



中國海外發展有限公司  
CHINA OVERSEAS LAND & INVESTMENT LTD.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2016



# Content

01	<b>Message from the Chairman</b>	01
02	<b>About the Report</b>	
	Reporting Scope and Standards	03
	Key Topics	04
03	<b>High Standard and Reliable Quality</b>	
	Business Profile	06
	China Overseas Data 2016	09
	Sustainable Development Management	09
	Stakeholder Engagement	10
	Financial Performance	11
	Awards and Honours	12
04	<b>Environmental Protection</b>	
	Environmental Management Policy	14
	Practice of Environmental Protection	15
05	<b>Customer Service</b>	
	Excellent Quality	28
	Customer Service	30
	Product Responsibility	33



## 06 Staff Development

Employment Overview .....	38
Development and Training .....	39
Occupational Health and Safety .....	43
Labour Standards .....	45
Staff Engagement .....	46

## 07 Community Care

Community Investment .....	48
China Overseas Charity Events .....	51

## 08 Corporate Governance

Corporate Governance .....	54
Supplier Management .....	55
Anti-corruption Management .....	56
Integrity and Compliance in Operations .....	58
Communication with the Capital Market .....	58

## 09 Environmental Performance Data

## 10 Appendix

Appendix I GRI Content Index .....	61
Appendix II ESG Guidance Content Index .....	63

# Message from the Chairman

---

We believe that sustained and efficient creation of value is a prerequisite for a public company to practice corporate social responsibility and a cornerstone of its long-term sustainable development.

In 2016, the contracted sales of COLI was HK\$ 210.6 billion, increasing by 16.6%, reaching a new height over HK\$ 200 billion. The revenue was HK\$ 164.07 billion with a net profit of HK\$ 37.02 billion, representing a net profit growth of 6.9%. Shareholder's equity increased by 6.1% to HK\$ 222.25 billion, with an average return on equity of 17.1%. In 2016, we were re-selected in DJSI and HSSUS, and obtained the credit rating by the three major international credit rating agencies, i.e. Moody, S&P, Fitch, of Baa1, BBB +, and A- respectively, all believing in a "stable outlook" of the Company's sustainable development, a consistent faith and recognition of the capital market.

We believe that better product and service is the best way to reward customers. In 2016, the Company strengthened its production concept of "each and every detail of each and every project", improved the quality management, and made quality inspection on all projects under construction, reducing greatly the quality problems caused by inadequate process control. Every apartment must go through seven inspection procedures before it is handed over to the owners. In 2016, we cooperated with China Overseas Property and selected 29 residential districts in 14 cities across the country for "Co-building of Eternal and Excellent Products," and upgraded facilities and equipment as a reward to the existing owners. To build harmonious communities, we joined hands with our customers and owners, and held a variety of cultural activities in hundreds of residential communities, including "LOHAS Sports Season", "Happy Talent Show", "China Overseas Experience Camp for Children of Property Owners", "China Studies Summer Camp", "Tree Planting", and "Public Donations", etc.

We adhere to the principle of being people-oriented, provide competitive remuneration, and care for the physical and mental health of our staff members. Moreover, the Staff Association has continued to function as a platform for constant amateur sports, such as badminton, basketball, running, and body building. In 2016, COLI attached more attention to the health and safety of its employees. COLI bought personal accident insurance for all employees, organized lectures on occupational health, planned "China Overseas Cup" health charity running, and led employees, their family members, community owners and partners to take part in the 2016 Hefei International Marathon.

We have carried on the collaboration with upstream and downstream partners for common progress; and through rigorous, standard contract management and centralized procurement, we have ensured tens of thousands of contracts on articles and

---

services each year to be fair, transparent and bright for a win-win situation. In 2016, we adhered to the “quality and green” procurement strategy, and had another 10 centralized procurement partners, all of which have passed the ISO14001 environmental management system certification.

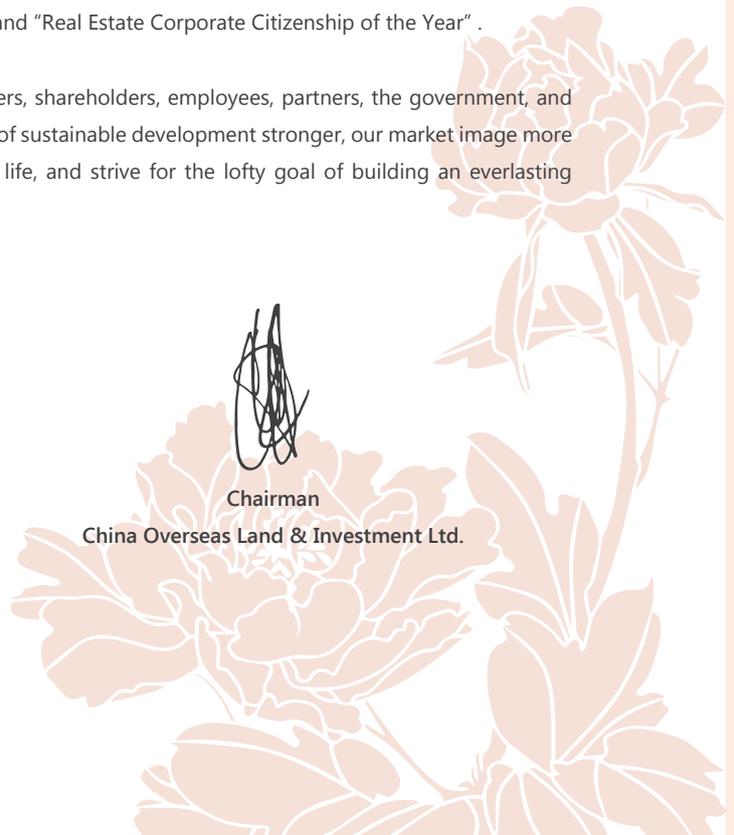
We are fully aware of the great impact of the construction projects of tens of millions of square meters each year on the environment and the communities. Therefore, we have actively promoted green offices and low-carbon production, relying on the green design star certification of residential projects and LEED certification of commercial projects for constant green real estate practices and innovation. In 2016, COLI had another eight projects passing the green building certification, with a total of 47 projects and the overall construction area above 7.2 million m<sup>2</sup>.

We are grateful to the development opportunities the society and the times have entrusted to us, and take the initiative to return to the society and care for the vulnerable groups. We have collaborated with the government to build affordable housing, and so far affordable housing of more than 4.6 million m<sup>2</sup> is completed or under construction. We involve ourselves in the construction of community education facilities, and we have built 178 quality kindergartens, primary schools, and secondary schools. By the end of 2016, COLI had donated and built 11 hope schools, and its public donations, disaster relief and poverty alleviation had added up to more than HK\$ 156 million. For 24 consecutive years, the Company has participated in “Walks for the Millions by the Hong Kong Community Chest”, a charitable fundraising event, and carried forward “Children’s Dreams • Children’s Art”, “Joyful Children Club” summer camp, caring visits and activities to assist the impoverished students based on the hope primary schools. It was honoured as “Caring Company 2015/2016” by Hong Kong Council of Social Service and “Real Estate Corporate Citizenship of the Year” .

We are committed to cherishing the trust and support by our customers, shareholders, employees, partners, the government, and through persistent creation of value, make our vision clearer, our ability of sustainable development stronger, our market image more prominent, our employees prouder and happier both at work and in life, and strive for the lofty goal of building an everlasting enterprise!



Chairman  
China Overseas Land & Investment Ltd.



# About the Report

---

## Reporting Scope and Standards

Since 2012, China Overseas Land & Investment Ltd. ("COLI", "China Overseas", "the Company" or "we") has released the Corporate Social Responsibility Report on an annual basis (the fifth year in 2016). With disclosure on the Company's philosophy and practices of sustainable development, the report is made to promote the understanding, communication and interaction between the Company and its stakeholders and to guide the sustainable development of its management services.

Entities covered by this report are the same as those in the annual report. This report focuses on the operations of the COLI headquarters and subsidiaries in terms of economy, environmental protection, social development and governance from 1 January 2016 to 31 December 2016. All data are from the Company's official documents or statistical reports.

This report is prepared under the guidance of the CSR Committee of the parent company, China Overseas Holdings Limited, in accordance with the Core Option of the "G4 Sustainability Reporting Guidelines" (G4) of the Global Reporting Initiative (GRI) as well as the "Environmental, Social and Governance Reporting Guide" released by the Hong Kong Stock Exchange. This independent annual Environmental, Social and Governance Report 2016 is published in Simplified Chinese, Traditional Chinese and English in May 2017. (The previous report was released in April 2016). For the benefit of environmental conservation, this report is published electronically on the Company's website.

---

Address: 10/F, Three Pacific Place, 1 Queen's Road East, Hong Kong  
10/F, Zhonghai Building, No. 399 Fuhua Road, Futian District,  
Shenzhen, PRC

Tel: 852-2823 7888 / 0755-8282 6666

E-mail: 688csr@cohl.com

Official website: [www.coli.com.hk](http://www.coli.com.hk)

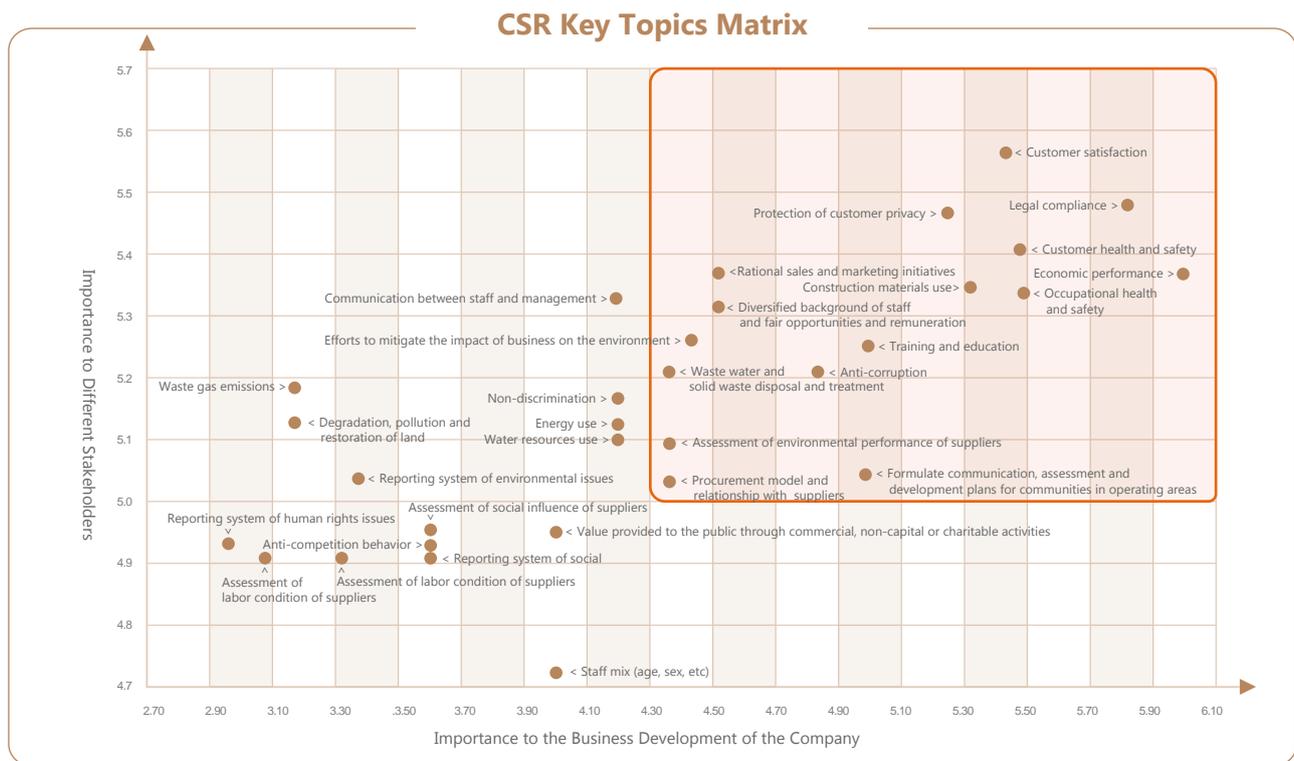
Brand website: [www.coli688.com](http://www.coli688.com)

---

## Key Topics

COLI is well aware that it is an ongoing process to promote the sustainable development of its businesses. Adhering to the guiding international GRI standards, the Company strived to improve the development and implementation of CSR-related policies. In accordance with the "G4 Sustainability Reporting Guidelines" (G4), the Company commissioned CSRAAsia, an independent third-party professional, to conduct a systematic study of stakeholder engagement in November and December 2014. The initiative illustrated the Company's attitude, efforts and performance in terms of promoting sustainable development. We also heard opinions of different parties.

With relentless support from within and outside the Company, the stakeholder engagement study covered employees, customers / owners, suppliers, contractors, government departments, design companies, financial institutions, the public, investors, the media, consultancies, academic institutions and NGOs. By means of nationwide online survey, focus group discussion among business representatives, telephone interviews, workshops and so on, we conducted comprehensive assessment of key topics heavily weighed by the stakeholders and highly relevant to the Company's businesses. We also determined a matrix of key topics on COLI's CSR agenda (see the chart below for details). In this way, we were able to identify areas for improvement in our CSR work, with more comprehensive, transparent and specific response in the annual report to enhance the quality of the report.



### COLI's CSR Key Topics

- Economic performance
- Procurement model and relationship with suppliers
- Construction materials use
- Waste water and solid waste disposal and treatment
- Efforts to mitigate the impact of business on the environment
- Assessment of environmental performance
- of suppliers
- Occupational health and safety
- Training and education
- Diversified background of staff and fair opportunities and remuneration
- Anti-corruption
- Formulate communication, assessment and development plans for communities in operating areas
- Customer health and safety
- Customer satisfaction
- Rational sales and marketing initiatives
- Protection of customer privacy
- Legal compliance



---

# High Standard and Reliable Quality

---

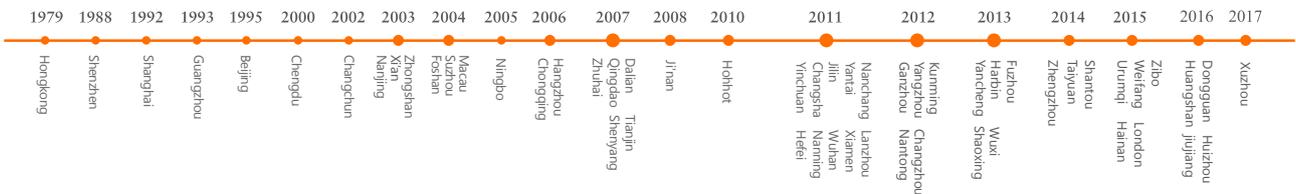


# Business Profile

COLI has expanded its business from Hong Kong to Mainland China, successfully seizing opportunities presented by the progressive economic development of China. It has expanded to provide balanced coverage in Hua Nan Region, Hua Dong Region, Hua Bei Region, Northern Region, Western Region, and Hong Kong and Macau. Currently, it also has and is operating four office buildings in London.

Currently, COLI has property development businesses covering 56 cities, including Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Shenyang, Changchun, Changsha, Chengdu, Chongqing, Dalian, Dongguan, Foshan, Fuzhou, Hainan, Harbin, Ji'nan, Kunming, Nanchang, Nanjing, Ningbo, Suzhou, Qingdao, Taiyuan, Tianjin, Urumqi, Wuhan, Wuxi, Xi'an, Xiamen, Yantai, Zhengzhou, Zhongshan, Zhuhai, Changzhou#, Ganzhou#, Jilin#, Jiujiang#, Hefei#, Hohhot#, Huangshan#, Huizhou#, Lanzhou#, Nanning#, Nantong#, Shantou#, Shaoxing#, Weifang#, Xuzhou#, Yancheng#, Yangzhou#, Yinchuan#, Zibo# as well as in London, Hong Kong and Macau.

#The cities where China Overseas Grand Oceans Group Limited ("COGO", 00081. HK) has operations.



## Business Profile

Property  
Development



China Overseas Land & Investment Ltd. was incorporated in Hong Kong in 1979, with property development as its core business. In August 1992, the Company was listed on the Hong Kong Stock Exchange. It was the first Chinese enterprise to acquire listing status by its own local business and assets located in Hong Kong. In December 2007, COLI (00688.HK) was included in Hang Seng Index Constituents.

Ever since its establishment, the Company is committed to advancing its professionalism and expanding scale of development. It has built a nationwide market distribution network, with major focuses on Hua Nan Region, Hua Dong Region, Hua Bei Region, Northern Region, Western Region, and Hong Kong and Macau. It currently operates businesses in Hong Kong, Macau and over 50 economically vibrant cities in mainland China, offering excellent residential choices and satisfactory living experiences for millions of customers. Over three decade's development, the Company has successfully established "China Overseas Property" as the industry-leading brand. The Company has also participated in other property-related areas, such as property investment and construction design businesses.

At the end of 2016, the Company's total assets reached HK\$ 571.3 billion, with the shareholder's equity of HK\$ 222.3 billion. Its total contracted sales and net profit reached HK\$ 210.6 billion and HK\$ 37.02 billion, respectively. As at the end of December 2016, the Company's total land reserves were 56.77 million m<sup>2</sup>.



COLI's  
WeChat



COLI's  
APP

Brand website: [www.coli688.com](http://www.coli688.com)  
Official website: [www.coli.com.hk](http://www.coli.com.hk)

Commercial  
Property

China Overseas Commercial  
Properties Co., Ltd.

In 2012, China Overseas Commercial Properties Co., Ltd. was incorporated in Shenzhen for professional operations. Over the past four years, the Company has expanded its presence in tier-1 and tier-2 cities, including Beijing, Shenzhen, Shanghai, Chengdu, Nanjing, and Tianjin, covering three major product series, including "China Overseas" Grade A office building, the Unipark shopping malls and star-rated hotels, with an operational and planning development area of more than 6,900,000 m<sup>2</sup>. In 2016, with excellent project operation and management strength, China Overseas Commercial Properties Co., Ltd. topped the ranking list of "Commercial Properties with Corporate Brand Value in China Real Estate Development".

By the end of 2016, it had completed investment property GFA more than 2,500,000 m<sup>2</sup>. In addition, the Company participated in construction and operation of public facilities. COLI is committed to building a collaborative platform on which customers, partners, shareholders and the city can continuously and beneficially interact, thereby enhancing value for business alliances, while creating shareholder value and brand value, so as to achieve the objective of "generating wealth and sharing resources to create a bright future for everyone".



