



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

Corporate Social Responsibility Report 2012



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China Overseas
Land & Investment



About the Report

Reporting Overview

This report is the first corporate social responsibility (“CSR”) report independently published by China Overseas Land & Investment Ltd. (“COLI” or the “Company”) and its main purpose is to showcase the Company’s visions on economic, social and environmental responsibilities as well as its current practices and performance. Prior to publishing this report, the Company has disclosed its corporate social responsibility activities within the 2010 and 2011 CSR reports of its parent company, China Overseas Holdings Limited.

Reporting Guidelines

This report adheres to guidelines set forth by the Global Reporting Initiative (GRI) Sustainability Reporting G3.1 Framework, the Guidelines to the State-owned Enterprises on Fulfilling Corporate Social Responsibilities issued by SASAC (State-owned Assets Supervision and Administration Commission of the State Council), and ISO 26000: Guidance on Social Responsibility. It reflects the character of the industry and the Company.

Reporting Scope

Major data in this report span from 1 January to 31 December 2012, of which the financial data is the same as that in the annual report and other materials are from internal statistics. Some data have been adjusted to reflect the real situation.

Access to the Report

The report is to be published annually in traditional and simplified Chinese as well as in English. The online version of the report is available on our official website. For more information, please visit our brand website.

Company Address:

10/F, Three Pacific Place, 1 Queen’s Road East, Hong Kong

10/F, Zhonghai Building, No. 399 Fuhua Road, Futian District, Shenzhen, PRC

Tel: 852 2823-7888

E-mail: 688csr@cohl.com

Official website: www.coli.com.hk

Brand website: www.coli688.com

Message from Chairman

We are constantly striving to develop the Company into an evergreen enterprise. In the process of achieving this goal, we both need and treasure the trust and support from our customers, shareholders, employees, partners and the government. We aim to maintain our progress by incorporating the Company's visions of social responsibility and future development into the sustainable growth of the economy and society at large.

We believe that for a company to fulfill its corporate social responsibility, the adage "With greater power comes greater responsibility" rings true. Therefore, during these over 30 years, we have increasingly committed ourselves to achieve top quality and improve our ability while assuming greater social responsibilities.

We also believe that "Development is fundamental for success." Sustainable and positive development is the foundation and prerequisite for a company to fulfill social responsibility. The most important and essential social responsibilities of the company as a major player in the market are in compliance with the law and integrity in operations. It also encompasses highly efficient allocation and proper utilisation of resources to offer products and services that society needs. Moreover, through creating jobs and paying taxes as it continues to grow, the enterprise can then promote the development of economy and society. We focus on improving our operation and striving for growth. In the past decade, our sales have grown around 28 times and annual net profit has increased at a compound annual growth rate of over 40%. We have rewarded the trust and confidence of our shareholders with excellent operational results.

We have adhered to our development philosophy of "Excellent Integrity, Eternal and Excellent Products" and we always believe that persistent provision of quality products and services to our customers is the best reward for them. As we know that the quality of property is vital for the daily lives of our customers, we view and guide the entire process of project development from the customer's perspective. We carefully manage the whole production chain under our philosophy of "Each and every detail of each and every project". These dedicated efforts have brought to us the strong recognition of "High standard and reliable quality" .

Subscribing to the belief that people are essential for our business success, we encouraged our staff to develop themselves professionally, and in turn make use of their talents to boost our long-term development. Specific procedures have been put in place to allow them to pursue personal growth. Under our "fair, simple, transparent and positive" corporate culture, we provide a harmonious working environment and a solid basis for career development.

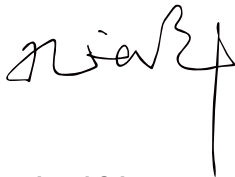
In our business partnerships, as a leading brand, we are committed to innovation in the industry and to mutually beneficial collaboration with upstream and downstream counterparts through prudently implemented procedures such as centralised procurement and contract management.

Sustainable development of the environment also plays a key role in our CSR programme. We have improved on the conventional production methods and have embraced low-carbon office and production operations. We treasure every piece of our land, and are therefore committed to green property development, using environmentally friendly building materials, facilities and technologies to achieve sustainable use of resources and establishing environmentally friendly communities.

We have continuously been raising our standard of property services through "Co-building of Eternal and Excellent Products" as well as promoting the optimisation and upgrade of property services. Our efforts towards this objective have enabled us to collaboratively build pleasant communities with the millions of property owners and to contribute to the smooth progress of the country's urbanisation.

We are profoundly grateful for the development opportunities presented by society throughout the years, thus we are active in giving back to society. We have been cooperating closely with the government to construct affordable housing and to launch a "home ownership scheme". We embarked initiatives to participate in helping the poor and victims of disasters, promotion of education and well-being, etc., aiming to bring positive influence to the harmony and development of the society.

We are constantly striving to develop the Company into an evergreen enterprise. In the process of achieving this goal, we both need and treasure the trust and support from our customers, shareholders, employees, partners and the government. We aim to maintain our progress by incorporating the Company's visions of social responsibility and future development into the sustainable growth of the economy and society at large.



China Overseas Land & Investment Ltd.
Chairman of the Board

About the Company

Business Structure



Property Development:  中海地产
China Overseas Property

China Overseas Land & Investment Ltd. was incorporated in Hong Kong in 1979 with property development as its core business. In August 1992, the Company was listed on the Stock Exchange of Hong Kong Limited. It was the first Chinese enterprise to acquire the listing status by its own local business or assets located in Hong Kong. In December 2007, COLI (00688.HK) became a constituent stock of the Hang Seng Index.

Ever since its establishment, the Company is committed to advancing its professionalism and expanding scale of development. It has built a nationwide market distribution network, with major focuses on Hong Kong and Macau, the Yangtze River Delta, the Pearl River Delta, Bohai Rim, and the Northeast, Central and Western parts of Mainland China. It currently operates businesses in Hong Kong, Macau and over 40 economically vibrant cities in China, offering excellent residential choices and satisfactory living experiences for millions of customers. Over more than three decade's development, the Company has successfully established "China Overseas Property" as the industry-leading brand, which has also been recognised as a famous trademark in China by the State Administration for Industry & Commerce of the PRC. The Company has also participated in other property-related areas, such as property investment, property management and construction design businesses.

Up until the end of 2012, the Company's total assets reached HK\$229.8 billion. Its accumulated realised property sales and net profit reached HK\$111.52 billion and HK\$18.72 billion respectively in 2012, maintaining its top position in terms of operational efficiency in the industry. As at the end of December 2012, the Company's total land reserves were over 40 million m².



Construction design:  華藝設計
HuaYi Design

HuaYi Design Consultants Ltd. was incorporated in Hong Kong in 1986 and set up a wholly-owned subsidiary with Grade A design licence approved by the Ministry of Housing and Urban-Rural Development in Shenzhen within the same year. Currently HuaYi has eight branches in Shanghai, Nanjing, Wuhan, Beijing, Chongqing, Guangzhou, Xiamen and Chengdu. Boasting of more than 700 top professional designers, HuaYi has the capability to apply "Building Information Modeling (BIM) Design" technologies in the entire design process. For more than 20 years, HuaYi has upheld the principle "Creativity and quality are top priority" and has completed approximately 1,300 design projects for construction of a wide range of edifices. It has already won more than 300 outstanding design awards for more than 130 projects at state, provincial, ministerial and Shenzhen municipal levels. The company was also honoured with the title of "National High-Tech Enterprise", "Top 100 Famous Modern Construction Design Companies in China" and "National Double-A Grade Foreign Investment Enterprise in China".


In 2012, turnover from HuaYi Design amounted to HK\$430 million (2011: HK\$330 million), an increase of 30.3% year-on-year. Operating profit amounted to HK\$61 million (2011: HK\$34 million), an increase of about 100% year-on-year.



Property Management:  中海物業
China Overseas Property Management

Established in Hong Kong in 1986 and entering the Mainland China market in 1991, China Overseas Property Management Ltd. is among the first group of first-class quality property management companies under the Ministry of Construction. It is also a Council Member of the China Property Management Institute, Deputy President of the Guangdong Property Management Association and Deputy President of Shenzhen Property Management Association. So far, the company has established footholds in five regions covering more than 20 cities across Mainland China, with a total management area covering 38 million m². It owns a number of professional property services enterprises with an extensive range of businesses including building automation, property electrical and mechanical maintenance, elevator installation and maintenance, environmental engineering construction, landscaped garden design, construction and renovation, hotel operation and management, and education in property management, etc.

In 2012, turnover from China Overseas Property Management amounted to HK\$1.33 billion, an increase of 22% year-on-year.

Commercial Operation:
 中海商業地產
China Overseas Commercial Properties Co., Ltd.

Incorporated in Shenzhen in 2012, China Overseas Commercial Properties Co., Ltd. manages projects in more than 20 tier-1 and tier-2 cities including Hong Kong, Beijing, Shanghai, Shenzhen, Nanjing, Shenyang and Chengdu. Its scope of business covers three major product series including Grade A office under the brand name "China Overseas", the Unipark shopping malls and star-rated hotels. As at the end of 2012, the operational area of commercial property projects spanned 520,000 m², while the area of projects under construction and earmarked for construction exceeded 3.5 million m², some of which involve participation in the operation of urban charity facilities. We are committed to building a collaborative platform on which customers, partners, shareholders and the city can continuously and beneficially interact, thereby enhancing value for business alliances, while creating shareholder value and brand value, so as to achieve the objective of "generating wealth and sharing resources to create a bright future together for everyone."

