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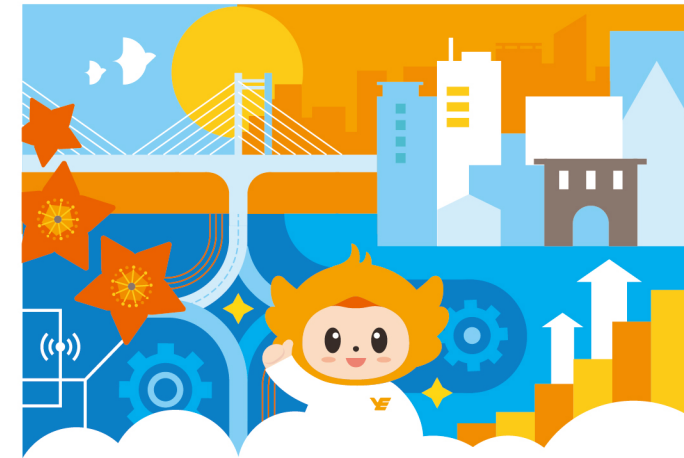


越秀集团  
YUEXIU GROUP



GUANGZHOU YUEXIU HOLDINGS LIMITED

2021 SUSTAINABILITY REPORT



Create Excellent Value  
Share A Better Life



## GUANGZHOU YUEXIU HOLDINGS LIMITED 2021 SUSTAINABILITY REPORT

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# About This Report

## Overview

Guangzhou Yuexiu Holdings Limited 2021 Sustainability Report (the Report) is the tenth sustainability report issued by Yuexiu Group since 2012. Based on the principles of objectivity, standardization, transparency and comprehensiveness, the Report discloses the economic, environmental and social practices and performance of Yuexiu Group in 2021.

## Reporting Period

The report covers the period from January 1, 2021 to December 31, 2021. To enhance the comparability and completeness of the Report, part of the information disclosure might date back to previous years or refer to later years.

## Reporting Cycle

The Report is published annually.

## Reporting Boundary

The Report covers the "Guangzhou Yuexiu Holdings Limited" as the main object, and 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

- ◆ GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standard Board (GSSB)
- ◆ The Guide to Reporting on Corporate Social Responsibility in China (CASSCSR4.0) of the Chinese Academy of Social Sciences

## Data Sources and Reliability Statement

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

## Report Access

You can download the electronic report from our website:  
<http://www.yuexiu.com/shzr/shehuizerenbaogao/>

The Report is available in Chinese and English versions. In case of discrepancy, the Chinese version shall prevail. If you have any comments or suggestions about our sustainability performance, please call (8620)88836888.

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## Message from the Chairman



The year 2021 was a milestone year in the history of the CPC and China. It was the first year the Group embarked on its journey as a high quality Fortune Global 500 company. It was also a very tough yet great year for development within the Group. In the face of profound changes unseen in a century, COVID-19, complex domestic and international situations, an ever-changing industry environment, and fierce market competition, we have implemented the arrangements of the Party Committee and Board of Directors under the appropriate leadership of the CPC Guangzhou Municipal Committee, Guangzhou Municipal Government, and the care and support of Guangzhou Municipal SASAC (State-owned Assets Supervision and Administration Commission) throughout the year. We saw major business indicators grow steadily, quality and benefits rise gradually, annual targets and tasks be completed successfully, overall operations exhibit a positive trend of steady improvement and quality improvement, all undertakings make new progress, new achievements and new breakthroughs occur, and, in general, achieve an extraordinary beginning to the 14th Five-Year Plan.

**This year, we made steady progress while continuously enhancing our corporate value.** The Group was determined to make state-owned capital better, stronger, and bigger. By the end of 2021, the Group reported RMB 853.5 billion in total assets, revenue of RMB 93.78 billion, and a 108.62% value preservation and appreciation rate in state-owned assets. The Group, ranked 299th among Top 500 Chinese Enterprises and 12th among Top 100 Multinational Companies in China, keeps raising its position in nationwide enterprise development charts.

**This year, we improved our position, implemented deployments, and committed ourselves to serving the national value.** In the crucial year of the Three-Year Action Plan for the Reform of SOEs, the Group was selected as a "Double Hundred Enterprise" for the reform of SOEs by the SASAC of the State Council. The Group advanced in depth the Three-Year Action for the Reform of SOEs by fully carrying out key reform tasks such as digital transformation, tenure system, and contractual management. As a company in the Guangdong-Hong Kong-Macao Greater Bay Area, we are based ourselves in the Greater Bay Area and serve the Greater Bay Area, helping build a high-quality living circle that is suitable for living, work, and tourism, and contributing to the development of the Greater Bay Area.

**This year, we worked in a down-to-earth manner, went all out in our efforts, and worked together to build community value.** Taking the advantage of transport segment, the Group has invested in and operated four expressway and bridge projects in the Greater Bay Area in a move to help Guangzhou develop into a central node city for domestic circulation and a strategically-linked city for dual-circulation during the 14th Five-Year Plan period. We effectively improved our ability to prevent and respond to major emergencies, and responded to the epidemic in an effective and orderly manner to safeguard our homeland.

**This year, we were eager to innovate and fulfill responsibilities, boosting our industrial value.** The Group insists on active action in industrial presence by establishing a "4+X" industries system dominated by finance, property, transport infrastructure, and modern agriculture, optimizing and adjusting the structure of each segment, and determining development path so as to achieve improvement in both quantity and quality. Meanwhile, we actively responded to the requirements of the SASAC of Guangzhou Municipal Government by accelerating the integration of the industrial chain and capital chain, making the most of the exemplary role of state-owned assets and enterprises to add vitality into industrial development.

**This year, we protected the value of the environment through energy saving, carbon reduction, and green development.** The Group actively responded to the carbon peak and carbon neutrality goals by integrating a green development philosophy into multiple aspects, including enterprise operation, product design, production, and office maintenance. In 2021, Yuexiu Property won the Green Development Award for Six Indicators Evaluation of Chinese real estate-listed companies; Flagship Milk obtained Intertek's Carbon Footprint certificates for 9 consecutive years (2013-2021); and Guangzhou Paper Group became a certified company of China Environmental Labeling (Type II) products, and has been awarded the "Guangzhou Cleaner Producer" title by the Guangzhou Municipal Industry and Information Technology Bureau and Guangzhou Municipal Ecology and Environment Bureau for 12 consecutive years.

**This year, we built and shared together, making achievements that added value to peoples' lives.** The Group continues to share the fruits of its development with the community, sincerely advancing cooperation between east and west China, effectively connecting the achievements of consolidating and expanding poverty alleviation with rural revitalization, and providing paired assistance. In 2021, Yuexiu Flagship Conghua Pastoral Complex Project was approved as the only pilot project for the construction of 12 national-level pastoral complexes in Guangdong province. We continue to carry out public service activities in various forms such as epidemic control, care for school children, and relief to disaster-stricken areas, so as to gather more resources and deliver more aid through the Yuexiu public service platform. As of the end of 2021, the Yuexiu Charity Foundation had donated over RMB 59 million.

A new year has begun and we've embarked on a new journey. The year 2022 marks the 20th National Congress of the CPC, a year when it is under pressure to cope with multiple risks and challenges, and also a crucial year for the Group to seize strategic opportunities and promote the 14th Five-Year Plan. After 37 years of reform and development, Yuexiu Group has shifted from high-speed development to high-quality development. We must not only maintain steady progress, but also overcome difficulties and struggles to create a new round of growth poles. On the new journey, we will continue to uphold the corporate core value of Beyond Excellence, embrace the new era, build a new image, and make new achievements!

Party Secretary and Chairman of Yuexiu Group  
Zhang Zhaoxing

# About Yuexiu

## Group Profile

Yuexiu Group was established in Hong Kong in 1985. After 36 years of reform and development, the Group has formed a "4+X" modern industrial system with finance, real estate, transportation infrastructure and food as core industry; traditional industries such as paper-making; and strategic emerging industries that may enter in the future. We have control over six listed platforms, i.e., Yuexiu Financial Holdings, Yuexiu Property, Yuexiu Transport, Yuexiu Real Estate Investment Trust (Yuexiu REIT), Yuexiu Services and Huaxia Yuexiu Expressway REIT.

## Strategic positioning

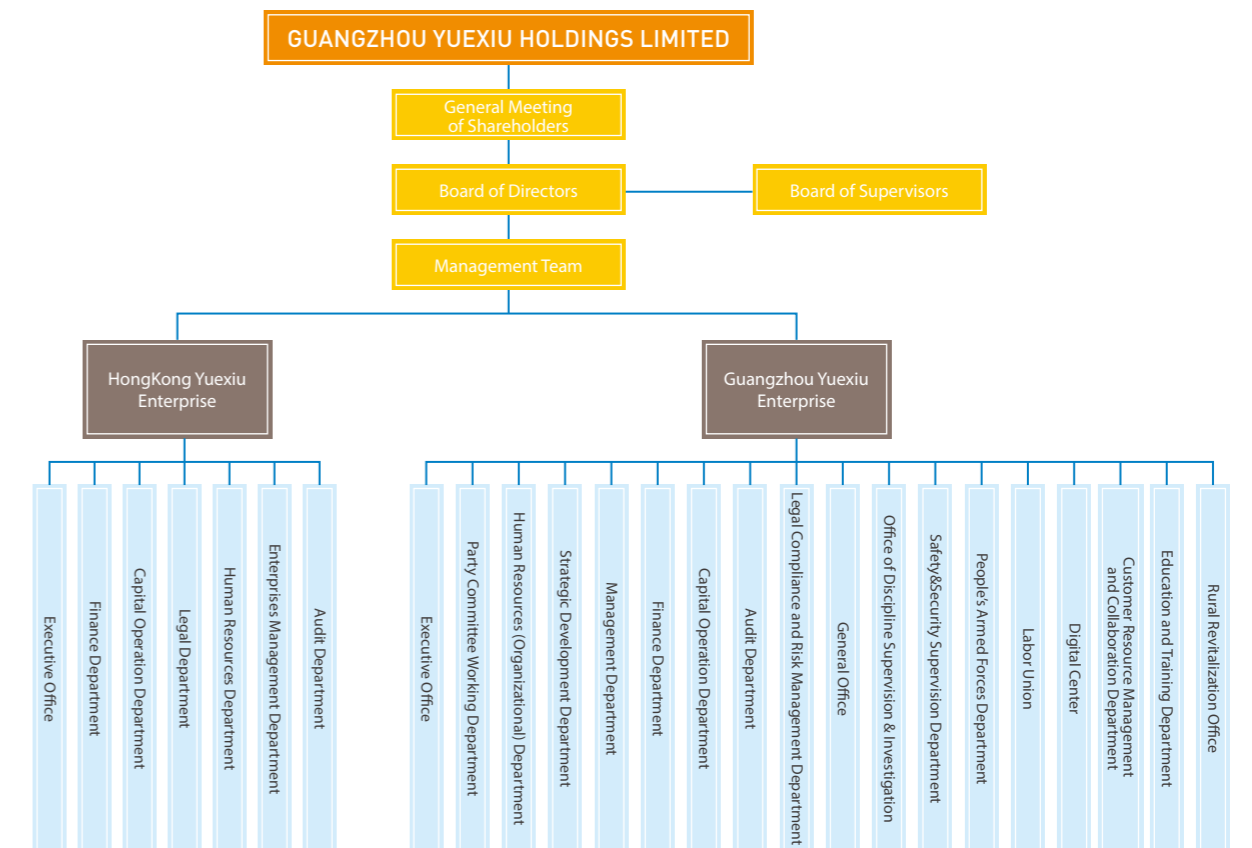
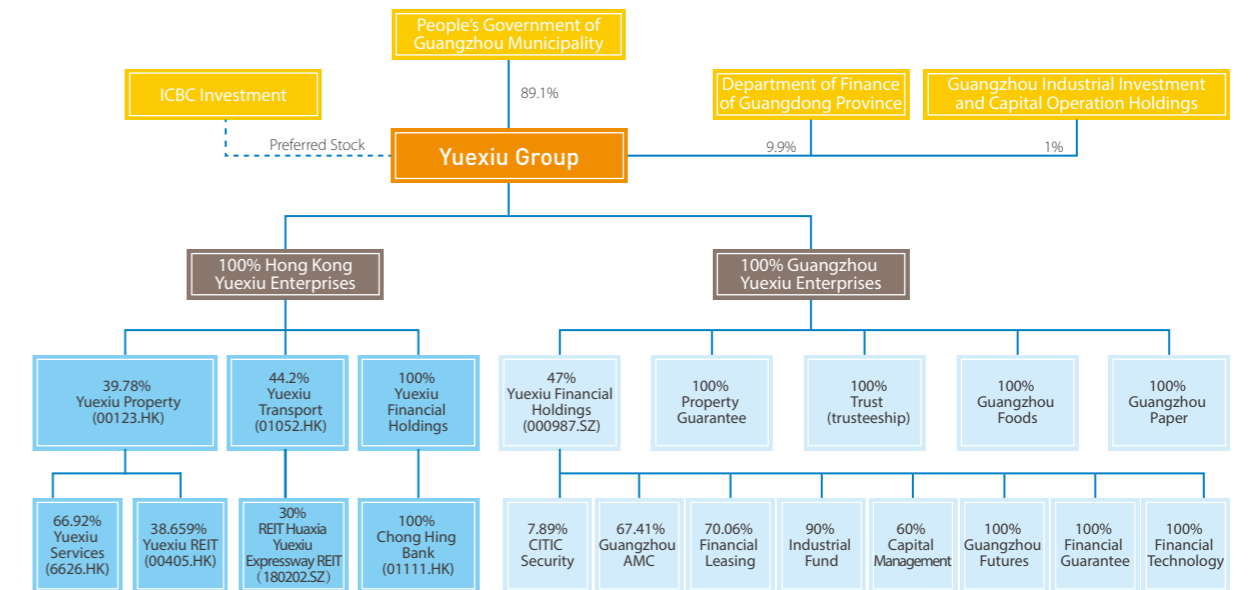
To make finance stabler, bigger and stronger, make property stronger, bigger and more optimized, stably develop transportation, strive to develop agri-food, grow into a major platform company established for the Greater Bay Area, and build Yuexiu Group into an international group integrating industry and financing, driven by innovation and armed with strong investment and financing capabilities and core competitiveness.

## Strategic goal

The strategic goal included in the 14th Five-Year Plan is to become a Fortune Global 500 company with high quality, and we have accordingly set the "1-2-3-4-5" strategic objectives, namely RMB **1.5+** trillion assets, RMB **200+** billion revenue, RMB **30** billion total profit, 4 principal operations, and RMB **50+** billion total pre-tax profit.



## Organizational Structure



## Business Sectors

### Real estate

Focusing on both commercial and residential properties, Yuexiu Group has three listed companies, Yuexiu Property, Yuexiu REIT and Yuexiu Services, with the unique "Development + Operation + Finance" high-end business model. Its real estate assets stand at over RMB 300 billion.

### Finance

Yuexiu Group has banking, asset management, leasing, industrial funds, futures, guarantees, microfinance and other financial business subsidiaries, with total assets of more than RMB 300 billion. Guangzhou Property Financing Guarantee Co., Ltd. specializes in services of provident fund loan and asset management.

### Transport

Yuexiu Transport Co., Ltd. focuses on investment, instruction and operations of expressways, bridges and wharves. By the end of 2021, has invested and operated a total of 15 expressway and bridge projects in 6 provinces and cities across China, with a total toll mileage of about 960 km.

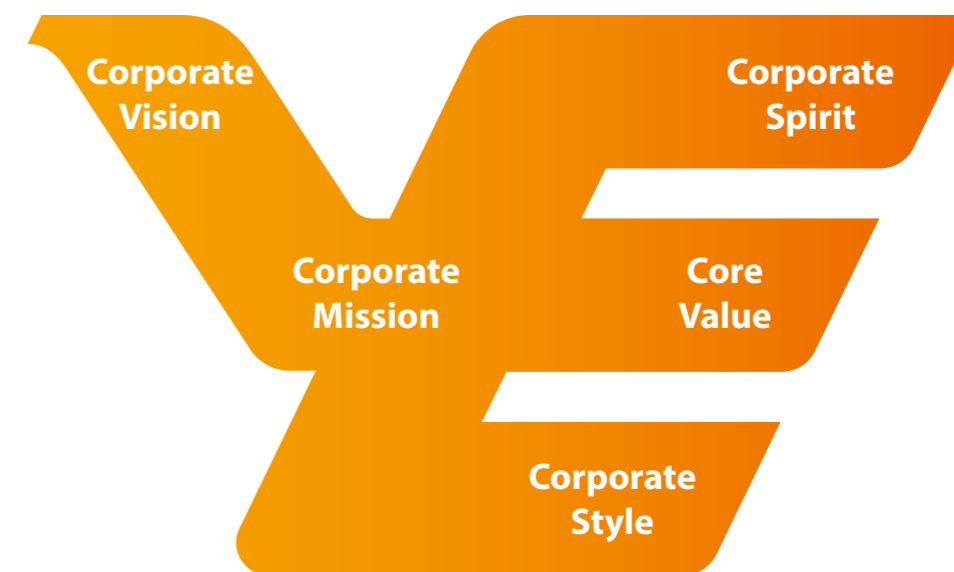
### Food

Yuexiu Flagship Foods aims to build an industrial layout consisted of dairy, pig, food processing, fresh food, commerce, and cold chain industry ("3+3" industrial layout). It aspires to build itself as a food industry group covering the whole industry chain, a leader in the food industry in Guangdong-Hong Kong-Macao Greater Bay Area and became one of the first echelon in China's agriculture and food industry.

### Paper-making

Guangzhou Paper Group Co., Ltd. is a modern and comprehensive industrial enterprise integrating pulping, paper-making, thermoelectricity and environmental protection. Its leading product "Guangzhou Paper" brand newsprint is a National User Satisfaction Product and a famous brand product of Guangdong Province.

## Corporate Culture



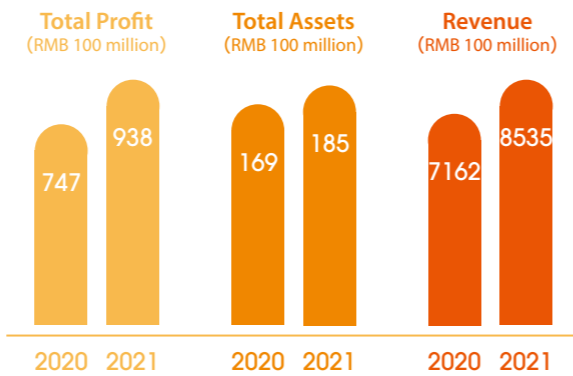
The core concept of Yuexiu Group's "Way of Faith" corporate culture includes five elements: corporate vision, corporate mission, core value, corporate spirit and corporate style, which plays a fundamental and leading role in corporate culture concept system.

