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GUANGZHOU YUEXIU HOLDINGS LIMITED

2022 Sustainability Report



Create Excellent Value Share A Better Life

GUANGZHOU YUEXIU HOLDINGS LIMITED

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GUANGZHOU YUEXIU HOLDINGS LIMITED
Sustainability Report

2022

About This Report

Overview

Guangzhou Yuexiu Holdings Limited 2022 Sustainability Report (the Report) is the 11th sustainability report issued by Yuexiu Group since 2012. Base on the principles of objectivity, standardization, transparency and comprehensiveness, the Report disclosure the economic, environmental and social practices and performance of Yuexiu Group in 2022.

Reporting Period

The report covers the period from January 1, 2022 to December 31, 2022. To enhance the comparability and completeness of the Report, part of the information disclosure might date back to previous years or refer to later years.

Reporting Cycle

The Report is published annually.

Reporting Boundary

The Report covers the “Guangzhou Yuexiu Holdings Limited” as the main object, and its branches and subsidiaries.

Notes on Appellation

For better expression and reading, the appellations “Yuexiu Group”, “the Group” and “we” in this report all refer to “Guangzhou Yuexiu Holdings Limited”.

Compilation Conformance

GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standard Board (GSSB)

The Guide to Reporting on Corporate Social Responsibility in China (CASSCSR4.0) of the Chinese Academy of Social Sciences

Data Sources and Reliability Statement

The data used in the Report are from Yuexiu Group and its subsidiaries and have been reviewed by Yuexiu Group.

Report Access

You can download the electronic report from our website:

<http://www.yuexiu.com/shzr/shehuizerenbaogao/>

The Report is available in Chinese and English versions. In case of discrepancy, the Chinese version shall prevail. If you have any comments or suggestions about our sustainability performance, please call (8620)88836888.

Content

Message from the Top	02
About Yuexiu	04
Value Spotlight: Pursuing Great Accomplishments in Promoting High-quality Development	16
Value Spotlight: Rural Revitalization Paves the Way for a Brighter Future	20

1 Paving the Path to Faith	24	2 Paving the Path to Reputation	38
Gathering Momentum for Development with a Hard Work-oriented Mindset	26	Building Social Capital through Integrity	40
Excellence in Service: a Customer-centric Approach	32	Improving the Mechanism and System with a Market-Oriented Approach.	42
Pursuing Excellence and Maximizing Value Creation	36	Supporting the Development of the Greater Bay Area with Professional Capacity	44

3 Paving the Path to Trust	46	4 Paving the Path to Confidence	58
Strengthening Innovation Leadership to Achieve Outstanding Performance	48	Fighting the COVID-19 Together	60
Building a Cooperative Ecosystem Through Efficient Coordination	50	Shouldering Responsibility and Making Contributions to Society	62
Building a Solid Foundation for Sustainable Development with Openness and Self-discipline	54	Unswerving Dedication to Green Development	66

Outlook for 2023	70
Key Performance Indicators	71
Report Indicator Index	74
Report Rating	75
Reader Feedback	77



Message from the Top



At Yuexiu, we always embrace challenges and strive for greatness.

The year 2022 holds significant importance for Yuexiu Group as it focuses on solidifying its achievements in accordance with the “14th Five-Year Plan”. Despite the turbulent external environment, the challenging tasks of reform and development, and the severe impact of the ongoing COVID-19 pandemic, Yuexiu Group, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and under the strong leadership of the Guangzhou Municipal Government and the Guangzhou Municipal State-owned Assets Supervision and Administration Commission, has embraced a development strategy centered around steady progress. With a clear focus on our goals, we have united our efforts to overcome challenges and obstacles, thereby propelling our business to new heights.

By the end of 2022, Yuexiu Group achieved significant growth despite challenges. Our total assets reached RMB 965.2 billion, while operating revenue reached RMB 112.5 billion. This remarkable performance has propelled us to the 262nd position among the top 500 Chinese enterprises and the 11th position among the top 100 multinational companies in China, showcasing our growing prominence in China’s business landscape.

In the past year, we have made steady progress towards our goals, pursuing our dreams and achieving remarkable success.

We have strengthened our efforts in party building, thoroughly studying and understanding the spirit of the 20th National Congress of the CPC. Through various forms of communication, we have deeply ingrained the spirit of the Congress in our employees’ hearts, reinforcing the political and organizational foundations of the CPC. This power of unity has launched us towards new horizons. We have taken concrete steps to implement a customer-centered approach, offering high-quality and diverse products and services such as “Yes My Life”, “Southbound Trading Connect” and the Huishan Dairy Flagship Store. Our goal is to deliver top-notch products and services that enhance the lives of our customers.



During the past year, we have prioritized integrity in our pursuit of our ideals, advancing pragmatically while adhering to sound business practices. We have successfully integrated CPC’s leadership into our corporate governance, enhancing the value created by our headquarters in strategy, assets, management, audit and supervision. With a strong emphasis on the rule of law and compliance, we have ensured the sustainable development of our enterprise. Focusing on core industries like the “Metropolitan Coordinating Region”, “Financial Vitality”, “Seamless Transportation”, and “Food Supply”, we are building vital connections to serve the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area. We value honesty, integrity, and mutually beneficial partnerships. By leveraging premium resources and fostering collaborative relationships, we aim to strengthen the industrial and value chains, leading to the overall prosperity of the industrial ecosystem.

In 2022, we spread our wings with trust and soar to new heights of value creation. We focused on building trust internally and externally, promoting market-oriented reforms, and fostering strong partnerships between talents and enterprises to activate the overall development of our group. We also supported the fight against COVID-19, invested in urban development projects, and contributed to rural revitalization, fulfilling our mission as a state-owned enterprise. Moreover, we have actively engaged in public welfare and charitable endeavors, offering support in education, art, healthcare, and various other areas. Through these endeavors, we aimed to give back to society and spread genuine care by radiating positive energy.

Throughout the past year, we stayed strong in our convictions, challenging ourselves and experiencing a remarkable metamorphosis. We have made significant progress in technological innovation, digital transformation, and intelligent upgrading according to the “Digital Yuexiu 2025” strategic plan. We have enabled business development in various areas, leveraging the integration of industry and finance to promote industrial restructuring, business optimization, and the development of industrial clusters. Additionally, we have actively embraced the national “30/60” target for carbon peaking and carbon neutrality, integrating green concepts throughout our corporate governance from product R&D, resource utilization to awareness cultivation. We have created our own green culture by reducing carbon footprint.

We constantly explore new paths to achieve even greater success. In 2023, we are embarking on a new journey with the comprehensive implementation of the spirit of the 20th National Congress of the CPC and the advancement of our “14th Five-Year Plan”. As we move into a new phase of growth, we will adopt a fresh development approach and embody the corporate spirit of “Beyond Excellence”. With unwavering confidence and determination, we will pursue high-quality development. We will utilize our unique characteristics and advantages, adhere to our core values, work hard, take responsibility, and strive to propel the Group’s growth to new levels of excellence.

Zhang Zhaoxing, Secretary of the Party Committee and Chairman of Yuexiu Group

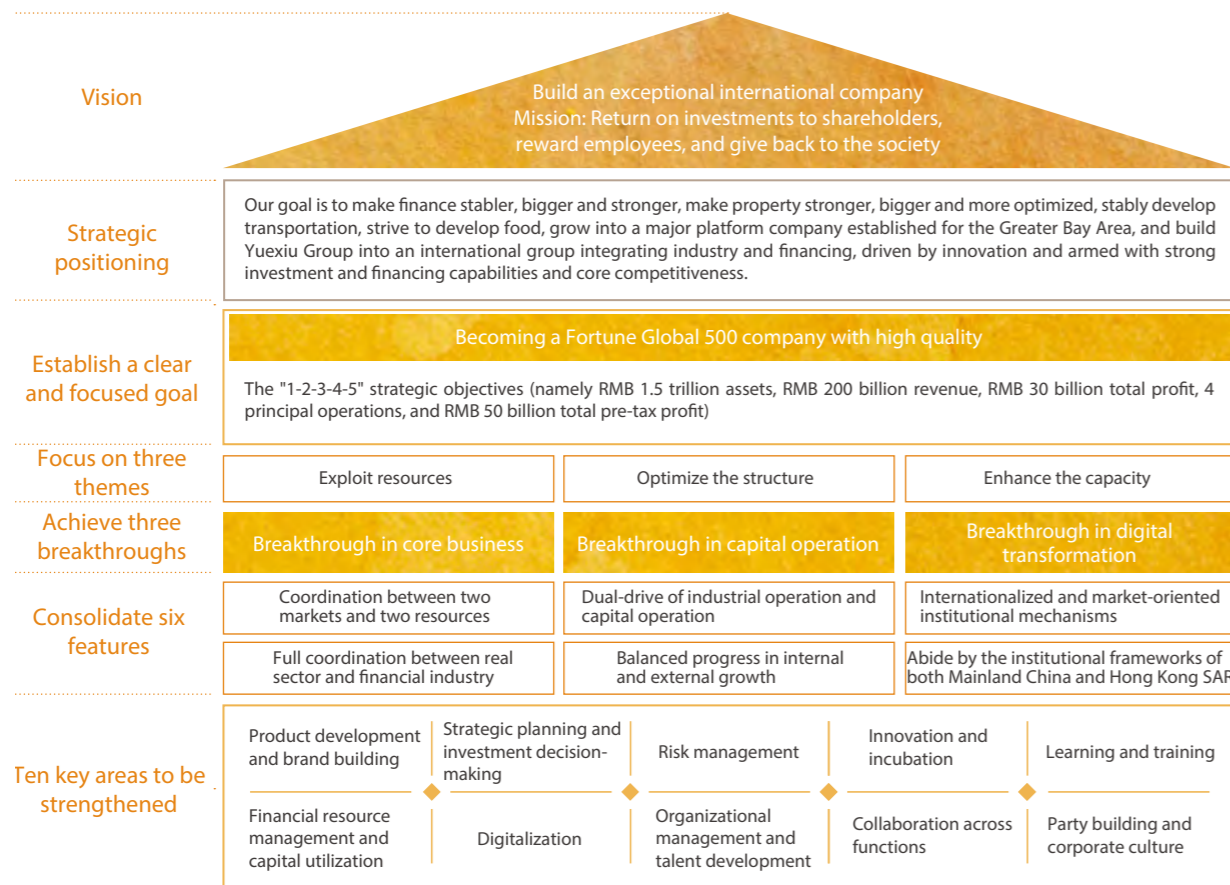
Lin Zhaoyuan, Deputy Secretary of the Party Committee, Vice Chairman and General Manager of Yuexiu Group

About Yuexiu

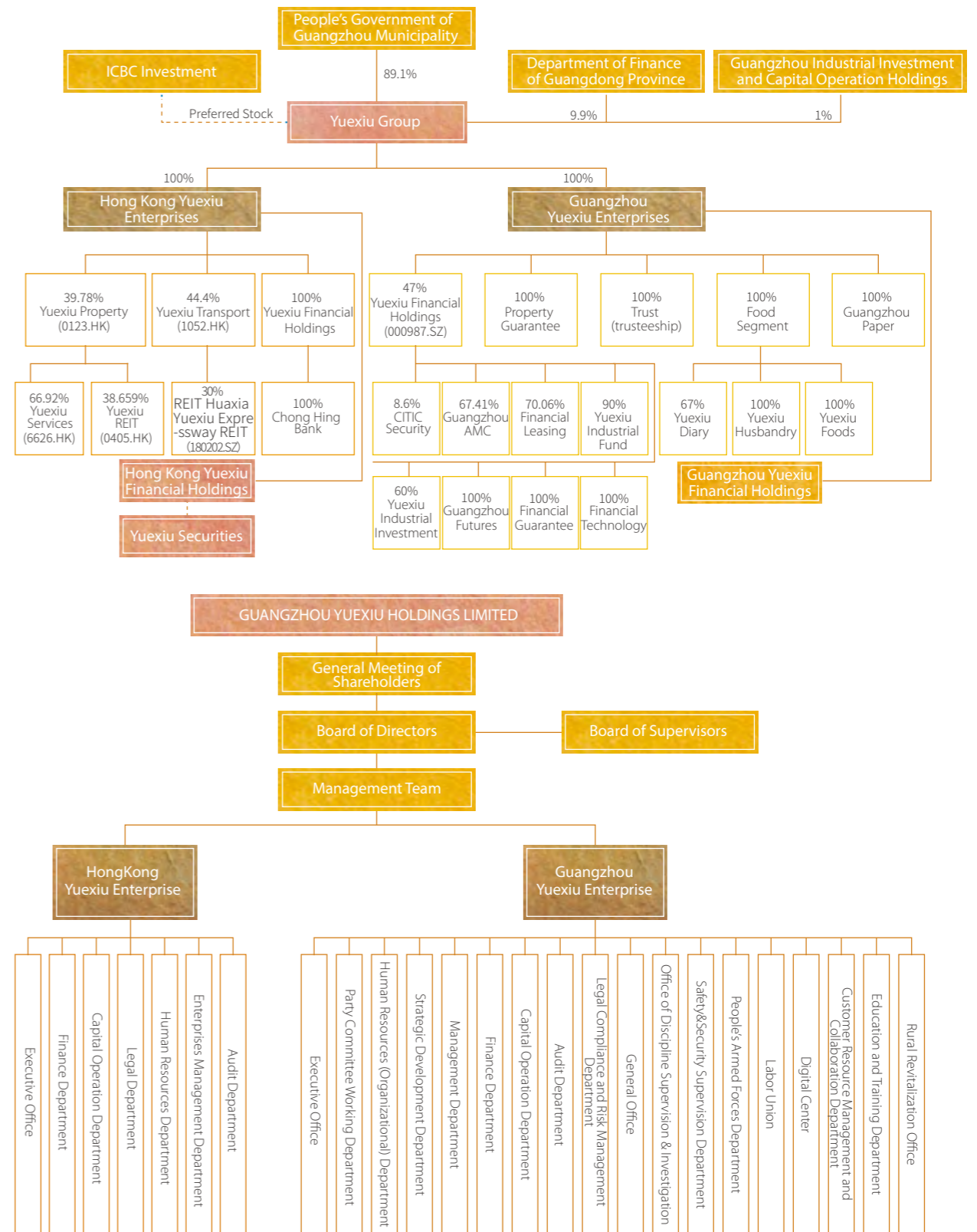
Group Profile

Yuexiu Group was established in Hong Kong in 1985. After 38 years of reform and development, Yuexiu Group has established a “4+X” industries system, which focuses on finance, property, transport infrastructure, and food, the Group’s core business units. The system also covers traditional industries like papermaking and strategic emerging industries that the Group plans to enter in the future. The Group has been recognized as one of the 100 Central SOEs and Subsidiaries and 100 Key or Mainstay Local SOEs (“Double Hundred Enterprises”) for the reform of SOEs by the SASAC of the State Council. Yuexiu Group holds the ownership of six listed subsidiaries: Yuexiu Financial Holdings, Yuexiu Property, Yuexiu Transport, Yuexiu REIT, Yuexiu Services, and Huaxia Yuexiu Expressway REIT.

Strategic planning



Organizational structure



Business sectors

Real estate segment

Yuexiu Property have successfully developed over 200 top-notch residential projects and own more than 40 exceptional commercial properties, including the renowned Guangzhou International Finance Center. Our success stems from our strategic focus on both commercial and residential properties and our unique "Development + Operation + Finance" high-end business model. We owns three listed subsidiaries: Yuexiu Property, Yuexiu REIT, and Yuexiu Services.

Finance segment

The finance segment possess two financial holding platforms, both domestically and internationally, and have banking, asset management, leasing, industrial funds, futures, guarantees, microfinance and other financial business subsidiaries. Yuexiu Financial Holdings is the first local financial holding company listed in China, while Chong Hing Bank boasts a history of over 75 years.

Transport segment

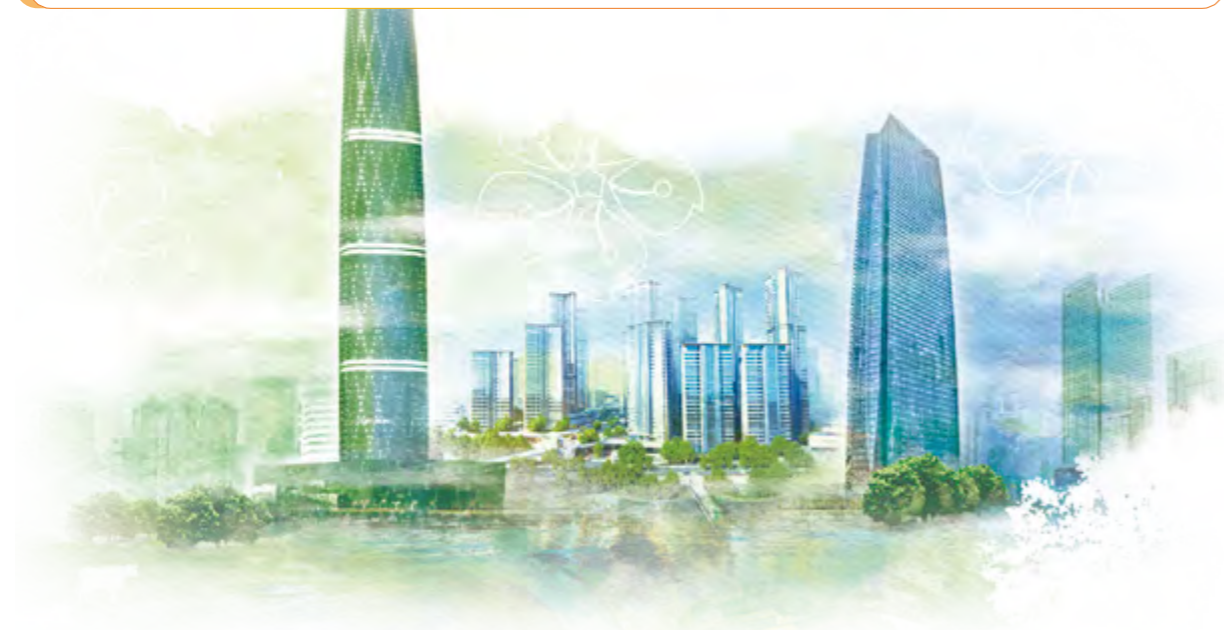
Yuexiu Transport Co., Ltd. focuses on investment, instruction and operations of expressways, bridges and wharves. By the end of 2022, the company has invested, constructed, operated and managed a total of 18 projects involving expressways, bridges and ports across six provinces and cities nationwide. It holds a majority stake in approximately 556.2 kilometers of toll expressways and bridges, with an equity stake in expressways accounting for approximately 477.7 kilometers of toll roads.

Food segment

The food segment expands and strengthens the three business platforms of dairy, agri-food and food distribution, with the vision of becoming the No. 1 food group in the Bay Area, first-class in the country and world-renowned.

