

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Xinyuan Property Management Service (Cayman) Ltd.



Provide "XIN" Service
Enjoy Life Delightfully



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1.ABOUT THIS REPORT

Xinyuan Property Management Service (Cayman) Ltd. (referred to as the “Company” , together with its subsidiaries, referred to as “Xinyuan Service” , the “Group” or “we”) is pleased to present its 2020 Environmental, Social and Governance (ESG) Report (the “Report”). The Report is aimed to explain Xinyuan Service’s efforts and performances in ESG aspects in 2020 in response to expectations of stakeholders for the sustainable development management and information disclosure of Xinyuan Service.

1.1 Scope of the Report

The information set out in the Report covers the period from 1 January 2020 to 31 December 2020 (referred to as the “Reporting Period”), covering the information on the efforts made by Xinyuan Service in fighting against the outbreak of novel corona virus disease (referred to as the “COVID-19 outbreak”). The Report covers three major business lines of Xinyuan Service, namely property management services, value-added services and predelivery and consulting services.

1.2 Preparation Basis of the Report

The Report is prepared by Xinyuan Service in accordance with the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange” or the “HKEx”). The Report takes the HKEx’s reporting principles of “materiality, quantitative, balance and consistency” into account. Xinyuan Service has complied with the “Comply or Explain” provisions set out in the ESG Reporting Guide. The content index of the ESG Reporting Guide is set out in detail at the end of the Report for clear reference of readers.

1.3 Information Source of the Report

The information disclosed in the Report has been derived from official documents, reports and internal statistics of Xinyuan Service and the relevant public information. RMB is used as the settlement currency for the data in the Report unless otherwise stated.

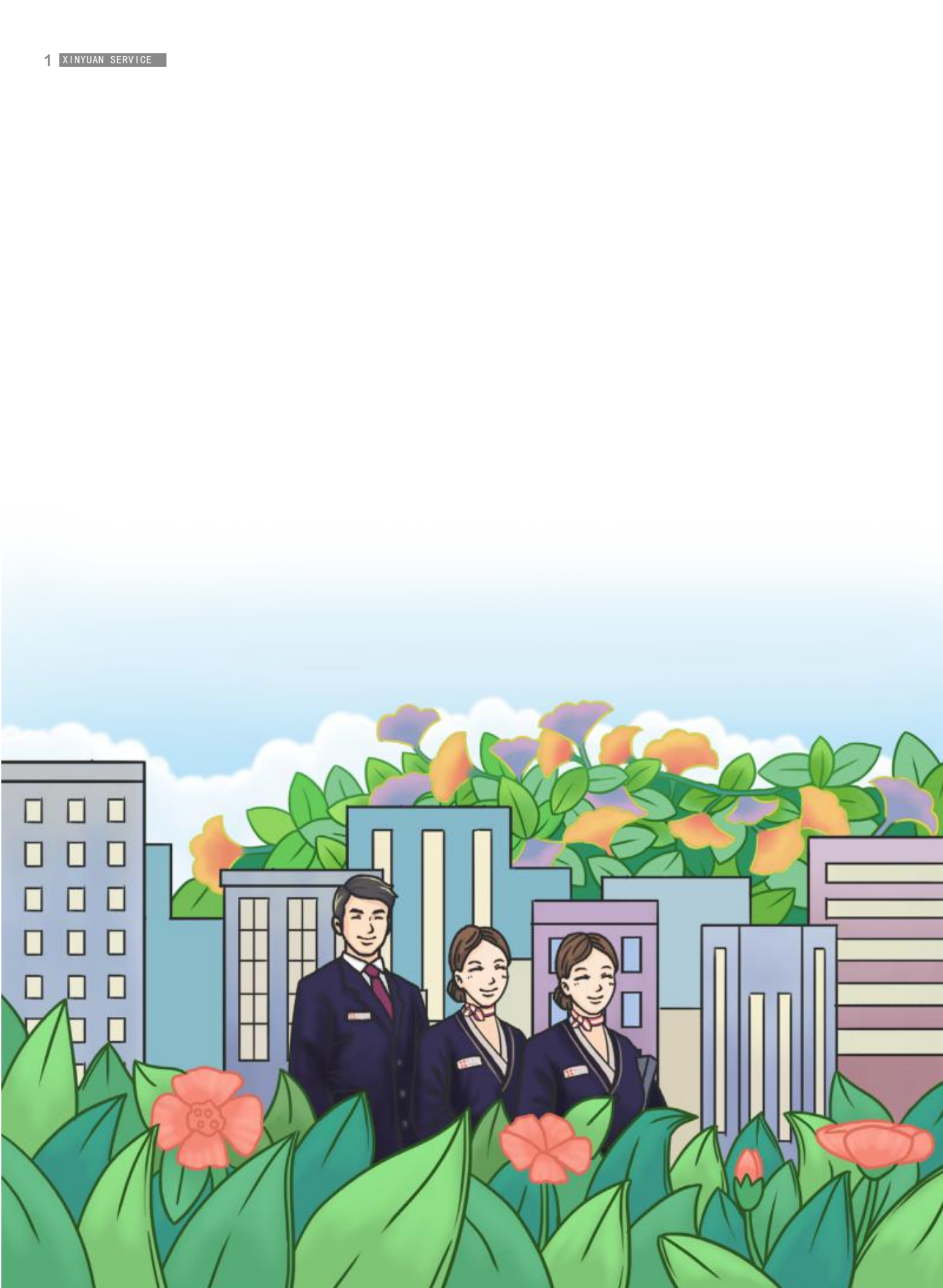
1.4 Contact and Feedback

Xinyuan Service values stakeholders’ inputs to our sustainability performances. If you have any comments and suggestions, please contact us:

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CREATING AND ENJOYING A SMART URBAN HOME

NEVER FORGETTING THE ORIGINAL "XIN"



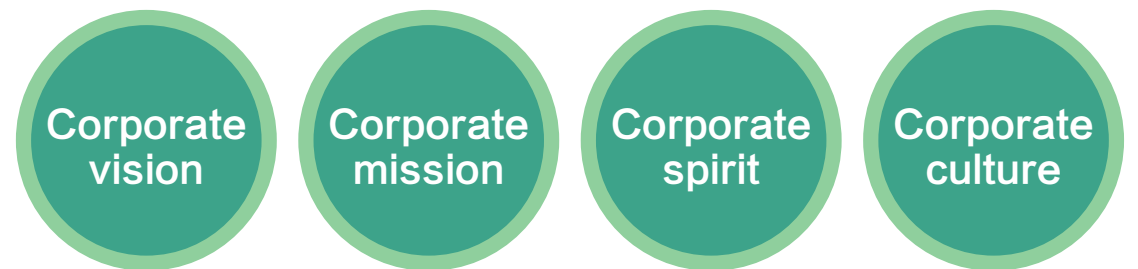
2.ABOUT XINYUAN SERVICE

2.1 Corporate Profile

Founded in 1998 and listed on the Hong Kong Stock Exchange on October 11, 2019 (stock code 01895.HK), Xinyuan Service is qualified as a national-level property management enterprise and the vice president of China Property Management Association. It has established more than 45 branches in Beijing, Shanghai, Tianjin, Guangzhou, Chengdu, Sanya, Zhengzhou, Suzhou, Jinan, Xi'an, Henan, etc., with businesses covering residential community services, urban public services, government public services and commercial services in industrial parks.

2.2 Value System

Xinyuan Service upholds the corporate vision of "being the leading intelligent operator of pan-property industry in central China", insists on the corporate mission of "creating and enjoying a smart urban home", carries forward the corporate spirit of "pursuing progress and surpassing ourselves", creates the corporate culture of "coexistence and win-win, cooperation and sharing", and is committed to providing professional and high-quality pan-property services for property owners and partners.



being the leading intelligent operator of pan-property industry in Central China

creating and enjoying a smart urban home

pursuing progress and surpassing ourselves

coexistence and win-win cooperation and sharing

2.3 Business Layout

In 2020, through the wholly-owned acquisition of Chongqing Hongqi Heavy-duty Truck Group Property Ltd. the cooperation with Handan Iron and Steel (Group) Co., Ltd. on reforming its management of three supplies and one property, and the cooperation with Henan E-City Holdings on minority share trading, not only have Xinyuan Service's scale development channels been further extended, Xinyuan Service's business structure has also been further optimized, covering industrial parks, schools, hospitals, etc., while continuing to explore new businesses such as urban redevelopment, smart construction and asset co-selling, as well as cultivating new operation and development capabilities. Xinyuan Service has formed the business layout of high-end commercial buildings, industrial parks, schools, hospitals, and public buildings, with its business structure continuously being optimized. In terms of industrial ecology, Xinyuan Service continues to deploy value-added community services and industrial extensions around the upstream and downstream property industry chain as well as the living needs of property owners. As of the end of the Reporting Period, the industries in community education, professional services, urban redevelopment and household services have primarily formed an ecology, while the industrial ecological matrix comprising of Qingning Apartment, Xinyuan Education, Xinyi Better Life, Yingsheng Mechanical and Electrical, Jiasheng Elevator, Juhe Real Estate Brokage, Gechen Culture, Yuesheng Lianxing, Shengjia Apartment and Jingya Garden has also been developed, providing customers with convenient and efficient quality services in various fields.

As of the end of the Reporting Period, Xinyuan Service has served more than 45 cities across China, with a contracted floor area of 53 million sq.m., of which the floor area under management is about 35 million sq.m., providing property management services and value-added services for 237 projects and serving more than 300,000 families.

The following map shows the geographic coverage of the properties under management as of December 31, 2020:



Outside the province

Beijing, Tianjin, Dalian, Qingdao, Handan, Jinan, Zhangqiu, Xuzhou, Yancheng, Huaian, Suzhou, Kunshan, Taicang, Shanghai, Hefei, Lu'an, Wuhan, Changsha, Foshan, Guangzhou, Zhuhai, Hainan, Dali, Chengdu, Chongqing, Xi'an

In the province

Zhengzhou, Hebi, Xixiang, Jiaozuo, Nanyang, Sanmenxia, Pingdingshan, Zhumadian, Xinyang, Shangqiu, Zhoukou, Xuchang, Kaifeng, Luohe, Luoyang, Puyang

In addition, Xinyuan Service has formed a diversified expansion model with the core of three major channels, namely, full commission, equity acquisition and cooperative operation. As of the end of the Reporting Period, the scale of third-party projects under management accounted for approximately 62%, with our marketing capability gradually manifested.

2.4 Awards and Recognition

In over 20 years since its establishment, the Group's development has been fruitful, winning a number of awards and recognition from a diverse range of stakeholders as an acknowledgement of its continuous effort to provide high-quality services and perform social responsibilities.

During the Reporting Period, Xinyuan Service has won a series of awards:



2020 Top 100 Most Valuable Brand of Property Management Service



2020 Top 20 Property Service Enterprise with Satisfactory Pandemic Prevention in China



2020 Top10 Branded Property Management Companies in Central China



2020 Top 500 Property Management Companies



2020 Featured Brand of Property Management Service



2020 Top 10 Listed Company of Property Management Service



2020 Property Management Capital Forum "Most Socially Responsible" Award



Sina Finance Golden Kirin "Most Valuable New Economy Listed Company" Award



2020 "Smart Property Management Research Report" Sample Enterprise



"The Power of Community" Pioneer Award in Consumption-based Poverty Alleviation

3.SUSTAINABILITY GOVERNANCE

Xinyuan Service is committed to building a more prosperous and sustainable society. Xinyuan Service prioritizes sustainable growth, social prosperity and the living experience of our communities and incorporates them into our business decision making process and our development activities.

"Being love-oriented, serving the society" is the business philosophy of Xinyuan Service. Xinyuan Service advocates the principle of management serving the employees as well as a sunny and happy working ambience, respecting and caring for employees. Then, we let our employees pass their love to our customers, so that they can experience humanized services and fill the Xinyuan community with love. In addition, while Xinyuan Service develops, it actively participates in and supports various public welfare activities in the society, feeding the society with love.

3.1 Sustainability Governance Principle

Xinyuan Service is highly concerned with environmental, social and governance related management, as we understand that strong sustainable governance is the foundation of the success to our business. Xinyuan Service has consequently set up an ESG working group composed of the General Manager Office, various functional departments, and key personnel in charge of each region to jointly promote the sustainable development of environment, society



The operation philosophy, corporate spirit and mission of Xinyuan Services are as follows:

- Being love-oriented, serving the society
- Surpassing ourselves, insisting on responsibilities
- Creating and enjoying smart urban homes

3.2 Risk Management

Xinyuan Service puts risk management as the priority for maintaining long-term growth and sustainability of our business. Through adopting a top-down strategy, the Board is in charge of the establishment of the overall corporate governance and the risk management structures. The day-to-day management and operation have been delegated to the management. The Board delegates authority to the management as appropriate and regularly reviews the management's performance on their duties. Approval of the Board is required before the management can enter into any material transactions outside the scope of its delegated authority.

As a listed company on the HKEx, it is necessary for the management to keep updated with legal requirements relevant to the property management industry, along with typical regulatory cases of supervisory bodies for active corporate management of external compliance risks. Xinyuan Service's Legal Department regularly composes and summarizes legislative progresses, and the compiled reports are sent to the Board and the management to convey key contents. Each report contains three main sections: 1) Changes in the latest laws and regulations; 2) HKEx regulatory cases; 3) Hong Kong Securities and Futures Commission ("HKSF") regulatory cases.

For safety-related risks, we have developed a Risk Prevention and Control System for Pre-, During and Post-incident, with the aim of avoiding and promptly controlling accidents, protecting the safety of customers, employees, and corporate personnel as well as properties, while establishing a level-to-level risk control team, implementing a three-level safety responsibility system from the corporate level, business line level, to project level. Moreover, the system introduces common risk factors, risk identification methods and requirements, risk prevention and response measures, as well as supervision and inspection procedures. In addition, our established List of Environmental Factors, Risks and Hazards Identification System identifies potential risks at work. For example, for suppliers working at heights within our managed properties, we identified falling from height as a potential risk. Based on the LEC-based (Likelihood, Exposure, Criticality) hazard assessment method, we concluded such risk was within control and proposed the measure of equipment fixation reinforcement and having a team of two workers to work simultaneously.

3.3 Stakeholder Engagement

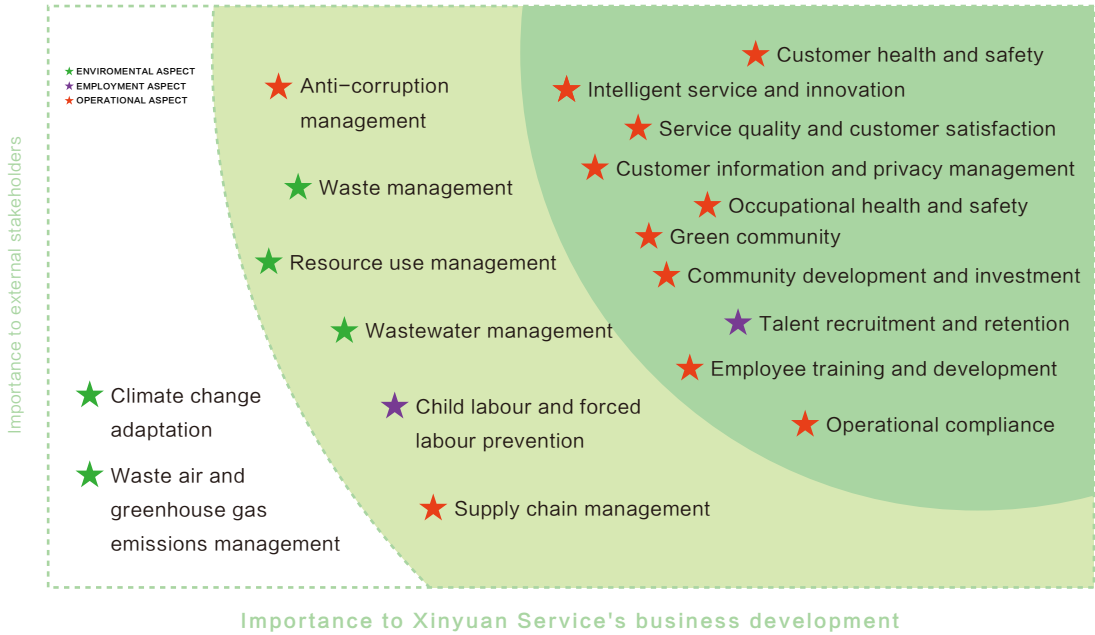
Xinyuan Service believes that trust and supports of stakeholders are the foundation for sustainable corporate development. We maintain close relationships with our stakeholders to timely understand and respond to their expectations and demands through a diverse range of communication channels. Regarding key expectations, we combined our resources and capabilities, developed action plans accordingly to strengthen sustainable development management capabilities of Xinyuan Service.