<p><b>Corporate Vision</b></p> <p>Build an exceptional international company</p>	<p><b>Corporate Mission</b></p> <p>Return on investments to shareholders, reward employees, and give back to the society</p>	
<p><b>Core Value</b></p> <p>Faith, Credit, Trust, Confidence</p>	<p><b>Corporate Spirit</b></p> <p>Beyond excellence</p>	<p><b>Corporate Style</b></p> <p>Energetic, Passion, Simplicity, Exclusiveness</p>

## Our 2021



**1** On the strength of steady growth, the Group produced remarkable results in the first year of the 14th Five-Year Plan period.<sup>1</sup>



**6** We achieved integrated development by restructuring Huishan Dairy and integrating Huangshanghuang. Yuexiu Husbandry completed the strategic review, further consolidating the foundation of our food segment.



**7** We advanced in depth the Three-Year Action for the Reform of SOEs, aligned with world-class standards, and significantly improved management efficiency.



**2** Yuexiu Property went a step further by reporting RMB 100+ billion sales and having built three platforms as "development + operations + property service".



**3** Building on a positive momentum, Yuexiu Financial Holdings boosted its size and benefits, and achieved outstanding results in structural optimization.



**8** The Group upgraded by strengthening corporate culture and brand building and significantly enhancing the role of cultural guidance and brand enabling.



**9** We acted on our mission by fulfilling the social responsibilities as a state-owned enterprise in epidemic prevention and control and rural revitalization, etc.



**4** Armed with accumulated potential, Chong Hing Bank further increased its capital strength and expedited its presence in the Chinese Mainland.



**5** Yuexiu Transport made progress in transformation and upgrading by launching its public offering of REITs and having created three platforms to help it become stronger and bigger.



**10** We remained true to our original aspiration by offering high-quality Party history learning and education and celebrating the 100th anniversary of the founding of the CPC.



Scan the QR code to learn more about the 10 Milestones of Yuexiu Group in 2021

Note:  
1. Affected by the adjustment of statistical standards, the data on the Group's 2020 operating revenue, total profit and total assets contained in this report have been adjusted from the previous year's sustainability report.

## Awards in 2021

### Awards of the Group



### Awards of affiliated enterprises

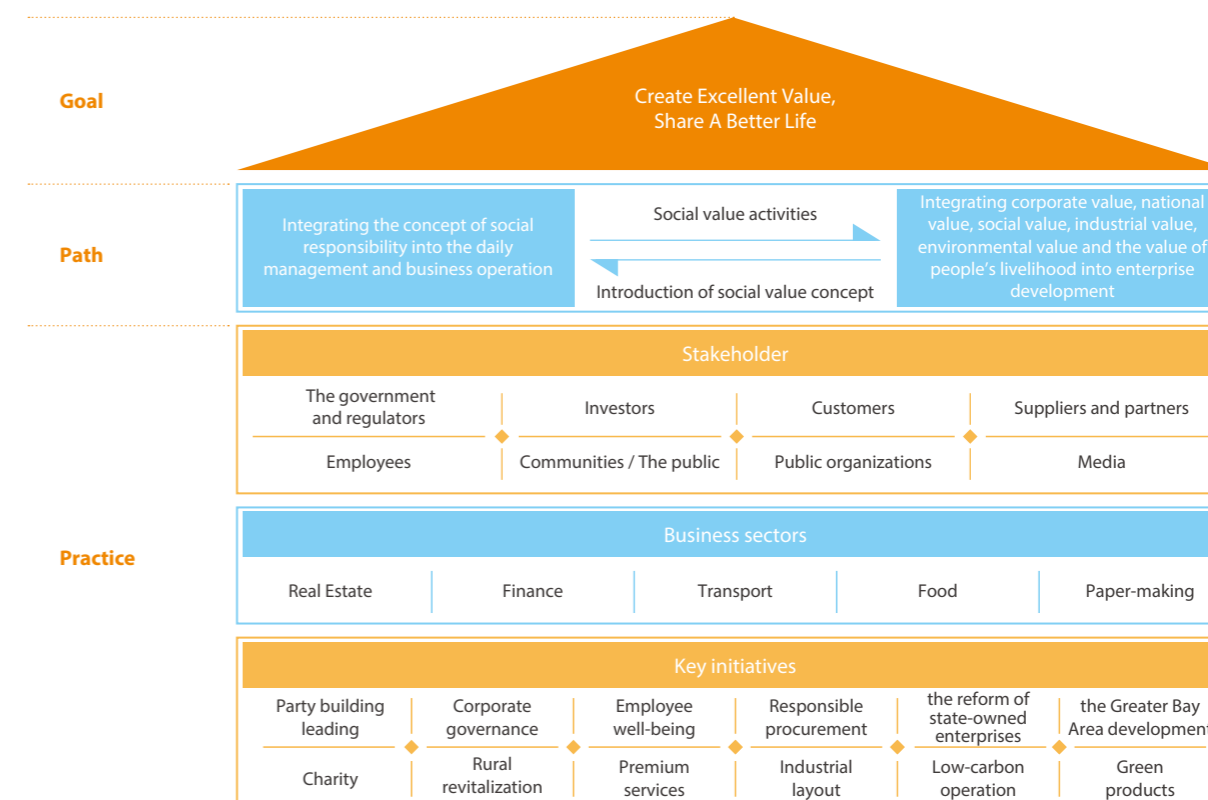


## Sustainability Management

Adhering to the "Beyond Excellence" corporate spirit, Yuexiu Group actively promotes the integration of the concept of sustainable development into corporate development and business operation, and progressively establishes and improves the sustainability management system, so as to balance the corporate social responsibility (CSR) fulfillment, social value creation and sustainable development.

### Social Responsibility Model

Based on the practice of corporate development, we integrate the concept of sustainable development and social value into business operation from three aspects: practice, path and goal, which promotes the implementation of our sustainable development and social value creation work.



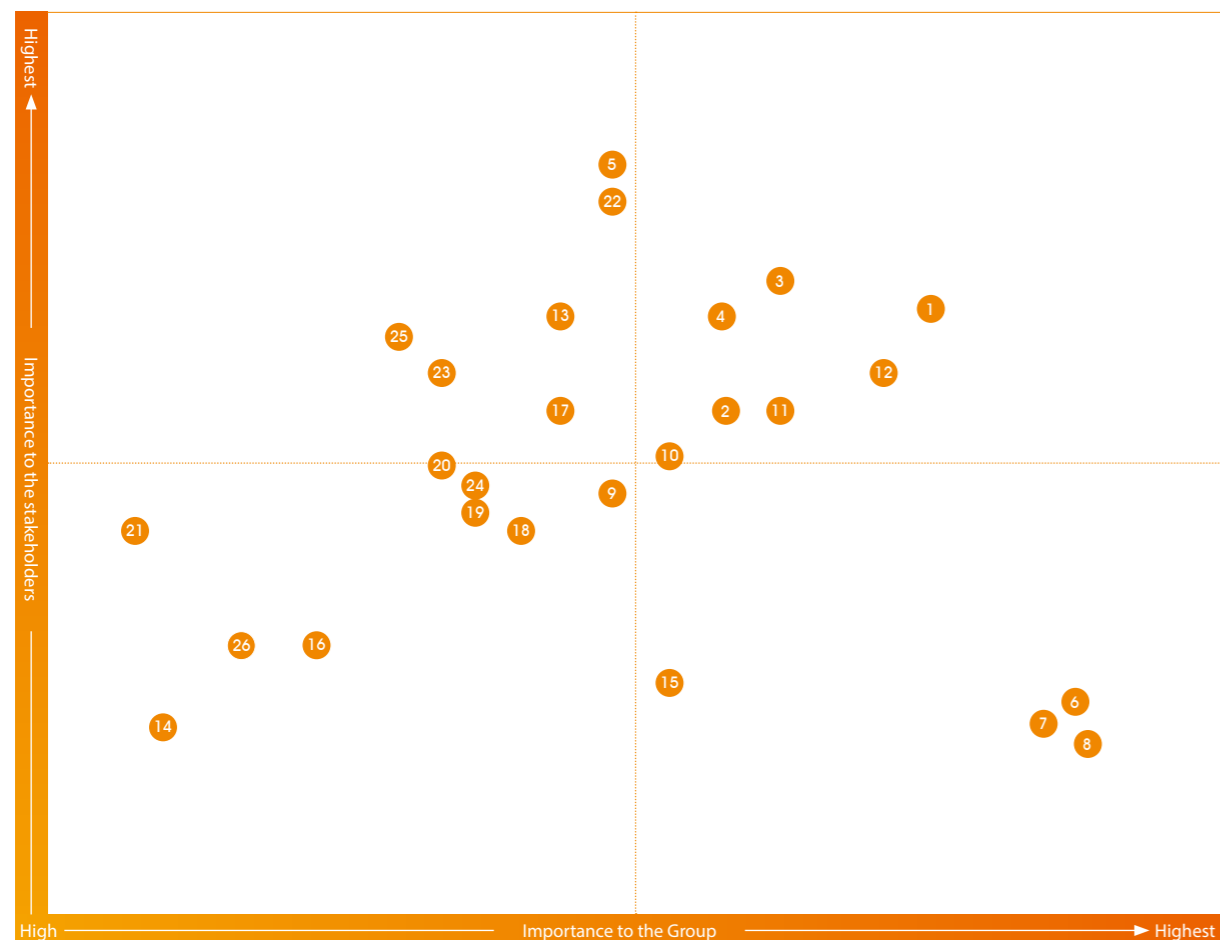
### Sustainability Management System

We have optimized our working flow of sustainability management, established a three-tier sustainability management system of "leadership-middle level-implementation level". This structure requires the deep participation of senior executives and heads of subordinate sectors, the collaboration of all departments and the connection at all levels, laying a solid organizational guarantee for the sustainable development.

The Group Office takes responsibility for coordinating the Group's sustainability-related work: preparing annual sustainability reports and supporting subordinate sectors to make compliance information disclosure on sustainability in accordance with relevant requirements, conducting sustainable development training and guiding subordinate enterprises to carry out sustainability development work in an orderly manner. Each department and subordinate sector of the Group sets up focal points for sustainable development work, taking charge of collecting quarterly and annual sustainability-related information and implementing specific sustainable development work.

## 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 identify the material topics closely related to Yueshiu Group from dimensions of the importance to stakeholders and the importance to the Group's development, so as to determine important material topics disclosure in the sustainability report and priorities for future sustainable development work.



- |  |  |                                     |
|--|--|-------------------------------------|
| 1 Operating performance                            | 10 Engaging in rural revitalization                | 19 Conducting strategic cooperation |
| 2 Compliance and risk management                   | 11 Deepening the reform of state-owned enterprises | 20 Boosting industry development    |
| 3 Quality and safety                               | 12 Servicing national strategy                     | 21 Responsible procurement          |
| 4 Protecting the rights and interests of customers | 13 Promoting Bay Area development                  | 22 COVID-19 prevention and control  |
| 5 Enhancing user experience                        | 14 Addressing climate change                       | 23 Community welfare                |
| 6 Employee rights                                  | 15 Practicing green operation                      | 24 Servicing urban construction     |
| 7 Talent development                               | 16 Carrying out green cooperation                  | 25 Servicing public life            |
| 8 Employee Care                                    | 17 Investing in R&D and innovation                 | 26 Optimizing community relations   |
| 9 Party building leading                           | 18 Promoting industrial upgrade                    |                                     |

## Stakeholder Communication

We attach great importance to communicate with stakeholders, understand and respond to the expectations and demands of stakeholder through diversified communication channels, and promote the optimization and improvement of the sustainable development work in an orderly manner, so as to achieve win-win cooperation with all stakeholders.

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



## Value Spotlight

## A New Chapter of Development

2021 was the first year of the 14th Five-Year Plan period, and also the first year for Yuexiu Group to embark on the journey of becoming a Fortune Global 500 company with high quality. This year, we completed the annual tasks and objectives, achieved new progress, new achievements and new breakthroughs in various businesses, and implement an extraordinary beginning to the 14th Five-Year Plan.

### Unexpected Business Performance Against Difficulties

Confront with the complex domestic and international situations, an ever-changing industry environment, and fierce market competition, the Group coordinated epidemic prevention and business operations, and saw major business indicators grow steadily and quality and benefits rise gradually.



In addition to over-fulfilling the said performance indicators, the Group increased investment in its principal operations by pouring RMB 100.7 billion in 2021, up by 68% year-on-year and accounting for 58% of the total investment during the 13th Five-Year Plan period. Besides, the Group concluded RMB 221.9 billion financing, providing strong support for its development to a new level.

### Fruitful Capital Operation Results Despite Difficulties

In 2021, the Group reported two new listed platforms, Yuexiu Services and Huaxia Yuexiu Expressway REIT. Yuexiu Services, the first property management company of Guangzhou's state-owned assets listed in Hong Kong, was included in HSPSM as a constituent stock in the first year of listing; Huaxia Yuexiu Expressway REIT created the asset cycle of investment, financing, management and exit by building an equity capital operation platform based on public REITs, to optimize the development pattern, which was of great strategic significance to further expanding and strengthening of transport infrastructure. Meanwhile, the Group acquired Chong Hing Bank's public equity and launched a new series of capital increase, making it a 100% wholly-owned subsidiary of the Group; Yuexiu Financial Building was injected into Yuexiu REIT, whose asset portfolios were further optimized.

### Develop the Principal Operations with Highlights

Under the strategic guidance of the Group's 14th Five-Year Plan, we clearly defined our strategic positioning by focusing on the development of our principal operations, making finance stabler, bigger and stronger, making property stronger, bigger and more optimized, stably developing transportation, striving to develop agri-food, growing into a major platform company established for the Greater Bay Area, and building Yuexiu Group into an international group integrating industry and financing, driven by innovation and armed with strong investment and financing capabilities and core competitiveness.

#### Property segment

##### RMB 100+ billion sales

- ◆ The total annual sales contract value reached RMB 115.1 billion.
- ◆ Became the first property company in Guangzhou with an annual sales revenue of RMB 50+ billion.

##### Significant improvement in development efficiency and product power

- ◆ 58% of saleable products were sold on the whole.
- ◆ RMB 10.8 billion advances were received for Guangzhou Heyue Mansion project throughout the year.

##### Steady operation of large commercial projects

- ◆ 97% of ICC Mall's shops were leased after opening.
- ◆ Served as the project planner of Guangzhou Paper plot and Yongda Community.
- ◆ Yuexiu Senior Housing acquired Langgao Group, and ran 20+ projects in total, being among the upper echelon of the industry.
- ◆ Cooperated with Guangzhou Public Transport Group to win Yongtai Passenger Terminal project.

#### Transport segment

##### All business performance indicators were improved in an all-round way

- ◆ Revenue (RMB 3.702 billion) and profit attributable to shareholders (RMB 1.465 billion) hit record highs.

##### Publicly offered REITs were successfully listed to add a new development platform

- ◆ Yuexiu Expressway REIT launched by the Group was successfully listed on the Shenzhen Stock Exchange, and was successfully upgraded to the interaction of three platforms as "Incubation platform + Hong Kong listing platform + domestic public offering REITs platform", laying a solid foundation for the transformation into a transport infrastructure asset management company.

##### With the help of the incubation platform to peg high-quality assets, the principal operations expanded into Shandong for the first time

- ◆ The Qinhuangdao-Binzhou Expressway, an important part of the coastal expressways in the national expressway trunk network, is an artery of transportation of the Bohai Rim connecting Northeast China, Beijing-Tianjin-Hebei Region and Shandong Peninsula, and the cornerstone of sustainable and stable development of transport infrastructure.

##### The incentive mechanism was improved, with a stock option scheme successfully implemented

- ◆ The long-term incentive stock option scheme was approved by up to 90.99% votes at the Group's extraordinary general meeting and officially implemented to motivate core talents to work hard to achieve the Group's long-term development goals.

#### Finance segment

##### Yuexiu Financial Holdings

- ◆ Yuexiu Financial Holdings actively expanded new operations and new opportunities around the "3+1+X" industrial planning.
- ◆ Yuexiu Financial Leasing was among the upper echelon of the industry in terms of net profit.
- ◆ Yuexiu Fund expedited the implementation of its business model of "self-owned funds + fund management", and 5 invested companies entered the capital market throughout the year.

##### Chong Hing Bank

- ◆ Cross-border banking and mainland China banking developed rapidly.
- ◆ Shenzhen Nanshan Sub-branch and Guangzhou Haizhu Sub-branch opened, and Beijing Branch and Zhongshan Sub-branch were approved for establishment by the CBIRC, covering Beijing, Shanghai, Guangzhou and Shenzhen.
- ◆ Chong Hing Bank hit the list of the Banker's Top 400 World Banks for 3 consecutive years.

#### Food segment

##### Dairy segment was successfully integrated

- ◆ Liaoning Yuexiu Huishan Holding Co., Ltd. was formally established.
- ◆ Flagship Milk successfully operated Five Rams Ice Cream business.

##### The integration of food processing showed a good momentum in the first year

- ◆ Huangshanghuang's shares were transferred, and its annual revenue and profit grew positively.
- ◆ The first branded restaurant Huangshanghuang Ingredients opened.
- ◆ The Huangshanghuang IPO Project was officially launched.

##### Solid progress in live pigs was made

- ◆ The year saw the contracted production capacity of 4 million heads completed, the production capacity of 380,000 heads completed, and the capacity of 510,000 heads under construction.

##### Three supporting operations were further integrated

- ◆ Yuexiu Foods Supply Chain Co., Ltd. was established to coordinate fresh food, cold chain and trade.

Value Spotlight

# A Flourishing Century-old Party

2021 marked the 100th anniversary of the founding of the CPC. Looking back at the magnificent century-old history, we forged ahead bravely. Yuexiu Group firmly implemented the requirements of the 19th National Congress of the CPC and the 19th Plenary Sessions and the decisions and arrangements of the Central Committee of CPC, fully absorbed the wisdom and experience of the Party's century-old history, and strived to write a Yuexiu chapter in high-quality development for the new era.

