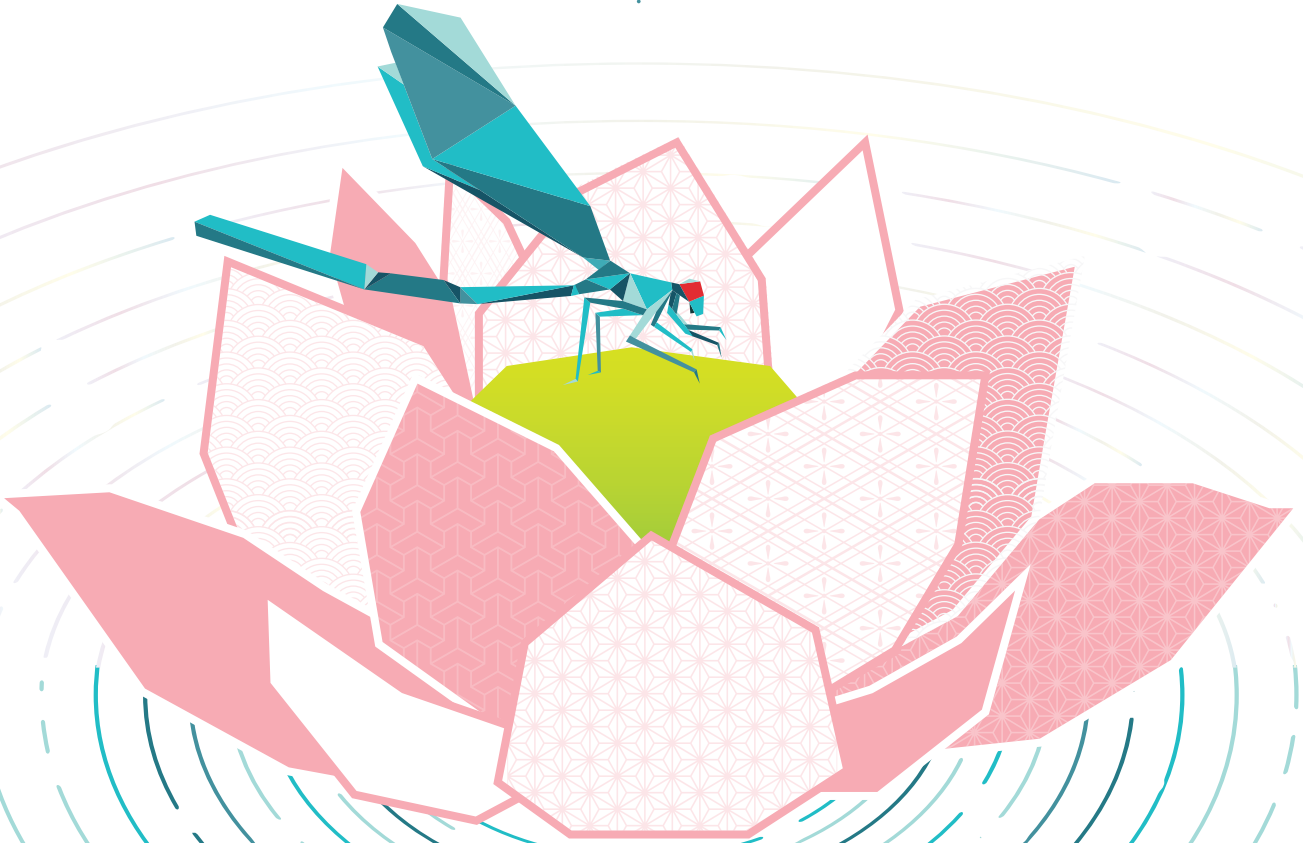


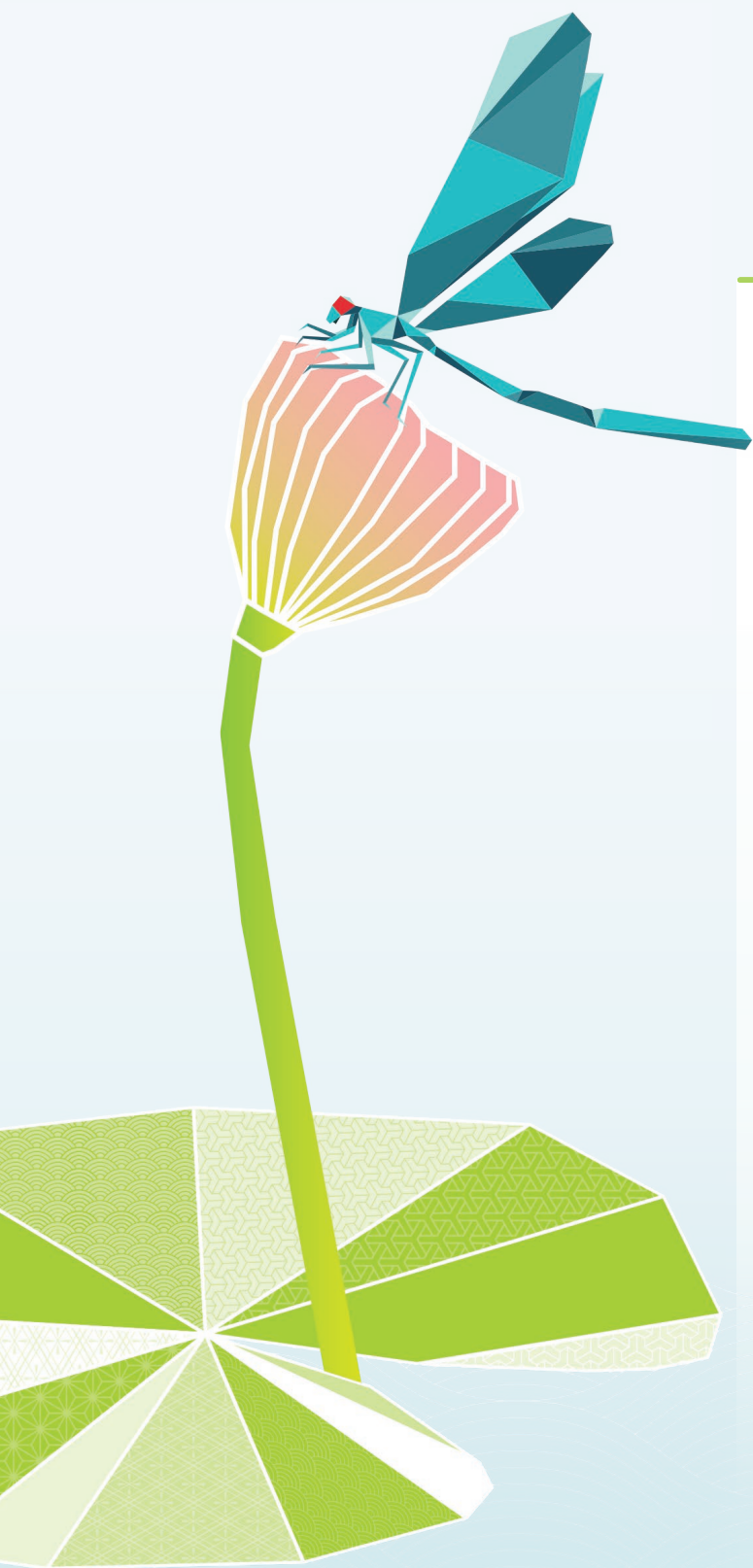


中國海外集團有限公司
CHINA OVERSEAS HOLDINGS LIMITED

Expanding
A HAPPY LIVING
ENVIRONMENT



2016 SUSTAINABILITY REPORT



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THE THEME OF THE REPORT – EXPANDING A HAPPY LIVING ENVIRONMENT



“Expanding a Happy Living Environment” is the corporate mission which runs through the business value chain of CSCEC.

In this year, COHL, according to the views collected through communication with stakeholders, summarizes the report in four core aspects:



These four aspects reflect the expectations in terms of sustainability of our major stakeholder groups, namely shareholders/investors, customers, employees, partners, suppliers and communities.

COHL has integrated these factors into our own corporate social responsibility (CSR) management policy and initiatives, and works to advocate our corporate culture of “expanding a happy living environment”. By highlighting each of these “environments”, the report will provide an account of our progress in coping with and managing sustainability challenges, and our goals and work plans moving forward in 2016.

ABOUT THIS REPORT

PURPOSE OF THIS REPORT

China Overseas Holdings Limited (hereinafter referred to as “COHL”, the “Group” or “We”) released our first “CSR Report” in 2010 and since then, has published six independent reports. This year, the Group replaced the traditional CSR Report by the Sustainability Report, by further enhancing the quality of reporting, covering the sustainability management approaches, performance data and objectives of the Group and its major businesses in a more comprehensive manner.

REPORT YEAR AND SCOPE

This report covers information for the period from 1 January 2016 to 31 December 2016 on the Group, its three subsidiaries, namely China Overseas Land & Investment Ltd., China State Construction International Holdings Limited, and China Overseas Property Holdings Limited (hereinafter referred to as the “subsidiaries”), and affiliates thereof in the three main operating regions of Hong Kong, Mainland China and Macau^[1].

REPORT STANDARDS

The report was prepared in reference to the Global Reporting Initiative Sustainability Reporting Guidelines Version 4.0 (G4) “core” options, and also makes reference to the relevant guidelines of the State-owned Asset Supervision and Administration Commission of the State Council’s Guidelines to State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities, the International Standards Organisation’s ISO26000: Guidance on Social Responsibility and the Environmental, Social and Governance Reporting Guide of SEHK.

HOW TO ACCESS THIS REPORT

The report is published in Traditional Chinese, Simplified Chinese and English, and is available in digital format from our website: www.cohl.com. A report highlights in H5 version is also available, and can be accessed by scanning the QR code below.



WeChat ID:
COHL1979



Report highlights
in H5 version

^[1] Certain enterprises of the Group also have business activities overseas, but relatively small in scale, so other than financial and human resources performance, other items in the report have not included overseas contents. The Group is continuously improving the data collection system and will further expand the scope of the disclosure after the relevant work is more mature and the sustainable development deepened.

In addition to the present report, more information about the Group’s sustainable development performance of the subsidiaries is available in the related report from the respective links:

- China Overseas Land & Investment Ltd. ESG Report 2016: www.coli.com.hk
- China State Construction International Holdings Limited Sustainability Report 2016: www.csci.com.hk
- China Overseas Property Holdings Limited ESG Report 2016: www.copl.com.hk

CONTACT

The Group values feedback from our stakeholders. Should you have any comments or suggestions regarding this report or the Group’s sustainability performance, please feel free to use the [feedback form](#) or contact us as below.

China Overseas Holdings Limited

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 Fax: +852 2865 5939
 Email: csr@cohl.com

CHAIRMAN'S MESSAGE

I am pleased to release COHL's Sustainability Report 2016 to replace the CSR Report.

COHL has issued the CSR Report since 2010, through the annual report, we hope to convey our corporate purpose and concept of "Exercise caution in details and implementation. Build a strong foundation to seek greater success" that the Group consistently adheres to, to stakeholders. It is effective to communicate with stakeholders in the form of reports. We actively listen to the valuable opinions of stakeholders and continue to enhance the Group's economic, environmental and social performance.

2016 is the first year of the 13th Five-year Plan. In the face of global climate change, 195 countries (including China) signed the "Paris Agreement", and have set up carbon reduction targets and response measures. In its 13th Five-year Plan, China has implemented the United Nations' "Sustainable Development Goals by 2030", put forward the country's sustainable development strategies and objectives, and set specific guidelines for action. In line with the pace of the times, the Group has upgraded the CSR Report to the Sustainability Report this year, not only providing more comprehensive information to stakeholders, but also highlighting the Group's determination to strengthen sustainable development and the commitment to integrating our management policies, such as protecting environment and caring for society, into the Group's business development strategies.

We are convinced that economic, environmental and social development are all linked with each other. In the face of complex and changing economic environment at home and abroad, COHL, with years of accumulated experience, has always adopted a positive and prudent development strategy and achieved remarkable results. We have maintained a stable pace of development, the contract price and income grew steadily, profit indicators basically completed the annual budget targets; asset size further expanded and asset-liability ratio reduced, profitability further improved. Over the past year, the Group has succeeded in grasping the strategic opportunities of China's "Belt and Road Initiatives" and "Go Globally", and actively invested in overseas projects and expanded overseas business while expanding public-private partnerships (PPP) cornerstone investments, as a result, laying a solid economic foundation for the Group's long-term development. The Group will continue to improve the governance effectiveness and strengthen risk management and cost control to ensure that the Group is able to handle future potential challenges.

We understand that while expanding our business, protecting the environment and natural resources is the core responsibility of the Group for the community. The public are increasingly concerned about the environmental performance of the construction industry. COHL is actively strengthening environmental management and taking action in accordance with the principle of sustainable development to improve the possible impact of the entire life cycle (throughout project design, material selection, construction methods and property management) of the buildings on the environment. The Group strongly supports the research and application of green building technology. Among the technological innovation projects that have been adopted, many of them have reached the international advanced level, which will help us build a "low-carbon, healthy and intelligent" technology system and promote the development of green construction industry. During the year, several projects of the Group were awarded international and national green building certification, more specifically, Beijing Old City Comprehensive Renovation Project H# was awarded the "Certificate of Green Building Design Label (Three Star)" issued by the Ministry of Housing and Urban-Rural Development of China.

COHL upholds the corporate mission of "expanding a happy living environment", and wants to promote co-development of community and economy over the long haul and create shared value by participating in urban construction. The Group's projects are located throughout the country, including infrastructure projects in remote areas, affordable housing projects, while building suitable housings for all sectors of the community, as well as offering opportunities like employment and learning new skills for local communities. We understand that community construction projects are closely related to the lifestyle of local residents and native economic activities. The Group will be more actively involved in project planning and consultation with local community to collect public opinions and enhance residents' understanding of projects.

By upholding the vision of "Building an Evergreen Business" and the philosophy of "Exercise caution in details and implementation. Build a strong foundation to seek greater success", COHL adheres to "steady improvement, reform and innovation". We will continue to promote sustainable development through scientific and technological innovation and perfecting management, and sail into a sustainable future.

