

· 2017 ·

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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

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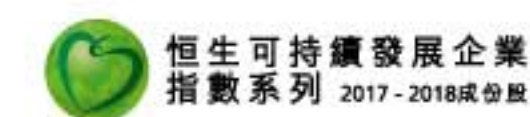
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01 Message from the Chairman

We are well aware that the only way to keep up with the times and achieve the ambitious goal of everlasting growth is to pursue the sustainable development and actively shoulder corporate social responsibility.

We believe that sustainable, stable and quality growth is the economic basis for companies to practice social responsibility. COLI has set new records in contracted sales, revenue and profit attributable to equity shareholders in 2017. We achieved HKD 232.07 billion of contracted sales, HKD 166.04 billion of operating revenue and HKD 62.87 billion of operating profit. The profit attributable to shareholders increased to HKD 40.77 billion with a net profit margin of 24.6%. The profit attributable to equity shareholders increased to HKD 265.69 billion, a year-on-year increase of 19.5%. In 2017, COLI once again was included in the Dow Jones Sustainability Index and the Hang Seng Corporate Sustainability Index. The three international credit rating organizations rated us Baa1 by Moody's, BBB+ by Standard & Poor's and A- by Fitch Ratings, remaining an industry leader and demonstrating the capital market's acknowledgement of COLI's leading position and solid finance in China's real estate market.

Focusing on the development and operation of real estate, we have been making continuous efforts to expand the balanced and stable business structure, and have created three businesses, "Residential Development", "Urban Services" and "Design and Services". Apart from residential development, COLI has altogether 36 "China Overseas" Grade-A office buildings in operation as of the end of 2017, making it one of the largest developers of sole-ownership office buildings in Mainland China.

Furthermore, it boasts 11 star hotels and 12 integrated shopping centers, and has built and is operating the Museum of Contemporary Art & Planning Exhibition in Shenzhen, as well as a logistics and warehouse of over 500,000 square meters in Binhai New Area of Tianjin. It has also invested in and developed tourism and leisure industry in well-known tourist attractions such as Wanning in Hainan. COLI is actively involved in the education industry and has built a total of 249 quality schools, among which 10 schools are owned by COLI and 3 are operated by the Company. In cities such as Shenzhen, Jinan and Qingdao, COLI is developing projects including long-term rental apartments, senior care housing, health life centers, kindergartens, extracurricular learning centers, outdoor camps, etc., which are expected to be put into operation in 2018 and the coming few years.

We are committed to providing customers with "excellent products and services". Based on the development philosophy of "Each and Every Detail of Each and Every Project", we have carried out field testing and measurement and risk prevention inspections throughout the Company, as well as increased the frequency of unannounced inspections to strictly control the quality of the process and ensure that all customers can enjoy top-quality products. COLI adheres to the principle of customer first. With the China Overseas Property Club, an association promoting interaction among property owners and expanding the business alliance network, the Company provides value-added services such as special offers and group purchases for property owners. In 2017, the Company held a variety of activities for property owners, including "Happy Life", a fruit-picking outing, China Overseas photography

competition, Little Owners Summer Experience Camp, Property Owners' Group Dance Show, Seahorse Charity Walk, "Greater Bay Area Junior Citizens" Hong Kong Public Service Summer Camp, etc. In order to create a better community environment for property owners, COLI launched a "Maintenance Initiative" in 2017 which allocated special funds to upgrade worn out facilities of properties that were delivered many years ago (including those that were out of warranty).

We promote ideas around "green" and low-carbon and continue to enhance energy conservation and emission reduction in design, construction and operations. In 2017, we obtained over 68 certifications such as the National Star-rated Green Building Certification, US LEED Certification, and UK BREEAM Certification, covering a construction area of more than 12.46 million square meters. While promoting "green" office, we completed over 490,000 approval processes online and greatly reduced paper consumption and increased efficiency. And brand communication and information coordination through the mobile office platform "COLI Pass" also resulted in using fewer leaflets and materials. In the past year, COLI convened more than 2,450 video meetings with more than 15,961 participants in total. The wide application of video meeting greatly reduced the GHG emission caused by the business trips. Based on the philosophy of environmental protection and resources reservation, our offices rentable area are all reasonably designed and decorated with eco-friendly materials and energy-saving lighting to reduce energy consumption.

We insist on progress with our upstream and downstream partners. We guarantee a fair, transparent and open environment for tens of thousands of goods and services contracts every year and strengthen compliance approval and supervision of contract management and concentrated procurement. In 2017, we updated the partner list and had 93 contractual suppliers for centralized procurement in cities where we have business.

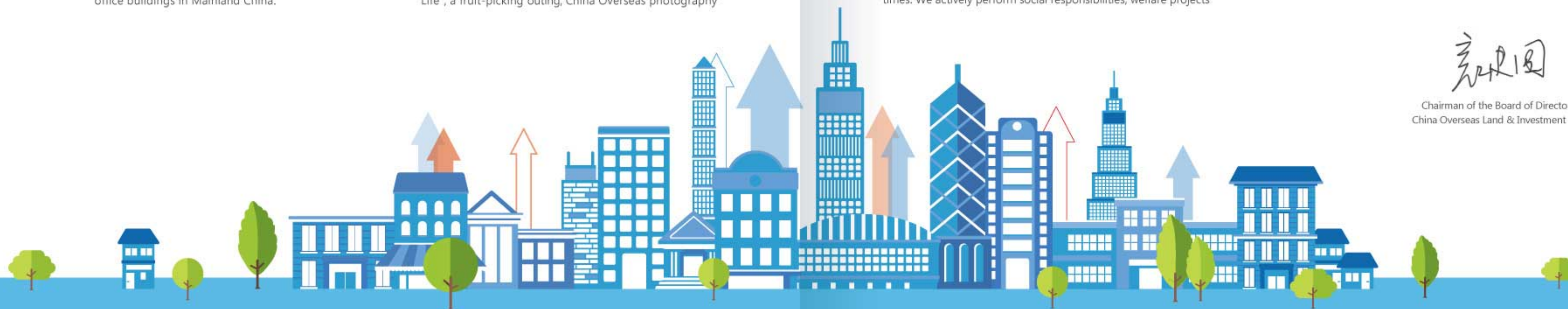
We appreciate the opportunities presented by the societies and the times. We actively perform social responsibilities, welfare projects

and are keen on public welfare activities. Up to 2017, we had 5.68 million square meters of affordable housings constructed or under construction. We have built across the country 249 high-quality kindergartens, primary schools, and middle schools. China Overseas Holdings Ltd. (COHL) has donated and built 12 primary schools for Project Hope and contributed more than HKD 167 million to disaster relief, education, and public welfare in Hong Kong, Macau and Mainland China, earning the honor of "China Valuable Real Estate Awards Annual Corporate Citizen".

We attach great importance to the physical and mental health and capacity building of our employees. We continuously enhance the remuneration and benefits of the staff, and provide health examinations for them every year. According to staff's diversified interests and hobbies, we held a number of activities for them in the past year, such as art performances involving music and dance, charity run, fun events, etc. These events strengthened staff identification and emotional ties with the Company. In the meantime, we continued to increase investment in training. In 2017, COLI organized training programs including the "Sons of the Sea" Pilot Training Class, "Sea's Recruits Orientation Camp", "Specialized Training Camp for Project Directors", "Training Camp for Outstanding Staff", etc. A total of 2,807 training sessions were held throughout the whole year, with more than 70,000 participants. In an effort to increase employees' remuneration and benefits, the Company optimized the salary structure and increased the proportion of fixed monthly salary. With the full coverage of transportation and communications allowance being put into place, we can better deliver the fruits of development to all employees.

With the vision "To be an Exceptional Global Property Development Corporation", we will continue to improve operating performance, practice corporate social responsibility, and work together with customers, shareholders, employees, partners, and governments to usher in the new era of better life!

Chairman of the Board of Directors
China Overseas Land & Investment Ltd.



02 About the Report



Reporting Principles and Scope

Since 2012, China Overseas Land & Investment Ltd. ("COLI", "China Overseas", "the Company" or "we") has released the Environmental, Social and Governance Report annually to disclose the Company's philosophy and practices of sustainable development, promote the understanding, communication and interaction between the Company and its stakeholders and guide the sustainable development of its management business.

Entities covered by this report are of the same scope as those in the annual report. This report focuses on the operations of the headquarters of COLI and its subsidiaries in terms of economy, environmental protection, social development and governance from 1 January 2017 to 31 December 2017. All data was obtained from the Compa-

ny's official documents or statistical reports.

This report was prepared under the guidance of the CSR Committee of the parent company, China Overseas Holdings Limited, and in accordance with the GRI Sustainability Reporting Standards (GRI Standards) (Core option) and the Environmental, Social and Governance Reporting Guide released by HKEX. As an independent annual corporate social responsibility report, the report was published simultaneously in Simplified Chinese, Traditional Chinese and English in April 2018. (The previous report was released in April 2017). For the benefit of environmental protection and conservation, the electronic version is available on the Company's official website.

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Official website: www.coli.com.hk

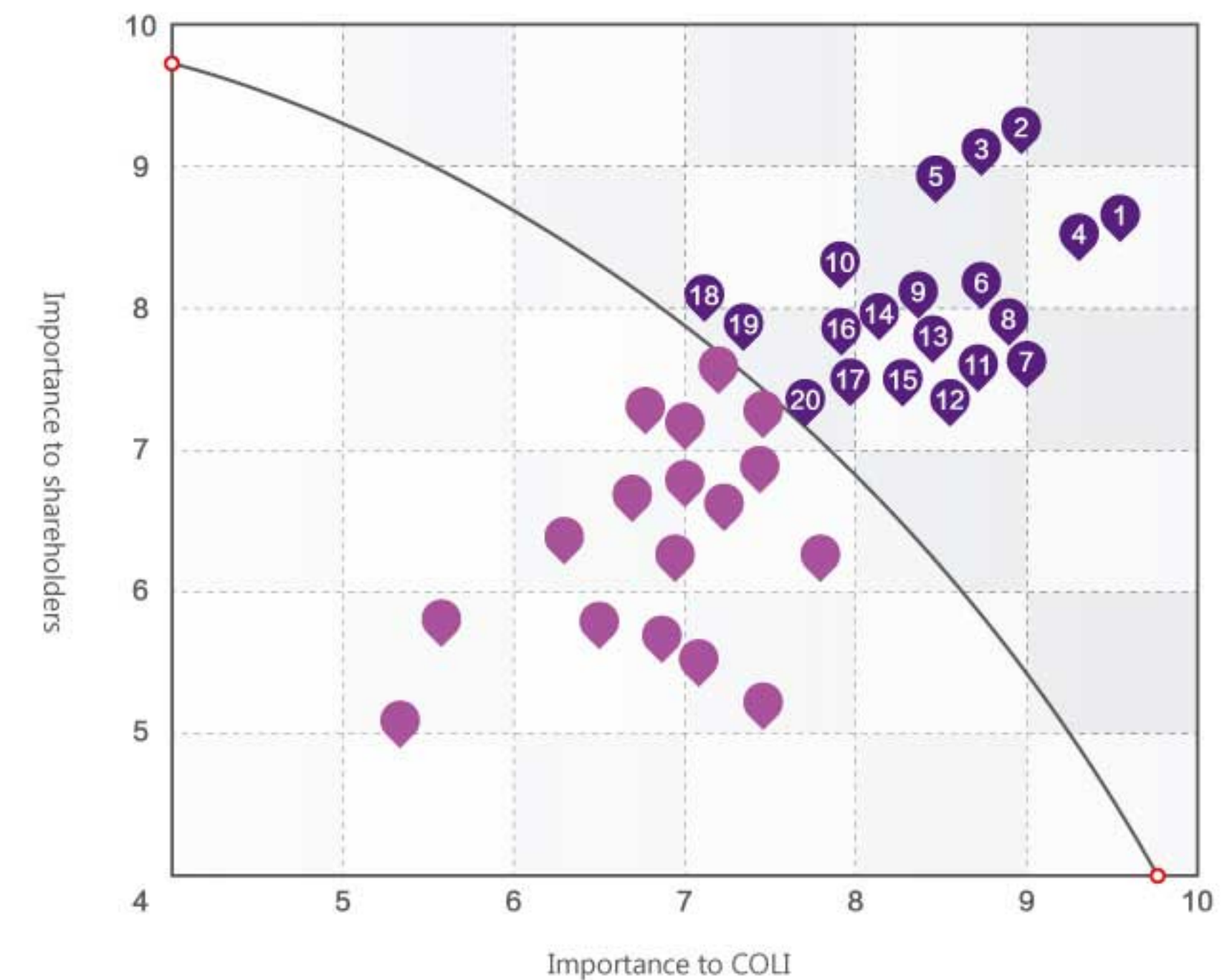
Brand website: www.coli688.com

Evaluation of Key Topics

COLI is well aware that it is an ongoing process to promote the sustainable development of its businesses. Guided by the GRI Standards, the Company continues to improve policy making and practices of corporate social responsibility. In accordance with GRI Standards, the Company conducted the second stakeholder communication and investigation in 2017, which was led by Carbon Care Asia Limited, an independent third-party professional organiza-

tion. Through face-to-face interviews, workshops and focus group discussion, etc., we discussed the key topics of COLI's corporate social responsibility and updated the matrix (see below). Guided by the above actions in improving sustainable development, we will give targeted practices and response in the annual report and our future operation and management.

COLI sustainable development substantiality matrix



Twenty key topics of COLI's corporate social responsibility:

1. Increase income and decrease operational expenditure
2. Establish a comprehensive employment management system
3. Provide development and training opportunities to support staff's continuous growth
4. Provide customers with satisfactory products and services and ensure their health and safety
5. Create a healthy and safe working environment and protect employees against occupational harm
6. Guarantee fairness and rationality towards all partners
7. Prevent anti-competition practices (eg. Bid rigging)
8. Protect customers' privacy
9. Save water and improve efficiency in water use
10. Eliminate workplace discrimination and enhance equal opportunities
11. Prevent bribery, extortion, fraud and money laundering
12. Comply with advertisement and sales instructions
13. Evaluate and supervise the supply chain to manage risks in environment, labor and operation
14. Minimize the negative impact of products and services on the environment
15. Save energy and improve energy efficiency
16. Use more environmentally-friendly materials
17. Establish an effective complaint mechanism for operation and management
18. Reduce and properly deal with air pollutant and greenhouse gas release
19. Reduce and properly deal with sewage and wastes
20. Select partners in accordance with environmentally-friendly criteria

03 COLI Strength

- Sustainable Development Management
- Business Structure and Layout
- COLI Data 2017
- Economic Performance
- Awards and Honors
- Corporate Governance and Supervision
- Stakeholder Engagement



Sustainable Development Management

Vision	To be an Exceptional Global Property Development Corporation
Mission	To Envision Delightful Space and Create Infinite Value
Core values	Diligent, Grounded, Visionary, Innovation
Slogan	Excellent Integrity; Eternal and Excellent Products
Brand Positioning	Excellent, Lifestyle, Innovative



Sustainable Development Policies

For shareholders investors	Continue to improve corporate governance, risk reduction, and crisis management; create stable and long-term value for shareholders/investors.
For customers owners	Uphold integrity and compliance in operations; strengthen customer relationship management and product innovation; offer high-quality products and services; strive to protect the interests of customers/owners.
For employees	Implement green office initiatives; create a working environment in which all employees are treated with fairness and respect; pay attention to employee benefits and career development; protect employees' rights and interests such as occupational health and safety.
For communities	Adhere to quality product strategy; prize land value and natural resources; build harmonious communities with property management companies and owners; maintain a low carbon and green concept; promote the proper management of business impact on the environment.
For partners and suppliers	Build harmonious and mutually beneficial relationships with suppliers; adopt transparent transaction and green procurement policies; support and select eco-friendly partners and suppliers; lead upstream and downstream firms to sustainable development.
For the society	Proactively fulfill corporate social responsibility; make contributions to public welfare and education; take part in urban development; participate in secured housing development; implement environment-protection initiatives; develop green property projects; protect biodiversity and actively respond to climate change.

Business Structure and Layout

COLI expanded its business from Hong Kong to Mainland China, successfully seizing opportunities from China's economic development. Currently, it has expanded to provide coverage in six regions, namely southern China, east China, north China, greater northern regions, western regions and Hong Kong & Macau. It also possesses and operates projects in London, New York and Sydney.

