



2016

Beijing Properties (Holdings) Limited  
Corporate Social Responsibility Report

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## About this Report

### ● About this Report

This Report has been considered and approved by the Board of Directors (the "Board"). Beijing Properties (Holdings) Limited warrants that the information contained herein does not contain any false representation, misleading statement or material omission.

### ● Reporting Period

The reporting period is from 1 January 2016 to 31 December 2016, with certain contents dating back to previous years or covering 2017.

### ● Reporting Scope

This Report covers Beijing Properties (Holdings) Limited and its subsidiaries and associates. For the convenience of expression, Beijing Properties (Holdings) Limited is hereinafter referred to as "BPHL", the "Company" or "we".

### ● Reporting Cycle

This Report is on an annual basis and is the second corporate social responsibility report released by Beijing Properties (Holdings) Limited.

### ● Report Data

All the information and data contained herein are derived from our official documents, statistical reports and financial reports, and have been reviewed by relevant departments of the Company.

### ● Preparation Basis

Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange

Sustainability Reporting Guidelines (G4) issued by the Global Reporting Initiative (GRI)

Guidance on Social Responsibility (ISO 26000: 2010) issued by the International Organization for Standardization (ISO)

### ● Report Version and Access

This Report is available in both Chinese and English versions. In case of any inconsistency between the two versions, the Chinese version shall prevail.

This Report is issued to the public in both paper and electronic (PDF) editions. The electronic edition (PDF) is available for download on the website of Beijing Properties (Holdings) Limited (<http://www.bphl.com.hk>).

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## Leadership's Statement

### >>> Chairman's Statement

Beijing Properties (Holdings) Limited is a listed company mainly engaged in general real estate business. The Company upholds its corporate culture of "ambitions, unity of knowing and doing, steady progress and harmonious prosperity" and follows the strategy of "One Specialty, Diversified Development and Dual Drivers" to focus on logistics real estate investment and carry out effective asset operation and capital operation, in an endeavor to become a leading enterprise in China's logistics industry.

In the process of business development, we fully practice the responsibility concept of "harmonious prosperity" by actively promoting standardized and systematic social responsibility management and strengthening communication with the stakeholders to achieve common prosperity with the society and environment while creating economic benefits.

In 2016, We made in-depth research and judgment on the changes of Chinese consumption patterns and social demands for logistics services. Driven by the huge logistics demands and the favorable domestic policies, we optimized our business segments by consolidating advantages and integrating resources to achieve synergetic development of five major segments and create shared benefits with partners.

Faced with the severe challenges of global climate change and environmental pollution, we proactively followed the national policy on building resource-saving and environment-friendly society to practice green operation and clean development and build up an environment-friendly enterprise, so as to minimize the impact on the environment and protect our green homeland. We continued to improve our safety system, pay great attention to occupational health of employees, disseminate the concept of charity, actively promote the development of public welfare undertakings, and share our development achievements with the society.

Looking into the future, we will continue to improve our social responsibility management and practices, optimize our business system, pursue greener development, and engage further in philanthropy, in an effort to create long-term value for the stakeholders and move towards a sustainable future.

Qian Xu

### >>> CEO's Statement

This is the second CSR report released by Beijing Properties (Holdings) Limited. Based on the progress in 2015, we continued to improve our social responsibility management system, strengthen communication with various stakeholders and improve our ability to fulfill social responsibility in all aspects, so as to make positive contribution to sustainable economic and social development.

#### Innovation-driven growth with steady progress

Following the innovation-driven development concept, BPHL continued to improve and innovate in its management system and model, and explore and optimize its logistics enterprise management pattern. While maintaining sound operation of core business, we innovated in business development model and successfully built up five major business segments, i.e. e-commerce & bonded warehousing, cold chain logistics, professional wholesale market, industrial real estate and other value investment projects.

#### Coordinated development with synergy

We leveraged our resource strength to seek for more balanced, inclusive and sustainable development of various business lines, and stepped up internal business linkage and integration of internal and external resources to maximize synergy of business lines and cater to the development needs of suppliers, customers and other partners, so as to achieve win-win results and create an ecosystem featuring coordinated development.

#### Sustainable development based on safety and environmental protection

In the pursuit of sustainable development, we emphasized safety and environmental protection throughout the whole process of operations, constantly consolidated the safety management system, increased the employees' safety awareness, and integrated green development strategy into every aspect of development and operations to ensure safe and environment-friendly operations.

#### People-oriented, harmonious and common development

Upholding the concept of common development, we offered employees diverse professional training and broad development space, provided customers with quality and efficient logistics infrastructure and services, established a sound and sustainable cooperation mechanism with partners, and played an active role in community charity to contribute to community building and development and share our development achievements with more stakeholders.

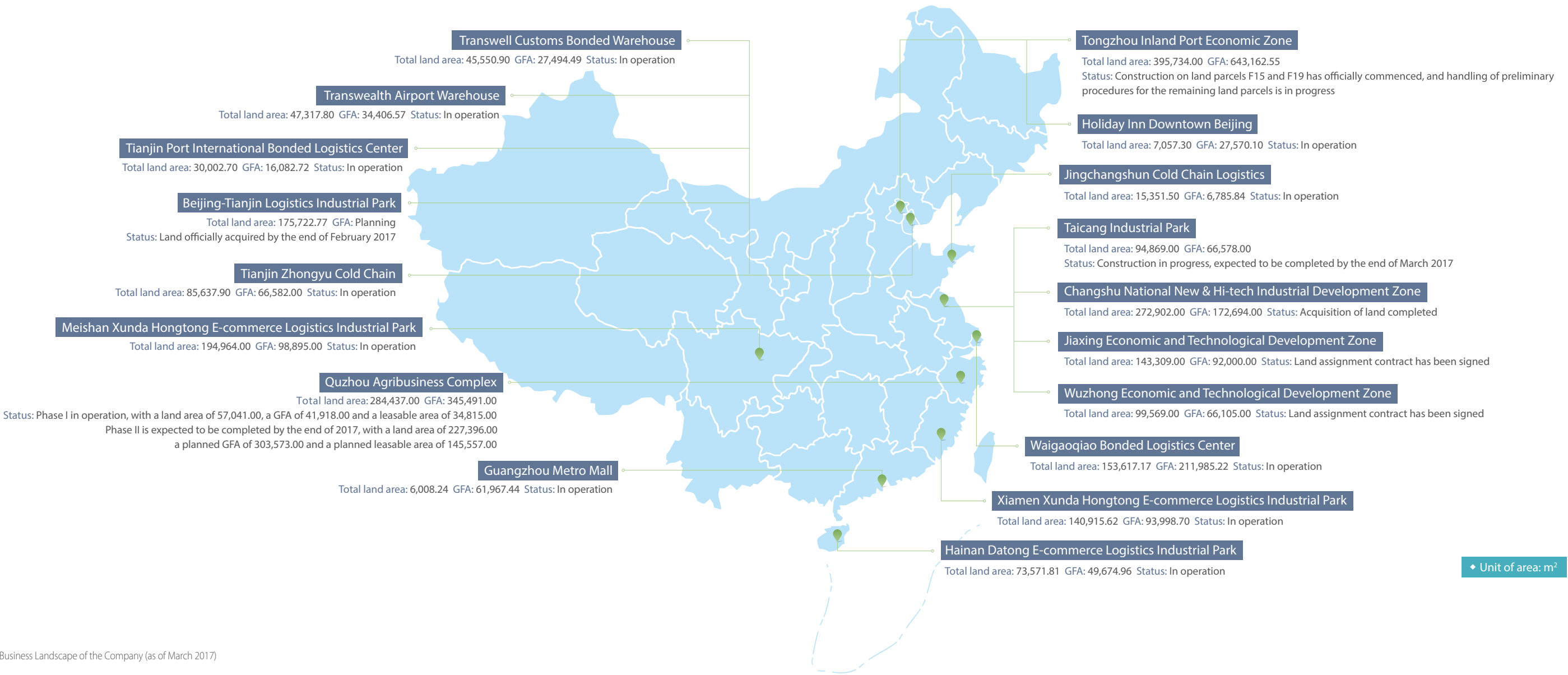
Siu Kin Wai

# About Us

## >>> Company Profile

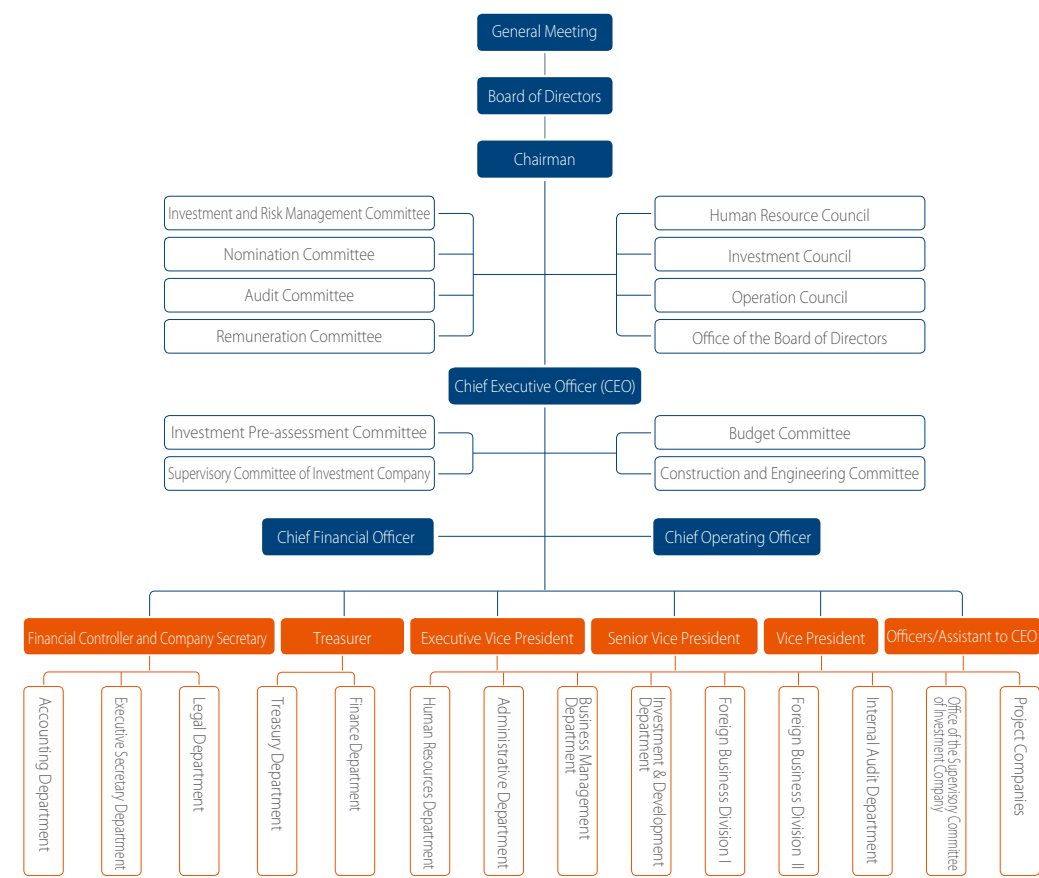
Established in July 2009 by Beijing Enterprises Group Company Limited ("BE Group") after its inception, Beijing Properties (Holdings) Limited is an overseas listed company mainly engaged in general real estate business. After its establishment, the Company successively invested in residential, commercial and logistics real estate projects in mainland China with funds raised from listing. In the process, it gradually established its development direction of focusing on logistics real estate investment and developed its corporate culture featuring "ambitions, unity of knowing and doing, steady progress and harmonious