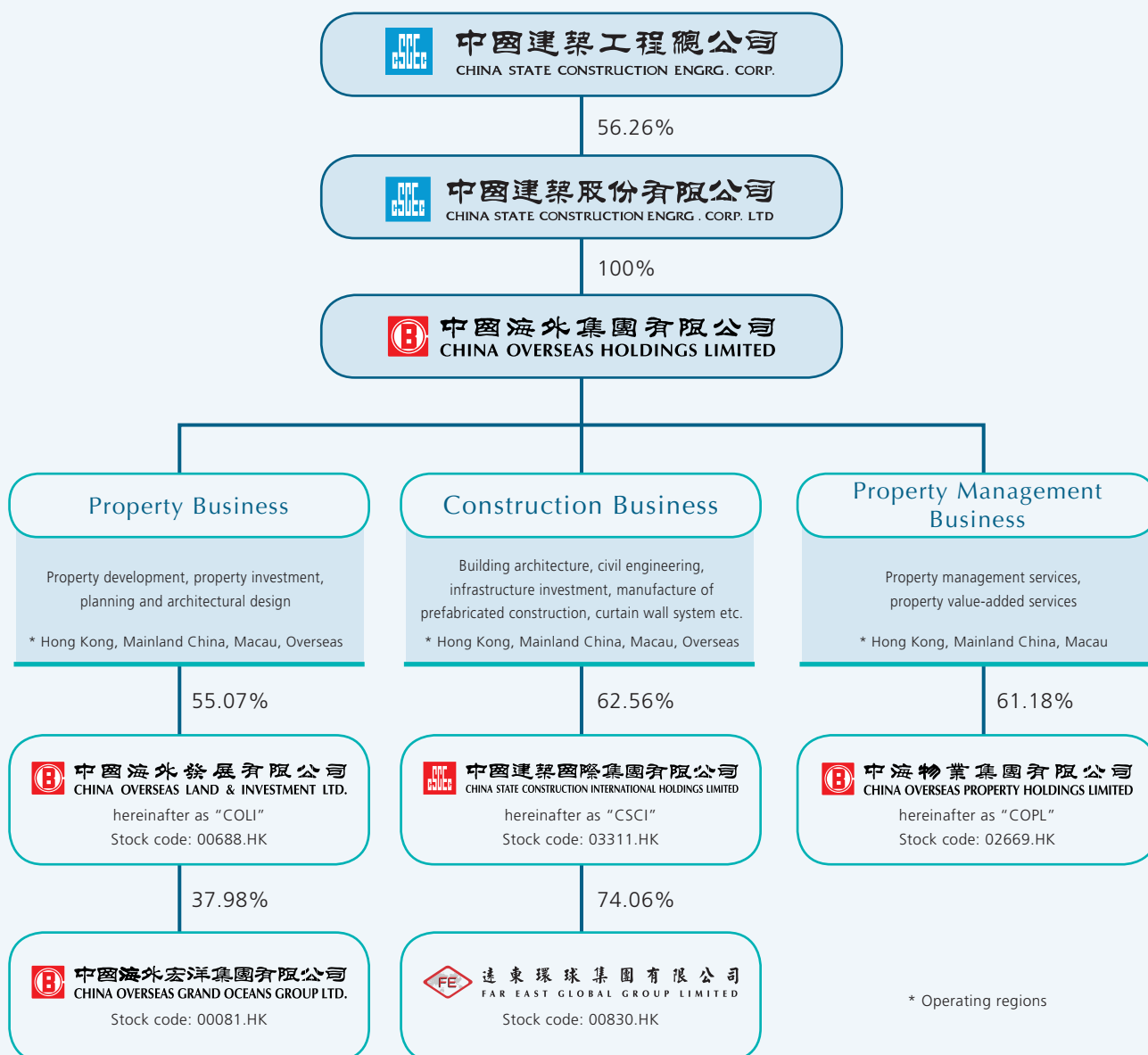


GUAN QING
Chairman

ABOUT COHL

THE GROUP'S BUSINESS STRUCTURE

COHL, a subsidiary of China State Construction Engineering Corporation (hereinafter as "CSCEC", ranked the 27th in the "Fortune Global 500" list 2016), was established in Hong Kong in June 1979 and is headquartered in Hong Kong.



Note: Shareholding as at 31 December 2016. For details of the markets that served by the Group and its operation regions, please refer to the Annual Reports of the subsidiaries.

About COHL

In 2016, in the face of complex and changing external situation, from top to bottom, COHL firmly implemented the strategic planning and work requirements developed at the beginning of the year. The Group went to all lengths, seized opportunity, dissolved risks, and worked in a down-to-earth manner. Through the staff's hard work and innovation, we have gained a better development performance and successfully achieved the Group's various business targets.

FINANCIAL PERFORMANCE

Direct economic value

(unit: HKD'000)



Income

205,649,997

Distributed economic value

(unit: HKD'000)

Operating costs



154,043,057

Employee remunerations
and benefits

8,078,422

Payment to investors



13,603,125

Amount paid out
to government

26,298,915

Community investment



6,303

About COHL

BUSINESS PERFORMANCE

The Group's business summary

Total number of employees

39,994



The Group

- Newly signed contracts totalling in 2016

295.19
HKD billion

↑ a year-on-year increase 17.4%



- Annual operating income

205.65
HKD billion

↑ a year-on-year increase 15.4%

- Net profit

40.66
HKD billion

↑ a year-on-year increase 38.9%

- Total assets at the end of the year

671.52
HKD billion

↑ a year-on-year increase 34.3%

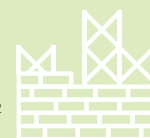
- Net assets

224.79
HKD billion

↑ a year-on-year increase 30.1%

Property business

- Land reserves **56.77** million m² distributed across in 33 cities in China as well as in Hong Kong and Macau
- Completed surface area **13.35** million m²
- Contract sales HKD **210.65** billion



Construction business

- 108 projects under construction, attributable contract value HKD **249.62** billion
- New projects 55, attributable contract value HKD **83.77** billion
- 23** completed projects



Property management business

- Total construction area under the Group's management **93.5** million m² distributed across in 50 cities in China as well as in Hong Kong and Macau
- Total new contract value HKD **770** million
- Annual revenue HKD **2,563.4** million



For more information, please refer to 2016 Annual Reports of the subsidiaries.

About COHL

AWARDS AND RECOGNITIONS

COHL has always been committed to promoting the Group's benefit growth in sustainable development (including environmental, social and governance aspects), over the years, we have received awards and recognitions from domestic and foreign authorities.

GoldenBee Ecological Civilization Award

The Group's first full life cycle green building technology demonstration project, "Suzhou Zhonghai International Community 233-2 Project (Spring Project)"^[2], was awarded the "GoldenBee Ecological Civilization Award" by China WTO Tribune to praise the Group's efforts in implementing CSR and outstanding performance in maintaining ecological civilization.



Caring Company Logo

The Group has been awarded the "Caring Company Logo" for seven consecutive years by the Hong Kong Council of Social Service (HKCSS), and a number of our subsidiaries have also been awarded the logo to commend and recognize their continuous contribution and performance in corporate citizenship over the years. The Group has fulfilled the requirements in three scopes: "caring community", "caring staff" and "caring environment".



Best for Contract Negotiation – China (including Hong Kong)

For the second year in a row, APAC Insider awarded the "Best Contract Negotiation – China (including Hong Kong)" to the Group in recognition of the Group's outstanding performance in contract negotiations and affirmation of the Group's achievements in legal management.



For a list of awards received by the Group, please refer to the "Key Performance Data" section.

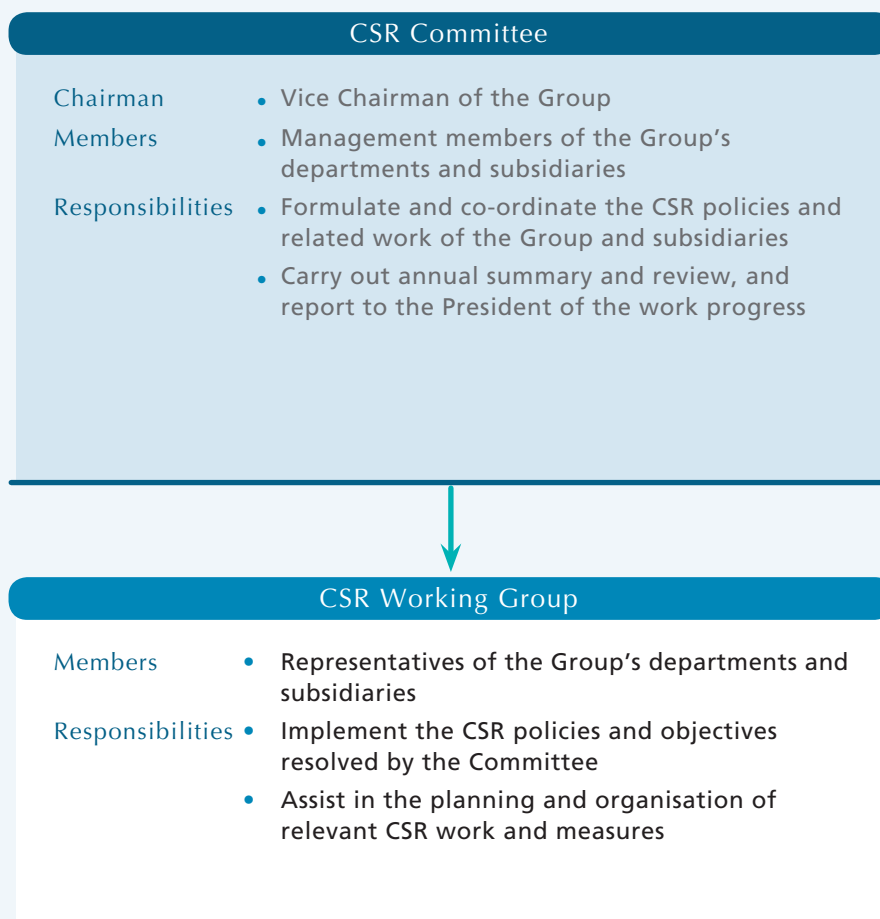
[2] This project was disclosed in the Group's CSR Report 2014. For details of the project, please refer to the report.

SUSTAINABILITY MANAGEMENT FRAMEWORK

COHL is convinced that CSR is closely linked to our core business. Therefore, the Group has been pursuing rigorous corporate governance and professional staff team, from the inside out, to consolidate the basis of CSR.

The Group's corporate governance contributes value on the basis of its effective and highly transparent management structure and system. The Group's management structure includes two decision-making bodies, namely the Management Board and Executive Committee. These are our collective decision-making mechanisms, and perform in accordance with their respective procedural guidelines. The positions of Chairman and President are separate, and they hold different responsibilities as outlined in the Board of Directors' Statement of Duties. For more details, please see the Corporate Governance Report sections in 2016 Annual Reports of the subsidiaries.

Senior management participation and promotion is essential to the effective implementation of CSR. The Group established a CSR Committee in 2008, one of four commissioned committees reporting to the Management Board. The CSR Committee is responsible for the overall planning and supervision of the Group's sustainable development (including economic, environmental and social aspects). The CSR Committee will review regularly and report to the President of the work progress to assure the policy and measures are carried out.



Sustainability Management Framework






MANAGEMENT APPROACH TO CSR

The Group has established clear management guidelines and a vision for five areas of CSR – corporate governance, the environment, employees, community engagement, and product responsibility, while the subsidiaries have all established and implemented policies and measures appropriate to their business on the basis of the Group’s guidelines.

Scope of CSR	Highlights
Corporate governance 	<ul style="list-style-type: none"> • We have maintained an effective, transparent, balanced corporate governance framework • We have promoted the regionalisation and flattening of operational management, empowering regional subsidiaries with greater responsibilities as a means to improve operational efficiency and competitiveness • We have continued to uphold a strict internal control mechanism in each of the Group’s divisions to stamp out corruption and consolidate our corporate culture of integrity • COLI, CSCI, COPL and COGOGL have each established independent Internal Audit Departments, and provide appropriate training to auditors in different audit positions
Environment 	<ul style="list-style-type: none"> • We are reducing the environmental impact of construction projects and offices, and are committed to complying with the strictest local environmental standards • We are investing in green buildings and energy conservation research and design, and are preparing the associated standards and regulations • We have appointed specific staff responsible for supervising environmental protection issues • We actively collaborate with our employees, local residents and community organisations to create a green community • Before the start of work, all property projects undergo an environmental impact assessment • We actively advocate green offices
Employees 	<ul style="list-style-type: none"> • We employ a variety of talent management systems to manage the recruitment, training and review of the Group’s talents • We have commissioned officers to oversee site safety and environmental performance. Regular safety training is provided and third-party safety audits are performed • We care for our employees’ development and welfare, and ensure that regular performance reviews and career development evaluations are provided to all employees • We continue to monitor the equal treatment and opportunity conditions of employees from different backgrounds • We organise large-scale employee engagement activities at the Group, cross-company and departmental levels
Community engagement 	<ul style="list-style-type: none"> • We have developed long-term community engagement and philanthropy plans through the China Overseas Charity Fund and our community brand, “The Sea has no Limit, and Love has no Boundary” • We actively encourage employees to participate in different community activities through the employee associations of the Group and our major subsidiaries • We work with the China Overseas Club to hear the needs of our stakeholders
Product responsibility 	<ul style="list-style-type: none"> • We perform regular customer satisfaction surveys and communication, including owners’ meetings, open days, etc. • We perform strict quality controls prior to any property handover and ensure that comprehensive maintenance and improvement service is in place • We monitor and handle customer complaints in a timely and effective manner • We have strengthened sub-contractor and supplier management guidelines, and specify supervision on the source of sub-contractor material procurement • We have implemented multiple measures to protect customer privacy

Sustainability Management Framework






2016 REVIEW AND HIGHLIGHTS

Scope	Highlights in 2016
Business performance 	<ul style="list-style-type: none"> • Stable development speed, contract value and revenue growth: New contract value achieved HKD 295.19 billion; annual operating income amounted to HKD 205.65 billion, a year-on-year increase of 15.4% • The scale of assets was further expanded and the year-end total assets amounted to HKD 671.52 billion, a year-on-year increase of 34.3%
Employees 	<ul style="list-style-type: none"> • We organized “China Overseas Cup” Run for Fun event, our first combination of sports and charity, creating a healthy and happy environment for employees and communities
Operating practices 	<ul style="list-style-type: none"> • We have completed the preparation of “COHL Risk Prevention Guidelines on Integrity”, integrating the integrity risk education into the staff management positions and business workflow • We have developed a new system of product responsibility management, the “Interim Administrative Measures for New Owner Maintenance”, and strengthen its implementation to ensure the quality of products and services and further enhance customer satisfaction
Environment 	<ul style="list-style-type: none"> • During the year, eight property projects have obtained star-level green building design logo certificate, a total construction area of about 1.82 million m² • We have launched the “Energy-saving and Emission Reduction” program for offices to encourage colleagues to implement green environmental measures, so as to reduce the Group’s operations’ negative impact on the environment, working together to build green offices
Community 	<ul style="list-style-type: none"> • We have continuously launched “Share Children’s Dreams” – “China Overseas x TREATS” Mainland and Hong Kong Children Art Exchange Programme, a total of more than 1,100 students participated in the program, nearly 40 workshops were held, nearly 300 volunteers from the Group were involved, more than 100 works were created, of which nearly 50 works were edited as a book, <i>Our Harmonious and Recreational Environment</i>.

