



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



1979-2019
萬行四十載 匠心築未來



Responsibility and
Mission at Heart

Expanding a **Happy
Living Environment**

2018 Sustainability Report

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In 2016, the United Nations launched 17 Sustainable Development Goals (SDGs), including poverty elimination, climate change mitigation, and infrastructure construction, with a total of 169 specific indicators, urging different organisations globally to accomplish these goals by 2030.

This year, we have, for the first time, disclosed our performance aligned with SDGs, analysing 8 goals that are closely related to the operation of the Group. We will continue to monitor our relevant sustainability performance, fine-tune our internal corporate goals, formulate specific action plans, and gradually promote the realisation of these SDGs.



RESPONSIBILITY AND MISSION AT HEART EXPANDING A HAPPY LIVING ENVIRONMENT



“Expanding a Happy Living Environment” is the corporate mission of COHL and the Group strives to achieve this mission by building upon four elements of the “Happy Living Environment”:



China Overseas Holdings Limited integrates these four factors of “Happy Living Environment” into its sustainable development management framework, aiming to achieve its corporate mission and bearing its social responsibility. Echoing the expectations of different stakeholder groups, this report has adopted the four “environments” as a theme to highlight what we have achieved and the progress we made in 2018 in each of these “environments”. Through disclosing the sustainability challenges we faced, our approaches, management policies and future prospects, we respond to the expectations of our major stakeholder groups, namely shareholders/investors, customers, employees, partners, suppliers and the community, regarding the way we achieve sustainable development.

ABOUT THIS REPORT

PURPOSE

China Overseas Holdings Limited (hereinafter referred to as “COHL”, the “Group” or “We”) released its first independent CSR Report in 2010 for public reference. With continuous efforts of the Group for taking its environmental protection, social and governance work to greater heights, in 2016 the Group officially replaced the traditional CSR Report with the Sustainability Report. The move hopes to gradually increase the disclosure level and transparency of the relevant sustainability performances of the Group and its major subsidiaries.

REPORTING PERIOD AND SCOPE

This report is for the period between 1 January 2018 and 31 December 2018 and 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 operating in the three main regions of Hong Kong, Mainland China and Macau.

REPORTING STANDARD

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 Governance Reporting Guide of the HKEX.

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. The report is also available at our official WeChat and can be accessed by scanning the QR code below.



WeChat ID: COHL1979

For information about sustainability performance of the Group’s subsidiaries, please refer to the relevant report via the respective links below:

China Overseas Land & Investment Ltd.

ESG Report 2018:

www.coli.com.hk

China State Construction International Holdings Limited
Sustainability Report 2018:

www.csci.com.hk

China Overseas Property Holdings Limited
ESG Report 2018:

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:

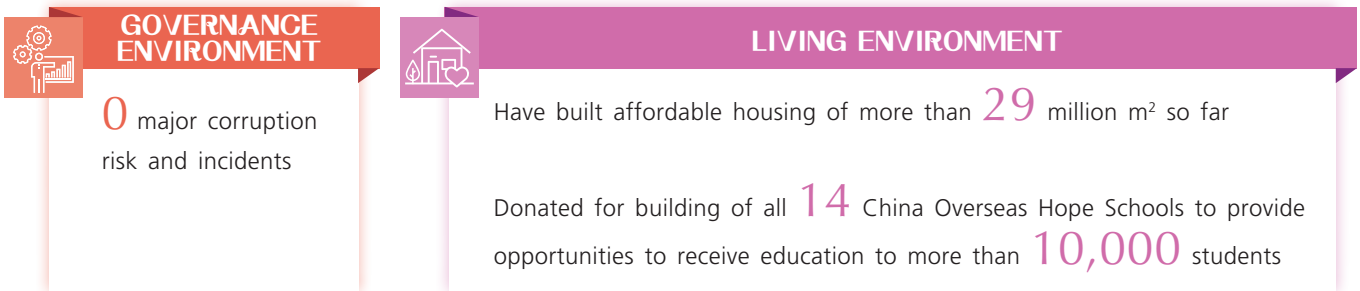
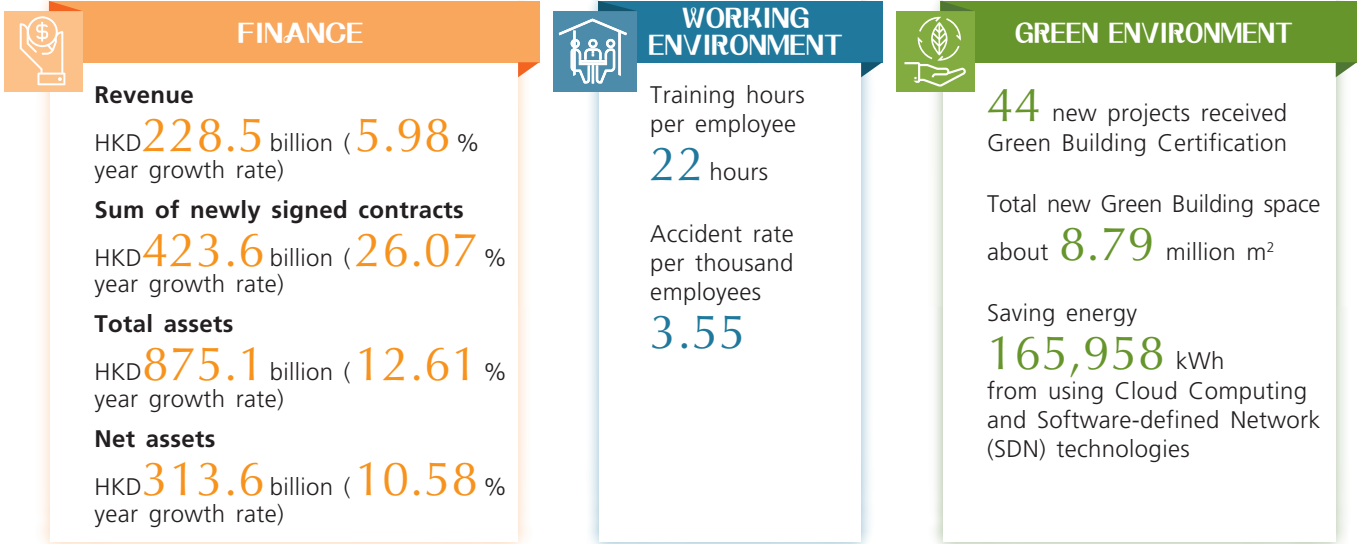
China Overseas Holdings Limited

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2018 SUSTAINABILITY PERFORMANCE OVERVIEW



AWARDS AND RECOGNITIONS

Hong Kong ESG Reporting Awards
The 2017 Sustainability Report of the Group released in the year 2018 has been awarded the Excellence in Sustainability Report for Non-listed Company Commendation in the Hong Kong ESG Reporting Awards, to recognise the Group's excellent performance in identifying and disclosing sustainability risks, strategies and management approach and practices.



Hong Kong Green Organisation
The Group has been certified as a Hong Kong Green Organisation by the Hong Kong Green Organisation Certification co-organised by the Environmental Campaign Committee and the Environmental Protection Department, to recognise the Group's implementation of environmentally-friendly measures in different aspects and the contribution and promises we have made in environmental aspects.

APAC Insider Legal Awards 2018
The Group has been awarded for the fourth consecutive year the APAC-Insider Legal Awards for the Best Contract Negotiation in the Year 2018 — China (including Hong Kong). The award recognises the good performance of COHL in contract negotiation and its achievement in lawful building construction work.

Caring Company Logo
The Group and the subsidiaries have been awarded the "Caring Company Logo" by the Hong Kong Council of Social Service in recognition of the spirit of the Group and its subsidiaries who have continued to practice good corporate citizenship for many years.

MANAGEMENT MESSAGE

Adhering to the philosophy of “Developing the motherland. Prospering Hong Kong and Macau. Serving the community. Enhancing employee well-being.”, COHL lives out the corporate mission of “Expanding a Happy Living Environment” and bears its social responsibility to move towards sustainable development.

The Group is committed to enhancing the level of disclosure of its sustainability performance. This ninth sustainability report constitutes continuation of the process of raising corporate transparency by the Group. It outlines the sustainability strategies, targets, management approaches and performances to various stakeholders, including investors, employees, customers, partners and suppliers. Although the Group’s reports have been recognised and lauded by numerous awards for describing sustainable development and fulfillment of corporate social responsibility succinctly, we are not complacent, knowing that there is still a long way to go along the sustainability journey. In response to the new environment of the industry, the Group is devoted to gradually integrating sustainability into its development vision of “Becoming the world’s most competitive investment construction group” and firmly establishing itself as a “company with four Goods” — good products, good services, good efficiency and good citizen, to create value for the Group as well as its stakeholders.

The Group is dedicated to creation of a Happy Living Environment through applying the green concept of “Smart Technology and Green Health”. As at the end of the year 2018, the Group has been bestowed with a total of 154 recognitions, including the National Green Building Star Certification, US Green Building Council (USGBC), Leadership in Energy and Environmental Design (LEED) Certification and the British Building Research Establishment Environmental Assessment Method (BREEAM). The total building area under certification has reached 28.4 million square meter. A total of 23 employees of the Group’s construction business have obtained the qualification of “Green Building Specialist”, which implies an ample talent pool for the construction and management of green building projects. China Overseas Land & Investment Ltd., a subsidiary of the Group, was also awarded the first place in China’s Top 50 Listed Real Estate Enterprises in Green Credit Index 2018.

A Happy Living Environment must be supported by quality products and services. During the year, we continued to pursue rigorous quality control, actively adopting progressive international quality management approaches and tools, resulting in more than a

dozen of our major subsidiaries obtaining the ISO9001 certification. In addition, we have been redoubling our efforts to explore and adopt cutting-edge technologies, such as aluminium film, all-in-situ external walls and concrete prefabricated parts, besides the development of the information management system to offer better services to flat owners and residents.

With the talent management philosophy of “people-oriented and merging personal pursuits into corporate development”, the Group has accelerated the reform of the professional manager system and the construction of a responsible and innovative team of top management with entrepreneurial spirit and professional managerial qualities. We have set out sights on strengthening our team’s recognition of the COHL values and culture and realising the corporate spirit of “integrity, innovation, diligence and rigorousness”. In 2018, the Group established the COHL Management Institute and two training facilities in Hong Kong and Shenzhen are currently in use. In proportion to the Group’s “13th Five-Year” strategic plan, the COHL Management institute has rolled out five key talent nurturing initiatives, encompassing leadership development, reserve talent nurturing, headquarters management capability development, international talent nurturing and functional management enhancement, with the aim to promote structural transformation and upgrading of the Group’s management talents.

Creating a Happy Living Environment includes fostering investment in communities at locations where the Group has operations. The Group’s community investment strategy has been transformed into a standardised, normalised and branded social responsibility mechanism. Via the “China Overseas Charity Fund” and its brand slogan of “The Sea has no Limit and Love has no Boundary”, our activities emphasise three key aspects of education development, environmental protection and poverty alleviation, with cumulative contribution of over HKD195 million.

2019 is the 70th anniversary of the founding of the People’s Republic of China, as well as the 40th anniversary of establishment of the Group in Hong Kong. Staying true to our original aspirations, we will continue to work towards our development vision of “Becoming the world’s most competitive investment construction group” as we move into a new era, and strive to promote the country’s prospects for building a well-off society. Looking forward, the Group will strengthen its sustainable development approach, promote corporate development and shape the sustainability culture of COHL.

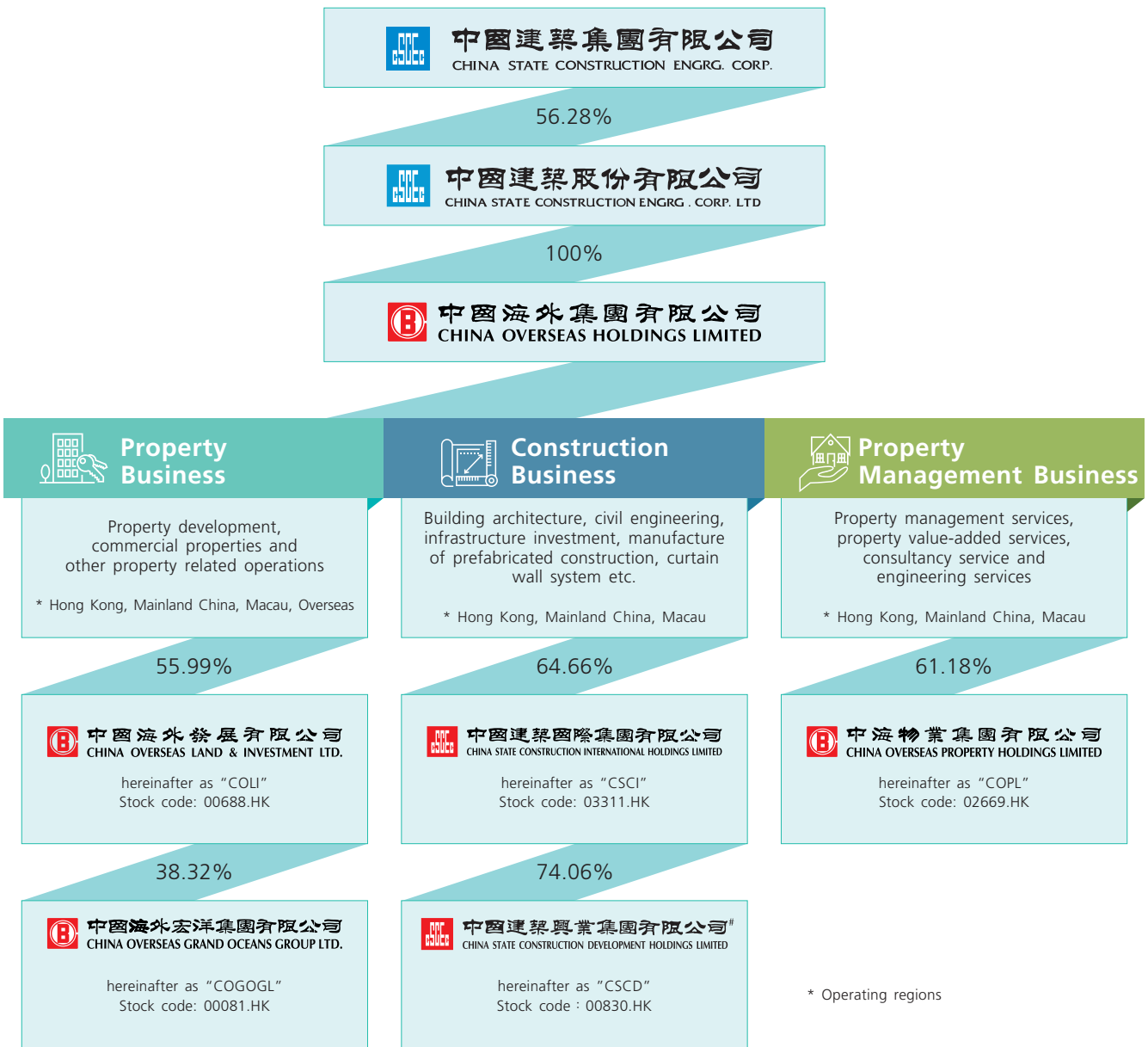
Mr YAN Jianguo

Vice Chairman and President

ABOUT COHL

BUSINESS STRUCTURE

COHL, a subsidiary of China State Construction Engineering Corporation (hereinafter as “CSCEC”, ranked 21st on the “Fortune Global 500” list), 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 (share as at 31 December 2018):



It was previously named as Far East Global Group Limited, and was officially renamed on 20 March 2019.
 Note: For details of the markets the Group serves, please refer to the Annual Report of the relevant subsidiary.