## Party History Learning and Education

Yuexiu Group insisted on taking Party history learning and education as a major political task throughout the year, by focusing on the Party history learning and education objectives and requirements, continuing to combine centralized learning with independent learning and required moves with optional moves, strengthening work arrangements, deepening the implementation of responsibilities, promoting Party history learning and education in a deeper and more practical way with a higher position, intensified efforts and more measures, and developed our aspirations, moral integrity and confidence in the historical inheritance.



Yuexiu Group held the fourth special study workshop on Party history learning and education

### Coordination of Party history learning and education in an orderly manner and a deeper and more practical way

- ◆ Yuexiu Group organized 6 meetings including the Group Mobilization Meeting to enhance the ideological, political and action consciousness of Party history learning and education.
- ◆ The Group set up a tour guidance group, and the main leadership of the Group's Party Committee personally led to conduct centralized tour guidance to 14 subordinate grass-roots Party organizations.
- ◆ The Group held 5 special publicity and training sessions based on the Party School, and its affiliated organizations at different levels held 102 special publicity and training sessions, covering 30,000+ trainees.
- ◆ The theoretical study center group under the Party Committee of the Group held 8 special workshops around the essentials of General Secretary Xi Jinping's July 1 important speech and the Sixth Plenary Session of the 19th CPC Central Committee. The Group's center groups at different levels conducted 106 special study workshops.
- ◆ The Group's organizations at different levels carried out 1,000+ traditional revolutionary education sessions, covering nearly 24,000 participants, to help Party members cultivate good conduct and firm belief.
- ◆ The Group executives gave a total of 29 special Party lectures, and secretaries and members of subordinate Party organizations at different levels gave 394 special Party lectures, fully playing the demonstration and leading role of critical minority.
- ◆ The Group adopted innovative forms of learning and education by means of Party lecture micro-videos to stimulate the enthusiasm of Party member employees and promote Party history learning and education in a new and deep way.
- ◆ The Group set up study columns on online platforms such as Yuexiu Leadership Online and Smart Party Building, so as to carry out all-round and multi-channel publicity and create a positive learning atmosphere with the help of the Group's platforms.



Zhang Zhaoxing, Secretary of the Party Committee and Chairman of the Group, led members of the leading group to visit the Museum of the Site of the Third National Congress of the CPC

## Celebrating the 100th Anniversary of the Founding of the CPC

In order to celebrate the 100th anniversary of the founding of the CPC, inherit the red gene, and draw on the strength of endeavor, the Group developed the program of "Look Back at the Journey of Centenary Struggle and Embark on the New Journey of Yuexiu", carried out a series of activities to celebrate the 100th anniversary of the founding of the CPC, and guided the Party members, cadres and workers to keep their original aspirations in mind, strengthen their ideals and beliefs, and enhance their loyalty to the Party.

We organized various activities such as Party history recitation and red classics exhibitions, and solicited 116 works; gave Party lectures on "Centennial Red Memory" to 100 Party members and cadres, where the Group's leading group members took the lead in making Party lecture micro-videos and released them on the Group's online platforms; organized the Party history knowledge contest on the theme of "Learn Party history and Follow the Party", where the Group's team won the grand prize in the Guangzhou State-owned Assets System; and gave the "Glorious 50-year Membership" medals and paid high respect to senior Party members who had been Party members for at least 50 years.

### "A hundred years of prime and pursuit of dreams" performance



On July 5, 2021, the Group's Party Committee held the work conference on celebrating the 100th anniversary of the founding of the CPC and mid-2021 Party building, Party style and integrity construction in Guangzhou to learn the essentials of General Secretary Xi Jinping's important speeches, commend advanced individuals, and motivate the whole Group to further unite the powerful spiritual force of embarking on a new journey of high-quality development during the 14th Five-year Plan. The conference also included a red recitation performance, where staff representatives from the Group's headquarters and its five subordinate segments brought red stories, epidemic control deeds and blessings to the Party and motherland on the stage by combining stage play, situational presentation and poetry recitation.



Red Faith recitation performed at the Group's celebration of the 100th anniversary of the founding of the CPC



# 1 Pursuing Excellence and Enhancing the Corporate Value

Yuexiu Group has a deep insight into its own strategic positioning, closely centers around the theme of “starting a new journey with a new blueprint and taking on new responsibilities with new goals”, continuously optimizes lean operations management, makes principal operations optimized, bigger and stronger, solidly advances open innovation, consolidates the foundation of talent development, unites and works hard towards the strategic goal of “becoming a Fortune Global 500 company with high quality”, and continues to enhance corporate value.



# Perfecting Operation Management

Closely centering around the strategic theme for "exploiting resources, optimizing the structure, enhancing the capacity, and becoming a Fortune Global 500 company with high quality", Yuexiu Group has taken multiple measures to consolidate the foundation of operations management, strengthen the management and operations mechanism, improve the quality and efficiency of operations, and provide strong support for the healthy and orderly business development of the Group. Meanwhile, the Group conscientiously follows the basic market principles of equality and free will, equivalent exchange, and fairness and good faith, and maintains a good order of fair competition.

## Creating business values

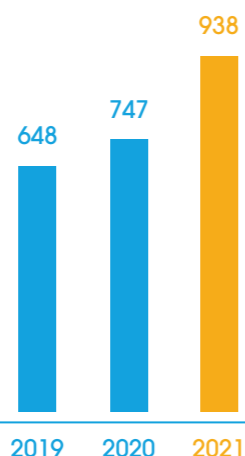
In 2021, Yuexiu Group reported

RMB **93.8** billion revenue,

RMB **18.5** billion total profit

and RMB **853.5** billion total assets, all of which hit record highs

Revenue (RMB 100 million)



Total profit (RMB 100 million)



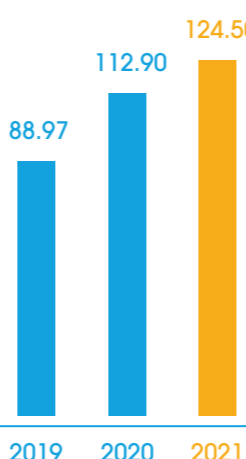
Total assets (RMB 100 million)



Asset-liability ratio (%)



Total tax payment (RMB 100 million)



## Strengthening operation controls

In order to ensure the steady development of the Group, we actively carry out compliance management, legal affairs management, risk management, and audit supervision, continuously consolidate and improve the long-term compliance mechanism to achieve high-quality development of the Group.

In 2021, the Group conducted over

**10**

legal compliance trainings

covering over

**5,000**

employees

### Compliance management

- ◆ We established a compliance management organization system covering the decision-making level and the management level to define the responsibilities of all levels and ensure operations compliance;
- ◆ We drafted and issued the *Compliance Management Measures of Guangzhou Yuexiu Holdings Limited* to further improve the compliance management system;
- ◆ We drafted and issued the *Guidelines of Guangzhou Yuexiu Holdings Limited for the Implementation of Due Diligence and Compliance Exemption (Trial)* to establish and improve the due diligence and compliance exemption mechanism;
- ◆ We improved the compliance management operation and support mechanism, whereby to promote compliance management practices in key fields closely related to the main business.

### Legal affairs management

- ◆ We continuously improved the management of the whole life cycle of the contract by revising the model, optimizing the process, and strengthening the supervision of implementation;
- ◆ We used information technology to optimize the dispute management process, strengthened the research and judgment of the group's legal dispute management situation, and prevented and resolved relevant legal risks;
- ◆ We improved the intellectual property management system, established a linkage mechanism between trademark management and brand management, and dynamically monitored the risk of key trademarks of the Group;
- ◆ We organized centralized publicity on intellectual property rights to further enhance employees' awareness of intellectual property protection;
- ◆ We deeply implemented the training and publicity work of law-abiding compliance and integrity in business, organize and carried out law study examinations, held mobilization and training meetings to promote transparent procurement, carried out the publicity work for "4-26" Intellectual Property Day and "12-4" National Constitution Day, and strengthened the online promotion of the law.

### Risk management

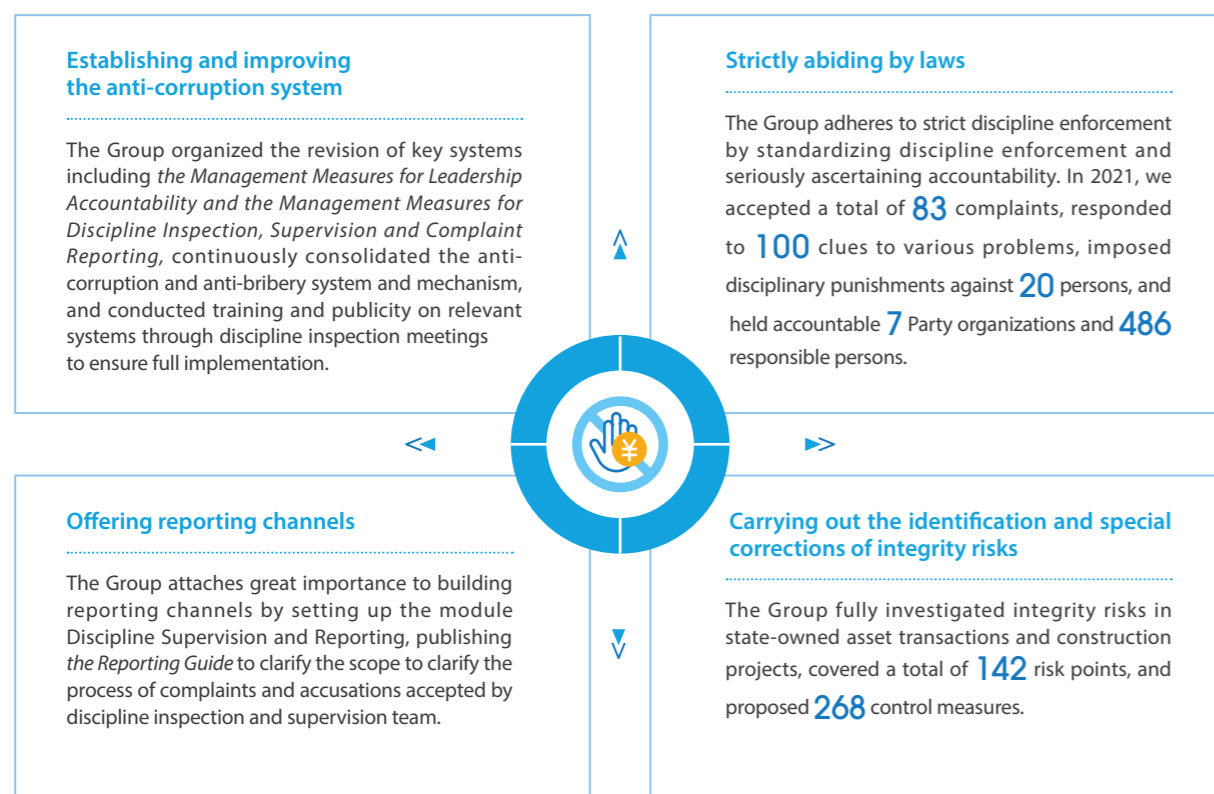
- ◆ We improved the risk management system by organizing the revision of risk management-related systems to effectively standardize the risk management process;
- ◆ We established an on-site post-investment management mechanism for key projects, whereby to conduct post-investment on-site inspections, strengthen post-investment management, and meanwhile monitor regional and industry risks monthly;
- ◆ We established a regular risk management communication mechanism for segments, whereby to deepen the understanding and management of front-line operations and promote the in-depth risk information sharing and work linkage between the Group and segments;
- ◆ We organized the Group's risk review and risk identification to fully implement the regulatory requirements.

### Audit supervision

- ◆ We improved the three-level internal audit structure (headquarters - business segment - project company) to fully guarantee the independence of internal audits;
- ◆ We drafted the *Guidelines for the Reporting and Transfer of Audit Findings* to promote the integration and coordination of audit supervision and discipline supervision;
- ◆ We carried out special audits on new operations and high-risk fields;
- ◆ We carried out economic responsibility audits to promote the modernization of the governance system and the governance capacity;
- ◆ We tracked and promoted the corrections of the findings of internal and external audits of the Group, the final step of such audits, and facilitated the translation of audit results into operating benefits;
- ◆ We made full use of the platform advantages of the Group's data middle ground project to continuously advance the construction of intelligent audits.

## Advancing anti-corruption

The Group attaches great importance to integrity construction and anti-corruption by continuously strengthening the self-building of a discipline inspection and supervision team, standardizing law and discipline enforcement, and better playing the role of discipline inspection and supervision.



Integrity construction series documents publicity meeting

## Guaranteeing work safety

Yuexiu Group attaches great importance to work safety by always putting safety first during product production and project construction, continuously strengthening the Group's safety culture and safety capacity building, so as to guarantee work safety. In 2021, the Group invested a total amounts of RMB 149 million in work safety.



2021 Safety Work Meeting of Yuexiu Group

## Consolidating the Talent Base

Employees are the core driving force for a company to achieve sustainable development. Yuexiu Group fully protects the rights of employees, enables employees to grow in an all-round way, continuously intensifies the care for employees, and constantly consolidates the foundation of talent management, in order to build a strong talent team. In 2021, the Group won 2021 China's Best Employer of the Year by Zhaopin and 2021 China's Best Employer in Real Estate by EH Consulting.

### Protecting employee rights

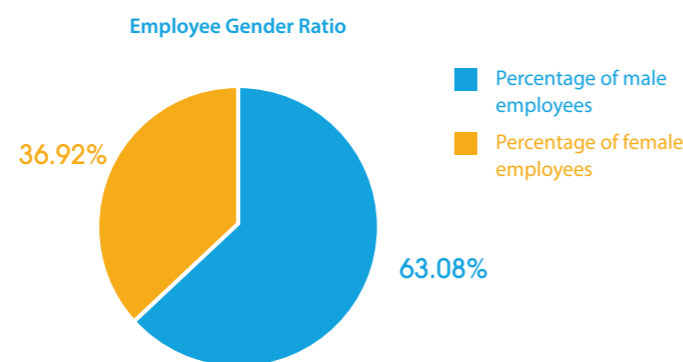
The Group strictly abides by laws including *the Labor Law and the Labor Contract Law* by actively protecting the rights of employees, adhering to equal employment, establishing and improving the C&B management system, offering democratic comment channels, creating a healthy and safe workplace, so that employees can work in the Group comfortably, confidently and easily.

#### Talent introduction

The Group adheres to the principle of equal employment by constantly improving recruitment channels, resources and systems, continuously enhancing recruitment efficiency and capabilities, never discriminating against candidates due to factors such as gender, health or family background.

In 2021, based on strategic development needs, the Group actively responded to the requirements of a number of government documents related to stabilizing employment and promoting social employment by recruiting from the society and campuses nationwide, especially in areas with business presence. Combined with its business development planning, the Group provided a large number of jobs in the real estate, finance, agriculture, animal husbandry, food and transportation industries and employed local talents in cities in the Greater Bay Area, Central China, North China, and Southwest China. The Group recruited over 10,000 persons, a record high, throughout the year, up by 69% over the previous year, significantly contributing to the employment of talents in various regions and the return of outstanding talents. In terms of social recruitment, we insist on researching and benchmarking talent market, actively introducing various types of high-quality talents, strengthening the staffing of key positions, and striving to achieve win-win company development and employment promotion. In terms of campus recruitment, the Group's segments provided jobs to nearly 1,000 persons, and implemented talent recruitment both online and offline. Online publicity goes beyond the locations of universities; and offline campus publicity and university-enterprise cooperation are adopted to strengthen the link between enterprises and universities. Specifically, the food segment signed the university-enterprise cooperation internship base agreement with 12 universities.

In 2021, the Group reported a total of **36,837** employees, including **36.92%** female employees and **22.2%** female managers (at the Group headquarters), recruited **850** fresh graduates, signed **100%** labor contracts, and found no violations such as child labor and forced labor throughout the year.



#### Compensation and benefits

The Group has established a perfect salary incentive mechanism, and combined with the concepts of market-oriented, industrialization, double-alignment of performance and remuneration, and the development stage of each industry, reasonably combining short, medium and long-term incentive tools, to review and improve regularly. In 2021, we promoted the review and implementation of the executive salary scheme of the Group headquarters and each industrial group, and the medium- and long-term incentive scheme of some enterprises.

In terms of total payroll management mechanism, we were approved to pilot the reform of total payroll cycle system, established the Group's internal total payroll management mechanism to define the way of determining the total payrolls of affiliated companies, standardize the total payroll management procedures and strengthen human resources input and output management. We continuously improve the employee benefits system, gradually expanding the coverage of benefits such as corporate annuity and supplementary medical insurance in addition to the statutory insurances and housing fund, to improve employee well-being.

#### Democratic management

The Group fully plays the role of democratic management in the form of workers' congress by enhancing the interconnection and interaction between the Group and its employees through democratic participation, deliberating a number of issues related to employees' vital interests, extensively listening to employees' suggestions, and promoting normalized development of the collective bargaining and communication mechanism, so as to raise employees' sense of ownership. In 2021, 96.08% employees joined the trade Union.

#### Occupational health

The Group pays attention to the occupational health of employees. In 2021, the Group granted a total of RMB 745,800 for facilities and equipment to 36 grass-roots trade unions, to assist grass-roots trade unions at different levels in implementing health promotion activities by providing employees with simple fitness products, offering body composition analyzers in office space, hiring practising physicians for consulting, and organizing various sports and health activities. In 2021, 100% of the Group's employees at the headquarters received health examinations.

**Health promotion activities:** Exercise during work once a day, record physical and mental health conditions once a week, hold a health lecture or consulting activity every quarter, hold a large cultural and sports health activity every half year, and organize health examination every year.



Employee fitness equipment

### Enabling employee development

The Group continuously improves the talent cultivation system, builds a fair and justice development mechanism, offers talent development channels, builds a platform for employee growth, and fully stimulates the enthusiasm of employees to innovate and create benefits, so as to help employees fulfill their own values.



The "Golden Sail I" talent training program of Yuexiu Financial Holdings



Training for the "Wind Youngers" management trainees of Yuexiu Food

## Talent cultivation

**Building a talent cultivation mechanism for the food segment with its own advantageous resources.** We have launched training programs such as Golden Pearl Program and Pearl Program to support the establishment of a talent cultivation system for Yuexiu Husbandry and Leadership Program, a leadership development program to cultivate high-quality leading dairy talents and backbone force required for Yuexiu; and established a food academy and a husbandry branch to cultivate talents in short supply in the food segment.