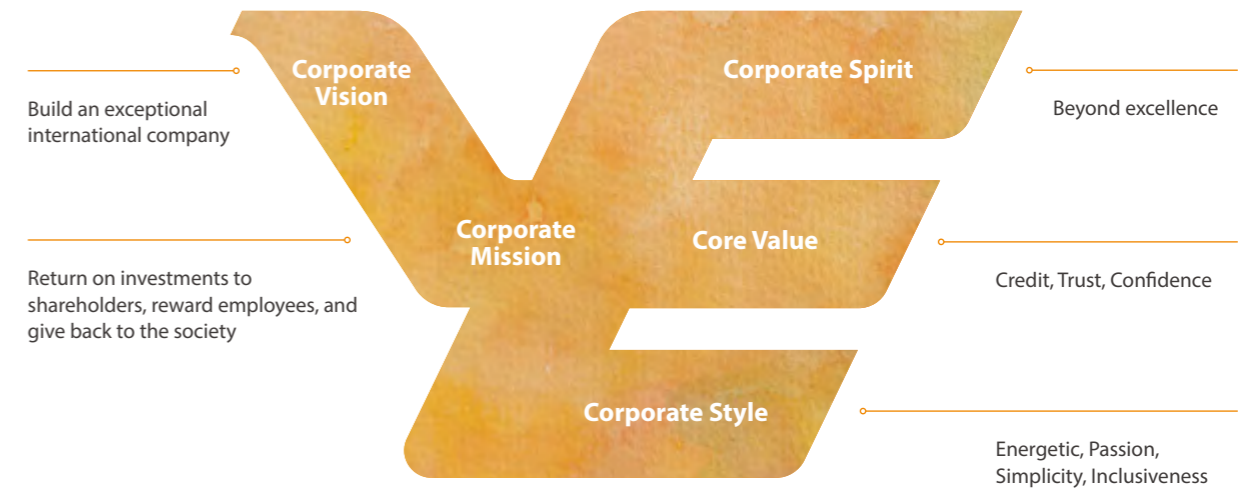
Guangzhou Paper Group

Guangzhou Paper Group Co., Ltd. is a modern and comprehensive industrial enterprise integrating pulping, paper-making, thermoelectricity and environmental protection. Its leading product "Guangzhou Paper" brand newsprint is a National User Satisfaction Product and a famous brand product of Guangdong Province.



Corporate culture

Yuexiu Group's "Way of Faith" corporate culture was newly launched in January 2022, and its core concept includes five elements: corporate vision, corporate mission, core value, corporate spirit and corporate style. "Faith, Credit, Trust, Confidence" are our shared values, and also the meaning of the corporate culture named "Way of Faith".

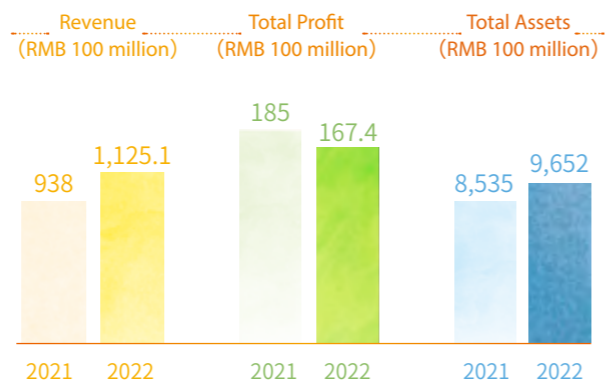


Yuexiu's Core values

Our 2022



1 The Group made more than RMB 100 billion in revenue for the first time. It maintained the momentum of high-quality development by investing wisely and financing efficiently.¹



2 Yuexiu Property made great progress in its ranking and continued to enhance the development of commercial and residential properties, building new momentum for the company's real estate business.



3 Yuexiu Financial Holdings' transformation and upgrading efforts have yielded positive results, leading to an optimized business and capital structure.



4 The expansion project of Guangzhou's North Second Ring Road has started, and Lankao-Yushi Expressway has been acquired by a listed company, enabling Yuexiu Transport to strengthen its sustainable development.



5 Chong Hing Bank has made new progress in its business in mainland China, with its cross-border business enhanced.



6 The agri-food segment has further clarified its development strategy and initiated a new round of business restructuring and optimization.



7 The Three-Year Action Plan for the Reform of SOEs has successfully concluded, leading to significant improvements in the Group's management practices that align with global standards.



8 The "Way of Faith" corporate culture has been promoted to inject positive energy for reform and development.



9 The Group has actively supported the fight against COVID-19 outbreak in Guangzhou, showcasing our dedication as a state-owned enterprise.



10 As a leading company, Yuexiu Group contributes strength to the socio-economic development of Guangzhou.



Scan to learn about the top ten events of Yuexiu Group in 2022

Note: In 2022, the Group's operating revenue, total profit, and total assets are all calculated on a statistical basis.

Awards in 2022

Awards of the Group

 <p>Ranked 262nd on the 2022 list of Top 500 Chinese Enterprises, moving up 37 places from the previous year</p>	 <p>Ranked 11th among the 2022 Top 100 Chinese Multinational Companies</p>	 <p>Rated as "Excellent" in the 2022 evaluation of the "Double Hundred Action" by the State-owned Assets Supervision and Administration Commission of the State Council</p>
 <p>Awarded the title of the "Responsible Brand" at the 2022 Responsible Golden Bull Awards</p>	 <p>Ranked among the "Top 20 Industry-Leading Brands"</p>	 <p>Awarded the title of "Guangzhou Business Model for Charity"</p>
 <p>Both the Group and the Group's Charity Foundation were rated as Five-star Charity Institution in the 2022 Guangzhou Charity List</p>	 <p>2022 Guangdong Poverty Alleviation Kapok Cup Silver Award</p>	 <p>Rated as one of the top ten cases in the <i>Research Report on Social Value of State-owned Enterprises in the Greater Bay Area (2022)</i>, "Serving the Development of the Bay Area"</p>

Awards of affiliated enterprises

<p>Yuexiu Property won the "2022 Excellent Award for Chinese Real Estate Enterprise".</p>	<p>Yuexiu Financial Holdings won the 6th China Excellent IR Best Information Disclosure Award.</p>	<p>Yuexiu Transport won the "2022 Outstanding Listed Company Award".</p>	<p>Yuexiu Huishan received the "Outstanding Contributor Award" from China's Excellent Milk Project and the "2022 Outstanding Dairy Processing and Manufacturing Award".</p>
<p>Yuexiu Property won the "2022 Excellence Award for Listed Company".</p>	<p>Yuexiu Financial Holdings won the Best Board Award at the 13th Tianma Award for Investor Relations of Chinese Listed Companies.</p>	<p>Yuexiu Transport won the third prize at the "2022 Guangdong Intelligent Transportation S&T Award".</p>	<p>Yuexiu Husbandry was recognized as an "Excellent Dairy Farming Organization in Guangdong Province".</p>
<p>Yuexiu Services was selected as one of the top 10 listed property service companies in China in 2022 by annual comprehensive strength.</p>	<p>Chong Hing Bank rose to 339th in the Banker's Top 1000 World Banks.</p>	<p>Guangzhou Paper Group won the second prize of the Science and Technology Award from the Guangdong Papermaking Society.</p>	<p>Flagship Milk received the "China Dairy Enterprise Award for High-Quality Development" and the "Gold Award for International Cooperation".</p>

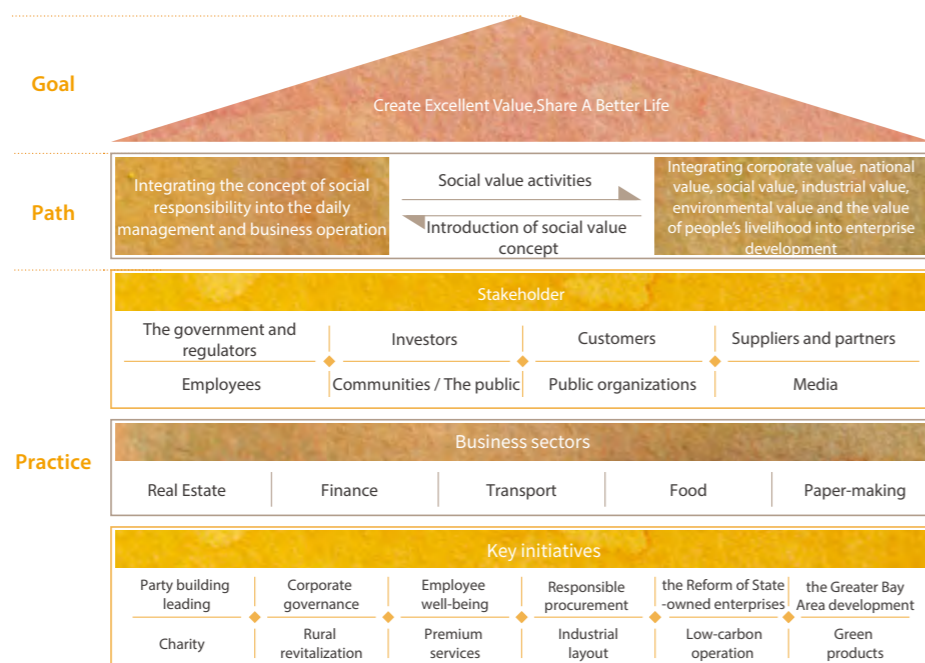


Sustainability and ESG Management

Adhering to the "Beyond Excellence" corporate spirit, Yuexiu Group actively promotes the integration of the concept of sustainable development into corporate development and business operation, and progressively establishes and improves the sustainability management system, so as to balance the corporate social responsibility (CSR) fulfillment, social value creation and sustainable development.

Sustainable development model

Based on the practice of corporate development, We integrate the concept of sustainable development and social value into business operation from three aspects: practice, path and goal, which promotes the implementation of our sustainable development and social value creation work.



Management system

The Group has optimized the working flow of sustainability and ESG management, established a three-tier management system of "leadership-middle level-implementation level". This structure requires the deep participation of senior executives and heads of subordinate segments, the collaboration of all departments and the connection at all levels, laying a solid organizational guarantee for the sustainable development and ESG management.

The Group Office	<ul style="list-style-type: none"> Coordinating the Group's sustainability and ESG-related work Preparing annual sustainability reports and supporting subordinate enterprises to make compliance information disclosure in accordance with relevant requirements Conducting sustainable development training and guiding subordinate enterprises to carry out sustainability development and ESG work in an orderly manner
The Capital Management Department of the Group	<ul style="list-style-type: none"> Coordinating the recruitment and selection of ESG consulting providers for listed subsidiaries, strengthening the unity and resource synergy of ESG reports of the Group Coordinating major issues in the compilation of ESG reports by listed subsidiaries, improving the integration of ESG and operational work Supervising listed subsidiaries to improve the quality of their ESG work and ESG ratings, and monitoring the feedback from the capital market on listed subsidiaries' ESG initiatives
Each department and subordinate segments of the Group	<ul style="list-style-type: none"> Setting up focal points for sustainable development and ESG work Collecting quarterly and annual sustainability and ESG-related information and implementing specific work

Management performance

ESG capability and performance are crucial for the future development of companies as it is the core competitiveness that drives various aspects of a company. By focusing on ESG, companies can unlock their development potential, enhance their corporate value, and ensure their ability to thrive throughout different industry cycles.

Based on our sustainability and ESG management system, we have created a detailed plan to manage and carry out related tasks. This helps us effectively improve our ability in management and communication. In 2022, the Group received the Golden Bull Award for Responsibility Leader from the State-owned Assets Supervision and Administration Commission of the State Council and the China Social Responsibility 100 Forum, and was named one of the top ten service provider at the Second Greater Bay Area Social Value Forum for SOEs.

In 2022, the Group's subsidiaries have been actively involved in ESG management and practice.



Real estate segment

The real estate segment has incorporated ESG concepts into its corporate strategies and are dedicated to developing environmentally friendly and healthy buildings that prioritize "respect for nature, people, health, comfort, intelligence, and low-carbon". It has also created green development strategies and introduced 34 new projects that meet the criteria for green buildings.



Finance segment

The finance segment is actively promoting the establishment of an ESG management system and incorporating green finance and responsible investment concepts into its operation. Yuexiu Financial Holdings, Yuexiu Financial Leasing, and Guangzhou Futures have published their first ESG report. Moreover, Yuexiu Financial Holdings and Yuexiu Financial Leasing have received an A rating in China Integrity Green Gold's ESG ratings.



Transport segment

The transport segment has enhanced emergency handling mechanism, improving its ability to anticipate, respond to, mobilize, and manage road traffic emergencies. This helps prevent and minimize the damage and impact caused by emergencies. Additionally, it has actively advanced paperless toll stations on roads and bridges, as well as purchased environmentally friendly snow-melting agents.



Food segment

The food segment is actively developing modern ecological agriculture and husbandry integrated industrial projects to establish modern, large-scale and intensive environmental pig breeding demonstration bases. It also focuses on rainwater and sewage diversion canal, bedding material regeneration system, oxidation pond expansion and repair, and other renovation and upgrading projects, in order to lay the foundation for the realization of "zero" emissions from farms and 100% resource utilization of dairy cattle breeding waste.



Guangzhou Paper Group

Guangzhou Paper Group has successfully improved the treatment of wastewater, solid waste, and waste gas, resulting in a continuous reduction in the concentration of pollutants in wastewater. Additionally, it has made efforts to replace plastic by developing and commercializing leak-proof paper bags.

Sustainability issues

The identification and management of sustainability topics is a top priority of the Group's work. Based on the questionnaire survey, we comprehensively collect the views of the government, regulatory bodies, investors, customers, employees and other stakeholders, and identify the material topics closely related to Yuexiu Group from dimensions of the importance to stakeholders and the importance to the Group's development, so as to determine important material topics disclosure in the sustainability report and priorities for future sustainable development work.

Topics in order of priority	
1	Promoting Bay Area development
2	Serving national strategy
3	Promoting industrial upgrade
4	Employee rights
5	Optimizing industrial structure
6	Deepening the reform of state-owned enterprises
7	Serving livelihoods of people
8	Operating performance
9	Talent development
10	Offering high-quality products and services
11	Customer rights and interests
12	Employee care
13	Launching strategic cooperation
14	Servicing urban construction
15	Boosting industry development
16	Compliance and risk management
17	Party building leading
18	Engaging in rural revitalization
19	Insisting on innovation-driven development
20	Carbon peaking and carbon neutrality goals
21	Practicing green operation
22	Responsible procurement
23	Advocating community welfare
24	Carrying out green cooperation
25	Optimizing community relations
26	Digital transformation

Stakeholder communication

The Group attaches great importance to communicate with stakeholders, understand and respond to the expectations and demands of stakeholder through diversified communication channels, and promote the optimization and improvement of the sustainable development work in an orderly manner, so as to achieve win-win cooperation with all stakeholders.

Stakeholders	Communication channel	Expectation and requirement	Response
The government and regulators	<ul style="list-style-type: none"> Regular work report Daily communication Information submission 	<ul style="list-style-type: none"> Legal compliance and risk management Deepening reform and innovation Serving national strategy 	<ul style="list-style-type: none"> Consolidating the business foundation Stimulating reform vitality Servicing the overall interest of the country
Investors	<ul style="list-style-type: none"> Issuing the annual report Convening the board meeting Information disclosure 	<ul style="list-style-type: none"> Promoting the development of core business New businesses and restructuring Innovation of operation mode 	<ul style="list-style-type: none"> Promoting industrial integration and upgrading Accelerating business layout and optimization Stimulating reform vitality
Customers	<ul style="list-style-type: none"> Information disclosure Customer research Relevant activities 	<ul style="list-style-type: none"> Perfect service system Promoting product and service innovation Safeguarding legitimate rights and interests 	<ul style="list-style-type: none"> Strengthen the quality control of products and services Create excellent products Enhancing customer experience Protecting the rights and interests of customers
Suppliers and partners	<ul style="list-style-type: none"> Project cooperation Daily communication 	<ul style="list-style-type: none"> Open and transparent procurement Cooperation with integrity 	<ul style="list-style-type: none"> Building a responsible supply chain Launching strategic cooperation
Employees	<ul style="list-style-type: none"> Exchange meeting Feedback Visits 	<ul style="list-style-type: none"> Legal and compliance employment and equal employment Employee development Promoting employee well-being Ensuring work safety and occupational health 	<ul style="list-style-type: none"> Protecting the rights and interests of employees Supporting staff development Caring for employee life Safeguarding safety and health
Communities/ The public	<ul style="list-style-type: none"> Public welfare activities Volunteer services Information disclosure 	<ul style="list-style-type: none"> Launching volunteer activities Promoting people's well-being 	<ul style="list-style-type: none"> Carrying out charity activities Supporting employee volunteer service Supporting rural revitalization
The environment	<ul style="list-style-type: none"> Environment impact assessment Environment protection activities 	<ul style="list-style-type: none"> Reducing the impact on the environment Carrying out energy conservation and emission reduction activities Environment protection publicity 	<ul style="list-style-type: none"> Environment management Green operation Green activities
Charity organizations	<ul style="list-style-type: none"> Public welfare activities Volunteer services 	<ul style="list-style-type: none"> Enhancing the professionalism and sustainability of charity Carrying out charity activities Promoting people's well-being 	<ul style="list-style-type: none"> Engaging in volunteer activities Carrying out charity activities Fighting COVID-19
Media	<ul style="list-style-type: none"> Media interview Daily communication 	<ul style="list-style-type: none"> Promoting the development of core business New businesses and restructuring Deepening reform and innovation Promoting people's well-being 	<ul style="list-style-type: none"> Promoting industrial integration and upgrading Accelerating business layout and optimization Stimulating reform vitality Providing community services

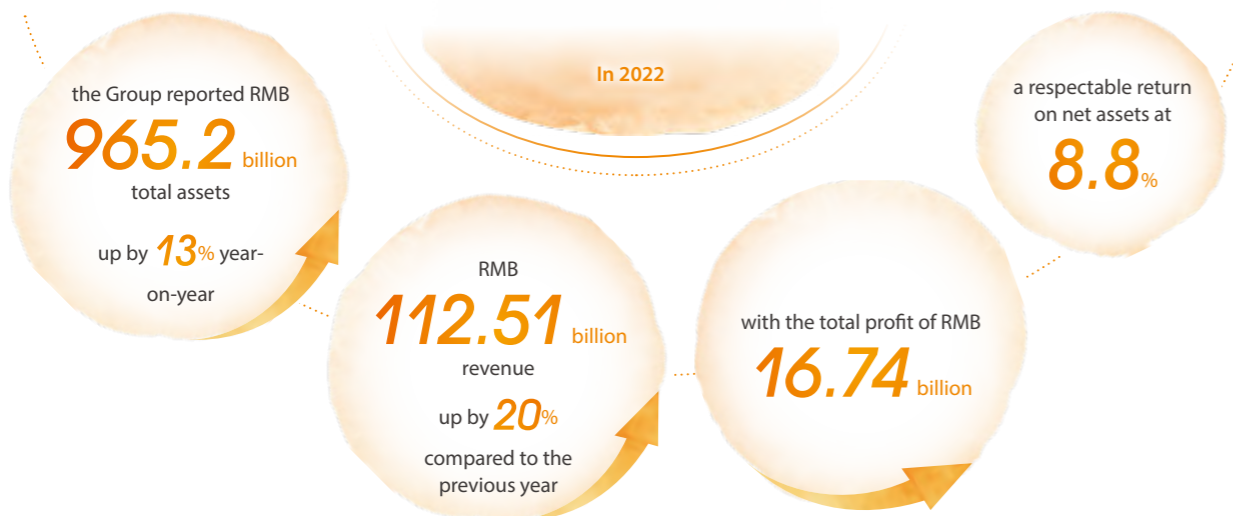


Pursuing Great Accomplishments in Promoting High-quality Development

In recent years, Yuexiu Group has prioritized high-quality development as the central focus of its endeavors. We have worked diligently to enhance quality, improve efficiency, and transform our driving forces. These efforts have significantly bolstered our overall capabilities, leading to sustained growth in key business indicators. We have also optimized our industrial layout and business structure, leveraging our position as a leading enterprise to serve the socio-economic development of the country. Throughout this journey, we remain steadfast in our commitment to the path of high-quality development.