prosperity". In 2010, the Company carried out reorganization with the domestic real estate segment of BE Group to establish Beijing Enterprises Group Real-Estate Co., Ltd. which turns the Company into its listing vehicle. In 2016, BPHL captured the growth opportunities in the logistics industry to consolidate its business foundation and make steady progress in core business operations, and successfully built up five major segments, i.e. e-commerce & bonded warehousing, cold chain logistics, professional wholesale market, industrial real estate and other value investment projects, through acquisitions and mergers.

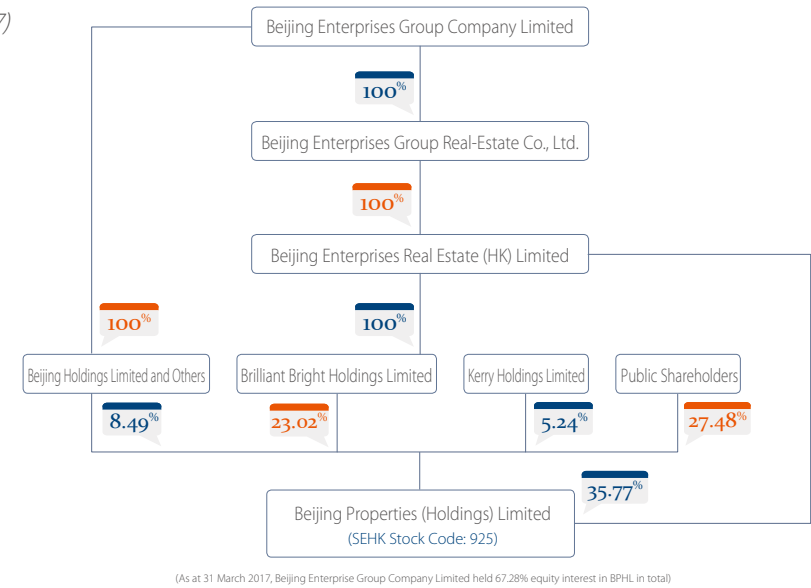


Business Landscape of the Company (as of March 2017)

>>> Organizational Structure (as of March 2017)



Shareholding Structure (as of March 2017)

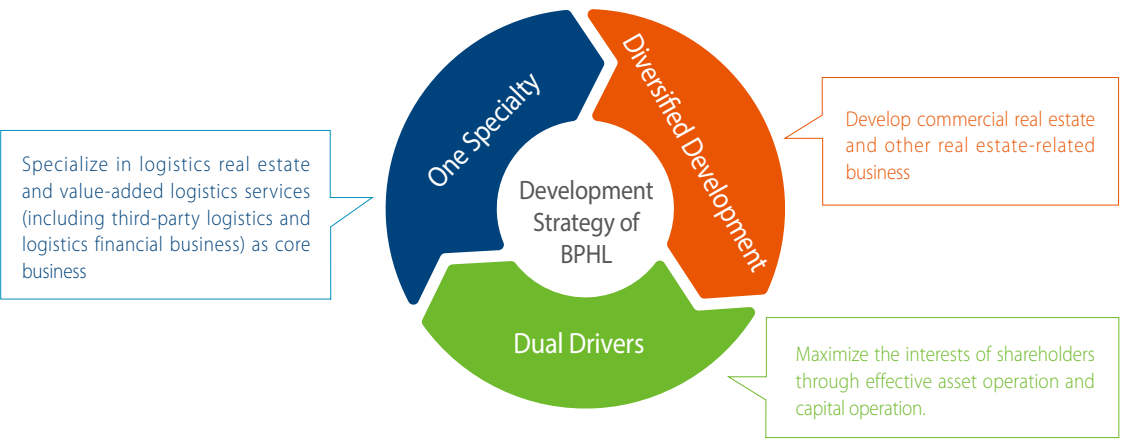


Asset Structure (as of March 2017)



>>> Development Strategy

Since its inception in 2009, BPHL has aimed to become a leading enterprise in China's logistics industry and established the development strategy of "One Specialty, Diversified Development and Dual Drivers".



# Social Responsibility Management

In pursuing forward-looking development and fully practicing the responsibility concept of "harmonious prosperity", BPHL constantly deepened responsibility concept building, promoted standardized and systematic social responsibility management, integrated social responsibility into its functional management and business operations, and intensified communication with stakeholders, in a drive to build a responsible brand and promote harmonious and common development with the society and environment.

## >>> Responsibility Concept

Upholding the responsibility concept of "harmonious prosperity", BPHL strengthened the sense of social responsibility, stepped up capacity building concerning social responsibility, incorporated social responsibility indicators into every aspect of enterprise management and operation, and actively fulfilled the responsibilities towards various stakeholders to achieve harmonious development among the Company, society and the environment. The Company constantly improved its social responsibility management system, made clear its responsibilities towards the stakeholders, and integrated the sense of responsibility into its daily management.



## >>> Responsibility Management

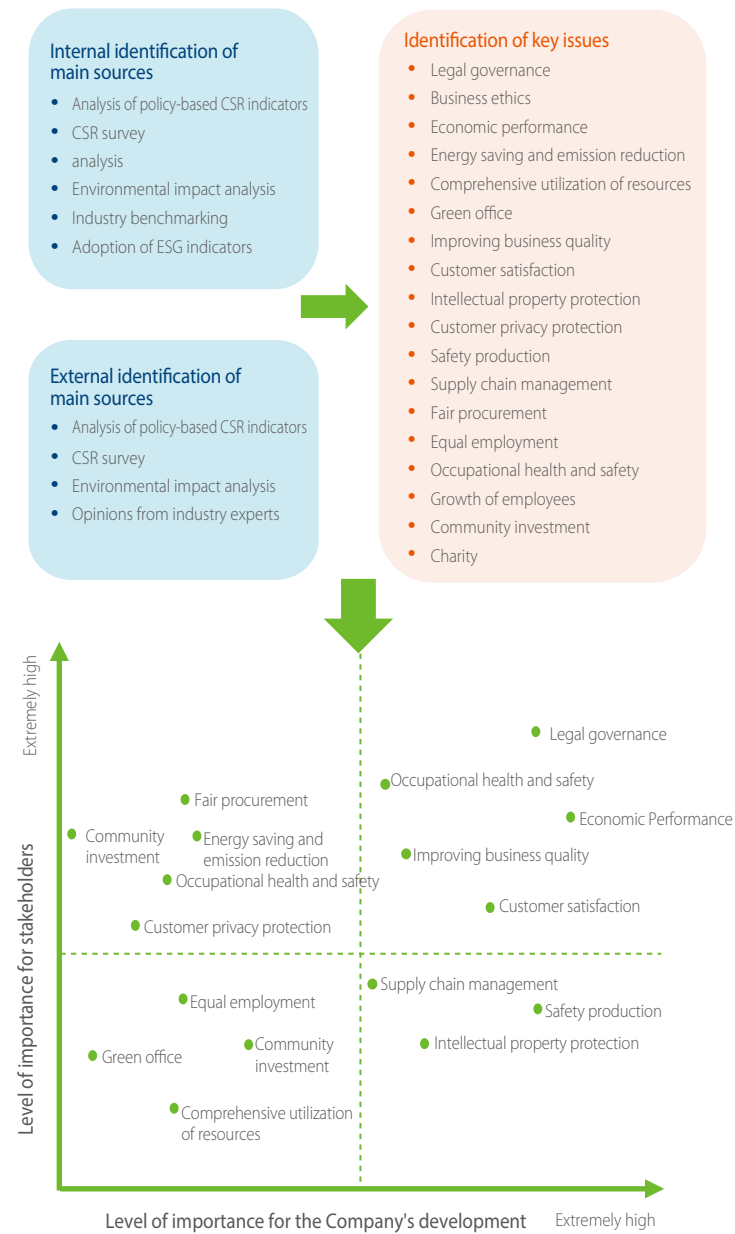
Based on the responsibility concept of "sound operation, common growth, safety & environmental protection and people-oriented harmony", we have set up a CSR leading group comprising the executive directors of the Company, a CSR department subordinate to the leading group and appointed CSR liaisons in all the project companies to take charge of leading communicating, promoting and implementing the CSR practices of the Company.