About COHL

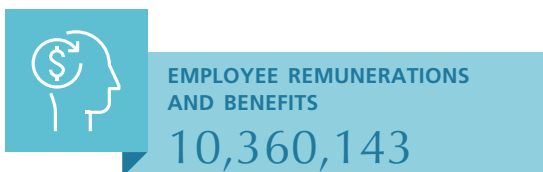
FINANCIAL AND BUSINESS PERFORMANCE

DIRECT ECONOMIC VALUE (UNIT: HKD'000)



DISTRIBUTED ECONOMIC VALUE

(UNIT: HKD'000)



BUSINESS SUMMARY

Property Business

- ▶ Property business covers 64 cities
- ▶ Operating income HKD171.46 billion
- ▶ Contract sales HKD301.24 billion
- ▶ Land reserves 91.44 million m²

Construction Business

- ▶ 217 projects under construction, attributable contract value HKD365.305 billion
- ▶ 93 new projects, attributable contract value HKD120.15 billion
- ▶ 19 completed projects

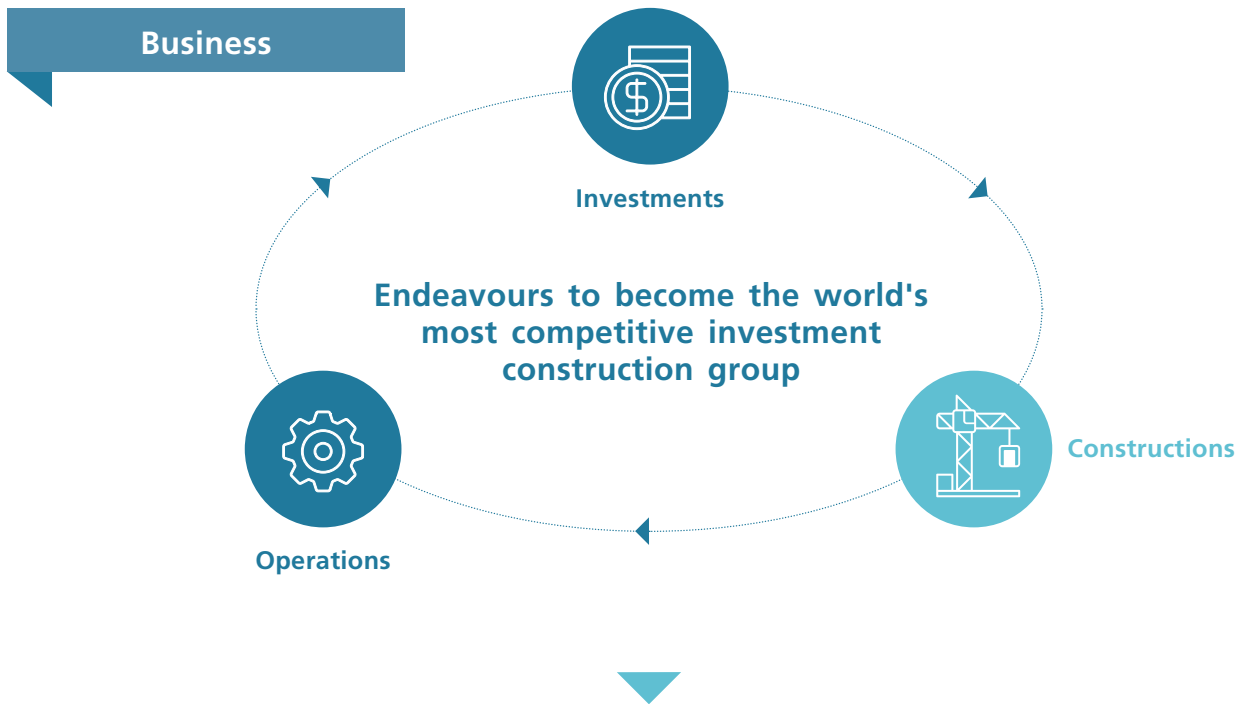
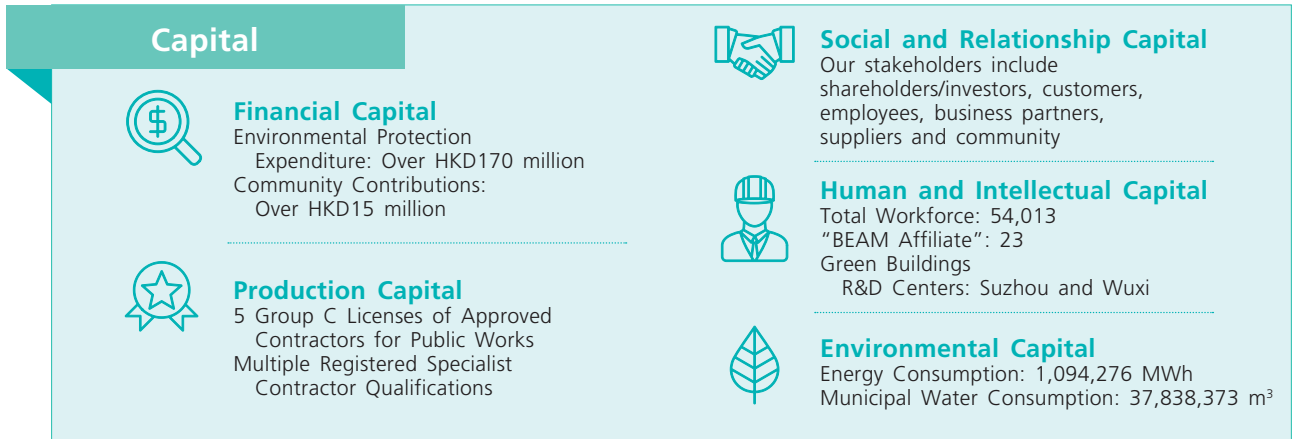
Property Management Business

- ▶ Area managed covers 74 cities
- ▶ 705 contracted management projects
- ▶ Total construction area managed 140.9 million m²
- ▶ Full-year revenue 4,154.7 million

Note: For more information, please refer to the 2018 Annual Report of the relevant subsidiary.

About COHL

GROUP'S BUSINESS OPERATING MODEL

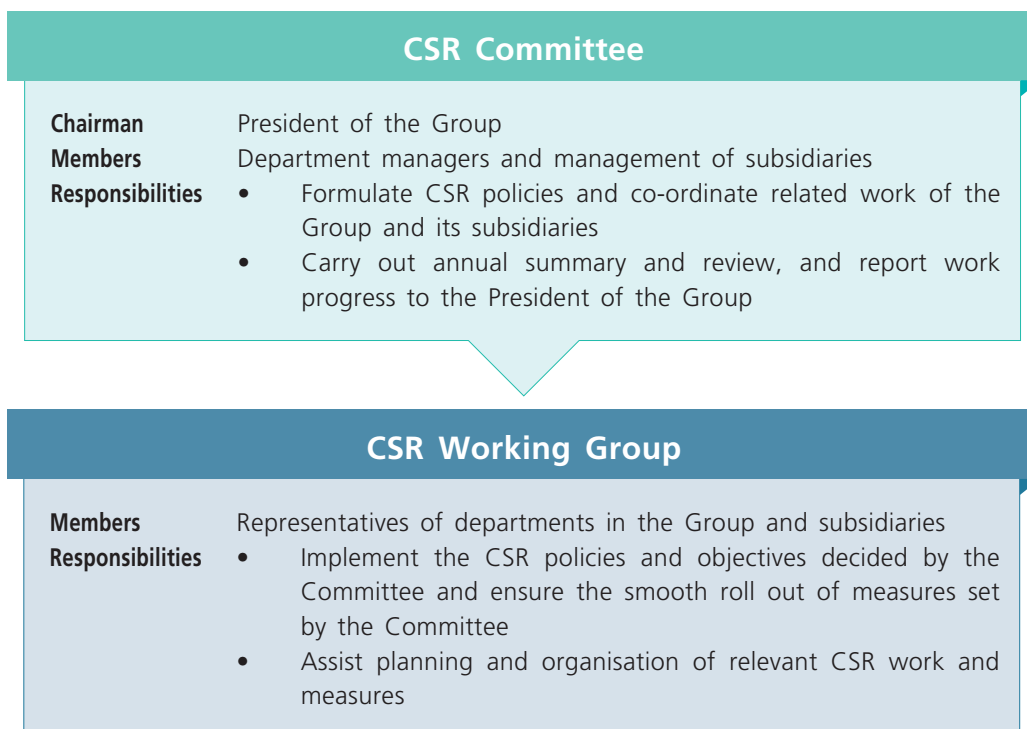


SUSTAINABILITY MANAGEMENT

The Group strives to maintain an efficient and transparent management framework with the Group's Board of Executive Directors as the decision-making body. The mechanism for major decision-making is 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.



The rigorous corporate governance and the professional team have been laying a solid foundation for the Group's pursuit of social responsibility, pushing forward the sustainability work gradually. The Group established a CSR Committee in 2008, as one of five dedicated committees reporting to the Board of Executive Directors. 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 reviews and summarises work progress regularly and reports to the President. Established under the Committee, the CSR Working Group is responsible to assure that related policies and measures are carried out as intended.






In 2018, we optimised the organisational structure of the headquarters, strengthened the functions of "Leading, Service, and Supervision", established a standardisation committee, revised the system management regulations of the headquarters of the Group, and enhanced the integrity, prescriptiveness and orderliness of the management system. For more details, please see the Corporate Governance Report section in the 2018 Annual Report of the relevant subsidiary.






Sustainability Management

MANAGEMENT APPROACH ALIGNED WITH SUSTAINABLE DEVELOPMENT GOALS

The Group actively guides and supervises policies related to corporate social responsibility and performances of individual subsidiaries and establishes clear management methods in the areas of corporate governance, environment, employees and community participation. Each subsidiary takes this management approach as a base and implements policies and measures related to its business based on actual conditions.

Expanding a Happy Living Environment	Management Approach	Sustainable Development Goals (SDGs)	Actions taken by the Group in 2018
<p>Incorruptible and Efficient Governance Environment</p>	<ul style="list-style-type: none"> 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 itself of corruption and help foster a corporate culture that values integrity COLI, CSCI, COPL and COGOGL have their own independent Internal Audit departments and relevant training is provided to auditors responsible for specific auditing functions 		<p>All operations sites of the Group are monitored by the Audit Department, and are evaluated through anti-corruption risk assessments in accordance with the annual plan. These measures help foster a corporate culture that values integrity.</p>
<p>Safe and Harmonious Working Environment</p>	<ul style="list-style-type: none"> We have talent management systems to help with recruitment, training of talent and human resources reviews 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 different employees enjoy equal treatment and opportunities We organise large-scale group-level, cross-company and department staff engagement activities 	 	<p>The Group is committed to nurturing talent, including launching a campus recruitment programme, namely the "Sons of the Sea" navigation programme to recruit fresh graduates. 717 people were recruited through this programme during the year.</p> <p>The Group is committed to creating an equal and diverse (including gender, age or racial) work environment for its employees. In the areas of recruitment, promotion, job transfer, training, dismissal, layoffs and terms of employment, the Group adopts a set of "Uniform selection criteria".</p>

Sustainability Management

Expanding a Happy Living Environment	Management Approach	Sustainable Development Goals (SDGs)	Actions taken by the Group in 2018
<p>Low-carbon and Green Environment</p>	<ul style="list-style-type: none"> We strive to minimise the environmental impact of our construction projects and office operations, following the highest local environmental standards as benchmarks We invest in green buildings and energy conservation research and design, and draw 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 	 	<p>The Group plans and designs its projects keeping in mind its commitment to protect the natural environment. We push forward the full adoption of green construction technologies. As of today, the Group has obtained Green Building Certification for a total of 44 projects, with the green buildings so certified occupying a total area of 8.79 million m² in 2018.</p> <p>The Group endeavours to enhance staff awareness of environmental protection and in turn reduce greenhouse gas emissions, by adopting digital working systems and applying for “Green Office” Label, etc..</p>
<p>LOHAS and Habitable Living Environment</p>	<ul style="list-style-type: none"> On the “China Overseas Charity Fund” platform and taking pride in “The Sea has no Limit, Love has no Boundary” brand, we draw medium-to-long term community engagement and charitable activity plans We actively encourage employees to participate in community activities at group-level and those 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 	  	<p>The Group’s construction business has been promoting and is in full embrace of the Public-Private-Partnership (PPP) model to facilitate regional infrastructure works, including expressways, municipal roads, bridges, tunnels, hospitals, and schools, amongst others. These projects are of great significance for fostering local economic development and raising the quality of lives of residents.</p> <p>In 2005, the Group founded the China Overseas Charity Fund Company and began to donate annually to the construction of Hope Schools. As of today, the Group has donated for the construction of 14 China Overseas Hope Schools, providing for more than 10,000 students in educationally undeveloped regions opportunities to receive education.</p> <p>To cater to the needs of specific regions, the Group has been an active participant in affordable housing projects and infrastructure development and construction. The Group has so far built affordable housing units with total gross floor area of more than 29 million m².</p>






STAKEHOLDER ENGAGEMENT

COHL values stakeholders’ opinions and feedbacks. We have maintained regular and two-way communication with different stakeholders, namely shareholders/investors, customers, employees, partners, suppliers and the community to understand how they are affected by the Group’s business in the context of their respective sustainability issues. This allows us to fully consider the stakeholders’ opinions when conducting relevant business activities or decisions, in an effort to balance the interests of all parties.





