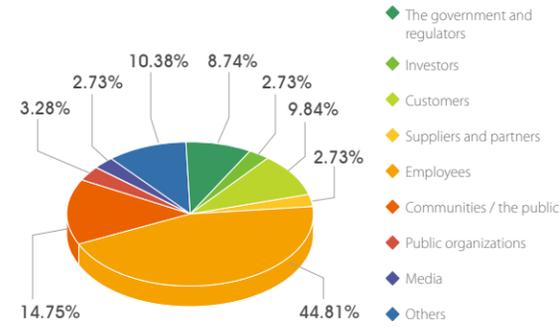
The identification and management of sustainability topics is a top priority of our work. Based on the questionnaire survey, we comprehensively collect the views of the government, regulatory bodies, investors, customers, employees and other stakeholders, and prioritize the topics from dimensions of the importance to stakeholders and the importance to the Group's development to determine the degree of disclosure of material topics.

Identification

After analyzing GRI Standards and other international relevant standards, interpreting the relevant policies issued by national and local governments, and combining with the Group's practice, we identified a total of 25 sustainability topics.

Assessment

In our stakeholder investigation, we invite different types of stakeholders to give feedback on the importance of different topics to them in the form of online questionnaire. Accordingly, we prioritize 25 topics in line with their importance to stakeholders.



Screening, evaluation, review and confirmation



- | | | |
|--|--|--|
| 1 Promoting the development of core business | 10 Carrying out strategic cooperation | 19 Ensuring work safety and occupational health of employees |
| 2 Investment and financing management | 11 Boosting industry development | 20 Enhancing environmental management capacity |
| 3 Improving the quality and efficiency of Group management | 12 Servicing national strategy | 21 Practicing green operation |
| 4 Legal compliance and risk management | 13 Perfect service system | 22 Carrying out green cooperation |
| 5 Building a clean Party | 14 Promoting product and service innovation | 23 Launching eco-friendly public welfare activities |
| 6 New businesses and restructuring | 15 Protecting the rights and interests of customers | 24 Improving the professionalism and sustainability of charity |
| 7 Deepening reform and innovation | 16 Legal and compliant employment and equal employment | 25 Engaging in public welfare activities |
| 8 Innovation of operation mode | 17 Supporting employee development | |
| 9 Building a responsible supply chain | 18 Improving employee well-being | |

Note: The orange part is the key material topics identified.

CSR Communication

We attach great importance to the communication with stakeholders. Leveraging our diversified communication mechanisms and channels, we can better understand the expectations and demands of stakeholders, and also convey the development and operation of the Group to all parties. These efforts help us gain the trust and support from the stakeholders, keep improving our social responsibility management, and ultimately achieve a win-win situation between the Group and stakeholders.

Stakeholder	Communication channel	Expectations and requirements	Response
The government and regulators	<ul style="list-style-type: none"> Regular work report Daily communication Information submission 	<ul style="list-style-type: none"> Legal compliance and risk management Deepening corporate reform and innovation Serving national strategy 	<ul style="list-style-type: none"> Consolidating the business foundation Stimulating reform vitality Serving the overall situation of the country
Investors	<ul style="list-style-type: none"> Issuing the annual report Convening the board meeting Information disclosure 	<ul style="list-style-type: none"> Promoting the development of core business New businesses and restructuring Innovation of operation mode 	<ul style="list-style-type: none"> Promoting industrial integration and upgrading Accelerating business layout and optimization Stimulating reform vitality
Customers	<ul style="list-style-type: none"> Information disclosure Customer research Relevant activities 	<ul style="list-style-type: none"> Perfect service system Promoting product and service innovation Safeguarding legitimate rights and interests 	<ul style="list-style-type: none"> Strengthening quality control of product and service Creating excellent products Enhancing customer experience Protecting the rights and interests of customers
Suppliers and partners	<ul style="list-style-type: none"> Project cooperation Daily communication 	<ul style="list-style-type: none"> Open and transparent procurement Cooperation with integrity 	<ul style="list-style-type: none"> Building a responsible supply chain Strategic cooperation
Employees	<ul style="list-style-type: none"> Exchange meeting Feedback Visits 	<ul style="list-style-type: none"> Legal and compliant employment and equal employment Personal development Promoting workplace well-being Occupational health and safety 	<ul style="list-style-type: none"> Protecting the rights and interests of employees Supporting staff development Caring for employees' life Safeguarding safety and health
Communities / the public	<ul style="list-style-type: none"> Public welfare activities Volunteer service Information disclosure 	<ul style="list-style-type: none"> Launching public welfare activities Promoting people's wellbeing 	<ul style="list-style-type: none"> Giving back to the community Fighting the COVID-19 Supporting poverty alleviation
The environment	<ul style="list-style-type: none"> Environmental impact assessment Environmental protection activities 	<ul style="list-style-type: none"> Reducing the impact on the environment Carrying out energy conservation and emission reduction activities Environmental protection publicity 	<ul style="list-style-type: none"> Environmental management Green operation Green activities
Public organizations	<ul style="list-style-type: none"> Public welfare activities Volunteer service 	<ul style="list-style-type: none"> Enhancing the professionalism and sustainability of charity Public welfare activities Promoting people's wellbeing 	<ul style="list-style-type: none"> Volunteer activities Supporting poverty alleviation Fighting the COVID-19
Media	<ul style="list-style-type: none"> Media interview Daily communication 	<ul style="list-style-type: none"> Promoting the development of core business New businesses and restructuring Deepening reform and innovation Promoting people's wellbeing 	<ul style="list-style-type: none"> Promoting industrial integration and upgrading Accelerating business layout and optimization Stimulating reform vitality Providing community services

Contributing to the National Fight Against Poverty

Paired-up assistance to Qingyuan

Yuexiu Group has paired up with three Guangdong-designated impoverished villages in Xiniu town of Qingyuan: Chimi, Gaodao and Xianshui, to help them fight poverty by improving local infrastructure and living environment and developing local industries. As of the end of 2019, these three villages had seen much improvement in living and working conditions, big increase in collective revenue, and substantial progress in poverty alleviation.

RMB **19.161** million
Total investment in poverty alleviation

over RMB **15** million
Total government funds, industry funds and donations for poverty alleviation

over RMB **60** million
Total investment introduced from specialized and leading companies

615 registered
villagers of 276 households in the three villages lifted out of poverty

Establishing working groups to provide organizational guarantee

We have set up the leading group for poverty alleviation and its office, and sent five officials and three first secretaries to the three villages to support local production and construction.

Coordinating multiple stakeholders to attract private investment

We have helped introduce specialized companies and leading companies to set up plantations for rice, fruit corn and peanuts in the three villages. Based on collaboration among businesses, cooperatives, plantations and farmers, the operation aims to help rural poor increase income and get rid of poverty.

Diversifying consumption channels

To increase the consumption of anti-poverty goods and thus the income of rural poor, we market these goods on the Enjoy Club online shopping mall, online and offline platforms of Guangzhou Flagship Development Group, and our virtual stores on Taobao and WeChat to consumers. In 2019, the sales exceeded RMB one million.

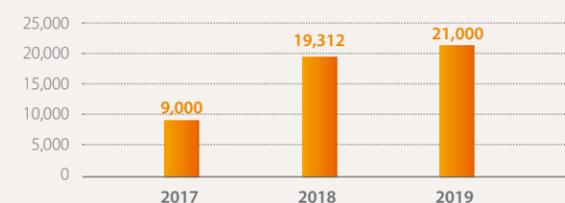
Developing local industries to construct a sustainable anti-poverty mechanism

We focus anti-poverty efforts on developing local industries. Based on local resources and conditions, we have invested in the dried vegetable processing plant, vegetable greenhouses, agricultural development fund and agricultural machinery projects. We have also secured government funds to support photovoltaic power generation, and invested in Jiana Energy, Paradise Tourism Company, and Yingde Bainiaotang Tourism Company. We hope to establish a sustainable, stable poverty alleviation mechanism, strengthen industrial support for poverty alleviation, and truly translate local resources into industrial and economic output.



Rooftop solar PV panels in Chimi village

Per capita disposable income of villagers who are capable of work but in relative poverty in the three designated villages (Unit: RMB)



As of the end of 2019, all the three villages had realized "two no worries and three guarantees"¹ and "eight haves"², meeting the criteria for shaking off poverty. The per capita disposable income of rural poor capable of work surpassed RMB 21,000, higher than the poverty line of RMB 8,266, 45% of the rural per capita disposable income in Guangdong in 2019.

1.No worries about food and clothing, and guaranteed access to compulsory education, basic medical treatment and housing security.

2.Having safe housing, safe drinking water, basic farmland, income-generating industries, skill certificates, basic social security, surplus grains and savings.

As China has entered a period critical for winning the battle against poverty and eliminating absolute poverty, Yuexiu Group has resolutely acted upon the instructions given by President Xi Jinping on east-west collaboration and paired-up programs in poverty alleviation. We are working hard on targeted poverty alleviation and rural vitalization at the same time, to help build a moderately prosperous society in all respects in China.

- ◆ Yuexiu Group won the Award for Achievements in Poverty Alleviation on the social influence ranking of the year.
- ◆ Our working group in impoverished villages won the title of Outstanding Resident Anti-Poverty Working Group 2016-2018.

Anti-poverty assistance to Guizhou

Yuexiu Group offers generous support to the fight against poverty in Guizhou, as part of the east-west collaboration on poverty alleviation. In 2019, we signed the strategic cooperation agreement with Guizhou Provincial Government to help the city battle poverty by developing local industries, providing financial services and employing technologies.



A pig farm that produces 2 million fattened pigs per year

In 2019, Yuexiu Group started the pig farming project in Guizhou. We plan to invest RMB 2.5 billion in Bijie and Qiannan prefecture a whole-industrial-chain supply platform producing two million fattened pigs and one million pig feeds and processing one million hogs per year in the following three years. To this end, we have set up the project company Guizhou FengXing Agriculture & Husbandry Technology Co., Ltd. in Bijie, with the registered capital of RMB one billion. Through the project, we will coordinate the production of pig feeds, and pig farming, slaughtering and refrigerated storage, develop deep processing industry of agricultural products, and consolidate and strengthen the sustainable, stable anti-poverty mechanism, thus to lift the rural poor out of poverty and help them get firmly back on their feet.



The coverage of the pig farming project



The project is expected to create more than **5,000** jobs

increase the income of **7,200** rural households

Contributing to rural vitalization

In active response to the call of Guangzhou Municipal Party Committee and People's Government for businesses to contribute to rural vitalization, we have paired up with Hengkeng village in Aotou town, Conghua. To meet the goal of building rural areas with thriving businesses, pleasant living environments, social etiquette and civility, effective governance, and prosperity, we have conducted investigations, and made plans to improve local infrastructure and public services in the village.

7 trips to Hengkeng and the rest of Aotou for field survey and preparation

RMB **2** million donated to revitalize Hengkeng village



Focus

Combating COVID-19 and Resuming Production and Work Through Concerted Efforts

Leading and coordinating pandemic response and aid

Shortly after the pandemic, Yuexiu Group set up the leading group for COVID-19 response headed by Party secretary and chairman, to direct and coordinate response efforts. Meanwhile, the Group and subsidiaries have been battling the virus on the frontline, and lent a hand to Wuhan and Guangzhou at the height of their pandemic situation.



Chairman Zhang Zhaoxing inspects North 2nd Ring Road Company on its preparedness against COVID-19

RMB **14.18** million
Donated for COVID-19 response by Yuexiu Group and subsidiaries

Party members and other employees of Yuexiu Group donated RMB **690,000**

Yuexiu Group donated masks and other medical supplies worth RMB **2.11** million to Guangzhou and Hong Kong via Guangzhou Charity Association

Yuexiu Group and its subsidiaries donated a total of RMB **16.98** million in cash and in kind to fight COVID-19

Tiding customers over the COVID-19 crisis

As a responsible state-owned enterprise, Yuexiu Group and its subsidiaries have offered property rental reduction/exemption, financial support and fast lanes to customers to help them fight the COVID-19 pandemic.

More than **3,600** micro, small and medium-sized enterprises benefited

More than RMB **170** million saved

Property owners join hands to fight the epidemic

Our commercial property projects have offered rental reduction/exemption for micro, small and medium-sized enterprises, and provided online sales channels for restaurants and other tenants.

Our residential property projects have used owners' WeChat groups and physical bulletin boards in residential compounds to show owners how to protect themselves from the virus. We have intensified efforts to clean and disinfect public areas, and take the temperature of every arrival to contain the spread of the virus and protect the health of owners.

Financial support

Chong Hing Bank has offered interest benefits, loan extension and "green channel" to financing to enterprises hard hit by the pandemic.