### Identification of Substantial CSR Issues

Pursuant to domestic and overseas CSR guidelines and based on actual operations and the needs of stakeholders and our own development, we analyzed substantial CSR issues and tried to fully understand and respond to the expectations and demands of the stakeholders, in order to make our CSR work more effective and ensure accurate and comprehensive disclosure of information regarding CSR work as well as operation and management.





Promotion of Social Responsibility Management

BPHL prioritizes the integration of social responsibility into day-to-day operations and carefully prepares CSR reports. As a state-controlled enterprise, BPHL issues high-quality ESG reports on a regular basis, which is necessary to not only meet the regulatory requirements of the Hong Kong Stock Exchange but also live up to its responsibility to set an example as an industry leader. In order to better fulfill the requirements of the Hong Kong Stock Exchange on information disclosure of listed companies and better respond to the concerns and demands of stakeholders on the Company, we prepared the ESG Guidelines Introduction Handbook in 2016 to further promote standardized CSR management.

Communication with Stakeholders

BPHL puts great emphasis on communication with the stakeholders. We endeavor to expand the channels and methods of communication with stakeholders, listen to the expectations and advices of various stakeholders on the Company's CSR performance, and actively respond to the opinions and demands of stakeholders, so as to move forward and share benefits with stakeholders while promoting our responsibility concept, practices and achievements.

Stakeholder Communication Details		
Stakeholders	Stakeholders' expectations	Our responses
 Shareholders and investors	<ul style="list-style-type: none"><li>• Compliance with laws and regulations</li><li>• Value preservation and appreciation of assets</li><li>• Transparent information disclosure</li></ul>	<ul style="list-style-type: none"><li>• Constantly improve management level and increase profitability</li><li>• Standardize corporate governance and internal control</li><li>• Actively maintain investor relations</li><li>• Carry out information pursuant to the regulatory requirements</li></ul>
 Government	<ul style="list-style-type: none"><li>• Follow national policies</li><li>• Compliance</li><li>• Promote regional economic development</li></ul>	<ul style="list-style-type: none"><li>• Pay taxes according to law and provide employment opportunities</li><li>• Operate in line with business ethics</li><li>• Actively follow national and industry policies</li><li>• Promote healthy development of the industry</li></ul>
 Customers	<ul style="list-style-type: none"><li>• Supply of quality products</li><li>• Operation in good faith</li><li>• Smooth communication channels</li></ul>	<ul style="list-style-type: none"><li>• Offer multiple customer communication channels</li><li>• Protect customer privacy</li><li>• Solicit opinions and appeals from customers</li></ul>
 Partners/suppliers	<ul style="list-style-type: none"><li>• Keep promises</li><li>• Mutual benefit and win-win</li><li>• Long-term partnership</li><li>• Strengthen communication</li></ul>	<ul style="list-style-type: none"><li>• Carry out strategic cooperation</li><li>• Transparent procurement</li><li>• Involve in exchange activities of industry associations</li></ul>
 Environment	<ul style="list-style-type: none"><li>• Save energy and reduce emissions</li><li>• Protect ecological environment</li><li>• Green operations</li></ul>	<ul style="list-style-type: none"><li>• Introduce clean energy</li><li>• Save energy and reduce emissions</li><li>• Green office</li></ul>
 Employees	<ul style="list-style-type: none"><li>• Employee health and safety</li><li>• Fair promotion mechanism</li><li>• Impartial opportunities for growth</li><li>• Employee care activities</li></ul>	<ul style="list-style-type: none"><li>• Optimize the compensation system</li><li>• Create a good working and living environment</li><li>• Value employee training and career development</li><li>• Organize recreational activities</li><li>• Aid employees in Need</li></ul>
 Communities	<ul style="list-style-type: none"><li>• Charity</li><li>• Volunteer activities</li><li>• Community investment</li></ul>	<ul style="list-style-type: none"><li>• Make charity donations and offer volunteer services</li></ul>



## Pursue Sustainable Development with Steady Progress

Compliance and well-established governance structure are not only the basic principles for enterprise development but also the foundation for sustainable development. As such, BPHL insists on law-abiding corporate governance, builds up and improves its internal control system, optimizes financial management, promotes sustainable development through fine and standardized management, and creates value for investors via sound operation.






# Improve Corporate Governance

BPHL builds up and improves its corporate governance structure and enhances corporate governance in strict accordance with national laws and regulations as well as the Listing Rules of the Hong Kong Stock Exchange.

The Board of the Company consists of 10 executive directors and 5 independent non-executive directors. The principal duty of the Board is to formulate the Company's development strategy to ensure a high level of corporate governance. The Board meets regularly each year to approve the Company's acquisitions and connected transactions and to review its financial performance and whether its tactical objectives have been met. There are four committees of the Board to help maintain effective corporate governance, i.e. the Audit Committee, Investment and Risk Management Committee, Nomination Committee and Remuneration Committee.



Communication with Investors

- Standardize information disclosure
- Regularly release updates on the Company under "Investor Relations" on its website
- Maintain contact with institutional shareholders and investors through various channels such as conference, phone and email

# Regulate Corporate Operations

The Company's increased managerial levels and diversified shareholding structure make its standardized operation more demanding. As such, we fully leveraged our well-established corporate governance structure to innovate in management mechanism and optimize management processes, so as to standardize our operations in an all-round manner and promote sustainable development of the Company and its business as a whole.

## >>> Operating Lawfully

BPHL takes institutional construction very seriously, and has formulated and improved an array of rules and measures covering such areas as internal control, financial management, and anti-corruption, in an effort to ensure compliance-based operations. In 2016, the Company further adjusted its organizational structure, improved institutional construction, and updated its management system documents by revising nine sets of rules including the Management Rules on Official Document Processing to promote standardized management.

## >>> Improved Internal Control

BPHL continually improves its internal control system in strict compliance with the national laws and regulations as well as the regulatory requirements for listed companies. In 2016, the Company completed the construction of internal control system, and comprehensively strengthened internal supervision and risk control over its wholly-owned, non-wholly-owned and important subsidiaries, thereby improving its overall management level.

BPHL further strengthened target management and process control, developed a performance appraisal checklist focusing on operational indicators, key work and internal control, collected information on daily operations of all subordinate companies, and timely coped with the factors that may affect the realization of annual targets, so as to promote rapid development of various business segments.

## >>> Strengthened financial management

BPHL constantly strengthens its financial management system and improves its audit system to prevent and control financial risks in all aspects. In 2016, the Company improved basic financial management and intensified monitoring of daily cash flow of project companies through a ten-day reporting mechanism. Meanwhile, the Company developed an audit plan to conduct management audit of 6 affiliates, i.e. Quzhou Tongcheng, Beijing Properties (Shanghai), Tianjin Transwell, Transwealth, Tianjin Zhongyu and Beijing Inland Port.

## >>> Complied with business ethics

BPHL persists in building a corporate culture featuring fairness and honesty and formulates anti-corruption documents to prevent commercial bribery and other acts that go against business ethics. Moreover, the Company strictly follows the rules and regulations on protection of intellectual property and customer privacy, and has developed and amended its confidentiality management system and archives management system to effectively ensure information security and prevent violations of business ethics.



## Create Shared Benefits with Common Growth

Upholding the philosophy of "create shared benefits", BPHL strives to improve its operation and management, offer customers quality products and services, provide a fair business environment for partners, and work with partners to achieve sustainable development together, so as to create shared benefits for various stakeholders.



# Enhance Market Value

Leveraging its state-owned background and privilege of being listed in Hong Kong, BPHL proactively overcame difficulties, improved quality and efficiency and consolidated strengths to promote robust development and make breakthroughs in its performance, in an effort to create greater value for customers and partners.

## Operating Highlights of BPHL



# Build Premium Projects

After sizing up the market situation, BPHL leveraged its niche to seek comprehensive development, and integrated and utilized resources to promote segment-based development. In 2016, based on its strategic development needs, the Company optimized and integrated its business segments to form five major segments, i.e. e-commerce & bonded warehousing, cold chain logistics, professional wholesale market, industrial real estate and other value investment projects, all of which were advanced simultaneously for synergic development.

## >>> E-commerce & Bonded Warehousing

Driven by the huge logistics demands and favorable policies in China, BPHL continued to expand its national presence in e-commerce and bonded warehousing business. As a result, it currently has a number of warehousing projects in first-tier cities such as Beijing, Shanghai and Tianjin, with a total leasable area of 1,105,873 square meters and a leasable area in operation of 500,513 square meters. The Company will continue to consolidate the domestic presence of its logistics infrastructure to support the sustained and healthy development of its e-commerce & bonded warehousing business.



Factory Zone of Majuqiao Logistics Park

**Majuqiao Logistics Park Project** — Majuqiao Logistics Park is the biggest project invested in, developed and operated by BPHL and, once completed, will become one of the largest integrated logistics facilities in North China. Phase I of the project commenced construction in September 2016, whereas its planned leasable area had been leased out to Chinese e-commerce giants in advance.



Tianjin Transwell Customs Bonded Warehouse

**Tianjin Transwell Project** — Tianjin Transwell Customs Bonded Warehouse is located within the Tianjin Pilot Free Trade Zone (FTZ), enjoying a superior geographical position. Affected by the global economic climate, the Company sized up the market situation to adjust its business marketing plan. As such, the average occupancy rate of its warehouses in 2016 reached 86.54%.



Tianjin Transwealth Airport Warehouse

**Tianjin Transwealth Project Phase II** — In 2016, after several rounds of consultations, approval, assessment and negotiations, the Company entered into a warehouse leasing contract for the Tianjin Transwealth Project Phase II with Tianjin Branch, North China Transit Depot, Shenzhen headquarters and North China Branch of SF Express, respectively, and the project was completed and put into operation.