Stakeholder	Major Communication Channels	Expectations and Demands	Communication and Responses
Customers	<ul style="list-style-type: none">• Property owners' forum• 400 customer service hotlines• Community activities• Online communication tools including WeChat official account of Xinyuan Service• Property services	<ul style="list-style-type: none">• Customer service quality• Customer rights protection• Customer information security and privacy• Service price/performance ratio	<ul style="list-style-type: none">• Create comprehensive property management service platforms• Maintain high-quality service through staff training• Establish network security systems and permission settings• Comply with business regulations
Shareholders and Investors	<ul style="list-style-type: none">• Corporate annual reports• Shareholder meetings• Meet-and-greet/telephone/e-mail for investor contact• Xinyuan Service' s official website	<ul style="list-style-type: none">• Stable credit level• Financial performance• Corporate transparency• Corporate governance and risk control	<ul style="list-style-type: none">• Improve profitability• Conduct shareholder events and meetings• Routine information disclosure• Optimize risk management and control systems
Government and Regulatory Organizations	<ul style="list-style-type: none">• Engagement in government projects• Engagement in policy-making process• Attendance in government conferences• Targeted surveys requested by relevant departments• Delivery of tax information	<ul style="list-style-type: none">• Comply with the laws and regulations• Pay taxes in accordance with the laws and regulations• Respond to the national call	<ul style="list-style-type: none">• Operate in compliance with the laws and regulations• Pay taxes in full on time• Actively assess corporates status of regulatory compliance to avoid any unlawful act• Actively implement relevant policies

Stakeholder	Major Communication Channels	Expectations and Demands	Communication and Responses
Employees	<div>· Employee representative conferences</div> <div>· Corporate cultural events</div> <div>· OA system</div> <div>· Internal forum</div> <div>· Establishment of employee complaint channel</div>	<div>· Career development and training opportunities</div> <div>· Employee caring and benefits</div> <div>· Satisfactory and safe working environment</div> <div>· Fair and equal treatment</div> <div>· Voice being heard</div>	<div>· Optimize career development mechanism and training system</div> <div>· Provide competitive salary and benefits</div> <div>· Implement health and safety management system for daily operation</div> <div>· Build employee communication and complaint mechanisms</div>
Suppliers/Contractors Service Providers	<div>· Supplier inspection and regular evaluations</div> <div>· Supplier conferences</div> <div>· Project collaboration</div>	<div>· Integrity cooperation</div> <div>· Knowledge and experience sharing</div> <div>· Win-win cooperation</div> <div>· Proven business ethics and reputations</div>	<div>· Integrate ESG factors into supplier eligibility and evaluation criteria</div> <div>· Promote collaboration and communication</div> <div>· Perform contracts under the laws and regulations</div>
Media	<div>· Conferences and forums</div> <div>· Interviews</div> <div>· Press conferences</div> <div>· Public communication platforms</div>	<div>· Corporate visibility</div> <div>· Social benefits</div>	<div>· Establish public communication platforms of the Group for regular news delivery</div> <div>· Ensure public content delivery in compliance with the laws and regulations</div>
Community and the Public	<div>· Public welfare activities</div> <div>· Public communication platforms</div> <div>· News reports</div>	<div>· Support social welfare activities</div> <div>· Promote social advancement</div> <div>· Protect natural environment</div> <div>· Facilitate community growth</div>	<div>· Share fruits of development to a variety of social causes</div> <div>· Organize and participate in precise poverty alleviation and charity events</div> <div>· Adhere to green operation</div>

3.4 Materiality Assessment

During the Reporting Period, the management team took the requirements of the ESG Reporting Guide, peer practices, and Xinyuan Services characteristics into comprehensive consideration. The management team adjusted the issues’ order of importance to Xinyuan Service accordingly. With the assistance of an independent third-party consulting agency, the issues’ order of importance to external stakeholders was updated according to peer disclosure and regulatory as well as general sustainability trends. A total of 19 ESG topics were formed for the Reporting Period. Based on above-mentioned process for updating the issues’ order of importance to Xinyuan Service as well as external stakeholders, we developed a materiality matrix to reflect the importance of each issue to stakeholders and businesses. The materiality matrix below maps the 19 ESG issues, with their importance to our external stakeholders appearing on the y-axis and their importance to Xinyuan Service’s business development on the x-axis. Overall materiality was determined by the aggregate score assigned to each ESG topic by both our management team as the internal stakeholders and external stakeholders. For the next reporting period, we intend to obtain a deeper understanding of our external stakeholders’ expectations through online questionnaires, in-person interviews, etc.



Taking both the importance to internal and external stakeholders into consideration, Xinyuan Service concluded 10 ESG issues of high importance as demonstrated in the table below, along with their corresponding chapters in the report in response to stakeholders’ requests.

Operational compliance	3. Sustainability Governance; 4. “XIN” Service
Service quality and customer satisfaction	4. “XIN” Service; 5. “XIN” Management
Customer health and safety	5. “XIN” Management
Customer information and privacy management	5. “XIN” Management
Talent recruitment and retention	6. “XIN” Talent
Occupational health and safety	6. “XIN” Talent
Community development and investment	8. “XIN” Community; 9. “XIN” Responsibility; 10. “XIN” Defense
Green community	7. “XIN” Environment
Intelligent service and innovation	4. “XIN” Service
Employee training and development	6. “XIN” Talent

BEING LOVE-ORIENTED, SERVING THE SOCIETY

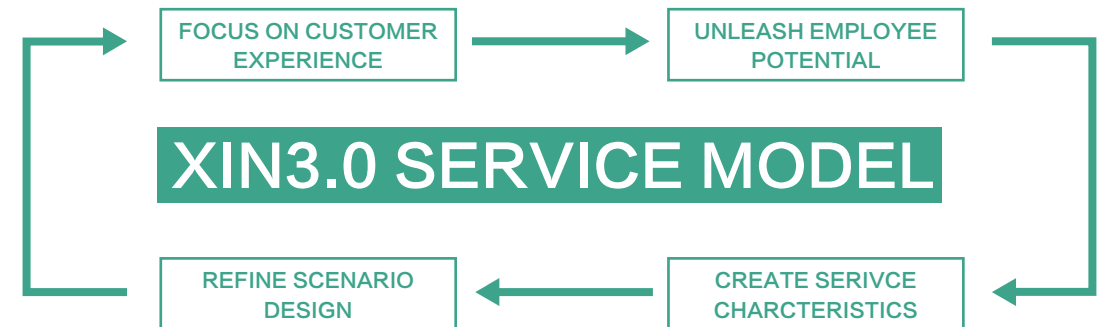
"XIN" SERVICE



4. "XIN" SERVICE

4.1 Iterative Upgrade of the Service System and Exceptional Owner Experience

Xinyuan Service has been deeply engaged in the property management industry for more than 20 years, and its service model has been continuously transformed and upgraded, starting from the original "XIN1.0" which connects people to people, turns buildings into homes and sends warmth to communities; extended to "XIN2.0" which connects people to objects, expands from people to space, and makes homes more comfortable; then to "XIN3.0" which builds an open pan-property industry ecosystem, gathering the three core services IP of high cost performance, high satisfaction and high service experience. The 108 touch points of property owners and 498 service contents are sorted out to integrate customer service into every moment of life, to live up to the mission of "having properties to rely on and services to trust" and continue to provide professional and quality property services for customers, committed to let property owners sense exquisite and satisfactory service experience.



Along the way, we have evolved from the "XIN1.0" service model, the "XIN2.0" service model, to the currently adopted "XIN3.0" service model.

"XIN 3.0" service model aims to further improve the quality of our services through the following four strategies:

Focus on customer experience

Understanding that everyone has special and personalized needs and preferences, under "XIN 3.0" service model, we are committed to providing personalized services to all property owners and residents. This is done by collecting and analyzing their past choices and habits, adjusting our service offerings to create a more personalized experience, while continuously optimizing service content in our future operation, so as to achieve continuous enhancement of customers' service experience.

Unleash employee potential

We enhance the sense of responsibility and honor among employees to ensure they gain a sense of achievement, bring them a sense of satisfaction, and enhance their sense of belonging, exploring the potential of employees by encouraging them to actively engage with our customers. We provide a variety of training to better prepare our new employees and help them integrate into our corporate culture.

Refine scenario design

We strive to enhance and personalize our clients' experience based on their characteristics and needs; improve service quality and personalized customer experience through five major scenario designs: touch point, time, flow of traffic, atmosphere, and special moments. For example, we organize various activities to personalize our user experience.

Create service characteristics

We have developed detailed manuals with standard processes, procedures and guidelines for maintenance and management, security, cleaning and customer management, etc. to enhance customer experience; through formulating detailed manuals and implementing them at project pre-intervention, mid-stage development, post-servicing and daily upgrade and maintenance, we offer customers the enjoyment of full-cycle services to enhance customer experience.

"XIN 3.0" has shifted from the property owner oriented "single-wheel drive" to the employee and owner oriented "double-wheel drive"; the service model is built from four primary dimensions: focusing on customer experience, unleashing employee potential, creating service characteristics and refining scenario design, while upgrading and aggregating the core service IP of high cost performance, high satisfaction and high service experience; 108 touch points of property owners and 498 service contents are sorted out, based on which the Group is committed to let property owners sense the exquisite and satisfactory service experience.

4.2 "XIN" Technology Empowers New Properties and Creates New Momentum for Development

Positioned as a "leading pan-property industry intelligent operator", Xinyuan Service always "dares to be the first" in the field of digitalization and actively practices new technology applications such as robotics, blockchain, AI and big data out of our full awareness of service value and technology empowerment.

Xinyuan Service actively allocates its resources in the industry of community technologies, which forms new growth poles of operating revenue. In terms of intelligent properties, we established the characteristic integration of data management and business financing, offering empowerment to management and businesses. In terms of building an intelligent household ecosystem, we expanded the industrial scales of different business lines based on management resources and information technology (IT), through the effective combination of online and offline as well as the horizontal connection across the technology industry, taking front-end professional services, community life services, intelligent household services, community elderly services and community childcare education services as the core, forming the primary advantages and capabilities of the pan-property industry ecological layout and development.

4.2.1 MSP Application Model

The history of digitalized development for Xinyuan Service has been continuously upgraded and evolved with the corporate strategic development and management needs. From the rapid replication of management standards through the deployment of ERP and other relevant systems in 2008 to the upgrading of IT application to an intelligent service system based on the three major module applications of smart properties, smart homes and smart communities through a unified platform in 2016. In 2020, Xinyuan Service conducted a complete top-level structure design, proposed the concept of triple network integration of Internet, Internet of Things and information network, built the MSP application model, and put forward the three-step overall strategy of defining digital community, developing digital community and leading digital community.

Xinyuan Service's IT strategy takes "providing IT support for realizing the corporate strategy of being an intelligent operator in the pan-property industry" as its mission, "leading with innovation and empowering with technology" as its vision, and "new technological direction, new management thinking, and new business model" as its objectives, to build a complete MPS application model, namely "visualized operation, digitalized services and online scenarios".

Visualized operation

This means the refinement of property management and visualization of production and operation. We build a digital system around human resources, financing and quality to reduce costs, improve management efficiency and quality, and achieve a high degree of unification and visualization of business flow, capital flow and information flow.

Digitalized services

This means enhanced precision of customer portraits and digitalized service processes. We build an active service system with dynamic perception and high responsiveness around customer service, from reporting and repair to value-added internet services, providing customers with smarter and more convenient products and services.

Online scenarios

This means online business expansion, smart community scenarios, and simultaneous expansion through online and offline. We create a senseless and convenient spatial experience around different scenarios in communities, business districts and parks, provide customers with comprehensive, diversified and smart services, and activate the pan-property intelligent ecosystem.

To support the application of MSP model, Xinyuan Service has independently developed the "XIN Cloud" integrated information management system, which consists of four platforms: business support system, management support system, operation strategy support system and community service system, which are applied to on-site operation, management operation, strategic decision-making, and community service efficiency improvement. For each platform, we have developed corresponding intelligent technology tools to facilitate the operation of the platform.

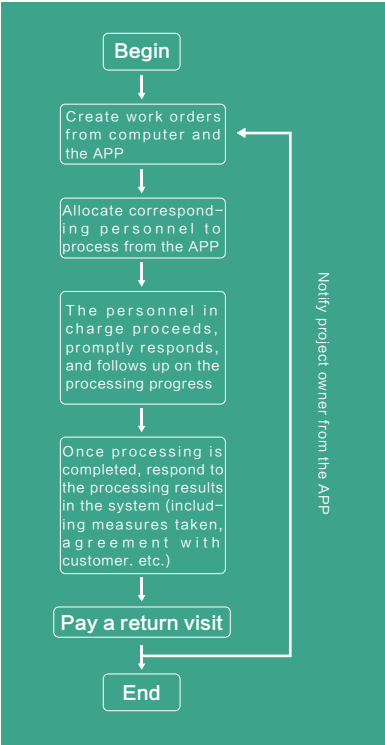


Based on 286 business objectives, Xinyuan Service has sorted out 1,324 business views, screened and defined 5,773 data attributes, standardized 429 key statistics and business indicators, and carried out 166 demand analysis demonstrations based on 10 major themes. Through unifying data standards and collection scopes, ensuring uniform, correct and timely application on each application system of the Company and its subsidiaries, enabling each department to communicate basic information of production and operation as well as conduct information collection in a true, complete, accurate and timely manner, providing timely and accurate data support for decision-making analysis of Xinyuan Service's management team from a data perspective, so that they can use data to drive corporate strategic decision-making, business operation decision-making, thus to speak with data and be driven by data.

4.2.2 CRM System

The CRM system is responsible for receiving and processing management tasks, complaints, inquiries, suggestions and other related tasks from property owners and tenants. The system is mainly operated and input by the 400 Customer Service (CS) Center representative.