Operational Management Efforts Drive Growth in Key Performance Indicators despite Challenges

During a tough and uncertain period, Yuexiu Group has taken proactive steps to enhance quality, improve efficiency, and implement effective governance measures. These efforts have led to significant advancements in our businesses, propelling us to new levels of success. Despite facing unprecedented challenges, we have remained resilient and achieved remarkable results, as evidenced by our impressive "report card".



Active Investment for Strengthening High-quality Development in Principal Operations

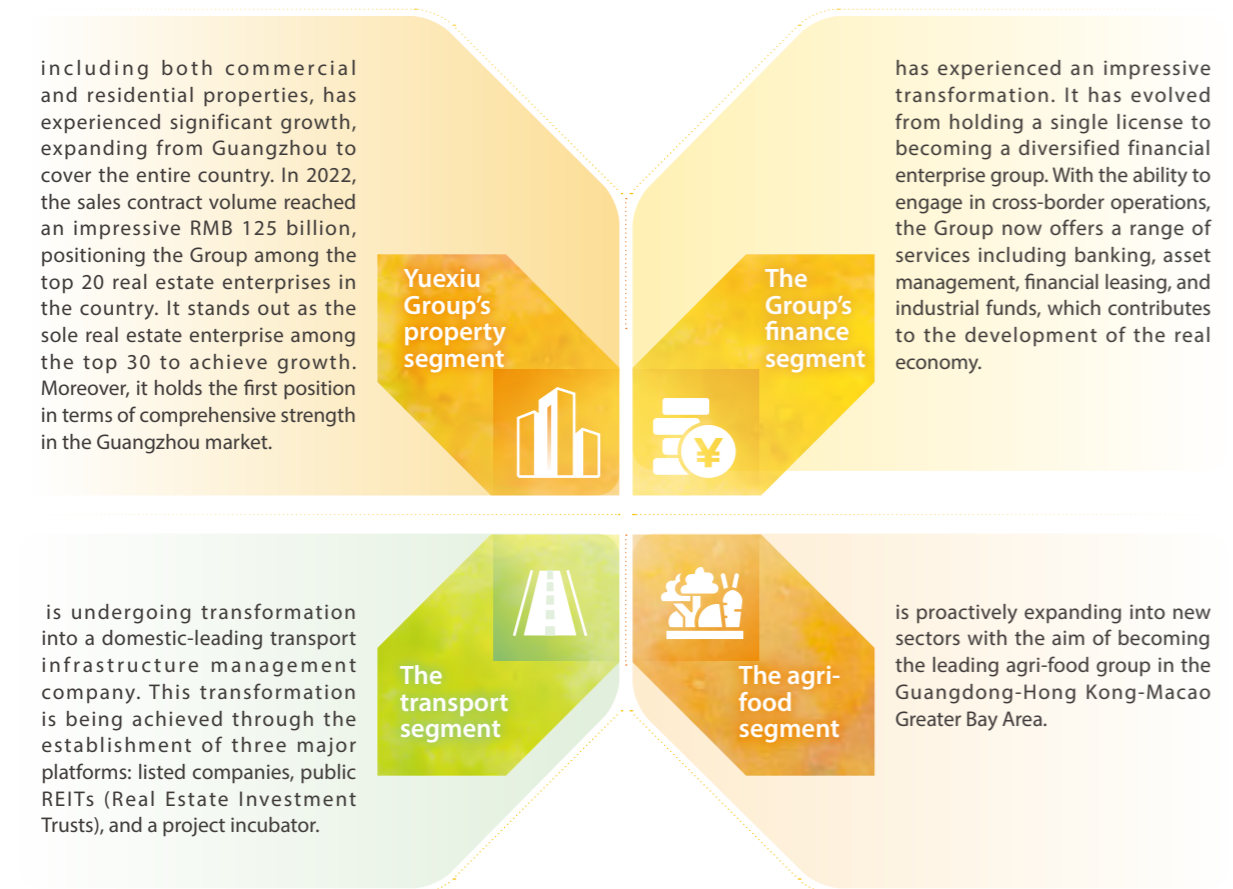
We firmly believe that stable investment contributes to a stable economy, while active investment drives growth. Yuexiu Group has undertaken comprehensive reform practices, actively expanded effective investments, and successfully achieved stable growth in investment performance.

<p>In 2022 the Group completed a total annual investment of RMB 77.7 billion</p> <p>with RMB 12.24 billion invested in the headquarters</p>	<p>The real estate segment owns 37 new land parcels</p> <p>Yuexiu Financial Holdings increased its holdings in CITIC Securities by over RMB 4.2 billion</p> <p>Yuexiu Transport successfully completed the M&A of Lankao-Yushi Expressway, with an investment of RMB 2.55 billion</p>	<p>with a total gross floor area of approximately 6.95 million square meters</p> <p>and 30 cities nationwide</p> <p>It also invested RMB 1.39 billion to establish and expand subordinate enterprises</p> <p>Additionally, a total of RMB 2.69 billion was invested in the renovation of Huishan Ranch and pig breeding projects</p>
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Enhancing Industrial Structure with Well-Developed System

Yuexiu Group is actively promoting structural adjustment and business optimization by implementing a “4+X” industries system spanning primary, secondary, and tertiary industries. Through group-based incubation, coordinating industry-financing efforts, and fostering collaboration with financial institutions, the Group effectively utilizes its strengths as a comprehensive enterprise to enhance the market competitiveness of our principal operations.



Yuexiu Property's Hangzhou Gouzhuang TOD Project



Launching ceremony of Yuexiu Science Innovation Fund, Yuexiu Industrial Fund



Distributed Solar PV solution for Cangwu (Guangxi)-Yu'nan (Guangdong) Expressway



Yuexiu Husbandry's Pig Breeding Project in Huaadu, Guangzhou

Serving the Greater Good through Contributing to Regional Socio-Economic Development



Delivere major projects

In 2022, the Group invested RMB 10.55 billion in 15 key projects in Guangzhou, surpassing its planned targets by 161%. The Group has successfully completed the Phase II of Guangzhou Baiyun International Convention Center and Phase II of Guangzhou International Campus, SCUT.

Help the real economy grow by providing premium financial services

In 2022, Yuexiu Financial Holdings invested RMB 10 billion in Guangzhou. Yuexiu Industrial Fund brought in 15 companies in biopharmaceutical and intelligent manufacturing sectors to Guangzhou. Chong Hing Bank also loaned over RMB 3.1 billion to support the manufacturing industry and small and medium-sized enterprises (SMEs) in Guangzhou.

Made significant efforts to support the prevention and control of COVID-19

Since October 2022, we have sent 32,000 persons to assist on the frontlines of the fight against COVID-19. Additionally, we have reduced highway tolls and property rents by over RMB 400 million throughout the year.



Rural Revitalization Paves the Way for a Brighter Future

The countryside is China's root and foundation for sustainable development. By leveraging its strengths, Yuexiu Group strengthens and expands the positive outcomes of poverty alleviation through various means such as industrial assistance, cultural tourism development, and employment promotion. With all our efforts, the Group supports the development of the areas it assists, aiming to create a new landscape of rural revitalization characterized by prosperous industries, livable ecology, civilized rural customs, effective governance, and affluent lives.

Footprints: Planting Seeds of Hope for Rural Revitalization

Bearing in mind its obligations as a state-owned enterprise, Yuexiu Group has intensified its support to key counties for rural revitalization and remains committed to solidifying its achievements in poverty eradication. In 2022, Yuexiu Group was chosen as the chairman of the Modern Agricultural Park Association for Guangdong-Guangxi & Guangdong-Guizhou Collaboration. It aims to establish an interactive mechanism among enterprises, associations, and the government to facilitate holistic and high-quality rural development.

Yuexiu Group's rural revitalization map

4 provinces	Guizhou Province	Guangdong Province	Chongqing Municipality	Guangxi Zhuang Autonomous Region		
	Bijie City	Qiandongnan Miao and Dong Autonomous Prefecture	Zhanjiang City	Guangzhou City	Qiannan Buyi Miao Autonomous Prefecture	
11 cities/autonomous regions	Anshun City	Qingyuan City	Chongqing Municipality	Zhaoqing City	Jinzhou City	Qinzhou City
	Nayong County	Leishan County	Leizhou (county-level city)	Conghua District	Dafang County	
15 counties / districts	Qixingguan District	Huishui County	Xixiu District	Yingde (county-level city)	Nansha District	
	Luodian County	Sandu Shui Autonomous County	Yuyang Tujia and Miao Autonomous County	Fengkai County	Yixian County	

Key performance

Our overall investment in rural revitalization amounts to RMB **100.287** million

Out of which, RMB **69** million was specifically invested in the Conghua Field Complex

while the total cash donation reached RMB **22.287** million

Additionally, RMB **9** million was allocated for industrial assistance.



Leaders of Yuexiu Group at the 2022 Guangdong Poverty Alleviation and Relief Day & Society-wide Rural Revitalization Campaign Launching Ceremony

Imprint: Boosting the movement for Rural Revitalization

Yuexiu Group is deeply committed to implementing the strategy of rural revitalization. To achieve this, we are focusing on key elements such as industry, finance, consumption, talents, education, and employment. We are also strengthening collaboration and paired assistance between the eastern and western regions. Our efforts include the development of several rural revitalization projects. These projects encompass a whole industrial chain for pig breeding, a pilot project combining insurance and futures, and an international hotel training base. These initiatives aim to enhance the sustainable development of the countryside and contribute to the overall growth of rural areas.

Boosting industrial assistance

We understand that a thriving industrial sector forms the foundation for rural revitalization. Leveraging our strengths in agricultural resources, we are actively promoting integrated pig breeding projects and supporting the launch of the Yuexiu-Haid shrimp breeding project in Dongli Town, providing valuable industrial support for rural revitalization in the region.

Our ultimate goal is to foster the development of the entire pig farming industry chain, ensuring sustainable growth and prosperity in rural areas. Yuexiu Group has successfully launched pig breeding projects in five districts and counties across three prefecture-level cities, namely Bijie, Qi'nan Prefecture, and Anshun in Guizhou Province. Currently, eight projects are either operational or under construction, totaling approximately RMB 1.75 billion in investment, with a combined design capacity of 1.02 million pigs. Seven projects have already been completed and put into operation, while one project is still under construction. Through close collaboration with farmers, we strive to cultivate an eco-friendly approach to pig breeding. We utilize the surrounding land of our breeding projects to explore the integration of farming and breeding through eco-agriculture initiatives. In Fengkai County, Zhaoqing City, we invested 3.2 billion RMB to build an integrated pig farming agricultural industrial park project, which will realize large-scale batch production through self-breeding and self-feeding mode, with an annual output of 1.08 million hogs.



Yuexiu Husbandry pig farming integration project in Fengkai officially put into operation

Yuexiu-Haid shrimp breeding project in Dongli Town is under construction to drive rural revitalization efforts, Yuexiu Group and Haid Group have established a joint venture. Together, we are building a shrimp farming park in Dongli Town, Leizhou City. In August 2022, the Yuexiu-Haid shrimp breeding project officially commenced in Dongli Town. With a long-term planned area of 3,000 mu (approximately 494 acres) and an estimated total investment of RMB 1 billion. Notably, the project incorporates an innovative Rural Revitalization Fund, which sets aside 6% of the net profits generated annually for rural revitalization and poverty prevention in Dongli Town.



Yuexiu-Haid "Quality and Efficiency Improvement" Project for Shrimp Breeding in Dongli Town

Enhancing cultural tourism development



Yuexiu Group is committed to promoting the “deep integration” of the first, second, and third industries. As part of this commitment, we have independently invested approximately RMB 800 million to build the only national pilot project of field and garden complex in Guangdong Province, known as the “Yuexiu Fengxing Ecological Field & Garden Pilot Project” in Conghua District, Guangzhou City. With a total investment of about RMB 2 billion, this project aims to create a national ecological field complex that integrates ecological dairy farming, agricultural tourism, ecological recycling agriculture, and educational bases. It serves as a crucial support system for local rural revitalization efforts. Once completed, the project is expected to attract around 3 million visitors each year, generating an annual income of over RMB 143 million for local villagers. Additionally, it will create more than 1,000 job opportunities for the local community.

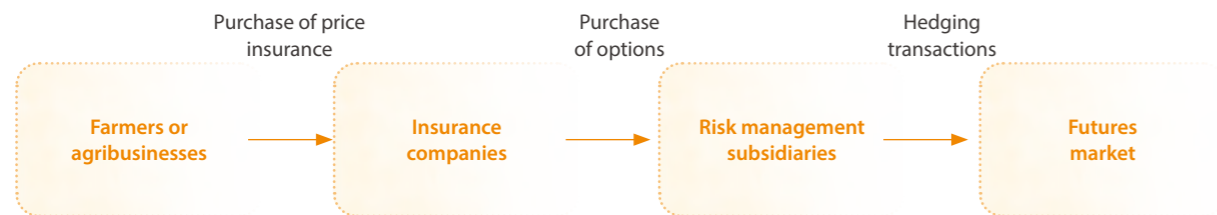


The “Yuexiu Field Pastoral - Home” Field and Garden Complex

Innovating financial support



Yuexiu Group leverages its professional advantages and actively explores innovative financial support models to contribute to rural revitalization efforts. In 2022, Guangzhou Futures collaborated with insurance companies to develop a combined insurance and futures model. This initiative facilitated the implementation of 11 commercial projects and 8 policy-based projects. By providing price risk prevention, it supported rural farming enterprises and farmers with a total nominal principal amount of RMB 800 million.



Yuexiu Financial Leasing seamlessly integrates the national Carbon Peaking and Carbon Neutrality strategy with rural revitalization efforts. Through financial leasing, operating leasing, and cooperative construction products, they undertake distributed photovoltaic (PV) projects in rural residential communities. These projects enable farmers to earn a share of the electricity bill savings and roof rent during the project period, ensuring a stable and reliable income source. As of the end of 2022, Yuexiu Financial Leasing’s household distributed PV projects have already benefited 12,000 farmers.



Yuexiu Financial Leasing’s distributed PV projects for commercial and industrial use

Implementing consumption support



Yuexiu Group utilizes its strengths in special agricultural products to bring high-quality agricultural goods from Guizhou to the Greater Bay Area market. Yuexiu Foods’ subsidiary, Huangshanghuang, introduces preserved meat from Guizhou, while another subsidiary, Flagship Milk, offers walnut milk. These products have achieved a cumulative revenue of over RMB 47 million through consumption assistance efforts. Additionally, the Group collaborates with the Department of Commerce of Guizhou Province to establish the Gems of Guizhou and Guangdong platform. The platform focuses on promoting Guizhou products, cuisine, business, tourism, and culture. By attracting investment and stimulating consumption in Guizhou, it aims to drive industrial integration and overall development in the region.



Yuexiu Group’s booth in the Guangzhou Pavilion of Gems of Guizhou

Promoting educational support



We have joined hands with Marriott Hotel Group and Bijie Vocational and Technical College to build Guizhou’s first international hotel industry-education fusion training base in Bijie Bailidujuan Management Area, which can complete the training of 1,000 high-quality cultural and tourism talents annually, and promote the organic convergence of education chain, talent chain, industry chain and innovation chain through industry-education fusion, providing infrastructure and support for education and talents development in Bijie.



Yuexiu industry-education fusion supporting hotel in Bijie has put into operation

Conducting employment assistance



Yuexiu Group is actively creating employment opportunities in Guizhou, with a particular focus on industrial development. So far, more than 2,000 people have benefited from these initiatives. The pig breeding project, once fully operational, is expected to provide over 5,000 jobs for local residents and help nearly 10,000 farmers gain profits. Leveraging its corporate resources and the advantages of Guangdong-Guizhou collaborative projects, the Group is committed to building a strong foundation for rural revitalization through industrial development and employment assistance. By creating more jobs, it aims to increase the income levels of local residents and contribute to the overall economic growth.



Yuexiu Husbandry’s Enterprise-County Paired Assistance Employment Base in Dafang



Paving the Path to Faith

Belief serves as the guiding principle for Yuexiu Group, shaping its core values and driving enterprise development with a focus on creating value. The Group unites all employees with a spirit of hard work, enhance the quality of life for all by providing services par excellence, and pursues outstanding performance relentlessly through industrial development. Yuexiu employees hold a sincere belief in their work.

Yuexiu Group & UN SDGs:



Gathering Momentum for Development with a Hard Work-oriented Mindset

The Group adheres to the political construction of the Party as the leader, closely follows the spirit of the 20th National Congress of the CPC, unwaveringly strengthens the Party's comprehensive leadership and Party building and actively seeks out talented individuals to gather the necessary momentum for advancing into the new development stage and promote high-quality corporate development.

Welcoming the 20th national congress and striding on new journey

With great enthusiasm and renewed energy, the Group warmly welcomes the 20th National Congress of the CPC. We wholeheartedly study and implement the spirit of the congress, putting into action the decisions and plans set forth by the CPC Central Committee. Through our practical efforts, we aim to achieve high-quality development and create a new dimension for our organization.

To deepen the understanding and knowledge of the 20th National Congress among our leaders, cadres, and employees, we have implemented various initiatives:

- We have developed annual study plans for our leading Party member group, conducting **47** "first topic" studies and **9** centralized study sessions. Additionally, we have organized nearly **1,500** study sessions to ensure comprehensive learning.
- Special online learning modules have been developed, and we have introduced **16** specialized training courses from the Party School of the CPC Central Committee. Furthermore, we have ordered over **12,000** copies of relevant tutorial books to facilitate learning and understanding.

Our leading Party members and cadres have fully demonstrated their exemplary leadership functions. We have organized lectures specifically to provide them with the necessary guidance and inspiration to fulfill their roles effectively.

- The Secretary of the Party Committee of the Group delivered **3** lectures on party building, party style, and clean government construction.
- At all levels of the Group, party organizations launched a total of **559** lectures, reaching nearly **16,000** party members and employees.

The Group held a study session of the Party Committee Theoretical Learning Center Group to deeply comprehend the spirit of the 20th National Congress of the CPC



On October 25, 2022, the Party Committee held a theoretical study session for its leading members to promote the spirit of the 20th National Congress of the CPC. This session played a significant role in deepening the understanding of the congress's content and spiritual essence, enhancing the party members' and cadres' political judgment, comprehension and execution, and demonstrating and leading the group to comprehensively study and implement the spirit of the 20th CPC National Congress.



Fortifying party building in the Group

The Group places great importance on the education of Party members, focusing on the essential and ongoing tasks of Party building. It aims to establish itself as a brand with high-quality Party building by creating a permanent mechanism for regular training and education, optimizing education and training methods, and enhancing Party building standards.

Promoting the construction of grassroots Party organizations with high quality

The Group actively promotes the construction of high-quality grassroots Party organizations and carries out model Party organization creation activities in depth. Representative Party committees and branches from subsidiaries such as Yuexiu Property Party Committee, Yuexiu Financial Holdings Guarantee Party Branch, General Party General Branch of Yuexiu Transport's North Second Ring Expressway, Party Branch of Flagship Milk's Production Facility, and Party Branch of Technology and Environmental Protection Division, Guangzhou Paper Group have been selected to apply for certification as demonstration Party organizations in the State-owned Assets Management System. These companies will serve as examples, driving comprehensive improvements and effectiveness in grassroots Party building throughout the organization.