Official website for Unipark: [www.unipark.net.cn](http://www.unipark.net.cn)  
Official website for COLI office: <http://colioffice.com>

Property Management



Established in Hong Kong in 1986 and entering mainland China in 1991, China Overseas Property Management Ltd. is among the first group of first-class property management companies under the Ministry of Construction. It is also a Council Member of the China Property Management Institute, Vice President Member of the Guangdong Property Management Association and Vice President Member of Shenzhen Property Management Association. China Overseas Property Management has become an exemplar of high-grade property management and excellent service. China Overseas Property Management was spun off and successfully listed on the Hong Kong Stock Exchange (stock code: 02669. HK) in 2015.



Official website: [www.copm.com.cn](http://www.copm.com.cn)

Construction Design



Hua Yi Design Consultants Ltd. was incorporated in Hong Kong in 1986, and set up in the same year its wholly-owned subsidiary - Hong Kong Hua Yi Design Consultants (Shenzhen) Ltd. (with Grade A Architectural Design Qualification). In 2009, China Overseas Hua Yi Urban Planning Design (Beijing) Co., Ltd. with "Grade A Urban and Rural Planning Qualification" was founded. Hua Yi gathers over 1,000 professional designers, and has the capability and project experience to apply "Building Information Modelling (BIM) Design" technologies in the entire design process. Currently, Hua Yi has offices in 10 cities, including Shanghai, Nanjing, Wuhan, Beijing, Chongqing, Guangzhou, Xiamen, Chengdu, etc.

For more than 30 years, Hua Yi has upheld the principle of "Creativity and quality are top priority" and has completed more than 2,000 design projects for a wide range of edifices. It has already won more than 410 outstanding design awards for more than 160 projects at state, provincial, ministerial and Shenzhen municipal levels. The Company was also honoured with the title of "Top 100 Cultural Creativity Enterprises in Shenzhen", "Top 10 Innovation Enterprises in Guangdong Civil Construction", "Top 100 Famous Modern Construction Design Companies in China" and "Grade A in both Architectural Design Qualification and Urban Planning Qualification". Both Hua Yi Design Company and Hua Yi Planning Company have been awarded as "National High-tech Enterprise."



Hua Yi's WeChat

Official website: [www.huayidesign.com](http://www.huayidesign.com)

## China Overseas Data 2016

Cities with business coverage	56	Number of employees	5,726
Corporate brand value in 2016	RMB 51.906 billion	Average employee training hours	68 hours
Total assets	HK\$ 571.3 billion	Employee personal accident insurance coverage	100%
Shareholder's equity	HK\$ 222.3 billion	Zhan Tianyou Awards	57 awards
Revenue	HK\$ 164.1 billion	National Green Building Star Certification	24
Contracted sales	HK\$ 210.6 billion	US LEED (pre-certification) projects	16
Basic earnings per share	HK\$ 3.64	UK BREEAM certification projects	2
Net assets per share	HK\$ 20.29	Area of affordable housing construction	totaled 4,600,000 m <sup>2</sup>
Net profit	HK\$ 37.02 billion	Number of centralised procurement suppliers	81
Land reserves	56.77 million m <sup>2</sup>		

## Sustainable Development Management

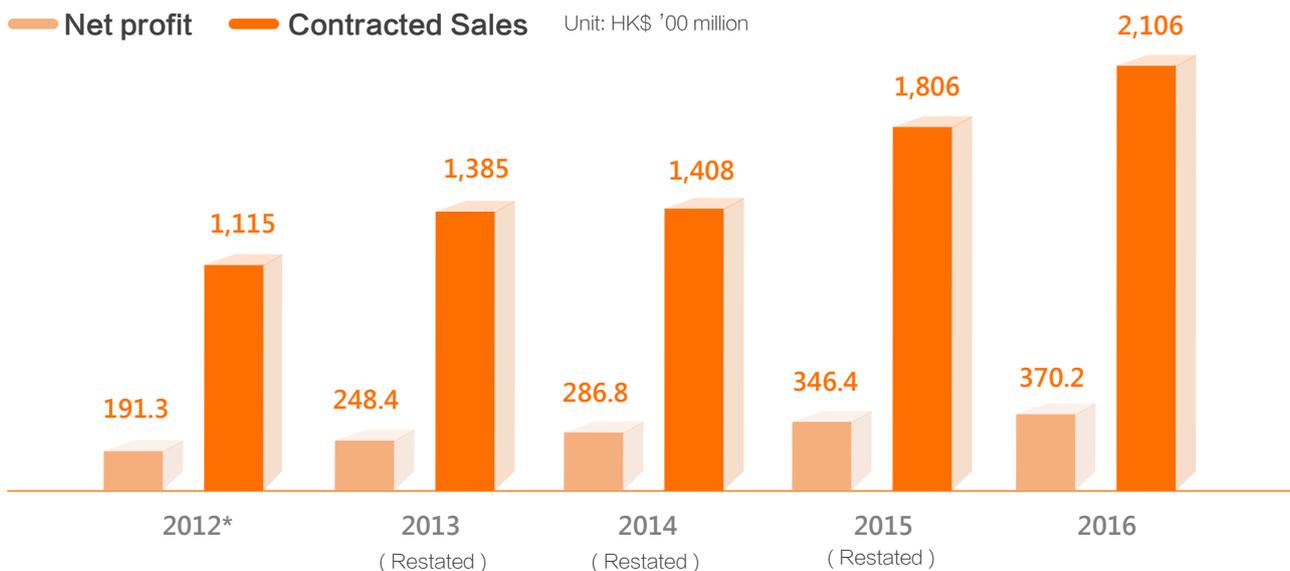
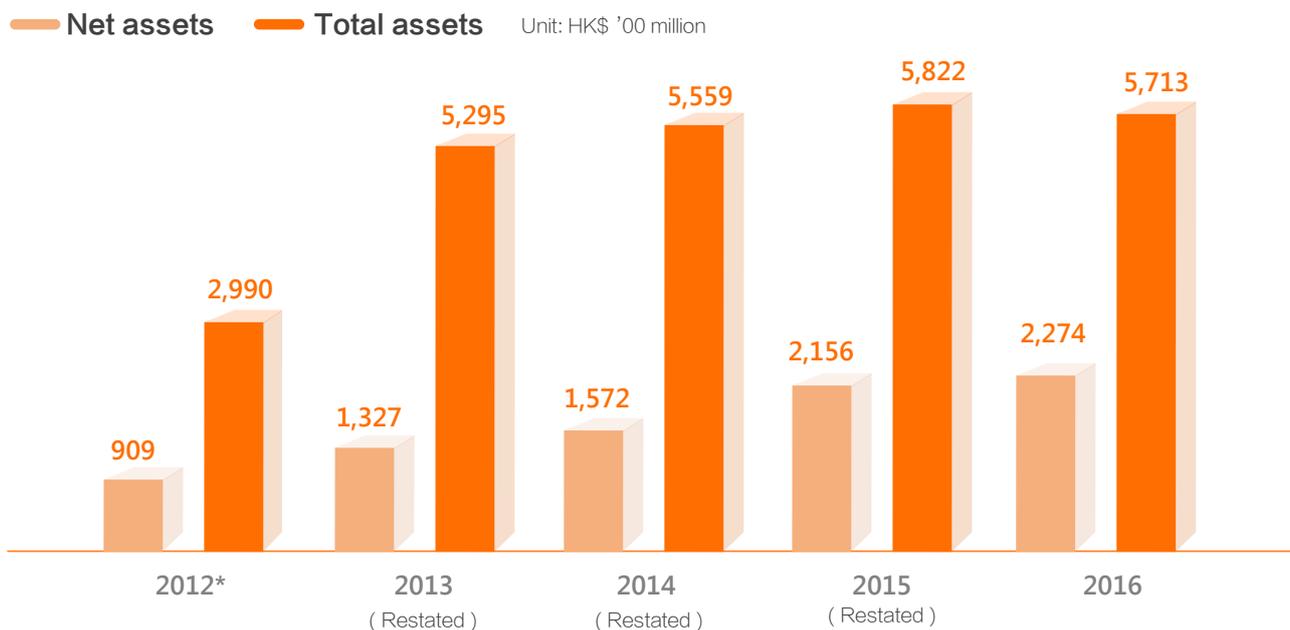
Vision	To set industry standards through our excellence as the leading property developer in China.
Operational Philosophy	Excellent Integrity, Eternal and Excellent Products.
Corporate Spirit	To unite Faithfully, Strive Arduously, Progress Vigorously, Demand Rigorously, and Contribute Actively.
Values	Integrity, Practicality, Innovation, Excellence. To incorporate individual's needs with the long-term development of the Company.
Philosophy of Sustainable Development	Based on its philosophy of "Exercising caution in details and implementation, building a strong foundation to seek greater success", COLI is committed to maintaining high corporate governance standard and top quality in all phases of its operations. Through precisely and carefully managing the entire industry chain from property development to operation, the Company continuously fulfills its corporate social responsibility with an aim to bring the greatest benefit to its own operations, as well as society and the environment.
Sustainable Development Policies	
For shareholders / investors	Improving corporate governance and risk & crisis management; creating stable return and long-term value for shareholders / investors.
For customers / owners	Upholding integrity and compliance in operations; strengthening customer service management and product innovation; offering quality product and service; striving to protect the interests of customers / owners.
For employees	Implementing green office initiatives; creating a working environment in which all employees are treated with fairness and respect; paying attention to employee benefits and career development; protecting employees' interest such as occupational health and safety.
For communities	Adhering to quality product strategy; emphasizing land value and cherishing natural resources; building harmonious communities with property management companies and owners; maintaining a low carbon concept; promoting the proper management of impact on the environment.
For partners and suppliers	Building harmonious and win-win relationships with suppliers; adopting "open tenders" and green procurement policies; supporting and selecting eco-friendly partners and suppliers; leading upstream and downstream firms to sustainable development.
For the society	Proactive in fulfilling corporate social responsibility; making contributions to public welfare and education; taking part in urban development; participating in affordable housing development; implementing environmental initiatives; developing green property projects; protecting bio-diversity and actively responding to climate change.

# Stakeholder Engagement

Identifying and clarifying the expectations and requests of all stakeholders is an indispensable part of our efforts in sustainable development. We cannot achieve greater value unless we integrate stakeholders' requests into the Company's daily operations. Such integration gradually improves the Company's capability in sustainable development management and facilitates the fulfillment of the Company's strategic goals. The table below shows a list of major expectations and requests from COLI stakeholders, as well as the Company's efforts in communication and response.

Stakeholders	Expectation and Requests	Methods of Communications and Feedback
 <p>Customers/ owners</p>	<ul style="list-style-type: none"> <li>• Information transparency</li> <li>• Integrity and fulfillment of promises</li> <li>• High-quality products</li> <li>• Attentive services and experience</li> <li>• Opinions and complaints handling</li> <li>• Privacy protection</li> </ul>	<p>Providing customers with excellent products in line with the quality product strategy; maintaining channels of customer communication and feedback at sales offices, property management offices, WeChat and complaint hotline/mailbox; conducting customer surveys regularly and improving performance.</p>
 <p>Employees</p>	<ul style="list-style-type: none"> <li>• Equal opportunity</li> <li>• Democratic management</li> <li>• Health and safety</li> <li>• Benefits</li> <li>• Career development</li> <li>• Caring for people</li> </ul>	<p>Caring about employees' occupational health and safety; creating a comfortable green workplace; organizing branded training activities regularly to promote career development and enhance competence at all levels; providing leisure activities and increase cohesion via the Staff Association.</p>
 <p>Shareholders/ Investors</p>	<ul style="list-style-type: none"> <li>• Information disclosure and transparency</li> <li>• Returns on investment</li> <li>• Protection of interests</li> <li>• Management and control of operating risks</li> </ul>	<p>Maintaining close, transparent and efficient communication with the capital market through investor meetings, company visits, conference calls, investor visits, stock exchange announcements and other channels.</p>
 <p>Government</p>	<ul style="list-style-type: none"> <li>• Legal compliance</li> <li>• Fulfillment of tax obligation</li> <li>• Asset value enhancement</li> <li>• Win-win cooperation</li> <li>• Participation in the urban development</li> </ul>	<p>Upholding integrity and compliance in operations; paying taxes on time; focusing on the development and operation of mid-range to high-end properties for the benefit of enhancing the vitality of communities; participating in the construction of affordable housing in response to government policies of building a harmonious society.</p>
 <p>Business partners and Suppliers</p>	<ul style="list-style-type: none"> <li>• Fulfillment of promises</li> <li>• Win-win cooperation</li> <li>• Sharing of resources</li> <li>• Open and fair procurement</li> <li>• Mutual development</li> </ul>	<p>Continuing to enhance tendering and bidding practices, ensuring the performance of contractual obligations, and issuing the "Open Letter to Suppliers" to facilitate the implementation of the "open tender and procurement" policy and to achieve mutual benefits with suppliers.</p>
 <p>Community</p>	<ul style="list-style-type: none"> <li>• Collaborative development</li> <li>• Boost employment</li> <li>• Public welfare and charities</li> <li>• "Go green"</li> </ul>	<p>Maintaining community campaigns, such as "Children's Dreams • Children's Art" art exchanges, "Caring Visits", "Joyful Children Club" summer camps based on the 11 Hope Primary Schools constructed with our donations; encouraging employees to participate in volunteer services; assisting in young people education and community development.</p>
 <p>Labour</p>	<ul style="list-style-type: none"> <li>• Employment opportunities</li> <li>• Health and safety</li> <li>• Labour protection</li> </ul>	<p>Working closely with contractors to strengthen on-site quality and safety assessment of our projects; following construction safety guidelines; taking multiple measures to ensure management of employment contracts and payroll matters.</p>

## Financial Performance



\* Figures for the year ended 31 December 2012 were not restated in respect of CITIC asset acquisition.

In 2016, the Company's total contracted property sales amounted to HK\$ 210.6 billion, up 16.6%, while the corresponding area sold was 13.04 million sq m. Profit attributable to equity shareholders of the Company increased by 6.9% to HK\$ 37.02 billion. Basic earnings per share was HK\$ 3.64, net assets per share was HK\$ 20.29. The Company's shareholders' equity was up 6.1% to HK\$ 222.25 billion. In a complicated and rapidly changing market environment, the Company successfully secured handsome profits through assets restructuring and disposals, to achieve a relative high level of average return on equity of 17.1% in 2016.

# Awards and Honours

COLI has strived to promote the growth of its business in terms of economic progress, environmental protection and social development. Our efforts in sustainable development have gained recognition from domestic and international authoritative organisations. We have been included in the Hang Seng Corporate Sustainability Index and the Dow Jones Sustainability Indices for successive years. This recognition has encouraged us to improve our business management and brand building on an ongoing basis.



Date	Description	Awarding Authority
2016.3.1	5 Year Plus Caring Company Logo	The Hong Kong Council of Social Service
2016.3.22	2015 No.2 in Top 30 Listed China Real Estate Companies (Property G30) 2015 Outstanding China Real Estate Business Models TOP10 2015 100 Outstanding China Real Estate Companies TOP10	www.guandian.cn
2016.3.22	2016 China Real Estate Top 500: • No.5 in Top 10 Overall Performance • No.1 in Operational Efficiency China Overseas Commercial Properties Co., Ltd.: • No.1 in Top 5 Business Operation	China Real Estate Research Association China Real Estate Association China Real Estate Appraisal
2016.3.24	2016 China Real Estate Top 100: • No.4 in Top 10 Overall Performance • No.5 in Top 10 Sizable Scale • No.1 in Top 10 Stability • No.1 in Top 10 Profitability • No.3 in Socially Responsible Enterprise of the Year	Enterprise Research Institute of Development Research Centre of State Council of PRC, Institute of Real Estate Studies of Tsinghua University China Index Academy
2016.3.30	National Green Construction Pioneer Award (China Overseas Property Group Co., Ltd.)	China Green Building Council
2016.4.13	Outstanding Social Caring Organisation Award	Social Enterprise Research Institute Asian College of Knowledge Management
2016.4.26	Top 100 Hong Kong Listed Companies Selection - Top 100 Overall Performance	Finet Group, QQ.Com
2016.5.18	2016 Hong Kong-listed Mainland Real Estate Companies: • No.1 in Top 10 Value Added • No.1 in Top 10 Finance Stability • No.2 in Top 10 Investment Value • No.2 in Top 10 Overall Performance • 2016 Most Recognised Real Estate Companies by the Capital Market	Enterprise Research Institute of Development Research Centre of State Council of PRC Institute of Real Estate Studies of Tsinghua, University China Index Academy
2016.6.3	Newsweek Green Rankings	US Newsweek
2016.6.3	BCI ASIA Hong Kong Top 10 Developers	BCI ASIA
2016.6.17	Best Investor Relations Company - China, Asia's Best CSR	Corporate Governance Asia
2016.6.21	China Blue Chip Real Estate Developer	The Economic Observer, Sina Leju
2016.7.11	2016 No.1 in Top 50 Listed Real Estate Companies	Capital Week, etc.
2016.7.18	Outstanding China Real Estate Enterprise Award	The Hong Kong Institute of Financial Analysts and Professional Commentators
2016.7.31	2016 TOP10 China Green Real Estate Developers (Residential)	Biaozhun
2016.8.25	Hang Seng Corporate Sustainability Index Series - constituent company	Hang Seng Indexes
2016.9.6	2016 China Real Estate Brand Value Research Achievements: • COLI has a brand value of RMB51.402 billion, ranks first in the industry Awarded "Leading Brands of China Real Estate Companies" for 13 consecutive years • One Regent, Hangzhou: 2016 China Real Estate Residential Brand Value TOP10 • La Cite, Chongqing: 2016 China Real Estate High-end Project Brand Value TOP10	Enterprise Research Institute of Development Research Centre of State Council of PRC Institute of Real Estate Studies of Tsinghua University China Index Academy
2016.9.8	Dow Jones Sustainability Indices	RobecoSam AG
2016.9.21	2016 China Real Estate Brand Value: • No.1 in "2016 Best 10 of China Real Estate Developers Brand Value" COLI has a brand value of RMB51.906 billion, ranks first in the industry • China Overseas Commercial Properties Co., Ltd.: No. 3 in "2016 Best 10 of China Commercial Real Estate Developers Brand Value"	China Real Estate Association China Real Estate Appraisal
2016.11.17	Listed Enterprises of the Year 2016	Bloomberg Businessweek (Chinese Edition)
2016.12.14	The CarbonCare Label	CarbonCare Inn Lab
2016.12.21	China Valuable Real Estate Awards: • Valuable Real Estate Enterprise of the Year, Real Estate Corporate Citizenship of the Year	National Business Daily