Beijing-Tianjin Logistics Park Phase I (blueprint)

Beijing-Tianjin Logistics Park Project

In 2016, the Company and Tianjin Port (Group) Co., Ltd. jointly invested in the construction of Beijing-Tianjin Logistics Park Project in Tianjin FTZ, with an aim to speed up integrative development among the ports in Beijing and Tianjin and facilitate Beijing-Tianjin synergic development by leveraging both sides' strengths, sharing resources and drawing on the geographic and functional advantages of the project to intensify cooperation.



Xiamen Logistics Park Project

Xiamen Logistics Park Project

On 1 April 2016, the Company acquired Xiamen Xunda Hongtong Warehouse Company Limited, which occupies an excellent geographical position adjacent to urban area. In 2016, the average occupancy rate of the project was approximately 97.79%.

>>> Cold Chain Logistics

BPHL plans to develop its cold chain logistics business into one-stop services covering procurement, production, processing, packaging, storage, transportation and sale of safe aquatic products, agricultural products and livestock-based food, so as to boost the development of its cold chain logistics segment leveraging the strong policy support for and social demands in China's cold chain logistics industry.



Tianjin Zhongyu Project

Tianjin Zhongyu Project

The Company has a total of 61,600 tons of cold chain logistics storage capacity, mainly attributable to Tianjin Zhongyu Properties Co., Ltd. ("Tianjin Zhongyu"). As an aquaculture service platform, Tianjin Zhongyu Project has the potential to develop value-added services in addition to its warehousing services.



Haikou Datong Logistics Park Project

Haikou Datong Logistics Park Project

On 1 December 2016, the Company acquired Hainan Datong Warehouse Company Limited, which is located in an ideal regional distribution center and boasts a high standard e-commerce warehouse. In 2016, the average occupancy rate of the project was approximately 81.18%.

>>> Professional Wholesale Market

BPHL draws on its own strengths to serve regional economic development. As a commerce platform involving multiple professional fields, the Company operates a professional wholesale market in Quzhou, i.e. the Quzhou Tongcheng Project. The project, which serves approximately 30,000,000 people in the area, marks a bold attempt of the Company to develop a whole new business line.



Factory Zone of Quzhou Tongcheng Project



Warehouses of Qingdao Jingchang Project

Qingdao Jingchang Project

The Company acquired 80% equity interests in Qingdao Jingchangshun Food Co., Ltd. ("Qingdao Jingchang"), which operates cold chain logistics & warehousing facilities in Chengyang District, Qingdao, China, with a cold chain warehousing area of approximately 6,785.84 square meters and a storage capacity of approximately 10,000 tons.



Factory Zone of Changshu Project

>>> Industrial Real Estate

BPHL and its partner SSinolog Group, both with years of operation experience, tap into their respective strengths to vigorously develop industrial real estate business featuring large investment, quick launch, value-added services and long-term stable returns. In 2016, the Company proactively developed itself into an industrial real estate developer and was planning to expand operations to Taicang, Suzhou, Changshu, Jiaxing, Ningbo, etc.



Factory Zone of Meishan Logistics Park

Meishan Logistics Park Project

On 1 January 2016, the Company acquired Meishan Xunda Hongtong Warehouse Company Limited, which is located at the south of Chengdu. In 2016, the average occupancy rate of the project was approximately 45.83%.



Guangzhou Metro Mall

>>> Other Value Investment Projects

BPHL actively engages in other value investment business, so as to realize sustainable and healthy business development in a multi-functional and all-round manner. Other value investment projects of the Company include Guangzhou Metro Mall, Holiday Inn Downtown Beijing, Beijing Enterprises Medical and Health Project, etc.



## >>> Develop Overseas Projects to Support "Belt and Road" Initiative

As an active supporter of the Belt and Road Initiative, BPHL acts as a development driver of China's logistics industry to establish business presence in overseas market by expanding to Southeast Asian market. In July 2017, the Company entered into a purchase and sale agreement to acquire Zhong Jian Jin Bian Jing Ji Te Qu Ltd., with an aim to build a service network to satisfy the logistics needs in the surrounding area and speed up the integration of logistics resources to facilitate healthy development of the industry.



Phnom Penh Special Economic Zone

## Improve Business Quality

BPHL is committed to providing customers with quality products and better services. To this end, the Company strictly implements process control and product quality control, and offers customized warehousing and logistics services to different types of customers in different service areas, thus increasing its business varieties in an all-round manner.

### Example

#### Safeguarding Food Safety via Strict Inspection

The Company continues to raise its requirements on the specifications and standards of agricultural products. As Quzhou Agribusiness Complex is an important transit point for circulation of agricultural products, the Company strictly follows national regulations on food safety to control food safety at source and have designated personnel conduct stringent inspection of pesticide residues in agricultural products of different batches and origins on a daily basis, and to publish the inspection results and reject any unqualified products out of the market. Thanks to such measures, we effectively guarantee product quality and enhance customer satisfaction.



## Win-Win Cooperation

### Example

#### Enhancing Service Quality with Sincere Communication

Beijing Properties (Shanghai) Warehousing Co., Ltd., an affiliate of BPHL, actively communicates with customers and has established sound business relationships with them. In January 2016, the company held a customer appreciation meeting to introduce the development status and plans of BPHL and China's logistics industry to customers, and to solicit opinions and suggestions on the Company's management from customers. Through such sincere communication, we enhanced mutual understanding between the Company and customers. The Company will continue to broaden customer communication channels to deepen mutual understanding and help improve its service quality.

Upholding the concept of win-win cooperation, BPHL actively works with partners to create a harmonious and healthy atmosphere in the industry, and strive to promote sound development of the industry, build a win-win industry ecosystem and move forward hand in hand with partners.

## >>> Responsible Supply Chain

BPHL actively practices "Transparent Procurement" to promote procurement transparency and standardize supplier management. The Company has formulated a series of supply chain management measures such as the Measures for Bidding & Procurement Management and the Measures for Supplier Management to reduce the risks of supply chain management. Meanwhile, in an effort to build a responsible supply chain, the Company regularly reviews the construction projects of all business segments and its subordinate companies, and carries out annual evaluation of suppliers that includes qualification examination and on-site inspection to select suppliers that have delivered outstanding performance both environmentally and socially as our long-term partners.

According to the supplier statistics from our affiliates, in 2016, Guangzhou Metro Mall had a total of 66 suppliers, including those for small-volume purchases, such as of fire-fighting supplies, labor protection products and hardware, and Qingdao Jingchangshun had a total of 35 suppliers.

## >>> Promoting Industry Development

BPHL attaches great importance to cooperation and exchanges with its peers. We actively take part in exchange activities in the industry to promote healthy and sustainable development of the industry. In 2016, our Cold Chain Logistics segment, one of the Company's five major business segments, actively joined the China Aquatic Products Processing and Marketing Alliance, the Cold Chain Logistics Special Committee of China Federation of Logistics & Purchasing and the Shanghai Pudong Modern Logistics Industry Association, so as to seek common development with other peers.

The Company contributes to healthy development of the industry by fair and transparent operations. We respect and actively protect intellectual property rights. The Company has developed a system to prohibit plagiarizing and copying others' intellectual property rights, so as to standardize intellectual property protection.



## Safety, Environment-friendly and Sound Operation





# Strengthen Safety Production

Work-related death toll: 0  
Lost days due to work injury: 10 days  
Percentage of lost work days: 0.0004%

We firmly abide by the Safety Production Law newly promulgated by the state and relevant local laws and regulations in our construction works and operations. We also constantly improve our safety management and promote the construction of safety production system to the extent of engaging each department and employee, thereby ensuring production safety and striving to build an enterprise based on intrinsic safety.

## >>> Safety Management

Safety is our basic guarantee for smooth operation. We fully implement the Measures for Administration of Safety Production issued by BE Group and strictly follow the philosophy of "Put Safety First and Focus on Prevention" to ensure that the basic requirements on employee safety are met. We also implement an accountability system for safety management and constantly improve safety management and optimize safety management measures to promote safety development goals.

### Example

#### Beijing Inland Port Co., Ltd. Strengthened Safety Management of Tongzhou Dry Port Project

The Tongzhou Dry Port Project of Beijing Inland Port Co., Ltd. upholds the safety management policy of "Putting Safety First, Focusing on Prevention, and Integrated Management". To this end, it has formulated the Safety Management System for Tongzhou Dry Port to specify the safety production responsibilities of all construction participants and thus strengthen production safety management during construction, and has developed comprehensive contingency plans and an assessment mechanism for accident handling and feedback to effectively prevent and reduce safety accidents.

- Casualties caused by safety accidents: zero
- Contingency plans: 16
- Emergency drills: 4
- Total investment in safety production: RMB15,300,000
- Safety training coverage rate for special types of work: 100%
- Coverage of safety protection products: 100%

### Example

#### Tianjin Transwell International Logistics Co., Ltd. Established a Safety Supervision Mechanism



Tianjin Transwell International Logistics Co., Ltd. set up safety production leading group and safety production working group to strengthen safety assurance in the course of management and transportation. The leading group and working group regularly conduct safety inspections, organize safety education and reinforce the employees' safety awareness for storage of hazardous goods. The groups also designate dedicated personnel to conduct daily safety inspections and keep safety records. If any problems are spotted, they will make rectification advices in a timely manner and issue a rectification notice to ensure the safe and stable operation of warehouses.

## >>> Safety Action

We actively carry out various safety actions such as safety inspections and food safety audits to promote the implementation of relevant safety indicators. We also launch safety drills, safety training programs and employee education activities to enhance the employees' safety awareness, safety prevention capability and emergency skills.

### Example

#### Quzhou Tongcheng Agricultural Development Co., Ltd. Set up a Special Fire Control Room

Quzhou Tongcheng Agricultural Development Co., Ltd. has set up a special fire control room and a variety of safety signs within its market in accordance with the relevant standards. The control scope of the fire control room, which was put into operation in June 2016, covers the entire market section of the project. At present, the 24-hour fire monitoring for Phase I of the project covers every nook and cranny. As a result, we have achieved our relevant management goals for Phase I of the project during nearly two years of operation, such as zero fire or security accident and orderly traffic within the market.



