



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



Responsibility and
Mission at Heart
Expanding a Happy
Living Environment

2017 Sustainability Report

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RESPONSIBILITY AND MISSION AT HEART EXPANDING A HAPPY LIVING ENVIRONMENT



Staying true to our original aspirations and keeping our mission at heart.

“Expanding a Happy Living Environment” is the corporate mission of COHL and the Company has strived to achieve this mission by building upon four “Happy Living Environment”:

 Safe and Harmonious Working Environment	 Incorruptible and Efficient Governance Environment	 Low-carbon and Green Environment	 Lohas and Habitable Living Environment
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These four aspects encapsulate the expectations of our major stakeholder groups, namely shareholders/investors, customers, employees, partners, suppliers and the community, regarding the way we are to achieve sustainable development.

These factors are integrated into our sustainable development management framework to guide us in fulfilling our social responsibility that echoes with the “Expanding a Happy Living Environment” culture we embrace as a corporation. This report highlights what we have achieved and the progress we made in 2017 in each of these “environments”, sharing with stakeholders the sustainability challenges we faced, our approaches, management policies and future prospects.



ABOUT THIS REPORT

PURPOSE

China Overseas Holdings Limited (hereinafter referred to as “COHL”, the “Group” or “We”) released its first CSR Report in 2010 and last year the Group replaced the traditional CSR Report by the Sustainability Report. The move evidenced the continuous effort of the Group in taking its environmental protection, social and governance work to greater depths and reporting with greater transparency the relevant performances of it and its major subsidiaries.

REPORT YEAR AND SCOPE

This report for the period between 1 January 2017 and 31 December 2017 contains information of the Group, its three subsidiaries, namely China Overseas Land & Investment Ltd. (hereinafter referred to as “COLI”), China State Construction International Holdings Limited (hereinafter referred to as “CSCI”), and China Overseas Property Holdings Limited (hereinafter referred to as “COPL”) (hereinafter referred to as the “subsidiaries”), and affiliates thereof in the three main operating regions of Hong Kong, Mainland China and Macau⁽¹⁾. The Group issues the Sustainability Report annually for public reference.

REPORT STANDARDS

This report is prepared with reference to mainly the Global Reporting Initiative (GRI) Standards, the “Guidelines to State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities” issued by the State-owned Asset Supervision and Administration Commission under the State Council, the International Standards Organisation’s “ISO26000: Guidance on Social Responsibility and the Environmental, Social” and the HKEX ESG Reporting Guide.

HOW TO ACCESS THIS REPORT

This report is published in Traditional Chinese, Simplified Chinese and English, and all versions are available on 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⁾ The three main operating regions of the Group are Hong Kong, Mainland China and Macau. Certain enterprises of the Group also have business activities overseas. Other than financial performance and human resources data, the rest of the report covers only the Group’s major operating areas. COHL has kept improving its data collection system and will expand the scope of relevant disclosure.

In addition to this report, for information about the sustainable development performance of the Group’s subsidiaries, please refer to the relevant report via the respective links below:

China Overseas Land & Investment Ltd. ESG Report 2017: www.coli.com.hk

China State Construction International Holdings Limited Sustainability Report 2017: www.csci.com.hk

China Overseas Property Holdings Limited ESG Report 2017: www.copl.com.hk

CONTACT

The Group values feedback from all 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 via the below.

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SUSTAINABILITY PERFORMANCE OVERVIEW



Revenue
HKD **215.6** billion

Sum of newly signed contracts
HKD **336** billion

Total assets
HKD **777.1** billion

Net assets
HKD **283.6** billion



Training hours per employee **28.63**

Accident rate per thousand employees **3.74**



7 projects received Green Building Certification, total Green Building space about **1.34** million m²

Saving energy **165,958** kWh from using Cloud Computing and Software-defined Network (SDN) technologies



70% of operating sites carried out formal corruption risk assessment

0 major corruption risk and incident



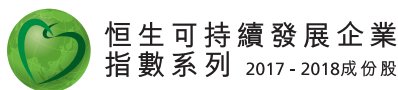
Has built affordable housing of more than **25** million m² so far

Donated to building in all **12** China Overseas Hope Schools to provide opportunities to receive education to more than **15,000** students

AWARDS AND RECOGNITIONS

Constituent stock of the Hang Seng Corporate Sustainability Index and the FTSE4Good Global Index

COLI and CSCI, the subsidiaries of the Group, were included in the "Hang Seng Corporate Sustainability Index" and for the first time made constituent stock of the "FTSE4Good Global Index" respectively, affirming the Group's exertion in the areas of environmental protection, social responsibility and corporate governance.



Hong Kong Outstanding Corporate Citizenship Award

The Group won Bronze Award in the enterprise category at "The 8th Hong Kong Outstanding Corporate Citizenship Award", recognising its hard work and contribution as a socially responsible corporation in such areas as caring for employees, supporting environmental protection, emphasising quality and professionalism, and giving back to society.



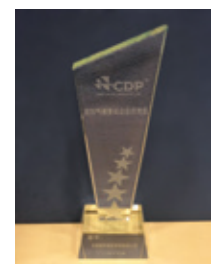
Asia Corporate Excellence & Sustainability Awards

The Group for the first time made the "Top Community Care Companies in Asia" list in the category of Sustainability at the "Asia Corporate Excellence & Sustainability Awards (ACES) 2017", endorsing its continuous and outstanding community care endeavours including donation to the building of Hope Schools.



Excellence in Responding to Climate Change Enterprise Award

For the second consecutive year, the Group's subsidiary CSCI received the "Excellence in Responding to Climate Change Enterprise Award" from CDP, commending it for its outstanding performance participating in the 2017 Global Environmental Information Disclosure.





CHAIRMAN'S MESSAGE

I am pleased to present to stakeholders COHL's Sustainability Report 2017, which discusses the Group's sustainability performances in the year past and helps us convey to stakeholders our corporate mission of "Expanding a Happy Living Environment".

Embracing the new era with a new look and new feats. Stepping into 2017, in spite of the complex and fast changing economic environment, in PRC and abroad, COHL was able to draw on its years of experience and adhered to its long-held active yet prudent development strategy, thereby achieved remarkable results. During the year, the Group remained steadfast in pushing to achieve the objectives of 13th Five-Year Plan of national policy, implementing strategy for achieving quality development, strengthening the functions of capital operation, and forging ahead with business reforms and innovations and continuous transformation, upgrading and internationalizing its core businesses. The goals of these efforts were to ensure that annual business targets are met and the Group's financial structure continues to advance on the healthy development track. The Group also actively implement the "Go Global" strategy under the "Belt and Road Initiatives" and, following well-mapped out plans, gradually expanded its overseas business. We will continue to improve the effectiveness of our governance efforts, strengthen risk management and cost control of the Group and its different business lines to ensure the Group is capable of overcoming potential challenges in the future.

We fully understand that the Group, whilst working hard on expanding business, needs to also honour its core responsibility to the community, which is to protect the environment and natural resources. Answering the country's call for the Guiding Program on the Cyclic Development, the Group has been embracing green development, actively strengthening environmental management in accordance with sustainable development principles, and improving the entire life cycles of buildings (from project design, material selection, construction methods and property management) to minimise impacts on the environment. The Group's property business arm has drawn up energy conservation and emission reduction plans and targets. By 2026, using the emission level in 2016 as the benchmark, it targets for a 15% reduction and to evaluate its environmental performances in five years to help with devising more scientific and reasonable energy conservation and emission reduction goals. The construction business is also preparing to invite key stakeholders to take part in helping it come up with a sustainable development roadmap and carry out evaluation of climate change risks. As for the property management business, it spared no effort either on protecting the environment during the year. It formulated the "Assessment Methods for Energy Saving of COPL", which clearly and systematically defines the resources management roles and responsibilities of all functional departments and units.

COHL has been active in expanding a happy living environment for all stakeholders. We hope to promote development of both the community and economy and create value that can be shared in the long run by playing a part in urban construction. The Group has projects all over the country, including infrastructure projects in remote areas and affordable housing projects. Apart from meeting the housing needs of people with different means in society, these projects also present local communities with opportunities for employment and to learn new skills. We recognise that construction projects are closely tied to how people in a community live and also local economic activities. Thus, the Group will more actively partake in project planning and also strengthen liaison with community to collect public opinions and enhance residents' understanding of projects.

Staying true to our initial aspiration and mission, COHL will push on with delivering its "Expanding a Happy Living Environment" corporate mission and live out its core value of "Good Quality and Value Creation". It will continue the quest for "Steady Advancement, Reform and Innovation" with the help of technological innovation and by optimising management to drive corporate sustainable development. We shall offer abundant choices of different types of premium quality properties to serve the community and the housing needs of people. With the goal of meeting stakeholders' aspiration for better living at heart, COHL shall set sail on the journey of sustainable development for the years to come.

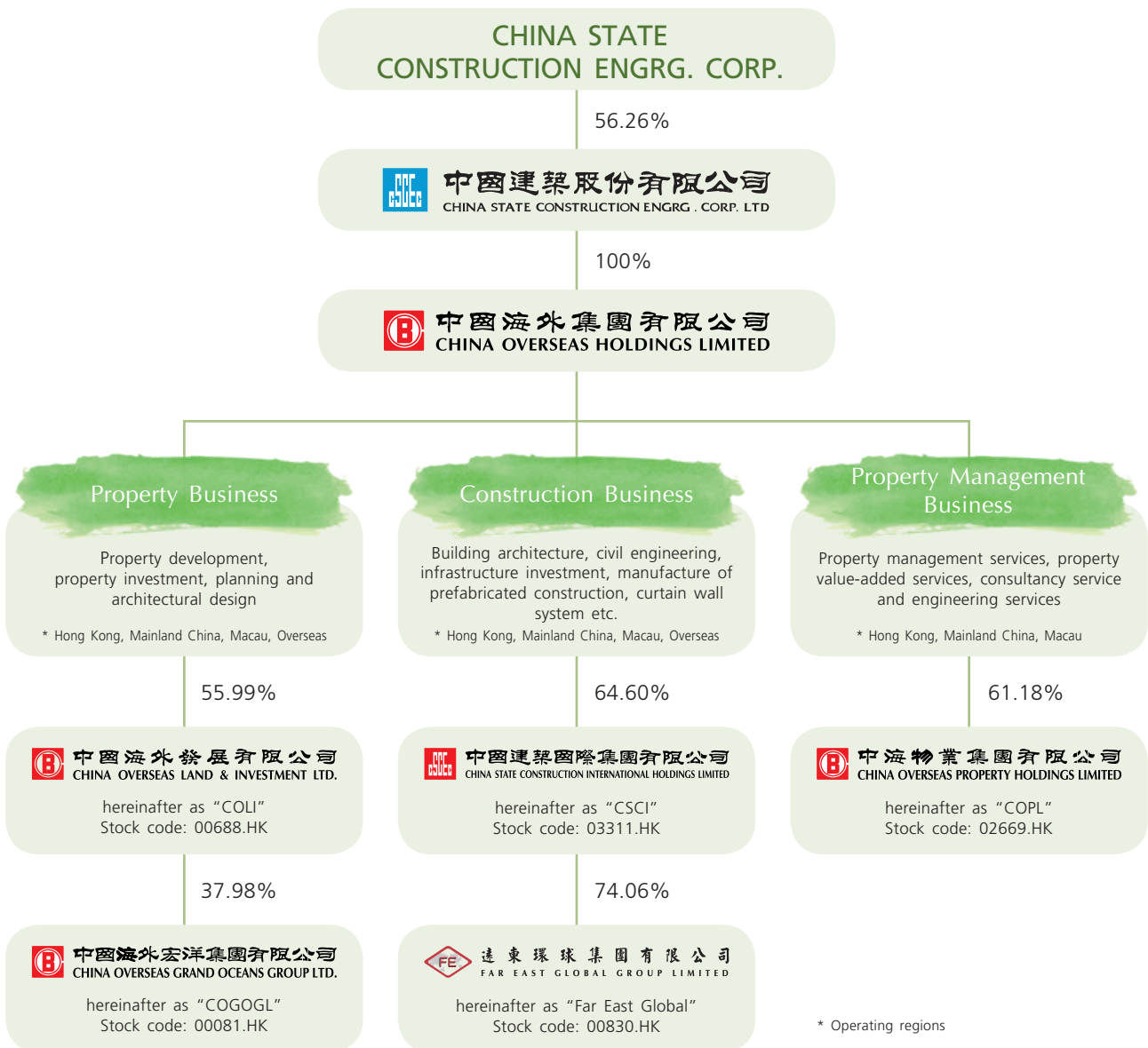
Zhou Yong
Chairman



ABOUT COHL

BUSINESS STRUCTURE

COHL, a subsidiary of China State Construction Engineering Corporation (hereinafter as “CSCEC”, ranked 24th on the “Fortune Global 500” list 2017), was established in Hong Kong in June 1979. Headquartered in Hong Kong, the Group currently has five subsidiaries listed in Hong Kong, operating businesses as follows:



Note: For details of the markets the Group serves, please refer to the Annual Report of the relevant subsidiary.