Yuexiu Property Party Committee



Yuexiu Property Party Committee



General Party Branch, North Second Ring Expressway, Yuexiu Transport



Party Branch of Flagship Milk's Production Facility



Party Branch of Technology and Environmental Protection Division, Guangzhou Paper Group

Promoting regular theoretical training and education

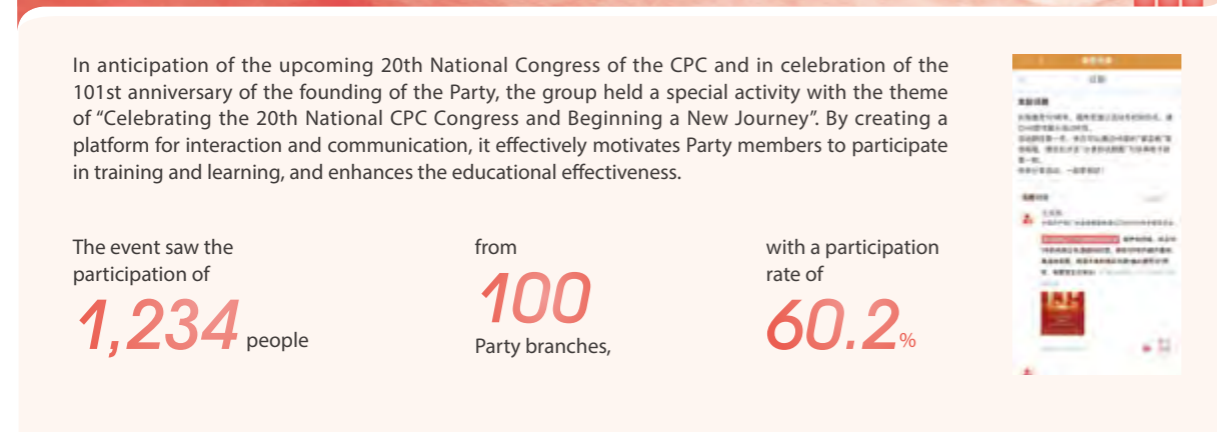
To uphold the principles of Socialism with Chinese Characteristics, the Group has implemented regulations such as *the Opinions on Strengthening the Results of the Campaign for "Staying True to Our Founding Mission" and Party History Learning*, and *Promoting the Establishment of a Permanent Mechanism for Party Building*. These regulations guide Party organizations at all levels and Party members in deepening their understanding of innovative Party theories. They also integrate Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era into daily tasks, promoting continuous learning for all employees of the Group. This ensures that theoretical learning and education are consistently emphasized.

Enhancing approaches for educating and training Party members

The Group continuously explores innovative training methods to improve the quality and efficiency in Party member education and training. The training curriculum incorporates immersive learning with scenario simulations, including a challenging sandbox for Party affairs education. The Group utilizes the smart Party building platform and “Yuexiu Leadership Online” to share important speeches and instructions by President Xi Jinping, as well as information on Party building and cultural development.



Special activity: “Celebrating the 20th National Congress of the CPC and Beginning a New Journey”

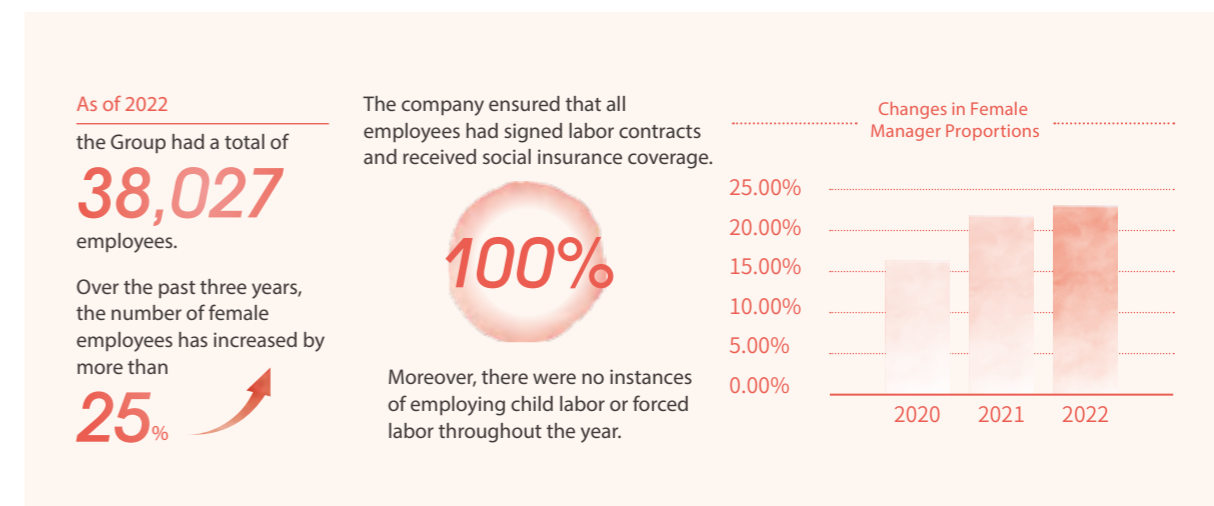


Protecting the rights and interests of employees

Yuexiu Group strictly abides by *the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, the Employment Ordinance of Hong Kong*, and other relevant laws and regulations. The Group adheres to the principle of equal employment and places great importance on talent acquisition, salary and welfare structure improvements, democratic management, and occupational safety and health protection. These efforts comprehensively protect the basic rights and interests of employees and foster a positive, safe, and healthy working environment, enhancing employees’ sense of belonging to the company. We constantly strengthen the talent management system, and was awarded the “2022 Excellent Case of Enterprise Human Resource Management” by China Human Resource Development Research Association of the National Development and Reform Commission, and Yuexiu Property won 2022 China’s Best Employer of the Year by Zhaopin, one of the leading online recruitment platforms in China.

Talent acquisition

Aligned with the strategy of integrated efforts and division of labor, the Group continued to strengthen coordination for campus recruitment and successfully carried out campus recruiting events in autumn, 2022. The number of resumes received increased by 56% compared to the previous year. To meet key business needs, we constantly optimize talent allocation through external and internal factors, injecting more “fresh blood” to support the Group’s digital transformation and treasury system construction.



Remuneration and benefits

Remuneration system: Motivate employees

- by building short, medium, and long-term incentive systems
- and continuously improving the differentiated salary mechanism

Welfare system: Promoting employee well-being

- Provide statutory benefits such as timely and full payment of five social insurance and housing fund, as well as maternity leave, subsidy to stabilize jobs, compensation insurance for occupational injury, and pension plan, etc.
- Supplementary benefits like paid holidays, meal benefits, holiday greetings. We are also expanding coverage of enterprise annuity and supplementary medical insurance.

Democratic management

The Group’s labor union acts as a bridge between the Group and employees, to strengthen their ties through democratic participation and supervision, improve internal communication mechanisms and enhance employees’ sense of ownership. In 2022, the Group conducted the Phase II optimization project of the labor union’s information platform, improving management modules, expanding primary management services, and promoting the normative management of the labor union.

Occupational safety & health

The group has actively participated in the “Healthy Guangzhou Action”, and invested resources to support the “Five-One” action in primary labor unions at all levels. We have mapped the use of special funds for fitness and health, applied for subsidies, promoted online “health courses” and lectures, organized occupational health campaigns, and popularized occupational health protections to ensure employees’ physical and mental health.

Talent development

The Group aims to build a learning capability that is comparable to the Fortune 500 companies and become a talent hub for innovation. To achieve this goal, the Group is constantly improving its talent training system, optimizing talent development mechanisms, and expanding talent development channels. We also encourage the rapid growth of exceptional talents to boost employee engagement and enthusiasm and help them realize their potential.

Improvement of talent cultivation system

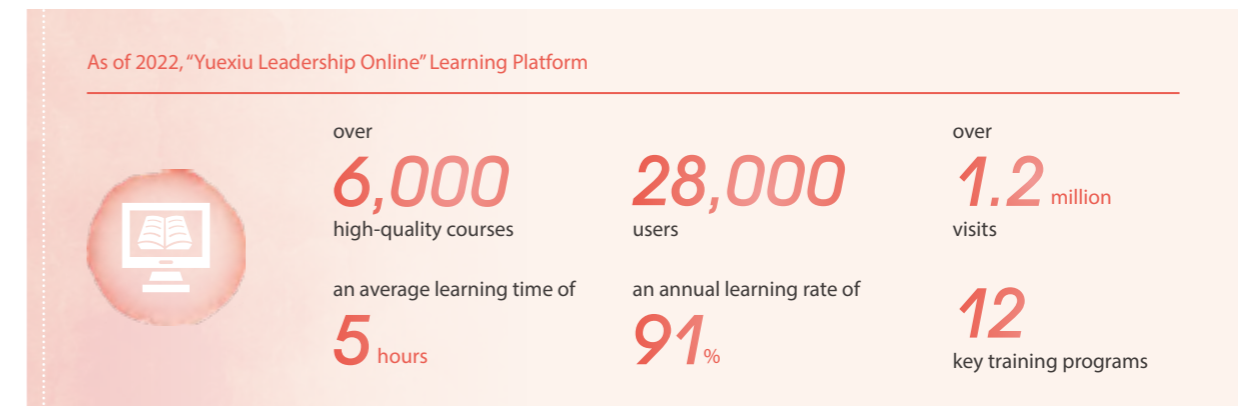
The Group offers tailored and differentiated training products to employees based on their skills required for different positions, and establishes a talent training system consisting of three parts for strategic added value, corporate culture enhancement, and fast-track for talent pipeline.

Deeper and Broader Strategic added value	Strategy and Innovation		Resource Integration and Collaboratin
	<p>1. Strategic Vision and Consensus Building: Global learning: Learn from global and comparative perspectives Training for middle and senior management: Gain knowledge about policies and current situations Strategy retreat: Closed-door seminars for strategic inspections Learning from famous schools: Study advanced theories and policies from home and abroad Learning from Fortune 500 companies: Understand the proven experiences and business models of excellent enterprises Strategy decoding seminars: Training on methodologies with guided discussions</p>	<p>2. Business Model Innovation Empowerment: Innovation Lab: Promote innovative business transformation and upgrading Product Innovation Empowerment: Transform product innovation results</p>	<p>3. External Expansion - Building an ecosystem: Training for eco-partners: Integrating resources from all partners</p> <p>4. Internal Expansion - Production-finance integration: Production-Finance Integration Training: Facilitating production-finance integration within the group</p>
Effective and Fast Corporate culture enhancement	Culture Integration	Creating a Culture of Learning	Team Culture
	<p>1. Integrate new employees into the company: New Co-worker Program: Integration of socially recruited new employees New Star Training Camp: Integration of campus recruits</p> <p>2. Integration of new companies/new teams: New Territory Program: Cultural integration of new member companies and business teams</p>	<p>3. Managers' experience and culture sharing: Passing on the good traditions: In-service managers sharing experiences internally Wisdom Club: Newly hired managers sharing past experiences</p> <p>4. Professional development and learning atmosphere for all employees in the entire group: Yuexiu Lecture Hall: Employee learning and sharing platform Online learning platform: High-quality courses shared online across the entire group</p>	<p>5. Team culture building: Workshop on Co-creation of Team Culture: Pass on the corporate culture Workshop on Co-creation of Work Standards: Establishing team work standards Team Role Workshop: Enhancing team members' effectiveness</p>
Excellent and Complete Fast-track for talent pipeline	Professional Managers	Key Talents	Strategic Talents
	<p>1. Enhance leadership skills and cohesiveness of in-service professional managers: Leadership Program: Leadership development for professional managers Leadership Training for Financial Department: Development of leadership in the financial department The Top Team: Building the capacity of BU leadership</p> <p>2. Helping newly promoted professional managers to adapt to their roles: Emerging Star Program: Role transition training for newly promoted managers</p> <p>3. Cultivating professional managers for core positions: Elite Program: Train young cadres and successors for core positions</p>	<p>4. Enhancing the expertise of key talents in key positions: Flying Program: Unleashing the potential of key talents and enhancing their professional capabilities</p> <p>5. Providing fast development channels for high-potential grassroots employees: Climbing Program: Training for young employees at the headquarters</p> <p>6. Enhancing performance for professional Yuexiu employees: New Path Program: Enhancing general and professional capabilities of employees</p>	<p>7. Developing strategic-level/business-critical talents: Talent Development Program for Critical Positions: We offer talent training to address the shortage of strategic talents needed by our business units</p>

Yuexiu Leadership University's three-pronged talent training system



We actively integrate online and offline training and build a comprehensive online learning platform called "Yuexiu Leadership Online". We upgrade it according to business needs to improve training efficiency.



"New Star Training Camp" helps new employees adapt to the workplace

"New Star Training Camp" combines online learning and offline training camps to help new employees realize cultural integration and adapt to their new work. During the online training, trainees can learn about the Group's working environment and its operations through livestreaming. Such immersive experience enables them to gain practical business knowledge. In the offline training camps, trainees will take part in activities such as Yuexiu Stage Drama, offline marketing practice, cultural expansion, and communication and sharing sessions, which can help them develop a stronger sense of belonging and improve team cohesiveness.



Providing Opportunities for Growth

The Group is constantly improving the Management Measures for Employee Promotion, enhancing the dual-channel talent development mechanism, and regularly promoting employees based on job vacancies and their qualifications. We also increase opportunities for talent rotation and exchange to provide a better platform for employees' personal growth.

Excellence in Service: a Customer-centric Approach

Yuexiu Group strives to meet the evolving needs of customers by offering a wide range of high-quality products and services for wonderful urban life. We place great emphasis on product safety and quality control to instill trust and confidence in our customers.

Empowering beautiful dreams

Through ongoing improvements in customer services across various sectors such as housing, finance, mobility and catering, we aim to provide a satisfying and top-notch experience for customers.

Healthier living environment

- Yuexiu Property:** Established a comprehensive system called "YES My Life" for urban housing and essential services. The system comprises four core components: "YESite", "YESense", "YESmart", and "YESocial", which aim to provide a well-rounded, intelligent, and healthy living experience for residents.
- Yuexiu Services:** Introduced three major products, namely "Premium", "Platinum", and "Pleasure", to offer professional, exquisite, and tailored services to ensure that each owner receives the specific support and assistance they require.
- Yuexiu Senior Housing:** Developed communities and apartments for elderly care, including Yuexiu Yueluju, Yuexiu Haiyuehui and Yuexiu Haijiyuan, to improve the living environment of elderly individuals, ensuring their well-being and enhancing their quality of life.



Affordable and accessible financial services

- Yuexiu Financial Holdings**
 Support regional economic growth by addressing financial risks and supporting projects that benefit livelihoods, manufacturing, and emerging industries.

 Introduced innovative and inclusive financial products and services such as financial leasing and financial guarantees specifically designed for small, medium, and micro enterprises (SMMEs).

- Chong Hing Bank**
 Expanded its network to Beijing, Shunde and Zhongshan.

 Introduced the "Southbound Trading Connect" service for better cross-border financial management.

Seamless services for effortless mobility

- The Transport Segment**
 Launched renovation and expansion projects to meet the increased traffic demands on Guangzhou North Second Ring Expressway and other sections.

 Constructed the super bridge over Zhangweixin River, connecting Chengkou (at the boundary of Shandong and Hebei) to Zhanhua, a section of Qinhuangdao to Binzhou Expressway



Opening ceremony of the Zhangweixin Super Bridge

Diversifying food options

- Flagship Milk**
 Introduced Five Rams ice cream bar in creative shape and opened pop-up shops, including one called Dr. Fresh Lab and one in the park.



Five Rams ice cream bar in creative shape

- Huangshanghuang**
 Introduced a variety of new products— including self-heating rice with preserved meat (the first of its kind)

mini Cantonese sausages spicy preserved sausages

Hunan-style preserved meat Huangshanghuang preserved sauce.

- Huishan Dairy**
 Opened the first flagship store.



Huishan Dairy's first flagship store in Yuexiu's Xinghui Yunjin residential community

- Quxiang**
 Committed to promoting brand rejuvenation and develop the leisure food category based on the inheritance of the main confectionery and light refreshments of Quxiang.



Quxiang products

Maintaining high standards of quality

The Group improves product safety and quality management in all areas with effective measures. We actively organize activities to introduce our products and provide after-sales services to enhance customer satisfaction.

Real estate segment

- All regional offices of Yuexiu Property have established quality control teams to ensure stringent requirements are met throughout the entire process, from project design, construction, acceptance, delivery, and ongoing quality assurance. This commitment allows the company to consistently deliver high-quality commercial and housing properties to customers.

Finance segment

- To ensure the safety and liquidity of capital, Yuexiu Financial Holdings focuses on promoting efficient financing and making precise investments.
- Chong Hing Bank and the Hong Kong Quality Assurance Agency have deepened their collaboration to develop green financial products and offer certification and accreditation services. This partnership aims to enhance the overall quality of financial products.

Transport segment

- Yuexiu Transport has prioritized the quality of construction materials and processes. The company has actively engaged in research and promotion of road maintenance technologies, such as the super-adhesive abrasive layer technology, to improve its capabilities in ensuring optimal road quality.

Food segment

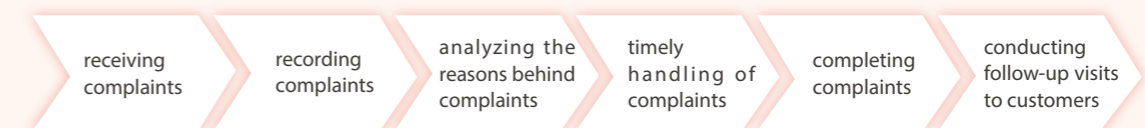
- Yuexiu Foods has further improved the food safety operation system as “horizontal to the edge, vertical to the end” by constantly optimizing the food safety control mechanism, organizing exhibitions with the lead of food safety culture, strengthening the safety risk prevention and control capacity, and obtaining certification for food safety management system.
- Flagship Milk is committed to ensuring product quality by implementing risk mitigation strategies related to product storage, consumption, and heating conditions. The company provides clear warnings on product packaging and manuals to prevent any compromise in product quality due to non-compliant conditions.
- Yuexiu Huishan obtained the first food safety compliance system certificate in China.

Guangzhou Paper Group

- Guangzhou Paper Group is actively promoting the development of key production technologies to adapt to changes in raw materials and ensure the optimal quality of paper.

Yuexiu Services has implemented a “six-step” customer complaint handling mechanism

Yuexiu Services ensures efficient and satisfactory resolution of customer complaints through the following steps. This process improves complaint handling efficiency and enhances customer satisfaction.



Yuexiu Huishan has implemented various measures to ensure the quality and safety of its products

Yuexiu Huishan has made improvements in its food safety governance system, operational procedures, and management systems. These changes are aimed at providing full assurance of the product quality and safety within the company.

Management body

The company established a Food Safety Committee and a Food Safety Management Center, and each business unit has set up its own food safety management organization, forming a network for food safety management.

Management framework

The company has also developed a food safety management system and technical standards, such as the *Liaoning Yuexiu Huishan Holding Company Limited Interim Accountability System for Food Safety Management*. These standards guarantee the closed-loop management of food safety.