Special Fire Control Room of the Market



Emergency Exit Sign



Signs of Fire Hydrants, Speed Limit and Strong Current in the Market

### Example

#### Qingdao Jingchangshun Food Co., Ltd. Conducted Safety Drills

On 25 May 2016, Qingdao Jingchangshun Food Co., Ltd. carried out fire drills and emergency drills of closing liquid ammonia valves to improve the employees' operational skills through emergency practices, test their emergency response ability and the rationality of division of duties in case of emergency, and improve their team collaboration, so as to provide practical support for emergency plans while optimizing emergency response process and reducing safety risks.



>>> Occupational Health

We attach great importance to occupational health and safety of employees, and strictly abide by the relevant laws and regulations such as the Occupational Disease Prevention Law, the Safety Production Law and the Regulations on Work-related Injury Insurance to establish and improve its occupational health management system. We regularly organize various forms of counseling and training on occupational health and offer employees regular physical examination to prevent the risks regarding occupational health and safety in all aspects, minimize the occurrence of labor accidents, and reduce occupational hazards, so as to create a healthy and safe working environment for the employees.

Under the increasingly severe challenges concerning resources and climate change, green development is a guarantee for sustainable business operations. We lay emphasis on environmental protection in whole process of operations, put great efforts in advancing our energy-saving and emission reduction work, and strive to build an environment-friendly enterprise, so as to minimize the impact on the environment and protect our green homes.

>>> Improving the Environmental Management System

While strictly complying with the national laws and regulations, the Company performs the relevant environmental norms based on the environmental trends of the industry to regulate the discharge of waste and resources management, and requires its affiliates to develop environmental protection measures according to the industry attributes and to carry out environmental work.

Pursuant to the Environmental, Occupational Health and Safety Management Manual, Beijing Inland Port Co., Ltd. established its environmental management system, covering relevant policies, tactics, goals and monitoring indicators. Moreover, when formulating environmental control measures, we consider such factors as the scope of environmental impact, the degree of impact, the frequency of environmental incidents, community attention, regulatory compliance, resource consumption and the potential for resource conservation, in an effort to achieve harmony between construction and the environment.

We actively take part in all kinds of environmental activities, organize the formulation of promotion slogans for environmental protection and energy conservation, and provide educational and training courses in this regard to enhance the employees' awareness of resource conservation and environmental protection.

Practice Green Development

Example

Qingdao Jingchangshun Food Co., Ltd. Carried Out an Environmental Protection Promotion Campaign

On 18 April 2017, Qingdao Jingchangshun Food Co., Ltd. launched a water-saving promotion campaign with a theme of "Act Immediately to Cherish Every Drop of Water" at its staff canteen. The volunteers for the water-saving promotion were divided into sub-teams of 2 people each to disseminate knowledge and importance of water conservation and to distribute promotion brochures and leaflets, with a view to fostering and strengthening the employees' water-saving awareness. The activity improved the employees' understanding of water resource and awareness of water conservation. As such, it is anticipated that 150 tons of water will be saved throughout the year.



Example

BIPV Project of Beijing Inland Port Co., Ltd.

In 2016, after several rounds of talks with Beijing Enterprises Photovoltaic Development Company Limited, Beijing Inland Port Co., Ltd. learned that BIPV can directly absorb light energy to produce electricity and thus can effectively reduce energy consumption of buildings. In 2017, the company plans to use Shanghai WGQ Warehouse Project as a test ground for BIPV construction, which can reduce both fossil fuel pollution and maintenance of the original colored steel plate roof, thereby achieving a win-win outcome.

>>> Increasing Resource Use Efficiency

Following strict energy use standards and starting from the source of impact on the environment, we take comprehensive measures, including efficient energy management strategies and technological innovations, to increase resource use efficiency in all respects, thus greatly reducing energy consumption. The Company's energy consumption is mainly attributable to Beijing Inland Port, Guangzhou Metro Mall, Holiday Inn Downtown Beijing, Quzhou Tongcheng and Tianjin Zhongyu, and its waste is discharged by Guangzhou Metro Mall, Quzhou Tongcheng and Holiday Inn Downtown Beijing. Quzhou Tongcheng and Tianjin Zhongyu started operations in August 2015 and in 2016, respectively. In 2015, Guangzhou Metro Mall, Holiday Inn Downtown Beijing and Holiday Inn Downtown Beijing had no energy consumption statistics which will be made available gradually.

Use of Energy

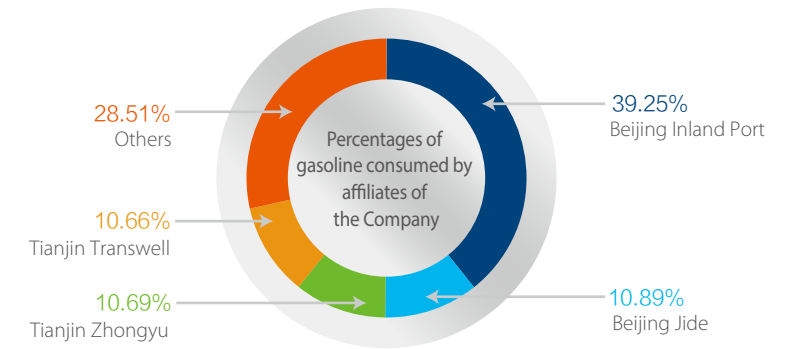
We implement and strengthen comprehensive management and control over energy consumption in the operating process to effectively improve the overall energy efficiency.

Energy Consumption of the Company in 2016				
Type of energy Unit	Electricity (KWh)	Diesel (Liter)	Gasoline (Liter)	Natural gas (m³)
Consumption for 2016	19,704,459	6,094	87,017	47,321

Promoting Energy Conservation and Emission Reduction

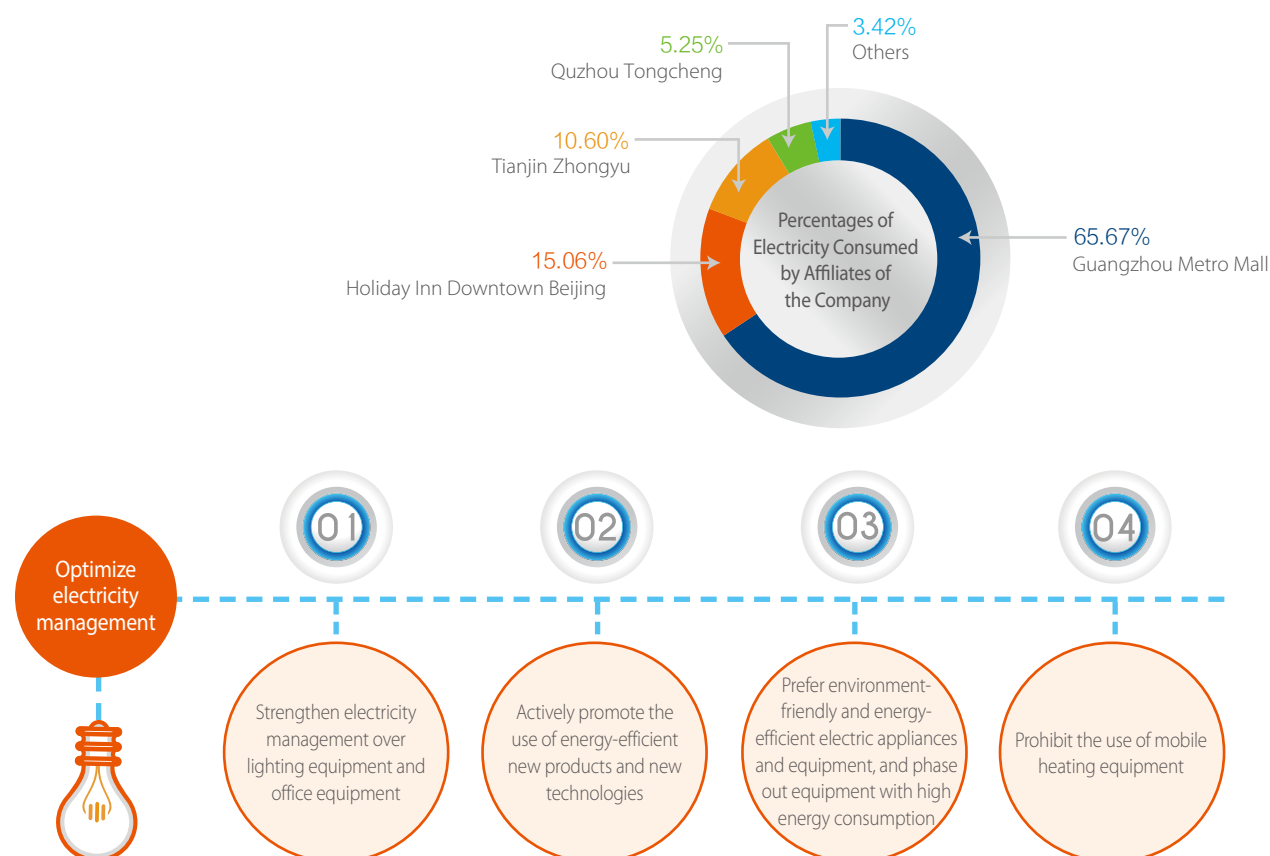
The Company continues to promote clean production by constructing solar photovoltaic power generation projects and thoroughly upgrading energy-saving technologies to cut electricity consumption, while implementing various zero/low-cost programs to realize energy conservation, emission reduction and efficiency improvement. As electricity and gasoline are the main energy sources consumed by the Company for operation, we analyze the percentages of electricity and gasoline consumed by each subsidiary, and urge them to take effective actions to cut down on energy consumption and promote energy conservation and emission reduction.

In 2016, the Company's gasoline consumption totaled 87,017 liters, 39% of which was consumed by Beijing Inland Port Co., Ltd.. As such, BIPL is actively looking for renewable energy sources and intends to carry out a building-integrated photovoltaic (BIPV) project in 2017.