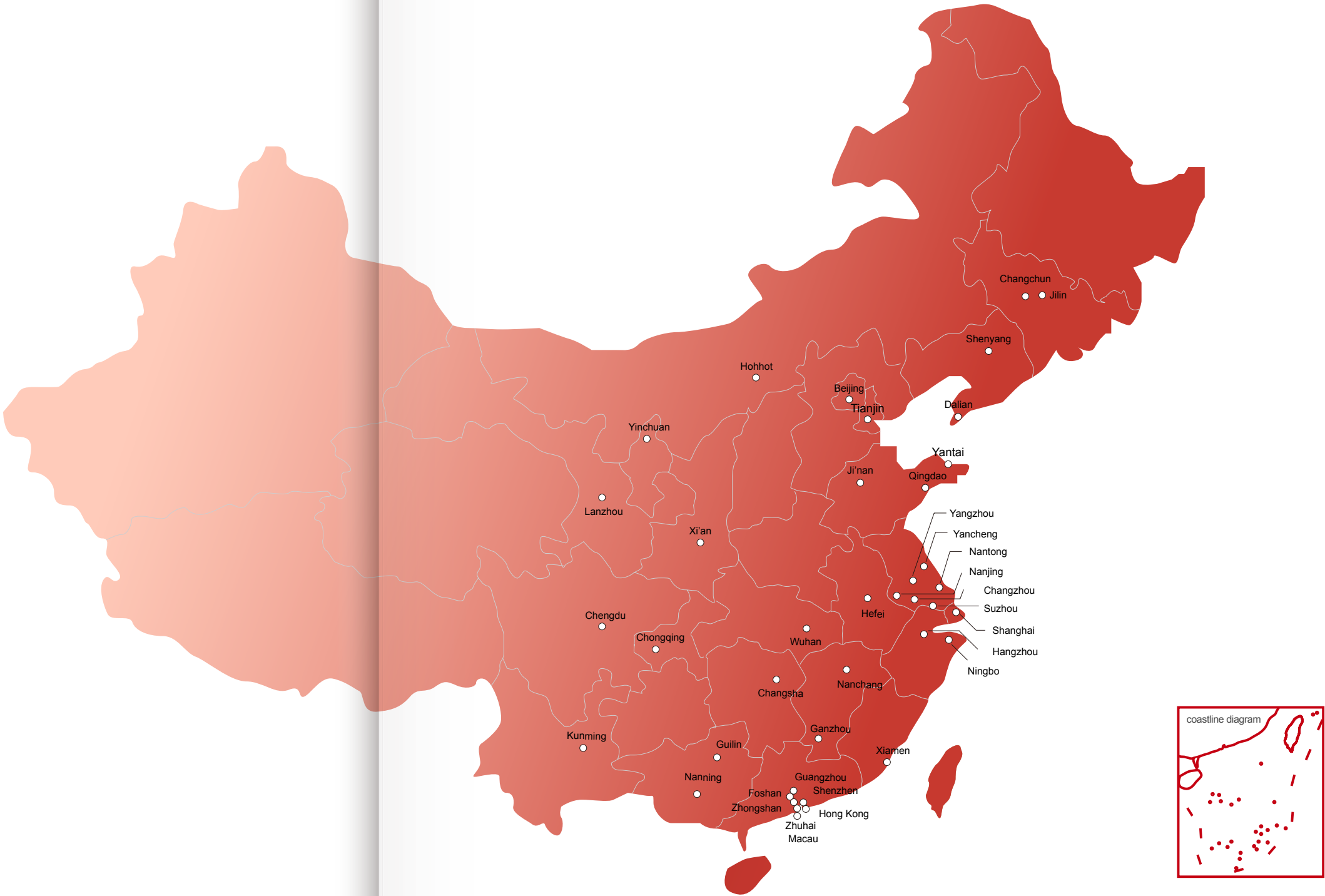


About the Company
Geographical Network

COLI has expanded its business from Hong Kong to Mainland China, successfully seizing opportunities presented by the stages of economic development of China. Currently, it has expanded to provide balanced coverage in six regions, namely Hong Kong and Macau, the Pearl River Delta, the Yangtze River Delta, the Bohai Rim, Northeast China and Central and Western China.

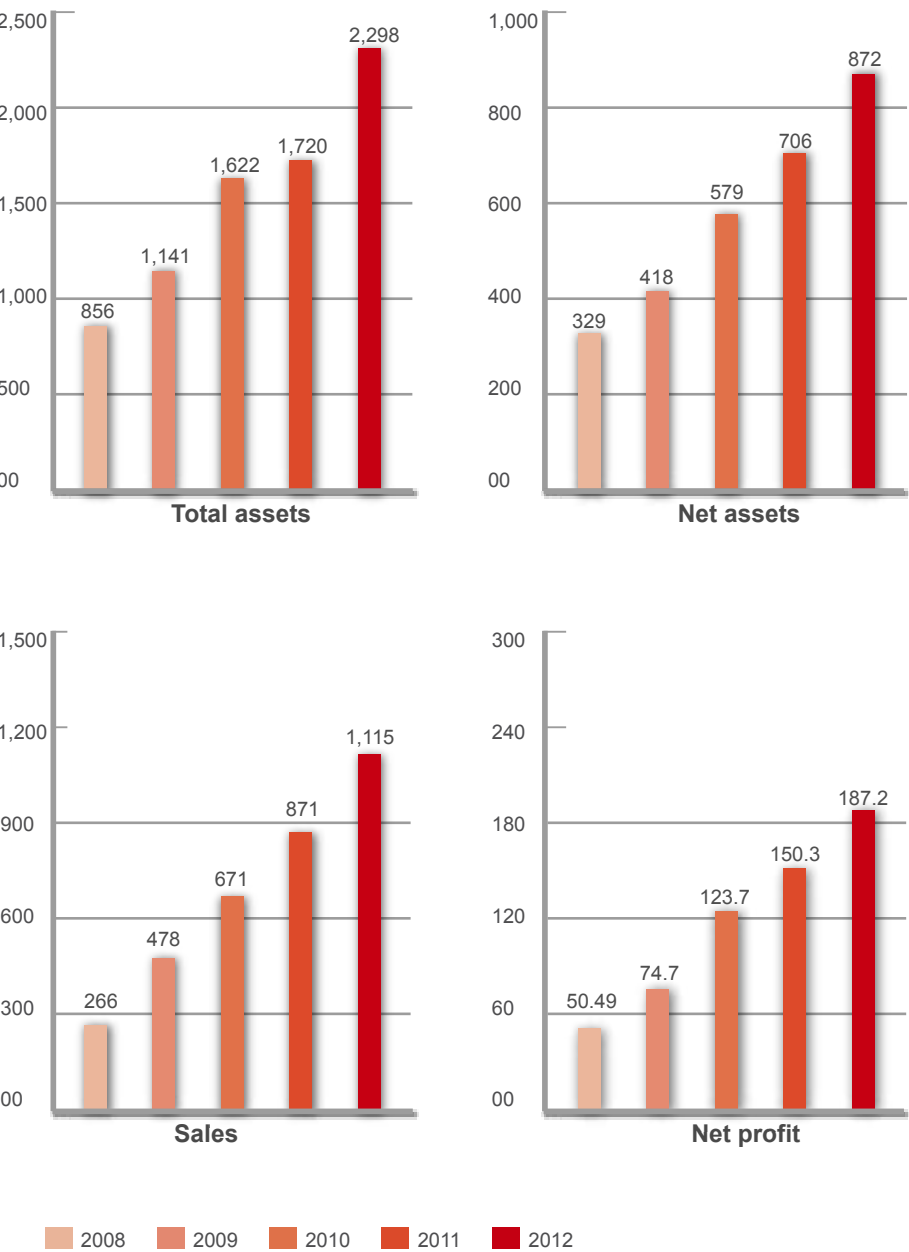
※ Currently, COLI has property development businesses covering 40 cities, including Hong Kong, Macau, Beijing, Shanghai, Shenzhen, Guangzhou, Foshan, Suzhou, Hangzhou, Shenyang, Chongqing, Xi'an, Changchun, Changsha, Chengdu, Dalian, Ji'nan, Kunming, Nanchang, Nanjing, Ningbo, Qingdao, Tianjin, Wuhan, Xiamen, Yantai, Zhongshan, Zhuhai, Changzhou*, Guilin*, Ganzhou*, Jilin*, Hefei*, Hohhot*, Lanzhou*, Nanning*, Nantong*, Yangzhou*, Yinchuan*, Yancheng* .

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



About the Company

Financial Performance



HK\$111.52 billion

In 2012, COLI reported a new historical high in annual sales (including sales from joint-venture projects and associate companies), amounting to HK\$111.52 billion, a growth of 28.1% when compared with the previous year. The area sold was 7.29 million m², an increase of more than 30.6% over 2011.

HK\$18.72 billion

In 2012, COLI's audited net profit attributable to shareholders increased by 21.1% to HK\$18.72 billion. Basic earnings per share increased by 21.2% to HK\$2.29. Total shareholders' funds increased by 21.8% to HK\$87.24 billion. Net assets per share were HK\$10.7, a rise of 21.6% on 2011. Average return on shareholders' funds reached 23.6%.

About the Company

Awards and Honours

COLI has won wide recognition and high praise from all levels of society such as its customers, industry, media and government for its leading operating efficiency, outstanding market reputation and industry leadership.