* Currently, COLI has property development businesses in over 60 cities, including Shenzhen, Shanghai, Guangzhou, Beijing, Shenyang, Chengdu, Changchun, Zhongshan, Xi'an, Nanjing, Suzhou, Foshan, Ningbo, Chongqing, Hangzhou, Zhuhai, Qingdao, Dalian, Shenyang, Tianjin, Jinan, Hohhot*, Guilin*, Yinchuan*, Changshan*, Jilin*, Yantai, Nanchang, Hefei*, Nanning*, Wuhan, Ximen, Lanzhou*, Ganzhou*, Yangzhou*, Kunming, Nantong*, Changzhou*, Yancheng*, Harbin, Fuzhou, Shaoxing*, Wuxi, Shantou*, Zhengzhou, Taiyuan, Urumchi, Weifang*, Zibo*, Haikou*, Wannin g, Sanya*, Dongguan, Huizhou*, Huangshan*, Jiujiang*, Xuzhou*, Xining*, Zhenjian g, Zhangzhou, Zhaoqing, Jiangmen, Liuzhou*, Baotou*.

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



COLI is positioned to be an Exceptional Global Property Development Corporation. After 38 years of development, it has created three businesses, "Residential Development", "City Operation" and "Innovative Design and Modern Services".

- Residential Development -

COLI is affiliated to China State Construction Engineering Corporation Ltd. Established in 1979, it began residential development and operation in Hong Kong in 1984 and is the pioneer and leader of the real estate industry in Mainland China. It was listed on Hong Kong Stock Exchange (Stock code: 0688.HK, "China Overseas") in 1992 and was included into Hang Seng Index Constituents in 2007.

COLI has over 30 years of experience in real estate development and property operation and management. Based on the development philosophy of practicing professionalism in each and every detail and in each and every project, the corporation has developed five generations of quality residences and over 500 development projects, and has completed development and construction of over 130 million square meters. By the end of 2017, the total assets of the company added up to HKD 645.4 billion and net assets reached HKD 265.7 billion. In 2017, the contract sales of HKD 232.1 billion and a net profit of HKD 40.77 billion were achieved.

The company leads the industry in operation performance. To follow the trend of prefabricated building and

housing industrialization, the company actively promotes the practice on prefabricated building construction and housing industrialization. It developed and constructed more than one million square meters of prefabricated building projects in Hong Kong, Macau and Mainland China together with its partner enterprise Guangdong Hailong Construction Technology Company. The company is also actively engaged in the production of building materials and doors in the upstream industrial chain. Its subsidiary Tianshanmen Corporation produces a series of high-end fire doors and entry doors and owns 26 design patents in manufacturing cast aluminum doors, demonstrating competitive strength within the industry.



Brand website: www.coli688.com Official website: www.coli.com.hk



COLI's Official WeChat Account

- Urban Services -

COLI has created a city operation business of diversified business models and industries, covering office buildings, shopping centers, hotels, above-station developments, urban renewal, tourism, logistics, etc. In 2012, China Overseas Commercial Properties Co., Ltd was officially incorporated in Shenzhen. It has put into operation 36 "China Overseas" Grade-A office buildings covering an operation area of over two million square meters, making it one of the largest developers of sole-ownership office buildings in Mainland China. It also owns and operates four centenary landmark commercial buildings in the City of London.



COLI founded co-working brand "Officezip" and created "China Overseas Officloud" to lead business assets management and business resources integration. We are also engaged in the culture industry and built and operated the Museum of Contemporary Art & Planning Exhibition in Shenzhen. By the end of 2017, COLI has over 3.1 million square meters of commercial properties in operation and over 8 million square meters of operation, planning and development area.

We have 11 star-rate hotels in Beijing, Shenzhen, Zhuhai, Hainan, Macau and so on and also invest in and operate 8 integrated shopping centers namely "China Overseas Unipark" and "China Overseas Uni Elite". In Zhuhai, we invest in and operate "China Overseas Midtown", an open-space commercial district. We also have developed and built more than 10 over-station properties in Hong Kong, Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, etc. and now operate and manage a logistics and warehousing base of over 500,000 square meters in Binhai New Area of Tianjin, developing logistics business in major hub cities across China together with China Overseas Logistics. We have also invested in and developed tourism and leisure industry in

well-known tourist attractions such as Wanning in Hainan, Jiujiang in Jiangxi and Huangshan in Anhui.

The Group is dedicated to urban renewal and integrated regional development which involvement in the whole business chain include: investment and financing, land consolidation, regional planning, property development, engineering construction, industry import, business operations, and property management. Beixin'an Project, the largest renovation project on the western extension line of Chang'an Avenue, is under construction and is the core area of supporting services for the Beijing Winter Olympics. The investment volume will amount to RMB 50 billion involving more than 6,000 households for renovation and over 200 low-end industries. The project covers 3.2 million square meters of construction area. The comprehensive development project in Huashan Area of Jinan under construction is one of the largest renovation projects in Shandong Province. The project is expected to accommodate 300,000 people on a planned floor space of over 10 million square meters. After completion, it will become a huge urban ecological residential district in Northern China.

Official Website for Unipark: <http://www.unipark.net.cn>
Official website for "China Overseas" Grade-A office buildings: <http://colioffice.com>



Officloud's WeChat Account



Officezip's WeChat Account



Unipark Lab's WeChat Account

Founded in Hong Kong in 1986, Huayi Design Consultants Ltd. (Huayi) set up its wholly-owned subsidiary with Grade A Architectural Design Qualification in the same year, Hong Kong Huayi Design Consultants (Shenzhen) Ltd. In 2009, China Overseas Huayi Urban Planning and Design Co., Ltd. (Beijing) with Grade A Urban Planning Qualification was founded. Huayi possesses two Grade A Qualifications for "Architectural Design" and "Urban Planning" and is a national-level high-tech enterprise and among the top 100 design institutes in China. Huayi employs 1,000 outstanding design professionals and has the ability and experience to apply Building Information Modeling (BIM) design technologies in whole-process design.

For 30 years, Huayi has upheld the principle that "Creativity and quality are top priorities" and has completed approximately 1,500 design projects for a wide range of buildings. More than 170 projects won over 430 national, provincial, and municipal awards for excellent design. It also won honorable titles of "Top 100 Enterprises for Culture and Innovation in Shenzhen", "Top 10 Innovative Enterprises in Civil Engineering in Guangdong Province", "Top 100 Famous Architecture Design Institutions in Contemporary China", "National Double Excellence Enterprises with Foreign Investment", etc. Huayi Design and Huayi Planning are rated "National-Level High-tech Enterprises".

Huayi Official Website: www.huayidesign.com



The Group constructs and operates Shenzhen Contemporary Art Centre and Urban Planning Exhibition Hall in Shenzhen and at the same time actively engages in education. 249 high-quality schools are constructed accumulatively and the Group owns 10 and operates 3 of them. In addition, the Group has arranged and constructed long-term rental apartments, senior living apartments, healthy living centers, kindergartens, extracurricular and outdoor campuses etc. and planned to put into operation in 2018 and the following years.



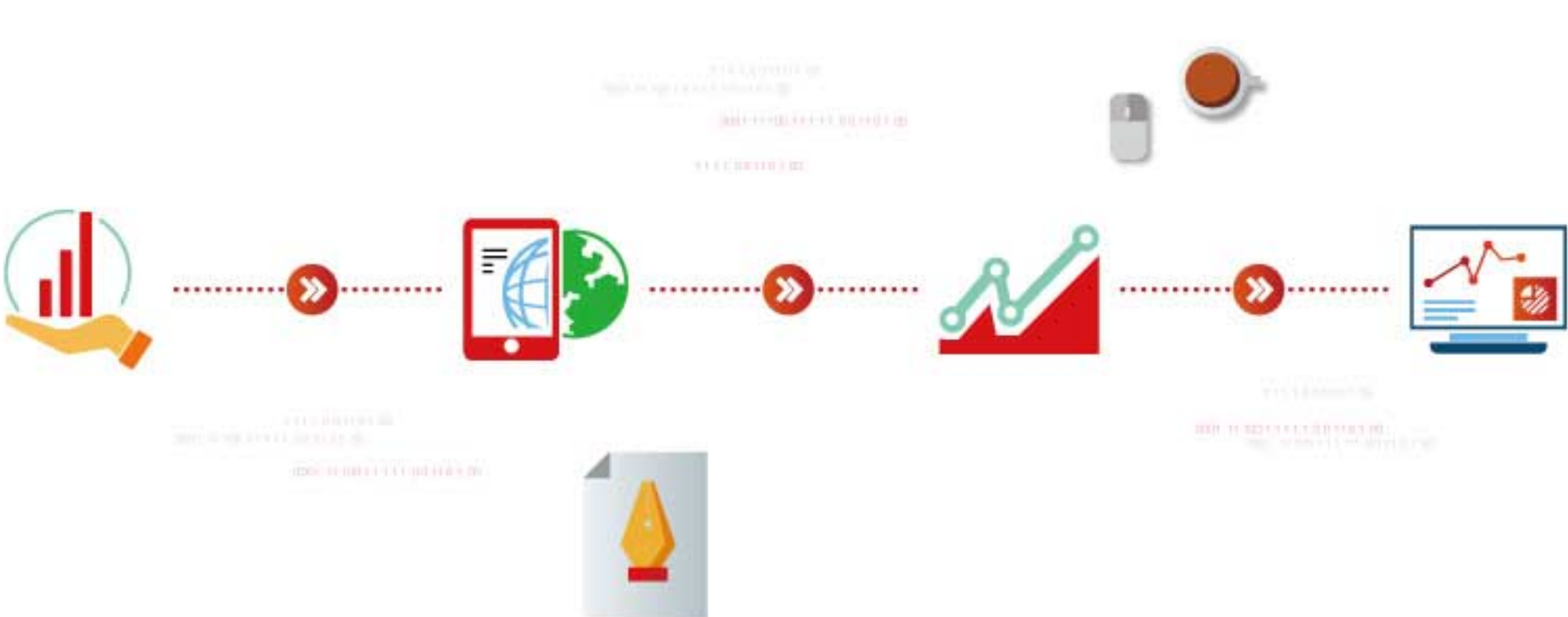
COLI Data 2017

Presence in 68 cities

Corporate brand value in 2017: RMB 59.85 billion

Total assets: HKD 645.4 billion
Net assets: HKD 265.7 billion
Operating revenue: HKD 166.04 billion
Contract sales: HKD 232.1 billion
Net profit: HKD 40.77 billion
Land reserve: 82.78 million square meters
Employees: 5,608
Average employee training hours: 80.5 hours
Personal accident insurance coverage: 100%

Tien-yow Jeme Civil Engineering Prize: 57 in total
National Star-rated Green Building Certification,
US LEED Certification,
UK BREEAM Certification: 68 in total
Certificate of Green Building: 7
Secured Housing Area: 5.68 million m²
Number of Suppliers: 93



Economic Performance

Financial Performance (Economic Performance)

Indicator/Year	2013	2014	2015	2016	2017
Total assets	529.5	555.9	582.2	571.3	645.4
Net assets	132.7	157.2	215.6	227.4	265.7
Sales	138.5	140.8	180.6	210.6	232.1
Net profit	24.84	28.68	34.64	37.02	40.77

Unit: HKD/billion

In 2017, COLI achieved an annual contract sales of HKD 232.1 billion and sold 14.46 square meters of properties. In fiscal year 2017, the approved profit attributable to COLI equity shareholders increased to HKD 40.77 billion, with the net profit rate 24.6%, remaining an industry leader. As at the end of 2017, the COLI shareholders equity increased 19.5% to HKD 265.69 billion with a significant leap on equity, remaining the industry leader in its net assets value.





Awards and Honors

COLI has strived to promote corporate business growth in economic, environmental and social development. Our efforts in sustainable development have gained wide recognition from domestic and international authoritative organizations, as seen in being selected in the Hang Seng Corporate Sustainability Index and the Dow Jones Sustainability Indices for several years. This recognition has encouraged us to improve our business management and brand building on an ongoing basis.



- Major Awards in 2017 -

Date	Award	Awarding Organization
March 16, 2017	Top 100 China's Real Estate Developers 2017: Top 10 Overall Performance, Top 10 Sizable Scale, Top 10 Stability, Top 10 Profitability	Enterprise Research Institute of Development Research Center of State Council of P.R.C Institute of Real Estate Studies of Tsinghua University China Index Academy
March 22, 2017	No.1 in TOP 30 China's Listed Real Estate Companies 2017 (Real Estate G30) TOP 10 of 2017 Top 100 China's Real Estate Excellent Companies, TOP 10 Brand Value Excellence	http://www.guandian.cn/
March 22, 2017	TOP 500 China's Real Estate Companies 2017: TOP 10 Overall Performance, TOP 10 Business Performance, TOP 10 Urban Coverage	China Real Estate Association China Real Estate Appraisal
May 18, 2017	2017 Mainland China's Real Estate Companies Listed in Hong Kong: -Excellent Enterprise Special Awards: No.1 of TOP 10 Financial Soundness, No.1 of TOP 10 Value Creation Ability	Enterprise Research Institute of Development Research Center of State Council of P.R.C Institute of Real Estate Studies of Tsinghua University China Index Academy
May 25, 2017	2017 China's Listed Real Estate Companies: No.2 in TOP 10 Overall Performance, No.1 in TOP 10 China's Real Estate Developers (H shares), No.1 in TOP 5 Risk Management, No.2 in TOP 5 Financial Operation	China Real Estate Association China Real Estate Appraisal

Date	Award	Awarding Organization
May 26, 2017	2017 UK International Property Awards: 1. One Blossom Cove, Guangzhou: Best Residential High-rise Development 2. International Community, Yantai: Best Residential High-rise Development 3. Mid-Town, Zhuhai: Best Mixed Use Development 4. China Overseas Plaza, Beijing: Best Office / Best Office Development China (5-star) 5. Foshan Unipark, Foshan: Best Retail Development	International Property Media Limited
June 10, 2017	Top 20 China's Green Real Estates 2017	Standard List
June 13, 2017	China Blue Chip Real Estate Developer (14 consecutive times)	The Economic Observer
July 23, 2017	No.1 in Top 100 Competitive China's Listed Real Estate Companies	Real Estate Market Report (REICO)
February 22, 2017	China Overseas Commercial Properties Co., Ltd. won 2016 Award for Fastest Opening	Walmart Group
August 30, 2017	No.1 in Top 100 China's Real Estate Brand Value 2017	E&H Corporation
September 13, 2017	China Overseas Land & Investment Ltd.: - No. 1 in TOP 50 China Real Estate Brand Value (Brand value of RMB 52.92 billion) China Overseas Commercial Properties Co., Ltd.: -No.3 in TOP 10 China Commercial Property Brand Value, 2017 China Brand Real Estate Developer with Professional Features China Overseas Property Management Ltd.: -No.3 in TOP 100 China Property Management Enterprises Overall Performance 2017, No.5 in TOP 50 China Property Management Enterprises Brand Value 2017	China Real Estate Association China Real Estate Appraisal
September 14, 2017	China Overseas Land & Investment Ltd.: - Leading Brands of China's Real Estate Companies with a brand value of RMB 59.85 billion -2017 Leading China's Real Estate Brands of Customer Satisfaction China Overseas Commercial Properties Co., Ltd.: - TOP 10 China Commercial Property Brand Value 2017 China Overseas Property Management Ltd.: -2017 China's Leading Brands of Professional Operation of Property Services, 2017 China's Leading Brands of Property Service Quality	Enterprise Research Institute of Development Research Center of State Council of P.R.C Institute of Real Estate Studies of Tsinghua University China Index Academy
December 7, 2017	2017 China Best Employer	Zhaopin.com, Institute of Social Science Survey of Peking University
December 2017	TOP 10 Listed Real Estate Companies with the Most Equity Investment Value	Yicai.com
December 12, 2017	Mr. Yan Jianguo, Chief Executive Officer of COLI, won "2017 TOP 10 CEOs of China's Real Estate Companies"	finance.sina.com.cn, Shanghai Securities News, China Entrepreneur, LEJU, China Real Estate Association, etc.