**Creating corporate culture training programs to help new employees quickly adapt to the Yuexiu culture.** We have innovatively launched the New Co-worker Program to help a large number of diverse new employees with cultural integration; innovatively designed the New Star Training Camp to identify high-potential talents in advance through challenging task tests; developed the New Territory Program to help new middle and senior employees identify with the Yuexiu culture, unify the management language, and establish emotional connections faster.

**Paying attention to talent cultivation at different levels and creating a high-quality talent team.** We tailored development programs for the Group's core middle and senior executives and key talents through the Leadership Program; stimulated the potential management and innovation abilities of key talents through the Flying Program; systematically reserved talents through the Climbing Program to cultivate new forces required to realize the Group's 14th Five-Year strategic goals.

**Optimizing online learning platforms to enable front-line employees.** The learning platform Leadership Online boasts over 4,500 courses, so as to achieve full coverage, resource sharing and efficient management with the digital training management system. Meanwhile, the Group's segments have also launched targeted trainings based on business characteristics to help employees enhance their professional skills.



## Career development

The Group actively implements talent development management measures to promote business and talent development. For middle and senior managers of the Group, we continuously carry out the pilot program for professional managers, deepen the implementation of the Group's professional manager system, and overall review the tenure of middle and senior professional managers. For middle and senior managers of the Group's subsidiaries, we fully implement the "3+2" tenure system and contractual management, so as to make them ready to work at a higher or lower position and accept a higher or lower income and fully stimulate the vitality and creativity of management members. For outstanding young talents, considering the requirements for business development and talent development, we broaden talent development platform, increase job rotations, and continuously assign outstanding young talents to affiliated companies and departments greatly in need of talents.

## Taking care of employees

The Group fully plays its role of serving employees by actively investing funds to advance the construction and maintenance of service centers for employees by trade unions at different levels, so as to further improve the care for employees and service quality. In 2021, we launched an activity on the theme of "Trade unions reach out to every employee" by allocating RMB 15,800 to model workers and May 1st Labor Medal winners; organized a special survey on employees' difficulties by registering 28 needy employees and allocating RMB 218,000 relief funds for living assistance and children schooling assistance.

allocating RMB  
**218,000**  
 relief funds for living assistance and children schooling assistance

We also seek to create a caring and warm workplace, build a positive corporate culture, and launch various cultural and sports activities to enhance employee happiness.



Striving for 14th Five-Year Plan series activities

## Practicing Responsible Purchasing

Yuexiu Group integrates the philosophies of integrity, compliance, safety and environmental protection into supply chain management by developing procurement management-related systems and processes at all levels, to strictly review supplier qualifications, optimize supplier evaluation indicators, improve the hierarchical evaluation method, implement the hierarchical classification management of suppliers, and achieve transparent and fair purchasing.

### Real estate segment

Yuexiu Property conducts hierarchical supplier evaluation by means of indicators including performance evaluation, bidding cooperation, settlement cooperation, after-sales service, and safety management to enhance suppliers' enthusiasm for performance. In 2021, 15 suppliers were rated A.

Yuexiu REIT has developed systems including *the Management Measures for Large Capitalization Suppliers and the Guidelines for Supplier Management*, whereby to regularly conduct supplier qualification reviews and require suppliers to provide environmental management system, quality management system and health and safety management system certificates.

### Finance segment

Chong Hing Bank assesses the social and environmental performance of suppliers, regularly reviews the product quality and service quality of selected suppliers to ensure compliance.

Yuexiu Financial Holdings has established systems such as *the Management Measures for Procurement Services, the Management Measures for Procurement Evaluation Committee, the Management Measures for Supplier and the Guidelines for Acceptance of Procurement Items* to regulate the whole life cycle process of procurement.

### Transport segment

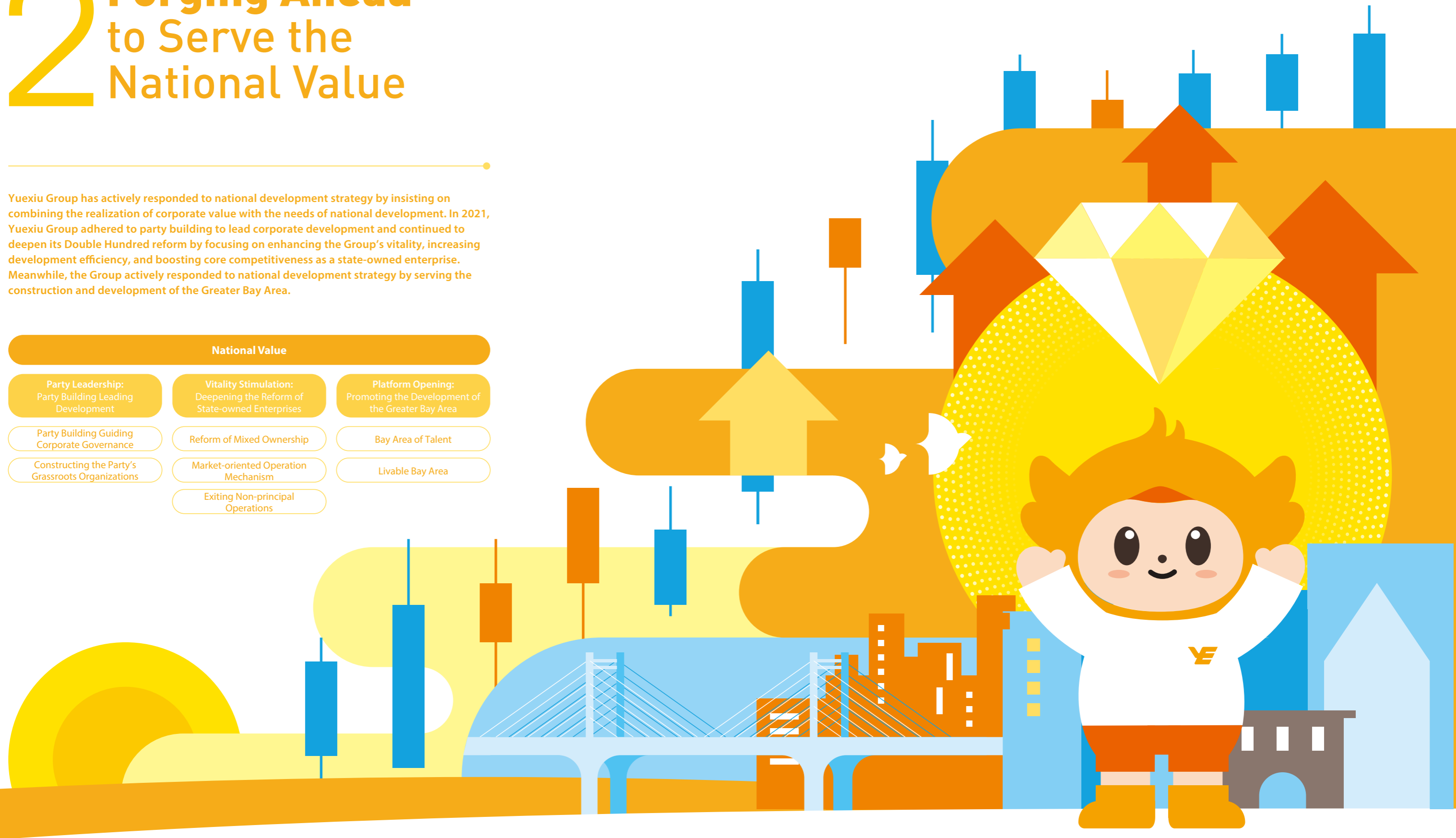
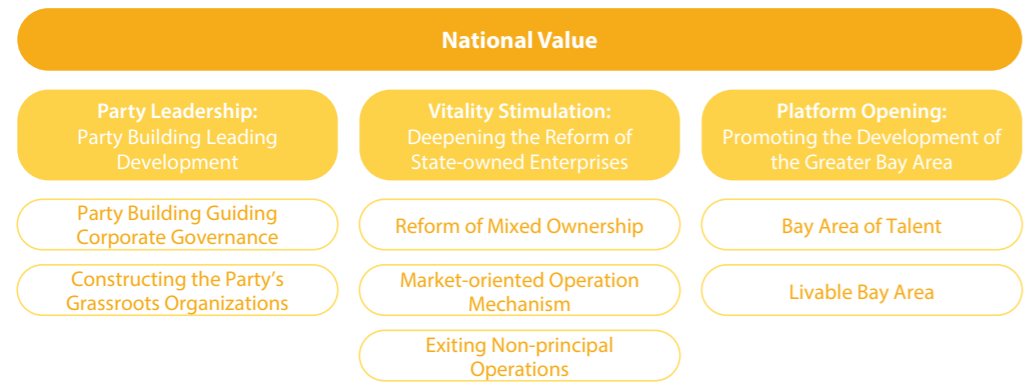
Yuexiu Transport further supervises the quality of services and products purchased for the company's projects, so as to conduct supervision among the supply chain with high quality.

### Food segment

Yuexiu Foods has built a digital purchasing platform to standardized the procurement management process so as to achieving life cycle management of suppliers and purchasing contracts.

# 2 Forging Ahead to Serve the National Value

Yuexiu Group has actively responded to national development strategy by insisting on combining the realization of corporate value with the needs of national development. In 2021, Yuexiu Group adhered to party building to lead corporate development and continued to deepen its Double Hundred reform by focusing on enhancing the Group's vitality, increasing development efficiency, and boosting core competitiveness as a state-owned enterprise. Meanwhile, the Group actively responded to national development strategy by serving the construction and development of the Greater Bay Area.





# Party Building Leading Development

Yuexiu Group adheres to the political construction of the Party as the leader. On the one hand, we strengthen the leadership of the Party and improve corporate governance, guiding corporate governance with Party construction, and guaranteeing high-quality development by leading with high quality party building; on the other hand, we focus on the foundation of the grassroots level and continues to make precise efforts to promote the construction of grassroots Party organizations and cadres and talents in depth.

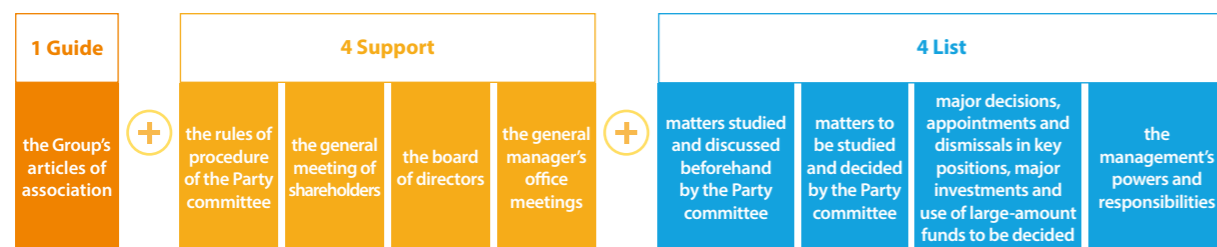
## Improving the modern corporate governance

Yuexiu Group adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and continuously improves the modern corporate system in a way that adheres to Chinese characteristics. It has refined and summarized the "Eight Power of Party Building" practices with the characteristics of the Group, and adhered to integrating the Party's leadership into all aspects of corporate governance, solidly promoting Party building requirements into the company charter. The group has established a "1+4+4" System from the top-level design and defined the powers, responsibilities, and working modes of Party organizations in decision-making, implementation, and supervision, in a way that pushed towards forming a corporate governance mechanism with statutory powers and responsibilities, transparent powers and responsibilities, coordinated operation, and effective checks and balances.

### Eight Power of Party Building



### "1+4+4" System



In 2021, the Group headquarter held **28** party committee meetings

**35** board meetings

**25** general office meetings

study and arrange **308** issues in relation to stricter Party self-discipline and major decisions, appointments and dismissals in key positions, major investments and use of large-amount funds

The Group's supervisors sit in on Party committee meetings, the general manager's office meetings and other decision-making meetings. The Group holds the majority of external directors, extensively listens to and implements the opinions and suggestions of external directors and supervisors, and fully implements modern corporate operating mechanisms.

## Constructing the Party's grassroots organizations

The Group has continuously improved the quality and effectiveness of grassroots Party building.

By the end of 2021, the Group reported

**214** Party organizations

and

**3,668** Party members



The Group continues to promote the standardized construction of Party branches, and effectively enhance the organizing power at the grassroots level.

In 2021

- ◆ Given the normalization and institutionalization of the Group's Party branch construction activities on the theme of "Strengthening Organization, Increasing Vitality, and Promoting Development", we continuously deepened "Shining Yuexiu" star evaluation and ratings on Party branches and members;
- ◆ Carefully implemented a new round of the three-year action plan for strengthening the construction of the Party's grassroots organizations (2021-2023) to promote the earnest implementation of tasks;
- ◆ And carried out model Party organization creation activities in depth, and selectively cultivated 5 Party organizations to apply for model Party organizations in the state-owned assets system.



Based on the “1-2-3-4-5” objectives (1 network, 2 ends, 3 levels of organizations, 4 platforms and 5 effects), the Group built a smart Party building platform integrating basic management of Party building, Party branch meetings, Party branch committees and Party group meetings and Party lectures, Party member education and training and other functional modules to stimulate the enthusiasm of grassroots Party organizations and Party members. The Group developed a dedicated page for Party history learning and education on mobile, and optimized the visual display effect of the home page.

In 2021

- ◆ In 2021, the intelligent party building platform offered **110** episodes of Micro Party Lectures; performed 85 audio works of Red Voice and **31** video works of Centennial Stories;
- ◆ Promoted the orderly operation of the intelligent party building platform and completed **4,904** sessions of Party building, Party branch meetings, Party branch committees and Party group meetings and Party lectures; and cooperated with Yuexiu Leadership Online to release **245** courses;
- ◆ Promoted the construction and optimization of the intelligent party building platform in an orderly manner and advanced the platform optimization and upgrade, functional mobility and overall application deepening, further improving the coverage and effectiveness of the use of the platform.

## Deepening the Double Hundred Reform

The year 2021 was critical for Three-Year Action in the Reform of SOEs. Yuexiu Group steadily pushed the reform of state-owned enterprises by taking the opportunity of being selected as a target in the reform of state-owned enterprises by the SASAC of the State Council, exploring an effective path for state-owned enterprises to survive and develop in a fully competitive industry and become stronger, better, and bigger.

### Deepening the reform of mixed ownership

Yuexiu Group steadily promotes mixed ownership reform by optimizing the equity structure and integrating external resources through market-oriented debt-to-equity swaps, introduction of external strategic investors, and asset-backed securitization, in order to enhance the Group’s development advantages.

The Group’s affiliated companies continuously promote the reforms of mixed ownership and equity diversification by optimizing the equity structure to enhance development advantages. Guangzhou AMC introduced strategic investors had raised RMB 1.513 billion; Yuexiu Property injected high-quality resources into the property company so they could be split and listed through internal reorganizations and mergers, and pushed Yuexiu Services to be listed on the Hong Kong Stock Exchange in June 2021 in a move to increase the Group’s overall financing capacity and better preserve or increase the value of state-owned assets.



### Improving the market-oriented operation mechanism

Yuexiu Group continuously improves its market-oriented operation system and mechanism by advancing the professional manager system, tenure system and contract-based management for managers, and intensified positive incentives to stimulate the Group’s internal vitality.

With a focus on the professional manager system, the Group has established a market-oriented, standardized, systematic and transparent manager system from five aspects: recruitment, tenure management, incentive mechanism, development and training, and restraint and exit mechanism.

The Group fully implements the special tenure system and contract-based management for managers of subsidiaries at all levels by developing relevant operating guidelines and list of FAQs and providing relevant training and guidance on specific questions for subsidiaries. As of the end of 2021, the Group’s subsidiaries at all levels fully completed the tenure system and contract-based management.

The Group is continuously optimizing the long-term incentive and restraint mechanism and has established internal payroll management measures, becoming one of two pilot organizations in Municipal SASAC’s payroll cycle system.

### Exiting non-principal operations in an orderly manner

According to the relevant requirements for the reform of state-owned enterprises, Yuexiu Group carried out tasks in an orderly manner, including exiting inefficient or ineffective operations, disposal of “zombie company”, and disposal of joint-stock companies, basically exiting entirely out of non-principal operations. The Group carefully identified the inefficient or ineffective non-principal operations of its affiliated companies, made a list of companies to be exited, and effectively carried out exit work. As of the end of 2021, all 77 companies on the list had exited; 3 “zombie companies” were disposed; 3 companies included on the list of joint-stock companies to be disposed had been disposed for about 8.1688 million RMB in income.

## Promoting the development of the Greater Bay Area

Yuexiu Group carefully implements *the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area* by striving to advance educational cooperation and urban improvement in the Guangdong-Hong Kong-Macao Greater Bay Area, contributing value to the construction and development of the Greater Bay Area.

### Boosting educational cooperation and building a Bay Area of talent

Being fully aware of the importance of education and talent to the development of the Guangdong-Hong Kong-Macao Greater Bay Area, Yuexiu Group regards supporting the development of education in the Greater Bay Area as its indispensable social mission, and has actively expanded exchanges and cooperation in education to provide strong support for the construction of a world-class Bay Area and dynamic world-class city cluster.

As a major project and a landmark project in *the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area*, the Hong Kong University of Science and Technology (HKUST) Project has attracted widespread social attention since its launch. In November 2021, Yuexiu Group donated HKD 100 million to the HKUST to support education, teaching, and scientific research, adding impetus to the development of the Greater Bay Area.

For the Greater Bay Area Hong Kong Youth Internship Program, Yuexiu Group offers a high-quality internship environment and positions for HKUST students, so as to continuously enhance the sense of identity, belonging, and acquisition of young students in Hong Kong and Macao. Chong Hing Bank plays an active part in the HKUST's financial training classes, so as to boost in-depth cooperation in the cultivation of high-quality, high-level talent and in attracting talent to serve in the construction of the Greater Bay Area.

### Improving the appearance of cities to shape a livable Bay Area

Yuexiu Property continuously pushes to improve the appearance of cities in the Greater Bay Area by vigorously supporting the development of such cities, striving to enhance their image, promote their renewal, create a better life, and implement cultural protection, actively building a high-quality living circle that is suitable for living, work, and tourism.