STAKEHOLDER ENGAGEMENT

COHL has identified diverse groups of stakeholders based on the nature of our business and has developed appropriate communication channels with them. Through stakeholder engagement, we have gained a better understanding of their opinions and their expectations of the Group.

COHL'S REGULAR STAKEHOLDER ENGAGEMENT ACTIVITIES

Stakeholders	Expectations and Requests	Communication and Response Channels
Shareholders/ Investors 	<ul style="list-style-type: none"> • Return on equity • Satisfactory market capitalisation • Protection of rights • Understanding of the company's state of operation 	The Group maintains close, transparent and efficient communication with stakeholders through regular investor meetings, annual general meetings, announcements and other means
Customers 	<ul style="list-style-type: none"> • Integrity and compliance • Transparency of information • High quality products and services 	The Group communicates with customers and collects their feedback through channels such as project sales offices, property management offices, WeChat, other online platforms, telephones and e-mails
Employees 	<ul style="list-style-type: none"> • Remuneration and benefits • Equal opportunities • Career development • Health and safety • Humanistic care 	The Group sets forth annual improvement programmes for employee welfare. Through training, the Group strengthens employees' health and safety awareness, and enhances the professional development of staff in different working positions and levels. The Group works through the employee associations to enrich corporate culture and enhance staff cohesion
Business partners and suppliers 	<ul style="list-style-type: none"> • Open procurement process • Win-win cooperation • Resource sharing 	The Group continuously strengthens the standardisation processes in tender and compliance, promoting an open and transparent tender procurement policy, and a win-win relationship with suppliers
Community 	<ul style="list-style-type: none"> • Boost employment • Charity • Environmental greening • Collaborative community development 	Taking the 11 primary schools donated as a starting point, the Group continues to carry out various charitable activities such as the "Share Children's Dreams" Art Exchange Programme, "Cheers Mate!" Summer Camp for youth and caring visits to promote staff participation in volunteer activities and assists in youth education and community building

Stakeholder Engagement

The Group believes that conventional means of communication are no longer sufficient to gain a deeper understanding of stakeholders' views. In 2014, we prepared our CSR Report with reference to GRI guidelines, and for the first time carried out a systematic process of stakeholder engagement, from which we identified our CSR issues with a materiality analysis. We fully understand that stakeholder engagement is a dynamic process, and social expectations regarding CSR are on the rise. In view of these concerns, the Group progressed from publishing a CSR Report to a Sustainability Report this year. We aim to integrate environmental protection and social care into the Group's development strategy. We have recommissioned an independent consultant to facilitate stakeholder engagement in order to gain a better understanding of different stakeholders' opinions and expectations on the Group's environmental, social and governance responsibilities. This enabled us to identify and prioritise the issues most important to the Group's development and of most concern to our stakeholders.

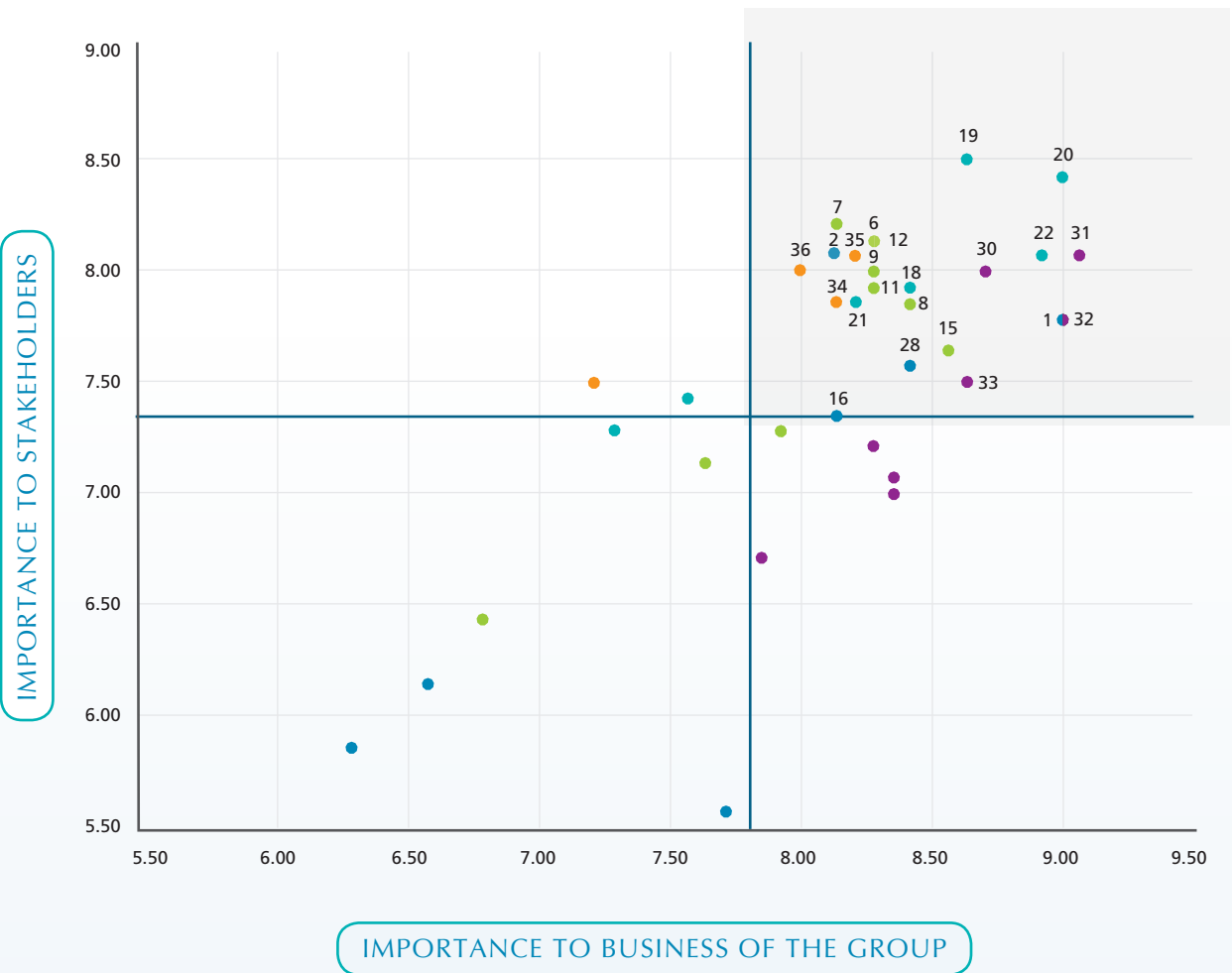
The Group's three major business segments include property, construction and property management, which are managed by three separate subsidiaries. Since each of the subsidiaries has arranged stakeholder engagement activities and collected their feedback through established communication mechanisms, stakeholder engagement in this report focuses on stakeholders at the Group level.

Based on the Group's business nature and the results of past stakeholder engagement, the consultancy identified 37 issues that are the most relevant to our business and its impact. These cover aspects of economic performance, environmental protection, employment and labour standards, operating practices and community investment. These areas form the foundation of the stakeholder engagement agenda. The consultant carried out interviews, workshops and focus group discussions to engage internal stakeholders including employees from different departments, and external stakeholders including business and community project partners. On top of these, we conducted a survey in the form of a questionnaire, to gain a more in-depth and comprehensive understanding of stakeholders' views.

Stakeholder Engagement

Consolidating the views of internal and external stakeholders, the consultant conducted a Materiality Analysis to assist the Group in identifying 23 the most material issues.

Materiality matrix of sustainability of COHL



Stakeholder Engagement

The consultant presented a summary of the stakeholders' opinions and the result of the analysis to the management of the Group, and then the management discussed on the relevance of all these issues to the Group and confirmed the coverage of material issues for Sustainability Report. Considering the Group has been complying with laws and regulations related to competition, the issue of prohibition of anti-competitive practice will not be included in the list of material issues for this report. In the following table, the 22 Material Issues are ranked by importance while the issues newly added this year are marked with asterisks.






ECONOMIC PERFORMANCE	1	Increase revenue and reduce operating costs	OPERATING PRACTICES	31	Prevent bribery, extortion, fraud and money-laundering
	2	Manage financial risks and opportunities brought by sustainability issues*		30	Protect customer data and privacy*
ENVIRONMENTAL PROTECTION	6	Reduce and properly manage air pollutants and greenhouse gas emissions		33	Establish effective grievance mechanisms*
	12	Conserve and optimise the use of water*		28	Provide satisfactory products and services to customers and safeguard their health and safety
	7	Reduce and properly process wastewater and waste	COMMUNITY INVESTMENT	35	Conduct community engagement and impact assessments to ensure that business activities are accepted and/or welcomed by the communities
	9	Increase the use of environmentally-friendly materials*		36	Support charitable donations and employee volunteer activities*
	8	Reduce and optimise the use of resources		34	Understand the needs of the communities in which the Group operates and ensure that business activities take community interests into consideration
	11	Conserve energy and enhance energy efficiency			
	15	Minimise negative impacts of products or services on the environment			
	16	Allocate more resources for environmental protection*			
EMPLOYMENT AND LABOUR STANDARDS	20	Provide a healthy and safe working environment to protect staff from occupational hazards			
	19	Eradicate discrimination and promote equal opportunity in the workplace			
	22	Prevent child labour and forced labour*			
	18	Formulate a comprehensive employment management system			
	21	Provide development and training opportunities and support their sustainable growth			

Note: In stakeholder engagement this year, instead of discussing "compliance with laws and regulations" as an independent aspect, it was discussed under the five major aspects of "economic performance", "environmental protection", "employment and labour standards", "operating practices" and "community investment". This allows the Group to gain a more specific understanding of stakeholders' opinions and expectations of the Company's performance in various specific areas of compliance.

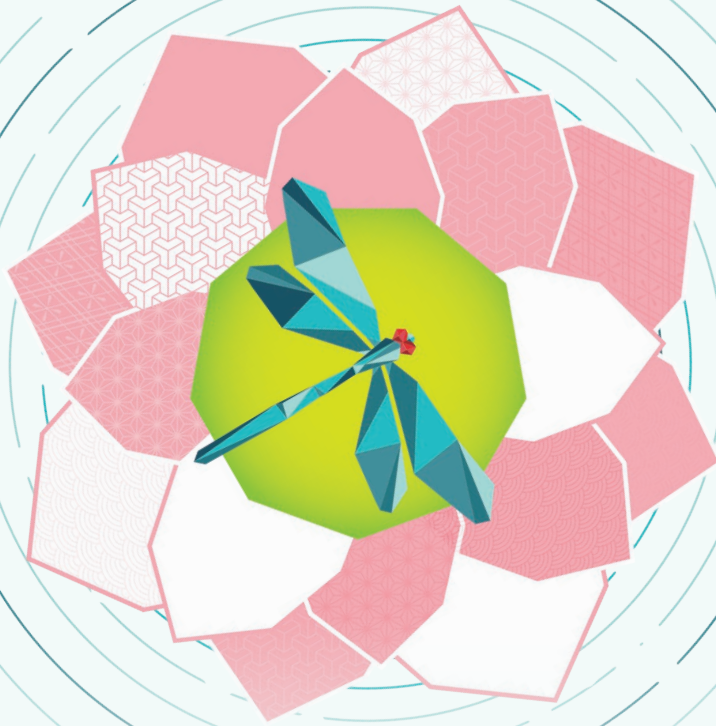
In addition to the identified Material Issues, we responded specifically to matters of particular concern to stakeholders and provided further elaboration in respective chapters of the report. It is our objective to deliver timely responses to stakeholders' requests.

Stakeholder Engagement

STAKEHOLDERS' CONCERNS AND THE GROUP'S RESPONSES

Aspects	Issues Important to the Group's Business	Issues Important to Stakeholders	COHL's Responses
 <p>Economic performance</p>	Increase revenue and reduce operating costs	Manage financial risks and opportunities brought by sustainability issues	With years of accumulated experience, the Group has successfully established a solid economic foundation. Looking forward, the Group will continue to strengthen corporate governance and prepare for the risks and opportunities brought by sustainability issues.
 <p>Environmental protection</p>	Minimise the negative impact of products or services to the environment	Reduce and properly handle sewage and waste	In recent years, the Group has implemented various environmental management measures at its offices and construction sites, striving to minimise the negative impact of our business operations on the environment. These measures cover aspects of green building design and construction practices, property management and green offices. Moving forward, we will integrate environmental protection into the Group's strategic management. We will actively support the use of environmentally-friendly materials and green technologies , promoting low-carbon and green building from the outset of project planning.
 <p>Employment and labour standards</p>	Provide a healthy and safe working environment	Eliminate discrimination at workplace and promote equal opportunities	Employees are the key to the Group's success and sustainable growth. We care about employee well-being. Apart from providing a healthy and safe working environment for our staff, we will continue to implement the policy of "equal pay for equal work", and also "consistent selection criteria" in staff promotion, transfer and training. The Group cooperates with the staff union, using their platform to enrich corporate culture and enhance staff cohesion. We strive to cultivate an equal and inclusive working environment .
 <p>Operating practices</p>	Prevent bribery, extortion, fraud and money laundering	Protection of customer data and privacy	The Group is dedicated to fostering a corporate culture of integrity. Last year, the Group implemented anti-corruption risk management, set forth anti-corruption guidelines and provided education programs for all employees. We will review and disclose the results of our measures on a regular basis . To reinforce customer data and privacy protection, the Group's subsidiary in property business has issued a "Notice on Enhancing Management of Customer Information". The notice clearly states that customer data has to be managed by staff in designated positions, processed by computers reserved for the task and regular maintenance. This safeguards customer data and avoids risks brought about by the leakage of data.
 <p>Community investment</p>	Conduct community engagement and impact assessment to ensure that business activities are accepted and/or welcomed by the community	Conduct community engagement and impact assessment to ensure that business activities are accepted and/or welcomed by the community	We are well aware that our development projects are closely related to the lives of local residents and the wellbeing of the community. To solicit views from local residents and bring positive contributions to local communities, the Group will be more actively involved in project planning and local consultation .