The customer complaint and report handling process is shown in the following diagram:

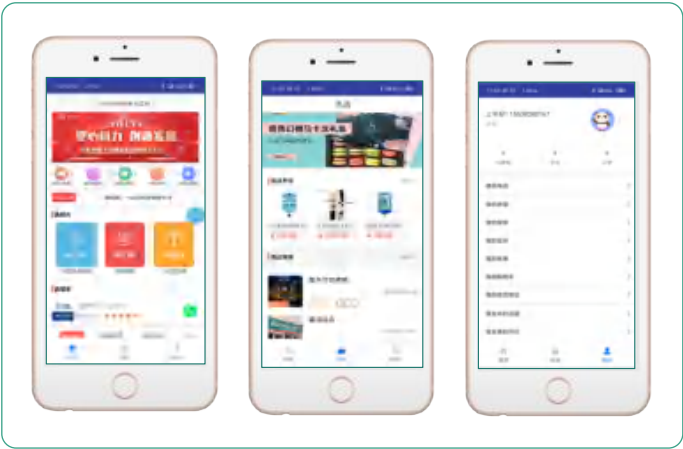


Employees can sign in or out of work through the CRM system and assign requests from property owners and tenants accordingly. When employees process requests, they are required to annotate the process and upload photos to the CRM system. Finally, property owners and tenants will rate the quality of service received.



4.2.3 "Xinyijia" Mobile APP

"Xinyijia" is a mobile APP that integrates property management services, information notifications, property bill payment, neighboring stores, community activities, etc. to provide diversified terminal services for property owners, to create a convenient online smart community.



Overall functional interface display

During the Reporting Period, new functions launched include electronic invoice and intelligent customer service. "Xinyijia" automatically generates electronic invoices for property owners after completing orders for property payment or shopping in the mall. At the same time, property owners can ask questions online through the APP, and the APP will make its own judgment based on the keywords of the questions and retrieve answers from the software backstage to give answers to solve them.



Intelligent customer service function interface display

4.2.4 "Conbow Cloud" and "Conbow Robot"

Taken "Conbow Cloud Community" and "Conbow Robot" as the core, Xinyuan Service upgrades the IT application to a smart service system based on intelligent property and intelligent community application through a unified platform. As a smart home device, the "Conbow Robot" has a built-in touch screen display, front-facing camera, microphone and speakers. Users can interact with it through its touch screen display or voice activation. The device is primarily used as a personal home assistant for property management, health, advice provision and appliance control, which builds a smart home ecology. The "Conbow Cloud" system is a complementary platform of "Xinyijia", which provides comprehensive services covering property management services, smart community, smart home, online shopping mall, vertical e-commerce and integration of peripheral services around the needs of property owners' lives, deepening the online-merge-offline (OMO) community service model, improving property owners' experience, and continuously building an online service ecology.

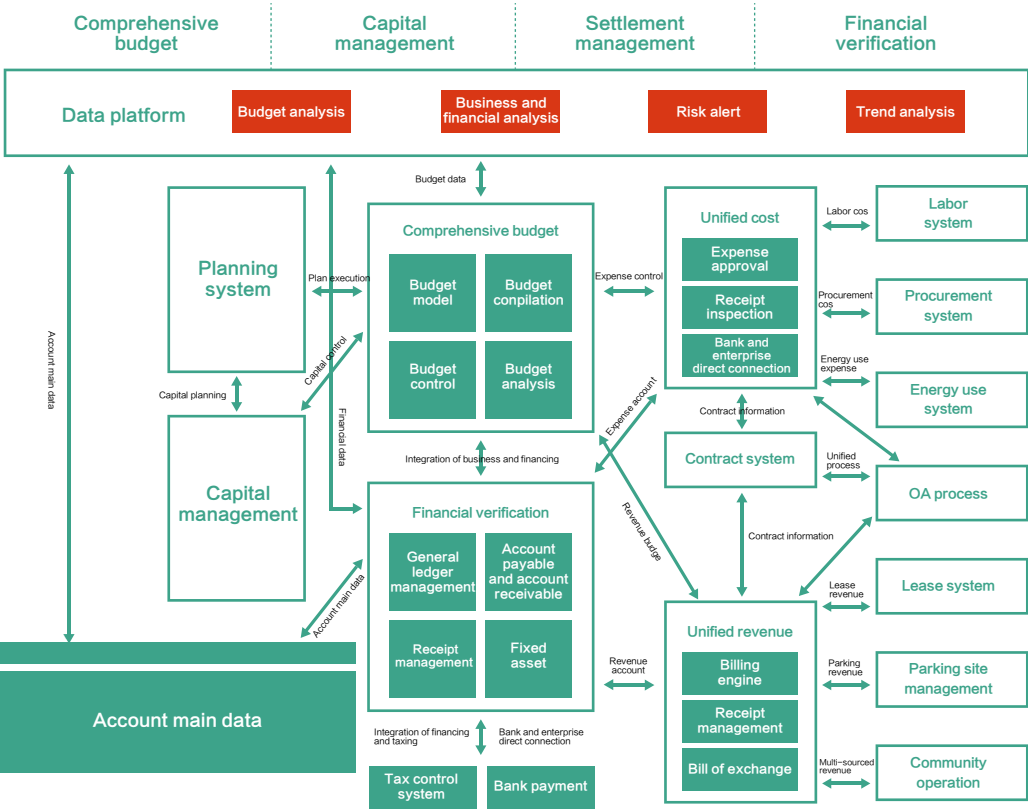


"Conbow Cloud" community platform (APP)

"Conbow Cloud" takes con-con points as the core, effectively connecting property owners' internal resources and external resources. The platform motivates property owners' online and offline purchasing behaviors by the means of con-con points, while connecting to platforms such as Jd.com, Pinduoduo and 58 for property owners to use their points, thus forming an effective unification of property owners' behavior and online ecology.

4.2.5 Business and Financing Integration

Xinyuan Service actively builds an integrated system of property business and financing, and by constructing a set of structured index system with a total of 41 indicators with 3 levels, covering 6 categories including scale indicators, income indicators, cost indicators, expense indicators, budget indicators and auditing indicators, it establishes three sets of data models for strategic investment measurement, project full-cycle management and comprehensive budget management based on business management needs, and delivers five reports: financial analysis report, comprehensive budget execution report, project operation monthly report, operation forecast analysis, and operation risk analysis, thus realizing the integration of business and financing, unifying data management and standards, and improving efficiency and effectiveness.



By sorting out and establishing a set of indicators, three sets of data models and five reports, we have realized the integration of business and financing, unified data management and standards, and improved efficiency and effectiveness. At the same time, based on financial accounting, we established business management key control points and budget management system, forming a linkage between business and financing, and jointly promoted enhancement in corporate management. From budget preparation and control systematization, we established a comprehensive budget management system for prior planning, process controlling, and post-event analysis. The construction of the integration of business and financing has been in full swing, which will be the next key focal point of finance-driven business.

4.3 Customer Communication and Relationship Maintenance

We actively listen to the feedback from our customers and use them as direction and motivation for improvement as well as continuous optimization of our operations and customer service capability.

- ①conducting regular business visits to customers;
- ②keeping close contact with customers and actively responding to their requests;
- ③conducting regular surveys on customer satisfaction with our services and taking follow-up actions on the problems identified.

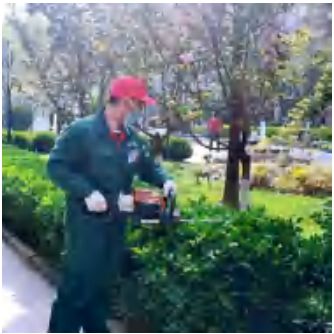
Through the national customer service center, the 400 CS representative builds connection with customers, and promptly provides feedback on the customers' demands. Property owners or residents can make complaints and inquiries, provide suggestions, and request for other management services by calling the 400 CS Center. After the CS representative enters the request into the CRM system, the system will assign the order to the relevant personnel accordingly. The personnel may process such requests through the employee terminal of the system.

During the Reporting Period, the 400 CS Center received 204,457 inbound calls and made 624,367 outbound calls, with an overall information processing rate of above 97.12% and a customer satisfaction rate of above 99%. We received 48,680 phone calls from property owners and tenants complimenting our services.

We have established CRM Guidelines to clarify responsibilities of Xinyuan Service's different sectors and streamline procedures in maintaining customer relationships. In accordance with the guidelines, each year we carry out a series of events and programs to enhance customer satisfaction.

"Freshen-Up 2020" Program

With the goals of consolidating project quality, promote service quality upgrade, enhance service perception of property owners and improve their satisfaction, the program makes specific requirements for service implementation in three major aspects: image, quality and service. In terms of quality, the program requires each project to meet the corresponding standards in facility and equipment maintenance, facade and road paving, cleaning and landscaping, and building debris cleaning. In terms of service, the program specifies the standards in terms of safety, cleaning, pandemic prevention and customer service during various community activities.



Case

"Happiness starts from 'XIN' " Event

To ensure the service level and enhance customer satisfaction, Xinyuan Service held the "Happiness starts from 'XIN'" event to standardize requirements and incentives from various dimensions such as customer relationship maintenance, customer service promotion and staff service motivation enhancement.



Case

According to the results of the customer satisfaction survey conducted by China Index Academy, the overall satisfaction score of Xinyuan Service was 90.2, and the satisfaction score during the pandemic was 91.7, both of which were higher than the average value of benchmark enterprises, and the overall performance was widely recognized by the customers.

To ensure having a more effective customer complaint management mechanism in place, we formulated the Operational Guidelines for Handling Property Owners' Complaints, which standardized the types of complaints, the handling process for each type of complaints and the return visit mechanism. We classify complaints into four major types according to the reasons behind complaints, namely Class I, Class II, Class III and major complaints. For customer complaints received through different channels, we have developed handling methods accordingly. In case of major complaints, the manager of the management office takes actions in compliance with 400 CS Center's Information Reporting System, and the general manager of the management center comes up with handling measures, the implementation of which is conducted by relevant functional departments and guided by the 400 CS Center. Over the Reporting Period, we received 951 customer complaints, of which 939 were effectively processed and closed, resulting in an overall processing rate of 98.74%.

DRIVING DEVELOPMENT THROUGH MANAGEMENT

SINCERITY THROUGH "XIN" AUTHENTICITY



5."XIN" MANAGEMENT

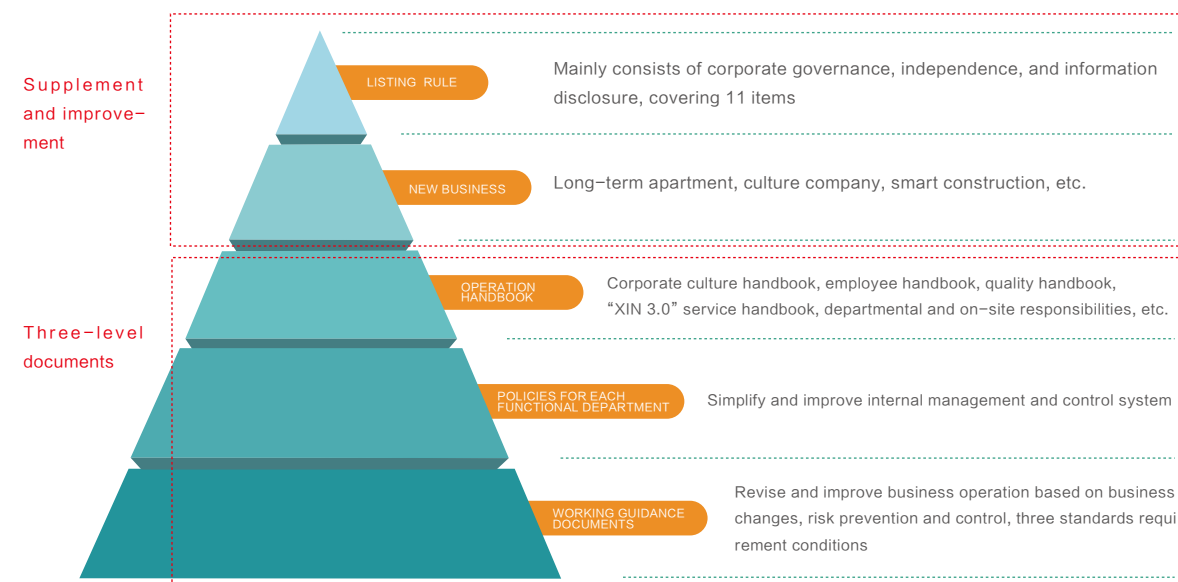
5.1 Quality and Safety Control

As a property management service company, Xinyuan Service understands that corporate management capability and service quality are key to sustainable operation and customer satisfaction. We have established a comprehensive control system in terms of quality, environment and occupational health and safety to ensure standardized operational processes which effectively minimize uncertainties. Our control system is certified by Intertek Certification Ltd. and meets the requirements of ISO14001:2015 (environmental management), ISO9001:2015 (quality management) and ISO45001:2018 (occupational health and safety management). Over the Reporting Period, there was no non-compliance cases relating to quality and safety of the products and services provided by Xinyuan Service.



Quality Control and Maintenance

In terms of quality control, Xinyuan Service values customer satisfaction and internal management equally. On the one hand, we measure the effectiveness of our services through feedback and satisfaction of customer experience, while on the other hand, we guarantee the quality and effectiveness of our services on site through the implementation of on-site standards.



In terms of quality maintenance, Xinyuan Service has formulated the Operating Standards for Water System Cleaning, which sets requirements for maintaining quality of water bodies at project sites. We require regular replacement of the water in water bodies at project sites, to avoid mosquito breeding or water quality deterioration. In summer, the frequency of water replacement is increased due to the weather condition. In addition, we conduct regular dredging to remove sediment, garbage and dust from the bottom of water bodies which helps improve the self-purification capability of the water system.

To standardize the repair and maintenance work of public lighting system and ensure satisfactory performance and safe operation of all lighting systems, Xinyuan Service has formulated the Public Lighting System Operation Guidelines. The maintenance team, consisting of the Engineering Management Center, the regional managers in charge of equipment, the head of the management office, the equipment supervisors and the maintenance staff, is responsible for the review and implementation of the public lighting system warranty plan.

Regarding service quality, we have developed a number of internal systems with the goal of continuously improving customer satisfaction, including the Three-tier Inspection and Assessment Measures for Staff and Regulations on the Supervisory Authority of Key Account Customer Service. At the same time, Xinyuan Service conducts quarterly inspections at each project, covering all four primary business modules including customer service, equipment, safety and environment. Based on the results, projects that receive scores higher than 85 and above for each module are praised and rewarded, while projects with scores lower than 70 for each module are notified and criticized following certain penalties.

Safe Operation

We have developed the Operation Guidelines on Retail Store Management to regulate the business activities of retail shops at each of our retail properties, including fire-fighting and safety measures, maintenance of sanitation at the front of each shop. The person in charge of fire-fighting and safety measures conducts inspection once a month, the results of which are then passed to the staff in charge of the daily operation of the retail shops, to supervise their progress on problem rectification. At the same time, we followed and formulated the "Fire Management Responsibility Notice for Retail Stores" according to the Fire Protection Law of the People's Republic of China, urging the retailers to establish a fire safety responsibility system, strengthen fire prevention measures, safe management of electricity, gas and oil use, etc. If the relevant provisions are violated, the retailers are to be held accountable. In self-managed cleaning projects, we have formulated the Drug and Dangerous Chemical Management Process for the management of dangerous chemicals and drug requisition, storage and use, so as to prevent accidents. In the procurement process, the administrative department is required to select suppliers with proper qualification. In the storage process, the administrative department takes actions to strengthen the training of warehouse management and adopts the mechanism of assigning specific staff for acquisition while having two people for supervision. In the utilization process, the administrative department needs to strengthen protective measures, carry out emergency handling measures in the cases of accidents, and implement the post-accident treatment plan.

