

About this Report

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

●Reporting Period

The reporting period is from 1 January 2017 to 31 December 2017, with certain contents dating back to previous years or covering 2018.

●Reporting Scope

This report covers Beijing Properties (Holdings) Limited and its subsidiaries and associates. For the convenience of expression, Beijing Properties (Holdings) Limited is hereinafter referred to as “BPHL”, the “Company” or “we”. In order to disclose environmental and social information more clearly, certain data and information in this report have been disclosed under the office segment, the property segment, the hotel segment, the shopping mall segment and the agricultural shopping mall segment, respectively.

●Reporting Cycle

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

●Report Data

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

●Basis for Preparation

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

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

The report is prepared with reference to the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB)

●Report Version and Access

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

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

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Leadership's Statement

Chairman's Statement

The year 2017 was an extraordinary year for BPHL, in which we successfully transformed from a logistics property developer into a general property developer. The Company always upholds its corporate culture of "ambitions, unity of knowing and doing, steady progress and harmonious prosperity" and follows the strategy of "One Specialty, Diversified Development and Dual Drivers" to actively promote efficient asset operation and capital operation, in an endeavor to become a leading domestic enterprise in the PRC.

We made in-depth research and judgment on the changes of Chinese consumption patterns and social demands for logistics services. Driven by the huge logistics demands and the favorable domestic policies, we optimized our business segments by consolidating advantages, integrating resources and making innovative expansions to establish diversified principal activities and investment projects including high-end and modern general warehouse, cold chain logistics warehouse, specialised wholesale market, industrial property, commercial property, primary land development and other value investments. We also actively cooperated with high-quality import and export traders and retailers to build a cooperation platform which covers the upper, middle and lower streams and working together with partners to share value creation.

Facing the increasingly severe challenges concerning resources and climate change, green development is a guarantee for sustainable business operations. We pay close attention to environmental protection during the whole operation process, attach great importance to and continue to carry out energy conservation, consumption reduction and emission reduction, and are committed to building an environmentally friendly enterprise, minimizing the impacts on the environment, and caring for green homes. We continue to practice the responsibility concept of "harmonious prosperity", comprehensively promote the standardization and systematization of social responsibility management, and strengthen dialogue with stakeholders, in order to promote the coordinated development of society and environment while creating economic values.

Looking forward, BPHL will thoroughly implement the five major development concepts. While continuing to promote corporate development through refined management, more robust operation and more innovative business, it will integrate the concept of social responsibility into its strategic planning and business operation, steadily promote social responsibility management, achieve new development, and create new glories.

Qian Xu

CEO's Statement

High-quality development to create shareholder development

Based on a sound governance structure, we have established a sound internal control management system to promote the refinement and standardization of our management and to promote our high-quality and sustainable development through robust operation. While developing logistics property, industrial property and commercial property business, a diversified cold chain logistics industry and park development model had been formed. As its business development moved towards specialization and diversification, the Company had successfully realized the transformation from a logistics property developer to a general property developer in 2017.

Work together to achieve win-win results

We leveraged our resource strength to seek for more balanced, inclusive and sustainable development of various business lines, and stepped up internal business linkage and integration of internal and external resources to maximize synergy of business lines and cater to the development needs of suppliers, customers and other partners, so as to achieve win-win results and create an ecosystem featuring coordinated development. We have successfully established six major business segments including high-end and modern general warehouse, cold chain logistics warehouse, specialised wholesale market, industrial property, commercial property and primary land development.

Green growth and build ecological civilization together

We adhere to the concept of "Green growth, harmony and win-win" and integrate the concept and system of sustainable development into the whole construction process. Meanwhile, in order to realize green and environmental protection, we integrate the concept of green development into property management and the design, construction and operation of properties, and are committed to minimizing the impact on the environment.

People-oriented harmony and share beautiful life

We emphasized safety and environmental protection throughout the whole process of operation, constantly consolidated the safety management system, increased the employees' safety awareness, and implemented intrinsic safety management. Adhering to the concept of "people-oriented", we are committed to creating a harmonious corporate and social environment, creating a safe and comfortable working environment and a broad development platform for employees, contributing to the community, and sharing a good life with employees and the community.

Siu Kin Wai

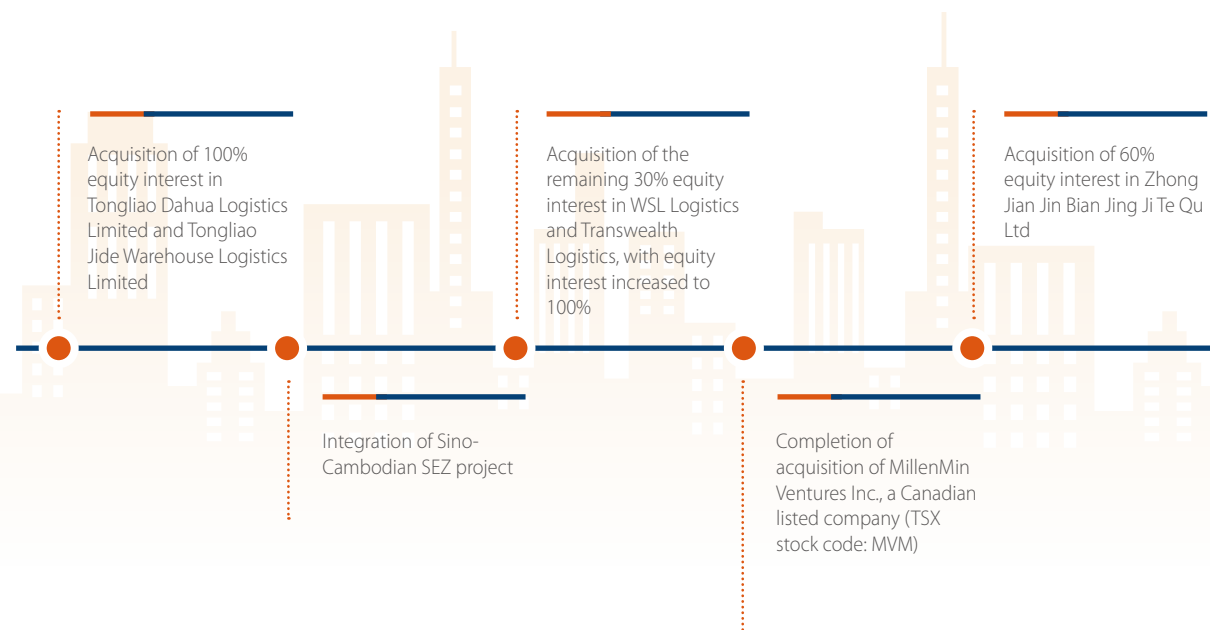
Our 2017

Major Business Milestones in 2017

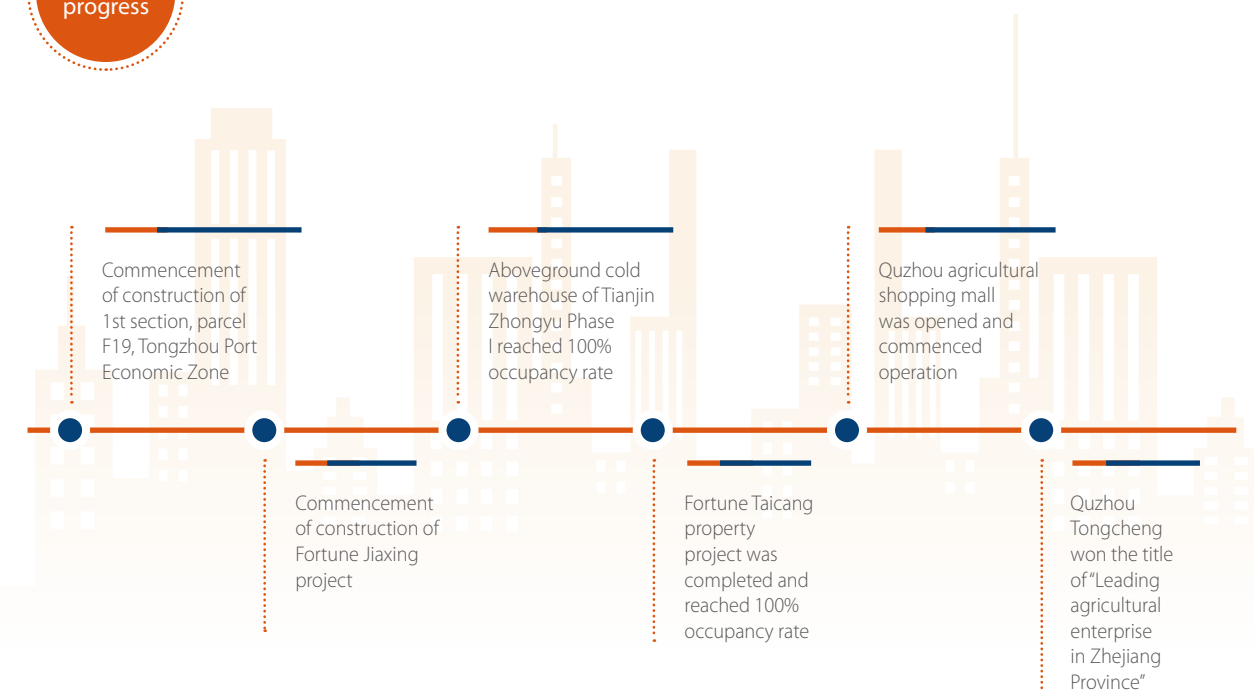
In 2017, China's economy recorded steady growth, and the Company successfully transformed from a logistics property developer to a general property developer. The consolidated profit attributable to shareholders of the Company for 2017 was approximately HK\$300,916,000, representing approximately 2.6 times the consolidated profit attributable to shareholders of the company for 2016 (HK\$115,380,000).



Corporate mergers and acquisitions



Project progress



Key Performance Indicators in 2017

Total assets

\$17,860,702,000

HKD



Turnover

\$335,025,000

HKD

Profit attributable to
shareholders

\$300,916,000

HKD



Net gearing ratio (times)