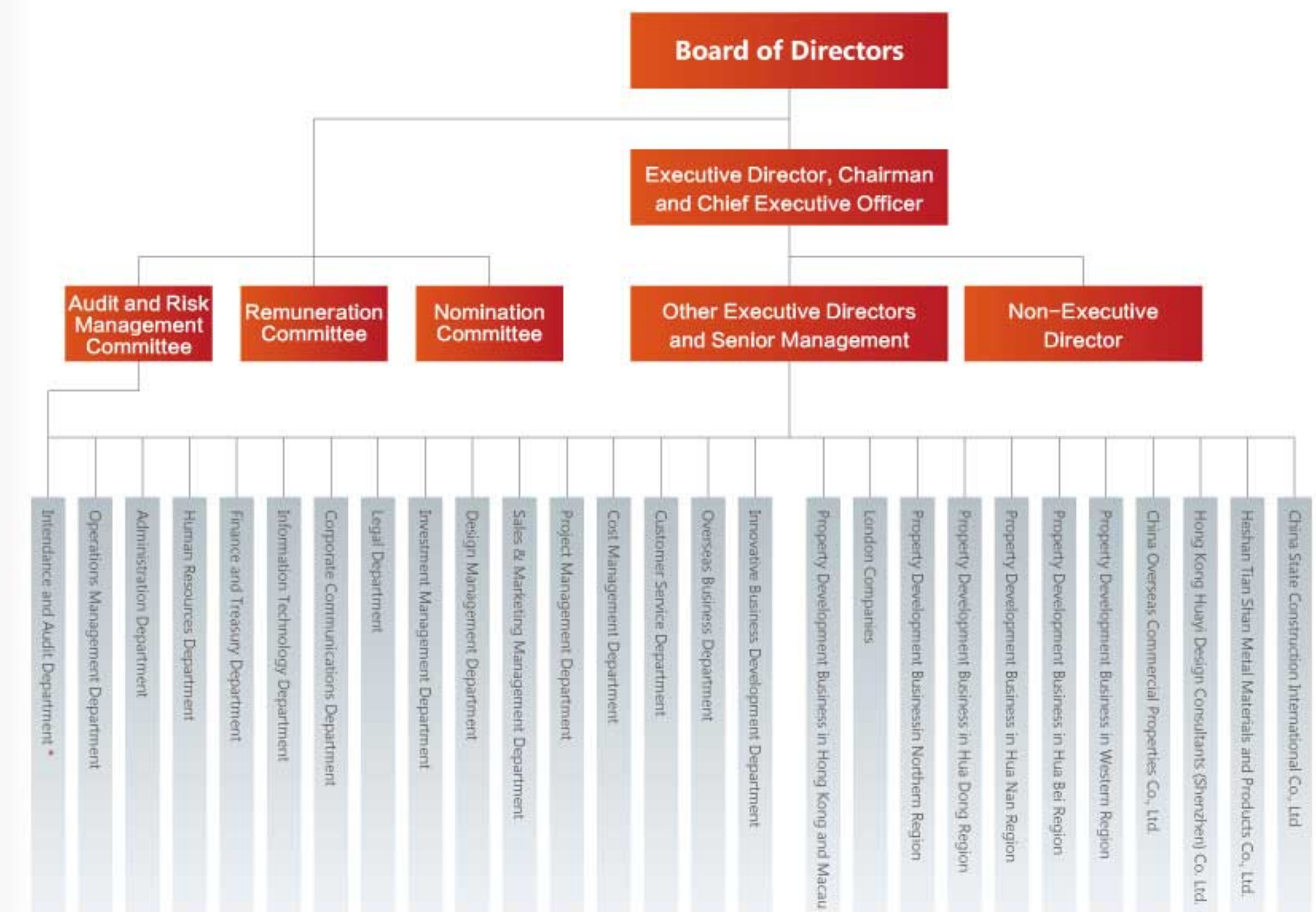
Corporate Governance and Supervision

Governance Structure

COLI highly values the interests of shareholders and stakeholders. The Board of Directors believes that its prime duty is to protect and best utilize resources in the Company and thereby to create value for shareholders and customers. A high standard of corporate governance is the key to improving corporate profit and facilitating sustainable development. COLI has actively enhanced its corporate governance standard, taking into consideration the expectations and interests of all stakeholders while striving for the best in every aspect of its businesses and operating with highest standard of integrity and efficiency. The Company has always been dedicated to improving corporate governance standards on three levels:

- 1 Ensure COLI and its subsidiaries comply with respective laws, regulations and ethical codes.
- 2 Use the corporate governance principles as guidance for the Company to enhance its core competitiveness and create value for stakeholders.
- 3 Continue to improve operational management mechanisms to ensure that decisions can balance the expectations and interests of different stakeholders in the best way.

In line with the best corporate governance practice, the Company has established an Audit Committee, a Remuneration Committee and a Nomination Committee. The Board and all subordinate committees evaluate and monitor their respective effectiveness on a regular basis in accordance with terms of reference. Over the past few years, the Company has been continuously improving overall transparency and independence, as well as establishing effective power and responsibility mechanism, strengthening internal audit and risk management functions.



* Risk Management Team is set under Intendence and Audit Department.

Board of Directors

The Board is responsible for leading the Company's development, establishing its strategic goals, and ensuring that the Company receive necessary resources by formulating overall strategies and policies so as to achieve its strategic goals. The Board is also responsible for performing the Corporate Governance duties set out in the terms of reference in Code Provision (The Corporate Governance Code in Appendix 14 in Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), D.3.1 (include the determining of 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 board currently has 6 directors, three of them are independent non-executive directors 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 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, other

stakeholders and the Company. Besides, the Board composition is well diversified to bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions to corporate issues and establishes a good base for the sustainable development of the Company.

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



Supplier Management

The business of COLI covers more than 60 cities in China and the world with huge business scale and thousands of suppliers, and its achievement in high-quality projects is closely connected to sincere cooperation with all suppliers. Our suppliers mainly include contractors and various suppliers of building materials, decorative materials, installation materials, facilities, and equipment. We contract project construction and procure materials, products or services from suppliers. Therefore, to standardize related systems and procedures, we have drawn up relevant work guidelines and standardized contract text for business partners (QDSS). Moreover, we periodically conduct comprehensive assessment to suppliers' products and services and grade them into cooperating levels according to their performances every year to ensure they conform to our strict standards. At the beginning of every year, we will update our "List 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 its performance in sustainable development. For instance, once we cooperated with artificial marble suppliers in joint research and development of new products, and finally produced artificial marble products that met appearance and function requirements and that could replace traditional natural marble, save materials, reduce damage to nature and protect the environment through technology and R&D experiments. In the tender for wood floor and interior woodwork-ing, we presented standards far higher than the national formalde-hyde emission standard, which improved owners' living environ-ment and shouldered the social responsibility of a real estate enterprise.

By the end of 2017, the Company has signed contracts with 93 suppliers of centralized procurement and they are scattered in cities where we have our corporate business. In 2017, the Company removed 18 centralized procurement partners from its partner list due to unqualified products or services, covering wood flooring, pipe fittings, mechanical locks, PVC profiles, wires and cables, waterproof materials, floor paint and other items.

- Geographical distribution of centralized procurement suppliers -
(Cooperation in multiple categories with some suppliers)

Supplier Category	Number of Suppliers	Geographical Distribution (Province/Municipality)
Kitchen & Bathroom	21	Guangdong, Fujian, Jiangsu, Shanghai, Zhejiang, Beijing
Tiles & Floor	25	Guangdong, Guangxi, Fujian, Jiangsu, Shanghai, Zhejiang, Beijing, Shandong
Door and Window Hardware	19	Guangdong, Chongqing, Zhejiang, Sichuan, Beijing, Anhui, Shandong
Electrical Equipment	12	Guangdong, Zhejiang, Jiangsu, Shanghai
Plumbing	10	Hebei, Guangdong, Zhejiang, Shanghai
Electromechanical Equipment	9	Shanghai, Jiangsu, Shandong, Zhejiang, Guangdong
Engineering Insurance	1	Shanghai

Anti-corruption Mechanism

COLI has created a corporate culture characterized by integrity and self-discipline, with the aim to timely discover and address problems and weaknesses in the Company's operational manage-ment procedures and to prevent dereliction of staff at all levels. The Company has set up a specialized supervision department (renamed as Intendence & Audit Department in 2014) since 2006 to broaden corporate internal and external reporting channels and enhance internal and external supervision systems.

By implementing a range of measures such as education on eliminating corruption, strengthening supervision, and enhance-

ment of reporting and accountability mechanisms, COLI continu-ously standardizes the decision-making procedure of various business and establishes a working mechanism with integrated supervision At the same time, the Company continues to strength-en the construction of working style, risk warnings, and awareness of anti-corruption within all business units, so as to protect the Company's financial and management benefits. The Company does not tolerate any form of corruption. Employees are prohibi-ted from soliciting, receiving or accepting any form of benefit from any person, company or organization that have business with the Company.

- In 2017, there was no major lawsuit involving corruption in the Company -

Integrity Education Foster the awareness and conduct regular education activities	Promote Staff Code of Conduct
	Publish and distribute journals, such as Anti-corruption Comics, Anti-corruption and Efficiency, and Illustrated Literature on Enterprise Risk Prevention
System Restrictions Set up rules to ensure a sound system and procedure	Supervise the strict implementation of national policy
	Establish risk prevention mechanism
	Implement separation of management mechanism to avoid conflict of interest
	Establish and implement policies on conversation about integrity and efficiency
	Establish and implement management measures on complaints and reporting
	Establish and implement rules and regulations in relation to assessment and enforcement of an accountability system for upholding personal and business integrity
	Issue open letter of tender management: include a written document to remind participants that company staff are prohibited from accepting gifts or other benefits, as well as providing reporting channels.
	Sign the integrity agreement with commercial partners when signing contracts; prevent any kind of improper conduct to safeguard the interests of all parties.
	Leadership team signs an official integrity and self-discipline agreement document
	Establish integrity records for leadership team

Reporting and Investigation

Enhance supervision and monitoring

- Strictly conduct regular supervision and auditing
- Conduct special supervision and investigation
- Promote integrity and self-discipline through related publications
- Staff Satisfaction Survey covers investigation of the satisfaction towards leading group's integrity
- Business Partners Satisfaction Survey
- Make hotline and e-mail address for complaints public, and accept complaints and reports by different parties

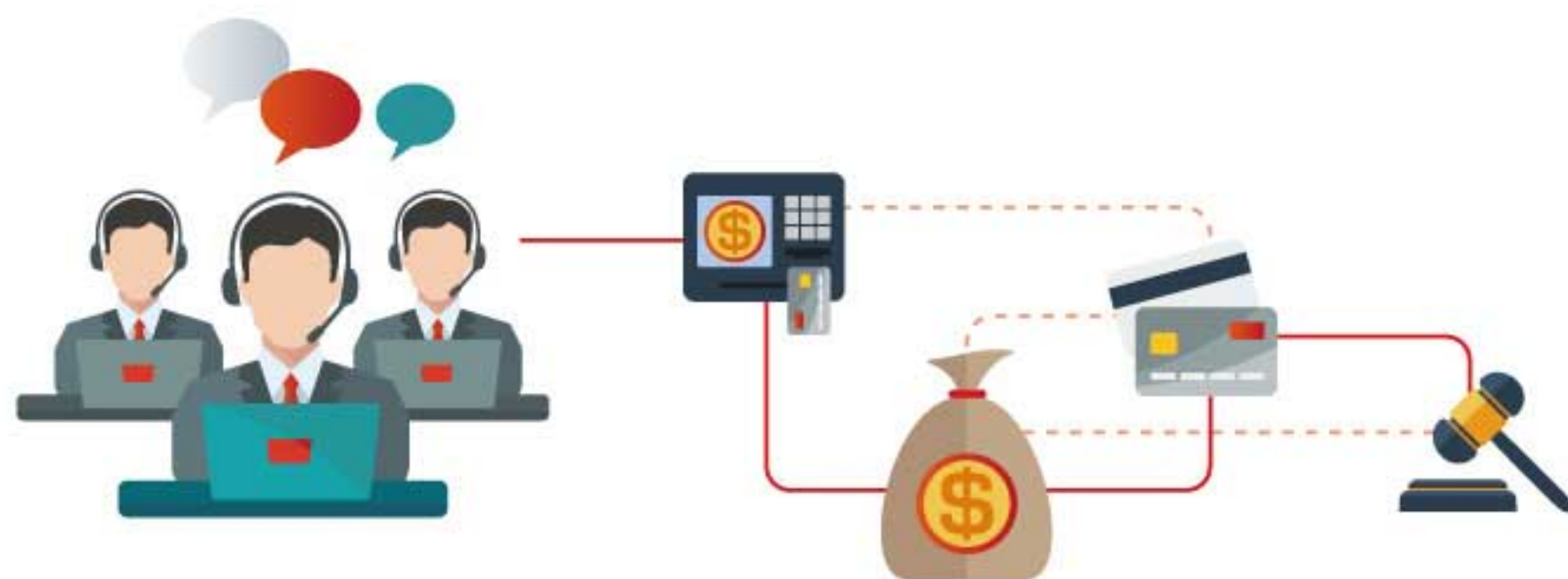
Accountability Enhancement

Ensure strict implementation of accountability system

- Implement provisional regulations on accountability of employees' efficiency
- Management Procedure for Qualifications of Top Management Members of District Companies, Management Procedure for Qualifications of Middle Management Members of District Companies, etc. clearly state the veto power of serious responsibility of integrity and self-discipline.
- The assessment system of all managerial levels clearly states the responsibility of integrity and self-discipline.

Anti-Corruption Reporting and Supervision Management Procedure

The Company has established standardized procedures for anti-corruption reporting, supervision and management. When a report is received, it will be investigated, regardless of veracity. On-site verification requires clarified responsibilities, clear plans and valid evidence. After the investigation the case will be placed on file and turned over to the authority and accountability will be conducted inside the Company, so as to ensure that corruption is properly dealt with.



Integrity and Compliance in Operations

Upholding integrity and compliance 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, our legal department has strived to develop a comprehensive, systematic and standardized system for preventing legal risks.

In 2017, in addition to duties covering business registration, shareholding structure and other aspects, the legal department also strictly controlled contractual risk through legal training and publicity as well as litigation risk management and control. Furthermore, the management of outside lawyers was strengthened to ensure successful implementation of the Company's operational decisions. During the year, the department continued

to deliver information on "Learning through Case Studies" and organize specialized trainings on laws and regulations of real estate investment, operation and sales, promoting the timely awareness of and compliance with relevant business laws, rules and regulations in all subsidiaries. The department also maintained an early warning system for legal risks in business activities.

Moreover, in 2017, the legal verification mechanism was improved to realize 100% legal verification over economic contracts and rules and regulations. The Company also established a mechanism of legal participation in major investment activities, which further standardized the handling mechanism of disputes and improved corporate business management and operational risk prevention.

Communication with the Capital Market

The management and Corporate Communications Department of COLI 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 road shows are held to meet with investors, collect opinions and answer queries directly. COLI 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 investment banking conferences, company visits, teleconferences and site visits to property projects. During the year, the Company organized over 400 meetings and telephone communications, and 160 site visits to projects with

more than 500 investors participating. Investors from all sectors can obtain more information about the Company by clicking on the page "INVESTORS" at the Company's official website.

In 2017, COLI received a credit rating of Baa1 by Moody's, BBB+ by Standard & Poor's and A- by Fitch Ratings, remaining an industry leader and demonstrating the capital market's acknowledgement of COLI's leading position and financial health in China's real estate market. With closer connectivity between stock markets and bond markets of Hong Kong and Mainland China, COLI keeps regular communication with Mainland investors and expect to further explore the Mainland capital market.

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

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' needs 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 following table shows a list of major expectations and requests from COLI's stakeholders, as well as the Company's efforts in communication and response.



Stakeholders	Expectation and Requests	Methods of Communication and Feedback
Customers Property Owners	Information transparency Integrity High-quality products Attentive services and experience Opinions and complaints handling Privacy protection	Providing customers with excellent products; maintaining channels of customer communication and feedback with our sales offices, property management offices, WeChat and feedback hotline/e-mail; conducting customer surveys regularly and improving performance.
Employees	Equal opportunity Democratic management Health and safety Benefits Career development Caring for people	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.
Shareholders Investors	Information disclosure and transparency Returns on investment Protection of interests Management and control of operating risks	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.
Government	Legal compliance Fulfillment of tax obligation Asset value enhancement Mutual beneficial cooperation Participation in urban development	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 secured housing in response to government policies.
Business Partners & Suppliers	Fulfillment of promises Mutually beneficial cooperation Sharing of resources Open and fair procurement Mutual development	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 benefit with suppliers.
Community	Collaborative development Boosting employment Public welfare and charities "Go green"	Supporting the construction of 11 schools for Project Hope with our donations, maintaining community campaigns, such as art exchanges, caring visits and summer camps; encouraging employees to participate in volunteer services; assisting in education and community development.
Labor	Employment opportunities Health and safety Labor protection	Working closely with contractors to strengthen on-site quality and safety assessment of our projects; following construction safety guidelines; taking multiple measures to ensure proper management of employment contracts and payroll matters.