In 2016, the Company's electricity consumption totaled 19.7 million kWh, 65.67% of which was consumed by Guangzhou Guangming Property Construction Co., Ltd.. As such, in order to save electricity, Guangzhou Metro Mall vigorously took various measures for energy-saving transformation, thus significantly reducing electricity consumption. Meanwhile, the Company is carrying out a green campaign in full swing to optimize electricity management and reduce electricity consumption.



#### Example

#### Guangzhou Guangming Property Construction Co., Ltd. Carried Out Energy-saving Transformation

Guangzhou Guangming Property Construction Co., Ltd. has replaced its toilet lights and some damaged lamps in the cultural relics exhibition hall with LED lights, and requires new tenants to use LED lights only, which can help save 6,517 kWh electricity each year.



LED lights in toilets

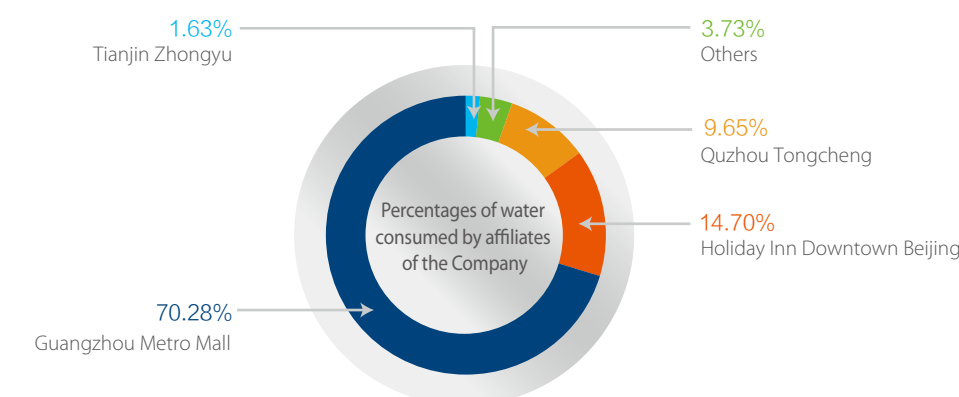
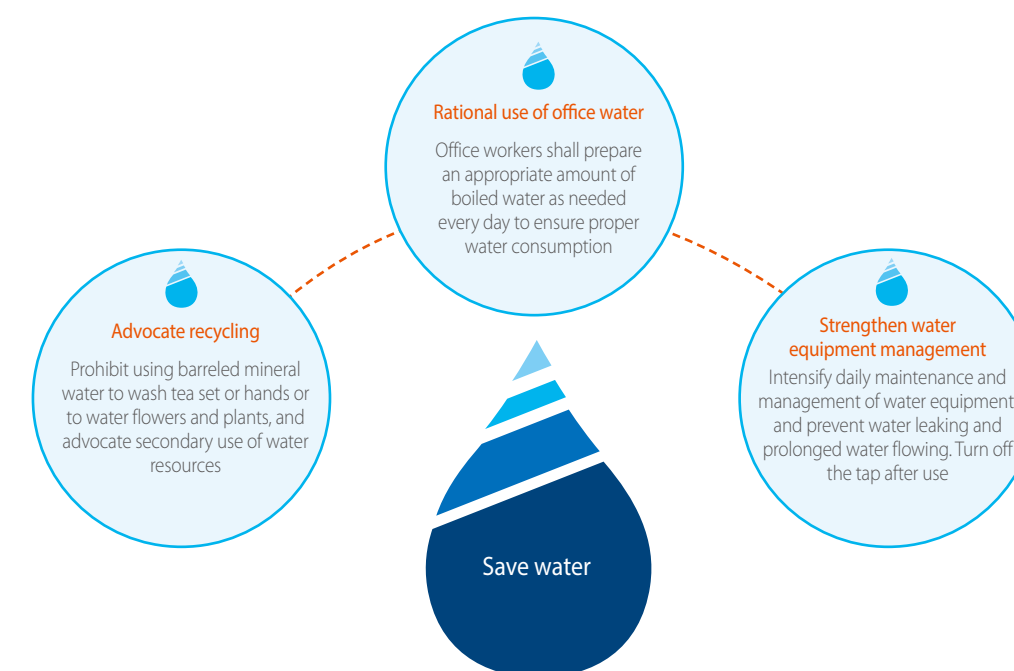


The cultural relics exhibition hall

#### Protecting Water Resources

The Company takes the impact of water consumption on the environment very seriously and is keenly aware of the necessity of water conservation. Accordingly, we promote water recycling and actively apply water-saving technology to make continuous progress in water conservation, cost reduction and efficiency enhancement.

In 2016, the Company's total water consumption was 299,346 tons, of which 14.70% or 44,016 tons was consumed by Holiday Inn Downtown Beijing Company Limited, and 71.28% or 210,392 tons was consumed by Guangzhou Guangming Property Construction Co., Ltd.





Holiday Inn Downtown Beijing fully embraced water-saving devices



Guangzhou Guangming Property Construction Co., Ltd. replaced the old faucets and put up water-saving signs

By upgrading showers and installing water-saving devices, Holiday Inn Downtown Beijing Company Limited cut its total water consumption by 213 tons from 2015.

Guangzhou Guangming Property Construction Co., Ltd. has put up water-saving signs to enhance staff awareness of water conservation, and replaced the old-fashion faucets to avoid waste of water.

Example

Sewage Recycling of Quzhou Tongcheng Agricultural Development Co., Ltd.

Quzhou Tongcheng Agricultural Development Co., Ltd. utilizes energy-efficient sewage treatment equipment and employs A/O method to treat sewage generated in the market. The treated water meets the standards for urban landscaping water under the Water Quality Standards for Urban Recycled Sewage and Urban Miscellaneous Water (GB/T18920-2002) and can be used for cleaning floors and toilets or for landscape irrigation. The Sewage, mainly generated from domestic water and operation water, totals approximately 400 tons per day, 280 tons or 70% of which are recycled.



>>> Reduce Waste Emissions

We take seriously the possible impact of waste generated from production and operation on the living environment. As such, we adopt professional treatment methods to reduce harmful gases, and have a qualified third party dispose of solid waste, in an effort to minimize damage to the environment.

Gas Emissions

Gas emissions and emission reduction Unit	Nitrous oxide emissions (ton)	Sulfur dioxide emission (ton)	Greenhouse gas emissions (carbon dioxide in ton)
Amount	29.56	41.41	19,323.46

Solid Waste Disposal

Solid waste is mainly classified internally and then handed over to a qualified entity for recycling. In 2016, the Company generated a total of 4,677.15 tons of non-hazardous waste, mostly from Guangzhou Metro Mall, Quzhou Tongcheng and Holiday Inn Downtown Beijing, and the remaining portion is office consumables which are of small volume. Hazardous waste mainly comprises 2,347 waste lamp tubes, 33 toner cartridges and 56 ink cartridges discarded in the office process. Beijing Inland Port Co., Ltd. classifies its waste into recyclable waste, hazardous waste and other waste before discarding and disposing of it. In 2016, its non-hazardous waste emissions dropped by 1.2 tons from 2015, and 0.1 ton of such waste was recycled.

Example

Quzhou Tongcheng Agricultural Development Co., Ltd. Promotes Energy-saving and Emission Reduction to Develop Circular Economy

Quzhou Tongcheng Agricultural Development Co., Ltd. purchased waste disposal equipment for Phase I of its project to effective classify and process the waste generated in the market every day. Vegetable leaves account for 80% of the waste and can be recycled as organic fertilizer, 15% of the waste is packaging materials that are regularly recycled by a contracted recycling entity; and the remaining 5% is other waste and will be transported to the waste disposal centre. In 2016, our domestic waste totaled 2,700 tons, of which 2,430 tons or 90% were recycled.



Green Office

The Company proactively promotes the green concept and encourages employees to practice low-carbon and environment-friendly lifestyle. To this end, we reinforce the management of office consumables, promote green travel, and launch a paperless office initiative to build a green office in all aspects and minimize the damage to the environment.



## Create a People-Oriented, Harmonious and Positive Atmosphere





## Create a Harmonious Workplace

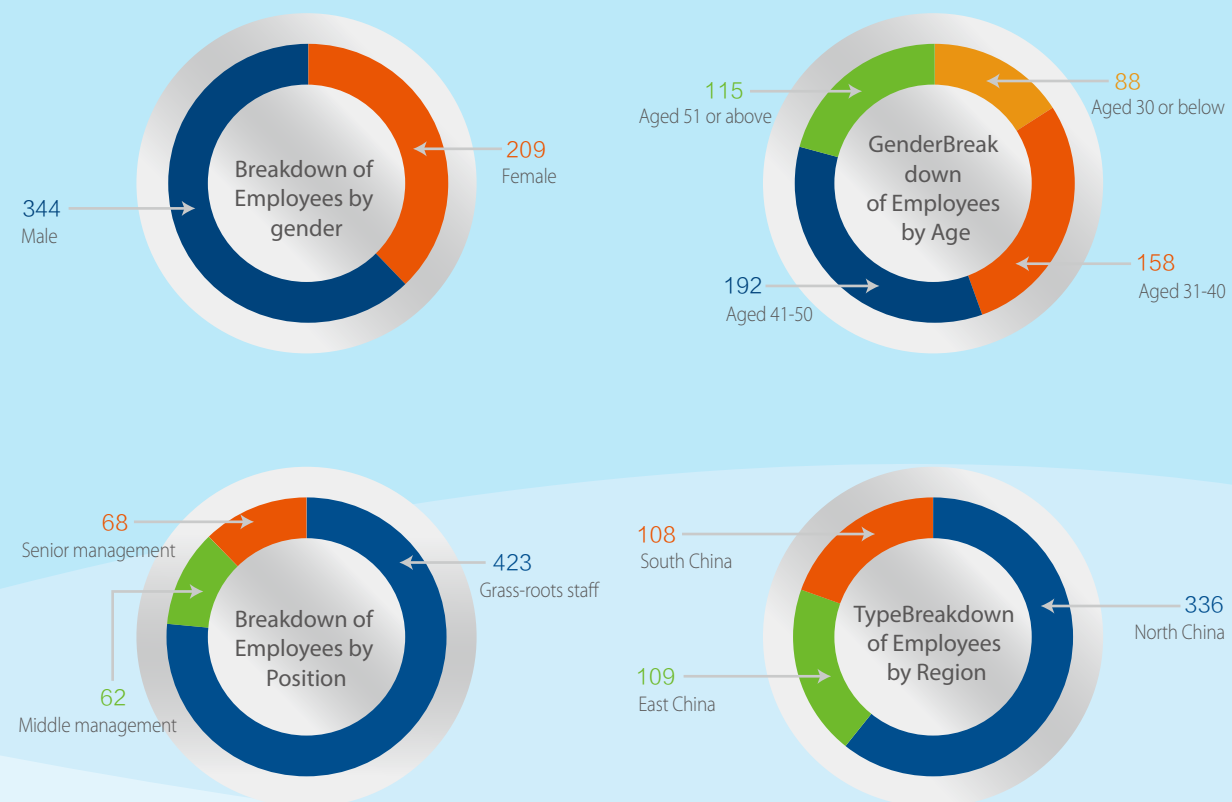
We always uphold the people-oriented philosophy, and welcome high-caliber talents from all over the country to join BPHL and pursue common growth. We actively introduce a variety of talents, safeguard employees' rights and interests, and care about the physical and mental health of employees and their career development, in an effort to achieve common growth with employees and share our development fruits with them.