88.02%

Total gross floor area
of properties held

2,933,833

square meters

Total gross floor area of
properties in operation

919,098

square meters



About Us

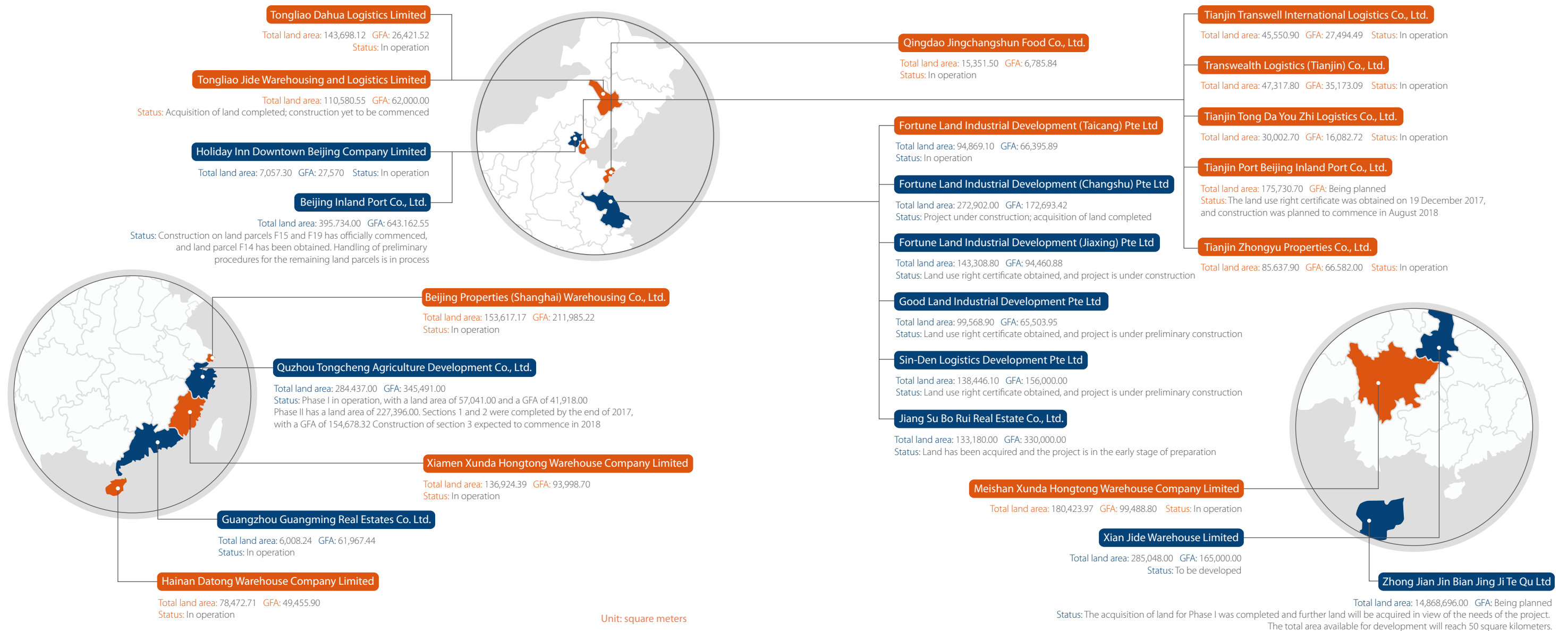
Company Profile

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

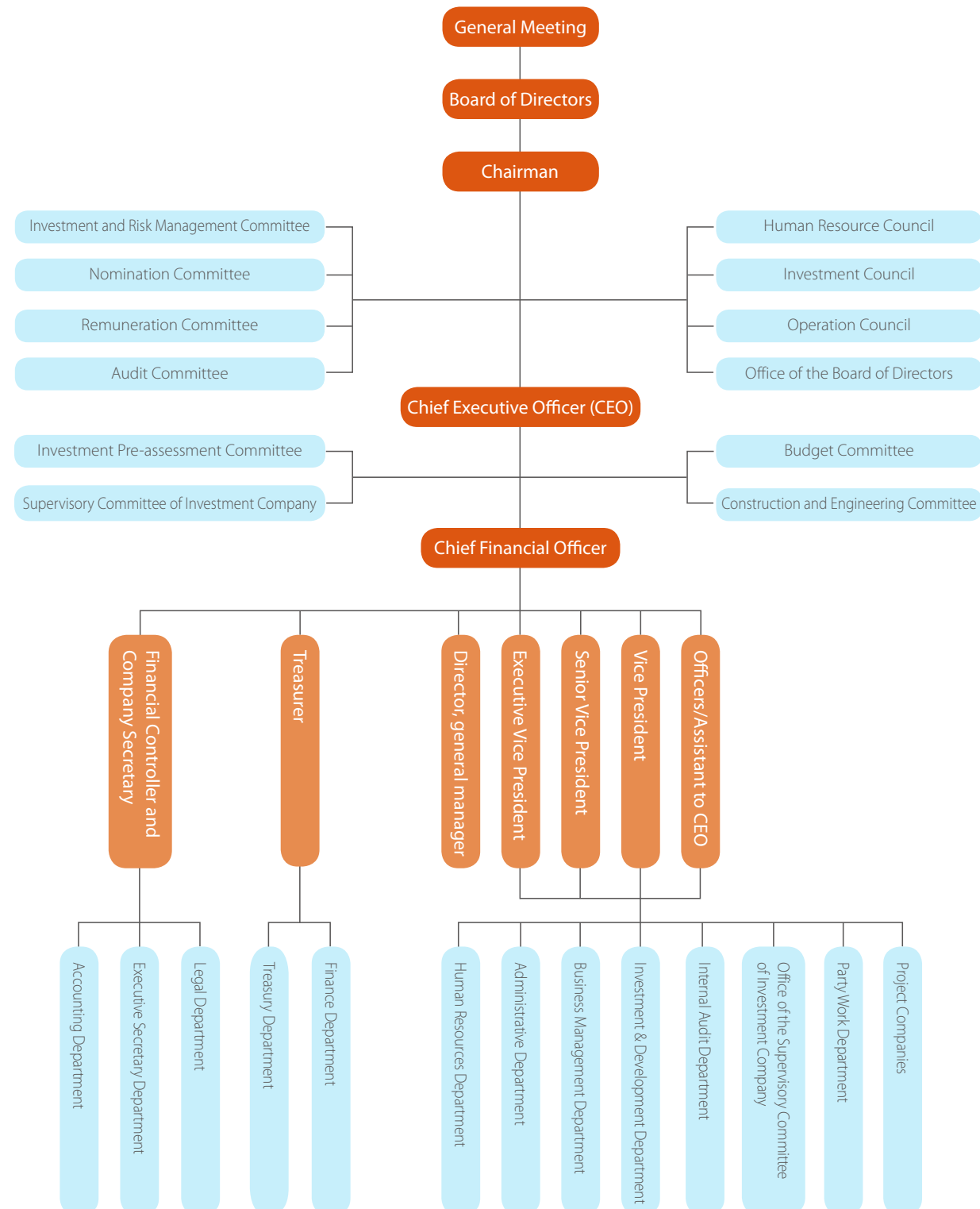
investment and developed its corporate culture featuring "ambitions, unity of knowing and doing, steady progress and harmonious prosperity". In 2010, the Company carried out reorganization with the domestic real estate segment of BE Group to establish Beijing Enterprises Real-Estate Group Limited which turns the Company into its listing vehicle. After years of development and active exploration, the Company has established a solid foundation in logistics property.

In 2016, BPHL successfully captured the development opportunities in the logistics industry, continued to consolidate its business foundation, maintained steady growth of core operations, expanded into industrial property sector, and responded to the "Belt and Road Initiative" by participating in the development of the Sino-Cambodian Phnom Penh Special Economic Zone. In 2017, the Company was committed to establishing a diversified and professional development structure, and

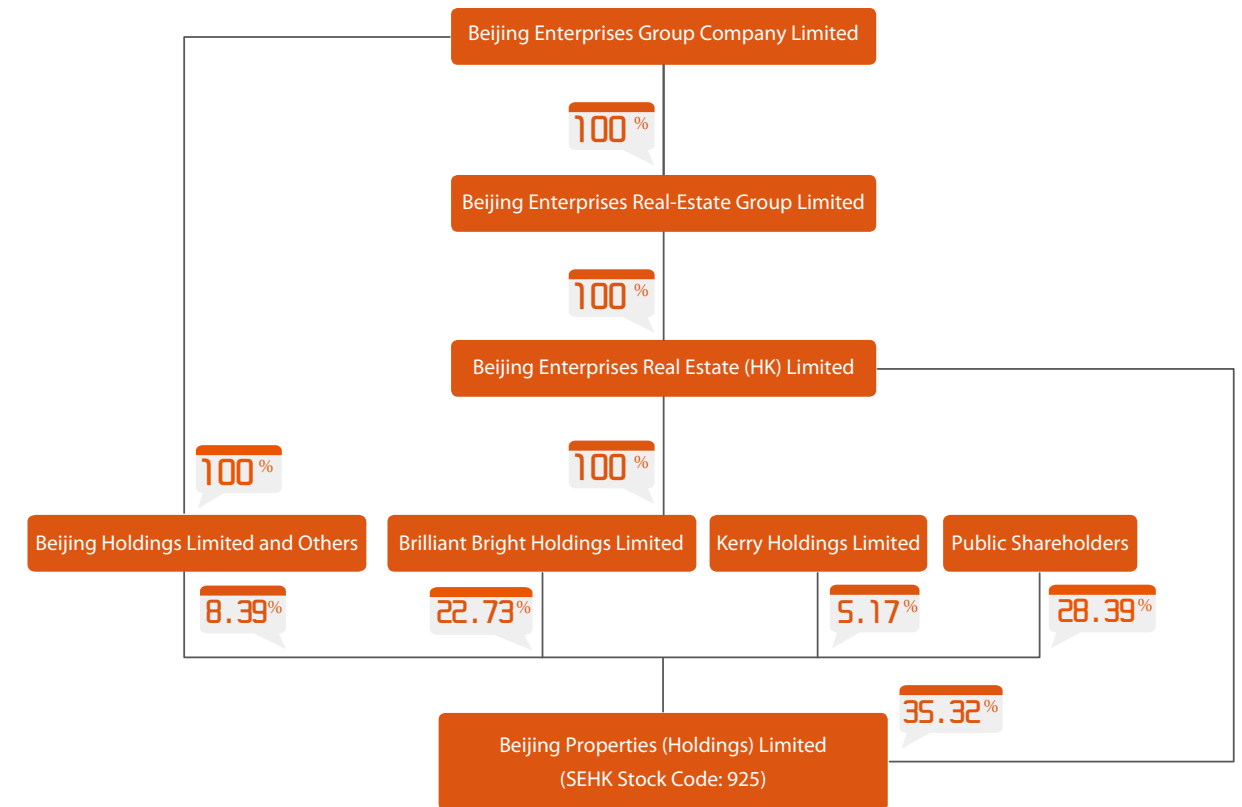
successfully established six major business segments including high-end and modern general warehouse, cold chain logistics warehouse, specialised wholesale market, industrial property, commercial property and primary land development.



Management Structure (As of March 2018)



Shareholding Structure (As of March 2018)



(As at 28 February 2018, Beijing Enterprise Group Company Limited held 66.44% equity interest in BPHL in total)

Asset Management Structure (as of March 2018)



China Logistics Infrastructures (Holdings) Limited

- 76% Beijing Inland Port Co., Ltd.
 - 50% Tianjin Beijing Inland Port Co., Ltd.
- 100% Beijing Properties (Shanghai) Warehousing Co., Ltd.
- 100% Tianjin Transwell International Logistics Co., Ltd.
- 100% Transwealth Logistics (Tianjin) Co., Ltd.
- 100% Tianjin Tong Da You Zhi Logistics Co., Ltd.



China Logistics Warehouses (Holdings) Co., Ltd.

- 80% Hainan Datong Warehouse Company Limited
- 80% Xiamen Xunda Hongtong Warehouse Company Limited
- 60% Meishan Xunda Hongtong Warehouse Company Limited
- 90% Xian Jide Warehouse Limited
- 100% Tongliao Dahua Logistics Limited
- 100% Tongliao Jide Warehouse Logistics Limited



China Industrial Properties (Holdings) Limited

- 75% Fortune Land Industrial Development (Taicang) Pte Ltd.
- 75% Fortune Land Industrial Development (Changshu) Pte Ltd.
- 75% Fortune Land Industrial Development (Jiaxing) Pte Ltd.
- 75% Good Land Industrial Development Pte Ltd.
- 75% Sin-Den Logistics Development Pte Ltd.
- 100% Jiang Su Bo Rui Real Estate Co., Ltd.



China Hui Ying Agribusiness (Holdings) Co., Limited

- 100% Quzhou Tongcheng Agriculture Development Co., Ltd.
 - 100% Quzhou Tongcheng Agriculture Trading Management Co., Ltd.
- 100% Wuzhishan Wufeng Agricultural Development Co., Ltd.
- 100% Baoting Hongrun Industrial Co., Ltd.

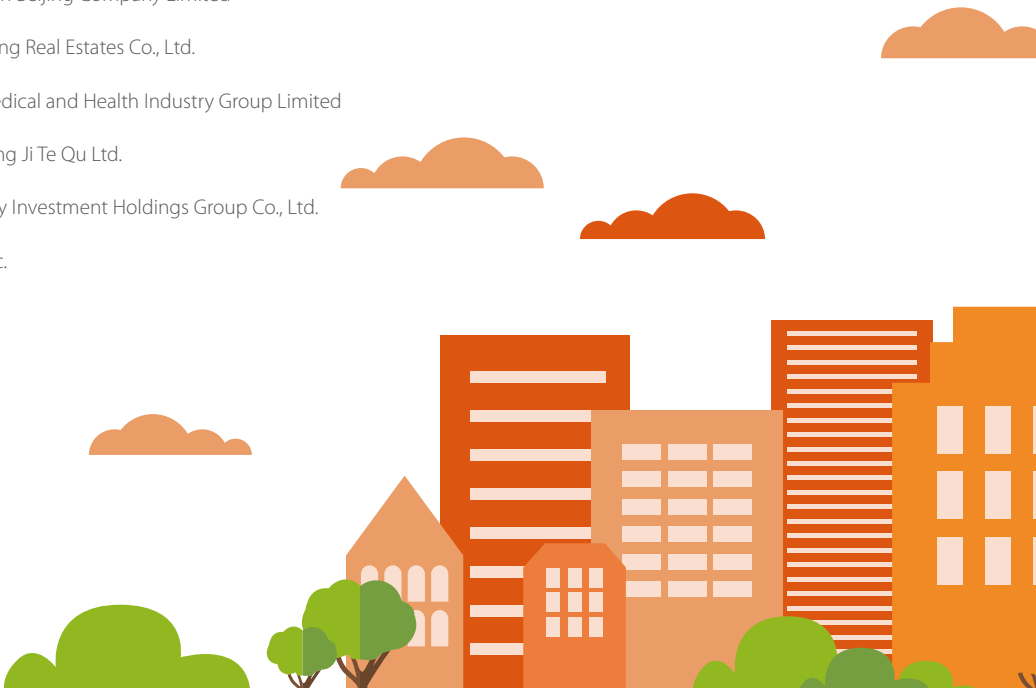


China Cold Chain Industry Investments (Group) Limited

- 60% Tianjin Zhongyu Properties Co., Ltd.
- 80% Qingdao Jingchangshun Food Co., Ltd.