Guangzhou Yuexiu Financial Guarantee and Yuexiu Small Loan have cut the loan interest rate and the guarantee fee rate and reduced or exempted penalty interest for hard-hit companies.

Fast lanes to customers

Yuexiu Transport's affiliated companies in Hubei have designated fast lanes at key toll stations for vehicles carrying medical supplies to ensure their speedy passage free of charge and disinfected the passing vehicles. During the extended Spring Festival holiday, they did a great job in containing the spread of the virus at toll stations.

Life is of paramount importance. When an epidemic breaks out and a command is issued, it is our responsibility to prevent and control it. In the face of the COVID-19 outbreak, Yuexiu Group immediately made all-round pandemic response. We rushed to support Hubei province and Guangzhou city, and meanwhile effectively and orderly resumed production and work at the headquarters and across subsidiaries.



Yuexiu Property stands with Wuhan in the fight against COVID-19

Since the outbreak of COVID-19 pandemic, Yuexiu Property has gone all out to help fight the pandemic. It has donated money and in kind to Wuhan while continuing property services on the frontline of the fight. For example, it has exempted more than 200 residents of Yuexiu Global Financial Center who are medical workers at the nearby Wuhan Union Hospital of China from paying one-year property management fees. Moreover, it helped deliver fresh vegetables, and distributed free dumplings on the Lantern Festival and offered free printing service for home owners during the quarantine.



Chong Hing Bank stands with Hong Kong in the fight against COVID-19

To support the community's anti-COVID-19 efforts, Chong Hing Bank has donated 25,000 masks and 5,000 alcohol-containing hand sanitizers to Baptist Oi Kwan Social Service, Senior Citizen Home Safety Association, and Hong Kong Association of the Deaf, to help them protect community residents, especially senior citizens who live alone and the disabled, from the pandemic. The donation in kind has shown the bank's commitment to improving the living conditions for the disadvantaged in the pandemic and its community support in the fight against COVID-19.

Doing our best to resume production and work

Yuexiu Group has consolidated the outcomes attained in containing the pandemic, effectively and orderly resumed production and work across subsidiaries, and thus contributed to stable and sound socioeconomic development. Related efforts are concentrated in the following four aspects.



General Manager Ye Shanhu inspects Fengxing Milk on the resumption of work and production

The establishment of the pandemic prevention and control mechanism

The Group's leading group for COVID-19 response has convened several meetings to deploy the resumption of work and production. Before reopening, businesses are required to meet strict conditions, strengthen measures to ensure work safety, and develop sound emergency response plans.

A thorough survey on employees

We have conducted a thorough survey on employees, and demanded that employees who were in the hardest-hit areas must not return to Guangzhou until Guangdong lowered the level one alert in response to public health emergency. Besides, employees who had returned from outside Guangzhou must self-isolate for 14 days before returning to work.

Disinfection of office areas

We have doubled efforts in cleaning and disinfecting office areas and ensure the sufficient supply of masks and disinfectants available at workplace. Every employee must have their temperature taken before entering the office.

Internal crowd management

We stagger the office hours and divert the workforce to reduce the workplace density as much as possible. For those present at workplace, meetings are held via video link and work meals delivered to office by the designated canteen, to avoid crowd gathering.



Focus

Forging ahead with Our Original Aspiration and Mission

Holding firmly the leading position in ideological and political work

In the above themed education campaign, we strove to safeguard our original aspiration, shoulder the mission, identify the gap, and implement relevant requirements in four steps: education, investigation, examination and correction. As a result, the Party organizations at all levels have strengthened their power to unite and energy to fight.

189 Party organizations
2,623 Party members on the job across the Group

11 leading Party officials of the Group gave 21 Party lectures to a Party audience of 1,417



Executives of Yuexiu Group attend the learning activity themed on "Staying True to Our Founding Mission" at Guangdong Provincial Archives



A group learning session on the history of the CPC and the People's Republic

Ensuring organizational leadership with a strong sense of political responsibility

- ◆ We have formed a leading group headed by the Group's Party secretary, and formulated the 1+4 implementation plan to specify relevant priorities and concrete arrangements.
- ◆ Based on the Group and business teams, we have formed six working groups that include all middle-level Party officials at the Head Office to give full play the synergistic effect.

Identifying and examining problems

- ◆ We have collected more than 700 pieces of feedback from the poll. After going over them one by one, we have categorized them into 46 major items to form the list of problems that is updated on a rolling basis.
- ◆ The Group leadership has listed 20 topics for follow-up investigation resolving around the challenges facing corporate reform and development and Party building as well as issues of public concern, to see to it that relevant problems are fixed.

Ensuring political orientation with highlighted themes

- ◆ The *Key Points of Learning for Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era* and other key learning materials have been distributed to all Party branches and members for self-learning.
- ◆ We have organized group learning sessions, topic-specific seminars, and expert lectures open to all middle-level Party officials and above, including secretaries of Party branches.

Solving practical problems and making effective corrections

- ◆ Party organizations at various levels have called meetings of criticism and self-criticism to review progress and examine existing problems.
- ◆ Particular efforts are being made to correct prominent problems with Party building, especially chronic ones such as formalism and bureaucratism.

Our original aspiration and mission are what drive us forward as a caring, responsible corporate citizen. In 2019, we launched an education campaign themed on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era to remind employees of our original aspiration and mission. Meanwhile, Party members were organized to provide voluntary services to contribute to the building of a harmonious society, highlighting Party branches' role as the fortress and Party members' role as the vanguard and models.

Performing corporate social responsibility and mission as a SOE

Yuexiu Group has taken the initiative to shoulder its responsibility as a state-owned enterprise to meet people's demand for a better life. Specifically we give play to the vanguard role of Party members. Party members are organized to provide voluntary services for senior citizens and Party building activities to help fight poverty. Party members have lived up to their original aspiration and mission and set an example in these voluntary services.

Party members working at the frontline

In the first quarter of 2019, due to road construction, it was common for vehicles to wait in long lines to pass the Shihu Toll Station, and the vehicle flow even extended into the main road for several times. To speed up the vehicle flow and ensure road safety, Guangzhou North 2nd Ring Road Company sent Party members to the frontline. They divided responsibilities with on-site staff at the toll station, efficiently diverted the traffic, and strengthened on-site management, to speed up the orderly traffic. Thanks to their efforts, the time for east-west traffic to flow back to the main line has been reduced by 50%. Their work also offered valuable reference for future operations.

Party members' voluntary service at the nursing home

In April 2019, a team of over 20 volunteers, including all Party members from the Group and State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (Guangzhou SASAC), visited Silver Beauty Nursing Home (Chigang) to do handwork together with senior residents there. During the theme Party Day volunteer activity, the volunteers helped and encouraged the senior with patience through the handwork and showered them with much care.



Volunteers help senior residents at the nursing home with the handwork

Supporting poverty alleviation by Party building campaign

In May 2019, the Group sent three first secretaries to paired-up impoverished villages to advance poverty alleviation by Party building campaign and constantly strengthen local Party organizations' ability to organize, energy to fight and power to unite. Meanwhile, a mechanism is in place that pairs more than 200 Party officials each with an impoverished household to alleviate poverty. Each year, primary-level Party organizations of the Group will visit their paired village to organize the anti-poverty Party Day activities, integrate Party building with targeted poverty alleviation, and effectively translate the Party's institutional advantage into a powerful weapon against poverty.



Party secretary of Guangzhou Housing Property Guarantee on her poverty-alleviation trip to Gaodao village, Xiniu town, Yingde, Qingyuan city



Innovative Development Drives Corporate Trans- formation and Upgrade

Our Mission

To seek and sustain innovation-driven development, we must place innovation at the core of development strategy, encourage innovation in theories, institutions, technology and culture, and in all our Party and government work, and make innovation a common practice across the nation.

--Xi Jinping, the fifth plenary session of the eighteenth CPC Central Committee

What We Do

- ◆ Following the central, provincial- and municipal-level decisions to deepen SOE reform, we proactively advance the mixed ownership reform and have obtained milestone progress in bettering our equity structure.
- ◆ We have accelerated industrial transformation, laying the foundation for high-quality development.
- ◆ Based on our core business, we have integrated innovation resources to enhance our ability of sustainable development.
- ◆ We tap into employees' potential and stimulate them to innovate, to open a new chapter of innovation-driven development for the Group.

Contribution to SDGs

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Advancing SOE Reform for High-quality Development

Reform is an important way to revitalize and strengthen the competitiveness of SOEs. Yuexiu Group has been actively implementing the decisions made by the central, provincial and municipal governments to deepen the SOE reform. Through the mixed ownership reform and other capital operation measures, we have made milestone progress in optimizing the equity structure, thus accumulating strong impetus for the next round of corporate reform and development.

The mixed ownership reform launched successfully

We issued preferred stocks worth RMB 10 billion to the Industrial & Commercial Bank of China, making it a preferred shareholder and opening a new page in Yuexiu's history.

Yuexiu Property secures strategic investment from Guangzhou Metro

The partnership has reinforced Yuexiu Property's leading position in transit-oriented development (TOD). More and more TOD collaborative projects are delivered on the ground.

Restructuring of Guangzhou Securities and CITIC Securities

China Securities Regulatory Commission (CSRC) has approved the restructuring of Guangzhou Securities and CITIC Securities. Yuexiu Financial Holdings has become the second largest investor of CITIC Securities.

“
The mixed ownership reform of Yuexiu Group will leave a heavy stroke in the history of China's capital market, and serve as a model case to show local government's support of SOE reform and financial sector's support of deleveraging in the real economy. It is thus of tremendous symbolic meaning and demonstration effect.
 —Cui Yanlun,
 Deputy Director of
 Guangzhou SASAC
 ”



On October 21, 2019, Guangzhou Yuexiu Group Co., Ltd. was officially renamed Guangzhou Yuexiu Holdings Limited after the completion of mixed ownership reform.

CSR Spotlight

The debt-to-preferred stock project

On December 12, 2019, Yuexiu Group and ICBC launched the debt-to-preferred stock project at International Financial Center, Guangzhou. The Group issued RMB-10-billion preferred stocks to ICBC. This was the first debt-to-preferred stock project of such a scale launched by a non-listed, non-public-equity enterprise in China. It is a case in point for the ongoing SOE reform and industry-finance integration in China in the new era. The mixed ownership reform has greatly strengthened our financial and market competitiveness, bettered our financial structure and generated positive financial and strategic impact. It will also push ahead our institutional upgrade, improve the modern enterprise system and set an example for China's capital market and SOE reform.



The launch of the RMB-10-billion debt-to-preferred stock project between Yuexiu Group and ICBC

January 2017

With the approval of Guangzhou SASAC, Yuexiu Group signed a strategic cooperation framework agreement with ICBC to make clear the intent on debt-to-stock.

June 2017

Yuexiu Group obtained written approval from Guangzhou SASAC for its debt-to-stock plan, and kicked off the ownership reform.

November 2018

Yuexiu Group obtained approval jointly issued by the National Reform and Development Commission, Ministry of Finance, the SASAC and other three ministries and commissions concerned, making it the first non-listed, non-public-equity company in China authorized to swap debt for preferred stocks.

June 2019

Yuexiu Group obtained approval from Guangzhou SASAC for its ownership reform.

October 2019

Yuexiu Group's application to change its industrial and commercial registration information into a joint-stock company was approved by Guangzhou Municipal Administration for Market Regulation.

December 2019

The debt-to-preferred stock project between Yuexiu Group and ICBC was successfully delivered.

Promoting Industrial Upgrade to Strengthen Competitive Edge

Yuexiu Group jumps at opportunities to diversify business. On top of consolidating the four pillar business segments, we coordinate cross-sector business management and seek more opportunities. In July 2019, Guangzhou Flagship Development Group became a member of the Group and we thus extended into the food sector. This marked a step closer to us realizing the "4+X" industrial layout, and a boost to building an international corporation driven by innovation and industry-finance integration.

In 2019, there were **484** newly-launched collaborative projects with the contract value of RMB **73.2** billion up by **18%** year on year



Expansion into the agricultural and food sector

Guangzhou Flagship Development Group was merged and fully integrated into the Group, with the aim to grow into an influential food supplier in the Guangdong-Hong Kong-Macao Greater Bay Area.

Developing Excellent Products and Creating More Value

Based on core business, we integrate innovation resources to enhance our industrial sustainability and bring more better-quality products and services to customers.



Finance

Guangzhou AMC gives new lift to enterprises in financial difficulties and helps stabilize the financial ecosystem through debt structuring, utilization of idle land, and relocation & reconstruction.