About COHL

FINANCIAL AND BUSINESS PERFORMANCE

In 2017, though facing complex and changing external situations, COHL and its staff remained steadfast in implementing the strategic plans and work requirements in its 13th Five-Year Plan. At its best, the Group seized opportunities, removed risks and worked with its feet on the ground. Such efforts together with the hard work and innovation of its staff saw the Group achieves better development performance and its various operational targets.

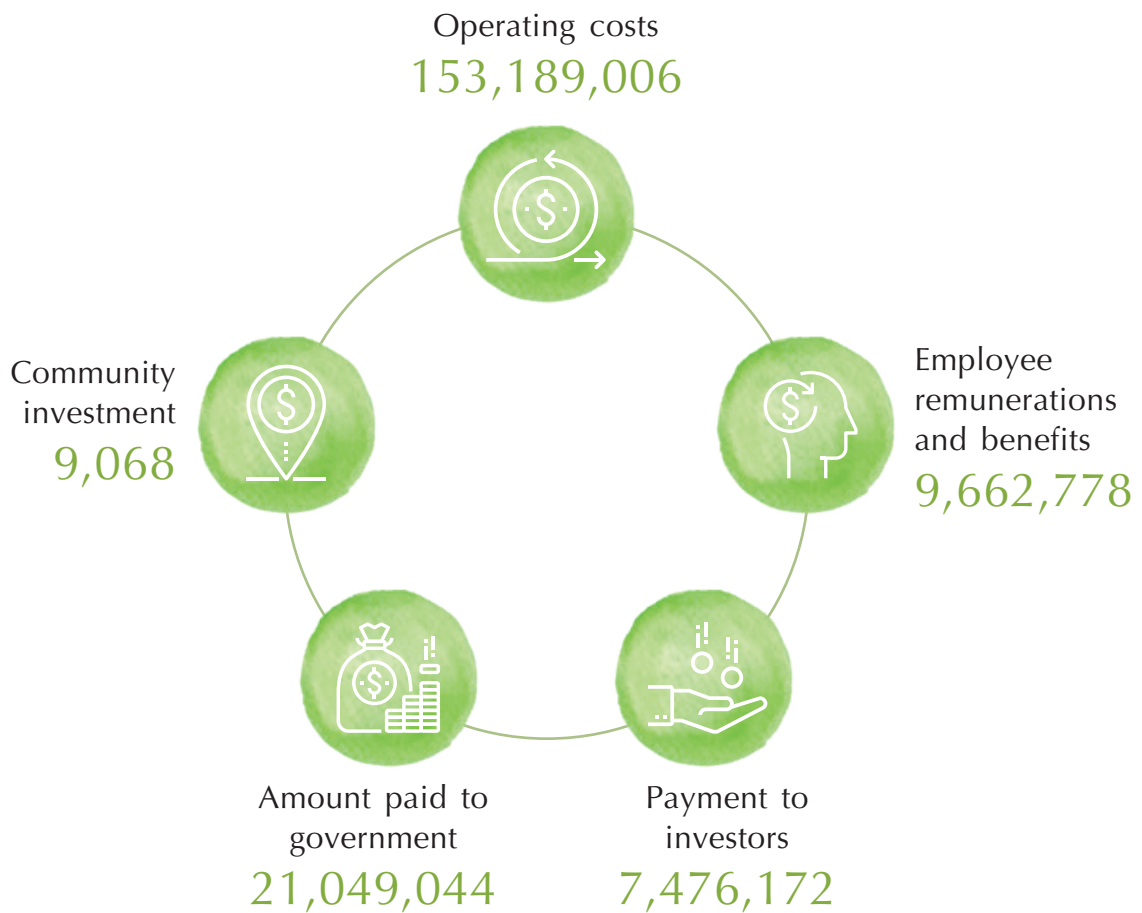
Direct Economic Value (unit: HKD'000)



Income

215,617,195

Distributed Economic Value (unit: HKD'000)





About COHL

Business Summary

Total number
of employees



46,052

Property
business



- Land reserves **82.78** million m² in **56** cities in China, as well as in Hong Kong and Macau
- Completed surface area **13.65** million m²
- Contract sales HKD **232.07** billion

Construction
business



- **146** projects under construction, attributable contract value HKD **309.07** billion
- **78** new projects, attributable contract value HKD **103.14** billion
- **32** completed projects

Property
management business



- Total construction area managed **128.3** million m² in **73** cities in China, as well as in Hong Kong and Macau
- Total value of new or renewed contracts HKD **828.4** million
- Full-year revenue HKD **828.4** million

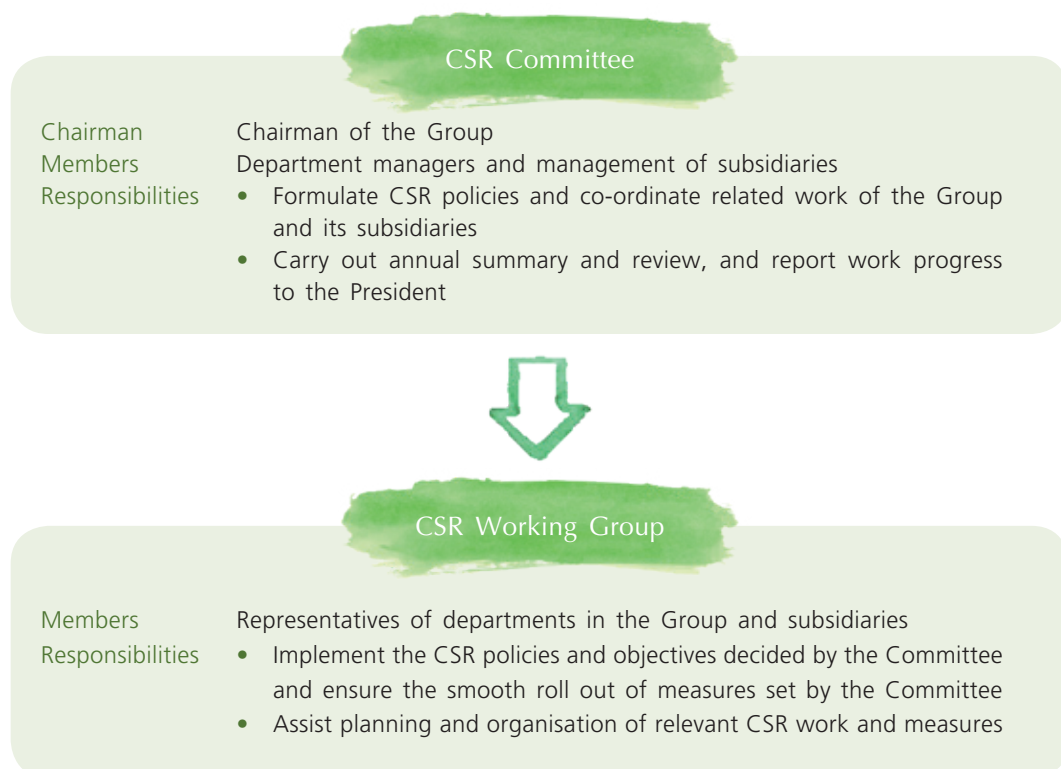


SUSTAINABILITY MANAGEMENT FRAMEWORK

COHL strongly believes its sustainable development is closely tied to its core businesses. Thus, with the help of rigorous corporate governance and its professional team, the Group has, starting from within, pushed to consolidate the base for its social responsibility pursuits.

The effective and highly transparent management structure and system of the Group have given it the foundation to fully realise the value of corporate governance. The Group's management structure includes two decision-making bodies, namely the Management Board and Executive Committee, and the mechanisms for major decision-making are set out in the Rules of Procedure. The positions of Chairman and President are held by two different individuals and their responsibilities are clearly defined in the Board of Directors' Statement of Duties. For more details, please see the Corporate Governance Report section in the 2017 Annual Report of the relevant subsidiary.

Senior management participation and promotion is essential to the effective implementation of corporate sustainable development. The Group set up a CSR Committee in 2008, as one of four dedicated committees reporting to the Management Board. The CSR Committee is responsible for overall planning and supervision of the Group's work on the economic, environmental and social fronts. The CSR Committee will review and summarise work progress regularly and report to the President to assure that related policies and measures are carried out as intended. Over the years, the Group's core social responsibility pillars continue to be Education Development, Environmental Protection, and Poverty and Disaster Relief.





Sustainability Management Framework

MANAGEMENT APPROACH TO CSR

The Group has in place clear management methods pinpointing five CSR areas — corporate governance, the environment, employees, community engagement and product responsibility, and its subsidiaries devise and implement policies and measures relevant to their business based on the Group's guidelines.



Corporate governance

- We maintain an effective, transparent and balanced corporate governance framework
- We push for a flat business management structure with emphasis on regional accountability, assigning more management responsibilities to subsidiaries in different regions as a means to improve operational efficiency and competitiveness of the Group
- Each business division has its strict internal control mechanism to rid corruption and help foster a corporate culture that values integrity
- COLI, CSCI, COPL and COGOGL have their own independent Internal Audit Department and relevant training is provided to auditors responsible for specific auditing functions



Environment

- We strive to minimise the environmental impact of our construction projects and office operations, with the highest local environmental standards as benchmarks
- We invest in green buildings and energy conservation research and design, and draw up associated standards and regulations
- We have dedicated personnel responsible for supervising environmental protection related matters
- We actively cooperate with our employees, local residents and community organisations to create green communities
- Environmental impact assessment is conducted before commencing any property projects
- We actively promote green office practices



Sustainability Management Framework



Employees

- We have talent management systems to help with recruitment, training of talent and human resources review
- We have dedicated officers to strictly manage work site environment and safety, organise regular safety training for staff and engage third-party organisations to conduct site safety checks
- We care about employees' development and welfare, and carry out regular performance reviews and career development evaluations for all employees
- We continuously monitor and make sure employees on different teams enjoy equal treatment and opportunities
- We organise large-scale group-level, cross-company and department staff engagement activities



Community engagement

- On the "China Overseas Charity Fund" platform and priding "The Sea has no Limit, Love has no Boundary" brand, we draw up medium-to-long-term community engagement and charitable activity plans
- We actively encourage employees to participate in community activities at group-level and organised by staff associations of the different subsidiaries
- Through China Overseas Club as our stakeholder engagement platform, we seek to understand the needs of different social classes