- Leading Brand of China Real Estate Companies
- 10th Anniversary of The Most Respected Companies of China
- Financial Times Global 500
- China Blue Chip Real Estate Developer
- China Overseas Property is recognised as famous trademark in China by SAIC
- Constituent stock of Hang Seng Index / Hang Seng Corporate Sustainability Index
- FTSE China 25 Index
- Top 10 Most Influential Brand in Chinese Lifestyle



Top 10 Most Influential Brand in Chinese Lifestyle



Hang Seng Corporate Sustainability Index



The Excellence of Listed Enterprise Awards 2012



The Most Respected Companies of China



Ranking of Chinese Enterprises listed in Hong Kong - Highest Market Capitalisation Award



Top10 Overall Value in China Real Estate Value Report



China Corporate Social Responsibility Awards on Real Estate Enterprises



8th Corporate Governance Asia Recognition Awards 2012

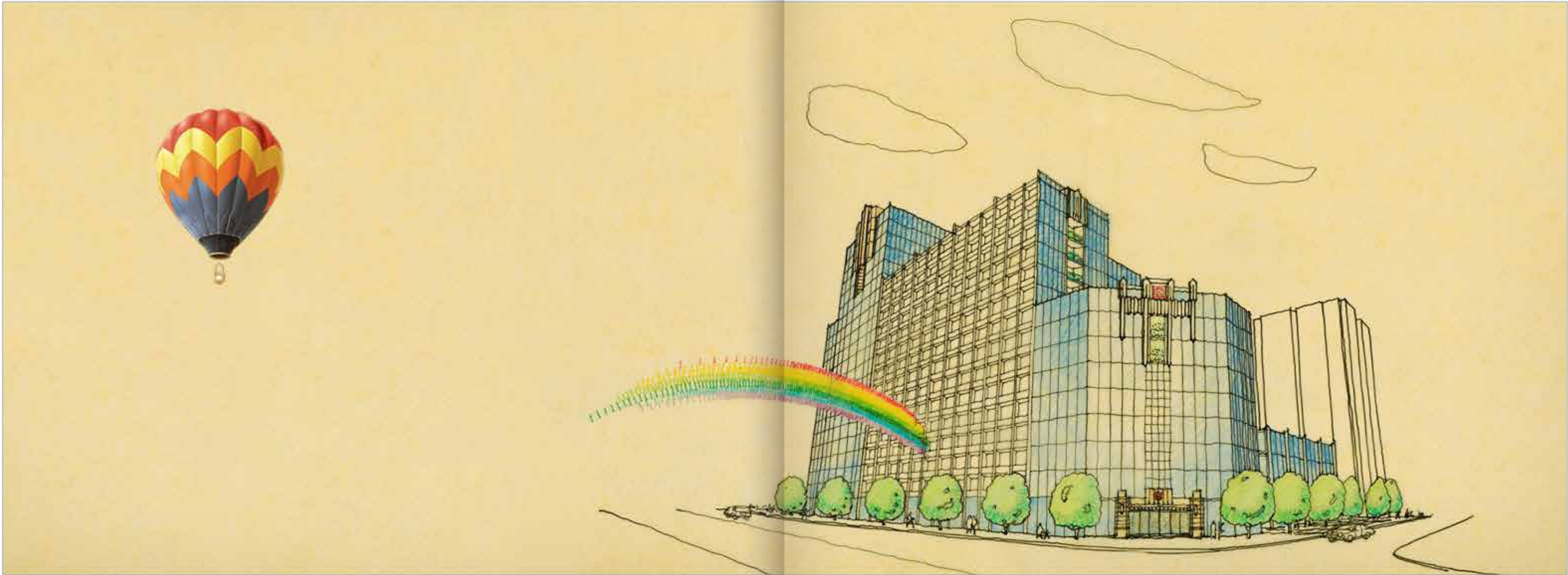
About the Company

Major Awards in 2012

| Date of Award | Name of Award | Awarding Organisation |
|---------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2012.11.16 | China Corporate Social Responsibility Awards on Real Estate Enterprises China Real Estate Value Report: Top10 Overall Value | <i>China Business News</i> |
| 2012.10.29 | "The Excellence of Listed Enterprise Awards 2012" in Hong Kong (for the third consecutive year) | <i>Capital Weekly</i> |
| 2012.10.16 | No. 1 in Chinese Real Estate Enterprise Brand Value in 2012 Brand value amounted to RMB 25.27 billion, No.1 in the industry | China Real Estate Research Association, China Real Estate Association, China Real Estate Appraisal |
| 2012.09.6/7 | Leading Brand of China Real Estate Companies No.1 in China Real Estate Enterprise Brand Value | Enterprise Research Institute of Development Research Center of State Council of P.R.C, Institute of Real Estate Studies of Tsinghua University, China Index Academy |
| | Top Brand in China Property Services Enterprise: China Overseas Property Management Ltd. | |
| 2012.09.05 | China Blue Chip Real Estate Developer (No. 1 for the ninth consecutive year) | The Economic Observer, Sina Leju |
| 2012.09.05 | FTSE China 25 Index | FTSE |
| 2012.08.24 | 2012 Most Valuable Chinese Real Estate Enterprises Ranking: Annual Value Real Estate Enterprise Award | <i>National Business Daily</i> |
| 2012.08.21 | Top 50 Best Employers in China Best Employer in Property Industry in the Tenth Best Employer Ranking in China | ChinaHR.com |

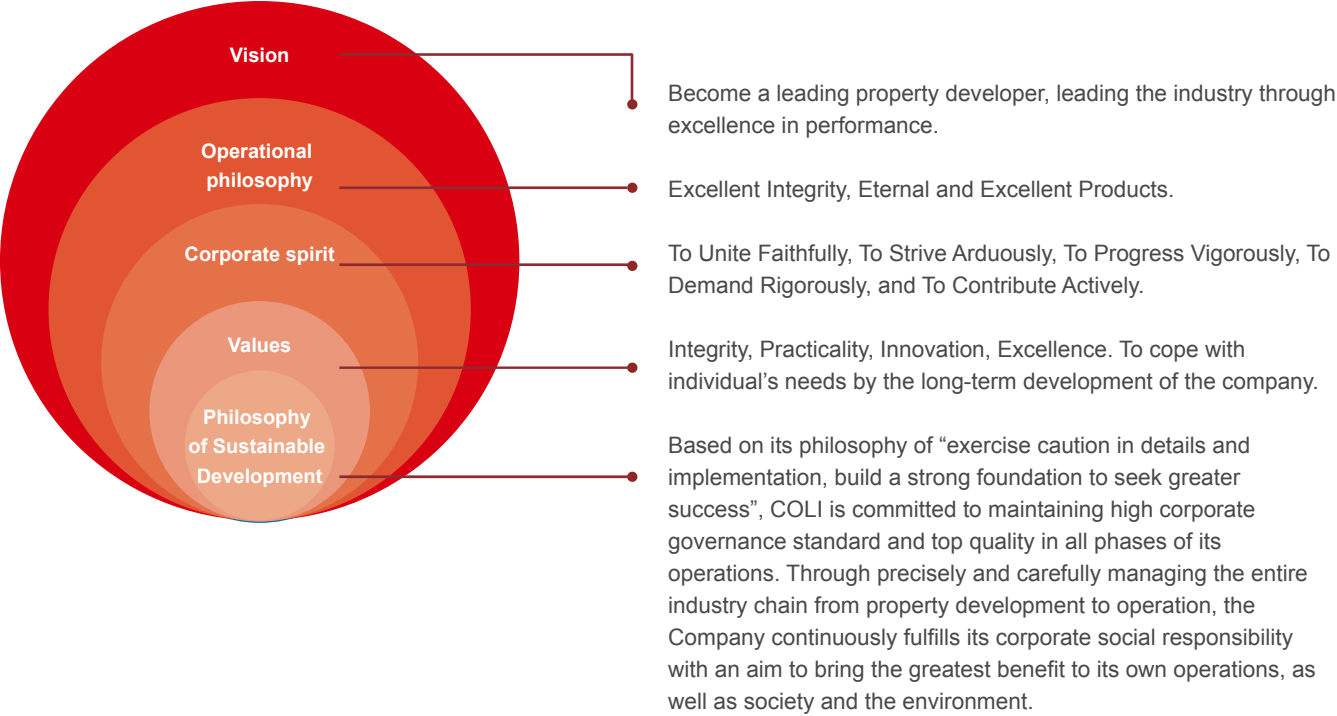


| Date of Award | Name of Award | Awarding Organisation |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2012.07.20 | Best Employer to Work For in the First (2007–2011) Outstanding Employer Selection | School of Business, Renmin University of China |
| 2012.06.30 | The Best CEO in the China Real Estate Industry (Champion), The Best Investor Relations (2nd Runner-up) | <i>Institutional Investor</i> |
| 2012.06.28 | Ranking of Chinese Enterprises listed in Hong Kong - Highest Market Capitalisation Award | <i>Yazhou Zhoukan (Hong Kong)</i> |
| 2012.06.20 | 8th Corporate Governance Asia Recognition Awards 2012 | <i>Corporate Governance Asia</i> |
| 2012.06.09 | 2012 Mainland China Real Estate Companies listed in Hong Kong - No.2 in Top 10 Overall Ranking No.2 in Top 10 Wealth Creating Capability No.1 in Top 10 Financial Stability | Enterprise Research Institute of Development Research Center of State Council of P.R.C, Institute of Real Estate Studies of Tsinghua University, China Index Academy |
| 2012.05.22 | 2012 China Mainland Real Estate Listed Company Top 10: Overall Ranking 2012 China Mainland Real Estate Listed Company Top 5: Operational Performance | China Real Estate Research Association, China Real Estate Association, China Real Estate Appraisal |
| 2012.03.07 | The Asset Corporate Awards Titanium Award (Financial Performance and Social Responsibility) China's Most Promising Companies Awards (Industry Leader) | <i>The Asset (Hong Kong)</i> |

