



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

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Building Happiness and
Leading the Trend

2020 Sustainability Report


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領潮

領潮文化 LEADING CULTURE

“Leading Culture” is the corporate culture of China Overseas Holdings Limited (hereinafter referred to as “COHL” or the “Group”), which means to continuously surpass, lead the industry trend, and stand on the forefront.

Waves, running out of the sea; the sea, moving further by waves. COHL, carrying forward Chinese refined traditional culture, is looking into the future and has established its unique corporate culture — “Leading Culture”.



COHL PROFILE

COHL, a subsidiary of China State Construction Engineering Corporation, was established in Hong Kong in June 1979. The Group has five listed companies in Hong Kong, covering various business areas including property development and operation, construction and infrastructure investment and property services, and has built up a whole-industry-chain model integrating investment, construction, operation and services.

COHL is a real estate developer and operator with the best rating and the highest brand value in Mainland China, possessing the largest scale of single-ownership office buildings. It is also the largest engineering contractor, the largest Chinese property investor and the largest service provider for public facilities management in Hong Kong and Macau. Based in Hong Kong and Macau, we deeply cultivate in Mainland China and develop overseas business, covering more than 100 major urban areas in the Mainland, Hong Kong and Macau. Our overseas projects are mainly distributed in the United States, Canada, the United Kingdom, Australia, Singapore, Portugal and other countries or regions.



COHL PROFILE



Shareholding percentage as at 31 December 2020

VISION OF SUSTAINABLE DEVELOPMENT

COHL has always been advocating and pursuing the concept of responsible development. Adhering to the mission of “We Manage Happiness” and the vision of “Becoming a World-class Investment, Construction and Operation Service Provider”, the Group has been continuously deepening the sustainable development governance in terms of employees, operations, environment and communities. To elucidate our notion and guide the affiliated companies to promote sustainable development, we have clarified our vision of sustainable development at four important levels. In addition, we believe that the following 11 sustainable development goals are most relevant to our vision, which helps us to ensure sustainability integrating into all aspects of our operations and all business decisions.

The support of stakeholders is essential to our success of sustainable development. We get to know the opinions and suggestions of stakeholders on our sustainable development performance through various communication channels, and continuously improve our vision of sustainable development on such basis, so as to create greater value for them. The report discusses and summarizes the Group’s commitments at these four levels, and discloses its annual work and performance in accordance with the relevant UN Sustainable Development Goals.



Building a **Happy Life for Employees**
Leading a **Safe and Inclusive Team**

Enterprise value is created and realized by employees. Adhering to the talent notion of “Assembling the Enterprising Ones and Motivating the Promising Ones”, COHL has been constantly improving the talent management system, in order to foster an equal, safe, developing and harmonious working environment for employees. It always respects the value aspirations of employees, and meet their pursuit of happiness in both work and life.



Key reporting areas:

- Safety management system
- Safety hazard inspection
- Safety management personnel training
- Women’s fair employment
- Participation in decision making and management
- Overall compensation and talent mobility management
- Prohibition of child labor and forced labor
- Elimination of discrimination
- Sound labor relations



Building a **Happy Life for Customers**
Leading **Quality and Efficient Operation**

Keeping in mind the mission “We Manage Happiness”, COHL is committed to building a high-quality and efficient corporate culture, adheres to the core values of “customer-oriented, quality assurance and value creation”, maintains a green and sustainable supply chain and insists that quality is above everything else. We continue to provide customers with products and services that meet their needs and exceed expectations, so as to constantly improve customer satisfaction.



Key reporting areas:

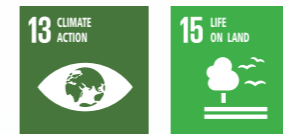
- Establishment of industrial standards
- Promotion of sustainable buildings
- Participation in infrastructure
- Construction of affordable housing
- Protection of customers’ rights and interests
- Management of bidding and procurement
- Adherence to corporate ethics

Vision of Sustainable Development



Building a **Green and Happy Life**
Leading an **Environmental-friendly and Low-Carbon Space**

COHL upholds its corporate mission “We Manage Happiness” and attaches importance to the environmental impact of the operation processes. The Group integrates the idea of environmental protection and sustainable development into its daily operation, and is dedicated to reducing the impact of operation on the environment by developing green real estate and buildings, adopting energy saving and emission reduction technology and implementing green office, so as to lead the trend of green building development.



Key reporting areas:

- Management of climate change risks
- Building energy efficiency
- Smart energy-saving management scheme
- Data integrity
- Project site selection
- Project planning and design
- Ecological conservation



Building a **Happy Life for Communities**
Leading a **Harmonious and Prosperous Society**

Realizing that communities are the soil for the survival and development of enterprises, COHL sticks to the concept of nurturing and contributing to the society. By participating in people’s livelihood construction, strengthening community connections, and actively participating in poverty alleviation and charitable donations, the Group is committed to fulfill its corporate social responsibilities and build a harmonious and prosperous community life.



Key reporting areas:

- Targeted poverty alleviation
- Participation in public welfare activities
- Donation to the building of hope schools
- Support for continuing education
- Concerning special education

Topic 1

TOGETHER, WE FIGHT THE VIRUS TO TIDE OVER THE DIFFICULTIES

So far, we have participated in the construction of more than **2,000** quarantine units in Hong Kong

2020 witnessed an extraordinary year. Facing the major challenge of COVID-19, we re-examined how it affects our operations and stakeholders in different ways. This has led us to think over how to use professional skills and network relationships to build a more inclusive and resilient city for our people to live and work in peace and contentment.

CONTRACTED TO CONSTRUCT PANDEMIC PREVENTION PROJECTS

COHL has been rooted in Hong Kong for more than 40 years, which has made it the leading contractor of the construction industry in Hong Kong. Facing the outburst of COVID-19, we stood on the front line of pandemic prevention, unified the deployment of human and material resources of each subsidiary, and completed the construction of Site A and Site B of Lei Yue Mun Emergency Isolation Center, Phases 1B and 3B of Penny's Bay Emergency Isolation Center, and the North Lantau Hospital Hong Kong Infection Control Center (HKICC) and community treatment facilities in Asia World-Expo with the assistance of the national central government in a very short time, working together to fight the pandemic in Hong Kong.

So far, we have participated in the construction of more than 2,000 quarantine units in Hong Kong, accounting for half of the new quarantine centers. The successful completion of these projects reflects our strong ability in the mobilization, overall planning, organization, medical planning, engineering designing, engineering construction and innovative development. The Group has also received public acknowledgement and praise from government officials including the Chief Executive of the Hong Kong Special Administrative Region (HKSAR).



Topic 1

Together, we fight the virus to tide over the difficulties

Site A and Site B of Lei Yue Mun Emergency Isolation Center

In only **600** hours to complete **118** quarantine units

At the early stage of the pandemic, the HKSAR Government decided to use the open space in the Lei Yue Mun Park Resort to build the first pandemic prevention and isolation center in Hong Kong. In the face of the outbreak, the Group uniformly deployed the human and material resources of each subsidiary, and completed the Lei Yue Mun Emergency Isolation Center in a very short time by applying the assembly and synthesis construction method — “Modular Integrated Construction (MiC)”. Taking the basketball court project in the first stage as an example, we completed 118 quarantine units in only 600 hours to relieve the pressure of tight quarantine facilities at that time.

Facing the shortage of material supply, our prefabricated building production base in Zhuhai gives full play to its brand advantage; the production and assembly process of each unit component, including interior decoration, building equipment, household appliances, are completed in the plant. At the same time, we seize every minute to actively coordinate and prepare with all parties, including contacting with long-term cooperative suppliers, to speed up the material procurement and arrangement. To save the time for component transportation, we have jointly negotiated with four government departments, including the Architectural Services Department, the Transport Department, the Development Bureau and the Police Force of the HKSAR, as well as four road and bridge joint ventures, including the operators of the Tsing Ma Bridge and the Western Harbour Tunnel, to optimize the transportation scheme and reduce the transportation time to less than 5 hours, reflecting the spirit of joint efforts to fight the pandemic.

The whole project (Area A and Area B), involving 352 quarantine units, was successfully completed, making it the first benchmark for Hong Kong’s successful use of the assembly concept. Our high efficiency and commitment to society have received laudations from all walks of life. The project was awarded the Brunel medal by the British Society of Civil Engineers.



North Lantau Hospital Hong Kong Infection Control Centre (HKICC)

More than **4,000** people worked in **24**-hr shifts

As the pandemic continues to be severe and the public health care system is under heavy pressure, the HKSAR Government must strengthen community treatment facilities. The hospital construction standard of Hong Kong set up a model of high quality hospital construction standard in the world. The design scheme and drawings go through a three-level design approval process. After the completion of the construction, they also need to pass the acceptance of the Hong Kong Architectural Services Department and the Buildings Department. These requirements are very complicated and rigorous.

To help the HKSAR Government cope with the pandemic, we adopted MiC technology to quickly complete the planning, design, construction, testing and acceptance of the hospital, mobilized personnel from all over the country to purchase building materials and facilities, and gathered them to Zhuhai base. At the same time, we used Building Information Modeling (BIM) technology to produce modules day and night in an industrialized way, so that the project could be completed on time. In addition, the smart construction site system is used to monitor the situation, progress and safety of the construction site. More than 4,000 people worked in 24-hour shifts during the peak period. It took only 120 days to complete the project despite the black rainstorm warning, No. 8 tropical cyclone warning and other bad weather conditions during the project.

Covering an area of about 30,000 square meters, the hospital has six two-story ward buildings, providing 816 negative pressure beds, and a medical center with pharmacy and laboratory to provide nucleic acid testing services. The hospital also has an energy center and other medical facilities, including a liquid oxygen tank with a capacity of 11,000 liters, which can supply oxygen for five to eight consecutive days. The project is designed and constructed according to the standard of permanent building. The structure can resist the hurricane of No. 10 tropical cyclone warning. The drainage can prevent the once-every-50-year rainstorm and has a complete fire protection system. This is not only the first hospital in Hong Kong to adopt MiC construction technology, but also the largest negative pressure isolation ward hospital in Hong Kong, and the first infectious disease hospital with all MiC negative pressure isolation wards in the world.



Topic 1

Together, we fight the virus to tide over the difficulties

Phases 1B and 3B of Penny's Bay Emergency Isolation Center

More than
190,000
people to complete the quarantine barracks (Phase I) in Penny's Bay in
73 days

We adopted MiC technology to participate in the construction of Hong Kong Penny's Bay Emergency Isolation Center project. The overall prefabrication rate of Penny's Bay quarantine barracks (Phase I) project is over 90%, including prefabricated underground pipe gallery, prefabricated switch room, corridor and staircase. Due to the shortage of construction materials, transportation and design difficulties, more than 190,000 people were mobilized for the project, including on-site construction management personnel, construction workers and production workers. Eventually, we completed the quarantine barracks (Phase I) in Penny's Bay in 73 days, and successfully delivered the barracks 2 days in advance, providing 700 units and 1,400 beds.

The engineering team also exerted a lot of effort into the construction of the barracks. For example, in order to assist wheelchair users to undergo quarantine and make good use of the construction site shape, some parts of the buildings were set aside for planting plants to create a green environment. The external walls of the building and the internal walls of the unit were also decorated with different colors and patterns to bring vitality to the barracks and ease the mood of quarantine personnel.



Community treatment facilities in Asia World-Expo

Completed
200 hours ahead of schedule providing a total of
952
hospital beds and
32
public facilities

As the COVID-19 infection cases in Hong Kong continued to rise, the supply of isolation beds in public hospitals could not meet the demand. In order to help the HKSAR Government guarantee that the pandemic prevention measures are sufficient to cope with another wave of outbreak that may arise, we undertook the construction of the community treatment facilities expansion in the Asia World-Expo, and the construction of a hospital in Halls 8-11. We completed the planning, design, construction, testing and acceptance in only 472 hours, and completed 200 hours ahead of schedule, providing a total of 952 hospital beds (160 of which are negative pressure beds) and 32 public facilities. This is the first high-standard smart negative pressure mobile cabin hospital in China.



Topic 1

Together, we fight the virus to tide over the difficulties

The Group boasts rich experience in the field of medical construction in Hong Kong and Macau, and is proficient in the design specifications of medical buildings in Hong Kong, the United Kingdom, the United States and the European Union. We have a first-class EPCO (Engineering-Procurement-Construction-Operation) hospital project management team in Hong Kong, including more than 500 professionals in engineering planning, engineering management, engineering design, medical planning, operation management and other fields. With high standard medical construction and high-quality medical operation as the core, we are committed to providing one-stop service for the whole life cycle of international medical and health care projects from investment and financing, medical planning, design, procurement, construction to operation, training and consultation, and providing customers with products covering the whole life and health care.

In 2020, we independently developed high-quality modular hospital products in line with international standards, and have applied for patents, including:







Venus	Athena	Aurora
The DfMA indoor negative pressure isolation shelter module, which has been used in the community treatment facilities of Asia World-Expo in Hong Kong;	I, II, III, the MiC negative pressure isolation ward. Among them, Athena III has been used in North Lantau Hospital Hong Kong Infection Control Center;	I, II, III, MiC operation room, etc.

ASSISTING ENTERPRISES TO CONTINUE OPERATIONS

As the outbreak of the COVID-19 pandemic continued, various economic activities have come to a halt, especially the retail and catering industries; However, we have been working hand in hand with merchants to tide over the difficulties and provide appropriate support. Taking the Group's property development and operation business as an example, we adhere to the dream and belief of "Creating Better Life Together", and implemented a rent reduction agreement of around RMB125 million for our commercial properties during the year, providing relief for partners and covering 1,300 tenants.

Ensuring the safety of employees and customers

During the transmission of COVID-19, we have formulated and implemented a number of pandemic prevention measures for all kinds of operation activities, striving to maintain the operation on the premise of reducing the concentration of personnel and the risk of virus transmission, so as to ensure the safety and health of employees, business partners and even customers.

 <p>Clarifying the personnel in charge of the pandemic prevention</p> <p>We have set up pandemic prevention and control institutions and full-time pandemic prevention supervisors, and have made clear the work and emergency plans.</p>	 <p>Developing pandemic prevention guidelines</p> <p>According to the nature of business and working environment, we have prepared a series of pandemic prevention guidelines, and actively communicated with employees through Wechat, and other platforms to convey pandemic information.</p>
 <p>Safety of working environment</p> <p>We have properly divided and strengthened the disinfection office area, living area and isolation observation area, and have conducted temperature detection and health registration for employees twice a day.</p>	 <p>Flexible working schedule</p> <p>We have implemented flexible commuting arrangements such as shift system and 24-hour staggered peak flexible working system, so as to maintain operation on the premise of reducing personnel concentration and virus transmission risk.</p>
 <p>Restrictions in the gathering of people</p> <p>We have taken measures such as reducing the number of meetings and unnecessary face-to-face communication, arranging district work and lunch in batches, strengthening indoor ventilation to reduce the risk of infectious transmission.</p>	 <p>Protective articles and equipment</p> <p>We have covered our employees with COVID-19 insurance, and have equipped them with infrared thermometer, protective clothing, disinfectant, mask and other protective articles and equipment.</p>

Topic 1

Together, we fight the virus to tide over the difficulties

Case sharing — Protecting the health of customers

In order to protect the health and safety of customers, the Group responded quickly, and has implemented a number of prevention and control measures for its property service business, maintaining the cleanliness of the property project. At the early stage of the pandemic, we have taken the lead in initiating first-class emergency response and sticking to the front line of pandemic prevention to safeguard the health and safety of our customers.

- **Early deployment:** We have issued early warning notice to remind residents of the risk of infectious disease spread, strengthened the cleaning and disinfection in the area, and set up inductive spray disinfection facilities in public areas with more people flow, such as customer service center, shopping malls and office elevator lobbies.
- **Early start:** Through the national teleconference, the chairman of COHL have led our pandemic prevention work, emphasizing the key points of prevention and control work to cooperate with the national prevention and control work.
- **Early implementation:** We have immediately adopted the strategy of “internal non-proliferation and external anti export”, kept close communication with the street and Industry Committee, cooperated with the use of science and technology, and then carried out various prevention and control measures, including:
 - o implementing the closed management of the property community — establish a joint pandemic prevention account, do well in public environmental sanitation and keep key groups, so as to consolidate the community prevention and control measures;
 - o notifying information and propagate — provide customers with the latest information of the pandemic situation through Xinghai AI “pandemic housekeeper” developed by Xinghai IOT;
 - o “contactless” express delivery — COPL sets up a centralized collection and release point for express delivery, which is received, disinfected and classified by dedicated staff, and delivered by contactless delivery to the door of each owner.