Product responsibility

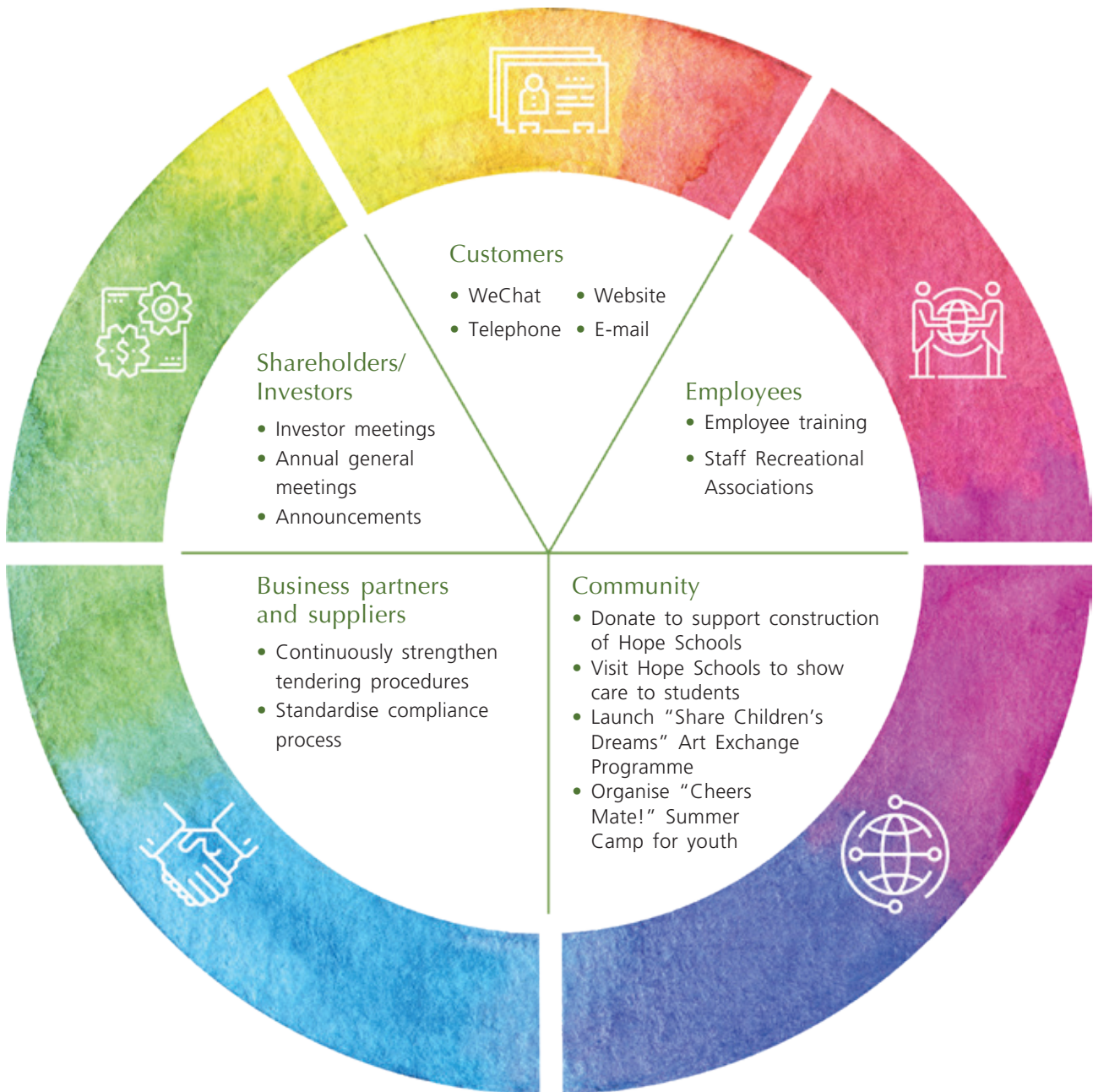
- We conduct regular customer satisfaction surveys and communicate with customers via including owners' meetings, open days, etc.
- We perform strict quality checks prior to handing over a property and offer comprehensive maintenance and improvement services
- We timely and effectively handle customer complaints
- We keep strengthening sub-contractor and supplier management guidelines, with specific procedures laid down for supervising procurement of materials by sub-contractors at the source
- We implement a wide array of measures to protect customer privacy



STAKEHOLDER ENGAGEMENT

COHL strives to maintain regular and two-way communication with stakeholders on relevant business and sustainable development issues. Heeding the nature of its businesses, COHL has identified stakeholders in different sectors and developed accordingly appropriate means and methods to communicate with them. Through engaging and exchanging views with stakeholders, we are able to better understand their opinions and expectations of the Group.

COHL'S REGULAR STAKEHOLDER ENGAGEMENT ACTIVITIES





Stakeholder Engagement

KEY ISSUES

In 2016, the Group commissioned a consultant to undertake an independent stakeholder engagement exercise. The consultant conducted interviews, workshops and focus group discussions with internal stakeholders including employees from different departments and external stakeholders including business and community project partners, and used a questionnaire to give the Group a full and in-depth understanding of stakeholders' opinions and expectations in relation to its sustainable development. The Group was thus able to identify issues crucial to its development and matters of concern to stakeholders that it should address first. For details, please refer to the "Stakeholder Engagement" section of the 2016 Sustainability Report.

In 2017, the Group's CSR Committee evaluated the views of stakeholders collected via existing communication channels and also reviewed again the list of issues with the revised GRI Standards as reference and updated the following key topics and items:

Safe and Harmonious Working Environment

- Employment system
- Employee health and work safety
- Training and development
- Employee diversity and equal opportunities
- Elimination of discrimination
- Child labour
- Forced or compulsory labour

Incorruptible and Efficient Governance Environment

- Anti-corruption
- Economic performance
- Customer health and safety
- Customer privacy

Low-carbon and Green Environment

- Material
- Energy
- Water
- Emissions
- Sewage and waste

LOHAS and Habitable Living Environment

- Indirect economic impact
- Care for local community

For the Group, as the parent company, its subsidiaries make one of its key stakeholder groups. The Group will host meetings from time to time with relevant departments and staff of its subsidiaries to hear their suggestions and feedback on sustainable development work, as a way to strengthen communication between the Group and stakeholders in its subsidiaries.



PEOPLE AT HEART: EXPANDING A SAFE AND HARMONIOUS WORKING ENVIRONMENT

Staying true to its original aspiration, COHL firmly believes employees are its most important asset and they are who keep the COHL culture alive. Thus, we maintain a human resources (HR) management mechanism higher than market standard, entailing drawing up of the “COHL HR Management System” and “Staff Manual”, etc., and work to improve employment and employee welfare policies is carried out annually. COHL is committed to providing employees a safe working environment, attractive salaries and benefits, adequate training and advancement opportunities, as well as a fair and consistent working atmosphere. We continuously review and improve the existing mechanism heeding market environment and level to make sure every member of the COHL family can grow together with the Group in the new era.



PEOPLE AT HEART: EXPANDING A SAFE AND HARMONIOUS WORKING ENVIRONMENT

HEALTH AND SAFETY

COHL cares about and makes sure its employees work in a healthy and safe environment and its construction sites are safe. It believes a comprehensive management and supervision system is vital to improving its health and safety performance. During the year, we formulated a set of "Management Measures for Safe Productions of China Overseas Holdings Limited" and major production safety responsibilities were assigned to relevant companies, as such, a long-term safe production mechanism has been established.

The Group core responsibilities include ensuring the safety of all involved in or affected by its projects (including employees, sub-contractors' employees, residents in the neighbourhood of the project and passers-by). Zero accident is our target and, to this end, we have stringent on-site safety requirements and monitor to make sure they are met. We also carry out frequently different types of safety inspections and review our safety-related performances every year. CSCI has set safety and health objectives and guidelines, including "Measures for Implementation of Responsibility System of Safe Environment Management for Site Management Staff", "Reward and Penalty for Safety Management for Managers and Workers of Sub-contractors" and "Notes on Construction Safety in Railway Restricted Area", which it reviews regularly. To strengthen management of subcontractors, the engineering departments and construction sites in Hong Kong signed Safety Production Management Responsibility Contract and the annual accident rate target is set at no more than 8.8 per thousand employees. During the year, the Safety and Environment Department of CSCI conducted a total of more than 1,100 safety inspections at construction sites in Hong Kong.

The Group's property management business has also incorporated in the company's internal "Management Handbook (Revised)" environmental and occupational health and safety management measures. The "Procedure Document" also laid down clearly the procedures for managing protective gears for workers and controlling the working environment and it suggests the company maintains close communication with employees to identify potential danger. Employees can also refer to the "Handbook on Contingency Measures for Emergencies" for ways to prevent work-related injuries.

In 2017, there were four work-related fatalities recorded and the accident rate per thousand employees was 3.74. For details, please refer to the Key Performance Indicators section.

Eye health seminar



The Group is aware that office staff working in air-conditioned environment and having to use the computer for long hours might have strained eyes. To raise employees' awareness of the importance of ensuring their eyes are healthy, the HR Department had PolyVision organised for employees an eye health seminar, during which the causes of and methods to tackle various vision problems were explained. A special offer for a comprehensive vision check up was also offer to headquarters employees and their families to encourage them to protect their eyes and healthy vision.



People at Heart: Expanding a Safe and Harmonious Working Environment

Attentive to both the physical and mental development of its employees, the Group organises sports activities, interest classes and community events every year for employees via the Staff Recreational Association and its branches in different regions, with the aim of enriching the leisure and cultural life of employees. During the year, different staff activities took place including Spring Lunch, "A Trip to Volcanic Rock Region Sharp Island at Hong Kong UNESCO Global Geopark", "Women's Day Luncheon", Mother's Day Baking Workshop and the "COHL Run for Fun" Marathon etc.

In 2017, the Group also organised a corporate cultural promotion event to fill the Group with positive energy via staff cultural activities, helping to boost staff cohesiveness and creativity and enhance unity and competitiveness of COHL as a corporation.



"COHL Run for Fun"
Marathon



Mother's Day Baking
Workshop



Spring Lunch for Staff



A Trip to Geopark



Women's Day Luncheon



People at Heart: Expanding a Safe and Harmonious Working Environment

COHL Cultural Performance



On 19 November 2017, the second season of COHL Cultural Performance 2017 concluded with a bang at the Zhuhai Opera House. The goals of the event were to enrich the leisure and cultural life of employees and infuse the Company with positive energy. The activity allowed employees to show their singing talent and at the same time helped continuously boost their cohesiveness and creativity.



After the process of selection, assessment and online polling, 10 contestants were selected to join the final contest and, after two rounds of performance, votes were cast by the audience and three winners were chosen. During the event, a video of the various stages of the contest was shown, all finalists together sang COHL's theme song and guest performers were also present to entertain the audience. A professional music director was there to oversee the entire show that featured an electronic music band, dance performances and folk music etc.



No. of first round contestants **207**



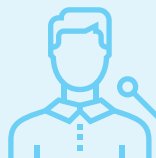
82 applicant units



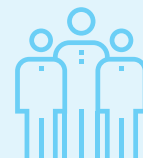
Website visits **1.86** million



177,000 votes on WeChat



No. of finalists and guest performers **18**



No. of audience **750**



People at Heart: Expanding a Safe and Harmonious Working Environment

HUMAN RESOURCES MANAGEMENT

Number of employees (unit: headcount)

46,052



Male

34,224



Female

11,828

Region (unit: headcount)

7,014

Hong Kong

Mainland China

37,731

755

Macau

Overseas

552

Age (unit: headcount)

Below 30 ————— 17,126

31-40 ————— 13,286

41-50 ————— 9,870

51 or above ————— 5,770

Position (unit: headcount)

General staff
42,251

Executives
3,024

Senior management
181

Middle management
596

The human resources management system document, remuneration and benefit management regulations and employee manuals of the Group convey clearly its management approach with regard to employment, staff welfare policy, regular performance assessment, and employee access to training and equal opportunities at work. Dedicated effort is made each year by the HR departments of the Group and its subsidiaries to improve employment and welfare policies and special personnel are assigned for the task. The Group takes into account market conditions when it adjusts staff salaries each year and enhances employment and staff benefits, for example, adopting the five-day-work week, extending maternity leave, adjusting annual leave policy and increasing commercial medical insurance protection. In 2017, staff turnover rate of the Group was 42% and employment rate was 49%.

