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Official WeChat

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Real Estate Company

China Resources Land Limited

Sustainability Report 2017

China Resources Land Limited  
Sustainability Report  
2017



## *Dream Building in the New Era*

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Achieving excellence for Integrity

Achieving perfection for Brilliance

Achieving responsibility for Exquisiteness

Achieving happiness for Excellence

CR Land

Embracing the new era, navigate our great vision

Dedicated to build a better city and a better life,

We build dream with our ingenuity

to propel corporate development with insights, to promote the quality standard

through perfect services

to fulfill social responsibility with determination, and to benefit the society through good deeds

We construct a community of dream incorporating the development of the company,

the economy, the society, and the environment

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## About this Report

<b>Report Cycle</b>	This Report is an annual publication. It was approved by the Board of China Resources Land on Jun. 28th, 2018.
<b>Commitment</b>	The Board of China Resources Land undertakes to supervise contents of this Report to ensure that it contains no false records, misrepresentations, or material omissions.
<b>Reporting Scope</b>	Unless otherwise specified, this Report covers the period from 1 January 2017 to 31 December 2017 in relation to China Resources Land and its 6 regions and 7 business divisions, consistent with the Financial Report of China Resources Land 2017.
<b>Reference</b>	This Report is prepared with reference to the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited, the Guide to the Preparation of Corporate Social Responsibility Reports of China (CASS-CSR4.0) and the Guide to the Preparation of Corporate Social Responsibility Reports of Real Estate Industry of China (CASS-CSR3.0) issued by the Chinese Academy of Social Sciences, the Guide for Business Action on the Sustainable Development Goals (SGDs), GRI Standards and China Resources Social Responsibility Management Measures.
<b>Preparation Process</b>	This Report was prepared according to international standards and industrial benchmarking through procedural steps including social responsibility survey, report writing, management approval, report rating and other measures to ensure information quality.
<b>Reporting Principles</b>	As required by the "Materiality", "Quantitative", "Balance" and "Consistency" reporting disclosure principles specified in the "Environmental, Social and Governance Reporting Guide" ("ESG Guide"), this Report responds to the "Materiality" Principle by conducting materiality analysis on sustainable development topics, to the "Quantitative" and "Consistency" principles via quantitative data presentation and to the "Balance" principle via a review on negative topics and performance.
<b>Addressing and Representation</b>	For ease of expression, "China Resources Land", "CR Land", "Company", "We", etc. mentioned in this Report all refer to "China Resources Land and its 6 regions and 7 business divisions" as a whole.
<b>Data</b>	This Report covers the statistical data and formal documents from the founding of CR Land up to 31 December 2017.
<b>Availability of the Report</b>	This report is available in simplified Chinese and English. The electronic version of this Report is available on the company website.
<b>Feedback</b>	Address: Floor 48, Block E, China Resources Land Building, First Dachong Road, Nanshan District, Shenzhen Tel: (0755)26916506 E-mail: rdys@crland.com.cn Website: www.crland.com.hk

## Executive Message

As pointed out in the 19th CPC National Congress, the Chinese characteristic socialism has entered into a new era and China is now focusing on meeting people's increasing needs for a better life. As part of the construction of the new era, CR Land has kept in mind our mission of Leading Commercial Progress and Building a Better Life and actively implemented the Central Government's policy requirements on real estate development. Firmly boosting sustainable development and actively shouldering our corporate social responsibility, CR Land has been creating value for stakeholders and striving to make our contributions to a better new life for urban citizens.

This is the fourth consecutive Sustainability Report independently issued by CR Land. It's a summary of our commitments, actions and achievements in responsibility fulfillment. Establishing the working mechanism of preparation-driven management, we have motivated the regions and business divisions to disclose information led by the Headquarters, and taken the preparation process as an important measure to review our responsibility fulfillment and to communicate with stakeholders. In 2016, we issued the Sustainability Report as required by the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited for the first time. We won a five-star report rating by the Corporate Social Responsibility Committee of the Chinese Academy of Social Sciences for the third consecutive year, and we entered the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB). In 2017, we focused on the disclosure of ESG data, and hoped to gradually improve our ESG data management level and ESG governance level through this Report.

In terms of business operation, CR Land rolled out the management theme of Transformation, Innovative and Quality Management under the 5M development philosophy, and effectively completed the restructuring of regional business, commercial property and property service under the 2+X (Sell property + Invest property + Innovate property) commercial model at a steady pace. Continuously advancing the development of innovative businesses like elderly property, industry fund, long-term rental apartments and industry towns, we achieved the goal of record high key performance indicators of contracted sales and revenue in 2017.

In terms of social responsibility, we focused on product and service quality, safeguarded our employees' rights and interests, and promoted their growth. Furthermore, we actively motivated responsibility fulfillment of the supply chain, protected intellectual property rights and advanced community development. In 2017, CR Land achieved improvement of varying degrees in job creation, labor security, safe production, tax payment and charity.

In terms of environment protection, we incorporated environmental philosophy into project development and business operation through measures such as enhanced emission management, energy and resource conservation, utilization of eco-friendly materials and low-carbon equipment to minimize the adverse impact of business operations on the environment. In 2017, CR Land invested RMB 12.08085 million in environmental programs, and introduced 11 new green building projects with a new green building area of 1.8494 million square meters.

The year of 2018 is the 40th anniversary of China's opening-up and reform and the 80th anniversary of the founding of China Resources Group. In the future, we will take a more active approach towards the challenges, make bold changes and forge ahead. We will accelerate capital turnover, enhance management, promote integration, and embrace reforms to realize the strategic goals of the 13th Five-year Plan, grow into a leader in development property and investment property, continuously fulfill our corporate social responsibility, and build dreams in the new era and create a better tomorrow with our stakeholders.

Vice Chairman of China Resources Land Board  
Tang Yong



## 2017 Highlights

1



The sales volume exceeded RMB 150 billion in 2017, achieving a year-on-year growth of 40%. CR Land advanced to the top ten property developers in the industry.

2



Constructed and operated the Three Centers in Xi'an, explored the Venue Construction + Area Development + Industry Introduction model, and supported the functional upgrade of key cities incorporated into the Belt and Road strategy.

3



Rolled out the management theme of Transformation, Innovative and Quality Management, and made new breakthroughs in innovative businesses such as city operation, elderly property, long-term rental apartments.

4



Advanced the innovation of grassroots Party building in the spirit of the 19th CPC National Congress, and set up Party building innovation examples like Shenyang CR MIXC Red Posthouse.

5



Explored new mixed ownership reform models of state-owned enterprises, and became a strategic shareholder of China Enterprise with the approval of the CSRC.

6



Advanced the three strategic measures of Accurate Investment, Excellent Operation and Reformative Innovation, and restructured commercial property and property service.

7



Actively shouldered social responsibility and entered the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for the first time.

8



Promoted the agent construction and operation model nationwide, won the bid of 32 government-funded construction projects and strengthened our role as an integrated service provider of urban development and operation.

9



Accelerated the development of investment property and opened 5 shopping malls, including Shanghai MIXC.

10



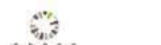




Seized the opportunity of bond issuance and issued RMB 5 billion Panda MTNs in full amount at the lowest interest rate in the industry to support business development.

## 2017 Key Performance

### Business Performance

We have been maintaining a high level of corporate governance to ensure steady and sound development of CR Land and create sustainable economic benefits.

		Performance of 2017	Progress from 2016
Financial Performance	Total assets	514.57 billion HKD	▲ Up 16.37%
	Owner's equity	172.42 billion HKD	▲ Up 23.90%
	Revenue	118.59 billion HKD	▲ Up 8.47%
	Total profit	25.4 billion HKD	▲ Up 2.89%
	Net Profit/Profit attributable to shareholders	23 billion HKD	▲ Up 17.95%
	Return on equity	17.7%	▲ Up 5.36%
	Return on total assets	7.63%	▼ Down from 8.11% in 2016
	Preservation and appreciation ratio of state-owned assets	117.64%	▲ Up 3.65%
Products and Services	Technology R&D Investment	3.91 million RMB	▲ 3 million RMB in 2016 ▲ 3.1 million RMB in 2015
	Customer satisfaction of residential buildings	75	▼ Down from 79 points in 2016
	Customer satisfaction of self-owned office buildings	98	▼ Down from 99 points in 2016
	Customer satisfaction of commercial property tenants	98.6	▲ Up 3.6 points
	Customer complaint handling rate	98.5%	▲ Up 0.31%
Information Disclosure	 中国上市公司社会责任委员会 评级专家委员会	★★★★★	Rated as five-star report by the Corporate Social Responsibility Committee of the Chinese Academy of Social Sciences for three consecutive years.
	 恒生可持续发展企业指数系列 2017-2018 年度	95	Entered the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for the first time in 2017 as one of the 95 enterprises.
	 GRESB	68	Improved our GRESB score for three consecutive years and scored 68 points in 2017 at the forefront of peer enterprises.
	 HKBSI	61	Scored 61 points in HKBSI as one of top 20 real estate developers in 2017, 10 points more than the average score (50.8 points).
	 MSCI	B	B rating of MSCI ESG in 2017
Credit Rating	S&P	BBB+ / Stable Outlook	
	Moody's	Baa1 / Stable Outlook	
	Fitch	BBB+ / Stable Outlook	

#### Data Notes:

- Unless otherwise specified, the data are in relation to all offices, construction in progress, commercial and hotel projects in operation and residential projects from 1 January 2017 to 31 December 2017.
- Greenhouse gas emissions are carbon emissions generated from the use of electricity, diesel, gasoline and natural gas of (1) office and public areas of shopping malls in operation nationwide, (2) office and public areas of residential buildings nationwide, (3) public areas of selected hotels and office buildings, and (4) construction in progress projects undertaken by the Construction Business Division of CR Land.
- There was no general satisfaction data available in 2017 due to changes of survey metrics.
- The customer complaint handling rate is limited to residential projects.
- Total environmental investment refers to environmental investment in the operation stage.

### Social Performance

As an active public responsibility undertaker, we have been serving as a corporate citizen by creating value to the community and bringing benefits to the people.

		Performance of 2017	Progress from 2016
Protection of employees' rights and interests	Labor contract signing rate	100%	— Unchanged
	Social insurance purchase rate	100%	— Unchanged
Employee safety and health	Total investment in employee health management	13.739 million RMB	▲ Up 35.49%
	Employee physical examination rate	100%	— Unchanged
	Number of deaths from work-related accidents	0 person	— Unchanged
Diversified integration	Total employees	38,087 persons	▲ Up 13.61%
	Percentage of female employees	34.6%	▲ Up 0.76%
	Percentage of females in management	16%	▼ Down from 28% in 2016
Employee care	Days of paid leave per capita	>6 days	— Unchanged
Employee growth	Employee training rate	86%	
	Investment in training per employee	815.8 RMB	
	Training hours per employee	9.55 hours	▲ Up 148.75%
Job creations	Number of new employees	19,669 persons	▲ Up 132.7%
	Number of fresh graduates employed	383 persons	▲ Up 113.31%
Tax payment	Total taxes	1.84 billion RMB	▲ Up 116.46%
Charity efforts	Charity donations	3.588 million RMB	▲ Up 1365.97%
Safe production	Safe production investment	178.0212 million RMB	▲ Up 160.90%
	Number of emergency drills	3600 drills	▲ Up 120.93%
	Number of general or above work-related accidents	0 accident	— Unchanged

### Environmental Performance

Attaching great importance to the impact of production and operation on the environment, we have continuously increased our environmental investment for green development and building the Beautiful China.

		Performance of 2017	Progress from 2016
Environmental investment	Total environmental investment	12.08085 million RMB	
	Investment in energy conservation and emission reduction related technological upgrade	5.277439 million RMB	
Green building	Green building certified area	1.8494 million square meters	▼ 70.63%
Energy conservation and emission reduction	Total energy consumption	7.2524 10,000 tons of coal equivalent	▼ 2.33%
	Energy intensity per RMB 10,000 of revenue	0.0078 TCE / 10,000 RMB	— Unchanged
	Carbon emissions	497,472.14 ton	▼ 8.97%
	Carbon intensity per HKD 10,000 of revenue	0.0419 ton / 10,000 HKD	▼ 16.07%



About Us

Company Profile

China Resources Land Limited (HK1109), as the real estate flagship under China Resources Group, is one of the most strength operator in city Investment and Development in mainland China, commercial property development and operation, and property management service. As of the end of 2017, the Company had more than HKD 574.6 billion of total assets, 30,000 employees, activity in 62 cities and more than 240 projects under development.

CR Land was founded in Beijing in 1994 and was listed on the Hong Kong Stock Exchange in 1996. In 2010, Hang Seng Indexes Co., Ltd. included CR Land in its constituencies, positioning CR Land among the top 50 blue-chip stocks traded on the Hong Kong Stock Exchange.

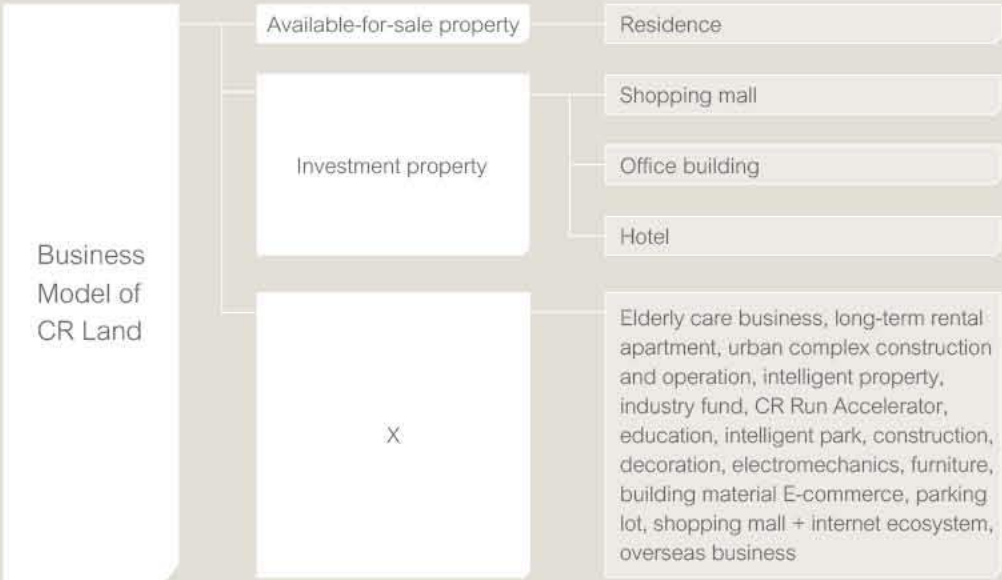
Upholding our brand vision of "better quality, better city", CR Land has rolled out the quality strategy and focused on professional ability development. As an active explorer of innovation, we have continuously attached importance to and enhanced product and service quality and maintaining an industry-leading degree of customer satisfaction to boost urban development and lead commercial progress.



Key Businesses

A business model featuring "available-for-sale property + investment property + X"

During the 13th Five-Year Plan Period, CR Land has developed a business model featuring "available-for-sale property + investment property + X". The model is to focus on the two core businesses of available-for-sale property and investment property, while actively expanding the development of the "shopping mall + internet" ecosystem, property management services, elderly care business, overseas business, construction, decoration and furniture business, and parking lot business among other business segments.





## Available-for-sale property

CR Land is dedicated to providing customers with quality residences and services. In light of China's urbanization patterns, we concentrated our resources in key metropolitan cities, regional central cities and provincial capitals in 2017.

In 2017, CR Land realized contracted sales of RMB 152.12 billion in available-for-sale property with an area of 9.543 million square meters. With 67 parcels in 30 cities, we had a land reserve of up to 41.18 million square meters.



Shenzhen Bay Yuefu



Nanjing Yuefu



Beijing Wanxiangfu



Shenzhen Huarun City



The MIXC Shenzhen



The MIXC Shanghai



Waitan Jiuli, Shanghai



Huizhou Xiaojingwan



The MIXC Taizhou, Jiangsu Province



The MIXC Miyun County, Beijing

## Investment Property

Investment property of CR Land includes shopping malls, office buildings and hotels.

**Shopping malls:** As of 2017, CR Land had established our presence in 22 cities across China and increased the number of shopping centers in operation to 29. With a total area of over 3.5 million square meters in operation, we realized total retail sales of RMB 35.9 billion under partnerships with 3230 global brands, recruiting 3.69 million members.

**Office buildings:** We have 10 office buildings in operation, 22 office buildings on sale and 40 office buildings under construction.

**Hotels:** We have opened 8 hotels and are currently preparing for the construction of 10 hotels.



Innovative Businesses

CR Land focuses on urban upgrade, consumption upgrade, industrial upgrade and technical upgrade, as well as fostering innovative development in regional integrated property development and operation, senior property, long-term rental apartments, industrial community, and culture and sports businesses.

**Urban upgrade:** Participate in agent construction and operation of venues and construction of urban infrastructure for common growth with cities and continuous involvement in urban renewal; steadily advance culture and sports business in light of the overall real estate investment strategy.

**Consumption upgrade:** Roll out the management theme of Transformation, Innovative and Quality Management, continuously boost the development of such innovative businesses as elderly property, long-term rental apartments, culture and education, and overseas property.

**Senior property:** In 2017, CR Land acquired three elderly care projects, became the controlling shareholder of Wuhan Rongji Medical Care Project, and strategically entered the Panzhihua's market; as the new controlling shareholder of Putiyuan Elderly Care Project via capital increase, we further increased the number of beds by 1,000; after negotiations of 8 investment agreements, we further locked in 13,000 beds.

**Long-term rental apartments:** In November 2017, CR Land officially announced our decision to comprehensively expand the long-term rental apartment business, so as to actively advance the brand-based, up-scaled and specialized development of the Chinese rental housing market. Thus far, we have entered over ten cities with net population inflows, including Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Chengdu, Wuhan, Suzhou and Hangzhou.

**Cinema business:** CR Land has established a self-owned cinema brand MIXC Cinema and opened our first Mixc Cinema in MIXC, Buji, Shenzhen.