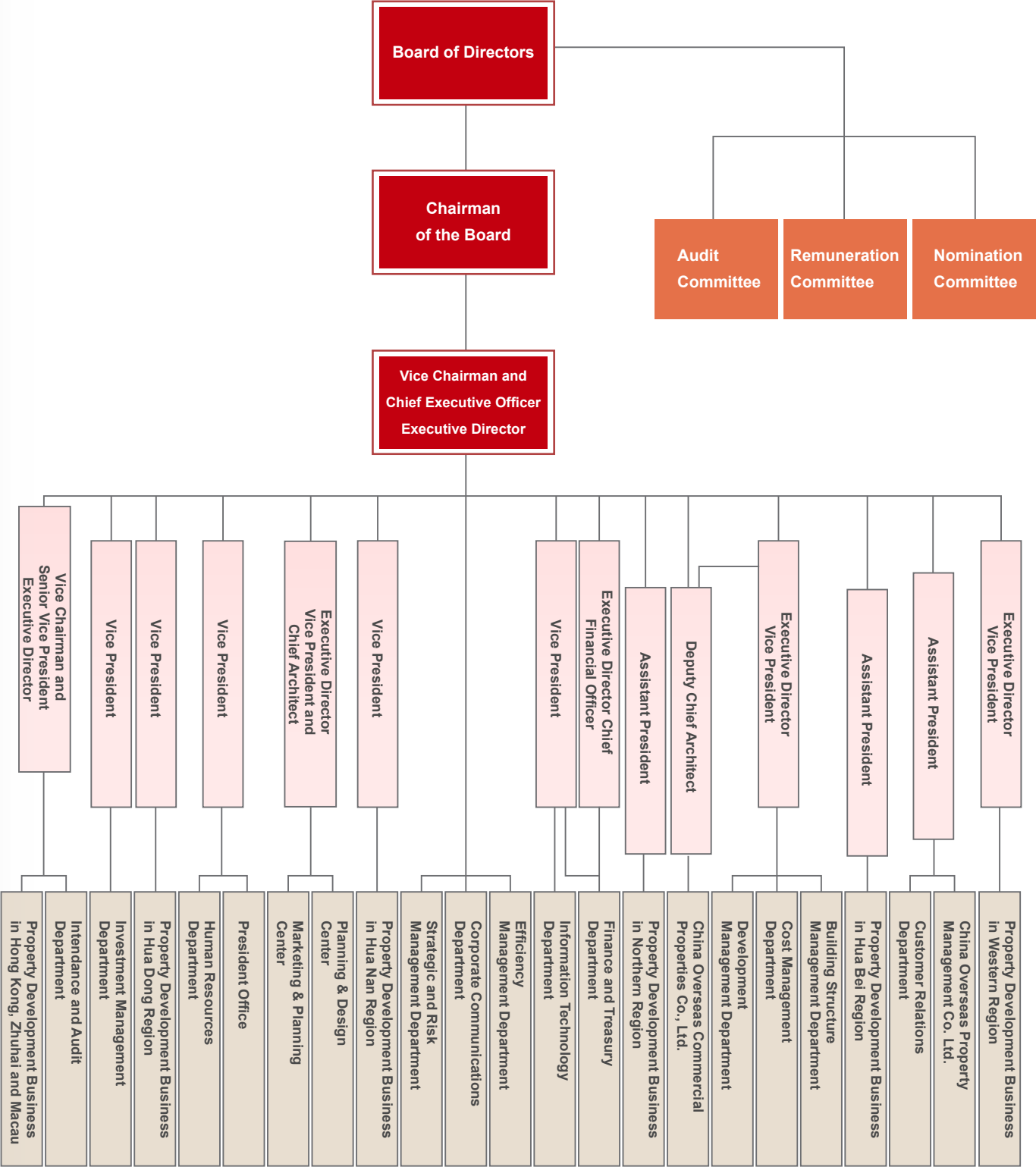


Sustainable
Management

Operational philosophy and Values



Corporate Governance
Management Structure

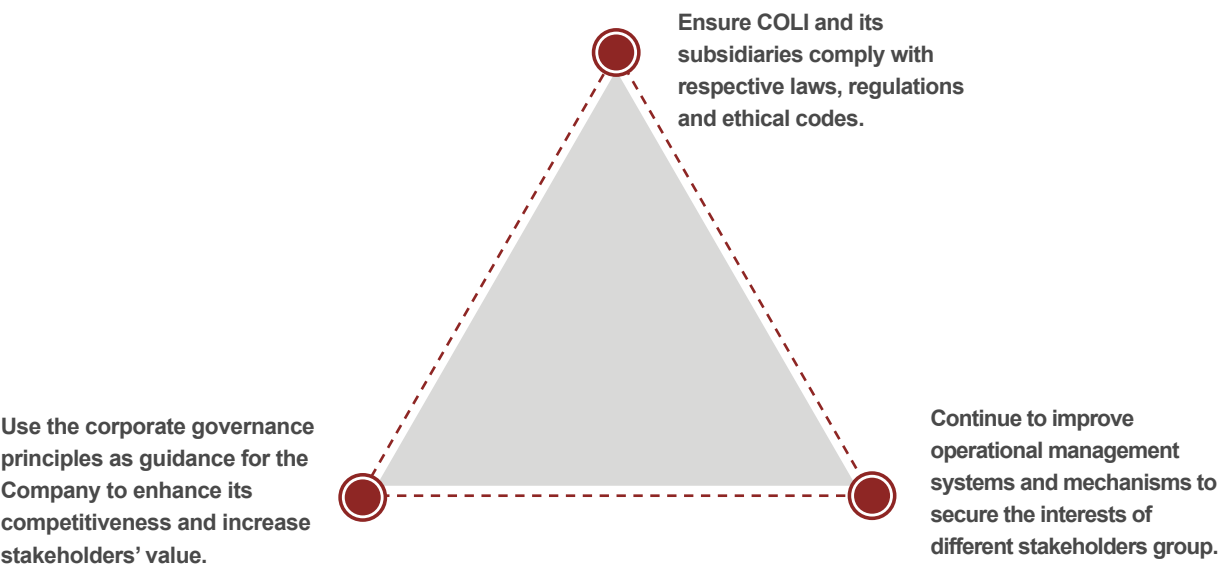


※ As at 19 March 2013, the Board of Directors consists of seven executive directors, one non-executive director and four independent non-executive directors.

Corporate Governance

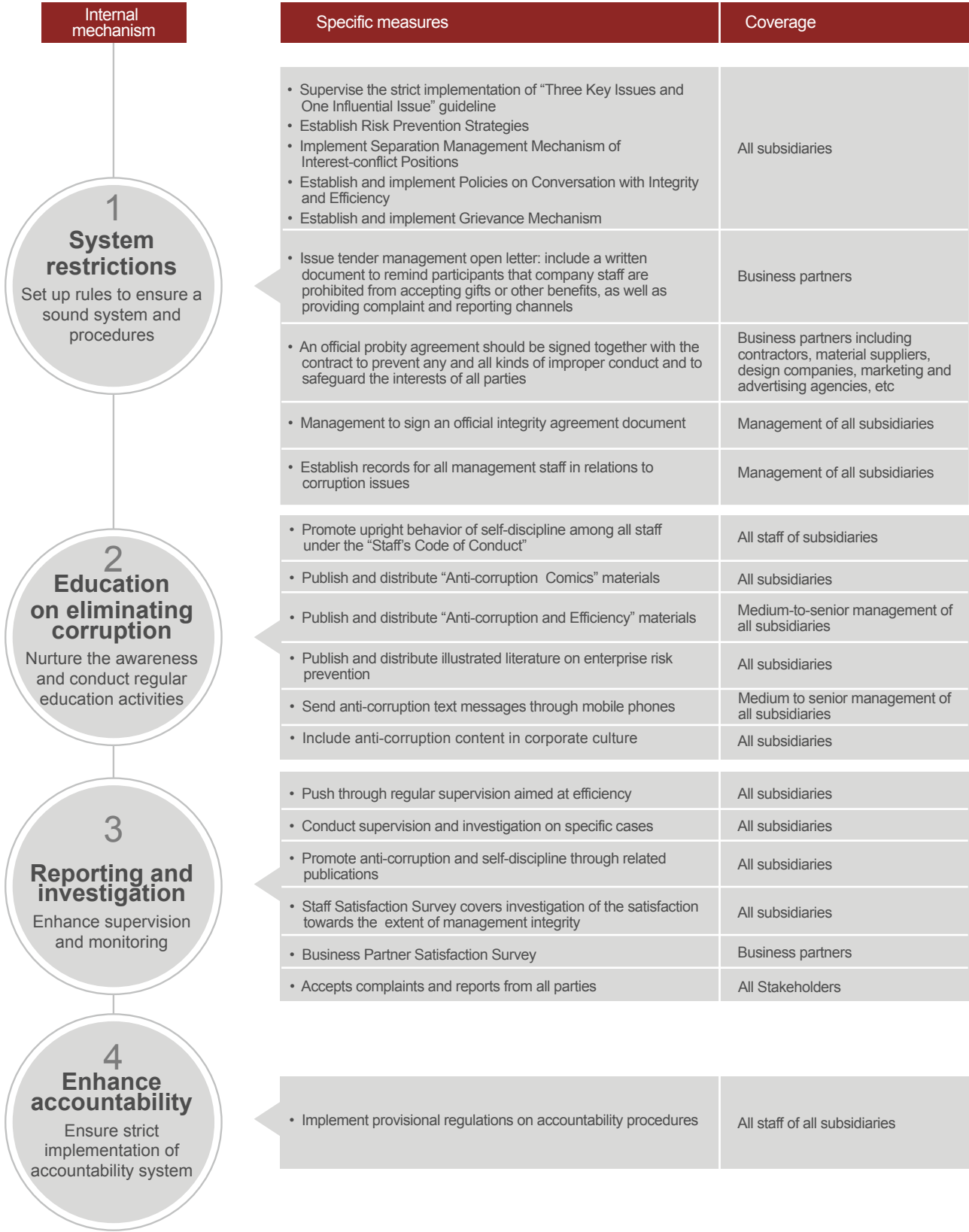
Board of Directors

The Board of Directors of COLI believes that its prime duty is to protect and best utilise resources in the Company and thereby to enhance the value for shareholders. A high standard of corporate governance is the key to improving corporate profit and facilitating sustainable development. COLI has actively enhanced its corporate governance standard, taking into consideration of the hopes and interests of all stakeholders while striving for the best in every aspect of its businesses and operating with highest standard of integrity and efficiency. Over the past few years, the Company has been sustainably improving overall transparency and independence, as well as establishing effective power and responsibility mechanism, strengthening internal audit and risk management functions.



Anti-corruption Mechanism

Integrity System



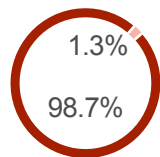
Anti-corruption Mechanism

Business Partners' Satisfaction Survey

The Business Partners' Satisfaction Survey is one of the most effective means for COLI to prevent unethical conduct and to manage the risks to the integrity of staff and create an integrity culture. The survey is used to facilitate external monitoring, broaden reporting channels and increase awareness of the problems and weaknesses in the Company operational management procedures, with an aim to prevent staff dereliction of duty or improper fulfillment of responsibility. Starting from 2010, COLI has conducted the survey every year through questionnaires for randomly-selected business partners, who are requested to provide comments on their overall impression and business cooperation of the Company, as well as the integrity and working efficiency of COLI's staff.

To date, the Company has received a total 13 complaints or reports through this channel, alerts about 34 problems and 66 opinions or recommendations expressed by its business partners.