#### Enhancing the image of cities

The practices of Yuexiu Property playing its part in Guangzhou's urban transformation and upgrading can be traced back to the 1980s. From the development of Jiangnan New Village to the completion of Guangzhou's first modern CBD sports center, the Ersha Island international community, the prosperity of Liuhua commercial districts represented by the White Horse Building, and the substantial completion of Guangzhou IFC (West Tower), an international landmark in Guangzhou, Yuexiu Property has been improving Guangzhou's appearance, industrial upgrading, and high-quality development in a way that greatly enhances the city's international image and competitiveness.

#### Serving urban renewal

Yuexiu Property adheres to the industry-city integration and work-residence balance development philosophy by meeting housing demand from new migrated citizens, industrial talent, and low-income citizens, promoting urban renewal in an orderly fashion. Guangzhou Lirendong Old Village Reconstruction Project, relying on a foundation of development in the regional fashion industry and E-commerce, integrates the Internet economic development of Wanbo CBD to build an intelligent technology innovation platform. Nanyang Electric Appliance Factory and Surroundings Reconstruction Project is designed to accommodate a modern service industry headquarters park and an intelligent manufacturing headquarters base and set up a joint industrial and financial service platform, having provided 6,000 square meters of government-planned housing.

## Creating a better life

Adhering to the "Creating a Better Life" brand mission, Yuexiu Property has deeply explored a TOD model by jointly developing "rail transit + property" with Guangzhou Metro so as to help upgrade Guangzhou's new residential model. Meanwhile, Yuexiu Services has launched an action for model projects that focuses on improving environmental quality and service quality, and providing residents with warmer services around basic property, smart property, customer value-added and other innovative services.

### A one-stop multi-functional complex community built by Yuexiu Property



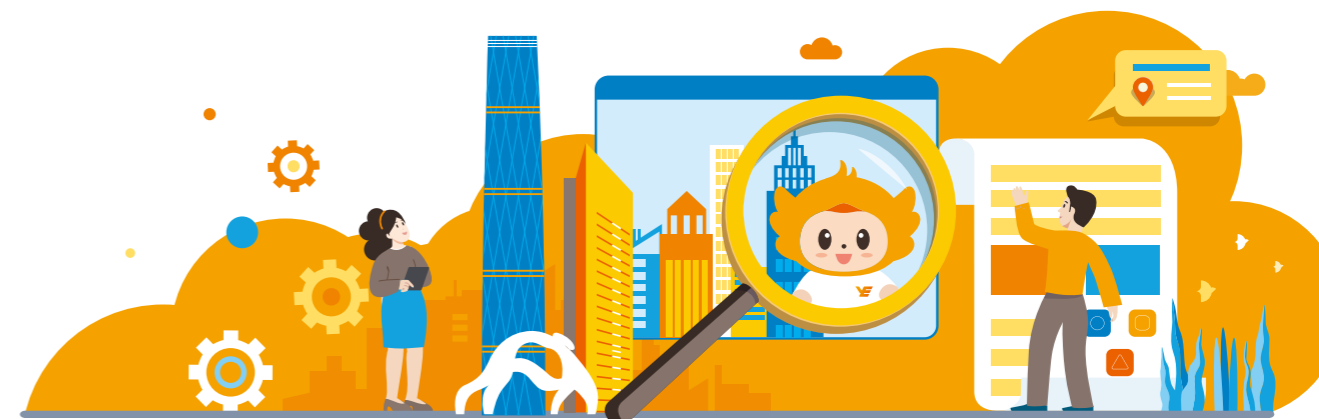
As the first residential project above a TOD depot in Guangzhou, Xingtu TOD is of epoch-making significance to Guangzhou's housing development and TOD development model. Xingtu TOD created a micro-city concept by covering quality urban resources such as commercial atmosphere, cultural atmosphere, artificial and natural landscapes, and introducing the Xintang School who is affiliated with South China Normal University, as well as the only branch in Xintang directly affiliated to Guangzhou Library. These measures are effectively progressing it towards becoming a one-stop multi-functional complex community.



Xingtu TOD Micro-City

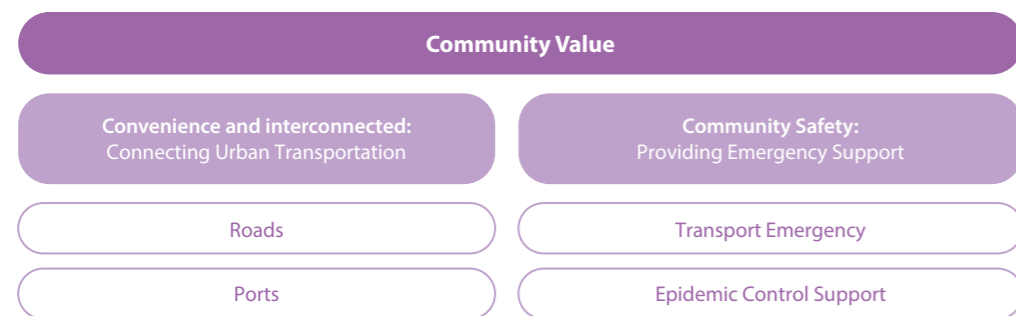
### Implementing cultural preservation

Yuexiu Property attaches great importance to historic preservation in order to continue the city's memory and inherit its historical culture. The Lirendong Old Village Reconstruction Project allows for the repair & preservation of four district-registered protected historic sites, as well as the location of five rebuilt ancestral halls and temples so as to build a cultural community with local Lingnan characteristics. The Nanyang Electric Appliance Factory and Surroundings Reconstruction Project designs the protection range of the Huanghua monument, a municipally-protected historic site, as a green park, making it possible to flexibly utilize the site of Puji Temple, a district-registered protected historic site, on the basis of proper protection.



# 3 Connecting Cities and Building the Community Value

Yuexiu Group actively participates in community construction by adhering to the comprehensive management of service communities, providing safe, orderly, convenient, smooth transport services and timely, reliable, stable, strong emergency support for community residents, so as to contribute to the high-quality development of the region.



## Connecting Urban Transportation

Transportation is an important infrastructure for urban development, a significant link connecting cities and also a vital channel for the flow of people and materials. Yuexiu Transport makes the most of the synergy efficiency of the Guangdong-Hong Kong-Macao Greater Bay Area and the resource allocation advantages of Yuexiu Group, strives to develop into a professional transport infrastructure investment and operation company in the Greater Bay Area, and helps to build a modern transportation system, so as to contribute to city connectivity and regional economic development.

### Extending interconnected roads

Yuexiu Transport actively expands expressway operations and promotes the steady growth of expressway operations in an orderly manner.

By the end of 2021, Yuexiu Transport had invested and operated a total of **15** expressway and bridge projects in 6 provinces or cities across China

including **4** expressway and bridge projects in the Greater Bay Area (Guangzhou North Second Ring Expressway, Guangzhou North Ring Expressway, Guangzhou West Second Ring Expressway and Humen Bridge)

### Yuexiu Transport supports the fully-enclosed noise barrier project on Guangzhou North Second Ring Expressway



Yuexiu Transport carried out the fully-enclosed noise barrier project on Guangzhou North Second Ring Expressway, actively provided support and overcome difficulties together with relevant parties. The project was officially launched in September 2021, becoming the first fully-enclosed noise barrier project built on a two-way 10-lane expressway in China, effectively reducing the impact of road noise on the surrounding communities and helping to solve the issues of people's livelihood.



The fully-enclosed noise barrier project on Guangzhou North Second Ring Expressway

## Building prosperous ports

Pazhou Hong Kong-Macao Passenger Port Project invested by Yuexiu Transport is a comprehensive transportation hub project rated as a key project in the *Three-Year Action Plan for the Construction of Guangzhou as an International Shipping Center (2018-2020)*.

### The hydraulic works of the Passenger Port Project

- Completed in January 2021
- Completed the delivery acceptance in December 2021

The Port can improve the transportation facilities in Pazhou Exhibition Economic Zone, fill the gap in the three-dimensional transportation system, rebuild the convenient water channel between urban Guangzhou and Hong Kong and Macao, further promote the economic cooperation between the three areas, raise the overall profile of Guangzhou and expand its international influence.



Pazhou Hong Kong-Macao Passenger Port

## Providing Emergency Support

Yuexiu Group has established and improved the emergency warning mechanism, emergency response mechanism and mobilization mechanism, to continuously strengthen emergency management, improve the ability to prevent and deal with emergencies, prevent and reduce the losses and impacts caused by emergencies, and ensure the safety of life and property of the people.

### Transport emergency

Yuexiu Transport thoroughly identifies safety accident risks strictly as per the working mechanism for sticking to the insurmountable bottom line of no death and identifying hidden dangers, sorting such dangers by difficulty and impact of identification and eliminating such dangers, carries out emergency preparation and organization, strengthens emergency training and emergency drills, implements corrective measures for hidden dangers, and improves the prevention and mitigation of major safety risks.

### Emergency drill



In December 2021, in order to test the scientificity, practicality and timeliness of emergency response plan and mechanism and improve emergency response capability, Yuexiu Transport's subsidiary North Second Ring Company, together with Guangzhou Municipal Transportation Bureau, Huangpu District Emergency Bureau, the Second Brigade of Motorway Cops, the Fire Rescue Station in East Section of Huangpu District, and various maintenance and rescue cooperation organizations, organized a comprehensive emergency drill for traffic accidents involving vehicles transporting hazardous chemicals on the North Second Ring Expressway. This drill inspected the Company's emergency rescue command in response to hazardous chemical accidents and the emergency response capability of relevant parties to emergency rescue and evacuation and risk mitigation, in a move to effectively improve the company's ability to protect the safety of life and property.



Comprehensive emergency drill for traffic accidents involving vehicles transporting hazardous chemicals organized by Yuexiu Transport

## Epidemic control support

2021 was a year of normalized epidemic control. Yuexiu Group has made every effort to support epidemic control, food supply and transportation, contributing to winning the tough battle of epidemic control.



### Food supply

The outbreak of COVID-19 posed huge challenges to food supply in Guangzhou.

Yuexiu Foods quickly responded to the Group's call for immediate action by determining Flagship Fresh Foods and Guangzhou Foods as the main suppliers, actively expanding purchasing platform, integrating distribution resources, combining online distribution with offline supply, and dispatching over **300** vehicles and **3,900** persons to supply **223** tons vegetables, **41** tons poultry meat and eggs, **9** tons aquatic products, **14** tons rice, oil and salt, and **10,000** boxes of milk to **8** designated supply points and **14** community distribution points in coordinating Dongjiao, Chongkou and Baihedong Sub-districts in Liwan District, which lasted **35** days, in a way to effectively support the supply of foods for the people. In addition, Yuexiu Foods also donated instant rice, milk, rice dumplings, etc. worth over RMB **5** million to front-line workers and needy people in the hit areas.



Yuexiu Foods is highly praised by the government for supporting supply and stabilizing prices



### Control support

The Group actively cooperates with relevant departments on vaccination against COVID-19, strictly implements closed management and isolation, firmly establishes a "safety net" for epidemic control.

In April 2021

Yuexiu Property, in cooperation with Liede Sub-district and Tianhe District Health Bureau, set up the first temporary vaccination site in commercial buildings in Guangzhou IFC, providing free vaccination for citizens in and around the buildings.

As of May 2021, the temporary vaccination site had given over

**36,000** doses in total



Vaccination in Guangzhou IFC

In June 2021

Nansha District saw another break of COVID-19, particularly severe in communities Nansha Binhai New Town and Jia'an Garden. Yuexiu Services quickly set up an emergency team to cooperate with the residents' committee and the police station on fully-closed community management and epidemic control and service support. To make the residents emotionally stable, Yuexiu Services immediately assigned personnel to explain and appease door to door, and gave special care to special residents.



Yuexiu Services' volunteer is helping a special resident provide personal information for NAT



### Traffic support

The escalation of epidemic prevention and control in Guangzhou has placed higher requirements for disinfection and control in public space and facilities.

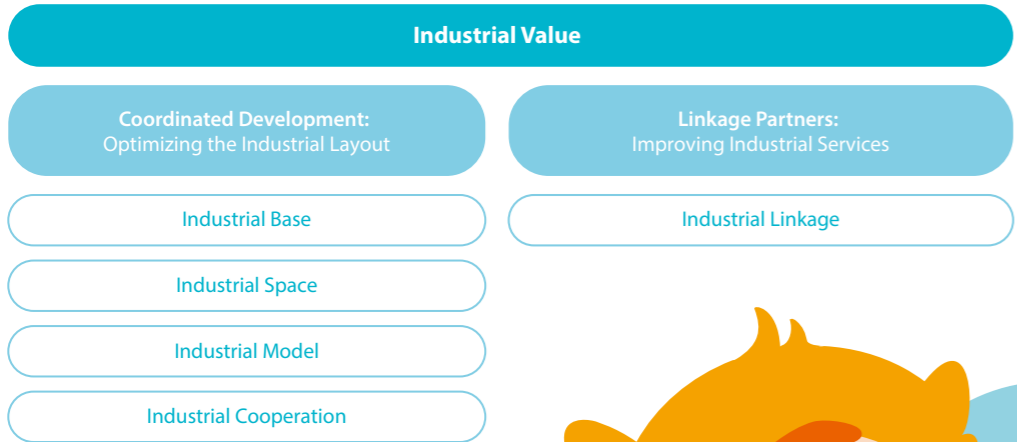
The Group's subsidiary Metro Environment Company provides property services for **5** metro lines, **25** depots, **72** metro stations, and over **600** trains in Guangzhou. Since the outbreak of COVID-19, Metro Environment Company strictly followed the control requirements by arranging employees to disinfect facilities and equipment, indoor space, and trains in metro stations, increasing the frequency of disinfection, and specially strengthening cleaning and disinfection in key prevention areas, so as to provide a safe environment for citizens.



Train disinfection by Metro Environment Company's employee

# 4 Developing Various Operations to Boost the Industrial Value

Yuexiu Group has established a 4+X industries system dominated by finance, property, transport infrastructure, and modern agriculture, which optimizes the industrial layout and strengthens industrial collaboration, advances industrial innovation and drives industrial upgrading, improves industrial supporting facilities and service, continuously optimizes the environment for industrial development, and makes all-out efforts to boost the high-quality development of Yuexiu Group.



# Optimizing the Industrial Layout

Yuexiu Group seeks to build an excellent system of industries, create a modern industrial layout, consolidate the foundation of digitization, encourage subordinate industrial segments to integrate resources effectively, jointly optimize the industrial layout, innovate existing models, and become a large comprehensive state-owned enterprise spanning primary, secondary, and tertiary industries and connecting China to the world.

## Consolidating the industrial base

Based on the need for the development of principal operations, Yuexiu Group follows a digital economy development trend, upgrading digital actions by emulating world-class management, consolidating the digital foundation for the development of various industrial segments, accelerating the digital pace, and further strengthening the Group's technical foundation for becoming a Fortune Global 500 company.

### Top-level digital construction

- ◆ Yuexiu Group arrange for Digital Yuexiu 2025 by continuously enhancing four capabilities, namely digital business, ecological contact, smart operation, and technology platform, supporting business development from multiple dimensions based on digitization, advancing collaborative innovation in various industrial segments, and promoting the integration of traditional industries and the digital base.
- ◆ The Group has created a digital base integrating cloud and intelligence to enable traditional industries, support new business models, intensify operations, provide more, faster, better, and more economical basic resource service capabilities through Yuexiu Cloud, and help build a comprehensive AI capability market. These activities will serve to make available the base of technology and AI capabilities required for the development and exploration of the Group's operations.
- ◆ The Group has designed a top-level digital transformation implementation strategy and planned for the whole digital picture, practicing a philosophy of "originating from operations and giving back to operations." It has created a data middle ground to integrate data assets, consolidate the foundation of data governance, and improve the digital operation capabilities of products and services.



### Remarkable achievements in scientific research



- ◆ Yuexiu Group has built Intra-City Data Center, Yuexiu Cloud, and Data Middle Ground projects to consolidate the foundation for the development of various segments and help affiliated companies achieve outstanding scientific research results. The Group has also become a Council Member of the Digital Collaborative Innovation Alliance of Central Enterprises in the Greater Bay Area, working hard to promote the digital ecology construction required for the integrated development of the digital economy and real economy.



Intra-city data center room

- ◆ Around the core philosophy of Cloud, Big Data, and Intelligence, the Group has built the first A-level intra-city data center in Science City, which it has provided with 80 equipment cabinets, 2,000 hosts, and nearly 100 application systems to effectively improve response to IT operation and maintenance and form a closed loop from the occurrence of a problem to its resolution. This in turn allows IT to be more considerate towards operations services.

- ◆ Based on its overall target of establishing "three centers in two places", the Group has gradually been setting up 2 local Yuexiu Cloud data centers and 1 remote disaster recovery Yuexiu Cloud data center, which it provides with multi-active cloud architecture to meet the need of domestic operations and also the needs of Hong Kong operations for disaster recovery. Such data centers are interconnected in the two cities with a leased line for the backbone network. Armed with optimized encryption, Yuexiu Cloud can realize zero failure through split of overloads against over 90,000 external network attacks, in a way to effectively ensure data security.
- ◆ The Group's data middle ground has covered the construction of a technically advanced, industry-leading technology platform and external data services in order to initially realize a closed-loop system featuring operations data, data assets, and asset value, retain over 4 million active customers, and achieve growth in both customer traffic and sales.

## Expanding the industrial space

Around the "4+X" industries system, Yuexiu Group integrates industrial resources, injects transformation momentum, and seizes development opportunities to promote the continuous upgrading of various segments.

### Property segment

In 2021, Yuexiu Property devoted itself to senior housing development and construction, continuously exploring the industry's social value, making a service pattern for medical nursing homes, CCRCs, and home-based care for the aged, enabling the construction of modern regional cities, and trying to find the new paths, new forms, and new models of senior housing integration, innovation, and development.



Yuexiu Senior Housing Project Haiyi Garden

### Finance segment

Yuexiu Financial Holdings promote regional economic development and industrial transformation and upgrading. Since its establishment, Yuexiu Financial Leasing has invested nearly RMB 15 billion in the Guangdong-Hong Kong-Macao Greater Bay Area, covering all mainland cities; carrying out specialized research on PV finance lease and issuing guidelines for PV businesses to provide institutional guarantees for accelerating the construction of a PV leasing system.



Yuexiu Financial Leasing's PV finance lease



### Transport segment

Yuexiu Transport actively explores a shift in transport development model. In 2021, Yuexiu Transport was approved to publicly offer Huaxia Yuexiu Expressway Closed Infrastructure Securities Investment Fund. The establishment of the equity capital operation platform will help Yuexiu Transport open up the investment, financing, management, and exit asset cycle, deeply optimize the development model, and realize a strategic shift from a transport infrastructure investment & operation company to a transport infrastructure asset management company.