CARING FOR VULNERABLE GROUPS IN THE COMMUNITY

Adhering to the belief of a good corporate citizen, the Group actively participated in public welfare activities, supported a number of public welfare and education projects in the Mainland and Hong Kong, and was devoted to building a harmonious society. At such difficult time, we have been supporting the people in need with practical actions as always.

In addition to Hong Kong, the Group also donated pandemic prevention materials to relevant medical institutions in Wuhan, Shenzhen and other cities, actively practicing corporate social responsibility. In May 2020, we went to Ronald McDonald House Charities (RMHC) of Hong Kong to donate pandemic prevention materials to its staff and children, including adult masks, children’s masks, disinfection and wash free gel and other pandemic prevention materials.

In cooperation with the Hong Kong Voluntary Work Development Council, the Company’s volunteer team has assisted in the distribution of pandemic prevention materials to support the regional anti pandemic work. The volunteer team of the public project team went to Chun Yeung Estate to explain the pandemic prevention information to the elderly residents and distribute the pandemic prevention kits to convey their solicitude. A total of 200 pandemic prevention packages were sent out to fight the pandemic with the elders in the estate.

Assisted the Macau SAR Government in purchasing 374,000 masks from overseas, supported the SAR’s pandemic prevention at the critical moment, and donated pandemic prevention materials to Portuguese speaking countries through the China Portugal platform construction special committee of Macau Chinese Enterprise Association.



Topic 2

CARRYING FORWARD THE PEOPLE-ORIENTED SPIRIT OF SCIENTIFIC INNOVATION

Economic development and improvement of people's livelihood need more scientific and technological solutions than ever before. Scientific and technological innovation is on the rise and people-oriented is the right time. The purpose of scientific and technological innovation is to serve people, which is the fundamental purpose of our development of science and technology.

Taking our construction and infrastructure investment business as an example, we have defined our "1+6" technology core technology system, marked an international engineering general contracting management system and six core technologies, and set up a technology innovation leading group, in which the senior management is responsible for formulating the technology development strategy and policy. We prepare the annual innovation project plan every year, and delimit the relevant budget for this purpose, so that the employees can put forward the technical requirements and topics, and carry out the research after approval. According to the R&D progress, each project team summarizes the demonstration innovation achievements in stages for acceptance. The Science and Technology Management System has also formulated assessment organizations and procedures, forms and indicators, and annually assesses and reviews the effectiveness of scientific and technological work of various departments and subsidiaries. Meanwhile, we select outstanding achievements, reward them, and participate in the selection of external science and technology awards.



Topic 2:

Carrying forward the people-oriented spirit of scientific innovation

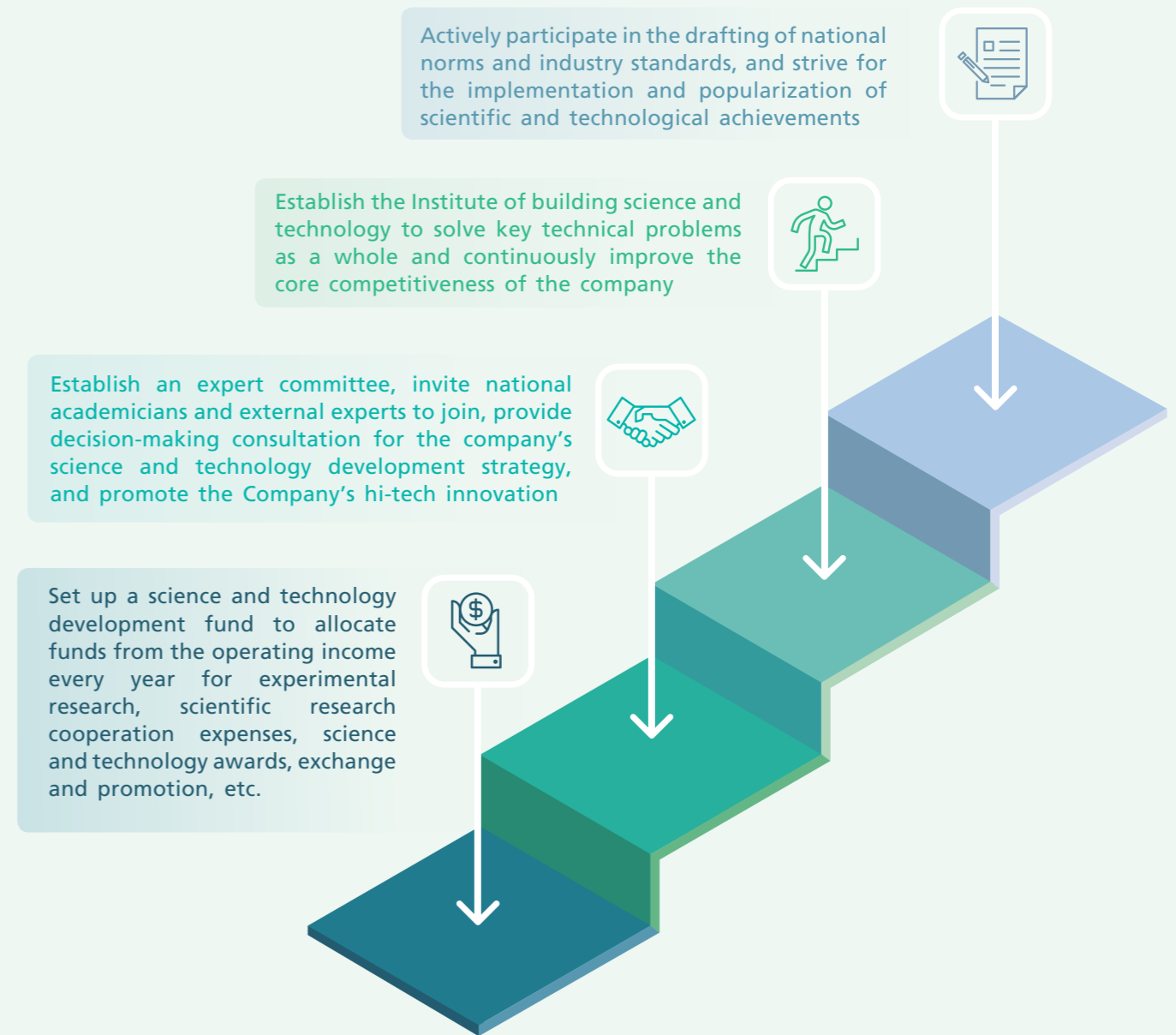
Construction industrialization has become one of the important development trends of the construction industry. Under this trend, the construction industry in Hong Kong has promoted the Modular Integrated Construction (MiC) method in recent years, adopting the concept of "installation first and then inlay". The prefabricated building components are produced in the factory and then transported to the construction site for installation, so as to reduce the project development time and cost, and help solve the housing supply shortage and construction problems in Hong Kong shortage of manpower in the construction industry and rising housing prices. The Group's construction and infrastructure investment business has developed prefabricated construction technology for more than 20 years, and is one of the leading brands in the industry.

We regard MiC technology as a major trend of the construction industry in the future, and promote sustainable development in business operation, project quality, construction safety as well as environmental protection and low carbon. Our subsidiary, China State Hailong Construction Technology Company Limited, has six prefabricated construction production bases in the Mainland. The modules built in Zhuhai Production Base have helped Hong Kong to complete a number of pandemic prevention projects in a very short time, and the Lei Yue Mun Emergency Isolation Center is the first MiC project completed in Hong Kong.

MiC technology has more advantages than traditional architectures



The Group also implemented the following initiatives to strengthen technology related development:



Topic 2:

Carrying forward the people-oriented spirit of scientific innovation

The Group has been promoting and developing the building information model for many years, providing owners, designers and contractors with BIM technical services and solutions covering the entire construction phase (including construction planning and design, construction, and operation and maintenance). Project types include public housing, hospitals, schools, residential buildings, commercial buildings, airports, water plants, highways, bridges, large underground spaces, etc. During the year, the BIM Center was set up by the Group’s construction and infrastructure investment business to train personnel at all levels, establish internal talent echelons, and apply BIM Technology in many scenes of construction site.

Case sharing — Macau Outlying Islands Medical Complex

Macau SAR Government has been actively promoting the construction of smart city for many years. As an important part of Macau’s smart city development, the government has accelerated the construction of the medical system and initiated the construction of the outlying islands medical complex (“Outlying Island Hospital”). With its rich experience in medical construction in Hong Kong and Macau, the Group has undertaken the main construction project of Outlying Island Hospital, including the construction of three buildings, namely general hospital, auxiliary facilities building and comprehensive service administration building, with a total construction area of about 276,500 square meters. We introduced BIM Technology into this project to realize multi-disciplinary online collaborative design and operation. Through the three-dimensional model, each participating unit can more intuitively understand the design intention and predict the construction difficulties, and find out the design problems and collision conflicts as soon as possible, so as to improve the design efficiency and the overall project quality. The effective application of BIM Technology in Outlying Island Hospitals has been recognized by the industry, and won the Gold Award in the Overseas Category of the 2020 Hong Kong Institute of Building Information Modeling BIM Grand Prix.



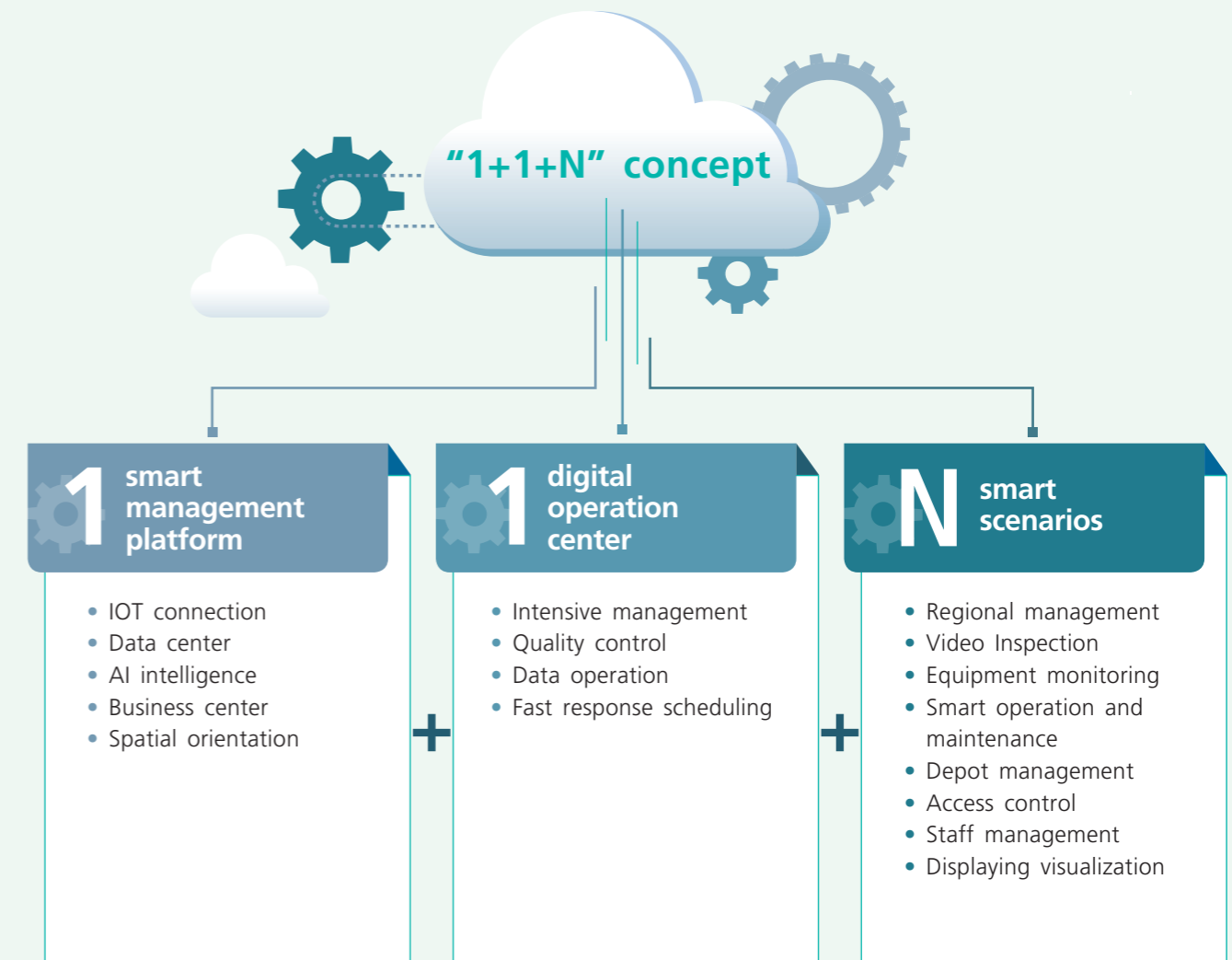
Case sharing — Hong Kong Organic Waste Treatment Facilities Phase 2

Hong Kong disposes around 1,000 tonnes of organic waste from the catering industry and food manufacturing and processing industry every day. Not only does it take up precious landfill space, but it also produces landfill gas and leachate, causing long term environmental burden. The Environmental Protection Department of the Hong Kong SAR Government used the design, construction and operation model for tendering this project. The Group and other companies have obtained the right to undertake the project in the form of joint ventures. The operation will last for 15 years and is expected to be used in 2023. A project is located at the former site of the Sha Ling Livestock Waste Composting Plant in the North District, with an area of 2.5 hectares.



With this opportunity to build recycling facilities for Hong Kong, we have used high-tech and innovative designs in many aspects to shape environmental protection projects in a new era. These include the use of BIM in site construction, the use of 3D models to guide the completion of collision inspections, the use of 4D models to guide the smoothing of construction procedures, and the use of 6D models to guide operations to make all equipment information clear. In the process, the depth of model design reached 300, 400 and 500, respectively. The level of detail is very rare in Hong Kong construction sites, and is an example of the industry’s development towards efficient management.

In addition, our property service develops intelligent service experience and Smart Park, providing unified platform information management, IOT monitoring, expert resource support and other services. We hope to build a “Cloud Park with Technology Management” by providing intelligent services to implement the property life cycle. IOT provides different smart Park solutions, aiming at various professional technology, process and management problems with the concept of “1+1+N” to establish a unified cloud platform and realize data-based operation.





Building a **Happy Life for Employees** Leading a **Safe and Inclusive Team**

Enterprise value is created and realized by employees. Adhering to the talent notion of “To Assemble the Enterprising Ones and Motivate the Promising Ones”, COHL has been constantly improving the talent management system, in order to foster an equal, safe, developing and harmonious working environment for employees. It always respects the value aspirations of employees, and meet their pursuit of happiness in both work and life.



Ensuring healthy lifestyles and promoting the well-being of all people of all ages is essential for sustainable development. We need to redouble our efforts to eradicate various diseases and address many obstinate or emerging health problems.

Safety Management System

In view of the characteristics of the Group's business, ensuring the occupational safety and health of our employees is our top priority. Combining with the actual situation of the Group's secondary companies, we have established the safety production management system of COHL and formulated and strictly abided by a series of relevant systems, including COHL Safety Production Management Measures, COHL Safety Production Management Manual, COHL Safety Production Responsibility List and other policies and internal documents. We have clarified the safety production policy of each department and the responsibilities and requirements of safety management personnel and implemented the safety management policy of "safety first, prevention first and comprehensive management" and the philosophy of "life first" in daily operations.

In order to continuously improve the safety production management system, the Group has set up a Safety Production Supervision and Management Committee, which is responsible for deploying the safety production work of the Group. The Committee holds regular meetings twice a year on safety production issues to implement safety management, review the operation of the safety management system, and adjust and improve the existing safety production management system in accordance with the requirements of relevant governments and higher-level departments and in light of the actual situation. For example, it is the Group's consistent safety production goal to prevent major production-related safety accidents such as fire disasters, traffic accidents and poisoning. In order to achieve the goal, the Group signed the Letter of Responsibility for Safety Production of COHL with the subsidiaries of its secondary companies, clarifying the safety production requirements and indicators, and taking the implementation of the Letter of Responsibility as a part of performance appraisal.



HIGHLIGHTS



IMPROVING THE SAFETY PRODUCTION MANAGEMENT MANUAL

The Group wholeheartedly protects the health and safety of employees and adopts the employee safety management policy of "life first, safe operation first". Take the Group's property services business as an example, its occupational health and safety management system has been certified by the international standard OHSAS 18001, which determines the integrity of the system. In addition, the Safety Production Supervision and Management Committee leads the general managers of all departments to manage the work safety environment and holds at least two meetings every year to ensure the effectiveness of management policies and guidelines.