---

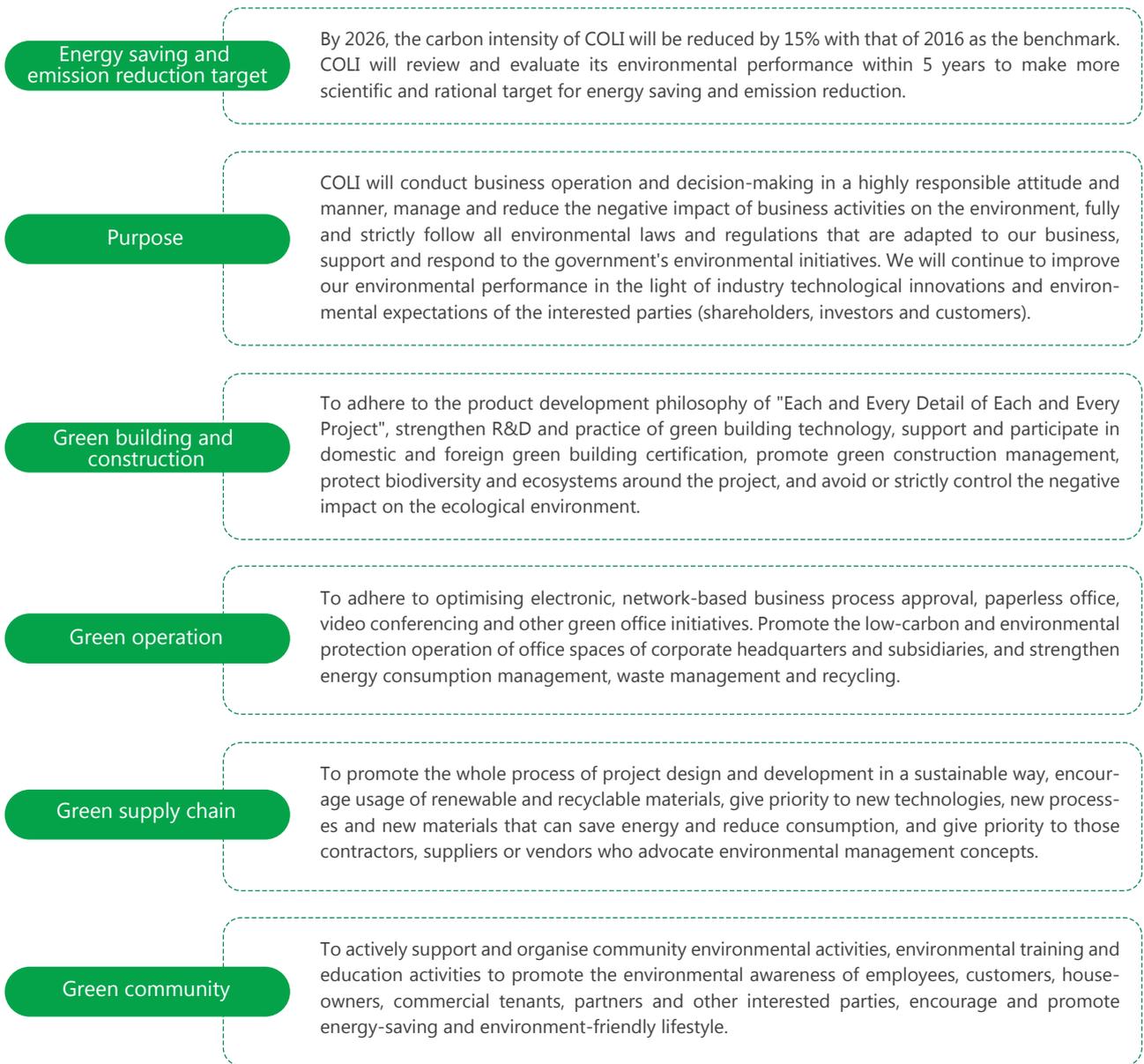
# Environmental Protection

---



# Environmental Management Policy

In response to the trend of international environmental protection, COLI focuses on progressively enhancing the environmental performance. In 2016, COLI started the collection, statistics and management of environmental protection data such as energy saving and emission reduction. We believe that, to manage a company's business operation and project development with responsibility can avoid or minimize the risks and impacts of related activities on the environment. To this end, COLI has developed the following environmental management policy framework to promote environmentally sustainable practice.



# Practice of Environmental Protection

## Green Building

### Green Building Design

COLI combines years of design and planning experience with local research results, organises multi-departments joint assessment, performs comprehensive analysis and enhancement on comfort, practicality, safety and other aspects, and investigates the real needs of customers in order to improve the compatibility between the customers and the product and services. Being innovative and flexible to the local conditions, COLI applies low-carbon energy-saving designs, such as taking into consideration the effect of building arrangements on sunlight and ventilation, so as to improve energy efficiency when the buildings are in operation.

Hua Yi Design is also actively involved in green building design, with a special research centre for that purpose. It has served as the chief designer in a number of green building projects of public and residential purposes. Many of its projects are certified LEED Gold standards and National Green Building Design Label. Furthermore, Hua Yi Design is a Council Member of Guangdong Green Building Association and Vice President Member of Shenzhen Green Building Association. It has organised the compilation of industry standards, including the "Standards for Residential Building Energy Saving Design", "Application Guide for Green Building Information Model Technology", and participated in the compilation of "Construction Standards for Shenzhen Electric Bicycle Charging Room (Shed)". In 2016, seven chief designers from Hua Yi Design were appointed as the experts of Committee of Experts of Guangdong Green Building Evaluation Label, the experts of Committee of Experts of Shenzhen Green Building Association. In addition, its two designs, i.e. the "Exhaust Heat Recovery Air Handling Unit" and the "Air Conditioning Waste Heat Recovery and Recycling Equipment in Network Computer Room", won patent for utility models.

In 2016, COLI won the "National Green Construction Pioneer Award", which is designed to commend the enterprises that "establish a green building model, lead the whole society to invest in green building business, and promote the sustainable development of green building". The award affirms the positive role of the Company in China's green building development, highlighting the leading position and influence of the Company's energy saving and environmental protection practices and innovation in the industry.

In 2016, based on the domestic and foreign advanced green building technology, energy saving and environmental protection technology and practical experience, combined with China's new national standard "Evaluation Standard of Green Building", COLI released its scientific research achievement - "Research and Application on Green Building Technology and Standards Based on Large-scale Real Estate Development". It formed a green building, energy saving and environmental protection strategy and technology system suitable for large-scale real estate development. Through evaluation by industry experts, the achievement was on par with leading international practices.

In 2016, COLI published the "Practice and Industrialisation of Whole Life Cycle Green Building Technology", which was included in 2016 academic conference proceedings by China Civil Engineering Society and officially published in September 2016. In the paper, COLI shared the most cutting-edge practical experience of the Company in the field of green building.



## Practice of Green Building

With decades of experience in industry-leading project design and construction, COLI has continued to fulfill its commitment to protecting the natural environment across project planning and design. In the project, it adopts appropriate measures based on actual topographical and geographical conditions and refines the design through introducing the concepts of land optimisation, energy and water conservation, material economisation, indoor environmental technology, green construction and operational management to precisely determine project positioning. Through making research on current conditions, formulating an appropriate implementation method and technology strategy, and creating exemplary pilot projects, the Company has promoted the wide application of green construction technology in its new residential projects. The green building achievements of China Overseas dominated by "Green Building Characteristics Investigation Report", "Green Building Implementation Method" and "Technical Guidance for Green Building" have been made to guide the practices of green building design of the Company.

In 2016, COLI combined the latest national standard "Evaluation Standard of Green Building GB/T 50378-2014" with today's advanced green building technology to form a set of "Policy Table of China Overseas Green Building Technical Manual" integrating guidance, standards and practices. Based on the new national standard, COLI further standardised and streamlined the operation of all its green building projects through the star-rating system in the green building strategy tables.

As the team leader of the Green Real Estate Group of the China Green Building Council, COLI has been actively pushing forward the implementation and technological exploration of green construction projects, and the promotion, development and application of green buildings. Towards this end, it has set up its own system in the areas of integrated design and comprehensive evaluation standards.

### Case 1: The Paragon, Shenzhen

COLI started its engagement in industrialization housing projects in Hong Kong in the 1980s. Later in the 1990s, Hailong Construction Products (Shenzhen) Co., Ltd. was established as a professional company engaged in the R&D, design and construction of architectural products for industrialization housing. The Paragon is the first housing industrialization project jointly developed and constructed by COLI and Hailong.

- The project is the first case to implement super high-rise building. The project combines green energy saving and smart living to improve and enhance the human living quality and establish new green building concepts, which is characterized by residential industrialisation, green energy saving, smart health, personal tailored sophisticated fitting-out, and innovative and leading garden.
- The project is the residential development project independently researched and developed in the whole process in China's State Construction series of companies. Its construction unit, project development and management, industrialisation technology research and development, assembly technology deepening, construction unit, and component production are all from subsidiaries in China's State Construction series of companies.
- This project features prefabricated bay windows, laminated floors and prefabricated staircases, together with related technologies such as aluminium alloy formwork, BIM (building information modelling), prefabricated construction, integrated renovation and optical conductor lighting. The use of those components and technologies has reduced building materials waste and dust and noise level during construction. It has also enhanced the social and environmental benefits and construction quality of the project.
- As a representative of Shenzhen in residential industrialisation, this project was exhibited in the "12th International Green Building and Building Energy Saving Conference and New Technology & Products Expo" held in Beijing in March 2016, and drew much attention from all the participants.



### Case 2: Suzhou 233-2 Project

Centering on the three key concepts of “low carbon, health and intelligence”, Suzhou 233-2 Project (Spring Project), the first full life-cycle green construction technology pilot project, focuses on “people-oriented sustainability”. The project adopts 28 green construction technologies according to local conditions which integrate technology functions, environmental-friendliness, cost-effective management and comfort. The project has demonstrated positive impact within and outside the Company. Technology inspection and acceptance of the project were completed in December 2014. The model has gained the acclaim and recognition from authoritative organizations such as the China Green Building Council. Details of this project were disclosed in the 2014 Corporate Social Responsibility Report. The Project features a number of green building technologies, such as the solar thermal, fresh air total heat recovery, prefabricated construction and efficient irrigation. Those technologies are also used in a number of COLI projects for energy saving and reduction, with good operational eco-efficiency.



### Case 3: Shenzhen Contemporary Art Centre and Urban Planning Exhibition Hall

As one of the sixty most representative construction projects in Shenzhen "12th Five-Year Plan" (2011-2015), the construction of Shenzhen Contemporary Art Centre and Urban Planning Exhibition Hall is an innovation in the cultural infrastructure construction of "public project construction + commercial property development" initiated jointly by Shenzhen Municipal Government and COLI. Shenzhen Contemporary Art Centre and Urban Planning Exhibition Hall is situated in the northeastern section of Civic Centre in the heart of Shenzhen, adding radiance and beauty to each other with Shenzhen Cultural Centre. The total gross floor area is about 89,000 m<sup>2</sup>, and all delivery inspections were completed in 2016. The design philosophy of Shenzhen Contemporary Art Centre and Urban Planning Exhibition Hall is a translucent "huge urban rock". The building shape is full of dynamic design, highlighting the concept of low-carbon, environmental protection and energy saving. As its builder and operator, COLI will actively explore new operation mode of the pavilion to achieve useful exploration for efficient operation and sustainable development. At present, the main building structure and external facades of the two halls have been completed with many green building technologies applied.



Adjustable sunshade	The external wall of building is composed of aluminum alloy sunshade perforated plate and heat preservation and heat insulation glass layer. The sunshade perforated plate is designed to capture diffuse light to an extreme to protect external glass surface from direct sunshine radiation.
Fresh air and heat recovery	Rotary heat recovery air conditioning unit is used in academic hall, office, management office, property room, meeting room, research center, library, stores and VIP rooms, with a heat recovery rate of 62% in summer. The number of days meeting fresh air and heat recovery standard is 116 days, which almost covers the entire cold season.
Solar water heating system	Solar thermal system is adopted for renewable energy utilization. In this project, all hot water is supplied by the solar system, with 100% of hot water supply.
Material saving and material resources utilization	The area of changeable function space in project office area is 7,525 m <sup>2</sup> , and the area that can be flexibly partitioned is 3,984 m <sup>2</sup> . The proportion of indoor space with changeable function that can be flexibly partitioned is 86.9%; the usage rate of recyclable material is 14.1%.
Green operation management	The project adopts building intelligent system, energy management system, intelligent metering system and building equipment management system, etc.

### Case 4: China Overseas Plaza, Beijing

- The hot water supplied by solar water heating system accounts for over 10% of total consumption of building hot water.
- Municipal recycled water is introduced for toilet flushing, car washing and landscape irrigation, which accounts for over 40% of total water consumption in the whole building.
- Rational building layout: more than 75% of main functional zones meet related standard natural lighting requirement.
- Ventilation design is provided as required, and CO<sub>2</sub> sensor is equipped in office area for air volume regulation to ensure indoor air quality.
- Comprehensive building intelligent systems, including Generic Cabling System, Security System and Building Equipment Monitoring System, etc.



### Case 5: China Overseas International Center, Chengdu

- Intensive and efficient column grid and core barrel layout improves application performance of office space in limited building area.
- Unit-style glass curtain wall technology is introduced to reduce indoor air-conditioning energy consumption of a building and improve lighting and horizon.
- Intelligent light control system is adopted to intelligently adjust the light to reduce office lighting energy consumption.
- Open balcony is set in advantageous area of a building for southward lighting to increase natural environmental landscape.



### Case 6: China Overseas Plaza, Ji'nan



- Double LOW-E glass curtain wall design and panoramic lighting are adopted for the building to reduce the indoor lighting energy consumption of the building.
- Municipal recycled water is introduced for road sprinkling, landscape watering, and garage washing to achieve water-saving purpose.
- Bus control technology is adopted in the public area for automatic control in order for adjustment to reduce energy consumption.
- The air conditioning unit is set with heat recovery system for energy saving, which is equipped with two-stage filter and electronic air purifier to ensure indoor air quality.

### Case 7: China Overseas Building, Nanjing

- Core barrel layout is reasonable, and close to 75% of room rate has greatly improved the efficiency of space use.
- It adopts unit-type double glass curtain wall facades to improve daylighting and reduce energy consumption effectively.
- A hanging garden is set on the 5F platform of the office building to raise the wellness experience in office.
- 5A intelligent system and integrated wiring system are used for the building to effectively reduce various losses.



### Case 8: China Overseas Building, Wuhan

- The framework core barrel design is used to maximise the service efficiency of office space.
- Unit-type high-transparency hollow double-layer silver-plated LOW-E glass is used for the glass curtain wall to ensure daylight harvesting and reduce indoor energy consumption.
- The lobby is decorated with white magnolia stone to a clean and elegant effect, and humanised rest spaces are allocated, such as the rest area and water bar area, etc.
- VRV system is operating flexibly around the clock, saving spacial energy consumption.



### Case 9: China Overseas International Community, Shenyang

- The project has won LEED-CS Gold pre-certification, reaching the international level in green environmental protection.
- The whole building adopts breathable glass curtain wall, double silver LOW-E glass to resist ultraviolet light, reduce heat loss and reduce air conditioning operating cost.
- The project uses high efficiency and innovative recycled water system while using high-efficiency bathroom faucet to reduce the amount of sanitary water and effectively save water resources.
- Intelligent natural lighting system is adopted to effectively reduce the office lighting energy consumption.
- Titanium dioxide air sterilization technology is adopted in central ventilation system to improve indoor air quality.
- Outdoor air cooling strategy is used for air conditioning in transitional season so as to reduce air conditioning energy consumption, and CFC refrigerant is not used.
- The indoor materials that are not harmful to human health are used, including the use of low-volatile sealants, adhesives, paint coatings, etc.; the indoor pollution sources are controlled and restricted.



### Case 10: Chongqing The U World, Blocks 1&2 of Phase B03-2

- Wastewater recycling system: Wastewater from showering and laundry is collected, purified and then used for plant watering, road washing, underground garage washing, car washing, waterscapes, and toilet flushing, etc.
- VRF air-conditioning system: Such a system with the household air-cooled design is adopted in the carport lobby and the entrance hall, for the benefit of energy efficiency.
- The water-saving irrigation system is used for landscape irrigation, together with manual irrigation for undulating and steep terrains.
- Energy-efficient lighting: Three-color fluorescent lamps and compact energy-saving lamps are used for the carport, the property management office and aisles.



### Case 11: The Joyful City Phase 2, Suzhou

- **Rainwater recycling system:** Roof rainwater can be used as landscape water source after collection and treatment;
- **Water-saving spray irrigation:** Irrigation, micro-irrigation and other water-saving and efficient irrigation methods are used for green irrigation;
- **Permeable ground surface:** Rationally plan the surface and roof rainwater runoff path, reduce surface runoff, and use a variety of infiltration measures to increase the amount of rainwater infiltration;
- **Water-saving appliances:** Use water-saving appliances and equipment, with the water-saving rate of no less than 8%;
- **External sunshade:** Use adjustable external sunshade to prevent the summer solar radiation from directly going into the room through the window glass;
- **Sound insulation floor:** Take effective noise insulation and noise reduction measures to building envelope, bedroom, and living room.
- **Sophisticated fitting-out:** Integrated design and construction are carried out to the civil engineering and construction project in order to save resources and avoid waste.



## Green Building Certification

In 2016, COLI continued to promote green building certification for its residential and commercial projects. As of end of 2016, COLI has received over 47 certifications, including National Green Building Star Certification, U.S. LEED Certification and UK BREEAM Certification, comprising gross floor area over 7.2 million m<sup>2</sup>. In 2016, the Company's developing projects were awarded 8 green building labels with a gross floor area of 1.82 million m<sup>2</sup>.