Guangzhou Yuexiu Financial Guarantee has introduced innovative financial services and products for micro and small enterprises. For example, it has launched the "guarantee + factoring" service in collaboration with some central SOE to give micro and small enterprises easier access to financing.



Real estate

To strengthen its core business of residential and commercial property development, Yuexiu Property continues to incubate urban renewal projects and expand its TOD business. Meanwhile it is building up brands in senior care and long-term rental apartments to provide better-quality products for customers.



Transport

Yuexiu Transport has acquired Haiyang-Caidian Expressway, Wuhan-Ezhou Expressway and the southern section of Daqing-Guangzhou Expressway, all located in Hubei province. The purchases have greatly increased our assets under management by RMB 13.6 billion, and paid mileage by nearly 200 kilometers.



Food

Guangzhou Flagship Development Group has set up Guizhou Fengxing Agriculture & Husbandry Technology Co., Ltd. its investment platform for the entire pig-farming industrial chain in Guizhou. It has also set up Guangzhou Fresh Food Company as its sale platform, with much improved service scope, functions and quality.



Papermaking

In 2019, Guangzhou Paper Group expanded the use of pulp boards and developed different kinds of pulp boards for different products to improve product quality.



Chong Hing Bank launches the commercial service Easy Registration for Shenzhen-Hong Kong Connect

On April 10, 2019, the Shenzhen Branch of Chong Hing Bank, together with Market Supervision and Regulation Bureau of Shenzhen Municipality, Shenzhen Enterprise Registration Bureau, and the Authority of Qianhai, jointly launched the commercial service Easy Registration for Shenzhen-Hong Kong Connect. The service is expected to improve Shenzhen's business environment for foreign investors and approval efficiency for commercial affairs, and boost the integrated development of the Greater Bay Area. With the bank's sound cross-border services, Easy Registration is a one-stop service allowing investors in Hong Kong to register business in Shenzhen without the need to travel to the mainland or the cost of intermediary services. It thus makes investment in the mainland easier for Hong Kong investors who used to be daunted by the unfamiliarity with mainland policies and procedures.



The launch ceremony of Easy Registration for Shenzhen-Hong Kong Connect

Tapping into Human Resources to Unleash the Innovation Power

Innovation has come to be the primary driver for corporate development, industrial upgrade and urban prosperity. In response to the national call for leveraging innovation as the primary driver, Yuexiu Group has built innovation platforms and stimulated the vitality for innovation to pursue high-quality development driven by innovation and opening up.

Building Innovation Platforms

In 2019, Yuexiu Group hosted its Third Innovation Competition to unleash a stronger force to innovate, create and start business. The competition was open to both inside and outside projects and an opportunity for talented innovators to shine, where we can draw inspiration for developing new business, new products and new business models and thus stay young.



The poster of the 2019 Innovation Competition



Inside projects

Contestants

Employees of Yuexiu Group, including the Head Office and subsidiaries.

Project types

Internal startup projects: Projects that can generate direct yields and continue to grow on their own, including innovative products/services and innovative business models;
Internal optimization projects: Projects that can improve management efficiency and lower operating costs, including innovation of R&D and management.



Outside projects

Contestants

Employees of companies that are not shareholding subsidiaries of Yuexiu Group.

Project types

Real estate projects: Focusing on both commercial and residential properties, such as new retail, smart space/community, real estate plus big data, health care and senior care services;
Financial projects: Focusing on fintech, such as smart investment, asset management and smart banking;
Transport projects: Focusing on smart transport, such as smart travel and new materials for roads and bridges;
Papermaking projects: Focusing on smart manufacturing, including papermaking technology, green manufacturing, smart manufacturing, etc.

Stimulating Vitality for Innovation

We spot and incubate outstanding innovation projects from the innovation competition, encourage the competing teams to apply their expertise to tap opportunities and solve problems and stimulate the competitors' innovation vitality. By so doing, we hope to generate inexhaustible impetus for the sustainable development of human resources and the Group.



The Third Innovation Competition Concludes

On August 28, 2019, at the finals of the Third Yuexiu Group Innovation Competition, 12 inside project teams and five outside project teams staged roadshows successively. Based on their performance in the roadshow and defense, the following project teams were awarded winners: Smart Retail Tenancy, White Horse Live-Streaming Supply Chain Service Platform, Comprehensive Recycling of Products of the Combustion of Solid Rejects, End-User-Oriented Low-Power AI Chips, and Intelligent 3D Building Mapping, etc. The competition will push the Group further in the direction of development driven by operation, resources and innovation, and unleash its power to innovate, create and start business.



The first-prize winner of inside project teams



As the future of a nation rests in its ability to innovate, the development of a company would not be possible without innovation. Our third innovation competition is warmly received inside and outside the Group. In particular the outside project teams have made the competition more energetic and passionate. In the future, we will continue to support technology innovation, deeply involve in industrial innovation, and vigorously advance technology and process upgrade in transport, modern urban agriculture and papermaking. We will also integrate industrial resources and focus on major development projects to bring our development to a new high.

-Zhang Zhaoxing,
CPC Committee Secretary and
Chairman of Yuexiu Group



Recognition award winners of outside project teams

2 Coordinated Development Improves Business Operation

Our Mission

To coordinate development, we need to identify and double efforts to strengthen weakness, and by so doing further tap into potentials and enhance the sustainability of development.

--Xi Jinping, remarks at the workshop for provincial- and ministerial-level officials on studying and implementing the guiding principles of the fifth plenary session of the 18th CPC Central Committee

What We Do

- ◆ We strive to improve business operation and stimulate development vitality through efficient management.
- ◆ We build a sustainable mechanism to tighten control over work safety across the Group.
- ◆ We further integrate resources to provide better products and services for customers.
- ◆ We expand and improve the layout of core business to serve the development of the Greater Bay Area, and aggressively advance the renovation of urban villages to make cities more livable.

Contribution to SDGs

3 GOOD HEALTH AND WELL-BEING



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Consolidating the Operation Basis and Enhancing Effective Management

Sound operation and management are the cornerstones of sustainable corporate development. Yuexiu Group continues to strengthen management of investment, financing and related risks. With more efforts on the application of information technology, the Group strives to improve operation and stimulate the vitality for development through efficient management.

Expanding the Financial Channel

By integrating resources, Yuexiu Group has diversified financing channels and continues to better its capital structure and maturity allocation. As a result, the leverage rate has been declining steadily, meeting the Group's capital needs for development and ensuring its financial security as well.

RMB
159.3 billion
Financing raised in 2019

Direct financing	We have newly registered corporate debts, perpetual notes, short-term commercial paper, super short-term commercial paper, asset securitization of the Group and Chong Hing Bank's capital debenture, with a combined value of RMB 73 billion, and issued RMB 51.7 billion of them.
Indirect financing	We have bettered the banking-business strategic cooperation platform and strengthened cooperation with ICBC, Bank of Communications and Pudong Development Bank to expand the channel of indirect financing.

Improving Risk Management and Control

Yuexiu Group continues to strengthen compliant operation and work on risk management to effectively guard against and resolve major risks, thus safeguarding sustainable business development.

Improving the compliance management system

- ◇ We constantly optimize the corporate governance system and see to it that all major policies, contracts and decisions must pass legal review and all business decisions are legitimate and compliant with law.
- ◇ We improve the procurement management system to better manage procurement affairs.
- ◇ We promote the application of information technology to strengthen management of associated transactions.

Shifting the control focus from management risks to business risks

- ◇ We construct the concentration risk management system and specify the ceiling of business concentration, to prevent systematic risks.
- ◇ We are active in the review of investment projects and provide independent, professional advice on major investment projects.
- ◇ We check special business risks on an ongoing basis to ensure the healthy, steady development of all businesses.
- ◇ We establish a mechanism to share information about risky accounts based on law compliance.

Guarding against and resolving major risks to prevent systematic risks

- ◇ We properly handle the liquidity risk of the asset management business of Guangzhou Securities.
- ◇ We hire external agencies to check the Group's risk management independently and regularly, and constantly optimize our comprehensive risk management system.

Improving the methods to monitor business risks and evaluate risk management

- ◇ We explore the mechanism to assign special personnel to track the risk of key business, and thus improve the timeliness and effectiveness of risk monitoring.
- ◇ We continuously optimize the monthly reporting system for risk management to improve our risk monitoring capability for core businesses.
- ◇ We increase the IT application in risk management, and have preliminarily realized the risk data integration and risk analysis visualization for core business.
- ◇ We deepen the assessment of affiliated segments and risk management lines, continuously urge segments to improve risk management, and effectively ensure the organizational capacity of risk management.

Promoting the IT Application

We steadily push forward the "Yuexiu 195 Project" to build nine generic systems. We continuously deepen data application, promote the establishment of business information systems, and shift the role of IT from technical support and service to a business driver, thus vigorously boosting the IT application in our management.

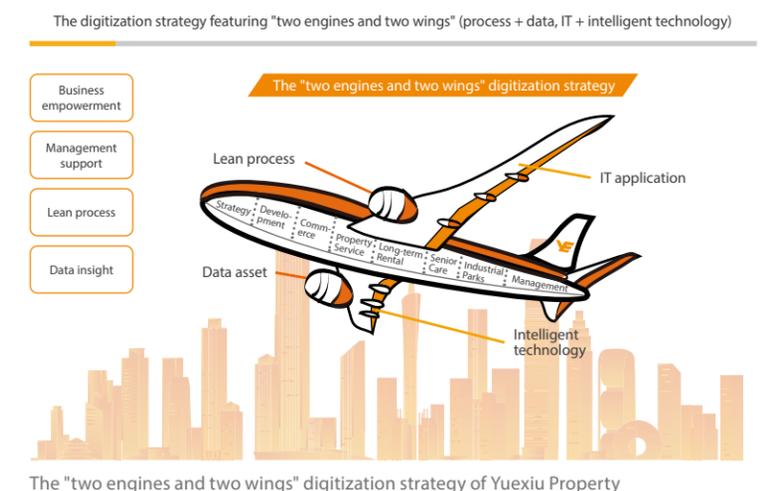
The Yuexiu 195 Project The main framework of Yuexiu 195 Project is basically ready, and remarkable progress has been made in building generic systems, which will reduce the complexity of system deployment and improve the operation and maintenance efficiency.	The Digital Yuexiu Uniform standards are preliminarily developed for centralized management of key master data, and will effectively improve data quality. The innovative technology platform has taken shape, and the agile digital front office Cloud Yuexiu has yielded initial results.	Segment-specific business systems We accelerate building business systems and have spent RMB 560 million in this regard. Our e-business ratio has been steadily going up and the operation and maintenance of segment-specific IT systems improved.
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Further Reading

The Yuexiu 195 Project includes one innovative technology platform and nine generic systems. It aims to unleash IT's force in underpinning the Group's corporate management and business development and realize the five major objectives of IT application in management.

Yuexiu Property's Digitization Strategy

In the latest wave of digitization, digital management has become an important weapon for enterprises to improve management efficiency and get ahead of rivals. Yuexiu Property has listed digital transformation in its strategy and clarified "two engines and two wings". It hopes to reinvent itself as a data-driven smart enterprise by 2020, and use data to support decision-making, enable innovation and enhance competitiveness. On top of that, it hopes to reshape existing business, expand into new areas, apply IT to its business and management chains, and thus lay a good foundation for technology-driven development.



Enhancing Work Safety to Protect Employees' Health and Safety

The Group has always placed employee safety and health on top of its agenda, and works hard to foster a corporate culture that everyone values work safety. We continuously improve the management of work safety and strive to establish a long-term safety mechanism and create a safe workplace.



Emergency response skills contest

RMB **130** billion
Invested in work safety

2,436
Emergency drills organized

24,075
participants
Three-tier safety training

90,900
participants
Special safety training programs

Implementing the work safety accountability system

Each year, we will produce a sound list of work safety responsibilities, and demand employees at all levels to sign the letter of commitment. We also have an annual performance assessment mechanism for work safety to strengthen the guidance, supervision and inspection in daily management, and urge employees at all levels to voluntarily fulfill their safety duties.

Refining emergency response plans

We have established a sound emergency response system that works efficiently and responsively under centralized command and in a coordinated and orderly manner. We also work to improve the comprehensive command of emergency response across the Group, to prevent work safety accidents, mass emergencies, meteorological disasters and other emergencies, or if any, minimize their damage.

Investigating and eliminating safety hazards

Based on identification and tiered control of safety risks, we identify and analyze safety risks on an ongoing basis. We systematically identify risks from the source and key management links. Then we reasonably determine the risk level, accordingly adopt targeted countermeasures, and dynamically update the list of risks to ensure that there is no blind spot and reduce the occurrence of accidents.