The Group has been active in attracting and nurturing outstanding industry talent. The recruitment platforms it has used for long, including the "Sons of the Sea" campus recruitment programme and the "Sea's Recruits" programme for market recruitment, have proven to be effective branded means for drawing talent.



"Sons of the Sea" recruitment programme in 2017

a total of

611

employees



People at Heart: Expanding a Safe and Harmonious Working Environment

In human resources management, the Group values talent and is committed to creating an equal and diversified working environment (regardless of gender, age and ethnicity). To prevent discrimination, the Group adopts a set of “uniform selection criteria” in recruitment, promotion, job transfer, training, dismissal, layoffs and terms of employment.

Uniform selection criteria



The selection for an employee or an applicant is based objectively on such factors as the experience, qualifications and skills the position requires, and the competence, qualities and potential of the candidates, but NOT their gender, marital status, pregnancy, role in the family, etc.

Moreover, the Group has “Policies on Prevention of Discrimination and Harassment” drawn up to provide employees with concrete guidelines relevant to their specific day-to-day working environment. Such policies help us avoid violation of laws against discrimination and also serve as reference for us to deal with discrimination and harassment issues in the company and protect all employees.

The Group and all its divisions carefully control the staff recruitment process and information required for granting an interview to prevent employment of child labour or forced labour. The Group also insists that subsidiaries at where they operate and suppliers to strictly follow set regulations. During the year, no cases of discrimination and child labour or forced labour were reported.

As for the redress mechanism, a Human Resources Management Committee was set up under the Management Board of the Group, in which decisions are followed up and carried out by the HR Department. The Committee is responsible for managing human resources of the Group, including handling employee complaints. The Group actively communicates with employees and has set up staff advisory and complaint mechanisms for employees to relate their views anytime.

Enhance labour employment standards of the communities



The Group hopes the property or construction projects it takes on can provide employment and development opportunities to workers in the locale and surrounding areas of those projects. Therefore, we target to first recruit locals as a way to help drive local economic development. When the Group has a project in a new regional market, on top of posting a core management team there, the other workers will be hired locally. In addition to having a human resources system that protect its own employees, the Group has set labour planning requirements for subcontractors and suppliers and also monitor relevant parties to make sure those requirements are met. Such moves have positive impact on enhancing labour employment standards of the communities where the Group operates.



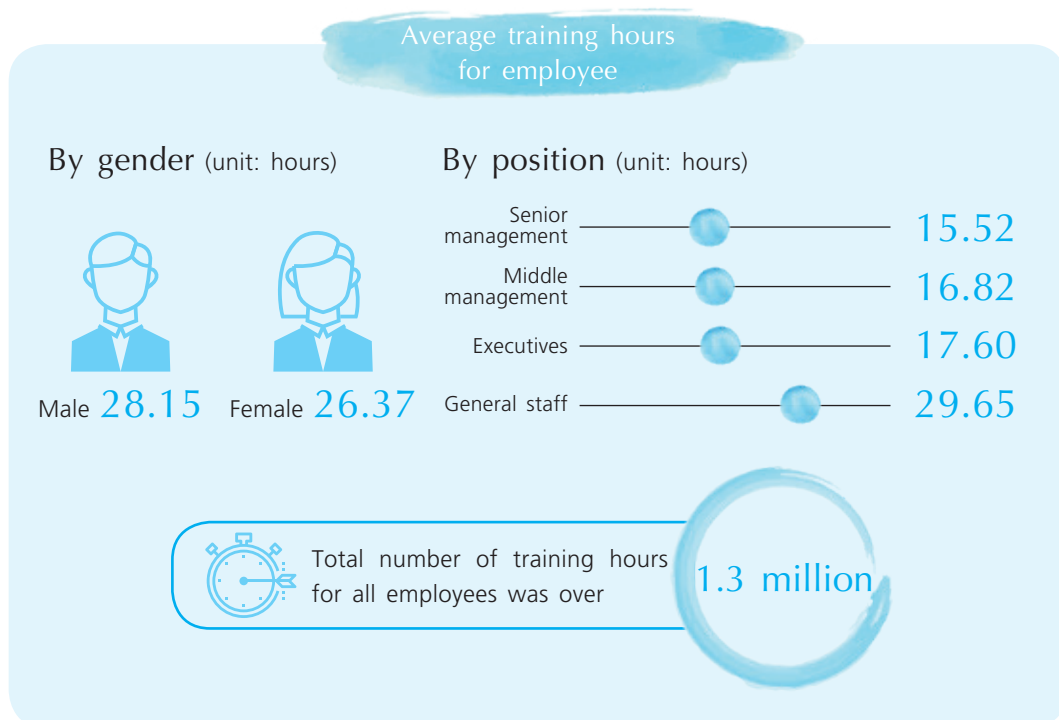
People at Heart: Expanding a Safe and Harmonious Working Environment

TRAINING AND EDUCATION

The Group encourages and supports employees in pursuing continuous training and self-enhancement and has established a comprehensive employee development system, including having in place “Administrative Measures on COHL’s Staff’s Ongoing Education and Training” and “Administrative Measures on COLI’s Staff’s In-service Degree Education Subsidisation”. We put resources into ensuring employees are able to keep receiving education and grow, including funding employees in taking on-the-job training, cooperating with well-known colleges and business schools to launch management training programmes, such as the “China Overseas-China Europe” Senior Management Leadership Development Programme, “China Construction Leadership Promotion and Development Special Training” and “CSEEC’s Scholar Lecture”. During the year, the HR Department conducted team building training to help promote overall cooperation and communication in the department, as well as enhance communication and comradeship among employees.

The Group has specific training guidelines for subsidiaries to establish their own relevant staff training related policies and mechanisms to ensure the Group and its subsidiaries adopt a standardised staff education and training approach. Each business unit’s HR Department has a manager dedicated to overseeing staff education and training to make certain all employees are adequately trained.

In 2017, the Group’s training provision covered 100% staff members, with each employee on average spending 28.63 hours on training. Total training hours of all employees decreased when compared with 2016. In 2018, we will roll out five key talent nurturing initiatives and strive for more breakthroughs and innovations in providing training to our staff.





GOVERNANCE AT HEART: EXPANDING AN INCORRUPTIBLE AND EFFICIENT GOVERNANCE ENVIRONMENT

COHL's effective and highly transparent management structure and system are the foundation on which it realises the value of corporate governance to the full. The Group is dedicated to nurturing a corporate culture against corruption and strengthening its supply chain management mechanism. Adhering to the core principle of "assuring quality and creating value", it endeavours to provide customers with satisfactory products and services and protect their privacy.

Effective risk management is of particular importance as the Group develops and expands. At the heart of internal risk control is the need to establish an internal control system for risk prevention, emphasising compliance to rules and regulations, and to promote compliant operation and internal governance of the Group and its different business units. Investment risk management and cash recovery are top priorities of the Group when it is taking on more and more PPP projects, as such, it needs to strengthen risk prevention, ensure the security of investment capital and that its projects continue to operate healthy in the future.



GOVERNANCE AT HEART: EXPANDING AN INCORRUPTIBLE AND EFFICIENT GOVERNANCE ENVIRONMENT

ANTI-CORRUPTION AND INTERNAL CONTROL

Anti-corruption is a key element within COHL's corporate culture. The Group has a Supervision and Audit Department that oversees the implementation of a stringent supervision and audit management system and guidelines to ensure all departments, subsidiaries, branches, business units, joint ventures and construction sites operate with integrity. Its subsidiaries and listed entities also have their own supervision and audit department. They operate and are managed independently as delegates of the Group's Supervision and Audit Department, and are all staffed by professionals trained in areas including project management, auditing, disciplinary supervision and inspection.

At present, all operation sites of the Group are monitored by the Supervision and Audit Department. To strengthen internal risk management, we carried out formal corruption risk assessments at 70% of our operation sites in 2017. After studying carefully the business model and accounting features of our companies and tying them with existing basic data, we laid down fine targets relevant for our property development, infrastructure investment, construction and property management subsidiaries, and used the "risk spectrum" to identify risks at an operation spot. After the risk assessments were completed, with reference to such systems and regulations as the Group's "Internal Auditing Standards" and "COHL Supervision and Auditing Management System", we have started conducting on-site audits or supervision and checks in relation to specific risks identified. Should major corruption risks be discovered, we would issue a disclosure report accordingly and continue to follow up on adjustment and remedial actions of the subsidiary concerned and command submission of a status report by the subsidiary in three months. We would, based on the report submitted, decide whether a follow-up audit should be conducted. In 2017, there had been no significant corruption risks found or confirmed corruption incident.



0 case of violation of rules and regulations for protection of customer privacy or loss of customer information



70% of operating sites carried out formal corruption risk management



Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment

The Group also embarked on the following to enhance its anti-corruption culture.

1

Launched supervision and inspection of specific units

The inspection team had individual discussions with over 140 representatives from the units concerned and more than 360 questionnaires were distributed to collect comments and views of general staff on the anti-corruption work of the various units. The units were also informed of the higher risk areas and problems in their operations that the inspection found and suggestions were made for rectification. The initiative has been effective in helping companies under the Group to strengthen compliance with disciplines and the law when they operate, and prevent and remove operational and management risks.

2

Expanded complaint channel

To optimise the infrastructure for handling complaints, the complaint hotlines of all levels were integrated and dedicated complaint hotlines "400" were launched, together with other complaint channels such as email, Intranet and "one click complaint" via WeChat this year. The Group continued to strengthen handling of complaints, perfecting points to note in filing a complaint and complaint handling procedures, and a complaint database was established.

3

Commenced at full force building of model units of integrity

The Group issued the "Notice on commencing establishment of the Chen Chao Ying model unit of integrity" to give business units at all levels uniform and clear guidelines for forming their own team lead the building of the model unit and draw up annual activity plan for implementing the "nine-in-one" model unit building system. To date, 738 units have started related work, completed 637 educational seminars, signed 24,385 letters of commitment and 15,213 integrity contracts, and had 4,605 dialogues with staff on integrity.

4

Organised the "China Overseas Anti-corruption Campaign" family activity

Organising family activities for all employees to promote anti-corruption is at the core of COHL's work. Themed by Anti-corruption safeguards family, the activities including Open Day and education events promote and educate the families of COHL employees on anti-corruption, and in turn help the Group nurture a healthy corporate culture that embraces integrity. During the year, different units hosted the story telling activity "Integration and Harmony" that featured performance by families of staff members, telling ancient stories of acts of integrity and re-enacted with their children playing the heroes in those stories. The activity had 59 children from 28 families of general staff participating and, after three rounds of competition; four teams with 22 winners were selected.



Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment

PRODUCT RESPONSIBILITY

Product and Service Quality

For the Group, ensuring the quality of its construction works, property projects and services is one of the core social responsibility, as well as the fundamentals on which its business can steadily develop. The Group therefore guides its subsidiaries in continuing to improve its quality and safety management system and encourages them to innovate. Strict quality checks are conducted in various operational stages from project planning, construction to inspection for occupation and delivery, and maintenance and property services. During the year, the Group has not been fined for any violation of product and service related rules and regulations.

The Group's property business, supported by its different business functions working in concert, honours its product and service commitment to customers, ensures the transparency of sales information of a project launched and offers responsive multi-channel after-sale services to customers. During the year, to enhance product responsibility, the Group devised and published different systems, including the "Report and Compensation System", "Management Guidelines for Engineering Quality Inspection and Coordination of Sales", "Service Guidelines for Housing Maintenance Centre", "Guidelines for After-sale Compensation Management", "Guidelines for Property Service Evaluation and Management" and "Management Guidelines for Quality Enhancement Budget Limit" etc, with the purposes of sorting out and clarifying the job duties and matters to coordinate amongst departments and with COPL, such as customer service and engineering, after a project is delivered to boost customer satisfaction.