In 2012, COLI conducted a Business Partners' Satisfaction Survey among its business partners, including contractors, material suppliers, design companies and marketing and advertising agencies. Three sets of questionnaires were created to address different business lines, namely engineering (materials), design and marketing, for 2,000 companies in 35 regional companies. The results are listed below:



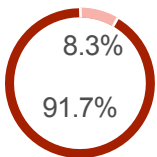
Contractors/ Materials Suppliers

- Satisfied or very satisfied
- Not so satisfied



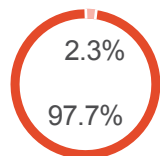
Design Companies

- Satisfied or very satisfied



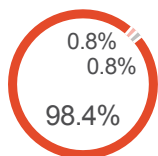
Marketing & Advertising Agencies

- Satisfied or very satisfied
- Not so satisfied



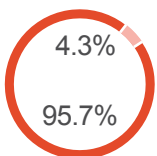
2012 Survey Total of All Business Partners

- Satisfied or very satisfied
- Not so satisfied



2011 Survey Total of All Business Partners

- Satisfied or very satisfied
- Not so satisfied
- Unsatisfied or very unsatisfied



2010 Survey Total of All Business Partners

- Satisfied or very satisfied
- Not so satisfied

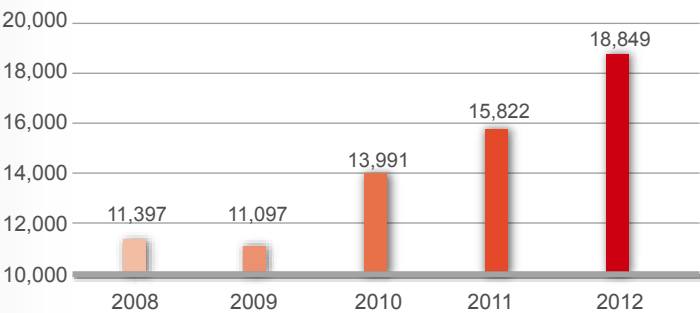
Staff Development

Overview

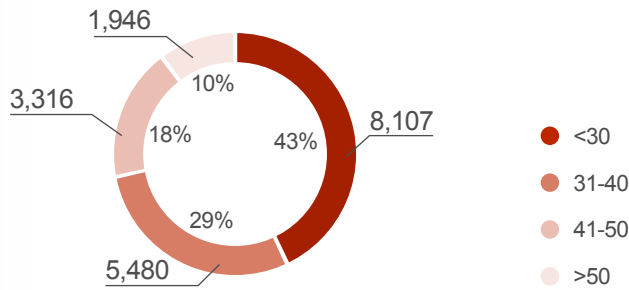
As at 31 December 2012, COLI has 18,849 staff, of which 2,951 are in the property development division, 770 staff are working in HuaYi Design and 15,128 staff are in the property management division. In 2012, 6,518 new staff were employed, accounting for 34.58% of total staff. There is 2,735 staff within the property development division in total (excluding those in

Hong Kong, Zhuhai and Macau, HuaYi Design and China Overseas Property Management). Some 84.83%, or 2,320 staff have undergraduate qualifications or above, and 545 staff have master's degrees or above, accounting for 19.93%.

Number of staff

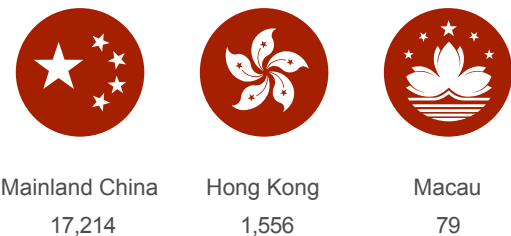


Age

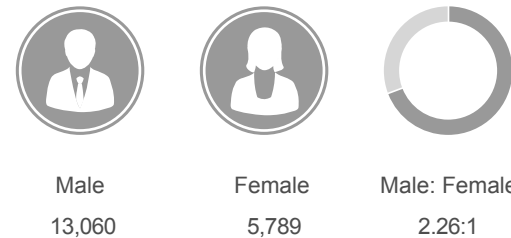


Unit: person

Region



Gender



Business



Staff Development
Human Resources Management

COLI's human resources strategies focus on cultivating professional talent. It seeks to achieve a balanced development of the staff and the Company as well as to establish a solid foundation for high quality human resources management. Building on an established system and culture already in place, the Company continues to optimise its internal management capabilities and strengthen the growth of talents from different positions, with the aim of achieving its strategic objectives.



Staff Development
Talent Nurturing System

The Company has created a comprehensive staff training and cultivation system in order for its employees to better understand the Company's strategies, more smoothly integrate into its culture and enhance their expertise and management skill, as well as to provide all-round resources and support for employee professional development. A simple and harmonious working environment is a very important element towards this objective, so the Company has continued to optimise appraisal, remuneration and welfare procedures, improve the office environment and organise different activities to enhance the employee's satisfaction and nurture their sense of belonging.

“Sons of the Sea”



Collectively refers to staff that COLI has recruited directly from universities. The Company has registered this trademark, utilising it to represent its corporate image to recruit staff among freshly graduated students, as well as its commitment to recruit and cultivate their professionalism, thereby enabling them to give full rein to their talents.

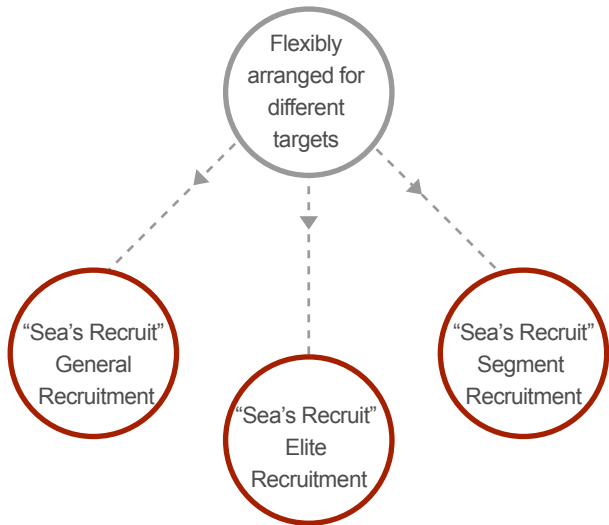
Ever since the Company launched its “Sons of the Sea” branded recruitment scheme in 2001, the staff recruited from university campuses every year has expanded from a trickle of people to several hundred during recent years. During 2012, more than 250 outstanding graduates from leading universities have been recruited.

The “Sons of the Sea” scheme has generated strong interest among the universities and society at large and has had far-reaching implications due to its branding, large scale of recruitment, systematic development and institutionalized management.

“Sea’s Recruits”

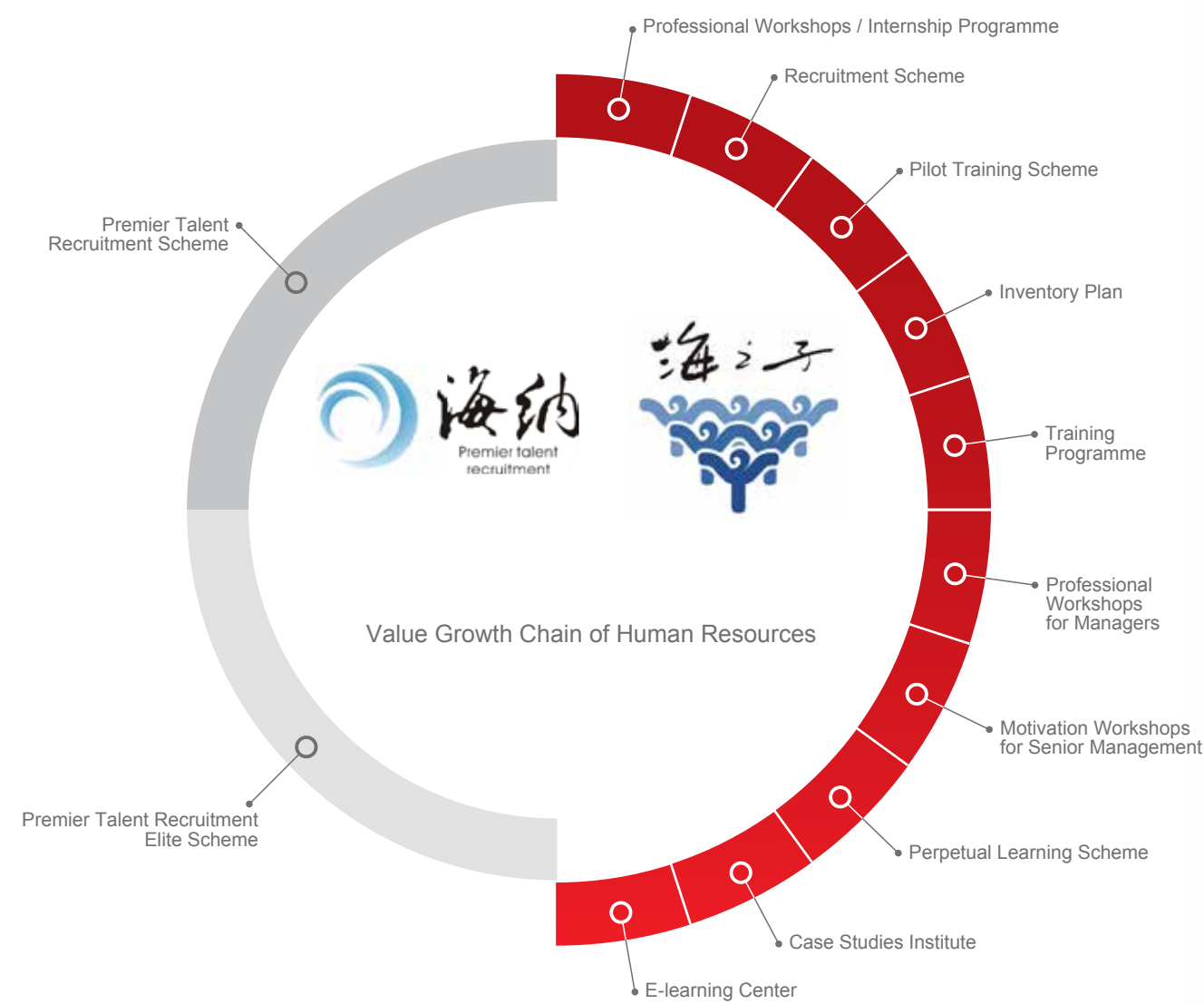


Collectively refers to the experienced staff that COLI has recruited directly from society and is an important constituent of the Company's human resources team. “Sea’s Recruits” programme has become a distinctive symbol of COLI to attract the highly-qualified talents in the society as well as its recruitment platform open to experienced professionals.