Fostering the safety-first corporate culture

We vigorously raise employees' safety consciousness, learn from White Horse's "safety first and foremost" culture. We organize activities such as the Work Safety Month, Safety Cup and the Fire Protection Awareness Day, to raise employees' safety awareness, and put safety first in production and management.

Applying technology to enhance workplace safety

We have introduced new safety technologies, equipment and means, to upgrade dangerous process and operation steps. We aggressively develop the information platform for work safety, and have digitized safety management to enable real-time monitoring of all kinds of business forms and operation sites, and upgrade the technologies and materials used in safety management.

Providing High-Quality Services to Win the Trust of Customers

Based on in-depth study of customer needs, the Group integrates resources to provide better products and services that exceed customer expectations and improve the customer experience.

Tightening Quality Control

We value the trust of every customer, and go all out to guarantee the quality of our products and services and deliver more assuring, better, safer and more reliable products and services.

Honors

Fengxing Milk's On the Bottom Yoghurt and Local Yoghurt are certified as **Famous brands of Guangdong**

Cantonese Yoghurt, Fengxing Condensed Milk and E Baifen Fermented Milk are certified as **High-tech products**



Finance

Yuexiu Financial Holdings has established business cooperation platforms and channels, improved the account management system, diversified its product line, and strengthened customer services to meet diverse financial needs.

Real estate



Yuexiu Property has formulated the *Detailed Rules for Project Quality Assessment Management* to regulate and institutionalize the quality assessment process, and make quality assessment the last defense line for quality control.



Transport

Yuexiu Transport puts forward clear requirements for the management structure, technical application and engineering management for the maintenance work to ensure that the highways and bridges are in good technical state and to extend the service life of highways.

Food



Fengxing Milk's technology center has improved the testing capacity and efficiency to tackle difficulties facing the dairy industry, and the cold-chain temperature monitoring system to ensure that the first pass yield meets the expected target.



Papermaking

Guangzhou Paper Group improves product quality through process and technical upgrading. At the same time, it continuously improves the quality system and revises relevant policies to constantly boost its quality management level.



Guangzhou Flagship Development Group holds steadfastly to the urban food sector

Guangzhou Flagship Development Group wins the trust and favor of consumers with first-rated products and services. It has strengthened its R&D capacity in the dairy and animal husbandry industries, and partnered with South China Agricultural University and other research institutes to improve the R&D system and develop new products. Moreover, the company strengthened the quality control at bases, and explored the establishment of production bases for dairy cattle, beef cattle, layers, and pigs to strictly guarantee product quality and safety at the primary level, and improve product quality. Meanwhile, it has extended to the entire industrial chain, ranging from animal farming, R&D, production, processing, to sales and platform construction. Committed to becoming a model company in the modern agriculture sector, it gathers resources to strengthen the weak link of meat processing to provide assuring and high-quality food.

A Better Customer Experience

Always customer-oriented, we actively upgrade products and services and develop smart products that beat the expectation of customers.

Yuexiu Commercial releases its office building V3.0 project: Guangzhou ICC

On December 3, 2019, Yuexiu Commercial, a subsidiary of Yuexiu Property, unveiled its latest landmark project – Guangzhou ICC, a representative product of Yuexiu office building V3.0. Located in CBD, Guangzhou ICC sits on the central axis of Guangzhou and spans a building area of more than 180,000 square meters. Working with Alibaba Cloud, it has upgraded seven core applications including the auto-adjusted intelligent environment and intelligent multimedia for information release, and is equipped with the Yuexiu intelligent office system, healthy office system and office community system as well as 5G communication system. It applies big data technology to improve the office efficiency and property services, perfectly blending technology into the office environment.



Guangzhou ICC

Yuexiu Property releases its first community commercial project "Living Fun"

On December 23, 2019, Yuexiu Property unveiled its "Living Fun", a brand of its community commercial project V4.0 that is better equipped, more closely knitted and more people-centered. Based on the community commercial project plan, it puts forward different models, such as the outward comprehensive business model, the middle business model dominated by catering and children services, and the inward business model of supporting services. The community commercial scenes are underpinned by parent-child and child activity space and the elderly care center, while the convenience service center feature the new-type fresh food market, lifestyle services, government services and charity mutual assistance services, to create a more dynamic community. On the community commercial management platform, it launches products that conform to both contemporary aesthetic tastes and memory of the age. An intelligent property management center is also set up to promote online-offline, commercial-residential integration, enable intelligent management, and inject new elements and vitality into community commercial projects.



Child education space



Fresh food market



Yuexiu Senior Housing is a synonym for considerate and heart-warming senior care services. The picture shows the understated dining hall at Yuexiu Haiyiyuan.



Yue Space, a relaxing, people-centered high-end office environment jointly developed by Yuexiu Property and famous interior designers from Taiwan.

Customer Rights Protection

We remain customer-centered and make customer rights protection an important task. We have established an unimpeded customer feedback mechanism. Based on customer satisfaction survey, we listen to customer voices, and proactively protect customer information and privacy, and maintain harmonious customer relations.

In 2019, "Guangzhou Paper" newsprint scored **96.18** points in customer satisfaction; the company also did a great job in other indicators



Listening to customers' voice

We value the feedback of each customer, and urge subsidiaries to collect and respond to customer opinions. In 2019, Yuexiu Property and Guangzhou Paper Group surveyed customer satisfaction on an ongoing basis, and formulated improvement plans based on the survey results to address key issues and improve customer satisfaction.



Protecting user information and privacy

In accordance with the *Yuexiu Group Measures for Customer Information Management (Trial)*, we continuously strengthen subsidiaries' ability to protect customer information and privacy.



Responding to customer demands

We value customer feedback and work hard to better understand customer demands and improve customer services. To this end, Yuexiu Property has formulated the *Detailed Rules for Customer Complaints Management* and *Complaints Handling Procedures*. It has also worked with letters and visits agencies in such government bodies as the Housing and Urban-Rural Development Department and the Administration of Industry and Commerce to handle complaints referred by government departments as soon as possible based on the 12345 government service hotline.



Meeting with home owners

In September 2019, Yuexiu Services (Pearl River Delta), an arm of Yuexiu Property, organized homeowner meetings for projects including Starry Winking in Zhongshan. Project managers were there to listen to the opinions and feedback of home owners. A special reception area was set up at the meeting site to handle owner complaints and improve services.



Yuexiu Property upgrades its CRM system

Yuexiu Property values effective communication with customers. In March 2019, it upgraded its customer relations management (CRM) system and connected the delivery module with the sales module, so that salespersons could inquire about customer delivery information in the after-sales service module. The updated system also displays the latest progress of complaint handling and maintenance services, to make sure that customer demands are accurately met as soon as possible.

Boosting Regional Development and Urban Vitality

While accelerating to optimize business layout and contributing to regional development, the Group has concentrated resources in key cities in the Greater Bay Area to boost regional development. Meanwhile, following Guangzhou's urban renewal policy, we advance the renovation projects of urban villages to modernize the city, facilitate regional high-quality development and create a better life for the people.

Boosting the Development of the Greater Bay Area

We actively implement national policies and attach great importance to the development of the Guangdong-Hong Kong-Macao Greater Bay Area, considering it as a major political task and business opportunity. We are positioned to "be an important platform company for building a world-class urban agglomeration in the Greater Bay Area and support Guangzhou to become the backbone of the Greater Bay Area", and deploy our resources to deeply involve in, facilitate and contribute to regional development in the Greater Bay Area.



Improving the industrial layout

- ◆ We explore new business forms and expand the frontier of the industry to better serve the real economy and promote financial opening and innovation in the Greater Bay Area. We provide real estate services that are friendly to residents, businesses and tourists, meet people's multi-level needs and enhance the region's connectivity with the outside world.
- ◆ We seek development opportunities in many fields, embrace strategic emerging industries and modern urban agriculture, and strive to build innovation highlands in the Greater Bay Area and new driving forces for corporate development.
- ◆ We also actively explore development opportunities and paths in the fields of biomedicine and intelligent manufacturing.



Promoting coordinated business development

- ◆ Yuexiu Property has established the "Development + Operation + Finance" mode, Yuexiu Financial Leasing has provided financial leasing for Guangzhou Paper Group, and Guangzhou Securities has underwritten the corporate bonds of the Group.
- ◆ Yuexiu Financial Holdings coordinates cooperation among its securities, leasing, industry funds, AMC, micro-finance and banking subsidiaries to realize integration in the financial sector.
- ◆ The back office for business collaboration is in place to focus on customer management and services.



Giving play to our strength in cross-border business

- ◆ Through merger & acquisition, business startups and capital infusion, we continue to operate in both Guangzhou and Hong Kong and expand into the national market.
- ◆ We coordinate business expansion at home and abroad, and build platforms to connect mainland and overseas business and coordinate our securities, banking, and real estate business.
- ◆ We expand the overseas financing channel to strengthen the competitiveness of listed subsidiaries, better the financing structure and reduce the capital cost.
- ◆ We improve the customer sharing system for sharing customers inside and outside the mainland.



Strengthening the leading role of innovation

- ◆ We have gradually established a database of external partners and long-term partnership with external agencies, specialists and scholars to exchange research findings and personnel cultivation in key areas.
- ◆ We seize opportunities to deepen cooperation with prestigious universities in the Greater Bay Area and explore efficient and stable cooperation modes for the screening of innovation projects, training of contestants, business model innovation, and the development of high technology.
- ◆ We are developing the R&D model based on the industry-university-research cooperation to stimulate the Group's innovation in its business model, products & services, project operation and institutional arrangements.



Chong Hing Bank and the Greater Bay Area

Since 2019, Chong Hing Bank has been aggressive in expanding its market share in the Greater Bay Area. It has set up the GBA business development division to strengthen links between its GBA headquarters and branches and oversee credit and deposit services for corporate customers in the region. It has launched Hong Kong Connect, Hong Kong-Macao Connect, Guangzhou-Hong Kong Connect, and Easy Registration for Shenzhen-Hong Kong Connect, to improve the GBA business environment. It also offers proxy witness service for mainlanders who want to open a bank account in Hong Kong and personal loan schemes for mainland employees dispatched to Hong Kong. In Shenzhen and Guangzhou, it pilots cross-border mortgage loans for ready homes for the convenience of cross-border commuters. Meanwhile, for key SOEs in Guangzhou and outstanding private enterprises in Shenzhen, it offers cross-border direct financing and offshore financing against domestic guarantee, to lower their financing cost and better serve the real economy in the Greater Bay Area.

Accelerating to Optimize Business Layout

We accelerate business layout optimization, continuously expand business and optimize layout in core segments, and strive to achieve more stable and stronger growth in the financial sector, higher-quality development in the real estate sector, stable growth in the transportation sector and vigorous development in the food sector. While enhancing our industrial competitiveness, we also hope to stimulate the development of local economy.



Chong Hing Bank takes a key step to be a national bank

On November 26, 2019, Chong Hing Bank's Shanghai Branch was officially open to business at Yuexiu Tower in Pudong, Shanghai. This is Chong Hing's fourth branch in the mainland, and moreover its first mainland branch outside Guangdong. It marked a key step for the bank to obtain the national license as it was about to celebrate its sixth anniversary with Yuexiu Group. It is closer to its vision of "building a comprehensive commercial bank with cross-border characteristics".



The inauguration ceremony of Chong Hing Bank Shanghai branch

Promoting Urban Renewal

We strive to develop model projects for urban village redevelopment, to give new life to inner city. In 2019, Yuexiu Property Urban Renewal Group successfully launched two projects: one in Lirendong Village, Panyu District, and the other in Dongliu Village, Nansha. It will give full play to the advantages of industry-finance integration to advance the renovation of old towns, plants and villages in an orderly manner. It will also optimize the urban renewal model, provide high-quality services for urban renewal and promote the modernization drive in Guangzhou.

The combined area for renovation in Lirendong and Dongliu villages totals

1.78 million square meters

After redevelopment, their building area will increase to about

3.74 million square meters



The renovation project of Dongliu village, Dagang town, Nansha

On October 16, 2019, backbone members of the investment promotion team for the redevelopment of Dongliu village, Dagang town, Nansha, agreed to select Yuexiu Property as the renovation partner. This is Yuexiu Property's first urban renewal project in Nansha. Dongliu is located at the intersection of Dagang's industrial development axis and urban development axis, adjacent to the central area of Jiaomenhe in the east, the starting area of Mingzhu Bay at the heart of Nansha in the south, Shunde District of Foshan in the west and the heart of Panyu in the north, all within a 30-minute drive. The cooperation project covers comprehensive renovation of Dongliu's old village and old plants, and mild renovation of the new village. The total development area is nearly 250,000 square meters. It plans to build a 12-classroom kindergarten and a 24-classroom primary school. After completion, the project will promote local economic development and improve the living conditions of local residents.