During the year, the Company revised the Safety Production Management Manual to regulate safety management practices. Among them, the safety production plans clarify the specific management requirements of the company-level safety production plans and the safety production plans of the production department.

Companies at all levels can formulate annual safety production plans according to the guidelines, which includes the following parts:

- Sign the annual *Letter of Responsibility for Safety Production Management Objectives*
- Review the performance of safety production in the previous year
- Carry out special inspections on flood control, typhoon and blizzard prevention
- Hold a series of activities such as "Safe Production Month", "100-day Safety Production without Accidents" and "Fire Safety Month"
- Hold special work meetings on safety production
- Arrange the assessment of safety production work
- Conduct major safety inspections before important holidays
- Make annual budget for safety production

The manual also provides detailed guidance for the requirements of safety production plans of production departments, including basic principles, key points of safety production planning, identification and risk assessment of major hazard sources, safety production technical guarantee measures plan, safety production education and training plan, safety production cost plan, safety production activity plan and safety production emergency management plan.

In 2020, the Company recorded 111 cases of employees being injured while providing services, with no serious work-related injuries. All these injury cases were handled and reviewed according to the above procedures.

Good Health and Well-Being


 HIGHLIGHTS


APPLICATION OF SAFETY TECHNOLOGIES

The global population aging rate is increasing. According to the World Health Organization, the total number of people over 60 years old in the world increased from 900 million to 2 billion in 2015–2020, with the proportion increased from 12% to 22%. Globalization, technological developments (e.g. transportation and communications), urbanization and migration all directly and indirectly affect the lives of the elderly. The change of population structure brings opportunities and risks to local governments and even all walks of life. Optimizing the working and living environment can promote the overall development of society and enhance competitiveness, and achieve sustainable development in the long run.

The construction industry is supported by a large number of workers, and the aging of workers is also a common phenomenon. How to find growth opportunities in the trend of population aging while ensuring the health and well-being of employees is a challenge that the construction industry must cope with. In this regard, COHL focuses on scientific and technological innovation, providing a more suitable, convenient and safe working environment for all workers and ensuring the safety of workers of different ages.

The construction and infrastructure investment business of the Group has established the Safety Production Supervision and Management System for the construction and infrastructure investment business and formulated the Safety Production Responsibility List, which clearly defines the roles and responsibilities of various departments and personnel. In addition, the Safety Production Supervision and Management Committee makes decisions for the overall safety management system according to the policy of “safety first, prevention first and comprehensive management”. The safety production supervision and management system also stipulates the safety management methods of different types of subsidiaries and projects, sets up management requirements for safety production planning, training, technology, cost, hazard source identification and risk assessment, equipment safety, safety inspection and hidden danger investigation, emergency management, subcontractors and occupational health, and explains the management work such as safety accidents, safety assessment and continuous improvement.

In 2020, during the reporting period, a total of 139 employees and staff members of the Company were injured at work, with no accidental death occurred. The main causes of the injuries were slipping, tripping, falling, injuries during handling objects, and collision with objects. All accidents were dealt with according to established procedures, including investigating serious accidents, recording how the accident happened, photos of the scenes, relevant plans, witness statements, etc., to prevent similar accidents from happening again.

With the continuous progress of science and technology, we have gradually introduced the concept of smart site management in recent years:

- 1 Promote the use of prefabricated components and prefabricated building technology, reduce on-site construction, and transfer processes to indoor controlled environments and component factories that are easier to implement safety management;
- 2 By adding safety experience areas and virtual reality (VR) experience projects, workers can choose different experience projects according to their types of work, experiencing the serious consequences of unsafe behaviors and establishing a deeper safety awareness;
- 3 Develop ultra-wideband (UWB) personnel positioning system. Use intelligent bracelets to monitor the working conditions of staff in closed spaces without public network signals, such as tunnels, and monitor their position, heart rate, falls, etc. The staff can also take the initiative to send out signals for help;
- 4 Use face recognition or fingerprint recognition technology to ensure that only trained workers can operate designated machines such as gondolas and lifting platforms;
- 5 Develop crane anti-collision system to automatically monitor the distance between the jib arm and tail and surrounding objects, which is safer and more reliable than the traditional warning by workers next to the crane; and
- 6 Promote the use of QR codes, through which workers can identify major hazards on the construction site.

Good Health and Well-Being



Safety Hazard Inspection

COHL and its subordinate companies have established a hierarchical management and control system for safety production risks, supervise the safety management of all its departments through the four-level inspection system of daily self-inspection of the project, monthly full coverage inspection by the superior management organizations of the project, key inspection by the secondary units of the Group and spot check by the headquarters of the Group, and follow up and implement relevant corrective measures to eliminate potential safety hazards. For key projects, the Group has implemented a safety inspection system led by leaders, and conducted 13 regular spot checks on safety production management in 2020. According to this system, its subsidiaries have also established their own safety inspection system led by leaders to ensure that all key projects are covered by the inspection. In view of many large-scale hoisting machinery accidents in China in 2020, we nip in the bud, carry out large-scale inspections on science and technology promotion, safety, quality and project management improvement for our marginal, remote, scattered and small-scale projects, and organize relevant professional management personnel to carry out special supervision and inspection on the scheme, risk assessment, expert argumentation and the installation and dismantling process for the installation and dismantling of large-scale machinery. In addition, in 2020, the Group systematically combed and improved the safety responsibility system, management system, management structure, risk control, training and promotion, reward and punishment system, safety culture and other aspects of its companies and projects through centralized safety production rectification activities, which achieved good results.

Taking the Group's property development and operation business as an example, we have introduced professional third-party organizations to carry out "unannounced safety inspection" for two risk points that are prone to safety accidents, namely large machinery and complex foundation pits. On the one hand, the unannounced inspection team ensures the professionalism and fairness of the inspection. On the other hand, the authenticity and timeliness of the third-party unannounced inspection results can be used as the data reflecting the real condition of the project and will be an important part of the project safety management assessment.

The Group vigorously promoted the implementation of "four new technologies" including aluminum molds and climbing frames. It greatly reduced the number of field workers, improved the situation of cross construction, standardized on-site safety and civilization, reduced material waste caused by traditional process, and applied scientific and technological means such as drone exterior wall insulation inspection, tower crane anti-collision alarm system, face recognition access control and data analysis system, mobile phone-based project management system, and instant environmental protection information monitoring system to improve the efficiency of on-site management and control, so as to ensure that management work can be recorded, safety, quality and environmental protection data can be traced back and the safety risks of the project can be reduced.

Safety management personnel training

While steadily implementing safety production management and inspection, we have strengthened the safety management personnel training and set up the Safety Management Talent Pool of COHL to carry out special training for safety management personnel to enhance their safety management ability. In June, the Group organized about 500 people to participate via video in the activity of "Experts Talk about Safety" organized by the Beijing Municipal Commission of Housing and Urban-Rural Development. In August, more than 690 managers were organized to participate in the online training on safety management of large-scale machinery and equipment sponsored by China State Construction Engineering Corporation. In September, the safety management training activities of COHL in 2020 were organized, and about over 2,000 people participated via video, which improved the professional quality and problem-solving ability of the Group's safety management personnel.

Take the Group's property services business as an example, it has a safety education and training system, which requires each company to specify the type, time, content and object of education and training. At the same time, it has specific regulations on the preparation, implementation, record arrangement and management certificate of safety education and training plan. For example, all employees involved in engineering projects should participate in safety education and training organized by relevant departments of local governments according to regulations, obtain corresponding safety production qualification certificates, and complete continuing education and training for corresponding class hours within the validity period of 3 years. In addition to full-time training, we regularly adopt various channels to promote occupational safety awareness of employees. During the year, the Company conducted 1,618 fire safety drills and 6,783 hours of occupational health and safety training.

about over

2,000

people participated the safety management training activities via video

Company conducted

1,618

fire safety drills

6,783

hours of occupational health and safety training

Gender Equality



Gender equality is not only a basic human right, but also an essential cornerstone for building a peaceful, prosperous and sustainable world. We need to address structural issues such as unfair social standards and attitudes while developing aggressive policy frameworks to promote gender equality.

Women's fair employment

We are committed to recruiting people of different ethnic groups, backgrounds and experiences, regardless of their gender, race, age, physical fitness, sexual orientation, family status, religion, or gender expression. By the end of 2020, female employees accounted for 30% of the Group's total employees. Taking the Group's property development and operation business as an example, we set short-term and long-term goals to continuously improve the male-female ratio of employees. In 2020, the ratio of male and female employees and the ratio of newly recruited male and female employees significantly improved compared with the previous year.



HIGHLIGHTS



EQUAL PAY FOR EQUAL WORK

September 18, 2020 marks the first International Equal Pay Day, celebrating the efforts made by all sectors to achieve equal pay for equal work. At present, women's average salaries are lower than those of men worldwide, and the pay gap between men and women is estimated to be 23%. Although women's education and employment rates have increased significantly in many countries, progress in narrowing the pay gap between men and women has been slow. According to the current progress, it will take 257 years to achieve gender equality in the economic field.

COHL implements equal pay for equal work for men and women to ensure that employees will not be treated unequally because of their gender. At the same time, we adopt a performance appraisal system to evaluate employees' performance with a unified standard. This system enables us to assess staff performance in priority areas more objectively and to achieve gender equality in pay and promotion decisions.

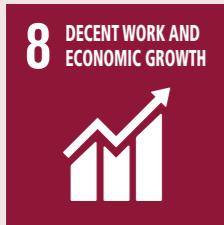
Taking the Group's property development and operation business as an example, we have set up mechanisms and indicators to review the implementation of equal pay for men and women for equal work and the fairness of promotion, including the ratio of male to female employees' salaries at four levels: executives' salaries, managers' salaries, managers' remuneration (including salaries and other bonuses) and non-management employees' salaries. In the future, we will continue to track, compare and explore these indicators year by year to make improvements.

Participation in Decision making and Management

A diverse management team can generate more comprehensive views during the decision-making process and enhance the management efficiency of the enterprise. We have been committed to empowering women with leadership and firmly believe that they will make great contributions to the sustained development of the Group in the future by means of their expertise and rich experience in different fields. Taking the Group's property development and operation business as an example, we set and closely monitor the diversification indicators towards the company's senior management. As of December 31, 2020, female members accounted for 11% of the total members of the board of directors.



Decent Work and Economic Growth

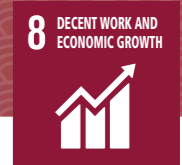


Many countries face such problems as decelerated growth, increased inequality and insufficient employment opportunities for a growing workforce. We believe that only sustained and inclusive economic growth can promote progress, create decent employment opportunities for all and improve the living environment.

Overall compensation and talent mobility management

The enterprise value is created and realized by employees. We always respect and actively respond to the value propositions of employees and are committed to providing them with both material and spiritual returns. Based on the China Overseas Holdings Limited Human Resources Management System, other normative documents and employee manuals, the Group formulates policies regarding employment, welfare, regular performance assessment, employee training and management methods to provide equal opportunities. At the same time, the Group constantly improves its labor management policies to ensure effective human resource management. It makes salary adjustments according to the market standards every year and increases pay to employees year by year, including salary, allowance, bonus and various benefits.

The Group continued to improve the authorization control system for the secondary listed companies and establish the professional manager system, so as to strengthen the three-level leader management system involving China State Construction Engineering Corporation, COHL and the listed companies. To this end, the Group adjusted the age and specialty structures of the management and clarified the management scope specified in the *COHL Leader Management Measures* and the *Professional Manager Management Measures*, laying an important foundation for the "1+N" *COHL Leader Management Measures*. In 2020, the Group reviewed the past experience of its businesses in implementing the professional manager system and established the "1+4" *Professional Manager Management System* for its property service business. In addition, with the implementation of the professional manager system by the Group's property development and operation business, we further reviewed the systems for selecting talent suitable for different positions, assessing performance, granting salary incentives and eliminating underperformed employees, so as to standardize the managers' performance objectives, performance evaluation criteria, performance results and contribution value assessment, and specify the orientation of "assessing good employees with performance and giving rewards and punishments based on contributions".



At the same time, the Group actively improved the total remuneration control mechanism and formulated the *COHL Total Remuneration Management Measures (Trial Implementation)* to establish a mechanism where remuneration is closely linked with the economic efficiency and labor productivity of the enterprise. In the meantime, we explored medium and long-term incentive tools and implemented equity incentive programmes according to the development of our businesses. In 2020, the Group's property development and operation business completed the second phase of the stock option incentive programme, and a total of 165 people participated in the fourth phase of China State Construction's A-Share Restricted Stock Incentive programme. This further improved the compensation and incentives system for the Group's managers at all levels and established a sound long-term incentive mechanism in alignment with the enterprise's long-term strategy.

HIGHLIGHTS



EMPLOYEE SATISFACTION

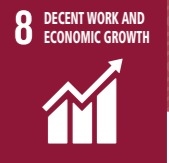
A sound employment system is one of the important factors for an enterprise to achieve sustained development. This is not limited to establishing laws and regulations in line with those of each area where it carries out operations but also focuses on the protection of employees' interests and rights, so as to provide a platform for employees to give full play to their strengths. Over the years, COHL has been adhering to the management philosophy of "culture shaping based on management, talent retention via culture, value creation facilitated by talent" and has been committed to establishing a sound employment system.

To further survey employee satisfaction, the Group's property service business entrusts an external survey agency to conduct a survey on the satisfaction of all employees every six months. The survey results in 2020 show an overall employee satisfaction of 80%, higher than the industry average. Compared with the previous year, the survey results show that employees' satisfaction with salary and welfare, work resources and work-life balance has greatly improved, among which satisfaction towards salary and welfare shows the highest increase, up 12%.

The survey collects employees' satisfaction with the following areas:

- | | | | |
|------------------------|------------------------------|-----------------------|---------------------------------|
| Innovation | Company Reputation | Training and Learning | Valuing Employees |
| Customer Focus | Commendation and Recognition | Career Development | Communication and Collaboration |
| Colleague Relationship | Challenging | Working Environment | Work-life Balance |
| Senior Leadership | Performance Management | Talent-post Matching | Working Resources |
| Direct Supervisor | Autonomy | Company Vision | Remuneration and benefits |

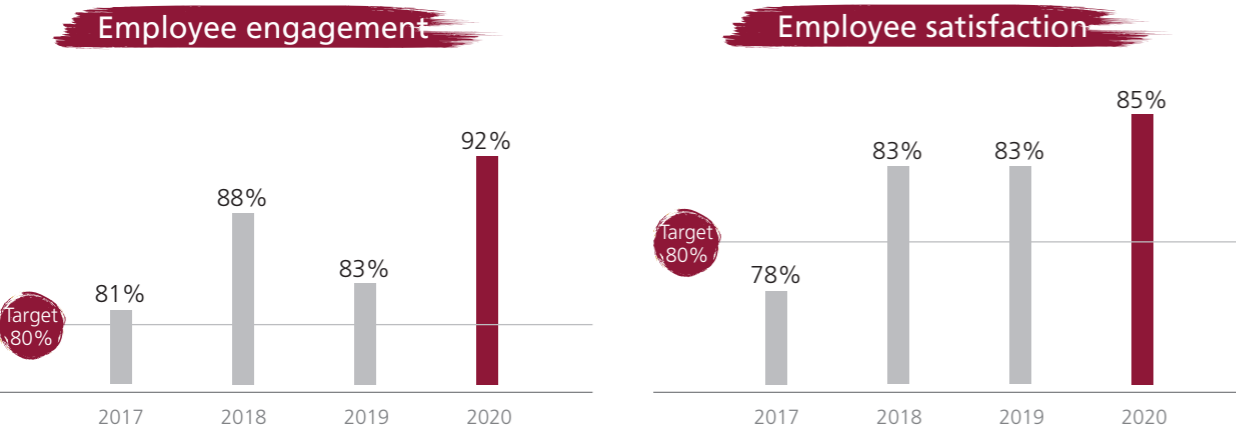
Decent Work and Economic Growth



HIGHLIGHTS

The Company also conducted surveys on the driving factors for enhancing employee engagement, and the results showed that senior leadership, communication and collaboration, career development, job autonomy and performance management were the five most influential factors. Based on the findings, we will make persistent efforts to continuously improve employee satisfaction.

Additionally, the Group's property development and operation business has been conducting employee satisfaction and engagement surveys for years to understand their expectations for their jobs and the enterprise. This helped to adjust talent management and development strategies as appropriate. In 2020, the scores of employee satisfaction and engagement were 85 and 92, respectively, both of which met the standard and achieved year-on-year improvement.