REVIEW OF KEY ISSUES

With an aim to gain a deeper understanding of stakeholders’ views on the Group’s sustainability measures, the Group regularly appoints an independent consultant to undertake stakeholder engagement exercise. Through engagement activities including interviews, workshops and focus group discussions, combined with the results of the questionnaire, we have obtained a comprehensive understanding of the opinions and expectations of employees and external stakeholders. For details, please refer to the “Stakeholder Engagement” section of the 2016 Sustainability Report.

COHL’S REGULAR STAKEHOLDER ENGAGEMENT ACTIVITIES

 Customers <ul style="list-style-type: none"> • WeChat • Website • Telephone • Email 	 Shareholders/Investors <ul style="list-style-type: none"> • Investor meetings • Annual general meetings • Announcements 	 Employees <ul style="list-style-type: none"> • Employee training • Staff Recreational Associations • Questionnaire 	 Business partners and suppliers <ul style="list-style-type: none"> • Continuously strengthen tendering procedures and standardise compliance process • Open and transparent tender procurement policy 	 Community <ul style="list-style-type: none"> • Donate to support construction of Hope Schools • Visit Hope Schools to show care to students • Volunteer activities about caring community
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Through engaging with stakeholders, the Group is able to identify issues crucial to its development and matters of concern to stakeholders that it should address first. In 2018, we referred to the requirements of the GRI Standards for identifying substantive issues. The Group’s CSR Committee evaluated the views of stakeholders and examined the latest developments in the Group’s business and external environment to make sure our key issues were consistent with last year.

 Safe and Harmonious Working Environment <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Anti-corruption • Economic performance • Customer health and safety • Customer privacy
 Low-carbon and Green Environment <ul style="list-style-type: none"> • Material • Energy • Water • Emissions • Sewage and waste 	 LOHAS and Habitable Living Environment <ul style="list-style-type: none"> • Indirect economic impact • Care for local community



PEOPLE AT HEART: EXPANDING A SAFE AND HARMONIOUS WORKING ENVIRONMENT

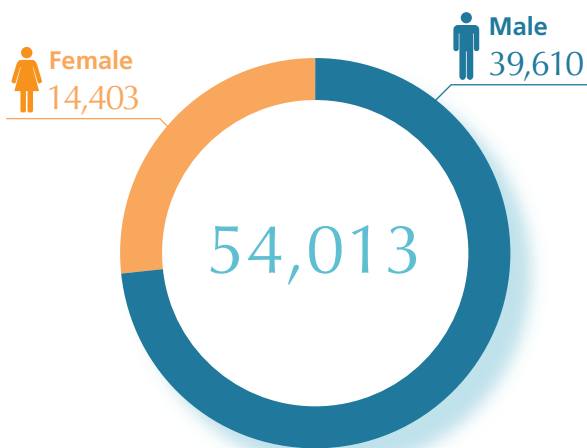
Talent and team spirit are keys to the success of a company. COHL continues to improve its human resources (HR) management mechanism and deploy annual projects to enhance its employment and employee welfare policies. By increasing the input of resources, COHL is committed to providing employees with welfare and benefits that are superior to market standards, an equal and harmonious working atmosphere, a workplace free from safety hazards and with adequate training and development opportunities for them to thrive. The Group will continue to embrace and build the COHL corporate culture, growing with its employees for a prosperous future.

PEOPLE AT HEART: EXPANDING A SAFE AND HARMONIOUS WORKING ENVIRONMENT

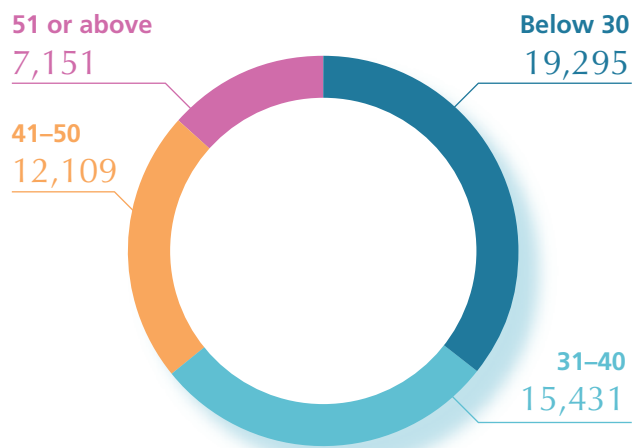
HUMAN RESOURCES MANAGEMENT

The Group clearly elucidates responsibilities of HR departments at all levels, implements sound rules and regulations and ensures maintenance of the management of its people at levels above the market standards. Through the establishment of policy documents such as the “COHL Human Resources Management System” and the “Staff Manual”, the Group sets out approaches for managing employment and welfare policies, regular performance appraisals, staff training and the provision of equal opportunities. The Group’s HR department is responsible for coordination, while HR departments of the subsidiaries are responsible for implementation of policies and deployment of relevant personnel, including formulation of the annual policy enhancement plans.

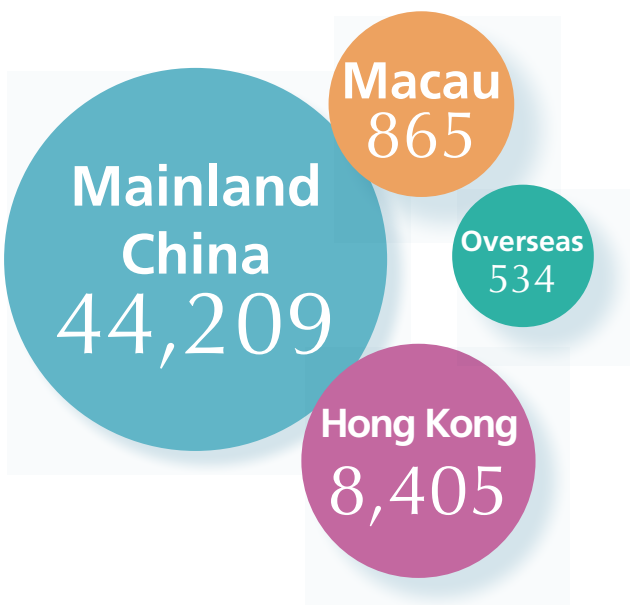
Number of Employees (unit: headcount)



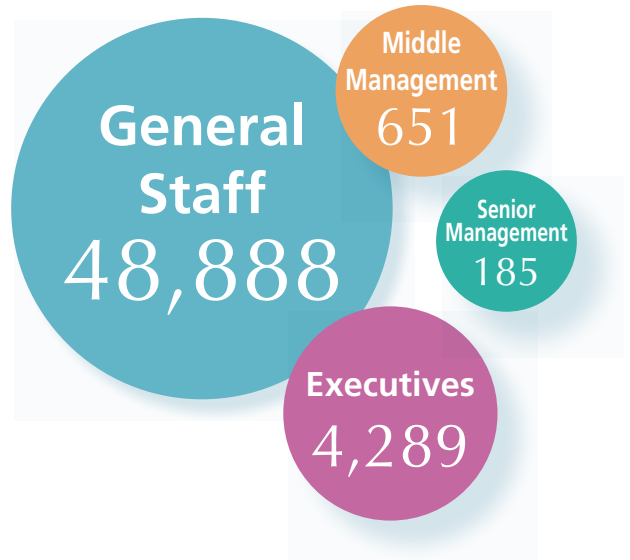
Age (unit: headcount)



Region (unit: headcount)



Position (unit: headcount)



People at Heart: Expanding a Safe and Harmonious Working Environment

In addition to continuously updating and improving its labour management policies in compliance with labour laws in places where it operates, as well as ensuring effective HR management, the Group actively takes part in market research and conducts annual salary adjustments according to external market standards, increasing the resources allocated for labour including remuneration, subsidies, bonuses and other benefits. In 2018, the Group introduced policies for lunch allowance adjustments, communication fee subsidies, extended maternity leave and travel insurance, ensuring that labour benefits are above the market standards. During the year, the Group's turnover rate and new employment rate were 22% and 51% respectively.

Supporting local employment

When the Group takes up a project in a new regional market, while posting a core management team, the Group prefers hiring workers locally from the region. The Group organises the "Sea's Recruits" programme from time to time in various cities to recruit talents from local regions, offering employment and career development opportunities for the local working population and promoting regional economic development.

The Group actively recruits exceptional talents to build a strong talent pool. Through the recruitment platforms that it has used for long, including the "Sons of the Sea" campus recruitment programme and the "Sea's Recruits" programme for market recruit. In 2018, the Group recruited a total of 717 people during the year through "Son of the Sea" programme.

The Group is committed to creating an equal and diverse work environment for its employees and maintaining above-average standards in all aspects. Each year, the Group and its subsidiaries conduct analysis regarding the employee composition and make appropriate adjustments to the recruitment process for the following year. In areas of recruitment, promotion, job transfer, training, dismissal, layoffs and terms of employment, the Group adopts a set of "Uniform selection criteria" to prevent gender, age or racial discrimination. Besides, the Group has "Policies on Prevention of Discrimination and Harassment" drawn up to provide all employees with concrete guidelines for their day-to-day working environment to avoid violation of laws on prevention of discrimination.

Uniform selection criteria

The Group objectively selects employees or applicants based on factors including experience, qualifications and skills the position requires, and competence, qualities and potential of the candidates, regardless of their gender, marital status, pregnancy, role in the family, etc.

The Group safeguards employees' right to appeal. Employees can express their opinions or complain through the Group's redressal mechanism. The Human Resources Management Committee set up by the HR department is responsible for managing matters relating to human resources, including handling employee complaints. The Group actively communicates with employees, and employees can relate their views anytime through the staff advisory and complaint mechanisms.

We strive to prevent recruitment of child or forced labour and abides by relevant national and regional labour laws, including the Law of the People's Republic of China on the Protection of Minors. The Group and its subsidiaries strictly control the recruitment process and interview materials when recruiting employees to ensure compliance. There was no reported case regarding discrimination, child or forced labour during the year.

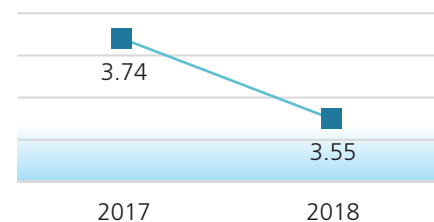
People at Heart: Expanding a Safe and Harmonious Working Environment

HEALTH AND SAFETY

The Group values occupational safety and the health of its employees and understands that sound management is essential for maintaining workplace safety and protecting employees' health. On this front, the Group has formulated policies and internal documents such as "Management Measures for Safe Productions of COHL" and "COHL Safe Production Management Handbook" to clarify the Group's safety production policy and duties of its safety management staff. The safety management concept of "Life First and Safety First" is always followed in the Group's operations.

The Group has set safe production targets to prevent major safety related accidents such as fire, traffic accidents, and poisoning. To ensure progress towards the targets, the Group signed the "2018 pledge for responsibility in securing safety in production" with each subsidiary, and completing the pledge was taken as an integral part of the performance appraisal. We strive to control the fatality rate within 0.008 per 100 million output value and we achieved the target in the year. In 2018, there were three work-related fatalities recorded and the accident rate was 3.55 per thousand employees.

**Accident Rate per
Thousand Employees**



During the year, the Group has taken a series of actions to achieve safety in production targets, including conducting safety inspections at 10 construction projects of CSCI and COLI to spot-check the setting up of safe production systems. In response to the Zhangjiakou Chemical Plant Explosion Incident occurred in November 2018, the Group has prepared an internal emergency notices and conducted hazardous chemical safety inspections for two of its subsidiaries, ensuring effective management of hazardous chemicals.

Star of Safety Behavior

In September 2018, COHL officially launched the "Star of Safety Behavior" program and introduced the Safety Behavior Award Management System developed by CSCHK. The system uses technologies such as Internet+ and Mobile Cloud Platform to transform the traditional paper recognition cards into digital recognition cards. Users can scan the QR code using mobile phones and instantly record the safety behavior of the workers, enhancing the efficiency of rewards. Through the statistical analysis at the back-end system, the reward process can be effectively monitored, further ensuring smooth implementation of the program, improving the rewards effect and enhancing construction performance.

To continually enhance its safety in production management system, the Group reviews safety targets annually, reviews safety management work every six months, and reports the results to the Group's safety committee. Looking forward, the Group will refine the safety management system and requirements for its real estate development projects, develop guidelines and fully implement the safety supervision work.

At the level of subsidiaries, the Group's construction business sees construction safety as the priority and is committed to creating a high standard of safe and healthy working environment for all employees. In CSCI, occupational safety and health management is one of the main responsibilities of senior executives and frontline supervisors. All employees and subcontractors on the site must practice safety culture and strictly abide by and enforce laws, regulations and the Company's health and safety policies to prevent serious accidents.

People at Heart: Expanding a Safe and Harmonious Working Environment

Safety Measures for Construction and Investment Projects

During the year, the Engineering department of CSCHK and other construction sites signed the “2018 pledge for responsibility in securing safety in production”, with an annual safety management target of “preventing serious accidents and prosecutions, reducing general accidents and maintaining annual accumulated accident rate below 8.8 per thousand employees”. To achieve this target, CSCHK adhered to the Safety and Health Management Work Procedures, required all its sites to set up safety management committees, sharpened the division of responsibilities and clarified the duties of frontline management personnel.

CSC Macau has formulated a “Safety and health policy” and has implemented, reviewed and supervised implementation of the policy at various management levels, namely the Safety Production Committee, Engineering Contract department and individual construction sites, achieving the target of preventing occupational disasters and improving the working environment. CSC Macau improved its safety measures during the year as follows:

Intelligent Safety Management System

For pipeline construction projects with complex working environment, CSCI has set up an intelligent safety management system to accurately locate the workers through the ultra-wideband communication system and check their health conditions in real-time, so as to achieve comprehensive monitoring and ensure safety of the employees on site.

Safety Management System	Formulated the “Evaluation and Reward Methods for Site Safety Management Award”. The Company’s leaders, Engineering department and managers of the construction sites keep track of the overall safety performance of each site and score them every month.
Safety Facilities	<ul style="list-style-type: none"> Formwork operation anti-falling layer Centralised wireless power tool charging station Qualified electric lift operator fingerprint recognition system
Safety Training	Established safety education training halls at construction sites to enable employees to adjust their mentality of work through experiential training, thereby enhancing their safety awareness.



Emergency Preparedness

Formulate typhoon prevention plans and conduct typhoon prevention measures at all construction sites.

The 6th Construction Industry Safety Construction Award Scheme

In the 2018 Construction Industry Safety Construction Award Scheme organised by the Macau Labour Affairs Bureau, CSC Macau won 8 gold, 9 silver, 5 bronze and 33 merits, a total of 55 awards. This has affirmed the efforts in occupational health and safety made by the Group’s subsidiaries.