CSR Spotlight

Renovating Lirendong village to build it into a CBD in southern Guangzhou



On October 21, 2019, the renovation project of Lirendong village was officially launched, drawing an audience of about 140. Lirendong is located in the middle of Panyu district and the west of Nancun Town. The designated area for renovation is about 1.72 million square meters, and after renovation, the total building area will span 3.49 million square meters.



The launch ceremony of Lirendong village renovation project

Leveraging Yuexiu Property's industrial strength and riding on its development trend, Lirendong village will build a dual-wheel drive consisting of "intelligent technology and information commerce". It will also make use of nearby commerce, tourism and cultural industry to form the industrial ecosystem of "Chimelong-Wanbo-Lirendong-Jinshan Lake". It will focus on developing three industries: intelligent technology, headquarters office and fashion and creative business, and become an intelligent technological innovation platform in the north of Panyu. It is expected to play a key role in boosting regional investment, expanding the industrial scale, creating jobs, generating industrial value and tax income, and realizing industry-city integration, thus injecting strong impetus into the new Lirendong community.



Rendering of Lirendong after renovation



The villagers of Lirendong have made important contributions to the construction of Chimelong resort and Wanbo Center, and to the economic and social development of Guangzhou. Their dream to build the "No.1 Taobao Village" into another Wanbo deserves much respect. Governments at all levels and various units, especially the developer Yuexiu Property, should push forward the redevelopment of Lirendong while remaining true to the original aspiration and keeping their mission firmly in mind. Efforts should be made to turn Lirendong from a super fringe zone into the CBD of the downtown, and create a better life for local residents.

---Chen Jianhua, Director of Standing Committee of Guangzhou Municipal People's Congress



After the renovation, a green park platform on top of Panyu Avenue will be built, to further improve the city appearance and living environment. Meanwhile, this will greatly promote intensive land use, put underused land into better use, and enhance public services. Rational urban planning will be conducted to promote the economic development of the village, promote the industry-finance integration, and create more jobs.

In the future, leveraging its proximity to Chimelong Tourist Resort and Wanbo CBD, Lirendong will become an urban district with highly-compound features for "technology innovation, fashion, commerce, office, ecological living area", and form with the former two areas the "golden triangle" in the tourism, commerce and creative industries.

Open Development Creates Multi-Faceted Values

Our Mission

Only openness delivers progress, and only inclusiveness sustains such progress.

--Xi Jinping, opening remarks at the BRICS Business Forum

What We Do

◆ We establish long-term and close strategic partnership with local governments, enterprises and universities to achieve mutual benefits.

◆ We improve the procurement bidding system and tighten bidding management to build a responsible supply chain.



Contribution to SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Building Strategic Partnership and Sound Business Ecosystem

Yuexiu Group is committed to establishing long-term and close strategic partnership with governments and enterprises so as to build a platform that fully mobilizes the resources advantages of all parties for closer cooperation and win-win outcomes.

Strengthening Cooperation with Governments

We attach great importance to maintaining sound relations with governments. Through closer communication, mutual visits and comprehensive cooperation with governments at all levels, we endeavor to translate the resources of the public and private sectors into productivity and work together to fuel local socio-economic development.



Co-building a world-class international university with Chinese characteristics

Yuexiu Property applies the mode of "public facilities plus housing" to project construction. In partnership with Guangzhou Municipal Government, Yuexiu Property undertook the task of building supporting facilities for the first batch construction of Phase II Project of Guangzhou International Campus of South China University of Technology. After completion, the project was handed over to the designated department of Guangzhou Municipal Government for free, and then Yuexiu Property successfully won the bidding of Lot 107 and Lot 111 of Hanxi Changlong, Panyu district, Guangzhou city. The project puts on parallel tracks the investment in and construction of higher education facilities and government supporting policies. It also sets up a model of enterprise-government cooperation in urban development, investment and financing of major educational infrastructure construction and accelerates the high-quality development of the city.

Strengthening Partnership with Universities

We actively cooperate with Hong Kong University of Science and Technology (HKUST) and South China Normal University on the fields of basic education, industry-university research projects and talent exchange to effectively improve the research ability of the Group and finds solutions to business problems.



On May 23, 2019, under the theme of "future through education", the Tripartite Signing Ceremony of Xintang School Affiliated to South China Normal University in Zengcheng District, Guangzhou was held, marking the start of the first cooperation project between Yuexiu Property and South China Normal University.



Donation of HKD 100 million from Yuexiu Group to the HKUST to foster top talent training in the Greater Bay Area

On June 10, 2019, Yuexiu Group Donation Presentation-Yuexiu Group • HKUST One-Million-Dollar International Entrepreneurship Grand Final Competition Signing Ceremony was held at HKUST. The Group donated HKD 100 million to support the scientific research and innovation and top talent training of HKUST. An additional RMB 10 million was donated for outstanding innovation and entrepreneurship projects in Guangzhou and Hong Kong to boost commercialization of scientific and technological findings in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Through the donation, Yuexiu Group echoes the call of Guangzhou Municipal Party Committee and Municipal Government to reinforce the GBA development. Through cooperation with HKUST, we dock corporate capital with the university's scientific research findings to push for their commercialization and set up a virtuous circle of development among governments, enterprises, universities and scientific research institutes.



Speech by Chairman Zhang Zhaoxing at the ceremony



As a leading SOE in Guangzhou founded in Hong Kong, Yuexiu Group actively devotes itself to the GBA development and the construction of the International Science and Technology Innovation Center. This donation reflects the Group's commitment to corporate social responsibility and will render further support to scientific research, talent training and knowledge transfer of HKUST.

—Andrew Liao, Chairman of the Council of the Hong Kong University of Science and Technology



The debut of Yuexiu Property-Tencent Youth Challenge

On May 25, 2019, Yuexiu Property and Tencent launched the first "GBA Youth Tour" in Guangzhou International Financial Center (West Tower). More than 30 middle school students from the GBA shared an immersive experience with commercial giant Lin Deliang of Yuexiu Property. During the visit, they explored the technologies behind the high-rise building, the office business service platform YUE Space and the operation mode of real estate. Yuexiu Property taps into its potentials as a state-owned enterprise to continuously build up the stock of educational resources to better support the development of young people in the GBA and promote their exchanges and friendship.



Interaction between our staff and visiting teenagers

Strengthening Partnership with Enterprises

The Group continues to expand cooperation with enterprises in and outside Guangdong province explore diverse areas of cooperation and foster closer business ties to jointly promote business development and achieve win-win cooperation.

We cooperate with Guangdong Exchange Holding Group to build non-standard capital market and factor market in the GBA, explore cooperation in real estate finance and economic think tanks to lay a solid financial foundation for the GBA.

We cooperate with Guangzhou Industrial Investment Holding Group (GIIHG) in the fields of financial services, industrial manufacturing, real estate and health care to give full play to our respective advantages and achieve win-win results.

Partnership within the province

Partnership across the province

We have signed strategic cooperation agreements with Changsha Metro Group Co., Ltd. and Sino United Publishing (Holdings) Limited to integrate resources and promote the values of the real estate sector.



Yuexiu Group officially takes over Hanyang-Caidian, Wuhan-Ezhou and the southern section of Daqing-Guangzhou expressway projects

On March 19, 2019, Guangdong Rising Assets Management Co., Ltd. (GRAM) and Yuexiu Group held the "Handover Ceremony of Hanyang-Caidian, Wuhan-Ezhou and the southern section of Daqing-Guangzhou Expressway Projects", which symbolizes that the merger and acquisition between the two SOEs has taken another substantive step forward. The strategic move takes industrial integration and main business and complementary development of the two sides to a next level. After the handover, Yuexiu Group and GRAM will continue to improve their professional operation and delicacy management of the project, create value for shareholders, employees and the society and make due contributions to the economy and transportation in Hubei province.



Yuexiu Group signs a comprehensive strategic cooperation agreement with SPD Bank

On November 25, 2019, Yuexiu Group and Shanghai Pudong Development Bank (SPD Bank) held a signing ceremony of the comprehensive strategic cooperation agreement in Shanghai. The two sides agreed that SPD Bank will provide Yuexiu Group with financial services covering project loans, trade financing, mergers and acquisitions at home and abroad through domestic and foreign platforms to achieve complementary and win-win cooperation. The partnership with SPD Bank will help the Group to further participate in the GBA development and give full play to its leading role as a SOE so as to lift the Group's overall strength, quality, efficiency and development to a new level.



Signing ceremony of Yuexiu Group and SPD Bank

CSR
Spotlight

Partnership with Guangzhou Metro and SCI Group to build TOD complex worth one million yuan in Huangpu District



On May 28, 2019, Guangzhou Hong Kong Intelligent Manufacturing Special Cooperation Zone in Guangzhou Development District (GDD) was kick-started. The foundation ceremony of the TOD Comprehensive Development Project of Huangpu Metro Line 6 developed by three major SOEs, namely Yuexiu Group, Guangzhou Metro and SCI Group was held. On top of previous cooperation between Yuexiu Property and Guangzhou Metro over capital operation and real estate development above rail transit, the model project takes in the resources of the SCI Group and is a practice of the government's policy of "building a hub network city and improving the quality of the city", which injects new vitality into the TOD model and improves the living environment created by TOD in Guangzhou.



Ground-breaking Ceremony of TOD Comprehensive Development Project of Huangpu Metro Line 6

A friendly living environment

Located in Guangzhou Science City of the Science and Technology Innovation Center in the GBA, the project owns an over 3 million square meter flagship commercial complex which attracts fine resources across the city. Baoneng International Sports Arena and Huangpu Public Library stand nearby, better accommodating people's need for living.

Convenient transportation

As a property built on the metro depot, the project is well connected with Xiangxue Station of Metro Line 6, making travels more convenient. Three subway and two tram lines also run pass the project. Coupled with excellent road traffic system, the project enjoys a greater transport accessibility.

Outstanding educational resources

Enjoying a total floor area of about 930,000 square meters, the project owns a nine-year school covering education from elementary to middle schools and two kindergartens. Luofeng primary school, Xiangxue primary school and Yuyan middle school also stands in the neighborhood.

Harmonious coexistence of the city and the nature

The space is divided into two sections. The upper section hosts the private space of the community, while the lower section is designed for public use, mainly community services, and is close to the Huangpu Tree Planting Park. With perfect landscape resources, the whole project is built into a platform where the natural and the city coexist peacefully.

In the future, Yuexiu Group, along with Guangzhou Metro and SCI Group, will launch a community project worth one million yuan in the east of Guangzhou to create a new type of TOD integrating functions of health care, culture, intelligence and hub. We hope to set a new benchmark for better living environment created by TOD in Guangzhou.

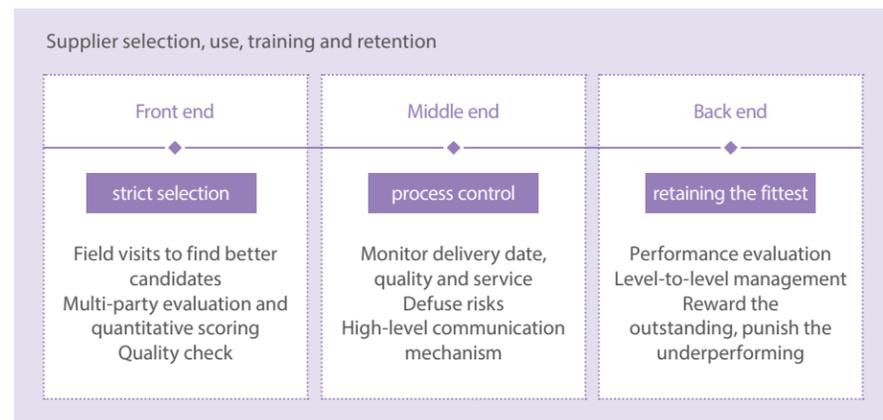
Building a Responsible Supply Chain to Drive Industrial Development

The Group continues to improve the bidding procurement system, optimize the management procedures, tighten management of suppliers and review experts in procurement activities to build a responsible supply chain.

	Finance	When selecting suppliers, Chong Hing Bank takes the social and environmental performance of suppliers into consideration apart from factors such as product and service qualities.
	Real estate	Yuexiu Property vigorously reforms bidding procurement management to make it more professional and deep-rooted. It also cooperates with upstream and downstream suppliers in commercial acceptance bills to promote financial cooperation along the supply chain.
	Transportation	Yuexiu Transport has completed the revision of the bidding procurement management system, promoted the comprehensive application of the e-procurement system, and further improved the bidding procurement management and system construction.
	Food	Yuexiu Fengxing Food strengthens supply chain coordination, expands the import and export of healthy food and frozen meat and gradually constructs a trade pattern of "buy and sell globally".
	Paper-making	Guangzhou Paper Group actively introduces new suppliers and strictly implements the supplier evaluation system. It maintains good communication with suppliers, and improves the e-commerce procurement mode to ensure product quality.