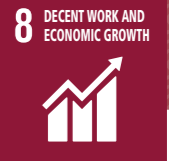


COHL Talent Conference 2020



COHL continuously improved the talent training and development system, and established 4 talent projects based on "strengthening the foundation, bridging the gaps, improving quality and seeking effectiveness". These projects refer to the "Leading the Tide Programme" for senior management personnel, the "Generation-Z Programme" for young talent, the "Petrel Programme" for overseas talent and the "Wave Programme" for high-level leaders. In 2020, the Group completed performance management and cultural training for senior management personnel, adjusted training schemes for young and overseas talent, and drafted the Training Plan for Leading Talent in Technological Innovation in collaboration with the Technology Management Department for high-level leaders. Moreover, the Group's Human Resources Department is committed to building "COHL Lecture" into a "refueling station" that aims to improve the overall quality of all employees. In 2020, according to the macroeconomic situation and guided by the latest national policies, the department arranged training activities for employees with global financial market review and outlook, how to conduct investigation and research, building informationization and the development trend of intelligent construction technology as the themes. A total of over 3,000 employees participated in these activities.

Decent Work and Economic Growth



HIGHLIGHTS



TALENT CULTIVATION

The Group actively recruits outstanding talent and formulates talent recruitment and training plans such as the “Son of the Sea” program and the “Premier Talent Recruitment” program. The “Son of the Sea” program targets campus recruitment, providing employees with a sound system of assessment, training and growth, which is divided into four stages to comprehensively train various kinds of qualities of the employees. It is planned to train them into backbone talent who can take on heavy responsibilities in 3-4 years and help them realize personal career development. Over the years, the “Son of the Sea” program has cultivated many employees into managers at all levels for the Group, and some of them have been promoted to the management of subsidiaries. In 2020, the “Son of the Sea · A New Journey” was launched both online and offline. Chairman Yan Jianguo gave lectures and presented the flags. More than 500 members of the program were scattered in 66 sub-venues but gathered online, jointly composing a chapter for career development.

Taking the real estate development and operation business under the Group as an example, we cultivate comprehensive management talent through the training and development plan composed of six sections.

“Son of the Sea” Study Program	“Son of the Sea” Internship Program	“Son of the Sea” Recruitment Program
Considering the epidemic, the company simplified the form of the study camp. It carried out it simultaneously with the Internship Program, recruiting interns from more than 30 universities at home and abroad, with an aim of letting them understand COHL’s corporate culture and working atmosphere in advance.	It recruited interns from more than 30 universities and assigned them to various regional companies of COHL for summer internships.	It set up 13 websites (including overseas video websites) and launched 12 recruitment talks nationwide, covering more than 40 key universities. Due to the epidemic, the program was also conducted in the form of live-streaming.
“Son of the Sea” Experience Program	“Son of the Sea · A New Journey” Program	“Son of the Sea” Practice Program
Candidates admitted to the “Son of the Sea” program were invited to visit COHL and its projects, communicate with employees previously admitted to the program and experience being a “full member” of the company in advance.	It introduced COHL’s corporate culture, talent concept and strategy, career development path and talent development mechanism to the new employees admitted to the “Son of the Sea” program through various activities.	In the first three years of their employment, the company will track the growth of new employees admitted to the “Son of the Sea” program, arrange key managers to be their mentors and share knowledge and experience through intensive training, job rotation and roundtable forums.

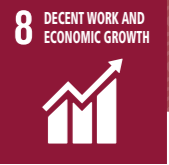
In addition, in order to meet the talent demand in sales, commerce, education and elderly care, we have launched the “Star of the Sea” program to recruit outstanding graduates and provide professional training for them. In 2020, the campus recruitment of the “Star of the Sea” program covers 40 cities and 50 undergraduate colleges in China, recruiting more than 420 graduates.

Prohibition of Child Labor and Forced Labor

The Group shows zero tolerance towards the employment of child labor and any form of forced labor and implements a strict employment approval process. All new employees are required to provide personal identification and information documents before joining the company and sign the job application form to confirm the personal will, so as to avoid illegal labor forms such as child labor or forced labor. We do not encourage forced labor such as forced overtime as well. If employees really need to work overtime temporarily, they must obtain the consent of their superiors and will be compensated in the form of leave in lieu or statutory overtime pay afterwards. Supply chain partners must also ensure that they do not involve in any form of forced labor, including but not limited to human smuggling, involuntary prison labor, labor that is coerced or bound by unreasonable contracts to pay debts and exploitative acts to force someone to work. During the reporting period, the Group did not have any cases of child labor or forced labor, nor did it identify any of its operating sites to have risks of child labor or forced labor.

Take construction and infrastructure investment business as an example, employees who have any questions or disputes about employment can complain to the leadership through their immediate superiors, department heads or the human resources department. Employees can also participate in organizations such as the Hong Kong Construction Industry Employees General Union (HKCIEGU) to jointly promote fair and reasonable employment conditions in the industry. For the management over subcontracted workers, there are staff members in charge of labor relations in various operating sites, who will manage and supervise the legal compliance of various contractors and subcontractors in employment and regularly check the registration data of workers to eliminate child labor or forced labor.

Decent Work and Economic Growth



HIGHLIGHTS








DECENT WORK PROMOTION IN GLOBAL SUPPLY CHAINS

Work is the major route out of poverty. However, poor working conditions cannot guarantee poverty eradication. The United Nations Global Compact is committed to addressing decent work deficits by means of its supply chain and collective actions, respecting human rights and observing fundamental principles and rights at work. This shows that enterprises can make use of their influence as employers, producers and buyers to make a significant contribution to reducing poverty in the workplace and supply chain, thus creating decent working conditions.

To create a better future for all, we care about the welfare of every worker in the supply chain and work with suppliers through repeated surveys, improvement plans and examinations to ensure that suppliers can abide by our code of conduct and meet our goals.

Taking the property development and operation business under the Group as an example, we, through annual performance evaluation and production site inspection, examine the performance of suppliers in various fields, including labor treatment rationality, labor management mechanism, wage payment management mechanism and civilized and safe field construction scheme, thus assessing the human rights risks of the company's supply chain, ensuring that partners implement appropriate labor rights protection measures and constructing and maintaining a fair supply chain network. The general terms and conditions of the tender documents stipulate that the contractor shall abide by the relevant laws and regulations on labor rights and interests, including determining the working hours, working conditions, wages and benefits of employees and purchasing accident insurance for builders. In case of wage arrears or other labor disputes, the contractor shall deal with them within the time limit. If serious cases are involved, the contractor may be classified as an unqualified contractor or even not paid for the works. In 2020, a total of 3 contractors were listed as unqualified contractors for violating labor-related contract terms. In the future, we will explore the possibility of conducting human rights risk investigation and assessment procedures to more comprehensively assess the effectiveness of human rights and labor rights measures implemented in our business and value chain.

-  Respect and defend internationally recognized human rights
-  Never show a disregard for or violate human rights
-  Eliminate any forms of forced labor
-  Support the elimination of child labor
-  Eliminate any discrimination in employment and occupation



Reduce Inequalities



The international community has made great progress in poverty reduction. However, inequality persists. The widening gap urges us to take action and implement policies to help the lowest-income earners and promote inclusive economic development.

Elimination of discrimination

COHL has formulated guidelines emphasizing compliance with relevant local laws and regulations and prohibiting discrimination against personal characteristics, including but not limited to gender, age, disability, marital status, ethnic origin, sexual orientation and nationality. We also strive to promote gender equality and eliminate gender-based pay discrimination. This helps us to fulfill our obligations to protect our employees' rights of non-discrimination, equal opportunities and equal pay for work of equal value.

HIGHLIGHTS



FAMILY-FRIENDLY WORKING ENVIRONMENT

Fertility has always been regarded as the bounden duty of women by society, which ignores the role that men should assume. Maternity leave is only for women. Male employees do not have corresponding leave to prepare for the child's birth. With the increasing attention paid to the protection of marriage and reproductive rights and interests of both sexes, governments in various countries and regions have implemented paternity leave for men, so that husbands can have more time to take care of their partners and newborn children. This is a symbol of progress in the equality between men and women, which can not only weaken the traditional idea and gender stereotypes that it is a woman's bounden duty to procreate, but also make men and women treated more equally in the workplace.

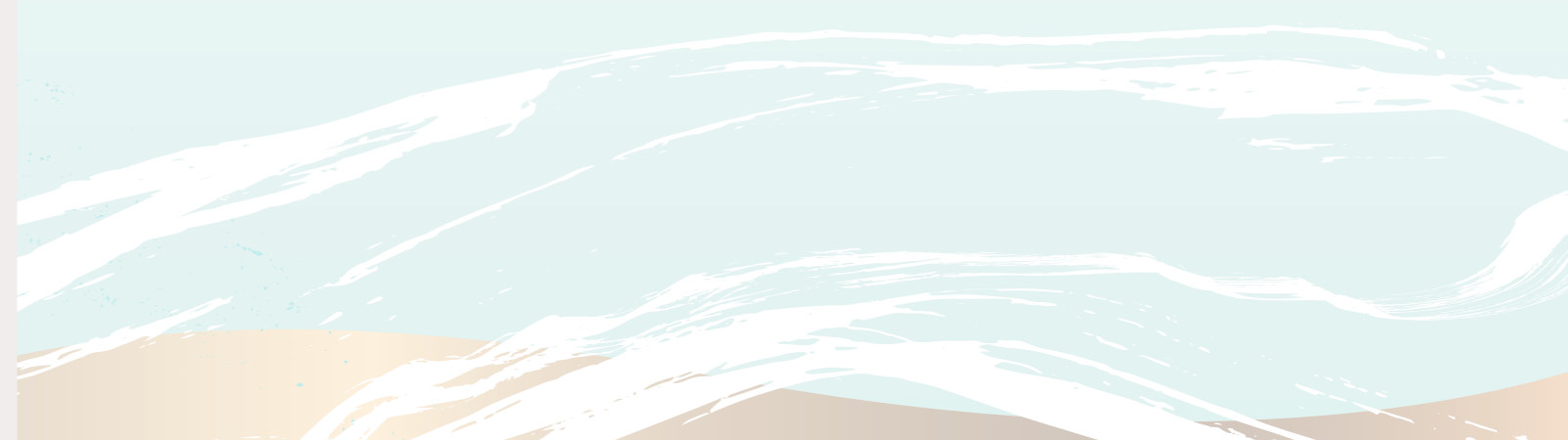
As a caring employer, the Group strives to create a family-friendly working environment and support female and male employees in fulfilling their family responsibilities. Since 2018, we have provided 14 weeks' maternity leave for female employees in Hong Kong, while male employees can enjoy 5 days' paternity leave, so that they have more time to take care of newborn children together with their partners. Over the years, we have continuously improved family-friendly measures, for example, providing care leave for employees to meet their family needs and setting up nursing rooms for employees returning to work after childbirth.

Sound labor relations

COHL maintains sound labor relations with its employees and establishes an equal pay and working environment through continuous and sincere communication and consultation.

Take the Group's property development and operation business as an example, the Company has set up trade unions in all its operating cities, totaling 83 trade unions. All trade unions shall operate in accordance with the Management Measures for Revenue and Expenditure of China Overseas Property and carry out social activities and workplace improvement measures that meet the needs of employees based on the members' opinions and voting mechanism of the trade union.

In 2020, the trade unions organized a total of 227 employee communication activities, including the member congress, member voice symposium, trade union cadre training and work practice training meeting for trade unions at the grass-roots in the new period, totaling 3,917 participants. In addition, training will be arranged for trade union cadres to enhance their understanding of labor rights and standards and their ability to implement trade union regulations. The Company regularly examines the rules and regulations and operations of trade union organizations, staff representatives' associations and other staff organizations, and continuously reviews the complaint channels for labor relations and labor rights and interests.





Building a **Happy Life for Customers**

Leading **Quality and Efficient Operation**

Keeping in mind the mission of “We Manage Happiness”, COHL is committed to building a high-quality and efficient corporate culture, adheres to the core values of “customer-oriented, quality assurance and value creation”, maintains a green and sustainable supply chain and insists that quality is above everything else. We continue to provide customers with products and services that meet their needs and exceed expectations, so as to constantly improve customer satisfaction.

Industry, Innovation and Infrastructure



We strive to develop high-quality, reliable, sustainable and disaster-resilient infrastructure to support economic growth and improve people's well-being. We strengthen our scientific research and improve our technological capabilities to promote the development of disaster-resilient and sustainable infrastructure which everyone can afford and access.

Establishment of Industrial Standards

With many years of experience, COHL actively participates in the formulation of technical standards related to sustainable buildings. Taking the Group's property development and operation business as an example, guided by the national strategy of technological innovation-driven development, the Company joined the "Working Group for Smart Park Standards" approved by the National Technical Committee for the Digital Standardization of Intelligent Buildings and Residential Areas (SAC/TC426), and participated in the formulation of the Smart Park Design Standards to promote the establishment of industry standards.

During the year, the Company completed the preparation of *Green and Healthy Housing Standards of COHL* and selected a number of projects for trial implementation with reference to more than 20 international, national, industry and local standards, including the *WELL Healthy Building Standard* (《WELL健康建築標準》), *Assessment Standard for Healthy Building* (《健康建築評價標準》) and *Assessment Standard for Green Building* (《綠色建築評價標準》), with a view to gradually raising the standards of our product in terms of professionalism, authoritativeness and leadership. As a result, we received recognition from two major overseas and domestic authoritative research and development institutions in healthy building, namely Delos Well Living Lab and China Academy of Building Research, and such standards are intended to be applied across residential projects to be completed in the future.

For interior design and intelligent application, we have also completed the preparation of the 300 Humanized Design Details of COHL, a design manual to guide our design team with examples of humanized design in four areas: refined interior decoration, refined public area decoration, landscaping, and smart Internet of Things. For commercial projects, we are cooperating with the International WELL Building Institute (IWBI) to compile the *COOC Healthy Building Standard*, which is expected to be completed in 2023. Meanwhile, we held a special training session on WELL healthy building in concert with Well and Tsinghua University to facilitate the establishment of standard and knowledge exchange.

Promotion of Sustainable Buildings

Green and sustainable buildings are more resilient to climate change and able to optimize resource use efficiency and improve the health and well-being of customers.

The Group proactively promotes appropriate new and existing property projects to obtain green and healthy building certifications such as China Green Building Star Certification, Healthy Building Star Certification, BEAM Plus, LEED, BREEAM and WELL, or refers to the best management practices of the certification systems to improve the environmental performance of projects. Taking the Group's property development and operation business as an example, the Company plans to accumulate 15 LEED-certified commercial projects and 3 hotel projects certified with 2 stars or above by 2023, and will ensure that 100% of hotel projects to be developed in the future obtain China's Green Building Certification. For details, please refer to the section entitled "Building a Green and Happy Life, Creating an Environmental-friendly and Low-Carbon Space" in this report.

For the Group, green and low-carbon buildings are the main subjects of the transformation and development of construction industry. The Group's construction and infrastructure investment business has been an institutional member of the Hong Kong Green Building Council (HKGBC) for many years and were upgraded to a marble patron member in 2021, which allows our staff to attend the events and training organized by the council. During the Reporting Period, a total of 162 employees attended BEAM Plus training. In addition, we regularly arrange various environment-related training, including Construction Noise Permit (CNP) application training, environmental coordinator training and induction environmental training for new joiners, to raise employees' awareness of green and low-carbon buildings.

Total

162

employees attended
BEAM Plus training

Industry, Innovation and Infrastructure



HIGHLIGHTS



EXPANSION PROJECT OF THE AFFILIATED SCHOOL OF THE UNIVERSITY OF MACAU

China stated at the general debate of the 75th session of the United Nations General Assembly that it will introduce stronger policies and measures to achieve carbon neutrality by 2060. In 2017, China's carbon emissions related to building construction and building operations were estimated at 1.86 billion tons and 2.13 billion tons, respectively, a sum of about 4 billion tons, accounting for 40% of our country's total carbon emissions. According to the Synthesis Report 2020 on China's Carbon Neutrality issued by the Energy Foundation, achieving the vision of carbon neutrality by 2060 will be challenging and entails dependence on cross-industry cooperation among electricity, construction, industry, transportation, agriculture, forestry, land use and other key sectors from multiple perspectives such as policy, finance and technology.

The Group's construction and infrastructure investment business has undertaken the expansion project of The Affiliated School of the University of Macau ("ASUM"), which is located on a parcel of land adjacent to Avenida De Guimaraes, Taipa, Macau. The project aims to achieve the highest platinum rating of HKGBC BEAM Plus 2.0, which is a model for the construction industry in Macau.