People at Heart: Expanding a Safe and Harmonious Working Environment

During the year, the Group's property management business held emergency response drills, elevator safety education and cooperated with the Fire Bureau and the Red Cross to carry out community first aid and self-rescue skills training, improving participants' emergency preparedness via theoretical and practical learning.

The Group attaches great importance to physical and mental health of its employees and strives to create an environment for employees to work happily and healthily. In addition to safeguarding employees' physical health and safety through the occupational health and safety policies of the Group and its subsidiaries, the Group has further enhanced the working system of the Staff Recreational Association and organised a series of activities to show case it to the employees, including eye health seminars, symposiums with new and old employees, aromatherapy workshops and other networking activities, to enable employees to achieve physical and mental balance and healthy development, promote exchanges among employees and increase their sense of belonging to the Group.

Following last year's cultural theme, the Group's employees were engaged in various outreach activities, competitive games and sports events this year, enhancing the sense of teamwork, mutual trust and support among employees, as well as boosting the vitality and cohesiveness of the Group.



The 8th The Hong Kong Chinese Enterprise Association Games



Outward Bound Hong Kong Corporate Challenge 2018

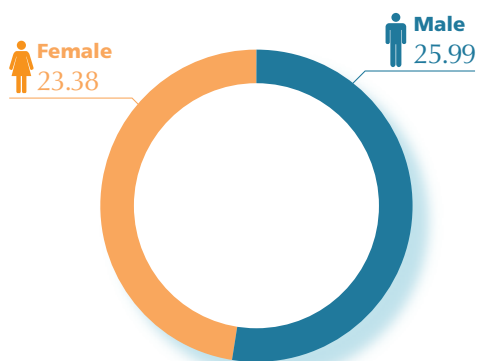
People at Heart: Expanding a Safe and Harmonious Working Environment

TRAINING AND EDUCATION

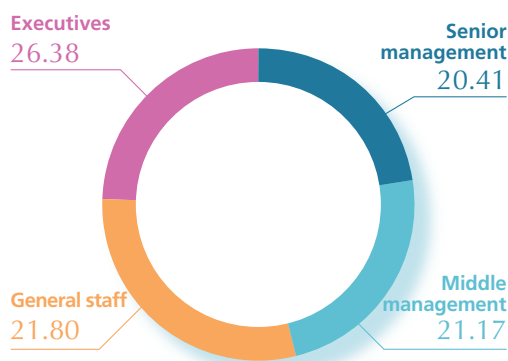
The Group supports employees in pursuit of continuous personal and professional development. We have invested adequate resources in employee training every year to promote their growth. The Group carries out training along its defined training policies, including the “Administrative Measures on COHL’s Staff’s Ongoing Education and Training” and “Administrative Measures on COLI’s Staff’s In-service Degree Education Subsidisation”, and implements unified planning and stratified implementation to guarantee training provision for 100% of its employees. The Group will continue to evaluate the effectiveness of its training, making timely adjustments to ensure learning outcomes are achieved.

Average training hours for employee

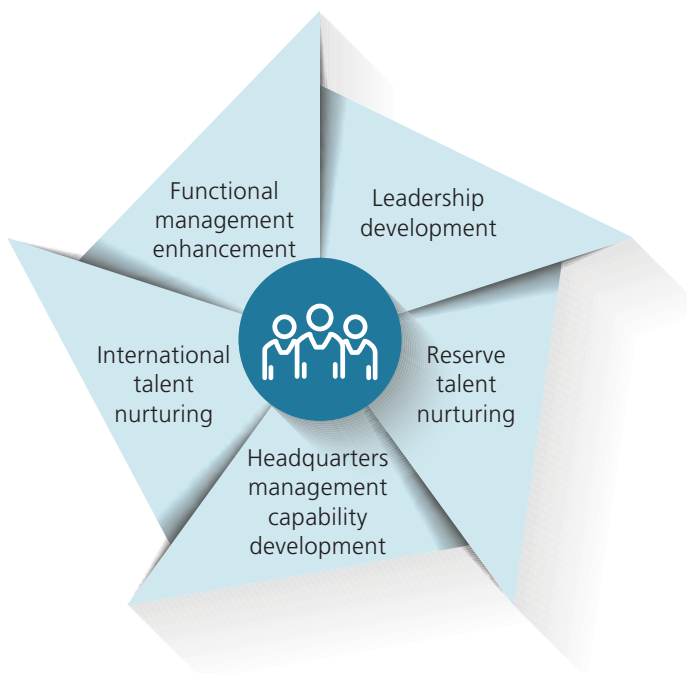
By gender (unit: hours)



By position (unit: hours)



 Total number of training hours for all employees was over 1.2 million



FIVE KEY TALENT NURTURING INITIATIVES

In 2018, the Group founded the COHL Management Institute. Two training bases in Hong Kong and Shenzhen are currently in use.

In proportion to the Group’s “13th Five-Year” strategic plan, the COHL Management institute has rolled out five key talent nurturing initiatives, encompassing leadership development, reserve talent nurturing, headquarters management capability development, international talent nurturing and functional management enhancement, with the aim to promote structural transformation and upgrading of the Group’s management talents.

People at Heart: Expanding a Safe and Harmonious Working Environment



The 1st "Career Cornerstone Action" Programme for the Group's Headquarters Staff

To achieve the goal of full training coverage, COHL held a two-day "Career Cornerstone Action" Programme in Shenzhen COHL Management Institute for its headquarters staff. This programme aimed to promote communication and integration between headquarters departments through workshops and visits with the theme of teamwork. During the year, the number of participants in the Group's headquarters was 48.

In addition to five key talent nurturing initiatives and the "Career Cornerstone Action" programme, the Group has carried out training activities to maintain talents' strength, such as the "19th National Congress" principal training course, executive leadership development training. The Group has also launched the "Sons of the Sea" navigation programme to help the new batch of "Sons of the sea" recruited from the campus program to integrate into the COHL culture.

Looking forward, the Group will further integrate its resources and rely upon the platform of the COHL Management Institute, focusing on building two training brands of "Leadership Development" and "Young Elite Cadre Nurturing" to form a branded, elite and innovative training system.



GOVERNANCE AT HEART: EXPANDING AN INCORRUPTIBLE AND EFFICIENT GOVERNANCE ENVIRONMENT

COHL is dedicated to creating an incorruptible and efficient corporate culture. Adhering to the core principle of “assuring quality and creating value”, we endeavour to maintain a sustainable supply chain management, and provide customers with products and services of excellent quality to enhance their satisfaction.

GOVERNANCE AT HEART: EXPANDING AN INCORRUPTIBLE AND EFFICIENT GOVERNANCE ENVIRONMENT

ANTI-CORRUPTION AND INTERNAL CONTROL

Anti-corruption is a key constituent of COHL's corporate culture. The Group's Supervision Department is responsible for reviewing the management system and related guidelines to ensure the integrity of all departments, subsidiaries, branches, business units, joint ventures and operational sites. The Group also elucidates the monitoring function of its subsidiaries and listed entities. Supervisors are required to receive professional training in project management and discipline supervision.

After assessing the risks, we conduct targeted on-site audits or inspections on the identified risks in accordance with internal regulations such as "Internal Auditing Standards" and "COHL Supervision and Auditing Management System". If a major corruption risk is identified, we will disclose the risk through a special report and continue to follow up on adjustment and remedial actions at the subsidiary concerned, as well as command submission of a rectification report within three months. We decide, based on the report submitted, whether a follow-up audit should be conducted. In 2018, there were no significant corruption risks found or occurrence of confirmed corruption incident.

0 case

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

During the year, the Group also embarked on the following initiatives to enhance its integrity culture.

1. Optimising the supervisory function

The Group separated out its supervisory function to establish a standalone supervision department, which is equipped dedicated staff focusing on anti-corruption work.

2. Strengthening the grievance system

To further strengthen the Group's effort in handling grievances, the Group has processed a total of 17 complaints during the year, including employee integrity and conflict of interests.

3. Building model units of integrity

COHL issued an open letter in the name of the Chairman of the Board, calling on all employees to uphold the spirit of integrity. The Group has also engaged 131 subsidiaries in the "Integrity Culture Promotion Week" activity, organising 200 integrity activities with a total of 33,640 participants. The emphasis of the activity was to promote the concept of integrity through case studies, urging relevant departments to improve existing policies and regulations to secure the Group's determination against corruption.

Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment

PRODUCT RESPONSIBILITY

Product and service quality is the basis for customer approval and market recognition. During the year, different business areas under the Group have adopted new technologies and new processes to further strengthen quality management.

A sound management system safeguards the Group's product and service quality. For real estate business, we have completed the designer's manual for "Three Categories and Six Types" of premises, reinforcing the "Precision in Construction" and the "Maintenance System" through the establishment of quality control system and post-design evaluation system. For construction and property management businesses, we strive for stringent quality management, and proactively adopt advanced quality management methodologies and tools. More than a dozen of major subsidiaries of the Group have been ISO 9001 certified. During the year, the Group has not been fined for any violation of product and service-related rules and regulations.

The Group adopts an open attitude in research and adoption of new technologies and processes. During the year, we vigorously adopted new construction technologies such as aluminium moulds, cast-in-situ external walls, prefabricated concrete components, and completed the development of information technology management systems including the big-data analysis platform, Hong Kong property sales system and the public comment monitoring platform.

Through ongoing improvements in the quality management system, a number of our major construction projects received quality awards. The Hong Kong Children's Hospital, constructed by CSCHK, received the AIB International Construction Award. The Pedestrian Footbridge Project in Sha Tin Area 52 Phase 2 received the HKIE-2018 Structural Excellence Award. Shun Tak's Hengqin project, commissioned to CSC Macau, received the 2018 Guangdong Association for Quality QC Second Prize for its quality management work. The Seac Pai Van Social Housing Project in Macau and Stonecutters Island Sewage Treatment Works Project received the 15th Tien-yow Jeme Civil Engineering Prize.



AIB International
Construction Awards



HKIE-2018 Structural
Excellence Award



2018 Guangdong
Association for
Quality QC Second Prize



15th Tien-yow Jeme
Civil Engineering Prize

Committing to the service mission of focusing on customers, the Group has established two-way communication platforms to understand their needs and enhance customer care and customer satisfaction. Stipulations like Customer Service Guide, Customer Satisfaction Survey Procedure are in place in our quality management system to regulate the process of customer service.

To respond to customers' needs in a timely manner, we have established the "China Overseas Club", property management customer QQ group and WeChat group, etc. Meanwhile, we carry out annual customer service survey and project revisits to consolidate and address any issues raised by property owners, and formulate any required measures to prevent recurrence of the same issue. 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.

Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment

Privacy Protection

The Group highly values the privacy of its customers, employees and business partners, and strictly complies with the Code of Corporate Ethics" included in the Group's HR Management System. The "Document Management Control System" is in place in our quality management system to regulate contract formation and security.

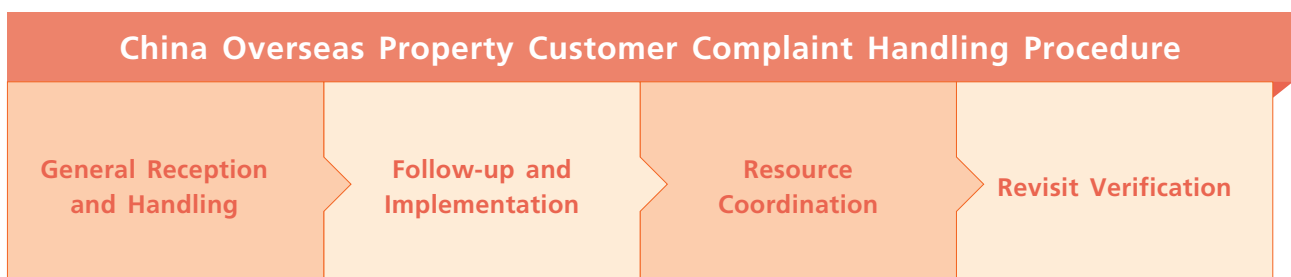
During the process of property sales and property management service provision, the collection of customers' personal information is inevitable. We have set stringent requirements for the protection of such information. We prevent any transmission or leakage of information at source with various measures, including regulating customer information with information technology; classification of customer files; designated personnel and counters for accessing hardcopy files; encryption of electronic documents; authorisation for access to information with respect to the management level and position of the relevant personnel.

For construction business, we value the protection of customer information. The "Subcontractor Management Procedure" and "Procurement Control Procedure" are formulated to prevent leakage of relevant documents, and to secure quotations and contract documents related to subcontractors and materials suppliers. In terms of practical work, the property management representatives act as the channel of communication between the construction site and customers; customers' personal contact information remains hidden in the process of communication. During the year, the Group has not identified any cases of violation of rules and regulations for protection of customer privacy or loss of customer information.

Complaint Mechanism

The Group's businesses have established appropriate complaint channels for different stakeholders. For construction business, complaint hotline related to labour issues are displayed on worksites to monitor the legal compliance of labour rights protection and to ensure the health of labour and the safety of operations. For real estate business, contact details for filing complaints are posted in project sales offices, at community property management office front desks (or building lobby), occupation-ready sites, online publicity platforms and so on.

We are committed to handling and responding to complaints in a timely manner to properly address customers' requests and demands. With the enormous population of property project customers, we have formulated the "China Overseas Property Customer Complaint Management Policy", providing clear guidance for various ways of handling complaints. During the year, some of the subsidiaries set up even tailor-made customer complaint targets with respect to their own specific businesses, and further classified them to enhance the implementation of product responsibility fulfilment.



Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment

SUPPLY CHAIN MANAGEMENT

The Group maintains a broad base of suppliers who provide various products and services for our business operations. These suppliers are our crucial collaboration partners. Sustainable development of the Group's businesses is reliant on the stability of the quality of suppliers. Our operations are affected if safety, labour or environmental issues arise in our supply chain. Therefore, rigorous selection of suppliers and maintaining satisfactory collaboration with suppliers are our important duties.

We ensure compliance with legal and supervisory provisions of all suppliers of the Group through a stringent management system. This aligns with our principle of sustainable development. Harnessing our own resource advantage and significant influence, we aspire to support and encourage suppliers to improve their performance in environmental protection, safety and community engagement, eventually creating a mutually beneficial situation.

Property Business

The major suppliers of our property business provide building materials, decorative materials, installation materials, facilities and equipment, and offer construction and maintenance services. To serve customers with goods and services of consistently high standards, standard guidelines on centralised procurement and procurement of construction materials are drawn to ensure all materials and products used in construction meet the required quality standards. Relevant contractor work guidelines and standardised contracts are formulated and are applied for relevant business partners (QDSS), regular comprehensive assessment of suppliers' products and services are carried out and ranking of suppliers is done annually based on their performances. Sub-standard suppliers are removed from the tender and procurement suppliers lists.