Others

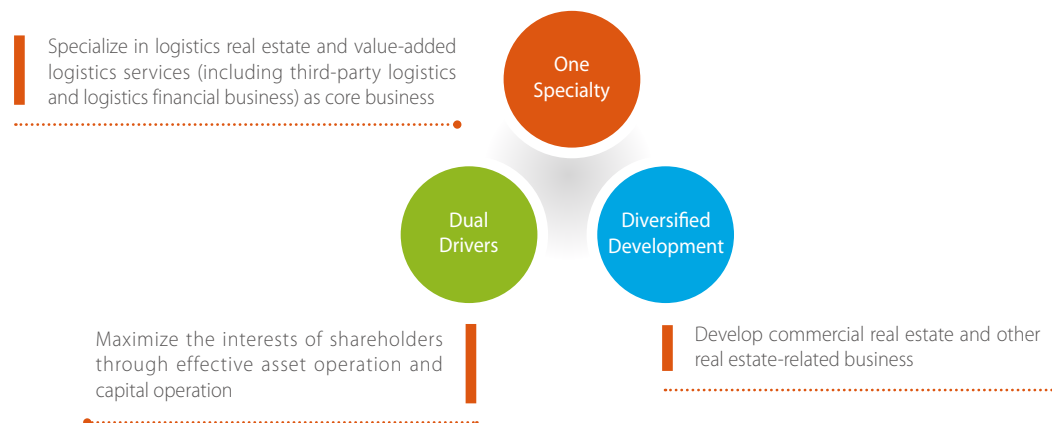
- 100% Holiday Inn Downtown Beijing Company Limited
- 98.9% Guangzhou Guangming Real Estates Co., Ltd.
- 15.62% Beijing Enterprises Medical and Health Industry Group Limited
- 60% Zhong Jian Jin Bian Jing Ji Te Qu Ltd.
- 35% Beijing Enterprises City Investment Holdings Group Co., Ltd.
- 49.17% MillenMinVentures Inc.



Development Strategy

Since its inception in 2009, BPHL has aimed to become a leading enterprise in China's logistics industry and established the

development strategy of "One Specialty, Diversified Development and Dual Drivers".



Responsibility Management

BPHL fully practice the responsibility concept of "harmonious prosperity" by integrating social responsibility into corporate function management and business operation, strengthening responsibility awareness, improving the ability to fulfill responsibility, continuously promoting standardization, systematization and specialization of

responsibility management, and building smooth communication channels for stakeholders, so as to promote the recognition of BPHL brand in responsibility and facilitate the harmonious prosperity of corporate development and the community and environment.



Responsibility Concept

With "harmonious prosperity" as the responsibility concept, BPHL is committed to the harmonious prosperity and development of the Company, the economy, the community and the environment. It improved

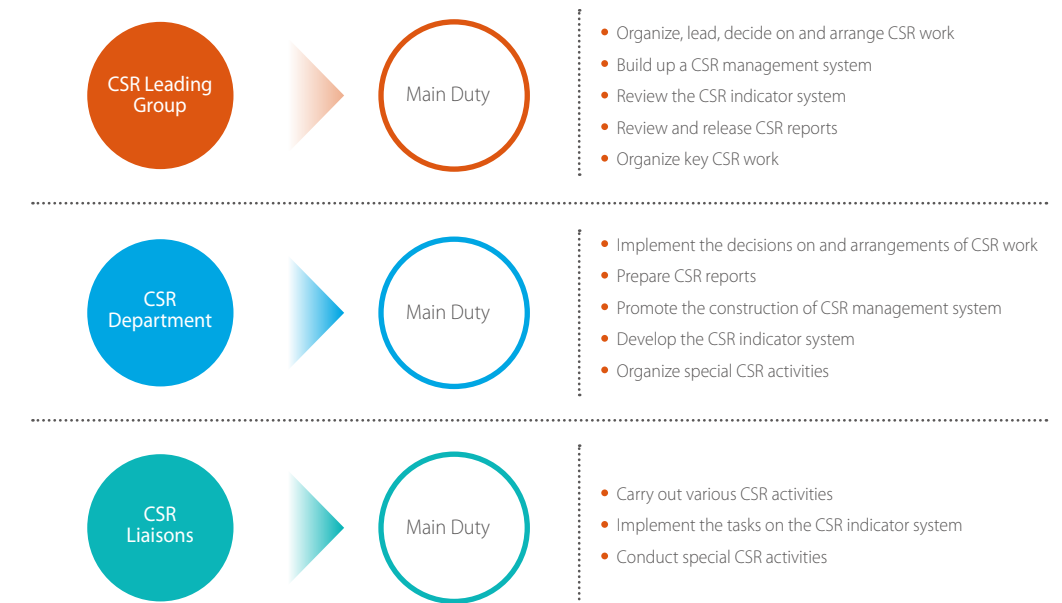
its social responsibility management system, integrated social responsibility into its day-to-day management and operation, and actively performed its responsibilities to stakeholders.



Responsibility Promotion

Based on the responsibility concept of "sound operation, common growth, safety & environmental protection and people-oriented harmony", BPHL has set up a CSR leading group comprising the executive directors of the Company, a CSR

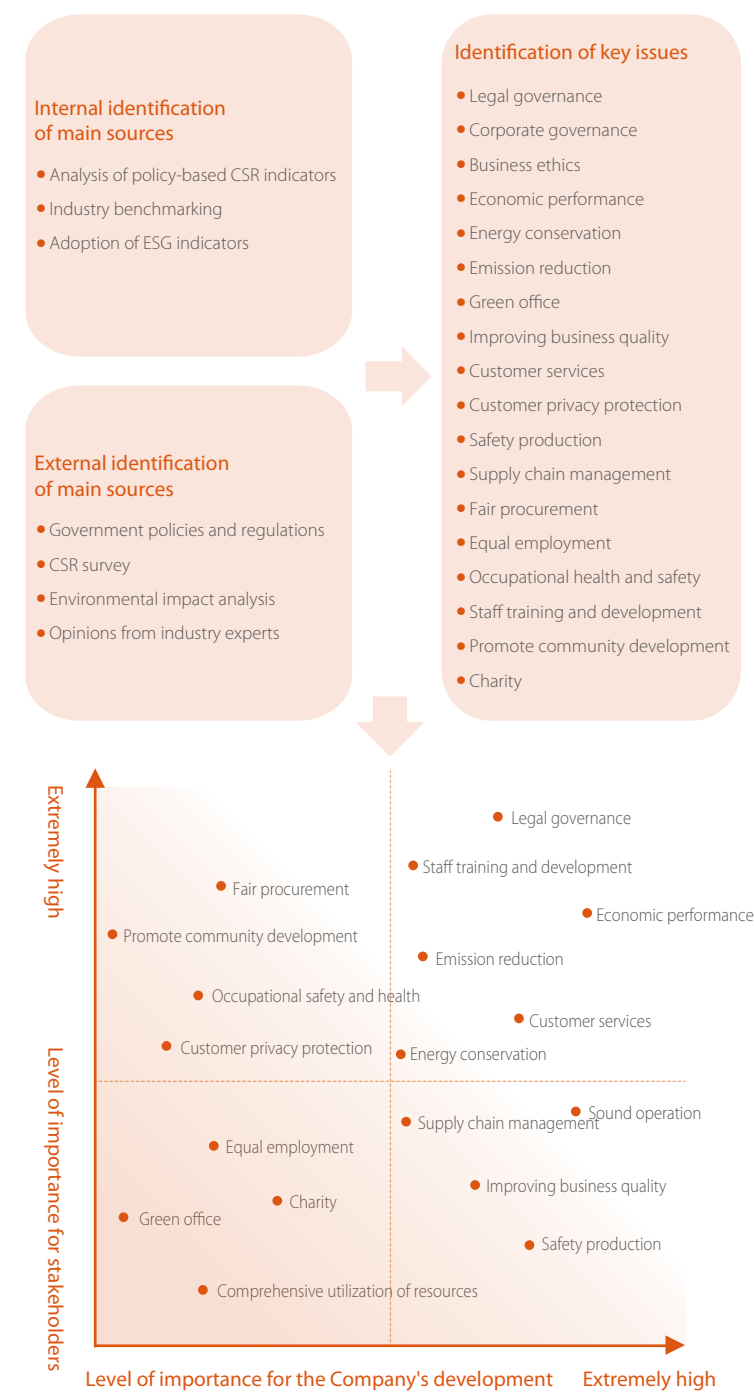
department subordinate to the leading group and appointed CSR liaisons in all the project companies to ensure the orderly advancement of social responsibility practice as planned.



BPHL prioritizes the integration of social responsibility into day-to-day operations and issues social responsibility reports on a regular basis. In order to better fulfill the requirements of the Hong Kong Stock Exchange on information disclosure of listed companies and better respond to the concerns and demands of stakeholders on the Company, we prepared the ESG Guidelines Introduction Handbook in 2017 to further promote standardized CSR management.

Identification of Substantial Issues

Pursuant to domestic and overseas CSR guidelines and based on actual operation and the needs of stakeholders and its own development, BPHL analyzed substantial CSR issues and tried to fully understand and respond to the expectations and demands of the stakeholders, in order to ensure accurate and comprehensive disclosure of the progress of CSR work as well as relevant information.



Extremely high

Level of importance for stakeholders

Level of importance for the Company's development

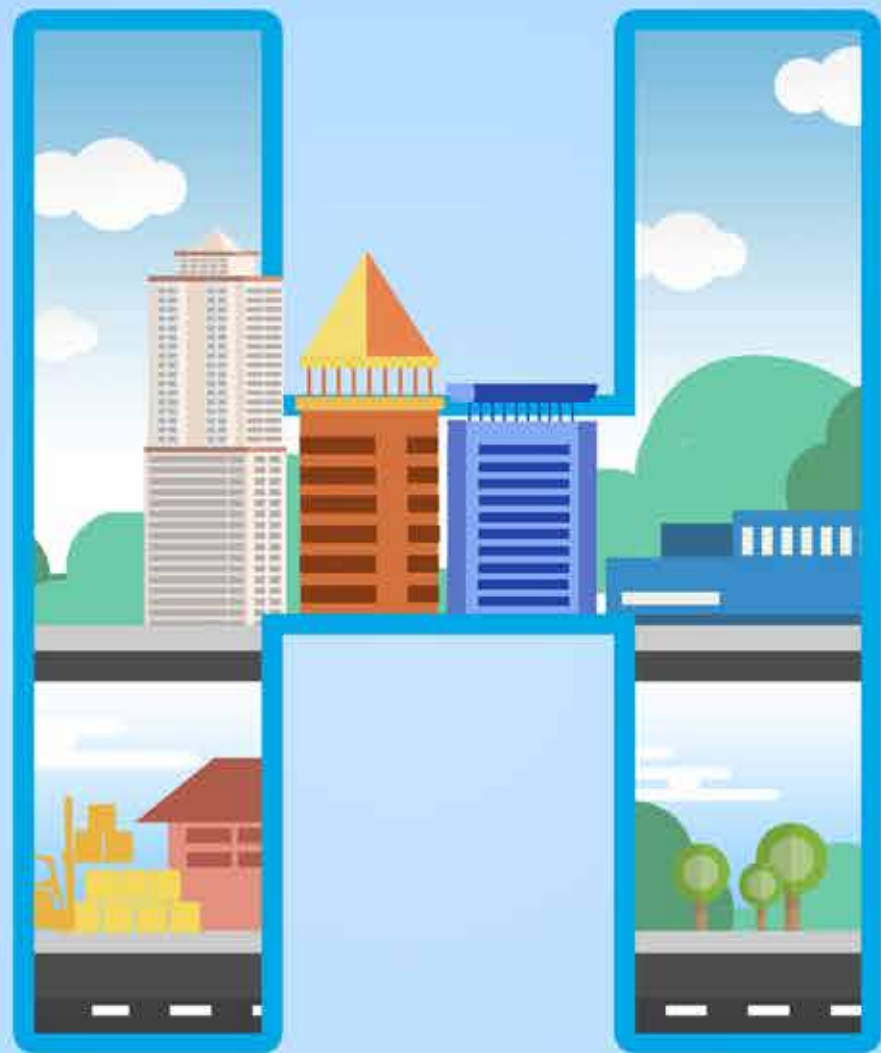
Extremely high

Issue	Stakeholder Importance	Company Development Importance
Legal governance	High	High
Corporate governance	High	High
Business ethics	High	High
Economic performance	High	High
Energy conservation	High	High
Emission reduction	High	High
Green office	High	High
Improving business quality	High	High
Customer services	High	High
Customer privacy protection	High	High
Safety production	High	High
Supply chain management	High	High
Fair procurement	High	High
Equal employment	High	High
Occupational health and safety	High	High
Staff training and development	High	High
Promote community development	High	High
Charity	High	High

Communication with Stakeholders

BPHL actively communicates with the stakeholders in an effort to establish diversified communication methods and smooth communication channels, listens to the expectations and advices of various stakeholders on its CSR performance, and actively responds to the opinions and demands of stakeholders, so as to promote its responsibility concept and create values.