Management assessment

Yuexiu Huishan has set management objectives and assessment plans based on its food safety management system. They have signed accountability letters with the heads of each business unit, ensuring that food safety responsibilities are clearly defined and implemented at every level.

Management system

Yuexiu Huishan has complete the certification of HACCP, GMP and FSSC 22000 food safety management system, and fully implemented within the company to guarantee the quality and safety of dairy products.



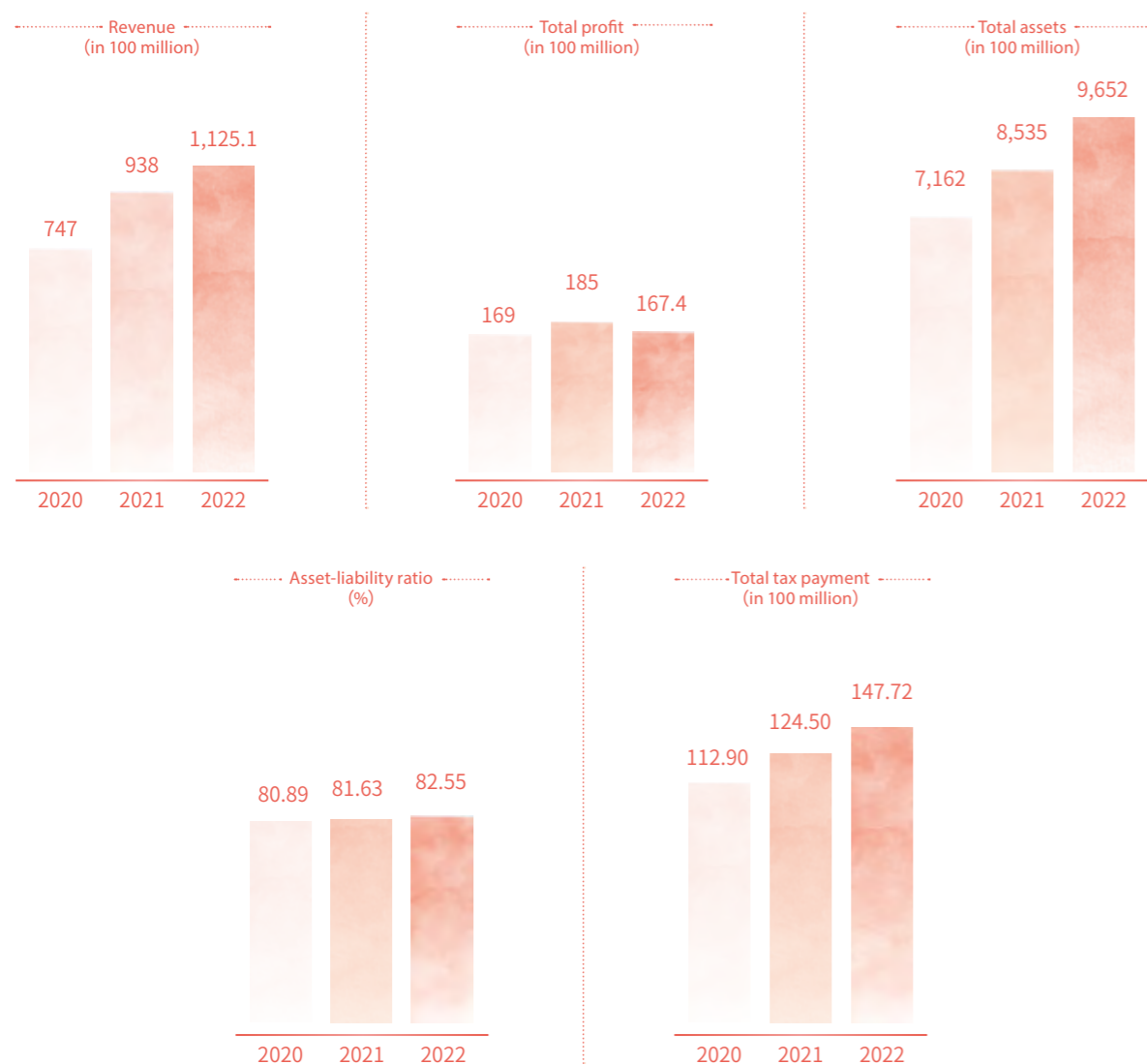
Milk powder production line of Yuexiu Huishan intelligent factory

Pursuing Excellence and Maximizing Value Creation

Yuexiu Group follows the development concept of “Embracing Stability While Reaching for Greatness”. Centered on its areas of focus, it continuously optimizes its strategic planning. The Group strives to create and enhance corporate value through innovative approaches.

Enhancing operational value

Yuexiu Group prioritizes fostering collaborations within the industry and consistently improving the quality and efficiency of its operations to enhance overall operational efficiency, effectiveness, and profitability, thereby achieving the strategic goal of becoming a Fortune Global 500 company with high quality.



Note: The 2022 revenue, total profit and total assets are calculated on a statistical basis, and the asset-liability ratio and total tax payment are calculated on a financial basis.

Optimization of strategic planning

Building on 38 years of development, Yuexiu Group has created a well-structured business portfolio known as “4+X”. This portfolio encompasses the primary, secondary, and tertiary industries, with each business unit providing support to one another. It ensures a balanced and cohesive structure within the Group. The Group leverages its advantages in integrating production and finance to accelerate the development of each subordinate business unit and optimize its business portfolio.

Real estate segment

Yuexiu Property strives to maximize the advantages of its key businesses.

- The Group is committed to focusing on “key first- and second-tier cities” for its development plans, with 93% of its total land reserve area located in these cities. This strategic approach provides a solid foundation for its industrial upgrading strategy.
- The TOD Research Institute has been established to upgrade the Transit-Oriented Development (TOD) model, enabling a transition from basic transportation functions to a comprehensive TOD 5.0 model that integrates transportation system, city, industries, business, residential community and people.
- It focused on both commercial and residential properties, and builds a new real estate and commercial platform which is positioned as a “Stabilizer” for Yuexiu Property’s performance guarantee, a “Accelerator” for capital recovery and a “Booster” for business expansion.

Finance segment

Yuexiu Financial Holdings continues to enhance its financial product services and drive innovation, playing a crucial role in supporting regional economic development.

- Yuexiu Industrial Fund strengthens its investments in the artificial intelligence industry, with a particular focus on smart vehicles. It aims to accelerate the development of ICV and NEV sectors in Guangzhou.
- Yuexiu Financial Leasing promotes financial leasing in the field of advanced equipment and new energy, particularly around livelihood projects and inclusive leasing, to help foster the development and growth of brick-and-mortar enterprises.
- Chong Hing Bank establishes cross-border business characteristics and competitive advantages, and leverages the strengths of its network layout in both Guangdong Province and Hong Kong to realize the business linkage between branches in Hong Kong and Mainland China.

Transport segment

Yuexiu Transport continually improves its operation and maintenance capacity, enhances its financial capabilities, and steadily advances business restructuring.

- The company has established three major platforms: publicly traded companies, public REITs (Real Estate Investment Trusts), and a project incubator. Huaxia Yuexiu Expressway REIT has been successfully listed to transform into a transportation infrastructure asset management company.
- The company has successfully acquired Lankao-Yushi Expressway in Henan, which has significantly bolstered its project management capabilities and enriched its regional asset portfolio in central China.

Food segment

After restructuring and optimization, Yuexiu Foods has identified new development directions within the food segment.

- The new strategic directions include: Expanding and strengthening its business in the dairy industry, agricultural and animal husbandry products, and food distribution. Its vision is to become a leading food group in the Guangdong-Hong Kong-Macao Greater Bay Area, a top-tier company in China, and a globally recognized brand.
- Developing a complete industrial chain for pig breeding projects in Guangdong and Guizhou. Its goal is to achieve a production capacity of over 4 million pigs during the 14th Five-Year Plan.
- Huishan Dairy has been successfully restructured. Yuexiu Foods, with its three dairy companies (Flagship, Great Wall, and Huishan), plans to establish a strong presence in regional markets across China. They will focus on four product categories: UHT-treated milk, pasteurized milk, milk powder, and ice cream. Their goal is to become one of the top three dairy farming enterprises in terms of size and rank among the top 10 companies in terms of overall revenue in China.

2

Paving the Path to Reputation

Credit serves as the fundamental value of Yuexiu Group, empowering businesses, the economy, and the well-being of individuals, while also providing momentum for industrial development. Yuexiu Group places great importance on maintaining a strong credit foundation. Through efficient internal management practices, the Group guarantees steady progress. Leveraging our significant strengths, Yuexiu Group actively contributes to the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area and fosters the accumulation and expansion of social capital by upholding integrity as a core value.

Yuexiu Group & UN SDGs:



Building Social Capital through Integrity

Yuexiu Group prioritizes integrity and actively engages in responsible procurement, collaborating with suppliers to establish the sustainable supply chain. Additionally, the Group consistently enhances privacy protection measures, ensuring a robust “security fortress” for personal information.

Practicing responsible procurement

The Group integrates principles of anti-corruption, fairness, responsibility, integrity, compliance, security, and environmental protection into its procurement management. We have established comprehensive systems and processes at all levels to effectively manage procurement. Suppliers’ qualifications undergo thorough examination, and evaluation methods and grading systems are consistently improved. Supplier classification and management are in place to guarantee responsible procurement practices.



Enhancing information security

Yuexiu Group places great importance on the security and privacy of employees and users' information. They follow strict compliance with laws and regulations such as *the Network Security Law*, *the Data Security Law*, and *the Personal Information Protection Law* of the People's Public of China. The Group consistently enhances their information security management system and ensures the confidentiality of employee and customer data. We have achieved international certifications including ISO27001, ISO20000, and ISO9001. In 2022, the Group achieved first place in the Guangzhou City Network Security Attack and Defense Exercise. Throughout the year, there were no major information security incidents or economic losses due to related data breaches.



Improving the Mechanism and System with a Market-Oriented Approach.

Yuexiu Group adopts a stable and progressive development approach, constantly improving its management system aligning with marketization. We actively follow the Three-Year Action Plan for the Reform of SOEs to fortify the foundation of operational compliance and maintain our steady and healthy operation.

Deepening the reform of state-owned enterprises


2022 marks the final year of China's Three-Year Action Plan for the Reform of SOEs. Yuexiu Group has achieved great success in completing the reform tasks as one of the "Double Hundred Enterprises" selected by the State-owned Assets Supervision and Administration Commission. It is the only municipal-level SOE that has been recognized by the Guangdong's Provincial State-owned Assets Supervision and Administration Commission as a benchmark for management improvement, putting it on par with world-class enterprises.

Yuexiu Group has implemented international standards in its operation management system and adopted tenure and contractual management in principal operation segments. To enhance the company's intrinsic vitality, a market-oriented salary system and incentive mechanisms have been established. These initiatives have led to a unique and innovative development model that reflects the characteristics of the Yuexiu Group.

Yuexiu Group has significantly advanced the Reform of SOEs focusing on key areas and aspects and activate the development dynamics through reform, innovation, market-oriented mechanism. To effectively navigate this transformation, the Group has formulated an action plan that encompasses 61 measures under six categories targeting strategic management, organizational governance, financial management, digital transformation and other key areas.

Strengthening operational management

Yuexiu Group has enhanced its corporate compliance management, legal governance, risk control, and audit supervision to improve our corporate governance system and to ensure legal compliance.



In 2022

the Group offered more than

10

sessions of legal compliance training

with over

5,000

employees involved

Compliance Management

- Issue the *Guidelines for Shared Procurement Services and the Operational Manual for Intellectual Property Rights Compliance* to improve compliance management.
- Issue guidelines for the implementation of opinions for legal compliance and risk control, and further implement compliance review into daily major operational matters;
- Monitor key directly controlled companies to improve their compliance management, which involves breaking down and implementing risk prevention tasks in critical areas and key compliance processes.
- Strengthen the operation and guarantee mechanism of compliance management to promote compliance management practices in key areas that are closely aligned with the core business.
- Carry out special training to improve compliance awareness among employees, with a specific focus on key areas of compliance management.

Law-based Corporate Governance

- Develop the *Checklist of Responsibilities for the Eighth Five-Year Plan on Legal Awareness and the Checklist of Laws and Regulations that Leaders and Cadres of Yuexiu Group Should Know* to ensure the fulfillment of its obligations in promoting legal awareness. These checklists provide employees with effective approaches to learn and apply the laws independently.
- Organize exams on knowledge of laws, mobilization and training meetings of promoting transparent procurement, raise staffs' awareness of law-abiding compliance
- Carry out the promotion of the World Intellectual Property Day and the National Constitution Day, publicize knowledge of laws by multi-channel, create a favorable environment to learn and obey the law for the whole group.
- Improve the intellectual property management system, set up a monitoring mechanism for key and time-honored trademarks, and dynamically monitor the risks associated with the Group's key trademarks.

Risk Control

- Enhance the risk management system and update risk-relevant policies to effectively oversee the risk management process.
- Promote the refinement of contract management to standardize contract management procedures.
- Set up a monitoring system for legal disputes information management, update information on administrative penalties and major legal disputes quarterly, and generate dispute management reports.
- Enhance the BI indicator system for risk analysis and establish the daily detection and information feedback mechanism to ensure timely reporting, processing, and feedback of information.

Audit Supervision

- Strengthen the three-tier internal audit structure covering the "Group headquarters", "business segments" and "sub-subsidiaries" to ensure the independence of internal audit.
- Establish a unified, comprehensive, authoritative, and efficient audit supervision system to standardize and regulatization internal audit processes.
- Coordinate audit resources and engage collaborative construction to enhance audit efficiency.
- Appoint dedicated personnel to coordinate and follow up the audit and rectification of projects within the Group, ensuring audit results be transferred into business efficiency.
- Promote the off-site construction of intelligent audit and audit consolidation system to enable transparent and efficient audit practices.

Supporting the Development of the Greater Bay Area with Professional Capacity

Yuexiu Group is dedicated to aligning its development with the strategic plan of the Greater Bay Area. We have created strong connections between the core business, such as real estate, finance, transportation and food, with the Greater Bay Area. By leveraging its strengths, Yuexiu Group contributes to the high-quality growth of the region.

Creating a Metropolitan Coordinating Region (MCR)

In the real estate segment, Yuexiu Group focuses on the Transit-Oriented Development (TOD) model integrating rail construction, land consolidation, property development, urban operations and investment attraction with an aim to create a high-quality MCR for residents of the Greater Bay Area. The Group emphasizes the development of leisure sources and hotel-apartments to meet consumer diverse and individualized demands, and boost tourism in the region. Additionally, we are actively engaged in the renovation of old towns and villages, conducting to improve the living environment and enhance the business environment, and rejuvenate the appearance of old towns and villages in the Greater Bay Area.

The renovation of Lirendong Village is proceeding vigorously



In November 2022, the Guangzhou Municipal Housing and Urban-Rural Development Bureau approved Yuexiu Property's *Renovation Plan for Lirendong Village in Nancun Town, Panyu District, Guangzhou*, which symbolized that the renovation project of Lirendong Village is on the track. The plan focuses on three key aspects to help Lirendong Village integrate into the development of the Greater Bay Area, and realize a positive transformation of Lirendong Village:

.....Optimizing public spaces..... ▶ Improving community facilities ▶Promoting industrial transformation.....

Pedestrian overhead bridges and an air corridor network will be used to connect commercial buildings, public facilities, subway TOD stations, and the Wanbo CBD, which will create a three-dimensional, interconnected, convenient system for pedestrians.

The plan allocates 458,900 square meters for public services and municipal facilities. This upgrade will enhance the community facilities in the area, satisfying the high-quality-life needs of local residents.

Taking into account local policies and development conditions, the plan aims to create a "fashion center" and a "sci-tech innovation hub". It is estimated that approximately 1.2 million square meters of floor area will be provided, creating 120,000 job opportunities.



3D rendering for the renovation of Lirendong Village



Commencement of the reconstruction and resettlement housing project in the Lirendong Village

Boosting financial vitality

In the financial segment, Yuexiu Group strategically invests in industries such as semiconductors, integrated circuits, next-gen information technology, artificial intelligence, biopharma and healthcare, advanced equipment, renewable energy, and new materials. These investments will enhance the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, making it a dynamic and globally competitive bay area and world-level city cluster.

Creating convenient transportation network

The transport segment of Yuexiu Group focuses on infrastructure investment and construction and continuously push on the expansion and upgrade of expressways in the Greater Bay Area, to create a more convenient transportation network that benefits the people in the region. One notable project is the Guangzhou North Second Ring Road Expansion project, which is part of *China's 14th Five-Year Plan for Transportation Network Improvement*.

The preliminary construction project of the Guangzhou North Second Ring Road Expansion enhancing connectivity and promoting the growth of value



The North Second Ring Road renovation and expansion project is a major initiative led by the Guangdong Provincial Expressway and Guangzhou City. Requiring a total investment of RMB 16.983 billion, the project plan involves a combination of three-dimensional expansion, splicing on both sides, and unilateral separation. The road will be designed to meet the technical standards of a two-way ten-lane/twelve-lane expressway, with a design speed of 100 km/h. Once completed, it will greatly improve the expressway network for better infrastructure connectivity in Greater Bay Area.



Yuexiu Transport's Guangzhou North Second Ring Expressway Project

Building local food security

The Group's food segment focuses on three business platform, including dairy, agri-food, and food distribution, to provide a high-quality food supply in the Guangdong-Hong Kong-Macao Greater Bay Area.

To establish a smooth and reliable supply chain, and ensure the safe milk supply in the Greater Bay Area is safe, the Group enhances the collaboration between its subsidiaries Yuexiu Huishan, Great Wall Dairy, and Flagship Milk.

The Group also explores an integrated development approach that involves feed processing, indoor pig farming, slaughtering, deep food processing, and cold chain logistics. It is currently planning to establish pig breeding projects in cities such as Guangzhou and Zhaoqing to provide the Greater Bay Area with safe, healthy, and high-quality pig products.

Furthermore, the Group promotes the development of the cold-chain logistics industry. The construction of the Foshan Nanhai Cold-Chain Logistics Park is underway, which will offer customers integrated services such as warehousing, sorting, processing, packaging, distribution, and transportation, and strengthen the logistics chain in the Greater Bay Area.