Win-win cooperation between Yuexiu Property and its suppliers

Yuexiu Property maintains closer contact with suppliers and establishes a comprehensive management system covering selection, use, training and retention of strategic suppliers, which helps the company with supplier shortlisting, quality control reward and elimination. Such a system not only encourages suppliers to provide better services and high-quality products for the company, but also empowers suppliers to expand their sales channels for all-win results.



In 2019, a total of **397** suppliers were shortlisted by Yuexiu Property achieving **47%** increase in contract signing rate year on year

Yuexiu Transport's builds a dynamic management system for the supply chain

In order to ensure effective supply chain management, Yuexiu Transport builds a dynamic system to strictly control the entry threshold of suppliers, manage suppliers from level to level and evaluate their performance.



Fengxing Milk builds a comprehensive supply chain to ensure the nutrition and bio-active substances in milk

A long-term study by the Risk Assessment Lab of Agri-products Quality and Safety (Beijing) of Agriculture Ministry shows that high heat intensity, long transportation distance and long storage period will lead to a significant reduction in the content of bioactive substances in milk. In order to better protect the nutrition and the substances, to create high-quality milk sources with stricter industry standards in Europe and US. It has introduced a strict evaluation mechanism including 48 standards within 10 items to ensure quality to create high-quality milk sources with stricter industry standards in Europe and US. It optimizes pasteurization technology of milk to protect the active substances to the greatest extent. In addition, it establishes the "Fengxing life" e-commerce platform encompassing all links of the supply chain, sets up a logistics to secure the last kilometer of fresh product delivery. The comprehensive supply chain system can control the three major links, namely milk source, production and processing, and cold chain so that the product fully meets the quality milk standard, lifting the standard of milk and ushering in a "fresh" era of Guangdong's milk industry.



Fengxing Milk introduces good breed dairy cattle from abroad



Green Development Protects Our Beautiful Home

Our Mission

There is no substitute for the ecological environment which is hardly noticed when we are benefiting from it, but impossible to live without. Since the environment is where people live, only with green mountains and blue sky can mankind have a beautiful and happy homeland. Lucid waters and lush mountains are invaluable assets. Therefore to protect and improve the environment is to protect and boost productive forces.

--Xi Jinping, *A Deep Understanding of the New Development Philosophy* published on the tenth issue of *Qiushi* magazine on May 16, 2019

What We Do

- ◆ We continuously improve the environmental management system and the environmental management level, to realize efficient and well-regulated green management.
- ◆ We develop green technology and products, promote green production, and urge business segments to go green.
- ◆ We continue to green our office environment and carry out green charity activities on an ongoing basis to motivate more people to help protect the environment.

Contribution to SDGs



Environmental Management Lays the Foundation for Green Development

Yuexiu Group actively responds to the concept and requirements of green development, follows laws and regulations on environmental protection, and urges all business segments to improve the environmental management system and realize efficient and well-regulated environmental management. The Groups has kept contributing to environmental protection as always.

 <p>Green finance</p>	<p>Chong Hing Bank has formulated the <i>Environmental Policy</i> to specify its management guideline on and commitment to environmental protection, and guide employees in environmental management. Yuexiu Financial Holdings lists new energy and environmental protection as key investment areas for its industry funds.</p>
 <p>Green real estate</p>	<p>Yuexiu Property has released the <i>White Paper on Green Building</i> and refined <i>Detailed Rules for Green Building Project Management</i>. It manages projects by category, demands strict compliance with green building standards, and imposes whole-life-cycle control on projects from design to operation.</p>
 <p>Green transport</p>	<p>Yuexiu Transport has established an environmental management system to identify and control environmental pollutants such as discharges, waste and noise generated during construction and operation. The system also applies to energy consumption and waste management of its expressways.</p>
 <p>Green food</p>	<p>Fengxing Milk has established a three-level environmental protection management network: the company level, departmental level and working team level, to conduct comprehensive, across-the-board and whole-process management and engineering supervision of environmental protection. An environmental protection management department is also set up to take full charge of the company's environmental protection management and monitoring.</p>
 <p>Green paper-making</p>	<p>To meet the requirements of Guangzhou Municipal Ecological Environment Bureau, Guangzhou Paper Group has established a three-tier environmental protection management system, improved the environmental protection system, and stepped up efforts to fight air and water pollution and build more anti-pollution facilities.</p>

Green Operation Makes Low-Carbon and Eco-Friendly Development a New Normal

Yuexiu Group applies the concept of environmental protection and ecological economy to corporate operation, and actively promotes green operation across business segments by developing green technologies and products and facilitating green production, thus to help protect the Earth.

Developing Innovative, Green Technology

We continue to develop innovative, green technology to achieve harmony with the natural environment.

Technology R&D

In cooperation with universities, Guangzhou Paper Group has successfully developed and produced modified papermaking fillers by using fly ash of solid rejects as the raw material. The filler is a success example of recycling and secondary utilization of waste.

Project research

In cooperation with a third party, Yuexiu Transport has developed and applied the hot-mixed recycling technology, which has effectively improved the recycling rate of milling materials, a kind of construction waste.



Workers of Suiyuan Expressway under Yuexiu Transport Hubei apply the hot-mixed recycling technology to the road surface

Promoting Green Production

We actively promote green production and make special efforts to protect ecological environment in the production process, to reduce environmental impact and help build a green low-carbon city.



Yuexiu Transport has set up an environmental impact assessment (EIA) system to investigate, forecast and assess possible environmental impact of the project before construction starts. It then puts forward countermeasures and proposals to prevent and reduce ecological and environmental damage.



Huamei Dairy Farm of Guangzhou Flagship Development Group put into operation its upgraded sewage and excrement ditch in the cow-house for milking cow, which effectively manages and controls the excrement and odor in the cow-house. It is also building a demonstration base for both animal husbandry and planting, and actively seeks partners to recycle liquid cow manure and realize zero discharge.



Guangzhou Paper Group has adopted various measures to reduce the consumption of water, electricity, steam and main materials, such as reuse of water from PM5 vacuum units, recovery and reuse of condensed water from refrigeration stations, and renovation of PM5 main steam pipeline. In 2019, its green production cost RMB 66/ton less than planned.

In 2019, the ammonia nitrogen concentration of waste water discharged by Guangzhou Paper Group was **0.99** mg/l, far lower than the national standard of 5.0 mg/l

In 2019, Yuexiu Transport used **10.4%** less receipt and invoice paper than in 2018 at its toll stations, and collected and transported waste paper to Guangzhou Paper Group on a regular basis. Its headquarters collected more than **1,000** kg of waste paper throughout the year

In 2019, Guangzhou Flagship Development Group spent RMB **2.45** million on environmental protection

Developing Green Products

We remain environment-conscious through the whole process of product operation and focus on developing eco-friendly products, to accumulate strength for the Group's low-carbon and high-efficient development.

Green finance

Yuexiu Financial Holdings follows national policies to develop green and inclusive finance. It actively explores and promotes the coordinated development of finance and green industry, and benefits the real economy with inclusive finance.

Guangzhou Securities underwrote bonds – in two issuances, worth RMB **400** million and RMB **1** billion respectively – of Ganxian District Urban Construction and Investment Group Co., Ltd. in Ganzhou city in 2019, to support ecological conservation and industrial development in poverty-stricken areas.

Since its incorporation, Yuexiu Financial Leasing has invested over RMB **20** billion in such green fields as water affairs & sewage treatment, eco-tourism and new-energy vehicles, and financed over **30** eco-tourism scenic spots.

Green real estate

In its constant pursuit of "intelligent, green and low-carbon" development, Yuexiu Property applies green building standards to all residential, office building and commercial projects. It also constantly updates management practices and technology to support the development of green buildings.

In 2019, Yuexiu Property obtained **8** green building certificates



Green transport

Yuexiu Transport focuses on the daily maintenance of roads and strives to reduce road exhaust emissions while ensuring road safety and smoothness. It attaches importance to the daily care of roadside vegetation to make sure it meets the greening standards. It also regularly restores vegetation along roads, interlinked flyovers and at toll station areas, and works harder on vegetation conservation to improve the overall highway landscape that appeal to drivers and passengers.

Green food

Huamei Dairy Farm and Xianquan Lake Dairy Farm, both under Fengxing Milk, boast a wonderful natural ecological environment. They are both certified by the ISO 9001 quality management system, and recognized as the national milk source base for students, model dairy farm for land reclamation, and first-class dairy farm with good agricultural practices. They strive to develop green food, and provide fresh, safe and high-quality fresh milk for consumers in the Greater Bay Area and the rest of China.

Green papermaking

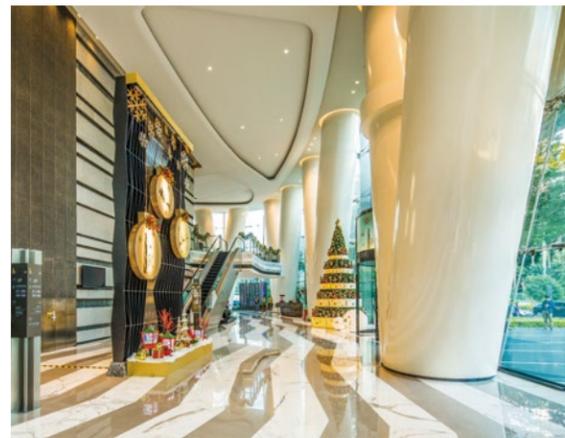
Guangzhou Paper Group assembled a waste-paper deinking line for newsprint production in 1993. Now its main equipment has all reached the world-class level. The paper machine is capable of integrated production of various kinds of paper. It consumes more than 2,000 tons of waste paper every day, turns it into pulp and then produces finished paper from the deinking pulp, giving the waste paper a new life.



Xianquan Lake Dairy Farm



The green, advanced, co-friendly and energy-efficient recycling plant of Guangzhou Paper Group



Guangzhou International Finance Center has won several green awards at home and abroad, including the LEED EBOM V4 Platinum certificate, and Sustainable Building Index verification mark.



Fortune Plaza is awarded the Sustainable Building Index verification mark by Guangzhou Tianhe CBD Administrative Committee and Hong Kong Quality Assurance Agency.



City Development Plaza is awarded the Sustainable Building Index verification mark by Guangzhou Tianhe CBD Administrative Committee and Hong Kong Quality Assurance Agency.



Hangzhou Victory Center is awarded the two-star green building design mark with the renewable energy utilization rate of 71.95%, building energy efficiency rate of 51.3%; 10.12% of its building materials are recyclable.

CSR
Spotlight

Guangzhou IFC obtains BOMA China Certificate of Excellence



Guangzhou International Finance Center (Guangzhou IFC) is a super-high-rise complex landmark building in an international metropolis. It boasts state-of-the-art supporting facilities unparalleled in China and even the entire world. It conforms to the highest standards from construction to operation, and has won many honors including the Gold Award of China Construction Engineering Luban Prize and the Lubetkin Prize of Royal Institute of British Architects.

Guangzhou IFC introduced the BOMA management system in early 2019. At the expert review in October, it scored above 90 points in all five dimensions: building operation and management, energy management, training management, marketing and communications management and environmental management, and obtained the BOMA China Certificate of Excellence (COE). It is the first high-rise complex landmark building with an international operation and management system in South China and the first BOMA-certified REIT-financed project in Asia.



Guangzhou International Finance Center

Energy management



Intelligent technology is applied to 19 sub-systems such as building illumination and energy management. Heat recovery design and new insulation materials are adopted. And energy feedback devices installed in building elevators can reduce electricity consumption by about 8%. Each year, about 8,500 tons of condensed water can be recycled.

Indoor air quality



All air conditioning units are cleaned and purified to remove PM2.5 and other dust particles. The air quality sensor can automatically adjust the make-up air volume according to the indoor CO₂ concentration. Radiosterilization is performed on cooling coils in the air handling unit to kill bacteria and microorganisms.

Eco-friendly design



The design is environment conscious. The world-leading double-layer, double-silver, low-reflection, high-transparent Low-E hollow glass curtain wall is used, which can effectively insulate heat and reduce noise, energy consumption and light pollution caused to surrounding buildings.