Stakeholder Communication Details		
Stakeholders	Stakeholders' expectations	Our responses
Shareholders and investors	<ul style="list-style-type: none">Operation in compliance with laws and regulationsValue preservation and appreciation of assetsTransparent information disclosure	<ul style="list-style-type: none">Continuously improve the level of governanceStandardize corporate governance and internal controlActively maintain investor relationsCarry out information pursuant to the regulatory requirements
Government	<ul style="list-style-type: none">Follow national policiesCompliance with laws and regulationsPromote regional economic development	<ul style="list-style-type: none">Pay taxes according to lawProvide employment opportunitiesFight against corruption and advocate honestyActively cooperate with national and industrial policiesPromote healthy development of the industry
Customers	<ul style="list-style-type: none">Supply of quality productsOperation in good faithConvenient communication	<ul style="list-style-type: none">Smooth communication channelsProtect customer privacyProvide truthful information on products and services
Partners/suppliers	<ul style="list-style-type: none">Keep promisesMutual benefit and win-winLong-term partnership	<ul style="list-style-type: none">Strengthen strategic cooperationOpen and transparent procurement platformInvolve in exchange activities of industry associations
Environment	<ul style="list-style-type: none">Energy conservation and emission reductionProtect ecological environmentEmission reductionGreen operation	<ul style="list-style-type: none">Use clean energyReduce energy consumptionStrictly control pollutant emissionGreen office
Employees	<ul style="list-style-type: none">Employee health and safetyFair promotion mechanismImpartial opportunities for growthEmployee care activities	<ul style="list-style-type: none">Optimize the compensation systemCreate a good working and living environmentProvide employee training and career developmentOrganize various activitiesAid employees in need
Community	<ul style="list-style-type: none">CharityConduct Volunteer activitiesCommunity investment	<ul style="list-style-type: none">Carry out charity donation activitiesOffer volunteer services



High-quality Development to Create Shareholder Value



Based on a sound governance structure, BPHL has established a sound internal control management system to promote the refinement and standardization of management and to promote high-quality and sustainable development through robust operation, so as to create values for shareholders and investors.

Improve corporate governance

The Board comprises 15 directors, including 10 executive directors and 5 independent non-executive directors. Independent directors represent 33.3% of the directors and provide independent opinions on business strategy, performance and management. The Board is mainly responsible for formulating the Company's development strategy to ensure a high level of corporate governance. The Board meets regularly each year to approve the acquisitions and connected transactions of the Company, monitor its financial performance to achieve strategic objectives of the Company. Mr. QIAN Xu is the chairman of the Board and Mr. SIU Kin Wai is the chief executive officer of the

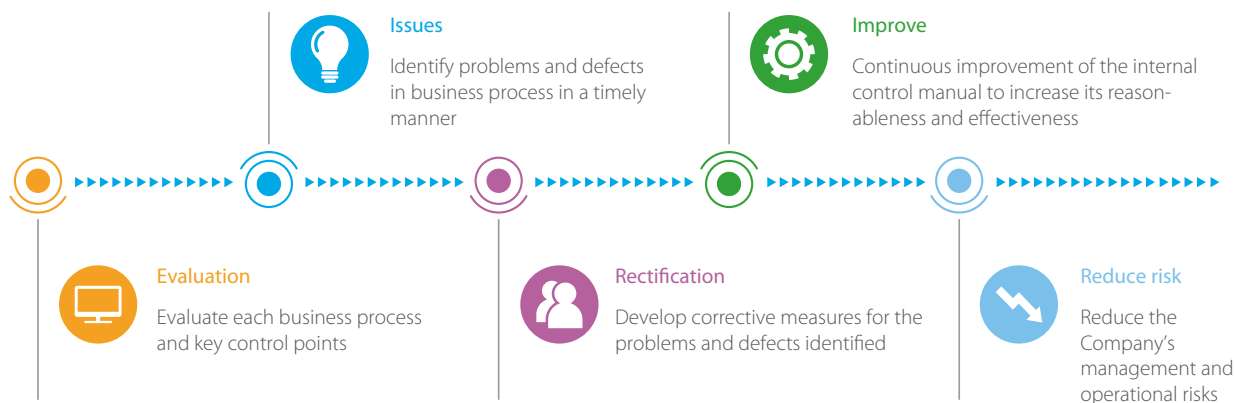
Company. The Board has established an audit committee, a nomination committee, a remuneration committee and an investment and risk management committee to ensure the effective maintenance of corporate governance. In 2017, the Company held two general meetings and four Board meetings.

The Company attaches great importance to the maintenance and development of investor relations and regularly discloses information to shareholders through annual and interim reports, announcements, press releases and other means to enhance the transparency of the Company and protect the rights and interests of shareholders.

Standardized Operation

BPHL continually improves its internal control system in strict compliance with the national laws and regulations as well as the regulatory requirements for listed companies. In 2017, the Company completed the construction of internal control system, and comprehensively strengthened internal supervision and risk control over its wholly-owned, non-wholly-owned and important subsidiaries, thereby improving its overall management level.

BPHL continuously improves internal control system and strengthens internal control management to meet the regulatory requirements for the Group and the Company as a listed company and continues to standardize its operation. In 2017, the Company strengthened objective management and process control, enhanced dynamic management of various business segments, and evaluated the integrity and effectiveness of internal control designs in line with the Internal Control Manual.

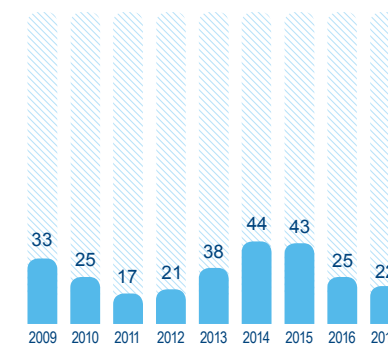


BPHL eliminates all violations of business ethics and insists on building a fair and honest corporate culture. The Company and its subsidiaries have designated part-time discipline inspectors, who are responsible for discipline inspection and supervision work. It established a WeChat group for discipline inspection and supervision work to ensure timely and effective communication in respect of discipline inspection and supervision work. There were no litigation cases arising from corruption and bribery in 2017.

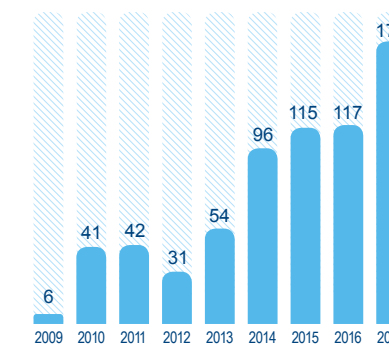
Create Economic Value

Based on its logistics property business, the Company develops industrial property business, actively responds to China's "Belt and Road" initiative to develop and expand overseas business, so as to realize specialized and diversified development and bring value

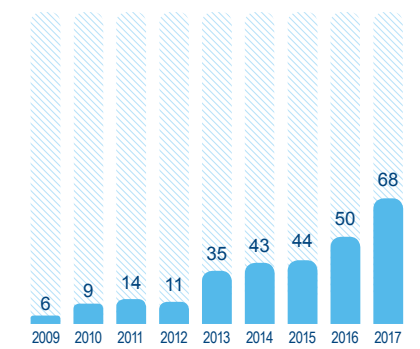
returns in various areas to shareholders. In 2017, the Company completed the acquisition of Fortune Land Industrial Development (Changshu) Pte Ltd and Fortune Land Industrial Development (Taicang) Pte Ltd..



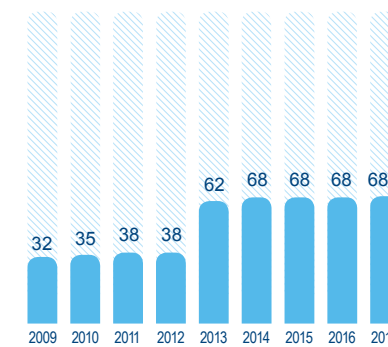
Market capitalization (Unit: HK\$ 100 million)



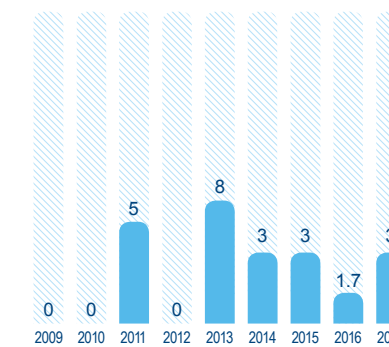
Total assets (Unit: HK\$ 100 million)



Net assets (Unit: HK\$ 100 million)



Total issued share capital (Unit: 100 million shares)



Total profit (Unit: HK\$ 100 million)





Work Together to Achieve
Win-Win Results



Improve Business Quality

BPHL took the opportunities and leveraged its successful experiences to maximize the integration and use of resources and implemented a segment development model. In view of the needs of strategic development, the Company optimized and integrated its business segments in 2017 and successfully established six major business

segments including high-end and modern general warehouse, cold chain logistics warehouse, specialised wholesale market, industrial property, commercial property and primary land development, with the purpose of building a diversified and professional development structure.

> High-end and modern general warehouse business

Driven by the development of China's e-commerce and import and export business, the Company has actively established a nationwide network of modern warehouses. It owns a number of warehouse projects located in large cities such as Beijing, Shanghai, Tianjin, Xiamen, Chengdu, Tongliao and Xi'an, with a total rentable area of 1,654,508 square meters and a rentable area in operation of 560,148 square meters. The Company will continue to expand its modern warehouse network to support the rapid development of China's e-commerce and import and export business.



● Shanghai Waigaoqiao project

It includes 23 warehouses. It faces fierce competition as the supply of nearby warehouses increased in 2017. As at 31 December 2017, the occupancy rate of the rentable area was 71.57% and the annual average occupancy rate was 69.34%.

▲ Shanghai Waigaoqiao project

● Tongliao Dahua project

The project has 12 buildings in Ke'erqin District, Tongliao City, with a rentable area of 26,422 square meters, which is currently mainly leased to central grain reserve and individual operators. As at 31 December 2017, the occupancy rate of the rentable area was approximately 77.73% and the annual average occupancy rate was approximately 69.88%.

● Majuqiao Logistics Park project

Majuqiao Logistics Park is the largest investment project to be developed and operated by BIPL and BPHL. It will become one of the largest comprehensive logistics parks in northern China upon completion. In January 2017, the Beijing Municipal Government approved Majuqiao Logistics Park as one of the future cross-border e-commerce industrial parks to be connected to logistics and e-commerce industrial parks in Tianjin and Hebei, where the relevant policies in Tianjin Free Trade Zone and the policies for cross-border e-commerce integrated service areas will be introduced to realize the integration of resources and advantages of three respective regions and further strengthen the competitiveness of the park. The construction of Phase I of the project was completed in December 2017, and Phases II and III are under construction. Upon full completion, its rentable area will reach 605,360 square meters. Its proposed rentable area has been pre-leased to major e-commerce giants in the PRC.



▲ Majuqiao Logistics Park plant area



▲ WSL Logistics customs warehouse

● WSL Logistics warehouse project

Situated in Tianjin Pilot Free Trade Zone, WSL Logistics customs warehouse is strategically located in and remains the only bonded warehouse at Tianjin Binhai International Airport. As at 31 December 2017, the occupancy rate of the rentable area of the warehouse was 90.43% and the annual average occupancy rate for 2017 was approximately 90.50%.



▲ Sin-Den Taicang project

● Sin-Den logistics project

With the continuous and rapid development of e-commerce and logistics in Shanghai, the radiation effect has led to the rapid growth of various industries. The Company has established high-end modern general warehouses, with a total area of 104,803 square meters in Shanghai to meet its development needs and support Shanghai's economic growth.

> Cold chain logistics and warehousing business

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



▲ Qingdao Jingchangshun project warehouse

● Qingdao Jingchangshun

Qingdao Jingchangshun Food Co., Ltd. ("Qingdao Jingchangshun") is principally engaged in the operation of cold logistics storage facilities in Chengyang district of Qingdao, China. It currently owns a cold warehouse of approximately 6,785.84 square meters, representing a carrying storage capacity of approximately 8,000 tons. The occupancy rate of the rentable area was approximately 55.57% as at 31 December 2017, while the annual average occupancy rate was approximately 67.86% as at the end of 2017.



▲ Tianjin Zhongyu project

● Tianjin Zhongyu

Tianjin Zhongyu Properties Co., Ltd. ("Tianjin Zhongyu") is a service platform for imported meat. Phase I has an area of approximately 66,484 square meters, representing a carrying storage capacity of approximately 45,000 tons. The occupancy rate of the rentable volume was approximately 73.82% as at 31 December 2017. Tianjin Zhongyu project is an aquaculture industry service platform, offering both storage and other value-adding services.

> Specialised wholesale market business

As a business platform for different professional fields, BPHL gives full play to its own advantages in serving local economic development. Quzhou Tongcheng project is a modern agricultural product wholesale market jointly developed by the Company and local government and a bold attempt and advance of the Company on new business. As a new integrated project, it comprises shops and a trade center and serves a population of approximately 30 million people in an area of about 150 square kilometers. The Quzhou agricultural shopping mall project will be constructed and developed in three phases. Phase I was put into operation on August 2015, and Phase II was put into operation in November 2017.

> Industrial property business

The continuous rapid development of Shanghai has led to a sharp increase in the demand of local high-end manufacturing industry for outbound transportation. In addition, with the establishment of manufacturing facilities in the PRC by European and U.S. high-end enterprises, there has been strong demand for high-end industrial plants in the Yangtze River Delta region. BPHL vigorously develops an industrial property business model with four major characteristics, being heavy investment, quick startup, value-added services, and long-term steady returns. It has built high-end plants in Taicang, Changshu and Jiaxing, Jiangsu Province to actively support growing local demand, with a total gross floor area of approximately 839,450 square meters, of which 66,396 square meters are completed.