04 Employee Development

- Employment Overview
- Development and Training
- Health and Safety
- Labor Rules
- Staff Engagement

Employment Overview

Building on our human resource infrastructure and talent pool management, COLI seeks to achieve a balanced development of staff, guiding employees to incorporate their personal goals into the long-term corporate development objectives, resulting in a simple, transparent, positive and progressive 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 inclusion. Its outstanding performance in talent development and corporate governance has earned the Company "Best Employer in China" and "The Most Respected Company" for the past several years.



Number of Employees (Unit: person)



Note: This number includes staff from COLI subsidiaries at all levels.

Male: 3,902 Female: 1,706

Number of Employees by Gender and Region (Unit: person)

Mainland China	Hong Kong, Macau and Overseas
Male: 3,920	Male: 82
Female: 1,542	Female: 64

Number of Employees by Age and Region (Unit: person)

	Mainland China	Hong Kong, Macau and Overseas
< 31	1,970	35
31-40	2,622	70
41-50	703	30
> 50	162	16

Number of New Employees by Age, Gender and Region

Number of New Employees by Age

Age	Number of New Employees
< 31	774
31–40	542
41–50	53
> 50	8

Number of New Employees by Gender

Male 1,047 | Female 330

Number of New Employees by Region

Mainland China 1,350 | Hong Kong, Macau and Overseas 27

Number of Employees Turnover by Age, Gender and Region—Voluntary Labor Turnover Rate

Number of Employees Turnover by Age

Age	Number of New Employees
< 31	378
31–40	563
41–50	98
> 50	19

Number of Employees Turnover by Gender

Male 831 | Female 227

Number of Employees Turnover by Region

Mainland China 1,034 | Hong Kong, Macau and Overseas 24

Hours of Training by Gender and Position

Employee Category	Average Hours	Male 81	Female 83
Senior Management	72		
Middle Management	75		
Executives	72		
General Staff	103		

Percentage of Employees Receiving Regular Performance and Career Development Reviews: 100%

Number of Occupational Deaths (person)	None
Employee Occupational Fatality Rate (%)	None
Working Days Lost due to Occupational Injuries (day)	None
Rate of Absence from Work (%)	None



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 to 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 employees and to promote dynamic and orderly development. By optimizing the talent pool, the Company has maintained a competitive edge in human capital effectiveness and overall human resources benefits, ensuring and promoting the realization of corporate strategic goals.

Sons of the Sea Campus Recruiting:

The staff that COLI has recruited directly from universities are referred to as "Sons of the Sea." The Company has registered this trademark to represent corporate image to recruit freshly graduated students, also as a corporate commitment to recruit and groom.

talentsSea's Recruits:

Recruiting is an important component of the Company's human resources team. The "Sea's Recruits" program, as well as its recruitment platform, have become a distinctive symbol of COLI that attracts highly-qualified talent.

Star of the Sea

In order to satisfy diversified business development needs, COLI launched its "Star of the Sea" recruiting project, providing a new campus recruiting brand, focusing on recruiting fresh graduate with high potentiality, building new talents assisting the development of the great 3 industries.

The Company has created a comprehensive training system for all staff, which consists of four series: "Leading", "Competition", "Endurance" and "Set-Sail". Our online/offline education platform includes 12 branded trainings, namely "Motivation Workshop for Senior Management", "Advanced Study Camp for Functional Managers", "Specialized Training Camp for Project Directors", "Professional Workshop for Managers", "Sea's Recruits Orientation Camp", "Sons of the Sea Pilot Training Class", etc., and "E-learning Academy of China Overseas Property" offer valuable career development for all staff. The Company also puts into practice the core value of "To practice with caution and integrity and innovate to seek greater success" in daily work.

Five concepts and "tricolor" management model in career development:

Performance

System

Innovation

People

Fairness & Justice

Red — China State-owned enterprises + corporate mission + pragmatism and standardization

Blue — strategy + flexibility + innovative and enterprising spirit

Orange — transparency and fairness + humanism + social responsibility

2017 "Sons of the Sea" Pilot Training Class

In August 2017, 98 "Sons of the Sea" participants gathered in Shenzhen for a ten-day training. The Company designed professional and specialized training courses for college graduates. In the model of self-organization and self-management, they simulated corporate operation and introduced a performance evaluation system. Military training, outreach activities, mountain climbing, parties and other activities helped new employees integrate into COLI, understand corporate culture and improve team building.



2017 "Sons of the Sea" Study Program

From April to June 2017, five regional companies and 13 station companies coordinated to conduct "Sons of the Sea" Study Program in 25 major universities around the country. Altogether they recruited 251 members and carried out 205 online and offline activities, which helped strengthen communication with universities, deepened the Company's influence among university students and pre-selected candidates in advance.



2017 "Sons of the Sea" Internship Program

In July and August 2017, 251 university students worked as summer interns in nearly 40 district companies. During the internship, every student was assigned a mentor to teach them occupational etiquette, professional knowledge, working skills for newly graduates and professional training to help them prepare for employment and job selection.

2018 "Sons of the Sea" Recruitment Program

In September and October 2017, the 2018 "Sons of the Sea" Recruitment Program began. The scale of the recruitment plan hit a record high of 380 persons. There were 12 stations across the country, covering nearly 30 key target universities. Through multi-channel communication, "PASS Cards" activity, and new media platforms, nearly 8 million students participated in the activity. On September 24, the national recruitment plan commenced in Tsinghua University and won acknowledgement and support from the school and students. The 2018 "Sons of the Sea" Recruitment Program received more than 30,000 resumes and attracted over 6,400 students to offline promotion sessions. Nearly 200 HR personnel were involved in recruitment.



2018 "Sons of the Sea" Experience Program

In November and December 2017, "Sons of the Sea" Experience Program was organized in subsidiaries to provide candidates with orientation education and support. This program improved new employees' career experience, strengthened their knowledge on COLI corporate culture and the industry, and intensified their emotional ties with the Company, bringing win-win benefits to short-listed candidates and the Company.



"Sons of the Sea" oral interview before employment at the end of induction

The growth of "Sons of the Sea" is attributed to not only hard work and talent, but also the mentoring system of COLI. The year-long mentoring system helps improve new employees' understanding of corporate culture, values, working methods, and mindsets. In July 2017, subsidiaries at all levels organized oral interview at the end of induction as a systematic conclusion of new employees' key performances, innovation achievements and perception of corporate culture during their first year. The interview also improves the training system for new employees.



Training Camp for Outstanding Staff

As a major part of the Company's talent pool, potential employees are the main support for the Company's strategic goals. The camp is created to better cultivate and develop the expertise and professional qualities of employees and to promote cross-discipline sharing and exchange as well as inter-functional cooperation. In 2017, all district and regional companies opened multiple camps and strengthened coordinated talent training through sharing forums, round-table conferences, business training, etc.

Sea's Recruits Specialized Training

In order to strengthen corporate culture penetration of "Sea's Recruits" employees and to pass-on COLI expertise and management experience, thereby helping them to adapt to the Company, the headquarters of COLI organized the "2017 Pilot Training— Sea's Recruits Orientation Camp" from 22-24 September, 2017. New employees received systematic training from three aspects—understanding the Company and business, position clarification and self-development, and expertise acquisition and position adaptation. The new recruits took over 10 courses in corporate strategy, corporate culture, products and competition, product value creation, project panoramic planning, stress management, etc., which helped them to promptly adapt to their roles and integrate into the corporate culture.



Professional Workshop for Managers

In 2017, leveraging on the advantage of resources concentration, regional companies organized department managers in regional companies to join the Professional Workshop for Managers. Famous external lecturers were invited to teach management skills and working methods to improve middle management staffs' abilities, leadership skills, and guiding skills. In combination with scenario simulation training, the workshop offered managers a platform to display, discover and improve themselves and their ability to delegate and evaluate.

Specialized Training Camp for Project Directors

The Company launched project-based operations in 2017. To strengthen employees' understanding of the project-based system, the headquarters as well as district and regional companies organized multiple workshops on project-based operations to help all the staff align their understandings and master the tools and methodologies, which created effective support for putting the new project-based system into practice.

In the first half of 2017, many district companies conducted pilot project-based operations and made obvious achievements. This pilot program promoted experience, unified understandings of the "7+1 Team", strengthened employees' understandings of their positions, exchanged and discussed performance requirements and cultivated the competency of project director candidates. Several more Specialized Training Camps for Project Directors were organized in 2017.



Motivation Workshop for Senior Management

The Motivation Workshop for Senior Management is a training brand targeting senior managers and focuses on corporate strategies, business priorities, leadership improvement, etc. In 2017, the headquarters opened 5 such workshops covering the organization of project-based operations, high-EQ leadership and other topics. This helped senior managers expand their horizons and improve leadership.

And in July 2017, the senior management team conducted cross-field benchmarking studies. Through visits to outstanding enterprises and projects, they came to know about others' product mindsets and ideas, as well as best practices, which provided key references to strengthening consciousness and broadening horizon.



Northern Region Winter Training Program

During the winter break that starts every November, the northern regional companies carry out special winter training. The 2017 winter training program offered a series of management and professional trainings on project operation, financial management, team management, satisfaction building, value creation, etc., as well as sharing and study seminars on key technology subjects such as decoration, fabrication, and aluminum coatings.



EDP Management Training

To provide accurate solutions and courses for employees' demands in individualized capacity development, the Southern China Region Office and Guangzhou company joined Sun Yat-sen Business School and School of Business Administration of South China University of Technology and established a series of EDP courses. Employees can register for various management courses through their organization or voluntary application so that their individualized demands can be met in a flexible manner. In 2017, staff of the Southern China Region Office and Guangzhou company signed up for high-quality management and business courses such as "Internet Thinking and Innovative Service Marketing", "Organizational Behavior and Leadership", "Analysis and Forecast of Macroeconomics", "Leadership Quality and Management Skills Training" and "Business Model Analysis and Investment-Financing Decision Model".

Competitive Employment

In order to expand and optimize employees' career development channels, achieve efficient allocation of internal talent, and create a fair, impartial, open and transparent promotion environment, in 2017, district companies in Jinan, Ningbo, Chengdu, Zhengzhou, Shenzhen, Changchun and other cities continued to organize competitive employment for positions at different levels. Employees' comprehensive quality was examined through reports, on-site oral examinations, comprehensive rating and other methods, which further promoted cross-functions communication and talent selection.



Exchange in Rotation

As an important means of talent cultivation, job rotation helps employees expand their perspective through one to three months of project-based work. Employees can achieve systematic progress in both macro control and micro implementation. In 2017, the Company carried out job rotations for 200 employees at the Company headquarters. This activity greatly enriched the talent pool.

Health and Safety

As a leading property developer with a focus on property development and investment, the occupational health and safety risk related to daily business and workplace operations of all of its staff 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.

Safety Inspections
(daily and during
holidays):

A number of departments and subsidiaries at all levels are required to offer safe production and security services and underwent on-site safety inspections on a regular basis, with particularly close attention to potential safety risks in areas such as water and electricity. Appropriate measures on fire safety and theft prevention were also stipulated and adopted.

Annual Medical
Checkup for Staff:

Annual Medical Check-up for Staff: According to its staff welfare policy, the Company arranges an annual medical checkup for all staff to bolster the health of their body and mind (Coverage: 100%). In 2017, some district companies invited professional physicians to provide counseling services.

**Staff Insurance
for Personal
Accidents:**

Apart from providing general social security insurance covering medical issues, pension planning and unemployment (Coverage: 100%), the Company also purchased Personal Accident Insurance for all the staff in 2017.

Safety Management for Projects under Construction:

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. In 2017, there was no major safety accident in the Company.

Staff Health and Safety Management

COLI values employee keeping a healthy body and mind at workplace. In 2017, its subsidiaries continued to arrange medical checkups and organize seminars on occupational health and safety for its staff. At the same time, the Company also paid attention to the dietary habits of staff. Most business districts are equipped with staff cafeterias to provide safe, healthy, wholesome and convenient meals and create a good working environment.



Case: China Overseas Office Capital Welfare Plan

China Overseas Office Capital (COOC) has always upheld professional operation and practice the "people first" and sustainable development of property operation. Together with First Respond, a world-leading first aid training and lifesaving institution, COOC established a public safety service system for office buildings. Two parties jointly developed and operated the comprehensive service and safety in buildings, customized an office building safety certification system and standards, and created an SOS long-term mechanism for life-threatening emergencies inside buildings, providing a high level of security for employees and customers. Currently nearly 20 of COOC's office building projects in operation around the country have been equipped with life-saving AED devices and was integrated into the national systematic map of lifesaving emergencies operated by its business partner. COOC also trained licensed emergency response staff to push for improvement and progress in first aid and mutual assistance throughout the society.



Case: First COOC Music Festival

In September 2017, the first COOC Music Festival was unveiled in China Overseas International Center in Shenyang. China Overseas Office Capital (COOC) launched a series of activities at the "COOC Sings with You" Music Festival. The search for the best voice began in nine cities, creating an exclusive music stage for office workers. Nine talented singers were chosen from nine cities through votes by the public. The festival promoted healthy and happy ways of living and work to employees and tenant companies.



Case: Changsha Unipark talent competition

To enrich merchants' lifestyle, strengthen team spirit of merchants' employees, and improve their ties with Changsha Unipark, China Overseas Commercial Properties in Changsha held the first talent competition for merchants and employees. The competition provided them with a way for them to express their colorful individuality as well as provide entertainment for audience members.



Safety and Welfare of Suppliers' Employees

In recently years, the scale of COLI projects under construction has exceeded 10 million square meters every year, indirectly creating a large number of employment opportunities for laborers. Through enhancing standardized management of suppliers' employment practices, COLI strives to protect the occupational health and security as well as salary and welfare management of on-site workers.

1、Labors' occupational health and safety management:

The occupational health and safety of labors is crucial for the site management of construction project. COLI cooperated closely with contractors to formulate site work safety management regulations and conduct various safety knowledge trainings to ensure a low accident rate of the projects under construction in the industry. In 2017, there was no major accident at construction sites.

2、Labor contract and salary management:

To ensure contracted labors receive fair treatment, COLI built a credit file system of contractors, under which tender participants will be evaluated for credibility; a comprehensive labor management system is in place where all business partners are required to sign employment contracts with the workers to clearly define the rights and obligations of each party. COLI has also compiled records of construction costs and workers' salaries and conducts regular spot checks to ensure payment to construction workers. The Company implements a daily duty and supervision system with the complaint hotline displayed at the construction site to supervise construction unit that has respected labor rights and interests in accordance with the law. COLI also holds unscheduled lectures about laws and regulations for workers to enhance their awareness of protecting their legal rights.



Labor Rules

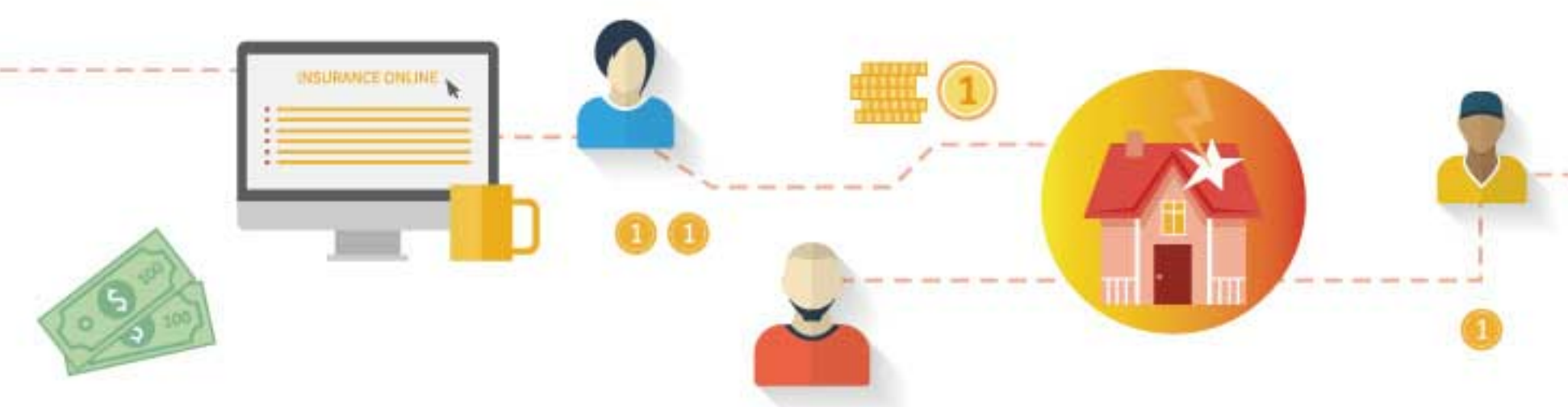
COLI has established a comprehensive human resources management policy and system, and set up standard procedures for salaries and benefits, staff recruitment and promotion, transfer and exchange, management of resignation and termination, working hours, holidays, job qualification, awards and evaluation. When the Company determines the recruitment and promotion of individuals, including basic salaries and benefits of new employees, we focus mainly on their work experience, qualifications and professional competence without discrimination against gender, age, family status, disability, race, and religion. As the Company's business covers over 60 cities in Mainland China as well as Hong Kong and Macau, the composition of teams in all subsidiaries have become more diversified.