To understand the needs of customers, we have two-way communication platforms in place, such as the "China Overseas Club" for property owners and customers to interact, and property management customer QQ group, WeChat group, etc., for customers to voice their opinions. Regular customer satisfaction surveys are also conducted to gauge views of customers on service performance and residents' expectations. During the year, subsidiaries of the Group have conducted both the customer and partner satisfaction surveys. For more details, please refer to the report of the relevant subsidiary.

The Group also places great importance on the product and service quality of its construction business. Its quality management system was established complying with ISO 9001 requirements of the International Standards Organisation, as well as taking into account the scope and characteristics of its businesses. The 10 major subsidiaries of the Group have all been ISO 9001 certified. To continuously enhance its overall quality management and performance, the Group gathered information about major problems encountered in the different construction processes and the experience of onsite staff in dealing with them and compiled during the year a series of guidelines for quality management of building construction for projects of different nature and with different needs. These guidelines include "Guidelines for Supervision and Control of Quality of Oscillator Work", "Guidelines for Before Delivery Examination and Acceptance of Private Residential Properties" and "Quality Supervision Guidelines for Building Construction and Coordination of Installation of Facilities in Building", etc.

Privacy Protection

Protecting personal privacy is of utmost importance to us, thus the Group and its subsidiaries are required to strictly comply with the "Code of Corporate Ethics" included the Group's HR Management System. The Group is responsible for keeping classified all confidential or special information provided by customers, employees and business partners, ensuring the complete and safe keeping of such information.

In the course of providing services, the Group's property management business unavoidably has to handle personal information of customers. To safeguard the security of customer data, that they would not be stolen or leaked, the Company has devised control procedures for personal information of customers obtained during delivery of service, including ownership information, visitor registration information, personal information of CCTV, etc., and also "Customer Record Management" measures. At the same time, the Group also maintains and repairs the infrastructure it needs to support service provision to assure security of customer information.

During the year, the Group has not discovered any cases of violation of rules and regulations for protection of customer privacy or loss of customer information.



Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment

Complaint Mechanism

The Group's businesses have channels for receiving complaint, for example, telephone numbers for complaints in relation to labour issues are displayed on worksites, construction units are monitored to make sure they respect the legal rights and interest of workers and safeguard the health, safety, wage and other rights of workers. We are also committed to strengthening customer service awareness of all staff of our property projects, striving to handle complaints more timely and effectively, using standardised complaint receiving and handling processes and a smooth feedback-to-customer mechanism. Ways to contact the company and file complaints are posted in project sales offices, at community property management office front desks (or building lobby), occupation-ready sites, online publicity platforms, so on.

Customers of property projects are also availed different channels to file complaints and for management service staff to communicate with customers. COPL has drawn up "Administrative Measures for Customer Complaints" that contains standardised procedures for handling complaints starting with front desk processing, follow-up, resources coordination to feedback to and verification with customers. Relevant assessment mechanisms have also been established to ensure staff members take the initiative to timely and effectively respond to and verify customer complaints.

SUPPLY CHAIN MANAGEMENT

We value the friendly and cooperative relationship we have with all parties in the supply chain and understand the importance of advocating and promoting responsible operation across the entire supply chain. From the business standpoint, the supply chain has crucial impact on our costs and product quality; and from the CSR standpoint, its safety, labour and environmental protection performances have bearing on the sustainable development performance of our business. As a large enterprise, the Group hopes to use its influence to support and encourage suppliers to improve their performance in environmental protection and caring about the community, and create a win-win environment for the Group and its suppliers.

As such, the Group has a permanent email box for reporting incidents of non-compliance. Its subsidiaries also inform suppliers of their phone numbers or mailing addresses for reporting irregularities in processes including supplier recruitment, tendering and contract signing. The entire tendering and bidding process is monitored, and before major festivals, an open letter would be issued to partners to restate the Group's insistence to run a corruption-free business and remind them not to violate rules and regulations in their operation.



Property business

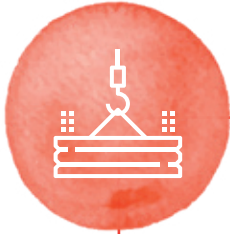
Supplier category: Contractors, building materials, decorative materials, installation materials, facilities and equipment, etc.

Management measures

- Standard guidelines on centralised procurement and procurement of construction materials drawn up to ensure all materials and products used in construction meet required quality standards
- Relevant contractor work guidelines and standardised contract formulated and are applied for relevant business partners (QDSS), regular comprehensive assessment on suppliers' products and services are carried out and ranking of suppliers is done annually based on their performances as a means to ensure suppliers meet the Company's stringent standards, sub-standard suppliers will be removed from the tender and procurement supplier lists
- For projects in Mainland China, measures are in place to prevent suppliers from withholding salary payment to workers and complaint hotlines are available for workers to report such incidents
- A contractor credit record system is used in reviewing the integrity of contractors bidding for projects to ensure workers hired by them for the Company's projects are lawfully and fairly treated
- A labour management system is in use and being improved constantly, requiring all business partners sign employment contracts with workers and clearly define the rights and obligations of the parties concerned
- Two forms for construction expenses and wages of rural workers are used to aid regular random check on execution status
- Seminars on relevant national policies and regulations are organised from time to time for workers to enhance their awareness of their legal rights and how to protect them



Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment



Construction business

Supplier category: Sub-contractors, building material suppliers, construction equipment suppliers, consultants

Management measures

- The Procurement Department responsible for centralised procurement has laid down procurement procedures to regulate related processes
- Training, internal and external, is offered to staff members responsible for material procurement and management
- The environmental performance assessment standards applicable to contractors in the existing contractor ranking mechanism have been simplified and optimised, now with a set of precise and fair assessment standards and by assigning accountability, providing training and using a reward system, to enhance the safety and environmental protection awareness of workers hired by sub-contractors
- The qualified supplier and sub-contractor lists are updated annually and those sub-standard will be removed from the lists
- The material quality control process for sub-contractors has been improved, stating the quality supervision and control procedures for fresh water pipe installation (trial version), tightening control of material at the source, enhancing process supervision and accountability efficiency, and perfecting workflow as required, and it will be used at construction sites in Hong Kong
- Labour relations specialists are hired to handle labour relations issues with sub-contractors
- Constant checks are carried out on how sub-contractors manage employer/employee relationship, and an audit of employment documents of a sub-contractor is part of the process of settling payment to the sub-contractor
- The tendering system is linked with the supplier ranking system to ensure a supplier's environmental and social performances are taken into account in weighing a tender submission



Property management business

Supplier category: Material suppliers, security service providers

Management measures

- With the help of the "COPL Cost Management Platform" developed by the Group itself, procurement of materials is managed and recorded, and supplier lists and compliance reviews are managed all online
- The Internal Audit Department performs spot checks on material procurement undertakings of all subsidiaries
- Suppliers who fail to follow the Company's environmental rules or live up to their related commitments will be reviewed, and after related assessment is completed and are deemed unqualified, will be disqualified from working with the Company



ENVIRONMENTAL PROTECTION AT HEART: EXPANDING A LOW-CARBON AND GREEN ENVIRONMENT

Having been in property development and construction business for many years, COHL understands that buildings have long lifecycle, which means generations of users would be affected by their environmental merits or flaws. Embracing future with new practices in the new era, we incorporate green elements across our industrial chain that stretches from project design to construction and property management, standardise our designs and requirements and participate more actively in developing and undertaking projects worthy of international green building certification.

The Group and its subsidiaries implement various internal policies and management mechanisms and organise different activities to enhance awareness of employees about the importance of environmental protection thereby to create green offices. We systematically improve usage efficiency of the Company's environmental resources to reduce the impact of our operations on the environment. Study on allocating more resources to environmental protection is also actively pursued. During the year, there had been no cases of major fine imposed on the Group for violating environmental laws and regulations.

The Group's environmental commitments

- Embark on green building research and design
- Avoid causing pollution
- Reduce construction waste
- Reduce natural resources consumption
- Aim for continuous improvement
- Comply with environmental regulations, contractual provisions and requirements



ENVIRONMENTAL PROTECTION AT HEART: EXPANDING A LOW-CARBON AND GREEN ENVIRONMENT

GREEN BUILDING PRACTICE

The Group, armed with decades of experience in project design and construction, plans and designs its projects keeping in mind its commitment to protecting the natural environment. It meticulously designs a project, taking into account local circumstances and the positioning of the project, and applies technologies that can optimise land use, conserve energy and water and material, create the best indoor environment, and also allow green construction, operation and management. By assessing current conditions, formulating execution methods and technical guidelines, testing them on models or pilot projects, we push forward step-by-step the full adoption of green construction technologies in new generation residential projects.

The Group encourages its business units to actively promote industry development. The property business unit, for example, has established R&D centers for green building in Suzhou and Wuxi to delve into green building technology system and implementation of green building practices. During the year, the "COLI Green Building Technical Manual" compiled by the COLI was widely promoted and used in projects, with construction area totalling approximately 10 million m², across the country. As at the end of 2017, the Group, received over 68 accreditations for those projects with total construction area over 12.46 million m², from including the US Green Building Council (USGBC), Leadership in Energy and Environmental Design (LEED) Certification and the British Building Research Establishment Environmental Assessment Method (BREEAM). During the year, the Peking University HSBC Business School project of the Group received the Leadership in Energy & Environmental Design Building Rating System (LEED) Platinum Certification in the "Existing Buildings: Operations & Maintenance" category from the U.S. Green Building Council, making it the first university building in the world to receive LEED EBOM V3 Platinum Certification. For more information about the green building certification of the Group's property projects, please refer to the 2017 Annual Report of COLI.

In 2017, the Group obtained Green Building Certification for a total of **7** projects, with the green buildings so certified occupying a total area of **1.34** million m²



As for construction undertakings, the Hong Kong Children's Hospital project at Kai Tak has become the first public hospital project in Hong Kong to receive the BEAM Plus Platinum Pre-Certification, the highest level of accreditation from the Hong Kong Green Building Council. For more information about the project, please refer to "Community at Heart: Expanding a LOHAS and Habitable Living Environment" section.

PROTECT NATURAL ENVIRONMENT AND RESOURCES

The Group will adopt various green construction methods as required by different projects. For example, it used the no-dredging reclamation method in the construction of the Hong Kong Link Road of the Hong Kong-Zhuhai-Macao Bridge project. No dredging was done when works on the seawall embankment began and, to stabilise reclaimed area and the permanent seawall embankment, stone columns were installed. The method cost more, but with no dredging done, hence it did not cause as much water pollution and harm to the environment.

SAVING ENERGY

Coping with and mitigating climate change is a common task of mankind, and the property and construction industries can help by stepping up development of green buildings and reducing energy consumption in the lifecycle of a building. We promote the application of energy-saving construction technologies to help reduce energy consumption in the operation of property, construction and property management businesses. We also implement green building designs, and green construction and property management, adopt green office practices and carry out study to help the setting of energy saving and emission reduction goals for lowering greenhouse gas emissions and in turn helping mitigate global climate change.



Environmental Protection at Heart: Expanding a Low-carbon and Green Environment

Energy-saving measures adopted by the Group:

- Apply a number of green building and energy saving technologies including solar photo-thermal system, fresh air system with heat recovery, prefabricated construction and efficient irrigation systems, plus using energy-saving appliances and equipment in construction and design projects
- Purchase computers, monitors, printers/photocopiers, servers with energy-saving labels such as the EU ENERGY STAR
- Fully use T5 fluorescent tubes in all offices. All departments and rooms in the office use independent light switches that employees may switch the lights off during lunch break, after work, when on leave or on business trip
- Encourage employees to print documents only when needed, to reuse paper for single-sided printing/photocopying and support double-sided printing/photocopying
- Place recycle bins for different materials at specific places in offices and encourage employees to recycle and reuse

Adopt Private Cloud Technology



The Group, via adopting cloud computing and software-defined network (SDN) technology, has increased use of virtual network equipments and servers, reducing the number of physical equipment and simplifying the server and network structure, hence correspondingly save a substantial amount of energy. In 2017, we saved energy amounted to **165,958** KWH.