By introducing BOMA international operation and management standards, Guangzhou IFC will set a new benchmark for CBD building operation and management in South China. It also marks a milestone in Yuexiu Commercial's international assets operation and management, and will help raise that value of Yuexiu's commercial assets as a whole. Inspired by the acknowledgement, Yuexiu Property and Yuexiu Commercial will continue to pursue the brand mission of "Realizing a Better Life", improve the building operation and management system, set an example for international operation and management of commercial buildings, and generate returns for every investor.

Further Reading

About BOMA COE

BOMA China stands for the Building Owners and Managers Association China. It is committed to asset appreciation by introducing international practices into China. To train and build an international operation and management team and push China's commercial real estate industry to international platforms, BOMA China has launched the COE (Certificate of Excellence) certification system. Obtaining the COE is the best proof of international operation and management quality of a commercial building. To obtain the COE, the building must meet BOMA China's requirements in all the five dimensions: Building Operation & Management, Marketing & Communications, Energy Management, Training Management and Environmental Management.

Green Activities Extend Eco-friendly Footprints

We advocate a green office environment, raise employees' environmental awareness, and promote a green, healthy way of work. At the same time, we carry out green charity activities to spread the idea of environmental protection among employees and motivate the wider community to help protect the environment.



The "Guxi Trail Cleanup" Volunteer Activity

As a concrete action to protect lucid waters and lush mountains, on March 16, 2019, Yuexiu Group Volunteer Team organized a trash collection competition along the beautiful Guxi Trail, attracting the participation of 50 volunteers from the Group headquarters, Yuexiu Property, Yuexiu Financial Holdings, Yuexiu Transport, Guangzhou Paper Group and Yuexiu Development. Volunteers were asked to take two photos of the area designated for cleanup: one before the cleanup and the other after, for the sake of contrast. The event enthusiastically mobilized the volunteers to collect trash along Guxi Trail and restore its natural, and offered them an opportunity to be close to Nature and protect the natural environment.



The trail cleanup volunteer activity



Tree-planting volunteer activity

In May 2019, in response to the call of Guangzhou Federation of Trade Unions for tree planting, Yuexiu Group organized more than 160 employees from Guangzhou Paper Group and Yuexiu Development to plant trees at the site designated by Guangzhou Federation of Trade Unions in Lianma village, Lutian town, Conghua. In more than an hour, the Yuexiu volunteers shoveled soil to make holes, placed and positioned the 200 maple seedlings in the holes one by one, refilled the holes with soil, and watered the seedlings. Standing against the summer wind, these seedlings formed a pleasant green scene. By planting trees, our employees have contributed their share to the beautiful natural environment and civility of Guangzhou.



The scene of tree planting

5 Shared Development Improves People's Livelihood

Our Mission

The wellbeing of the people is the fundamental goal of development. We must do more to improve the lives and address the concerns of the people, and use development to strengthen areas of weakness and promote social fairness and justice. We should make steady progress in ensuring people's access to childcare, education, employment, medical services, elderly care, housing, and social assistance. We will intensify poverty alleviation, see that all our people have a greater sense of fulfillment as they contribute to and gain from development, and continue to promote well-rounded human development and common prosperity for everyone.

--Report of the 19th CPC National Congress

What We Do

- ◆ Adhering to the people-oriented management philosophy, we protect the legitimate rights and interests of employees, care for their physical and mental health and provide a good platform for their career development.
- ◆ We carry out diversified voluntary service activities for public welfare and practice the corporate mission of "give back to the society" with actions.

Contribution to SDGs



Increasing Employee Value and Building a Happy Workplace

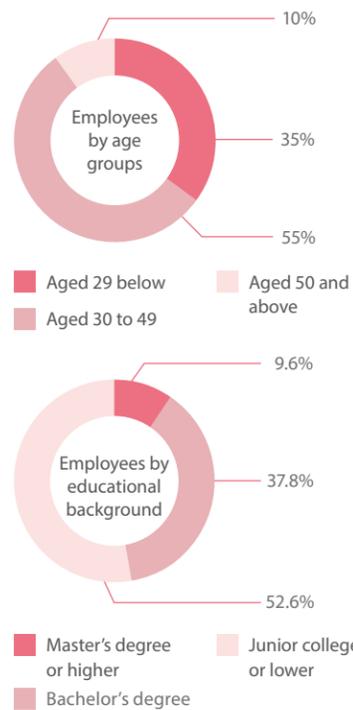
Adhering to the people-oriented management philosophy, the Group protects the legitimate rights and interests of employees, attaches great importance to their development, and cares for their physical and mental health to increase team cohesion and realize the common development of the Group and its employees.

Safeguarding Employee Rights and Interests

Strictly abiding by national laws and regulations and adhering to equal employment, we provide employees with competitive salary and benefits, and attach importance to democratic communication. We listen to the voice of employees and care for their physical and mental health. We strive to create a harmonious and up-beating workplace so that they can work happily and live healthily.

Employee recruitment

Advocating fair and just recruitment, we treat employees equally regardless of their gender, age, nationality, or cultural background. Instead, we respect individual differences, and provide an inclusive and open platform for talent development. In 2019, 18 managers, 597 professionals and about 350 college graduates joined our team, injecting new vitality to corporate development.



24,341
Employees on the pay roll

62%
Proportion of female employees



Autumn job fair in 2019

Compensation and benefits

We have a systematic and standardized compensation management system which specifies promotion, salary adjustment and special salary adjustment for key talents and employees holding major posts, to provide stronger incentives. At the same time, we provide employees with six insurances and one fund, housing security as well as subsidies and benefits in other forms.

Democratic management

We actively promote democratic management, and have established a smooth communication channel and feedback mechanism for employees. Through platforms such as consultation meeting, democratic consultation, and WeChat group, we listen to employees' demands and suggestions, mobilize their enthusiasm to take part in corporate management and effectively improve their sense of participation. In 2019, 93% employees joined the labor union.

Facilitating Employee Development

Talents are the source of vigor of business operation and development. Guided by the strategy of talent development and considering our future strategic objectives, we put forward the goal of "Double Hundred Program" for talent team building. We lay out detailed measures in cultivating "professional managers, key talents and reserved talents" to enrich employee training system and kindle the motivation of our staff to achieve their personal values.

Further Reading

"Double Hundred Program" refers to the plan of building a team of **120** professional managers and a team of **150** reserved professional managers from 2019 to 2020.

7 Direct managers newly promoted

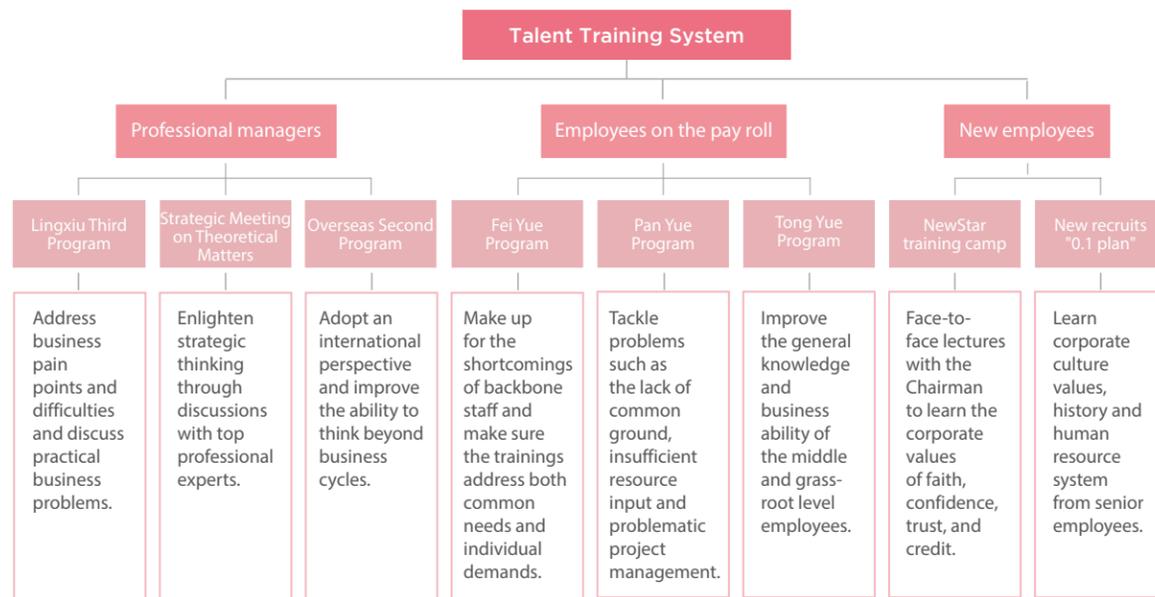
Improving the talent training mechanism

We have established Yuexiu Party School (Ling Xiu University) and Education and Training Department of Yuexiu Group to take charge of the education and training of Party members and employees. Staff training covers the whole talent team, with special programs designed for professional managers, key talents and new employees. In 2019, a series of projects including "Overseas Second Program", "Fei Yue Program" and "Pan Yue Program" were launched. For the first time, the "Tong Yue Program" was initiated for all employees at the middle and grass-roots levels. A digital training management system covering all employees was built to expose more staff to learning opportunities.



1. New Star training camp
2. Lingxiu Third Program
3. Tong Yue Program
4. Pan Yue Program





Employee incentives

We put into place a long-term incentive assessment mechanism with group characteristics to encourage employee development. Yuexiu Property introduces measures such as special awards, project co-investment, performance commission, equity incentive to stimulate the vitality of corporate development. Yuexiu Finance has formed a new equity incentive plan, and its subordinate organizations have optimized the salary incentive system. The long-term equity incentive plan of Chong Hing Bank has been formed. Yuexiu Transport is studying a feasible long-term incentive plan. Fengxing Milk is discussing an employee stock ownership plan.

Caring for Employees' Life

We provide employees with a positive, open, harmonious and dynamic workplace through a variety of entertainments, employee care mechanism, and help for employees in need, so as to further improve their sense of happiness and belonging.

Balance between life and work

We carry out a variety of cultural and sports activities, such as basketball games and micro film exhibition to enrich their entertainment and create a relaxing and comfortable working environment.



"Strive for the 13th Five-Year Plan" Three-Player Team Basketball Match



"70 Years of High-Quality Development" Micro Film Exhibition

Visiting and helping employees in need

Our labor union helps employees with both work and life. We establish the Mutual Fund for Employees and organize visits to help employees in need and fundamentally relieve the worries and burdens of the staff.



Guangzhou Paper Group visits and offers relief fund for employee with serious illness

Care for female employees

We actively organize activities for female employees, such as striving for excellence competitions, employee caring activities and talent trainings, to guide female employees to work with a positive attitude and a happy mood, so as to improve their happiness.



Yuexiu Development Office's Maternal Club

Repaying the Society and Co-building a Harmonious Society

In pursuit of corporate development, we continue to give back to the society and share our development results with the public. Relying on Yuexiu Public Welfare Foundation and labor union, we organize various volunteer services, including public welfare teaching activities to drive local development and give back to the society with our concrete actions.

over **20,000** employees

88 grass-roots labor unions Helped with Mutual Fund for Employees

RMB **100,000** Invested in helping employees

59 Staff visited and helped with RMB **156,000**

Honor

In 2019, Yuexiu Development Office was named **"Guangzhou Model Women Post"**

Honor

Five-star unit in Guangzhou charity donation list in 2019

CSR
Spotlight

Yuexiu Public Welfare Foundation passes on positive energy



Yuexiu Public Welfare Foundation (the foundation) was jointly initiated by the Group and its subsidiaries and was registered in the Department of Civil Affairs of Guangdong Province on September 1, 2014. It is the first enterprise foundation registered by Guangzhou municipal state-owned enterprises in the department. Since its establishment, under the guidance of the corporate mission of "return on investment to shareholders, reward employees and give back to the society", the foundation has become an effective platform to fulfill our corporate social responsibilities and serve the society. It has carried out many public welfare projects in poverty alleviation, education and community development. The foundation, skilled in systematic resource planning and professional public welfare, aims to bring maximum benefits to the society.

By the end of 2019, the foundation has invested more than RMB **47** million in public welfare funds

Disaster relief

We participated in the earthquake relief and reconstruction in Ya'an and Ludian, made donations (funds, milk, facial masks and other medical and epidemic prevention materials) to combat the COVID-19.



Poverty alleviation

We alleviated poverty in Xianshui village, Chimi village and Gaodao village of Xiniu Town of Yingde city, participated in the poverty alleviation project of "thousand enterprises support for thousand villages" of Guangzhou city, and alleviated poverty in Bijie city of Guizhou province.



Education

We launched volunteer teaching activities in Xiniu town of Yingde city, Ya'an city of Sichuan province and Ludian city of Yunnan province, implemented the "wish bottle" online project; and jointly carried out the "juvenile police training" project with the police academy.