The Company respects all staff and their freedom and rights to participate 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 abides by employment laws and policy regulations in places where we have businesses, including Employment Ordinance, Employees' Compensation Ordinance and Occupational Safety and Health Ordinance in Hong Kong, and Labor Law, Labor Contract Law and Law on the Protection of Disabled Persons in Mainland China. COLI upholds equal pay for equal work and has a 100% coverage of signing contracts with employees, so as to guarantee employees' human rights and prevent recruitment of child labor or forced labor.

The Company reviews the employment practices and avoids noncompliance via the internal human resources data management system. There is no use of child labor or forced labor in any form during recruitment. In 2017, there was no complaint on non-compliance with labor rules in COLI. (Including but not limited to compensation and salary, recruitment, working hours, equal opportunities, health and safety, child labor and forced labor.)



Staff Engagement

Staff Association

COLI set up Staff Association in 1992, with a mission to enhance the communications and interaction between all levels of staff through diverse activities such as recreation, sports, seminars, and gatherings. With our business expanding in each city, the Staff Association has also been set up in these new locations 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: Thematic Activity

Staff Association cultivate corporate atmosphere and department building, and strengthens staff bonding through thematic birthday parties, women's day, June 1st Parent-Child Gathering, and other interest group activities. Staff Association continues to develop the sense of belonging and cohesion of the staff, strengthen their cultural ties with the Company, and make important progress in promoting the construction of corporate culture.



Communications between Staff and Management

COLI fully supports interactive communications between management of different subsidiaries and their 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, strategies and directions of the Company. COLI also regularly discloses the latest company news and provides a platform for the staff in different areas to share their personal living and work experience through China Overseas magazine.

Employee Engagement Survey

To establish two-way communications with the staff, COLI has been conducting the Annual Staff Satisfaction Survey since 2017 through intranet platform. Both the participation rate and the satisfaction scores have been constantly rising year by year.

The survey on staff satisfaction comprised of 30 indicators structured within five parts, namely overall satisfaction, working conditions, the rewards of work, matching degree of work, and corporate operational management. Understand employees' true views on the current company status and measure employees' current engagement, thus providing reference for company managers' business decisions, such as improving compensation and benefits policies, adjusting work intensity, and strengthening employees' life care, etc. Encourage and help management to actively participate in improving employee engagement. The overall score of the company's staff engagement is 80 points, higher than the industry's average which is 75-point, and it is in the high performance/best employer area.



05 High-quality Service

- Excellent Quality
- Customer Relationship Management
- Product Liability



Excellent Quality

Meticulous Planning and Design

Customer demand and satisfaction are the Company's top priority. During the planning and design stage, innovative design, scientific management and attention to details are all key elements. COLI's planning has gradually shifted its focus to high-rise residential projects, villa projects, and high-rise + townhouse / commercial street projects. To meet the expectations of its customers for a better lifestyle, the housing designs come in a range of styles such as Art Deco, Neo-Classical, French, British and modern Chinese styles. To reflect the grandeur of classic design, the Company carefully creates node plans and a detailed drawings. The design and layout of property is highly practical and superior materials are also used. This painstaking attention to quality and customer satisfaction has helped us to gain a strong reputation in the market and the Company has also gradually evolved its own distinctive design style.

Case : China Overseas Creative

Since the publication in January 2012, China Overseas Creative, a monthly magazine, has been focusing on the presentation of planning and design within the industry, excellent projects, structural plan, architectural design, landscape building, house layout design, and innovative design. The magazine also highlights refined decoration, classical works, and industry trends. Now it has become a study base for business summary, communication and interactive promotion of planning and design.



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.

Product Quality Verification Management

Throughout the construction process, the Company maintains quality and safety management, motivating all staff to exercise comprehensive quality and safety control. Depending on the stage of development, the Company focuses on three main types of quality problems in structure, water-proofing and materials. It conducts timely measurement and assessment regarding dimension control, process nodes and hidden leaks, so as to urge contractors to make prompt adjustments. Before delivery, every project is subject to seven quality tests throughout the development process:

- By the construction company
- By the developer
- By government departments
- By the surveyor engaged by the developer before delivery
- By the supervising company
- By the third party employed by the developer for on-site measurement
- By the property management company before handover

Safe and Civilized Construction

COLI is well aware of the significance of safety in the whole project development, thus stipulating clearly at the institutional level safety responsibility system, safety inspection requirements, special requirements of fire proof and theft proof, major hazard installations, safety emergency responses and safety production contingency plans, and drawing up special safety construction plans and conducting specialist demonstration of projects with high risk of danger, including deep foundation pit projects, high and large framework engineering and high-altitude operations of 30 meters and above. The aim is to make sure of the safety production and civilized construction of all projects and to reduce the impact of construction process on the safety and environment of neighborhood to the minimum. In the year of 2017, all regions had carried out continued routine activities including safety production month and safety inspection in order to raise the safety awareness of all staff. The Company's safety production was running smoothly with no major safety incident.

The Training of Safe and Civilized Construction

Safety training is a vital component of construction safety management. In order to make sure of the smooth and safe construction of the projects under construction of COLI, the company will make safety training plans at the beginning of each year. All training will be conducted in construction projects. Targeted training will be undertaken in accordance with different phases of project construction, including scaffolding works, power use for construction, protection and large equipment management.



Customer Relationship Management

In 2017, COLI reconstructed the customer service functional line, changing "Customer Relationship Department" to "Customer Service Department" and listing the goal of making the customer satisfaction in the first three in the industry as one of the Company's 13th Five-Year Plan development strategies. The Customer Service Department of the headquarters reviews customer satisfaction, team construction, risk control and management, complaint management, housing delivery, maintenance management, information construction and customer care.

Listen to the owners attentively

Customer Visit Plan

On 18 August 2017, the Group launched a property owner visit program across the country called "knock-knock." Senior executives in each region visit selected property owners, to more accurately understand their wish and demands on houses and services, to ensure mutual communications between the Company and the customers, raising the bar of customer service level.



General Managers of subsidiaries in Chengdu, Yantai and Zhengzhou visit the property owners

Customer Satisfaction Survey

In 2017, COLI restarted its nationwide satisfaction survey and engaged a third party research organization to conduct semi-annual, annual and monthly telephone interviews with various property owners. The random telephone interviews surveyed nearly 400,000 property owners on their satisfaction with products and services. The survey also collected opinions and suggestions from customers on housing quality, maintenance services, building design, landscaping, residential planning and facilities, residential design, sales services, communications and services after signing, and property services. The aim is to push customer facing business departments to make targeted improvements for property service quality and be applied to China Overseas Holdings Ltd. (COHL) for enhancing service level.



Customer Value Day

On September 11, 2017, the Company held the first "Customer Appreciation Day" and invited a third party research organization to review the survey results of customer satisfaction during the previous half year. Every team reviewed their existing practices based on the survey results and put forward solutions. Members of the leading groups, both at the headquarters and in the regional offices, attended the meeting. The meeting was watched via video stream by staff in all regions. The leaders of the Company mobilized all staff to promote customer satisfaction.

Nationwide Customer Satisfaction Conference

Third party research organization directors were invited to elaborate on how to increase customers' satisfaction. A total of 500 people, comprised by the customer service departments of all regions and districts, the headquarters of property, regional leadership and administration managers, attended the meeting.



Respond to the client efficiently

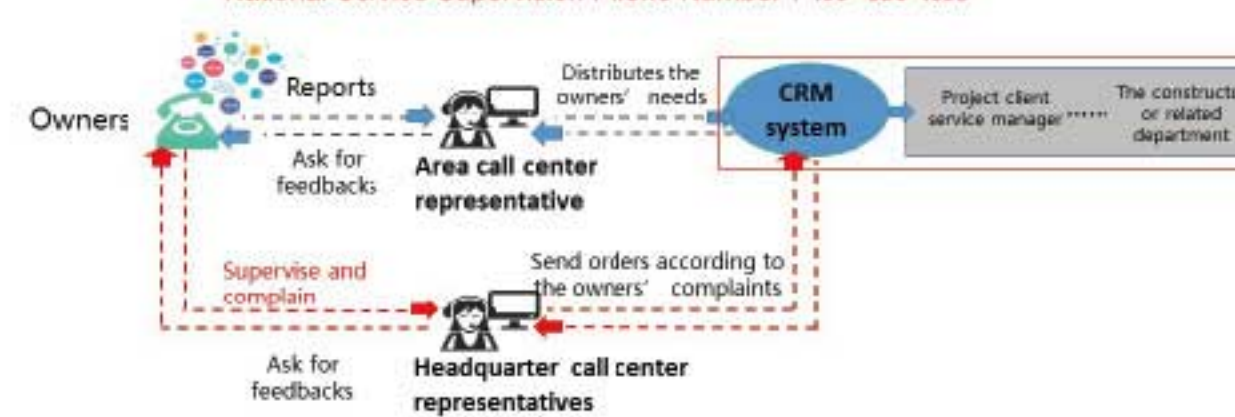
Opening 400 Customer Service Hotlines Nationwide

Integrating with our CRM system, 400 customer service hotlines allow for real people to record and follow-up service calls to enhance supervision and the identification of risks.

Complaints and supervision dial : 400-830-1888

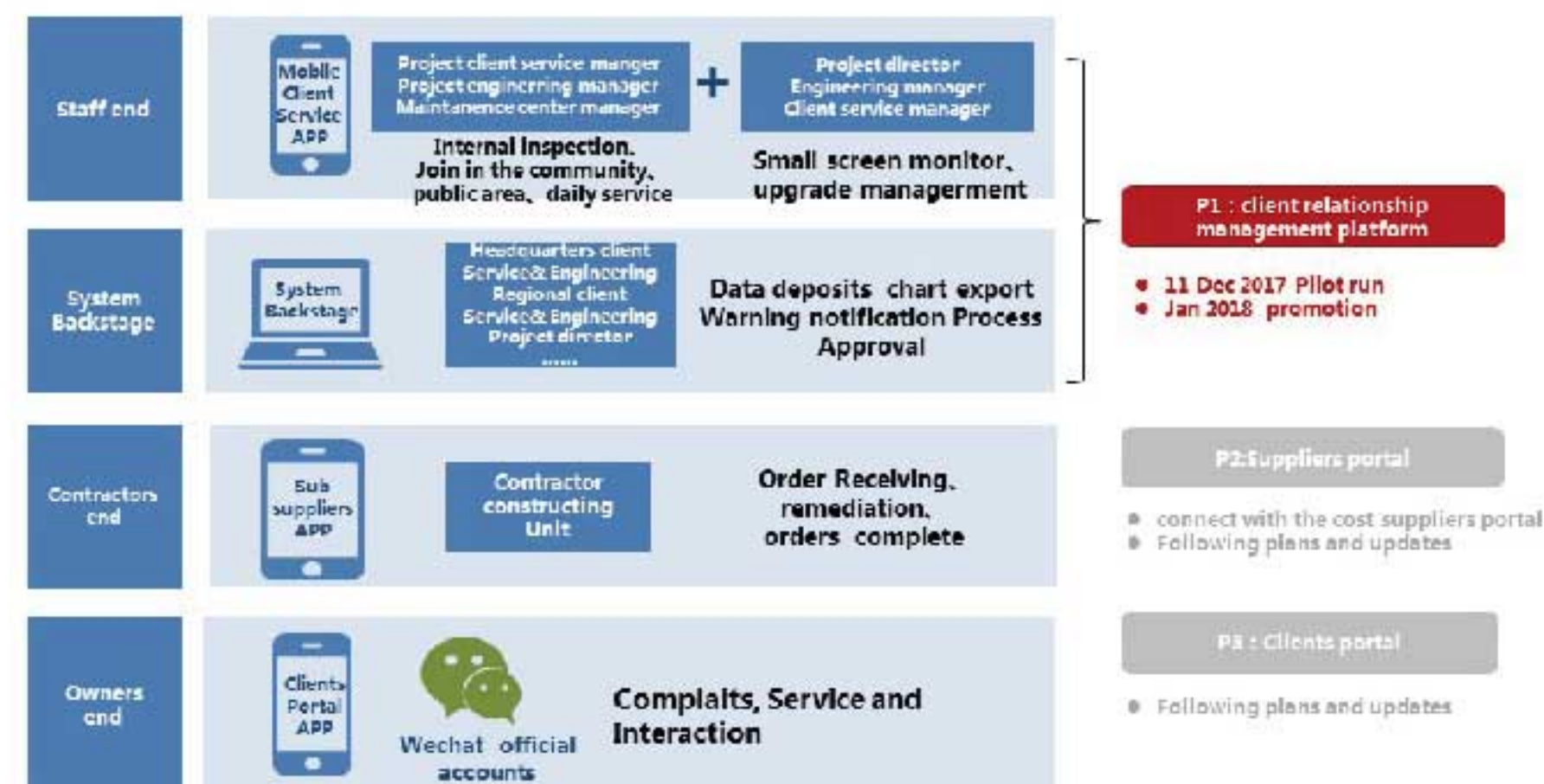
All areas should keep the public informed of the dial number before the system completes.
requirements : XX Area Phone Number for Repair Service : Area Code+Fixed Number/400
(The sales site can be the sales hotline)

National Service Supervision Phone Number : 400-830-1888



CRM System

With our CRM system clients, employees and contractors can post, record, distribute and solve problems through mobile terminals allowing direct access to solve customer issues. At the same time, the system offers real-time collection of product defects and a tiered early warning system.



Prospective Owners Communication

In order to push forward transparent project information and strengthen communication with prospective owners, all subsidiaries constantly improved customer relationships with prospective owners based on local situations, including sharing with prospective owners the latest real estate information, project development progress, China Overseas Property Club activities and business alliances discount activities via social media platforms, and actively responded to focus issues concerned by customers.

Housing Inspection before starting project

To maintain the quality of every project and promptly solve quality-related problems, the customer service department of the Company organizes cross-department inspections one to three months before the delivery of the products. They comprehensively inspect and improve the products to be delivered. The customer service department also focuses on collecting suggestions and opinions from customers before and after their delivery, and directs their feedback to planning, design and construction departments to form a complete closed-loop system covering quality management, premium products, and customer satisfaction through informationized and professional innovative practices.

A Housing Maintenance Center is established one month before starting every project. The center focuses on following along the project, including: the rectification of internal inspection problems, rectification of property owners after starting projects, project quality complaint acceptance and handling, contractor after-sales maintenance management, and inspection and handover management of common areas.

Smooth Customer Complaint Channel

In 2017, COLI continued to strengthen customer service awareness, improve timeliness and effectiveness in handling complaints, standardize customer service policy, and make customer service more intuitive. Moreover, it displays complaint contact information in sales locations, reception desks of property management offices (or at building lobbies), move-in sites and on-line platforms, etc.

Meanwhile, the national service and complaints hotline and email have been put into use to upgrade complaints system.

- Product Complaints -

Region	Number of Client Complaints	Number of Complaints Resolved	Resolve Rate of Client Complaints
Southern China	322	312	97%
East China	430	420	98%
North China	387	349	90%
Northern Region	369	355	96%
Western Region	408	379	93%

Product Defect Records

Customer Service Department of all subsidiaries performed daily visit and spot checks for products and service quality, and created the Special Research Report on Product Defects Records. In addition, it cooperated with the design and engineering departments for centralized training and study, requested and participated in special review of product defects in the drawing design stage of newly developed project in order to prevent repeated problems in early stage of project development.

Caring the community owner

Collaborate with Property Company for Co-building of Excellent Community

In 2017, COLI issued Guidance for Budget Limit Management of Quality Improvement to replace and repair the common area, equipment and facilities that has been naturally worn and torn. Meanwhile China Overseas Property Management Ltd will proactively enable the community maintenance fund and make efforts to preserve and add value to the communities and to reward property owners continuously.