The seventh "100 days of safety without accidents" activity of Xinyuan Service

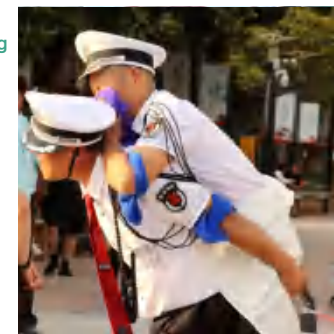
To comprehensively investigate and manage different kinds of safety hazards, further strengthen staff safety education and ensure accident-free operation, Xinyuan Service launched the seventh '100 days of safety without accidents' activity. The activity was divided into information sessions, safety hazards investigation and rectification, emergency drills, and supervision. By making concerted efforts to investigate hazards and educating on prevention measures, the residents and surrounding neighbors attended had raised safety awareness.



Case

Xinyuan Service for the preparation for extreme weather events and fire-fighting works in summer

At the advent of summer, to ensure the safety of the community and property owners' properties, avoid unnecessary losses and ensure no occurrence of accidents at each project, the requirements on extreme weather prevention and firefighting work were formulated. The requirements clarified the chief person in charge, indicating the necessity of emergency material preparation, plan rehearsals, and on-site rectification. It further identified the responsibilities of project leaders as well as other employee members during storm events, to achieve effective and timely emergency response.



Case

During the Reporting Period, we continued to carry out internal staff training on firefighting system, emergency training, and emergency plan training to enhance our response capability to emergencies.



Firefighting system training



Emergency preparedness and emergency response training



Emergency preparedness and emergency response training

Supplier Quality and Safety Control

We conduct quarterly inspections of all outsourcing suppliers to check and evaluate their performance in terms of safety management and service quality. For outsourcing suppliers with high evaluation score, we give praise and cash rewards, while for outsourcing suppliers with poor performance, we inform and criticize them, interview the relevant companies, and execute punishment according to contractual agreements.

For the cleaning outsourcing projects, we have formulated the Commitment of Safe and Civilized Production in the Outsourcing Project of Cleaning according to the Law of the People's Republic of China on Safe Production and the relevant regulations of the Group to guarantee the safety, health and stable operation of equipment during their work. If the safety production is affected by the violation of rules and regulations and other circumstances, the supplier is required to accept the punishment and may lead to the termination of business partnership.

For the landscaping outsourcing projects, we have formulated the Commitment of Safety and Civilized Production in the Outsourcing Project of Landscaping according to the Law of the People's Republic of China on Safe Production and the relevant regulations of the Group, emphasizing the safety management of the production site, avoiding the pollution of ecological environment and water sources, and strengthening the occupational safety education and training of personnel. Suppliers who cause negative impact on safety and environment may be held accountable and the service contract will be terminated.



5.2 Intellectual Property Rights Management

Xinyuan Service strictly abides by the Regulations on Computer Software Protection, the Measures for Registration of Computer Software Copyrights and other laws and regulations. In maintaining Xinyuan Service’ s intellectual property rights, we reported our computer software to the National Copyright Administration and obtained copyright registration certificates. In terms of advertisement and trademark management, Xinyuan Service complies with the Trademark Law of the People’s Republic of China, the Advertising Law of the People’s Republic of China, the Advertising Control Regulations and other relevant laws and regulations. The Company and each of its subsidiaries take the initiative to understand and ensure compliance with the regulations, rules and normative documents of the regions under their jurisdiction to ensure that there is no undesirable or false advertising and trademark usage in the course of brand promotion and publicity. In 2020, Xinyuan Service’s Project Total Life Cycle Management System, Employee Total Life Cycle Management System and Plan Management System successfully passed the audit of China Copyright Protection Center of the National Copyright Administration of the People’s Republic of China, and was pleased to receive the registration of computer software copyrights. As of the end of the Reporting Period, Xinyuan Service has obtained a number of computer software copyrights, and its information construction capability has been fully reflected.



During the Reporting Period, there were no violation of laws and regulations regarding intellectual property protection, advertisement, as well as trademark management.

5.3 Customer Privacy and Information Security Management

We strictly comply with the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests, the Regulations of the People’s Republic of China on the Security Protection of Computer Information Systems, the Civil Code of the People’s Republic of China, and other relevant laws and regulations when it comes to safeguarding information security and consumer privacy. There were no non-compliance cases regarding customer privacy and information security related matters.

5.3.1 Information Security Management

To refine information security management of Xinyuan Service, we have developed the Information Security Management Standard, which provides unified rules for personnel responsibilities and management of IT systems, data, equipment and passwords, software and hardware, server rooms, and the Internet. Meanwhile, we cooperate with professional vendors who assist us to provide enterprise-level information security systems. Our information security system consists of multiple layers of security measures, including terminal security, application security, network security, business security, data security, and expert services. Data is encrypted, fortified, and audited to ensure security. Xinyuan Service stipulates that in the case of encountering problems related to data protection or risks of data theft at work, employees should refer the situation to Xinyuan Service’s data protection and IT security personnel, the human resource or audit departments.

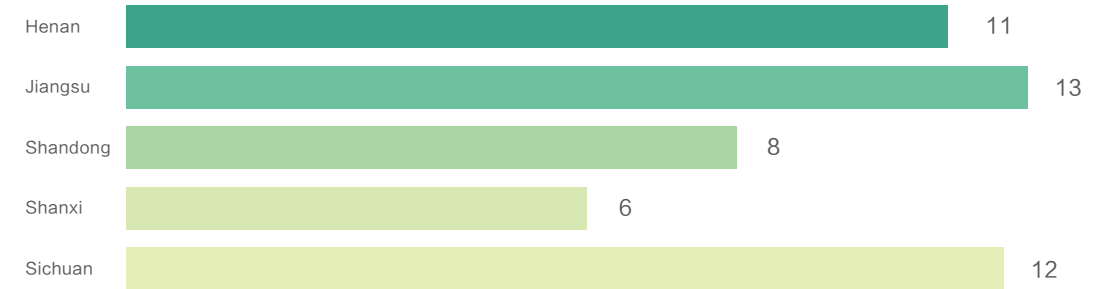
5.3.2 Customer Privacy Protection

We have established the Customer Information Confidentiality Mechanism and the Customer Information Management Operating Guidelines, which outline detailed agreements for the collection, maintenance, and protection of customer information, including but not limited to customer names, contact information, vehicle information, addresses, occupations, and family members. For example, new employee must sign a confidentiality agreement that specifies the employee’s responsibilities for protecting customer privacy, and how customer information will be managed, etc. If confidential information is used or disclosed inappropriately, Xinyuan Service sets the rule to hold accountabilities of the individuals in charge based on the severity of the situation. We strictly protect the privacy of all confidential information that belongs to our suppliers, customers and other stakeholders, and use such confidential information only in compliance with applicable laws and the provisions of relevant contractual obligations.

5.4 Supply Chain Management

We work closely with a wide range of suppliers and subcontractors, primarily including: 1) companies specialized in safety and security, cleaning and hygiene, gardening and specialized maintenance services; 2) utilities providers such as electricity and water supply companies; and 3) gardening and cleaning supplies companies. As of 31st December 2020, the number of our suppliers by geographical region was as follows:

Number of suppliers by geographical region



5.4.1 Supplier Selection and Management Policies

We strictly comply with supply chain related laws and regulations including Bidding Law of the People’s Republic of China, Procurement Law of the People’s Republic of China, Contract Law of the People’s Republic of China, and have formulated Administrative Procurement Supplier Management System to regulate administrative supplier selection and evaluation criteria as well as processes. The system defines the process for screening, recruiting and evaluating suppliers, and specifies the circumstances for terminating partnerships, such as supplier bribery, price fraud and unfair competition. For suppliers providing services such as cleaning, landscaping, maintenance, and security, we conduct supplier selection and evaluation through the Administrative Procurement Supplier Management System. We carefully evaluate potential suppliers during the procurement process in accordance with bidding and tendering, procurement management and supplier category management. We use a scoring system to review supplier performance and classify suppliers into A, B and C grades based on their scores. We issue warnings to B-level suppliers to remind them of Xinyuan Service’s policies and rules and terminate partnerships with C-level suppliers. During the Reporting Period, we implemented the systems in the process of hiring and managing all suppliers to ensure the high quality of supplier services.

5.4.2 Supplier ESG Risk Identification and Management Procedures

We pay close attention to identifying and managing suppliers' ESG related risks at different phases. These include the relevant laws and regulations, service specifications, necessary safety precautions, penalties for quality problems, waste discharge and disposal measures, etc. that the supplier should comply with in carrying out their work. In the Equipment Maintenance Outsourcing Service Contract, quality-specific clauses are made to ensure suppliers are aware of their corresponding accountabilities. If the materials and construction processes performed by the supplier fail to meet the technical specifications and environmental protection requirements due to quality issues, the supplier will be held accountable until the quality issue is resolved. In addition, in the Cleaning Service Contract.

we list the following environmental and social related clauses

- Establish legal labor relations with its employees and cover their social insurance, wages and all other expenses
- Strengthen personnel occupational safety education and training
- Take preventive measures for operation in severe weather conditions
- Prevent from personnel injuries and secondary pollution of the environment during operation
- Operation equipment, appliances and consumables should be in line with the relevant national environmental requirements
- Waste disposal should comply with relevant national regulations, and disposal records should be kept

In the supplier management process, we ask each supplier to sign a commitment letter for safe and civilized production according to the type of work, and make requirements for quality of personnel, safety responsibilities, production site management, safety education and training, and penalties for violations to ensure the safety and health of their employees at work as well as the safe and stable operation of facilities.

5.4.3 Promotion of Environmentally-friendly Products and Services

In terms of supplier selection, we encourage suppliers to provide green and environmentally friendly equipment and materials and have made relevant requirements in the bidding documents. For example, when signing a contract with a supplier for cleaning outsourcing projects, we require the supplier to make commitment to using energy-saving, environmentally friendly, low-noise cleaning equipment in the form of contractual clauses; cleaning chemicals must be green and pollution-free, while harmless to humans and animals. In the contract of greening outsourcing projects, it is stipulated that water bodies within working areas shall not be polluted; the ecological environment shall not be damaged during construction, and suppliers shall assume responsibilities for any damage caused if such damage occurs.

5.5 Integrity Management

In strict compliance with the Criminal Law of the People's Republic of China, Regulations on Prevention of Bribery, and other relevant laws and regulations, we have introduced the Anti-Corruption Code of Conduct (the "Code"). We have been consistently requiring the Company and its subsidiaries to comply with all applicable laws and regulations and internal policies, which has become an integral part of our corporate culture. Through the Code, Xinyuan Service is committed to better promote ethical standards and codes of conduct, including honesty, integrity, and compliance with the laws. Where appropriate, the scope of the Code also covers suppliers and other third-party business partners.

Any violation of the Code should be reported immediately to Xinyuan Service's Audit and Supervision Department. Complaints can be made through

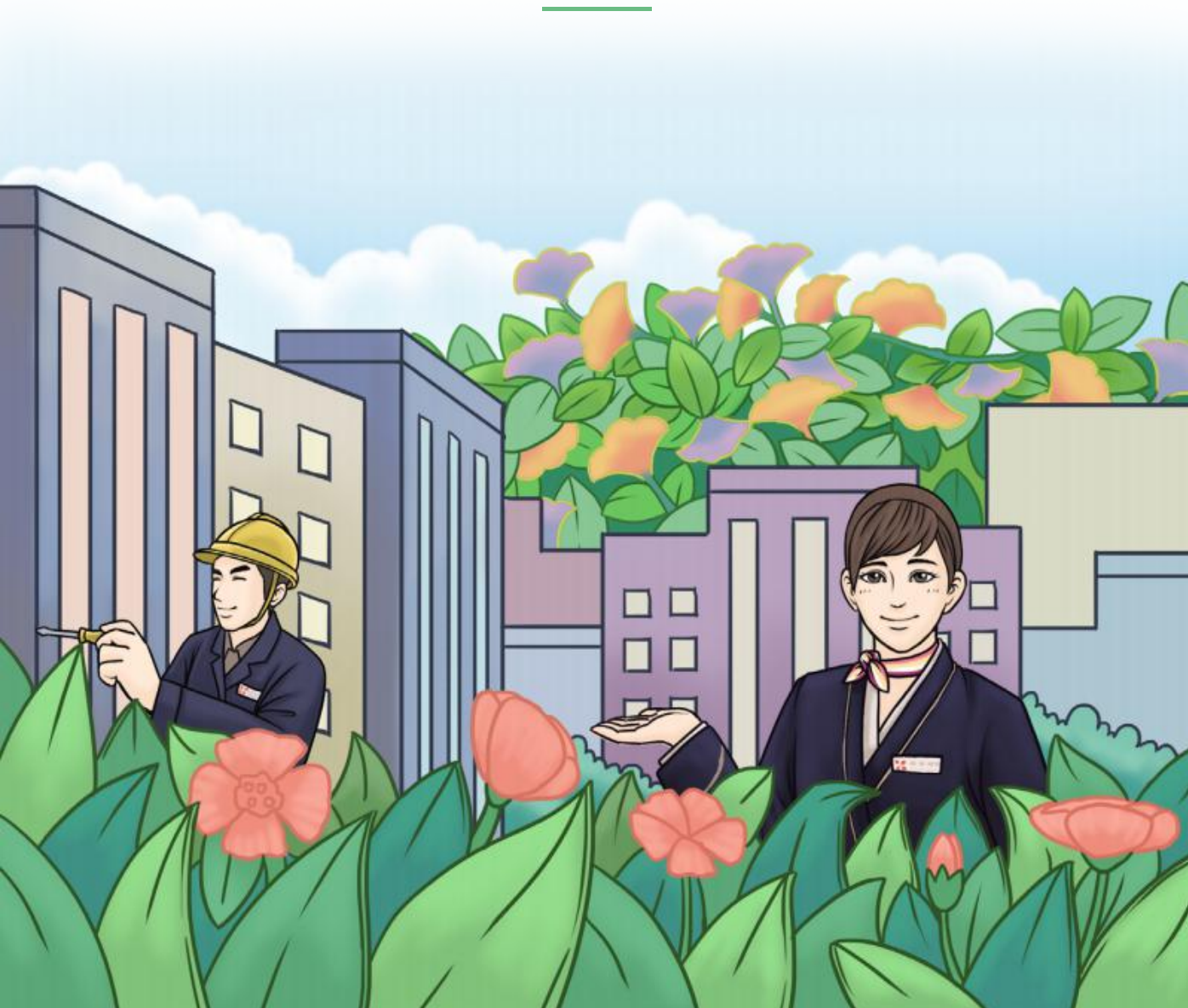
- Corporate Compliance and Anti-Corruption Hotline 4007175588
- Email of the Audit and Supervision Department
- Telephone of the head of the Audit and Supervision Department

The Audit and Supervision Department of Xinyuan Service regularly conducts special audits, comprehensively evaluates the conducts of business activities at all levels within Xinyuan Service, issues audit opinions, supervises the rectification of problems, and ensures that Xinyuan Service's business management activities comply with relevant laws and regulatory requirements. The Audit and Supervision Department adopts a zero-tolerance attitude towards any corrupt practices and promises to keep all information confidential and handle reports as soon as possible, and prohibits retaliation against those who report complaints in good faith. If necessary, Xinyuan Service escalates the complaints to law enforcement authorities and take disciplinary actions against the responsible personnel, such as termination of labor relations, termination of partner contracts, and exclusion from future cooperation.

During the Reporting Period, there were no non-compliance cases regarding these laws and regulations, and no legal cases regarding corrupt practices brought against Xinyuan Service or its employees.