Operating for several years, the “Sea’s Recruits” programme has continued to attract experienced high calibre talent in society. In 2012, more than 310 staff were recruited.

Staff Development
Talent Nurturing System



Staff Development
Talent Nurturing System

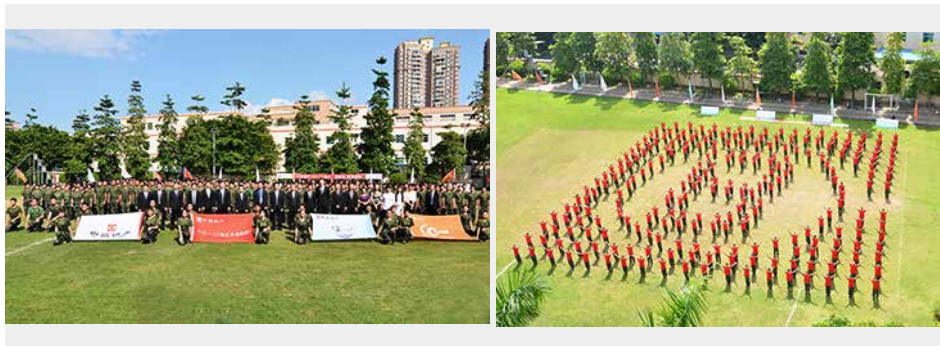
Development
Path for “Sons
of the Sea”

COLI organises professional workshops, initially targeting outstanding students at key target universities. Through trainings in the internship programme, which can effectively enhance the knowledge and mutual understanding between students and the Company, it recruits outstanding graduates from the programme. Upon beginning their actual employment, the Company will complete a series of training and mentoring activities specifically designed for newcomers under the guidance of mentors. Those activities include Pilot Training Scheme, E-learning, Youth Action and various comprehensive quality and professional training sessions. The “Sons of the Sea” who demonstrate outstanding potential will be selected to participate in an intensive training programme. After systematic development and mentoring, the “Sons of the Sea” recruited in the earlier years have now become the company’s senior management staff while those more recently recruited are also currently working in important positions.



Case Study: Sons of the Sea Pilot Training Class

The 2012 “Sons of the Sea Pilot Training Class” was held in Shenzhen in August and it was also the 10th Pilot Training Scheme since its inception. To assist newcomers who are fresh university graduates to adopt a professional approach as they become familiar with the job as well as COLI’s culture, the Pilot Training Scheme follows a “self-organisation, self-management, self-service” management style. It features instruction by senior management, military training, team-building exercises, creative activities, presentations, case studies, business communications, comprehensive examinations and a graduation dinner. This 10th anniversary class fittingly also summarised the past experience and formulated meaningful conclusions, thereby enriching the content and supplementary activities of the programme.



Staff Development
Talent Nurturing System

Case Study Career Development Workshop

In 2012, the first attempt was made for the career development workshop to adopt organisation by regional offices, implementation by local areas and coordination supported by headquarter. In this way, regional offices could play a leading role in consolidating resources for collaboration with universities, thereby optimising organisation plans and enriching training. To date, the number of workshops conducted in the cities has risen to 10 involving a total of nearly 300 students. The scale has expanded while the professional structure has also been enhanced. The collaboration of schools and the company has led to the continuous development of industry talent.



E-learning
Center

“E-learning Center of China Overseas Property” established by the Company has become a platform for general staff training and self-development. The “E-learning Center” provides general background training by way of sharing videos, through which professional knowledge and experience are exchanged cross-regionally, cross-divisionally and cross-hierarchically.

In 2012, nearly 3,000 staff participated in e-learning while the number of e-learning interactions reached nearly 100,000 over a course of nearly 10,000 total online learning hours. Down through the years, the Company has organised more than 2,000 general training classes with more than 17,000 participants. These efforts have served to enhance the overall quality and professional capability of the staff.



Staff Development
Employee Communication Mechanism

Staff Association

COLI has set up the Staff Association in 1992, with a mission to enhance the communications and interaction between all levels of the staff through diverse activities such as recreation, sports, seminars and gatherings. With its business presence expanding in an ever-greater number of cities, the Staff Association has also been set up in the new locations of its business operations so as to enrich the leisure time of the staff and serve as an important means to boost the sense of belonging and cohesion of the staff.



Annual Staff
Satisfaction
Survey

To bolster the Company’s management standard and promote the spirit of democracy, COLI has since 2008 been conducting the Annual Staff Satisfaction Survey for all staff of the Company on their satisfaction levels through its intranet platform. Both the participation rate and the satisfaction scores have been constantly rising year-on-year.

The survey on staff satisfaction levels comprises 48 indicators structured within six parts, namely overall satisfaction, satisfaction with the working environment, the working atmosphere, the rewards of work, professional status and the Company operational management. The Company consolidates the basic data obtained and then analyzes its corporate governance as well as human resources management before preparing the annual satisfaction analysis report. This report identifies the priorities for improvement of the Company’s operational management and human resources at the next stage. Moreover, the open questions included in the survey together with the annual staff forum invites staff to contribute ideas or suggestions for the corporate development. At the beginning of every year, the Company collects opinions and suggestions for corporate development from its staff, forwarding them to relevant units to evaluate, implement and feedback to the staff in a timely fashion.

- the working environment
- the working atmosphere
- the overall satisfaction
- the rewards of work
- the professional status
- the Company’s operational management

Staff Development

Employee Communication Mechanism

Corporate Tradition and Heritage

1

To celebrate the 20th anniversary of the listing of COLI in 1992, a series of activities demonstrating the corporate culture of the Company have been launched.



2

Anniversary celebrations at all subsidiaries: a series of exciting events marking the anniversary of the Company have been held.



3

Staff sharing on the corporate culture: To complement training for newcomers from the “Sons of the Sea” and the “Sea’s Recruits”, the Company initiated staff sharing activities within the context of corporate culture so as to help staff integrate into the Company.



Staff Development

Employee Communication Mechanism

Evaluation and Suggestions for Improvement

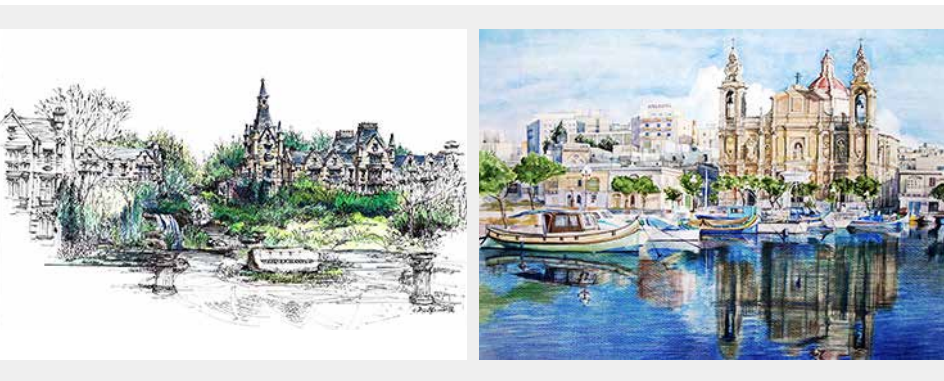
To better motivate staff performance, create an ideal model and working environment that encourages proactive and aggressive execution of responsibilities, and encourage innovation and exploring promising new directions, the Company has set up a diverse multi-level evaluation system, mainly comprising:

- 1 Active participation in various evaluation initiated by parent companies.
- 2 A range of internal recognition accolades for staff in categories of outstanding performance, innovation and professionalism.
- 3 All subsidiaries can design their own internal evaluation activities according to their specific businesses.

Through a variety of evaluation activities, the Company has expanded the effectiveness of motivation measures whereby staff in different positions and with different skill sets and capabilities can earn the incentives offered by the Company on a fair basis. They are also offered the opportunities to contribute constructive opinions and suggestions so as to instil a sense of pride and strengthen their commitment to the Company.

Case Study Construction Drawing Competition

To inspire creativity of its staff and maintain the vitality of the Company, the First China Overseas Property Construction Drawing Exhibition was organised at the end of 2011. The exhibition attracted more than 300 entries from 235 designers and more than 70 drawings were shortlisted.

