



## MANAGEMENT MESSAGE



**Chairman: Zhang Zhaoxing**



**In 2017, Yuexiu Property continued to take "Where Good Living Starts" as its mission with fulfilment of its social responsibilities as one of its fundamental principles for business development. Yuexiu Property committed itself to the corporate mission of "Repay Shareholders, Employees and Society", and kept improving its economic performance and social performance.**



**Vice Chairman, General Manager: Lin Zhaoyuan**

### **GOOD OPERATIONAL RESULTS ACHIEVED AND ESG MANAGEMENT CONTINUOUSLY IMPROVED**

In 2017, working around the theme of the year - Upgrade Management to Improve Quality and Consolidating Resources to Promote Development, Yuexiu Property achieved sustained and stable growth by comprehensively upgrading its management and accelerating its improvement of operational quality, and making full use of and consolidating various resources to build the core competences for business development. Contracted sales (together with sales from the joint venture projects) were recorded amounting to approximately RMB40.87 billion throughout the year, up 35.1% year on year; The revenue was approximately RMB23.79 billion, up 14.0% year on year; The core net profit was approximately RMB2.35 billion, up 36.7% year on year; Full-year dividends paid per share amounted to HK\$0.092, representing a year-on-year increase of 41.5% in Hong Kong Dollar terms.

While achieving the said business results, Yuexiu Property continued to improve its ESG management, allocate the rights and responsibilities of management to each functional department, each subsidiary and each property project, to ensure that its executives can keep updated with the environmental and social impact from business of Yuexiu Property, obtain comprehensive and accurate information as the basis for decision-making, and keep advancing Yuexiu Property on its path of sustainable development.





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### IMPLEMENTING SOCIAL RESPONSIBILITIES BY COMBINING SOCIAL AND ENVIRONMENTAL NEEDS

Yuexiu Property insists on starting from the Group's own products to meet the needs of society and environment, which is a true sustainable development mode, to obtain win-win results in economy, environment and society, and to create greater benefits.

With respect to environmental protection, Yuexiu Property strictly complied with the national guidelines on eco-friendly architectural design for project design, construction and operation. In 2017, it completed the eco-friendly building certification for four projects, and meanwhile promoted eco-friendly properties. In order to reduce carbon emissions, Yuexiu Property actively carried out energy-saving and water-saving alteration on the properties under its management, thus improving electricity efficiency and water-saving intensity.

With respect to social welfare, the Yuexiu Property poverty alleviation taskforce adhered to the working philosophy of "Build Roads for Convenience, Export Labour for Wealth, Introduce Projects for Development, and Rely on Officials for Implementation", and continued to carry out targeted poverty alleviation in Chimi Village, Xiniu Town, Qingyuan City, Guangdong, so as to repay the society.

With respect to workforce development, Yuexiu Property officially launched the Swan Program in 2017, which aimed to explore and cultivate project and regional leaders. This program intends to cultivate a large number of outstanding talents with business thinking and ability to manage the whole industry chain. It not only builds a development platform for employees and becomes the backbone of the Group, but also effectively helps the implementation of the strategic objectives of "13th five-year plan" at the Group.

With respect to product development, Yuexiu Property responded to the call of the Chinese government, accelerated its layout of new businesses, such as urban renewal, elderly-care properties and long-term rental apartments according to market demand in 2017, and established and developed specialized platforms to meet the growing demand for urban renewal, elderly-care and house lease in the cities where the Group has a presence.

### WITH RESPECT TO SUSTAINABLE DEVELOPMENT, YUEXIU PROPERTY WILL CONTINUE TO ADVANCE AND ACHIEVE MORE SUCCESSES OVER TIME

Yuexiu Property has won the high praise of the capital market for its efforts in the ESG fields. In 2017, Yuexiu Property was awarded Gold Award for Corporate Governance and Best Corporate Social Responsibility Initiative Award by The Asset, and meanwhile Best in ESG Award (mid cap) and Best in ESG Reporting Award (mid cap) by BDO, demonstrating the recognition of the capital market for Yuexiu Property's outstanding performance in corporate social responsibility (CSR) and ESG reporting.

Sustainable development is not an overnight job. In front of the achievements, Yuexiu Property will continue its hard efforts, such as to keep improving its ESG management system, further integrate ESG efforts into business management and culture, and strive to achieve more remarkable results. This is what stakeholders expect of us and our corporate social responsibilities. Hopefully, this report can convey our determination with respect to ESG, and also serve as a bridge between Yuexiu Property and various stakeholders, and work as a new starting point for Yuexiu Property on the road to sustainable development in the future.