HAND IN HAND CREATING "XIN" FUTURE TOGETHER

"XIN" TOWARDS PROSPERITY



6."XIN" TALENT

After more than 20 years of development, a large group of employees who have grown up with Xinyuan Service have inherited the excellent corporate culture and work standards and have built a team of employees with high comprehensive quality, strong execution capability, sense of innovation and outstanding service ability. At the same time, we also pay great attention to acquiring outstanding talents from the industry and cross-border enterprises to provide strong support for our corporate business development in operation and control, market expansion, community value-added services and information technology. The senior management team of Xinyuan Service has more than 10 years of experience in the property management industry, deep understanding of the industry, rich management experience, and innovative as well as forward-looking strategic vision. This relies on the concrete corporate talent system.

6.1 Talent Recruitment

Through continuously enhancing our talent recruitment system as well as management procedures based on the relevant regulatory requirements and Xinyuan Service's talent philosophy, we ensure to create a fair, equal, and diversified work environment, so that all employees receive the rights they deserve.

6.1.1 Employee Rights Protection

Xinyuan Service complies with the requirements of the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China and other applicable laws and regulations. In accordance with the above laws and regulations, we have formulated the Operational Guidelines for Employee Onboarding Management, detailing the new employee onboarding process, the accountabilities and work standards of employees in charge, and the transfer process of guiding new employees through the onboarding process, so as to assist new employees to smoothly pass the adjustment period and quickly adopt to the team. To prevent child labor and forced labor, we strictly set the minimum age of employment at 18 years old and require new employees to provide identification information and employment qualifications for re-verification at the time of onboarding. If relevant required documentations of proof are unable to be provided, the new employee will not pass our onboarding review process and thus will not be employed.

In addition, Xinyuan Service has summarized employment and other employee-related rules into the Employee Handbook, which provides employees with detailed information on Xinyuan Service's salary standards, annual bonuses, benefits, promotion-related policies, leaves, etc. Xinyuan Service contributes to social integration insurance and provident fund for employees in accordance with national regulations, and provides preferential treatment for communication, transportation, rental, workwear allowance, and housing purchase. We also take different conditions into consideration and offer a diversified category of leaves for employees, including sick leave, marriage leave, maternity leave, annual leave and home leave. Meanwhile, the handbook details matters related to labor relations, covering contract signing and termination, employee separation and employee complaint channels, to enhance internal communication and protect employees' rights. We encourage employees to finish work within the scheduled hours from 9:00 a.m. – 12:00 p.m. and 1:30 p.m. – 6:30 p.m. through Monday to Friday.

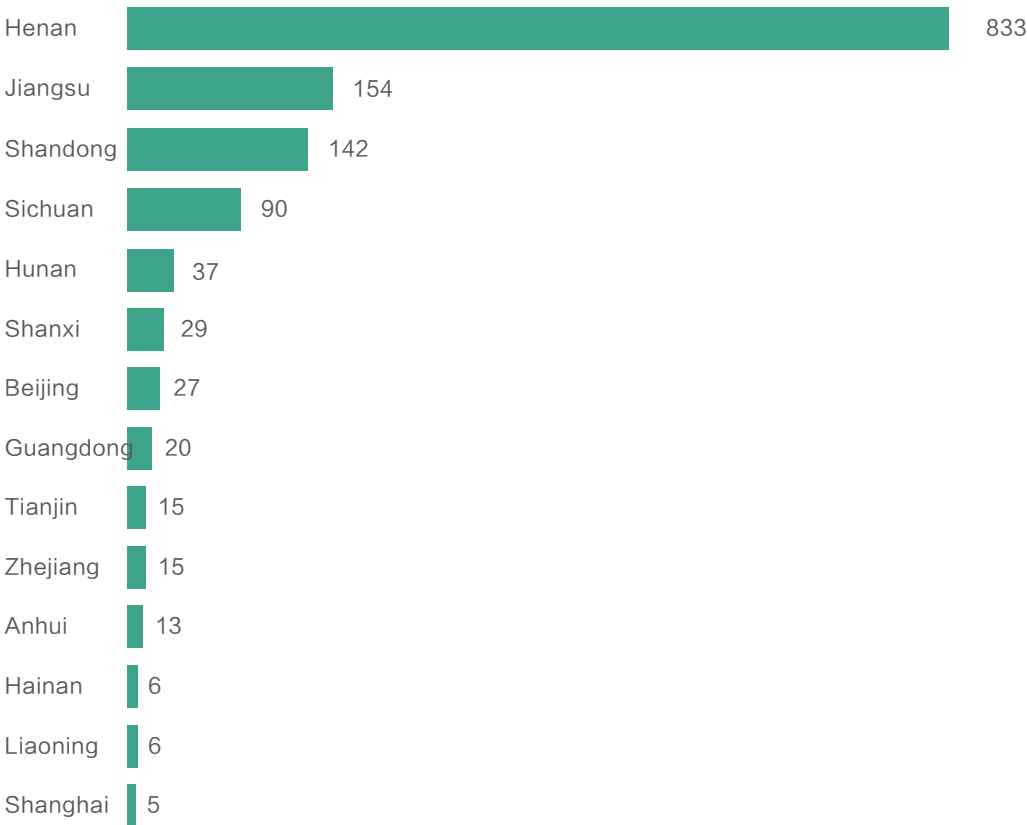
During the Reporting Period, we did not find any cases of violations related to compensation and termination, recruitment and promotion, equal opportunity, diversity, anti-discrimination, working hours, rest periods, other benefits and welfare, and prevention of child and forced labor employment.

6.1.2 Employee Composition

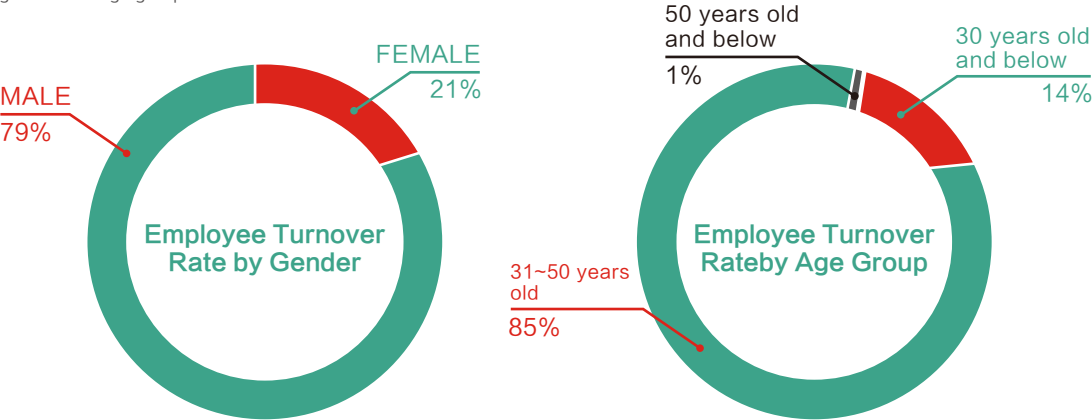
Following the continuous development of Xinyuan Service, there is also a continuous increment in the number of employees. As of the end of the Reporting Period, we had 1,392 employees, with a breakdown by gender, age group and geographical region as follows:

MALE	710	30years old and below	626
		31~50years old	626
FEMALE	682	51years old an below	140

Employment Distribution by Geographical Region



During the Reporting Period, a total of 56 employees left Xinyuan Service, the turnover rates[Turnover rate (per category) = employees in the specified category leaving employment / number of employees in the specified category by end of the Reporting Period; the scope of calculation covers the Company only, which is consistent with the calculation method and scope of 2019.] by gender and age group are as follows



6.2 Employee Care

In addition to providing statutory benefits and work-related allowances to our employees, Xinyuan Service fully considers the needs of different employees and provides a wide range of employee care, including birthday gifts, labor protection products, annual employee health examination, Chinese New Year and Mid-Autumn Festival benefits. We offer assistance grants for employees or their family members who suffer from difficult living conditions or illness. For employees who have children enrolled in undergraduate institutions, we provide student grants to encourage their children to pursue higher education. Every month, the head of each department holds personal conversations with employees to listen to their needs, the implementation of which is supervised by the Company. We conduct regular democracy-styled meetings and encourage employees to express their views freely.

ONE

Employee team-building events

TWO

Employee daily events

THREE

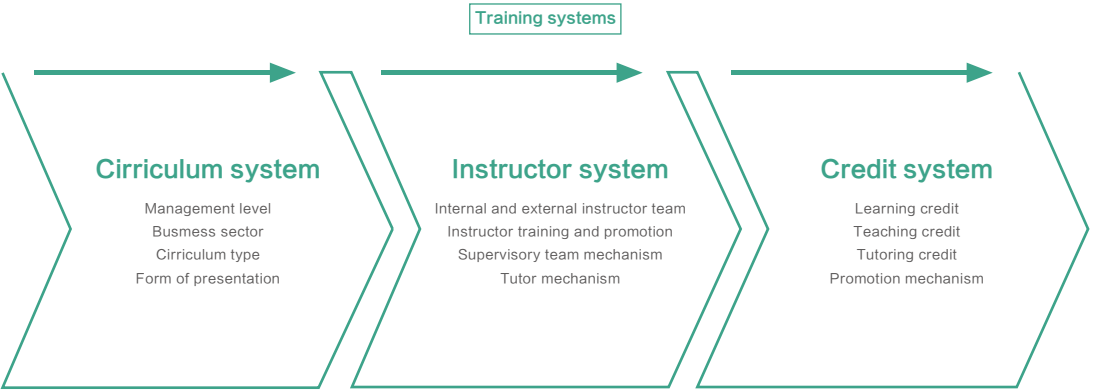
Employee care

6.3 Employee Training and Development

6.3.1 Employee Training

To advance our employee training and development mechanism, Xinyuan Service focuses on establishing a concrete talent training system, which consists of three major components including curricular development and management, development of the instructor team, and provision of training credits to employees. With Xinyuan Service's promotion mechanism integrated, the system offers customized curriculum to employees at different positions which require different sets of technical and management skills.

The talent training system is presented as follows



To standardize the training procedures, Xinyuan Service has established the Employee Training Management System, which details management procedures for internal and external training development as well as maintenance of instructor quality. The training systems are designed to target a wide range of topics including functional, project-oriented, management-focused, new employee oriented, and other specific types. The systems illustrate the procedures for training management. For internal training, to achieve desired training effects, Xinyuan Service develops appropriate training plans based on the assessment of training requirements, followed by preparation of training materials, organization and implementation, effective evaluation and experience summary for future improvement. To further explore internal talent and enhance training quality, we focus on selecting members of the instructor team internally, forming a capable team of internal instructors, expert coaches and function-specific counsellors. At the end of the training, position-specific exams are required so as to ensure employees' high level of engagement throughout the effectiveness of the training, further ensuring the training effects.

In 2020, Xinyuan Service optimized and upgraded its talent ladder cultivation, and developed programs such as "XIN'Vision" for core management, "XIN' Pilot" for reserve talents of A-Class cadres, "XIN' Building Blocks" for B-Class cadres with high potential, "XIN' Cornerstone" for C-Class cadres with high potential, and "XIN' Youth" for 1-3 year management trainees. Currently, Xinyuan Service's online learning platform was taken online, with the purpose of "we help you solve what you don't know", live broadcast of popular lecturer series, Xinyuan Knowledge Library, Xinyuan Tips, training ranking, "Xinyuan members" mandatory courses, etc., which were widely welcomed by employees. The number of daily active users is stable at more than 850 people, and more than 6,000 pieces of internal knowledge have been created.

In addition, Xinyuan Service has developed the Management System of Talent in Reserve, to strengthen our talent pool development and fostering mechanism through establishing relevant plans for key positions, thus providing assurance and support for Xinyuan Service's sustainable development from a human resource perspective.

During the Reporting Period, the percentage of Xinyuan Service employees trained reached 100%, and the total number of training hours received by employees was 141,296 hours.

The specific training statistics are as follows

Percentage of employees trained:100%		Average training hours completed per employee:17.48 hours/person
By gender		
Male	Percentage of employees trained:49.43%	Average training hours completed per employee: 101.51 hours/person
Female	Percentage of employees trained:50.57%	Average training hours completed per employee: 101.51 hours/person
By employment type		
Senior management	Percentage of employees trained:0.65%	Average training hours completed per employee: 35.56 hours/person
Middle management	Percentage of employees trained:12.14%	Average training hours completed per employee: 144.00 hours/person
Regular employee	Percentage of employees trained:87.28%	Average training hours completed per employee: 96.00 hours/person
Note: Percentage of employees trained = number of employees trained / total number of employees; percentage of employees trained (by specific type) = number of employees trained (by specific type) / total number of employees (by specific type); average training time per employee = total hours of employees trained / total number of employees; average training time per employee (by specific type) = total hours of employees trained (by specific type) / total number of employees (by specific type).		



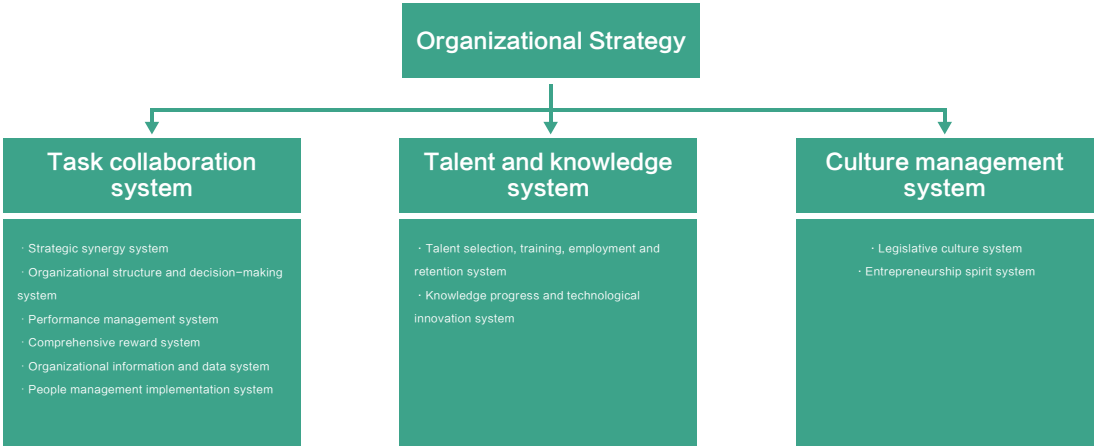
6.3.2 Employee development

Driven by culture and performance, Xinyuan Service builds a scientific and reasonable mechanism for selection, training, evaluation and sharing to cultivate career partners with common beliefs, capability, high quality, consistent objectives and actions, creating a symbiotic and shared platform for employees and enterprises.

We have built a comprehensive human resource strategy implementation mechanism through three ways: all-dimensional motivation, whole-process performance, and all-angled portraits.

All-dimensional motivation	Whole-process performance	All-angled portraits
<ul style="list-style-type: none">· Establish an all-dimensional incentive system combining long-term and short-term incentives.· Implement multiple measures, such as profit sharing, special incentives, business partners, etc.· Build a symbiotic and shared platform to realize profit and revenue sharing.	<ul style="list-style-type: none">· In the performance evaluation process, introduce the concept of balanced scorecard, establish a "strategy-oriented" performance management system, and integrate learning and growth, operation management, customer service and financial management in the whole process.	<ul style="list-style-type: none">· Create a fair, reasonable and scientific comprehensive quality assessment mechanism for employees to obtain a comprehensive and intuitive understanding of the professional quality of employees at all levels, understanding the strengths and weaknesses of employees, helping employees grow and facilitating them to achieve personal improvement.

At the same time, Xinyuan Service has established three organizational systems including task collaboration system, talent and knowledge system and culture management system, and 10 sub-systems to reach a comprehensive organizational strategy.



Xinyuan Service follows the concept of achieving symbiosis and win-win between enterprises and employees, constantly improving the talent training and development system, relying on Xinyuan College to offer comprehensive guidance in grasping business skills, systematic knowledge learning, and providing open development and promotion channels for employees. We have established a reserve talent construction mechanism which is under continuous operation to create talents with Xinyuan's genes.