The Group attaches great importance to stakeholder engagement. We actively consolidate close and mutually trusting relationships with stakeholders in order to achieve constructive interactions. Moving forward, we will launch a long-term strategic stakeholder engagement plan. There will be in-depth communication regarding the contents of the reports, in order to refresh opinions from various stakeholders on the Group's sustainability issues on a regular basis. In addition, workshops will be organised from time to time for stakeholders to gain a better understanding of the Group's efforts in promoting sustainability, and to facilitate discussions about the challenges faced by the Group and the role of various stakeholders.



EXPANDING A SAFE AND HARMONIOUS WORKING ENVIRONMENT

COHL regards employees as the most important asset and the inheritor of the corporate culture. Through the development of comprehensive human resources management mechanism, including the preparation of the "COHL Human Resources Management System", the "Staff Manual", setting up the annual special work to improve employee employment and welfare policies and maintain the employment management higher than the market level, we are committed to providing employees with a safe working environment, attracting pay and benefits, adequate training and career ladder, and a fair and consistent working atmosphere, and continuously reviewing and improving the existing mechanism based on the market environment and level, hoping that everyone in COHL family can grow with the Group.

PERFORMANCE OVERVIEW

Number of employees (unit: headcount)

39,994

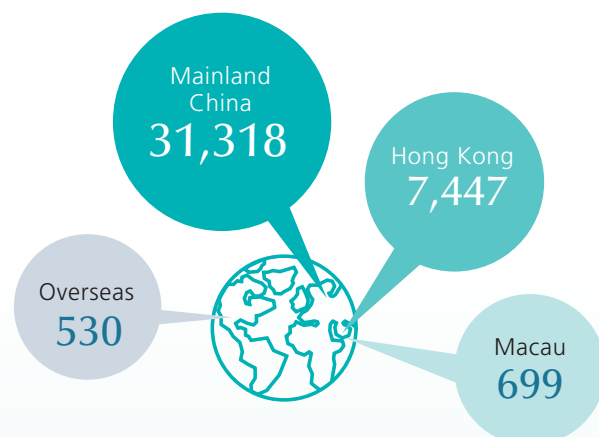


•Male **29,229**



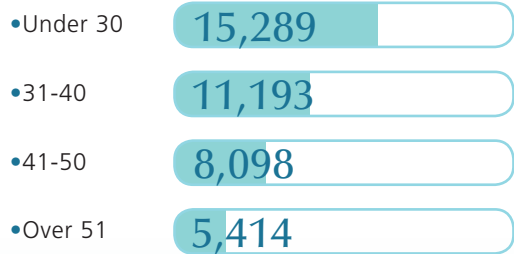
•Female **10,765**

By region (unit: headcount)

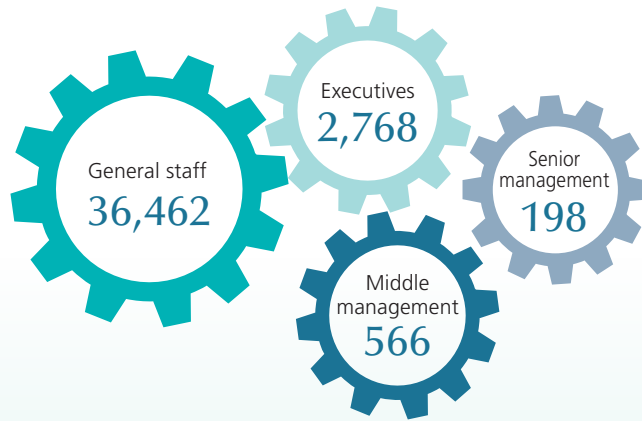


Expanding a Safe and Harmonious Working Environment

By age (unit: headcount)



By position (unit: headcount)



Training coverage
100%



Per capita training hours
39.25



Case of discrimination
0



Case of child labour and forced labour
0



Employee turnover rate
35%



New employee rate
38%



Number of death in service
0



Accident rate per thousand employees
4.48

Expanding a Safe and Harmonious Working Environment

HEALTH AND SAFETY

COHL is committed to providing employees with a healthy and safe working environment, we believe that the perfect management and supervision system is essential for improving health and safety performance.

Employee health insurance

Purchasing commercial medical benefits program and providing medical and life insurance for the Group's headquarters' staff, covering all employees

Employee physical examination arrangements

Providing physical health checks or medical examination cash subsidisation for the Group's headquarters' staff, covering 74% of all employees

Project safety management

Setting up the goal of zero accident, applying strict requirements and supervision on the safety of construction sites, and annual review of safety performance

The Group continually optimizes the system and day-to-day management of employee health and safety, with particular emphasis on the risky construction business. CSCI sets annual safety and health objectives and guidelines to review the management system and the Safety and Health Management Policy. During the year, the Group's construction business and 50 construction sites signed the "2016 Site Safety Production Management Responsibility Contract", promising to strengthen the safety management to ensure that no serious accident and illegal prosecution in construction sites. In 2016, the accident rate per thousand employees was 1.98, which was less than the internal target 8.8 as well as the construction industry level in Hong Kong. In the future, the Group will continue to move towards the goal of zero casualty.

Each year, the fraternal association of the Group and its branches organise regular and occasional physical and psychological activities, various interest classes and community activities for the staff in various regions, such as the annual large-scale corporate cultural activity, interlacing sports event with art show: "China Overseas Cup" ball game and "The Sound of China Overseas" performance arts show, promoting sports and cultural exchanges. In 2016, the Group organised the "China Overseas Cup" Run for Fun events, the Group's first combination of sports activity and charity event, creating a healthy and happy environment for employees and communities.

Adhering to the corporate philosophy of caring for the development of employees and enriching employees' spare-time cultural life, the Group held activities such as movie viewing, preserved flowers workshop, biking and hiking eco-tourism in 2016, driving work-life balance while increasing the communication opportunity between colleagues to strengthen their cohesion.



Please follow the Group's Wechat account to know more about staff activities

Expanding a Safe and Harmonious Working Environment

Case Study: “China Overseas Cup” Run for Fun

In 2016, the “China Overseas Cup” Run for Fun was injected into new elements, which was featured by three main themes: “Charity”, “Anti-corruption” and “Staff Fellowship”, and divided into three stages and carried out both on-line and off-line. More than 15,300 employees, family members, property owners, partners, hope school teachers and students have participated in every stage, conveying the concept of “happy work, healthy life” and the positive energy of COHL internally and externally.

Since 2001, the Group has held the “China Overseas Cup” sport activity every two years, and the event has become one of the key activities to promote the corporate culture construction and staff fellowship activities. It also has formed a unique appeal and cohesion to not only stimulate the Group’s corporate culture building and the vigorous development of staff activities, but also encourage employees to shift the fighting spirit displayed in the sport activities into the day-to-day work and apply it to develop the Group’s business growth.



Expanding a Safe and Harmonious Working Environment



Group photo of "Run for Anti-corruption" in Hong Kong



Card game of "Run for Anti-corruption"



Game of "Run for Anti-corruption"



COHL's runners of "Run for Staff Fellowship"

Words from participants

Shenyang company

Yang Ping

Marathon is not only a contest of physical strength and stamina, but also a battle with yourself, you must adhere to the goal in the end. If you shift the marathon spirit into work, you are bound to be invincible! If you shift the marathon spirit into life, you will have a strong body and tenacious vitality!

Hong Kong Property Company

Shirley Lok

When I arrived at the end of the marathon, I was overjoyed, I had exceeded my goal. At that moment, I was thankful, grateful and moved. First, I was thankful for the Group organised this event, providing a platform for employees in COHL to build friendship through running together, I was grateful for the encouragement and support I had received from the leaders, colleagues and teammates during this period of time, and I was moved by the satisfaction of achieving goal, I gained courage and find the strength to work hard in the next stage.

Changchun company

Cao Xueyuan

Through the event organised by COHL, I deeply understand the Group's corporate culture. By participating in the marathon, I learned that like running in a marathon, we need that spirit when doing our jobs or conducting ourselves, it is important to stay the course throughout the process, as long as we stick it out, even if we didn't achieve good results at the end, we will be still content with this little accomplishment.

Expanding a Safe and Harmonious Working Environment

EXTENSION AND IMPROVEMENT OF HUMAN RESOURCES MANAGEMENT AND TALENT

The Group's human resources management system documentation, remunerations and benefit management regulations and employee manuals clearly explain the Group's management approach to employment and welfare policy, regular performance assessments, employee training and equality of opportunity.

The Group has always actively attracted and nurtured outstanding talent in the property development and construction industries. Our ongoing talent recruitment platform includes the "Sons of the Sea" graduate recruitment and "Sea's Recruits" market recruitment programmes. As branded human resources programmes, the two programmes have been in practice for many years and form a complete value chain for the company and the talent. The programmes have also been integrated to form a major component of COHL corporate culture. In 2016, the Group has recruited 204 employees through "Sons of the Sea" programme.

The Group expects property or construction projects to provide employment and development opportunities for labour forces in the surrounding areas, so we will give priority to hiring residents in the neighbourhood to drive economic development. The Group's human resources system not only provides protection for the Group's employees, but also puts forward requirements and plays a monitor role in the labour planning of subcontractors and suppliers, which has a positive impact on improving the labour standards of the communities in which we operate.

The Group is also committed to providing a working environment that is both meritocratic and diversified (in terms of gender, age and ethnicity). In order to prevent discrimination, the Group adopts the "uniform selection criteria" in aspects of recruiting, promotion, job transfer, training, dismissal, layoffs and terms of employment.

Uniform selection criteria



New employee should be chosen objectively based on the factors such as experience, qualifications and skills required for the job, and the competency, quality and potential of the candidates, rather than gender, marital status, pregnancy, family position and other factors

Besides, the Group has formulated the "Policies on Prevention of Discrimination and Harassment" to provide guidance to all staff in accordance with the Group's actual situation, so as to avoid inconsistent with a series of legislation on combating discrimination and to serve as a basis for dealing with discrimination and harassment issues in the company as well as a safeguard for employees.

Due to the industry characteristics of construction business, the Group has a large number of male employees, and their average basic salary is slightly higher than that of female employees due to the different jobs. The Group's Human Resources Department will continue to monitor the level of pay, which provide reasonable salary for all employees.

When the Group and the subsidiaries recruiting employees, we strictly verify the information required in the recruitment process and interview to prevent the employment of child labour or forced labour. The Human Resources Department of the Group regularly reviews the contents of the Staff Manual to ensure that the relevant policies comply with the local laws and regulations of employment. The Group also requires the subsidiaries and suppliers to strictly abide by the regulations where we operate. During the year, the Group hasn't found any case related to discrimination and child labour or forced labour.

Expanding a Safe and Harmonious Working Environment

Appeal mechanism

The Managing Board of the Group has set up a Human Resources Management Committee and the Human Resources Department is responsible for implementing the Human Resources Management Committee’s resolutions on human resources management, and managing the Group’s human resources, including handling employee complaints. The Group actively communicates with staff by setting up staff advisory and complaint mechanism so that employees can express their views at any time.

COPL has issued the “Provisions on COPL’s Employee Complaints and Whistle-blowing” and has developed the “Hierarchical Diagram of Acceptor of Complaints and Whistle-blowing at All Levels” to help the Group implement the Provisions. The Group’s Human Resources and Administrative Departments entered into and filed the Integrity Commitment Letter with the headquarters, the leadership team of all units, the heads of the departments, and the project leaders, and disclosed the headquarters phone number and ways of whistle-blowing in the Commitment Letter.

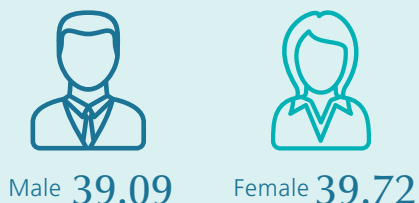
TRAINING AND EDUCATION

The Group encourages and supports the ongoing training and development of employees, and has established a comprehensive employee development system, including the “Administrative Measures on COHL’s Staff’s Ongoing Education and Training”, the “Administrative Measures on COL’s Staff’s In-service Degree Education Subsidisation”. We have gathered resources to ensure the ongoing education and development of employees, including investment of funds to support staff to participate in on-the-job education; cooperation with well-known colleges and universities, business schools to launch management training programs, such as “China Overseas-China Europe” Senior Management Leadership Development Program, “China Construction Leadership Promotion and Development Special Training”, “CSCEC’s Scholar Lecture” and so on.

The Group has set out specific training guidelines for the subsidiaries to set their own relevant policies and mechanism, to ensure that the Group and the subsidiaries apply a standardised approach to the implementation of their education training. Each business unit’s Human Resources Department has a manager who is solely responsible for education and training to ensure all employees are well trained.

Training hours for employee

By gender (unit: hours)



By position (unit: hours)



The total number of training hours for all employees is nearly

1,570,000



EXPANDING AN INCORRUPTIBLE AND EFFICIENT GOVERNANCE ENVIRONMENT

COHL's corporate governance is committed to building a clean corporate culture that based on an efficient and transparent management structure and system, and we strengthen the supply chain management mechanism to provide customers with satisfactory products and services and protect customers' privacy.