 LEED (Gold Certification)	China Overseas Plaza (Beijing)	 LEED (Gold Precertification)	China Overseas Building (Nanjing) No.8 The Mansion (Tianjin) China Overseas International Center CD/H/I/J (Chengdu) China Overseas International Community (Shenyang) Shenyang Office K#
 LEED (Silver Certification)	China Overseas International Center AB (Chengdu)	 LEED (Silver Precertification)	China Overseas Plaza, Unipark (Ji'nan) China Overseas Building (Beijing) China Overseas International Center G/F (Chengdu)
 BREEAM	Two Star: The Paragon (Shenzhen) Three Star: London 50 Victoria Embankment	 Certificate of Green Building Design Label (Two Star)	No.8 Mansion (Suzhou) Paramount Jade North District, A#, B# International Community (Nanjing) B1-4, B1-5, B1-6 The Century (Yancheng) The Arch (Hohhot) Blocks 1-3, 5-12, 15 The Bund (Hohhot) Blocks 5~8 Happiness Town (Urumqi) The Phoenix City (Wuxi), C#, Blocks 1-17 International Community, 6021#, 6022#
 Certificate of Green Building Design Label (Three Star)	China Overseas Property Plaza (Beijing) Shenzhen Contemporary Art Centre and Urban Planning Exhibition Hall Supporting kindergarten of One Regent, Hangzhou Beijing Old City Comprehensive Renovation Project H# Suzhou International Community, Block 4 Chongqing The U World, Blocks 1&2 of Phase B03-2 The Joyful City (Phase 2)	 Certificate of Green Building Design Label (Guangdong, One Star-B)	Glorious City (Foshan) (Phase2-3)
 Certificate of Green Building Design Label (one Star)	#1 Lake Lantern (Phase1) (Foshan) International Community (Nanjing) B1-1, B1-2, B1-3 Tiansongyayuan, Yuejing Garden (Shenzhen) No.1 Meixi Lake (Changsha) Jade Mansion (Changzhou) Lakeside Mansion (Hefei) International Community Primary School (Changsha)	 Certificate of Green Building Design Label (Shenzhen, Bronze)	Tiansongyayuan (Shenzhen) Yuejing Garden (Shenzhen) Glorious City (Shenzhen)
		 Green Building Design Label (Shandong, Two Star)	Paramount Jade North District, A#, B#

## Green Construction

### Protection of Bio-diversity

Projects developed, constructed and operated by COLI are mostly located in downtown areas. For projects near natural landscape, the Company strictly complies with government regulations, having its construction and project development off the warning limits of arable lands, so as to protect natural habitats and biodiversity. COLI strictly abides by the "Law of the People's Republic of China on Appraising of Environment Impacts" for all its projects, analysing, forecasting and assessing potential or negative impacts on the environment (including the surrounding ecosystems, biodiversity, etc.) before development and construction. By so doing, it prevents damages to natural habitats during project construction and avoids the extinction of endangered species. Ever since its establishment, the Company has never caused negative impacts on the biodiversity in cities with its business presence.

In accordance with the relevant requirements of the Chinese government, all new projects must go through environmental impact assessment and obtain approval by local environmental protection department before construction. After the completion of project, environmental acceptance inspection will also be carried out to ensure that the environmental impact of the project during the development and construction as well as its subsequent use complies with the environmental protection laws and regulations, which is the basic work for the company to reduce negative impacts on the environment.

Besides, the Company carefully creates gardens and green spaces in its projects with a great variety of plants, so as to improve the environment, to enrich the landscape and to provide property owners with the biodiversity experience.



### Environmental Management

COLI is committed to constructing and managing its development projects in a sustainable manner. In particular, it strives to better utilise natural resources and minimise the environmental impacts during the whole process of project construction. Hundreds of projects under construction in Mainland China actively learn from the experience of green practices at construction sites in Hong Kong. They have developed green building standards and actively ensure safety and proper management. In 2016, 44 projects under COLI won safe construction site-related honours, including 28 provincial safe sites, and 16 municipal safety sites.



**1. Airborne dust prevention** - Appropriate land hardening treatment; dust covers are installed on mixers; trucks transporting loose materials must be properly covered; maintaining a clean construction site and not bringing the dust and mud outside of the site.



**3. Waste water treatment** - Build waste water collection pipes and pools to collect household and construction waste water and, ensure that industrial waste water is properly discharged into municipal waste water piping system according to the regulations. Appoint specific professionals to be responsible for waste water treatment and cleaning. Keep careful records and implement standardized management.



**2. Noise suppression** - Install temporary noise barriers and strictly follow operation hours; install noise prevention or suppression parts on mixers, air compressors and wood tools that generate loud noise.



**4. Disposal of solid waste** - Solid waste produced from construction will be collected and disposed according to the city management rules. Hazardous waste will be disposed of by qualified units according to laws and regulations.

## Enhance the delivery proportion of sophisticated fitting-out housing

In recent years, COLI has been gradually implementing a sophisticated fitting-out strategy to eliminate bare shell housing with the aim to reduce wastage of materials, noise pollution and disruption of social resources as by-products of renovation commenced by property owners after delivery of residential units. After research and evaluation, the Company introduced seven types of sophisticated fitting-out options for customers, provided advice on standards for design style and ratio of use of materials, and carried out centralised procurement of wooden flooring, sanitary equipment, kitchenware and electrical appliances to maximise the product industrialisation, reduce costs and ensure product quality, thus significantly boosting utilisation of social resources.



Through the statistics on annual sophisticated fitting-out completion indexes, and based on product configuration standard of design line, the Design Management Department of the Company's Headquarters united regional and local interior design departments of the company. At the same time, it combined with centralised procurement research and development to complete 2016 sophisticated fitting-out design standard of 6 levels and 7 styles. Through regional and local project development and testing in 2016, the sophisticated fitting-out design standard provided a strong technical support and protection for the Company's sophisticated fitting-out projects in cost control, quality control, effect enhancement, and promoted the implementation of sophisticated fitting-out strategy.

## Green Operation

### Concern about climate change

COLI promotes its green operation in an environmentally responsible manner, and reduce the impacts of business activities on climate change through fine management. In recent years, the Company has started the attempt of systematically monitoring and calculating GHG emissions by operation points of subsidiaries at all levels, with the gradual disclosure of its carbon footprint. The work was officially launched in 2016.

COLI subsidiaries at all levels organise public benefit activities in line with environmental protection events at home and abroad (e.g., China's Arbor Day, World Environment Day, World Car Free Day, WWF Earth Hour, etc.), so as to enhance public awareness of climate change and participation in related campaigns.

### Implementation

COLI actively integrates environmental responsibilities into its daily business activities. In the beginning, COLI has introduced the concept of environmental protection and resources conservation in its day-to-day routine work and office operations. Over the years, all staff from all levels of the Company have pushed forward low carbon and green office initiatives such as "dual-purpose paper", and "take the stairs within three floors". In recent years, with the increasing popularity of the internet, the paperless initiatives have been extended to all phases of business.

Since 2016, the Company has completed more than 350,000 pieces of approval through online process, which greatly reduces paper consumption and improves the efficiency of circulation. Currently, electronic business collaboration has also extended to suppliers and subcontractors. Through tendering and bidding, material procurement, and engineering order system, it establishes a connection through the upstream and downstream order management and task assignments so as to reduce the receipt of written documents. In addition, some product promotion and filing works have also been changed from offline to online. The Company conducted brand communication and customer information management through the enterprise Wechat ID, sales APP, thus reducing the amount of paper leaflets and materials. The application of paperless office management greatly reduced paper waste, and reduced the storage space of the archives, changed the slow circulation, difficult search and inconvenient share of paper documents, and improved the work efficiency significantly.

As always, COLI encourages its subsidiaries to use the video conferencing system to replace unnecessary business travels. In 2016, more than 900 video conferences were held, with participants coming from 53 different cities, accumulating 3,400 conference hours. The extensive use of video conference not only boosted communication efficiency and saved time, but also reduced greenhouse gas emissions generated by transportation during business travel. Moreover, all subsidiaries of COLI have also applied the resources conservation and environmental protection concept in office renovation by introducing energy-saving lighting to reduce electricity consumption.



## Low carbon practices at investment properties

As long-term investment assets of the Company, commercial property projects are particularly important in evaluation and inspection of sustainable development performance during the process of project design and development as well as operation management. By promoting its developed commercial projects, COLI actively participated in LEED (Leadership in Energy and Environmental Design) Green Building Rating System. It followed whole life cycle construction of a project in line with LEED certification system standards to ultimately achieve the goal of offering high-quality, comfortable and healthy life and working environment to commercial tenants. In addition, through augmented energy efficiency review, it encouraged staff, tenants and customers to take steps to improve environment protection and influence environmental public welfare behavior in the communities and cities.

### 1 "China Overseas Series" Grade A Office Building

China Overseas office building has continued to implement the "green environmental protection" business philosophy in its operation. In such aspects as green building, commercial project operation, and creation of green office environment and cultural atmosphere, it constantly improves the low-carbon office system, and establishes green office certification system. It has upgraded from sporadic spontaneous behavior to a scientific and professional office environmental management system to help enterprises save operating costs while generating greater environmental protection benefits. At present, the "environmental protection" has become an important label to represent China Overseas office

building. At the same time, China Overseas Commercial Properties Co., Ltd. is actively promoting and participating environmental protection to propagate low carbon life and green office concept to the public initiatives through its national footprint platform and brand advantage.



Office building in operation: more than **1.8million m<sup>2</sup>**



Total number of service enterprises: more than **1,000enterprises**

### Case 1: Support "Earth Hour" Activity:

The Commercial Property Company has participated in Earth Hour public welfare activities for many years. In 2016, through careful planning, it integrated China Overseas Series of Grade-A office building and Unipark shopping mall projects, and took all-round participation in Earth Hour "For Blue Life" theme activities. Taking Earth Hour activity as the main axis, the Company conducted a series of activities including collection of urban environmental protection symbol, environmental recycling station pilot, vertical public welfare running, environmental protection funding, public environmental station, environmental art exhibition, and environmental questionnaire survey, etc. Moreover, they performed environmental protection relay and linkage in nine cities, i.e.

Beijing, Shenyang, Ji'nan, Qingdao, Shanghai, Nanjing, Wuhan, Xi'an and Chengdu, to promote environmental protection, low carbon and sustainable work and life style for partners, customers and the public. It also explored the establishment and implementation of green office certification system in China Overseas office building project, and created greater operational, social and environmental benefits with stakeholders.



### Case 2: Support the Use of Clean Energy



The Commercial Property Company actively promoted the application of clean energy. It has installed a total of 44 electric vehicle charging piles in the office building projects under operation in such cities as Beijing, Chengdu, Shanghai, Nanjing, Xi'an, etc.

### Case 3: Promote Implementation of Resources Recycling

The Commercial Property Company cooperated with the domestic authoritative renewable resources recycling platform Tiantianjie Company Limited to promote the China Overseas green office initiatives, and China Overseas Plaza in Beijing was the first to introduce the "Eco Box" (which has been implemented in our office building projects in Shanghai, Chengdu, Shenyang, and Qingdao subsequently). They established a renewable resource recycling system, collected office paper and office supplies for recycling. Toyota, Gezhouba Group and many other tenants have joined it as pilot tenants.



## 2 "Unipark" Shopping Mall

### Case 1: Uni Love Clothes Station

At the beginning of 2016, Ji'nan and Nanjing Unipark launched online "Uni Love Clothes Station." Through online and offline, the activity attracted many neighboring residents and shoppers to the mall. In accordance with the relevant requirements, participants donated their clean clothes to the clothes drive station, and the Company passed donated clothes to the poor areas nearby its projects so as to convey warmth and love to the society.



### Case 2: "Let the Stars Shine Again"

On 24 December, 2016 when Unipark opened in Changsha, the Commercial Property Company joined hands with environmental protection organisations, Green Hunan, to jointly launch the plan "Let the Stars Shine Again" to advocate the public to implement energy saving and emission reduction, and keep away from haze to make for a clearer sky. The event attracted more than 1,000 families who used painting brush to draw out their ideal skies. Through this event, the Commercial Property Company expressed their concern and initiatives on a greener environment.



## 3 London Office Building Projects



### One Finsbury Circus

- "Green Building Certification" 14001, "Planet Mark" Sustainable Development Certification
- Participation in Earth Day, roadshow on environment and sustainable development, participation in a variety of tree planting program



### 50 Victoria Embankment

- BREEAM Certification "Excellent"
- Participation in the "Energy Conservation Plan"



### 61 Aldwych

- "Green Apple" Gold Award
- Participation in Earth Day activities and a variety of plants planting plan



### 1 South Place

- Energy-saving certification Energy rating: EPC C level
- Participation in Earth Day

## Green Supply Chain

COLI strictly executes its strategy for procuring quality construction materials in all projects under construction, in order to ensure that centralised procurement of mega construction materials can benefit from steady quality and economy of scale, thus promoting the technological development of construction materials companies. The Company optimised the categorisation of the centralised procurement system and set up construction materials procurement guidelines from 2014 onward. A set of standards for ceramic tiles, kitchen and bathroom fixtures, doors, windows and hardware, electromechanical equipment, electrical equipment, and water and heating systems were also issued. It also compiled and updated a list of qualified suppliers within the Company while rejecting unqualified suppliers.

COLI is committed to establishing long-term, stable and win-win strategic cooperative relations with centralised procurement partners. It simplified the cooperation linkage, trying to reduce the communication cost and service cost of all partners. It established and improved the centralised procurement management system and operating procedures. Based on principles of unified management, standardised implementation, fairness and justice, open and transparent, the system ensures the quality and efficiency of procurement in order to achieve fair, open, standardised and efficient "open procurement".

## Supplier Environmental Assessment

The Company closely monitors, manages and controls procurement sourcing, production processes, technology, delivery, storage and cost of suppliers. All materials must undergo environmental inspections. Through a daily rating system, grades are included in the annual appraisal of suppliers so as to encourage suppliers to maintain low carbon production and green operations.



In 2016, COLI had another 10 centralised procurement cooperation units, 100% of which have passed ISO14001 environmental management system certification.

## Green Community

To realize an environment-friendly living concept in the communities, apart from allocating waste separation bins and used battery collection boxes to all of its projects, the Company has actively cooperated with local governments, related authorities and organizations to act as a demonstration unit for waste separation at specified times and locations. It also introduced professional companies to centralize the collection of empty bottles and packing of cleansing and agricultural chemicals after use to eliminate such hazardous pollution sources. In view of apparent energy-saving effect and long product life of LED lighting, COPM has implemented an energy-saving LED lighting upgrading project in the properties under its management.

In Northern Region, intelligent LED light source has been used for underground garage lighting in all new projects, which can increase the illumination while vehicles or pedestrians are passing by, and vice versa, thus effectively saving the energy.

Beijing Company held a green alliance activity. Beijing China Overseas Property Club led the property owners to create DIY hand-painted environment-friendly bags, and advocated owners to bring along environment-friendly bags for shopping to reduce the use of plastic bags to avoid white pollution. In addition, it advocated recycling of old materials in the community. During the event, the property owners could use old clothes, old books and newspapers to exchange potted green plants in order to practice low-carbon life philosophy.





---

# Customer Service

---



## Each and every detail makes excellent quality

COLI has consistently adhered to its quality product strategy that has aimed to provide expertly designed and well-constructed projects to satisfy the demand of the market and customers. The distinctive excellence and sophistication of its management make the Company stand out from its peers, aided in no small measure by a comprehensive customer services network throughout the entire process as well as professional and individualized service. All of these features have helped the Company to gain the long-term loyalty of customers.

COLI's pursuit of high quality is clearly guided by its project development philosophy of "Each and every detail of each and every project". Leveraging its abundant experience in construction and through the outstanding management and control over the entire property construction process, the Company became well-known in Hong Kong more than 30 years ago through "innovative design, quality materials, outstanding quality, reasonable price and comprehensive management". Over thirty years, the Company has pursued constant innovation in planning and design of its projects. It has launched its fifth generation of premium residences, maintaining its role at the forefront of industry development. Through the historical ups and downs of the property market, and throughout the tens of millions m<sup>2</sup> of projects that COLI has completed every year, the Company has steadfastly implemented strict quality control. This careful attention spans from planning and design to construction and service, from refined renovation to attentive arrangement both before and after project delivery, from customer service and professional property management to building a quality community for its customers. COLI's employees aim to manage the company by customer-oriented approach and through its concerted effort the Company has built a strong brand, brought COLI to different regions and steadily boosted its scale of business.

### Elaborate Planning and Design

Contributing to its consistent success throughout its long history of project development, COLI has been guided by an international vision influenced by a significant component of urban management and planning. The Company maintains three management levels encompassing planning, design and execution. An added advantage of the Company is that it can fully integrate the resources of domestic and overseas outstanding design units, enabling it to provide an in-depth analysis of plot ratio of land parcel and characteristics to calculate the value of project mix so as to maximize its profitability and the benefits to the community at the same time.

Customer demand and satisfaction are the Company's top priority from the planning and design stage, with the aim to create an innovative design, achieve scientific management and pay careful attention to details. COLI's planning has gradually shifted its focus to pure high-rise residential projects, pure villa projects, and high-rise + Townhouse / commercial street projects. To meet the expectations of its customers for a better lifestyle, the Company's projects have adopted a range of styles such as Art Deco, new classics, French, British and modern Chinese styles. To reflect the grandeur of classic design, the Company has carefully considered the profile and proportion to create a general plan and a detailed drawing. The design and layout of property is highly practical and superior materials are used. This painstaking attention to quality and customer satisfaction has helped us to gain a wide recognition and strong reputation in the market as the Company has gradually evolved its own distinctive design style.

#### Case Study: China Overseas Creative

Since the publication in January 2012, China Overseas Creative, in a form of monthly magazine, has been focusing on presentation of its planning and design business dynamics, excellent project, structural planning, architectural design, landscape building, house layout design and innovative design and highlights in refined decoration, and shared classical works and industrial dynamics with the peers. Now it has become a study base for summary, communication and interactive promotion in terms of planning and design business.



#### Case Study: Community Scenario-style Children's Playground

In order to enhance the Company's product quality and create a happy and harmonious community atmosphere, the Design Management Department of the Company headquarter developed and launched "Scenario-style Children's Fairyland" in 2016. Up to now, it has been put into use in La Cite (Shenyang), COLI City (Shenyang), Gate of Peace (Shenyang), China Overseas International Community (Yantai), and the Paragon (Shenzhen). By then, the owners will enjoy a more fun and lively children's playground.



## Excellent Construction

### Construction Planning

Construction planning is a unique operating mode in its project management. It requires frontline construction management staff to "formulate plans before starting the project and make plans about implementation in advance". Construction planning does not merely cover simulated construction, but also requires thorough consideration of the layout, workflow and transportation and logistics arrangements of the project. Staff need to consider how to adopt the plan into a contract, and to make sure the plan and content is executed, thus implementing comprehensive and professional control and management over the works and increasing the extent of the overall management of the project.



### Quality First

COLI has consistently adhered to its tenet of product "quality first", and takes quality improvement as the eternal theme in construction process. In accordance with its business development demand, COLI revised and published guidance document for project quality governance for the whole company, namely Manual of Safety & Quality Assessment System Management. Focusing on improvement of owner's satisfaction and project quality, COLI defined higher requirements in terms of actual measurement, quality and safety management, and safe and civilized construction to gradually "integrate quality and safety management into daily management practice".

### Construction Safety

The Company has established and clarified the accountability of safety management and has put into place rules for safety checks, special requirements for fire and theft prevention, identified major hazards at projects, implemented contingency measures for project safety and formulated contingency plans for safe production. For projects with greater hazards such as deep foundation pits, high and large formworks and operations at heights of 30m and above, it has formulated construction safety plans for specific items, which have been tested and verified by experts. These aimed to ensure safe production of all the development projects and minimize impact of the construction projects on the safety and environment of the surrounding communities. In 2016, work safety month and major work safety inspection and other regular activities were continued to be carried out in all areas to improve the safety awareness of all employees. COLI work safety was operated smoothly and there was no major safety accident throughout the year.