**Overseas property:** We have set foot into the property market in London and Hong Kong.

**Industrial upgrade:** Thanks to a business foundation across a wide range of sectors, we have made progress in industry resource platform building and project expansion. CR Land has supported the transformation and upgrade of sectors such as technology, agriculture, medical care, industrial parks, and advanced consumption experience and lifestyle changes.

**Technical upgrade:** The MIXC Pro App and Intelligent Community System have been launched. As a digital and Internet platform of CR Land, the MIXC Pro App offers customer service features such as parking space location, queuing in restaurants and bonus points exchange.



Health recovery salesmen signing contract



Interior of MIXC Cinema



CR Land's Property Project in London

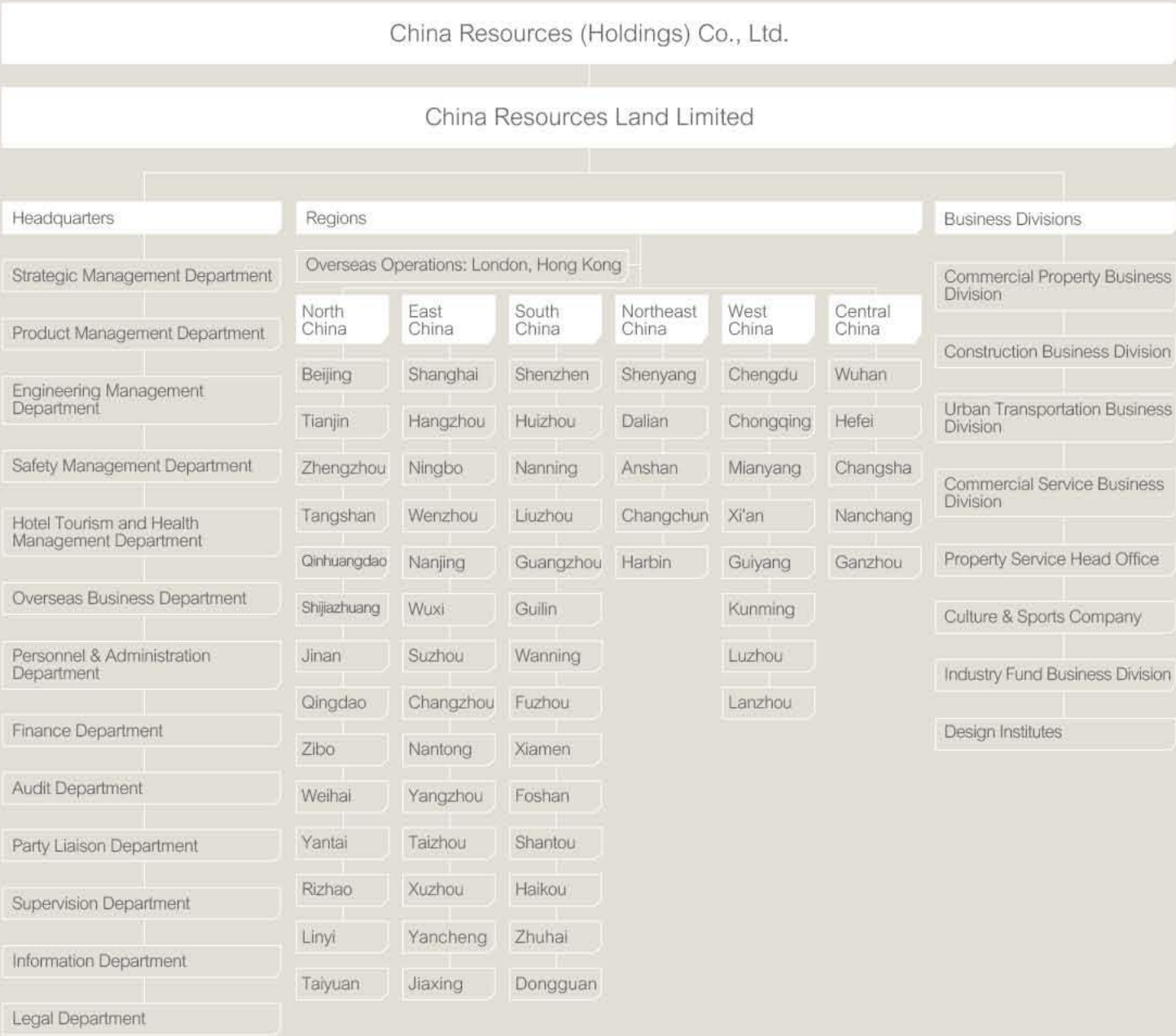


MIXC APP premier

Operating data of the MIXC Pro App as of the end of 2017:  
26 commercial projects  
2.1 million registered users  
120,000 daily active users  
921 million new bonus points generated and 5.768 billion bonus points used

Organisational Stucture

Since 2010, CR Land has followed a three-tier HQ control pattern featuring "headquarters - region - city-based company", structured for matrix management based on the principle of "specialised HQ, solid regions and thriving city-based companies". As of the end of 2017, CR Land had 13 business functional departments, 6 regions, 7 physical business divisions.







CHAPTER

ONE

# DREAM OF VALUE

Repay the Trust of

Shareholders with Honest

and Steady Operation





Integrity

Achieving excellence for Integrity

CSR STORIES

## Reform and Innovation

High-quality development is crucial for sustainable development



In 2017, CR Land implemented the policy requirements of the Central Government, rolled out the management themes of Transformation, Innovation and Development of China Resources Group, and insisted on the "2+X" business model. The three strategic measures of Accurate Investment, Excellent Operation and Reformative Innovation were adopted to strengthen regional business, optimize resource allocation, introduce innovative operating models and expand new businesses. Quality and efficiency were improved for quality development. The record-high key performance indicators like contracted sales and revenue, and steadily improved market share and brand reputation marked a new height of all operations. Through operational reforms, CR Land further improved development quality and laid a solid foundation for more sustainable and higher quality development.



Signed the cooperation framework agreement on Three Centers with Xi'an Municipal People's Government



CR Land Xi'an Three Major Projects were rewarded CR Land the Most Innovative Silver Award



CR Land was rewarded CR Group Special contribution Award: Sustaining Growth Award

### Quality Resources from Innovative Channels

In 2017, CR Land acquired 64 projects via innovative channels like flexible bidding, project cooperation and mergers & acquisitions, increasing by 272% from 18 projects in 2015.

64 272%

The contract-land price reached RMB 104.47 billion, and an additional land reserve of 11.966 million square-meters put the total land reserve to 48.978 million square meters, both marking a record high.

104.47 11.966 48.978

### Remarkable Development

The overall sales amounted to RMB 132.3 billion, generating a return on sales of 87%.

87% 132.3

The consolidated gross margin throughout the year reached 40.3%, marking a noticeable increase from 33.7% in the same period of 2016.

40.3%

Low financing cost is maintained in the industry. The weighted average financing cost of CR Land by the end of 2017 had been kept at 4.16%.

4.16%

### Diversified and Innovative Product Mix

We worked with Xi'an Municipal People's Government via the Three-Centers, establishing a mature model of Venue Construction + Area Development + Industry Introduction and realizing a win-win of economic and social benefits.

3 CENTERS

Actively advanced Internet ecosystem development, we applied the Mixc Pro App in 26 projects nationwide and connected it with Huaruntong.

26



CHAPTER ONE

Chapter Overview

As a market-based and publicly traded state-owned enterprise, CR Land must take honest and steady operation as the foundation of our existence. This is the requirement for our own survival and development, the expectation and trust of shareholders, and more importantly, the fundamental value of a business surviving in the market. For this, we have adhered to the code of conduct of law observance, legal compliance, honesty and uprightness. By advancing operating reforms and strengthening communication with investors, we are able to create and share greater value.



Integrity and Compliance

Regulating Corporate Governance

Well aware of the importance of corporate governance to the sound development of the Company, CR Land and our Board of Directors have been committed to establishing common practices and procedures for corporate governance. We have adopted the corporate governance rules ("Corporate Governance Code") specified in Annex 14 of the Rules Governing the Listing Securities on the Hong Kong Exchanges and Clearing Limited ("HKEx") ("Listing Rules and Guidance"). We have also reviewed the Board of Directors and committees on a regular basis to ensure good and stable corporate operation.

CR Land strictly complies with all laws and regulations. In 2017, we continued to implement the requirements of the Management Measures for the Legal Consulting of State-owned Enterprises. On the basis of our established procedures and systems, we further introduced the CR Land Management Regulations on Legal Risks (V1.0), and updated the CR Land Management Rules on Legal Files (V2.0), CR Land Contract Management Regulations (V2.0) and CR Land External Legal Counsel Management Guidance (V2.0) to further improve our corporate compliance management system.

Furthermore, CR Land included legal risks into our management system for managing all potential risks within our 9 business sectors. We further formulated associated risk prevention measures and a risk tracking and improvement mechanism. The CR Land Legal Compliance Risk Management Database 1.0 (TBC by CR Land) and other risk checking tools were established and incorporated into induction training and regular training of employees.

Building an "CR Land of Integrity"

In addition to the laws and regulations in relation to prevention of corruption, bribery, fraud and money laundering as set forth in the Company Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China, we have required all personnel to strictly comply with internal policies such as the Ten Rules of China Resources and Honest Participation Standards of China Resources Land. Please see Appendix 1 Policies, Laws & Regulations for details on internal policies and external laws.

Generally speaking, we require personnel at all levels to strictly observe the bottom line of integrity, and receive training and awareness education on the laws and regulations concerned. Integrity talks and reports must be organized for appointment and dismissal of leading cadres. Integrity work has been incorporated into annual assessment. To further unblock the complaint and reporting channel, CR Land has set up a complaint hotline, e-mail and website. In 2017, CR Land established the joint investigation working mechanism between the Disciplinary Supervision Department and Audit Department to enhance investigation efficiency.

Meanwhile, CR Land strictly requests business units at all levels to "respect and adhere to all contracts, uphold integrity and credibility, oppose corruption and maintain fair competition". Since the official public announcement of the Sunshine Declaration of China Resources Land in 2011, CR Land has signed the Honest Cooperation Agreement of China Resources Land with business partners for 7 consecutive years to publicly accept supplier monitoring and fight against business bribery.

DATA

75 1,500

In 2017, CR Land organized a total of 75 legal training sessions, with over 1,500 participants.

0

In 2017, CR Land had zero case of non-compliance in relation to corruption, bribery, fraud and money laundering.

90%

Completed 90% of specialized inspection on Clean Party Building of subordinate units.

144 10,784

Organised 144 anti-corruption educational training sessions with 10,784 participants.

107 7,385

Organised 107 awareness training activities with 7,385 participants.



## Protection of Intellectual Property Rights

CR Land has strictly followed the laws and regulations like the Advertising Law of the People's Republic of China and the Trademark Law of the People's Republic of China, and further issued CR Land Management Regulations on Intellectual Property Rights. On one hand, we have safeguarded our intellectual property rights by trademark registration, software copyright registration, patent application, trademark monitoring and opposition, licensing and administrative complaint of intellectual property rights, litigation-based crackdown on counterfeits. On the other hand, we have fully respected the intellectual property rights of our partners, strictly followed the scope of licensing, and assisted them to counteract any infringement.

## Value Sharing

## Communication With Investors

In the principles of Truthfulness and Reliability, CR Land has accurately disclosed information to our shareholders and investors in a timely manner. In order to improve information disclosure, we continued to release monthly business data reports and land acquisition reports, and adopted innovative measures like live business performance briefing session in 2017.

## Economic Contribution

	Unit	2013	2014	2015	2016	2017
Total Assets	100 million HKD	2,818	3,303	3,892	4,422	5,145.7
Net Assets	100 million HKD	-	-	1,318	1,392	1,724
Owner's Equity	100 million HKD	-	-	1,324.9	1,391.6	1,724.2
Revenue	100 million HKD	713.89	883.81	1,033.93	1,093.3	1,185.9
Total Profit	100 million HKD	-	-	196	225	254
Net profit/Profit attributable to shareholders	100 million HKD	146.96	147.08	175.27	195	230
Net profit attributable to owners of the parent company	100 million HKD	-	-	175	195	230
Return on equity	%	-	-	16.0%	16.8%	17.7%
Return on total assets	%	-	-	-	8.11%	7.63%
Preservation and appreciation ratio of state-owned assets	%	-	-	-	113.5%	117.64%
Total taxes	100 million HKD	96	122	167	158	184
Industry Ranking	Place	-	-	8	11	10
Market share	%	-	-	-	-	2.88
Property sales area	10,000 m <sup>2</sup>	578.23	660.09	675.9	733	954.3
Contracted sales	100 million RMB	663.06	692.1	851.5	1,080	1,521
Investment property sales	100 million HKD	46.22	54.36	66.5	73	87.8
Total land reserve at the end of period	10,000 m <sup>2</sup>	3,580.91	4,004.41	4,126	4,485	4,897.8

## DATA

# 571

As of the end of 2017, CR Land had held 571 domestically registered trademarks, including the famous trademark of MIXC.

# 18

CR Land has been awarded 18 domestic patents.

# 164

In 2017, CR Land received 164 investor delegations for project investigations.

# 4 3 2

Received and accompanied 4 key shareholder and group investor delegations.

Organized 3 C-Level executive meetings.

Hosted 2 exchanges of investment banking regions.

# 14

Participated in 14 major investor forums.

## Government and Enterprise Cooperation

Actively working with the government, CR Land has been involved in urban development to improve the quality of cities and urban environment.

## DATA

# 11

In 2017, we assigned 11 backbone members to the Xiong'an New District Specialized Work Team of China Resources Group to advance the coordinated development of Beijing-Tianjin-Hebei Region.

# 3 CENTERS 32

As an active participant of the Belt and Road Initiative, we have worked with the Xi'an Municipal People's Government in an all-round way, and undertook the construction and operation of Xi'an Olympics Center, Xi'an Silk Road International Conference Center and Xi'an Silk Road International Exhibition Center based on the Venue Construction + Area Development + Industry Introduction model.

Continuously exploring overall operation model of the core urban areas, we have constructed and operated livelihood projects for the government. As of the end of 2017, CR Land had won the bid for 32 construction and operation projects and made a cumulative investment of RMB 34 billion.



Photo of Shenzhen Talent Park



CR Land and Tiexi District People's Government entered into a strategic cooperation agreement.



CR Land signing strategic cooperation with Daojiao, Dongguan

## CASE

### Construction of Shenzhen Talent Park

Opened in November 2017, Shenzhen Talent Park is China's first talent theme park and covers a land area of 680,000 square meters. As the constructor, CR Land has designed areas such as Qunyinghui, Qiuxian Building, Talent Building and Amusement Park. Highlights like Talent Walk of Fame, Talent Square, Talent Sculpture Park, Talent Museum and Talent Art Forest have been ingeniously combined to make a public space that respects, services, promotes and inspires the talents.

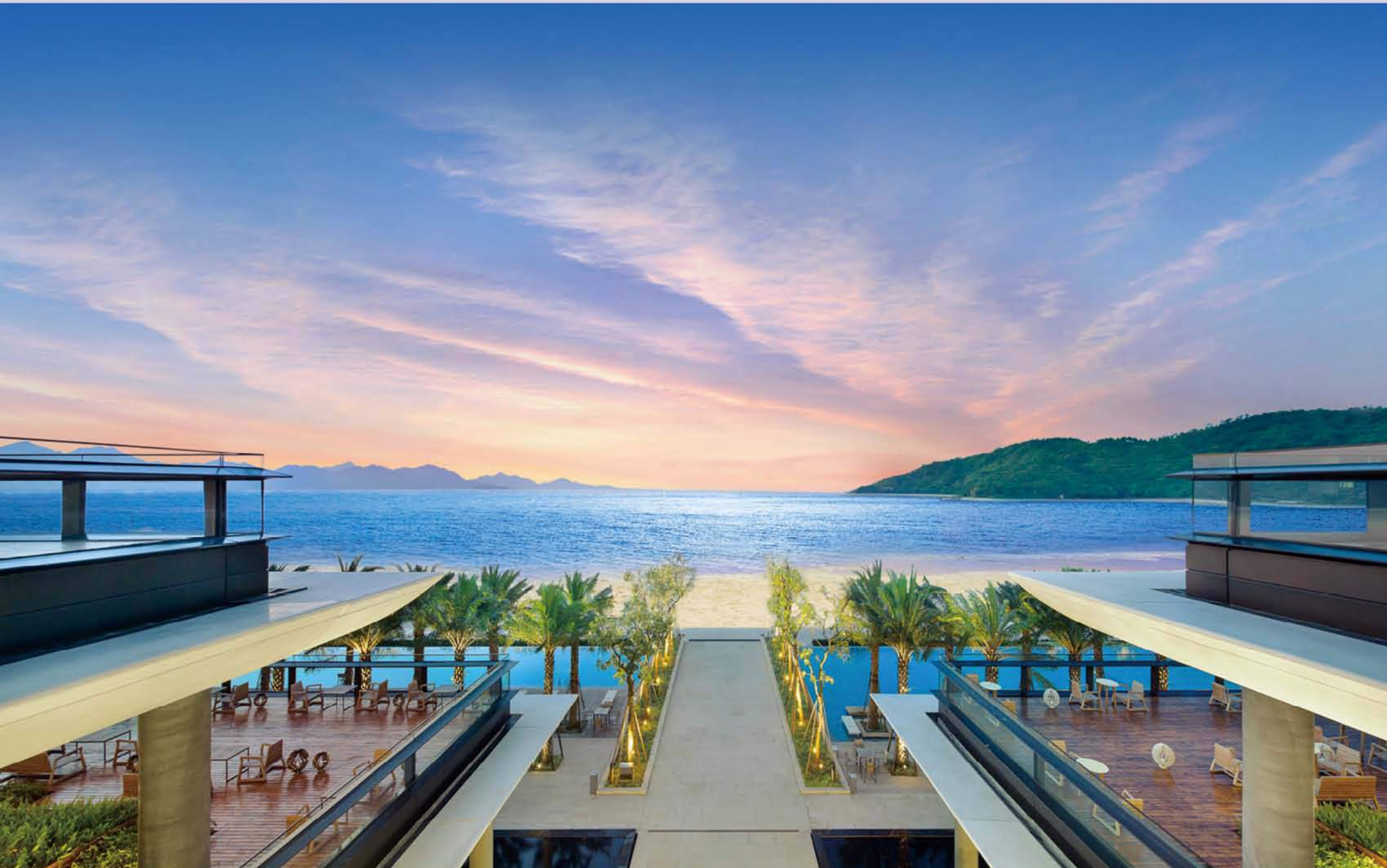
### Establishment of Tiexi District Elderly Care and Health Industry Demonstration Zone, Shenyang

In August 2017, CR Land and Tiexi District People's Government entered into a cooperation agreement for the establishment of Tiexi District into Shenyang Elderly Care and Health Industry Demonstration Zone and improvement of public service level in the region.