Huadu Pig Breeding Industrial Base, Yuexiu Husbandry

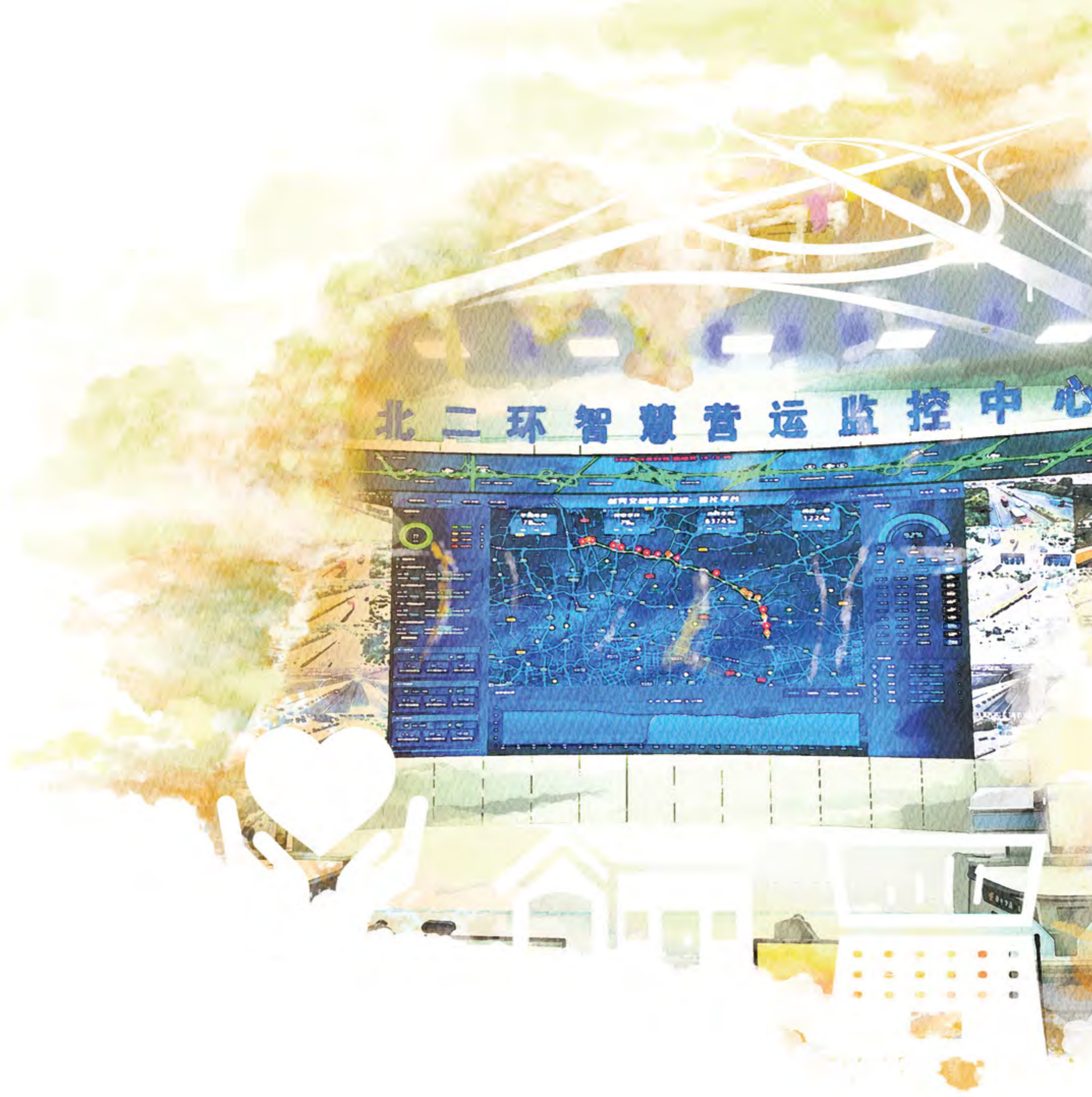


Foshan Nanhai Cold-Chain Logistics Park

3

Paving the Path to Trust

Trust, which is fundamental value for Yuexiu Group, has a significant impact not only on the enterprise but also on the entire industry. The Group focuses on technological innovation and digital transformation to build a collaborative and efficient ecosystem for the industry. It aims to create a stable development environment to enable high-quality growth through trust.



Yuexiu Group & UN SDGs:

8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	17 PARTNERSHIPS FOR THE GOALS
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Strengthening Innovation Leadership to Achieve Outstanding Performance

Yuexiu Group embraces the spirit of perseverance and breakthrough. We prioritize technological innovation and accelerates digital and intelligent transformation to optimize the business structure.

Nurturing strength in science and innovation

Sci-tech innovation serves as a potent driving force for high-quality development. The Group values innovative development and the transformation of innovation results. We constantly increase investment in R&D and innovation to tackle challenges in key technologies and product development.



The Group has won the "Best Practice Award for Data Governance" at the 2022 DAMA China Data Management Summit



"2022 Xinghe Best Case for Data Asset Management" for Yuexiu Group's Comprehensive Solution for Data Asset Management



Trophy for "Outstanding Organization for Network" in the 2022 Guangzhou Network Security Attack and Defense Exercise

Yuexiu Transport has launched an AI-enabled "Early Warning and Rescue" system

The company is actively exploring the integrated application of big data, AI, and other advanced technologies in traffic safety and emergency response. It has developed the first-of-its-kind AI-enabled "Early Warning Rescue" system with the function of automatic warning and one key rescuing in China. The platform leverages intelligent perception to detect abnormal events on roads, issue automatic warnings, and facilitate efficient rescue operations. It helps to reduce traffic accidents, improve rescue efficiency, and enable timely responses to emergencies.



The AI-enabled "Early Warning and Rescue" system successfully passed the review of the National Ministry of Science and Technology's Science and Technology Investigation Report

Self-reliance in sci-tech: Guangzhou Paper Group fills the gaps of domestic paper products

Before October 2021, the lightweight inside liner used in China was mainly imported from Russia. Through independent R&D, Guangzhou Paper Group has remake the production capacity of the deinking pulp production line, which was originally designed for processing waste paper, so that the production line can produce 38-60gsm lightweight inside liner using OCC as raw material. This fills the gap in the domestic market for ultra-low-weight inside liners. The project won the second prize for sci-tech advancement in 2022 by the Guangdong Paper Association.



Accelerating digital transformation

In line with the "Digital Yuexiu 2025" strategy, the Group is speeding up digital and intelligent transformation and the conversion of R&D results. On one hand, we are promoting the "Business-Data Middle Platform" to improve business automation and production efficiency, which covers the digital foundation, and middle platforms for data and customer management. With the principle of "Going into and feeding the business", we dive into valuable business scenarios to fully understand business operations, and made the business be more empowered. On the other hand, we leverage ISO system certification to promote the upgrading of capabilities for digital services and information security.

Building new competitiveness for real estate companies through digitalization

Yuexiu Property recognizes that digital transformation is crucial for agile response to external changes and winning sustainable competitiveness. Guided by the "13th Five-Year Plan" and the "14th Five-Year Plan" for national digitization, we use technological methods to reduce costs and improve efficiency, while enhancing quality and revenue. Breakthroughs have been made in smart marketing, smart building, and smart communities, among other important results.

In terms of smart marketing

the company has established a virtual property viewing platform to reach its customers more quickly and widely. Customers can use the platform for online property search, VR property viewing, and one-stop property booking and purchasing services, allowing them to experience the appeal of Yuexiu's products.



In terms of smart construction

the company has established a city map, a design product standard library, an engineering management platform, and a dynamic cost management system. These enable intelligent research and decision-making, online collaborative review of product standards, transparent supervision of engineering projects, seamless data integration across the entire cost chain, and integrated management.

In terms of smart communities

the company actively explores ways to enhance the living experience through technological means. It has created a one-stop solution for smart homes, smart services, smart pedestrian and vehicle access, and smart security management, greatly improving customer experience in living, mobility and other community scenarios.

Guangzhou AMC has independently developed a GIMS system for the management of intelligent assets.

Guangzhou AMC has developed a GIMS system independently. The system specializes in the valuation of non-performing assets, which drives management actions through different valuations at different stages of the business process. It monitors risks in non-performing asset management in real-time and effectively resolves them, covering the entire life cycle of non-performing assets from acquisition, operation, and management to disposal. By using the GIMS system, Guangzhou AMC has significantly improved its capabilities in financial services and asset management. Shortly after its launch, the system supported the acquisition of a large non-performing asset portfolio worth RMB 40 billion and consisting of 395 properties. It has been highly praised by regulatory authorities and insiders for its international-advanced functions.

Building a Cooperative Ecosystem Through Efficient Coordination

Adhering to the principle of "openness, inclusiveness, win-win cooperation and efficiency", Yuexiu Group establishes a sound and collaborative customer management mechanism to promote the digital transformation of the customer management system, deepen pragmatic cooperation in multi-fields, explore new value along the value chain, and grow together with customers and industry partners.

Optimizing resource collaboration

The Group continuously strengthens the leadership of strategy on collaborations, and promotes concerted efforts among group-level, segment-level, and regional-level organizations, to improve the Group's efficiency in resource collaboration and organizational management.

Improving collaborative effectiveness




At the group level

we deepen cross-segment customer interaction, promote the extension of the industrial chain, and improve the quality and efficiency of resource aggregation.



At the segment level

we actively build a collaborative ecosystem and expands collaborative practices in multiple levels and dimensions.



At the regional level

we have established seven collaborative organizations and an mechanism for organization and operation of each organization, and launched regular regional joint meetings.

2022 Collaborative Organization Performance

Successfully promoted **310** new collaborative projects for the Group

Achieved a collaborative amount of RMB **138.349** billion

a year-on-year increase of **28.97%**

Collaborative amount in seven categories	finance RMB 32.469 billion	customer referral 48 million	industry 42 million
Banking funds RMB 30.277 billion	industry-finance RMB 8.562 billion	cross-sell RMB 696 million	integrated marketing RMB 27.398 billion

Improving communication mechanism

The Group continues to improve the regular communication mechanism for regional coordination, guide subordinate organizations to form an awareness of regional coordination and establish a regional coordination model with distinctive characteristics, thus achieving efficient regional collaborations.



Hold the semi-annual work meeting for regional coordination in addition to regular coordination meetings;



Conduct industry research to learn from the advanced experience and practices of leading enterprises in regional coordination management;



Adjust the structure of the regional coordination group based on the business development and the integrated opinions of each segments.



Gradually form a coordination model with regional characteristics.

Building a coordination platform

In 2022

the Group has released a total of 561 business opportunities	an increase of 21.29% compared to the previous year, representing a significant increase in the number of effective business opportunities	We also released 471 coordinated projects	with 338 completed, significantly improving internal and external coordination.
with 424 accepted		an increase of 45.82% compared to the previous year	

Building a membership system

The Group successfully finished the construction of the membership management system. We go online with the program named "Yuexiuhui", and collaborate with each segment to construct and carry out scenario-based operation, finally achieving quantifiable project results.

Membership business system:
Constructed the "1+N" membership system, completing the construction of "Membership Pass", "Level Pass" and "Points Pass" systems.

Online membership platform:
Build the membership operation platform of the Group, realizing the unified login of the entire Group's members as well as the interconnection of points, benefits and grades.

Online member shopping mall:
From October to December 31, a total of 2,090 products were on the shelves of the member mall, realizing 91,000 orders, achieving a sales amount of RMB 3.12 million, and successfully transforming 1.144 million people into members of the Group.

Member operation:
Carry out a series of online and offline scene activities to realize member recruitment, activation and conversion.

Promoting industrial development together

The Group is always willing to share development achievements with society. We strive to explore new models and systems for industry-academic-research cooperation, and carries out all-round collaborations with government bodies, upstream and downstream enterprises, and research institutions. By fully leveraging the advantages of the Guangdong-Hong Kong-Macao Greater Bay Area in location and policies, the Group has smoothed the innovation chain, industrial chain, capital chain, and policy chain, to promote high-quality and integrated development of the region.

Government-enterprise cooperation

The Group actively explores new approaches to government-enterprise cooperation, fully utilizes our own advantages in resources and industry development, and provides precise measures to support high-quality development of the region. In 2022, Yuexiu Group signed strategic cooperation agreements with the Department of Commerce of Guizhou Province, Baiyun District, Tianhe District, Nansha District of Guangzhou, and other government agencies, fully playing its leading role as an SOE in Guangzhou to serve the local socio-economic development.



Launching of Dafang feed mill and Xiaojichang project of Yuexiu Husbandry

Enterprise cooperation

The Group leverages our advantages in many industries to actively carry out intensive and strategic cooperation with domestic leading enterprises such as Guangzhou Automobile Group(GAC), Guangzhou Public Resource Trading Company, Zhejiang Provincial Energy Group, Chimelong Group, China Railway Construction Group, Guangzhou Mobile, GF Securities, and Guangdong Provincial Port and Shipping Group in different areas, to promote the implementation of major collaborative projects for a win-win future.

Signing a strategic cooperation agreement with GAC

Yuexiu Group and GAC held a signing ceremony for the strategic cooperation agreement. Both of Groups will carry out comprehensive strategic cooperation in the fields of industrial real estate operations, financial services, market expansion, brand promotion, and develop business collaboration in the sales of agri-food products, joint marketing. This agreement will be turned into a range of specific project, realizing the complementarity of advantages, mutual benefit and win-win situation, as well as bringing new momentum for the development of two Groups and the economic and social development of Guangzhou.



Yuexiu Group entered into a partnership with Zhejiang Provincial Energy Group in urban energy conservation and real estate finance

Yuexiu Group and Zhejiang Provincial Energy Group signed a strategic cooperation framework agreement to carry out collaborations in project development, urban energy conservation, real estate finance, and team training. The partnership aims to explore new opportunities for mutually beneficial development. The collaboration is expected to contribute to the formation of new business forms such as "energy plus", "finance plus" and "real estate plus", and to promote the partnerships among SOEs for a win-win future.



University-enterprise cooperation

The Group actively collaborates with prestigious research institutions to build a platform for cooperation between industry, academia, and research institutes, so as to strengthen talent exchange and training and the development of new products and technologies. In addition, the Group has reached cooperation agreements with South China University of Technology, South China Agricultural University, Guangdong Ocean University, and other universities to jointly build the "Yuexiu Industrial College", a talent training base of the Group.

Yuexiu Property collaborates with Hong Kong University of Science and Technology to promote cooperation between industry, academia, and research institutes

On June 21, 2022, Yuexiu Property signed a cooperation agreement with the Guangzhou HKUST Fok Ying Tung Research Institute. This further deepens the partnership between Yuexiu Property and the HKUST. Both parties will fully leverage their respective strengths to promote the transformation of research and technology resources from HKUST and technological innovations for the incubation of more unicorn companies.



Building a Solid Foundation for Sustainable Development with Openness and Self-discipline

Yuexiu Group always values openness and self-discipline. The Group has taken multiple measures to build a clean and honest enterprise, promote standardized and safe production, and create a clean and safe working environment for all employees.

Promoting clean governance

The Group attaches great importance to clean and honest governance as well as anti-corruption efforts. The Group has intensified supervision and regulation to provide robust guarantees for accelerating the pursuit of becoming a world-class enterprise.



Establishing a clean governance system and improving it in an orderly manner.

Group revised key management documents such as *the Management Measures for Disciplinary Inspection, Supervision and Complaint Reporting* and *the Guidelines for Collaborations in Receiving Reports and Complaints*, improved the acceptance platforms, and further smoothed the channels for reporting and petitioning through the establishment of online reporting platforms.



Actively carrying out clean governance training

Adhering to the principle of leading by executives, the Group conducted 10 education sessions, which led to 57 integrity lectures by the discipline committee secretaries of subordinate enterprises and 194 specialized education sessions.



Broadening the way of clean governance promotion

Through innovative approaches for communication, the Group produced 13 micro-videos on integrity education including *Holding the Bottom Line for Clean Governance* and *Resisting Corruption and Promoting Integrity*. We has also flexibly utilized online and offline resources to strengthen integrity education.



Serious investigations and treatment of disciplinary and legal violations

The Group implements the supervisory responsibilities diligently. In 2022, the Group filed 7 cases involving 7 individuals, closed 8 cases involving 8 individuals, and imposed disciplinary actions on 8 individuals. A total of RMB 5.6589 million was recovered in stolen funds and losses.



Meetings for promoting clean and honest company governance

Strengthening work safety practices

The group adheres to the bottom line of work safety, comprehensively implements the standardized HSE management system, establishes a work safety management system that covers all employees and the entire production process, and realizes the integrated operation of HSE management and work safety operation.

In 2022

the Group invested RMB **130 million** in work safety management among all segments.

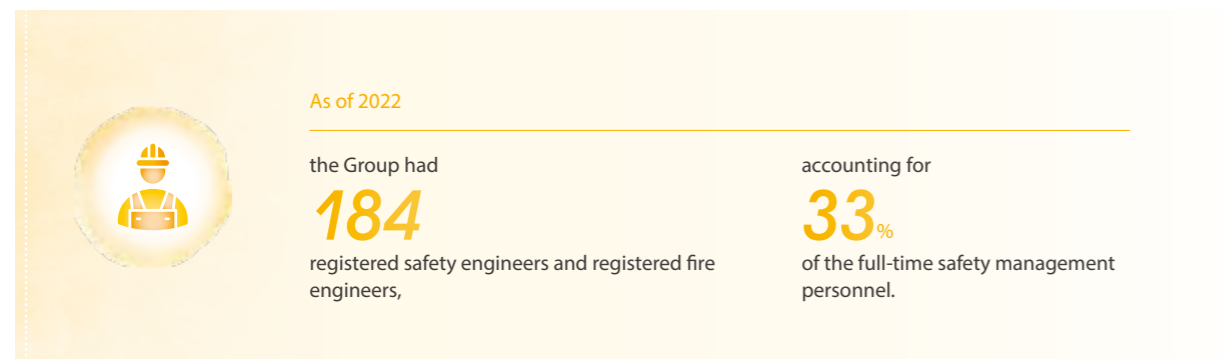
Optimizing safety system

The Group dynamically adjusts its safety management structure, establishes a sound safety management system, clarifies the safety responsibilities of each level and position in the production and operation process, and promotes the standardization of work safety systems. We has released relevant measures and guidelines to achieve long-term development of work safety mechanisms.



Enhancing safety capacity

The Group continuously strengthens the expertise in safety management. Registered safety engineers are appointed in segments and direct subsidiaries, effectively enhancing the safety management and technical capabilities of the enterprises.



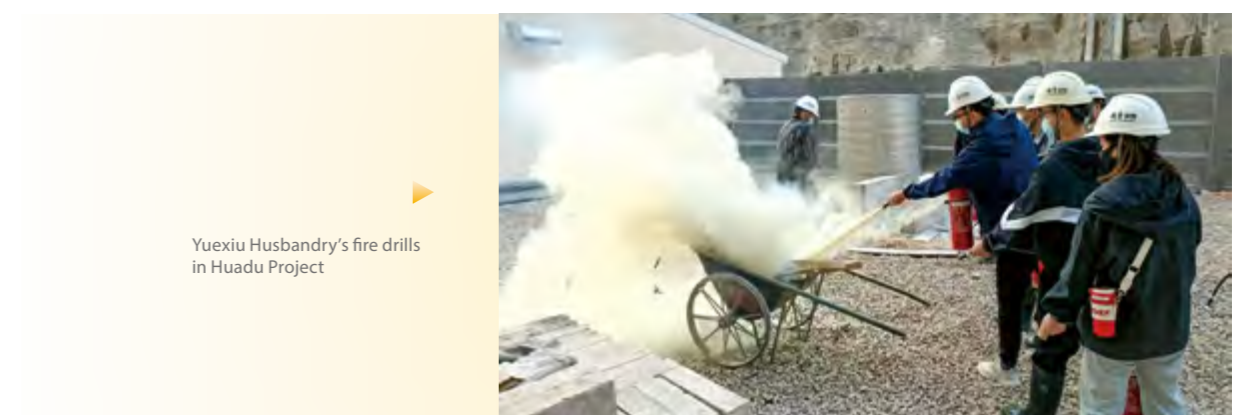
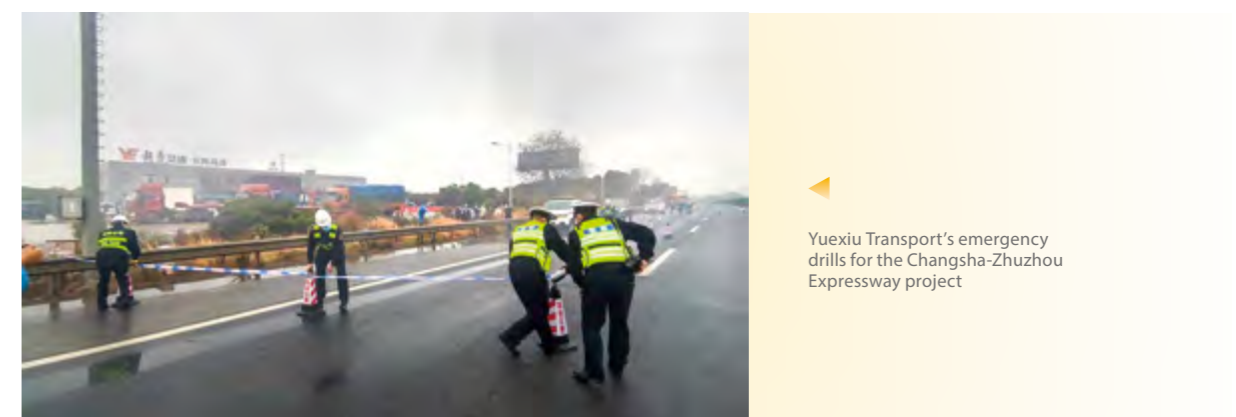
Fine-tuning the assessment of safety responsibilities

The Group incorporates work safety assessment into the KPIs for each segment, and urges subordinate enterprises to take accountability for work safety. In 2022, the Group organized external and internal experts to conduct annual work safety assessments on 6 segments, directly affiliated companies, and 4 food companies, summarized safety management experience based on the identified problems, and continuously improved safety management standards.