#### Training for safe construction

Safety training plays a very important role in construction safety management. In order to ensure the smooth progress of the projects under construction, at the beginning of each year, COLI develops safety training program when trainings are carried out on-site, and targeted training is carried out along different construction stages. In 2016, 15 special safety trainings were conducted, covering scaffolding project, construction, electricity, adjacent edge protection, and large facility management, etc.

### Sharing of safe construction cases

In order to strengthen project safety management, the project management company has developed and issued the "Standardisation Manual of Project Visual Identification and Safe Construction", requiring all projects under construction to follow. In 2016, pilot standardized construction was carried out in Taiyuan, Shenyang, Suzhou, and Nanjing. These projects were implemented strictly in accordance with the manual requirements from planning and designing to subsequent construction management. Through oriented protection requirements, it can achieve energy saving and emission reduction, cost saving, safe and effective protection in order to strengthen the standards for on-site construction safety management.



## Customer Services

### Residential business customer service

The customer is the foundation and motivation for the Company's sustainable development and the stimulus for its product innovations. COLI insists on providing customer services throughout the entire process from positioning, planning, construction, sales, flat in-take to post stage property services, and includes the customer satisfaction levels for all regional companies into the Company's performance appraisal. This exercise enables the Company to be involved in all business processes of property development operations from the customers' perspective and assigns the benefits of customers as first priority, thus driving the improvement of its products and services.

Since July 2012, subsidiaries at all levels upgraded the function for providing services for customers to such modules as "customer services pre-work, prospective owner communication, project in-take management, project after-sales maintenance supervision, initiative customer care, owner complaint reception and management, collaborative service with property company" to push forward systematization and elaboration of customer service management work.

In order to implement the concept of "Whole process customer service for all customer service", Hua Nan Region continues to focus on ten business management modules, i.e. "customer service pre-work", internal housing inspection, move-in management, maintenance management, complaint and risk management, customer care, CRM system management, property certificate management, property docking, feedback and evaluation". In addition, 49 critical management critical points were developed so as to continue to improve customer service level. In 2016, Regional Customer Service Department sorted and completed the system document, "Concerns of Customer Relations Business at Planning and Design Stage and Initial Expansion Stage", so that the project can avoid the customer concerns from early-stage design. In addition, quality supervision and management post was added in Customer Service Departments in all regions to strengthen product quality control.

In order to promote standardised operation in the whole cycle risk control (design stage - construction stage - sales stage - delivery preparation - post-delivery management), the Western Region

edited and established the "9+3 Customer Service Monitoring and Inspection System" in 2015. In the system, the whole cycle of a product is divided into 9 risk control critical points and 3 post management actions, including 11 "supporting documents" and 13 "output result" modules. This system was greatly popularised in 2015 and 2016. In addition, targeting at the characteristics of product lines within the region, it cooperated with the design management line to jointly develop the "Regulations on Private Garden Design Risk Control".

In 2016, the Northern Region established the "contractor interview mechanism". In addition, the Customer Service Department in all areas managed and recorded efficiency of the contractor every month and cooperated with the project management company and other relevant departments to interview or warn the contractors based on maintenance follow-up, urging contractors to solve product quality problems in a timely manner. The contractors failing the relevant work will be excluded from the upcoming project tender.

## China Overseas Property Club

The "China Overseas Property Club", an association promoting interaction among property owners at COLI's projects, was established in 2004. Its vision is "Wonderful Livelihood, Remarkable Life". It has branches in more than 30 cities with more than 300,000 members. In 2016, all areas continued to carry out national series activities of China Overseas Property Club, including "LOHAS Sports Season", "Happy Talent Show" and "China Overseas Experience Camp for Children of Property Owners" in all communities to make efforts to enrich China Overseas community cultural life.

- To enhance and promote the liaison of COLI, customers (principally property owners) and the community, and share the latest updates of China Overseas Property's operations and services;
- To enrich living experience through organising a range of social, charity, leisure and entertainment and sports activities;
- To expand the business alliance network of China Overseas Property Club and provide value-added services such as special offers and group purchases for property owners;
- To improve and optimise the products and services of China Overseas Property through collecting feedback from customers.

## Case Study

- The Western Region, through its innovative approach to reach partnership agreements with Far Eastern Group Merchant Alliance, has customised an exclusive shopping privilege program for the members of China Overseas Property Club. The program is piloted in Chongqing, covering nearly 600 merchants.
- Tianjin Company held the 5th "Ancient Chinese Civilisation and Wisdom Summer Camp" activity for China Overseas communities in Hanze Academy of Classical Learning, with the theme of " Ancient Chinese Civilisation, Diversity and Inclusion". It invited well-known professors from Peking University to teach Chinese ancient civilisation courses and introduce Chinese painting, brush and Chinese culture stories to the children of property owners, and performed traditional Chinese paintings.



## Customer Services of China Overseas Commercial Properties Co., Ltd.

Taking "quality operation" as its operation and service philosophy, China Overseas Commercial Properties Co., Ltd., through "China Overseas Officloud", offers multi-dimensional services in corporate management, corporate development and staff lifestyle to the enterprises that moved in China Overseas office building. It covers business investment and financing platform, policy advisory services, optimal operation management, smart office and white-collars' commercial life within and beyond their eight-hour works. The tenants include Dell, HP, Oracle, HSBC, York, China Construction, BASF, FAW-Volkswagen, BMW and other Fortune Global 500 companies as well as Deloitte, PWC, Germany and France Visa Centre and other industry leading and internationally well-known enterprises. In the shopping centre, the Company is committed to meticulously building Unipark into a joyful city landmark and cooperated with all merchants as partners to provide high quality services to the



public. In addition, it took Unipark as the platform to conduct various environmental public welfare activities and periodically carried out merchant satisfaction survey in order to improve its management and service level.

On 9 December 2016, China Overseas Commercial Properties Co., Ltd. released COOC China Overseas Commercial brand in Shenzhen, which held service brands, Officezip Business Centre and China Overseas Officloud to provide integrated solutions for the tenants demanding more advanced office solutions. This drew widespread attention in the industry, signifying the domestic office buildings have entered a new era of global commercial property management.



### Case Study: China Overseas Officloud

As more business services are going online, China Overseas Series Grade-A office building has integrated commercial market resources since 2014 and launched its operation service brand, China Overseas Officloud. It gradually developed value-added service program in three aspects, namely, "enterprise development service", "enterprise management service" and "staff lifestyle service" so as to provide co-working service, meeting room renting and conference service to devote itself to offering incubation and care services to medium and small enterprises. In addition, it periodically carries out tenant satisfaction survey to listen to their opinions and constantly improve its operation service quality. At present, China Overseas Officloud has provided multi-dimensional value-added services for thousands of tenants for about 3,000 times, building up a more comprehensive, more efficient and more tailored service system.

### Case Study: Unipark New Classroom

In 2016 summer holiday, the Commercial Property Company launched Unipark New Classroom - an innovative parent-child education classroom brand available in all Uniparks. Unipark New Classroom is oriented toward children's comprehensive development to cultivate children's interest in exploration and thinking innovatively. It will be opened in Nanjing within the year. It also held "Colorful Summer Camp", "Children Art Class", "Basketball Camp" and other activities, attracting thousands of families to join the fun.



### Case Study: Caring for the Disabled Children

On 3 December 2016, Ji'nan Unipark cooperated with Ji'nan Mingtian Children's Rehabilitation Centre to organise the public charity event, "To you, My love! Caring for the Disabled Children" and 25th United Nations' International Day of Persons with Disabilities. The participants experienced the world of disabled children through interactive games. They also actively participated in charity flea market organised by junior volunteers from Ji'nan Women and Children Activity Centre, Huayuan Primary School, Jiuqu Kindergarten, First Primary School of Shandong University so as to offer their love to the children.



## Product Responsibility

Through business line work collaboration, COLI fulfilled its commitment to customer on quality products and services, and ensured transparent information, after-sales multi-channel customer service response in its project sales process. In 2016, the Company issued a new system to strengthen product responsibility management - "Interim Management Measures for Move-in Maintenance", with the aim of comprehensively streamlining and defining the work responsibilities and collaborative matters of real estate company, project management company, China Overseas Property and related departments within COLI system after project delivery in order to further enhance customer satisfaction.

### Prospective Owner Communication

In order to push forward open and transparent project information and strengthen communication with prospective owners, the subsidiaries at all levels constantly improved customer services level with prospective owners based on local situations, including sharing with prospective owners about such contents as the latest real estate information, project development progress, China Overseas Property Club activities and business alliances discount activities by means of microblog and WeChat platform, and actively responded to focus issues concerned by customers.

### Inspection before the owner moving in the house

To maintain good quality at each and every project and promptly solve the problems related to quality, one to three months before the delivery, the Company will organise the project construction management department, the customer service department dedicated to after-sale service and a third-party property inspection company for cross-checking before delivery. The customer service department also collects suggestions and opinions before and after delivery and directs this feedback to the planning, design and construction departments. Its comprehensive quality control and supervision system covers the entire process. Through informatization and professional innovation, it can continue to deliver premium products up to customers' satisfaction.

- Complaints via iPad: All properties undergo internal inspection before delivery. The units are checked from the perspective of its customers and all problems are recorded in its "CRM system". All indoor and public areas are checked and problems are promptly fixed.
- In 2015, many companies in Hua Nan Region appointed third party property inspection companies to conduct property checks. This measure is intended to learn from professional management experience in the market and enhance the professionalism of property inspection.
- The projects set up "house repair center" one month before the owners moving into the house, which is mainly responsible for correction of the problems found by the Company, arrangement of correction requested by the owners after moving into the house, project quality complaint treatment, contract after-sales maintenance management, public area inspection and handover management.

In 2016, the Northern region organised a third party to conduct pre-move-in inspection to all projects to be handed over, developed detailed inspection standards, performed sampling inspection in the move-in areas and recorded the scores to form appraisal mechanism and rankings in order to promote relevant work.

By monitoring the record of move-in data such as Move-in Planning Book, Pre-Move-in Risk Screening and Pre-control Report, and Pre-Move-in Internal Inspection Summary Report conducted by regional companies, the Northern region mastered the key times of the move-in preparations and required the regional companies to make a pre-assessment on delivery risk and make a good risk response plan. In 2016, some regional companies enabled third party housing inspection.

### Smooth Customer Complaint Channel

In 2016, COLI continued to strengthen whole-staff customer service awareness, improve timeliness and effectiveness in complaint handling, standardize complaint handling reception procedure, and smoothen customer problem feedback mechanism. Moreover, it publicized complaint contact information in project sales stores, reception desk of community property management office (or at lobby of each building), in-take site and on-line publicity platform, etc.

Reception desk switchboard	400 complaints hotline	Customer service reception desk	Sales store reception desk	Complaint E-mail	Owner QQ group	Official Weibo and WeChat ID
----------------------------	------------------------	---------------------------------	----------------------------	------------------	----------------	------------------------------

### Product Complaints

Area	Number of Customer Complaints (pcs)	Number of Complaint Handling (pcs)	Handling Rate of Customer Complaints (%)
Hua Nan Region	267	254	95%
Hua Dong Region	447	438	98%
Hua Bei Region	428	359	84%
Northern Region	387	377	97%
Western Region	411	379	92%



### Open Day at the Construction Site

To express its care and concern to property owners, Open Day at the construction site is held at appropriate time in the construction. Property owners are invited to the site and pictures are used to illustrate the process from vacant land to topping out. The staff also leads property owners to visit the site, to gain a better understanding about the property quality standards and details. In order to strengthen project quality, Hua Dong Region asked all companies in the region to hold a "Construction Site Open Day" 30 days ahead of schedule for their move-in projects, so to display the project quality and review it with the customers. It conducted the activities for nine times in the year.



### Product Defects Library

Customer Relationship Department at each level performed daily visit and spot check to products and service quality, and worked out special research report on "Product Defects Library". In addition, it cooperated with design line and engineering line for centralised training and study, requested and participated in special review of product defects in drawing design stage of a newly developed project in order to prevent repeated occurrence of similar problems in early stage of project development.

## Customer Satisfaction Survey

In 2016, Western Region, Northern Region and Hua Nan Region continued to engage a third party research organization to conduct surveys on product and service satisfaction with its randomly-selected owners who purchased property during the sales stage or moved into the properties at different periods. The survey also focused on the sale, design and quality of the products of the developers, and also collected opinions and suggestions from customers on the daily services of the property management company for continuous improvement in customer service and property management quality of the Company. Besides, it has listened to customers' opinions expressed through telephone hotlines, written documents, property owner forums and social media. It has quickly responded to customers' needs, with an aim to improve its customer services.



## Collaborate with Property Company for Co-building of Excellent Community

The projects invested and developed by COLI are managed professionally by "China Overseas Property Management Ltd." China Overseas Property Management Ltd. was officially demerged and successfully listed in Hong Kong Stock Exchange in October 2015. While it is promoting basic property service quality (community safety management, environmental management, project maintenance management, and community cultural management, etc.), it also explores community O2O value-added service business so as to cooperate with COLI for co-building of excellent housing estate. The Company's property development division and property companies joined hands to initiate an activity "Co-Building an Exemplary Model of a Top Property Projects" in 2011. Selected projects having been already occupied for two or more years were upgraded in order to optimise the facilities and improve property service, with an aim to enhance the living environment and experience. All expenses incurred in the projects of "Co-building of Eternal and Excellent Products" have been subsidised by the Company proactively. It is a significant investment to reward property owners continuously and to preserve and add value to the communities. The Company is a pioneer in the industry in providing such innovative service to better serve property owners.



In 2016, COLI selected 29 projects in 14 cities in China to carry out "real estate property boutique co-construction activities" to continue give back to current property owners, improve the property owners' living experience and enhance COLI's product and service level.

## Intellectual Property and Trademark Management

COLI intellectual property and trademark management affairs are undertaken by the Legal Affairs Department of the Headquarters. The Legal Affairs Department is responsible for intellectual property application, registration, registration statistics and ownership changes of all regional companies. At present, all trademark ownerships belong to China Overseas Property Group Co., Ltd. (wholly-owned subsidiary of China Overseas Land & Investment Co., Ltd.) or trademark companies overseas. As of the end of 2016, China Overseas Property Group Co., Ltd. has 202 registered trademarks, including company trademarks, commercial property trademarks, China Overseas Property Club trademarks, human resources trademarks and residential project trademarks, etc.

## Product Quality Verification Management

### Seven quality detection procedures

In the entire process of project construction, in order to carry out the quality and safety management culture of "whole staff, whole process and all directions", COLI performed timely measurement and evaluation in dimension control, workmanship, leakage and hidden danger during project construction process in terms of three core issues, i.e. structure, waterproofness and material, that are concerned in project quality according to different periods of project development so as to supervise and urge contractors to improve timely. A project needs to go through seven quality detection procedures prior to delivery:

- Whole process quality detection by project construction enterprise
- Whole process quality detection by supervision company
- Whole process quality detection by developer
- Actual measurement detection by a third party invited by developer
- Quality detection by government
- Quality detection before access of property management company
- Quality detection by home inspection company invited by developer prior to delivery

## Consumer Right to Know and Privacy Protection

### Purchase information transparency

COLI has strictly managed the legal and regulatory compliance of the promotional materials during the sales stage of its projects with the aim to enhance transparency in sale and purchase of its properties. In Hong Kong, the marketing and promotional materials related to all of the Company's projects for sale have strictly complied with requirements of the "Residential Properties (First-hand Sales) Ordinance". In Mainland China, the Company has followed regulatory requirements of local governments in relation to the sale and purchase of commercial properties by displaying the related documents at all property sales offices and disclosing them to the public. The actions here include displaying sales licenses and supporting documents, notices about unfavorable factors within and beyond the regulatory requirements, risk notices such as sand table models, sample rooms, etc. These actions have been taken in order to prevent potential customer complaints caused by discrepancies between on-site product displays at the sales venue and the final delivery standard of the products. The Company has continued to upgrade its project sales staff in all regions with the training on presentation of project information and potential sales risks. It has also devised a series of standardized procedures from reception of customers during project sales through to signing a contract, and set up a hotline for directing complaints to the project sales manager in order to improve management of sales and marketing.

### Customer information management standardization

To further strengthen the privacy and protection of customer information, the Company issued a "Notice on Enhancing Management of Customer Information" in 2014. A range of measures were announced, including print and electronic records of customer information to be managed by the staff in designated positions, processed within dedicated computers and under special management on a regular basis. The Company has strived to enhance the safety and security of customer information by delegating the responsibility to designated personnel to avoid or minimize the legal risks due to leakage of customers' personal information. It has stressed the importance of customer information management so as to better safeguard customer privacy.



### Disclosure of Project Risk Warning

COLI implements relevant system regulations of "Policy on Management of Project and Surrounding Negative Factors Warning". Through sales risk screening and rectification implementation, it standardised the display of all documents at sales site to disclose important information to its customers such as negative factors within and beyond the red line, special house type, construction model guidance, sample room risk warning so as to abide by laws and carry out integrity management. Based on local practical situation, all regions further standardised the relevant information disclosure and display.





# Staff Development

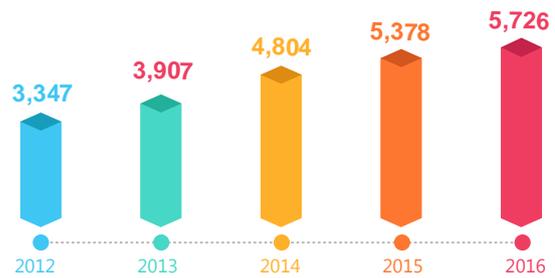
---



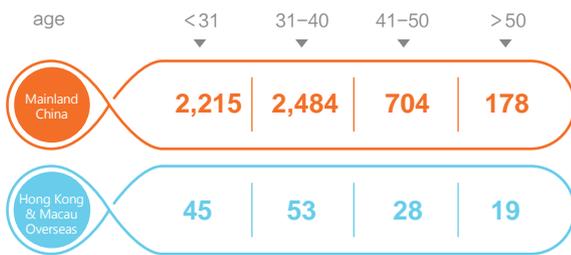
# Employment Overview

Based on the solid human resource infrastructure and talent pool management and taking system improvement and cultural construction as the key link, the Company systematically seeks to achieve a balance on the common development request between the Company and the staff, guides employees to incorporate their personal goals into the long-term corporate development objectives, and creates a simple, transparent, positive and promotional working environment. The Company has also continued to optimize its appraisal, remuneration and welfare procedures, improve the office environment and organize different recreational activities to boost staff satisfaction and nurture their sense of belonging. Its outstanding performance in talent development and corporate governance has garnered for the Company the honours of "Best Employer in China" and "The Most Respected Company" for consecutive years.