Encourage the use of Video Conferencing



The Group encourages all departments and subsidiaries to resort to video conferencing when travelling is not essential. In 2017, a total of **107** video conferences of altogether more than **390** hours and with **425** participants were held at the headquarters of the Group. Using video conferencing widely has not only improved communication efficiency and saved time for staff, but can also help reduce greenhouse gas emissions from the transports used when travelling.



Environmental Protection at Heart: Expanding a Low-carbon and Green Environment

SAVING WATER

Water is an important resource for the Group in construction, property management and office operations. We encourage water conservation and take various measures to protect and use water more effectively in our bid to minimise the impact of the Group's business on water resources.

Water saving measures adopted by the Group:

- Include systematic water-saving requirements in architectural designs and property management, such as using municipal water for flushing toilets, washing cars, watering plants, etc.
- Place storage tanks on construction sites for effluent recycling
- Put up signs in pantries and toilets to remind employees and guests to save water and use detergents sensibly
- Install automatic on/off faucets in toilets to reduce wastage of water
- Encourage employees to immediately notify relevant departments of leakage and dripping cases for quick remedy
- Require drivers of company vehicles to wash the vehicles as quickly and efficiently as possible to save water

SAVING MATERIAL

Being able to use resources responsibly and consistently improve the efficiency of resource utilisation is crucial to attaining sustainable development. By strengthening resource management and promoting technological transformation in the design, procurement and construction processes of a project, we have been able to keep improving the utilisation rate of building materials and help save resources for all development projects.

Materials saving measures adopted by the Group:

- Procure materials first from vicinity areas (within 500 miles and delivery on water or land) and orders as needed to reduce carbon emissions and waste of resources during transportation
- Take into account environmental management system certifications and environmental standards of their products when selecting suppliers, keep strengthening environmental protection testing of incoming materials and urge suppliers to embrace low-carbon production and green operation
- Increase the use of prefabricated devices if the design allows
- Assess the performance, including safety and environmental performance, of subcontractors and suppliers every year. The site safety department will follow up with and provide training to sub-standard suppliers to help them improve their environmental and safety performance



Environmental Protection at Heart: Expanding a Low-carbon and Green Environment

SEWAGE AND WASTE TREATMENT

COHL is committed to building and managing its projects in a sustainable way, in particular, giving attention to effective use of natural resources, reducing sewage and waste and properly treating related discharges in the entire construction process of a project, so as to minimise the impact of its projects on their surrounding environment.

Sewage and waste discharge measures adopted by the Group:

- Build waste water collection pipes and pools to collect waste water from use by workers on construction sites and in construction processes, and industrial waste water is properly discharged into municipal waste water drainage system in compliant with regulations
- Dedicated professionals to oversee waste water treatment and disposal, keep related work records and implement management standards
- Assist construction sites in carrying out on-site training and video shooting on operation of sewage treatment machine
- Collect high-quality wastewater such as air conditioning condensate, shopping mall restroom waste water and regular cold tower discharge to be biologically treated for reuse
- Collect and separate into different categories construction waste and household waste for recycle or disposal
- Collect and dispose construction waste according to local city management rules
- Appoint qualified units to dispose hazardous waste and abide by related legal procedures



Environmental Protection at Heart: Expanding a Low-carbon and Green Environment

IMPROVE STAFF AWARENESS OF ENVIRONMENTAL PROTECTION

COHL fully and strictly complies with all environmental regulations related to its businesses and supports government’s environmental initiatives with action. We strive to minimise the negative impacts of our businesses on the environment. Environmental protection elements are incorporated into our businesses and our dedication to protecting the environment is fully reflected in our internal operations. These endeavours are meant to help us enhance staff awareness of environmental protection and in turn reduce the impact of greenhouse gas emissions, and also boost sustainable development of our office environment.

Adopt Digital Workflow System



To reduce paper use in office, digital workflow system is adopted for human resources management, financial management, administrative management, etc.

In 2017, at the headquarters of the Group, **1,252** online processes were completed.

Put Green Concepts and Environmental-friendly Measures into Practice



ECO-Healthy
WORKPLACE

COHL has been awarded the “Green Office” Label by World Green Organisation for **5** consecutive years honouring it for its efforts in putting green concepts and environmentally-friendly measures into practice in the office. The Group has also received the “Eco-Healthy Workplace” Label for its outstanding performance in making various healthy workplace standards.

To provide a green and healthy workplace to employees, the Group enforces the Energy Saving and Emission Reduction Programme internally that entails the adoption of a host of in-office energy saving and environmental protection measures. The Programme helps achieve the goal of reducing greenhouse gas emissions, increasing staff awareness of environmental protection and building a shared green office culture.

The Group has launched the Energy Saving and Emission Reduction Programme since 2016, with the aim of taking up greater responsibility as a corporation in environmental protection, which complies with the growing global advocacy for green business operations and green life style. We pay close attention to the latest information on environmental protection and have drawn up green office guidelines. By promoting green practices in the office, monitoring data, setting systems and holding relevant workshops, the Group is able to enhance staff awareness of environmental protection and encourage them to contribute to driving sustainable growth while working.



Environmental Protection at Heart: Expanding a Low-carbon and Green Environment

“Energy Saving and Emission Reduction” Programme

We launched the Energy Saving and Emission Reduction Programme in the second quarter of 2016, upgraded it in 2017 turning it into a year-round pursuit. The designated offices of seven business units of the headquarters and subsidiaries in Hong Kong and Mainland China, via setting annual energy saving and emission reduction targets, implementing comprehensive data monitoring and executing the “Energy Saving and Emission Reduction Action List”, have succeeded in motivating colleagues to reduce consumption of paper, electricity and water in the office.



The “Energy Saving and Emission Reduction Action List” promoted by the Group contains a series of energy-saving and emission reduction measures pinpointing such areas as saving paper, electricity and water.

During the year, the Group compiled and issued the “Green Office Guidelines”, which entails green office measures and offers reference to the Group and its subsidiaries for setting relevant environment benchmarks.



Results of the Programme in 2017

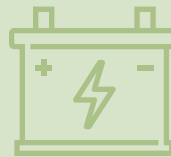
Paper Consumption



Reduction of more than 12% in a year

In the entire year of 2017, participating units reduced total paper consumption by more than 12%. Per person consumption had an even more impressive drop of over 17%.

Electricity Consumption



Over 50% of the units consumed less electricity

In 2017, more than 50% of the participating units used less electricity than a year ago. However, total electricity consumption and per person consumption increased by 6.8% and 0.9% slightly respectively.



Environmental Protection at Heart: Expanding a Low-carbon and Green Environment

“Energy Saving and Emission Reduction” Programme

Water Consumption

Organised “COHL Water Week” to promote conserving water

With 22 March designated World Water Day, the Group organised the first company-wide “COHL Water Week” between 20 and 25 March 2017, themed “conserve water, protect water resources”. The initiative aimed at encouraging the Group and all its business units to organise during the week their own water saving promotion and educational activities.

At the headquarter, during the “Treasure water and water saving measures sharing session” educational videos of titles such as “Valuing water” were shown to help employees understand the importance of clean water and how to use less water in everyday life and to protect water resources.

And, all subsidiaries of the Group organised different types of promotion activities during the week to arouse public awareness of the need to treasure water and use less electricity. For results of the activities, please click [here](#).



Waste Reduction

Organised “Wastes? Resources? Looking at the waste problems in Hong Kong and the solutions” Seminar

As a COHL Green Month activity and in support of the World Environment Day on 5 June, a seminar titled “Wastes? Resources? Looking at the waste problems in Hong Kong and the solutions” was held at the Group’s headquarter to help raise awareness to environmental protection and promote green living. World Green Organisation was invited to explain in-depth to participants such issues as the solid wastes and recycling situations in Hong Kong and also the impending municipal solid waste charging scheme. Colleagues also shared at the seminar their experience of handling and recycling wastes.

Recycling and reusing can help to notably reduce solid wastes. For colleagues to better understand the concept of recycling and enhance their awareness, a post-seminar workshop was held to teach them to make coin bags with used milk cartons.





Environmental Protection at Heart: Expanding a Low-carbon and Green Environment

Review and Recognition

From related information collected, we are delighted to see that colleagues' awareness of environmental protection has improved significantly. All participating units were able to complete more than half of the items on the "Energy Saving and Emission Reduction Action List", hence deemed worthy of the "Green Label". For the units that managed to meet the targets of the "Energy Saving and Emission Reduction" programme, including reducing A4 paper consumption by 2% (against 2016) and using 5% less electricity (compared with 2016), plus completed more than half of the items on the action list, they were presented the "Green+ Label" as an encouragement. The achievements of these units were also acknowledged and relayed to all in the Group via the Intranet, among other channels. For results of the activity, please click [here](#).

Activities Review

After collecting relevant data from all offices, we carried out a review of related activities, including the environmental measures adopted by the outstanding units that other units might learn from them. For example, China State Construction International Investments's Shenzhen office, the only unit awarded the "Green+ Label", managed to excel in three key areas of "Energy Saving and Emission Reduction" programme: Wide coverage of reminder signs, effective implementation of measures in daily operation and planting environmental awareness in the heart of colleagues. Regarding electricity consumption, more than half of the units used less electricity when compared with last year. However, overall electricity consumption was higher than last year, probably partly the result of the increase in the number of employees. We will continue to review relevant promotional work and hope to encourage and enhance employees' awareness of saving electricity through different forms such as posting signs or conducting seminars.

For more details of the "Energy Saving and Emission Reduction" Programme, please click [here](#).



COMMUNITY AT HEART: EXPANDING A LOHAS AND HABITABLE LIVING ENVIRONMENT

In this new era, COHL's objective is to provide stakeholders with properties that can fulfil their dream for a good living environment. We take heed of build close and long-term relationship with the communities and regions in which we operate. Keeping at heart our commitment to caring about the community, the Group exercises its business influence and expertise in construction to expand a LOHAS and habitable living environment for stakeholders in the communities where it has presence.

At the same time, adhering to its corporate spirit of "The Sea has no Limit and Love has no Boundary", the Group has over the years invested in education provisions within communities and organised or led employees in involving in various community activities to help those in need. China Overseas Charity Fund Company Limited was incorporated and registered in 2005 and a social responsibility committee was set up in 2008. On top of devising medium to long-term corporate social responsibility (CSR) development plans, the company has also drawn up for COHL a community development blueprint. After years of living up to its promises, the Group has gradually built up its "The Sea has no Limit and Love has no Boundary" charity brand and now champions a series of effective and influential charitable initiatives. Our staff association and its social responsibility division have dedicated personnel responsible for organising and rolling out relevant activities.



COMMUNITY AT HEART: EXPANDING A LOHAS AND HABITABLE LIVING ENVIRONMENT

CORE BUSINESS-RELATED COMMUNITY PARTICIPATION

Affordable housing and infrastructure projects

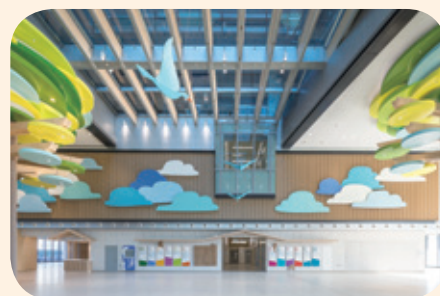
To cater for the need of specific regions, the Group has been an active participant in affordable housing projects and infrastructure development and construction, applying its business advantages to help address the needs of members of the society. The Group has so far built affordable housing units of total gross floor area more than 25 million m².

As for infrastructure works, starting in 2015, the Group's construction business has been promoting and is in full embrace of the Public-Private-Partnership (PPP) model to facilitate seizing of market opportunities and landing of projects. During the year, the Group obtained a number of large-scale PPP projects of different types, including expressways, municipal roads, bridges, underground utility tunnels, affordable housing, hospitals, schools and factories, amongst others. These projects are of great significance to fostering local economic development and raising the quality of living of residents.