UN+ App.

The projects invested and developed by COLI are managed professionally by "China Overseas Property Management Ltd." While China Overseas Property Management Ltd is promoting basic property service quality (community safety management, environmental management, project maintenance management, and community cultural management, etc.), it also provides value-added service to property owners through UN+ App.



COLI Client Meeting Platform —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." China Overseas Property Club chapters' official accounts on WeChat have been set up in COLI's business cities in Mainland China, attracting a total number of 200,000 followers. In 2017, the China Overseas Property Club held activities 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 communities. By the end of 2017, China Overseas Property Club (COLI Client Meeting Platform) has altogether organized 409 activities of customer care.

- To enhance and promote relationship between 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 a range of social, charity, leisure, 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 optimize the products and services of China Overseas Property through collecting feedback from customers

Case: Family Dinner during Mid-autumn Festival

Chengdu Company holds a family dinner during Mid-autumn festival, an effort to carry on "reunion culture" and help property owners to strengthen emotional exchanges with family members and neighbors so that everyone can enjoy the festival.



Case: Appreciation Dinner for Property Owners

Chongqing Company hosted an appreciation dinner and provided communication platform for the neighborhood.



Case: Property Owners' Group Dance Show

The East China Region Office led the subsidiaries in Shanghai, Nanjing, Suzhou, Wuxi, Hangzhou, Ningbo and Nanchang have organized dancing contests, providing a platform for property owners who love dancing.



Case: Curling Activity

Curling is suitable to be performed on a flat, smooth, and hard surface. It is easy to learn and suitable for people of all ages and even disabled people can play. Foshan Company holds curling activities to enhance intergenerational communication and neighborhood relationships.



Case: Seahorse Public Service Tour

Hangzhou Company organizes children of property owners and students from China Overseas Majin Hope School to participate in the summer camps for Chinese classics and military training. Activities such as reading classic literature and field games aim to expand interpersonal interaction between children.



Case: "Greater Bay Area-Small Citizen" Hong Kong Public Service Summer Camp

The Southern China Region Office led the district companies in Shenzhen, Dongguan, Guangzhou and Foshan organize children of property owners to participate in the "Greater Bay Area-Small Citizen" Summer Camp. Children of property owners stayed at the Hong Kong Sports Institute, visited old districts of Hong Kong, walked along MacLehose Trail and visited Zero Carbon Building. They also planned the reconstruction program of Hong Kong Kai Tak International Airport and invited the Justice of the Peace (JP) planning experts to comment and interpret citizen responsibility in the future.

Product Liability

Right to Know and Protection of Customer Privacy

Transparency of House Purchase Information

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 sales 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. Actions here include displaying sales licenses and supporting documents, notices about unfavorable factors within and beyond the regulatory requirements, risk notices such as on development models, showflat 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.

Standardization of Client Information Management

To further strengthen the privacy and protection of customer information, the Company has 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 exposure of customers' personal information and has stressed the importance of customer information management so as to better safeguard customer privacy.

Publication of Project Risk Warnings

Through the clearing and rectification of sales risks and display of various sales documents, all clients are informed of notices about unfavorable factors within and beyond the regulatory requirements, risk notices such as on development models, showflat rooms, etc. By doing so, the Company abide by law and regulations and stick to integrity management.

Intellectual Property Rights and Trademarks Management

The Headquarters' Legal Affairs Department takes the overall responsibility of intellectual property rights and trademarks management affairs of COLI. The Legal Affairs Department is responsible for the application, registration and ownership changes of intellectual property rights of all district companies and professional companies. At present, the owners of company trademarks are densely concentrated in China Overseas Property Group Co., Ltd (COLI's wholly-owned subsidiary) or overseas trademark company. By the end of 2017, COLI and its subsidiaries hold a total of 303 registered trademarks, including company trademarks, commercial real estate trademarks, China Overseas Property Club trademarks, human resources trademarks and residential projects, etc.



06

Social Responsibility

- Community Investment
- COLI Project Hope
- COLI Charity Events



COLI consistently practices social responsibility. COLI is selected into Hengsheng Index of corporate sustainable development and Dow Jones index of sustainable development since the year 2010 and 2012 respectively, awarding yearly corporate citizenship, outstanding corporate caring the society, the most respected corporate of China etc. Besides, COLI actively participated in the construction of social security housing in mainland China and Hongkong, increasing public benefit with donating Hope Primary Schools. Till the end of 2017, COLI accumulatively donates over 167 million HKD in aspect of Poverty alleviation and disaster relief, education and public benefit donation and 12 hope primary schools.



Affordable Projects

As early as in 1987, COLI was involved in the construction of Tsui Ping Estate in Hong Kong. Since then, COLI has also participated in several public housing projects with the Hong Kong Housing Authority and witnessed the development history of public housing in Hong Kong. There are four types of housing projects: low rent housing, public rental housing, affordable housing, and residential housing, which can meet the needs of different low incomes groups.

COLI has continued to promote housing projects. By the end of 2017, the construction area of various types of housing in more than 20 cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Jinan, Fuzhou, Xiamen, Qingdao, Xi'an and Urumqi has reached 5.68 million square meters.

City	Projects	Types
Beijing	Chang'an Villas Bellevue Spring Modern Home	Limited Prince Affordable housing Affordable housing
Shanghai	Riverside Palace La Cité The Graces 1-12 Floors, Right Unit, # Building 1, Western District (Phase 1)	Economical housing Public rental housing Economical housing Economical housing
Shenzhen	Tiansong Villas Yuejing Park Glorious City Ludan Village	Low rental housing Low-price Commercial-Housing Low-price Commercial-Housing Relocation housing
Guangzhou	Building # A4, B4, B5, C4, C5, No.1 Flower Bay	Relocation housing
Hangzhou	District 1, Building # 7 #8, and District 2, Building #1, Royal Road	Public rental housing
Xi'an	CSCE Upper City	Low cost rental housing
Qingdao	Plot 3 and 4, COPIC International Community Building #18, Crystal Palace Building #9 #10, COPIC Lin'an Mansion Building# 19,Orchid Court	Affordable housing Affordable housing Affordable housing Public rental housing
Harbin	Building#17, The Majestic	Public rental housing +Low cost rental housing
Shenyang	Building #1#5#7, Block 02H12;Building # 1#5 Block 02H3, COLI City	Low cost rental housing
Zhengzhou	Glorious City	Public rental housing

City	Projects	Types
Ningbo	Building#11#14, La Cité (Phase 2)	Relocation housing
Jinan	Building #21-25, #S1-2, Block C, District 1, Huanshan Anzhi Building#26-28, #S3-6, Block D, District 1, Huanshan Anzhi Building #1-11, Block A, District 2, Huanshan Anzhi Building #1-9, Block B, , District 2,Huanshan Anzhi Building #1-9, Block D, District 2, Huanshan Anzhi	Relocation housing Relocation housing Relocation housing Relocation housing Relocation housing
Fuzhou	La Cité	Government housing
Nantong	King Palace Glorious City The Phoenix The Throne	Secure housing Relocation housing Secure housing Secure housing
Xiamen	Phoenix Mansion Zhangzhou Shangwan	Rent-free housing Rent-free housing
Qingdao	Plot #3#4, COPIC International Community Building #19, Orchid Court Building #18,Crystal Palace Building #9#10, COPIC Lin'an Mansion	Affordable housing Public rental housing Affordable housing Affordable housing
Foshan	Lunjiao Northern Plot	Employee housing
Urumchi	Building #12, COPIC Yunding Daguan (Phase 2)	Affordable housing
Zhongshan	Zhongshan Century Mansion	Employee housing
Suzhou	Imperial Estuary (Phase 1)	Residential housing
Taiyuan	Beihan Village Project	Residential housing
Tianjin	No.8 The Milestone	Relocation housing
Hohhot	The Bund	Public rental housing
	Blue Bay	Public rental housing
Yinchuan	Lianhu Park	Low-cost rental housing
Nanning	The Green Peak	Low-cost rental housing
Lanzhou	The Arch (Phases I and II)	Public rental housing
	Glorious Hire	Public rental housing
Yancheng	The Arch	Relocation housing

Project Hope

COLI donated high quality schools to Project Hope. Each campus was built with several million RMB or more investment (Sichuan Dujiangyan COLI Special School even exceeded HK\$30 million), which resulted in those campuses becoming the best schools in each respective region. For example, the COLI Three Gorges primary school is honored as "China's Most Beautiful primary school".

COLI primary school Official Website:
<http://www.cohl.com/Practice/list/66.html>

- China Overseas Qinglong Primary School (Hanzhong, Shaanxi)
- China Overseas Sanquan Primary School (Nanchuan, Chongqing)
- China Overseas Xinhui Primary School (Changchun, Jilin)
- China Overseas Sanxia Primary School (Yunyang, Chongqing)
- Dujiangyan China Overseas Xinjian Special Education School (Dujiangyan, Sichuan)
- China Overseas Tingkou Primary School (Yantai, Shandong)
- China Overseas Shaling Primary School (Shenyang, Liaoning)
- China Overseas Dougou Primary School (Jinan, Shandong)
- China Overseas Jinfeng Primary School (Yinchuan, Ningxia)
- China Overseas Magin Primary School (Kaihua, Zhejiang)
- China Overseas Fuling Primary School (Huaihua, Hunan)
- China Overseas Jiangkou Primary School (Ganzhou, Jiangxi)

Dujiangyan China Overseas Xinjian Special Education School



China Overseas Sanxia Primary School



China Overseas Qinglong Primary School



China Overseas Shaling Primary School

Charity Events

COLI carries out various public welfare activities for Project Hope, such as summer camps, campus visits, and art programs. Meanwhile, COLI mobilizes its employees to actively participate in local charity activities and to practice corporate social responsibilities. The Company has participated in large-scale charity activities such as Hong Kong Community Chest's Walk for the Millions and "Bridge to China Charitable Foundation" charity walk for many years. By the end of 2017, COLI has donated more than HK\$ 167 million for disaster relief, education, and other charitable activities in Hong Kong, Macau and Mainland China. COLI's continuous implementation of corporate social responsibility has been honored with the Corporate Social Responsibility Ranking in China for Outstanding Practice Award and the Annual Corporate Citizen.



07

Environmental Protection

- Environmental Management Policy
- Practice of Environmental Protection
- Energy Saving and Emission Reduction



Environmental Management Policy

In response to environmental protection initiatives around the world, COLI has started to collect, monitor and manage environmental protection data such as energy saving and emission reduction since 2016 to progressively raise the bar in environmental efforts. We believe that, responsibly managing a company's business operation and project development 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 practices.

Energy saving and emission reduction target

By 2026, the carbon emission intensity of COLI will be reduced by 15% with that of 2016 as the benchmark. COLI will review and evaluate its environmental performance within 5 years to make a more informed target for energy saving and emission reduction.

Purpose

COLI will conduct business operations and decision-making with a responsible attitude and manner, manage and reduce the negative impact of business activities on the environment, fully and strictly follow all environmental laws and regulations that are applicable to our business, and support the government's environmental initiatives. We will continue to improve our environmental performance in the light of industry technological innovations and environmental expectations of the interested parties (shareholders, investors and customers).

Green construction

To adhere to a thorough product development philosophy of "Each and Every Detail of Each and Every Project", COLI continues to strengthen R&D and utilization of green technology, support and participate in domestic and foreign green building certification, promote green construction management, protect biodiversity and ecosystems around the project, and avoid any negative impacts on the ecological environment.

Green Operations

To adhere to optimizing electronic, network-based business process approval, paperless office, video conferencing and other green office initiatives. Promote low-carbon and environmental protection operation of office spaces of corporate headquarters and subsidiaries, and strengthen energy consumption management, waste management and recycling.

Green Supply Chain

To promote the whole process of project design and development in a sustainable way, encourage usage of renewable and recyclable materials, give priority to new technologies, new processes and new materials that can save energy and reduce consumption, and give priority to those contractors, suppliers or vendors who advocate environmental management concepts.

Green Community

To actively support and organize community environmental activities, environmental training and education activities to promote environmental awareness among employees, customers, homeowners, commercial tenants, partners and other interested parties, encourage and promote energy-saving and environment-friendly lifestyle.



Practice of Environmental Protection

Green Building Design

COLI combines years of design and planning experience with local research results, organizes cross-department assessments, 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 of buildings when occupied.

In 2017, COLI participated in the compilation of Specification of Acceptance Testing of Green Building Projects and Technical Standard in Operation and Evaluation of Green Building in Shenzhen, which will be finished by the end of 2018. Throughout the year of 2017, COLI organized and engaged in 11 events such as The Promotion and Implementation Conference of the Evaluation Standard of Green

and Ecological Cities for Southern China, Lecture on Practical Cases of Green Building and Sponge City and The Training Series of the Whole Process and Integration of Green Building -- Acceptance Testing and Green Operation, etc. In 2017, most of our designs for green buildings were completed independently. In addition, progress was made in project management, coordination and technology of green building construction.

Huayi Design is in charge of all the green designs for Peking University HSBC Business School (PHBS). The energy efficient technology and equipment, after a four-year operation and testing, has accomplished its expected energy-saving goals. The project of PHBS earned a Platinum rating of LEED for Existing Buildings: Operations & Maintenance in 2017 (Leadership in Energy and Environmental Design is developed by the US Green Building Council). It is the first academic building in the world that received LEED EBOM V3 Platinum status.

Promoting Green Office

COLI proactively integrates the responsibility of environmental protection into daily operation. Since COLI was founded, we have brought the philosophy of environmental protection and resources reservation to our daily operation and office life. We have promoted green office by "reusing paper", "Walking upstairs instead of elevators within three floors". In recent years, as the technology of mobile internet develops, paperless office is introduced to every parts of our business with updated measures.

Since 2017, we have completed more than 490,000 pieces of approvals on line, which have greatly saved the paper resources and improved the efficiency. At the same time, the e-business has expanded to suppliers and subcontractors. By means of bidding, procurement, engineering instruction system's order management from upper and lower ends, and task distribution, we reduce the unnecessary receipt of paper documents. Additionally, some of the offline product promotion and sales centers management are shifted to online management. With the aid of "COLI Pass", WeChat official account and various

apps, use of paper leaflets and material is reduced during brand promotion and information coordination. The application of paper-free office system minimizes paper waste, archive space and solves the problem of paper's slow transfer, and difficulty in searching and sharing, significantly improving efficiency.

COLI encourages the subsidiaries to avoid unnecessary business trips by using video meeting system. In 2017, we had more than 2,450 video meetings with participants in 66 cities, 15,961 times of participation and a total meeting time of 6,148 hours. The wide application of video meeting increases efficiency, saves time and reduces the GHG emission caused by the transportation of business trips. Based on the philosophy of environmental protection and resources reservation, our offices are all furnished with energy-saving lighting of all kinds to reduce energy consumption.



- 1 The office printer is automatically set to double-sided black and white printing.
- 2 Systematic and paperless offices are promoted in all of our companies.
- 3 Parts of offline product promotion is replaced by WeChat for brand and product promotion.
- 4 A portion of long-distance business trips are replaced by video meetings.
- 5 Decoration materials and the office area are optimally planned to reduce energy consumption.



Green Building Certification

By the end of 2017, COLI had received over 68 certifications, including Green Building Certification, U.S. LEED Certification and UK BREEAM Certification, etc., with a total area of over 12.46 million m². In 2017, seven projects received Green Building Certification, a total area of 1.34 million m².