Since the Group is undergoing a large-scale development, risk management is particularly important. The Group's internal risk control focuses on internal control system construction and strives to establish internal risk prevention mechanism, by giving priority to legal compliance, it promotes the compliance management and internal governance of the Group and the subsidiaries; PPP projects are expanding rapidly, we should regard investment risk management and cash recovery as our first priority, strengthen the risk prevention, protect the safety of investment funds, and ensure that future projects' sound operation.

PERFORMANCE OVERVIEW



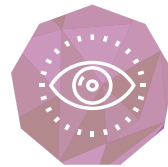
33%
of our operating sites
carried out formal
corruption risk assessment



Major corruption
risk and incident
0



Completing the
compilation
of the "COHL Integrity and
Risk Prevention Guidelines"



Complaint of infringement
of customer privacy and
loss of customer information
0

Expanding an Incorruptible and Efficient Governance Environment

ANTI-CORRUPTION AND INTERNAL CONTROL

Anti-corruption is an important part of COHL's corporate culture. The Group has established the Supervision and Audit Department to strictly implement the supervision and audit management and guidelines to ensure the integrity of all departments, subsidiaries, branches, business units, joint venture projects and construction sites. Since 2014, the Group has set up the Supervision and Audit Department in COLI and CSCI and has clearly stated that as a dispatched office of the Group's Supervision and Audit Department, it manages the operation and maintains its independence. The supervisors and auditors are specially trained in project management, auditing, discipline inspection and supervision.



During the year, the Group has conducted 3 training courses, including "SQL Database Basic Knowledge and Common Query Operation Training", "Property Business Engineering Management Platform Training", and "Property Management Industry Knowledge Training", 30 employees participated these courses.

At present, all the operating sites of the Group are monitored by the Supervision and Audit Department, which has conducted a formal corruption risk assessment at 33% of the operating sites in 2016 in order to enhance the internal risk management. It has not found any significant corruption risk and confirmed corruption incident.

We are also working to reaffirm our corporate culture of integrity among our staff, and to consolidate the concept of "not wanting, not being able and not daring to engage in corrupt practices" in the working environment. In order to clarify the integrity system of the Group, we completed the preparation of the "Guidance on Preventive Education of COHL's Integrity Risk" in 2016. Through the identification of integrity risk points and putting forward the appropriate preventive measures and basis, we integrated the integrity risk education into the staff management positions and business processes, creating a practical integrity textbook for the Group.

Expanding an Incorruptible and Efficient Governance Environment

Guidance on Preventive Education of COHL's Integrity Risk

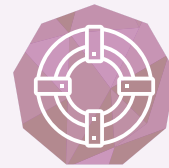
Divided by job responsibilities and business processes, a comprehensive list of the integrity risk that leaders and staff of functional departments at all levels may face.



List **191** authority matters



Find **315** integrity risk points

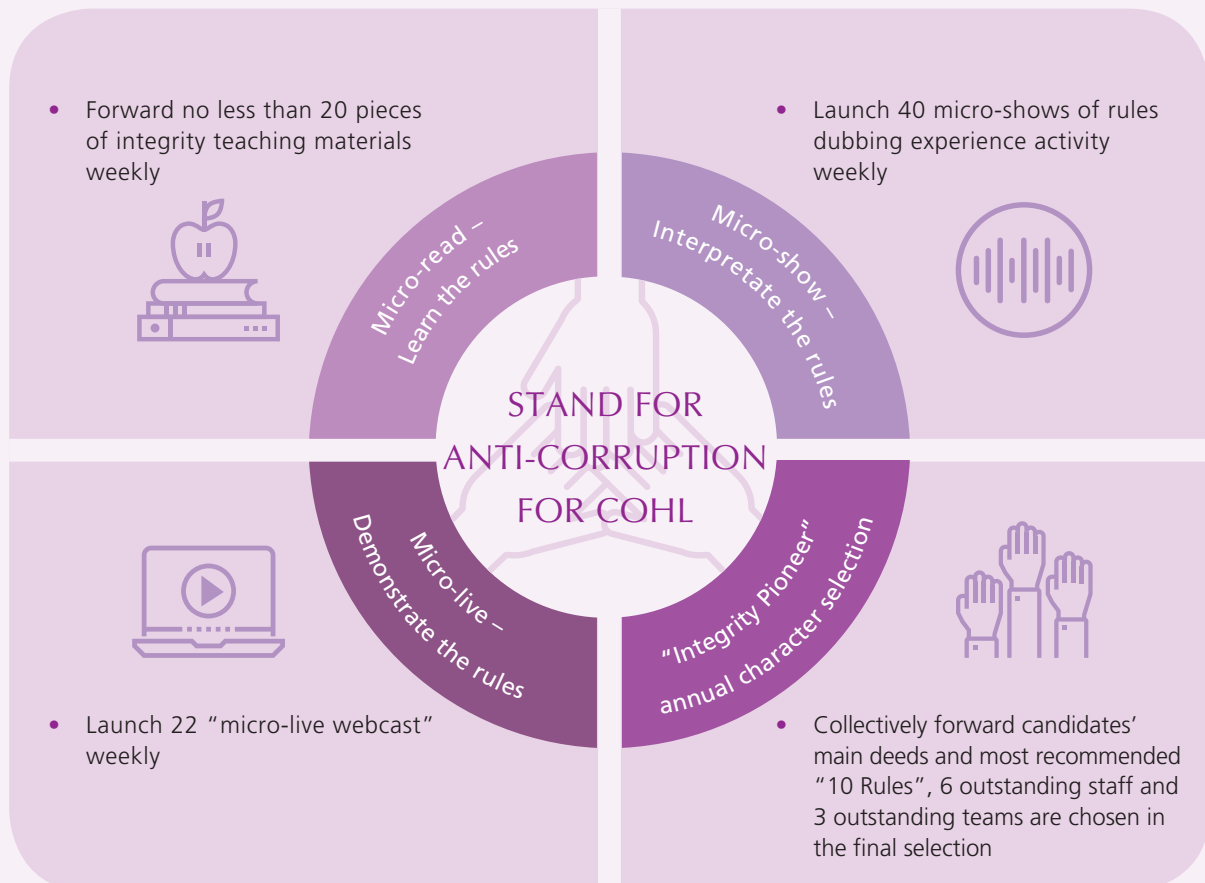


Formulate **301** preventive measures

Case Study: Stand for anti-corruption for COHL

"Stand for anti-corruption for COHL" is the Group's integrity theme campaign in 2016, focusing on the discipline and system education for employees and serving as the key of the Group's publicity of combating corruption.

Currently, the online registered members have exceeded 6,640, the Group and the subsidiaries issued more than 14,630 copies of integrity teaching materials, self-made integrity education micro-videos were more than 40.



Expanding an Incorruptible and Efficient Governance Environment

PRODUCT RESPONSIBILITY

Product and service quality

Ensuring the quality of property and services and the safety of construction are the two most basic and core social responsibilities of the Group and the basis for the steady development of our business. The Group has guided the subsidiaries to continuously improve our quality and safety management system and encourage them to innovate. They all operate according to strict quality controls, extending from planning and design, the construction process, deliver to customers, maintenance and property services. During the year, the Group has not been fined for irregularities related to products and services.

The Group's property business has formulated and issued a new system for strengthening the management of product responsibility, the "Interim Administrative Measures on Move-in Maintenance", which is designed to comprehensively sort out and clarify the job responsibilities and coordination matters of the Group's property companies, project management companies and related business units of COPL after project delivery, so as to further enhance customer satisfaction.

In order to listen to the needs of our customers, we have a two-way communication platform with property owners, such as the owners and clients fellowship organisation, "China Overseas Club", property management customer QQ group, We-chat group, etc, to listen to their opinions and regularly learn about the services performance and residents' expectations through customer satisfaction survey. In 2016, the subsidiaries have completed the customer and partner satisfaction survey respectively, for details, please refer to the reports of the subsidiaries.

Ensuring the safety of all personnel in the construction business (including employees, subcontractors, residents or pedestrians in the neighbourhood of projects) is also the core task of the Group. We aim at zero accident, set up strict requirements and supervision on the construction safety of operating sites, and carry out various forms of high-density security checks each year to review the safety performance. During the year, a total of more than 1,100 inspections such as high-risk site inspections, high-risk process inspections, night safety and environmental surprise inspections, integrated management internal audit, lifting machinery and site electricity special inspections were performed at the construction sites. In addition, 100% of front-line managers and sub-contractors' managers are organised regularly to receive training.

Privacy protection

We attach importance to the protection of personal privacy and require the Group and the subsidiaries to strictly comply with the "Code of Corporate Ethics" in the Human Resources Management System, which states that the Group is responsible for keeping secret of all confidential or special information provided by customers, employees and business partners and ensuring the complete and safekeeping of the information. During the year, the Group has not found any cases of failure to protect the customers' privacy or loss of customer information.

Expanding an Incorruptible and Efficient Governance Environment

Appeal mechanism

The Group has set up channels of complaint, for example, announcing the whistle-blowing and complaint telephone number on labour issues at construction sites, supervising construction units to respect labour rights and interests in accordance with the laws, and ensuring the health and safety and wage-related interests of workers. Our property projects are also committed to strengthening the overall customer service awareness, improving the promptness effectiveness of handling complaints, standardising complaint receiving and handling process, and smoothing customer feedback mechanism. We have displayed complaints contact publicly in project sales stores, community property management office front desks (or entrance halls), occupation sites, online publicity platforms and so on.

Property projects have also established a variety of customer appeal channels to customers and developed the "Administrative Measures on COPL's Customer Complaints" to regulate the requirements on daily reception processing, follow-up, coordination of resources, and return visit verification, and established the relevant assessment mechanism to ensure that the initiative, timeliness and effectiveness of customer complaints response and verification.



SUPPLY CHAIN MANAGEMENT

We value the friendly and cooperative relationship with the supply chain and understand the importance of advocating and promoting responsible and sustainable development in the entire supply chain. From a business point of view, the supply chain has a key impact on our costs and quality; and from a CSR point of view, the levels of safety, worker and environmental protection in the supply chain also have an impact on our sustainable development performance on business. As a large-scale company, the Group also hopes to use our influence to support and encourage suppliers to improve their performance on environmental protection and community caring, and create a win-win living environment with our supply chain. At present, the Group has around 3,310 suppliers.

The Group sets up special e-mail to accept whistle-blowing of all kinds of irregularities of the Group; the subsidiaries disclose the whistle-blowing hotline and mailing address to suppliers during supplier recruitment, bidding and contract signing processes. The bidding undergoes supervision throughout the whole process, and before major occasions, we would issue public letters to our partners to reaffirm the Group's clean business requirements and remind them to refuse integrity violations.

Expanding an Incorruptible and Efficient Governance Environment

Main supplier categories and management measures

Businesses	Supplier categories	Management measures
Property business 	Contractors, building materials, decorative materials, installation materials, facilities and equipment	<ul style="list-style-type: none"> • We have drawn up a procurement classification and the standards governing building material procurement, and established a set of norm for materials and products used in the construction process • We conduct comprehensive assessment on suppliers in regular basis, update our list of compliant suppliers in a timely manner, and remove non-compliant suppliers • We have also set up a whistle-blowing hotline for domestic projects to ensure that sub-contractors pay their workers in a timely manner
Construction business 	Sub-contractors, building material suppliers, construction equipment suppliers, consultants	<ul style="list-style-type: none"> • Our centralised procurement, managed by the Procurement Department, stipulates the procurement procedures, and standardises the procurement process • We provide both internal and external training to employees who are responsible for material procurement and management • As part of the procurement process, we give priority consideration on environmental protection performance of the equipment and materials • We have improved sub-contractors' worker safety and environmental awareness through an accountability, training and reward system • We update our list of compliant suppliers and sub-contractors annually, and remove businesses which are non-compliant • We reorganise the material quality control process of subcontractors, formulate the quality control procedures for the installation of fresh water hose (trial version), improve the control of the material source, and the efficiency of process supervision and accountability, perfect the process as needed and promote it to construction sites in Hong Kong • We have commissioned labour relations specialists to handle labour relations issues with subcontractors • We continuously monitor and assess our sub-contractors' management of their employment relationships, and our payments to sub-contractors take into account an audit of employment documentation
Property management business 	Material suppliers, security services providers	<ul style="list-style-type: none"> • We use our own, in house-developed "COPL Cost Management Platform" to manage and record material procurement online, as well as the suppliers list and performance review • The Internal Audit Department performs spot checks on the material procurement behaviour of all subsidiaries and affiliates • Suppliers who violate their environmental commitments are underwent review and approval process and listed in the unqualified list, terminating the cooperation relationship



EXPANDING A LOW-CARBON AND GREEN ENVIRONMENT

COHL has focused on property development and construction business for many years, knowing that the long life cycle of buildings means that their own environmental benefits will affect each generation of property users. We strive to incorporate green elements, standardised design and norms into the industrial chain of project design, construction and property management, and participate in development and construction of more projects in line with international green building certification.

The Group and the subsidiaries have also actively adopted various internal policies, management mechanisms and activities to enhance the environmental awareness of employees and build green offices. At the same time, we also systematically enhance companies' environmental resources use efficiency, reduce the impact of operations on the environment, and actively study to allocate more resources in environmental protection. During the year, the Group hasn't found confirmed major fines for violating environmental laws and regulations.

The Group's environmental commitment



- Green building research and design
- Reduce pollution
- Reduce construction waste
- Reduce natural resources consumption
- Achieve sustainable improvement
- Comply with environmental regulations, contractual provisions and requirements

Expanding a Low-Carbon and Green Environment

PERFORMANCE OVERVIEW



Power consumption
in 2016
577,017,965 kWh



Water consumption
in 2016
25,921,968 cubic meters

Greenhouse gas emissions in 2016

Direct greenhouse
gas emissions (Scope 1)

1,870,813
Tonnes CO_{2e}

Energy Indirect
greenhouse gas
emissions (Scope 2)

440,395
Tonnes CO_{2e}

Other Indirect
greenhouse gas
emissions (Scope 3)

3,914
Tonnes CO_{2e}



Total greenhouse gas emissions
2,315,122 Tonnes CO_{2e}

In 2016, the Group had 8 property projects obtained Certificate of Green Building Design Label, a total construction area of about 1.82 million m², of which 1 three-star project, 1 two-star project, 4 one-star projects, and 2 Bronze award in Shenzhen.