Project Design:

Set up a waterproof gate and a hydrophobic layer to effectively drain the seepage and keep the surface layer dry to protect against extreme weather caused by changes in wind weather

Equipped with a building management system, mainly used to monitor the water and electricity systems in public areas and classrooms, which the school can effectively manage and save energy in the future

Use cadmium telluride (CdTe) solar thin-film glass for power generation and connect to the public grid to produce about 50,000 kilowatt-hours of renewable energy per year

Use waterproof concrete in the open area, and conduct structural water testing for all toilets to ensure structural waterproof performance and quality

Lay heat insulation plate, insulation wool and thick air gaps to reduce heat radiation to indoors

Set up an aquaponics system at basement to show students the ecosystem of recycling resources

Set up a rainwater recovery system at basement to effectively reduce surface runoff. At the same time, the rainwater collected can be used for watering and planting, and the volume of water recycled each year is about 267,000 liters

Using water-saving sanitary ware, which is estimated that about 6.35 million liters of water will be saved each year

Multi-level greening design such as vertical green walls is adopted, and the greening rate exceeds 20%

We adopt an integrated approach to manage the negative impacts of construction activities on the environment and surrounding communities:

- YTong lightweight brick walls are used to reduce structural load-bearing, thereby reducing the use of concrete and steel
- The classroom partition wall adopts Augreen Block Wall certified by the Hong Kong Environmental Label and the Construction Industry Council Green Product Certificate, which eliminates the need for approval and reduces the use of materials
- 100% use of environmentally friendly wood, of which about 80% of temporary wood used on the site comes from other sites in Macau, and the remaining 20% is newly purchased temporary wood from sustainable forest areas
- Launched a construction site waste recycling incentive program, in which about 600 tons of scrap iron were recycled
- Use mobile modular noise barriers to reduce noise impact
- Wood saws, drill machines, mills, crushers and other equipment are equipped with dust hoods to reduce air pollution



Sustainable Cities and Communities



Urban planning and construction play a key role in promoting regional economic development and improving people's living quality. By leveraging business advantages and coordinating corporate resources, COHL actively communicates and cooperates with local governments to participate in regional planning and construction, thereby directly and indirectly promoting regional economic development and creating a better life.



Participation in Infrastructure

In recent years, the Hong Kong Special Administrative Region (HKSAR) Government has started to invite tenders for community infrastructure construction projects under the Design-Build-Operate (DBO) model and allowed the private institutions to operate the projects, with a view to enhancing their participation in community infrastructure construction. In the face of urbanization, the Group actively engages in infrastructure projects and integrates its world-leading technology and management strengths to provide excellent one-stop services throughout the life cycle of Design-Build-Operate.

 HIGHLIGHTS

**HONG KONG
TSEUNG KWAN
O DESALINATION
PLANT**

Drinking water resources are extremely valuable. Therefore, a reliable water supply is particularly important for the sustainable development and economic growth of Hong Kong. In the past, the continuous population and economic growth in Hong Kong led to an increase in the water consumption demand. Meanwhile, climate change caused extreme weather conditions and severe droughts, and the rapid development of the Pearl River Delta increasingly reduced the supply of water from the Dongjiang River.

In this historical context, the HKSAR Government has formulated an all-around water resource management strategy, which prioritizes the development of advanced drinking water treatment technologies and plans to construct the first phase of a desalination plant in Tseung Kwan O Area 137. The Group's construction and infrastructure investment business has seized such opportunity to bid for the infrastructure project by aligning with other companies to set up a joint company, which is responsible for providing one-stop services integrating detailed design, construction and later operations. The integrated services enable the project to be more cost-effective as a whole, facilitate the use of innovative and revolutionary scientific technologies, accelerate the project's progress, and meet the needs of society.



Sustainable Cities and Communities



HONG KONG TSEUNG KWAN O DESALINATION PLANT

To address the needs of society, we are committed to applying innovative technologies and laying a more solid foundation for the long-term development of Hong Kong.

The desalination plant will produce water through reverse osmosis technology and is expected to produce 135,000 cubic meters of freshwater per day after completion. According to the conclusion reached by the Government's consultant team in the report "Feasibility Study on Development of Desalination Facilities in Hong Kong" (CE71/2000), compared to other desalination methods such as Multi-Stage Flash (MSF) and Multiple Effect Distillation (MED), reverse osmosis technology can ensure that the project has the lowest life-cycle cost, while saving resources and better meeting the sustainability concept. This technology has also been proven that it can be used to produce water that meets the *Hong Kong Drinking Water Standards*.

This construction project includes leveling land, designing and constructing seawater treatment modules using reverse osmosis technology, inlet pipes, pumping stations, concentrated brine discharge pipes, and laying approximately 10 kilometers of water pipes to transport the drinking water produced by the desalination plant to the existing freshwater service reservoir. The desalination plant is expected to be put into operation in 2023.

Construction of Affordable Housing

As an important infrastructure project for people's well-being, the completion of affordable housing will not only improve the housing conditions for urban residents, but also drive the economic development of local communities. Therefore, the Group actively participate in the development and construction of affordable housing and make good use of its own business advantages to help solving the people's livelihood. For example, uses its business resources and technologies to expand the application of the affordable housing model in many areas across the country to serve the country's urbanization while protecting the living rights of original residents and low-income groups.

The Group actively response to the country's requirement for improved housing conditions, in 2020, the Group's property development and operation business launched affordable housing projects in many cities across the country, with new launched affordable housing projects reaching a building area of 615,000 square meters and the construction and acceptance area reaching 1,567,000 square meters. The accumulated building area of compensated housing, talent housing and other types of affordable housing reached 5.17 million square meters, achieved the goal of building a total of 5 million square meters of compensated housing, talent housing and other affordable housing by 2023 which is ahead of schedule We will continue to improve the construction projects for affordable housing and infrastructure facility to create better living conditions in the city.

Remarks: Affordable housing refers to the housing provided by the government for low- and middle-income families with specific standards, specific prices or rents, and generally consists of low-rent housing, affordable housing, and policy-based rental housing.

New launched affordable housing projects reaching a building area of

615

thousand square meters

Accumulated building area of compensated housing and talent housing reached

5.17

million square meters

Responsible Consumption and Production



Sustainable consumption and production will promote the efficient use of resource and energy, construct sustainable infrastructure, and provide access to basic public services, decent jobs and a better living quality for everyone. We believe that the realization of the goal requires the participation of and cooperation among stakeholders in the supply chain from production to final consumption. And we must be responsible for providing consumers with sufficient information and conducting sustainable public procurement.

Protection of Customers' Rights and Interests

The use of information technology in business operations continues unabated, and COVID-19 has made remote working and meetings our regular work items, which leads to an increase in the risk of inappropriate information leakage. We have developed an information security management system which stipulates prudent ways to collect, process, save and use of data, and are continuously testing and updating our information system infrastructure and security measures. With these efforts, the Group can protect the privacy of customers, business partners and employees while developing its business and applying innovative technologies.



HIGHLIGHTS



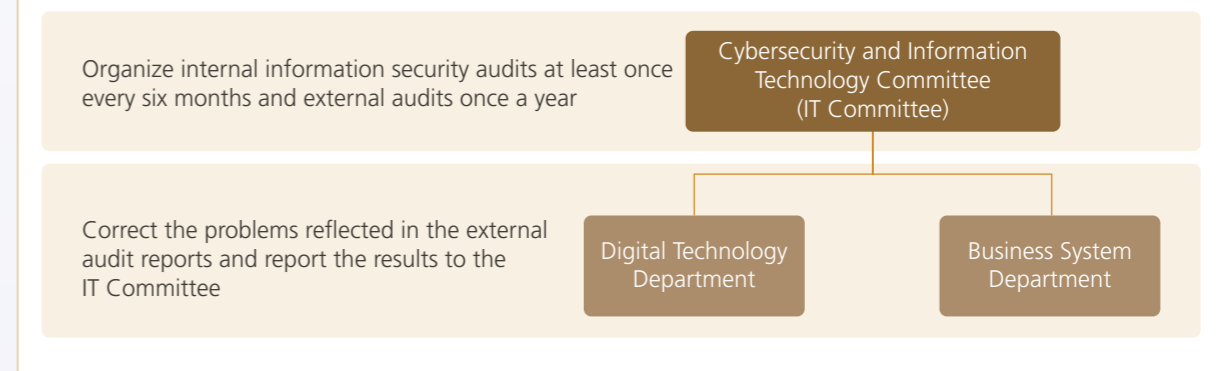
INFORMATION SECURITY MANAGEMENT SYSTEM

COHL has formulated the *Cyber and Information Security Management Measures of COHL* and *Customer Information Security Management Guideline of COHL* in accordance with the requirements of the Cybersecurity Law of the PRC and other relevant laws and regulations, which specify the working guidelines regarding the retention, use, disposal and destruction of customer data, confidentiality requirements and data use approval procedures. There is a clear division of labor among all departments: the Marketing Management Department is responsible for keeping customer information obtained in the sales process; the Customer Service Department takes charge of monitoring the implementation of various guidelines; staff in all key positions are required to sign information confidentiality agreements.

Since 2012, the Group has passed independent third-party audits every year, continued to be certified by ISO 27001 information security management system certification, and carried out information audit work for listed companies every year. Each business line of the Group has set up specific posts for information security management, formulating guidelines for the use of passwords, networks, systems and data information, and has obtained ISO 27001 information security management system certification. In addition, important business systems have obtained the national cybersecurity level protection certification. For example, the property sales system has completed the level II evaluation of national cybersecurity level protection, and the COHL cloud platform system has completed the level III filing and evaluation of national cybersecurity level protection.



Information Security Management Structure



Responsible Consumption and Production



INFORMATION SECURITY MANAGEMENT SYSTEM

The Group regularly carries out special actions on information security, including investigation and rectification of security risks, protection of key targets and special tasks for Cyber protection during important periods. To continuously improve the security protection system, we develop various security technologies in the aspects of detecting network intrusion, host behaviors and threat intelligence, and arrange special network attack and defense exercises, thereby improving the integrated mechanism covering cybersecurity incident monitoring and discovery, notification and early warning and emergency disposal, and comprehensively enhancing the security protection capability. Since 2017, the Group has held 4 Cybersecurity Week Activity consecutively, to raise the staff's awareness of cybersecurity and customer privacy, strengthen the awareness of protecting information security. We also provide security and confidentiality training for all information technology suppliers, and all attending suppliers are required to sign information security confidentiality agreements on the spot to ensure the security of the information.

Regarding the property service business, we have also established policies such as *Customer File Management and Property Control Procedures for Customers and External Suppliers*, clearly setting out the working procedures for protecting customers' personal data, including management of customer data, collection of visitor registration data, surveillance video recording and storage, etc. Apart from safeguarding the security of customers' personal data, the Group also values delivering correct and balanced advertising messages to its customers. For example, the Group's property service business has formulated the *Media Management System* to regulate media promotion events and ensure compliance with the principles of correctness, truthfulness and non-exaggeration. The Quality Management Department strictly reviews all the marketing information published, including product brochures, promotional folders, social media articles and marketing materials, to prevent misrepresentation or exaggeration of publicity content and to avoid misleading customers, investors, and other parties.

Management of Bidding and Procurement

The Group takes a rigorous procurement approach to ensure that our sustainability standards are applicable to both ourselves and our partners. As the Group's business requires close collaboration with a number of suppliers and subcontractors, their involvement is critical to our success in achieving sustainable development. To this end, the Group's secondary companies have established processes and conditions for the selection of all potential centralized procurement suppliers based on their operating conditions, standardized their procurement procedures and ensured that supply chain management, construction equipment and materials continue to meet uniform and stringent quality and safety standards.

Taking the Group's property development and operation business as an example, we are actively promoting the standardization of green and healthy material procurement, with a view to developing green procurement category standards by the end of 2021 and setting and monitoring quantitative targets for the green supply chain by 2023. To align with the implementation of the *Green and Healthy Housing Standard of COHL*, we will compile the centralized procurement technology standards for some healthy materials this year. As a step to prepare for the setting of goals, we plan to sort out green standards for 53 procurement categories in the first quarter of 2021, and collect and record reference data such as the white list of suppliers engaging in the green supply chain initiative for China's real estate industry, and green evaluation and certifications conducted by the Ministries of Industry and Information Technology and Ecology and Environment and other departments. With the clarification of many standards, we are confident to protect the ecological environment and promote sustainable development together with our suppliers.

Regarding the property service business, we will fully release the online supplier relationship management system this year and have updated the *Bidding and Procurement Management Measures* to complement the digitalization of supplier management, thereby establishing a more efficient and complete management system. At the end of each year, all units are required to upload the *Supplier Database Reports* to the supplier relationship management system, including the total number and classification of suppliers for the year, the number of suppliers in the database in the previous year, the number of new suppliers and that of unqualified suppliers for the year, a detailed list of suppliers, the results of the annual supplier assessment and suppliers' performance. We also organize training for staff responsible for managing suppliers to ensure their clear understanding of the revised content.

In addition, when purchasing cleaning agents and other supplies, we must ensure that their formulations do not contain substances that violate environmental regulations in locations where we operate, and we first take on board products whose formulations are less harmful to the environment. We are also planning to increase the use of environmentally friendly products such as organic fertilizers for horticulture purposes and environmentally friendly cleaning agents and projecting to include sustainable procurement in our current *Bidding and Procurement Management Measures*, so that there will be guidance on the procurement of products with lower environmental impact for each property project.

Responsible Consumption and Production



Adherence to Corporate Ethics

We are committed to maintaining operations in line with corporate ethics by fostering a culture of integrity in our daily operations and supply chain cooperation, and by protecting the rights and interests of our customers. The Group will not tolerate any form of corruption, including bribery, extortion, fraud and money laundering, and advocate an ideological culture of “don’t dare to, are unable to and have no desire to commit acts of corruption”. In this case, we have established a series of policies to regulate the relevant work processes and require each unit to properly implement the relevant requirements. The Group also provides suppliers with guidelines on doing clean business, requiring them to comply with the requirements for anti-corruption. Moreover, all suppliers are required to sign an *Integrity Agreement* for commitment to avoiding any corrupt or bribery practices, and subject to annual performance reviews, including integrity reviews.

The Group’s property development and operation business, as a member of the China Enterprise Anti-Fraud Alliance, continues to maintain communications with its peers through a system to share the information (lists) of dishonest employees and dishonest units. During the year, we will complete the formulation of the *COHL Position Risk Prevention Guideline* to sort out the risks that each position in the local and regional companies may face while doing business by preparing the Risk Identification and Prevention Form, in a bid to clarify integrity risks, procedural risks and performance risks, and to formulate relevant codes of conduct and preventive measures. We will also update the business contact regulations in the *COHL Employee Professional Code of Conduct*, including providing employees with guidance on how to decline, disclose or report banquets, entertainment activities, commissions, rebates, gratuities, and gifts from our partners.

HIGHLIGHTS


“LEADING THE TIDE OF INTEGRITY, BUILDING A CLEAN COHL” ACTIVITIES

In recent years, the Group has been actively compiling various integrity construction materials for employees to read at any time, with a view to enhancing the dissemination of anti-corruption policies and messages. In 2020, we re-edited the *Integrity and Law Compliance Reader for Professional Managers*, providing typical case examples for employees in specific job groups to demonstrate the potential corruption risks associated with their daily duties through different cases of violations and corresponding handling guidelines.

To implement COHL’s “Leading Culture” promotion activities, the Group has carried out a number of activities entitled “Leading the Tide of Integrity, Building a Clean COHL” this year, the purpose of which is to promote the Group’s culture of clean operations. The activities include:

Warning Education	All employees are required to receive integrity warning education before their formal entry into the Group. For example, they will be organized to visit integrity warning education bases and watch integrity warning education films. In addition, the Group also organizes practitioners to take an oath of integrity, and employees in key positions are required to sign a Letter of Undertaking of Integrity and receive integrity warning education.
Learning and Contests	The Group regularly organizes training for employees to learn the laws and regulations regarding its industry and the internal compliance systems of the company. At the same time, the Group also organizes integrity knowledge competitions, as well as appraisal of calligraphy, painting, poster and micro-video works, to promote the culture of integrity.
Integrity-Related Training for Families	In addition to requiring employees to abide by the enterprise’s Letter of Undertaking of Integrity, the Group also imparts integrity-related knowledge to its employees’ families. For example, it holds a number of activities such as “Haibao’s Speech on Integrity” and “Promoting Integrity in Communities”, where various anti-corruption education events are rolled out in the communities run by the Group.
Sports	This year, the Group participated in a theme sports meeting focusing on the corporate culture of integrity held by the COHL. A total of more than 100 employees of the Group’s subsidiary in Hangzhou and other subsidiaries of the COHL participated in this event and they are well-educated on the culture of integrity through competitions.
Government-Enterprise Construction	The Group regularly holds “Co-Construction of Integrity” activities with local discipline inspection committees, courts, procuratorates, subdistrict office and other authorities to maintain communications with regulatory bodies.