### >>> Safeguard Employees' Rights and Interests

#### Equal Employment

The Company pursues an open and equal employment policy and protects labor rights according to law. We are committed to upholding the principle of equal employment opportunity and eliminating employment and occupational discrimination. To this end, we strive to build a fair and lawful employment environment and constantly improve it. As at the end of 2016, BPHL had 553 employees in total.

- Respecting human rights: pursuant to the state's requirements, the Company resolutely opposes forced labor and child labor and prohibits differential treatment based on race, religion, color, nationality, sex, age, etc.
- Standardizing labor employment: the Company earnestly safeguards the legitimate rights and interests of its employees in all aspects including labor employment and democratic management in strict accordance with the national laws and regulations, such as the Labor Law, the Labor Contract Law, the Social Insurance Law and the Trade Union Law. In 2016, the Company had signed labor contracts with 100% of its employees.



#### Compensation and Benefits

The Company develops and implements a unified enterprise annuity system and a supplementary medical insurance system according to law, and continually improves its multi-level, three-dimensional and integrated employee insurance system, so as to provide its employees with competitive remuneration and comprehensive benefits.

The Company further improves its employment management system and signs labor contracts with its employees. In order to promote harmonious and stable labor relations, the Company has established a sound social insurance management system, makes social insurance contributions for its employees, and safeguards their labor rights.

### >>> Pay Attention to Employee Development

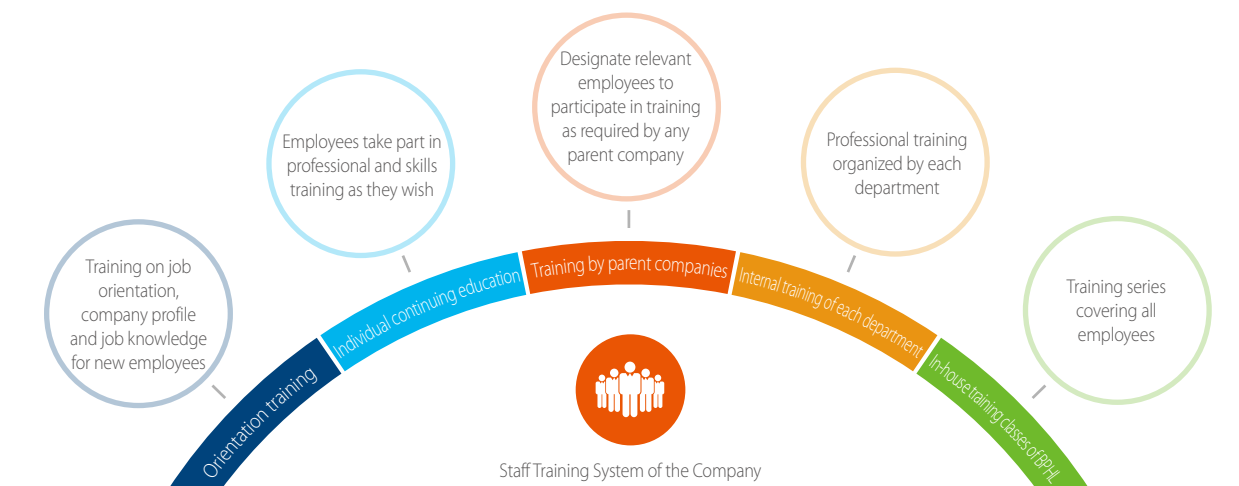
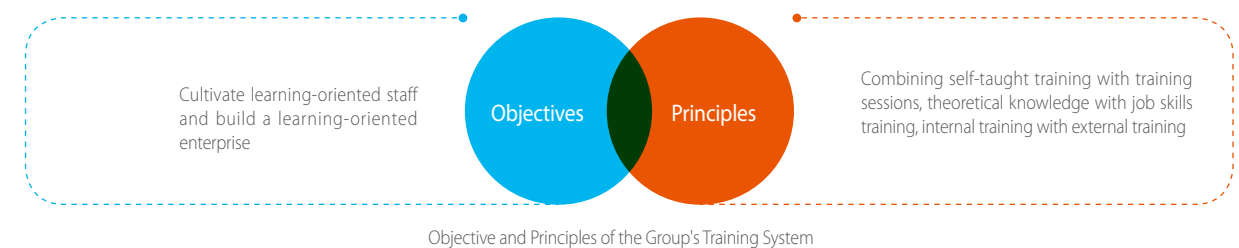
The Company builds up a comprehensive training system to provide employees with multi-level and diversified training programs, so as to gradually enhance their capabilities. Furthermore, the Company has developed a sound promotion system and strives to offer employees a solid and broad development platform to support and promote their career and personal development.

#### Staff Training

The Company provides its employees with a comprehensive training system which covers, among other things, finance, investment and management, and emphasizes exchanges between lecturers and trainees and effective integration of theories and practices, with a view to effectively improving the overall quality of employees.

Number of training sessions held: **65**

Training hours per employee: **18.14** hours







Training on Safeguarding the Rights and Interests of Female Employees



Special Training on Collection of VAT in Lieu of Business Tax

Training Hours and Coverage by Category			
Statistics on staff training		Staff training coverage (%)	Training hours per employee (h)
By gender	Female	68.33	23.12
	Male	60.98	18.49
By position type	Senior management	69.09	23.18
	Middle management	70.56	36.16
	Grass-roots staff	61.06	19.14

Promotion and Development

We adhere to the strategy of "Talent-driven Growth" and offer diverse career paths to our employees. Following the principles of "openness, equality, competition and merit-based selection", we create a fair competitive environment with development opportunities for our employees to support their career and personal development and give full play to their potential, so as to enable employees to achieve all-round growth.

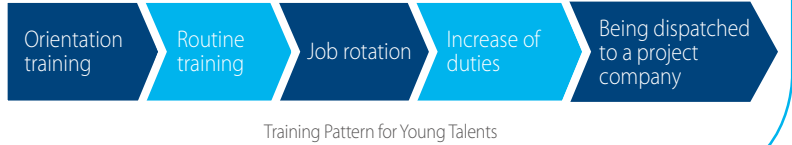
Example

Promote Fast Growth of Talented Youths

The Company has developed a detailed training program for young talents, which is designed to help them make career development plans and promote their rapid growth.



Training Objective and Path for Young Talents



Care for Employees' Life

The Company is committed to creating a harmonious and comfortable workplace for its employees and cares about their work and life. In addition to a variety of activities held to enrich the life of employees, the Company strives to satisfy the needs of employees in their work and life and ensure their work-life balance, so as to enhance their sense of belonging and happiness.



Guangzhou Metro Mall Organized Employees to Go Hiking in Qianlonggou



Tianjin Transwell Organized the "Transwell Cup" Badminton Game



Holiday Inn Downtown Beijing Held a Sports Event for its Employees

We value humane care for employees and are concerned about those employees in need, so we keep ourselves informed of their difficulties and needs and offer aids to them in a timely manner to help solve their actual difficulties. In addition, we continue to improve our mechanism for helping employees in need and step up assistance for them, so as to enable employees to work and live happily.



Donation Proposal by Guangzhou Guangming Property Construction Co., Ltd.

## Enthusiastic About Philanthropy

Dedication of love is a kind of social responsibility. While promoting healthy development, BPHL insists on contributing to society. To this end, BPHL actively fulfills its social responsibility, spreads charity ideas, promotes the development of public welfare undertakings and devotes compassion and warmth to the society.

### >>> Poverty Relief

Poverty eradication is the overarching goal of the UN 2030 Agenda for Sustainable Development. As such, the Company makes full use of its advantages to care for disadvantaged groups and commits itself to improving the infrastructure and educational environment in poverty-stricken areas, demonstrating its strong sense of social responsibility.

#### Example

##### Quzhou Tongcheng Agricultural Development Co., Ltd. Provides Music Study Opportunities for Rural Children

In view of the shortage of educational facilities and teachers for left-behind children in mountainous rural areas of Quzhou, Quzhou Agribusiness Complex invested a total of RMB180,000 during September 2013 to June 2017 to provide musical education or musical instruments for 885 children, in an effort to offer assistance and guidance to them on their paths to knowledge. Thanks to that, the children won the second place in a group music contest for primary schools in Kecheng District, Quzhou.