Participating in the green office initiative

Signing up the Energy
Saving Charter on
Indoor Temperature

Request to set the indoor
temperature between 24 to
26 degrees with the property
management company

Signing up the Energy
Saving Charter on
"NO ILB"

Promise to stop using
incandescent light bulbs

Signing up the
Let's Save 10L
Water Charter

Promise to advocate and support
water conservation in the
company

Expanding a Low-Carbon and Green Environment

GREEN BUILDING PRACTICES

Combined with decades of project design and construction experience, the Group's project planning and design adhere to responsibility to natural environment, we adjust measures to local conditions, elaborately design, integrating land-saving, energy-saving, water-saving, materials-saving, indoor environmental technology, green construction and operation management with project positioning. Through the status quo research, developing implementation methods and technical guidelines, demonstration pilot projects, we gradually propel the comprehensive use and promotion of the green building technology in the new generation of residential products.

The Group encourages our business units to actively join in the industry and professional organisations to promote the development of the industry. Among them, COLI, as the Green Real Estate Group Leader Unit of the China Green Building and Energy Conservation Committee, has long been actively promoting the green building project practices and technology exploration, and it has created its own system in green building technology integration design, improvement of the evaluation criteria, driving the promotion, development and application of green and energy-saving residence.

The projects have been received China Green Building Star-level Certification, the US Green Building Council (USGBC) and Leadership in Energy and Environmental Design (LEED) Certification, the British Building Research Establishment Environmental Assessment Method (BREEAM), involving more than 46 projects, a total construction area of more than 7.2 million m². For more information about the green building certifications of our property projects in 2016, please refer to the "Key Performance Data" section.

Case Study: The Paragon, Shenzhen

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

- **The first super high-rise industrialisation housing in China**

Using industrialisation as a means to combine green and energy-saving with intelligence and habitability, improving people's living quality and creating a new concept of green building, which featured by residential industrialisation, green energy, intelligent health, custom-made refined decoration and innovation leading garden.

- **The industrialisation development project was developed independently by the Group and the subsidiaries throughout the whole process**

The Group's subsidiaries were responsible for the construction, project development and management, industrialisation technology research and development, assembly technology update, component production of the project.



The Paragon, Shenzhen

Expanding a Low-Carbon and Green Environment

- **Adopting prefabricated product components**

The project adopted the prefabricated bay window, laminated floor, prefabricated staircase and other product components, and used the aluminium alloy template technology, Building Information Modeling (BIM), assembly construction, integrated decoration, light guide lighting technology, which not only reduce the waste of building materials and the impact of dust, noise and others during the project construction process, but also enhance the overall social and environmental benefits of the project and building quality.

- **An extensive attention by the industry**

As a demonstration of industrialisation housing in Shenzhen, the project was exhibited in the “12th International Green Building and Building Energy Saving Conference and New Technology & Products Expo” held in Beijing in March 2016, drew an extensive attention from all participated parties.

ENERGY SAVING

Coping with and mitigating climate change is a common cause of mankind, while vigorously developing green buildings, reducing the energy consumption of buildings throughout the life cycle is the key for property and construction industries to mitigate climate change. We promote energy-saving construction technologies in the process of our property, construction and property management business, reduce energy consumption in our operation process, spare no efforts to build green building design, construction, property management and green office, and set the goal of energy saving and emission reduction, so as to help reduce global climate change.

The energy-saving measures adopted by the Group

- The projects constructed or designed by the Group adopt a number of green building technologies, such as solar photo-thermal system, fresh air system with heat recovery, prefabricated construction, efficient irrigation systems and other energy-saving technologies, and the selection of energy-saving appliances and equipment
- Procurement of computers, monitors, printers/copiers, servers with energy-saving labels (eg EU Energy Star)
- Full application of T5 fluorescent tubes. All departments and office rooms are equipped with independent light switch system, so employees can switch off room lights when they are on their lunch break, after work, on leave or on business trip
- Forest Stewardship Council (FSC) certified paper is procured for office use and promotional publications
- We encourage employees to print when needed, reuse paper for single-sided printing/photocopying, and support double-sided printing/photocopying
- We set up various types of recycling bins in specific locations in offices and encourage employees to recycle and reuse

Expanding a Low-Carbon and Green Environment

- The Group's offices adopt the advanced "Private Cloud" technology to build efficient, high-capacity online work platforms, significantly reducing the number of servers and space usage and energy consumption. Relying on the "Private Cloud" technology, we have saved the energy of 165,958 kwh in 2016



- To reduce the use of paper, we use electronic online processes for human resources management, financial management, administration, etc. In 2016, the headquarters of the Group completed a total of 886 online processes



- The Group encourages departments and subsidiaries to replace avoidable travel with the video conferencing system. In 2016, the headquarters of the Group held a total of 69 video conferences throughout the year, the cumulative length of these sessions were more than 260 hours and the number of participants reached 70. The widespread use of video conferencing not only improves communication efficiency, saves time, but also reduces greenhouse gas emissions from transportation vehicles while traveling



WATER SAVING

In the operations of the Group's construction projects, property management and offices, water is an important resource. We encourage water conservation and are committed to taking various measures to enhance the protection and efficient use of water resources and minimize the impact of the Group's business on water resources.

The water saving measures adopted by the Group:

- Add water-saving systematic requirements in architectural design and property management, such as the introduction of municipal water for flushing toilets, car washing, garden irrigation, etc.
- Set up storage tanks to recycle sewage in construction sites
- Set up signs to remind employees and guests to save water and make good use of cleaning agents in office pantries and toilets
- Toilet faucets are equipped with automatic switch to reduce the waste of water
- We encourage employees to immediately notify the relevant departments when leakage, dripping and other situations occur, and they should be dealt with as soon as possible
- We require the Group's drivers to wash vehicles as fast and efficient as possible to save water

Expanding a Low-Carbon and Green Environment

SAVING MATERIAL USE

Responsible use of resources and continuously improving the efficiency of resource use is essential for sustainable development. Through the strengthening of resource management and promoting technological transformation, we constantly improve the use of building materials in project design, material procurement, and construction process, helping all the developing projects to save resources.

The materials saving measures adopted by the Group:

- Preferential procurement of materials in adjacent areas (within 500 miles and delivered by water or land transport as far as possible) and placing order as needed to reduce carbon emissions and waste of materials during transport
- When selecting suppliers, take their environmental management system certifications and product environmental standards into consideration, and make efforts to strengthen the environmental protection testing of materials on site and promote suppliers' low-carbon production and environmental management
- Increase the use of preformed units if feasible
- Assess the performance, including safety and environmental performance, of the subcontractors and suppliers every year. For non-compliance suppliers, the site safety department will follow up and provide training to help suppliers improve their environmental safety performance.

SEWAGE AND WASTE TREATMENT

COHL is committed to the sustainable construction and management of our projects, especially in the whole construction process of projects, we make efforts to make good use of natural resources, reduce sewage and waste emissions, and properly handle the discharge of sewage and waste, so as to minimise the impact on the surrounding environment of projects.

The sewage and waste discharging measures adopted by the Group:

- Set up separate sewage collection pipes and collection pools for domestic sewage at construction sites and construction wastewater, discharge site sewage into municipal sewage discharge system in an organised manner as required
- Arrange designated persons responsible for the sewage treatment and removal, and establish work schedule record to standardise the management
- Assist construction sites to carry out on-site operation training on sewage treatment machine and shoot video images
- Collect high-quality wastewater such as air conditioning condensate, shopping mall bath waste water and cold tower regular sewage, to generate reclaimed water through the biological turntable reclaimed water treatment
- Classify the construction waste and domestic garbage for recycle or disposal
- The castoff and construction waste generated in the construction process should be collected and transported in strict accordance with the relevant provisions of local city management
- The hazardous waste should be entrusted with qualified units to dispose of, and formalities should be fulfilled according to the relevant laws

Expanding a Low-Carbon and Green Environment

IMPROVING EMPLOYEES' AWARENESS OF ENVIRONMENTAL PROTECTION

COHL fully and strictly complies with all environmental regulations related to our business, as well as supports and responds to the Government's environmental initiatives. We are committed to minimising the negative impact of our business on the environment. While putting environmental elements in our business scope, we also root for environmental protection in our internal operations, reduce the impact of greenhouse gas emissions by improving employees' awareness of environmental protection, and enhance the sustainable development effect of our office environment.

Case Study: "Energy Saving and Emission Reduction" Program

The Group launched the Energy Saving and Emission Reduction Program in 2016, by promoting employees to implement green environmental protection measures in offices to ultimately achieve the set goal of energy saving, so as to reduce the negative impact of the Group's operations on the environment, and jointly build a Green Office.

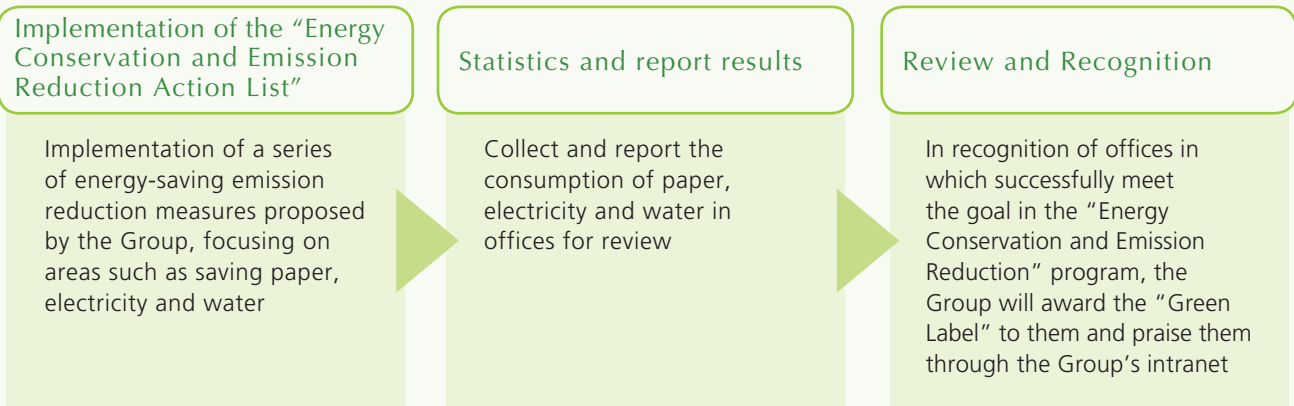


Purpose

Aiming to promote the transformation of office culture and staff behaviour, through a series of executable green office measures, we encourage employees to make efforts in environmental protection in their daily work and jointly build sustainable development office.

Introduction

We adopt a series of tools and measures such as "Energy Conservation and Emission Reduction Action List", annual result and review, to encourage the Group and our subsidiaries' office members to practice environmental protection in their daily work.



Expanding a Low-Carbon and Green Environment

Results in the first phase

In 2016, the Group implemented the first phase pilot program at the designated offices in the headquarters and the subsidiaries to collect the consumption of paper, electricity and water in 2015 and 2016 for statistical and reporting results. After the collection, the data were sorted out, analysed, and disclosed through the Group’s We-chat account. We understand that there are different performance among the offices, we will provide specific guideline in accordance with the implementation of different offices in the future.



Scan the QR code for the result and report in the first phase

2017 targets and indicators

In the second phase of the program, we will set the targets of energy conservation and emission reduction for each office, to further promote the environmental awareness of the various units and practice environmental protection actions for sustainable development in offices.



Target	Indicator
Paper saving	Reduce A4 paper consumption by 2% (comparing with 2016)
Electricity saving	Reduce the consumption by 5% (comparing with 2016)
Water saving	Develop and organise the activities related to water resources cherishing and water saving

In recognition of offices in which successfully meet the goal in the “Energy Conservation and Emission Reduction” program, the Group will award the “Green Label” to them.



For more information about the activities, please [visit](#) the event website.

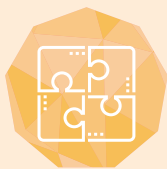


EXPANDING A LOHAS AND HABITABLE LIVING ENVIRONMENT

Our business always establishes a close and long-term relationship with the communities and regions where we operate. The Group hopes to exert the influence of our business, and expands a lohas and habitable living environment for stakeholders of the communities where we operate. At the same time, the Group adheres to our public welfare spirit of "The Sea has no Limit and Love has no Boundary", invests in education for the communities for a long time, and organises or leads employees to participate in various community activities to help the communities in need.

PERFORMANCE OVERVIEW

Creating value for neighbouring communities through the Group's core businesses



"Building a Strong Foundation to Seek Greater Success"

- Communication with and impact on surrounding communities
- Affordable housing and infrastructure projects
- Caring for the COHL community

The Group's charitable activities



"The Sea has no Limit and Love has no Boundary"

- Youth education development
- Support for charitable activities in the community

Expanding a Lohas and Habitable Living Environment

CREATING VALUE FOR NEIGHBOURING COMMUNITIES THROUGH THE GROUP'S CORE BUSINESSES

Affordable housing and infrastructure projects

The Group actively participates in affordable housing and infrastructure development and construction, in order to meet regional needs. The Group has so far built more than 150,000 affordable housing units in Hong Kong and Mainland China.

In 2016, CSCI successfully obtained a number of large Public-Private Partnership (PPP) projects, including investment and construction of toll roads, toll bridges, affordable housing, hospitals and schools. For more information on PPP projects, please refer to 2016 CSCI Sustainability Report.

In response to targets set in the national "13th Five-Year" plan, we intend to expand our infrastructure business in Mainland China, and provide greater support for urban economic development.

Engagement with and impact on surrounding communities

The Group attaches great importance to effective engagement with the communities which surround or neighbour our property and construction projects. We require the formulation of an environmental management plan and a community engagement plan before the start of a project: these include noise block, dust filters and standardised working hours. A number of construction sites have a dedicated public relations officer who proactively communicates and coordinates with neighbouring residents, district councillors, government bodies etc., to ensure good relations with our neighbours. As a grievance mechanism, community enquiry hotlines and the contact details of the person-in-charge are displayed on the periphery of some construction sites, to ensure that potential issues or impacts can be quickly reported and resolved.