Building a **Green and Happy Life** Leading an **Environmental-friendly and Low-Carbon Space**

COHL, adhering to our mission of “We Manage Happiness”, puts great emphasis on the environmental impact during the operation. We integrate the idea of environmental protection and sustainable development into our daily operation, and are committed to reducing the operational impact on the environment by developing green real estate and buildings, adopting energy saving, emission reduction technology and green office, so as to lead the trend of green building development.

Climate Action



At present, greenhouse gas emissions from human activities reach the highest level in history. As climate change caused by economic and population growth widely affecting both human and natural systems of the globe, it is predicted that the surface temperature will rise and could be more than 3°C in the 21st century if without action. Therefore, carbon emissions must be reduced in many ways, and urgent action must be taken to address climate change and its impact, including strengthening the ability to resist and regulate climate related disasters and natural disasters.

Management of Climate Change Risks

The World Economic Forum publishes the Global Risks Report annually to analyze the risks that may have a significant impact on the world. According to the Global Risks Report 2021, the failure of climate action has become one of the biggest risks, and we have realized that the physical and transitional risks caused by climate change will have a financial impact on us. Physical risks include property damage caused by extreme weather (such as rainstorms and floods), rising temperature and high heat wave threatening the safety of employees and building users, etc. The transition risks include regulatory risks, litigation risks, market change and technology risks, and reputation risks caused by the global transition to low-carbon mode. All these risks may impose financial burdens on us (such as income, liabilities, cash flow, etc.).

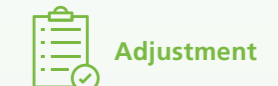
Faced with different challenges, our secondary companies have carried out the formulation of climate change policies for mitigating, adapting, resisting and disclosing climate change risks and opportunities, and have prepared to disclose climate change-related governance, strategies, risk management, indicators and targets according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The climate change policy, guided by four directions (mitigation, regulation, defense and disclosure), provides guidelines for companies to deal with climate change:

Our property development and operation business have formulated the first 3-year sustainable development roadmap during the year, clarifying the goals and priorities of related work, including the formulation of climate change policies and the analysis of business-related risks and opportunities in accordance with TCFD guidelines. This ensures our adjustment of the in-time response plan and grasp the market opportunity.

Guidelines on Climate Change



Implementing various measures to reduce greenhouse gas emissions from daily operation and contribute to the mitigation of climate change.



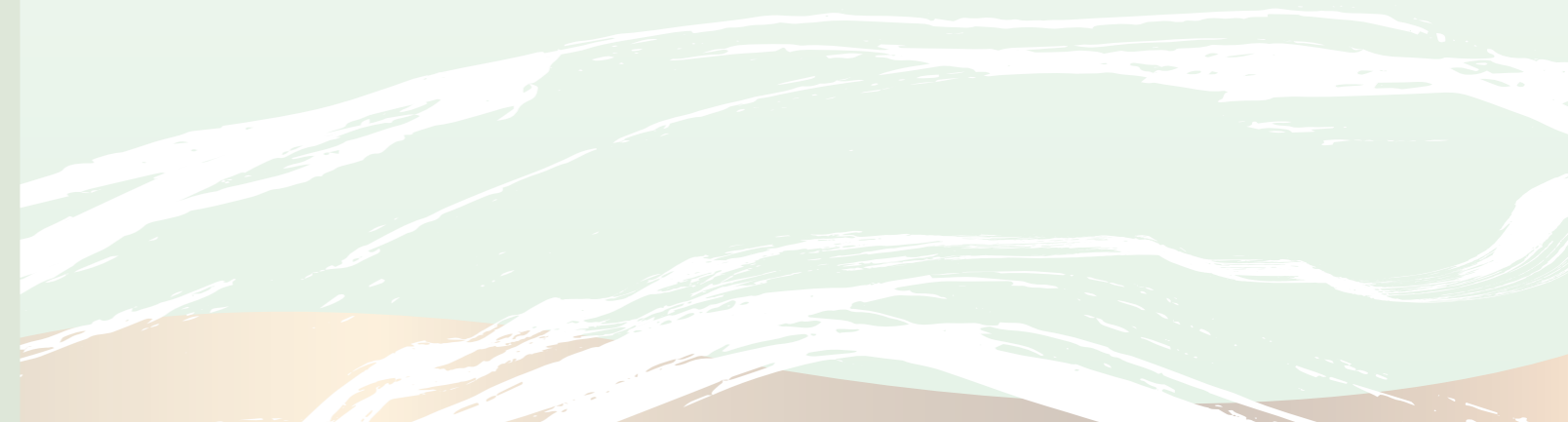
Timely identifying and responding to climate change related risks and opportunities, and formulating emergency management plans.



Regularly evaluating property projects and maintaining close communication with suppliers to ensure that the property and its supply chain are able to withstand extreme weather events caused by climate change.



Continuously disclosing climate change management information and improving transparency.



Climate Action



Meanwhile, our the construction and infrastructure investment business has always attached great importance to climate change management and disclosure so that investors and other stakeholders can obtain relevant information. Our sustainable development roadmap focuses on “Excellent Environmental Management”, which clearly responds to the frequent extreme weather caused by climate change and the transformation of low-carbon economy into the general trend of construction. During the year, we have conducted a risk factor analysis on climate change and reviewed the effectiveness of existing measures (including the use of low-carbon building materials and new building technologies, etc.) to continuously improve our performance. In 2020, we have won the Enterprise Progress Award on Climate Change issued by CDP Worldwide in recognition of our remarkable progress in environmental information disclosure and action on climate change.

In terms of the property services business, our operations are also facing the impact of climate change. In order to protect the health and safety of customers and reduce the impact of extreme weather events, we have carried out flood control safety inspections this year in order to predict the severity of extreme weather events and then formulate emergency plans. In the event of extreme weather events, we will remind customers to take defensive measures to minimize losses. In addition, the Company has revised the Safety Manual to unify the management of building safety inspection and other work, and establish a list of risks during the property management. We describe the potential consequences, response measures and management departments of each building safety risk, so that different departments can manage and record the risk inspection.

Building Energy Efficiency

Transition to low-carbon life is the primary task of global response to climate change, in which the low-carbon construction of cities and towns is an indispensable part of the response to climate risk. Take the Group’s property development and operation business as an example, the Company actively promotes green building certification in suitable new and existing property projects, and refers to the best management practices of the certification system to improve the environmental benefits of projects from the planning stage. By the end of 2020, 64 new projects have obtained green building certification (including 53 residential projects and 11 commercial projects), with a certified building area of 10.95 million square meters. For commercial projects, we have accumulated a total of 50 green building certifications, including 17 internationally authoritative LEED certification (including pre-certification) of energy and environmental design Pioneer Award, 9 National Three-star Green Certification of Ministry of Housing and Urban Rural Development, 2 BOMA China Building Management Excellence Certification and 1 WELL V2 CORE Platinum Certification, with a total construction area of 4.2 million square meters. Looking forward to the future, we plan to obtain 15 LEED certified commercial projects and 3 more than 2-star certified hotel projects in 2023 to ensure all new hotel projects obtain Green Building Certification in China.

64
new projects obtained green
building certification

with a certified
building area of
10.95
million square meters

In addition, the Group actively invests in the innovation and R&D of green building technology. Taking the property development and operation business as an example, we have obtained a total of 34 related technology patents. In 2020, we continuously invest in the R&D of green building technology and have obtained 6 new patents, actively contributing to the promotion of green building technology, real estate industry, environmental and ecological protection, and participating in the technical preparation of the industry.

No.	Patent Name	Authorization Time	Abstract
1	Smart Home Gateway System (Four Switches)	July 7, 2020	The patent is an intelligent control device integrating household water, electricity, wind and security systems, with the advantages of high integration, small size, large computing power, integrated control of household hydro-power and air systems, less difficulty in implementation, low manufacturing costs, and good installation consistency, which helps to save construction materials and energy consumption for building operations.
2	Energy Feedback Type Energy-saving Elevator Based on Micro-grid	May 5, 2020	The patent is an energy feedback type energy-saving elevator based on micro-grid. The new elevator has an energy feedback component, and the generated electric energy can be fed back to the car micro-grid through the battery, which effectively reduces the energy consumption of the elevator.
3	A Suspension Structure with Steel Cables Embedded in Vertical Web Members of Steel Truss	September 25, 2020	The patent is a suspension structure of adding pre-stressed steel cables in a steel truss. The structure has the advantages of simple, convenient construction and low cost increase, not only giving full play to the high tensile strength of pre-stressed steel cables, but also provides a second stress line for the suspension structure, which greatly improves the safety and redundancy of the structural system.

The Group’s property service involves plenty of energy consumption, mainly from the power consumption of elevator, water pump, lighting, central air conditioning system, etc. To this end, we actively seek to purchase renewable energy and obtained 5,103 MWh of renewable energy through a geothermal utilization system this year. In the future, we will continue to study the types of renewable energy suitable for each operating area, and gradually increase the proportion of their use, so as to reduce greenhouse gas emissions.

Climate Action



Smart Energy-Saving Management Scheme

Using science and technology to promote energy conservation and emission reduction is an important way to reduce carbon emissions. The Group continues to develop intelligent energy consumption management system to minimize carbon emissions in both construction and operation activities. Each project must implement the energy consumption statistics management, including properly keeping the original records of energy consumption, so as to establish the energy statistics system. This will help us to analyze the trend of energy consumption of each project on a regular basis and seek the improvement space of energy saving.

Taking our property service as an example, we are committed to developing property management innovation technology, establishing a unified cloud platform with the concept of "1+1+N", and providing customers with intelligent building systems covering residential communities, urban complexes, commercial office buildings, hotels and industrial parks. The platform is equipped with an Automatic Meter Reading (AMR) function, which can accurately record the energy and other resource consumption data of each park in real time. When the quantity is abnormal, the system will automatically send out the monitoring warning immediately, so as to arrange the staff to follow up immediately.

We set up a perfect maintenance plan for the commercial real estate projects of our property development and operation business with the self-built energy consumption information platform, to achieve fine, quantitative and intelligent management and control of the energy efficiency of the project. We appoint an energy management specialist to analyze and report the energy consumption and energy saving results of the project every month, and record the abnormal energy consumption. During the year, we have achieved the goal of achieving full coverage of self-owned office building projects during the operation period by the energy consumption information platform in 2020, using the platform to monitor energy usage in real time, and perform analysis based on big data to improve energy management. In addition, our commercial projects and office space have also successfully reduced the total energy consumption by 9% compared with the previous year.




HIGHLIGHTS







THE JA PLOT PROJECT OF THE COMPREHENSIVE RECONSTRUCTION OF THE OLD CITY IN SHIJINGSHAN DISTRICT OF BEIJING HAS OBTAINED THREE-STAR GREEN BUILDING DESIGN CERTIFICATION

Beixin'an, located in the west of Shijingshan District of Beijing, used to be the gathering place of Beijing Iron and steel works and power plants. With the development of the city, many residents continue to live here after the relocation of the factory. However, Beixin'an belongs to urban Brownfield Site (Urban land to be redeveloped), with dense houses and narrow roads. Some alleys can only be passed by one person. The local environment is messy and lack of public facilities, and public security incidents occur from time to time; Coupled with the aging of road traffic, underground drainage and other municipal facilities, every rainstorm will lead to serious road water, so the transformation of shantytowns is imminent.

The Group undertakes the transformation project of a shantytown in Beixin'an; The project adopts a number of green technologies and has successfully obtained Three-star Green Building Design Certification.

-  Setting up the reclaimed water system to collect and treat rainwater and daily domestic wastewater, which can save about 320,000 cubic meters of water consumption every year
-  Adopting high-efficiency enclosure structure, high-efficiency cold and heat source system and solar hot water system to effectively reduce building energy consumption;
-  Applying intelligent lighting control measures to reduce lighting energy consumption;

-  Setting up indoor air quality monitoring system and PM2.5 air filtration system to improve indoor air quality;
-  Using recyclable steel, glass curtain wall, gypsum products, aluminum alloy profiles, wood, etc. to improve the utilization rate of recyclable materials to 10.03%;
-  Adopting exhaust air recovery (such as all thermal runner heat recovery unit) in the office area to reduce the traditional energy consumption; and
-  Installing solar collectors on the roof to provide domestic hot water for high-rise office areas and reduce energy consumption.



HIGHLIGHTS

DEVELOPING SMART ENERGY TECHNOLOGY

The development of new energy vehicles is a strategic measure for many countries to deal with climate change and promote green development. China's new energy vehicle market is the largest in the world. Thanks to the rapid development of China's new energy vehicle industry, the demand for charging infrastructure increases. Charging infrastructure refers to all kinds of charging and swapping facilities that provide power supply for electric vehicles, which is a new type of urban infrastructure. The National Development and Reform Commission and the Energy Administration recently issued the *Implementation Opinions on Further Improving the Service Guarantee Capability of Charging and Switching Infrastructure (Draft for Solicitation of Comments)*, which confirms the development direction of new energy vehicle charging technology.

New energy vehicle charging pile refers to the equipment that provides charging service for new energy electric vehicles. It is generally installed in public places such as public buildings, parking lots, shopping malls, charging stations for operating vehicles and private places such as residential communities. By the end of 2020, the ratio of domestic new energy vehicles to charging piles is about 3.41:1, and it is expected that the ratio will reach 11:1 in the next ten years, that is, the number of charging piles will reach 63 million.

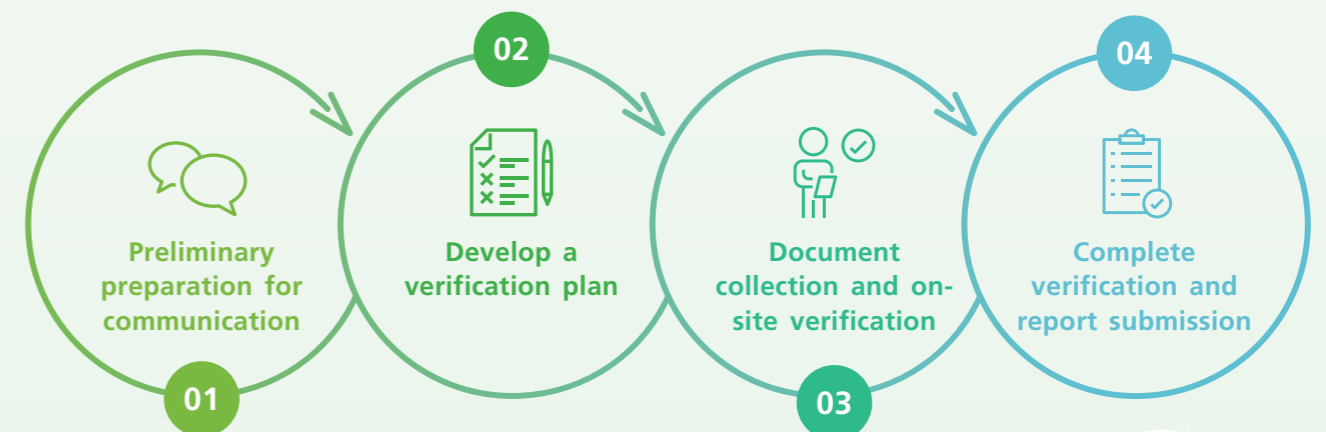
In response to the national green initiative, the Group, together with China State Construction Engineering Corp. Ltd. and State Grid Corporation of China (State Grid), jointly established Guojian Smart Energy Technology Co., Ltd., which is committed to building itself into a first-class construction and operation service provider in the field of new infrastructure charging piles. In order to set a benchmark for the national team in the field of charging piles, we focus on the research and development of charging pile investment, construction, operation and related technologies, and promotes community green travel.

Data Integrity

The Group continuously integrates and strengthens the construction of management systems and mechanisms, so that environmental protection can be implemented in our daily operation. Both the Group and its secondary companies have environmental management functional departments responsible for the environmental management of our businesses. To establish a reliable environmental information management system, each business unit has also commissioned professional sustainable development consultants to evaluate greenhouse gas emissions and other environmental key performance in accordance with local guidelines and international standards. In order to establish comparable environmental objectives, we have actively improved the data collection and management system during the year.

Taking our property service as an example, the Company has commissioned sustainable development consultants to review the whole process of current environmental data collection, storage, recording, summary and reporting, and put forward improvement suggestions at different stages to improve the data collection system. The consultants have also assisted in the preparation of the *Data Quality Manual* as a basis for the internal audit of data quality. With the gradual improvement of data collection management, we collect environmental data of Hong Kong and Macao this year, and plan to disclose complete data next year.