### Cooperative Development of Daojiao Technology and Cultural Tourism Town

In August 2017, CR Land and Tiexi District People's Government concluded a strategic cooperation agreement. Unfolding cooperation on various aspects based on respective strengths, the two parties would jointly facilitate the construction of Daojiao Town Cultural Tourism Project, technological innovation, and social and economic development. Furthermore, the partnership was intended to support the development positioning of Guangdong-Hong Kong-Macau Greater Bay Area and Guangdong Province's strategy of Guangzhou-Shenzhen Technology Innovation Corridor.





CHAPTER

TWO

# DREAM OF QUALITY

Deliver Products of Ingenuity

for Customer Satisfaction



## Brilliance

Achieving perfection for Brilliance

### CSR STORIES

## Protect the Owners

Two Security Guards Caught a 70-year-old Woman Falling from the Fourth Floor with Bare Hands



"Don't be afraid, Madame. Lean back. We are going to rescue you!"

Two security guards caught a 70-year-old falling from the fourth floor bare handed! This inspiring story went viral in the Moments during the Qingming Holiday. When the 70-year-old fell from the building, two security guard foremen of Shenyang Oak Bay Phase IV Property Service Center of CR Land—the 44-year-old Bai Lijin and 30-year-old Su Mingqiang—reached out by instinct and caught the old lady with bare hands.

Honors

- 1. Shenyang Mayor Award
- 2. Shenyang Top 10 Young Moral Models
- 3. Shenyang May Fourth Youth Medal
- 4. Shenyang Idol
- 5. CR Land Positive Energy Award

Security Guards Saved a 70-year-old with Bare Hands

It was about 5:25 p.m. on April 4, 2018. A startling scene was spotted in Shenyang Oak Bay—An old lady in red climbed out of the window and sat on the narrow sill of the 4th floor. She might fall at any time.

It was the duty shift time for Bai Lijin and Su Mingqiang. Hearing of the incident, they rushed to the site and continuously soothed the old lady. Meanwhile, the Property Service Center dialed 110, 120 and 119, and initiated the emergency plan. However, the situation escalated. As the old lady moved towards the edge of the sill, Bai and Su immediately climbed over the fence of the ground floor courtyard in case that something went wrong.

A few minutes later, the light-headed old lady fell from the 4th floor. Without hesitation, Su and Bai rushed forward and caught her bare handed.

"It was such an urgent situation that you didn't have much time to think about it. All we could think of was saving her. She dropped into our arms and we hit the ground on our knees."

Property Owners Liked the Chivalrous Act of Security Guards


After their chivalrous act, Bai and Su instantly attracted a huge number of fans among the property owners of Shenyang Oak Bay of CR Land.

Their act was captured by property owners on the scene and uploaded to the Moments and House Owner Group. The story immediately went viral online. Quite a number of property owners contacted the Property Service Center by phone and expressed their concern and gratitude. Some spotted them in the community. "Are you the two security guards saving the old lady the other day? You were amazing! Are you alright? Have a good rest. Thank you for your efforts in protecting our safety. Thumbs up!"

Hearing this, Bai and Su felt warm and said with modesty, "We didn't think much about it, neither do we now. In response to the emergency, we reached out to catch the old lady by instinct. We believe every other member of the team will do the same thing under such circumstance. Keeping the property owners safe is our duty. We wish all property owners of CR Land safe and happy. We will do our best to keep the community safe as always."


After the rescue, Bai and Su were commended by CR Land, Shenyang Property Service Association, Shenyang Federation of Trade Unions and Propaganda Department of CPC Shenyang Municipal Committee, and were named Most Beautiful Shenyang People.






CR net friend

I heard about it during the day and wasn't sure about it until I saw the news in the evening. I would like to salute to the brave security guards Bai Lijin and Su Mingqiang! Rescuing others at the risk of your own life, you are the pride of Red China Resources, the pride of Oak Bay Property Service, and the guardians of CR Land property owners! 🍷



CR net friend

We should commend such positivity! As property owners, we are greatly touched by their bravery! 🍷🍷🍷



CR net friend

I was touched by the video. I will always remember your names. One good turn deserves another! 🍷🍷🍷



CHAPTER TWO

Chapter Overview

CR Land is committed to building a better life for customers with quality products and services. Therefore, we have not only provided quality housing products like residences, shopping malls, office buildings and hotels, but also one-stop life solutions inclusive of site selection, community planning, supporting facilities, landscape design, internal decoration and property service. We aspire to make our customers feel the changes we brought to enhanced living quality, business operation and value appreciation of assets.



CHAPTER TWO

Performance Review

	Before Adjustment	After Adjustment
Survey Frequency	Annual Survey	Node-based Survey
Survey Methods	Phone Interview + Face-to-face Interview	Phone Interview
Survey Subjects	Direct relatives or collateral relatives of owners	House buyers
Survey Scope	Customers of residential buildings	Inclusive of houses of two limits, social security houses and key customers with complaints

Attaching great importance to the continuous improvement in product and service quality, we had greatly improved most key performance indicators in 2017, including customer complaint handling rate and R&D investment amount. However, there was a decline in customer satisfaction from 79 points in 2016 to 75 points in 2017.

The reason for this is partially due to the change in survey methods. CR Land has unfolded customer satisfaction surveys for 13 years in a row. To reflect customer comments more objectively and effectively in a more timely manner and allow the survey findings to guide business improvement more effectively, we comprehensively adjusted the survey methods of residential customer satisfaction in 2017.

In response to the customer requirements during the satisfaction survey and further improve customer experience, we launched the Spring Breeze Action in 2017. For the sake of customer rights and interests, customer experience and customer relationships, we surveyed and resolved unresolved issues of the projects, worked out 1,106 plans and completed 838 plans through the Action. In the future, we will continue to implement the strategy of customer value orientation, safeguarding customer rights and interests, and improving customer service and experience.

DATA

ISO9001

Establishment of ISO 9001 Quality Management System: In June 2017, the Northeast China Region of CR Land was certified to ISO 9001 Quality Management System. The ISO 9001 Quality Management System certification of the other five regions is expected to be completed by the end of 2018.

6 60

Craftsman Program: We have successively sent about 60 employees to Japan for learning and training in 6 batches since May 2017.

3 4 50

"Ingenious Construction, Technology and Virtue" High Quality Lean Management Training: In 2017, we provided lean management training for 50 persons in 4 regions in 3 batches.

56 124

Establishment of technical standardization system: We revised 56 standardization system documents, and introduced 124 new standardization system and current engineering standard documents.

Quality Management

Product Quality Management System

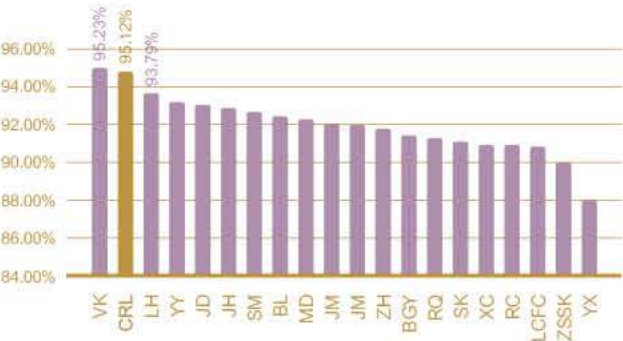
To provide customers with safe and healthy products, CR Land has adhered to laws and regulations such as the Product Quality Law of the People's Republic of China and the Law of the People's Republic of China on the Administration of Urban Real Estate, and further introduced about 100 internal product quality management policies like CR Land Quality Management System Set-up Regulations, CR Land Engineering Quality Standard. Please see Appendix 1 Policies, Laws & Regulations for selected significant internal policies and external laws.

Generally speaking, we have implemented the long-term comprehensive quality management strategy to impose rigorous control on product quality, particularly on health and safety, from design, bid invitation and procurement to construction, acceptance inspection and evaluation. In 2017, we released the CR Land Management Rules on Design Classification of Available-for-sale Property Projects (V1.0) to increase our attention on regional projects under the three-tier control mechanism of "headquarters - region - city-based company". The past year has seen improvement in both project management quality and management efficiency.

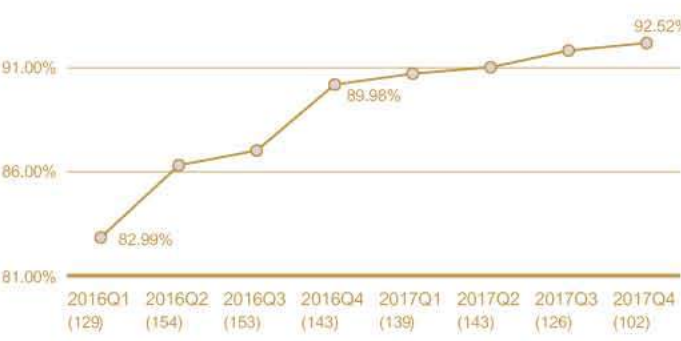
Quality Inspection and Evaluation

Improvement in our third party evaluation and inspection system was seen in the year of 2017. While inspections in response to major quality problems put forward by customers were increased in proportion, the scope of quality inspection and evaluation was expanded to enhance the coverage of inspection on public works and unannounced inspection is adopted when necessary. In 2017, CR Land scored 92.52 points in third party engineering quality inspection, steadily growing from 78 points in Q3 of 2015 to become an industry benchmark.

CR Land Ranked Second in Engineering Quality Inspection in 2017



CR Land's Third Party Quality Inspection Score Steadily Improved





Product Innovation

Customer Research

According to the customer and product research strategy principles of Righteous Living, Systematic Development, Orderly Products, Standard Design and Rational Adjustment, we have formed the CR Land Diagnostic Report of Customer and Product Research Methods and Tools, and CR Land Customer and Product Research Methods and Tools (V1.0). We have further motivated and taught all regions to apply the tools and findings to practical projects, and unfolded the customer and product researches of 6 projects and 6 topics.

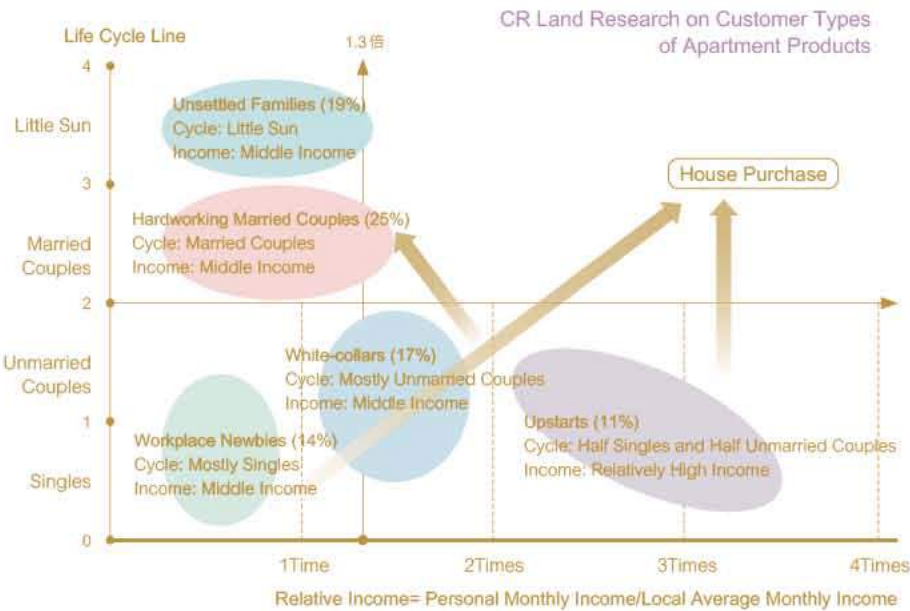
Product Research

	Unit	2015	2016	2017
Technical R&D Investment	RMB 100 million	0.0310	0.0030	0.0391
Number of Researchers	Person	19	22	24

CASE

Apartment Product Innovation

On the basis of customer segmentation and customer requirement mining in light of end-user requirements, CR Land has developed relevant product solutions and formed research reports. Promotion and trial application in South China, East China and West China have been completed, offering systematic product solutions for available-for-sale apartments and long-term rental apartments.



Apartment Products Launched by CR Land

House Type		A. Compact Studio Apartment	B. Standard Studio Apartment	C. Large Studio Apartment (Large Depth)	D. Large Studio Apartment (Large Width)
Evaluative Dimension Category	Floor Plan				
	Room Size	Width x Depth/mm	2400x5500	2800x6300	3300x7000
Functional Modules	Bathroom Module	Whole Bathroom	Separated Bathroom	Separated Bathroom	Separated Bathroom
	Kitchen Module	/	Open Kitchen Counter (No Smoke Vent)	Separate Kitchen Space	Open Kitchen Counter
	Sleep Module	A 1.2-m Wide Bed	A 1.5-m Wide Bed	Separate Sleeping Space with a 1.5-m Wide Bed	Separate Sleeping Space with a 1.5-m Wide Bed
	Activity Module	Couch Area	Desk Area	Two-seat Couch + Tea Table	Two-seat Couch + Tea Table
	Drying Module	Indoor Balcony	Indoor Balcony	Indoor Balcony	Indoor Balcony
Storage Space	Wardrobe (Width x Depth/mm)	1000x500	2400x600	1500x550	600x500+1200x600
	Shoe Cabinet (Width x Depth/mm)	800x300 (15 Shoes & Above)	1000x300 (15 Shoes & Above)	600x300 (20 Shoes & Above)	850x300 (20 Shoes & Above)
	TV Cabinet (Width x Depth/mm)	2050x300	/	1800x300	2100x500
	Wall-hung Cupboard (Width x Depth x Height/mm)	/	1950x400x900	2250x400x900	2200x400x900
Energy Efficiency	Area (m <sup>2</sup> )/Rent (RMB)	13.2	17.28	22.74	26.1

CASE

Long Life Cycle Residences

In face of high housing prices, CR Land has developed long life cycle residences adaptive to the changes of family structure and life scenarios in the hope of providing more sustainable residence products. Such research findings as CR Customer Group Design Guidelines and Highlights, and CR House Type Space Design Guidelines for Land Long Life Cycle Residences have been applied to the China Resources City Phase IV Residences in Dachong, Shenzhen and seven residences in Changping District North, Beijing.



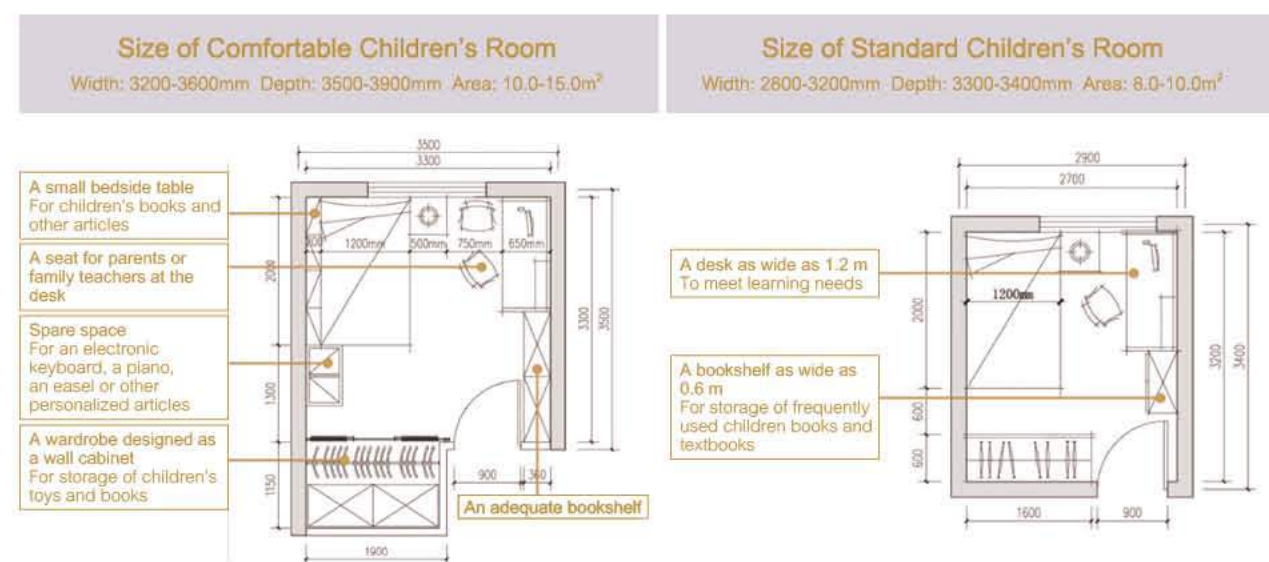
### Three Stages of Children's Living Needs and Standard Floor Plan of Children's Room

According to surveys, the children's living needs can be divided into three stages:

1. Newborns: Generally sleep in the crib placed in the master bedroom which should be spacious enough to put a crib on the side of a double bed.
2. Preschoolers: Generally sleep with their grandparents or the nanny in the secondary bedroom with a queen-size bed and no desk.
3. Schoolers: Generally sleep alone in their own room with a desk for a quiet learning environment.