Caring for the COHL community

Property is undoubtedly a major, long-term investment. The Group hopes that every owner and tenant who chooses to live in COPL property is able to enjoy the community experience that they want for as long as they stay. COHL communities are close to, if not incorporate, a wide range of facilities, such as sports facilities, schools, supermarkets and many more. We also continue to add value to our communities, for example by revitalising and re-packaging public spaces in the void decks and central park areas to create new leisure sites.

The Group cares the experience of the customers in property management. Our property management companies pay close attention to residents' needs, and are introducing a wide range of convenient services like providing trolleys, umbrellas, courier, printing and copying services, first aid kits to residents, and help booking their flight tickets.

Expanding a Lohas and Habitable Living Environment

“THE SEA HAS NO LIMIT AND LOVE HAS NO BOUNDARY” CHARITABLE ACTIVITIES OF THE GROUP

Youth education development

Since 2005, the Group has focused its community investment focus on education in Mainland China, echoing our people-oriented corporate philosophy. The establishment of China Overseas Charity Fund Company Limited in the same year enabled the Group to embark on the school building journey.

As of 2016, the Group has donated 11 China Overseas Hope Schools and provided educational opportunities to a total of more than 6,800 students.



China Overseas Qinglong Hope School



China Overseas Sanquan Hope School



China Overseas Xinqu Hope School



China Overseas Sanxia Hope School



Duijiangyan China Overseas Xinjian Special Education School



China Overseas Shaling Hope School



China Overseas Dougou Hope School



China Overseas Jinfeng Hope School



China Overseas Majin Hope School



China Overseas Yuanling Hope School



China Overseas Tingkou Hope School

Expanding a Lohas and Habitable Living Environment

In Mainland China, the disabled students go to special schools. The Group donated Dujiangyan China Overseas Xinjian Special Education School in Dujiangyan earthquake disaster area, and the school was built in accordance with the domestic special school standard. When the school was under construction, we considered various aspects such as design, construction and follow-up maintenance to meet the needs of students with disabilities. And the faculty of Hope schools are equipped by local government and educational institutions according to the actual needs.

Besides construction and donation, sustainable support from the Group is very important for the Hope Schools too. From the site selection, construction, handover preparations to the operation of each school, employees at all levels in the area where the school is located participate in different ways to provide the support that the school needs.

During 2016, the Group organised its ninth annual China Overseas Hope School Visits, releasing funding to rewards and scholarships for eligible teachers and students of the Hope Schools for the fourth year, and organising the Mainland and Hong Kong Children Art Exchange Programme for the seventh year, continuing to pay attention to schools.

We also encourage property communities and owners to participate in the construction process together with us, partly to generate more resources and synergy for the children, but also to share the spirit of care and love with more people.

Case Study: “Share Children’s Dreams” – “China Overseas x TREATS” Mainland and Hong Kong Children Art Exchange Programme



Since 2010, the Group has carried out children’s sharing and growth theme activities every year, and gradually formed into the “Share Children’s Dreams” Art Exchange Programme. The programme has become one of the key activities of the Group’s youth education.

In 2016, COHL combined the corporate mission of “Expanding a happy living environment” with the public welfare concept of “The Sea has no Limit and Love has no Boundary” and the idea of children equality and harmony, and extended the sustainability of the programme, engineered it into a three-year program. We hope that through the program, we will be able to bring equal opportunities for

more children, and by showing the love toward individuals, society and the world, we make the future full of hope and dream, and enable children to truly experience that love has no boundary.

In the first year of the program, featured by “Inclusive Play Space”, the creative designs and ideas of children from Mainland and Hong Kong were brought together into a book and published in both places. Through the children’s creative and harmonious environment that displayed in the book, readers learn about the understanding and feelings of children’s in both places, the contents also promote the public welfare concept of COHL, and stimulate cultural exchanges between the two places.

In 2016, we invited nearly 1,100 children from Hong Kong’s mainstream and special schools, China Overseas Hope Schools and China Overseas communities in Mainland, including pupils of ordinary class, mental retardation, physical disability and ethnic minorities to become “Inclusive Space Designers”. The program has held a total of nearly 40 art workshops in Hong Kong and a number of cities in Mainland, nearly 300 volunteers from the Group participated in the workshops. Through field visits and discussions, they encouraged the children to design different recreational elements, and the children created more than 100 works, of which, 50 works have been edited as a book “Our Inclusive Play Space”. The book launch were held in Hong Kong and Foshan, showing love and respect for different people, and sharing their imagination through arts, creating a harmonious and recreational environment that they hope for.



“Our Inclusive Play Space”

Expanding a Lohas and Habitable Living Environment

Words from participants

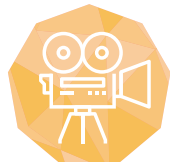
Pauline, COHL's volunteer:
"I saw that when the disabled children play or paint, they need to put more efforts than ordinary people, I appreciate their perseverance, and hope that more people can bury their discrimination thought and find their merits."

Yang Yong, Principal of Dujiangyan China Overseas Xinjian Special Education School: "Although the students in our school can't hear or speak since they born and they somehow feel inferior or introverted in their daily life, this program gave them an opportunity to "communicate" with ordinary people. During the workshops, they were "respected" and they learned "equality and mutual assistance". After reading this book and I hope that the community will understand that "equal and harmony" is the wish of every special kid."

Yeh Samkong, student from a special school in Hong Kong: "Everyone has the right to participate, and I want to have the opportunity to play with different people."



Program review video



"Our Inclusive Play Space" ebook



Expanding a Lohas and Habitable Living Environment

SUPPORT FOR CHARITABLE ACTIVITIES IN THE COMMUNITY

In addition to providing support for schools, the Group also actively encourages and supports other community activities, and supports employees' volunteer activities. During 2016, the charitable activities which the Group organised and encouraged the staff to participate included the Hong Kong Community Chest's Walk for Millions and visiting the elderly.



The Group organised the staff activity – “China Overseas Cup” Run for Fun, for the first time, injecting the charity element into the activities. For more information, please refer to “Expanding a Safe and Harmonious Working Environment” section.

The Group is actively planning charitable activities in regions where we operate, and we hope to build a happy living environment for our communities, as well as provide staff with volunteering opportunities.

2017 VISION AND OBJECTIVES

Looking forward to 2017, the Group will continue to implement the “13th Five-Year” Plan guidelines and requirements, adhere to the “steady progress, reform and innovation”, and regard “brand and business-orientation” as the strategy direction and “develop a team building platform and serve business development” as the development direction. We will carry out the Group’s sustainable development and continue to explore new areas, at the same time, we intend to further consolidate and stabilise our financial framework, and improve internal efficiency and risk management awareness.

Besides, in line with the national strategic directive provided by the “Belt and Road Initiatives” and “Go Globally” strategies, the Group will work to international standards in all aspects, to meet our needs for developing our overseas markets. This means that we must also ensure that several important areas of CSR, including human resources, corporate governance, the environment, community engagement and other aspects can merge with the development and operation of our business.

Human Resources

- Consolidate corporate culture and emphasize innovation
- Provide comprehensive training and development opportunities
- Improve communication mechanisms



Corporate Governance

- Strengthen the structure of shareholders’ decision-making permanent body
- Establish a sound management system and mechanism of daily operation
- Keep the integrity, efficiency and transparency



Community Engagement

- Maintain good relations with the community
- Promote education development, poverty alleviation and relief



Environment

- Become a national leader in green building and housing industry
- Promote environmental protection and reduce carbon footprint in operations



KEY PERFORMANCE DATA

1. AWARDS AND RECOGNITIONS

2016 Major awards attained by the Group and the subsidiaries

Award	Awarding body	Awarded unites
2015/16 Caring Company Logo	The Hong Kong Council of Social Service (HKCSS)	China Overseas Holdings Limited China Overseas Land & Investment Ltd. China State Construction International Holdings Limited Far East Global Group Limited China Overseas Property Service Ltd. (a subsidiary of COPL)
“Green Office” and “Better World Company” Label	World Green Organisation and North District Junior Chamber	China Overseas Holdings Limited Far East Global Group Limited
CSR Index Plus Mark	Hong Kong Quality Assurance Agency (HKQAA)	
Outstanding CSR Award	The Mirror Post	
Randstad 75 Most Attractive Employers Award in Hong Kong in 2016	Randstad	
GoldenBee Ecological Civilization Award	China WTO Tribune	
APAC Insider Legal Awards Best for Contract Negotiation – China (including Hong Kong)	APAC Insider	China Overseas Holdings Limited
Family Friendly Employers in 2015/2016	Family Council	
CarbonCare Action Label 2016	CarbonCare InnoLab and Carbon Care Asia	
Hong Kong Green Organisation Certification – Energywi\$e Certificate	Environmental Campaign Committee	

For more information on the awards last year, please refer to the 2016 Annual Report of COLI, CSCI and COPL.

Key Performance Data

The Group has also actively participated in local environmental organisations and charters to help promote the sustainable development of the environment.

Charter/project/activity	Organising units	Participating units
Energy Saving Charter on Indoor Temperature 2016	Electrical and Mechanical Services Department, Hong Kong SAR Government	China Overseas Holdings Limited China Overseas Land & Investment Ltd. China State Construction International Holdings Limited China Overseas Property Holdings Limited
Energy Saving Charter on "No ILB"	Electrical and Mechanical Services Department, Hong Kong SAR Government	China Overseas Holdings Limited
Let's Save 10L Water	Water Supplies Department, Hong Kong SAR Government	China Overseas Land & Investment Ltd. China State Construction International Holdings Limited
Be Our Greening Partner	Development Bureau, Hong Kong SAR Government	

2. ENVIRONMENTAL PERFORMANCE DATA

Major construction materials usage (Non-renewable materials)

Materials	Unit	2016	2015	2014
Paper	Tonnes	1,266	373	430
Concrete	Cubic meters	4,896,197	4,558,995	4,105,196
Cement mortar	Cubic meters	298,840	256,361	876,552
Reinforced steel bar	Tonnes	848,441	643,915	265,852
Joist steel	Tonnes	22,643	58,184	62,458
Disc	Tonnes	7,340	11,943	12,958
Cement	Tonnes	547,261	1,020,954	275,157
River sand	Tonnes	598,036	630,591	269,500
Stones	Tonnes	3,309,134	1,935,133	816,182
Bricks	Tonnes	1,072,424	570,533	256,829
Concrete flooring materials	Tonnes	569	1,106	6,888
Aluminium products	Tonnes	2,261	6,362	2,930
Steel products	Tonnes	10,047	5,727	787
Silica gel	Tonnes	41,051	344	306
Glass	Tonnes	57,527	27,045	4,462
Wood	Tonnes	930	82	221

Key Performance Data

Energy consumption and carbon emissions

Energy/material type	Unit	2016	2015	2014
Direct energy consumption				
Diesel	Litres	44,176,248	24,604,993	29,061,045
Bio-diesel	Litres	400	400	914,135
Petrol	Litres	12,275,229	704,203	1,744,764
Natural gas	Cubic meters	835,741	12,541	N/A
Coal ^[3]	Tonnes	732,131	683,440	N/A

[3] Fuel used at Huanggu Thermal Power Plant

Energy/material type	Unit	2016	2015	2014
Indirect energy consumption				
Electricity consumption at the Group's offices	kWh	72,646	87,148	85,691
Electricity consumption of property business ^[4]	kWh	103,980,082	4,006,383	11,029,081
Electricity consumption of construction business	kWh	106,347,267	205,653,787	123,843,446
Electricity consumption of property management business ^[5]	kWh	366,617,970	2,685,043	3,208,989
Total	kWh	577,017,965	212,432,361	138,167,207

Key Performance Data

Carbon emissions

Direct greenhouse gas emissions (Scope 1)		2016	2015
Vehicles of the Group	Tonnes CO ₂ e	27	62
Property business ^[4]	Tonnes CO ₂ e	1,906	2,365
Construction business	Tonnes CO ₂ e	1,849,121	1,360,773
Property management business ^[5]	Tonnes CO ₂ e	19,759	175
Total of direct greenhouse gas emissions	Tonnes CO₂e	1,870,813	1,363,375

Energy indirect greenhouse gas emissions (Scope 2)		2016	2015
Electricity consumption at the Group's offices	Tonnes CO ₂ e	61	73
Electricity consumption of property business ^[4]	Tonnes CO ₂ e	101,278	3,785
Electricity consumption of construction business	Tonnes CO ₂ e	78,481	54,763
Electricity consumption of property management business ^[5]	Tonnes CO ₂ e	260,575	1,462
Total of energy indirect greenhouse gas emissions	Tonnes CO₂e	440,395	61,764

Other indirect greenhouse gas emissions (Scope 3) ^[6]		2016	2015
Construction business	Tonnes CO ₂ e	3,836	
Property management business	Tonnes CO ₂ e	78	N/A
Total of other indirect greenhouse gas emissions	Tonnes CO₂e	3,914	

Total greenhouse gas emissions	Tonnes CO₂e	2,315,122	1,425,139
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Intensity of energy use		2016	2015
Greenhouse gas emissions/income	Tonnes CO ₂ e/HKD million	11	8

Note: The Group did not perform a carbon audit in 2016. The aforementioned carbon emissions data was obtained from estimated fuel and electricity consumption data from each region. The fuel and energy emissions factors used in the calculation were provided by fuel/energy providers, local governments or research entities. All baseline emissions factors for Mainland China were taken from the 2014 Baseline Emission Factors for Regional Power Grids in China issued by the National Development and Reform Commission. Carbon dioxide (CO₂) is the major greenhouse gas being calculated; while the emissions of methane (CH₄) and nitrous oxide (N₂O) had also been calculated and converted into equivalence of carbon where their respective emission factors were available.

Key Performance Data

Water consumption, sewage and waste

Water Consumption	Unit	2016	2015	2014
Water consumption at the Group's offices	Cubic meters	It was not possible to collect data for Group water consumption, as it is regulated by the building where the offices are located		
Water consumption of the property business ^[4]	Cubic meters	2,311,261	38,268	123,605
Water consumption of construction business	Cubic meters	10,862,019	8,055,056	5,948,411
Water consumption of property management business ^[5]	Cubic meters	12,748,688	254,642	222,396
Total	Cubic meters	25,921,968	13,236,460	6,294,412

Construction Waste	Unit	2016	2015	2014
Site recycled materials	Tonnes	460,922	138,700	478,862
Site waste treated to landfill	Tonnes	64,717	72,875	249,744
Site waste treated by fill bank for reuse in reclamation and site formation	Tonnes	11,017,819	2,009,452	1,086,980
Serious leaks	Occurrences and amounts	0	0	None reported

[4] Data covered the offices, sales centres for projects on sale, office and public areas of Project Department for projects under construction (exclude construction sites), and office and public areas of the commercial projects (exclude tenants or merchants).