6.4 Occupational Health and Safety

We abide by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations related to occupational health and safety. To protect the health of our employees and enhance the awareness of workplace safety, Xinyuan Service has formulated the Guidelines on Occupational Health and Safety Management Operations for Employees, which regulates the training of knowledge related to occupational safety education, collective procurement of labor protection supplies and other responsibilities. The guidelines list the potential risk factors in each work module, including environment, engineering, and safety, and provide corresponding control measures and proper operating procedures. To safely respond to emergency situations, the guidelines outline various common emergency scenarios during operations as well as the corresponding contingency plans. During the Reporting Period, we did not identify any non-compliance with laws and regulations related to occupational health and safety that had a significant impact on Xinyuan Service.

We strongly believe that every employee plays an important role in the field of personal safety and the safety of their colleagues. Therefore, we actively encourage all employees to do their part in creating and maintaining a safe work environment. In 2020, we continued our occupational safety education and training, providing detailed training on risk source identification, risk prevention, and personal precautions. The effectiveness of training at all levels is evaluated through on-site spot checks of employees.

We organize annual health examination for our employees to ensure that Xinyuan Service and employees are regularly informed of their personal health conditions. The health examination center provides Xinyuan Service feedback on the analysis of the overall employee health condition; for employees with abnormal results, Xinyuan Service has formulated appropriate administrative-type normative documents, and the Human Resources Department is responsible for keeping this situation strictly confidential, notifying the employees themselves in time, and suggesting appropriate solutions. For employees who are injured during working hours, Xinyuan Service first contacts hospitals and their family members, verifies the cause and nature of the injury, and provides the accident report to the Work Injury Recognition Department. Xinyuan Service actively cooperates with the relevant departments in judging the results and communicates with family members about the progress of the incident in a timely manner.

During the Reporting Period, Xinyuan Service's work-related injuries were as follows

2019	Work-related fatalities and death rates:0%
2020	Work-related fatalities and death rates:0%
Lost days due to work injuries: 60	



PROTECTING ECOLOGY THROUGH GREEN DEVELOPMENT

REFRESH "XIN" GREENERY



7."XIN" ENVIRONMENT

7.1 Green Management

We value the importance of protecting the ecological environment and are committed to identifying, evaluating, and managing our environmental compliance during operation as well as the environmental factors significantly impacting Xinyuan Service. Based on the laws and regulations to be complied with and the environmental risk factors identified by Xinyuan Service, we take the characteristics of our operating system into account and has established corporate-level key performance indicators and key risk indicators, which are broken down by departments to ensure that our management policies are thoroughly implemented. During the Reporting Period, there were no significant impacts on the environmental and natural resources caused by Xinyuan Service's operational activities.



The "Same Earth, Same Home" environmental public welfare event



Giving a lecture in the museum



Explaining knowledge about waste sorting

Green Management System

In compliance with various environmental laws and regulations including the Environmental Protection Law of the People's Republic of China and the Environmental Impact Assessment Law of the People's Republic of China, Xinyuan Service has developed the Environmental Protection Planning Operation Procedures with its business characteristics accounted for. To enhance the environmental management system, we have formed the Environmental Protection Operation Team to work collectively with relevant parties within Xinyuan Service in performing the following duties:

- Operation Management Center: identifies, evaluates and updates Xinyuan Service's environmental factors and requirements, determining pollution prevention measures and system control methods, environmental management process planning and its implementation.
- The Environmental Protection Operation Team: identifies, evaluates and updates the environmental factors and compliance obligations at a regional level, determining pollution prevention measures and system control methods, and reporting the results to the operation management center.
- All functional departments: work collectively to implement pollution prevention measures and system control methods accordingly, which is inspected and monitored by the operation management center.
- The Legal and Audit Department: reviews and evaluates the effectiveness of legal compliance.

The environmental factors and associated compliance obligations cover emissions to the atmosphere, discharge to water bodies, discharge to land, resource and energy use, and waste disposal. The environmental protection operation team discusses and determines the control measures, and the approved measures are implemented by each functional department. The operation management center continuously focuses on the actual achievement of environmental objectives and reports the inspection results to the General Manager's Office through meetings to ensure the effective operation of our environmental management system.

Environment-related Management Objectives

For effective implementation and evaluation of environmental performance, a series of environmental key performance indicators established by Xinyuan Service are broken down and assigned to key functional departments as follows:

Key Performance Indicator	Quantitative Objective	Achievement Status
Public electricity energy savings	≥5%	7.62%
Water usage savings	≥3%	5%
Number of environmental pollution incidents	0	0
Number of environmental pollution prevention and improvement matters to be addressed	6	4 (including water systems, waste classification, construction waste management, and construction management)
Major liability accidents (including non-compliance and violation)	0	0
Failure rate of construction waste management suppliers	0%	0%

Xinyuan Service's management team and functional departments continuously monitor the achievement of key performance objectives, evaluate the objectives and their achievement on a regular basis, and take prompt measures to correct deviations when necessary.

7.2 Green Operation

Xinyuan Service actively responds to the government's call for green operation, energy conservation and emission reduction, and takes the initiative to explore measures to reduce emissions of various types of air emissions and greenhouse gas (GHG) emissions, ensure proper hazardous and non-hazardous waste disposal, and promote efficient use of energy and resources to ensure the greatest possible contribution in its operations. The Audit and Legal Department of the Company regularly evaluates the compliance with laws, regulations, and other requirements relating to air and GHG emissions, wastewater discharge, waste generation, and resource management for each project, which helps provide the basis for continuous improvement of Xinyuan Service's environmental management system. During the Reporting Period, there were no non-compliance cases regarding any of the above-mentioned emission and resource consumption-related aspects.

7.2.1 Energy Conservation and Emission Reduction

Xinyuan Service strictly complies with the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Energy Conservation and the Law of the People's Republic of China on the Promotion of Circular Economy and other laws and regulations. We have established systems related to energy conservation and emission reduction, set reasonable energy conservation targets, decompose the targets, and regularly evaluate the achievement of the targets. To achieve the energy-related key performance targets, each of Xinyuan Service's subsidiaries analyzes and determines the most effective energy saving and emission reduction measures based on the project situation, and works together to accomplish Xinyuan Service's overall targets, reducing the environmental impact caused by operations.

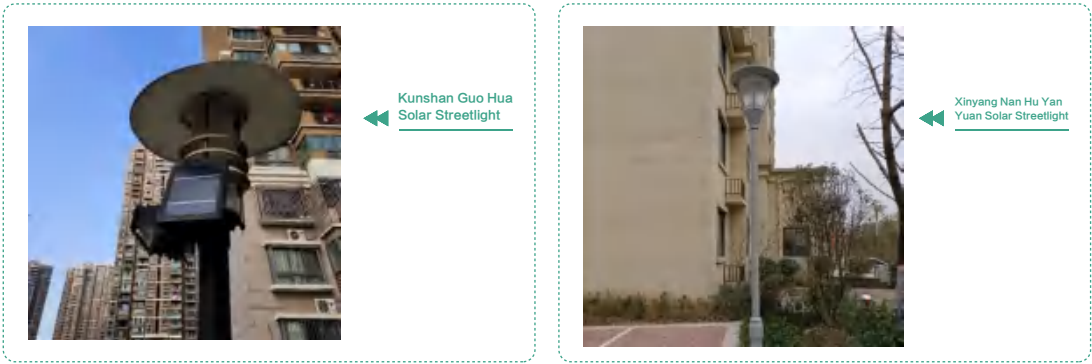
Energy Conservation Management

To strengthen the management of energy consumption of each project, raise the awareness of energy conservation, and improve the profitability of Xinyuan Service, we have formulated the Energy Consumption Control Operation Guidelines, which regulate the installation of utility metering equipment such as electricity meters, the preparation of basic data of project-level energy consumption, energy consumption measurement and analysis, and the rectification and improvement of excessive loss or missing measurement through the results of energy consumption analysis. At the end of each year, the personnel in charge of project facilities prepare energy conservation and reduction measures. In addition, the personnel develop a technical upgrade plan for the following year according to the assigned energy performance targets and organizes the implementation. The person in charge of equipment functions in the Engineering Management Center audits and supervises the implementation of energy conservation and reduction plans for each project.

In terms of public lighting system, we have developed the Public Lighting System Operating Guidelines to put forward the following energy-saving measures for different equipment operation phases for maximum lighting-related energy conservation:

- Equipment initialization phase: replace the existing lighting system with energy-saving lighting fixtures, and retrofit time controllers on lighting fixtures across the project site.
- Equipment operating within the warranty period: with the site conditions considered, install energy-saving controls to basement lighting fixtures.
- Within 5-10 years of equipment operation: conduct monthly energy consumption analysis, develop energy conservation implementation plans.

Within our managed properties, we have carried out a series of energy-saving actions. For example, during the Reporting Period, we carried out a negative feedback energy saving retrofit for elevators, which used active energy feedbacks to save energy. Electricity usage analysis and retrofit payback cycle calculation were conducted to ensure successful implementation of the project. At some locations within the managed properties, we installed solar streetlights to make more use of renewable energy. In addition, we actively participated in the response to the demand of electricity in Henan Province, jointly with qualified third-party organizations to promote the implementation of the initiative and committed to responding to the electricity demand through regulation or shutdown during the lunch peak and evening peak. At the same time, these energy conservation measures have also made a certain amount of contribution to emission reduction, especially GHG emissions, as the primary products of energy production.



In the office area, we limit the operating hours and temperature range of air conditioners according to the season. Independent single lighting is set up at the front desk for the night duty staff. During work, office computer display must be turned off within one hour of leaving the seat, and the computer must be turned off for more than one hour of leaving the seat. The last employee to leave the office must check if any colleague has forgotten to turn off their computers, attached equipment and lights.

Vehicle Emission Management

Xinyuan Service has established a strict management system for the use of official vehicles with the aim to minimize vehicle-related emissions as much as possible. The official vehicles are coordinated and dispatched by the Administrative Department, driven by full-time drivers, and set for registration and management. The official vehicles are only used for the travel of the leaders of the General Manager's Office and not for other occasions, so as to reduce unnecessary vehicle uses. After use, the vehicle is required to be parked in designated parking areas within the Company. Outside of holidays or working hours, the vehicles shall not be used for private purposes.

7.2.2 Efficient Water Use

Xinyuan Service strictly complies with laws and regulations such as the Water Law of the People's Republic of China and the Regulations of Henan Province on the Administration of Water Conservation. In the Operational Guidelines on Energy Consumption Control established and adopted by Xinyuan Service, besides the requirements on energy use, the guidelines also address the management of water use, including the installation requirements of water meters for various types of projects, preparation of primary water consumption data, water consumption measurement and analysis, and auditing and issuing rectification plans for abnormal water consumption.

In employee dormitory areas, water-saving devices such as water-saving tanks and faucets are installed. Water usage in dormitory rooms is measured by water meters, which set a reasonable water usage allowance. The cost of the excess amount is apportioned to the accountable employees. The specific water usage allowance is determined by the manager of the management office. We have designated personnel in charge of transcribing the measurement, verifying the usage, and apportioning and charging the excess amount to responsible individuals.

Within managed properties, precipitation may pile up on the roads during storms or other types of extreme weather events, causing inconvenience to property owners and damage to the landscape. To effectively control the accumulation of precipitation and for aesthetics reasons, we designed a dry stream system, which is an artificial imitation of a dry riverbed in nature, with plants decorated to create a stream landscape. In times of heavy rainfall, it can absorb, store and purify rainwater; whereas during drought and water shortage, the stored water can be released and utilized to achieve efficient water use. At the same time, we implement intelligent irrigation systems in all plots to avoid using the rough irrigation method which is prevalent, so as to enhance water use efficiency of irrigation. During the Reporting Period, Xinyuan Service did not have any issue in sourcing water that was fit for purpose.



Dry stream system for efficient water management

Intelligent irrigation system for water conservation

7.2.3 Waste Reduction and Management

Xinyuan Service strictly complies with waste management related laws and regulations, such as the Law of the People's Republic of China on Environmental Protection, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Law of the People's Republic of China on Environmental Protection Tax. Based on the abovementioned legal requirements as well as Xinyuan Service's business characteristics, we have formulated corresponding management systems for major waste categories including construction waste, domestic waste, chemical and hazardous waste respectively.

Construction Waste Management

To strengthen the control of construction waste removal in each project of Xinyuan Service, we have formulated the Operation Guidelines for Construction Waste Management to examine, evaluate and select the waste management suppliers based on their business performance and contract execution. At the same time, the guidelines refine the supervision process of the disposal process. The quality manager and safety manager of each regional company establish a daily review mechanism for the disposal of construction waste and establish timely communication with suppliers when problems occur.

Domestic Waste Management

To standardize the management of waste disposal for each project, create a safe and hygienic environment for property owners, and ensure the timely disposal and treatment of waste, we have formulated the Domestic Waste Management Operation Guidelines. The guidelines clarify the procedures of waste classification management, including waste classification principles, settings and requirements, waste classification management, responsibilities for collection and transportation, as well as rewards and penalties. Through the separation of domestic waste, the recycling and reuse of waste is effectively promoted, further reducing unnecessary resource consumption. Regarding domestic waste generated in the office, we monitor the quantity of office supplies and prioritize recyclable and reusable office supplies before making purchase. Our printing equipment is rented from qualified third-party suppliers, and all used printer parts are collected and disposed of by vendors to minimize waste generation.



Domestic waste sorting systems within Xinyuan Service's managed properties

Installing used clothes donation boxes on a project site

Chemical and Hazardous Waste Management

We have formulated the Management Process for Pharmaceutical and Hazardous Chemical to regulate the disposal of pharmaceuticals, hazardous chemicals and other hazardous wastes. Disposed drugs, hazardous chemicals and packaging containers should be stored, handled and destroyed in designated places by qualified personnel, and the administration or department head is responsible for unified handling. The storage and destruction sites should be clearly marked, equipped with fire prevention and leak prevention facilities, positioned far from masses-gathered public places and sources of water.