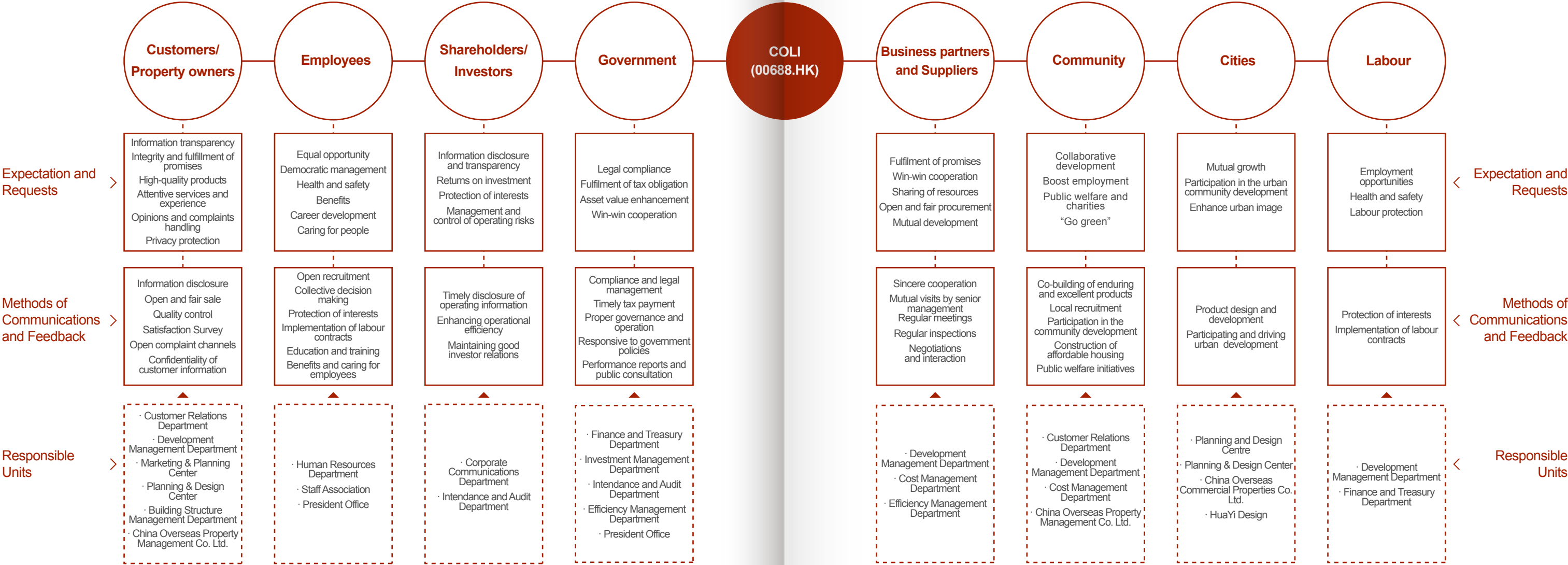


Case Study Happy Family Day

The Suzhou office held “Happy Family Day in China Overseas” for four times from March to May 2012, attracting a total of 388 participants. The events featured delicious food, leisure and entertainment activities, visits and learning opportunities. “Happy Family Day” not only promoted the interaction between staff, but also enriched the leisure life of its staff and their families.



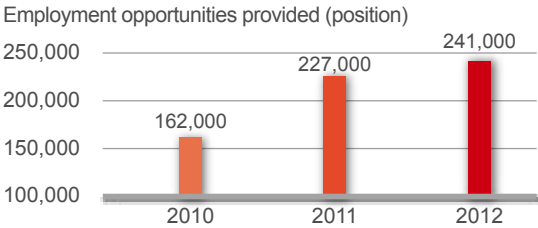
Stakeholders Engagement



Create employment opportunities

From 2010 to 2012, the scale of COLI's projects has steadily expanded, with the annual scale of projects under contraction amounting to 16,180,000 m², 22,740,000 m² and 24,060,000 m² respectively. According to an estimate based on the historical data of 100 employment opportunities per 10,000 m² of gross floor area, the employment opportunities indirectly created by COLI's development projects in the past three years were 162,000, 227,000 and 241,000, bringing a huge collateral value and benefit to the society at large.

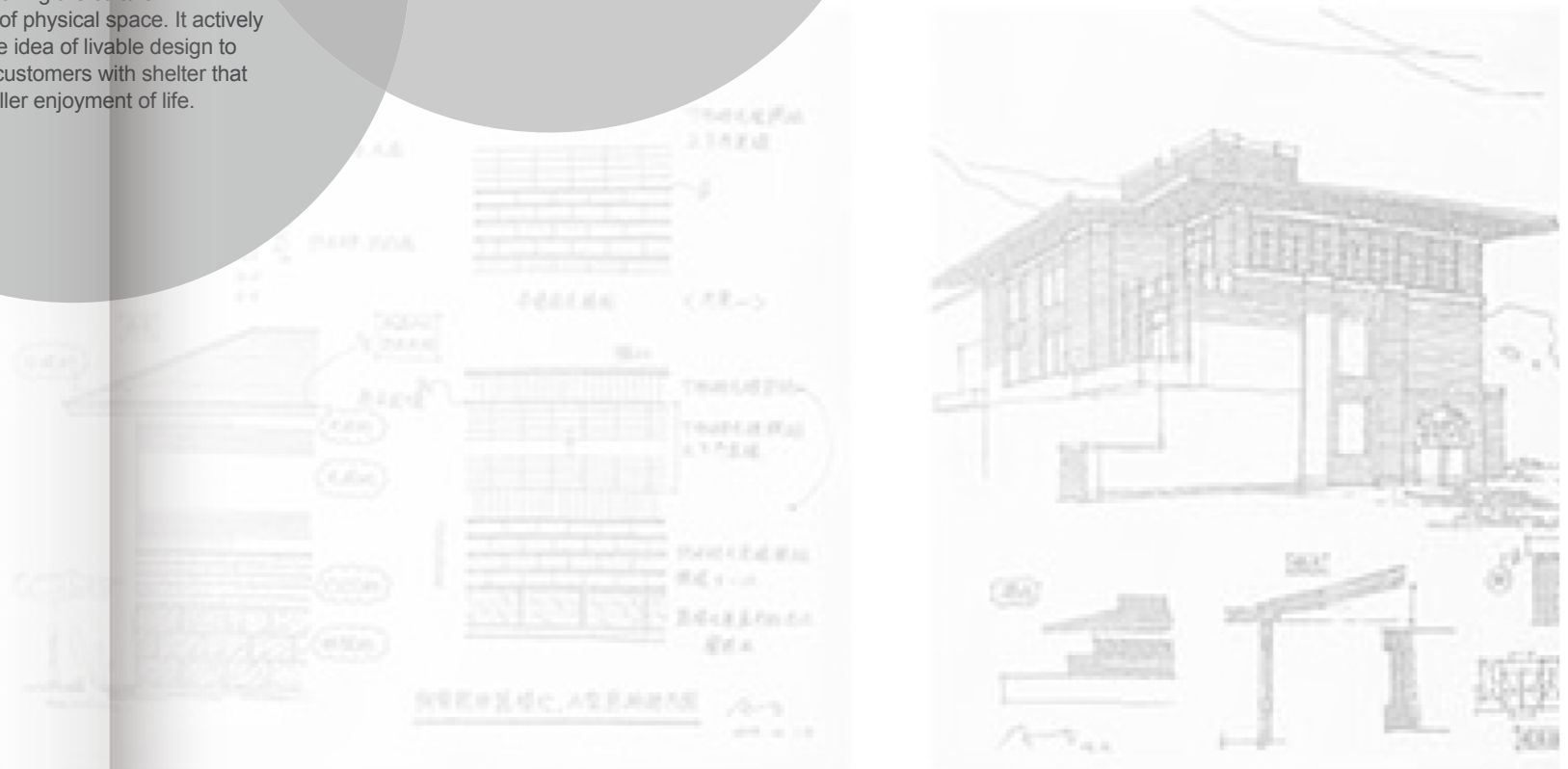
| | 2010 | 2011 | 2012 |
|-------------------------------|------------|------------|------------|
| Scale of COLI's projects (m²) | 15,577,290 | 20,614,213 | 20,462,394 |
| Scale of COGO's projects (m²) | 602,780 | 2,125,467 | 3,593,959 |
| Total | 16,180,070 | 22,739,680 | 24,056,353 |





Quality Assurance

Five Generations of Outstanding Architecture



High Standard and Reliable Quality

The Company has been achieving “high and trustworthy construction standard” since long time ago. In the 1970s and 1980s before the Company entered the property development business, it had already secured customers in Hong Kong leveraging its construction business. In 1981, the Company obtained the construction licences (Licence C) of the highest standard in five categories undertaking construction projects of unlimited tender value in buildings, port works, roads and drainage, site formation and waterworks.

With years of experience in building enduring and excellent project construction and the experience within the property development business in Hong Kong, Macau and Mainland China, COLI has created a unique competitive advantage. Strict and careful execution process controls have ensured the superior quality of COLI’s projects. The strong attention to quality of every process in construction and property development is an important assurance of COLI’s project quality.