[5] Since COPL became a subsidiary of the Group in October 2015, so the statistics only cover the data after that date. Data for 2016 includes annual data of the property management business of the Group.

[6] The Group's construction and property management business began collecting data on other indirect greenhouse gas emissions (Scope 3) in 2016. The Group is constantly improving our data collection system, and will further expand its scope of disclosure when relevant work is more mature.

Key Performance Data

2016 environmental protection investment and expenditures

	HKD('000)
Environmental hardware investment (amounts and purposes)	5,770
Waste and sewage disposal costs	91,630
Emissions treatment costs	3,770
Costs of hiring staff specifically handling environmental duties	11,530
Cost of preventing the risk of climate change	1,420

Overview of COLI Green Building Certification in 2016

Project name	Location	Floor surface ('000 m ²)	Certification achievements
Beijing Old City Comprehensive Renovation Project H	Beijing	136	Certificate of Green Building Design Label (3-Star)
International Community (Yantai) 6021, 6022	Yantai	573	Certificate of Green Building Design Label (2-Star)
No. 1 Meixi Lake (Changsha) Phase III Block B High-rise	Changsha	81	Certificate of Green Building Design Label (1-Star)
Changsha No. 1 Meixi Lake (Changsha) Kindergarten	Changsha	4	Certificate of Green Building Design Label (1-Star)
Lakeside Mansion (Hefei)	Hefei	663	Certificate of Green Building Design Label (1-Star)
International Community Primary School (Changsha)	Changsha	8	Certificate of Green Building Design Label (1-Star)
Glorious City (Shenzhen) (residence construction section)	Shenzhen	301	Certificate of Green Building Design Label (Shenzhen, Bronze)
Glorious City (Shenzhen) (public construction section)	Shenzhen	53	Certificate of Green Building Design Label (Shenzhen, Bronze)

Key Performance Data

3. HUMAN RESOURCES DATA

Employee distribution

		By region	By position	By age				By gender		By nationality	
				Below 30	31-40	41-50	Above 51	Male	Female	Chinese	Non-Chinese
Hong Kong	Senior management	7,447	55	0	4	23	28	53	2	49	6
	Middle management		93	1	18	45	29	72	21	88	5
	Executives		411	64	122	119	106	348	63	406	5
	General staff		6,888	1,397	1,179	1,442	2,870	4,574	2,314	6,828	60
Mainland China	Senior management	31,318	139	0	38	66	35	127	12	139	0
	Middle management		453	2	222	175	54	392	61	453	0
	Executives		2,235	260	1,264	563	148	1,721	514	2,233	2
	General staff		28,491	13,174	7,968	5,389	1,960	20,917	7,574	28,491	0
Macau	Senior management	699	1	0	1	0	0	1	0	1	0
	Middle management		10	0	1	3	6	9	1	10	0
	Executives		101	22	19	33	27	98	3	101	0
	General staff		587	226	148	101	112	466	121	587	0
Overseas	Senior management	530	3	0	0	2	1	3	0	1	2
	Middle management		10	0	5	4	1	10	0	7	3
	Executives		21	8	6	4	3	15	6	17	4
	General staff		496	135	198	129	34	423	73	495	1
Total no. of employees			39,994	15,289	11,193	8,098	5,414	29,229	10,765	39,906	88

Key Performance Data

New employees

New employees		Number	Percentage
Total		15,180	38%
By region	Hong Kong	4,117	55%
	Mainland China	10,807	35%
	Macau	206	29%
	Overseas	50	9%
By age	Below 30	7,653	50%
	31-40	3,407	30%
	41-50	2,291	28%
	Above 51	1,829	34%
By gender	Male	11,727	40%
	Female	3,453	32%

Employee turnover

Employee turnover		Number	Percentage
Total		4,174	35%
By region	Hong Kong	3,060	41%
	Mainland China	10,951	35%
	Macau	115	16%
	Overseas	48	9%
By age	Below 30	7,255	47%
	31-40	3,298	29%
	41-50	1,890	23%
	Above 51	1,731	32%
By gender	Male	11,124	38%
	Female	3,050	28%

Key Performance Data

Percentage of employees who receive regular performance and career development assessments

	Number	Percentage of employees who receive regular performance and career development assessments
By gender	Male	96%
	Female	96%
By position	Senior management	100%
	Middle management	100%
	Executives	100%
	General staff	96%

Key Performance Data

The Group's annual overall occupational health and safety data in 2016

Number of work injuries

By region		Number of work injuries	Total Number of work injuries (by region)	Accident per thousand employees (by region)
Hong Kong	Male	45	97	13.03
	Female	52		
Mainland China	Male	39	46	1.47
	Female	7		
Macau	Male	36	36	51.50
	Female	0		
Overseas	Male	0	0	0
	Female	0		
Total Number of work injuries		179	179	4.48

By gender		Number of work injuries	Total Number of work injuries (by gender)	Accident per thousand employees (by gender)
Male		120	120	4.11
Female		59	59	5.48
Total Number of work injuries		179	179	4.48

Note: The Group's work-related casualty was 0 in 2016

G4 INDEX TABLE

G4 GENERAL DISCLOSURE

G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker of the organisation	Chairman's Message	3	
Organization Overview				
G4-3	Name of the organisation	About this Report	2	
G4-4	Primary brands, products and services	About COHL	4	
G4-5	Location of organisation's headquarter	About COHL	4	
G4-6	Number of countries where the organization operates	About this Report	2	
G4-7	Nature of ownership and legal form	About COHL	4	
G4-8	Markets served	About COHL	4	
G4-9	Scale of the organisation	About COHL	4-6	
G4-10	Workforce overview	Key Performance Data	50-53	
G4-11	Percentage of employees covered by collective bargaining agreements	None of our employees are covered by collective bargaining agreements.	N/A	
G4-12	Organisation's supply chain	Expanding an Incorruptible and Efficient Governance Environment	27-28	
G4-13	Significant changes during the reporting period regarding size, structure, ownership or organisation's supply chain	No significant change.	N/A	
G4-14	Explanation of whether and how the precautionary approach of principles is addressed by the organisation	Expanding an Incorruptible and Efficient Governance Environment	23-25	
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives	Key Performance Data	45	
G4-16	Memberships in association and/or national/international advocacy organisations	Expanding a Low-carbon and Green Environment	30	
Identifying Material Aspects and Boundaries				
G4-17	Entities included in the organisation's consolidated financial statement or equivalent documents	About COHL	4	
G4-18	Process for defining report content and the aspect boundaries	Stakeholder Engagement	11-14	

G4 Index Table

G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
G4-19	Material aspects identified in the process of defining report content	Stakeholder Engagement	13-14	
G4-20	Aspect boundary within the organisation for each material aspect	Stakeholder Engagement	12-14	
G4-21	Aspect boundary within the organisation for each material aspect	Stakeholder Engagement	12-14	
G4-22	Explanation of the effect of any re-statement of information provided in earlier reports, and the reasons for such re-statement	There is no change to the earlier reports.	N/A	
G4-23	Significant changes from previous reporting periods in the scope and boundary	No significant change.	N/A	
Stakeholder Engagement				
G4-24	List of stakeholders engaged	Stakeholder Engagement	11	
G4-25	Basis of identification and selection of stakeholders	Stakeholder Engagement	12	
G4-26	Stakeholder engagement approach and frequency	Stakeholder Engagement	11	
G4-27	Key topics and concerns raised by stakeholders and the organisation's response	Stakeholder Engagement	15	
Report Profile				
G4-28	Reporting period	About this Report	2	
G4-29	Date of most recent previous report	The last Report of the Group was published in August 2016.	N/A	
G4-30	Reporting cycle	The report is issued annually.	N/A	
G4-31	Contact point	About this Report	2	
G4-32	GRI in accordance option chosen	About this Report	2	
G4-33	External assurance	This report was not externally verified.	N/A	
Governance				
G4-34	Governance structure	Sustainability Management Framework	8	

G4 Index Table

G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
Ethics and Integrity				
G4-56	Describe the organisation's values, principles, standard and norms of behaviour	The theme of the report Chairman's Message Sustainability Management Framework	1 3 8-10	

MATERIAL ASPECTS

G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
Economic Performance				
Increase revenue and reduce operating expenses				
	DMA (Disclosure of Management Approach)	About COHL	5-6	
G4-EC1	Economic value generated and distributed	About COHL	5-6	
Manage financial risks and/or opportunities arising from sustainable development issues				
	DMA	Chairman's Message About COHL	3 4-5	
G4-EC7	Implementation infrastructure investment and support services and their impact	Expanding a Lohas and Habitable Living Environment	37-38	
Employment and Labour Standards				
Establish a comprehensive employment management system				
	DMA	Expanding a Safe and Harmonious Working Environment	16-22	
G4-LA1	Total number and rates of new employees hired and employee turnover	Key Performance Data	51	
Provide a healthy and safe working environment and prevent employees from occupational hazards				
	DMA	Expanding a Safe and Harmonious Working Environment	18	
G4-LA6	Type and rates of injury, lost days and work-related fatalities	Key Performance Data	53	
Provide development and training opportunities to support employees' sustainable development				
	DMA	Expanding a Safe and Harmonious Working Environment	22	
G4-LA9	Hours of training per year per employee	Expanding a Safe and Harmonious Working Environment	22	

G4 Index Table

G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
Eliminate discrimination in workplace and promoting equal opportunities				
DMA		Expanding a Safe and Harmonious Working Environment	21-22	
G4-LA12	Diversity of staff composition	Key Performance Data	50	
G4-HR3	Number of Discrimination cases and measures taken to remedy	Expanding a Safe and Harmonious Working Environment	17	
Prevent the employment of child labour and forced labour				
DMA		Expanding a Safe and Harmonious Working Environment	21	
G4-HR5	Identified operating sites and suppliers with serious risk of using child labour, as well as measures taken to help effectively eliminate child labour	Expanding a Safe and Harmonious Working Environment	21	
G4-HR6	Identified operating sites and suppliers with serious risk of using child labour, as well as measures taken to help effectively eliminate child labour	Expanding a Safe and Harmonious Working Environment	21	
Operating Practices				
Prevent bribery, extortion, fraud and money laundering				
DMA		Expanding an Incorruptible and Efficient Governance Environment	23-24	
G4-SO3	Total number and percentage of operations assessed for risks related to corruptions and the significant risks identified	Expanding an Incorruptible and Efficient Governance Environment	24	
G4-SO5	Corruptions identified and actions taken.	Expanding an Incorruptible and Efficient Governance Environment	24	
Provide customers with satisfactory products or services and protect their health and safety				
DMA		Expanding an Incorruptible and Efficient Governance Environment	26-27	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Expanding an Incorruptible and Efficient Governance Environment	26	
G4-PR5	Customer satisfaction	Expanding an Incorruptible and Efficient Governance Environment	26	

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G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
Protect customer information privacy				
DMA		Expanding an Incorruptible and Efficient Governance Environment	26	
G4-PR8	Number of complaints concerning confirmed customer privacy violations and loss of customer information	Expanding an Incorruptible and Efficient Governance Environment	26	
Compliance				
DMA		Expanding an Incorruptible and Efficient Governance Environment	23-28	
G4-PR9	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	During the reporting period, there was no fines related to product or service violation.	N/A	
Environmental Protection				
Increase the use of environmentally friendly materials, reduce and optimize the use of raw materials				
DMA		Expanding a Low-carbon and Green Environment	34	
G4-EN1	Material used by weight or volume	Key Performance Data	45	
Save energy and improve energy efficiency				
DMA		Expanding a Low-carbon and Green Environment	32-33	
G4-EN3	Energy consumption	Key Performance Data	46	
G4-EN6	Energy consumption reduced	Expanding a Low-carbon and Green Environment	33	
Save water and improve water use efficiency				
DMA		Expanding a Low-carbon and Green Environment	33	
G4-EN8	Water Consumption	Key Performance Data	48	

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G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
Reduce and properly handle air pollutants and greenhouse gas emissions				
DMA		Expanding a Low-carbon and Green Environment	35-36	
G4-EN15	Direct Greenhouse Gas Emissions	Key Performance Data	47	
G4-EN16	Energy indirect Greenhouse Gas Emissions	Key Performance Data	47	
G4-EN17	Other indirect Greenhouse Gas Emissions	Key Performance Data	47	
G4-EN18	Greenhouse Gas Emissions Intensity	Key Performance Data	47	
Reduce and properly dispose of sewage and waste				
DMA		Expanding a Low-carbon and Green Environment	34	
G4-EN23	Total weight of waste	Key Performance Data	48	
G4-EN24	Significant Spills	Key Performance Data	48	
Minimizes the negative impact of products and services on the environment				
DMA		Expanding a Low-carbon and Green Environment	29, 31	
G4-EN27	Extent of Impact Mitigation of Environmental Impacts of Products and Services	Expanding a Low-carbon and Green Environment	31-32	
Compliance				
DMA		Expanding a Low-carbon and Green Environment	29	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Expanding a Low-carbon and Green Environment	29	
Allocate more resources in environmental protection				
DMA		Expanding a Low-carbon and Green Environment	29	
G4-EN31	Total environmental protection expenditures and investment	Key Performance Data	49	

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G4 Indicator	Gist of Indicator	Cross-reference/Comments	Pages	Remarks
Community Investment				
Implement community engagement and impact assessment, understand the needs of the communities in which they operate and ensure that business activities take into account the communities' interests and business activities are accepted and/or satisfied by the community				
DMA		Expanding a Lohas and Habitable Living Environment	37-41	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes	100% The property and construction businesses have been in compliance with the 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	
Compliance				
DMA		Expanding an Incorruptible and Efficient Governance Environment	23-28	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	During the reporting period, there was no social noncompliance or fines reported.	N/A	