Hong Kong Children's Hospital Project



The Children's Hospital at Kai Tak, Hong Kong is a key construction project of the Group. It will be the first of its kind in Hong Kong and also one of the most advanced medical treatment centres for children in Asia. It is designed and built by the joint venture company led by the Group's construction arm and commands a total construction cost of HK\$9.09 billion. Construction works of the hospital started in 2014 and will be completed in 2018, for operation to begin in phases, starting in the fourth quarter of 2018. In the initial operation stage, the hospital will provide around 230 beds for patients. The project covers two towers that feature thematic landscapes on different levels, which connect and extend to the central park on ground floor. Together with the waterfront promenade, they give a good environment to aid the healing and recovery of child patients.





Community at Heart: Expanding a LOHAS and Habitable Living Environment

Hong Kong-Zhuhai-Macao Bridge Hong Kong Link Road Project

The Hong Kong-Zhuhai-Macao Bridge (HZMB) being built is in the Lingdingyang sea area where the Pearl River flows out into. It is a mega sea crossing that will link the Hong Kong Special Administrative Region, the city of Zhuhai in Guangdong Province and the Macao Special Administrative Region. Works of the Hong Kong Section of the Bridge included construction of the approximately 12km Hong Kong Link Road (HKLR) with three lanes each way and connecting with the HZMB Main Bridge at the HKSAR boundary and the proposed Hong Kong boundary crossing facility (HKBCF) in the waters northeast of the Hong Kong International Airport. The Group is responsible for the design and construction of the HKLR section from Scenic Hill on the Chak Lap Kok Airport Island to the HKBCF and the road connecting the HKBCF and Hong Kong International Airport, the most complicated in the Hong Kong Section project, involving tunnels, at-grade roads, seawall and reclamation, and associated facilities. It takes in all HK\$8.88 billion to build.



Engagement with and impact on nearby communities

The Group places great emphasis on effectively engaging communities in the neighbourhood of its properties or construction projects. With the help of systems to evaluate construction plans, we would draw up relevant environmental management and community engagement plan, such as installation of noise blockage panels and dust filters, and standardise working hours, before starting work on a project. Some construction sites have their own dedicated public relations officer to proactively liaise and communicate with nearby residents, district council members, government departments, etc. to build good community relations. To gauge feedback, community enquiry hotlines and contact person details are posted on the exterior of construction sites to ensure potential issues or impacts are reported and resolved in good time.

The Group strives to consistently provide owners and tenants of COPL property pleasant and satisfactory community experience. COHL communities either include or are close to comprehensive amenities, such as sports facilities, schools, supermarkets and so forth. We also keep adding value to our community facilities, for example, by re-packing such public spaces as void decks and central gardens to give them a fresh appeal and features attractive and pleasing. Property management service software can also greatly enhance customer experience. Paying meticulous attention to residents' needs, our property management arm has introduced a wide range of convenient services such as providing trolleys, umbrellas, courier lockers, printing and copying services, first aid kits and flight booking service, etc. to residents.

In 2004, the Group set up China Overseas Club, a fellowship society for its property owners/clients, and branches of the Club have been established in the cities where its property business operates. The aims of the Club are: to strengthen and encourage close communication between China Overseas Property projects and clients (property owners) and the community, and to share China Overseas Property information with members; to organise innovative cultural, charitable, leisure and entertainment, and sports events to engage a local community and enhance living experience; to continue rallying business partners for China Overseas Club to offer yet more value-added services such as consumption privileges and group purchase deals to property owners, and to listen to customers' opinions, collect feedbacks from members and implement impact evaluation and development plans, all to the ends of improving and optimising China Overseas Property's products and services.

Caring for the community

It has always been COHL's hope to use the unique features of its businesses to contribute to the community, fulfil corporate social responsibility and bring positive energy to the community. During the year, the Group's construction arm actively took part in the relief and community recovery work in Macau struck by a super-typhoon on 23 August, demonstrating the Group's spirit of "building a strong foundation to seek greater success".



Community at Heart: Expanding a LOHAS and Habitable Living Environment



823 Macau disaster relief work

Typhoon Hato hit Macau on 23 August 2017 and caused severe damage. In addition to death and injuries, the community came to a standstill, with most part of the city flooded. Residences and more than 10,000 vehicles were submerged in water; there was no power and water supply, and the telecom network was down in the entire city.

China Construction Engineering (Macau) Co., Ltd. in the COHL family responded at first instance and actively took part in relief works. Typhoon Hato left behind a battered city, with vehicles over turned and temporary work site offices blown away, and cranes and scaffoldings collapsed blocking roads. We immediately set up an 8.23 disaster rescue and relief coordination centre, which in a extremely short time directed considerable manpower, resources and funds and a volunteer team of 300 was also formed to help with relief work of the Macau SAR and the Macau-based troupe of the Chinese army.

Disaster Relief Work



Working hard for two days and nights, our volunteer team cleaned up **30** streets, removing **225** truck-load of debris, with the total clean-up area spanning **50,000** m², and helped families seal **260** shattered windows in their homes.

Apart from taking part in relief work, we also provided rescue equipment to clear road blockages as quickly as possible, so that traffic could return to normal. Short in supplies, the government turned to us for 10 petrol chainsaws. However, they were not in stock in Macau, hence we used our advantage as a main contractor, contacted our suppliers in Guangzhou and in the evening of 23 August, we bought 200 petrol chainsaws and had them delivered to Macau the next morning. Simultaneously, we also provided 1,000 shovels and 20 axes. Furthermore, under the serious shortage of refuse collection vehicles, those in-charge of project departments of the Group immediately worked together in coordination of sub-contractor resources and quickly assembled 20 refuse collection vehicles to support relief work, helping the Civic and Municipal Affairs Bureau of Macau clean up debris on roads that traffic might restore and the environment of the city could recover, and Macau citizens could go back to living normal.



Community at Heart: Expanding a LOHAS and Habitable Living Environment

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

Youth education development

Since 2005, education has been the Group’s focus when it comes to community investment in Mainland China, which is in line with the people-oriented operational philosophy of the Group. The China Overseas Charity Fund Company Limited was founded that same year and, through it, the Group began its donation annually to the construction of Hope Schools. In 2017, the Group donated to building the 12th Hope School under its name — China Overseas Jiangkou Hope School in the town of Jiangkou, located at Ganxian district, Ganzhou.

As of 2017, the Group had donated to the construction of **12** China Overseas Hope Schools, providing more than **15,000** students opportunities to receive education



China Overseas Qinglong Hope School



China Overseas Sanquan Hope School



China Overseas Xinqu Hope School



China Overseas Sanxia Hope School



Duijiangyan China Overseas Xinjiang 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



China Overseas Jiangkou Hope School



Community at Heart: Expanding a LOHAS and Habitable Living Environment

China Overseas Jiangkou Hope School is the 12th Hope School in less-developed regions built with donation from COHL. On the former Jiangkou ceramic factory site, the school has a GFA of 10,284 m². It will have a new composite building, two classroom buildings, and a dormitory tower with a canteen. The school is expected to welcome students starting in September 2018. When construction is completed, it will be able to provide more and better education opportunities to school age children, allowing youth and children there to enjoy quality education resources.

For Hope Schools, on top of construction and funding, the Group also provides them with continuous support. From site selection, construction, handover preparation to the operation of each school, employees at all levels of the COHL company operating in the locale of the school also participate in different ways and forms to render support the school needs, living COHL's corporate spirit.

During the year, the Group organised the 10th Annual China Overseas Hope School Visits and gave out for the fifth year rewards to teachers and scholarships to students of Hope Schools, plus for the third year offered the China Overseas Special Charity Scholarship and for the eighth year hosted the Mainland and Hong Kong Children Art Exchange Programme, evidencing its continuous care for the schools. We also encourage communities where our properties are and owners to join us, as a way to gather more resources for and empower children, and also to relay care and love to more people in the society and promote the spirit of charity.

Charitable community activities

In addition to supporting schools, the Group also actively plans charitable community activities in the regions where it operates, as its hope is to expand a LOHAS and habitable living environment for people and also to provide employees with volunteering opportunities.

In 2017, COHL clearly defined and decided to adopt the "The Sea Has no Limit and Love Has no Boundary" charity brand, which covers three sub-brands, namely education development, environmental protection, and poverty alleviation and disaster relief. Another sub-brand "Share Children's Dreams" was set up dedicated to supporting education development, and for the eighth consecutive year, the Art Exchange Programme and Summer Camp were organised for students in the Mainland and Hong Kong.



The 2017 "Share Children's Dreams" China Overseas Summer Camp for Mainland & Hong Kong Youth 2017 was an annual large-scale youth cultural exchange activity hosted by COHL and co-organised by the Hong Kong charitable organisation TREATS. Using non-competitive group games and tasks, the event aims to provide opportunities for children to learn to work together and to share, respect and cooperate with each other, plus come to appreciate each other's differences and try to build a diverse society.

This year, military training for children and first-aid training for teachers and students were added to the activity programme, which drew a total of 83 participants, including teachers and students from 11 China Overseas Hope Schools in the Mainland China, teachers and students from The Church of Christ in China Cheung Chau Church Kam Kong Primary School, and the children of owners of China Overseas properties in the South China region.

2017 "Share Children's Dreams" China Overseas
Mainland-Hong Kong Student Summer Camp



Community at Heart: Expanding a LOHAS and Habitable Living Environment

“Share Children’s Dreams” — 2017 “China Overseas x TREATS” Mainland and Hong Kong Art Exchange Programme



The “Share Children’s Dreams” — 2017 “China Overseas x TREATS” Mainland and Hong Kong Art Exchange Programme was co-organised by COHL and a charitable organisation promoting inclusion among children. By offering art exchange workshops, it allowed children to let their creativity run free and also learn how to relate with peers with different abilities, from different backgrounds and cultures, and understand and appreciate the concept of social inclusion.

In 2016, tying together its corporate mission of “Expanding a Happy Living Environment”, the charitable concept of “The Sea has no Limit and Love has no Boundary” and the promotion of equality and inclusion among children, the Group came up with a three-year programme to sustain the impact of related activities. We hope, via the programme, we can bring equal opportunities to more children.

In 2017, the activity was themed “Our Inclusive Learning Space”. Led by the Group’s volunteers, participants played games and took part in discussions. Then they portrayed their dream lessons and classrooms, with no discrimination and barrier-free, in black and white drawings, sharing what they think an ideal harmonious school campus should look like.

The creative drawings of the children were gathered and published as a colouring book titled “Our Inclusive Learning Space”. It has three booklets each with a different theme, namely “Developing Interests and Talents”, “Learning with Different People” and “A Happy School Life”. Our hope is, through the programme and publishing the colouring books, to encourage schools, teachers, parents and students to work together and live the culture of care and love in more learning environments.



1,500 Mainland and Hong Kong participants



10 mainstream and special schools and integrated service centres for children with special need in Hong Kong



11 China Overseas Hope Schools



15 China Overseas property communities in Mainland cities



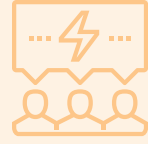
7 China Overseas office buildings



4 China Overseas Unipark commercial centres



330 volunteers from the Group



Over **50** workshops



2018 VISION AND OBJECTIVES

2018 is the first year the spirit of the 19th National Congress of the Communist Party of China (CPC) is to be realised in action and COHL will carry out mid-term review of 13th Five-Year Plan's implementation. It will continue to encourage, supervise and guide its business units in evaluating macro market conditions, carrying out rolling amendment of strategic plans and exploring new businesses in areas including pension, education and logistics services, with the aim of launching relevant projects as soon as possible. At the same time, the Group will make new effort to explore ways to achieve sustainable development, consolidate its robust financial structure and improve internal efficiency and awareness to risk management.

In addition, heeding the international development strategy laid down in the nation's 13th Five-Year Plan and tapping the momentum of the "Belt and Road Initiative", the Group will look for new business opportunities to gradually enlarge its overseas business. This means that the Group needs to ensure its several important CSR work areas, including human resources, corporate governance, the environment and community engagement, must be able to complement the development and operation of its businesses.