- Therefore, schoolers' room should be equipped with a bed (mostly 1.2-m wide single bed and bunk bed), a desk, a wardrobe and a bookshelf.
- On the basis of the abovesaid configurations, schoolers' rooms can be categorized into comfortable rooms and standard rooms as per room size:

### Long Life Cycle Residence Research Project Findings under the Partnership of CR Land and Tsinghua University

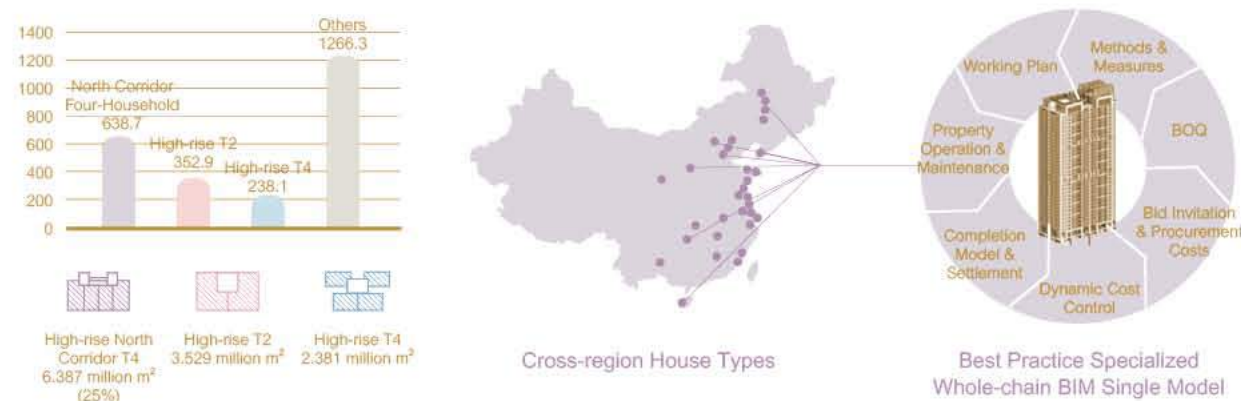


## CASE

### Strategic Application of BIM Technology

Rapidly calculating the best practice single model of frequently used house types of cross-region residences via BIM technology, CR Land has established an unobstructed chain of design, costing, bid invitation and procurement, construction, and property operation, shortened the overall project development cycle, achieved fine control of construction costs, and realized online operation and management of general design projects.

### CR Land Product Informatization (BIM) Project Chart



## Customer Service

### Service Quality Management System

To protect the rights and interests of customers and improve service quality, CR Land has strictly followed the laws and regulations concerning advertising, labeling and privacy as provided in the Law on Protection of the Rights and Interests of Consumers of the People's Republic of China, the Advertising Law of the People's Republic of China and the Trademark Law of the People's Republic of China. Furthermore, we have introduced internal policies such as CR Land Guidelines for Customer Complaint Handling, CR Land Regulations on CRM Customer Information Extraction and CR Land Regulations on Customer Satisfaction Surveys. Please see Appendix 1 Policies, Laws & Regulations for details.

### Project Information Release

Information such as latest policies, corporate and project certificates, commodity house purchase and sales contract, project construction indicators, adverse factors, project progress and delivery time, facade and house delivery criteria, and building energy conservation should be released.

### Price Information Release

The available houses released should be consistent with those released in the government information system; the price list for each house should be released; sales discount should be released and on site discount should not be lower than the released discount; employees entering into false house purchase contracts should be prohibited to prevent hoarding of available houses; excessive increase in sale price of pre-sold houses of the same batch within a short period of time should be prohibited; bundle sales and other illegal acts should be prohibited, and rigorous internal audits should be conducted to ensure information equivalence and fair dealing.

### Customer Risk Warning

The release of information in relation to sales tools and publicity like sales ads, publicity materials, sample houses, sand table information, brochures and information of supporting facilities is standardized to eliminate false publicity and warn customers against potential risks.

### Customer Privacy Protection

Customer information is managed by specially-designated personnel via Mingyuan systems. Customer information sharing among projects is prohibited. All customer information is uniformly managed by the Headquarters.

## Integrated Management of Commercial Members

Advancing its integrated member management of commercial property system in 2017, CR Land realized the integration of member systems of nationwide projects. Furthermore, membership business was restructured in terms of reward, recognition, communication, operations and maintenance and interaction.



## Rebuilt Customer Information Service Platform

Taking the opportunity of rebuilding the CRM resource management platform, CR Land has restructured the customer relation work flow based on customer concerns at different stages, and introduced an information platform for online interaction with the customers.

### CASE

#### Chengyijia Mobile Customer Service Trial Operation

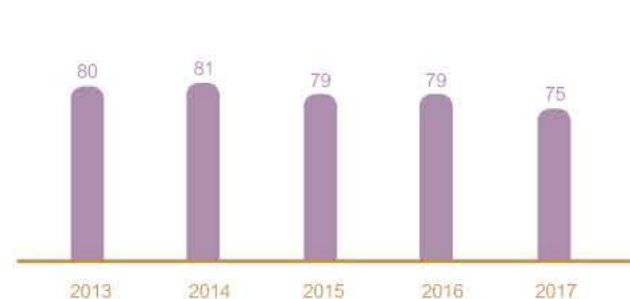
CR Land East China has put the mobile customer service Chengyijia WeChat platform into trial operation, so as to provide customers with convenient reporting and repair request channel. Delivery appointment, Neighborhood Circle, Community Announcement, CR Life and Zhima Kaimen services are also available.

## Active Response to Customer Complaints

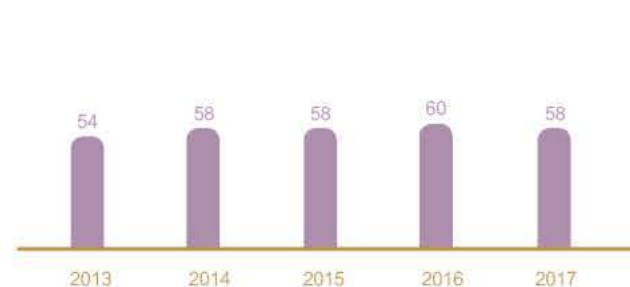
CR Land has upgraded the Headquarters Complaint Channel to respond to property owners within 24 hours, keep the customer complaint channel unobstructed and ensure that all customer complaints are rationally resolved.

## Improved Customer Satisfaction

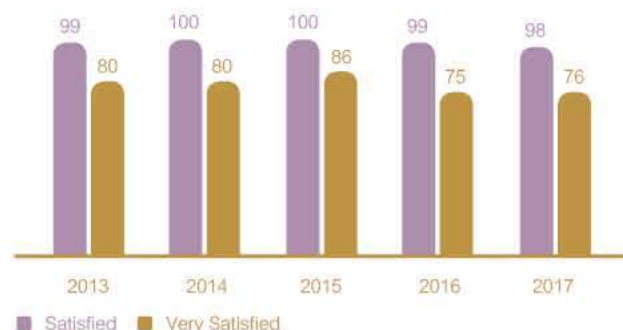
CR Land Customer Satisfaction over Previous Years (%)



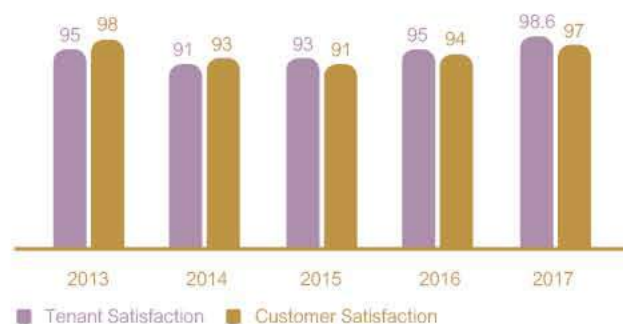
CR Land Residence Customer Loyalty over Previous Years (%)



CR Land Customer Satisfaction in Self-owned Office Buildings over Previous Years (%)



CR Land Commercial Property Customer Satisfaction over Previous Years (%)



### DATA

5,194  
99.86% 13.5  
89.73%

In 2017, CR Land handled 5,194 customer complaints in relation to commercial projects nationwide, and resolved 99.86% of these complaints. These complaints were handled within 13.5 hours on average, generating a complaint handling satisfaction rate of 89.73%. There was no major customer complaint affecting the reputation of CR Land.

98.5%

And 98.5% of the customer complaints in relation to residential projects were resolved, marking an increase from the previous year.

### CASE

#### Spring Breeze Action

In 2017, CR Land put forward the strategy of improving core competitiveness oriented towards customers and required managers at all levels to enhance the awareness of customer rights and interests, customer experience and customer relations. To implement the strategy of customer value orientation, we launched the Spring Breeze Action to comprehensively survey the unresolved issues of the projects of city companies. The Nine-step Approach of Spring Breeze Action was worked out to guide project implementation and thoroughly resolve the unresolved issues over time. The remarkable achievements of the first round of Spring Breeze Action have helped safeguard customer rights and interests, and improve customer service and experience.



CR Land property owner activities







CHAPTER

THREE

# DREAM OF EMPLOYEE CARE

Safeguard Employees' Rights,

Support Their Development



CHAPTER  
THREE

Chapter  
Overview

At CR Land, human resource is viewed as the primary productive force. We are well aware that our achievement of common goals relies on the effort made by each of our employees. So we are working to create a workplace with fair and equal employment opportunities and a working platform for our employees to exhibit their capacities and good ideas. We give everyone at CR Land opportunities to maximize their value and reach their full potential while respecting and protecting their rights as workers.



CHAPTER  
THREE

Performance  
Review

In 2017, the total number of employees at CR Land increased by 13.61% and the number of new employees increased by 32.7% compared with the previous year. In addition, an increase was seen in the proportion of female workers, investment in health management for employees, training hours per employee and some other indicators, while a slight decrease was observed in the turnover rate.

A decrease was seen in two indicators: the proportion of women in management decreased from 28% to 16% and level of employee engagement dropped from 86% to 85%. In 2018, more attention will be paid to career development of female employees and improvement of employee engagement, which will be parts of our long-term efforts to improve human resource management.

Our Employees

By the end of 2017, CR Land had a total of 38,087 employees with an average age of 32.7, including 37,681 full-time employees. Female employees accounted for approximately 34.60% and 16% in the workforce and management respectively. A total of 19,669 new employees joined us in 2017, including 383 fresh graduates. The annual turnover rate in 2017 was 26.53%.

Number of Employees at CR Land in 2017

Type		No. of Employees
Total		38,087
By gender	Male	24,910
	Female	13,177
By employment type	Full-time	37,681
	Part-time	406
By rank	Senior management	302
	Middle management	689
	General employees	37,096
By educational background	Post-graduate degree	3,106
	Bachelor's degree	11,077
	Junior college degree	8,662
	High school graduate or did not complete high school	15,242
By age	< 30	17,119
	30-50	19,359
	> 50	1,609
By region	Headquarters	443
	Northern China	3,891
	Eastern China	3,510
	Southern China	2,792
	Western China	2,370
	Northeastern China	1,652
	Central China	1,666
	Business Divisions	21,763

Attrition Rate & New Employees at CR Land in 2017

Type		No. of Employees
Total number of employees turnover		14,223
Turnover rate		26.53%
By gender	Male	10,159
	Female	4,064
By age	< 30	8,737
	30-50	5,182
	> 50	304
Total number of new employees		19,669
By gender	Male	13,742
	Female	5,927
By age	< 30	12,570
	30-50	6,793
	> 50	306

Note: Annual turnover rate=the number of employees left in the year/ (total number of employees at the beginning of year+ total number of new employees) ×100%



Protection of Rights

Legitimate Employment

In addition to complying with the Employment Law of the People’s Republic of China, the Contract Law of the People’s Republic of China, the Regulations on Minimum Wages and other laws and regulations, CR Land is also committed to improving our internal human resource and management systems. A series of internal policies, such as CR Land Regulations on Recruitment Management and CR Land Employee Handbook, have been developed to protect employees' lawful rights in terms of employment, promotion, resignation, demission, working hours, leaves and holidays, equal opportunities, diversification, salaries and benefits. We provide employees with a safe and healthy working environment and prohibit discrimination, child labour and forced labour in any form. Relevant policies, laws and regulations are provided in Appendix 1: Policies, Laws & Regulations, and for more information, please refer to the remaining of this chapter and our official website.

In 2017, no case concerning discrimination, child labour or forced labour were identified within CR Land. The practice of labour contracting complies with the national requirements of “three characteristics” staff coverage and 10% proportion size.

Optimized Compensation and Benefits

A compensation system consisting of wages, salaries, bonus and mid- and long-term incentives has been developed by CR Land based on management principles and performance culture that encourages high performance, strong incentives and growth. We offer employees of high value and potential with extra incentives while ensuring an overall salary level above the market average.

Additionally, a caring benefit system has been developed by CR Land taking into account both legal regulations and specific needs of our employees.

**Five insurances & housing provident fund:** we make five insurances and housing provident fund contributions for our employees as required by laws;

**Leaves & holidays:** Our employees are entitled to extra annual leaves, in addition to statutory holidays, public holidays, annual leaves, marital leaves, maternity leaves (including antenatal examination leaves, maternity leave, breastfeeding leave, paternity leave, etc.) and bereavement leave;

**Housing benefits:** fresh graduates without residence in the city they work in are entitled to rental allowance, and employees that purchase commercial residential houses from CR Land are entitled to a discount.

**Other benefits:** holiday compensation, marriage, birth and funeral subsidies, support from the Union, working lunch, annual physical examination, commercial insurance, etc.

Promotion of Democratic Management

CR Land has established a "top down and bottom up" two-way communication system, and offered multiple communication channels between company management and employees by setting up the Union and Democratic Life Club.

Established in August 2009, the Union, affiliated to Shenzhen Commercial and Financial Labour Union, is the only non-commercial entity of CR Land in Shenzhen. With 23 working units, the Union adopts a direct entry membership policy under which employees are enrolled in the Union when they join CR Land.

	Unit	2013	2014	2015	2016	2017
Total number of employees	Person	21,874	28,452	31,481	33,524	38,087
% of employees signed an employment contract with CR Land	%	100	100	100	100	100
% of employees signed a collective bargaining agreement with CR Land	%	-	-	100	100	100
% of employees participated in the social insurance scheme	%	100	100	100	100	100
Employee engagement	%	80	82	85	85	85
Employee satisfaction	%	-	84	87	88	88
Turnover rate	%	-	-	39.68	27.13	26.53
Average age of employees	year	-	31.6	31.8	32.2	32.7
% of female employees	%	35.00	34.50	34.05	34.34	34.60
% of women in management	%	-	-	0	28	16
Average number of days of paid leaves per employees	Days	>6	>6	>6	>6	>6
Employee training rate	%	-	-	-	-	86%
Total investment in employee training	RMB 10,000	-	-	-	-	3,100
Investment in training per employee	RMB/Employee	-	-	-	-	815.8
Average training hours per employee	Hrs	-	-	3.76	6.42	9.55
Comprehensive turnover rate	%	-	-	39.68	27.13	6.53
Number of new employees	Person	-	10,458	10,716	14,822	19,669
Number of fresh graduates employed	Person	466	840	287	338	383







Promotion of Mental & Physical Health

CR Land advocates the concept of "enjoyable work and healthy living" and focuses its health management efforts on staff health and occupation health to promote both mental and physical health of our employees.

CR Land Training System:

- 1. CR Land Management System Training Programme
- 2. Urban General Manager Cultivation Programme
- 3. MIX Talent Programme
- 4. Spring Bamboo Programme
- 5. CR Land Project Quality Training Programme

CASE



Physical exercise during break in Central China Region



Volunteer physical examination in Zibo China Resources Oak Bay Residential Project in Northern China Region



Stars of the Future Training Camp



Occupational Lecture: Develop Optimistic Attitude & Relieve Pressure



CR Land+80Y Happiness at Workplace



Golden Sunflowers Award

DATA

1,373.90

The Company invested RMB 13,739 million in employee health management.

23.04%

The number of employees participated in physical exercise activities increased by 23.04% compared with that of the previous year.

100%

All of our employees received general and occupational physical examinations and held medical records.

0

We recorded zero occupational disease per 1,000 employees.

5.3%

The percentage of employees with normal BMI increased by 5.3% compared with that of 2016.

Career Development

Employee Training

CR Land Training System, designed to communicate CR Land culture and supported by internal policies like the CR Land Employee Handbook, the CR Land Training Management Regulations, the CR Land Internal Trainer Management Regulations, aims to develop three supporting systems including the IT-based training management system, e-learning system and internal trainer & course development system, and to offer long-term leadership, professional skills and general skills training programs.

Type of training	Leadership training	Professional skills training	General skills training
Purpose	To nurture management experts, broaden their horizon, expand technological application and build up their management capacities	To sum up and implement professional management philosophies, and build up professional capacities to organize and create value	To nurture general employees, build up their general capacities and promote their career development
	Comprehensive leadership training for middle management	Technician Program participants received training in Japan	Future manager leadership training for young employees

DATA

38,000  
65,877 9.55

In 2017, a total of 38,000 employees (65,877 person-times) received training with an average of 9.55 training hours per employee.

38,000,000  
815.8

A total of approximately RMB 38 million was invested in training, equivalent to around RMB 815.8 per employee.