### >>> Community Welfare

In an active effort to give back to society with love and assume social responsibility, we serve community development, participate in volunteer activities and charity events and promote the development of public welfare undertakings, thereby promoting social harmony and enhancing people's well-being.

#### Example

##### "Learn from Lei Feng" Campaign

On 4 March 2016, with support from the party branch and youth league branch of BPHL, we organized employees to visit and help the elderly at a nursing home, in a bid to advocate the virtue of serving the community, enhance employee cohesion and promote the cultural construction of BPHL. The activity reinforced the traditional virtue of "all for one and one for all" in the mind of our young employees and motivated the employees to incorporate the "Lei Feng Spirit" into their work and be "a screw that never rusts" to make achievements and contribute to the society.



#### Example

##### Sponsoring the Charity Event "Oxfam Trailwalker"

Oxfam Trailwalker has become one of the largest annual fundraising events in Hong Kong, and the funds raised will be used to support Oxfam's poverty relief and disaster relief projects in China, Africa and other parts of Asia, so as to help the disadvantaged become self-reliant. The Company sponsored its employees in forming a team called "Elegant Walkers" to participate in Oxfam Trailwalker 2016, thereby improving employees' physical and mental health and enhancing their morale to tackle difficulties through such fund raising sports.





## Outlook

In 2017, a vital year for implementing the "13th Five-year Plan" and a period full of challenges and opportunities, we will fully practice the development philosophy of "innovation, coordination, green, openness and sharing" to improve our CSR performance and further integrate CSR into the Company's business principles, strategy, operation and brand, in an effort to develop into a leading logistics enterprise in China.

Innovate in business system. We will build on the strategy of "One Specialty, Diversified Development and Dual Drivers" to innovate in development patterns of logistics real estate and explore value-added logistics services, so as to build up a core business system with our own characteristics.

Contribute to coordinated development. We will make our enterprise development more balanced, inclusive and sustainable, pursue synergy among various business lines, and strengthen internal business linkage and resource integration, in a bid to create an ecosystem featuring coordinated economic and social development.

Build green homes. We will incorporate green strategy into every aspect of our development and operations, and continue to promote green innovation, green operations, green consumption, green procurement, pollution reduction and energy conservation, with a view to building green homes.

Promote industry exchanges. We will actively participate in exchange activities in the industry to promote healthy development of the industry while expanding commercial real estate and other related business and striving to build a comprehensive and premium logistics real estate business that offers convenient services.

Share development achievements. Putting people first as always, we will continue to reinforce safety management and improve the efficiency and quality of safety supervision. Based on safety production, we will also provide employees with diversified training channels, a well-established career development platform and a wealth of leisure activities to increase their well-being. Meanwhile, we will step up our charity efforts to make concrete contribution to community development.

In 2017, we will develop logistics and commercial real estate business in overseas markets to accelerate our international expansion while enhancing our capacity to fulfill social responsibility to the extent of meeting international standards, in a great effort to become a leader in China's logistics infrastructure industry and contribute to sustainable social development.

## Index of KPIs

Category	Aspect	Key performance indicators	Disclosure status	Page
A Environmental	A1 Emissions	General Disclosure	Fully disclosed	P28
		A1.1 The types of emissions and respective emissions data	Fully disclosed	P32
		A1.2 Greenhouse gas emissions in total and, where appropriate, intensity	Fully disclosed	P32
		A1.3 Total hazardous waste produced and, where appropriate, intensity	Fully disclosed (intensity not applicable)	P33
		A1.4 Total non-hazardous waste produced and, where appropriate, intensity	Partly disclosed	P33
		A1.5 Description of measures to mitigate emissions and results achieved	Fully disclosed	P29/P33
	A2 Use of Resources	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Fully disclosed	P33
		General Disclosure	Fully disclosed	P29
		A2.1 Direct and indirect energy consumption by type in total	Fully disclosed	P29
		A2.2 Water consumption in total and intensity	Fully disclosed	P31
		A2.3 Description of energy use efficiency initiatives and results achieved	Partly disclosed	P29/P30
	A3 Environment and Natural Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Partly disclosed	P31/P32
		A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not applicable, as the Company's products involve no packaging	
		General Disclosure	Fully disclosed	P28/P33
	B1 Employment	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Fully disclosed	P33
		General Disclosure	Fully disclosed	P36
		B1.1 Total workforce by gender, employment type, age group and geographical region	Fully disclosed	P36
B Social	B2 Health and Safety	B1.2 Employee turnover rate by gender, age group and geographical region	Male/female: 1.58%/1.56% Aged 30 or below/31-40/41-50/over 50 5.71%/0.88%/0.84%/1.46%	
		General Disclosure	Fully disclosed	P26
		B2.1 Number and rate of work-related fatalities	Fully disclosed	P26
	B2 Health and Safety	B2.2 Lost days due to work injury	Fully disclosed	P26
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Fully disclosed	P27

Category	Aspect	Key performance indicators	Disclosure status	Page
B Social	B3 Development and Training	General Disclosure	Fully disclosed	P37
		B3.1 The percentage of employees trained by gender and employee category	Fully disclosed	P38
		B3.2 The average training hours completed per employee by gender and employee category	Fully disclosed	P38
	B4 Labor Standards	General Disclosure	Fully disclosed	P36
		B4.1 Description of measures to review employment practices to avoid child and forced labor	Fully disclosed	P36
		B4.2 Description of steps taken to eliminate such practices when discovered	Not disclosed, as there are so such steps by far	
	B5 Supply Chain Management	General Disclosure	Fully disclosed	P23
		B5.1 Number of suppliers by region	Partly disclosed	P23
		B5.2 Description of practices relating to engaging supplies, number of suppliers where the practices are being implemented, how they are implemented and monitored	Partly disclosed	P23
	B6 Product Responsibility	General Disclosure	Fully disclosed	P19-P22
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable, as the Company's products have never been recalled for safety or health reasons	
		B6.2 Number of products and service related complaints received and how they are dealt with	Not applicable, as the Company's products involve no such complaints	
		B6.3 Description of practices relating to observing and protecting intellectual property rights	Fully disclosed	P23
		B6.4 Description of quality assurance process and recall procedures	Partly disclosed, as the Company's products involve no recall procedures	P22
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Partly disclosed, as there is no such monitoring yet	P15
	B7 Anti-corruption	General Disclosure	Fully disclosed	P15
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Zero such case	
		B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Fully disclosed	P15
	B8 Community investment	General Disclosure	Fully disclosed	P40
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Fully disclosed	P40/P41
		B8.2 Resources contributed (e.g. money or time) to the focus area	Fully disclosed	P40

# Report Preparation Process

In order to integrate CSR into enterprise operation, BPHL carried out whole lifecycle management over the preparation of CSR reports, which covers three phases, namely planning, engagement and preparation & release. In the process, we implemented dynamic monitoring, management and guidance of the identified key CSR indicators to substantially improve our sense of responsibility and ability to perform social responsibility.

## I. The Planning Phase (March 2016)

### 1.Established a report preparation team

Established a report preparation team consisting of all the departments and project companies and led by the Administration and Secretary Department to coordinate all the work regarding the preparation of CSR report.

### 2.Organized training on report preparation

Organized a kick-off meeting for and training on CSR report preparation for study of the ESG Guide, report preparation procedures and methods and other considerations.

### 3.Communication with the stakeholders

Promoted regular communication between various departments and the stakeholders including shareholders, clients, suppliers, partners, employees, and communities.

## II. The Engagement Phase (March to December 2016)

### 1.Developed an ESG indicator system

Broke down the indicators under the ESG Guide and develop the Company's ESG indicator system to guide business operation according to the characteristics of various functional departments and project companies.

### 2.Tracked and assessed the indicators

Regularly reviewed and assessed implementation of the indicators by the departments and project companies, and gave guidance on the operational issues involved.

### 3.Served business development

Optimized internal management and improved operational transparency to the public by integrating ESG indicators into operation, so as to promote sustainable development of the Company.

## III. The Preparation & Release Phase (January to July 2017)

### 1.Collected and collated information

Functional departments and project companies sorted out CSR-related information for the year based on the indicator system and the required file list, and submitted such information to the report preparation team.

### 2.Prepared and designed the report

Designed and drafted the outline and the report, and organized project communication and review meetings to determine report focuses, optimize report framework and improve report contents.

### 3.Released and circulated the report

Released the CSR report on CSR-related platforms including those of the Hong Kong Stock Exchange and the Company, and organized meetings to summarize the work on report preparation and arrange subsequent steps.



# Reader Feedback Form

Dear readers:

Hello!

Thank you for taking time to read this report. We are sincerely looking forward to your comments and valuable advices on this report which will help us improve our CSR work and enhance our capability to fulfill social responsibility.

Thank you very much!  
Beijing Properties (Holdings) Limited  
July 2017

Choice questions: (please check your choice)

1. Your general impression of this report is:

☐ Very good   ☐ Good   ☐ Mediocre   ☐ Bad   ☐ Very bad

2. What do you think of the quality of the CSR information disclosed in this report?

☐ Very high   ☐ High   ☐ Average   ☐ Low   ☐ Very low

3. What do you think of the report structure?

☐ Very reasonable   ☐ Reasonable   ☐ Mediocre   ☐ Poor   ☐ Very poor

4. What do you think of the layout design and forms of expression of this report?

☐ Wonderful   ☐ Good   ☐ Mediocre   ☐ Poor   ☐ Very poor

Open question:

Do you have any valuable opinion and suggestion on the 2016 Corporate Social Responsibility Report of Beijing Properties (Holdings) Limited?

Welcome to contact the preparation team of the 2016 Corporate Social Responsibility Report of Beijing Properties (Holdings) Limited by emailing us at [ir@bphl.com.hk](mailto:ir@bphl.com.hk), calling us at (852) 2511 6016, or faxing this form to (852) 2598 6905. We will seriously consider your opinions and suggestions and undertake to properly protect your personal information set out above.