## Number of employees



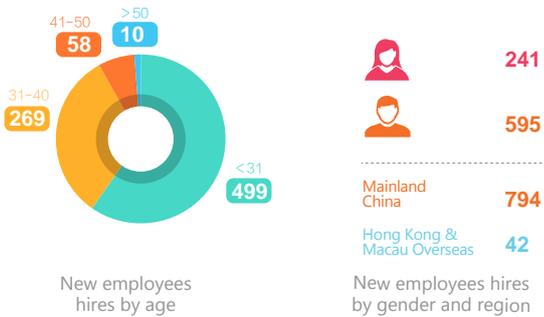
## Employees by age and region



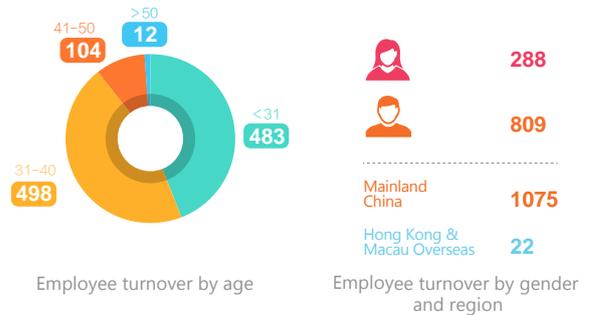
## Employees by gender and region



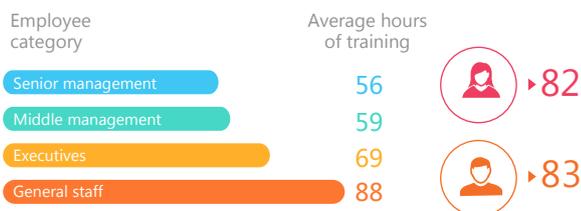
## New employees by age, gender and region



## Employee turnover by age, gender and region



## Hours of Training by gender and position



## The percentage of total employees who received a regular performance and career development review

100%

0 Number of work-related fatalities      0 Rate of work-related fatalities      0 Lost days due to work injury

## Development and Training

Employees are key to a company's success. COLI has created a working environment where all employees are treated with fairness, justice and respect. We adopt a unique approach in personnel training and selection while nurturing talents who share our goals and values through ongoing branded staff training and education. COLI strives to unleash the potential of its employees and to promote dynamic, harmonious and orderly development. By optimizing the talent pool, the Company has maintained a competitive edge in human capital effectiveness and overall human resources efficiency, ensuring and promoting the realization of its strategic goals.



### Sons of the Sea

Collectively refers to the staff that COLI has recruited directly from universities. The Company has registered this trademark, utilising it to represent its corporate image to recruit staff among freshly graduated students, as well as its commitment to recruit and cultivate their professionalism, thereby enabling them to give full rein to their talents.

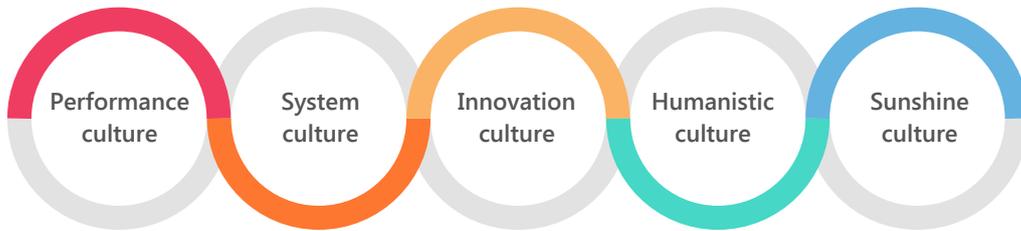


### Sea's Recruits

Collectively refers to the experienced staff that COLI has recruited directly from society, which is an integral part of the Company's human resources team. "Sea's Recruits" programme has become a distinctive symbol of COLI to attract the highly-qualified talents in the society as well as its recruitment platform open to experienced professionals.

COLI has launched a series of reputable talent nurturing programs, such as the "Career Development Workshop", the "Pilot Training Class", the "Career Foundation Program", the "Professional Workshop for Managers", the "Training Camp for Potential Employees" and the "Motivation Workshop for Senior Management", complemented by its E-learning Academy of COP, a knowledge sharing learning platform. Therefore, a training system has been formed, comprising modules of "network training, daily training, intensive training and external training", with extensive resources for career development and personal value enhancement. Furthermore, the core values of "integrity, practicality, innovation and excellence" are practiced in our duties.

### Five Key Words of Corporate Culture and Tricolor Management Model:



**Red background**

- Chinese state-owned enterprise
- +
- Corporate mission
- +
- Pragmatic standards

**Blue model**

- Strategic orientation
- +
- Flexible response
- +
- Innovative and enterprising spirit

**Orange atmosphere**

- Open and justice
- +
- humanism
- +
- social responsibility

## "2017 Sons of the Sea" Experience Camp of Northern Region

In November 2016, the Northern Region organised "2017 Sons of the Sea" experience camp. It aimed at pre-induction training and to provide support to "Sons of the Sea" candidates to enhance their induction experience and be equipped with Company's culture and industry knowledge, and continue to strengthen new comers' identification and bonding with the Company to achieve win-win for "Sons of the Sea" and the Company.

## New Employee Induction Training

In August 2016, the Engineering Company held "2016 Sons of the Sea Sailing Class" to give trainings to the new "Sons of the Sea", covering China Overseas corporate culture, engineering professional foundation, and full-cycle of real estate development, and personal development and team spirit, which helped new employees quickly adapt to their new roles and the culture of China Overseas.

In July-October 2016, in order to promote employee integration, Qingdao Company organised a three-month integration study program, which comprised "induction guidance - experience China Overseas", "cultural guidance - feeling China Overseas", "transformation - integrating into China Overseas". Through series of trainings and a variety of thematic activities, the program guided the new employees to adapt to the Company's culture, system and behavioral norms so as to quickly integrate into the Company with a positive and professional attitude.

In September-November 2016, Hainan Company held a series of induction trainings to help the new recruits and former employees of CITIC Real Estate and CITIC Pacific to quickly integrate into the China Overseas culture. The training content ranges from finance, HR and administration, customer service, filing management, construction reporting, planning and design, project management, and vehicle management which helps to consolidate the foundation and enhance coordination and execution of all employees.



## "2015 Sons of the Sea" Final Induction Evaluation for Confirmation of Employment

The growth of "Sons of the Sea" benefited not only from their own efforts and understanding, but from the induction tutor system. The Marketing Company, Engineering Company and Commercial Property Company held "2015 Sons of the Sea" final induction evaluation for confirmation of probation on 13 July, 15 July and 23 August 2016, respectively. It systematically checked their key performance, innovation achievement and perception to corporate culture in the past year when 2015 newcomers joined in the Company, promoting further perfection of new employee training system.

## Job Bidding

In order to expand and optimise staff's career development paths, improve staff allocation effectively of internal talent, and create a fair, just, open and transparent promotion environment, the regional companies in Ji'nan, Ningbo, Chengdu, Zhengzhou, Shenzhen, Nantong and Hefei continued to organise and conduct job bidding activities at different levels. Through self-introduction, on-site debate, overall score rating, they investigated overall quality of staff to promote cross-business line exchanges and excellent talent selection.

### Training Camp for Staff with Potential

As a major part of the Company's talent pool, potential employees are the performers and promoters of the Company's strategic goals. In order to better cultivate and develop the expertise and professional qualities of potential employees and promote sharing and exchanges of the same expertise and crossing-complementing of different businesses, on 15 August 2016, Hua Nan region organised 2015 Sons of the Sea training camp. Through discussion and share, argument for confirmation of probation, program rehearsal, round table meeting and business training, it strengthened the regional and areas linkage echelon talent training.



### Special Training for Sea's Recruits



In order to strengthen the corporate culture infiltration to "Sea's Recruits" staff and inheritance of "China Overseas" series of professional skills and management experiences, and accelerate better and quicker integration of "Sea's Recruits" staff, the Commercial Property Company held a month of Sea's Recruits "inclusion" special training. The staff from headquarters and all subsidiaries of the Commercial Property Company went through systematic training sharing in commercial property quality management, operation service, project management, marketing, software design, business management, etc.

On 18-19 August 2016, "Sea's Recruits Orientation Camp" was organised by the Western region in Chongqing.

### Case Studies Institute in Western Region

In order to create an efficient team, a series of trainings of Case Studies Institute were organised in Western Region in 2016, and HR Department, Development Department and Customer Relationship Department organised relevant trainings, thus strengthening the communication among all business lines within the region.



### Manager Study Camp

On 21-22 November 2016, the Company organised all department managers of regional companies in Hua Nan Region to participate in the Manager Study Camp. It invited external well-known lecturers to teach management skills and working methods in order to enhance middle managers' ability of "capable of doing, leading and guiding". In addition, combined with the management sand table and other scenarios simulation training forms, the Company provided the department managers with a platform for self-display, self-discovery, and self-improvement, and improved the evaluation methods of talent appointment and assessment as well.

### Hua Nan Region "Enhancement of Competence" Series Training

Focusing on the Company's specialised and institutionalised core elements, "Enhancement of Competence" training program was officially launched in Hua Nan Region on 10 October 2016. As an important part of echelon building of talents in Hua Nan Region, the Company gathered internal and external high-quality teachers, fully deepened professional functions in real estate development, inherited and enhanced the professional quality of all employees.

## Executive Development Program (EDP) Management Training

Since 2016, the Company has signed talent training agreements with School of Management of Sun Yat-sen University and School of Business Administration of South China University of Technology to provide high-level and diversified external training courses for all employees in Hua Nan Region and Guangzhou. For example, on 28-29 May 2016, the Company organised all subsidiaries department managers in Hua Nan Region and Guangzhou to attend School of Management of Sun Yat-sen University for the course "Trainings on Excellent Manager's Skills and Core Skills". Some of the company leaders also attended the course. In addition, a training sharing exchange meeting was held to promote the closed-loop management in the training.

## On-Job Education

The Company developed the "Management Method for Subsidizing Staff to Receive Degree Education" in 2014 in order to enhance the system of staff training and development. The Method allows core staff to update their expertise and enhance their competence. Through this system, the Company encourages and supports its staff to take on-job degree programs, providing them with opportunities of sustainable development.

## E-learning Academy of China Overseas Property

The "E-learning Academy of China Overseas Property" established by the Company has become a platform for general staff training and self-development. The "E-learning Academy of COP" provides general background training by way of sharing videos, through which professional knowledge and experience are exchanged cross-regionally, cross-divisionally and cross-hierarchically.

## Anti-corruption Education

COLI encourages and requires the management and staff of subsidies at all levels to maintain their conduct concerning obedience to the law, integrity, honesty, self-discipline and professionalism. The Company aims to establish a comprehensive anti-corruption system and culture covering ethical education, prevention and behavioral constraints, so that managers of all levels realize that corruption in any form will not be tolerated under any circumstances.



## Occupational Health and Safety

As a leading property enterprise with focus on property development and investment, the occupational health and safety risk related to daily business and workplace operations is relatively low. The Company has continued to optimize its work practices and daily management of its staff's health and safety with the aim to create a safe, healthy and comfortable work environment.

<b>Safety Inspections (daily and during festivals and holidays)</b>	The departments and subsidies at all levels are required to offer safe production and security services and undergo safety inspections to office premises and project sites, with particularly close attention to potential safety risks in such areas as water and electricity. Appropriate measures on fire safety and theft prevention are also stipulated and adopted.
<b>Annual Medical Checkup for Staff</b>	According to its staff welfare policy, the Company arranges an annual medical checkup for all staff (100%) to bolster their mental and physical health. A lot of regional subsidies invited physicians to provide interpretation and professional consultation on medical examination report for employees in 2016.
<b>Staff Insurance for Traffic Accidents</b>	Apart from providing for all staff (100%) general social security insurance covering medical issues, pension planning and unemployment, the Company also bought personal accident insurance for all employees in 2016.
<b>Safety Management for Projects under Construction</b>	As a responsible property developer emphasizing project quality, the Company actively promotes occupational health and safety supervision at project sites under construction to its business partners, in particular contractors and subcontractors. They are required to conduct stringent safety checks, training and third party safety risk assessment to ensure safe construction operations. There was no major safety accident in 2016.

## Employee Health and Safety Management

COLI is concerned about the physical and mental health of employees, and its subsidiaries at all levels continued to conduct health check-up for all employees and held occupational health and safety seminars in 2016. At the same time, the Company cares about the diet and health of employees, thus setting up staff canteens in most business areas to provide staff with safe, healthy and convenient meals, and create a good working and living environment. In 2016, the Company organised a "China Overseas Cup" charity marathon event, and the Commercial Property Company extended the scope of occupational health and safety cares to its corporate tenants.

### Case Study: Health Activity in 2016 "China Overseas Cup" Charity marathon event

This activity was designed to promote the health of employees and stakeholders, comprising three major themes, "Public Charity", "Clean and Anti-corruption", "Staff Friendship". The event was enfolded in three stages, i.e. "Dream Running", "Clean Running" and "Happy Running", which was carried out online and offline at the same time. It combined with staff mixer, charity, clean and anti-corruption, team building, business promotions to attract all staff, family members, community property owners, partners, teachers and students from Hope Primary School to take part in, promoting the concept of "Happy Work and Healthy Living" in the Company and the positive energy of China Overseas to the society.

**In "Dream Running" stage**, more than 5,200 people completed 126,000 km through online relay, and raised RMB 500,000 of "China Overseas Fun Running Love Fund" for the teachers and students of eleven COLI Hope Primary Schools.

**In "Clean Running" stage**, the units at all levels mobilized the initiative and creativity of the staff, planning and organising outdoor development, team building, racing competition and other forms of bonding activities to create "honest and upright, healthy, cordial" culture atmosphere in enjoyable and educational manner.

**In "Happy Running" stage**, China Overseas staff went full on in Hefei marathon, showing their striving, united and cooperative spirit, and promoting their entrepreneurial spirit of steady and hard work.



### Case Study: "Caring for Health, Cancer Prevention Screening"

On 18 November 2016, the Commercial Property Company cooperated with PICC (People's Insurance Company of China) to hold "Caring for Health, Cancer Prevention Screening" theme lectures and on-site cancer prevention screening test for the tenants and employees to provide value-added health services. The activity was warmly welcomed by the tenants, and more than 50 tenant representatives took part in it.



### Case Study: Commercial Company's Heartwarming Care Program



China Overseas Commercial Properties Co., Ltd. cares about physical and mental health of tenants in the office buildings and public security development of the society. On 8 November 2016, China Overseas Commercial Properties Co., Ltd. and the international leading first-aid training and rescue agency, "The First Reaction", worked together to build up an office building public security service system. To provide high-level life safety for employees and tenants, they jointly developed and operated a security solution for comprehensive building services, customised office building safety certification system and standards, achieved a long-term SOS alert mechanism against life or safety threatening events. China Overseas Commercial Properties Co., Ltd. has taken the lead to equip AED equipment in life awareness for about 20 office building projects in operation in 10 cities, training qualified first aiders to pass a positive image for the public and jointly promote health first aid and rescue.

### Case Study: Commercial Company RUN TO RIO Sports Season

In August 2016, following the commencement of the Rio Olympics, the Commercial Property Company launched "RUN TO RIO" sports season series of activities where nine offices including Beijing, Shanghai, Nanjing, Wuhan, Chengdu, Qingdao, Xi'an, and Shenyang organised the running program so as to pass a healthy and happy work life balance to the Company's employees and tenants.



## Supplier Employee Safety and Welfare Support

In recent years, the scale of COLI projects under construction has exceeded 10,000,000 m<sup>2</sup> every year, which in turn creates a large number of employment opportunities for peasant workers. Through strengthening suppliers' labour policy, the occupational health and safety, and welfare are ensured of on-site peasant workers.

- 1 Labour occupational health and safety management: The occupational health and safety of labour who are working on the projects under construction is of the most importance in site management of construction project. COLI cooperated closely with contractors to formulate site safety production and management regulations and conduct various safety knowledge trainings to ensure a low engineering accident level in the industry for its projects under construction. In 2016, there was no major casualty accident in the projects under construction.
- 2 Labour contract and salary management: To ensure that the contracted labours receive their well-deserved legal and fair treatment, COLI has built a reliability system of contractors, under which the tender participants shall be evaluated for credibility. It also builds a comprehensive labour management system, under which all business partners are required to sign employment contracts with workers to define the rights and obligations of each party. It also compiles tables for construction costs and workers' salaries, and conducts regular checks. It has implemented a daily duty and supervision system with the complaint hotline displayed at the construction site. Contractors must protect the rights of workers. It holds talks about laws and regulations for workers occasionally to enhance their awareness of their own rights.

## Labour Standards

COLI has established a comprehensive human resources management policy and system, and set up standard procedures for salaries and fringe benefits, staff recruitment and promotion, transfer and exchange, management of resignation and termination, number of working hours, holidays, job qualification, awards and evaluation. When the Company determines recruitment and promotion of individuals, including basic salaries and fringe benefits of new employees, it focuses mainly on their experience, qualifications and professional competence without discrimination against gender, age, family status, disability, race and religion. As the Company's businesses cover nearly 50 cities in Mainland China as well as Hong Kong and Macau, the composition of teams within member companies have become more diversified.

The Company respects all staff and their freedom and rights to participate in relevant industry associations. The human resources policies and measures adopted by the Company support the basic principles and initiatives of the United Nations Global Compact.

COLI complies with the relevant employment laws and regulations as well as related policies and provisions, including the Employment Ordinance, the Employees' Compensation Ordinance and the Occupational Safety and Health Ordinance in Hong Kong, the Labour Law of the People's Republic of China, Labour Contract Law and Law of the People's Republic of China on the Protection of Disabled Persons. It implements equal pay for men and women, with 100% contract signing rate with its employees, thus ensuring human rights of employees and effectively preventing child labour or forced labour.

Through internal HR data management system, the Company reviewed the recruitment practices in a timely manner and avoided any incompliance. In addition, there was no child labourer employment during its recruitment and employment process and no forced labour in any form. During the year, the Company was not aware of any complaints related to labour standards violations, (including but not limited to compensation and remuneration, recruitment, working hours, equal opportunities, health and safety, child labour and forced labour).



# Staff Engagement

## Staff Association

COLI has set up the Staff Association in 1992, with a mission to enhance the communications and interaction between all levels of the staff through diverse activities such as recreation, sports, seminars and gatherings. With its business presence expanding in an ever-greater number of cities, the Staff Association has also been set up in the new locations of its business operations to enrich the leisure time of the staff and serve as an important means to boost the sense of belonging and cohesion of the staff.



### Case Study: Staff Library

In order to enhance the professionalism of staff and motivate them of vocational learning, the regional companies establish staff library or book corners in each city to create continuous learning enterprises. As of 2016, staff libraries have been set up in Hangzhou, Wuxi, Nanjing, Nanchang, Shenyang, Yantai, Chongqing, Xi'an, Kunming, Xinjiang, Fuzhou, and Hainan, etc.