> Commercial property business

BPHL actively engages in other value investment business, so as to realize sustainable and healthy business development in a multi-functional and all-round manner, including Guangzhou Metro Mall and Holiday Inn Downtown Beijing, etc.



• Guangzhou Metro Mall

Guangzhou Guangming Real Estates Co. Ltd. ("Guangzhou Guangming") owns 99% equity interest in Guangzhou Metro Mall, which has a total gross floor area of approximately 61,967.44 square meters and provides dining, entertainment, shopping and cultural experience. As at the end of 2017, the occupancy rate of Guangzhou Metro Mall was 90.77% and the annual average occupancy rate was approximately 85.01%.

▲ Guangzhou Metro Mall



▲ BJ Holiday Inn

• BJ Holiday Inn

Strategically located in the business district of Financial Street, Xicheng District of Beijing, BJ Holiday Inn provides 333 elegantly decorated rooms to travelers in Beijing. As at 31 December 2017, the annual average occupancy rate was 83.06%.

> Primary land development business

• Sino-Cambodian SEZ project

In response to China's "Belt and Road" initiative and in order to realize the strategic goal of going abroad as a state-owned enterprise, the Company actively strengthened its overseas business presence and expanded into the Southeast Asian market. It established Zhong Jian Jin Bian Jing Ji Te Qu Ltd (Sino-Cambodian SEZ) in Cambodia, which is committed to developing into an integrated special zone covering finance, technology, processing, logistics, commerce, residence and tourism and a platform for Chinese enterprises to invest in, develop and practice the "Belt and Road" initiative and share resources. The SEZ company owns permanent and full titles to the land held by it. As such, the development pattern may be more open and free and enjoys unique strengths compared to other local projects.

• Beijing Enterprises City Investment Holdings Group Co., Ltd.

As its single largest shareholder, Beijing Properties (Holdings) Limited established Beijing Enterprises City Investment Holdings Group Co., Ltd. with strategic investors and management team in November 2017, in order to make use of the established business segments of BE City Investment, the parent company of the Company, and its unique capital, technology and management advantages in respect of urban infrastructure planning and construction and related activities. It is positioned to invest in and operate new urban infrastructure, introduce basic industries, build a new industry-city integration investment operator and an integrated urban public service provider to provide urban public goods and public services.



Good Customer Relationship

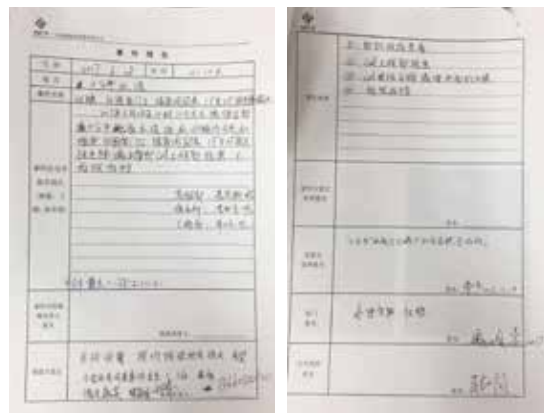
BPHL is committed to providing customers with quality products and better services. The Company strictly implements process management and control to strictly control product quality and provides customers of

different types and in different areas with customized warehousing and logistics services to enhance the overall business quality.



Case Develop Comprehensive Solutions to Respond to Customers' Demands

For the shopping mall segment, Guangzhou Guangming Real Estates Co. Ltd. is committed to providing customers with a satisfying and comfortable environment, paying attention to customers' experience and diversified demands in shopping malls, and developing comprehensive solutions to timely and properly solve customers' problems through multiple channels. The Company has established a smooth channel for filing complaints. For disputes with customers, complaints may be filed with the customer services department through writing or oral forms or telephone, some of which may be reported to local industry and commerce bureau and police stations for assistance. For on-site issues, the Company immediately handles them together with the relevant authorities. For example, if a repair request for air conditioner is made, the Company will promptly arrange door-to-door inspection and explain the reason to tenants. For optical fiber issues, the Company will assist tenants in reporting to the telecommunications bureau. The timely and considerate approach of Guangzhou Guangming Real Estates Co. Ltd. has been widely recognized by tenants and customers of the shopping mall.



Report on handling of pipe blockage of tenants of the shopping mall segment



Case Considerate Customers Services to Improve their Experience

For the hotel segment, Holiday Inn Downtown Beijing Company Limited strictly follows the service operation standards of Intercontinental Hotel and adopts a standardized review system and mysterious visitor review system to protect customers' privacy and living experience. It also fully uses Medallia, a customer feedback platform of the Intercontinental Hotel Group, which summarizes and analyzes customers' feedbacks, opinions and requests to avoid re-occurrence of issues affecting customers' experience and to ensure the provision of considerate and satisfactory services to customers so as to improve their satisfaction.



Medallia platform data analysis

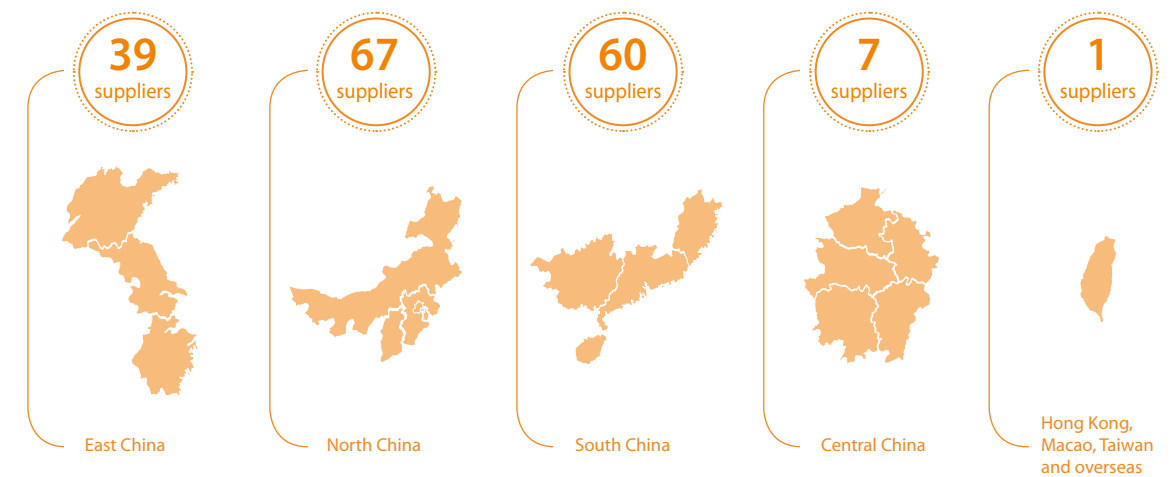
Win-win Cooperation with Partners

The effective management of environmental, social and economic performance of the supply chain will enable us to save resources, streamline processes, improve production efficiency and then realize win-win results for both sides. BPHL has developed strict procurement procedures to ensure equity, openness and fairness, and takes into account product and service awareness, partnership, safety management, environmental concerns and other performance in establishing a supplier admission and exit mechanism. BPHL carries out annual evaluation of suppliers which includes qualification examination and on-site inspection to select suppliers that have recorded outstanding performance both environmentally and socially as long-term partners.

For the shopping mall segment, the supply prices and scope of business set out in the business licenses of suppliers are inspected

on an annual basis, and purchases through online shopping platforms are increased while prices are compared through online shopping. For the agricultural shopping mall segment, the supply chain management systems including the Supplier Management System, the Bidding and Procurement Management System and the Outsourcing Service Agency Selection and Management Measures are strictly complied with to ensure the transparency and compliance of the supply chain. For the property segment, the Company regularly searches on the website of the industry and commerce bureau to check whether there are any financial, social and environmental irregularities of suppliers.

In 2017, the Company had a total of 174 suppliers across east China, north China, south China, central China and Hong Kong, Macao and Taiwan.



Number of suppliers by geographical region

Contribute to Industry Development

BPHL attaches great importance to cooperation and exchange with its industry peers. It actively takes part in exchange activities in the industry to promote healthy and sustainable development of the industry. The Company contributes to healthy development of the industry by fair and transparent operation. We respect and actively protect intellectual property rights. The

Company has in place a system to prohibit plagiarizing and copying others' intellectual property rights, so as to standardize intellectual property protection. For example, Guangzhou Guangming strictly implements the intellectual property rights protection policy and explicitly requires tenants operating business under well-known brands to provide legal authorization certificates.



Green Growth and Build Ecological Civilization Together



Facing the increasingly severe challenges concerning resources and climate change, green development is a guarantee for sustainable business operations. We pay close attention to environmental protection during the whole operation process, attach great importance to and continue to carry out energy conservation, consumption reduction and emission reduction, and are committed to building an environmentally friendly enterprise, minimizing the impacts on the environment, and caring for green homes.

Enhance Environment Management

Construction has wide impacts on the environment. We adhere to the concept of “Green growth, harmony and win-win” and integrate the concept and system of sustainable development into the whole construction process. Meanwhile, in

order to realize green and environmental protection, we integrate the concept of green development into property management and the design, construction and operation of properties, and are committed to minimizing the impact on the environment.

> Property segment

Pursuant to the Environmental, Occupational Health and Safety Management Manual, the Company established its environmental management system, covering relevant policies, tactics, goals and monitoring indicators.

When formulating environmental control measures, we consider such factors as the scope of environmental impact, the degree of impact, the frequency of environmental incidents, community attention, regulatory compliance, resource consumption and the potential for resource conservation, in an effort to achieve harmony between construction and the environment.

The Special Plan for Green Construction has been formulated to regulate the environmental protection in the construction process, implement green construction and construct green buildings.

> Hotel segment

The Green Solutions and Measures for the Intercontinental Hotel Group have been strictly complied with to standardize the separation and management of hazardous waste, procurement of energy-saving equipment and recycling of water resources to effectively enhance the green competitiveness of the hotel.

Promote Green Operation

The Company strives to improve the level of environmental management in all aspects of production and operation. By incorporating environment protection concept and implementing measures to save energy

and reduce emission, the Company aims to lower environmental impacts and implement the concept of harmonious and common development into all of its practices.

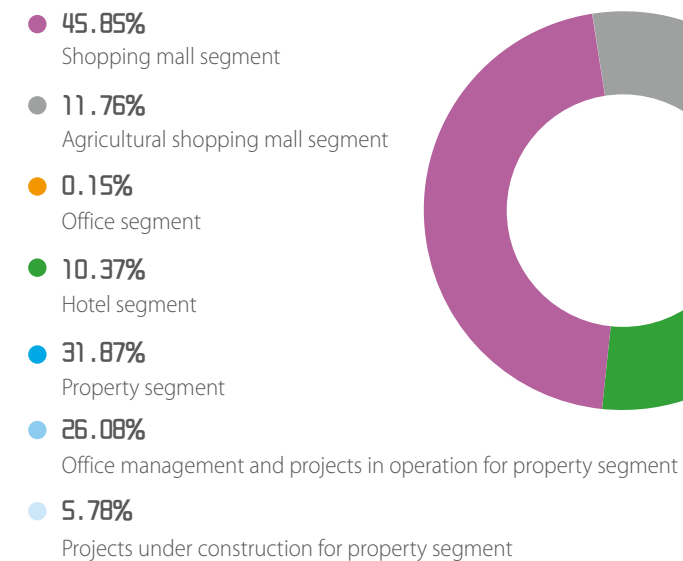
> Energy conservation and emission reduction

Following strict energy use standards and starting from the source of impact on the environment, we take comprehensive measures, including efficient energy management strategies and technological innovations, to increase resource use efficiency in all respects, thus greatly reducing energy consumption.

The Company mainly consumes electricity, gasoline and diesel in operation. In view of the business characteristics of the Company, we analyzed the volume and percentage of consumption of electricity, gasoline and diesel of the office, property, hotel, shopping mall and agricultural shopping mall segments, and urged the relevant segments and subsidiaries to adopt effective measures to reduce energy consumption and promote energy conservation and emission reduction.

Notes

1. The office segment includes mainly the investment management companies under BPHL, such as Beijing Properties (Holdings) Limited, Beijing Yun Zhong Xing Ao Consulting Co., Ltd. and Beijing Yun Zhong Management Consulting Co., Ltd.
2. The property segment includes mainly logistics warehouse, industrial property and property management segments, as well as the relevant management offices.
3. The hotel segment, shopping mall segment and agricultural shopping mall segment are operated by Holiday Inn Downtown Beijing Company Limited, Guangzhou Guangming Real Estates Co. Ltd. and Quzhou Tongcheng Agriculture Development Co., Ltd., respectively.
4. The energy consumed by the property segment was mainly used in the construction of projects under development, projects in operation and office management.



Distribution of electricity consumption of the Company in 2017

In 2017, the Company's electricity consumption totaled 27,242,800 kWh, of which the shopping mall segment and the property segment accounted for 45.85% and 31.87%, respectively, as there was significant energy consumption in certain projects under construction. In order to optimize the use of electricity, various business segments adopted active practices to achieve a reasonable and efficient utilization of energy.