LEED (Gold Certification)

China Overseas Plaza (Beijing)
China Overseas Plaza (Shenyang)
China Overseas International Center (Shanghai)
(Plot #65, Luwan District, Shanghai)

LEED (Gold pre-certification)

China Overseas Building (Nanjing)
Tower C, D, H, I and J,
China Overseas International Center (Chengdu)
No.8 The Milestone (Tianjin)
Plot K, Office Building Complex (Shenyang)
China Overseas International Center (Shenyang)

LEED (Silver Certification)

Tower A and B,
China Overseas International Center (Chengdu)
Unipark, China Overseas Plaza (Jinan)

LEED (Silver Pre-certification)

China Overseas Building (Beijing)
Tower G and F,
China Overseas International Center (Chengdu)

BREEAM

Two Star: The Paragon (Shenzhen)
Three Star: 50 Victoria Embankment (London)

Certification of Green Building Label (Three Star)

China Overseas Property Plaza (Beijing)	Kindergarten of One Regent (Hangzhou)
Shenzhen Contemporary Art Centre & Urban Planning Exhibition	Plot H, Comprehensive Renovation Program of the Old Town in Beijing
China Overseas Haiyue Garden (Suzhou), District #4	Building #1#2, The U World of Chongqing (Phase B03-2)
The Joyful City (Suzhou) Phase 2	Plot 102, Yinshanhu District (Suzhou)(Phase 2)

Certification of Green Building Label (Two Star)

Residence 8 (Suzhou)	Building 1-17, Plot C, The Phoenix (Wuxi)
Plot A and B, North Huashan District (Jinan)	Plot 6021 and 6022, International Community (Yantai)
The Century (Yancheng)	Binhu Town, Wenchang Lake Resort in Zibo
Building 1-3, 5-12 and 15, The Arch (Hohhot)	The Seaside (Zhuhai)
Building 5-8, The Bund (Hohhot)	The Imperial (Wuxi)
Happiness Town (Xinjiang)	Central Villa (Hefei)
Housing Cluster B1-4, B1-5 and B1-6, International Community (Nanjing)	Plot C and F, Comprehensive Renovation Program of the Old Town of Shijingshan in Beijing

Certification of Green Building Label (One Star)

#1 Lake Lantern (Foshan)
Housing Cluster B1-1, B1-2, B1-3, International Community (Nanjing)
Fairview Park (Shenzhen)
Southern Garden (Shenzhen)
Highrise Housing #1#2#3(Plot B and C) and Kindergarten, Meixilakeera (Changsha)
Dragon Town (Changzhou)
Lakeside Mansion (Hefei)
Primary School of International Community (Changsha)
SOHO in the Southern Area West Yingze Bridge Project (Taiyuan)
Plot AF040137, AF040138, AF040402 AF040403, AF040404, GISE New Town

Certificate of Green Building Design Label of Shenzhen: One Star (Bronze)

Fairview Park (Shenzhen)
Southern Garden (Shenzhen)
Glorious City (Shenzhen) (Housing and Public Building)
Plot of Jiangang Mountain Garden (Housing of Phase 2 and Kindergarten)

Certificate of Green Building Design Label of Guangdong (One Star/ B Level)

Glorious City (Foshan) Phase 2&3
La Cite (Foshan)
The Phoenix (Foshan)

Green Building Design Label of Fujian

La Cite (Fuzhou), Phase 1&2
Wanjin Garden (Fuzhou)

Practice of Green Building Construction

COLI has built R&D centers for green building in Suzhou and Wuxi. We also implemented R&D for technical system and put green building construction into practice. In 2017, COLI Green Building Technical Manual, was copyrighted and has passed inspection by the headquarters, and are now promoted and widely applied around China. Projects that follow the manual include China Overseas International Center in Shanghai and Building 1-17, Area C, Block XDG-2011-86, Wuxi, etc. As a start, the manual has already been applied in numerous construction projects, covering a total area of 10 million m².

Case: China Overseas International Center in Shanghai

The Project of East Jianguo Road, i.e. the Project of China Overseas International Center, gained LEED Gold Certification from the third-party certification system established in 1988 by USGBC (US Green Building Council). The system includes 6 categories of evaluation standards: sustainable sites, water efficiency, energy and atmosphere, material and resources, indoor environmental quality and innovation.



Green Construction

Fabricated housing design and management

On Aug, 2017, the 7th China Architecture Technique Exchange Conference is officially held in China Architecture Technique Center of Shunyi District, Beijing, during which, Research on Fabricated Housing Design Management, Research on Healthy Architecture and Smart Construction Site technique and Key part's structure design of Shenzhen International Art Exhibition are successfully recorded and published as excellent papers. Research on Fabricated Housing Design Management, Research on Healthy Architecture and Smart Construction Site technique are awarded the 2nd prize and Smart Construction Site technique and Key part's structure design of Shenzhen International Art Exhibition is awarded 3rd prize, showing the breakthroughs that COLI make in construction industrialization, wisdom and healthy housing, engineering technologies innovation, improving the technique influence power that COLI made in Chinese construction system.

Case: Jiufengli Project in Shanghai

The Jiufengli project was designed and constructed in 2017. According to the land lease contract, the ratio of prefab components used in construction should be no less than 40%. Many prefabricated components including outer walls (sandwich walls that can achieve thermal insulation), bay windows, balconies and floor slabs were used. The final ratio of prefab components used throughout the building reached 40%. The precast concrete structure, compared to traditional cast-in-site structure, has different cost efficiency requirements for design, precision, coordination, construction, and costs.



Case: East Huashan Plot 5 Residential Project in Ji'nan

In the project, fabricated stairs, floor slabs, and cement slabs for outside air conditioner unit are used. Fabricated concrete outer walls are utilized in housing 1-3# and 5-7#. The fabricated building are produced in a factory, which allows for a substantial reduction in construction waste compared to on-site production. Adopting fabricated floor slabs reduces the use of on-site moulds and better quality. As for fabricated staircase, it is faster to assemble and can actually be used during construction. Fabricated cement slabs for mounting outside air conditioner units is integrated with the fabricated outer walls, reducing overall construction work.

Environment Management of Construction Site

COLI is dedicated to develop and manage its projects in a sustainable way. Especially during overall construction, we focus on making full use of natural resources to minimize the impact on the surrounding environment. Hundreds of projects that are under construction in Mainland China actively learn from our experience of

environmental management in Hong Kong. We implement a regulated management of environmental protection and proactively create a safe construction site. In 2017, over 40 projects of COLI received province-level awards.

Preventing Dust Emission

we harden construction site terrain; set concrete mixers in dust-preventing sheds; cover trucks for transporting bulk materials with tarpaulins; keep the construction site clean.

Reducing Noise

we set up noise barriers and limit working hours; take noise abatement measures on noisy machines such as concrete mixers, air compressors and carpenter machines, etc.

Sewage Treatment

we set special pipelines and pools respectively for collecting domestic wastewater and construction wastewater; gather construction wastewater and municipal wastewater and systematically discharge; appoint designated persons responsible for sewage treatment and transportation, and keep records to standardize management.

Waste Management

we collect and dispose construction waste according to local regulations, entrust qualified professionals to dispose hazardous waste and complete related legal compliance.

Increasing the Delivery Ratio of Houses with Completed Interior Decoration

In recent year, COLI has provided interior decoration strategy to reduce material waste, noise, and unnecessary consumption of other social resources. By procuring floor, sanitary wares, kitchen appliances, etc. in bulk, we maximize the industrialization of components. As a result, we not only lower the cost and ensure quality, but also improve the efficiency of resources. On the basis of needs of different customers and the orientation of projects,

we systematically update the interior furnishing standards: Top Standard, Standard A, Standard B, Standard C, corresponding with the relevant series of products. We developed modern and classic styles of decoration with A, B and C standards. After the pilot test of the six sets of decoration standards in the Phoenix Project (Foshan) turns out to be successful, the systems are going to be promoted nationwide.



Bio-diversity Conservation

Projects developed, constructed and operated by COLI are mostly located within city centers. But even while some projects are located near mountains, rivers and lakes, we develop and construct our projects in accordance with related governmental regulations that protect natural habitats and bio-diversity. We strictly abide by Environmental Impact Assessment Law of the People's Republic of China. We make analysis, prediction, and assessment of potential and negative impacts on the environment (including the surrounding ecosystems and biodiversity) before the development and construction of projects. Thus, destruction of natural habitats and the extinction of endangered animals can be avoided in the area during the construction. COLI has not incurred any negative impacts on biodiversity during construction ever since its own establishment.

As required by the Chinese government, we must complete assessing environmental impact and get accredited by the local environmental protection departments before the construction of any new projects. After the completion of a project, the environmental protection assessment are carried out to ensure the project is in accordance with the environment laws and related regulations during and after construction. All the above measures are parts of our daily routines to reduce the negative impact on the environment.

At the same time, by meticulously designing the communal gardens and plants in every project, we improve the microclimate and scenery to maintain the bio-diversity for the residents in the community.

Green Supply Chain

COLI adheres to the strategy of quality procurement of construction materials for all projects. Centralized procurement of bulk construction materials can effectively ensure quality, save resources, and drive technology R&D of construction materials companies. Since 2017, we have straightened out system-wide formulation of guidance and regulations on centralized procurement and construction materials procurement, and revised and distributed materials management system. Based on this system, we improved and issued standardized directional documents including work guideline on centralized procurement and tender, guidelines on out-of-job-scope inquiry, and guidelines on district and regional materials management. We also compiled new work guidelines on contract execution targeting different tendering and centralized

procurement items to better guide district-level centralized procurement of materials in a compliant, reasonable and efficient manner.

COLI is dedicated to establishing long-term, stable and mutually beneficial strategic partnerships with suppliers for our centralized procurement. We streamlined cooperation procedures and reduced cost of communication and service with all partners. By establishing and improving the management system and operational procedures of centralized procurement in principle of unified management, normative operation, fairness and justice, and openness and transparency, we guaranteed procurement quality and efficiency and realized fair, open, standardized and efficient "open procurement".

Environment Performance Evaluation of Suppliers

The Company closely monitors, manages and controls procurement sourcing, production processes, technology, cost, storage and delivery, storage and cost. All on-site materials must undergo environmental inspections. Through a routine 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 2017, we have 31 new centralized procurement partners, and all of them have obtained the ISO 14001 certification of Environment Management System.



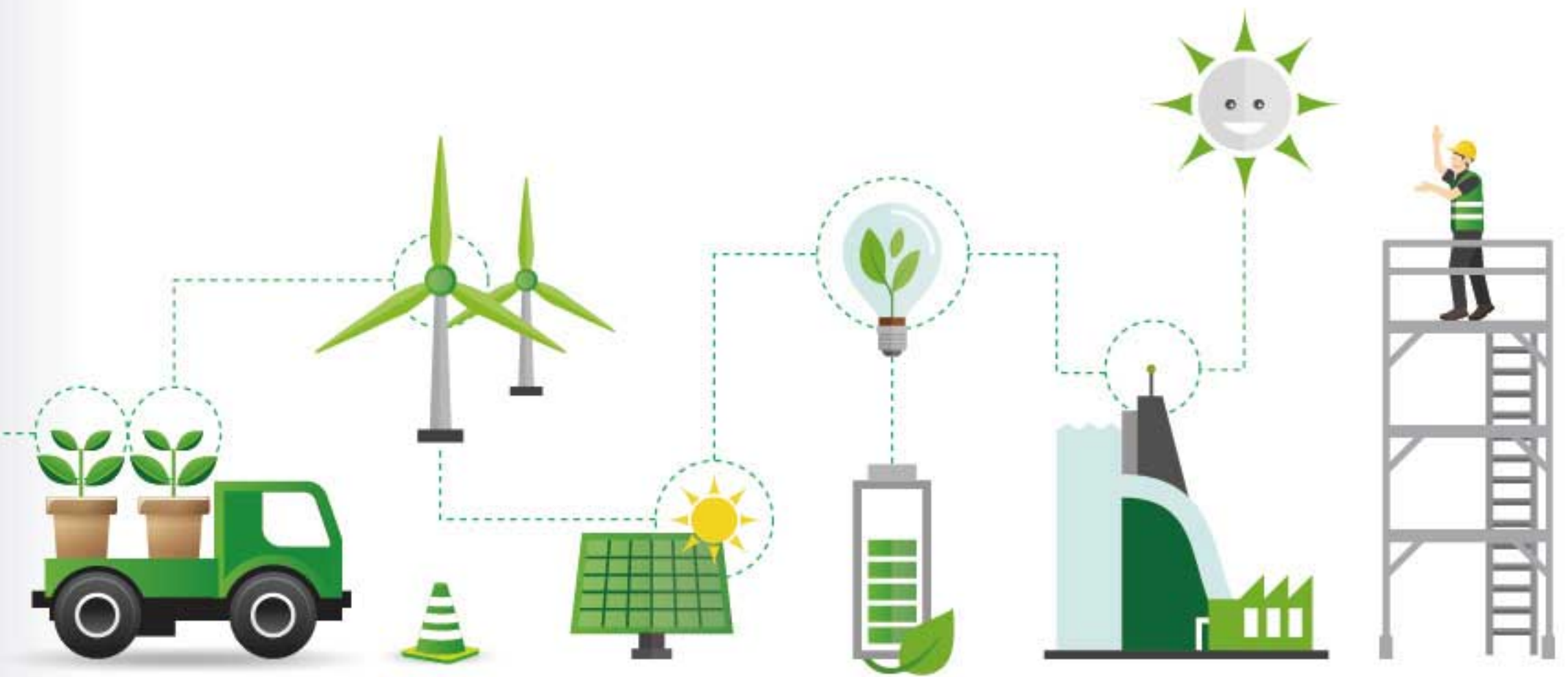
Green Community

COPL actively practices the environmentally-friendly idea of a sustainable and co-existent community by paying attention to energy conservation, emission reduction, and implementing energy-saving renovation plan in its management projects across the country:

- 1 Lighting. Installing LED lights in public areas of all managed projects across the country (excluding Hong Kong and Macau);
- 2 Water pump. Introducing non-negative pressure water supply in management projects in Shenzhen, Foshan, Wuhan, Zhongshan, etc.;
- 3 Central air conditioning. Renovating central air conditioning of commercial projects in Shanghai, Chengdu, etc. to effectively reduce energy consumption.

At the same time, we devote great efforts to raise employees' awareness of energy conservation and require them to make daily records of energy consumption and perform statistical analysis on energy consumption. Mechanics should prioritize water systems during patrols and examine water leakage and energy usage against corporate regulations. Janitors should limit the use of electronic cleaning devices and stagger power use to reduce peak power usage. While cleaning toilets, cleaners should properly use water and never leave the tap running longer than necessary.

COPL spreads the idea of green public welfare to thousands of households in its communities and promotes the idea of an environmentally-friendly life. It held the thematic community activity "Green COPL—Environmental Protection Carnival" to promote environmentally-friendly communities and advocate recycling through green exchange, organized walking and biking for public welfare to implement the idea of a low-carbon life. Through such efforts, COPL strived to create an atmosphere that is environmentally-friendly, low-carbon, green, healthy, happy and energetic for home owners so that they can witness and protect the growth of "China Overseas Green Community" together.



Green Operation

Case: Supporting "Earth Hour"

The commercial company has continuously participated in "Earth Hour" for many years. In 2017, we integrate COLI-owned business offices with China Overseas Unipark to participate in the Earth Hour event of "WE Create a Blue Future Together". Taking "Earth Hour" event as the anchor, the commercial company organized a love relay and cooperation in Beijing, Shanghai, Chengdu, Shenyang, Jinan, Qingdao, Nanjing, Wuhan and Xi'an with a series of activities like vertical running, fund

raising, AHA first aid training, marathon, environmental protection month for energy conservation and emission reduction, etc. These events helped our partners, customers and the public learn about the work and lifestyle that is environment-friendly and sustainable. Jointly with stakeholders, we can create more positive effect on operation, society and environment while exploring the establishment of China Overseas Offices projects and practicing green office.



Case: Public Welfare Event in Campus—"Children's Dreams, Children's Safety"

The commercial company proactively participates in the public welfare activities, shows caring for safety education for adolescents and children and creates a sense of security for teachers and students, so as to jointly build a first-aid security network. In August, (China Overseas) Mainland China - Hong Kong Summer Camp - "Children's Dreams, Children's Safety" of 2017 started in Nanjing. More than 100 people including teachers and students from 11 schools of Project Hope, with sponsorship from Hong Kong and COLI, and children of property owners from eastern region of COLI, attended the event. First-aid training events were organized for teachers and students. 11 primary schools received AED (automated external defibrillator) at the closing ceremony.



Case: Establishing Building Security System

The commercial company, together with 12 cities around the country, under the theme AHA first-aid training, organized various events like "Looking for AED around you", "Protecting child's safety" schools of Project Hope fund-raising and "City Hero" first-aid team, to care for the health of employees and tenants for business buildings.



Case: Providing Better and More Convenient Green Transportation for Corporate Tenants

With 12 cities linking together and AHA first aid training as the main theme, Commercial corporation starts a variety of activities as crowd funding of hope primary schools in aspect of "search for the AED around you", "Guard the children's safety", building "city heroes" first aid team of Zhonghai Commercial, paying attention to the renters and staff health and building life safety net of commercial buildings.