Regarding the ubiquitous labour issues in the construction industry, we have implemented even more stringent management policies, including measures to prevent suppliers from withholding salary payments to workers and complaint hotlines for workers to report such incidents, establishing and improving the labour management that requires all business partners to sign employment contracts with workers. A contractor credit record system is used for reviewing the integrity of contractors bidding for projects to ensure workers hired by them for the Company's projects are lawfully and fairly treated.

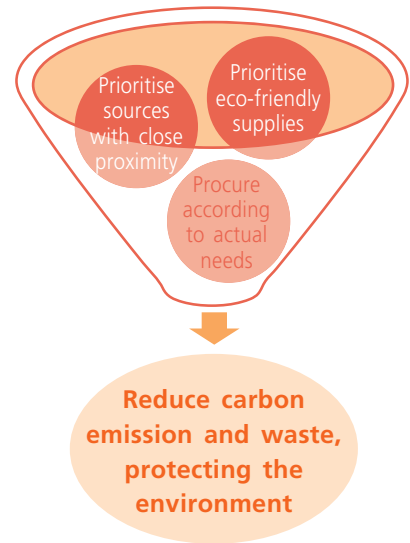
Construction Business

For construction business, the major suppliers include sub-contractors, building materials suppliers, construction equipment suppliers and consultants. We have established a set of precise and fair assessment standards; lists of qualified suppliers and sub-contractors are updated annually, and those with sub-standard performance are removed from the lists. Pursuant to national provisions, we require contractors to allocate sufficient funds for safe and civilised operations, to be used for safety and environmental work, ensuring a better ambient environment. Besides, we carry out regular checks on how sub-contractors manage employer/employee relationships, including requiring them to sign the promise of wage payment, and providing humanitarian care for workers, such as offering cooling materials and medication in summer.

Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment

Promoting Green Procurement

To achieve a sustainable society where development is coordinated with environmental protection, the Group’s construction business is committed to minimising the environmental impact through the entire lifecycle of all premises, from the stage of design, procurement, construction and final handling. CSCHK has formulated the “Procurement Policy”, requiring all operational units to follow the “Green Procurement” principle in procurement activities. Adhering to stipulations of the policy, the Procurement Department has implemented guidelines for the selection and utilisation of numerous operational and construction site materials and facilities, and increased the use of environmentally-friendly products.



Property Management Business

The major suppliers in property management business are materials suppliers, security service, cleaning service and greening service providers. We require service providers to provide social insurance coverage to their employees and subscribe to other relevant commercial insurance and provide adequate protective tools according to workers’ respective duties. Before commencing collaboration, we thoroughly inspect suppliers through assessing managerial skills of the proposed on-site managers and origins of the main workforce.

We are committed to ensuring fairness of procurement process. The Group has a permanent email box for reporting incidents of non-compliance. Its subsidiaries also inform suppliers of their telephone 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 is issued to partners to restate the Group’s insistence upon running a corruption-free business, reminding them not to violate rules and regulations in their operations.



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

Having been in property development and construction business for many years, COHL incorporates green elements in its operations across the industrial chain that stretches from project design to construction and property management and standardises the designs and requirements. We are committed to creating a sustainable future for our next generations and participating more actively in green building certification.

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

ENVIRONMENTAL MANAGEMENT

To ensure lawful operations and minimise the impacts of our businesses on the environment, we actively pursue possible increment in resources allocation for environmental protection, aiming to raise employees’ and the public’s awareness on climate change and pollution. The Group and its subsidiaries fully and strictly comply with all related environmental regulations, continue to optimise environmental policies and monitoring mechanism and support government’s environmental initiatives with action. During the year, there were no cases of major fines imposed on the Group for violating environmental laws and regulations.

Environmental Management Strategies			
<p>Governance</p> <ul style="list-style-type: none"> The Group and its subsidiaries have set up environmental management departments responsible for monitoring environmental management and related work 	<p>Environmental Policy</p> <ul style="list-style-type: none"> The Group and its subsidiaries implement internal policies and set annual environmental management targets, indexes and action plans 	<p>Environmental Management System</p> <ul style="list-style-type: none"> Most of the properties and construction sites of the Group have obtained ISO 14001 Environmental Management System Certification. We also conduct internal and external audits on environmental management system periodically to ensure the effectiveness of the system 	<p>Environmental Commitments</p> <ul style="list-style-type: none"> Embark on green building research and design <ul style="list-style-type: none"> Avoid causing pollution Reduce construction waste and natural resources consumption Comply with environmental regulations, contractual provisions and requirements

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

ADVOCATING FOR GREEN BUILDING

Environmental efficiency of buildings affects generations of the properties' users due to its long lifecycle. The Group actively promotes the development of national green buildings, striving to reduce the environmental footprint of the buildings throughout their lifecycles. By assessing current conditions, formulating execution methods and technical guidelines, testing them on models or pilot projects, we push forward step-by-step with full adoption of green construction technologies in new generation residential projects. We provide environment-friendly, healthy and comfortable experience to users by applying technologies that can optimise land use, conserve energy and water and materials, creating the best possible indoor environment and enabling green construction, operation and management.

To encourage employees to keep abreast of technological developments in the context of green buildings, the Group subsidises employees participating in the BEAM Pro training and attaining the related qualifications. In total, the Group's construction business has 23 employees with the qualification of BEAM Pro, providing professional advice on construction and management of our green building projects to reap benefits of environmental sustainability.

We are committed to practicing the environmental protection concept of "Smart Technology, Green Health". The property business has established the green building corporate standards with reference to the "Green Building Characteristics Research Report", "Green Building Implementation Measures", "Green Building Technology Guidelines" and "Green Building Technology Manual". The property business unit has established R&D centres for green buildings in Suzhou and Wuxi to delve into green building technologies and implementation of green building practices. Projects that have adopted measures from these R&D centres include China Overseas International Center in Shanghai, The Paragon in Shenzhen, and other projects with an aggregate construction area of approximately 10 million square meters.

As at the end of 2018, the Group had received over 154 accreditations for projects with total construction area of over 28.40 million m², from prestigious institutions like the US Green Building Council (USGBC), Leadership in Energy and Environmental Design (LEED) Certification and the British Building Research Establishment Environmental Assessment Method (BREEAM). Based on the best practices in green development, COLI was ranked the first in the "Top 50 Green Credit Index of China's Listed Housing Enterprises". And The Paragon in Shenzhen was among the top ten projects that were commended for "2018 China Green Building Innovation Demonstration". For more information about the green building certification of the Group's property projects, please refer to the 2018 Annual Report of COLI.

In 2018, the Group obtained Green Building Certification for a total of 44 new projects, with an aggregate area of certified green buildings reaching to

8.79 million m².

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

ENERGY SAVING AND EMISSION REDUCTION

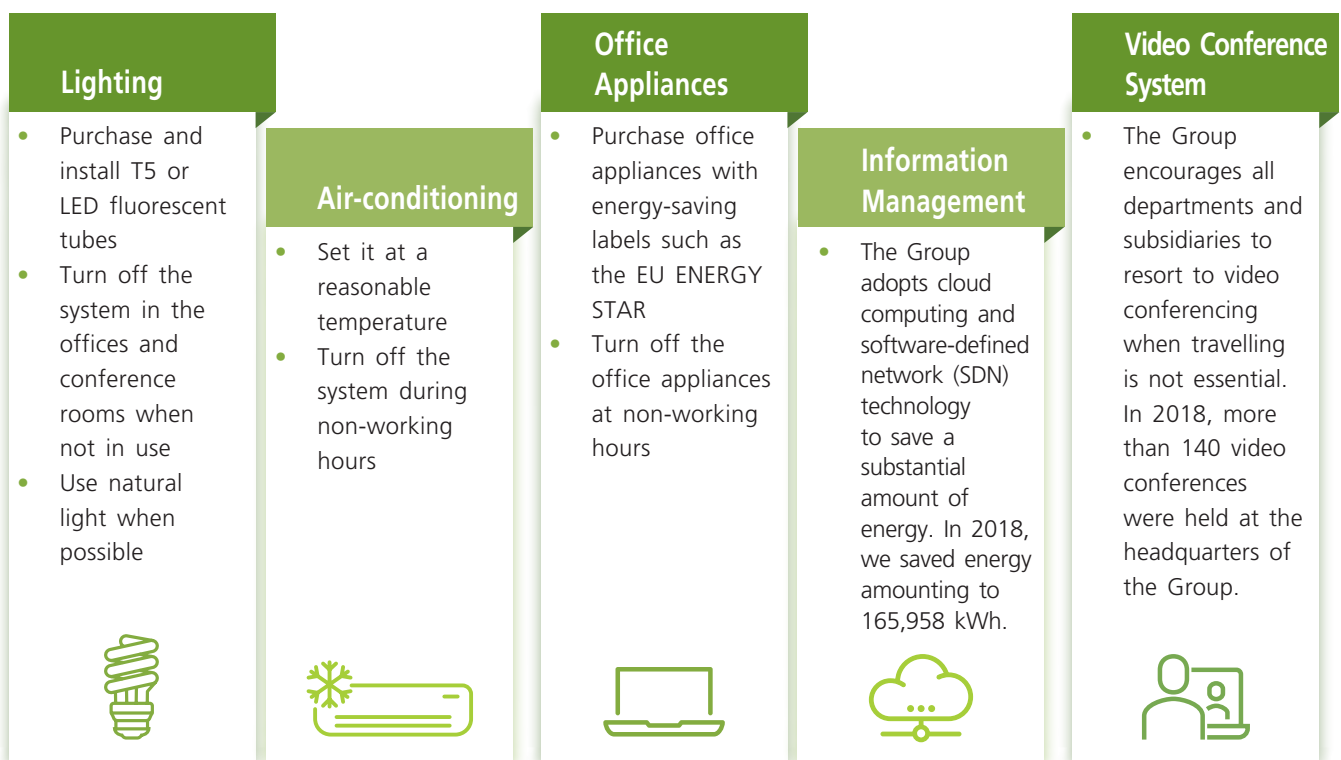
Climate change poses an escalating threat to the Group’s business, society and the global economy. The Group is well aware of the urgency of promoting a low-carbon economy. Regarding this, the Group has implemented effective energy conservation initiatives, promoted energy-saving construction technologies, improved property energy efficiency and actively explores ways to help the setting of energy saving and emission reduction goals for lowering greenhouse gas emissions and in turn helping mitigate global climate change. Energy consumption is the main source of carbon emissions for the Group, so our strategy for addressing climate change is closely related to energy management strategies. The following is an overview of the Group’s response to climate change, and we will continue to improve related work and disclosure in the future.

<p>Governance</p>	<p>The Group has set up a “Corporate Social Responsibility Committee”, which is responsible for overall planning and supervision of the Group’s work on the economic, environmental and social fronts, including the direction and strategy of tackling climate change. The CSR Committee will review and summarise work progress regularly and report work progress to the President of the Group.</p>
<p>Strategy</p>	<p>We have identified the risks and opportunities brought by climate change:</p> <p>Risks:</p> <ul style="list-style-type: none"> • National environmental requirements are becoming more stringent and the Group has to comply with lawful requirements. <p>Opportunities:</p> <ul style="list-style-type: none"> • New energy-saving and emission-reducing technologies continue to emerge, helping to reduce resource consumption and operating costs through adopting new technologies. • Promote national green building development and enhance the market position of the Group.
<p>Risk Management</p>	<p>To effectively manage climate-related risks, we evaluate climate-related risk and opportunity events, plan measures to address them and assess their effectiveness. The Group’s subsidiaries have formulated energy policies and energy management systems. Based on the internal audits of energy management, we continuously review and optimise the relevant policies and systems to improve the Company’s energy performance.</p>
<p>Metrics and Targets</p>	<p>We adopt the following metrics to measure and monitor work related to climate change:</p> <ul style="list-style-type: none"> • Greenhouse gas emissions, including Scope 1, 2 and 3 emissions • Greenhouse gas emissions intensity which is computed by revenue • Energy consumption, including consumption of fuel, gas, electricity and other kinds of energy <p>The Group and its subsidiaries set annual energy management targets, metrics and action plans. For example, the construction business requires the offices at headquarters to reduce annual electricity consumption by 1.0% and the offices at construction sites to reduce electricity consumption per m² by 2.0%.</p>

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

We apply a number of green building and energy saving technologies including solar photo-thermal system, fresh air system with heat recovery, prefabricated construction, efficient irrigation systems, solar power flashlights, replacement of diesel forklifts with battery forklifts, etc. to reduce energy consumption in the construction process.

For office-based operations, the Group proactively promotes green office practices, encourages employees to cultivate green living habits, and reduces energy consumption in the offices. The Group and its subsidiaries have implemented the following energy-saving initiatives in their offices:



CONSERVING WATER

The Group values water resources and strives to minimise the impacts of the Group's business on water resources. Our construction business formulates water conservation policies, sets water-saving targets, collects rainwater and construction water at construction sites, recycles it for car-washing, greening, concrete maintenance and watering and dust suppressing, and regularly checks hoses and water supply pipes to prevent leakage. In addition, we recommend and subsidise suitable employees to get professional qualifications of chartered member of the Chartered Institution of Water and Environmental Management¹ for enhancing water usage efficiency of the business.

The property management business implements water consumption control work, studies the reasons of water consumption on projects by conducting specialised investigations, and carries out water supply system transformation to greatly reduce the occurrence of leakage problem. At our offices, we adopt water-saving sanitary wares, put up signs in pantries and toilets to remind employees and guests to save water and encourage employees to immediately notify relevant departments of leakage and dripping cases for quick remedy.

¹ As international association of engineering and scientific professionals working in the water and environmental field. It has chartered status and is affiliated with the British Engineering Council.

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

MINIMISING MATERIAL CONSUMPTION

By considering environmental factors in the design, procurement and construction processes of a project, the Group proactively practices responsible procurement. We take into account environmental management system certifications and environmental standards of products when selecting suppliers, keep strengthening testing of incoming materials from the environmental perspective and urge suppliers to embrace low-carbon production and green operations. We assess the performance, including safety and environmental performance, of subcontractors and suppliers every year. The site safety department follows up with and provides training to sub-standard suppliers to help them improve their environmental and safety performance.

To reduce resource consumption in construction projects, we adopt environment-friendly and energy-saving construction materials and machineries and procure materials first from areas in close vicinity to reduce carbon emissions caused by transportation. We continue to implement green construction measures for new projects, and prepare green construction project plans to save energy, reduce emissions and improve material utilisation rate. In addition, we encourage the use of prefabricated components and prefabricated buildings. Priority is given to subcontractors with related technology to reduce the usage of construction materials and disposal of waste.