Shopping mall segment

Pay attention to the standardized use of electrical appliances in the shopping mall, and effectively manage the energy consumption of air conditioners by regularly cleaning dust screens and adjusting cooling capacity according to the actual temperature and humidity.

Property segment

Improve the efficiency and effectiveness of electricity consumption by shifting peak power load; integrate green development concept into construction projects, adhere to “Green, energy saving and environmental protection”, construct green buildings.

Hotel segment

Set the target for consumption reduction in 2017 in view of the energy consumption in 2016 in accordance with the Green Solutions and Measures of the Intercontinental Hotel Group and adopt corresponding measures to meet the target.

Agricultural shopping mall segment

LED lamps are installed in the office area to provide lighting to realize energy saving and environmental protection; actively promote energy the adoption of measures such as saving and emission reduction and electricity saving.

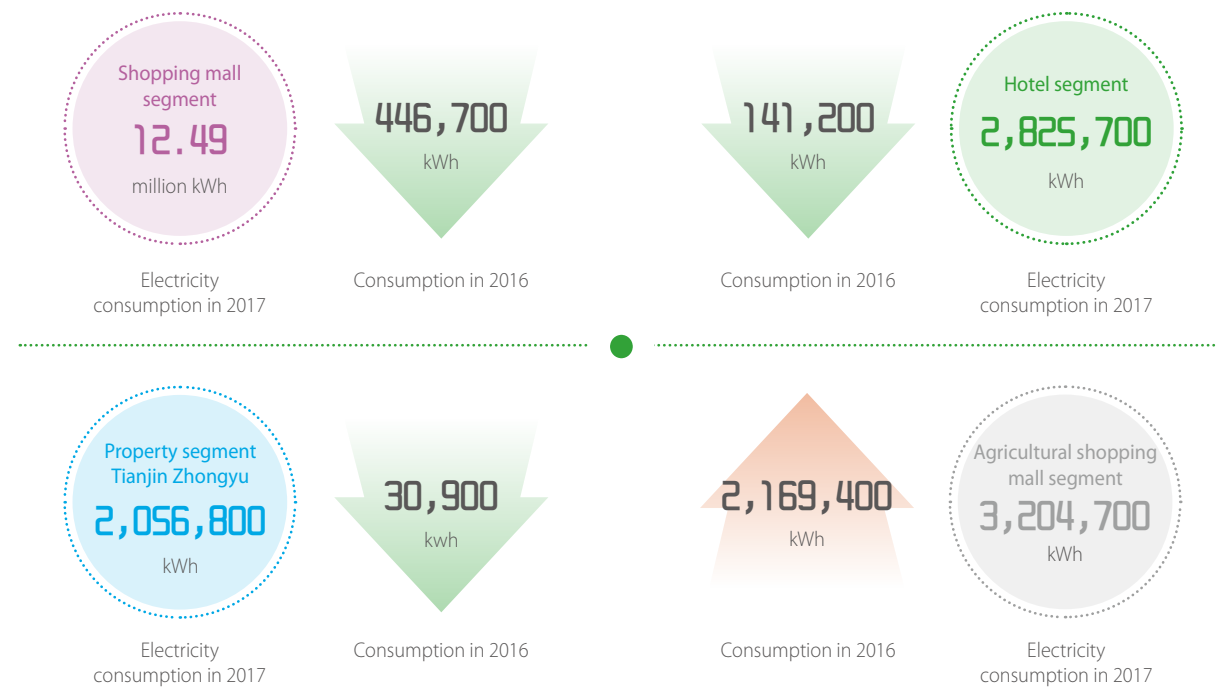
Full optimization of electricity consumption by the Company



▲ Shopping mall segment regularly monitors temperature and adjusts cooling capacity



▲ Shopping mall segment cleans terminal dust screens

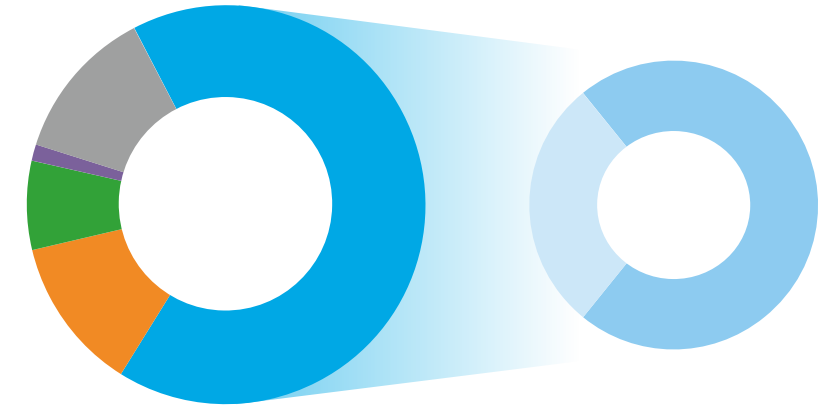
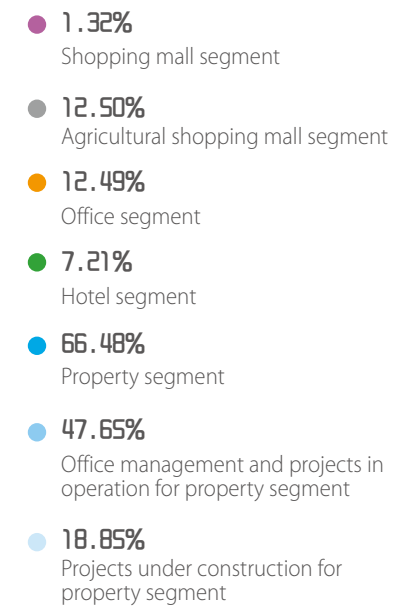


Electricity consumption of the Company in 2017

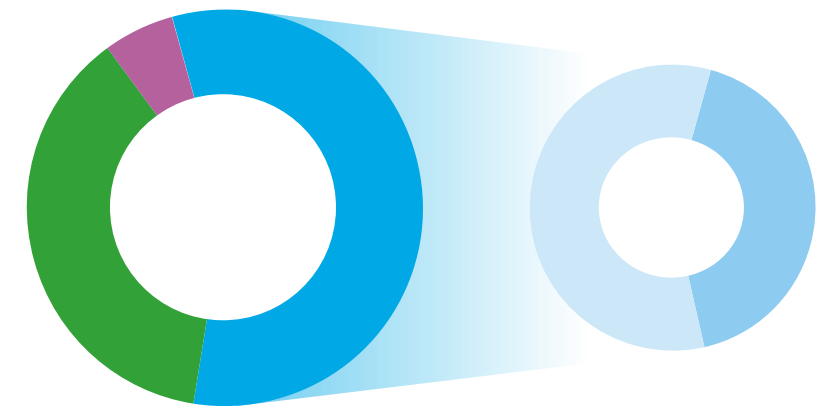
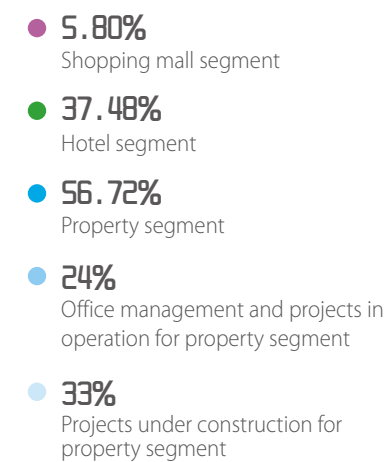
Notes

In order to ensure the comparability of data, the electricity consumption of Tianjin Zhongyu Properties Co., Ltd. for the property segment for 2016 and 2017 were used for comparison.

As the business operation volume of the agricultural shopping mall increased after it commenced full operation in June 2017, there was a significant increase in its electricity consumption compared to 2016.



Distribution of gasoline consumption of the Company in 2017



Distribution of diesel consumption of the Company in 2017

In 2017, the Company's gasoline consumption totaled 45.62 tons, mainly from the property segment, which accounted for approximately 66.48% of total consumption. The gasoline consumption of projects under construction accounted for approximately 18.85% of total consumption. In 2017, the Company's diesel consumption totaled 12.94 tons, concentrated on the property segment and hotel segment which accounted for 57.00% and 37.48%, respectively, of total consumption. The consumption of projects under construction of the property segment accounted for 33% of total consumption, mainly used for diesel engine power generation at construction sites.

Gasoline consumption (tons)	Hotel segment	Agricultural shopping mall segment	Shopping mall segment
2016	4.3	2.88	0.88
2017	3.29	5.7	0.6

Notes

In order to ensure the comparability of data, the gasoline consumption of the hotel segment, the shopping mall segment and the agricultural shopping mall segment were used for comparison.

As the business operation volume of the agricultural shopping mall increased after it commenced full operation in June 2017, there was a significant increase in its energy consumption compared to 2016.

Energy consumption intensity (based on total gross floor area)	Gasoline consumption intensity	Diesel consumption intensity	Electricity consumption intensity
Unit	(kg/sq.m.)	(kg/sq.m.)	(kWh/sq.m.)
Value	0.042	0.010	29.454

Notes

As the total gross floor area covers the office segment, the property segment (office management and projects in operation), the hotel segment, the shopping mall segment and the agricultural shopping mall segment and excludes the projects under construction under the property segment, in order to maintain the consistency of data, the energy consumption intensity data was derived from the same scope.



Case Construct Green Buildings with the Concept of “Green, Energy Saving and Environment Protection”

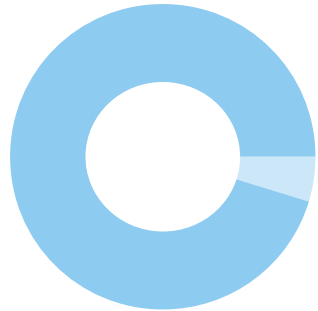
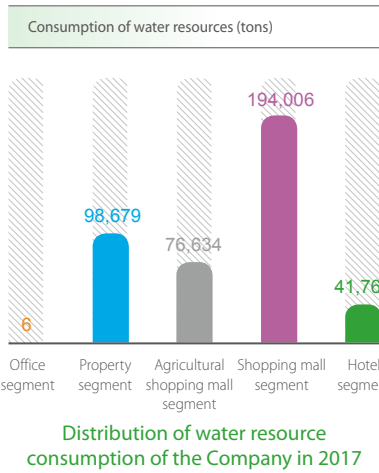


▲ Fortune Changshu project

The property segment fully implements the Special Plan for Green Construction and pays attention to environmental protection and resource conservation in the whole process of architectural design, construction and operation. For the projects under construction, the concept of “Green, energy saving and environment protection” was fully integrated into the design and construction of new warehousing projects, in order to make full use of natural resources to achieve sustainable and efficient utilization of resources.

For the property segment, China Industrial Properties (Holdings) Limited took into consideration green and environment-friendly architectural designs in the construction of the Fortune Taicang project, the Fortune Changshu project and the Fortune Jiaxing project, in order to realize energy saving and consumption reduction from the source.

- A “roof rainwater recycling system” was adopted to realize the recycling of water resources and improve the utilization efficiency of water resources;
- A “solar energy hot water system” was adopted;
- Thermal insulation materials were used for newly-built external walls and roofs;
- Insulated metal window frames and hollow glass were installed for external doors and windows to reduce the consumption of stored energy while ensuring warehouse storage.



> Protect water resources

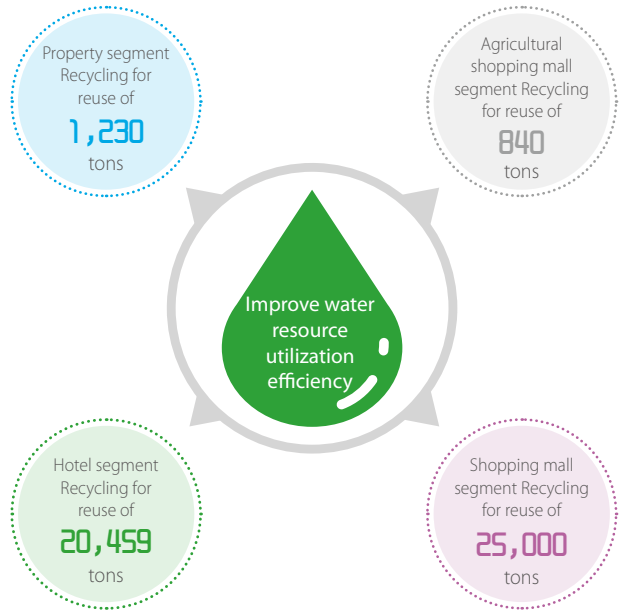
The Company takes the impact of water consumption on the environment very seriously. Accordingly, we promote water recycling and actively apply water-saving technology to make continuous progress in water conservation, cost reduction and efficiency enhancement.