Yuexiu Transport is approved to publicly offer Huaxia Yuexiu Expressway Closed Infrastructure Securities Investment Fund

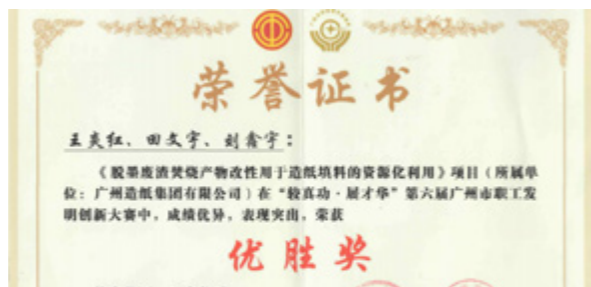
### Food segment

The agri-food segment is revitalized in the restructuring and integration, and the three supporting operations are further integrated: the dairy operation successfully completed the integration, Liaoning Yuexiu Huishan Holdings was formally established, and Flagship Milk successfully undertook the business of Five Rams Ice-cream. The Group's food processing operation has gained momentum in its first year of consolidation, with the official launch of the Emperor's IPO project and the solid progress in live pig operation completing contracted capacity of 4 million live pig for the year. In addition, the Group established Yuexiu Food Supply Chain Company to coordinate the fresh food, cold chain and marketing operation.



### Paper-making segment

Guangzhou Paper Group has expanded paper-based new material operations, independently developed substrate technology, manufacturing methods, and processing equipment, innovated on the use of special glues, disrupted the traditional bag-making process, and obtained two national invention patents and one utility model patent for overcoming problems in mass production of leak-resistant paper bags. Their technology has opened up a whole new field for replacing plastics with paper.



Guangzhou Paper Group's employees won the winning prize in Guangzhou Staff Invention and Innovation Competition

## Innovating the industrial model

Yuexiu Group has continuously innovated and built the entire food industry chain, improved transportation structure, optimized the property operation model, innovated on the commercial property operation strategy, created a new industry model, and made multiple efforts to enable the industry to continue to progress, upgrade, and bring Yuexiu's new solutions for the industry's sustainable and healthy development.

### The food segment improves the "farm-to-table" industrial chain model



Yuexiu Foods forming a "3+3" industry system to integrates internal and external resources, integrating three Production-oriented services including dairy, live pigs, and food processing and three supporting operations including fresh foods, commerce, and the cold chain. During 2021, Huishan Dairy shaped the "farm-to-table" development model to cover the whole industry chain so as to improve the quality traceability system and solve the core industry problem of dairy products safety from the source.

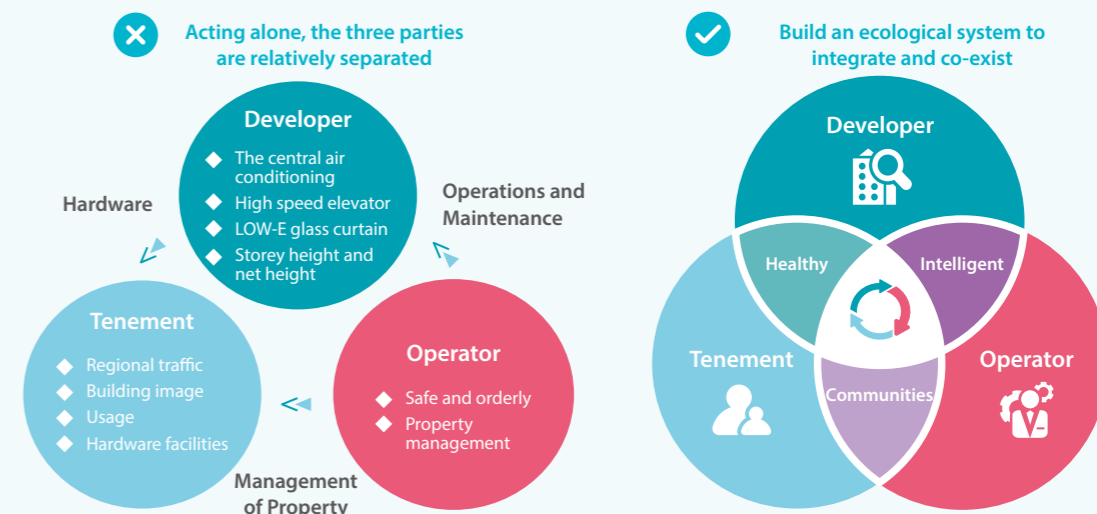


Dongchuan Fresh Foods Supermarket

### Yuexiu Commercial optimizes its business model



Yuexiu Commercial has recreated and consolidated its business model known as "Trinity", integrating business operation, capital operation, and property management, which reconstructing the relationship between "people, goods and malls", and seizing structural opportunities to enhance the value of commercial assets. It provide leading experience and valuable case for the securitization of property assets invested in Mainland China.



Yuexiu Commercial's Office Building 3.0 Model

## Pursuing industrial cooperation

Yuexiu Group adheres to a cooperative philosophy of openness, inclusiveness, and win-win development by strengthening communication, exchanges, and cooperation with strategic partners including government agencies, peer companies, and scientific research and academic institutions. It has built stable and long-term cooperative relations, expanding the “circle of friends” for high-quality development, and developing together with partners.

### Government-enterprise cooperation

The Group continues to build a good government-enterprise relationship. In 2021, the Group signed strategic cooperation agreements with the governments of Zhanjiang, Qingyuan, etc. of Guangdong Province to serve economic and social development in various regions. Yuexiu Services has explored a diversified co-construction, co-governance, and shared governance model integrating “government + enterprise + citizen” and promoting government-enterprise cooperation. It is actively participating in urban development and operation, and striving to create a “global service governance model”.



Yuexiu Group signed a strategic cooperation framework agreement with Leizhou City

### Enterprise-enterprise cooperation

The Group leverages the synergy advantages of multiple industries to carry out strategic cooperation with high-quality companies including JD, Bank of Guangzhou, Shaoxing Rail Transit Group, and Dongguan Rail Transit Group, jointly building a new blueprint for development and promoting the implementation of major cooperation projects.

### The Group signed a strategic cooperation agreement with Shaoxing Rail Transit Group



Yuexiu Group and Shaoxing Rail Transit Group held a signing ceremony of the strategic cooperation framework agreement, whereby to rely on the rich experience in TOD development, seize the opportunities to promote Shaoxing’s urban development and rail transit construction, and support the joint development of Shaoxing Old Town and Shaoxing New Town.



Yuexiu Group signed a strategic cooperation agreement with Shaoxing Rail Transit Group

### University-enterprise cooperation

The Group seeks to work together with high-quality scientific research institutions to jointly build a development platform integrating industry-university-research institutions and strengthen personnel exchanges and training and R&D for new products and technologies. In addition, the Group also reached cooperation agreements with the South China University of Technology, South China Agricultural University, and Guangdong Ocean University to jointly build the talent training bases of the Yuexiu Industrial Academy.

### The Group works together with HKUST to boost the construction of industry-university-research complex



Yuexiu Group donated a total of HKD 280 million to the Hong Kong University of Science and Technology (HKUST) to sponsor HKUST One Million Dollar Entrepreneurship Competition for two consecutive years. The Group also cooperates with Nansha District of Guangzhou by means of “government + enterprise + university” cooperation to discuss the construction of the HKUST-Yuexiu Group Industrial Base and Industrial Park, and promote the implementation of innovation and industrialization projects.



Donation and Cooperation Framework Agreement Signing Ceremony between Yuexiu Group and HKUST

### The Group signed global strategic cooperation memorandums with Mizuho Corporate Bank and Mizuho Bank (China)



Yuexiu Group held a signing ceremony of the global strategic cooperation memorandums with Mizuho Corporate Bank and Mizuho Bank (China), whereby it will cooperate on credit financing, investment, fund settlement, and financial consulting, helping build a communication bridge with Japanese companies, and form a development pattern of shared resources, complementary advantages, and win-win cooperations.



Yuexiu Group has signed global strategic cooperation memorandums with Mizuho Corporate Bank and Mizuho Bank (China)

# Improving Industrial Services

Yuexiu Group attaches great importance to the construction of supporting industrial services while focusing on the development of principal operations. As a representative, the finance segment supports the reform of local rural credit cooperatives to resolve local financial risks, and the property segment works together with industry-leading brands to build a new development model and activate industrial momentum.

## Working together with McDonald's China to build a new model of community development



Yuexiu Services and McDonald's China have reached strategic cooperation to jointly explore a new "community commerce + catering" operation model in property management projects located in the Greater Bay Area, East China, Central China, North China, and Southwest China, develop supporting commercial catering facilities in communities throughout China, and promote the transformation and upgrading of the new catering industry.



Yuexiu Services worked together with McDonald's (China) to create a new "community commerce + catering" model

## Guangzhou AMC supports GDRC reform



The restructuring of GDRC is a tough battle to prevent and resolve local financial risks in Guangdong and also an important part of the strategy of building Guangdong into a province with financial power. The restructured GDRC will lighten the historical burden, release new energy, better serve agriculture, rural areas, and farmers, and be beneficial to the local economy.

In 2017, Guangzhou AMC actively responded to the call of the People's Government of Guangdong Province by signing a Strategic Cooperation Agreement with GDRC to support the resolution of non-performing assets of rural credit cooperatives and rural commercial banks and regional risks with its professional capabilities and disposal platform, comprehensively identify the non-performing assets in local rural credit cooperatives throughout the province, and help the reform of rural credit cooperatives and increase efficiency. As of the end of 2021, Guangzhou AMC had provided services related to the disposal of non-performing assets for 26 rural cooperatives in Guangdong Province, and supported the reform of rural credit cooperatives, contributing to the establishment and improvement of the provincial financial system.

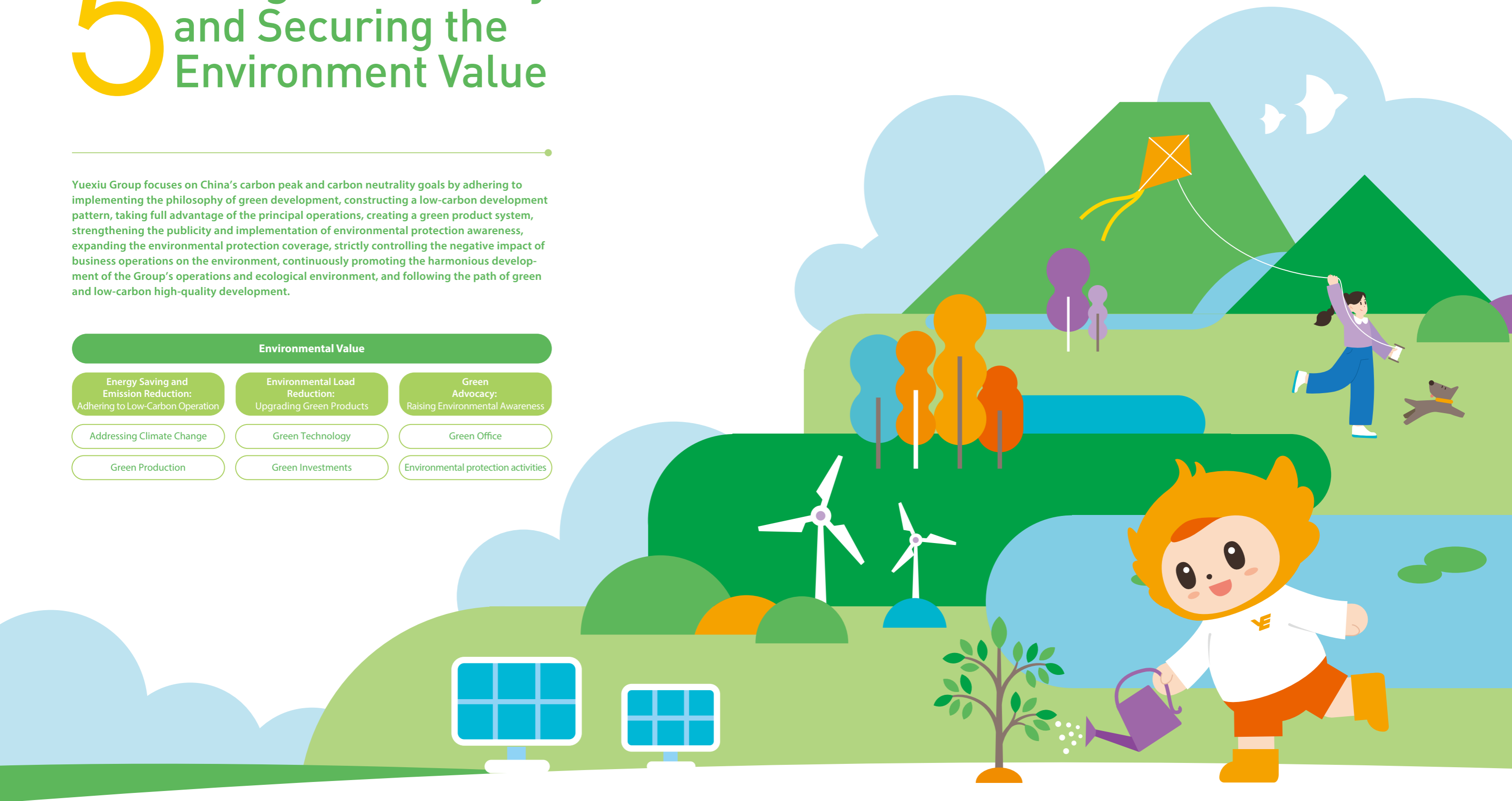
As of the end of 2021, Guangzhou AMC had provided services related to the disposal of non-performing assets for **26** rural cooperatives in Guangdong Province





# 5 Being Eco-friendly and Securing the Environment Value

Yuexiu Group focuses on China's carbon peak and carbon neutrality goals by adhering to implementing the philosophy of green development, constructing a low-carbon development pattern, taking full advantage of the principal operations, creating a green product system, strengthening the publicity and implementation of environmental protection awareness, expanding the environmental protection coverage, strictly controlling the negative impact of business operations on the environment, continuously promoting the harmonious development of the Group's operations and ecological environment, and following the path of green and low-carbon high-quality development.



# Adhering to Low-carbon Operations

The Group strictly abides by environmental protection laws and regulations, implementing policies and standards related to energy saving and emission reduction, promoting the business segments to thoroughly practice the philosophy of green development, carrying out water and electricity saving and ecological environmental protection, and contributing to addressing climate change and biodiversity protecting.

## Real estate segment

- ◆ Yuexiu Property accepted third-party process quality assessment, reached 100% coverage required by EIA, and had zero major environmental pollution and ecological damage events.
- ◆ Yuexiu Property specified the requirements and supervised the construction process to achieve the goals of energy saving, land saving, water saving, material saving and environmental protection.
- ◆ Yuexiu Property built a green construction management structure, set up a leading group and working group for green construction in the PMO, and carried out proper operation and maintenance of energy-saving and consumption-reducing equipment and facilities.
- ◆ Yuexiu REIT promoted the requirements of the Green Convention to all its A+ office buildings by agreeing on the tenants' maintenance of environmental protection performance in renovation and operation and including them in the annex to lease contracts, so as to enhance tenants' awareness of low carbon and environmental protection.
- ◆ Yuexiu REIT implemented the IAQ management system and used environmentally friendly air-conditioning refrigerants in Guangzhou IFC to minimize the damage to the ozone layer.
- ◆ Guangzhou IFC adopts electric power feedback devices for elevators, and sets up solar charging tables and chairs for mobile phones in green areas.



Solar charging chair at Guangzhou IFC

## Finance segment

- ◆ Yuexiu Financial Leasing joined Guangzhou Green Finance Association as the first council member, and cooperated with members to create an interconnected, shared green financial ecosystem.
- ◆ Yuexiu Financial Leasing was awarded Ge-1 Green Enterprise Grade Certification by China Integrity Green Gold, which is the highest grade of China Integrity Green Enterprise Assessment.
- ◆ Chong Hing Bank developed *the Strategic Statement on Sustainable Development* and the strategic planning for Green and Sustainable Finance to promote a transition into low-carbon economic development.

## Transport segment

- ◆ Yuexiu Transport developed *the Environmental Protection Policy Statement*; actively inspected the vegetation growth conditions in the median strips, shoulders, interchanges, toll stations, etc. along the expressways during road maintenance, and timely carried out trimming, watering, fertilization, and insecticide spraying; grew plants on both sides of the roads, and replanted local species such as pine and cypress.
- ◆ Yuexiu Transport advanced paperless toll stations on roads and bridges to avoid the waste of paper caused by a large number of toll documents.
- ◆ Yuexiu Transport purchased environmentally friendly snow melting agents.

## Food segment

- ◆ Yuexiu Foods continuously develops modern ecological agriculture and husbandry integrated industrial projects, and builds its pig breeding industrial park projects integrating planting, breeding, slaughtering and processing into modern, large-scale and intensive environmental pig breeding demonstration bases.
- ◆ Flagship Milk advances product carbon footprint certification.

## Guangzhou Paper Group

- ◆ Guangzhou Paper Group reported 0.45 mg/L ammonia nitrogen discharged in wastewater pollutants, down by 33%, and 23.06 mg/L COD discharged in wastewater pollutants, down by 15% and lower than the national standard discharge concentration of 60 mg/L.
- ◆ Through the ultra-low emission improvement, the concentrations of sulfur dioxide, nitrogen dioxide and atmospheric particles emitted by boilers were far lower than the national standards and reached the standard for natural gas boiler emissions.