## Communications between Staff and Management

COLI fully supports positive interactive communications between management of different member companies and the staff to create an open, transparent and positive work environment and optimize management systems and policies in all aspects of the Company's operations. The Company utilizes various online and offline channels such as the OA intranet system, working conferences and regular meetings to communicate the policies as well as the strategies and directions of the Company. It also regularly discloses the latest company news and provides a platform for its staff in different areas to share their personal living and work experience through its "China Overseas" magazine.

## Staff Satisfaction Survey

To bolster the Company's management standard and promote the spirit of democracy, COLI has been conducting the Annual Staff Satisfaction Survey for all staff of the Company on their satisfaction levels through its intranet platform since 2008. Both the participation rate and the satisfaction scores have been constantly rising year-on-year.



The survey on staff satisfaction levels comprises 30 indexes structured on five aspects, i.e. overall satisfaction, working conditions, work rewards, job matching and operational management. The Company consolidates the basic data obtained and then analyses its corporate governance as well as human resources management before preparing the annual satisfaction analysis report. In the report, it defines the priorities for improvement of the Company's operational management and human resources at the next stage. Moreover, the Company also sets open questions in the survey to collect opinions and suggestions for corporate development from its staff, forwarding them to relevant units to evaluate, implement and feedback to the staff in a timely manner.

In 2016, based on the survey on staff satisfaction in the Western Region, the Company carried out the "Staff Engagement" survey in the region according to actual situation, which covered staff engagement, staff satisfaction and organisational atmosphere to further improve and enhance the Company's management level.



---

# Community Care

---



## Community Investment

As for community development, the Company is leveraging its expertise as a property developer to participate in affordable housing projects. At the same time, the Company continues to extend its contribution to the building of China Overseas Hope Schools in Mainland China as well as to strengthen its long-term partnerships with non-profit organisations through involvement in fundraising, and community and education events in order to continue giving back to society. The Company has so far donated over HK\$ 156 million to disaster relief, education and public charity causes.

### Affordable Housings

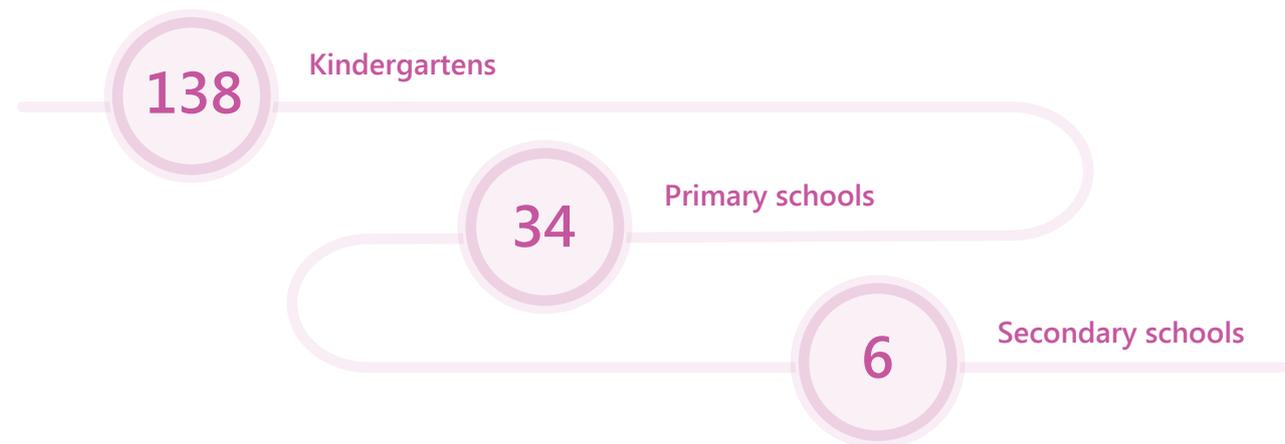
As far back as 1987, the construction business under COLI participated in the construction of Tsui Ping Estate in Hong Kong. Since then, the Company has also witnessed first-hand expansion of Hong Kong's public housing through participating in many public housing projects of the Hong Kong Housing Authority. There are four main types of affordable housing units, namely low-rent housing, public rental housing, economical housing and commodity housing, each designed to meet the residential needs of different people.

The Company continues to construct affordable housing project. By the end of 2016, the Company has launched the construction of affordable housing in mainland China in over 20 cities including Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Ji'nan, Fuzhou, Xiamen, Qingdao, Xi'an, and Hohhot. The total construction area of various types of affordable housing amounts to over 4,600,000 m<sup>2</sup>, with more than 39,000 units of constructed affordable housing accumulatively.

City	Projects	Types
Beijing	Old City Project D	Public Rental Housing+Commodity
	Chang'an Garden	Limited-price Housing+ Principal Residence
Shanghai	Riverside Palace	Economical Housing
	La Cite	Public Rental Housing
	The Graces	Economical Housing
Shenzhen	Tiansongyayuan	Public Rental Housing
	Yuejing Garden	Low-price Commercial Housing
	Glorious City	Low-price Commercial Housing
	Ludancun Project	Commodity Housing
Guangzhou	Liwanqu Project 1#	Commodity Housing
Hangzhou	One Regent 40/42#	Public Rental Housing
Xi'an	Upper City 5#	Low-rent Housing
Qingdao	Crystal Palace 18#	Economical Housing
	International Community 3-4# 1-3#	Economical Housing
	International Community (Phase 1) 1-2# 10#	Commodity Housing
	The Peaceland (Phase 1) 9-10#	Economical Housing
Harbin	The Majestic (Phase 2) 17#	Public Rental Housing +Low-rent Housing
Shenyang	Coli City 02H	Public Rental Housing
Zhengzhou	Jinshuiqu Project	Public Rental Housing
Ningbo	La Cite (Phase 2)	Affordable Housing
Ji'nan	Huashan Project (Commodity Housing 1)	Commodity Housing
	Huashan Project (Commodity Housing 2)	Commodity Housing
Fuzhou	La Cite	Government Talent Apartment
	Plot 2016-16, Fuzhou	Provide ordinary residence for free
Xiamen	Tong'an T2016P02	Provide ordinary residence for free
Xinjiang	Yundingaguan Project 2#	Economical Housing
Hohhot	The Bund	Public Rental Housing
	The Azure	Public Rental Housing
Yinchuan	Lianhu Garden	Public Rental Housing
Nanning	The Green Peak	Public Rental Housing
Lanzhou	The Arch (Phase 1-2)	Public Rental Housing
	Glorious Shire	Public Rental Housing
Yancheng	The Arch	Commodity Housing

## Community Education Supporting Construction

Over the years, while COLI has been building high-quality residential housings, it has also built high-quality educational facilities like kindergartens, primary schools, secondary schools in accordance with the government's plans to serve the community and benefit the education of children living in the area. By the end of 2016, a total of 178 educational facilities of kindergartens, primary schools, and secondary schools had been built.



## Hope School Donations and Construction

Adhering to COLI's philosophy of building "eternal and excellent products", all Hope Schools built by the Company are of high specification and high quality with an investment cost of millions of dollars for each school, thus the local Hope School typically offers the best hardware in its vicinity. Among these schools, the investment cost of Xinjian Special Education School in Dujiangyan exceeded HK\$ 30 million, while China Overseas Sanxia Hope School was honoured as "The Most Beautiful Hope School in China".

Official website for Hope School: <http://www.cohl.com/Practice/list/66.html>



China Overseas Qinglong Hope School  
(Hanzhong, Shaanxi)



China Overseas Sanquan Hope School  
(Nanchuan, Chongqing)



China Overseas Xinhu Hope School  
(Changchun, Jilin)



China Overseas Sanxia Hope School  
(Yunyang, Chongqing)



Dujiangyan China Overseas Xinjian Special  
Education School (Sichuan)



China Overseas Shaling Hope School  
(Shenyang, Liaoning)



China Overseas Dougou Hope School  
(Ji'nan, Shandong)



China Overseas Jinfeng Hope School  
(Yinchuan, Ningxia)



China Overseas Majin Hope School  
(Kaihua, Zhejiang)



China Overseas Yuanling Hope School  
(Huaihua, Hunan)



China Overseas Tingkou Hope School  
(Yantai, Shandong)

## China Overseas Charity Events

The Company carried out "summer camp", "Caring Visits", "Art Programmes" and other charity events in Hope Primary School, and mobilized employees to actively participate in charity works in their own communities and to carry out corporate social responsibility. Over the years, The Company regularly participated in Walks for the Millions by the Hong Kong Community Chest (for 24 successive years), "Bridge to China Charitable Foundation" charity walk and other large-scale charity events. In 2016, the Company also participated in the "Energy Saving Charter on Indoor Temperature", "Friends of the Earth", "Power Smart" and other activities in support of environmental protection and reducing energy consumption.

- On 10 January 2016, over 250 employees from COLI and its parent company and their family members participated in "Walks for the Millions in HK Island and Kowloon by the Hong Kong Community Chest 2016". The Company had involved itself in this most impressive charity in HK for 24 consecutive years and all the money raised was donated for "welfare services for families and children".



- In January 2016, Nanjing Company organised "Warm the City" series of activities. Through the opening activities of micro-video "Latecomer at Night", it sent love gifts to about 2,000 sanitation workers and printing workers. After that, the Company cooperated with Modern Express to jointly hold the large public charity sale activity, "Love to environmental sanitation workers, and care for children left behind", and the funds raised will be donated to the children of sanitation workers to buy school supplies. It donated 50 children of sanitation workers for round-trip tickets from Nanjing as well as reunion dinner so as to "warm a city" with love.
- In February 2016, Ji'nan Commercial Property Company and Deloitte Touche Tohmatsu jointly organised the theme activity of "Support the Public Welfare, Make Changes by Me - 2016 Public Welfare Up Running", with the aim to disseminate green, happy and healthy concepts to tenants.
- On 5 March 2016, Shanghai Company organised an environmental protection activity, "Under the dome, fresh my home" for green life to offer air conditioning filter free cleaning services to more than 170 households from eight districts in Shanghai to advocate healthy and environmentally-friendly concept.
- On 16 March 2016, Chongqing international community in China Overseas School and China Overseas Sanquan Hope School in Chongqing International Community successfully carried out exchange and mutual assistance with "China Overseas education in action" as the theme.
- On 19 March 2016, Ningbo Company held a "Building a green home - Ancient path pick-up volunteer activity".
- In April 2016, the companies from Xi'an, Chongqing, Kunming, and Xinjiang held "Green comes first in quality residents" Spring planting activity.
- Between May-July 2016, the large-scale public welfare activity, "Children's Dreams • Children's Art--Our Communal Space Design" of "China Overseas × TREATS " art exchange programme workshop, was successfully held in Xi'an, Shenzhen, Shenyang, Shanghai, Qingdao, Harbin, Foshan and other places.



- ♥ In May 2016, as the coming of Mother's Day, Ningbo Company organised a three-week "Say love – 37 °C love" online and offline interactive activities, which paid tribute to "mother carrying a baby on the back, leftover mother and mother left behind" as the main line to play micro-film about the love of mother through Internet and organise offline singing in praise of mothers' love, thus attracting numerous citizens to take part in the activity, and the video earned over 6 million clicks.
- ♥ In June 2016, Shenyang Company successfully held the second student financial and development support charity tour titled "Invincible childhood supported by China Overseas". China Overseas property owners and volunteers paid visit to the two primary schools in Qingyuan County of Fushun, and donated blackboard, DVDs and other teaching aids that the schools were in short supply.
- ♥ On 5-10 July 2016, taking China Overseas Majin Hope School as the base camp, Hua Dong Region organised the second "Seahorse Charity Tour" - "Junior China Overseas People" military summer camp activity to creatively combine the student by charity with China Overseas Property Club customer service, winning wide acclaim.
- ♥ On 1-5 August 2016, the large-scale youth culture exchange activity organised by the Company and Hong Kong NGO, "Joyful Children Club" - 2016 China Overseas Summer Camp for Mainland & Hong Kong Youth", was successfully held in Ji'nan, the capital of Shandong and the hometown of Confucius and Mencius. The event was composed of two modules, "multi-sports village" and "seeking roots of Confucian culture". Through interesting sport games and cultural tour experience, the students understood sharing, etiquette, respect and cooperation, and became cordial and friendly in a diverse society. 92 representatives comprising of teachers and students from 11 Mainland China Overseas Hope Primary Schools and Choi Wan St. Joseph's Primary School in Hong Kong as well as the children from China Overseas property owners in Ji'nan attended the activity.
- ♥ In 2016, Changchun, Changsha, Yantai, and Chongqing branch companies organised student aid activities. They awarded certificates and scholarships to the teachers and students of China Overseas Hope Primary Schools, and donated school supplies.





---

# Corporate Governance

---





## Board of Directors

The Board of Directors is responsible for leading the Company's development, establishing the Company's strategic goals, and ensuring the availability of financial and other resources necessary for the Company to achieve pre-set strategic goals by formulating overall strategies and policies of the Company. The Board of Directors is also responsible for performing the Corporate Governance duties set out in the terms of reference of D.3.1 of Code Provision (Appendix 14 "Code on Corporate Governance" of "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited") (including formulating the corporate governance policy of the Company), and supervising the work of the management and reviewing business performance of the Company.

As at the date of this announcement, the Company has eight directors, among them three are Independent Non-Executive Directors which is a sufficient number representing at least one third of the Board, and one of them has appropriate professional qualifications or accounting or related financial management expertise. The Board of Directors believes that the balance between Executive and Non-Executive Directors (including Independent Non-Executive Directors) is reasonable and adequate to provide sufficient checks and balances to safeguard the interests of shareholders, the parties concerned and the Company. Besides, the diversified composition of the Board of Directors makes the concerns and questions brought to the table different, allowing the Board of Directors to have a wider range of options and solutions to corporate issues, which establishes a good foundation for the sustainable development of the Company.

This report has been reviewed and approved by the Board of Directors before release. Please refer to the corporate governance section of the Company's annual report for details.

## Supplier Management

The business of COLI covers more than 50 domestic and overseas cities with huge business scale and thousands of suppliers, and the achievement in high-quality projects is closely connected to sincere cooperation with all suppliers. The suppliers of COLI mainly include contractors and various suppliers of building materials, decorative materials, installation materials and facility and equipment. COLI has drawn up relevant work guideline, and standardized contract text to standardize related systems and procedures for procuring materials, products or services procurement from suppliers. Moreover, the Company periodically performs comprehensive assessment to suppliers' products and services to ensure the products and services provided by the suppliers conform to the strict standards of COLI. At the beginning of every year, COLI will update the "roster of unqualified partners", and remove those suppliers who are not up to standards from tender and procurement list.

COLI attaches great importance to friendly cooperative relations with suppliers, and understands the significance of advocating and promoting the business pattern of responsible and sustainable development in the whole supply chain. Sincere cooperation with suppliers will be conducive to the performance of COLI in sustainable development. For instance, COLI once cooperated with plumbing part suppliers in joint research and development in coating of plumbing hardware. Through technology and process reform as well as repeated trials, they finally reduced the usage of heavy metals in products to achieve material saving and environmental protection while strengthening product durability. In 2014, COLI cooperated with elevator strategic cooperation suppliers for systematic research and development in elevator product standards applicable to its real estate projects, and finally worked out a whole set of standardized schemes and popularized them to the whole company. Besides, it helped elevator suppliers shorten their design, production and supply period, improve the product quality, reduce the energy consumption and achieve the win-win objective.



## Supplier Management

As of the end of 2016, the Company has a total of 81 appointed centralised procurement suppliers distributed in cities where the Company has operations. Due to unqualified products and services, the Company rejected six centralised procurement partners from its cooperation directory, covering water pumps, faucets, indoor lighting, wire and cable, wall tiles, shower doors and other material types.

### Regional Distribution of Centralised Procurement Suppliers

Category of Supplier	Number of Supplier	Distribution of Supplier (Provinces)
Kitchen and bathroom	19	Guangdong, Fujian, Jiangsu, Shanghai, Zhejiang, Beijing
Ceramic tiles and floors	24	Guangdong, Guangxi, Fujian, Jiangsu, Shanghai, Zhejiang, Beijing, Shandong
Door and window hardware	14	Guangdong, Chongqing, Zhejiang, Sichuan, Beijing, Anhui
Electrical fittings	10	Guangdong, Zhejiang, Jiangsu, Shanghai
Water heating fittings	6	Hebei, Guangdong, Zhejiang, Shanghai
Mechanical and electrical equipment	7	Shanghai, Jiangsu, Shandong, Zhejiang, Guangdong
Project insurance	1	Shanghai

## Anti-corruption Management

COLI has created and nourished a corporate culture characterized by integrity and self-discipline, with the aim to discover and address the problems and weakness in the Company's operational management procedures in a timely fashion and to prevent dereliction of duty or improper fulfillment of responsibility on the part of staff at all levels. To keep abreast of the prevailing corporate management trends, the Company has set up a dedicated department (rename "Intendance & Audit Dept." in 2014) for supervising efficiency since 2006 in order to broaden its internal and external reporting channels and enhance its internal and external supervision.

COLI continuously standardizes its decision-making procedure, and establishes a working mechanism so that staff are restricted and supervised by each other by implementing a range of measures such as education on eliminating corruption, strengthening a sound supervision system and enhancement of reporting and accountability mechanisms. At the same time, COLI continues the attitude building, risk warning and awareness of anti-corruption strengthening within all the business units, so as to protect the Company's financial and management benefits. We do not tolerate any form of corruption. Our employees are prohibited from soliciting, receiving or accepting any form of benefit from any person, company or organization having business with us.