The Group promotes paperless work practices in its offices and adopts digital workflow systems for human resources management, financial management, administrative management, etc. In 2018, at the headquarters of the Group, 4,704 online processes were completed. We encourage employees to print on both sides of paper, reduce photocopying of documents, use email and intranet, and implement electronic approval of documents.

EMISSIONS MANAGEMENT

The Group has formulated procedures and policies for managing the emissions of air pollutants, sewage and waste generated in the process. We are committed to minimising the impacts of projects on the surrounding environment through different emission reduction initiatives.

Air Emissions

In order to reduce the emissions from construction projects of the Group, its construction business strictly complies with requirements of the local government's dust control department, "Six Hundred Percent", i.e. 100% enclosure around the site, 100% coverage of various materials, 100% wet operation of earthwork excavation and demolition work, 100% cleaning of inbound and outbound vehicles, 100% hardening of pavement on construction site, and 100% closed transport of muck soil vehicles). For emissions from vehicles and mobile machineries, we adopt oil and gas dual fuel, hybrid electric or electric vehicles, and encourage employees to develop the habit of switching off idling engines.

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

Sewage

For sewage discharge by the construction projects, we build wastewater collection pipes and pools to collect wastewater generated in construction processes, and industrial wastewater is properly discharged into municipal wastewater drainage system in compliance with regulations. Dedicated professionals are appointed to oversee wastewater treatment and disposal, keep related work records and implement management standards. We set up sewage treatment machines at construction sites and reuse wastewater on car-washing pool, garbage chute, shoe-washing machines, construction sites, etc. We also collect high-quality wastewater such as air conditioning condensate, shopping mall restroom wastewater and regular cold tower discharge, to be biologically treated for reuse.

Waste

The Group collects and disposes construction waste according to local city management rules. During the year, the construction business issued the "Guidelines for the Management of Disposal and Construction Materials at Construction Sites", standardising demolishing and monitoring policies to prevent illegal disposal. We also set up waste sorting stations and waste recycling bins at the sites to increase recycling rate of construction waste. In respect of domestic waste, we set up garbage sorting and recycling barrels in the communities, and actively carry out themed activities related to household garbage recycling, for example, garbage sorting, regular recycling of used batteries, and recycling of clothes, so as to enhance the environmental awareness of residents. Though the operation of the Group does not involve any significant generation of hazardous waste, we comply with the national requirements, appoint qualified units and abide by related legal procedures.

ENHANCE STAFF AWARENESS OF ENVIRONMENTAL PROTECTION — ENERGY SAVING AND EMISSIONS REDUCTION PROGRAMME

COHL integrates environmental protection elements into its business scope and strives to increase staff awareness of environmental issues and build a shared green office culture. The Group has launched the Energy Saving and Emission Reduction Programme since 2016. We actively improve employees' environmental awareness by implementing green measures, setting targets, monitoring data, establishing systems, organising workshops and other initiatives in the offices. The Programme facilitates each business unit to promote green office concepts through establishing the "Green Office Guidelines". We also review and optimise the "Energy Saving and Emission Reduction Action List", which includes five key areas: saving paper, saving electricity, saving water, green procurement and awareness enhancement, and the "Annual Energy Saving and Emission Reduction Targets".

Saving Paper



Reduce A4 paper consumption by **2%** against previous year

Saving Electricity



Reduce electricity consumption by **4%** against previous year

Saving Water



Implement and organise water-valuing and water-saving activities

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

Results of the Programme in 2018

The Group and its business units organised a series of promotional activities focusing on “Low Carbon Living” and “Eco-Healthy Workplace”, including “Eco-Healthy Workplace and Bonsai Workshop” organised by the headquarters of the Group and “Organisational Safety and Environmental Management Conference held by CSCI etc.. We call on colleagues from different business lines and positions to implement environmental protection measures in line with their actual situations, by having rich forms and contents of activities.

Exploring the Long Kwu Tan Ecology and “Plastic-less” Educational Activity

In response to the theme of 2018 World Environment Day, “Beat Plastic Pollution”, the Group organised exploring the Long Kwu Tan ecology and “plastic-less” educational activity. The colleagues and their families from the Group’s headquarters and its subsidiaries in Hong Kong came to Lung Kwu Tan in Tuen Mun and boarded the Chinese White Dolphin Lookout. Under the guidance of the tour guide of the professional environmental group, participants explored local history and understood the local ecological impacts brought by factories, landfills etc. The tour guide explained the classification and sources of plastics in the workshop. The guide addressed the importance of having clean recycling, and encouraged them to reduce using plastic products in daily lives to reduce waste at its source.



Organising “Indoor Environment Inspection and Management” Talk

On the occasion of the World Environment Day, the Group held a seminar on “Indoor Environment Inspection and Management”, inviting Dr. Mui Kwok Wai from the Building Services Engineering Department in the Hong Kong Polytechnic University to give a presentation and share “tips” on inspecting and handling related problems. The seminar attracted more than 50 colleagues from various business units to participate. Through exchanging ideas, all of them were benefited from Dr. Mui’s presentation.



Called on the Owners to Participate in the “Green COHL Carnival” Series of Activities

COPL called on the owners to protect the environment and organised the “Green COHL Carnival” series of activities, inviting more than 70 owners to participate in the “Practicing the Green Future” initiative. We demonstrated the determination to live a low-carbon life by establishing the belief of maintaining a green home together in the neighbourhood.

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

Establish MINI Shared Library in Office Lobby

China Overseas Office Capital (COOC) launched the “Open Your Mind to be a Leading City Reader”, introducing the concept of “shared reading”. A MINI shared library is set up in the lobby of the offices for tenants to borrow books without charging, encouraging tenants to participate and practice a low-carbon lifestyle. COOC also launched a campaign of “Turning off Lights for One Hour” in more than 20 office buildings in 11 cities across the country to contribute to environmental protection.



Organised “Eco-Healthy Workplace and Bonsai Workshop” Activity

During the “Eco-Healthy Workplace and Bonsai Workshop” activity, the Group invited the instructors to vividly explain how to implement energy saving and emission reduction measures in daily life, office habits, diet structure, waste disposal etc. Under the guidance of the instructors, colleagues made glass bonsai with air purification function, which not only honed their creativity, but also relieved their work fatigue. The works also achieved the effect of improving indoor air quality, strengthening employees’ well-being and greening the office environment.



External Recognition and Awards

The Group has been recognised and rewarded by external parties for its Energy Saving and Emission Reduction Programme. It is the sixth consecutive year for us to be recognised under the “United Nation Sustainable Development Goals — Green Office Awards Labelling Scheme” by World Green Organisation and to be awarded the “Green Office” Label. In addition, the Group is awarded as “Hong Kong Green Organisation” under the Hong Kong Green Organisation Certification. It is led by the Environmental Campaign Committee alongside the Environmental Protection Department and other organisations. The certification recognises the contributions and commitments of the Group to environment protection.

Looking forward, the Group will continue to optimise the content of the plan and enhance its effectiveness. The Group further asserts its advocacy role in environmental protection work, highlighting its corporate social responsibility role in environmental protection and facilitates its subsidiaries to promote the green office culture more comprehensively in daily office operations. For more information on the Energy Saving and Emission Reduction Programme, please [click here](#).



COMMUNITY AT HEART: EXPANDING A LOHAS AND HABITABLE LIVING ENVIRONMENT

COHL bears its responsibility to give back to the communities where it has operation. Reinforcing participation in affordable housing projects, enhancing customer service and community engagement, and actively partaking in poverty-alleviation and philanthropy are our principles of community sustainable development.

COMMUNITY AT HEART: EXPANDING A LOHAS AND HABITABLE LIVING ENVIRONMENT

COMMUNITY INPUT STRATEGY

The Group incorporated the China Overseas Charity Fund Limited in 2005 and established the charitable brand “The Sea has No Limit and Love has No Boundary”, identifying three areas of Education Development, Environmental Protection, and Poverty and Disaster Relief as key focuses. With the CSR Committee established in 2008, in addition to devising medium to long-term corporate social responsibility (CSR) development plans, the Company has also drawn up a community development blueprint. Our staff association and its social responsibility division have dedicated personnel responsible for organising and rolling out relevant activities. To date, the Group has dedicated over RMB195 million to poverty and disaster relief, education subsidy and charitable purposes, establishing a systematic, regular and branded social responsibility development mechanism.

CORE BUSINESS-RELATED COMMUNITY PARTICIPATION

Affordable housing² and infrastructure projects

To further improve the living conditions of communities and residents and promote healthy development of the real estate market, 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 with total gross floor area of more than 29 million m².

As for infrastructure works, the Group’s construction business has been promoting and is in full embrace of the Public-Private-Partnership (PPP)³ model since 2015. 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. These projects are of great significance for fostering local economic development and raising the quality of lives of residents.

Inauguration of Hong Kong-Zhuhai-Macao Bridge (HZMB)

On 23 October 2018, the Inauguration Ceremony of HZMB was held in Zhuhai. CSCI was the contractor for the section of Hong Kong Link Road between Scenic Hill and the Hong Kong Port. The HZMB connects the Hong Kong Port with the Hong Kong International Airport at the east, and Zhuhai and Macau ports at the west, spanning over the Lingdingyang waters and ends at Hongwan in Zhuhai. The HZMB is the first mega sea crossing constructed with the concerted effort from Guangdong, Hong Kong and Macau. The 55 km long HZMB comprises bridges, a sub-sea tunnel and offshore reclaimed islands. It is of great strategic significance to the overall competitiveness of the Pearl River Delta, sustaining the prosperity and stability of Hong Kong and Macau as well as the establishment of the Greater Bay Area.

² Affordable housing refers to standardised, rent-restricted or price-restricted housing for middle-to-low income families experiencing difficulties in securing a dwelling. Constituents of affordable housing generally include low-rent units, for-sale economic units, politically-oriented for-rent units and resettlement housing.

³ The PPP model (Public-Private-Partnership) refers to the “public-private partnership system”, which refers to the collaborative relationship between the government and private organisations in the construction of urban infrastructure projects, with concessions as the basis for collaboration.

Community at Heart: Expanding a LOHAS and Habitable Living Environment

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 draw relevant environmental management and community engagement plans, 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 officers 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 exteriors of construction sites to ensure potential issues or impacts are reported and resolved in good time.

Quality Community Experience

To ensure pleasant and satisfactory community experience for all owners and tenants of COPL properties, we build almost 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 attractive and pleasing features. 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, for the enhancement of residents' experience.

Border Gate Terminal Repair Works

In 2017, Super typhoon Hato hit Hong Kong, Macau and coastal areas along the Pearl River Delta, causing severe damage to a large number of infrastructure and municipal facilities, one being the most important and busiest public transport hub in Macau, the Border Gate Bus Terminal. Affected by the typhoon, the power system, fire safety equipment and ventilation system of the terminal were severely damaged, forcing it to shut down, which caused tremendous impacts on Macau's urban traffic. In order to repair the terminal as soon as possible and safeguard the passengers' safety, the Macao Infrastructure and Development Office launched the key municipal project of the Border Gate Terminal Repair Works at the beginning of 2018. The Group understands the urgent needs of the citizens and strives to leverage its technological and experience advantages to contribute to the people's well being. Therefore, in the bidding for the project, CSC Macau prioritised shorter construction period for the earliest recovery of citizens' convenience. After adequate discussion, it took the initiative to shorten the construction period to half, i.e. 255 days, as estimated by the government and the industry.

Community at Heart: Expanding a LOHAS and Habitable Living Environment

Caring for the Community

It has always been COHL's endeavour to use the unique features of its businesses to contribute to the community and fulfil its corporate social responsibility. During the year, the Group exhibited its mission of "Expanding a Happy Living Environment" in the aftermath of Typhoon Mangkhut in Hong Kong and Macau as well as the flood in Shandong through actively engaging in disaster relief and community rebuilding work.

Relief Work after Typhoon Mangkhut Hit Hong Kong and Macau

Super Typhoon "Mangkhut" hit Hong Kong and Macau on 16 September 2018, wreaking havoc in the two cities. The Group and its subsidiaries actively planned the relief work. CSCI issued the "Notice on Precautions for the Strong Typhoon 'Mangosteen'" before the "Mangosteen" attacking Hong Kong and Macau, and set up a leading group to coordinate the anti-disaster work. Once the typhoon left, it allocated considerable human resources and supplies to the relief work in Hong Kong and Macau by actively following the instructions of the superior units and the SAR governments. Relief work was started swiftly.

Throughout the disaster relief work, CSCI assigned 1,627 volunteers and dispatched about 400 machineries and equipment. Some sections carried out cleaning work for more than 16 hours a day. The cleanup area covered 87 roads and facilities in four major areas of Hong Kong, and 8 areas in the peninsula, Taipa Island and Coloane Island in Macau. Our volunteers cleaned up 817 collapsed trees, over 88,000 meters of roads, 260,283 square meters of public space, cleared 700,000 cubic meters of sea sand, and transported garbage about 421 times.

COPL also actively guided and assisted the rebuilding of homes after the disaster. On one hand, we empathised with the affected households by conveying our condolences to the frontline staff of the disaster relief teams and carefully inspected the relevant mechanical and electrical facilities to ensure normal operation; on the other hand, we conducted comprehensive inspections and reported feedbacks on the safety, environmental hygiene and community facilities in public areas; cleaned up stagnant sewage and debris such as sand, tree branches, glass shards, and cleared the drains. Trees and shrubs were strengthened and rectified; and pest control units were arranged to sterilise the areas under their control to prevent the occurrence of post-disaster epidemics.

The members of COHL Staff Recreational Association Volunteering Division also developed a plan for precautionary measures and disaster relief before the typhoon landed. The program was divided into two stages: "wind-proofing" and "rescue". In the "wind-proofing" stage, 40 volunteers were convened by the Group's volunteering unit on 15 September. They started working for nearly 10 hours from 9:00 am, visited nearly 50 households and assisted vulnerable groups in Hing Tin Estate and Tak Tin Estate to prepare for the onset of the typhoon. The "rescue" phase was scheduled to begin on the morning of 17 September. Under the premise that the typhoon had landed, the surroundings were safe and for assisting the target community, five teams were assigned to five targets for the post-disaster relief work.

In the process of disaster relief, we successfully completed the relief work with effective organisation and execution, and fulfilled the social responsibilities of corporate citizens through restoring local social and economic order. This disaster relief work has been recognised by people from different sectors. More than 30 SAR government departments, including the Hong Kong Civil Engineering Department and the Hong Kong Highways Department, district boards and social organisations presented us silk banners and thank-you letters.



Community at Heart: Expanding a LOHAS and Habitable Living Environment

Flood Relief Work in Shandong Province

In August 2018, some cities in Shandong Province including Shouguang and Qingzhou were hard hit by a massive flood brought by the highest rainfall recorded in 67 years, causing severe devastation to the area.