Sports and community public welfare

We made donations to build Zhucun Street Sports Park in Zengcheng district, supported the Shenzhen Society of Old-age Care, sponsored the Guangzhou International Dragon Boat Invitational Tournament; and built children's libraries for local communities.



In the future, Yuexiu Public Welfare Foundation will strive for more professional management and galvanize all our forces and resources to continuously contribute to poverty alleviation, education, community development, environmental protection, and public welfare venture capital. We will work tirelessly to lift our social standing and reputation and make greater contributions to social harmony and sustainable development.

Building a Harmonious Community

Proceeding from the needs of social development and user experience, we create a more comfortable and peaceful living environment for the elderly, and provide long-term rental apartments for the young to make sure both generations feel the love and harmony of the communities.

Elderly care services

Our elderly care business offers 8 projects in 3 cities with a total of 3,519 beds. Haiyi Garden, a high-end Sino-French elderly care institution was opened and Chigang Rehabilitation Center of Zhujiang Hospital was also established, bringing substantial progress to the business mode of medical care and nursing. We provide comprehensive services for the elderly and give full play to the leading role of state-owned capital in the field of the industry to relieve the increasing pressure of inpatient hospital care.

Long-term rental apartments

Yuexiu Star Home long-term rental apartment has been opened, and the brand officially met the public. Yuexiu Star Home celebrates a business model which integrates supporting services and safety management in one. It enjoys both the resources of the Group and some outreach services. Through "apartment plus ecosystem", we wish to provide quality service to our customers.

Honor

Yuexiu Elderly Care won the title of "The best elderly care brand"



The first Sino-French elderly care facility brings quality service to the elderly

On November 17, 2019, the New Model of Sino-French Elderly Care - Yuexiu Haiyi Garden Opening and Signing Ceremony was held, marking Yuexiu's solid step forward the development path of the elderly care industry. The project restores the environment of a residential compound to make residents feel more at home. Outdoors, there sits a "rehabilitation garden" designed for recovery trainings. On the walls, we installed smooth handrails and set up intelligent physical examination and rehabilitation equipment such as integrated health machines for the convenience and happiness of the elderly.



Heartfelt services



Yuexiu Haiyi Garden has set a shining model for Sino-French cooperation in the field of elderly care. Yuexiu Group will further deepen the industrial development, explore more possibilities of life after retirement and help old people embrace a better future.

---Lin Zhaoyuan
Party Secretary and Chairman of
Yuexiu Property



Commitment to Education

Children are the future of our nation. We always focus on education and contribute to the revitalization of rural education through public welfare activities and donations.



Children's Day activities



Dance lesson



PE lesson



Drawings of primary school students under the guidance of their volunteer teacher



"Wish bottle" brings love closer

In November 2019, our Public Welfare Foundation and Youth League Committee jointly launched the "Yuexiu public welfare wish bottle" activity to build an online welfare service platform and bring the public closer to social undertakings. More than 110 employees participated in the activity. By claiming the bottle of wish, we built a bridge between our staff and the primary school students in Yingde village. The children, holding gifts, brimmed happy smiles on their faces. We found a way to channel love into remote countryside plagued by poverty again.



"Wish bottle" gift exchange

Engagement in Volunteer Services

We continue to expand our volunteer team and encourage employees to participate in voluntary activities. In 2019, we carried out over 20 activities, including caring for the elderly and recycling expired drugs to bring love to the society.



Chong Hing Bank's Dragon Boat Festival visit

On May 25, 2019, Chong Hing Bank, along with the Helping Hand, visited the elderly on Dragon Boat Festival. Our 20 employees celebrated the day with the elderly by making traditional Chinese food zongzi. A total of 500 zongzi were made during pleasant and cheering chats and laughter. This activity not only enriched the elderly's life, but also enhanced the volunteers' sense of respect for the older generation and social responsibility of lending a helping hand to those in need.



Our volunteers make zongzi with the elderly



The CYL committees of Yuexiu Property and Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Co., Ltd. launch the "learn from Lei Feng" activity

In order to carry forward positive energy and strengthen the sense of responsibility of young employees, on March 15, 2019, the Communist Youth League committees of Yuexiu Property and Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Co., Ltd. launched a "March 13 old-for-new family drug recycling" activity in Guangzhou Star Park Community. In just one morning, volunteers received over 500 boxes containing some 100 varieties of expired drugs from more than 100 residents. This not only helps the residents get rid of expired drugs in a way that avoid them flowing back to the market, but also meets people's needs of new drugs during the exchange. The two enterprises plan to make it a regular project to guarantee reasonable disposal of expired drugs and carry forward the social public welfare spirit of state-owned enterprises.

1,153

Registered volunteers

76

Volunteer activities organized

21,739.72

hours
Total volunteer service



Chong Hing Bank feels honored to co-organize this activity with the Helping Hand. Through the visit and companionship, we send festive greetings as well as love and care for the elderly. Chong Hing Bank will stay committed to the corporate mission of "repaying the society", encourage employees to take part in public welfare activities, fulfill corporate social responsibility, and contribute to building communities with harmony and positive energy.

—Zong Jianxin
Vice Chairman and CEO of
Chong Hing Bank



Recycling expired drugs

Outlook

The year 2020 will witness China realizing its first centenary goal and completing the building of a moderately prosperous society in all respects. It will also mark the end of Yuexiu Group's 13th Five-Year Development Plan and the beginning of 14th Five-Year Development Plan. In 2020, we will continue to follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, focus on the theme of "strengthening management and optimizing the structure to bring development to a higher level" and be more alert to both crisis and opportunity. We will do whatever we can to win the fight against COVID-19, and minimize its adverse impact. Meanwhile, we will identify and seize development opportunities that come along with risks and challenges, boost confidence, seek progress while maintaining stability, break new grounds through innovation, and advance the Group's reform and development to yield more results.



We shall pay equal attention to quantity and quality and improve operation efficiency

While continuing to improve, strengthen and expand our core business, we will vigorously expand into new areas, continuously optimize our industrial layout, and sharpen our competitive edge. With a focus on the enabling role of technology, we will increase investment in science and technology, and improve the efficiency of industrial operation, to realize steady growth in quantity and continuous improvement in quality.



We shall pursue green development to improve the environment

We pursue green development in every aspect of production, management and operation. We will continue to increase investment in energy conservation, environmental protection, green transportation, green finance and green building, so as to stimulate the city vitality and create a better environment.



We shall promote collaborative development that benefits all to enhance social harmony

We will truly put people first, create a harmonious, sunshine workplace and a vast, inspiring development platform for employees, and rally our employees to grow together with the Group. We will also be active in public welfare activities, to contribute our share to building a harmonious society.

We still have a long way to go to achieve our mission. We will remain true to our original aspiration and follow the leadership of the CPC Central Committee with Comrade Xi Jinping at the core. Under the strong leadership of the CPC Central Committee and the State Council, we will keep our mission firmly in mind, forge ahead towards the goal of building an international enterprise beyond excellence, and contribute more to the building of a moderately prosperous society in all respects.



Key Performance Indicators

Indicators	2017	2018	2019
Total assets (RMB billion)	487.2	600	666.2
Operating revenue (RMB billion)	42.2	48.3	64.8
Total profit (RMB billion)	11.1	12.9	15.9
Total tax paid (RMB 100 million)	62.81	68.37	88.97
Maintenance and appreciation rate of state-owned capital (%)	106.85	107.40	108.38
Total investment in work safety (RMB 100 million)	0.64	1.2	1.3
Total number of employees on the pay roll	19402	19758	24341
Proportion of female executives (%)	20	20	18.8
Staff assistance (RMB 10,000)	39.4	11.47	28.6
Investment in targeted poverty alleviation (RMB 10,000)	1067.6	329.9	168.1
Number of registered volunteers	145	837	1153
Number of voluntary service activities	6	52	76
Volunteer service (hours)	5075	17255.77	21739.72

Reporting Index

Contents	GRI Standards	SDGs	
A Letter to Stakeholders	102-14		
About Us	102-1\102-2\102-6\102-7\102-18\102-22\102-28\102-29\201-1		
Sustainability Management	102-16\102-17\102-40\102-43\102-44\102-46\102-47		
Focus	<ul style="list-style-type: none"> Contributing to the National Fight Against Poverty 	201-1\203-1\203-2\413-1	Goal 1\Goal 3\Goal 11
	<ul style="list-style-type: none"> Combating COVID-19 and Resuming Production and Work Through Concerted Efforts 	201-1\203-1\203-2	Goal 3
	<ul style="list-style-type: none"> Forging ahead with Our Original Aspiration and Mission 	203-1\203-2	Goal 3
Innovative Development Drives Corporate Transformation and Upgrade	<ul style="list-style-type: none"> Advancing SOE Reform for High-quality Development 	103-2\201-1\203-1	Goal 9
	<ul style="list-style-type: none"> Promoting Industrial Upgrade to Strengthen Competitive Edge 	201-1\203-1	Goal 9
	<ul style="list-style-type: none"> Developing Excellent Products and Creating More Value 	201-1\203-1\413-1	Goal 9\Goal 12
	<ul style="list-style-type: none"> Tapping into Human Resources to Unleash the Innovation Power 	201-1\202-3	Goal 9
Coordinated Development Improves Business Operation	<ul style="list-style-type: none"> Consolidating the Operation Basis and Enhancing Effective Management 	103-2\102-30	Goal 9
	<ul style="list-style-type: none"> Enhancing Work Safety to Protect Employees' Health and Safety 	103-2	Goal 3
	<ul style="list-style-type: none"> Providing High-Quality Services to Win the Trust of Customers 	103-2\203-1\416-2	Goal 11\Goal 12
	<ul style="list-style-type: none"> Boosting Regional Development and Urban Vitality 	201-1\203-1\203-2\413-1	Goal 9
Open Development Creates Multi-Faceted Values	<ul style="list-style-type: none"> Building Strategic Partnership and Sound Business Ecosystem 	103-1\103-2\103-3	Goal 9
	<ul style="list-style-type: none"> Building a Responsible Supply Chain to Drive Industrial Development 	103-1\103-2\103-3\414-1\414-2	Goal 12
Green Development Protects Our Beautiful Home	<ul style="list-style-type: none"> Environmental Management Lays the Foundation for Green Development 	103-3\302-4\302-5	Goal 12
	<ul style="list-style-type: none"> Green Operation Makes Low-Carbon and Eco-Friendly Development a New Normal 	301-2\302-4\302-5\303-3\304-2\305-4	Goal 12
	<ul style="list-style-type: none"> Green Activities Extend Eco-friendly Footprints 	304-2	Goal 12
Shared Development Improves People's Livelihood	<ul style="list-style-type: none"> Increasing Employee Value and Building a Happy Workplace 	102-8\102-35\401-2\404-2\405-1	Goal 3\Goal 5\Goal 10
	<ul style="list-style-type: none"> Repaying the Society and Co-building a Harmonious Society 	203-1\203-2\413-1	Goal 1\Goal 4\Goal 10
Outlook			
Key Performance Indicators			
Reporting Index	102-55		
About This Report	102-50\102-52\102-53\102-54		

About This Report

Overview

Guangzhou Yuexiu Group Holdings Limited Sustainability Report 2019 is the eighth sustainability report issued by Yuexiu Group since 2012. Following the principles of objectivity, standardization, transparency and comprehensiveness, the report discloses the economic, environmental and social practices and performance of Yuexiu Group in 2019.



Scan to leave your feedback on this report

Reporting Period

The report covers the period from January 1, 2019 to December 31, 2019. In order to enhance the comparability and completeness of the report, some contents may date back to previous years or refer to later years.

Reporting Cycle

The Report is published annually.

Reporting Boundary

With "Guangzhou Yuexiu Holdings Limited" as the main reporter, the content also includes information from its branches and subsidiaries.

Notes on Appellation

For better expression and reading, the appellations "Yuexiu Group", "the Group" and "we" in this report all refer to "Guangzhou Yuexiu Holdings Limited".

Compilation Conformance

- GB/T 36001-2015 Guidance on Social Responsibility Reporting
- GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standard Board (GSSB)
- Guidance on Social Responsibility (ISO 26000:2010) issued by International Organization for Standardization (ISO)

Data Sources and Reliability Statement

The data used in this report are from Yuexiu Group and its subsidiaries and have been reviewed by Yuexiu Group.

Report Access

You can obtain the electronic version of this report from our website:
<http://www.yuexiu.com/shzr/shehuizerenbaogao/>

The report is available in Chinese and English. If there is any conflict or inconsistency between the Chinese version and the English version, the Chinese shall be the governing and prevailing version. If you have any comments or suggestions on our CSR performance, please call (8620) 88836888 -65032.