Deepening a strong safety culture

The Group strictly implements the "Fifteen Mandatory Measures" for safety production by the State Administration of Work Safety, and combines the Group's vision, mission, and values for safety to carry out safety culture promotion activities, so as to raise employees' awareness on work safety.



4



Paving the Path to Confidence

Confidence, as the core value of Yuexiu Group, provides the intrinsic driving force for sustainable development. Firmly believing in victory, Yuexiu Group's employees worked together to fight the pandemic and shouldered social responsibilities voluntarily. We actively explore new paths for green and low-carbon development. With confidence, We break through barriers and move towards a more harmonious future.

Yuexiu Group & UN SDGs:



Fighting the COVID-19 Together

In 2022, the sporadic outbreaks of COVID-19 across China disrupted the rhythms of citizens' life, posing serious challenges for us. Yuexiu Group firmly shouldered the responsibility in COVID-19 prevention and control, and concentrated its efforts to support local communities. Like heroes in harm's way, the Group's employees step forward bravely to fight the pandemic together with the local community.

From October to November in 2022, facing with the worst epidemic situation in Guangzhou in three years, Yuexiu Group dispatched a total of 20,000 people to support the epidemic prevention and control frontline in Haizhu district, Baiyun district, Huadu district and Tianhe district; successively provided the city's Transit and Isolation Team with 2,006 quarantined hotel rooms; and donated a total of about RMB 5 million of epidemic prevention materials and foodstuffs to the frontline of the fight against the epidemic.

Overcoming challenges to ensure timely food supply

In April 2022, there was a sudden COVID-19 outbreak in Baiyun District, Guangzhou. Yuexiu Foods acted swiftly by establishing a COVID-19 prevention and control command, and build the supply system to ensure the availability of essential items. They set up multiple supply points in Tangjing Street and Tongde Street, and also opened an online channel for convenience. During the period, Yuexiu Foods delivered 84.1 tons of rice and flour, 59.2 tons of poultry, eggs, and meat, 1.8 tons of aquatic products, 60 tons of fruits and vegetables, 241.6 tons of dairy products, 84.4 tons of convenience food, 75.6 tons of mineral water, 105,450 portions of fast food, 2.7 tons of other kinds of food, ensuring sufficient supply for local residents.



Fight against the COVID-19 with concerted efforts



Since October 2022, the COVID-19 outbreak in Guangzhou has remained complex and severe. To address this, Yuexiu Services promptly organized a volunteer team to assist with pandemic control in high-risk areas including Huadu District, Baiyun District, and Haizhu District. These volunteers have been involved in various tasks such as conducting PCR testing, epidemiological investigations, distributing daily necessities and COVID-19 prevention materials, and maintaining 24-hour guard. Through their actions, they have demonstrated the responsibility and commitment of SOEs' employees and have built a defense line to protect the health

of the citizens. In 2022, Yuexiu Service has mobilized more than 45 batches of nearly 4,000 people to participate in the fight against the epidemic in Guangzhou, covering 103 streets in 11 districts across the city, with a cumulative total of 48,000 hours of volunteer service.

Let's Protect Guangzhou Together



"I'm not tired! I'm proud to join the fight against COVID and do something for the residents. It's a valuable experience for me!"

In November 2022, Qiu Peng, an employee of Yuexiu's financial segment, heard that an elderly couple had emotional fluctuations due to the prolonged lockdown. He immediately went to their home and chatted with them to alleviate their anxiety. Qiu Peng's patience and care brought relief to the elderly couple. Prior to this, Qiu Peng had been on the front line of COVID-19 for over 15 consecutive days. Each day, he took on different works, navigating through narrow alleys and lanes, dedicating himself to serving the community and doing his best to protect it.

"I have participated in exercises in the military before and I understand how urgent it is to curb the spread of COVID-19."

Dang Han, who works for the transport segment of the Group, bravely volunteered to take part in the first volunteer team entering the high-risk area of Haizhu District. As a former naval officer, he joined the "Kunpeng" emergency response team without hesitation. He was responsible for delivering food to people isolated in hotels and verifying the information of individuals with red health codes. In just one week, Dang Han and his associates verified nearly 600 pieces of information, serving as a crucial part in the fight against COVID-19.

"Guangzhou is greatly affected by the pandemic. As a CPC member, I have to do everything I can for the city and its people."

Huang Bin, a 23-year-old fresh employee of the Guangzhou Paper Group of the Yuexiu Group, volunteered to help in the fight against COVID-19 in Baiyun District. He worked alongside medical staff, conducting nucleic acid testing and distributing antigens. Despite the demanding and repetitive nature of the work, Huang Bin never complained and consistently performed his duties with diligence and responsibility. He also paid attention to work details, like taking the initiative to ensure accurate distribution of antigen reagents, displaying a strong sense of responsibility.

Shouldering Responsibility and Making Contributions to Society

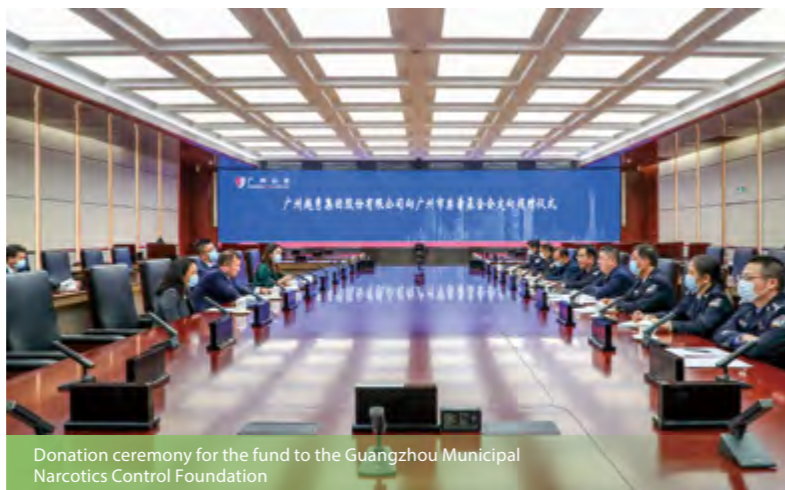
Yuexiu Group is committed to incorporating social responsibility into the development, making "giving back to the community and employees" a vital aspect of its corporate mission. The Group encourages its employees to engage in social services, and organizes various volunteer service initiatives. We also prioritize employee care, demonstrating our commitment by giving back to society and showing genuine care for our employees.

Social services and charity

The Group actively participates in social welfare and charity undertakings, playing a leading role in areas such as COVID-19 control, drug education, donations for education, poverty alleviation, and care for vulnerable groups. In 2022, Yuexiu Group was honored with the "Guangzhou Business Model for Charity" award and the "Five-Star Charitable Organization in the 2022 Guangzhou Charity List" award. Additionally, the Group's Charity Foundation was also recognized with the esteemed "Five-star Charitable Organization" award.

March 2022

Yuexiu Group is committed to fostering collaboration between the police and enterprises to enhance public safety. We continuously deepen the police-enterprise cooperation mechanism and establish regular partnerships with the local Narcotics Control Foundation. As part of our efforts, we have donated RMB 1 million to support Guangzhou's drug control initiatives. We are dedicated to creating a safe and secure environment for everyone in Guangzhou.



Donation ceremony for the fund to the Guangzhou Municipal Narcotics Control Foundation



"Love in Yuexiu" book donation activity

May 2022

Yuexiu Charity Foundation organized a special event called "Love in Yuexiu" at Xia'ou Village Primary School in Luohu Town, Dongyuan County. The aim of this activity was to promote the love for reading among students by donating books and other essential items. During the event, the foundation generously donated over 100 books, 40 sets of school bags, stationery, and sports equipment.

July 2022

The foundation also held a donation ceremony in Guangzhou for the 2022 Yuexiu Charity Children's Painting Exhibition titled "Lighting the Future of Star Children". During the donation ceremony, representatives from the Yuexiu Charity Foundation and Flagship Milk came together to make a meaningful contribution. They jointly donated 70 boxes of Flagship Xianquanhu Fresh Milk to 15 families who have children with autism disorder.



Donation ceremony of 2022 Yuexiu Charity Children's Painting Exhibition titled "Lighting the Future of Star Children"



"Energetic Summer" 2022 Charity Run

August 2022

Yuexiu Foundation, together with Yuexiu Property's Central Greater Bay Area Regional Office, Yuexiu Services' Guangzhou Office, Yuexiu Group's Volunteer Team and Yuexiu Property's Yuexiu Club, organized a charity run event called "Energetic Summer". Yuexiu Property made charitable donations based on the total kilometers covered by all runners. These funds will be utilized to purchase books for donation to both the Yuexiu Charity Foundation and the Guangzhou Yang'ai Parents Club.

September 2022

Representatives from Yuexiu Husbandry's Fengkai Project and China Railway Construction Engineering Group visited the residents of Wanggao Village, Wan'an Village, and Xinwei Village in Jinzhuang Town, Zhaoqing City. Their purpose was to bring support and joy to those in need during the holiday season.



Welfare service by Yuexiu Husbandry and China Railway Construction Engineering Group

November 2022

Yuexiu Property's "Changsha City Roaming Plan" is a public education campaign taken place in the Central China region. The initiative follows the successful study tour of the Han Kou Historical Area and Wuhan University as another significant endeavor for promoting social welfare. The campaign is aimed to provide young people with a rich and immersive experience in exploring the customs and culture of Hunan, so that they can gain valuable insights and nourishment, continuously expanding the horizons of their personal development.



The "Yuexiu Classroom" activity for city exploration

Volunteer services

The Group is actively spreading the spirit of volunteer service, which emphasizes dedication, friendship, mutual assistance, and progress. We organize a wide range of volunteer activities to contribute to society, making a positive impact as a compassionate enterprise.

In 2022

the Group's volunteer service had **12** teams (groups) with **3,395** registered volunteers participating in **565** volunteering activities, accumulating a total of **57,000** hours of volunteer service

"Volunteer Service for All" activities

In June 2022, Yuexiu Senior Housing and Yuexiu Services partnered with the Guangzhou Volunteer Association to launch the "Volunteer Service for All" campaign. The activities include: Piloting programs such as the "Voice of the Elderly", "Teenage and Senior Volunteer Squad", "N+1 Paired Assistance", and public service lectures. Social workers, medical staff, nursing professionals, and rehabilitation therapists provide services to elderly individuals in need, leveraging the power of SOEs to improve their living conditions.



Flagship Dairy's young hold World Milk Day activities with Guangzhou Children's library



June 1, 2022 was International Children's Day and World Milk Day. Guangzhou Children's Library carried out "Read about Guangzhou"--a series of story activities of the Guangzhou cows in the Science Museum, on the second floor. The youth volunteer team of Flagship Dairy popularized the knowledge of cows and milk, and provided DIY milk bobble cup making activities and volunteer services for the children.

Employee care

Festive greetings to employees

The Group's labor union issued the *Action Plan for Employee Care in the 2022 Chinese New Year*. A total of RMB 295,000 was allocated to purchase gifts for frontline workers, migrant workers, and other worker groups during the holiday season.

Support for female employees

The Female Staff Committee is actively implementing an incentive policy by introducing the *Program on Cultivating and Incentivizing Female Staff*. As part of this initiative, an amount of RMB 80,000 has been allocated as a cultivation subsidy specifically for female staff members.



Support for employees in difficulties

The Employee Mutual Aid Foundation carefully examined the difficulties experienced by employees and identified 28 households in need. In order to provide support, around RMB 105,000 of relief fund was allocated for their living and children's schooling.

Cultural, sports and leisure (CSL) activities

We organized various engaging events for our employees, including the "Yuexiu Financial Holdings Cup" jogging competition, Yuexiu Transport's soccer tournament, the "Yueyue Cup" badminton tournament, and the "Chuangyue Cup" 3X3 basketball competition. These events are part of the "2022 Yuexiu Energy" Games, which offer a range of CSL activities that appeal to our employees' diverse spiritual and cultural interests.

"2022 Yuexiu Energy" 3X3 Basketball Competition

On September 24, 2022, the trade union of the Group headquarters and the trade union of Chong Hing Bank Guangzhou Branch organized the "2022 Yuexiu Energy" 3X3 Basketball Competition. The event offered a fascinating leisure activity for the staff, allowing them to unwind and alleviate work-related stress. It also encouraged better communication among different departments and segments, fostering team spirit and a sense of belonging among the staff.



Unswerving Dedication to Green Development

Yuexiu Group strongly supports the national goals of carbon peaking and carbon neutrality and is at the forefront of green development. We prioritize the promotion of green buildings, innovative green products, and the implementation of low-carbon operations, all while increasing environmental awareness of staffs. These efforts enable us to establish our own "green footprint" and steadily progress towards high-quality, eco-friendly, and low-carbon development.

Practice green philosophy

Guided by our commitment to green development, Yuexiu Group drives comprehensive transformation and upgrading across all business segments. We prioritize green practices such as saving energy, reducing carbon and pollutant emissions, and improving resource utilization to incorporate a low-carbon approach into our sustainable development efforts and contribute to a greener future



Green Building

- Yuexiu Property is committed to promoting environmentally-friendly building technological innovation. They design all new buildings according to the one-star green building standard. In 2022, they constructed 34 new projects that meet green building standards, covering a total floor area of 4.990 million square meters. There is a substantial 113% increase compared to the previous year.
- Yuexiu Property has received recognition for its efforts in sustainability. It was awarded the "2022 China Top 10 Real Estate Enterprises by Low Carbon Indexes" and the "2022 China Top 10 Real Estate SOEs by Low Carbon Indexes".
- Yuexiu REIT's Wuhan Yuexiu Fortune Center received LEED v4.1 O+M:EB Platinum certification in 2022.
- Yuexiu Property has taken on the design and construction of four ultra-low energy buildings. They have also conducted a study on *the Standardization of Sponge City in the Greater Bay Area*. Furthermore, the company has developed green engineering standards and implemented initiatives to promote a sustainable workplace.



Green Finance

- Yuexiu Financial Holdings takes environmental factors into account during project due diligence activities and customer credit rating. They strictly prohibit involvement in backward and overcapacity industries and have a one-vote veto for projects that don't meet environmental protection standards. They provide preferential green business in risk pricing to guide and support the development of them.
- Yuexiu Financial Holdings has also created a range of green financial products and services, including green leasing, green investment, and green bonds. These initiatives aim to direct financial resources towards more sustainable industries and sectors.
- Chong Hing Bank has established *the Policy of Sustainable Lending*, which states that climate risk management and assessment should be considered into lending. They encourage customers to actively respond to climate change, aiming to reduce customers' credit risk and support them make a transformation to low-carbon economy.



Green Transportation

- Yuexiu Transport places great importance on controlling the environmental impact of its engineering projects. They have implemented measures to address different environmental risks. Construction companies are required to practice civilized construction and ensure the timely and proper disposal of project waste. Additionally, sound barriers are installed in key road sections to minimize noise pollution.
- Yuexiu Transport uses environmentally friendly snow melting agents and ensures that project waste is properly disposed of to minimize the environmental impact of snow melting and de-icing.



Green Food

- Yuexiu Foods has created *the Guidelines for Responding to Environmental Incidents*. All subsidiary companies of Yuexiu Husbandry have also developed *the Emergency Response Plans Specifically for Environmental Incidents*. These measures are implemented to effectively manage and respond to unforeseen environmental accidents.
- Yuexiu Foods continuously develops modern ecological agriculture and husbandry integrated industrial projects, and builds its pig breeding industrial park projects integrating planting, breeding, slaughtering and processing into modern, large-scale and intensive environmental pig breeding demonstration bases.



Green Papermaking

- In 2022, Guangzhou Paper Group invested more than RMB 20 million to upgrade the NO₂ treatment facilities of their 130th boiler from SNCR to SCR. The renovation is estimated to reduce NOx emissions by 332.8 tons per year.
- Guangzhou Paper Group has also received the China Environmental Labeling (Type II) Certification from CEC. The certification signifies national recognition for the company's environmentally friendly products.

Innovate green products

Yuexiu Group places a high priority on green development throughout the entire life cycle of its products. It actively promotes the development and application of green technologies, innovates green products, and contributes to creating a sustainable and environmentally-friendly future for the city and urban life.

Real estate segment

Yuexiu Commercial has intensified its efforts in conserving energy and reducing emissions. The company has introduced "Office Building 3.0", which prioritizes intelligence, health, and community aspects.

YUE+ E-Commerce platform collaborates with environmental service suppliers to integrate environmentally friendly design, health standards, environmental consultants, and other resources. This support helps enterprises in their green transformation efforts and enables them to achieve sustainable development.

Finance segment

Yuexiu Financial Guarantee integrated green and ESG indicators into its credit due diligence and examination processes and implemented an environmental governance system with a one-vote veto. They provided services to 59 green industry clients, involving assets worth over RMB 17 million.

Yuexiu Industrial Fund invested over RMB 1.6 billion in green business during the same period.

Guangzhou AMC leveraged its expertise in managing non-performing assets and invested approximately RMB 1.3 billion in 2022 to actively support the growth of green industries.

Yuexiu Financial Leasing has expanded its issuance of green bonds and has successfully released one green bond along with three green asset-backed securities (ABS). This comprehensive approach ensures that both green loans and green refinancing are fully covered. In 2022, Yuexiu Financial Leasing issued a total of RMB 3.831 billion in green bonds and RMB 15.1 billion in credit allocation, supporting over 3,000 green projects.

Chong Hing Bank and Kowloon Motor Bus have entered into a Sustainability Performance-Linked Loan Facility agreement to establish sustainability performance indicators to promote environmentally friendly operations and the sustainable development of green transportation in Hong Kong.

Transport segment

Yuexiu Transport is actively exploring and adopting advanced environmental protection technologies. It is using innovative methods like thin asphalt overlay and ultra-thin abrasive overlay in projects. These technologies help reduce resource consumption and waste generation, leading to green achievements.