Meanwhile, the construction and infrastructure investment business has set up a sustainable development report writing committee to coordinate the reporting work, including continuously improving the electronic data collection platform, and providing relevant training to responsible staff to answer their questions about data collection. During the year, the Committee engaged external consultants for the first time to verify the greenhouse gas quantitative data of 9 projects and plants in Hong Kong and the mainland of China in accordance with international standards. They consider gradually expanding the scope of verification to other projects in the future, so as to increase the scope of data assurance and provide a solid and reliable basis for formulating greenhouse gas emission reduction targets.



Life on Land



Deforestation and desertification caused by human activities and climate change pose major challenges to sustainable development and affect the livelihood and poverty alleviation efforts of millions of people. Major biodiversity loss and ecosystem collapse are considered as one of the five global risks in the next decade. Among them, the exploitation of natural resources and environmental pollution are the main reasons for the loss of biodiversity, seriously affecting the economy, public health, human health and supply chain. We conserve biodiversity by optimizing operations and raising public awareness.



Project Site Selection

Through the adoption of advanced design and new technologies, we carefully consider the impact of the development project on the existing ecosystem and community. Take the Group's property development and operation business as an example, the Company is committed to promoting green and healthy building concepts and making the following commitments through policy formulation:



Only carrying out construction, excavation and other projects outside the *World Heritage List* and the International Union for Conservation of Nature (IUCN) catalog I-IV nature protection areas;



Before acquiring the project land, risk investigation including biodiversity factors are carried out to eliminate the ecological impact of construction details in the global project as far as possible, and actively improve the original environmental degradation problems through project transformation;



Working with all stakeholders to enhance the community's awareness of biodiversity conservation and minimize the impact of business operation on biodiversity and ecosystem.

Project Planning and Design

We adopt greening design to provide suitable soil for different animals and plants in the design to grow and protect the biodiversity around the project. For example, we generally plant middle-aged trees in the project site to achieve the effect of "Trees, Shrubs and Grass" combination of multi-layer greening. This can make the planting area have good soil depth and drainage capacity, and meet the growing needs of different types of plants. In addition, in the design of outdoor nightscape lighting devices, we strictly follow the *National Code for Lighting Design of Urban Nightscape* or the requirements of the operation site for light pollution control, so as to reduce the adverse impact on nocturnal organisms. For new construction and large-scale urban renewal projects, we also require the construction site to set strict environmental protection requirements, so as to protect the natural ecosystem and actively protect and restore the habitat and soil disturbed by the project.

Ecological Conservation

We adopt the green building principle at all stages of the building life cycle, and adhere to the two major principles of "brownfield first, greenfield second, and conservation precedes compensation" and "preserve and build on the natural green". This includes risk investigation of ecological environment related risks such as geological topography, soil risk, environmental pollution and special protection, identification of environmental risks of the project plot and surrounding areas, and further investigation according to the project situation, so as to ensure that the project will not have a significant impact on the ecological environment. We promise to avoid developing projects or developing farmland or green space in national nature reserves to protect local natural ecosystems and rare wildlife species.

In addition, we also actively promote the restoration of ecosystems, such as participating in the restoration and utilization of contaminated abandoned warehouses or factory sites, bare rock, gravel land, saline alkali land, sand wasteland, waste kilns and other areas, and assisting in the restoration of brownfields and the restoration of local original natural ecology.



HIGHLIGHTS



ECOLOGICAL AND CULTURAL CONSERVATION PROJECT OF HUASHAN LAKE IN JINAN

Huashan Mountain, 197 meters above sea level, is located in the northeast of Jinan with beautiful scenery and is known as the first scenic spot of "Qiyanjuidian (referring to nine beautiful mountains in Jinan, Shandong Province.)". The project is located in Huashan District, the core area of the second ring road of Jinan City. It is not only the key development area after the Olympic Sports Center of Jinan City, but also the bridgehead for the development of Binhe new area, the strategic core of the city's North crossing, which is also a large-scale comprehensive tourist resort, ecological livable and potential new city of Quancheng. The project extends to Jiqing Expressway in the North, Xiaoqing River in the South and Jiangjun road in the West. The total planning construction area is about 10.2 million square meters, which is expected to accommodate 300,000 people and will be a rare mountain lake ecological market in the urban area after completion.

The Group's property development and operation business is committed to promoting the idea of green and healthy building. For many years, we have participated in the preparation of many national industry standards and have set up a green construction industry benchmark. The experience of Huashan District renovation project in Jinan demonstrates our overall solution to the old city demolition, ecological conservation, heritage conservation and community supporting planning. Due to the overexploitation of the famous "Jinan Dark Green" rock, the local water quality and mountains were seriously damaged. We work hand in hand with Jinan municipal government to restore the local ecology, build ecological parks and reshape the harmonious environment of human and nature in the property development process.

- 1 Our team plans and builds Huashan Wetland Park according to the 5A scenic spot standard in the "National Classification and Evaluation of Quality Level of Scenic Spots". We have irrigated 3,600 mu of Huashan Lake and restored the local freshwater ecosystem. The completed Wetland Park covers an area of about 6.25 square kilometers, which is equivalent to the scale of 6 Daming Lake Parks, reproducing the historical and natural features of Huashan Mountain, such as "Hibiscus in the Water" and "Danjiaoxiuze (beautiful scenery)", forming the landscape of "One Lake and Four Mountains".
- 2 We have also carried out mountain restoration and greening for Huashan Mountain and Woniu Mountain of the ore mining site, built ecological and geological parks and a green ecological livable new city integrating "Mountains, Springs, Lakes, Rivers and Cities". After years of construction, a variety of seedlings have been planted around the mountain, covering more than 200,000 square meters of vegetation. About 45.2 kilometers of roads are built, bringing five landscape areas and nearly 20 scenic spots to the public.
- 3 We have long been concerned with promoting the cultural and tourism industry and protecting the local history and culture. We have participated in the reparation of Huayang Palace, the largest ancient building complex in Jinan, with 36 existing buildings and a construction area of nearly 3,000 square meters. The building complex is a collection of Confucian, Buddhist and Taoist cultures. There are 62 ancient cypresses in the palace, the youngest and the oldest of which are 858 and 899 years old respectively. Through reparation, the unique cultural charm is retained, and the local ecological potential and cultural heritage are combined to build the Huashan Museum of History and Culture in Huashan Area, so as to inherit the profound cultural heritage of Jinan.
- 4 Referring to the governmental public-opinion poll, we actively respond to the opinions and demands of residents in terms of project planning and demolition and resettlement arrangements. Besides physical resettlement, we also provide monetary compensation and resettlement for the affected people. In terms of the construction sequence, we also give priority to the construction of resettlement housing and affordable housing in the project, and prioritize the housing rights of the original residents to eliminate public doubts.



Building a **Happy Life for Communities**

Leading a **Harmonious and Prosperous Society**

Realizing that communities are the soil for the survival and development of enterprises, COHL sticks to the concept of nurturing and contributing to the society. By participating in people's livelihood construction, strengthening community connections, and actively participating in poverty alleviation and charitable donations, the Group is committed to fulfill its corporate social responsibilities and build a harmonious and prosperous community life.

No Poverty



Since 1990, the extreme poverty rate has fallen by half. However, one fifth of the people in the developing regions still live in poverty. We responded actively to the national call to provide economic assistance and jobs for local people by eradicating poverty through industry, education and employment, aiming to assist the economic and social development of the poverty-stricken regions.

TARGETED POVERTY ALLEVIATION

Industry Assistance

Since 2018, the Group has successively carried out poverty alleviation activities in certain state-designated poor counties including Lan County of Shanxi, Wuxi County of Chongqing and Kang County of Gansu. We continued to carry out the targeted poverty alleviation program called "Sea of Hope" based on our resources to create original brands such as "Xiurong Millet", "Wuxishan Walnut" and "Longkang Old-Tree Walnut" for local quality agricultural products, and marketed such products nationwide through our business network. The "Sea of Hope" poverty alleviation initiative has not only created agricultural product brands, but also became a "sustainable, replicable and recyclable" poverty alleviation model, with a view to encouraging local residents to replicate our successful business experience. Over the years, we have carried out more than 1,300 product promotion activities in over 80 cities across the country, reaching nearly 10 million customers and homeowners and generating more than RMB10 million of sales in the community.

In 2020, we focused our poverty alleviation effort on Kangle County, Zhuoni County and Kang County of Gansu Province. As of the end of 2020, we have supported 20 leading enterprises and 102 cooperatives in the three counties of Gansu through the Sea of Hope e-commerce poverty alleviation platform, directly providing 850 jobs for such counties. The Group has achieved the sales amount of RMB24.8 million for the characteristic agricultural products of the three counties, which has overfulfilled the annual target. As a result, we were awarded the title of "China's Exemplary Real Estate Enterprises for Poverty Alleviation of 2020".

The Group also assist the local economic development in Zhuoni County of Gansu. During the year, the Company's poverty alleviation working group carried out field investigations on the agaric poverty alleviation plants and rapeseed oil production and processing plants to further tap the potential for material development. It has successively carried out investigations on the native chick breeding base and baby chick incubation center five times and invested a total of RMB260,000 in the development and construction of angelica chick breeding bases. In addition, we entered into a donation agreement and purchase and sales agreement with Zhuoni County for the angelica chick greenhouse breeding project, and discussed the cooperation with the local government, with a view to continuously focusing on the research, development and sales of local products for poverty alleviation so as to promote the local economy and employment.

In addition, the Group sent a professional hotel management team to Yanhewan Resort Hotel under Kang County Tourism Industry Poverty Alleviation Demonstration Park for a five-day business training. The training covered over 200 service standard operating procedures and over 30 excellent courses, bringing professional training to new managers and service personnel from five aspects: service awareness and skills, operating procedures and standards, practical skills, real-world simulation exercises, and team building, thus effectively improved the professional quality of employees. The training activities were highly praised by the local government and the project team.

Supported leading enterprises

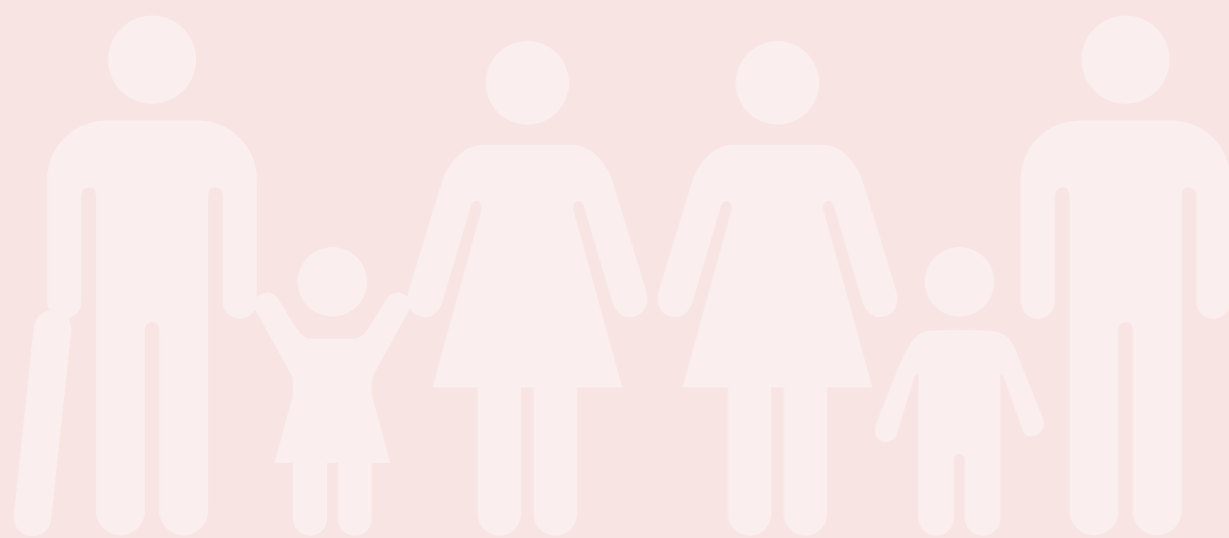
20

Cooperatives

102

Providing

850 jobs



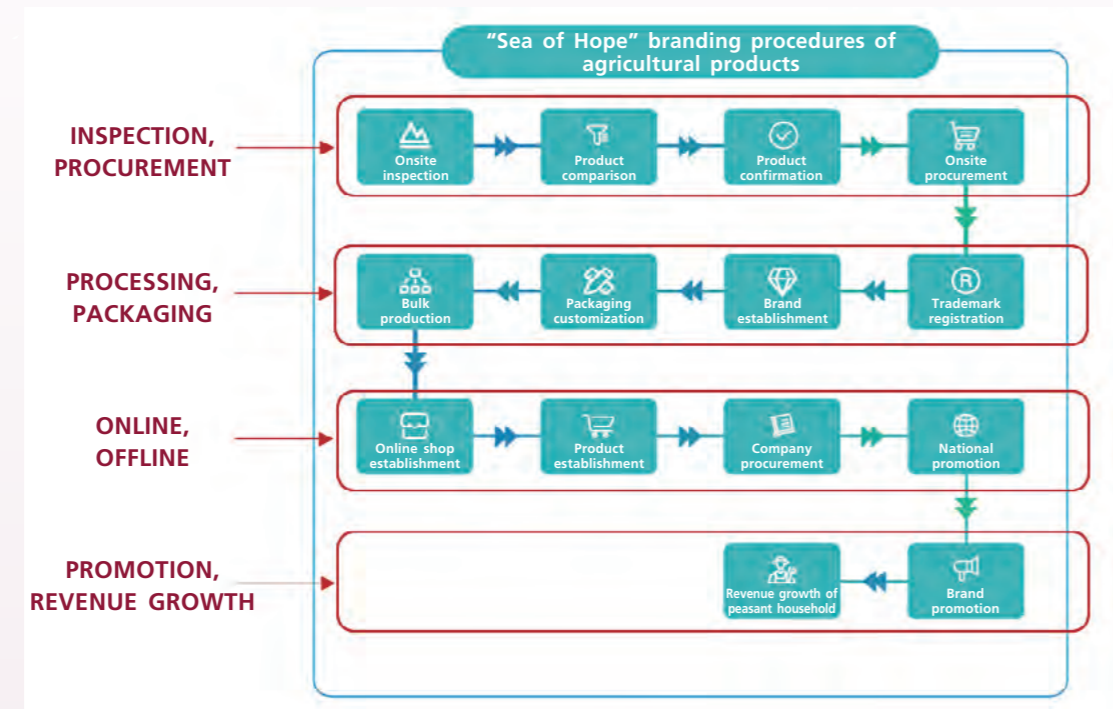
No Poverty



HIGHLIGHTS

ASSISTING KANGLE COUNTY TO CREATE THE "KANGLE MUSHROOM" BRAND

Since 2018, the Group has been focusing the poverty alleviation activities on the three counties of Gansu to assist them to explore a sustainable poverty alleviation model and accomplish the target of eliminating poverty comprehensively. We have successively launched the poverty alleviation initiative of "Sea of Hope" in counties such as Lan County of Shanxi and Wuxi County of Chongqing, and have developed an e-commerce platform by virtue of the Group's businesses and resource advantages of millions of homeowners. Through the online and offline interactive marketing model, we have built an integrated supply and sales system for poverty alleviation products.



In 2020, the Group took the "Kangle Mushroom" brand creation program as the focus of poverty alleviation under "Sea of Hope", which aims to help Kangle County develop its local quality mushroom industry. We have built a complete, comprehensive, sustainable and replicable poverty alleviation model through the consumption of products that is closely interconnected with our own business, covering mushroom material purchasing, trademark registration, brand packaging, production and processing, quality monitoring, e-commerce building and online and offline promotion activities across the country. Such model has set an example for the poverty alleviation of central enterprises and was selected as an excellent case in the Research Report on Poverty Alleviation of Chinese Enterprise (Blue Book 2020).