CR Land Employee Training Data in 2017

Employee Type		Number of trained employees (person-time)	Percentage of trained employees (%)	Number of training hours	Average number of training hours
Total		65,877	100%	629,228	9.55
By gender	Male	39,853	60%	418,795	10.51
	Female	26,024	40%	210,433	8.09

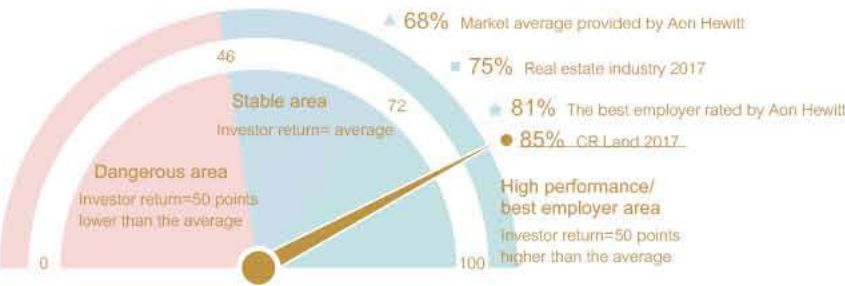
Performance Evaluation & Promotion

Employee performance and qualification for promotion are evaluated using a two-way development path with a supervisory sequence and professional sequence based on CR Land Rules of Employee Promotion at Headquarters. We support employees' development into good managers and professionals through policies and initiatives such as mentoring system, rotation system, internal talent movement, career planning for key positions and leadership building. Approximately 25% of employees (excluding managers) at our headquarters were promoted in 2017.

Employee Satisfaction & Engagement

CR Land has hired a third party body to conduct employee engagement survey for more than a decade. Every year, we have discussion with our employees, departments and management based on survey results to develop action plans to improve employee satisfaction, improving human resource management.

In 2017, 50% of our employees (excluding employees joined the company after June 2017 and employees on long-term sick leave or maternity leave) were included in the employee satisfaction and engagement surveys conducted by Aon Hewitt, a third party body, with a 98% return rate. According to the survey results, employee engagement and satisfaction reached 85% and 88% respectively, allowing CR Land to reach the best employer area. Our employee engagement was 4% higher than best employer level in China in 2017 and 10% higher than industry average. Our headquarters reached the best employer area with an 82% employee engagement, and 90% of our branches reached the best employer or high performance area in terms of employee engagement.



Employee Care

Help and Support Employees with Economic Difficulties

CR Land establishes a Caring Fund for Basic Level Employees as a part of its employee caring system. For instance, In 2017, the Fund used RMB 400,000 to help 5 employees with serious diseases in Eastern China Region. Moreover, party committee and labor union from different city companies also supported those employees and party members who need help in Eastern China Region. In 2017, we offered RMB 36,000 financial support to 36 employees who need help.

Work and Life Balance

CR Land regard employees as the most valuable assets. We provide a multidimensional variety of employee care programs to promote their senses of community.







CHAPTER

FOUR

# DREAM OF WIN-WIN COOPERATION

Catalyze Industry

Development in Collaboration

with Partners





## Exquisiteness

Achieving responsibility for Exquisiteness

### CSR STORIES

## CR Run Accelerator

A Platform for Entrepreneurs to  
Realize their Dreams



Staying with the brand philosophy of Quality Brings More Changes to Cities, and keep continuously strengthen innovation on different field, as a constant innovator, CR Land set up Run Accelerator Start-up Service (Shenzhen) Co., Ltd. (Run Accelerator), a wholly-owned subsidiary. This wholly-owned subsidiary, integrating business and industry resources of CR Land, offers a wide range services from investment, financing to operation, facilitate cooperation between start-ups and large-sized companies in business or strategic investment and makes possible resource sharing and mutually rewarding cooperation.

### Effective Interaction between Finance & Industry

Since 2016, Run Accelerator has helped 18 start-ups gain access to industry resources of CR Land, CR Consumer goods, CR Power and CR Gas. Over 40 domestic and overseas teams locate their businesses in Run Accelerator, and approx. 50% of these teams raised fund by financing or gained access to industry resource/capital of China Resources in the course of accelerated development.

18 40  
50%

### Characteristic Ecosystem for Innovation

By 2017, Run Accelerator had established strategic cooperation with nearly 20 prestigious universities and research institutes at home and abroad, such as Columbia University and Massachusetts Institute of Technology, and with over 150 organizations ranging from investment organization, start-up service providers and industry organizations.

20 150

Cumulatively held more than 30 events by Run accelerator over the years, gradually forming a innovation ecosystem with CR characteristics and kept improve influence of China Resources' innovations in the industry.

30

### Enhancing Market Recognition

Run Accelerator 1.0 set up by CR Land is operating well in Shenzhen Technology Park with a leading position in the region in terms of occupation rate and rental price level with relatively high market recognition.

1.0

To meet our business needs, Run Accelerator will open another five new platforms such as Run Accelerator 2.0 (Shenzhen Hi-tech Park) and 3.0 (Guangzhou Development Zone) to allow for multi-platform operation across cities.

2.0 3.0

### Image Building of Run Accelerator as a Venture Capital Investor

By 2017, activities of Run Accelerator had been reported in 60 articles on media platforms with a single article having up to 100,000 clicks.

60 10

Run Accelerator has over 100 online social groups, and some of these groups like WeChat group and Facebook account etc., which covered more than 50,000 followers.

5

### Run Summit

International cooperation, direct access to the latest technologies



### Industry Accelerator Camp

Cooperation in innovation, think tank & mentors



### Run Market

Innovate. Experience, a galaxy of experts



### Access to Industry Resources

Access to high-quality resources of China Resources in different sectors





CHAPTER  
FOUR

Chapter  
Overview

Development of CR Land largely depends on support from our partners. Over the years, we signed Sunshine Declaration with all of our partners, and standardized our IFB and procurement process with rules, agreements, ideas and actions. We are committed to a robust and transparent supplier cooperation system. We are working to promote the healthy development and continuous progress of the entire industry through cooperation with suppliers, government agencies, research institutes and industry organizations.



DATA

8,591 100%  
2,980

In 2017, CR Land signed 8,591 contracts with suppliers; all of them signed "Sunshine Declaration" and "Standards for integrity partnership. A total of 2,980 suppliers engaged in our Sunshine Declaration activities.

100%

All of our suppliers are certified according to quality and EHS management systems.

49

In 2017, 49 suppliers were graded as D (blacklist) by CR Land at different regions.

Responsible Purchasing

Standardized Procurement

With a commitment to a standardized, fair and transparent bidding-based procurement system, CR Land has developed a series of internal management systems, such as CR Land Sourcing and Tendering Management Policy and CR Land Implementation Guidelines of Strategic Procurement Management. In 2017, we revised Regulations on Supplier Management of CR Land and Rules for Construction Supplier Grading of CR Land. These policies well define our procurement process and evaluation standards.

At CR Land, suppliers are graded as A, B, C and D, and evaluated based on their project quality, progress control, contract management, EHS management and coordination. Annual quality meetings and regional supplier meetings are held to facilitate mutual communication. In addition to honoring good suppliers with Quality Management Awards and Grade A Supplier Certificate, we also improve performance and percentage of good suppliers during bidding process using performance evaluation results, and establish long-term cooperation with good suppliers, facilitating suppliers' improvement in business ethics, product and service quality as well as EHS management.

Number & Grading of CR Land's Suppliers by Region

	Total	Northern China	Eastern China	Southern China	Western China	Northeastern China	Central China	Graded as by headquarters
Total number of suppliers	2,980	861	694	528	348	286	263	-
Grade A	31	8	2	8	1	12	0	4
Grade B	364	104	8	34	71	147	0	-
Grade C	771	267	320	42	70	72	0	-
Grade D	49	5	6	18	10	3	0	7



## Green Procurement

In order to raise awareness of environmental responsibility throughout the supply chain, CR Land has developed stringent energy saving and environmental technical requirements for suppliers. Taking the procurement of central air conditioning systems for commercial properties as an example, we required energy saving technology of the equipment achieve level 1 energy efficiency, and produced by ISO9000 management and ISO14000 environmental system certified manufacturers.

## Industry Development

### Industry-University-Institute Cooperation

Playing an active role in cooperation with higher education institutions and research institutes, CR Land engages in researches on technical innovation to address challenges facing prefabricated building construction, and applied our research achievements to development of new industry and association technical standards to drive development of the industry.



Shimin Su Academy

### CASE

#### CR Land + Tsinghua University

Research on design of superimposed sheet without reinforcing bar of prefabricated panel support

#### CR Land + Tongji University

Technical research on addressing splice grouting defect

#### CR Land + Xiangtan University

Research on smart & NDT of splice grouting

#### CR Land + China Academy of Building Research

Research on key technologies of prefabricated concrete external walls

## Roles in Industrial Organizations

In 2017, the Urban Transportation Business Division of CR Land become an executive member of Static Transportation Branch of China Communications and Transportation Association and participate the first Static Transportation Forum. CR Land serves as member and Deputy Chairman at Tianjin Parking Association and Chairman at Chengdu Parking Association. CR Land also engages in setup of Shenzhen Parking industry alliance.

## Development of Industry Standards

CR Land conducts ongoing technical research in the field of construction industrialization and plays an active role in cooperation to higher education institutions and research institutes in technical innovation and research. CR Land participate in development of standards like Applied Technical Standard for Precast Concrete Facade Panel and Applied Technical Procedures for Reinforcing Bar Truss Composite Floor Slabs.

## Cross-industry Cooperation

CR Land creates constant driving force for our own and industry development by in-depth cross-industry cooperation with partners outside real estate industry.

### CASE

#### CR Land + China Construction Bank

Cooperation in construction of apartments for long-term lease

#### CR Land + Mindray

Cooperation in smart medical service provision and construction of industry park and special town

#### CR Land + Dongfeng Motor Corporation

Serve as constructor of an 8,000,000-square-meter property for Dongfeng Motor Corporation

#### CR Land + BNBK

Cooperation in development of innovative construction materials like wall system

#### CR Land + Insigma

Cooperation in construction of smart cities and special towns

#### CR Land + rail transportation providers in Shanghai, Ningbo, Hangzhou, Qingdao and Nanchang

Cooperation in construction of properties above rails. CR Land was honored with the title as Demonstration Brand of Rail Transportation Resource Operator by China Urban Rail Transit Association.

#### CR Land + Tencent

Strategic Cooperation on intelligent community, electronic payment, big data, cultural innovation and the Internet of Things.



CR Land signed strategic cooperation agreement with Dongfeng Property Management



Cooperates with CCB on apartment leasing market





CHAPTER

FIVE

# DREAM OF GREEN DEVELOPMENT

Construct Green Buildings

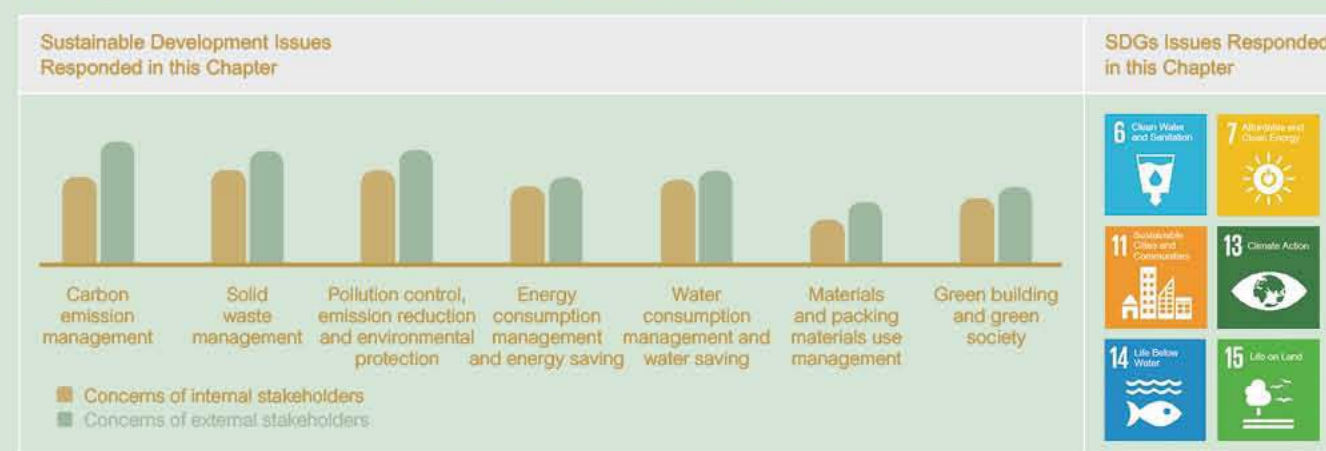
and Protect

the Environment



CHAPTER  
FIVEChapter  
Overview

For developers, building a harmonious relationship between their business and the environment is an important part of their social responsibility. Therefore, CR Land, based on national strategies of building Beautiful China and Healthy China, will fully implement green and healthy strategies into every part of our 13th five-year plan. Guided by the goal to have 100% of building labeled with green building design and 60% labeled with green building operation, CR Land takes effective actions to protect the environment throughout project process from design, construction, operation to management.

CHAPTER  
FIVEPerformance  
Review

In 2017, we invested a total of RMB 12.08 million in environmental protection during project operation, increased by 18.21% compared with the previous year.

An improvement was seen in most key environmental performance indicators, and a reduction to varying degree was found in indicators like comprehensive energy consumption, energy consumption per RMB 10,000 revenue, carbon dioxide emission and carbon dioxide emission per RMB 10,000 revenue.

The only negative change was identified in the area of certified green building. The area of certified green building decreased from 6.2967 million square meters in 2016 to 1.8494 million square meters in 2017, decreasing by approx. 70%. So we held a Green and Healthy Strategy Reporting Meeting in April 2018 to reflect on the causes of such decrease. At the meeting, we made a decision to further our efforts to achieve the goal to have 100% of building labeled with green building design and 60% labeled with green building operation, in the mean while set one-star green building certification as the bottom line for our buildings, include green building certification into our internal evaluation system and further improve follow-up management system. In 2018, we will direct our efforts to:

<p>CR Land Technical Grading Standards for Green and Healthy Building</p>	<ul style="list-style-type: none"> <li>Cost calculation</li> <li>Collection of data about the extent to which technologies are applied</li> <li>Seven-pairs-of-eyes analysis</li> <li>Cost/customer sensitivity analysis</li> <li>Technical grading standards</li> </ul>
<p>Suggestion for Star Rating of CR Land Green and Healthy Building</p>	<ul style="list-style-type: none"> <li>Estimation of increase in cost of buildings with different number of stars</li> <li>Suggestions for star rating</li> </ul>
<p>CR Land Management of Green and Healthy Residential Building and Support to Execution</p>	<ul style="list-style-type: none"> <li>Technical standards -Green &amp; Healthy</li> <li>Process tracking, document filing</li> </ul>
<p>CR Land Green and Healthy Strategy Whitepaper</p>	<ul style="list-style-type: none"> <li>Key technologies to be promoted</li> <li>Product value system</li> <li>Green and healthy strategy</li> </ul>

## DATA

1,208  
18.21%

In 2017, CR Land invested a total of RMB 12.08 million in environmental protection, increased by 18.21% YoY.

527

The investment in technical renovation on energy saving and emission reduction reach RMB 5.27 million during operational stage.

1,160

About 1,160 person-time attended training sessions of environmental management.

## Environmental Management

## Environmental Management System

Attaching great importance to environmental protection as well as energy saving and emission reduction, CR Land has formulated Energy Saving and Emission Reduction Management Norms of CR Land, Sewage Discharge Management Regulations of CR Land, Green and Energy-Saving Building Management Plan of CR Land and other internal policies, based on our strict compliance with the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste as well as other laws and regulations, as the guidance for some environmental issues regarding solid waste, waste water, noise, air pollution, light pollution, energy consumption management, carbon emission and climate change, biodiversity, ecological resilience and the like. In 2017, we have further prepared the Guidance on Green Building Technologies and Management for Commercial Projects under Construction of CR Land to define the goal, roles and responsibilities as well as work flows of the green building for commercial projects, and to guide the green construction of commercial projects under construction. Relevant policies, laws and regulations have been specified in "Appendix I: Policies, Laws & Regulations". For more details, please refer to the following content of this Chapter.

## Environmental Management Measures

**Solid Waste Treatment:** Based on the "collection and segregation, separation in storage and transportation" principles, construction and domestic waste are centrally disposed of, while hazardous waste, such as lamps, batteries and toner cartridges, is handled by certified third-party agencies for treatment and recycling.

**Waste Water Treatment:** Rainwater and sewage water diversion, mid-stream water reuse and other methods of water treatment are applied for commercial waste water. For septic tanks and grease traps, professional third parties are hired for cleaning, collection and disposal.

**Noise Pollution Management:** Noise reduction measures have been taken to reduce the noise generated from equipment. For example, we have installed noise directional diversion shields on the cooling tower fan.

**Air Pollution Management:** Indoor air quality in commercial buildings is mainly managed by the air-conditioning system, air ventilation and car park air quality monitoring system. At the same time, fume from restaurant, odor from decoration construction work are also purified before discharge.

**Light Pollution Control:** We conduct strict qualification inspections for light pollution, urge operating staff to wear safety equipment and have set up screening facilities.

**Material Recycling:** We encourage the recycling of waste materials in construction projects and local communities, such as disposable aluminium, steel and bricks, etc.



**Energy Consumption Management:** In 2017, all existing and constructing commercial projects were included within the energy consumption platform. We completed platform construction and data preparation for 11 commercial projects, including The MIXC Shenzhen and The MIXC Shenyang, and the first acceptance of 7 operating commercial projects, including The MIXC Zibo and Multicoloured City, Beijing. In addition, CR Land held a kick-off meeting for the construction of energy consumption and efficiency management platform for hotel projects and initiated the construction of energy consumption and efficiency management platform for hotel projects in operation.

**Carbon Emission Management:** In 2017, CR Land emitted 497,472.14 tons of carbon dioxide and there is 0.046 tons of emissions per RMB 10,000 operating income. The major source of emissions was the purchase of electricity, accounting for 95.03% of total emissions. Among them direct emissions is 17,064.06 tons, accounting for 3.43%, while indirect emissions is 480,408.08 tons, accounting for 96.57%.