Water consumption of property segment

In 2017, the Company’s total water consumption was 411,200 tons, and the water consumption intensity calculated by total gross floor area was approximately 0.466 ton/square meter. The major water consumption units, by the order of water consumption, were the shopping mall segment, the agricultural shopping mall segment, the hotel segment and the property segment, which consumed 194,006 tons, 76,634 tons, 41,763 tons and 77,795 tons of water, respectively, totaling approximately 95% of water consumption. BPHL’s subsidiaries pay close attention to water resources protection, and actively carry out many water-saving measures to achieve efficient utilization of water resources, with a total of 47,529 tons of water recycled in 2017.

A circulation sprinkler system was adopted on construction sites, and a rainwater pool was established for park greening and recycling for use of water resources

The target for the reduction in water consumption was set in accordance with the Green Solutions of the Intercontinental Hotel Group. Water consumption was reduced through upgrading shower equipment and installing water-saving appliances in operation.



Energy-efficient sewage treatment equipment were adopted to treat sewage generated in the market. The treated sewage meeting specific standards can be used for cleaning floors and toilets or for landscape irrigation.

Publicity signs were put up in the places of water consumption to enhance employees’ awareness of water conservation, and old water valves were replaced to avoid waste of water resources. In addition, the temperature in the mall is measured and water use equipment are inspected for leakage every two hours



▲ Property segment uses rainwater for greening



▲ Property segment circulation sprinkler system



▲ Shopping mall segment posts water saving signs



Case Let Green Be Seen

For the agricultural shopping mall segment, Quzhou Tongcheng Agricultural Development Co., Ltd. utilizes energy-efficient sewage treatment equipment and employs A/O method to treat sewage generated in the market. The treated water meets the standards for urban landscaping water under GB/T18920-2002 (the Water Quality Standards for Urban Recycled Sewage and Urban Miscellaneous Water) and can be used for cleaning floors and toilets or for landscape irrigation. The sewage, mainly generated from domestic water and operation water, amounted to approximately 400 tons per day, 280 tons or 70% of which are recycled. Quzhou Tongcheng Agricultural Development Co., Ltd. focuses on environmental work, with the goal of "disposal of garbage so that green can be seen". Through a two-week onsite examination by professional testing companies, the rain and sewage discharge in the market was regulated to enable "turning sewage into clean water", which was well recognized by the public.

> Reduce waste discharge

We take seriously the impacts of waste generated from production and operation on the living environment. As such, we adopt professional treatment methods to reduce harmful gases, and have a qualified third party dispose of solid waste, in an effort to minimize damage to the environment. Guangzhou Guangming Real Estates Co., Ltd. requests catering tenants to install smoke purifiers, and the cooking fume shall not be directly discharged unless it has been purified and meets national rules and standards.

• Gas emissions

Gas emissions and emission reduction data of the Company in 2017

Gas emissions and emission reduction in 2017	Nitrous oxide emission	Sulphur dioxide emission	Greenhouse gas emission
Unit	(tons)	(tons)	(tons of carbon dioxide)
Emission in 2017	39.56	57.21	26,559.05
Emission in 2016	29.56	41.41	19,323.46
Gas emissions	10.00	15.80	7,235.59

Notes

The office segment, the property segment (projects under construction, office management, and projects in operation), the hotel segment, the shopping mall segment and the agricultural shopping mall segment were covered.

Gas emissions density data of the Company in 2017

Gas emission density (based on total gross floor area)	Nitrous oxide emission intensity	Sulphur dioxide emission intensity	Greenhouse gas emission intensity
Unit	(kg/sq.m.)	(kg/sq.m.)	(ton/sq.m.)
Value	0.0368	0.0438	0.0287

Notes

As the total gross floor area covers the office segment, the property segment (office management and projects in operation), the hotel segment, the shopping mall segment and the agricultural shopping mall segment and excludes the projects under construction of the property segment, in order to maintain the consistency of data, the gas emission intensity data was derived from the same scope.

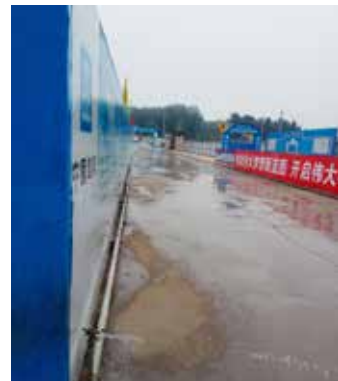


Case Multiple Measures to Protect the Health of Atmosphere

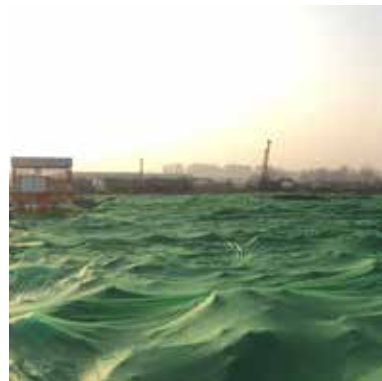
For the property segment, China Industrial Properties (Holdings) Limited strived to reduce air pollution in the construction of its projects under construction and adopted comprehensive management and control measures to realize greening and environmental protection at construction sites. In the construction process of Tongzhou Port F15 land parcel project, various dust management rules were formulated and implemented, and online dust environment monitoring equipment and air pollution treatment equipment were installed to minimize the pollution caused by project construction to the environment. 100% hardening treatment was carried out in the roads, material storage area, living area and office area in the construction sites, which were covered with dust screens in the weather of heavy air pollution. In addition, environment treatment agreements were entered into with third-party environment monitoring and treatment institutions, and real-time monitoring equipment were installed to monitor the construction environment and strictly control environmental impacts. In the weather of heavy air pollution, level four air pollution signs were set up; special plans were prepared and emergency measures were adopted to ensure air quality in the construction process.



▲ 100% hardening of roads and non-working areas



▲ 100% coverage of bare land



▲ Road spraying equipment installed

• 407.1 tons waste paper
• 93.4% from the agricultural shopping mall segment

• 1722.6 tons construction waste
• 98.8% from the projects under construction for the property segment

• 3092.4 tons domestic waste
• Over 60% from the shopping mall segment and the hotel segment



▲ Hazardous waste storage point of the property segment

• Disposal of Non-hazardous Waste

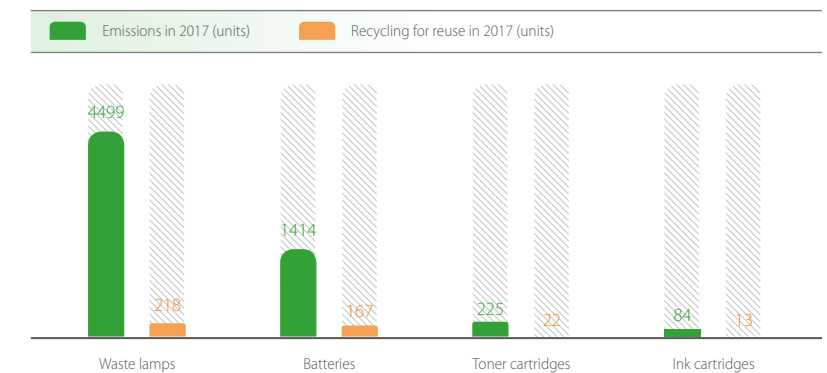
The non-hazardous waste generated by the Company are mainly waste paper, construction waste and domestic waste, with total emissions of 407.1 tons, 1,722.6 tons and 3,092.4 tons, respectively. The packaging materials used are mainly waste paper and plastic, amounting to 1,460 tons and 40 tons, respectively, both used in the agricultural shopping mall segment.

In the operation process, waste is separated and treated. For example, waste cartons, foam boxes and plastic products are collected and delivered as general waste on a centralized basis by recycling companies to refuse disposal station in the market, which will be compressed and then delivered to the waste disposal center designated by the government. The waste recycling volume was 196 tons in 2017.

For construction waste, the property segment stores domestic waste and construction waste of projects under construction in different places and sets up closed refuse collection stations to increase the turnover rate of some materials. Treated materials will be recycled to realize full utilization and reduce construction waste emission. For the shopping mall segment, construction waste is transported by constructors for disposal, and waste paper and printing paper that can be processed are generally collected by waste disposal personnel for disposal. In 2017, as a result of the adjustment to the business forms in the shopping mall segment, the percentage of catering tenants increased, leading to the year-on-year increase in the volume of domestic waste of 61.95 tons.

• Disposal of hazardous waste

Hazardous waste represents mainly waste lamps, batteries, selenium drums and ink cartridges generated during the office process. The Company stores hazardous waste in the office process and appoints local third-party professional institutions for disposal.



Practice Green Office

The Company fully integrates the concept of resources saving and energy reduction into daily office work. Through office consumables management, green travel, paperless office, orderly recycling and wide adoption of LED

energy saving lamps, the Company promotes green office with practical actions, practices its responsibility of energy conservation and environmental protection and builds a green and relaxed life.



Save electricity – How?

- Post energy saving signs
- Set computers at energy-saving model
- Turn off the lights
- Purchase reusable electrical appliances with low energy consumption
- Adopt LED energy-saving lamps
- Formulate and issue a proposal



Save paper – How?

- Double-side printing
- Electronic office
- Reduce color printing
- Inject toner for reuse of toner cartridges
- Separate and recycle office waste paper



Save water - How?

- Post water saving signs
- Use time-delay water saving tap switch
- Adjust and control faucet water output
- Use office waste water for flower irrigation

The Company's core measures to promote green office

Post water-saving and electricity-saving signs
Formulate proposals for water saving and electricity saving in daily work
Formulate the Corporate Vehicle Management System and the Business Trip Management System
Give priority to reusable products with low energy consumption



▲ Property segment's response to green office



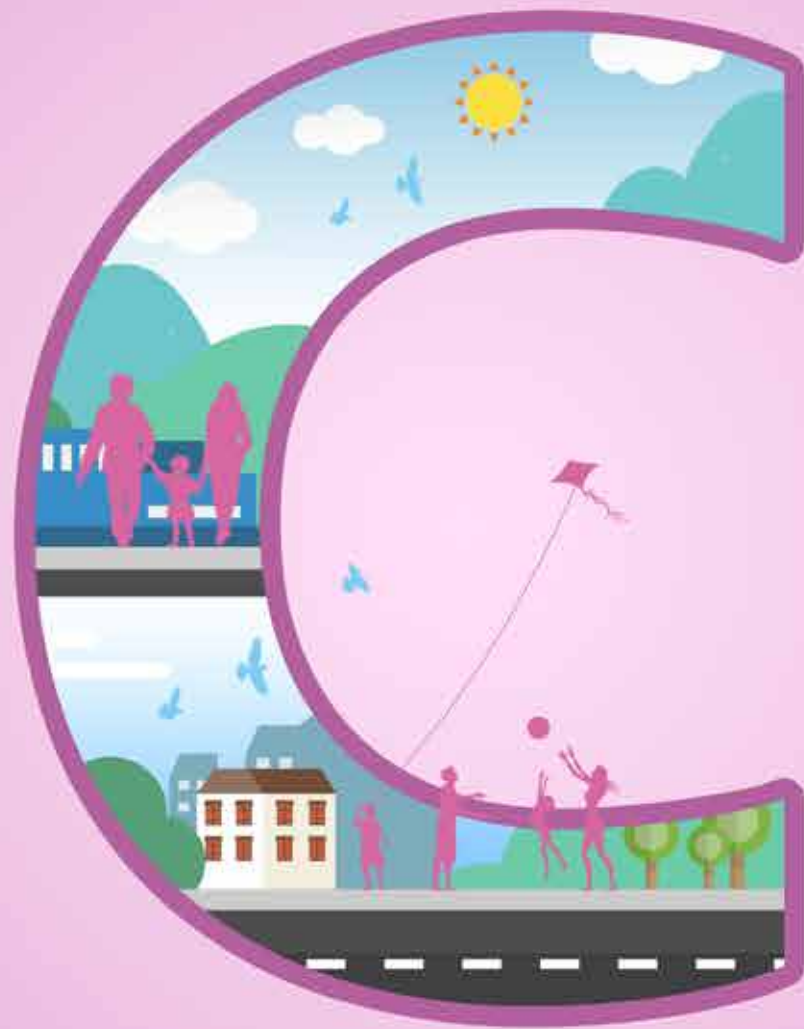
▲ Replacement with water-saving faucets for the agricultural shopping mall segment

Advocate Environmental Protection and Public Welfare

We consider that it is our responsibility to promote employees' awareness of environmental protection. By organizing the production of posters on environmental protection knowledge, offering education and training courses on environmental

protection and energy conservation, and conducting competitions on environmental protection knowledge, we actively carry out green environmental protection practices to improve employees' awareness of saving resources and environment protection.





People-oriented Harmony and Share Beautiful Life



Adhering to the concept of “people-oriented”, BPHL is committed to creating a harmonious corporate and social environment, creating a safe and comfortable working environment and a broad development platform for employees, contributing to the community, and sharing a good life with employees and the community.

Protect Health and Safety

BPHL attaches great importance to the health and safety of employees and strictly complies with the laws and regulations of the place where it operates. It has established a sound

production safety system and occupational health and safety system and strives to develop into an intrinsically safe enterprise.