- 1 According to the investigation and research, a lot of poverty-stricken regions are home to high-quality characteristic agricultural products. However, due to weak brand awareness, the local farmers are not fully benefited therefrom. It is also noted that as the living standards of urban people have improved, they have shown a growing demand for healthy food;
- 2 Through deep field investigation and comprehensive survey on dozens of products, the Group carried out comprehensive evaluation on each product in terms of safety, quality, environment of producing area, planting method, processing method, production cycle, sales channel, yield, storage and transportation conditions, and has finally decided to create a special brand for the new industry — edible mushrooms in Kangle County;
- 3 To ensure the quality of mushrooms, the Group has carried out repeated investigations, expert consultations and quality inspections, and has set precise and strict requirements for the packaging, specifications, gram weight and size of mushrooms. Each batch of mushrooms has undergone strict quality control, and repeated inspections were carried out in batches on heavy metals, sulfur dioxide, nutrients and other items;
- 4 To ensure the efficient operation of various links including the annual production, quality, supply, unit price, sales and after-sales of mushrooms, the Group has entered into an agreement on poverty alleviation through consumption with the government and cooperative of Kangle County, respectively, and formulated a sound cooperation mechanism;
- 5 The Group has opened a WeChat shop, an online store on Taobao, and the Sea of Hope e-commerce platform. In addition, we arranged relevant personnel to carry out training for the operation and maintenance staff of the online shops to improve the operation and maintenance management level of the cooperative online shops;
- 6 The Group has delivered a purchase check of RMB4 million to Kangle County, subscribing to the first batch of "Kangle Mushroom" products and presenting them to customers in marketing and customer service activities such as "Walking into COHL's Communities", Knock-Knock program and Customer Service Day. In addition, we cooperated with over 30 urban companies to hold the launching activities for Kangle Mushroom, and held more than 380 promotion activities in sales offices, residence communities, commercial projects and on-campus job fairs across the country, which helped the poverty-stricken county create agricultural product brands and successfully build the brand of "Kangle Mushroom".

No Poverty



ASSISTING KANGLE COUNTY TO CREATE THE "KANGLE MUSHROOM" BRAND

COHL has entered into a cooperation agreement with Kangle County Government on targeted poverty alleviation and actively helped build the "Kangle Mushroom" consumer brand for poverty alleviation. In 2020, the sales of Kangle Mushroom exceeded RMB4.5 million, among which the planting, picking, processing and sales of mushrooms have greatly increased the economic income of poor local households. The monthly salary of the staff of Edible Fungi Cooperative in Jinggu Town, Kangle County increased from RMB700-800 per month to RMB2,000-3,000 per month.



Poverty Alleviation through Education

Poverty alleviation should start by enhancing the skills of the impoverished population. Guaranteeing compulsory education is an important foundation for poverty alleviation in poverty-stricken areas and lifting poverty-stricken people out of poverty. Therefore, we must create better conditions for rural school-age children to receive good compulsory education. Since 2019, the Group has launched a series of visits to care for left-behind children in poverty-stricken counties under the theme of "Building Dreams with Love, Standing by You Always". From the end of 2020, the Group took rural primary schools in poverty-stricken counties around Shenyang City, Liaoning Province as the targets of poverty alleviation, and organized many educational poverty alleviation activities, including arranging physical education and quality development courses for teachers, arranging extracurricular training and interest training courses for students, and organizing donation activities to improve the use of educational equipment. The project has benefited two poverty-stricken counties, three primary schools in poverty-stricken villages and more than 500 left-behind children.

The project has benefited **500** left-behind children



No Poverty



HIGHLIGHTS


**ESTABLISHING
“FUTURE
EDUCATION
EXPERIMENTAL
CLASS”**

The Group’s COHL Education continued to carry out the “Spring Bud Action” in Zhuoni County, Kangle County and Kang County of Gansu Province and further promoted the targeted poverty alleviation through education. During the past two years, the plan has provided more than 150 courses for the three counties through different structures for the same course, expert lectures, principal forums and on-site lectures, benefiting 11,500 teachers and students including 109 teachers receiving special trainings in the Greater Bay Area.

The plan has convened more than 100 excellent grassroots teachers in the three counties of Gansu Province to attend teaching trainings in Dongguan schools twice, and arranged over 30 experts to form a team of teachers to go to the three counties to support education and training works, benefiting more than 3,000 people.

In 2020, COHL and the three counties of Gansu Province jointly established the “Future Education Experimental Class”. A primary school in the three counties was selected to experiment with the programme. The six-year international science teaching curriculum of COHL Education was continuously introduced into the first grade class, so that the curriculum can be copied into the characteristic classes of the primary school in the future. In view of the lack of teaching hardware in the school, the Group also donated brand-new teaching equipment and supplies such as tables and chairs, projectors, computers, smart educational TVs and printers. The special action has provided more than 150 high-quality courses and lectures and trained 109 teachers in the three counties of Gansu. In addition, we set up 3 “Future Education Experimental Classes” for the three counties to carry out the introduction of a science course lasting 6 years.

- 1 Establish the “Future Education Experimental Class”, allowing 120 first-grade students to receive 6 years of science education;
- 2 Establish a one-to-one collaboration and paired assistance with 4 schools, and formulate a paired assistance plan to continuously and effectively promote the advanced educational concepts and teaching methods; and
- 3 Provide more than 150 courses through diversified forms of teaching including different structures for the same course, expert lectures, principal forums and on-site lectures, benefiting 11,500 teachers and students including 109 teachers receiving special trainings in the Greater Bay Area.

Poverty Alleviation through Employment

In 2020, the Group organized several labor skills training, brought the courses to the countryside, and actively helped the local people and the employed working population improve their labor skills. During the pandemic, the Group continued to carry out online recruitment and strengthened recruitment publicity through recruitment websites, government websites, and WeChat moments. In addition, the Group went to Kangle County 3 times to attend a special job fair for poverty alleviation through employment and recruited 10 people.

PARTICIPATION IN PUBLIC WELFARE ACTIVITIES

The Group set up a maximum of 4 days’ compensatory leave for volunteers to encourage employees to actively participate in volunteer activities. Employees who participate in volunteer activities can get compensatory time off after their application is approved. During the year, the Group participated in the “2019/2020 Hong Kong • Kowloon Walk for Millions” fund-raising activity organized by The Community Chest and walked from the Hong Kong Stadium to the Aberdeen Country Park Visitors Centre to raise funds for the Community Chest of Hong Kong and benefit 24 social welfare organizations providing “Family and Child Welfare Services”.

It is our bounden social duty to care for and help lonely elderly people. Taking the Group’s Property Services Business as an example, they made special arrangements for the housekeeper of the Management Office to chat with elderly residents living alone once every two months, help clean the house, cook for them, and give them care. On festivals, such as Mid-Autumn Festival and Lantern Festival, the housekeeper of the Management Office will set up the canteens and invite elderly residents to share delicious food and show care for them. In addition, the Group has been actively organizing “COHL Club” through our clients and regularly organizing various community activities, with key activities including Earth Hour, Earth Day, Planting Life and “Pick’n Run China • 2020 Reshaping Future Lab” (撿跑中國•2020重塑未來實驗室).

The Group attaches great importance to involving the surrounding communities in its projects, aiming to take advantage of its business advantages to build an inclusive community. The Property Services Business continuously gets to know customer needs through different channels, including customer questionnaires, daily customer communications, and cooperation with government departments and local agencies. Before the construction, the Investment Development & Cooperation Department formulates the community participation plan for the project, sets standards on construction time, and tries its best to reduce the impact on residents’ normal work and rest. Some construction sites have public relations officers who actively communicate with nearby residents and government departments to establish good community relations. A community consultation hotline is set up at the construction site, and the detailed information of the contact person is posted outside the construction site to collect feedback to ensure that potential problems or influences are reported and solved in time.

Quality Education



Quality education is the foundation to improve people's lives and realizing sustainable development. Countries have made great progress in providing more educational opportunities and enrollment rates at all levels. As a result, people's basic skills in reading, writing, and calculation have greatly improved, but more efforts and bigger steps are needed. The Group has been contributing to universal education by making donations for the construction of schools and providing continuing education support.

Donation to the Building of Hope Schools

Since 2005, the Group has been devoted to community education and has donated to build COHL Hope Schools, caring for the teachers and students in poverty-stricken areas, and aiming to help improve the local education level and shoulder its social responsibilities. The Group participated in the design, donation, and construction of schools to improve the teaching conditions throughout the country and provide equal, safe, and enjoyable learning opportunities for local children. The Group also takes multiple measures to alleviate poverty through education to improve the quality of teachers of all levels and types and cultivate the next generation with better quality for the society. Since the development of the plan, the Group has made donations for the Construction of 15 China Overseas Hope Schools to provide educational opportunities for students in developing areas of education in Mainland China, benefiting more than 10,000 students.

In 2020, the Group further improved Hope Schools' donation and scholarship mechanisms, fully cooperated with subordinate companies, and set up a two-way training program for teachers in poverty-stricken areas. The Group made arrangements for teachers from poverty-stricken areas to attend study and training in schools in developed areas such as Dongguan and send COHL Education teachers to teach in poverty-stricken areas to improve local teachers' standards and teaching quality.

has made donations for the Construction of

15

China Overseas Hope Schools

Benefiting more than

10,000

Students



China Overseas Mei'e Hope School

Quality Education



Support for Continuing Education

Guizhou is a key province in the nation's tough battle against poverty. In 2020, we visited China Overseas Mei'e Hope School in Jiang County, Qiandongnan Miao and Dong Autonomous Prefecture to learn about the actual situation of the school and students. The school is located in the local relocation site, and is the 13th Hope Primary School donated and established by COHL. After a preliminary investigation, we worked out a targeted poverty alleviation plan for the poverty-stricken ethnic minority area in Guizhou, established the student aid brand of "Little Petrel Home of Love" for the first time, and set up "Little Petrel Scholarship" and "Little Petrel Love Student Aid Grant" to provide continuous and point-to-point education support. Little Petrel Scholarship is set up with five first, second and third prizes awarded to 15 students with excellent academic performance selected by the school every year. All scholarships for 2020 have been fully awarded. The Student Aid Grant mainly comes from donations from company employees and socially responsible people, and the funds are only used to improve nutrition (food, medicine, and so on), study conditions (purchase of stationery, books and other related supplies) and clothing improvement (purchase of new clothes in new seasons).

Concerning Special Education

The only special education school in Dujiangyan was established in 1989. Unfortunately, it was razed to the ground in 2008 during the Wenchuan earthquake. In that year, the Group actively participated in the post-disaster reconstruction work and donated RMB20 million to the construction of Dujiangyan China Overseas Special Education School. The school is now a comprehensive nine-year special education school integrating education of deaf, mute, autistic, and cerebral palsy children, intellectual training, and rehabilitation training. For more than ten years, the Group has adhered to the principle of "publicity outside schools, networking between schools, and mutual evaluation within schools" and continuously paid attention to the growth and development of special children and special education teachers. We maintained constant communication with the school and visited the school on important festivals such as National Day for helping the disabled, Children's Day and Teacher's Day every year to send warmth and care to special education teachers who quietly work in the classrooms and special children. In addition, the Group awarded outstanding student scholarships and outstanding teacher prizes to the school every year. By the end of 2020, more than RMB350,000 has been invested in various grants, donations and maintenance activities, benefiting over 450 teachers and students.



Performance Summary

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Aspect	Group		Property Development and Operation Business		Construction and Infrastructure Investment Business		Property Services Business	
	Quantity	Unit	Quantity	Unit	Quantity	Unit	Quantity	Unit
Air Emissions								
Nitrogen oxides (NOx)	2.18	kg	292	kg	2,010	tonne	32,695	kg
Sulphur oxides (SOx)	0.07	kg	53	kg	458	tonne	785	kg
Respiratory suspended particles (RSP)	0.16	kg	15	kg	121	tonne	556	kg
Greenhouse Gas (GHG) Emissions								
Scope 1	11.81	tonnes of CO2-e	23,786	tonnes of CO2-e	873,750	tonnes of CO2-e	63,051	tonnes of CO2-e
Scope 2	129.95	tonnes of CO2-e	293,299	tonnes of CO2-e	117,499	tonnes of CO2-e	567,226	tonnes of CO2-e
GHG emissions in total (Scope 1 and 2)	141.76	tonnes of CO2-e	317,085	tonnes of CO2-e	991,249	tonnes of CO2-e	630,277	tonnes of CO2-e
Energy Consumption								
Petrol	40.87	MWh	13,564	MWh	14,336	MWh	1,879	MWh
Diesel	—	—	366,556	Litre	261,548	MWh	1,242	MWh
Petroleum gas	—	—	15,673	kg	3,815	MWh	2,354	MWh
Natural gas	—	—	58,699	MWh	4,325	MWh	39,061	MWh
Liquefied natural gas	—	—	—	—	116	MWh	100,471	MWh
Pipeline gas	—	—	—	—	46	MWh	—	—
Acetylene	—	—	—	—	464	MWh	—	—
Methanol	—	—	—	—	196	MWh	—	—
Lignite	—	—	—	—	2,249,624	MWh	—	—
Purchased electricity	183.03	MWh	404,739	MWh	182,740	MWh	900,664	MWh
Purchases heat (including hot water and steam)	—	—	186,343	GJ	20,576	MWh	44,776	MWh
Sold electricity	—	—	—	—	(40,297)	MWh	—	—
Sold steam	—	—	—	—	(7,607)	MWh	—	—
Renewable Energy	—	—	—	—	4,387	MWh	5,103	MWh

Performance Summary

SOCIAL KEY PERFORMANCE INDICATORS¹

Aspect	Group		Property Development and Operation Business		Construction and Infrastructure Investment Business		Property Services Business	
	Number	(%)	Number	(%)	Number	(%)	Number	(%)
Workforce								
By gender								
Male	59	70.2%	6,237	68.4%	10,093	81.1%	31,378	69.1%
Female	25	28.8%	2,875	31.6%	2,358	18.9%	14,020	30.9%
By location								
Hong Kong	75	89.3%	—	—	5,229	42.0%	4,350	9.6%
Macau	0	—	158	1.7%	797	6.4%	412	0.9%
Overseas	0	—	—	—	292	2.3%	0	—
Mainland China	9	10.7%	8,954	98.3%	6,133	49.3%	40,636	89.5%
By age								
30 years old or below ²	14	16.7%	2,804	30.8%	3,768	30.3%	14,132	31.1%
31–40 years old ²	31	36.9%	6,096	66.9%	3,866	31.0%	23,838	52.5%
41–50 years old	23	27.4%	—	—	2,750	22.1%	—	—
51 years old or above	16	19.0%	212	2.3%	2,067	16.6%	7,428	16.4%
New Employment³								
Total number of new employees	11	13.1%	1,810	19.9%	3,510	28.2%	22,283	49.1%
By gender (rate according to the relevant category)								
Male	6	10.2%	1,191	19.1%	2,938	29.1%	14,819	47.2%
Female	5	20.0%	619	21.5%	572	24.3%	7,464	53.2%
By location (rate according to the relevant category)								
Hong Kong	10	13.3%	—	—	1,328	25.4%	2,815	64.7%
Macau	0	—	23	14.6%	210	26.3%	101	24.5%
Overseas	0	—	—	—	128	43.8%	—	—
Mainland China	1	11.1%	1,787	20.0%	1,844	30.1%	19,367	47.7%
By age (rate according to the relevant category)								
30 years old or below ²	2	14.3%	988	35.2%	1,591	42.2%	10,618	75.1%
31–40 years old ²	8	25.8%	816	13.4%	921	23.8%	8,929	37.5%
41–50 years old	1	4.3%	—	—	711	25.9%	—	—
51 years old or above	0	—	6	2.8%	287	13.9%	2,736	36.8%

Performance Summary

SOCIAL KEY PERFORMANCE INDICATORS¹

Aspect	Group		Property Development and Operation Business		Construction and Infrastructure Investment Business		Property Services Business	
	Number	(%)	Number	(%)	Number	(%)	Number	(%)
Employee Turnover³								
Total number of turnovers	12	14.3%	1,609	17.7%	3,755	30.2%	18,129	39.9%
By gender (rate according to the relevant category)								
Male	8	13.6%	1,188	19.0%	3,052	30.2%	12,528	39.9%
Female	4	16.0%	421	14.6%	703	29.8%	5,601	40.0%
By location (rate according to the relevant category)								
Hong Kong	11	14.7%			1,782	34.1%	1,820	41.8%
Macau	0	—	0	—	107	13.4%	105	25.5%
Overseas	0	—			44	15.1%	—	—
Mainland China	1	11.1%	1,609	18.0%	1,822	29.7%	16,204	39.9%
By age (rate according to the relevant category)								
30 years old or below ²	1	7.1%	415	14.8%	1,084	28.8%	8,596	60.8%
31-40 years old ²	5	16.1%	1,158	19.0%	1,125	29.1%	7,346	30.8%
41-50 years old	2	8.7%			812	29.5%		
51 years old or above	4	25.0%	36	17.0%	734	35.5%	2,187	29.4%
Average Training Hours (unit: hour)								
By gender								
Male		40.31		59.70		13.3		3.6
Female		4.42		52.01		9.5		3.7

¹ Number of employees includes full-time employees only.

² Figures for employees aged 30 in the Property Development and Operation Business and Property Services Business are included in the group of "31-40".

³ Including personnel transfers from CSCEC and subsidiaries.



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