Achievement of China Resources Land Energy-Saving Targets

Indicators	Unit	2014	2015	2016	2017	YoY Comparison
Comprehensive energy consumption	10,000 tons of standard coal	4.73	6.0983	7.4254	7.2524	-2.32%
Power consumption	KWh	33,633.96	42,091.8424	51,909.6055	5,2327.0958	0.80%
Gasoline consumption	Ton	1,192.92	863.7235	488.7984	302.9394	-38.02%
Diesel consumption	Ton	555.53	418.5135	319.1610	211.8901	-33.6%
Natural gas consumption	10,000 standard cubic meters	219.63	509.9322	661.0159	543.1331	-17.83%
Other energy consumption	Tons of standard coal	482.71	589.4841	482.1779	236.9878	-50.85%
Comprehensive energy consumption per 10,000 yuan of operating income	Tons of standard coal/RMB 10,000 yuan	0.0096	0.0078	0.0078	0.0078	Flat
Comprehensive energy consumption per 10,000 yuan of added value	Tons of standard coal/ RMB 10,000 yuan	0.0346	0.0259	0.0229	0.0222	-3.06%

Note: The data analysis was based on year 2015 with RMB 10,000 yuan as the currency unit.

Green Construction

Green Building

In 2017, CR Land achieved a qualified green building construction area of 1.8494 million square meters. We kept on tracking and implementing the Green and Energy-Saving Building Management Plan of CR Land and employed external advisors to sort out and revise the original green building strategy during the implementation. Later on, based on the revised version, we will summarize the green building strategy and relevant technical measures in the White Paper of Green and Healthy Residence Strategies of CR Land in a manner close to customers' lives.

CR Land Green Building Certified Projects

Region	Year	City	Basic Information			Green Building Standards of China	Others
						Design Stage	Design Stage
			Phase	Gross Floor Area (10,000m²)	Type	Grade	Level
Northeast China	2017	Changchun	Ziyun Fu Phase I	13.04	Residence	1-star	-
		Changchun	Ziyun Fu Phase II	14.81	Residence	1-star	-
		Changchun	Net Terrace Phase I	8.23	Residence	1-star	-
North China	2017	Taiyuan	Taiyuan Park Lane Manor Phase I	22.54	Residence	-	1-star (Green Building Label of Shanxi Province)
		Jinan	The MIXC Ji'nan	36.42	Commercial Project	2-star	-
		Taiyuan	T3 & T4, North Area, City Crossing Taiyuan	18.52	Office Building	-	2-star (Green Building Label of Shanxi Province)
Central China	2017	Hefei	Hefei Park Lane Manor Phase I (Plot A, Kexueyuan Road)	13.20	Residence	1-star	-
East China	2017	Wenzhou	Binjiang MIXC World Project	18.1	Residence	1-star	-
		Ningbo	Wantou 3#Plot Phase I	15.97	Residence	1-star	-
South China	2017	Shenzhen	Shenzhen Dachong Project (Phase II Residences)	24.11	Residence	-	Bronze Level (Green Building Label of Shenzhen Municipality)

Fabricated Building

In 2017, CR Land kept promoting building industrialization, having fabricated construction applied to 45 projects in 6 regions with the gross floor area of 0.7729 million square meters. In addition, CR Land continued technical research regarding building industrialization and completed six technical standards including High-Quality Standard for Fabricated Building of CR Land and other research results such as Guideline for Piecing and Adhesive Injection of Fabricated Walls.

Fabricated building refers to the building constructed by reliable assembly with parts prefabricated in modernized factories and delivered to the construction site for assembly. In comparison with traditional construction, fabricated building makes the building quality, cost, energy consumption and schedule controllable throughout the process and possesses green and environment-friendly advantages. According to statistics, fabricated building may save water, energy, time, materials and land by 80%-90%, 70%, 70%, 20% and 20% respectively in comparison with traditional building, meeting the sustainability requirement of five savings and ecological protection.



## CASE

### The Highest Fabricated Building (Residential Project) under Construction in China: CR Town Runfu Phase III

The CR Town Runfu Phase III in Shenzhen is a project with the highest fabricated concrete residential building under construction all over China, having the height up to 182.35 meters, the gross floor area of 0.303 million square meters and 6 out of 7 ultrahigh residential buildings are fabricated buildings.

This project adopted prefabricated non-load bearing external walls, prefabricated balconies, prefabricated stairs, composite floor slabs, lightweight partition boards and other components of all kinds, with the prefabrication rate and assembly rate exceeding 15% and 56% respectively. Moreover, we have built an informationized construction collaborative platform for the project, applied BIM technologies from design to construction stages, and established BIM implementation standards of the project, a component library for fabricated buildings, visualized management of the construction plan and so on.



Fabricated Construction Site of CR Town Runfu Phase III

## Green Construction

For the construction projects of CR Land, we demand a maximum level of land, water and materials saving and ecological protection. In 2017, the environmental impact assessment of CR Land and our construction projects reached the pass rate of 100%, and there was no event having a material adverse impact on environment and natural resources.

**Ecological Design:** We focus on conservation of biodiversity, soil and water, as well as ecological restoration and management. For example, during the garden design process, we use local tree species and native plants as much as possible to better protect biological diversity.

**Dust Control:** The impact of dust from the construction site on local environment is minimized by such measures as application of dust control devices and vehicle wash facilities, arrangement for specially-assigned person to watering and road hardening.



Spraying system of Fuzhou Oak Bay Project



Noise and dust monitoring system of Chengdu Twenty Four City

**Sewage Discharge Management:** Vehicle washing stand, drains and three-tier sedimentation tanks are set in the construction site. The industrial sewage can be discharged to municipal drainage pipes only after sedimentation. Sedimentation tank, oil separation tank and septic tank were built by the general contractor in the temporary living quarter. The domestic sewage can be discharged to municipal drainage pipes only after treatment.



Vehicle washing stand set in the construction site

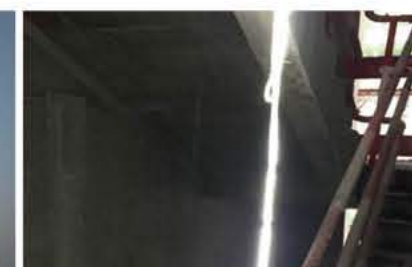


Drain set in the construction site

**Energy Saving:** Solar powered energy-saving lamps are used in the main roads of many projects, while LED strips are used for the lighting of basements, staircases and other areas.



Solar powered energy-saving lamps are used in the main road of Shenzhen Qianhai Project



LED strips are used in the staircase and basement of CR Land Plaza Changsha

**Materials Saving:** Aluminium membrane system and stereotyped protection system, which can be used for many times, are promoted in the construction site to reduce the waste of materials and to prevent from generating building wastes.



Aluminium membrane system are promoted in the construction site



Stereotyped protection are adopted at border openings in the construction site



## Green Office

CR Land has always focused on the "green office" concept of reducing staff travel, energy and resource consumption through the construction of an OA office system and video conferencing.

### CASE

#### Green office initiates a PVZ campaign

On the Arbor Day of 2017, the East China Region of CR Land carried out a PVZ campaign. By selecting "the Most Beautiful Work Station" and taking other actions, we encouraged employees to strive for green office.

来吧，办公室植物大战僵尸！

2017-03-17 华润置地华东大区



## Environmental Initiatives

Besides promoting green operation, CR Land has participated in and launched a variety of environmental advocacy activities actively to call for more people's involvement in ecological protection.



Energy Saving Week



"Green Angle" Energy Saving Charitable Activity



"Earth Hour"





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CHAPTER

SIX

# DREAM OF HARMONY

Support Community Development

and Public Welfare





## Excellence

Achieving benefits for Excellence

### CSR STORIES

## Nanshan Half Marathon

Run Into Ideal Urban Life





Since the beginning of 2015, CR Land has been cooperating with local government in holding China Resources Shenzhen Nanshan Half Marathon (hereinafter referred to as "Nanshan Half Marathon"), which is one of the largest road races in China, on the Citizen Long-distance Running Day. It was the third Nanshan Half Marathon in 2017, aiming to deliver the concept of sports and fitness to all walks of life widely, presented the city's new look and created a fantastic future by imagination. This race was awarded the title of "Top Ten Local Sport Brand Races in Shenzhen 2017" as well as the honour of "Silver Medal Race" by Chinese Athletics Association.



### Course Integrating the beauty of ecology and technology

With the theme of "Technical Nanshan Leads Innovation", we added the Software Industry Base of Science and Technology Park to the course in 2017 and made some adjustment based on the previous one to enable runners to feel the atmosphere of science and technology surrounding "the Silicon Valley of China"

### Public Participation

The number of runners in 2017 increased dramatically in comparison with the past two years. 16,032 domestic and foreign runners have signed up for the race.

16,032

The "Online Marathon" project was publicized through Codoon APP in various forms. 376,000 people from 33 countries and regions all over the world have signed up for the race online.

37.6 33

### Support to Charity Work

In 2017, we had raised RMB 314,200 in total from CR and all walks of life and used these funds to buy 3,809 saplings of oriental arborvitae and Pgrus ussuriensis maxim for the villagers of Haiyuan CR Hope Town to improve their economic level.

314,200

3,809

More than 100 event clothes collected from charitable donation during the race were delivered to the villagers of Haiyuan Hope Town after sorting and cleaning centrally.

100



CHAPTER  
SIX  
Chapter  
Overview

Being devoted to urban community construction and charity work, we boost the regional economy and improve citizens' life quality, providing people with a satisfactory life as far as possible.



Public Service

Participation in Urban Redevelopment

In 2017, CR Land kept making use of our successful experience in urban redevelopment and further got ourselves involved to revitalize the stock of land. We have launched 16 urban redevelopment projects in Shenzhen and are following up 33 projects at the moment.



CR Community in Dachong, Shenzhen

Development of Indemnificatory Housing

CR Land took an active part in the construction of governmental indemnificatory housing and comfortable housing project, providing low-and middle-income families with liveable environment. So far, we have undertaken 9 indemnificatory housings under construction, the basic information of which is as follows:



CR Community in Beijing



Information of the Indemnificatory Housing Development Projects of CR Land 2017

Project	Number of Indemnificatory Housings
Shoukai CR Town, Beijing	2,623
Yalinx West Project, Beijing	735
Future City, Beijing	486
Qingtie CR Town, Qingdao	11 apartments for talents
Jing'an Fu, Shanghai	128
Park Lane Gardens, Shenzhen Bay	98
Silver Lake & Blue Mountain, Shenzhen	454
Infintas Hill, Dalian	66
Shed Rebuild Project of Rongjiang New Town, Ganzhou	Engineering Management and General Construction Contractor

Upgrading Community Public Service

CR Land has acquired two lands in Beijing and Nanning to build first class rehabilitation hospitals and nursing facilities for the aged. By acquiring Wuhan Rongji, we strived to create a national benchmark project with the combination of medicine and nursing as well as the features of China Resources. In addition, we have established a partnership with CR Healthcare in Chengdu Emerald City Club to introduce primary healthcare facilities to communities.

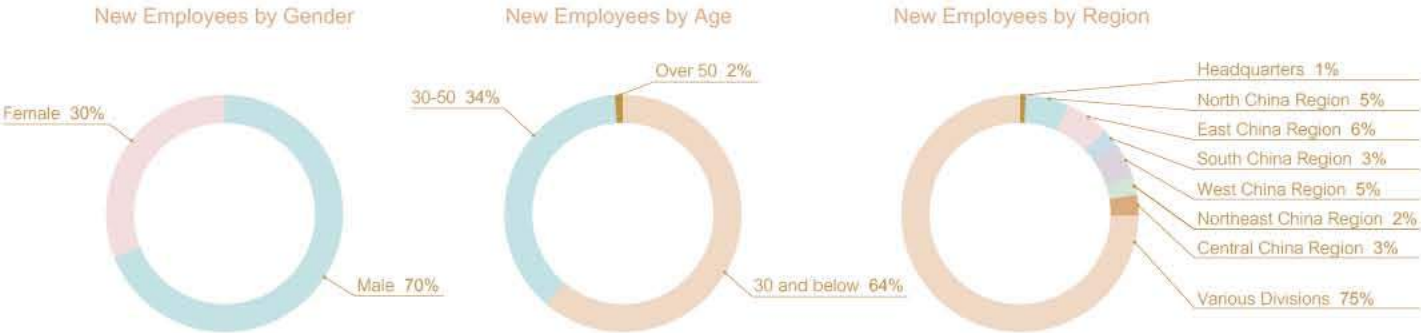
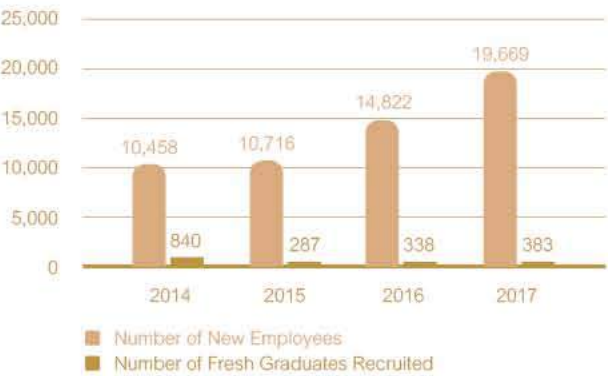
Exploration of Smart City Construction

In 2017, CR Land founded a "Working Group of IoT and Smart Park" to coordinate the construction of the smart park. We strived to build a smart CR Town in Dachong, Shenzhen; invite Tencent to be our strategic partner, take Shenzhen Dachong CR Town as a pilot and build a smart park 1.0.



Employment Creation

In 2017, CR Land recruited 19,669 new employees, including 383 fresh graduates.



Charity Work

In accordance with Measures for Social Responsibility Work of China Resources Group, CR Land Corporate Citizenship Establishment Guidelines, CR Land Rules for Volunteer Management and other relevant mechanism adopted by CR Land's charitable foundation, CR Land encourages and supports our subordinates and employees to take an active part in various charitable activities by donation, volunteer service and other means to boost the integration and development of the community.

Principle: Serving community and communicating civilization

Serving Spirit: Participation, mutual help, dedication and advancement

Mission: CR Land devoted to charity work



## Charitable Donations



Central China Region carried out flood-relief work actively in Hunan.

Northeast China Region offered donations to the disaster area of Xiuyan County, An'shan.



CR Land Western aiding Jiuzhaigou afflicted areas.

### DATA

# 3.588

In 2017, CR Land donated RMB 3.588 million mainly for poverty alleviation and education promotion.

## Volunteer Service

Since the CR Land Volunteers Association, a volunteer service organization registered in Shenzhen Volunteer Federation, was founded in 2015, CR Land has carried out various volunteer activities over the years, upholding the principles of "serving community and communicating civilization" and advocating the serving spirit of "participation, mutual help, dedication and advancement" and the concept of "devotion to charity work".



Volunteers of the Logistics Headquarters donated school supplies to rural schools.

Volunteers of Northeast China Region donated books to Muchuan Middle School.

# 20 12,355 70

In 2017, CR Land's volunteers organized and carried out a campaign with a theme of "caring for autistic children" in more than 20 cities in Beijing, Shenzhen, Tianjin, Qingdao and Shenyang, assisted in the building of Shenzhen 12,355 Youth Volunteer Service Platform, and took part in more than 70 activities such as environmental protection volunteer service and "Volunteer Visit to Jinzhai CR Hope Town", the number of participants in which reached almost 10,000.

## Hope Town

In accordance with the overall planning of CR Charitable Fund, CR Land is deeply engaged in the construction of a new countryside by comprehensively undertaking the non-profit construction work for 12 towns including Baise (Guangxi), Xibaipo (Hebei), Shaoshan (Hunan), Gutian (Fujian), Zunyi (Guizhou), Wanning (Hainan), Miyun (Beijing), Jinzhai (Anhui), Jinggangshan (Jiangxi), Haiyuan (Ningxia), Jianhe (Guizhou) and Hong'an (Hubei), and assigning more than 50 volunteers to participate in the process of town construction.



The project team of Jianhe Hope Town, Guizhou was established.

Residents of the Hope Town were singing and dancing for the arrival of volunteers.

## Caring for the Community

CR Land worked with communities and neighbourhood committees for a long term to boost community construction. In 2017, we organized a series of community-based activities such as respect for the old, poverty alleviation and assistance to the weak to optimize the integration of the enterprise with the community's people and materials as well as other social resources.



Volunteers of Central China Region went to the community nursing home to hold a birthday party for the aged.

Volunteers of Northeast China Region presented sanitation workers with eight-treasure porridge in winter.



OUR  
SUSTAINABILITY  
STRATEGY

Governance Structure of  
Sustainability Management

In order to achieve systematic and standardized management of sustainable development, CR Land established a CR Land Corporate Culture and Social Responsibility Advisory Committee (hereinafter referred to as "the Committee"). A main member of the Company's Board of Directors serves as the Committee Director while members of the Committee include other in-house employees at higher level who participate in sustainable development-related work, possess relevant knowledge and are able to receive internal and external importance assessment. The Committee is responsible for unified leadership and management of sustainable development-related work on behalf of the Board of Directors. Furthermore, the Committee leads the ESG working team in carrying out relevant work pursuant to the ESG Guide.