Green Transportation Related Services	Projects
VRent Car Timeshare Rental: VRent	China Overseas Plaza (Beijing)
Customized Bus	China Overseas International Center (Shenyang)
Metro Shuttle Bus	China Overseas International Center (Chengdu) China Overseas Building (Wuhan)
Exclusive Airport Shuttle Bus Station	China Overseas Property Plaza (Beijing)
Bus Card Top-up Service	China Overseas Plaza (Jinan)
Scheduled Bus	China Overseas Plaza (Jinan)
Parking Spots for Shared Bikes	China Overseas International Center (Shenyang), China Overseas Plaza (Jinan), China Overseas Building (Nanjing), China Overseas Building (Wuhan), China Overseas Building (Xi'an), China Overseas Property Plaza (Beijing)

Case: COLI Riding with Love — Large Biking and Book Donation Charity Activity

On June 10, 2017, China Overseas Plaza and Unipark in Jinan coordinated resources and created a large charity event integrating eco-friendly biking, public contribution and book donation. Jinan COLI, COPL, China Overseas Property Club and partners from other industries including Tencent Foundation and Mobike pooled their resources to make the event a huge success.



Case: Unipark joins ofo to hold the largest urban bike ride in China

On May 6, 2017, 2017 Unipark and ofo City Bike Ride organized by Foshan Unipark and ofo, a bicycle sharing company, was held at the west plaza of Foshan Unipark. Using online recruitment and offline promotional activities, over 1,000 people participated in the ride. Foshan Unipark advocates green travel and civilized tourism and continues to pass on the idea of "travel enriches your life" to attract more participants and supporters of urban tourism.



Case: WE for a Blue Future-Unplugged Concert

March 25, 2017 is the 11th Earth Hour campaign. To spread the idea of a low-carbon and environmentally-friendly life, Changsha Unipark held an unplugged environmentally-friendly charity concert with radio station Big Radio 886 on March 25.



Focus on Climate Change

COLI promotes green operation with a responsible attitude towards environment and further reduces its impact on climate change with precise management. Recently, we have started to monitor and collect statistics of Greenhouse Gas (GHG) emission in all subsidiaries and have started disclosing our carbon footprint since 2016.

All subsidiaries organize public welfare events in special days home and abroad (Arbor Day in China, World Environment Day, World Carfree Day and WWF Earth Hour, etc.), which are related to environmental protection, so as to influence and promote the public awareness on climate change and relative events.



Energy Conservation and Emission Reduction

Since 2016, the Company launched data collection of energy consumption, water consumption, and carbon emission at operation points. This allows the company to further analyze its environmental footprint while operating and managing its workplaces, project sales centers, projects under construction, and COLI-owned commercial projects in cities. We believe our effort is required for management of environmental sustainability and conforms to stakeholders' expectation for us in disclosure of our environmental performance.

Subject	Unit	Year 2017				
		Workplaces	Sales Centers	Projects under Construction	COLI-owned Commercial Projects	Total
Direct energy consumption						
Indirect energy consumption Purchased power:	kilowatt hour	4,099,806	12,055,415	16,504,272	68,468,565	101,128,058
Energy consumption intensity: Consumption per square meter per year	kilowatt hour	58.80	51.84	0.68	42.90	
Water consumption: Municipal water consumption	cubic meter	72,075	318,175	1,148,940	590,591	2,129,781
Water consumption intensity: Consumption per square meter per year	cubic meter	1.03	1.37	0.05	0.37	
Direct greenhouse gas emission (Scope 1)	ton	1,773				1,773
Direct greenhouse gas emission intensity: Emission per person per year	ton	0.3096				0.3096
Indirect greenhouse gas emission (Scope 2)	ton	3,871	11,008	15,744	64,980	95,604
Indirect greenhouse gas emission intensity: Emission per square meter per year	ton	0.0553	0.0473	0.0007	0.0409	
Consumption of paper and printed material	kilogram	101,148	574,264	26,831	59,022	761,265

Note:

The Company did not conduct carbon emission inspection in 2017. The above statistics are estimated according to our energy and fuel consumption, and carbon emission coefficients of energy and fuel are open figures of fuel or energy companies and local governments. The carbon emission coefficient of power grids in Mainland China comes from 2014 Baseline Emission Factors for Regional Power Grids in China released by National Development and Reform Commission in 2014. Our direct greenhouse gas emission mainly comes from vehicle gasoline consumption, and indirect greenhouse gas emission from purchased power.

Illustrations on the scope of statistics:

① Workplaces coverage:

Offices in 33 cities, namely Beijing, Tianjin, Jinan, Taiyuan, Wuhan, Zhengzhou, Shenzhen, Guangzhou, Foshan, Haikou, Wanning, Xiamen, Fuzhou, Changsha, Zhuhai, Chengdu, Xi'an, Chongqing, Kunming, Urumqi, Shanghai, Suzhou, Wuxi, Hangzhou, Nanjing, Ningbo, Nanchang, Changchun, Harbin, Dalian, Qingdao, Shenyang and Yantai.

② Project sales centers include:

Sales centers of 165 projects in 32 cities, namely Shenzhen, Guangzhou, Foshan, Changsha, Xiamen, Fuzhou, Haikou, Wanning, Shanghai, Suzhou, Wuxi, Hangzhou, Nanjing, Ningbo, Nanchang, Beijing, Jinan, Tianjin, Taiyuan, Wuhan, Zhengzhou, Chengdu, Xi'an, Chongqing, Kunming, Urumqi, Changchun, Harbin, Dalian, Qingdao, Shenyang and Yantai.

③ Projects under construction cover:

184 projects under construction in 30 cities, namely Beijing, Chengdu, Dalian, Foshan, Fuzhou, Guangzhou, Harbin, Hangzhou, Jinan, Kunming, Nanchang, Nanjing, Ningbo, Qingdao, Xiamen, Shanghai, Shenzhen, Shenyang, Suzhou, Wuxi, Taiyuan, Tianjin, Xi'an, Urumqi, Yantai, Changchun, Changsha, Zhengzhou, Chongqing and Haikou. Statistical data include energy consumption, water consumption and carbon emission in office area of Project Department and public area of projects under construction, but exclude energy consumption, water consumption and carbon emission of engineering construction.

④ COLI-owned commercial projects include:

Office building projects and shopping center projects. 19 office building projects are China Overseas Plaza, China Overseas Building, China Overseas Property Plaza, China Overseas Property Building and China Overseas International Center Tower A&B in Beijing; CSCEC Tower and China Overseas International Center Tower A&B in Shanghai; China Overseas Building in Nanjing; China Overseas Building and China Overseas International Center Tower ABEGJ in Chengdu; China Overseas Building in Qingdao; China Overseas Building in Jinan; China Overseas Building in Xi'an; China Overseas Building in Wuhan; China Overseas International Center Tower A&B in Shenyang; China Overseas Building in Zhuhai; China Overseas Building in Chongqing; China Overseas Building in Changsha; and China Overseas Plaza in Jinan. 9 shopping center projects are Beijing Unipark Shopping Mall, Jinan Unipark, Shanghai Unipark Shopping Mall, Nanjing Unipark, Foshan Unipark, Changsha Unipark, Mid-Town in Zhuhai, Unipark Shopping Mall in Jiaozi of Chengdu and Unipark Shopping Mall at CITIC City East Bank in Chengdu.

08

Index of GRI Standards and HKEX ESG Content Index



Appendix I GRI Content Index

General Standard Disclosures

Topics	Description	References and Remarks	Pages
	Strategy and Analysis		
GRI102-14	Statement from the most senior decision-maker of the organisation organisation operates, and names of the countries	Message from the Chairman	1
	Organizational Profile		
GRI102-18	Name of the organisation.Primary brands, products, and services	About the Report, Business Profile	3-9-12
GRI102-16	Location of organisation's headquarters. Number of countries where the	About the Report, Business Profile	3-9-12
GRI102-5~6	Nature of ownership and legal form. Markets served	Business Profile	9-12
GRI102-7	Scale of the reporting organisation	Business Profile, China Overseas Data 2017, Economic Performance	9-14
GRI102-8	Employee statistics	Employment Overview	26
GRI102-41	Percentage of employees covered by collective bargaining agreements	No staff is covered by collective bargaining agreements.	N/A
GRI102-9	Supply chain	Supplier Management	19
GRI102-10	Significant changes during the reporting period regarding size, structure, ownership or organisation's supply chain	Business Profile , Corporate Governance	9-12、17

Topics	Description	References and Remarks	Pages
GRI102-11	Explanation of whether and how the precautionary approach of principles is addressed by the organisation	Business Profile	17-18
GRI102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Environmental Protection	66
GRI 102-13	Memberships of associations	Environmental Protection	67
	Identified Material Aspects and Boundaries		
GRI102-45	Entities included in the organisation's consolidated financial statements	Annual Report 20167	N/A
GRI102-46~47 GRI103-1	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
G102-48~49	Aspects identified in the process. Aspect Boundary within/ outside the organisation	About the Report	3-4
	Stakeholder Engagement		
GRI102-40、 42	List of stakeholder groups engaged by the organisation.Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement	23-24
GRI102-43~44	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	3-4 23-24
	Report Profile		
GRI102-50~52	Reporting period of the provided information. Date of the latest report. Reporting period	About the Report	3-4
GRI102-53	Contact point for questions regarding the report or its contents	About the Report	3-4
GRI102-54~55	GRI content index	Appendix I GRI Content Index	85-88
GRI102-56	Policy and current practice with regard to seeking external assurance for the report	No external assurance was adopted for this report.	N/A
	Governance		
GRI102-18	Governance structure of the organisation	Corporate Governance	18
GRI102-22~23	Composition of the higher governing body and its committee	Annual Report 2017, Corporate Governance	13-14 17-22
GRI102-32	Formal review and approval of the organisation's sustainability report	Corporate Governance	17-22
	Ethics and Integrity		
GRI102-16	Organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Sustainable Development Management	6
GRI102-17	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	Anti-corruption Management	20-21

Specific Standard Disclosures

Topics	Description	References and Remarks	Pages
Economic performance			
GRI 103	DMA (Disclosure of Management Approach)	Business Profile, Economic Performance	9-12, 14
GRI 201	Economic value generated and directly by the organisation	Economic Performance	14
Procurement model and relationship with suppliers			
GRI 103	DMA (Disclosure of Management Approach)	Supplier Management	19
GRI 204	The percentage of products and services purchased locally	Supplier Management	19
Waste water and solid waste disposal and treatment			
GRI 103	DMA (Disclosure of Management Approach)	Supplier Management	19
GRI 301	Materials used by weight or volume	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
Waste water and solid waste disposal and treatment			
GRI 103	DMA (Disclosure of Management Approach)	Green Construction, Green Community	72-76
GRI 306	Total weight of waste		N/A
Efforts to mitigate the impact of business on the environment			
GRI 103	DMA (Disclosure of Management Approach)	Environmental Protection	67
GRI 307	Report the environmental impacts of products and services have been mitigated	No relevant incidents were reported in 2017.	N/A
Assessment of environmental performance of suppliers			
GRI 103	DMA (Disclosure of Management Approach)	Green Supply Chain	75
GRI 308	Assessment of environmental performance of suppliers	Green Supply Chain	75
Employment(Non-material issues)			
GRI 103	DMA (Disclosure of Management Approach)	Staff Development	26
GRI 401	Total number of rates of new employee hires and employee turnover	Employment Overview	26
Occupational health and safety			
GRI 103	DMA (Disclosure of Management Approach)	Occupational Health and Safety	38
GRI 403	Type and rates of injury, lost days and work-related fatalities	Employment Overview	28
Training and education			
GRI 103	DMA (Disclosure of Management Approach)	Development and Training	29-36
GRI 404	Hours of training per year per employee	Employment Overview	28
GRI 404	Report the programs implemented and assistance provided to upgrade employee skills.	Development and Training	29-36
Diversified background of staff and fair opportunities and remuneration			
GRI 103	DMA (Disclosure of Management Approach)	Employment Overview	26
GRI 405	Composition of governance bodies and breakdown of employees according to gender, age group and indicators of diversity	Employment Overview	26

Topics	Description	References and Remarks	Pages
Anti-corruption			
GRI 103	DMA (Disclosure of Management Approach)	Development and Training, Anti-corruption Management	20-21
GRI 205	Anti-corruption Management	Development and Training, Anti-corruption Management	20-21
Formulate communication, assessment and development plans for communities in operating areas			
GRI 103	DMA (Disclosure of Management Approach)	Stakeholder Engagement	23-24
GRI 413	Implementation percentage of local block engagement, impact evaluation and development plan.	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
Customer health and safety			
GRI 103	DMA (Disclosure of Management Approach)	High-quality Service	46
GRI 416	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	High-quality Service	46
Customer satisfaction			
GRI 103	DMA (Disclosure of Management Approach)	Customer Service	49
GRI 102	Results of surveys measuring customer satisfaction	Customer Service	49
Rational sales and marketing initiatives			
GRI 103	DMA (Disclosure of Management Approach)	Customer Service	49
GRI 417	The total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	In 2017, COLI did not have any violations against laws and regulations on health and safety, advertising, labeling and privacy.	N/A
Protection of customer privacy			
GRI 103	DMA (Disclosure of Management Approach)	Customer Service	57
GRI 418	The total number of substantiated complaints received concerning breaches of customer privacy	In 2017, COLI did not have any violations against laws and regulations on health and safety, advertising, labeling and privacy.	N/A
Legal compliance			
GRI 103	DMA (Disclosure of Management Approach) Compliance (Environmental)	Environmental Protection	66
GRI 307	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	In 2017, COLI did not have any violations against laws and regulations on health and safety, advertising, labeling and privacy.	N/A
GRI 103	DMA (Disclosure of Management Approach) Compliance (Social)	Customer Service	49
GRI 419	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In 2017, COLI did not have any violations against laws and regulations on health and safety, advertising, labeling and privacy.	N/A
GRI 103	DMA (Disclosure of Management Approach) Compliance (Product)	Customer Service	57
GRI 419	Monetary value of significant fines for non-compliance with laws and regulations concerning provision and use of products and services	In 2017, COLI did not have any violations against laws and regulations on health and safety, advertising, labeling and privacy.	N/A

Appendix II ESG Guide Content Index

Aspects, General Disclosures and KPIs	Description	References and Remarks	Pages
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Protection In 2017, COLI did not have any violations against laws and regulations on environmental protection.	66-82
KPI A1.1	Types of emissions and respective emissions data	Environmental performance data	83
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Environmental performance data	83
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	66-82
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives and results achieved	Environmental Protection	66-82
Aspect A2: Use of Resources			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Environmental Protection	66-82
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Environmental performance data	83
KPI A2.2	Water consumption in total and intensity	Environmental performance data	83
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Environmental Protection	66-82
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	In 2017, 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	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Environmental Protection	66-82
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Environmental Protection	66-82

Aspects, General Disclosures and KPIs	Description	References and Remarks	Pages
Aspect B1: Employment			
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 2017, COLI did not have any violations against laws and regulations on employment.	26-44
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Employment Overview	26-28
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Employment Overview	26-28
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Occupational Health and Safety In 2017, COLI did not have any prosecuted cases due to occupational health and safety related matters.	38-40
KPI B2.1	Number and rate of work-related fatalities	Employment Overview	26-28
KPI B2.2	Lost days due to work injury	Employment Overview	26-28
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Occupational Health and Safety	38-40
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Development and Training	29-36
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 without relevant data.	
KPI B3.2	The average training hours completed per employee by gender and employee category	Employment Overview	26-28
Aspect B4: Labor Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	Labor Standards In 2017, COLI did not have any violations against laws and regulations on labor standards.	42
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor	Labor Standards	42
KPI B4.2	Description of steps taken to eliminate child and forced labor practices when discovered	Labor Standards	42

Aspects, General Disclosures and KPIs	Description	References and Remarks	Pages
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Green Supply Chain, Supplier Management	19
KPI B5.1	Number of suppliers by geographical region	Supplier Management In 2017, COLI focused on statistics on centralized procurement suppliers, excluding the contractors.	
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	19
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Product Responsibility In 2017, COLI did not have any violations against laws and regulations on health and safety, advertising, labeling and privacy.	
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 Liability	57
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Product Liability	57
KPI B6.4	Description of quality assurance process and recall procedures	Product Liability	57
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Product Liability	57
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Anti-corruption Mechanism In 2017, COLI did not have any violations against laws and regulations on bribery, fraud and money laundering.	
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 Mechanism	20-21
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Anti-corruption Mechanism	20-21
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Community Care	54
KPI B8.1	Focus areas of contribution	Community Care	54
KPI B8.1	Resources contributed to the focus areas	Community Care	54

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