The Group subsequently held the Shandong Flood Relief Mobilisation Conference and Donation Ceremony, and donated RMB1 million to the disaster-stricken area through the Shandong Charity Federation. A total of more than 130 employees of the Group's five companies in the province formed a volunteer team and arrived in the disaster area on 31 August to carry out manual dredging and clearing work. The disaster relief operation lasted for eight days, helping a total of 22 villages and nearly 1,900 households in the disaster-stricken areas to recover from severe conditions and quickly resume production.

Organisation of the Event for the Care and Protection of Rural Left-Behind Children

Hosted by the Office of the Joint Conference of Rural Left-behind Children, the Ministry of Civil Affairs and CSCEC, and co-organised by the Office of the Joint-Department Conference of the Care and Protection Department for Minors (Children Left in Rural Areas) of Hunan Province, the Hunan Provincial Civil Affairs Department and COHL, The National Rural Left-behind Children Care and Protection "Hundreds of Presentations into the Construction Site" (Hunan Branch) was held at the PPP project of the Yuelushan National University Science and Technology City in Changsha on 28 September 2018.

"THE SEA HAS NO LIMIT AND LOVE HAS NO BOUNDARY" CHARITABLE ACTIVITIES

Youth education development

It takes ten years to nurture a tree, but a hundred years to train a man. Since 2005, education has been the Group's focus when it comes to community investment in Mainland China. The China Overseas Charity Fund Limited was founded in the same year and, through it, the Group began making donations annually for the construction of Hope Schools. In 2018, the Group donated money for building the 13th and 14th Hope School under its name — China Overseas Mei'e Hope School and China Overseas Aidinghu Hope School.

As of 2018, the Group had donated money for construction of 14 China Overseas Hope Schools, providing education opportunities for over

10,000 students

in less educationally developed regions in Mainland China.

Community at Heart: Expanding a LOHAS and Habitable Living Environment



China Overseas Qinglong Hope School



China Overseas Sanquan Hope School



China Overseas Xinhua Hope School



China Overseas Sanxia Hope School



Duijiangyan China Overseas Xinjian Special Education School



China Overseas Shaling Hope School



China Overseas Dougou Hope School



China Overseas Jinfeng Hope School



China Overseas Majin Hope School



China Overseas Yuanling Hope School



China Overseas Tingkou Hope School



China Overseas Jiangkou Hope School



China Overseas Mei'e Hope School



China Overseas Aidinghu Hope School

Community at Heart: Expanding a LOHAS and Habitable Living Environment

In addition to providing funding for the construction of Hope Schools, the Group also provides continuous support in other forms. From site selection, construction and handover preparation to the operation of each school, employees at all levels of the COHL company operating in the locale of the school participate in different ways and forms to render support to the school, living the COHL's corporate spirit. During the year, the Group spent RMB100,000 on maintenance work of Hope Schools; organised caring activities for teachers and students experiencing economic difficulties before Chinese New Year at the beginning of the year; offered RMB422,000 of Chinese New Year subsidy; and set aside RMB665,000 for scholarships and awards of Hope Schools.

Establish "Zhonghai Education" Brand

COLI has built the "Zhonghai Education" brand, operating schools, kindergartens, COLI Academy and outdoor campsites. During the year, the Company established the third affordable kindergarten — Foshan COLI Kindergarten to ensure all-round development of local children. Although the kindergarten is operated on a non-profit, affordable basis, it offers high quality education of global standards as in any other schools under COHL. The Company cooperates with the kindergarten of Renmin University of China to introduce the university's quality preschool resources in the curriculum system and at the management level. It has an experienced teaching team with tertiary-or-above education to ensure quality of education. In terms of the design and materials of the school's fixtures, we pay special attention to the safety and health of young children. For instance, furniture used by children in the kindergarten are made of E0 grade materials, which is the most stringent grade of the national standard. The formaldehyde emission per 100 g of materials is less than 5 mg, allowing children to enjoy learning in a healthy and harmless environment.

Under the charity brand "The Sea Has no Limit and Love Has no Boundary", COHL has set up another sub-brand "Share Children's Dreams", which is dedicated to supporting educational development. Since 2010, the Art Exchange Programme and Summer Camp have been organised for nine consecutive years for students in the Mainland and Hong Kong. Uptil now, we have continuously introduced new elements to the project and expanded its scale to benefit even more children.

Community at Heart: Expanding a LOHAS and Habitable Living Environment

“Share Children’s Dreams” Hong Kong and Mainland Student Art Creation and Exchange Programme

In the period from 2016 to 2018, COHL incorporated the concept of equality and inclusiveness for children into the corporate mission of “Envision Delightful Space” and the charitable principle of “The Sea Has no Limit and Love Has no Boundary”, designed a gradual “3-Year Plan” through which more opportunities for equal participation are offered to children.

Pursuant to the plan, we have held three thematic activities, namely “Our Inclusive Playing Space”, “Our Inclusive Learning Space” and “Our Inclusive Living Space”. Through interactive and creative channels such as literature, drawing, photography and handicraft and publication of books and artwork collections, we carried out a multi-faceted in-depth study of the theme of “inclusiveness”, through which the needs of children from various backgrounds are understood from different aspects, creating an extensive influence on society.

From March to June in 2018, the Group organised 38 workshops in which 189 families and 75 students participated in Hong Kong and 14 cities in Mainland China. The five workshops in Hong Kong engaged with students and parents from five mainstream schools, four special schools and one school for ethnic minorities; tens of workshops in Mainland China attracted children and parents from 12 China Overseas Hope Schools, two China Overseas co-operated schools, 19 China Overseas communities, and four Unipark Shopping Malls. The Group gathered children’s artworks for publication of the collection “Our Inclusive Learning Space” and held the launching ceremony and public exhibition of the collection, allowing citizens to experience the positivity of equality and inclusiveness in children’s creations through different channels. To date, nearly 16,000 children from across the border have benefitted from the programme, creating nearly 12,000 pieces of artwork, and, at the same time, providing the opportunity to offer care to the society for nearly 1,000 COHL volunteers.



“Share Children’s Dreams” China Overseas Mainland-Hong Kong Student Summer Camp

Mainland-Hong Kong Student Summer Camp 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, and appreciate each other’s differences and try to build a diverse society.



Community at Heart: Expanding a LOHAS and Habitable Living Environment

Targeted Poverty Alleviation

The Group supports national poverty alleviation projects and is committed to offering assistance for enhancement of living environment in impoverished areas in Mainland China, as well as economic assistance and job opportunities for local residents. The Group's poverty alleviation projects are outlined as follows:

In May 2018, CSC Macau and the Congjiang County Government of Guizhou Province signed the "Intention Agreement for the Construction of the Comprehensive Teaching Building of the China Overseas Mei'e Hope School in Guandong Town, Congjiang County", and pledged RMB5 million for the construction of the Comprehensive Teaching Building. The aid project is one of the nine specific poverty alleviation cooperation projects under the guidance of the "Guizhou Provincial People's Government, Macao SAR Government and the Liaison Office of the Central People's Government in Macao Poverty Alleviation Collaboration Framework Agreement". It is also the only targeted poverty alleviation project with direct participation in the name of an enterprise under the collaboration on poverty alleviation between Macau and Guizhou. The proposed China Overseas Mei'e Hope School to be built is located near the Mei'e Resettlement Site for Poverty Alleviation in Gantuan Village of Guandong Town, Congjiang County. It serves as the overall relocation and expansion project of the current Gantuan Primary School, and it is also the local government's focus project for helping children relocating for school enrollment and the overall realisation of poverty alleviation. The school covers a land area of 33,300 square meters and a gross floor area of about 9,000 square meters. The comprehensive teaching building has a gross floor area of 3,364 square meters. In the future, it can accommodate 1,080 school-age children for attending school in the close vicinity of their homes.



Assisting Guizhou in Poverty Alleviation



"Sea of Hope"
Targeted Poverty Alleviation

In 2018, COLI officially launched the first territory-wide poverty alleviation project under the brand "Sea of Hope". After considering the poverty alleviation needs in various regions, the millet industry in Lan County of Shanxi Province was selected as the target for support. We helped local farms build the brand "Xiuorong Millet" leveraging our marketing and customer service resources and successfully promoted the product to the whole country, thereby helping villagers continuously increase their income.

We purchased more than 310,000 cattles of "Xiuorong Millet" at a price higher than the market price, which is equivalent to the annual output of the villages receiving help. We designed a packaging with local characteristics for the millet, and purchased the first batch of products, some of which were given to customers as gifts in marketing and customer service activities such as "Walking into COLI's Communities", "Door-Knocking Program", Customer Service Day. Moreover, we organised special promotion activities for the millet in offices, residential communities, commercial projects and campus job fairs in many cities across the country to evoke discussions, attention and support for poverty alleviation from all walks of life.

In order to achieve the ultimate goal of poverty alleviation, we also introduced "Xiuorong Millet" into "Younijia" (優你家), an O2O platform run by COPL and opened an exclusive online store on Taobao to help farmers develop more sales channels. We mobilised homeowners in our properties and the masses across the country to support "Xiuorong Millet", in an effort to maintain a sustainable marketing model.

Community at Heart: Expanding a LOHAS and Habitable Living Environment

To comprehensively adhere to the core doctrine of poverty alleviation and economic development as stipulated by General Secretary Xi Jinping, the Group strongly supports poverty relief work in Huayuan County, a severely impoverished county. With the unified strategic planning by the Huayuan County Government, amenities including the Village Activity Centre, Gratitude Poverty Alleviation Square, Monument for the Initiation of Targeted Poverty Alleviation in Shibadong Village and Huayuan County have been completed by COHL during the year. The project improves local amenities and facilities, foundational medical conditions, and enhances living standards of local villagers.



Development of Poverty Alleviation Project in Shibadong Village, Huayuan County in Hunan Province

Since late November in 2018, COPL has participated in the “8th Central Enterprise On-site Recruitment Fair for Higher Institution Graduates in Tibet, Qinghai and Xinjiang”, recruiting higher institution graduates in the class of 2019 in Tibet, Xinjiang, Qinghai, Sichuan, Yunnan and Gansu etc., offering 11 posts in seven units of the Company’s Xi’an, Chongqing, Chengdu, Urumqi, Lanzhou operational branches.

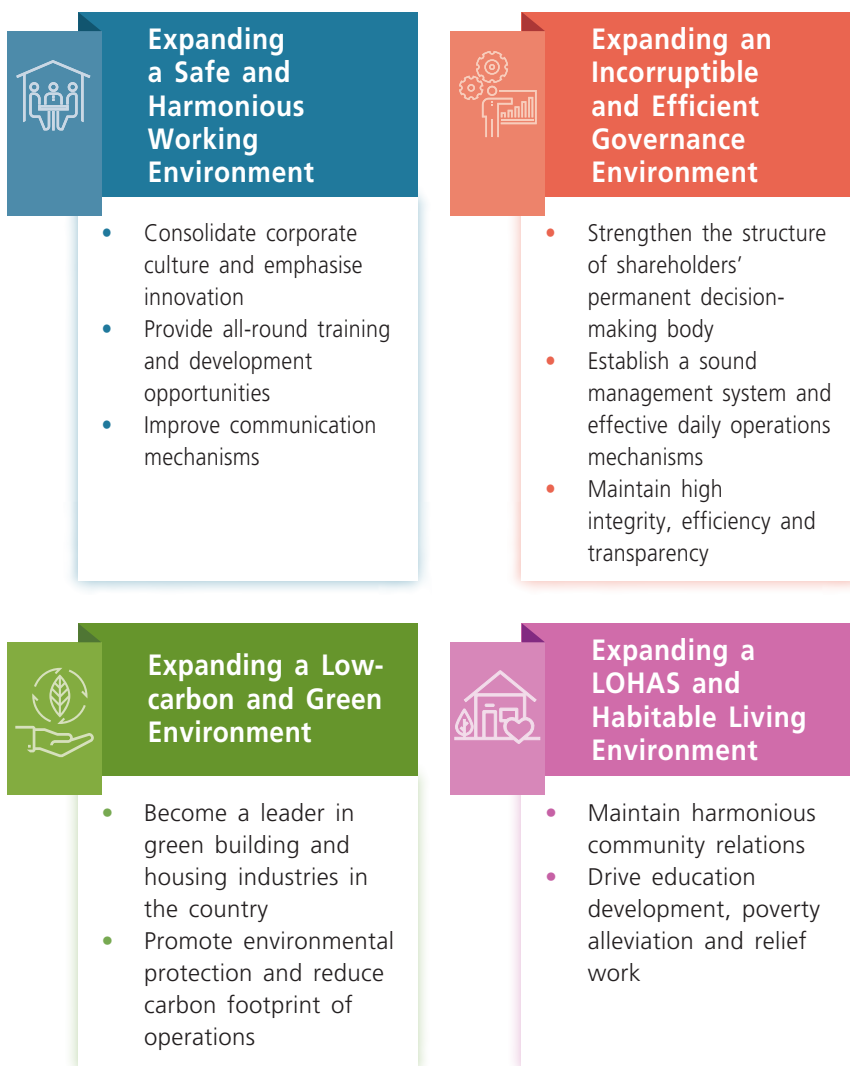
Charity Events

In addition to supporting the national youth education development and poverty alleviation work, we actively participate in various charitable activities, and encourage employees of all units to organise volunteering activities. We continue to sponsor and organise employees to actively participate in the Hong Kong and Macau Community Chest Walk for Millions, the Hong Kong Chinese Enterprise Association Games and other activities.



2019 VISION AND OBJECTIVES

The year 2019 is the 40th Anniversary of COHL. It is crucial for the Group to fully realise its strategic planning goals of the '13th Five-Year Plan' in action. The Group will adhere to and implement the spirit of the 19th National Congress, focusing on long-term development and making progress efficiently with respect to the strategic planning roadmap. Meanwhile, the Group will spare no effort for promoting sustainable development by encouraging, supervising and guiding its subsidiaries to undertake further exploration for sustainable development, reinforce risk management, optimise resource allocation, and earnestly fulfill social and environmental responsibilities.



KEY PERFORMANCE INDICATORS

AWARDS AND RECOGNITIONS

Major awards attained by the Group and its subsidiaries in 2018

Award	Awarding body	Awarded unit
Hong Kong ESG Reporting Awards	Alaya Consulting Limited	China Overseas Holdings Limited
"Hong Kong Green Organisation"	Environmental Campaign Committee, Environmental Protection Department	China Overseas Holdings Limited
Caring Company Logo	Hong Kong Council of Social Service	China Overseas Holdings Limited China Overseas Land & Investment Ltd. China State Construction International Holdings Limited China Overseas Property Holdings Limited China State Construction Development Holdings Limited
Best for Contract Negotiation — China (including Hong Kong)	《APAC Insider》	China Overseas Holdings Limited

For more information on the awards, please refer to the 2018 Annual Report of COLI, CSCI and COPL.