Decision-making Level	CR Land Corporate Culture and Social Responsibility Advisory Committee of CR Land	<ul style="list-style-type: none"><li>• Promote and deepen the sustainable development concept and culture inside the Company</li><li>• Decide on and take leadership of corporate social responsibility strategy</li><li>• Review the Company's sustainable development strategic plan, sustainable development report, annual work guidelines and other important policies</li><li>• Deploy and implement the Company's major tasks regarding sustainable development</li><li>• Assign sustainable development work and responsibilities for each functional department, region and business division</li></ul>
Communication Level	Daily offices established at the HQ personnel administration department	<ul style="list-style-type: none"><li>• Implement decisions made by the Corporate Culture and Social Responsibility Advisory Committee and report the work</li><li>• Establish and improve sustainable development network composed of full-time and part-time staff from each HQ functional department, regional department and business division</li><li>• Formulate management guidelines and work processes regarding sustainable development, and promote the implementation of relevant systems</li><li>• Establish and improve sustainable development performance indicator and assessment system</li><li>• Establish and perfect sustainable development information disclosure mechanism</li><li>• Organise the preparation of the CR Land Sustainable Development Report, complete ESG information disclosure, and provide each region and business division with work guidance and evaluation regarding the preparation of the Sustainable Development Report</li><li>• Improve the management of sustainable development and promote the development of relevant capacity continuously</li><li>• Regulate other matters relating to corporate social responsibility in an unified manner</li></ul>
Execution Level	Each Business Division	<ul style="list-style-type: none"><li>• Organize and set up a Corporate Culture and Social Responsibility Advisory Committee for each region and business division in accordance with the HQ mechanism</li><li>• Understand and implement respective responsibilities for sustainable development</li><li>• Comply with various management systems regarding sustainable development, and receive relevant performance assessment</li><li>• Assist HQ to complete such work as ESG information disclosure, preparation of sustainable development report and social responsibility capacity building</li><li>• Execute other work for sustainable development required by the Company</li></ul>

Governance Structure of Sustainability Management

Sustainable Development Strategy and Plan

Communication with Stakeholders

Determination on Materiality Issues

Improvement in Performance Capacity



Sustainable Development Strategy & Plan

Under the guidance of the management approach for Social Responsibility Work of China Resources Group, the Corporate Culture and Social Responsibility Advisory Committee adopted the appeal of main stakeholders as government and regulatory authority, shareholders, clients, employees, partners, environment and community, assessed the Company's potential risks based on CR Land's business features, and defined the following sustainable development management strategies and plans within the framework of the Thirteenth Five-Year Strategic Development Plan.



Value

Take responsibility for shareholders

Ensure compliance with laws and regulations, steady operation as well as honesty and fairness, further boost business transformation, explore such innovation models as "integration of lease and purchase" actively, develop new value growth point continuously, and share the value of corporate growth with shareholders.

Quality

Take responsibility for clients

Uphold high-quality strategy and client-oriented value, extend such innovative business as apartment with long-term lease and property for the aged based on the reinforcement of main business, provide clients with richer products and services, and further improve customer satisfaction.

People

Take responsibility for employees

Take employees as the base, pursue win-win results of the Company's collective value and employee's individual value, attach importance to employees' basic rights and interests, support employees' growth and development, guarantee employees' safety and health, and implement ISO14000 and OHSAS18000 certification systems to ensure zero injury and fatality.

Mission

To lead the business progress and build a better life together

Vision

To become a global enterprise with accumulating public trust and popularity

Purpose

Better Quality Better City

Win-win Cooperation

Take responsibility for partners

Take "mutual benefits, common development and win-win cooperation" as the principle, keep optimizing the supply chain management system, comply with industrial standards strictly, advocate fair competition, implement public and fair as well as responsible procurement, and promote sustainable development of the industry and the sector.

Green

Take responsibility for the environment

Implement the green and healthy strategy firmly, strive for green building and green community, and ensure achievement of the "thirteen five-year" target—100% of the projects are granted green building design labels while 60% of the projects are granted green building operation labels.

Harmony

Take responsibility for the community

Adhere to the principle of "serving community and communicating civilization", work with the public and the community to enlarge the investment in charity work and volunteer service, continue the construction and operation of "hope towns", and boost public welfare and social harmony.

Communication with Stakeholders

CR Land insists on active, multi-channel and bidirectional communication and coordination with such main stakeholders as government and regulatory authority, shareholders, clients, employees, partners, environment and community.

Stakeholders	Expectations and Demands	Communication and Feedback
Government and regulatory authority	<div><div>· Comply with laws and regulations</div><div>· Support the regional development</div><div>· Implement national policies</div></div>	<div><div>· Strengthen corporate compliance management to ensure complied business operation</div><div>· Attend government-related meetings and cooperative projects</div><div>· Respond to relevant national policies</div></div>
Shareholders	<div><div>· Create market value</div><div>· Enhance information disclosure</div></div>	<div><div>· Strive for business performance continuously</div><div>· Improve corporate governance and risk management</div><div>· Publish reports regularly and disclose information promptly</div><div>· Hold Shareholders' General Meeting to enhance investment membership management</div></div>
Owners and Clients	<div><div>· Product and Service Quality</div><div>· Protect legitimate rights and interests</div></div>	<div><div>· Implement customer satisfaction surveys</div><div>· Establish a sound customer service system</div><div>· Improve the mechanism dealing with customers' feedbacks and complaints</div></div>
Employees	<div><div>· Ensure employees' rights and interests</div><div>· Promote employees' development</div><div>· Care for employees' health</div><div>· Participate in corporate management</div></div>	<div><div>· Establish a competitive salary and welfare guarantee mechanism</div><div>· Organise training for employees, improve the promotion mechanism and build a development platform</div><div>· Improve working conditions and care for the employees in need</div><div>· Organise employee activities and enhance the communication with employees</div></div>
Suppliers and Partners	<div><div>· Promote industry development</div><div>· Work with others for mutual benefits and win-win results</div></div>	<div><div>· Implement public and fair procurement, and build a responsible supply chain</div><div>· Hold tendering &amp; bidding meetings and supplier meetings regularly</div><div>· Participate in industrial organisations and promote industry development</div></div>
Scientific research institutions, industrial organisations, media and social groups	<div><div>· Comply with industrial standards</div><div>· Promote industrial innovation</div><div>· Open and transparent information</div></div>	<div><div>· Enhance communication and cooperation with the external and participate in industrial innovation research</div><div>· Participate in industrial performance evaluation and propose suggestions for industrial standards</div><div>· Improve the news disclosure system and optimize the public opinion feedback mechanism</div></div>
Community	<div><div>· Support community charity</div><div>· Provide job opportunities</div></div>	<div><div>· Engage in charitable donations and social welfare activities actively</div><div>· Campus recruitment and social recruitment</div></div>
Environment	<div><div>· Make reasonable use of resources</div><div>· Protect the ecological environment</div></div>	<div><div>· Implement green construction, make green building and build green community</div><div>· Improve the utilization rate of energy and resources, save energy and reduce emissions</div><div>· Enhance the disclosure of environmental data and control environment-related risks</div></div>



Determination on Materiality Issues

1

Step 1

Identification of issues

Identify the Company's internal important issues through 18 interviews with stakeholders

Identify material issues relating to the industry through peer assessment

establish a library of issues

2

Step 2

Ranking of issues

Understand the materiality issues for the Company and for stakeholders through 4,967 questionnaires

Analyze the results of questionnaires and figure out the importance ranking of issues

3

Step 3

Review and Confirmation of issues

The Company's Management review materiality issues and their rankings

External experts review materiality issues and their rankings

4

Step 4

Report of issues

Disclose the key points of materiality issues in the Report based on the decision

As no significant change in business structure and organisational structure of the Company was found in 2017, the decision on important sustainability issues made in 2016 applies to this Report and 22 materiality issues winning the most attention of stakeholders were disclosed.



Improvement in Performance Capacity

Sustainable Development Advocacy, Training and Exchange

In order to enhance performance awareness and capacity, we have carried out a series of sustainable development advocacy, training and exchange activities with 22 important issues mentioned in our Sustainable Development Report as the orientation.

- EY ESG Investment Series Seminar: Review of the First ESG Report
- HKQAA Sustainable Development Seminar: Keys to Improve Your Sustainability Performance
- Exchange of Swire Properties' experience in sustainable development
- CSR training conducted by Chinese Academy of Social Sciences

Participation in the Formulation of CSR Industrial Standards

CR Land and the Chinese Academy of Social Sciences Research Centre jointly published the Chinese Corporate Social Responsibility Report Preparation Guide 3.0: Real Estate Industry, sharing CR Land's social responsibility experience with the industry.



## Appendix 1

## Policies, Laws &amp; Regulations

ESG Guidelines	Internal Policy	Laws & Regulations
A1 Emissions	CR Land Waste Water Discharge Management Regulations	Environmental Protection Law of People's Republic of China
	CR Land Replacement of Office Equipment Regulations CR Land EHS Management Practical Case Examples	Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Law of the People's Republic of China on Water Pollution Prevention and Control Marine Environment Protection Law of the People's Republic of China Regulations on Control & Prevention of Marine Environment Pollution Caused by Terrestrial Pollutants of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes National Catalogue of Hazardous Wastes Regulations on Duplicate Forms of Hazardous Waste Transportation Plan for Greenhouse Gas Control under the 13th Five-year Plan
A2 Use of Resources	CR Land Energy Conservation and Waste Reduction Management Regulations CR Land Energy Efficient Building Management Regulations CR Land Consolidated Energy Consumption, Energy Efficiency Management Platform Design and Implementation Guidelines CR Land Existing Consolidated Energy Consumption, Energy Efficiency Management Platform Set-up Guidelines CR Land Property Management on Energy Conservation Handbook CR Land Device Set Up Guidelines for Hotels' Energy Consumption Calculation	
A3 Environmental and Natural Resources	CR Land Green Buildings Management Plan and Layout CR Land Green Buildings Technical Standard CR Land Green Buildings and Public Constructions Sales Strategy CR Land Guidelines for Implementation of Green Residential Building Strategies & Technologies	
B1 Employment	CR Land Employee Handbook CR Land Recruitment Management Policy CR Land Promotion and Position Management Policy CR Land Leave and Holiday Management Policy CR Land Implementation Guidelines of HQs Employee Performance Appraisal Management System CR Land Implementation Guidelines of Care Fund for General Employees CR Land Regulations on Compensation and Benefits	Employment Law of the People's Republic of China Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Regulations on Minimum Wages
B2 Health and Safety	CR Land Safety Management Policy CR Land EHS Management System Set-up Guidelines CR Land Implementation Guidelines of Annual Performance Evaluation in EHS Management CR Land Education and Training Guidelines of Safe production CR Land Safe Production Objectives and Responsibilities Conduct CR Land Labour Protective Equipment Use Guidelines	Employment Law of the People's Republic of China Law on Occupational Disease Prevention of People's Republic of China Work Safety Law of the People's Republic of China Fire Law of the People's Republic of China Law of the People's Republic of China on Emergency Response Regulations on the Safe Management of Hazardous Chemicals Regulations on Work Safety Accident Reporting & Investigation

ESG Guidelines	Internal Policy	Laws & Regulations
	CR Land Working Guidelines of EHS Management in Opened Hotels CR Land Objectives and Responsibility Management Conduct of Safe Production CR Land EHS Information Reporting and Transfer Management Guidelines CR Land Working Guidelines of Gas Safety Management in Commercial Projects CR Land EHS Legal Compliance Management Guidelines CR Land EHS Document Management Guidelines CR Land Practice Guidelines of Safety Management in Project Development CR Land Working Guidelines of Natural Disaster Emergency Management CR Land Management Guidelines of Regional Safety Checks and Evaluations CR Land Implementation Guidelines of Regular Checks and Governance on Potential Accidents CR Land EHS Specialized Governance Plan for Related Party CR Land EHS Integrity Commitment Letter CR Land EHS Injuries and Accidents Management Regulations CR Land Survey on Health Management and Report on Benchmarking Analysis CR Land Occupational Health Management Guidelines CR Land Health Management Risk Database	Provisional Regulations on Identification and Control of Work Safety Accident Hazards Regulations of the People's Republic of China on Work-Related Injury Insurance Regulations on Workplace Occupational Health Supervision Classification & Catalogue of Occupational Diseases
B3 Training and Development	CR Land Employee Handbook CR Land Training Management Regulations CR Land Internal Trainer Management Regulations	
B4 Labour Standards	CR Land Employee Handbook CR Land Recruitment Management Policy	Employment Law of the People's Republic of China Regulations on Prohibition of Child Labour Law of the People's Republic of China on Minor Protection
B5 Supply Chain Management	CR Land Sourcing and Tendering Management Policy CR Land Implementation Guidelines of Regional Procurement Management CR Land Implementation Guidelines of Procurement Management in HQs Departments CR Land Implementation Guidelines of Strategic Procurement Management Regulations on Supplier Management of CR Land Rules for Construction Supplier Grading of CR Land Rules for Residential Building Constructor Assessment and Grading Management	
B6 Product Responsibility	CR Land Quality Management System Set-up Regulations CR Land Engineering Quality Standard Engineering Works Completion Management Policy Engineering Works Quality Management Practice Guidelines	Product Quality Law of the People's Republic of China Law of the People's Republic of China on Protecting Consumers' Rights and Interests Advertising Law of the People's Republic of China



ESG Guidelines	Internal Policy	Laws & Regulations
	Implementation Guidelines of Key Process Checkpoints in Residential Constructions	Trademark Law of the People's Republic of China
	Quality Checks and Evaluation Standards of Residential Constructions	Law of the People's Republic of China on the Administration of Urban Real Estate
	Process and Handover Evaluation Standard of Residential Constructions	Regulations on Construction Quality Control
	Inspection Standard of Electricity and Mechanical Quality in Owned Commercial Building	Regulations on Urban Property Development and Operation Management
	Annual Performance Appraisals Management Guidelines of Quality Accidents	Code of Design on Building Fire Protection and Prevention GB50016-2014
	CR Land Design Quality Control Plan	Residential Building Code GB5368-2005
	CR Land Key Groove Mold Support and Reinforcement Process Guidelines and another 26 process standards	Opinions from General Office of the State Council on Development of Prefabricated Buildings
	CR Land Case Management Policy	Standards for Assessment of Prefabricated Buildings GB/T1129-2017
	CR Land Guidelines for Customer Complaint Handling	Regulations on Property Management
	CR Land Regulations on CRM Customer Information Abstraction	Code for Acceptance of Construction Quality of Steel Structures GB50205-2001
	CR Land Regulations on Customer Satisfaction Survey	Code for Commercial Building Design JGJ48-2014
	CR Land Property Complaints and Escalation Process Guidelines	Code of Urban Residential Area Planning & Design GB50180-93 (2016)
	CR Land Intellectual Property Management Policy	Notice from the State Council on Further Urban Housing System Reform and Construction of Residential Buildings
	CR Land Implementation Guidelines of Confidential Work	Notice from the State Council on Driving Sustainable Sound Development of Real Estate Market
		Notice from the Central Committee of the Communist Party of China on Enhancement of Urban Planning and Construction Management
		Opinions from General Office of the State Council on Driving Sustainable Sound Development of Construction Industry
B7	CR Land Sunshine Declaration	Company Law of the People's Republic of China
Anti-corruption	CR Land Integrity Partnership Agreement	Law of the People's Republic of China on Anti-money Laundering
	CR Land 10 Commandments	Anti Unfair Competition Law of the People's Republic of China
	CR Land Integrity Working Standards	Provisional Regulations on Prohibition of Bribery
	CR Land Petition Handling Work Instructions	Anti-monopoly Law of the People's Republic of China
	CR Land Integrity Governance Work Instructions	Law of the People's Republic of China on Tenders and Bids
	CR Land Implementation Guidelines of "Three Focus One major" Decision Making Policy	
	CR Land Discipline Investigation and Monitoring, and Case Handling Work Instructions	
	CR Land Implementation Guidelines of Responsibility Evaluation in Party Integrity Governance	
	CR Land Regulations on Report on Performance and Integrity	
	Opinions on Implementation of Setting-up Party Committee's Responsibility and the Supervision Responsibility on Discipline Monitoring	
B8	CR Land Social Responsibility Work Management Solutions	
Community Investment	CR Land Corporate Citizenship Establishment Guidelines	
	Notice on the Establishment of CR Land Corporate Culture and Social Responsibility Steering Committee	
	CR Land Volunteer Management Guidelines	

Appendix 2  
Data List <sup>[Note 1]</sup>

ESG KPIs		Unit	2016 Data	2017 Data
A. Environmental Performance				
A1. Emissions				
A1.2	Greenhouse gas emissions in total and intensity <sup>[Note 2]</sup>			
	Carbon dioxide emissions	Ton	546,467.18	497,472.14
	Carbon dioxide emissions per HKD 10,000 operating income	Ton/ HKD 10,000	0.0500	0.0419
A1.3	Total hazardous waste produced and intensity			
	Waste fluorescent lamp <sup>[Note 3]</sup>	PCS	-	116,862
A1.4	Total nonhazardous waste produced and intensity			
	Earthwork waste <sup>[Note 4]</sup>	Cubic metre	-	10,198,587
	Rebar waste <sup>[Note 5]</sup>	Ton	-	34,279
A1.6	Measures to reduce hazardous and non-hazardous wastes and results achieved			
	Amount of Waste paper/cover for recycling <sup>[Note 6]</sup>	Kg	-	65,000
A2. Resource Utilization				
	Concrete consumption <sup>[Note 7]</sup>	Cubic metre	-	6,108,779
	Rebar consumption <sup>[Note 8]</sup>	Ton	-	815,511
A2.1	Energy consumption and intensity			
	Comprehensive energy consumption	10,000 tons of standard coal	7.4254	7.2524
	Power consumption	10,000 KWh	51,909.6055	52,327.0958
	Gasoline consumption	Ton	488.7984	302.9394
	Diesel consumption	Ton	319.1610	211.8901
	Natural gas consumption	10,000 standard cubic meters	661.0159	543.1331
	Other energy consumption	10,000 tons of standard coal	482.1779	236.9878
	Comprehensive energy consumption per RMB 10,000 operating income	10,000 tons of standard coal/ RMB 10,000	0.0078	0.0078
A2.2	Water consumption and intensity <sup>[Note 9]</sup>			
	Total water consumption	Ton	832,817.84	10,583,135.49
	Water consumption per HKD 10,000 operating income	Ton/ HKD 10,000	0.08	0.89
A2.5	Total packaging materials used for finished products and with reference to per unit produced <sup>[Note 10]</sup>			
	Total number of packaging cartons used	Kg	758,940.00	822,800.00
	Number of packaging cartons used per RMB 10,000 operating income	Kg/ RMB 10,000	17.67	17.45
B. Social Performance				
B1. Employment				
B1.1	Total number of employees by gender, employment type, ageand geographical region			
Total number of employees		Person	33,939	38,087
Gender	Male	Person	22,286	24,910
	Female	Person	11,653	13,177