Yuexiu Property won the Green Development Award for **Six Indicators Evaluation of Chinese real estate listed companies**

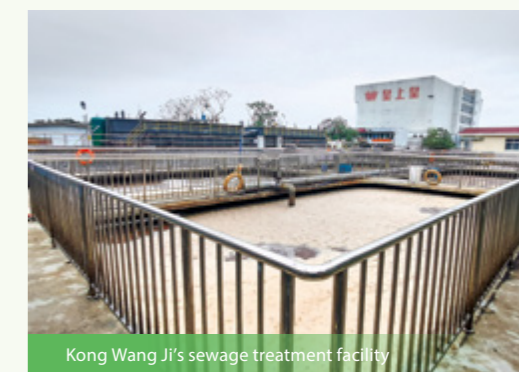
Flagship Milk obtained **Intertek's Carbon Footprint certificates for 9 consecutive years (2013-2021)**



Guangzhou Paper Group became a certified company of China Environmental Labeling (Type II) products, and was awarded the title of **"Guangzhou Cleaner Producer"** by the Guangzhou Bureau of Industry and Information Technology and the Guangzhou Bureau of Ecology and Environment for **12** consecutive years

## Kong Wang Ji practices the philosophy of green development to achieve both environmental protection and efficiency

As the only state-owned pig slaughterhouse in the city, Kong Wang Ji, a subsidiary of Yuexiu Foods, reports one-third of the pigs slaughtered daily in Guangzhou. The growing number of pigs slaughtered puts huge pressure on Kong Wang Ji's original sewage treatment facilities. In order to reduce environmental risks and eliminate hidden dangers, Kong Wang Ji has carried out environmental protection upgrades to sewage treatment facilities and equipment, changing the previous SBR process into the A2/O process. The upgraded sewage treatment process mainly relies on microorganisms for treatment, in a way to greatly reduce the use of chemicals, and effectively improve the effectiveness and efficiency of sewage treatment while reducing environmental pollution risks.



Kong Wang Ji's sewage treatment facility



# Upgrading Green Products

The Group integrates green philosophy into product design, product development and product operation, scientifically evaluates the impact of the life cycle of products on the environment, continues to create green products for users, and contributes to building a beautiful, livable city and a green, happy life while enhancing the competitiveness of our own products.



## Green real estate

Yuexiu Property integrates the philosophy of green development into product development and project construction by developing projects in strict compliance with applicable green building standards and continuously supporting the development of green buildings.

In 2021

- Yuexiu Property obtained **16** new green building certifications throughout the year
- with a total certified area of over **2.34** million m<sup>2</sup>
- up by **58.3%** from 2020



## Green transportation

Yuexiu Transport continuously expands the applications of scientific research deliverables such as hot regeneration & green maintenance and NovaChip construction, by continuously turning advanced engineering technologies into green engineering deliverables; and adheres to the philosophy of green design and green construction by effectively controlling the emissions, wastes and noise pollution generated in the projects.



Thermal regeneration & green maintenance project by Yuexiu Transport



## Green finance

Yuexiu Financial Leasing has increased its investment in clean energy, pollution control, ecological tourism, green transportation and other fields. Based on the traditional modes of direct leasing, leaseback and operational leasing, Yuexiu Leasing has researched and innovated new leasing businesses such as green supply chains and personal green consumption, and expanded such business fields to distributed PVs, new energy equipment and sewage facility upgrades, being committed to providing targeted solutions for enterprises.

In 2021

- Yuexiu Financial Leasing has invested in **145** projects in the green field
- with an amount of RMB **15.910** billion
- and a green lease balance of RMB **32.403** billion

Chong Hing Bank has developed *the Sustainable Lending Policy*, whereby to add additional management requirements for industries sensitive to climate risks, and meanwhile to encourage sub-branches and clients to jointly develop green financing projects, in a way to fully play the positive role of financial institutions in promoting social and economic transformation.



## Green food-product

Flagship Milk brings recycled glass bottles back into use after being treated by high temperature, alkali washing and disinfection by bottle washing machines, and recycles fresh milk glass bottles to increase the utilization of packaging materials and promote green consumption by consumers.

Yuexiu Huishan continuously develops high-quality milk projects by lowering pasteurization temperature and reducing energy consumption.



## Green paper-making

Guangzhou Paper Group has established a multi-stage sewage treatment system covering "anaerobic + aerobic SBR + Fenton oxidation process" to promote sewage discharge compliance and recycling; adopts a collaborative treatment system covering "desulfurization with the gypsum process + SNCR/SCR denitrification + bag dust removal" to promote the discharge compliance of flue gas; studies the deinking residue of paper-making sludge and its incineration products, advances the deinking residue of paper-making sludge, promotes the upgrading of solid waste disposal from landfill to comprehensive utilization, and supports "zero discharge" of solid wastes.



PVDF membrane of sewage treatment station by Guangzhou Paper Group

# Raising environmental awareness

Yuexiu Group actively practices the philosophy of "lucid waters and lush mountains are invaluable assets" by fully integrating environmental protection into daily work and life, vigorously advocating the model of green office, carrying out various forms of socially useful environmental protection activities, spreading positive energy of environmental protection, and focusing on creating a new green and low-carbon lifestyle.

## Green office

The Group adheres to practicing green office by integrating energy saving and consumption reduction into daily operations through practical actions, continuously advancing water & electricity saving and paperless office, and comprehensively increasing the utilization of resources. Specifically, Yuexiu Transport integrates the philosophy of paper saving into daily office activities by applying the online OA system to maximize office paper saving and regularly sending excess waste paper to Guangzhou Paper Group for recycling. In 2021, Yuexiu Transport sent nearly 1,000 kg paper to Guangzhou Paper Group for recycling.

Meanwhile, the Group actively advocates green office, strengthens the publicity and education of the philosophy of green office, expands the influence of green office, and strives to build an environmentally friendly office environment.

## Environmental protection activities

The Group always maintains the awareness of environmental protection, actively organizes socially useful environmental protection activities such as Earth Hour 2021 and Joyful Neighbor Life Day and Arbor Day on the theme of "It's the high time to plant trees now", advocates resource-saving lifestyle, increases the publicity of environmental protection, spreads the ecological philosophy, and promotes the formation of a vivid atmosphere of co-construction and co-creation of ecological civilization.

## Clothe collection for reuse

In order to improve the reuse of old clothes and reduce the harmful gas emissions from the incineration of old clothes, Yuexiu Services has set up recycling bins in some communities for recycling old clothes. Yuexiu Services cooperate with the communities to sort, pack and store the old clothes received, donate the relatively intact clothes, and send the remaining clothes to a professional company for processing. This move can not only effectively solve the problem of dealing with old clothes not needed by the owners, but also convey the environmental philosophy of recycling to the society.

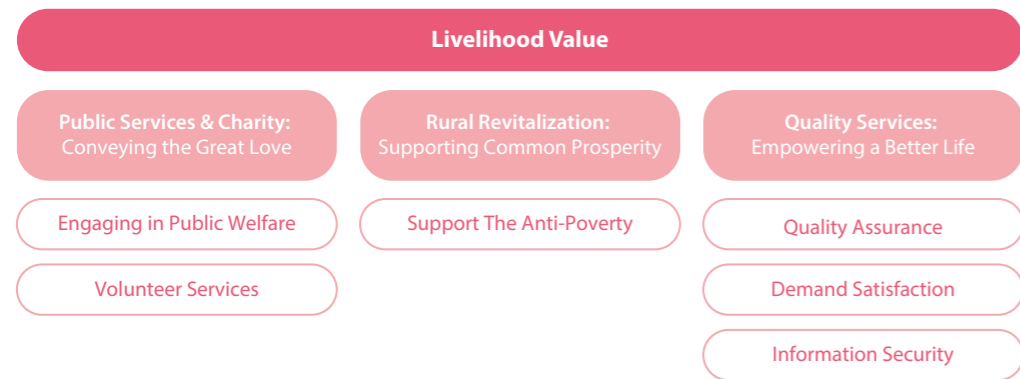


Recycling bin for old clothes



# 6 Serving the People and Creating the Livelihood Value

People's livelihood is the foundation of people's happiness and social harmony. Yuexiu Group aims to create more value for people's livelihoods and enhance public well-being. It actively carries out public service activities and volunteer services, supports rural revitalization and common prosperity in a solid and orderly manner, strives to create a better life for people, sharing in the fruits of development with them, and draws a more splendid and beautiful blueprint of the Yuexiu people's livelihoods.



# Conveying the Great Love

Yuexiu Group pay proper regard to the social needs, actively devotes itself to public services and charity, encourages employees to take part in volunteer activities, demonstrates responsibility as a state-owned enterprise with practical actions, and conveys a social ethos of great love conducive to creating a harmonious and pleasant social atmosphere.

## February 2021

In response to the government's call for staying put for the Spring Festival, the Group, together with China Construction's 3rd and 8th Engineering Divisions, launched the care campaign for staying put in Guangzhou for the Spring Festival by organizing over 800 migrant workers in Guangzhou to participate in the Pearl River Night Tour and New Year's Eve buffet.



The Group launched the care campaign for staying put in Guangzhou for the Spring Festival together with China Construction's 3rd Division

## May 2021

The Group launched a book donation activity on the theme of "Sharing Knowledge and Showing Love on Children's Day" to build a world of knowledge for children in rural primary schools through public service practices and help them realize their dreams of literacy. Books cover with humanities, history, geography, nature and other aspect of knowledge, which could further meet children's reading needs and create a ladder of knowledge for the development of children.



Yuexiu Group 2021 Book Donation for Charity

# Engaging in charity

Yuexiu Group actively engages in public services & charity by constantly carrying out public service activities in various forms such as epidemic control, care for school children, and relief to disaster-stricken areas, actively building Yuexiu public service platform, attracting more people to participate in public services and charity activities, and conveying love and care.

By the end of 2021 the Yuexiu Charity Foundation had donated over

**59** million RMB

## October 2021

Guangzhou IFC, together with Guangzhou Furniture Association, Guangzhou Federation of Social Organizations, and Care Center for Distressed Children under Guangzhou Federation of Social Organizations, launched the "Care for Distressed Children Charity Exhibition" in a move to call on enterprises and individuals to participate in caring for children in need. The proceeds from the event would be used to help distressed children in Guangzhou by improving their learning environment and help them grow up healthily.



Care for Distressed Children Charity Exhibition

## October 2021

Yuexiu public service platform applet and Yuexiu on the Cloud - Yuexiu Public Service App was officially launched to guide the public to participate in public service activities and convey messages of love in the form of public service announcements. The platform presented many activities such as the book donation activity with the theme of "Sharing Knowledge and Showing Love on Children's Day", the IFC public service ideas market, and "Wish Bottle" activity in order to build bridges between donors and recipients to better help recipients out of difficulties.



Yuexiu on the Cloud - Yuexiu Public Service App

## July 2021

In July 2021, many places in Henan Province suffered floods. Liaoning Yuexiu Huishan Holding Co., Ltd. donated RMB 3 million needed resources with RMB 1.5 million cash and milk powder worth RMB 1.5 million. The donations are mainly targeted at families of front-line epidemic and flood prevention workers, victims of floods and difficult families with aged 0-3 young children in need, which brings love and care for the public in disaster areas.



Milk powder donated by Huishan Dairy arrived in Henan

## December 2021

The 2021 Yuexiu Cup Hunan City Health Running Event organized by Yuexiu Property opened in Chenzhou. This event aimed to enhance the city's health sports atmosphere, promote the widespread development of national fitness, convey a positive and healthy attitude towards life, encourage people to love life, care for health, and enable a better life.



The 2021 Yuexiu Cup Hunan City Health Run



## Offering volunteer services

Yuexiu Group actively organizes volunteer service teams to constantly offer volunteer services.

The Group has **7** volunteer service teams with **1,297** real-name registered volunteers in the 'I' Volunteer System

In 2021 the Group launched **232** volunteer programs and organized **451** volunteer service activities

attracting **5,568** volunteers who contributed a total of over **32** thousand hours

### Yuexiu Senior Housing launched the small orange lantern volunteer service activity themed "Celebrating Chinese New Year with Warm Sunshine"



In February 2021, Yuexiu Senior Housing's volunteer service teams together with Guangzhou Liede Sub-District Social Work Service Station launched a small orange lantern volunteer service activity themed "Celebrating Chinese New Year with Warm Sunshine" to send holiday care to the disabled elders in Liede Sub-District.



Yuexiu Senior Housing launched the small orange lantern volunteer service activity themed "Celebrating the Chinese New Year with Warm Sunshine"

### Yuexiu Property's volunteers participated in the volunteer service activity themed "Party Building Leadership, Caring for the Elderly"



In October 2021, Yuexiu Property organized volunteers to participate in a volunteer service activity themed "Party Building Leadership, Caring for the Elderly" organized by Heyuan Community Neighborhood in Xicun Sub-District of Liwan District. Volunteers helped nearly 200 community elders with health checkups, including providing pick-up and drop-off services for elders with mobility or visual impairments, and identifying the needs of hearing-impaired elders through pen, paper, and gestures so as to effectively provide services for elders.



Volunteers helped nearly **200** community elders with health checkups

Yuexiu Property's volunteers participated in the volunteer service activity themed "Party Building Leadership, Caring for the Elderly"

## Supporting Common Prosperity

Rural revitalization is the only road to common prosperity. With the overall victory in the battle against poverty, rural revitalization has become a top priority in terms of agriculture, rural areas, and farmers. Yuexiu Group is actively exploring a path of rural revitalization by setting up the first rural revitalization office among state-owned enterprises in Guangzhou. It is writing a new chapter in meaningful support for rural development.

### Our efforts

Yuexiu Group has implemented a rural revitalization strategy by deepening its activities, focusing on the key elements such as industry, finance, consumption, talent, education, and employment, and offering paired assistance to comprehensively improve the sustainable development capacity of rural areas.

### Map of Yuexiu Group's rural revitalization efforts



### Performance indicators



## Our footprints

The key to rural revitalization lies in people and action. We are actively implementing rural construction by planning around rural revitalization, striving to build beautiful villages with prosperous industries, livable ecology, civilized rural customs, effective governance, and affluent lives, and creating a number of beautiful, livable, rustic villages.

### Conghua · Construction of pastoral complex



In November 2021, the Pilot Project of the Yuexiu Flagship Ecological Pastoral Complex in Conghua District, Guangzhou, Guangdong Province, was officially launched. It is the only pilot national-level pastoral complex construction project. Based on the development characteristics of Aotou Township, Conghua District, Yuexiu Group aims to create a national-level ecological pastoral complex integrating ecological dairy cow breeding, agricultural sightseeing tourism, ecological circular agriculture and research and education bases, providing important support for the realization of local rural revitalization.



#### Yuexiu Foods

practices consumption to help farmers by building an "online + offline" three-dimensional sales network, and has won **Agricultural Assistance Award for the E-commerce Vegetables Basket Project in the Greater Bay Area** by Guangzhou Rural E-commerce Industry Association



Plan of the Yuexiu Flagship Ecological Pastoral Complex Project

### Leizhou · Support for aquaculture industrial transformation



Yuexiu Group makes the most of its advantages in agricultural product resources by introducing Haid Group, a leading aquaculture company, to improve the self-renewal function of Dongli Township, Leizhou. The Group, together with Haid Group, has built an industrialized SPF breeding industry base and a benchmark park integrating modern fishery for Dongli Township, driving Leizhou's modern fishery to improve quality, increase efficiency, upgrade and transform, and providing industrial support for local rural revitalization.

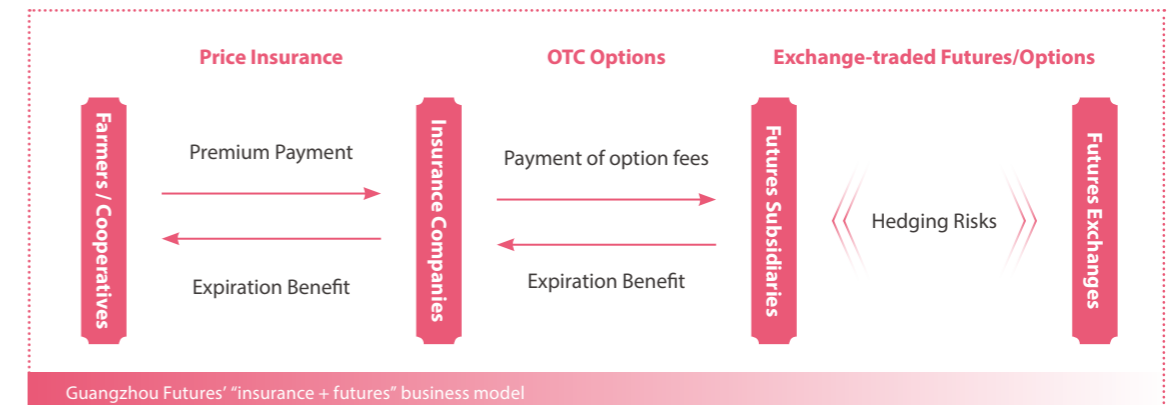


### Dayi · Injecting financial funding



Guangzhou Futures continues to explore measures to help farmers. In the 2021 special live pig price insurance in Dayi County, Sichuan Province of Farmer Income Security Plan, it helped farmers avoid the risk of falling live pig prices through "insurance + futures" price insurance, so as to stabilize the income of farms, consolidate the achievements of poverty alleviation, and promote the healthy development of the local live pig industry.

A total of nearly **500** million in risk guarantee funds has been provided to 6,970 local farmers in the breeding industry



Guangzhou Futures' "insurance + futures" business model

# Creating a Better Life

Yuexiu Group enables a better life with a high sense of social responsibility and high-quality products and services by keeping quality management, meeting the diverse needs of customers, upgrading and optimizing the service experience, and protecting the security of personal information. It aims to create high-quality living standards and high-quality development.

## Strengthening quality management

Yuexiu Group comprehensively strengthens product quality control, ensures product promotion compliance, provides potential product risk warnings, and promotes finance, property, transport, food, and paper-making segments to establish and improve product and service quality management systems. Many subsidiaries have been certified by ISO9001 quality management systems.



### Property segment

Yuexiu Property constantly creates high-quality projects with its own construction technology and professional management, steadily improving product quality. The company's housing quality satisfaction in 2021 improved significantly.



### Finance segment

Yuexiu Financial Holdings constantly strengthens capital security and maintains a high corporate credit rating. Chong Hing Bank continuously offers training on anti-bribery, anti-fraud, and anti-money laundering measures so as to deliver professional and reliable banking services.



### Transport segment

Yuexiu Transport vigorously promotes the application of new technologies, materials, processes, and equipment to overall enhance road management and maintenance capability, ensure excellent technical evaluation indicators of expressways, and guarantee road safety and availability.



### Guangzhou Paper Group

Guangzhou Paper Group took the National Paper Ordering Fair as an opportunity to hold a new product launch to promote products by law.



### Food segment

Yuexiu Foods has initially formed a comprehensive food safety control system by setting up an organizational structure for food safety, establishing and improving rules and regulations, and thoroughly identifying potential risks. It has been certified by systems including the quality management system (GB/T 19001) and food safety management system (ISO 22000). Meanwhile, Yuexiu Foods insists on providing potential food safety risk warnings, and Flagship Milk indicates storage conditions and tips on product labels to avoid any possible impact on the quality of products under non-conforming storage conditions.