Food segment

Flagship Milk is committed to promoting the regular maintenance and renovation of their sewage stations. In 2022, its equipment renovation resulted in significant improvements in sewage treatment. For example, the concentration of COD emissions decreased from 159mg/L to 133mg/L, suspended particulates concentration in emissions decreased from 34mg/L to 18mg/L, and BOD5 concentration in emissions decreased from 41.6mg/L to 18.3mg/L. These improvements led to a 15% enhancement in sewage treatment efficiency, effectively reducing environmental and safety risks.

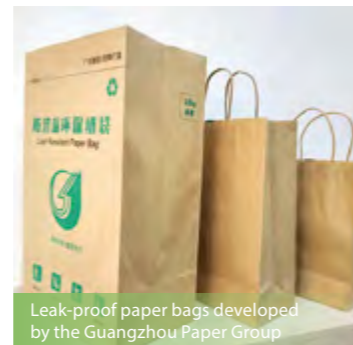


Yuexiu Huishan Dairy Farm has implemented a bedding system using recycled manure solids. This system effectively eliminates harmful bacteria and reduces the water content in the manure. The exhaust gas produced during the fermentation process is properly treated and discharged, ensuring a clean surrounding environment. The use of recycled manure bedding reduces the requirement for river sand or rice husk, resulting in decreased pollution and minimal damage to the ecological environment.

Guangzhou Paper Group

Guangzhou Paper Group is actively engaged in the comprehensive reuse of municipal and industrial solid waste, including hazardous and non-hazardous waste. They promote the utilization of de-inked paper sludge as an effective and innovative approach to achieve this goal. In 2022, the company achieved comprehensive reuse of all solid wastes and maintained 100% recycling of the solid waste.

Additionally, Guangzhou Paper Group has created a type of kraft paper that is highly resistant to water. It is used as the main material for innovative square bottomed paper bags, which are designed to be leak-proof. By replacing plastic bags with these eco-friendly paper bags, Guangzhou Paper Group has become the first manufacturer in the industry to achieve mechanized mass production of paper bags.



Live a greener life

Yuexiu Group is dedicated to integrating the principles of environmental sustainability into every aspect of daily operations. We actively promote a low-carbon approach to work and life, with the goal of conserving resources, protecting the environment, reducing pollution, and embracing a more sustainable lifestyle.

Promoting green office

The Group conducts awareness campaigns and educational activities to promote green office program. We encourage paperless office practices and implement measures to save water and electricity in our daily operations. Our aim is to create a green, eco-friendly working environment.

In 2022

Yuexiu Property successfully reduced carbon emissions by an impressive

5,410.16 tons.

The company achieved this by digitizing daily work processes through an internal intelligent working platform. It enables the employees to conduct online training and video conferences, send digital logs, and significantly reduce paper consumption.



Yuexiu Property's green office concept

Advocating for environmental consciousness

Every year, the Group arranges environmental activities on the Earth Day, such as participating in the Earth Hour, and actively advocates for waste separation. We strive to promote a low-carbon and environmentally friendly lifestyle, while also increasing green awareness among citizens. Our ultimate goal is to foster a civilized, healthy, and green living environment.

Yuexiu Services promotes a greener way of life

In 2022, Guangzhou IFC became the pioneer in China by establishing the Green Health Committee, the first office-based green health organization. Under the theme of "Green Health", Yuexiu Services has been actively promoting the initiatives of the Green Health Committee. The company has organized a range of activities, including "Green Planet" climate protection campaign, informative green health lectures during the pandemic, engaging no-smoking day games, and educational scientific camps focused on garbage sorting. It has also collaborated closely with local tenants to integrate green development concepts into their daily work and lifestyles.



Outlook for 2023

In 2023, we are embarking on a new journey with the comprehensive implementation of the spirit of the 20th National Congress of the CPC and the advancement of our "14th Five-Year Plan". We will follow the guidance of the 20th National Congress of the CPC and align our efforts with the new development stage. By embracing the new development philosophy, we aim to establish a fresh paradigm for development. With confidence and determination for high-quality growth, we will utilize our unique characteristics and strengths to provide firm support for the integrated development of the Guangdong-Hong Kong-Macao Greater Bay Area and the construction of a modern industrial system.

As we aim to be listed among the Fortune Global 500 companies, our focus will be on optimizing and adjusting our company structure to cultivate new areas of business growth. In the real estate segment, we will continue to implement our strategy for commercial and residential properties, prioritizing initiatives such as Transit-Oriented Development (TOD), urban renewal, and collaborations with other state-owned enterprises to enhance productivity. In the finance segment, our focus will be on key businesses and regions, with a special emphasis on inclusive finance, green initiatives, and financial technology (fin-tech). Our transport segment will work towards maintaining a smooth industry chain and aim to transform into a transportation infrastructure management company. In the agri-food segment, we will integrate resources along the entire industrial chain, adjust our product portfolio, and establish connections between the upstream and downstream of the pig farming industry chain.

We will actively leveraging our position as a leading enterprise to serve the socio-economic development of the Guangdong-Hong Kong-Macao Greater Bay Area. We will expand our local investments in key projects and urban operations, while also strengthening our financial services to support the real economy. We aim to attract high-quality enterprises to Guangzhou by utilizing the capabilities of the Yuexiu Industrial Fund. We will actively support the implementation of the Nansha Plan and operate the Yuexiu-HKUST Nansha Intelligent Manufacturing Production Base through a market-oriented approach. Additionally, we will prioritize social initiatives that improve people's livelihoods, such as subsidized housing, long-term rental apartments, elderly care projects, and ensuring a stable supply of necessary agricultural products. Moreover, we aim to transform the Conghua Field Complex project into a national demonstration site for rural revitalization.

We should live every moment to the fullest with lofty goals in mind. In 2023, we will work together with full dedication to fulfill our mission and achieve even greater success. We will focus on our "12345" strategic goals and make a significant contribution to our high-quality development, taking it to a whole new level.



Key Performance Indicators

	Indicators	Units	2020	2021	2022
Economy	Maintenance and appreciation rate of state-owned capital	%	113.09	112.90	105.97
	R&D investment ¹	RMB 10,000	14456.44	14643.49	43867
	Number of new patents	Numbers	34	47	46
	Product qualification rate (Guangzhou Paper Group)	%	99.4	99.4	99.4
	Total complaints (Yuexiu REIT)	%	100	100	100
	Customer complaint response rate (Yuexiu Transport)	%	100	100	100
	Complaint resolution rate (Guangzhou Paper Group)	%	100 (Newsprint) 100 (New product)	100 (Newsprint) 100 (New product)	100 (Newsprint) 100 (New product)
	Complaint resolution rate (Yuexiu Foods)	%	100	100	100
	Customer satisfaction (Yuexiu REIT)	%	97	96	98
	Customer satisfaction (Guangzhou Paper Group)	%	96.6 (Newsprint) 86.3 (New product)	95.7 (Newsprint) 85.6 (New product)	97.0 (Newsprint) 87.0 (New product)
	Total number of suppliers (Yuexiu Property)	Numbers	13050	26850	18196
	Total number of suppliers (Yuexiu REIT)	Numbers	1013	1024	854
	Total number of suppliers (Yuexiu Transport)	Numbers	1292	1758	2319
	Total number of suppliers (Yuexiu Financial Holdings)	Numbers	129	197	217
	Total number of suppliers (Chong Hing Bank)	Numbers	226	273	281
Proportion of suppliers in South China (Yuexiu Property)	%	56.92	58.00	45.33	
Proportion of suppliers in South China (Yuexiu REIT)	%	73	81	75	
Proportion of suppliers in South China (Yuexiu Financial Holdings)	%	58.91	67.00	70.50	
Society	Total number of employees	Person	29937	36837	38027
	Number of male employees	Person	18620	22832	23807
	Number of female employees	Person	11317	14005	14220
	Number of ethnic minority employees	Person	1298	1751	1953
	Proportion of female executives (Yuexiu Group headquarter)	%	16.7	22.2	23.53
	Number of newly hired employees (Yuexiu Group headquarter)	Person	37	77	39
	Total turnover rate of employee (Yuexiu Group headquarter)	%	3.60	4.22	5.42
	Number of paid leave days per capita (Yuexiu Group headquarter)	Day	5.67	5.12	5.49

Indicators	Units	2020	2021	2022
Total person-times of trained employees (Yuexiu REIT)	Person-time	16912	15525	17866
Total person-times of trained employees (Yuexiu Transport)	Person-time	/	2022	2164
Total number of trained employees (Chong Hing Bank)	Person	1602	1744	1651
Total number of trained employees (Guangzhou Paper Group)	Person	3700	3705	2734
Average training hours (Yuexiu Property)	Hour	21.81	37.82	45.53
Average training hours (Yuexiu REIT)	Hour	48	56	53
Average training hours (Yuexiu Transport)	Hour	83	54	46
Average training hours (Chong Hing Bank)	Hour	17.3	16.8	18.7
Average training hours (Guangzhou Paper Group)	Hour	28.1	30.7	20.3
Employee training coverage (Yuexiu Property)	%	100	100	100
Employee training coverage (Yuexiu REIT)	%	100	100	100
Employee training coverage (Guangzhou Paper Group)	%	100	100	100
Total investment in safety production	RMB hundred million	2.2	1.49	1.3
Number of safety hazards identified	Numbers	25931	42148	54489
Rectification rate of safety hazards	%	96	95	91
Production safety training coverage	Person-time	135047	74747	39456
Number of safety emergency drills	Time	1654	2723	3705
Number of participants in safety emergency drills	Person-time	42485	63577	80551
Number of work-related injuries (Yuexiu Group headquarter)	Time	0	0	0
Work-related fatalities (Yuexiu Group headquarter)	Person	0	0	0
Work-related fatalities (Yuexiu Property)	Person	0	1	1
Work-related fatalities (Yuexiu REIT)	Person	0	0	0
Work-related fatalities (Yuexiu Transport)	Person	0	0	0
Person-times of welfareactivities (Yuexiu Property)	Person-time	967	4238	7647
Person-times of welfareactivities (Yuexiu REIT)	Person-time	254	422	706
Person-times of welfareactivities (Guangzhou Paper Group)	Person-time	50	100	217
Employee volunteer service hours (Chong Hing Bank)	Hour	1277	1091	874
Employee volunteer service hours (Guangzhou Paper Group)	Hour	1236	2400	3236

Indicators	Units	2020	2021	2022
Greenhouse gas emissions ²	Ton	1439577	1718538	1811959
Greenhouse gas emission intensity (Yuexiu Property)	Ton/RMB million	1.26	1.26	0.89
Greenhouse gas emission intensity (Yuexiu REIT)	Ton/RMB million	29.21	26.93	27.65
Greenhouse gas emission intensity (Yuexiu Transport)	Ton/km	25.96	32.65	26.59
Greenhouse gas emission intensity (Chong Hing Bank)	Ton/m ²	0.11	0.09	0.08
Greenhouse gas emission intensity (Guangzhou Paper Group)	Ton/RMB million	3367.93	3024.14	2426.61
Total sulfur dioxide emissions (Yuexiu Transport)	kg	6.05	7.88	9.60
Particulate matter (Yuexiu Transport)	kg	193	319	362
Total energy consumption ³	MWh	743511	491469	506207
Energy consumption intensity (Yuexiu Transport)	MWh/km	52.63	60.54	54.34
Energy consumption intensity (Chong Hing Bank)	kWh/m ²	176	180	156
Energy consumption intensity (Guangzhou Paper Group)	kWh/m ²	740.35	681.51	528.43
Electrical energy consumption ⁴	kWh	198828310	225850287	224679127
Total water consumption ⁵	m ³	25825369	25182766	25049949
Water consumption intensity (Yuexiu Property)	m ³ /RMB million	59.38	35.71	25.17
Water consumption intensity (Yuexiu REIT)	m ³ /RMB million	423.99	511.21	552.94
Water consumption intensity (Chong Hing Bank)	M ³ /m ²	0.16	0.19	0.09
Water consumption intensity (Guangzhou Paper Group)	m ³ /RMB million	32366	33090	26784
Total non-hazardous waste (Yuexiu Property)	Ton	41564	44988	109175
Total non-hazardous waste (Chong Hing Bank)	kg	0	0	73000
Total asphalt concrete waste (Yuexiu Transport)	Ton	73478	164379	41502
Total recycled metal construction waste (Yuexiu Property)	Ton	2007	5070	6660

Notes :

- The statistical scope of R&D investment data for three consecutive years includes: Yuexiu Financial Holdings, Chong Hing Bank, Yuexiu Transport, Yuexiu Foods, Guangzhou Paper Group.
- The statistical scope of total greenhouse gas emissions data for three consecutive years includes: Yuexiu Property, Yuexiu REIT, Yuexiu Financial Holdings, Chong Hing Bank, Yuexiu Transport, Yuexiu Foods, Guangzhou Paper Group.
- The statistical scope of total energy consumption data for three consecutive years includes: Yuexiu Financial Holdings, Chong Hing Bank, Yuexiu Transport, Yuexiu Foods, Guangzhou Paper Group.
- The statistical scope of total electricity consumption data for three consecutive years includes: Yuexiu Property, Yuexiu REIT, Yuexiu Financial Holdings, Chong Hing Bank, Yuexiu Transport.
- The statistical scope of total water consumption data for three consecutive years includes: Yuexiu Property, Yuexiu REIT, Yuexiu Financial Holdings, Chong Hing Bank, Yuexiu Transport, Yuexiu Foods, Guangzhou Paper Group.

Report Indicator Index

Contents	CASS-CSR4.0	GRI Standards
About this report	P1.1-1.3	102-1, 102-50, 102-51, 102-52, 102-53
Message from the Top	P2.1-2.2	102-14, 102-15, 102-23
About Yuexiu	P3.1, P4.1-4.4, G1.1-1.2, G2.1-2.3, G3.1-3.3, G4.1, G5.1, G6.1, M1.2, M1.4, S4.1	102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-16, 102-18, 102-29, 102-31, 102-32, 102-33, 102-34, 102-40, 102-42, 102-44, 102-47
Value Spotlight	P3.2, S1.5, S4.12-4.14	201-1, 203-1, 203-2
Paving the Path to Faith	M2.1-2.2, M2.14-2.15, S1.3, S1.5-1.6, S2.1-2.8, S2.10-2.14, S2.16, S4.2	102-8, 201-1, 403-1, 403-4, 403-5, 403-6, 404-2, 405-1
Paving the Path to Reputation	M1.1, M1.5-1.8, M2.11, M2.13, M3.1, M3.3, M3.5, M3.8, M3.11, S1.1-1.2, S1.4, S3.1-3.5	102-9, 203-1, 203-2, 205-2, 417-1, 418-1
Paving the Path to Trust	M1.3, M2.4, M3.4, M3.6-3.7	203-1, 203-2, 205-2, 404-2
Paving the Path to Confidence	S2.17-2.18, S4.6-4.11, E1.1, E1.3, E1.5, E1.7, E1.9, E2.1-2.3, E2.6, E2.8, E2.11, E2.13, E2.15, E2.17, E2.19, E3.1-3.4, E3.6	301-2, 301-3, 302-5, 303-3, 304-2, 306-2, 401-2
Outlook for 2023	A1	103-2
Key Performance Indicators	A2, M2.3, M2.5-2.6, M2.16, M2.18,	302-1, 302-2, 302-3, 302-4, 303-1, 305-1, 305-2, 305-4, 305-7, 401-1, 403-9, 404-1
Report Rating	A5	102-55
Report Indicator Index	A4	102-56
Reader Feedback	A6	

Report Rating



Rating Report of “The 2022 Sustainable Development Report of Guangzhou Yuexiu Holdings Limited”

Entrusted by Guangzhou Yuexiu Holdings Limited, the Chinese Expert Committee on CSR Report Rating selected experts to form a rating team to rate *The 2022 Sustainable Development Report of Guangzhou Yuexiu Holdings Limited* (hereinafter referred to as “the Report”).

I. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) of the Chinese Academy of Social Sciences and *China Corporate Social Responsibility Report Rating Standards (2020)* of “Corporate Social Responsibility Report Rating Expert Committee of Chinese Enterprises”.

II. Rating Process

1. The rating team reviews and confirms the *Process Data Confirmation of Corporate Social Responsibility Report* submitted by the report writing group and relevant supporting materials;
2. The rating team conducts evaluation on the preparation process and the content disclosed by the Report, and then drafts the rating report;
3. The Vice Chairman of the Rating Expert Committee, the leader of the rating team, and the experts of the rating team jointly sign the rating report.

III. Rating Results

Process (★★★★★)

The group office leads the establishment of report preparation team to coordinate the specific preparation. Each subsidiary has an executive editor who is responsible for providing basic materials and preparing relevant contents, and the chairman and general manager are responsible for the final review of the Report; the Report, with definite function value position, is taken as an important tool for disclosing the information of responsibility performance, enhancing the level of social responsibility management, strengthening the communication with stakeholders, and shaping corporate brand image; substantive issues are identified based on national macro policies, international and domestic social responsibility standards, industry benchmarking analysis, company development strategies, and stakeholder surveys. Six subsidiaries including Yuexiu Real Estate, Yuexiu Service and Yuexiu Transportation are actively promoted to independently prepare and issue ESG report, so as to expand the information disclosure scope; the Report is planned to be published on the official website and presented in electronic version, printed form, long-figure version and Chinese and English version, with excellent performance in process.

Materiality (★★★★★)

The Report discloses the key industrial issues such as product quality management, product innovation, R&D and application of environmental protection technology and equipment, resource and energy saving, reduction of the pollutant emissions, occupational health management, safety production and factory surrounding environmental management, with detailed and full description and excellent performance in materiality.

Integrity (★★★★☆)

The main body of the Report discloses 83.1% of the core indicators of the industry from the perspectives of “Paving the Path to Faith”, “Paving the Path to Reputation”, “Paving the Path to Trust” and “Paving the Path to Confidence”, with leading performance in integrity.

Balance (★★★★★)



中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

1. Enhance the disclosure of the core indicators of the industry and improve the integrity of the Report;

2. Enhance the diversified forms of expression in report content and design, and further improve the innovation of the Report.



Vice President of Chinese Expert Committee
on CSR Report Rating





Leader of the Rating Team



Expert of the Rating Team

Issuance date: July 4, 2023 Scan QR Code to View Enterprise Rating Files



中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

Reader Feedback

Dear readers:

Thank you for reading our 2022 sustainability report. We sincerely welcome your valuable feedback and suggestions to continuously improve the level of report compilation and our practice and management in sustainability.

◆ As a stakeholder of Yuexiu, what is your relationship to Yuexiu?

Government and regulatory units Investors Clients Suppliers or business partners

Employees Community Public welfare organizations Media Others _____

◆ What is your overall comment on this Report?

Excellence Good Average Below Average Poor

◆ Which part of the information disclosure are you more concerned about in this report.(Multiple choice)

Compliance Operation Employee Growth Responsible Purchasing

Reform of State-owned Enterprises Promoting Bay Area development Servicing urban construction

Emergency Support industrial upgrade Green operation Community welfare

Rural Revitalization Servicing public life Others _____

◆ What do you think about the completeness of information disclosed, layout design and readability in this report?

The completeness of information disclosed: Excellence Good Average Below Average Poor

Layout design: Excellence Good Average Below Average Poor

Readability: Excellence Good Average Below Average Poor

◆ Your suggestions regarding improving the level of our sustainability report compilation and social value work?