## Appendix 2

## Data List

ESG KPIs	Unit	2016 Data	2017 Data
Employment type	Full time	Person	33,524
	Part time	Person	415
Employment level	Senior management	Person	270
	Middle management	Person	502
	General staff	Person	33,167
Education background	Postgraduate and above	Person	2,711
	Undergraduate	Person	9,625
	Junior college graduate	Person	7,687
	High school graduate or below	Person	13,916
Age	Under 30	Person	16,112
	30-50	Person	16,364
	Above 50	Person	1,463
Region	Headquarters	Person	524
	North China	Person	6,734
	East China	Person	5,378
	South China	Person	6,378
	West China	Person	4,870
	Northeast China	Person	3,516
	Central China	Person	3,673
	Business Division	Person	2,866
B1.2	Number and rate of employee turnover by gender, age and geographical region		
	Consolidated turnover rate	%	27.13
B2.1	Number and rate of work-related fatalities		
	Number of fatalities	Person	0
	Percentage of 1,000 fatalities	%	0
B2.2	Lost days due to work injury <sup>[Note 11]</sup>		
	Lost days due to general work injury	Day or hour	23 days
	LTIR/ one million working hours		1.43
B3.1	The percentage of employee trained by gender		
	Total number of trained employees	Person	20,990
	Male	%	85
	Female	%	15
B3.2	The average training hours completed per employee by gender		
	Male	Hour	6.42
	Female	Hour	6.42

ESG KPIs	Unit	2016 Data	2017 Data
B5.1	Number of suppliers by geographical region		
	Number of suppliers	Supplier	6,340
	North China	Supplier	1,537
	East China	Supplier	1,467
	South China	Supplier	1,127
	West China	Supplier	742
	Northeast China	Supplier	723
	Central China	Supplier	744
B6.2	Number of products and service related complaints received		
	Number of complaints <sup>[Note 12]</sup>	Case	-
B7.1	Number of legal cases regarding anti-corruption corrupt practices		
	Number of legal cases regarding anti-corruption, bribery, extortion, deception and money laundering	Case	0
B8.2	Resources allocated to the focus areas		
	Charity donation	RMB 10,000	77
	Number of volunteers	Person	>1,000

CASS-CSR3.0	Unit	2013	2014	2015	2016	2017
Responsibilities for shareholders						
Total assets	100 million (HKD)	2,818	3,303	3,892	4,422	5,145.7
Net assets	100 million (HKD)	-	-	1,318	1,392	1,724
Owner's equity	100 million (HKD)	-	-	1,324.9	1,391.6	1,724.2
Operating revenue	100 million (HKD)	713.89	883.81	1,033.93	1,093.3	1,185.9
Total profit	100 million (HKD)	-	-	196	225	254
Net profit/profit attributable to shareholders	100 million (HKD)	146.96	147.08	175.27	195	230
Net profit attributable to owners of the parent company	100 million (HKD)	-	-	175	195	230
Return on equity	%	-	-	16.0%	16.8%	17.7%
Return on total assets	%	-	-	-	8.11%	7.63%
Preservation and appreciation ratio of state-owned assets	%	-	-	-	113.5%	117.64%
Industry ranking	Place	-	-	8	11	10
Market share	%	-	-	-	-	2.88
Property sales area	10,000 sq. m.	578.23	660.09	675.9	733	954.3
Contracted sales	100 million (RMB)	663.06	692.1	851.5	1,080	1521
Investment property sales	100 million (HKD)	46.22	54.36	66.5	73	87.8
Total land reserve at the end of period	10,000 sq. m.	3,580.91	4,004.41	4,126	4,485	4,897.8
Incidence of corruption	%	-	-	-	0	0



## Appendix 2

## Data List

CASS-CSR3.0	Unit	2013	2014	2015	2016	2017
<b>Responsibilities for Customer</b>						
Overall customer satisfaction <sup>[Note 13]</sup>	Point	-	-	92	94.3	N/A
Residential customer satisfaction	Point	80	81	79	79	75
Residential customer loyalty	Point	54	58	58	60	58
Office customer satisfaction	Point	99	100	100	99	98
Office customer excellent satisfaction	Point	80	80	86	80	76
Shopping mall tenants satisfaction	Point	95	91	93	95	98.6
Ratio of customer complaints handled-commercial projects	%	-	-	-	-	99.86%
Ratio of customer complaints handled-residential projects	%	-	-	98.4	98.2	98.5
Total investment in R&D	100 million yuan	-	-	0.0310	0.0030	0.0391
Number of researchers and developers	Person	-	-	19	22	24
<b>Responsibilities for employees</b>						
Total number of employees	Person	21,874	28,452	31,481	33,524	38,087
Percentage of employees signed employment contracts	%	100	100	100	100	100
Percentage of employees participated in social insurance scheme	%	100	100	100	100	100
Percentage of employees signed collective bargaining agreement	%	-	-	100	100	100
Percentage of employees received physical examination	%	-	-	100	100	100
Employee engagement	%	80	82	85	86	85
Employee satisfaction	%	-	84	87	88	88
Attrition rate	%	-	-	39.68	27.13	26.53
Average age of employees	Year	-	31.6	31.8	32.2	32.7
Proportion of female workers	%	35	34.5	34.05	34.34	34.60
Proportion of women in management	%	-	-	0	28	22
Average number of days of paid leave per employee	day	>6	>6	>6	>6	>6
Employee training rate	%	-	-	-	-	86
Total investment in employee training	10,000 yuan	-	-	-	-	3100
Investment in training per employee	Yuan/employee	-	-	-	-	815.8
Training hours per employee	Hour	-	-	3.76	6.42	9.55
<b>Responsibilities for partners</b>						
Percentage of quality, environment or EHS system certified supplier	%	-	-	-	100	100
<b>Responsibilities for the public</b>						
Number of new employees	Person	-	10,458	10,716	14,822	19,669
Number of fresh graduates	Person	466	840	287	338	383
Total taxes	100 million yuan	96	122	167	158	184
Expenditure on donations	10,000 yuan	-	724.7	194.89	77	358.8
Number of volunteers	Person-time, hour	-	-	-	>1,000	>1,000

CASS-CSR3.0	Unit	2013	2014	2015	2016	2017
General and more serious occupational injury accidents		3	-3	0	0	0
Number of employees died in occupational injury accidents	Person	0	0	0	0	0
Death rate thousands ppl	‰	0	0	0	0	0
Heavy injury rate thousands ppl	‰	-	0	0	0	0
Working injury frequency rate thousands ppl	‰	-	0.12	0	0.18	0
Death rate of fire incident thousands ppl	‰	-	0	0	0	0
Commercial loss rate thousands ppl	‰	-	0	0.71	0.01	0.17
Commercial loss rate (million revenue)	%	-	0	0	0	0
Death rate (million revenue)	%	0	0	0	0	0
Housing construction death rate (million sq. m.)	‰	0	0	0	0	0
People injuries due to stampede in commercial buildings		-	0	0	0	0
Large scale power outages due to system failure in offices, hotels and shopping malls		-	0	0	0	0
Construction safety incidents which damaged the market reputation and social image of the company		-	0	0	0	0
Investment in work safety management	10,000 yuan	12,599	8,561.22	7,061.044	11,063.86	17,802.12
Number of emergency drills		575	636	1,392	2,977	3,600
Number of safety train sessions	Training hour per employee	-	-	-	-	173,045
Number of safety training sessions for partners	Training hour per employee	-	-	-	-	178,083.5
Percentage of employees received safety training	%	-	-	-	-	100
Number of full-time safety officers	Person	-	-	-	-	288
Number of registered safety engineers	Person	-	-	-	-	127
<b>Environmental responsibilities</b>						
Total investment in environmental protection <sup>[Note 14]</sup>	10,000 yuan	-	-	-	-	1,208.0858
Investment in upgrading energy saving and emission reduction technologies <sup>[Note 15]</sup>	10,000 yuan	-	-	-	-	527.7439
Comprehensive energy consumption	10,000 tons of standard coal	-	4.73	6.0983	7.4254	7.2524
Power consumption	10,000 kwh	-	33,633.96	42,091.8424	51,909.6055	52,327.0958
Gasoline consumption	Ton	-	1,192.92	863.7235	488.7984	302.9394
Diesel consumption	Ton	-	555.53	418.5135	319.1610	211.8901
Natural gas consumption	10,000 SCM	-	219.63	509.9322	661.0159	543.1331
Other energy consumption	Ton of standard coal	-	482.71	589.4841	482.1779	236.9878
Carbon dioxide emission	Ton	-	346,666.24	436,197.8	546,467.18	497,472.1400
Sulfur dioxide emission	Ton	-	-	-	-	0
Ammonia nitrogen emission	Ton	-	-	-	-	0
COD emission	Ton	-	-	-	-	0
NOx emission	Ton	-	-	-	-	0
Coal consumption of power supply	Gram of standard coal/kwh	-	-	-	-	0
Comprehensive energy consumption per ten thousand yuan of operating income	Ton of standard coal/10,000 yuan	0.0107	0.0096	0.0078	0.0078	0.0078



CASS-CSR3.0	Unit	2013	2014	2015	2016	2017
Comprehensive energy consumption per ten thousand yuan of added-value	Ton of standard coal/10,000 yuan	0.0389	0.0346	0.0259	0.0229	0.0222
Amount of energy consumption reduced by products	10,000 tons of standard coal	-	-	-	-	0
Area of certified green buildings	10,000 sq. m.	62.27	477.74	438	629.67	194.51

- Notes:
1. Unless otherwise specified, the data coverage of this Report is consistent with the CR Land Financial Report 2017.
  2. Greenhouse gas emissions and intensity refer to the carbon emissions produced from power, diesel, gasoline, natural gas and other energy in (1) office and public areas of shopping malls in operation; (2) office and public areas of nationwide residential buildings; (3) some hotels and public areas of some office buildings; and (4) constructing projects undertaken by the Construction Business Division of CR Land.
  3. The waste fluorescent lamps refer to the ones used in office, commercial projects, hotels and residential projects only.
  4. Earthwork waste refers to the one produced from projects under construction only.
  5. Rebar waste refers to the one produced from projects under construction only.
  6. Amount of waste paper/cover for recycling refers to the one recycled by LOGIC only.
  7. Concrete consumption refers to the one produced from projects under construction only.
  8. Rebar consumption refers to the one produced from projects under construction only.
  9. The data of water consumption increased dramatically due to the enlarged statistical range: the water consumption refers to the one used by office only in 2016, but the statistical range extended to office, hotel and commercial project in 2017.
  10. Total packaging materials used for finished products and with reference to per unit produced refer to total packaging materials used for finished products and with reference to per unit produced of LOGIC, a company affiliated to Construction Business Division of CR Land.
  11. The change in the scope of statistical data about B2.2 Lost days due to work injury leads to a change in data: the figure for 2016 is the accumulative number of occupational injury incidents verified by social insurance occupational injury authority while that for 2017 is the number of days of internal occupational injury leaves.
  12. Data about overall satisfaction are unavailable due to changes in standards for satisfaction survey.
  13. Ratio of customer complaints refers to complaints about residential projects only.
  14. Total investment in environmental protection refers to money spent on environmental protection during operation.
  15. Investment in upgrading energy saving and emission reduction technologies refers to money spent on upgrading energy saving and emission reduction technologies during operation.

Appendix 3

Honors

Award	Award Winning Unit / Project
Quality of Engineering	
Standardized Construction Site of Construction Safety - China Construction Industry Association	Shoukai CR Town, Beijing (Section II)
Standardized Site of Construction Safety - China Construction Industry Association	Chongqing Twenty Four City Phase V
G20 Summit Excellence Guarantee Construction Project	The MIXC Xiaoshan
Gold Award of the China Zhan Tianyou Civil Engineering Awards (3 projects)	Nanning Park Lane Manor Phase I, Nanning Oak Bay Project and Shenyang Fengtian Jiuli
China Resources Group "Six-star" Benchmark Residential Project	Kunshan CR International Community
Environmental Protection and Safety	
China Resources Group EHS Excellence Award (2015-2016)	China Resources Land Limited
China Resources Group EHS Achievement Award (2015-2016) for Fire Fighting System Detection and Hidden Risks Management Cloud Platform	China Resources Land Limited
First Prize of Science and Technology Award by China Occupational Safety and Health Association	China Resources Land Limited
Environmental, Health and Safety Award (Gold) of Hong Kong Green Awards 2017	China Resources Land Limited
Green and Safe Construction Site in Beijing	Shoukai CR Town, Beijing (Section I)
Green and Safe Exemplary Construction Site in Beijing	Shoukai CR Town, Beijing (Section II)
Best Ten Green and Civilised Construction Sites in Taiyuan	North Zone Project, City Crossing Taiyuan
Top Ten Green and Civilised Construction Sites in Taiyuan	Yuefu Project, City Crossing Taiyuan
Guangdong Provincial Construction Industry Green Construction Demonstration Project	The MIXC Zone B Project (Phase I), City Crossing Shantou Phase III
Advanced Unit of 119 Fire Fighting Award, Guangxi	Shenzhen China Resources Property Management Co., Ltd., Nanning Branch
Provincial Standard and Demonstration Site with Safe and Civilised Construction in Shandong Province	Zibo Oak Bay Phase III
G20 Summit Special Contribution Award for Fire Fighting and Security	The MIXC Hangzhou
"Green Shopping Mall" awarded by National Green Shopping Mall Building Office	The MIXC Shenyang
Social Responsibility	
"Five-start Report" by the Corporate Social Responsibility Research Centre of the Chinese Academy of Social Sciences	China Resources Land Limited



## Appendix 4

## ESG Indicator References

Environmental, Social and Governmental (ESG) Scope and General Disclosure as well as Key Performance Indicators (KPI)		Corresponding Chapter
Environment		
A1. Emissions	General Disclosure	Chapter V Dream of Green Development
	A1.1 The types of emissions and respective emissions data	N/A <sup>[see Note 1]</sup>
	A1.2 Greenhouse gas emissions in total and intensity	Chapter V Dream of Green Development Appendix 2: Data List
	A1.3 Total hazardous waste produced and intensity	Appendix 2: Data List
	A1.4 Total nonhazardous waste produced and intensity	Appendix 2: Data List
	A1.5 Description of measures to mitigate emissions and results achieved	Chapter V Dream of Green Development
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Chapter V Dream of Green Development Appendix 2: Data List
A2. Resource Utilization	General Disclosure	Chapter V Dream of Green Development
	A2.1 Total energy consumption and intensity	Chapter V Dream of Green Development Appendix 2: Data List
	A2.2 Water consumption in total and intensity	Chapter V Dream of Green Development Appendix 2: Data List
	A2.3 Description of energy use efficiency initiatives and results achieved	Chapter V Dream of Green Development
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Chapter V Dream of Green Development
	A2.5 Total packaging materials used for finished products and with reference to per unit produced	Appendix 2: Data List
A3. Environment and Natural Resources	General Disclosure	Chapter V Dream of Green Development
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Chapter V Dream of Green Development
Society		
B1. Employment	General Disclosure	Chapter III Dream of Caring for Employees Appendix 2: Data List
	B1.1 Total number of employees by gender, employment type, age and geographical region	Chapter III Dream of Caring for Employees Appendix 2: Data List
	B1.2 Employee turnover rate by gender, age and geographical region	Chapter III Dream of Caring for Employees
B2. Health and Safety	General Disclosure	Chapter III Dream of Caring for Employees
	B2.1 Number and rate of work-related fatalities	Chapter III Dream of Caring for Employees Appendix 2: Data List
	B2.2 Lost days due to work injury	Appendix 2: Data List
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Chapter III Dream of Caring for Employees
B3. Development and Training	General Disclosure	Chapter III Dream of Caring for Employees
	B3.1 The percentage of employee trained by gender and employee category	Chapter III Dream of Caring for Employees Appendix 2: Data List

Environmental, Social and Governmental (ESG) Scope and General Disclosure as well as Key Performance Indicators (KPI)		Corresponding Chapter
	B3.2 The average training hours completed per employee by gender and employee category	Chapter III Dream of Caring for Employees Appendix 2: Data List
B4. Labour Standards	General Disclosure	Chapter III Dream of Caring for Employees
	B4.1 Description of measures to review employment practices to avoid child and forced labour	Chapter III Dream of Caring for Employees
	B4.2 Description of steps taken to eliminate such practices when discovered	Chapter III Dream of Caring for Employees
B5. Supply Chain Management	General Disclosure	Chapter IV Dream of Win-win Cooperation
	B5.1 Number of suppliers by geographical region	Chapter IV Dream of Win-win Cooperation Appendix 2: Data List
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Chapter IV Dream of Win-win Cooperation
B6. Product Responsibility	General Disclosure	Chapter II Dream of Quality
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	/
	B6.2 Number of products and service related complaints received and how they are dealt with	Chapter II Dream of Quality Appendix 2: Data List
	B6.3 Description of practices relating to observing and protecting intellectual property rights	Chapter I Dream of Value
	B6.4 Description of quality assurance process and recall procedures	Chapter II Dream of Quality
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Chapter II Dream of Quality
B7. Anti-corruption	General Disclosure	Chapter I Dream of Value
	B7.1 Number of concluded legal cases regarding anti-corruption corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case	Chapter I Dream of Value Appendix 2: Data List
	B7.2 Description of preventive measures and anti-corruption whistle-blowing procedures, how they are implemented and monitored	Chapter I Dream of Value
B8. Community Investment	General Disclosure	Chapter VI Dream of Harmony
	B8.1 Focus areas of contribution	Chapter VI Dream of Harmony
	B8.2 Resources allocated to the focus areas	Chapter VI Dream of Harmony Appendix 2: Data List

## Notes:

1. In accordance with Appendix II: Environmental Key Performance Indicator Reporting Guide of How to Prepare the Environmental, Social and Governmental Report?, "A1.1The types of emissions and respective emissions data" is a key performance indicator relating to the air pollution of the place where the issuer operates, including nitrogen oxide, sulphur oxide and other pollutants regulated under national laws and regulations. Since the business operation of CR Land has little impact on the air, this indicator is defined as an inapplicable indicator during the decision on important issues.