 <p><b>Education on eliminating corruption</b> Nurture the awareness and conduct regular education activities</p>	<ul style="list-style-type: none"> <li>• Promote upright behavior of self-discipline among all staff under the “Staff’s Code of Conduct”</li> <li>• Publish and distribute “Anti-corruption Comics” materials, publish and distribute “Anti-corruption and Efficiency” materials, publish and distribute illustrated literature on enterprise risk prevention</li> <li>• Send anti-corruption text messages through mobile phones</li> <li>• Include anti-corruption content in corporate culture</li> </ul>
 <p><b>System restrictions</b> Set up rules to ensure a sound system and procedure</p>	<ul style="list-style-type: none"> <li>• Supervise the strict implementation of “Three Key Issues and One Influential Issue” guideline</li> <li>• Establish Risk Prevention Strategies</li> <li>• Implement Separation of Management Mechanism of Interest-conflict positions</li> <li>• Establish and implement Policies on Conversation with Integrity and Efficiency</li> <li>• Establish and implement Grievance Mechanism</li> <li>• Establish and implement rules and regulations in relation to assessment and enforcement of an accountability system for upholding personal and business integrity</li> <li>• Issue tender management open letter: include a written document to remind participants that company staff are prohibited from accepting gifts or other benefits, as well as providing complaint and reporting channels.</li> <li>• An official probity agreement should be signed together with the contract to prevent any kinds of improper conduct and to safeguard the interests of all parties</li> <li>• Management to sign an official integrity agreement document</li> <li>• Establish records for all management staff in relations to corruption issues</li> </ul>
 <p><b>Reporting and investigation</b> Enhance supervision and monitoring</p>	<ul style="list-style-type: none"> <li>• Push through regular supervision aimed at efficiency</li> <li>• Conduct supervision and investigation on specific cases</li> <li>• Promote anti-corruption and self-discipline through related publications</li> <li>• Staff Satisfaction Survey covers investigation of the satisfaction towards the extent of management integrity</li> <li>• Business Partner Satisfaction Survey</li> <li>• Publicly displays the telephone hotline and e-mail address for complaints, and accept complaints reported by different parties</li> </ul>
 <p><b>Enhance accountability</b> Ensure strict implementation of accountability system</p>	<ul style="list-style-type: none"> <li>• Implement provisional regulations on accountability procedures</li> <li>• “Management Procedure for Qualifications of Top Management Members of Regional Companies”, “Management Procedure for Qualifications of Middle Management Members of Regional Companies” etc, clearly state the veto power of serious responsibility of integrity and self-discipline.</li> <li>• The assessment system of all managerial levels clearly states the responsibility of integrity and self-discipline.</li> </ul>

## Anti-corruption reporting and supervision procedures

The Company has established a standardised procedures from anti-corruption reporting, monitoring to handling timely follow up cases and register clues when receiving reporting, and investigation must be carried out in case of any reporting. On-site verification requires a clear responsibility, clear program, and strong evidence. After issuing investigation results, in accordance with laws and regulations and internal rules, a case shall be registered and transferred externally, and internal accountability will be carried out, and ultimately ensure the case will be properly handled.

## Integrity and Compliance in Operations

Upholding integrity and compliance in operations is a prerequisite for the Company to launch its business in new cities and to earn respect from customers, partners and other stakeholders. Established in 2014, the Legal Department has strived to develop a comprehensive, systematic and standardised system for minimising legal risks.

In 2016, in addition to duties covering industrial and commercial registration, shareholding structure and other aspects, the Legal Department also strictly controlled contractual risk through legal training and education as well as litigation risk management. Furthermore, the management of external lawyers was strengthened to ensure successful implementation of the Company's operational decisions. During the year, the department continued to deliver information on "Learning Laws through Case Studies", promoting the timely awareness of and compliance with relevant business laws, rules and regulations in regional companies. The department also maintained its pre-warning against legal risks in business activities.

In addition, in order to achieve the informatisation management to litigation cases, the Company developed a "Litigation Case Management Platform" in 2016 to achieve real-time informatisation management and professional analysis of litigation cases in various regions, to improve business management, and to prevent and control operational risk.

## Communication with the Capital Market

The management and Corporate Communications Department of the Company update investors (including shareholders, bond investors and analysts) on the Company's performance and business operations through various channels. Following the release of interim and annual results, press conferences, analyst meetings and post results road shows are held to meet with investors, collect opinions and answer queries directly. The Company voluntarily discloses certain unaudited operating and financial data on a quarterly basis, and announces property sales results and new land acquisitions on a monthly basis to improve the transparency of information disclosure.

The Company communicates and connects closely with investors and interacts with them through conferences arranged by investment banks, company visits and site visits to property projects. During the year, the Company participated 26 mainland China and overseas conferences held by investment banks, organised over 600 meetings and telephone communications, and 105 visits to project sites attended by over 325 investors.

With a gradual interconnection between the Hong Kong and mainland China stock market and bond market, the Company maintains regular communications with mainland investors, and further expands into mainland capital market.

Investors from all sectors can obtain more information about the Company by clicking on the page "Investor Relations" at the Company's website.





## Environmental Performance Data

In order to further examine the COLI's environmental footprint, and keep a pulse on COLI's impact on the environment in all cities' office spaces, project sales centres, projects under construction, investment property projects management, COLI has started to collect statistics on energy consumption, water consumption and carbon emission at all business operation points since 2016. We believe that it is driven by COLI's need for meticulous management in its environmental sustainability performance, as well as by the information disclosure expected by stakeholders on the Company's environmental performance.

Statistical Item	Unit	2016				
		Office	Sales centres for projects on sale	Projects under construction	Investment property projects	Total
Direct energy consumption	-	-	-	-	-	-
Indirect energy consumption: Power purchased	KWH	4,183,476	12,557,724	17,014,713	70,224,169	103,980,082
Energy consumption intensity: Consumption per square meter per year	KWH	60	54	0.7	44	-
Water consumption: Municipal water consumption	m <sup>3</sup>	78,342	342,124	1,248,848	641,947	2,311,261
Water consumption intensity: Consumption per square meter per year	m <sup>3</sup>	1.12	1.47	0.05	0.40	-
Direct greenhouse gas emission (Category I)	t	1,906	-	-	-	1,906
Direct greenhouse gas emission intensity: Emission per person per year	t	0.3329	-	-	-	0.3329
Indirect greenhouse gas emission (Category II)	t	4,075	12,231	16,573	68,400	101,278
Indirect greenhouse gas emission intensity: Emission per square meter per year	t	0.0582	0.0525	0.0007	0.0430	-
Paper and print consumption	kg	112,387	638,071	29,812	65,580	845,850

## Remarks:

COLI did not conduct a carbon emission review in 2016, and the above carbon emission data was obtained based on the Company's energy and fuel consumption estimates. The energy and fuel carbon emission coefficient used for calculation was from the public data of fuel or energy companies, and local governments. For China's domestic power grid carbon emission coefficient, we referred to "2014 China Regional Grid Baseline Emission Factor" released by the National Development and Reform Commission in 2014. COLI's direct greenhouse gas emissions are mainly generated from the Company's vehicle gasoline consumption; and indirect greenhouse gas emissions are mainly from the Company's purchased power.

## Scope of Statistical Data:

### 1. Offices:

The offices in 34 cities, i.e. Beijing, Tianjin, Ji'nan, Taiyuan, Wuhan, Zhengzhou, Shenzhen, Guangzhou, Foshan, Zhongshan, Haikou, Wanning, Xiamen, Fuzhou, Changsha, Zhuhai, Chengdu, Xi'an, Chongqing, Kunming, Urumqi, Shanghai, Suzhou, Wuxi, Hangzhou, Nanjing, Ningbo, Nanchang, Changchun, Harbin, Dalian, Qingdao, Shenyang, Yantai.

### 2. Sales centres for projects on sale:

The sales centres of 99 projects in 32 cities, i.e. Shenzhen, Guangzhou, Foshan, Zhongshan, Changsha, Xiamen, Fuzhou, Haikou, Wanning, Suzhou, Wuxi, Shanghai, Ningbo, Hangzhou, Nanchang, Nanjing, Beijing, Ji'nan, Wuhan, Zhengzhou, Taiyuan, Chengdu, Kunming, Xi'an, Urumqi, Dalian, Qingdao, Changchun, Yantai, Harbin, Tianjin, Chongqing.

### 3. Projects under construction:

127 projects under construction in 30 cities, i.e. Beijing, Chengdu, Dalian, Foshan, Fuzhou, Guangzhou, Harbin, Hangzhou, Ji'nan, Kunming, Nanchang, Nanjing, Ningbo, Qingdao, Xiamen, Shanghai, Shenzhen, Shenyang, Suzhou, Wuxi, Taiyuan, Tianjin, Xi'an, Urumqi, Yantai, Changchun, Changsha, Zhengzhou, Chongqing, Haikou. The statistics include energy consumption, water consumption and carbon emission in the office and public areas of Project Department for projects under construction, excluding energy consumption, water consumption and carbon emission in project construction.

### 4. Investment property projects:

18 office building projects, including China Overseas Plaza, Beijing, China Overseas Building (Beijing), China Overseas Property Plaza (Beijing), Shanghai China Fortune Tower, China Overseas Building (Nanjing), China Overseas Building (Chengdu), China Overseas International Center ABFGJ (Chengdu), China Overseas Building (Qingdao), China Overseas Plaza (Ji'nan), China Overseas Building (Xi'an), China Overseas Building (Wuhan), China Overseas International Community AB (Shenyang), China Overseas Building (Zhuhai); and 3 shopping mall projects, i.e. Unipark (Ji'nan), Unipark (Nanjing), and Mid-Town Business Street (Zhuhai). The statistics include energy consumption, water consumption and carbon emission in the office and public areas of the aforementioned commercial projects, excluding energy consumption, water consumption and carbon emission of tenants/merchants.



## Appendix I GRI Content Index

### General Standard Disclosures

Index	Description	References and Remarks	Pages
<b>Strategy and Analysis</b>			
G4-1	Statement from the most senior decision-maker of the organisation	Message from the Chairman	1-2
<b>Organizational Profile</b>			
G4-3~4	Name of the organisation. Primary brands, products, and services	About the Report, Business Profile	3、 6-8
G4-5~6	Location of organisation's headquarters. Number of countries where the organisation operates, and names of the countries	About the Report, Business Profile	3、 6-8
G4-7~8	Nature of ownership and legal form. Markets served	Business Profile	6-8
G4-9	Scale of the reporting organisation	Business Profile, China Overseas Data 2016, Economic Performance	6-9、 11
G4-10	Employee statistics	Employment Overview	38
G4-11	Percentage of employees covered by collective bargaining agreements	No staff is covered by collective bargaining agreements.	N/A
G4-12	Significant changes during the reporting period regarding size, structure, ownership or organisation's supply chain	Green Supply Chain, Supplier Management	26、 55-56
G4-13	Explanation of whether and how the precautionary approach of principles is addressed by the organisation	Business Profile, Corporate Governance	6-8、 54
G4-14	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Business Profile	54-58
G4-15	Memberships of associations	Environmental Protection	14-26
G4-16	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Environmental Protection	16
<b>Identified Material Aspects and Boundaries</b>			
G4-17	Entities included in the organisation's consolidated financial statements	Annual Report 2016	N/A
G4-18~21	Process for defining the report content and the aspect boundaries. Material Aspects identified in the process. Aspect Boundary within/ outside the organisation	About the Report	3-4
G4-22~23	Explanation of the effect of any re-statement of information provided in earlier reports, and the reasons for such re-statement; Significant changes from previous reporting periods in the scope and boundary	About the Report	3-4
<b>Stakeholder Engagement</b>			
G4-24~25	List of stakeholder groups engaged by the organisation. Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement	10
G4-26~27	Organization's approach to stakeholder engagement; Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	About the Report, Stakeholder Engagement	4、 10
<b>Report Profile</b>			
G4-28~30	Reporting period of the provided information. Date of the latest report. Reporting period	About the Report	3
G4-31	Contact point for questions regarding the report or its contents	About the Report	3
G4-32	GRI content index	Appendix I GRI Content Index	60-61
G4-33	Policy and current practice with regard to seeking external assurance for the report	No external assurance was adopted for this report.	N/A
<b>Governance</b>			
G4-34	Governance structure of the organisation	Corporate Governance	54
G4-38~39	Composition of the higher governing body and its committee Whether the Chairman of the highest governing body is also an executive officer	Annual Report 2016, Corporate Governance	54-58
G4-48	Formal review and approval of the organisation's sustainability report	Corporate Governance	55
<b>Ethics and Integrity</b>			
G4-56	Organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Sustainable Development Management	9
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	Anti-corruption Management	56-57

## Specific Standard Disclosures

Topics	Description	References and Remarks	Pages
<b>Economic performance</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Business Profile, Economic Performance	6-9, 11
G4-EC1	Economic value generated and directly by the organisation	Economic Performance	11
<b>Procurement model and relationship with suppliers</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Green Supply Chain, Supplier Management	26, 55-56
G4-EC9	The percentage of products and services purchased locally	Supplier Management	55-56
<b>Construction materials use</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Green Supply Chain, Supplier Management	26, 55-56
G4-EN1	Materials used by weight or volume	Construction materials are mostly purchased by contractors and therefore such data is not available at the time of this report being produced.	N/A
<b>Waste water and solid waste disposal and treatment</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Green Construction, Green Community	21-22, 26
G4-EN23	Total weight of waste	Construction waste are centralised and treated by vendors and property management companies and therefore such data is not available at the time of this report's publication.	N/A
<b>Efforts to mitigate the impact of business on the environment</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Environmental Protection	14-26
G4-EN27	Report the environmental impacts of products and services have been mitigated.	Environmental Protection No relevant incidents were reported in 2016.	14-26 N/A
<b>Assessment of environmental performance of suppliers</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Green Supply Chain	26
G4-EN32-33	Assessment of environmental performance of suppliers	Green Supply Chain	26
<b>Employment( Non-material issues)</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Staff Development	38-46
G4-LA1	Total number of rates of new employee hires and employee turnover	Employment Overview	38
<b>Occupational health and safety</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Occupational Health and Safety	43-45
G4-LA6	Type and rates of injury, lost days and work-related fatalities	Employment Overview	38
<b>Training and education</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Development and Training	39-42
G4-LA9	Hours of training per year per employee	Employment Overview	38
G4-LA10	Report the programs implemented and assistance provided to upgrade employee skills.	Development and Training	39-42
<b>Diversified background of staff and fair opportunities and remuneration</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Employment Overview	38
G4-LA12	Composition of governance bodies and breakdown of employees according to gender, age group and indicators of diversity	Employment Overview	38
<b>Anti-corruption</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Development and Training, Anti-corruption Management	42, 56-57
G4-SO3-S05	Anti-corruption Management	Development and Training, Anti-corruption Management	42, 56-57
<b>Formulate communication, assessment and development plans for communities in operating areas</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Stakeholder Engagement	10
G4-SO1	Anti-corruption Management	100% of the Company's property business follows internal and external guidance and local regulations. We conduct adequate communication with relevant community stakeholders before the launch of construction projects to reduce the impact on the local communities (including environmental aspects).	N/A
<b>Customer health and safety</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Each and every detail makes excellent quality	28-30
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Each and every detail makes excellent quality	28-30
<b>Customer satisfaction</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Customer Service	30-36
G4-PR5	Results of surveys measuring customer satisfaction	Customer Service	35
<b>Rational sales and marketing initiatives</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Customer Service	36
G4-PR7	The total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	No relevant incidents were reported in 2016.	N/A
<b>Protection of customer privacy</b>			
G4-DMA	DMA (Disclosure of Management Approach)	Customer Service	36
G4-PR8	The total number of substantiated complaints received concerning breaches of customer privacy	No relevant incidents were reported in 2016.	N/A
<b>Legal compliance</b>			
G4-DMA	DMA (Disclosure of Management Approach) Compliance (Environmental)	Environmental Protection	14-26
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No relevant incidents were reported in 2016.	N/A
G4-DMA	DMA (Disclosure of Management Approach) Compliance (Social)	Customer Service, Community Care	28-36, 48-52
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No relevant incidents were reported in 2016.	N/A
G4-DMA	DMA (Disclosure of Management Approach) Compliance (Product)	Customer Service	33-36
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning provision and use of products and services	No relevant incidents were reported in 2016.	N/A



## Appendix II ESG Guide Content Index

Aspects, General Disclosures and KPIs	Description	References and Remarks	Page
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Protection In 2016, COLI did not have significant and impactful violations against laws and regulations on environmental protection.	14-26
KPI A1.1	Types of emissions and respective emissions data	Environmental performance data	59-60
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Environmental performance data	59-60
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	COLI's direct businesses rarely produce hazardous waste, so it is not applicable.	
KPI A1.4	Total non-hazardous waste produced and intensity	COLI's direct businesses also rarely produce non-hazardous waste. Within its business scope, the contractors may generate construction waste, which will be subject to its own statistics and management.	
KPI A1.5	Description of measures to mitigate emissions and results achieved	Environmental Protection	14-26
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives and results achieved	Environmental Protection	21-26
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Environmental Protection	14-26
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Environmental performance data	59-60
KPI A2.2	Water consumption in total and intensity	Environmental performance data	59-60
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Environmental Protection	14-26
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	In 2016, there was no water fetching problem in COLI's daily business.	
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	N/A	
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Environmental Protection	14-26
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Environmental Protection	14-26
<b>Aspect B1: Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	Staff Development In 2016, COLI did not have significant and impactful violations against laws and regulations on employment.	38-46
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Employment Overview	38
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Employment Overview	38
<b>Aspect B2: Health and Safety</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Occupational Health and Safety In 2016, COLI did not have any prosecuted cases due to occupational health and safety related matters.	43-46
KPI B2.1	Number and rate of work-related fatalities	Employment Overview	38
KPI B2.2	Lost days due to work injury	Employment Overview	38
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Occupational Health and Safety	43-46

Aspects, General Disclosures and KPIs	Description	References and Remarks	Page
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Development and Training	39-42
KPI B3.1	The percentage of employees trained by gender and employee category	COLI has arranged various training programs and courses for its employees at different levels (categories). COLI did not treat them differently for gender reasons, but no relevant data is on record.	
KPI B3.2	The average training hours completed per employee by gender and employee category	Employment Overview	38
<b>Aspect B4: Labour Standards</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Labour Standards In 2016, COLI did not have significant and impactful violations against laws and regulations on labour standards.	45
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Labour Standards	45
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	Labour Standards	45
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Green Supply Chain, Supplier Management	26, 55-56
KPI B5.1	Number of suppliers by geographical region	Supplier Management In 2016, COLI focused on statistics on centralized procurement suppliers, excluding the contractors.	55-56
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Green Supply Chain, Supplier Management	26, 55-56
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Product Responsibility In 2016, COLI did not have significant and impactful violations against laws and regulations on health and safety, advertising, labeling and privacy.	33-36
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	0	
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Product Responsibility	33-36
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Product Responsibility	35
KPI B6.4	Description of quality assurance process and recall procedures	Product Responsibility	36
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Product Responsibility	36
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Anti-corruption Management In 2016, COLI did not have significant and impactful violations against laws and regulations on bribery, blackmail, fraud and money laundering.	56-57
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-corruption Management	56-57
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Anti-corruption Management	56-57
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Community Care	48-52
KPI B8.1	Focus areas of contribution	Community Care	48-52
KPI B8.2	Resources contributed to the focus areas	Community Care	48-52

**China Overseas Land & Investment Ltd. (00688.HK)**  
**China Overseas Commercial Properties Co., Ltd.**

---

Address: 10/F, Three Pacific Place, 1 Queen's Road East, Hong Kong  
10/F, Zhonghai Building, No. 399 Fuhua Road, Futian District, Shenzhen, PRC

Tel: 852 2823-7888 / 0755-8282 6666

E-mail: [688csr@cohl.com](mailto:688csr@cohl.com)

Official website: [www.coli.com.hk](http://www.coli.com.hk)

Brand website: [www.coli688.com](http://www.coli688.com)

---