Build a Harmonious Atmosphere

Adhering to the concept of “people-oriented”, the Company has established a sound basic employee right protection system and continues to improve its training system to cater to the needs of different employees. The

Company cares for employees' lives and strives to build a harmonious corporate atmosphere and achieve common growth between employees and the Company.

0

Number of fatality incidents due to work

> Strengthen production safety

The Company pays attention to the safety management in the production process. Adhering to the safety concept of “safety first and prevention first”, the Company strictly implements its Production Safety Work Management Measures and carries out production safety training, fire drills and other activities on a regular basis to promote production safety level and ensure its healthy and long-term development. In 2017, a total of 338 days of work were lost due to accidents such as traffic accidents and slides of employees.



Case Carry out Regular Fire Drills to Improve the Safety Level

In order to effectively ensure the safety of employees and customers, the Company implements strict security measures and conducts regular fire drills. In December 2017, BJ Holiday Inn conducted fire evacuation and emergency rescue drills, which had effectively enhanced its emergency response capability and promote its safety level.



> Occupational health and safety

We continue to improve the construction of occupational health and safety system to fully protect employees' occupational health. The Company carries out occupational health examinations and occupational disease hazard factor tests for employees on a regular basis, maintains commercial health insurance for employees, strengthens health knowledge training, and strives to improve employees' occupational health and safety level. In 2017, the Company had not identified any serious violation of rules relating to employees' health and safety.

> Protect basic rights and interests

We strictly abide by the national laws and regulations such as the Labor Law of the People's Republic of China, effectively protect the basic rights and interests of employees, provide equal employment opportunities, market-based remuneration and competitive incentive mechanism, and have established smooth communication channels and harmonious employment relations with employees. As at the end of 2017, the Company has a total of 591 employees.



We abide by the laws and regulations that prevent child labor or forced labor and the relevant management policies, check the age of new employees in accordance with the requirements of the Staff Manual, regularly conduct spot checks on the labor and employment to timely identify any issues which may exist in labor and employment management, voluntarily accept monitoring and supervision by the labor administrative department, and eliminate the use of child labor or forced labor. In 2017, the Company had not experienced any serious violation of the rules relating to the use of child labor or forced labor.

31.90 hours

Number of hours of training provided to each employee

69.6%

Average training coverage ratio

> Promote training and development

With the goal of “cultivating learning employees and building a learning enterprise”, we value and respect employees' willingness to learn and grow, provide them with rich opportunities and broad platforms for ability and career development, and stimulate their vitality and promote the common development of employees and the Company through a diversified training system and a reasonable and sound promotion system.

Develop Community Charity

The Company takes the initiative to participate in social welfare activities, actively organizes volunteer services and charitable activities, encourages all employees to participate in public welfare undertakings,

helps disadvantaged groups, and promotes social harmony. In 2017, the Company invested approximately RMB108,800 in charity and organized 9 volunteer activities.



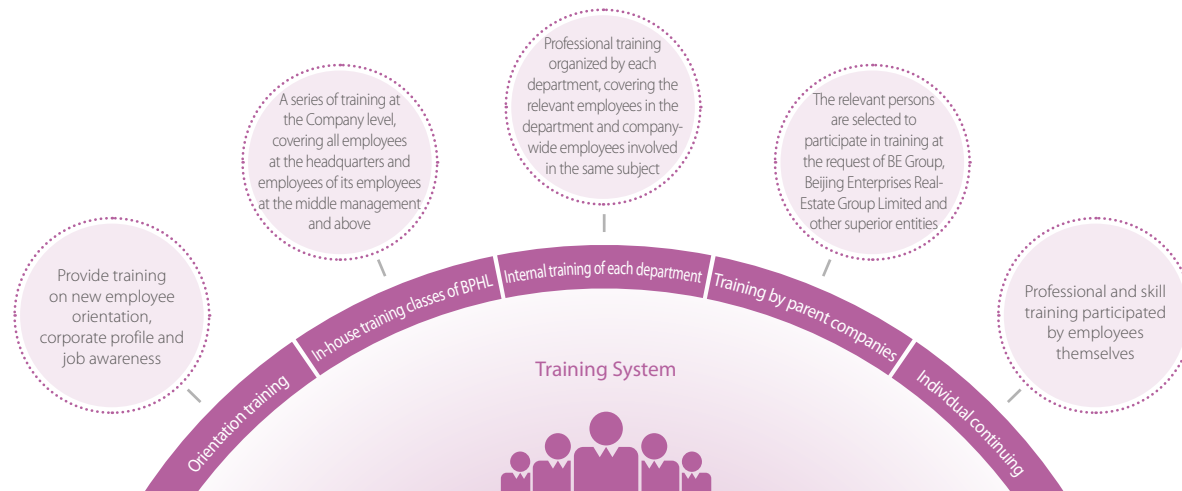
Case Send Warmth in the Winter with Donation of Idle Items

In order to advocate the concept of public welfare and realize the reasonable allocation of idle resources, the Company mobilized all employees to participate in the "Winter Clothing" donation event organized by BE Group by donating idle winter clothing and sending warmth to those in need in the cold winter while spreading the idea of charity within the Company.



Case Establish Love Stations for Road Angels

The Company participates in all kinds of public welfare activities with great enthusiasm. In order to make the municipal and cleaning personnel feel cool and refreshing in the hot summer, the Company freed up the office in its warehouse as a "Love Station" in the "Road Angels, Love Stations" event to care for the municipal and cleaning personnel, which was equipped with air conditioners, tables, chairs and drinking water equipment for their temporary rest in high temperature weather in the summer.



Average number of training provided to employees by gender and level

		employee training coverage(%)	Training hours per employee
By Gender	Female employees	71.24	41.58
	Male employees	73.46	45.36
By Position	Senior management	70.42	40.96
	Middle Management	77.27	67.35
	Grass-roots staff	72.26	39.35

> Build a happy home

The Company cares for people and uses extensive employee activities to ensure the balance of work and life for employees, so as to build a happy home for employees and improve their sense of belonging and happiness.



Case Walking for Love and Advocate a Healthy Life of Employees



▲ Participation in BE Group's Walking for Love activity

The Company combines the concepts of low carbon emission, green and public welfare with employee activities to encourage employees to live a healthy life. In 2017, the Company organized employees to carry out charity walk activities, "Walking for love and lighting up the city" and "Taking photos on the move" photographic competition which were based on the WeChat platform. From April to May 2017, a total of 4,036 people participated in the offline "Charity Walking • BE Group" and online health walking activities, raising RMB4,036,000 to support public welfare and environmental protection activities, which has practiced charity activities with practical actions while enriching employees' amateur life and delivering a healthy lifestyle.

Prospects

The year 2018 is a key year for the implementation of the 13th Five-Year Plan. Facing opportunities and challenges, BPHL will thoroughly implement the five major development concepts. While continuing to promote corporate development through refined management, more robust operation and more innovative business, it will integrate the concept of social responsibility into its strategic planning and business operation, steadily promote social responsibility management, and create economic, social, and environmental values.

Firmly push forward steady operation. In line with our positioning of “One Specialty, Diversified Development and Dual Drivers”, we will continuously improve and perfect the internal control management system and promote the refinement and standardization of our management. We will establish an innovative property development model, closely follow the “Belt and Road” initiative, expand the business system of BPHL, and build the BPHL brand with distinctive characteristics.

Actively join hands and work together. We will adhere to the healthy and coordinated business development and strengthen internal business interaction and resource integration. We will actively participate in industry exchange activities and work with value chain partners to promote the comprehensive, convenient, high-quality and healthy development of the logistics property industry.

Strictly implement safety and environmental protection. We will actively follow the general objective of building ecological civilization issued at the 19th Party Congress, incorporate green development throughout the whole process of production and operation, implement green procurement, green operation and green office, encourage and cultivate value chain partners to jointly build green homes, and actively carry out the construction of ecological civilization.

Strive to create people-oriented harmony. We will adhere to the “people-oriented” concept, consolidate the foundation of safety management, provide employees with a safe and comfortable working environment, offer diversified training courses and a broad and fair platform for career development, actively devote ourselves to public welfare undertakings, encourage more employees to participate in volunteer activities, and strengthen the exchange and cooperation with the community.

In 2018, we will continue to expand the logistics and commercial property business, speed up the expansion of international presence, enhance the balance and inclusiveness of our development, and create a beautiful pattern of joint development and progress between the Company and the community.

Appendix

Index of KPIs

Category	Aspect	Key performance indicators	Disclosure status	Page
A Environmental	A1 Emissions	General Disclosure	Fully disclosed	P37, P38, P39
		A1.1 The types of emissions and respective emissions data	Fully disclosed	P37
		A1.2 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Fully disclosed	P39
		A1.3 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Fully disclosed (intensity not applicable)	P39
		A1.4 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Fully disclosed (intensity not applicable)	P39
		A1.5 Description of measures to mitigate emissions and results achieved	Fully disclosed	P30, P31, P34, P38
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Fully disclosed	P39
	A2 Use of Resources	General Disclosure	Fully disclosed	P30
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Fully disclosed	P31, P32, P33, P34
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Fully disclosed	P35
		A2.3 Description of energy use efficiency initiatives and results achieved	Fully disclosed	P31, P32, P33, P34
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Fully disclosed	P36
	A3 Environment and Natural Resources	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Fully disclosed (intensity not applicable)	P39
		General Disclosure	Fully disclosed	P40, P41
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Fully disclosed	P42

Category	Aspect	Key performance indicators	Disclosure status	Page
B Social	B1 Employment	General Disclosure	Fully disclosed	P44, P45
		B1.1 Total workforce by gender, employment type, age group and geographical region	Fully disclosed	P45
		B1.2 Employee turnover rate by gender, age group and geographical region	Fully disclosed	P45
	B2 Health and Safety	General Disclosure	Fully disclosed	P44, P45
		B2.1 Number and rate of work-related fatalities	Fully disclosed	P44
		B2.2 Lost days due to work injury	Fully disclosed	P44
		B 2.3 describe the adopted occupational health and safety measures, as well as relevant implementation and monitoring methods	Fully disclosed	P44
	B3 Development and Training	General Disclosure	Fully disclosed	P45
		B3.1 The percentage of employees trained by gender and employee category	Fully disclosed	P46
		B3.2 The average training hours completed per employee by gender and employee category	Fully disclosed	P46
	B4 Labour Standards	General Disclosure	Fully disclosed	P45
		B4.1 Description of measures to review employment practices to avoid child and forced labor	Fully disclosed	P45
		B4.2 Description of steps taken to eliminate such practices when discovered	Not disclosed, as there are so such steps by far	-
	B5 Supply Chain Management	General Disclosure	Fully disclosed	P27
		B5.1 Number of suppliers by geographical region	Fully disclosed	P27
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Fully disclosed	P27
		General Disclosure	Partly disclosed	P26
	B6 Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable, as the Company's products have never been recalled for safety or health reasons	P26
		B6.2 Number of products and service related complaints received and how they are dealt with	Not applicable, as the Company's products involve no such complaints	P26
		B6.3 Description of practices relating to observing and protecting intellectual property rights	Fully disclosed	P27
		B6.4 Description of quality assurance process and recall procedures	Partly disclosed, as the Company's products involve no recall procedures	P26
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Partly disclosed, as there is no such monitoring yet	-
	B7 Anti-corruption	General Disclosure	Fully disclosed	P18
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Zero such case	P18
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Fully disclosed	P18
	B8 Community Investment	General Disclosure	Fully disclosed	P47
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Fully disclosed	P47
		B8.2 Resources contributed (e.g. money or time) to the focus area	Fully disclosed	P47

Report Preparation Process

In order to integrate CSR into enterprise operation, BPHL carried out whole lifecycle management over the preparation of CSR reports, which covers three phases, namely planning, engagement and preparation & release. In the process, we implemented

dynamic monitoring, management and guidance of the identified key CSR indicators to substantially improve our sense of responsibility and ability to perform social responsibility.

The Planning Phase (December 2017 to January 2018)

- Established a report preparation team

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

- Organized training on report preparation

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

- Communication with the stakeholders

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

The Engagement Phase (February 2018)

- Developed an ESG indicator system

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

- Tracked and assessed the indicators

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

- Served business development

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

The Preparation & Release Phase (March to July 2017)

- Collected and collated information

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

- Prepared and designed the report

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

- Released and circulated the report

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

Feedback Form

Feedback Form

Dear readers,

Hello!

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

Thank you very much!

Beijing Properties (Holdings) Limited

July 2018

Choice questions: (Please check your choice)

1. Your general impression of the report is:

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

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

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

3. What do you think of the report structure?

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

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

☐ Wonderful ☐ Good ☐ Mediocre ☐ Poor ☐ Very poor

Open question:

Do you have any valuable opinion and suggestion on the 2017 Corporate Social Responsibility Report of Beijing Properties (Holdings) Limited?

Welcome to contact the preparation team of the 2017 Corporate Social Responsibility Report of Beijing Properties (Holdings) Limited by emailing us at ir@bphl.com.hk, calling us at (852) 2511 6016, or faxing this form to (852) 2598 6905. We will seriously consider your opinions and suggestions and undertake to properly protect your personal information set out above.