Yuexiu Foods held the first (enlarged) meeting of the food safety committee

Throughout the year, Yuexiu Foods' supply chain carried out **144** food safety inspections

and **20** special inspections issued **13** correctional notices

and upgraded or improved **106** items **100%** completion rate

## Huangshanghuang won "the Demonstration Enterprise of China's Meat Food Safety Credit System Construction" title



In September 2021, Huangshanghuang was invited to attend the 2021 China International Meat Industry Week & 2021 Meat Industry Development Conference jointly sponsored by the China Meat Association (CMA) and the International Meat Secretariat (IMS). It was awarded the Demonstration Enterprise for the Construction of China's Meat Food Safety Credit System title and the Advanced Enterprise in China's Meat Food Industry 2021 title. The Huangshanghuang brand also won the 2021 Most Valuable Brand in China's Meat Food Industry.



Huangshanghuang was awarded "the Demonstration Enterprise of China's Meat Food Safety Credit System Construction"



## Meeting diverse needs

Starting from customer needs and experience, Yuexiu Group provides customers with diversified products and services around themes such as living, finance, transport, and catering to meet the diverse needs of customers. It constantly strengthens the integration and collaborative management of customer resources by offering more targeted after-sales services, popularizing product knowledge, improving customer complaint management, and enhancing the customer service experience and customer satisfaction.

### More comfortable living experience



Yuexiu Property has created six product lines to build ideal homes for residents. Yuexiu Services has launched the "Excellence +" service system focusing on five service models: city service + community service + commercial service + smart service + community commerce. Yuexiu Senior Housing has created a development model of medical nursing home + senior housing community + rehabilitation hospital so as to provide an ideal living environment for elders.



Guangzhou Heyue Mansion

### More accessible finance



Yuexiu Financial Holdings organizes product knowledge popularization and customer training to improve product recognition and customer recognition. In 2021,

it carried out a total of **131** financial knowledge popularization and education activities covering over **30,000** persons

Chong Hing Bank has launched Yuexiu Wealth Management, a new wealth management service, to provide high-net-worth customers with diversified wealth management solutions. It has added and improved barrier-free facilities such as tactile indicators, bells and hearing aid system to provide disabled people with equal access to financial services. Guangzhou Futures has launched 19 pilot "insurance + futures" projects, benefiting over 20,000 farmers and supporting rural revitalization.

### More convenient transport



The Qinhuangdao-Binzhou Expressway has fully opened; Major features include an established and improved traffic diversion mechanism, provision of a "one strategy for one station" plan for key roads and toll stations to ensure smooth traffic, constantly optimized operations and management modes such as network toll collection and ETC, and upgraded toll stations. It ensures smooth traffic and creates a safe, fast, and pleasant driving experience for the public.



Qinhuangdao-Binzhou Expressway fully opened

### More abundant foods



Flagship Milk has launched new high-end products such as Five Rams ice cream, Jersey pure milk, and Xianquan Lake PET bottle milk. Huishan Dairy has launched A2 products, and HuangShangHuang has opened its first branded restaurant Huangshanghuang Ingredients.



In April 2021  
Huishan Dairy 2054 Fresh Milk Tea  
hit the iSEE Innovation Award  
**List of Top 100 Innovative Dairies**  
becoming a representative product in the New Era of Food



Huishan Dairy 2054 Fresh Milk Tea

## Protecting personal information

Yuexiu Group attaches great importance to customer data and privacy security by strictly abiding by laws and regulations, including the *Cybersecurity Law*, the *Data Security Law*, and the *Personal Information Protection Law*. It works to establish and improve information security management-related systems and documents and keep customer information confidential so as to minimize the risk of information leakage and loss and ensure customer privacy and information security.

### Yuexiu Property

Strictly implements regulations including *the Customer Information Management Rules* and *the Data Management Measures*, which define the employees' responsibilities for the customer information management, access, and working process, and standardize the customer's information access process, user access, and the environment carrying customer information.

### Yuexiu Services

Has established a special position to sort out and file tenant information, encrypt all types of sensitive information, strictly keep information confidential, and prevent unauthorized access.

### Yuexiu Financial Holdings

Has actively created a network security system to achieve zero network information security incidents throughout the year and conducted the first system load disaster recovery drill to enhance its own emergency response to network security incidents.

### Yuexiu Foods

Ensures that customer information involved in production and operation is not leaked, holds monthly information security meetings, ensures the normal operation of information security management mechanisms, and enhances employee information security awareness and task execution.

# Outlook for 2022

2022 is an important year on a new journey towards the second centenary goal. It is also a crucial year for Yuexiu Group to forge ahead according to the 14th Five-Year Plan. We will adhere to the strategic positioning of developing into an international group integrating industry and finance, driven by innovation and armed with strong investment and financing capabilities and core competitiveness, and work hard to achieve the strategic goal of becoming a Fortune Global 500 company with high quality.



### Keep working hard

We will make concerted efforts continuously to achieve the “1-2-3-4-5” strategic goal, explore a path suited to the Group’s development, focus on completing special tasks, implementing strategic leadership, strengthening investment drive, and excelling at industry studies and forecasts, go all out to develop into an important platform company built for the Greater Bay Area, and make new and greater contributions to promoting high-quality development to a new level.



### Strive to protect the environment

From energy saving and emission reduction, environmental protection to carbon peak and carbon neutrality, we have actively responded to China’s national strategies and will continuously strengthen the green production system for principal operations, further advance environmental protection publicity, practice green office, promote a low-carbon lifestyle, and achieve the sustainable high-quality development of the Group with green as the background color.



### Pursue national prosperity and people’s happiness

We will continuously focus on social value and corporate responsibility, and continuously turn the Group’s development achievements into the drivers of national prosperity and people’s happiness. While strengthening the cohesion of the Group’s trade unions and improving the inclusiveness and coverage of various work measures, we will further effectively connect the Group’s operations with the supply and demand of social services, demonstrate the Group’s care with practical actions, support stable happiness for the society, and constantly create a new pattern of a better life.

Work hard in a down-to-earth manner to achieve a better future. We will adhere to the leadership of the Party, show loyalty with devotion, fulfill the mission with sense of responsibility, win business success with endeavor, stick to the original intention, stay true to the mission, open up our new journey of high-quality development, and achieve the vision and expectations for the next year to come.



# Key Performance Indicators

Indicators		Units	2019	2020	2021
Economy	Maintenance and appreciation rate of state-owned capital	%	108.38	113.09	112.90
	R&D investment <sup>1</sup>	RMB 10,000	17574.26	14456.44	14643.49
	Number of new patents	Numbers	4	34	47
	Product qualification rate (Yuexiu Foods)	%	100	100	100
	Product qualification rate (Guangzhou Paper Group)	%	99.409	99.424	99.427
	Total complaints (Yuexiu REIT)	%	100	100	100
	Customer complaint response rate (Yuexiu Transport)	%	100	100	100
	Complaint resolution rate (Yuexiu Foods)	%	100	100	100
	Complaint resolution rate (Guangzhou Paper Group)	%	100 (Newsprint)	100 (Newsprint)	100 (Newsprint)
	Customer satisfaction (Yuexiu REIT)	%	97	97	96
	Customer satisfaction (Guangzhou Paper Group)	%	96.18 (Newsprint)	96.59 (Newsprint)	96.67 (Newsprint)
	Total number of suppliers (Yuexiu Property)	Numbers	3479	13050	26850
	Total number of suppliers (Yuexiu REIT)	Numbers	1212	1013	1024
	Total number of suppliers (Yuexiu Transport)	Numbers	682	1292	1758
	Total number of suppliers (Yuexiu Financial Holdings)	Numbers	85	129	197
	Total number of suppliers (Chong Hing Bank)	Numbers	247	226	273
	Proportion of suppliers in South China (Yuexiu Property)	%	65.25	56.92	58.00
	Proportion of suppliers in South China (Yuexiu REIT)	%	72	73	81
Proportion of suppliers in South China (Yuexiu Financial Holdings)	%	69.41	58.91	67.00	
Society	Total number of employees	Person	24341	29937	36837
	Proportion of female executives (Yuexiu Group headquarter)	%	18.8	16.7	22.2
	Total turnover rate of employee (Yuexiu Group headquarter)	%	9.50	3.60	4.22
	Number of paid leave days per capita (Yuexiu Group headquarter)	Day	5.36	5.67	5.12
	Total person-times of trained employees (Yuexiu REIT)	Person-time	14560	16912	15525
	Total number of trained employees (Chong Hing Bank)	Person	1725	1602	1744
	Average training hours (Yuexiu Property)	Hour	49.82	21.81	37.82
	Average training hours (Yuexiu REIT)	Hour	49	48	56
	Average training hours (Yuexiu Transport)	Hour	34	83	54
	Average training hours (Chong Hing Bank)	Hour	19.2	17.3	16.8
Employee training coverage (Yuexiu Property)	%	100	100	100	
Employee training coverage (Yuexiu REIT)	%	100	100	100	

Indicators		Units	2019	2020	2021
Society	Production safety training coverage	Person-time	114975	135047	74747
	Number of work-related injuries (Yuexiu Group headquarter)	Time	0	0	0
	Work-related fatalities (Yuexiu Group headquarter)	Person	0	0	0
	Work-related fatalities (Yuexiu REIT)	Person	0	0	0
	Work-related fatalities (Yuexiu Transport)	Person	0	0	0
	Person-times of welfare activities (Yuexiu Property)	Person-time	763	967	4238
	Person-times of welfare activities (Yuexiu REIT)	Person-time	-	254	422
	Employee volunteer service hours (Chong Hing Bank)	Hour	1181	1277	1091
	Public welfare investment (Yuexiu Transport)	RMB 10,000	171.6	105.3	22.46
Environment	Greenhouse gas emissions <sup>2</sup>	Ton	145301	127228	151771
	Greenhouse gas emission intensity (Yuexiu Property)	Ton/RMB million	2.06	1.26	1.48
	Greenhouse gas emission intensity (Yuexiu REIT)	Ton/RMB million	26.40	29.21	26.93
	Greenhouse gas emission intensity (Yuexiu Transport)	Ton/km	22.97	25.96	32.65
	Greenhouse gas emission intensity (Chong Hing Bank)	Ton/m <sup>2</sup>	0.11	0.11	0.09
	Total sulfur dioxide emissions (Yuexiu Transport)	kg	7.88	6.05	7.88
	Particulate matter (Yuexiu Transport)	kg	156	193	319
	Total energy consumption <sup>3</sup>	MWh	6087906	5818356	6027265
	Energy consumption intensity (Yuexiu Property)	MWh/RMB million	158.23	125.11	104.83
	Energy consumption intensity (Yuexiu Transport)	MWh/km	43.34	52.63	60.54
	Energy consumption intensity (Chong Hing Bank)	kWh/m <sup>2</sup>	177	176	180
	Electrical energy consumption <sup>4</sup>	kWh	189616394	198828310	225156143
	Total water consumption <sup>5</sup>	m <sup>3</sup>	4836076	3726422	3375958
	Water consumption intensity (Yuexiu Property)	m <sup>3</sup> /RMB million	97.44	59.38	40.73
	Water consumption intensity (Yuexiu REIT)	m <sup>3</sup> /RMB million	438.69	423.99	511.21
	Water consumption intensity (Chong Hing Bank)	M <sup>3</sup> /m <sup>2</sup>	0.12	0.16	0.19
	Total non-hazardous waste (Yuexiu Property)	Ton	18915	41564	47807
	Total non-hazardous waste (Chong Hing Bank)	kg	170000	0	0
Total asphalt concrete waste (Yuexiu Transport)	Ton	28294	73478	164379	
Total recycled metal construction waste (Yuexiu Property)	Ton	10854	2007	5070	

## Notes:

- The statistical scope of R&D investment data for three consecutive years includes: Yuexiu Financial Holdings, Yuexiu Transport, Guangzhou Foods, Guangzhou Paper Group.
- The statistical scope of total greenhouse gas emissions data for three consecutive years includes: Yuexiu Property, Yuexiu REIT, Yuexiu Transport, Chong Hing Bank.
- The statistical scope of total energy consumption data for three consecutive years includes: Yuexiu Property, Yuexiu Transport, Chong Hing Bank.
- The statistical scope of total electricity consumption data for three consecutive years includes: Yuexiu Property, Yuexiu REIT, Yuexiu Transport, Chong Hing Bank.
- The statistical scope of total water consumption data for three consecutive years includes: Yuexiu Property, Yuexiu REIT, Yuexiu Transport, Chong Hing Bank.

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# Rating and Evaluation



## Rating Report of "The 2021 Sustainable Development Report of Guangzhou Yuexiu Holdings Limited"

Entrusted by Guangzhou Yuexiu Holdings Limited, the Chinese Expert Committee on CSR Report Rating selected experts to form a rating team to rate *The 2021 Sustainable Development Report of Guangzhou Yuexiu Holdings Limited* (hereinafter referred to as "the Report").

### I. Rating Criteria

*Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)* of the Chinese Academy of Social Sciences and *China Corporate Social Responsibility Report Rating Standards (2020)* of "Corporate Social Responsibility Report Rating Expert Committee of Chinese Enterprises".

### II. Rating Process

1. The rating team reviews and confirms the *Process Data Confirmation of Corporate Social Responsibility Report* submitted by the report writing group and relevant supporting materials;
2. The rating team conducts evaluation on the preparation process and the content disclosed by the Report, and then drafts the rating report;
3. The Vice Chairman of the Rating Expert Committee, the leader of the rating team, and the experts of the rating team jointly sign the rating report.

### III. Rating Results

#### Process (★★★★★)

The group office leads the establishment of report preparation team to coordinate the specific preparation. Each subsidiary has an executive editor who is responsible for providing basic materials and preparing relevant contents, and the chairman and general manager are responsible for the final review of the Report; the Report, with definite function value position, is taken as an important tool for disclosing the responsibility performance practice and result, conveying the concept of social responsibility and improving the value of social responsibility; substantive issues are identified based on national macro policies, international and domestic social responsibility standards, industry benchmarking analysis, company development strategies, and stakeholder surveys. Six subsidiaries including Yuexiu Real Estate, Yuexiu Service and Yuexiu Transportation are actively promoted to independently prepare and issue ESG report, so as to expand the information disclosure scope; the Report is planned to be published on the official website and presented in electronic version, printed form, long-figure version and Chinese and English version, with excellent performance in process.

#### Materiality (★★★★☆)

The Report discloses the key industrial issues such as product quality management, product innovation, occupational health management, safety production, R&D and application of environmental protection technology and equipment, responsible procurement and low-carbon operation, with detailed and full description and leading performance in materiality.

#### Integrity (★★★★★)

The main body of the Report discloses 78.35% of the core indicators of the industry from the perspectives of "pursuing excellence and enhancing the corporate value", "striving to development and serving the country", "achieving connection and developing community value", "developing different industries and promoting the industrial value", "maintaining the beautiful mountains and clear waters and protecting the environmental value" and "pursuing the value of people's livelihood", with good performance in integrity.

#### Balance (★★★★☆)

The Report reveals the negative data such as "staff turnover rate", "number of work-related injuries", "work-related fatalities" and "major environmental pollution and ecological damage incidents" and briefly describes the accountability for the violation of laws, with leading



performance in balance.

#### Comparability (★★★★★)

The Report discloses the comparative data of 64 key indicators such as "total profit", "total tax payment", "per capita paid vacation days", "social welfare investment", "total energy consumption" and "total water consumption" for three consecutive years, and makes a horizontal comparison on "ranked 12th among China's top 100 multinational corporations", with excellent performance in comparability.

#### Readability (★★★★☆)

Taking "create excellent value, share a better life" as the theme, the Report fully displays the company's responsibility performance and results under the key issues from six perspectives, responds to the expectations and demands of related parties; the double spreads of cover and chapter are designed with cartoon illustration style, integrating the main business elements, highlighting the industry characteristics and enhancing the identification of the Report; the section of "Our 2021" is set up to present the annual key practices in the form of a collection of pictures and texts, which is convenient for related parties to quickly grasp key information, with leading performance in readability.

#### Innovation (★★★★★)

The Report sets up two major topics namely "creating a new chapter" and "promoting Party construction after a hundred years of development", focuses on the responsibility performance and results of the enterprise in operation development and Party construction and demonstrates the responsibility assumption of state-owned enterprises; the third-party report rating is involved for the first time, which can enhance the standardization of information disclosure and promote the report management level, with good performance in innovation.

#### Overall Rating (★★★★☆)

According to the rating team's assessment, *The 2021 Sustainable Development Report of Guangzhou Yuexiu Holdings Limited* is of four and a half-star rating and is a leading corporate social responsibility (CSR) report.

### IV. Improvement Suggestions

1. Enhance the disclosure of the core indicators of the industry and improve the integrity of the Report;
2. Enhance the detailed disclosure of the deficiencies in responsibility performance and further improve the balance of the Report.

Vice President of Chinese Expert Committee  
on CSR Report Rating

Leader of the Rating Team    Expert of the  
Rating Team



Issuance date: June 22, 2022

Scan QR Code to View Enterprise Rating Files

# Feedback

Dear readers:

Thank you for reading our 2021 sustainability report. We sincerely welcome your valuable feedback and suggestions to continuously improve the level of reporting and the ability in management and practice of sustainability development.

## As a stakeholder of Yuexiu, what is your relationship to Yuexiu?

- Government and regulatory units    Investors    Clients    Suppliers or business partners  
 Employees    Community    Public welfare organizations    Media    Others\_\_\_\_\_

## What is your overall comment on this Report?

- Excellence    Good    Average    Below Average    Poor

## Which part of the information disclosure are you more concerned about in this report.(Multiple choice)

- Compliance Operation    Employee Growth    Responsible Purchasing  
 Reform of State-owned Enterprises    Promoting the Greater Bay Area development  
 Servicing urban construction    Emergency Support    Industrial upgrade  
 Green operation    Community welfare    Rural Revitalization    Servicing public life  
 Others\_\_\_\_\_

## What do you think about the completeness of information disclosure, layout design and readability in this report?

**The completeness of information disclosure:**    Excellence    Good    Average

Below Average    Poor

**Layout design:**    Excellence    Good    Average    Below Average    Poor

**Readability:**    Excellence    Good    Average    Below Average    Poor

## Your suggestions regarding improving the level of our sustainability report compilation and social value work?

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