The Group has taken part in the work of local organisations and signed charters in 2018

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	China State Construction International Holdings Limited
Hong Kong Facade Association	Board member	
Associação Geral do Sector Imobiliário 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.
4Ts Charter	Electrical and Mechanical Services Department, Hong Kong SAR Government	China State Construction International Holdings Limited China Overseas Property Holdings Limited
Energy Saving Charter on "No ILB"	Electrical and Mechanical Services Department, Hong Kong SAR Government	China Overseas Holdings Limited 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

ENVIRONMENTAL PERFORMANCE DATA

Use of major construction materials

Material	Unit	2018
Group		
Paper	Tonnes	3
Property business		
Concrete	Cubic meters	15,319,726
Steel products	Tonnes	1,838,367
Wood	Cubic meters	365,835
Construction business		
Concrete	Cubic meters	6,626,827
Cement mortar	Cubic meters	342,220
Reinforced steel bar	Tonnes	765,617
Joist steel	Tonnes	36,063
Disc	Tonnes	4,593
Cement	Tonnes	1,314,992
River sand	Tonnes	1,711,068
Stones	Tonnes	3,425,372
Bricks	Tonnes	1,194,669
Concrete flooring materials	Tonnes	12,883
Aluminium products	Tonnes	6,632
Steel products	Tonnes	8,200
Silica gel	Tonnes	3
Glass	Tonnes	25,793
Wood	Tonnes	10,425
Property management business		
Paper	Tonnes	164

Key Performance Indicators

Energy consumption and carbon emissions

Energy/material type	2018			
	Group	Property business	Construction business	Property management business
Renewable energy consumption				
Solar power generation	Not applicable	Not applicable	1,314 MWh	Not applicable
Non-renewable fuels consumption				
Diesel	287 Kg	1,533,701 Liters	264,529 MWh	5,426 GJ
Petrol	6,398 Kg	1,422,235 Liters	14,783 MWh	7,381 GJ
Petrol gas	Not applicable	22,943 Liters	6,497 MWh	4,439 GJ
Natural gas	Not applicable	168,665 GJ	20,033 MWh	109,230 GJ
Acetylene	Not applicable	Not applicable	1,358 MWh	Not applicable
Lignite	Not applicable	Not applicable	2,250,632 MWh	Not applicable
Methanol	Not applicable	Not applicable	119 MWh	Not applicable
Charcoal	Not applicable	Not applicable	39 MWh	Not applicable
Indirect energy consumption				
Electricity	72 MWh	328,789,928 MWh	213,343 MWh	552,071 MWh
Heat	Not applicable	133,648 MWh	Not applicable	153,611 GJ
Steam	Not applicable	3,727 MWh	5,444 MWh	Not applicable

Key Performance Indicators

Greenhouse gas emissions

Unit: Tonnes CO ₂ e	2018
Direct greenhouse gas emissions (Scope 1)	951,430
Vehicles of the Group	17,991
Property business	24,909
Construction business	898,038
Property management business	10,492
Indirect greenhouse gas emissions (Scope 2)	1,070,127
Electricity consumption at the Group's offices	192,893
Electricity consumption of property business	229,326
Electricity consumption of construction business	132,252
Electricity consumption of property management business	515,656
Other indirect greenhouse gas emissions (Scope 3)	51,440
Property business	1,754
Construction business	49,411
Property management business	275
Total greenhouse gas emissions	2,072,997
Intensity of energy use (Tonnes CO₂e/HKD million)	2018
Greenhouse gas emissions/income	9

Key Performance Indicators

Water consumption

	2018
Municipal water supply* (Unit: Cubic meters)	37,838,373
Property business	12,349,193
Construction business	5,747,673
Property management business	19,741,507
Reclaimed water (Unit: Cubic meters)	513,053
Property management business	513,053
Other sources of water withdrawal (Unit: Cubic meters)	175,896
Property business	175,896

* 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.

Sewage and waste

	2018
Non-hazardous waste disposed (Unit: Tonnes)	35,349,282
Property business	35,024,642
Construction business	322,531
Property management business	2,109
Non-hazardous waste recycled* (Unit: Tonnes)	1,276,922
Property business	58,880
Construction business	1,216,042
Hazardous waste disposed (Unit: Tonnes)	152
Property business	100
Construction business	52
Times of serious leaks	0

* Include internal reuse, sending to public fill reception facilities, construction waste sorting facilities, and other authorized facilities for reuse

Key Performance Indicators

HUMAN RESOURCES DATA

Distribution of employees

		By age				By region
		Below 30	31-40	41-50	Above 51	
Hong Kong	Male	1,236	1,138	1,185	2,138	8,405
	Female	332	364	663	1,349	
Mainland China	Male	11,310	10,203	8,329	3,034	44,209
	Female	6,151	3,402	1,612	168	
Macau	Male	150	165	129	153	865
	Female	34	38	48	148	
Overseas	Male	62	126	112	140	534
	Female	20	22	31	21	
Total no. of employees		19,295	15,458	12,109	7,151	54,013

		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	22	27	51	5	56	0
	Middle management	3	50	37	37	95	32	127	0
	Executives	131	156	171	141	464	135	588	11
	General staff	1,434	1,289	1,618	3,282	5,081	2,542	7,519	104
Mainland China	Senior management	0	30	62	28	115	5	120	0
	Middle management	2	210	228	49	426	63	489	0
	Executives	659	1,878	845	119	2,574	927	3,501	0
	General staff	16,800	11,487	8,806	3,006	29,758	10,341	40,099	0
Macau	Senior management	0	1	0	2	3	0	3	0
	Middle management	1	3	6	3	12	1	13	0
	Executives	23	23	20	15	70	11	81	0
	General staff	160	176	151	281	521	247	768	0
Overseas	Senior management	0	4	2	0	5	1	6	0
	Middle management	2	8	7	5	20	2	16	6
	Executives	23	17	21	47	99	9	6	102
	General staff	57	119	113	109	316	82	12	386
Total no. of employees		19,295	15,458	12,109	7,151	39,610	14,403	53,404	609

Key Performance Indicators

New employees and employee turnover

		New employees		Employee turnover	
		Number	Percentage	Number	Percentage
By region	Hong Kong	4,928	58.63%	3,067	36.49%
	Mainland China	22,442	50.76%	8,470	19.16%
	Macau	236	27.28%	156	18.03%
	Overseas	35	6.55%	40	7.49%
By age	Below 30	12,745	66.05%	5,353	27.74%
	31–40	7,003	45.30%	2,940	19.02%
	41–50	4,802	39.66%	1,833	15.14%
	Above 51	3,091	43.22%	1,607	22.47%
By gender	Male	20,176	50.94%	8,684	21.92%
	Female	7,465	51.83%	3,049	21.17%
Total no. of new employees/turnover		27,641	51.17%	11,733	21.72%

Overall occupational health and safety data

		Number of work-related injuries	Number of work-related fatalities	Total number of injuries and fatalities by region	Accident per thousand employees by region
Hong Kong	Male	31	0	70	8.33
	Female	39	0		
Mainland China	Male	102	3	121	2.74
	Female	16	0		
Macau	Male	0	0	0	0.00
	Female	0	0		
Overseas	Male	0	0	1	1.87
	Female	1	0		
Total no. of injuries/fatalities		189	3	192	3.55

Key Performance Indicators

Training data

		Average training hour	
By gender	Male	Hour	25.99
	Female	Hour	23.38
By employment type	Senior management	Hour	20.41
	Middle management	Hour	21.17
	Executives	Hour	26.38
	General staff	Hour	21.80

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General Disclosures			
Organisational Profile			
102-1	Name of the organisation	About this Report	3
102-2	Activities, brands, products and services	About COHL	6-7
102-3	Location of headquarters	About COHL	6
102-4	Location of operations	About COHL	6
102-5	Ownership and legal form	About COHL	6
102-6	Markets served	About COHL	6-7
102-7	Scale of the organization	About COHL	6-7
102-8	Information on employees and other workers	Key Performance Indicators	52-54
102-9	Supply chain	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	25
102-10	Significant changes to the organization and its supply chain	No significant changes.	Not applicable
102-11	Precautionary principle or approach	Environmental Protection at Heart: Expanding a Low-carbon and Green Environment	32-33
102-12	External initiatives	Key Performance Indicators	47
102-13	Membership of associations	Key Performance Indicators	47
Strategy			
102-14	Statement from senior decision-maker	Management Message	5
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Responsibility and Mission at Heart, Expanding a Happy Living Environment Management Message Sustainability Management	2 5 9-11
Governance			
102-18	Governance structure	Sustainability Management	9
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	12
102-41	Collective bargaining agreements	No employees covered by collective bargaining agreements.	Not applicable
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	12
102-43	Approach to stakeholder engagement	Stakeholder Engagement	12
102-44	Key topics and concerns raised	Stakeholder Engagement	12

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102-46	Defining report content and topic boundaries	Stakeholder Engagement	12
102-47	List of material topics	Stakeholder Engagement	12
102-48	Restatements of information	No change from earlier reports.	Not applicable
102-49	Changes in reporting	No significant changes.	Not applicable
102-50	Reporting period	About this Report	3
102-51	Date of most recent report	Last Report published in July 2018.	Not applicable
102-52	Reporting cycle	Issued annually.	Not applicable
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
102-55	GRI content index	GRI Standards Content Index	55-62
102-56	External assurance	This report was not externally verified.	Not applicable
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GRI 201: Economic Performance			
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103-2	The management approach and its components		
103-3	Evaluation of the management approach		
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GRI 203: Indirect Economic Impacts			
Management Approach			
103-1	Explanation of the material topic and its boundary	Management Message About COHL	5 6-8
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
203-1	Infrastructure investments and services supported	Community at Heart: Expanding a LOHAS and Habitable Living Environment	36-45

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103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
205-1	Operations assessed for risks related to corruption	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	22
205-2	Communication and training about the anti-corruption policies and procedures	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	22
205-3	Confirmed incidents of corruption and actions taken	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	22
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Materials			
Management Approach			
103-1	Explanation of the material topic and its boundary	Environmental Protection at Heart: Expanding a Low-carbon and Green Environment	32
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
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301-1	Materials used by weight or volume	Key Performance Indicators	48
GRI 302: Energy			
Management Approach			
103-1	Explanation of the material topic and its boundary	Environmental Protection at Heart: Expanding a Low-carbon and Green Environment	30-31
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
302-1	Energy consumption within the organization	Key Performance Indicators	49
302-4	Reduction of energy consumption	Key Performance Indicators	49

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GRI 303: Water			
Management Approach			
103-1	Explanation of the material topic and its boundary	Environmental Protection at Heart: Expanding a Low-carbon and Green Environment	31
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
303-1	Interactions with water as a shared resource	Key Performance Indicators	51
GRI 305: Emissions			
Management Approach			
103-1	Explanation of the material topic and its boundary	Environmental Protection at Heart: Expanding a Low-carbon and Green Environment	32-33
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
305-1	Direct (Scope 1) GHG emissions	Key Performance Indicators	50
305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Indicators	50
305-3	Other indirect (Scope 3) GHG emissions	Key Performance Indicators	50
305-4	GHG emissions intensity	Key Performance Indicators	50
GRI 306: Effluents and Waste			
Management Approach			
103-1	Explanation of the material topic and its boundary	Environmental Protection at Heart: Expanding a Low-carbon and Green Environment	33
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
306-2	Waste by type and disposal method	Key Performance Indicators	51
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103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
307-1	Non-compliance with environmental laws and regulations	Environmental Protection at Heart: Expanding a Low-carbon and Green Environment	28
Social			
GRI 401: Employment			
Management Approach			
103-1	Explanation of the material topic and its boundary	People at Heart: Expanding a Safe and Harmonious Working Environment	14-15
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
401-1	New employee hire and employee turnover	Key Performance Indicators	53
GRI 403: Occupational Health and Safety			
Management Approach			
103-1	Explanation of the material topic and its boundary	People at Heart: Expanding a Safe and Harmonious Working Environment	16-18
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
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403-2	Hazard identification, risk assessment, and incident investigation	Key Performance Indicators	53

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GRI 404: Training and Education			
Management Approach			
103-1	Explanation of the material topic and its boundary	People at Heart: Expanding a Safe and Harmonious Working Environment	19-20
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
404-1	Average hours of training per year per employee	Key Performance Indicators	54
GRI 405: Diversity and Equal Opportunity			
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103-1	Explanation of the material topic and its boundary	People at Heart: Expanding a Safe and Harmonious Working Environment	14-15
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
405-1	Diversity of governance bodies and employees	People at Heart: Expanding a Safe and Harmonious Working Environment	14-15
GRI 406: Non-discrimination			
Management Approach			
103-1	Explanation of the material topic and its boundary	People at Heart: Expanding a Safe and Harmonious Working Environment	14-15
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
406-1	Incidents of discrimination and corrective actions taken	No cases about discrimination for the year.	Not applicable
GRI 408: Child Labour			
Management Approach			
103-1	Explanation of the material topic and its boundary	People at Heart: Expanding a Safe and Harmonious Working Environment	14-15
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
408-1	Operations and suppliers at significant risk for incidents of child labour	People at Heart: Expanding a Safe and Harmonious Working Environment	14-15

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GRI 409: Forced or Compulsory Labour			
Management Approach			
103-1	Explanation of the material topic and its boundary	People at Heart: Expanding a Safe and Harmonious Working Environment	14-15
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
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	14-15
GRI 419: Local Communities			
Management Approach			
103-1	Explanation of the material topic and its boundary	Community at Heart: Expanding a LOHAS and Habitable Living Environment	36-45
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
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).	Not applicable
GRI 204: Procurement Practices			
Management Approach			
103-1	Explanation of the material topic and its boundary	Governance at Heart : Expanding an Incorruptible and Efficient Governance Environment	25-26
103-2	The management approach and its components		
103-3	Evaluation of the management approach		

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GRI 416: Customer Health and Safety			
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103-1	Explanation of the material topic and its boundary	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	23-24
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
416-1	Assessment of the health and safety impacts of product and service categories	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	23-24
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No cases about our products and services that violate customer health and safety.	Not applicable
GRI 418: Customer Privacy			
Management Approach			
103-1	Explanation of the material topic and its boundary	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	24
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	24
GRI 419: Socioeconomic Compliance			
Management Approach			
103-1	Explanation of the material topic and its boundary	Governance at Heart: Expanding an Incorruptible and Efficient Governance Environment	22
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
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.	Not applicable