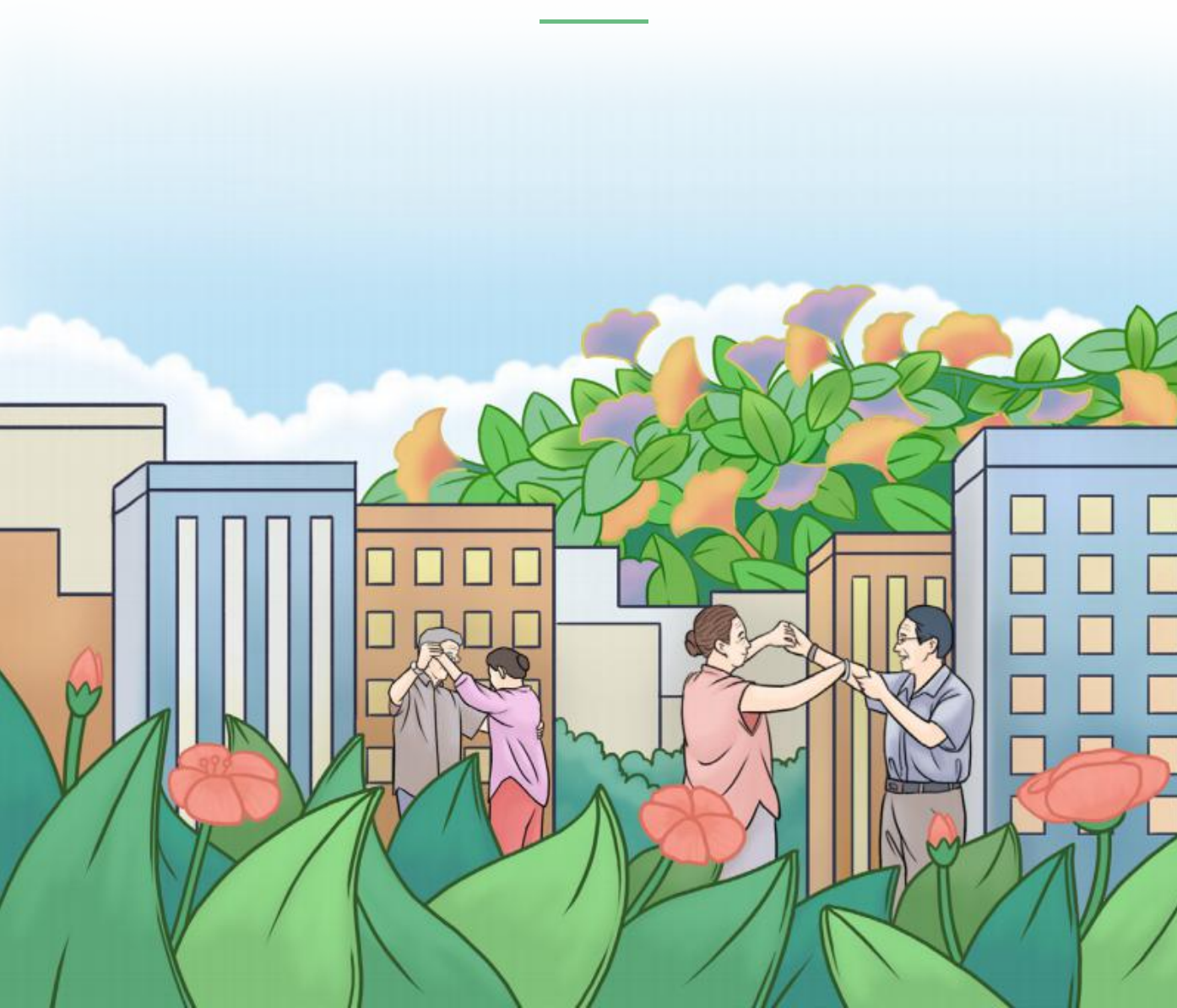
7.3 Environmental performance data

No.	Key Performance Indicator	Unit	2020	2019
A1.1	NOx emissions	Kg	6.47	6.93
	SOx emissions	Kg	0.22	0.29
	Particulate matter	Kg	1.47	1.30
A1.2	Greenhouse gasemissions (Scope 1)	Tonnes CO ₂ e	58.65	44.14
	GHG emissions density	Tonnes CO ₂ e /10,000m ²	7.52	5.52
	Greenhouse gas emissions (Scope 2, from purchased electricity)	Tonnes CO ₂ e	1,003.56	888.79
	GHG emissions density	Tonnes CO ₂ e /10,000m ²	207.54	226.73
	Greenhouse gas emissions (Scope 2, from purchased heat)	Tonnes CO ₂ e	8.67	8.08
	GHG emissions density	Tonnes CO ₂ e /10,000m ²	343.51	388.58
A2.1	Gasoline consumption	GJ	579.2	639.72
	Gasoline consumption density	GJ/10,000m ²	74.30	79.97
	Purchased electricity	GJ	5,921.70	5,244.48
	Electricity consumption density	GJ/10,000m ²	1,224.60	1,337.88
	Purchased heat	GJ	78.86	73.48
	Heat consumption density	GJ/10,000m ²	3,122.80	3,532.50
A2.2	Total water consumption	Tonnes	778,014.25	780,238.56
	Water consumption density	Tonnes/10,000m ²	160,892.35	199,040.81

Annotation: Xinyuan Service is currently streamlining waste accounting procedures and plan to provide hazardous and nonhazardous waste data for the future reports. In addition, the main services provided by Xinyuan Service do not use packaging material. The scope of data collection covers the environmental performance data of Xinyuan Service’s office areas, dormitories, cafeteria, etc. in 2020.

CONSTRUCTING A HAPPY AND HARMONIOUS COMMUNITY

KEEPING THE WARMTH OF "XIN" FOREVER



8. "XIN" COMMUNITY

Customer and owner satisfaction is the highest standard and pursuit of Xinyuan Service, which is also our ultimate goal of building a harmonious community. To ensure strict compliance with community investment related legal requirements and regulate associated actions of Xinyuan Service, we abide by the Law of the People's Republic of China on Public Welfare Donations and the Notice of the Ministry of Finance on Strengthening the Financial Management of External Donations by Enterprises. During the reporting period, we were engaged in community contribution through holding community events and carrying out charity and public welfare activities.

8.1 Community Governance

Over the years, Xinyuan Service has adhered to the leadership of Party building and the concept of new development, taken the mission of meeting people's growing needs for a better life, aimed at integrating relevant resources internal and external to the industry to promote the development of community life governance and services, vigorously developed online and offline services to meet the diversified needs of residents, improved the level of property community life services, and contributed to the construction of a harmonious urban community.

The "five-in-one" management model

Xinyuan Service has established a new community management model of joint management by government administration, property owners' democratic management and professional property service enterprises, that is, the "five-in-one" management service model.



Insisting on exercising the leadership of Party building

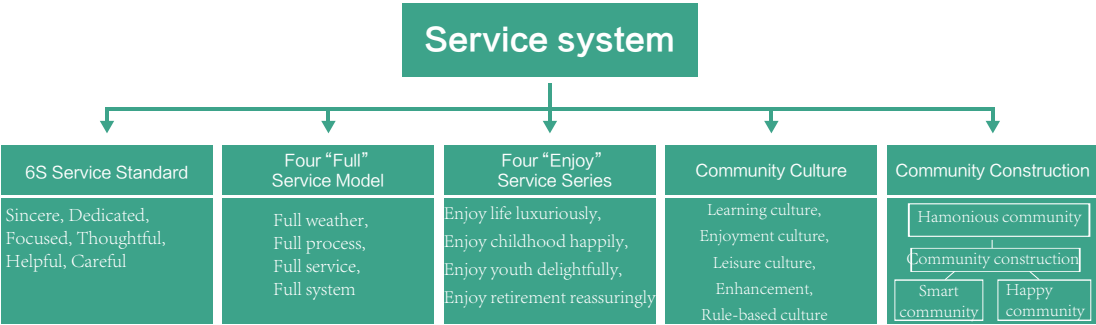
In 2003, Xinyuan Service established the Community Party Branch. In accordance with the working policy of "self-management, self-education, self-service and self-monitoring", members of the Community Party Branch have established a new Party and masses working mechanism and actively carried out community building activities.

By establishing the "three-meeting" structure consisting of the public opinion exchange meeting, the problem coordination meeting, and the work evaluation meeting, and setting up the "public opinion weather station" composed of Party members, we study, spot and solve the problems reflected by the public in a timely manner. The establishment of the Community Party Branch has opened up the communication channels between the Party and masses.



Characteristic service system

Community services offered by Xinyuan Service takes the “6S Service Standard” as the basis and customer satisfaction as the measurement standard, covering Four “Full” Service Model, Four “Enjoy” Service Series, community culture, and community construction, giving property owners a full range of service experience and perception. The service system is shown in the following figure:



8.2 Community Events

Xinyuan Service has built a community culture system containing the following five types: learning, enjoyment, leisure, enhancement and rule-based community, to meet the property owners' spiritual and cultural needs from different angles. We continue to create special activities of "one theme per season, one feature per month and one activity per week", including monthly themes, traditional festivals and volunteer service activities, to create a happy and harmonious community cultural atmosphere. Throughout the year, we took traditional festivals as the core, inherited excellent traditional culture, and carried out a series of activities around six classical arts, twenty-four solar terms, traditional folklore, etc., to guide the property owners to be familiar with excellent Chinese traditional culture while celebrating festivals.

Mid-Autumn Festival Celebration

In celebration of the Mid-Autumn Festival, Xinyuan Service prepared a community-wide celebration party for all property owners and neighbors nearby. The festival was full of performance and laughter, which helped residents build a strong bond with each other.



Golden Wedding Celebration on Chung Yeung Festival

To celebrate the Chung Yeung Festival, Xinyuan Service held “Golden Wedding Celebration” activities for property owners in Zhengzhou, Suzhou, Chengdu, Beijing and other cities. Leaders of the subsidiaries and the communities sent blessings to the golden wedding couples, issued golden wedding certificates and witnessed the happy love of the elderly.



Fire Prevention and Education Event

To raise the awareness of fire prevention among the community, Xinyuan Service conducted a series of activities, including organizing the property owners to visit the central fire control room of each district, teaching them how to use fire-fighting equipment through on-site demonstration, and offering fire prevention related knowledge to young children.



Environmental Protection Public Welfare Walk

To enhance the awareness of environmental protection among the community, the Zhengzhou and Beijing branches of Xinyuan Service led more than 100 property owners to the environmental education centers for a daylong environmental protection public welfare walk. The staff explained the growth process of crops, promoted the importance of environmental protection, which also helped enhance the relationship between neighbors.



The “ ‘XIN’ Fire Plan”

In response to the national call for empowering a “stall economy” , Xinyuan Service Zhengzhou Branch organized the “XIN Fire Plan” through which it provided its property owners with venue stalls for goods sales. Neighbors all went out to engage in street vending, which helped create a lively community atmosphere and bring good memories while providing property owners with the opportunity to get in touch with their neighbors.



The “Cool Plan”

At the end of summer vacation, Xinyuan Service organized the “Cool Plan” . Property owners and children gathered, holding fruits and snacks, watching open-air movies together, and enjoying the summer atmosphere.



KEEPING A WARM HEART FOR PUBLIC WELFARE, UNDERTAKING THE PATH OF PANDEMIC PREVENTION

LIGHTING A PRAIRIE OF HOPES WITH "XIN" SPARK

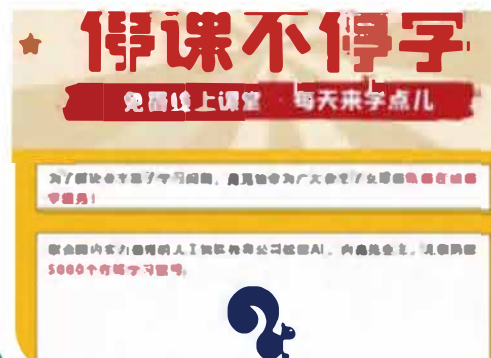


9. "XIN" RESPONSIBILITY: DEVOTING TO CHARITY AND PUBLIC WELFARE

To better promote positive energy and create a happy and harmonious civilized community, Xinyuan Service, as a member of the China Community Poverty Alleviation Alliance, has been actively fulfilling its social responsibility, seeking development through change for over 20 years, and integrating the concept of giving back into the process of corporate development. Xinyuan Service organized a wide variety of charity and public welfare activities, covering the fields of education, poverty alleviation among farmers, material supply, visiting vulnerable groups, etc. During the Reporting Period, Xinyuan Service donated a total of 80,800 RMB in public welfare activities.

Enabling online learning services during the pandemic

Xinyuan Service paid close attention to the development of the pandemic and jointly donated 5,000 online learning accounts for its property owners free of charge. Through providing free online teaching services for children, it effectively addressed the property owners' relevant concerns.



Assisting farmers with love

Xinyuan Service joined hands with the Zhengzhou Branch of Huaxia Bank to carry out the community event assisting farmers with love to help the farmers suffering from poverty, by purchasing and sending 2,000kg potatoes to its property owners for free.



Donating scholarship

On the occasion of Children's Day, the Xinyuan Service Public Welfare Team brought the love of its colleagues to Dongxing Township Primary School and sent the first batch of "Xinyuan Scholarship" to the students of the school.



Assisting in Poverty Alleviation in Tibetan Areas

As a member of China Community Poverty Alleviation Alliance, Xinyuan Service actively participated in the "Tibetan Seedling Handholding Program", purchasing from Tibetan barley fields twice in June and November 2020 to help fight against poverty in Tibetan areas.



10. "XIN" DEFENSE: RESPONSE TO COVID-19

2020 was destined to be an extraordinary and unusual year, with a sudden outbreak of COVID-19 spreading rapidly across the world. In this pandemic, property service companies took the lead and responded to the government's call to fully cooperate with the pandemic prevention and control. Xinyuan Service actively deployed resources to support the front line of the battle against pandemic, cooperated with the government to manage the tasks related to pandemic prevention and control, joined hands with the community and the pandemic prevention department to overcome the difficulties, protected property owners' health, practiced social responsibility, and contributed Xinyuan strength to the fight against the pandemic.

10.1 Building Internal Defense Line

Prior to the Spring Festival, Xinyuan Service paid attention to the emergence of the pandemic and made overall arrangements for personnel and preventive and control measures during the duty arrangement. Following the development of the pandemic, we asked employees and management cadres to return at their earliest opportunities during the Spring Festival. On the second day of the Lunar New Year, all employees returned to work with an attendance rate of 100%, which provided organizational assurance for the effective implementation of various pandemic prevention measures.

10.1.1 Adequate Supply Provision

At the early stage of the pandemic, Xinyuan Service carried out the procurement and storage of on-site protection and disinfection supplies through various channels and formed a national deployment mechanism for pandemic prevention supplies. For example, disposable medical masks were distributed to projects across the country through the Company on the second day of the Lunar New Year, and supplies such as masks, protective clothing, goggles, 84 disinfectant and medical alcohol for on-site employees were ensured through regional coordination.

At the same time, Xinyuan Service issued 35,000 disposable medical masks to property owners for free and donated 10,000 disposable medical masks to counterparts in Wuhan. In the case of shortage of pandemic prevention materials, it effectively ensured the needs of front-line staff and property owners for material provision, laying a concrete foundation for the effective implementation of subsequent pandemic prevention work.

The premise of on-site pandemic prevention and control is to ensure the safety of the employees on duty. We require staff who are on duty to wear masks and change them once every four hours. At the same time, all property service staff are required to take temperature and use disinfectant hand sanitizer before going on duty every day, keep strict records, report any temperature abnormalities immediately and go to the hospital for medical treatment.

10.1.2 Attentive Care for Staff

During the fight against the pandemic, frontline employees of Xinyuan Service remained at the frontline throughout the Spring Festival. Faced with the dual pressure from fear of the pandemic and overloaded work, employees' emotional and psychological relief were particularly important. Xinyuan Service not only cares about the physical health and safety of our employees, but also focuses on their psychological health and is committed to minimizing the number of pandemic-induced cross-infection among employees in the area under management and safeguarding their physical and mental health through standardized prevention and control procedures when operations resume. Therefore, we have established a three-level outbreak prevention emergency response team with a command center consisting of the general manager's office and heads of the functional departments.

Pandemic supplies in place

We enhance employees' sense of security through the provision of employee protective supplies, from masks, protective clothing, goggles and disinfection to regular daily inspections, including dormitory conditions, decentralized dining in the cafeteria, and improvement of meals, etc.

Employee stress alleviation

Xinyuan Service scheduled both the management staff and safety officers for entrance guarding to reduce the pressure of front-line employees. At the same time, combined with the progress of pandemic prevention and control, and the fact that some neighborhood entrances were closed, measures including the one-hour shift arrangement for security personnel and days off for part of the staff, were implemented to reduce the pressure of frontline staff in battling the pandemic and improve the service impact and management efficiency on site.