Expanding a Safe and Harmonious Working Environment

Consolidate corporate culture and emphasise innovation

Provide all-round training and development opportunities

Improve communication mechanisms



Expanding an Incorruptible and Efficient Governance Environment

Strengthen the structure of shareholders' decision-making permanent body

Establish a sound management system and effective daily operation mechanisms

Maintain high integrity, efficiency and transparency



Expanding a Low-carbon and Green Environment

Become a leader in the green building and housing industries in the country

Promote environmental protection and reduce carbon footprint of operations



Expanding a LOHAS and Habitable Living Environment

Maintain harmonious community relations

Drive education development, poverty alleviation and relief work



KEY PERFORMANCE INDICATORS

1. AWARDS AND RECOGNITIONS

Major awards attained by the Group and its subsidiaries in 2017

Award	Awarding body	Awarded unit
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 China Overseas Property Holdings Limited Far East Global Group Limited
Asia Corporate Excellence & Sustainability Award — Top Community Care Companies in Asia	MORS Group	
Hong Kong Outstanding Corporate Citizenship Awards — Bronze Award	Hong Kong Productivity Council	China Overseas Holdings Limited
Outstanding CSR Award	The Mirror Post	
“Green Office” and “ECO-Healthy Workplace” Label	World Green Organisation	
Best for Contract Negotiation — China (including Hong Kong)	APAC Insider	

For more information on the awards, please refer to the 2017 Annual Report of COLI, CSCI and COPL.

The Group also actively takes part in the work of local organisations and has signed charters to help promote sustainable development of the industry and the environment.

Organisation	Membership grade	Participating unit
The Hong Kong Chinese Enterprises Association	Vice Chairman	China Overseas Holdings Limited
	Commissioner of Committee on Building Industry	China State Construction International Holdings Limited
Hong Kong Construction Association	Vice-President	
Hong Kong Facade Association	Board member	China State Construction International Holdings Limited
Associacao Geral do Sector Imobiliario de Macau	Honorary President	
Macau Construction Association	Vice-President	

Charter	Organiser	Signatory
Energy Saving Charter on Indoor Temperature 2017	Electrical and Mechanical Services Department, Hong Kong SAR Government	China Overseas Holdings Limited China Overseas Land & Investment Ltd. China State Construction International Holdings Limited
4Ts Charter	Electrical and Mechanical Services Department, Hong Kong SAR Government	China Overseas Property Holdings Limited
Energy Saving Charter on “No ILB”	Electrical and Mechanical Services Department, Hong Kong SAR Government	China Overseas Holdings Limited China Overseas Land & Investment Ltd.
Let’s Save 10L Water	Water Supplies Department, Hong Kong SAR Government	China State Construction International Holdings Limited
Be Our Greening Partner	Development Bureau, Hong Kong SAR Government	



Key Performance Indicators

2. ENVIRONMENTAL PERFORMANCE DATA

Use of major construction materials (Non-renewable)

Material	Unit	2017	2016	2015
Paper	Tonnes	1,475	1,266	373
Concrete	Cubic meters	1,983,503	4,896,197	4,558,995
Cement mortar	Cubic meters	176,547	298,840	256,361
Reinforced steel bar	Tonnes	384,824	848,441	643,915
Joist steel	Tonnes	24,236	22,643	58,184
Disc	Tonnes	133,972	7,340	11,943
Cement	Tonnes	172,638	547,261	1,020,954
River sand	Tonnes	463,849	598,036	630,591
Stones	Tonnes	1,811,734	3,309,134	1,935,133
Bricks	Tonnes	597,336	1,072,424	570,533
Concrete flooring materials	Tonnes	3,075	569	1,106
Aluminium products	Tonnes	12,863	2,261	6,362
Steel products	Tonnes	17,020	10,047	5,727
Silica gel	Tonnes	18	41,051	344
Glass	Tonnes	69,168	57,527	27,045
Wood	Tonnes	2,548	930	82

Energy consumption and carbon emissions

Energy/material type	Unit	2017	2016	2015
Direct energy consumption				
Diesel	Litres	22,286,355	44,176,248	24,604,993
Bio-diesel	Litres	64,376	400	400
Petrol	Litres	1,925,555	12,275,229	704,203
Natural gas	Cubic meters	110,540	835,741	12,541
Coal	Tonnes	732,709	732,131	683,440
Indirect energy consumption				
Electricity consumption		650,843	577,017	212,432
Group offices		76	73	87
Property business	MWh	101,128	103,980	4,006
Construction business		203,979	106,347	205,654
Property management ^[2] business		345,660	366,617	2,685

^[2] Figures do not cover Hong Kong and Macau. The data collection system will be enhanced in coming year.

Key Performance Indicators

Greenhouse gas emissions

Unit: Tonnes CO ₂ e	2017	2016	2015
Direct greenhouse gas emissions (Scope 1)	931,150	1,870,813	1,363,375
Vehicles of the Group	27	27	62
Property business	1,773	1,906	2,365
Construction business	921,678	1,849,121	1,360,773
Property management business	7,672	19,759	175
Indirect greenhouse gas emissions (Scope 2)	478,672	440,395	61,764
Electricity consumption at the Group's offices	63	61	73
Electricity consumption of property business	95,604	101,278	3,785
Electricity consumption of construction business	142,765	78,481	54,763
Electricity consumption of property management business	240,240	260,575	1,462
Other indirect greenhouse gas emissions (Scope 3)	7,510	3,914	
Property business	—	—	
Construction business	7,365	3,836	N/A
Property management business	145	78	
Total greenhouse gas emissions	1,417,332	2,315,122	1,425,139
Intensity of energy use (Tonnes CO₂e/HKD million)	2017	2016	2015
Greenhouse gas emissions/income	6	11	8



Key Performance Indicators

Water consumption, sewage and waste

	2017	2016	2015
Water consumption ^[3](Unit: Cubic meters)	16,737,383	25,921,968	13,236,460
Property business	2,129,781	2,311,261	38,268
Construction business	7,109,189	10,862,019	8,055,056
Property management business	7,498,413	12,748,688	254,642
Construction Waste (Unit: Tonnes)	2017	2016	2015
Solid waste	830,223	—	2,657,749
Landfill treated site waste	76,273	64,717	72,875
Site waste treated by fill bank for reuse in reclamation and site formation	621,327	11,017,819	2,009,452
Serious leaks	0	0	0

^[3] As water consumption of an office of the Group is managed by the building where the office is located, relevant data cannot be obtained for the Group's offices.

Environmental protection investment and expenditures in 2017

	HKD
Environmental protection hardware investment (amounts and purposes)	9,635,405
Waste and sewage treatment costs	54,620,900
Emissions treatment costs	50,000
Costs of hiring staff responsible for environmental protection	11,997,833
Expense on preventing climate change risks	1,381,055

Key Performance Indicators

3. HUMAN RESOURCES DATA

		By age				By type of employment		By Region
		Below 30	31-40	41-50	Above 51	Permanent	Contract	
Hong Kong	Male	1,015	959	999	1,763	4,694	42	7,014
	Female	324	339	542	1,073	2,274	4	
Mainland China	Male	10,380	8,830	6,723	2,516	5,952	22,497	37,731
	Female	5,078	2,749	1,297	158	2,067	7,215	
Macau	Male	139	141	126	149	309	246	755
	Female	44	40	36	80	187	13	
Overseas	Male	129	202	130	23	470	14	552
	Female	17	26	17	8	68	0	
Total no. of employees		17,126	13,286	9,870	5,770	16,021	30,031	46,052

		By age				By gender		By nationality	
		Below 30	31-40	41-50	Above 51	Male	Female	Chinese	Non-Chinese
Hong Kong	Senior management	0	7	23	28	52	6	58	0
	Middle management	2	50	30	30	81	31	111	1
	Executives	66	118	130	117	343	88	425	6
	General staff	1,271	1,123	1,358	2,661	4,260	2,153	6,338	75
Mainland China	Senior management	0	29	60	26	109	6	115	0
	Middle management	3	198	218	47	400	66	466	0
	Executives	266	1,368	681	153	1,923	545	2,468	0
	General staff	15,189	9,984	7,061	2,448	26,017	8,665	34,682	0
Macau	Senior management	0	1	1	2	4	0	4	0
	Middle management	0	0	2	3	4	1	5	0
	Executives	30	20	24	27	96	5	101	0
	General staff	153	160	135	197	451	194	644	1
Overseas	Senior management	0	1	3	0	4	0	4	0
	Middle management	0	2	9	2	13	0	11	2
	Executives	6	11	5	2	20	4	18	6
	General staff	140	214	130	27	447	64	14	497
Total no. of employees		17,126	13,286	9,870	5,770	34,224	11,828	45,464	588



Key Performance Indicators

New employees and employee turnover

		New employees		Employee turnover	
		Number	Percentage	Number	Percentage
Total number of new employees		22,708	49%	19,170	42%
By region	Hong Kong	3,586	51%	2,891	41%
	Mainland China	18,865	50%	16,066	43%
	Macau	126	17%	168	22%
	Overseas	131	24%	45	8%
By age	Below 30	12,167	71%	10,113	59%
	31-40	5,311	40%	4,757	36%
	41-50	3,540	36%	2,578	26%
	Above 51	1,690	29%	1,722	30%
By gender	Male	17,097	50%	14,872	43%
	Female	5,611	47%	4,298	36%

Overall occupational health and safety data of the Group in 2017

		Number of work-related injuries	Number of work-related fatalities	Total number of work-related injuries	Accident per thousand employees
By region	Hong Kong	68	0	68	9.69
	Mainland China	100	4	104	2.76
	Macau	0	0	0	0
	Overseas	0	0	0	0
By gender	Male	103	4	107	3.13
	Female	65	0	65	5.5



GRI STANDARDS CONTENT INDEX

GENERAL DISCLOSURES

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102-4	Location of operations	About COHL	6
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102-10	Significant changes to the organisation and its supply chain	No significant change.	N/A
102-11	Precautionary Principle or approach	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	21-23
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102-40	List of stakeholder groups	Stakeholder Engagement	12
102-41	Collective bargaining agreements	No employees covered by collective bargaining agreements.	N/A
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	12-13
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102-47	List of material topics	Stakeholder Engagement	13
102-48	Restatements of information	No change from earlier reports.	N/A
102-49	Changes in reporting	No significant change.	N/A
102-50	Reporting period	About this Report	3
102-51	Date of most recent report	Last Report published in July 2017.	N/A
102-52	Reporting cycle	Issued annually.	N/A
102-53	Contact point for questions regarding the report	About this Report	3
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	3
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102-56	External assurance	This report was not externally verified.	N/A
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Economic Performance			
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GRI Standards Indicator	Gist of Indicator	Cross-reference/Comments	Pages
Forced or Compulsory Labour			
	Management approach disclosures	People at Heart: Expanding a Safe and Harmonious Working Environment	14, 19
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	People at Heart: Expanding a Safe and Harmonious Working Environment	19
Local Communities			
	Management approach disclosures	Community at Heart: Expanding a LOHAS and Habitable Living Environment	36-39
413-1	Operations with local community engagement, impact assessments, and development programs	100% In compliance with internal guidelines and local regulations, the Group's property and construction businesses communicate with stakeholders in the community concerned and its surrounding before a project begins or during, so as to minimise the impacts of the project on local communities (including environmental aspects).	N/A
Customer Health and Safety			
	Management approach disclosures	People at Heart: Expanding a Safe and Harmonious Working Environment Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	15 24
416-1	Assessment of the health and safety impacts of product and service categories	People at Heart: Expanding a Safe and Harmonious Working Environment Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	15 24
Customer Privacy			
	Management approach disclosures	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	24
418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	24
Socioeconomic Compliance			
	Management approach disclosures	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	21
419-1	Non-compliance with laws and regulations in the social and economic area	No incident of non-compliance or fine in the reporting period.	N/A