Proper advertisement and guidance on the pandemic

In the daily pandemic prevention work, we strengthened accurate advertisement and guidance on the pandemic, so that employees could have a full and scientific understanding of the pandemic. Employees with colds and fever as well as those who confirmed to have contact experience through screening were promptly requested to be quarantined at home, and the quarantine situation was notified daily. Through timely and transparent information transmission, we reduced unnecessary panic among employees.

Positive energy motivation

We informed employees of property owners' appreciation to the property management and praises to employees during the battle against the pandemic on a daily basis, to enhance employee perception of the value of their jobs and motivate them through positive energy.

In addition, to ensure the health and safety of employees while being able to provide property management services to residents in an orderly manner during the pandemic, Xinyuan Service's call center swiftly set up the 400 Cloud Call Mode, enabling call center service staff who were unable to resume work on-site due to the pandemic to continue their work through an online approach.



Providing various types of pandemic prevention supplies

10.2 Leading Community Disease Prevention

We pay close attention to the health of property owners, tenants, and the general public within the managed properties of Xinyuan Service. To standardize the pandemic prevention and control procedures, we developed the Pandemic Prevention and Control Implementation Operational Guidelines, covering work standards for all operational modules including cleaning, maintenance and customer service, as well as safety.

10.2.1 Multi-party Joint Control to Build a Defense Line of Safety

The frontline of treatment is in the hospital, while the frontline of prevention and control is in the community. With the escalation of the pandemic, Xinyuan Service formulated a standardized manual of pandemic prevention and control norms, and formed multi-party connection among property management, property owners, communities, and pandemic prevention departments to strictly implement pandemic protection measures and strengthen the safety barrier.

Increase the frequency of disinfection

To prevent and control the pandemic, we fully disinfected the community and the buildings, and strictly disinfected public areas such

as elevators, unit gates, offices, staff dormitories and neighborhood entrances daily with high frequency. Each project set up a carpet-covered disinfection area according to the size of the main entrances and exits, disinfected once every hour, where the carpets were replaced every day. At the same time, different disinfection methods were used according to different locations, such as alcohol disinfection for keys and door handles in elevators; 84 disinfectants for hallways; and spray disinfection for property owners' vehicles entering and leaving the neighborhood, forming an all-round disinfection mechanism, which in total completed more than 30,000 times of disinfection for key locations.

Strict on-site control and investigation

We implemented the verification of the entry of unusual visitors, increased the investigation and temperature measurement of visitors, and cancelled community gathering activities. Each site strictly controlled the entrances and exits, retained one motorway and one pedestrian path in principle. For households with a recent history of travel to pandemic outbreak areas, we cooperated with community medical personnel and took emergency isolation inspection to eliminate the potential for pandemic infection.

Psychological counselling for property owners

Property owners were prone to psychological stress due to long-time home isolation and fear of the pandemic. Through on-site pandemic prevention measures, we conveyed the message to property owners that the community was safe. At the same time, we used online platforms and WeChat to deliver official information about the pandemic in a timely manner to guide residents to accurately understand the pandemic and eliminate unnecessary panic. For neighborhoods where confirmed cases occurred, we cooperated with the community to publicize the path of movement within the patient's neighborhood and strengthen the extermination and management efforts in the area to alleviate property owners' anxiety.

Dong Enqiang, the pioneer of rescue

During the pandemic, Xinyang, where Dong Enqiang was located, was the most serious area among all the projects managed by Xinyuan Service. After returning to work, Dong Enqiang held an emergency meeting and quickly set up a Party commando team to achieve the tripartite connection among the community committee, the district Party branch and the property service center.

To relieve the residents' emotions, Dong Enqiang arranged for the management office to broadcast warm tips on prevention and control every day, and promoted the QR code sweeping registration system independently developed by Xinyuan Technology Services to reduce the contact risk through paper registration while improving work efficiency.

In his spare time, Dong Enqiang also led the Party members team to provide services such as buying medicine and filling gas for property owners free of charge, responsible for cleaning up household garbage of those being isolated and providing them with services such as buying groceries on their behalf.

Under the leadership of Dong Enqiang, the Party commando team of Xinyuan Service coordinated more than 1,500 kilograms of vegetables with 40 varieties, more than 1,000 kilograms of fruits with 30 varieties and more than 500 kilograms of meat for more than 400 residents in the neighborhood.

As Dong Enqiang said, "We just want every property owner to know: there is no difficulties in front of Xinyuan, in front of difficulties, there is Xinyuan!"



Masked Superman Chen Qiuxia

When the pandemic came out of nowhere, Chen Qiu Xia applied to return to work to help in preventing the pandemic on site. In face with a large site as well as shortage of staff and heavy workload of disinfection, she resolutely led a team of six people to take up the disinfection work of a total of 47 door blocks and 22 elevators in the third phase of Xinyuan Mingjia.

Faced with cleaning of a building with confirmed cases, she took the initiative to volunteer. She wore protective clothing for five hours a day, carried more than 40 pounds of disinfection solution tanks, and made more than 100 trips up and down the stairs, strangling her shoulders with two red marks. But she shook her hand and said, "It's okay, it's not heavy."

At six o'clock in the morning, when the sunset came, Chen Qiuxia was already up. She pushed open her office, put on her protective clothing, organized her tools, prepared disinfection solution, and started her busy day with her hands and feet.

Throughout the pandemic prevention work, Chen Qiuxia was like a "needle in the sea", not only warming everyone in the cleaning team with practical actions, but also playing a good role in guarding property owners' safety.



10.2.2 Technologies to Help Prevent and Control the Pandemic

In the face of the increasingly severe situation of the pandemic, Xinyuan Service actively responded via utilizing the measure of technology, launching a number of intelligent pandemic prevention and control initiatives to help win the pandemic prevention and control battle.

Information system helps pandemic prevention and control

To reduce contact, Xinyuan Service firstly formulated a QR code for personnel registration and adopted QR code registration for visitors in and out to avoid contact transmission. Online services were provided through the official WeChat account and property owner APP, so that property owners could easily handle property service related matters at home. In addition, "Conbow Cloud" was used to connect mobile medical resources for online medical consultation, so that simple medical consultation for property owners could be realized online.

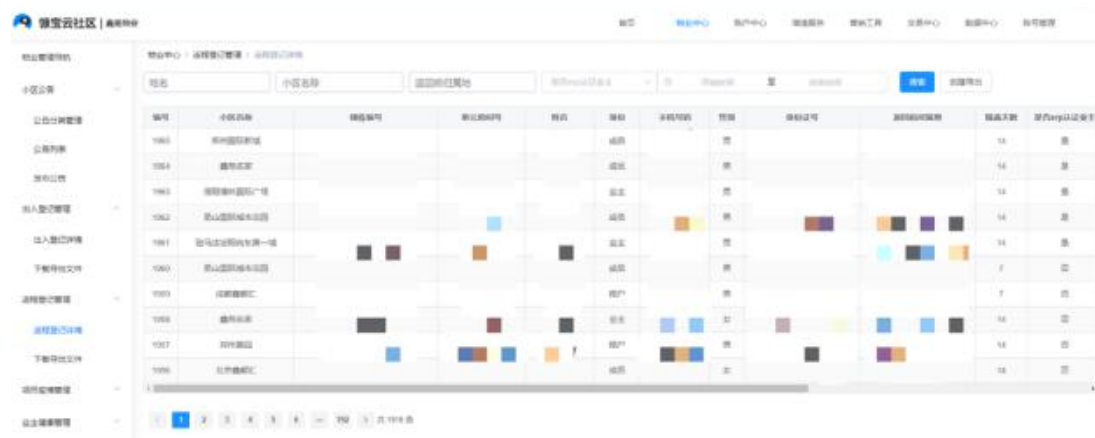
At the same time, employees work with local communities on pandemic protection, requiring all projects to strictly record and report relevant information such as entry and exit, suspected and confirmed cases and property owners' health status registration through "Conbow Cloud". We set up a community bulletin board on the homepage of the WeChat app to provide property owners with information on the prevention and the latest news related to the pandemic.

Convenient household service platform

Considering the difficulty for property owners to buy vegetables during the pandemic prevention period, Xinyuan Service organized various channels nationwide to purchase vegetables for direct supply to the community. As the time of home isolation was extended, the demand for property owners' daily necessities gradually rose. We contacted suppliers of vegetables, rice, grain and oil and other necessities through the online mall Xiao Xin You Xuan to place orders online, property service personnel then provided direct delivery to each community to effectively ensure the daily needs of property owners, while also avoiding the psychological pressure and risks that property owners had to bear when going out.

Anti-pandemic data analysis platform

Daily analysis was conducted on background data of property owners' entry and exit, as well as return from other regions, on the one hand, to share and coordinate with the community to form a joint home isolation monitoring mechanism for returned residents; on the other hand, combined with the peak hours of people accessing the neighborhood, to reasonably schedule work shifts. Summaries and analyses of information related to employees' daily temperature at work, supply storage and reception, so as to have real-time control of employees' attendance, health condition and pandemic prevention supplies, and form a collaborative command and dispatch. In addition, on the basis of big data statistics and analysis, we made demand prediction centered on property owners, and provided accurate services for property owners' problems such as vehicle fire, food delivery and haircut, so as to solve property owners' urgent needs during the pandemic.



Background details of return registration



400 cloud call background screenshot



Performing integrated disinfection in public areas



Strictly enforcing visit control during the pandemic outbreak



Purchasing food and groceries on behalf of property owners

In addition to ensuring the safety and health of our customers and employees, we were equally committed to doing what we could to help other groups during the pandemic outbreak.

Providing pandemic prevention materials to Wuhan Property Association

Xinyuan Service actively responded to the national call for pandemic prevention and support and donated 10,000 disposable masks to Wuhan Property Association to alleviate the shortage of pandemic prevention material supply.



APPENDIX 1: LIST OF APPLICABLE LAWS AND REGUALTIONS

ESG KPI	Compliance with Laws and Regulations
Environmental Aspect	
A1 Emissions	<div>· Atmospheric Pollution Prevention and Control Law of the People's Republic of China</div> <div>· Environmental Protection Law of the People's Republic of China</div> <div>· Environmental Protection Tax Law of the People's Republic of China</div> <div>· Provisions on the Administration of Pollutant Discharge Permits</div> <div>· Cleaner Production Promotion Law of the People's Republic of China</div> <div>· Provisions for the Administration of Urban Appearance and Environmental Sanitation</div> <div>· Measures for the Management of Urban Household Waste</div> <div>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</div>
A2 Use of Resources	<div>· Energy Conservation Law of the People's Republic of China</div> <div>· Water Law of the People's Republic of China</div>
A3 The Environment and Natural Resources	<div>· Environmental Impact Assessment Law of the People's Republic of China</div> <div>· Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</div> <div>· Law of the People's Republic of China on the Prevention and Control of Water Pollution</div> <div>· Law of the People's Republic of China on the Prevention of Air Pollution</div> <div>· Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution</div> <div>· Law of the People's Republic of China on Emergency Response</div> <div>· Environmental Protection Law of the People's Republic of China</div> <div>· Environmental Protection Tax Law of the People's Republic of China</div> <div>· Regulations on Management of City Appearance and Environmental Sanitation</div>
Social Aspect	
B1 Employment	<div>· Labor Law of the People's Republic of China</div> <div>· Labor Contract Law of the People's Republic of China</div> <div>· Labor Dispute Mediation and Arbitration Law of the People's Republic of China</div> <div>· Social Insurance Law of the People's Republic of China</div> <div>· The Trade Union Law of the People's Republic of China</div> <div>· Regulations on the Payment of Wages to Rural Workers</div>
B2 Health and Safety	<div>· Labor Law of the People's Republic of China</div> <div>· Labor Contract Law of the People's Republic of China</div> <div>· Occupational Disease Prevention and Control Law of the People's Republic of China</div>
B4 Labor Standards	<div>· Labor Law of the People's Republic of China</div> <div>· Law of the People's Republic of China on the Protection of Minors</div>
B6 Product Responsibility	<div>· Law of the People's Republic of China on the Administration of Urban Real Estate</div> <div>· Property Management Regulation</div> <div>· Product Quality Law of the People's Republic of China</div>

ESG KPI	Compliance with Laws and Regulations
B6 Product Responsibility	<div>· Trademark Law of the People's Republic of China</div> <div>· Advertising Law of the People's Republic of China</div> <div>· Regulations on Control of Advertisement</div> <div>· Regulations on Safety Supervision over Special Equipment</div> <div>· Regulation on the Administration of Security and Guarding Services</div> <div>· Special Equipment Safety Law of the People's Republic of China</div> <div>· egulation on the Quality Management of Construction Projects</div> <div>· Work Safety Law of the People's Republic of China</div> <div>· Law of the People's Republic of China on the Protection of Consumer Rights and Interests</div> <div>· Tort Law of the People's Republic of China</div> <div>· Patent Law of the People's Republic of China</div> <div>· Civil Code of the People's Republic of China General Provisions</div> <div>· Civil Code of the People's Republic of China Tort Liability Code</div> <div>· Civil Code of the People's Republic of China</div> <div>· Criminal Law of the People's Republic of China</div> <div>· General Provisions of the Civil Law of the People's Republic of China</div>
B7 Anti-Corruption	<div>· Criminal Law of the People's Republic of China</div> <div>· Anti-Money Laundering Law of the People's Republic of China</div> <div>· Law of the People's Republic of China on Anti-Unfair Competition</div> <div>· Company Law of the People's Republic of China</div> <div>· Code of the People's Republic of China on Governance of Listed Companies</div> <div>· Corporate Governance Code</div> <div>· Law of the People's Republic of China on Anti-Corruption and Bribery</div>

APPENDIX 2: HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	7.1, 7.2
KPI A1.1	The types of emissions and respective emissions data	7.3
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.3
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.3
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	7.3
KPI A1.5	Description of measures to mitigate emissions and results achieved	7.2
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	7.2
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	7.1,7.2
KPI 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)	7.3
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	7.3
KPI A2.3	Description of energy use efficiency initiatives and results achieved	7.1, 7.2
KPI A2.4	Description of whether there are any issues in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	7.2
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable due to the nature of Xinyuan Service' s provided services
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	7.1
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable due to the nature of Xinyuan Service's provided services
Social		
Aspect B1: Employment		

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	6.1, 6.2
KPI B1.1	Total workforce by gender, employment type, age, group and geographical region	6.1 (Total workforce by employment type will be disclosed in the upcoming years)
KPI B1.2	Employee turnover rate by gender, age group and geographical region	6.1 (Total workforce by employment type will be disclosed in the upcoming years)
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	6.4
KPI B2.1	Number and rate of work-related fatalities	6.4
KPI B2.2	Lost days due to work injury	6.4
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	6.4
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	6.3
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	6.3
KPI B3.2	The average training hours completed per employee by gender and employee category	6.3
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	6.1
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor	6.1
KPI B4.2	Description of steps taken to eliminate such practices when discovered	6.1
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	5.4
KPI B5.1	Number of suppliers by geographical region	5.4

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	5.4
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling, and privacy matters relating to products and services provided and methods of redress	5.1, 5.3, 5.5
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable due to the nature of Xinyuan Service' s provided services
KPI B6.2	Number of products– and service–related complaints received and how they are dealt with	4.2, 4.3
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	5.2
KPI B6.4	Description of quality assurance process and recall procedures	5.1(only include quality assurance process, as recall procedures are not applicable due to the nature of Xinyuan Service' s provided services)
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	5.3
Aspect B7: Anti–corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	5.5
KPI 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	5.5
KPI B7.2	Description of preventive measures and whistle–blowing procedures, how they are implemented and monitored	5.5
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	8.1 (Relevant internal policies are under development and planned to be disclosed in the upcoming years)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	8.1, 8.2
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	9, 10