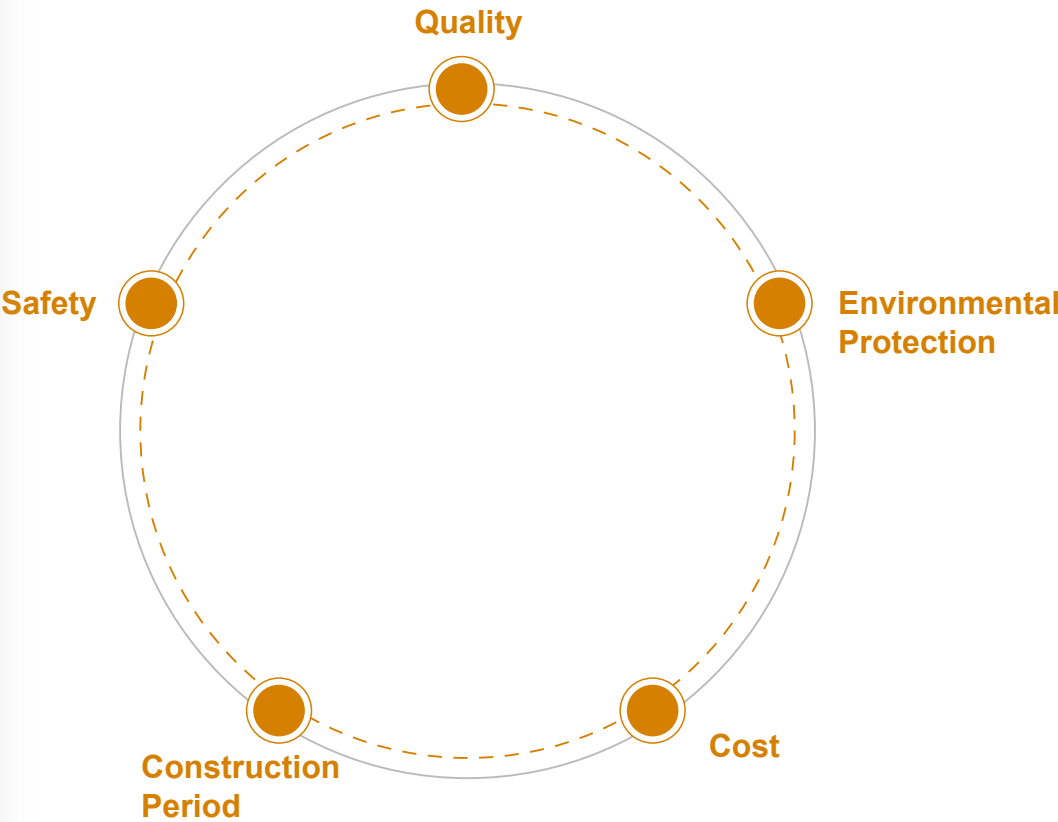
High Standard and Reliable Quality

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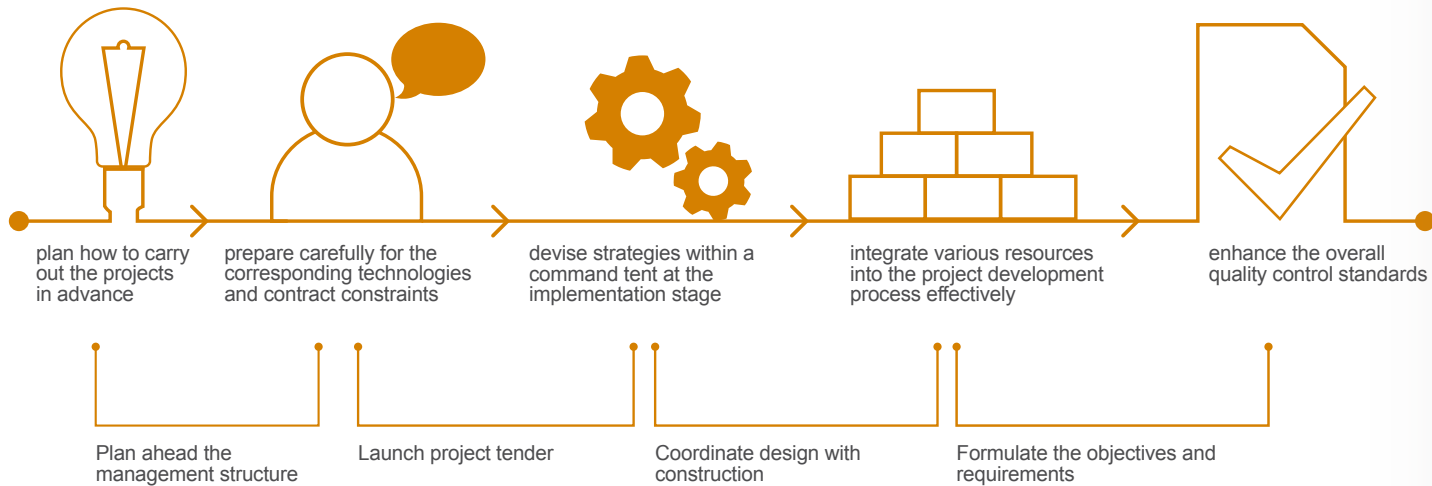
Each and Every Detail Project Development Philosophy

With the application of industry-leading engineering technologies, the Company put the production philosophy of “Each and every detail of each and every project” into practice throughout the process from planning and design, material procurement, development management, on-site management, ancillary facilities construction and quality assurance supervision. We are dedicated to strike the balance between five major elements of the operations including safety, environmental protection, quality control, construction period and cost, thereby offering properties with superior quality to customers.



Each and Every Detail
Project Planning

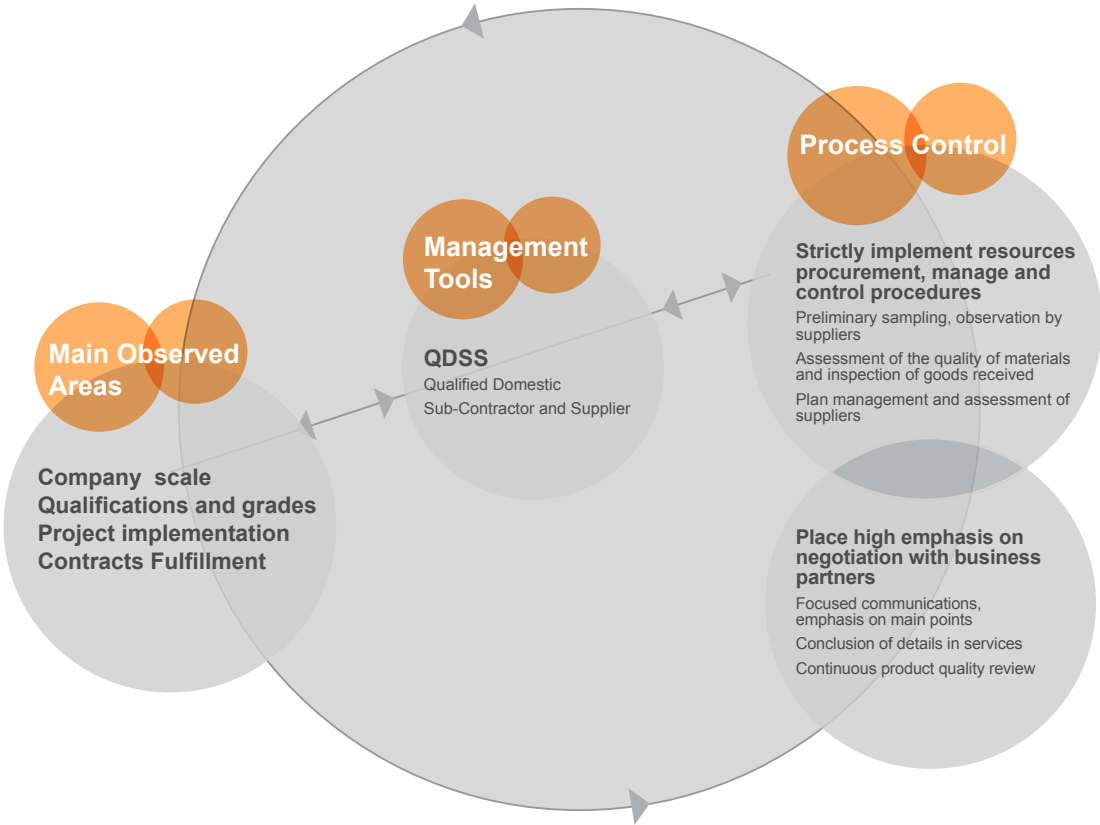
In the engineering management of property projects, COLI implements the “project planning” strategy, in which the property engineering management staff carefully plan how to carry out the projects in advance from the perspective of the main contractor. This can help them formulate the objectives and requirements, plan ahead for the procedures involved such as the management structure, project tender, design and construction, and better prepare for technologies and contracts required before the commencement of projects. They can then devise strategies to integrate various resources at the implementation stage in order to enhance the overall quality control standards.



Each and Every Detail
Sub-Contractor and Supplier Management

The close cooperation with sub-contractors and suppliers is the key to quality assurance of COLI's projects. The Company has worked with its business partners to implement strict control over both project construction processes and materials.

Over the years, the Company has established strategic and cooperative relationships with sub-contractors/suppliers by adopting comprehensive, long-term and stable policies. This has enabled the Company to obtain the best sub-contractors/supplies and services and also to secure new projects and technologies at competitive prices. This also provides benefits for the Company to increase the operation efficiency as well as enhance the quality of products while the sub-contactors/suppliers can gain increased market share and reasonable profit in a win-win situation.



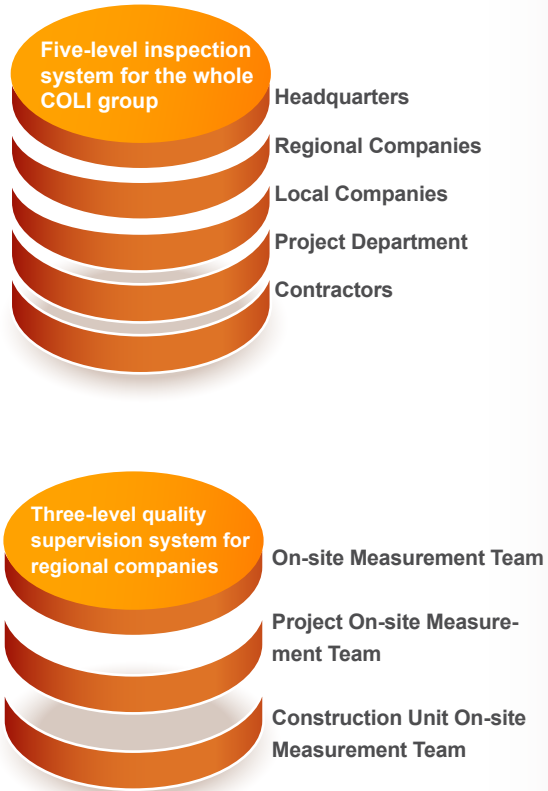
Each and Every Detail

On-site Measurement

Thanks to advanced instruments and equipment, the Company can more precisely measure the quality of the structure, brickwork, plastering, waterproof work and installation of projects in progress, as well as conduct quality and safety risk assessment. The product quality assessment results will be passed to the frontline in a timely manner for them to carry out continuous supervision and make any necessary improvements.

1. In the management of contractors, COLI is trying to link the mid-term construction fee with the passing rate based on on-site measurement (basically covering all regional companies as at the end of 2012), and link the payment of retention with the complaint rate per new flat. In this way, the Company can provide premium products and services to customers through daily management and budgeting which enhances the awareness of the importance of quality among the Company's business partners.

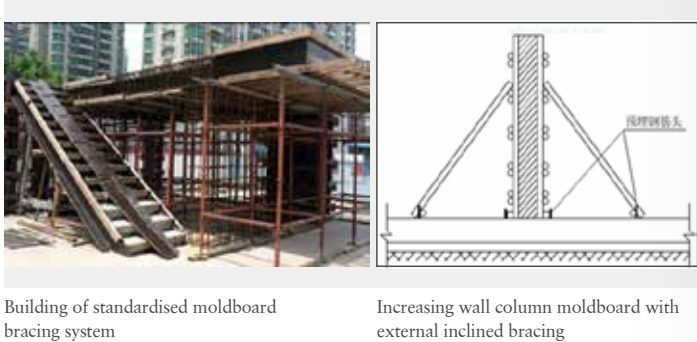
2. Through strict inspection of construction works such as concrete structure, secondary structure and plastering, the Company can enhance construction quality at the source. Precise on-site measurement provides a clear means for business partners to understand the Company's insistence on quality and facilitates their efforts to utilise advanced technologies to improve product quality.



Case study:

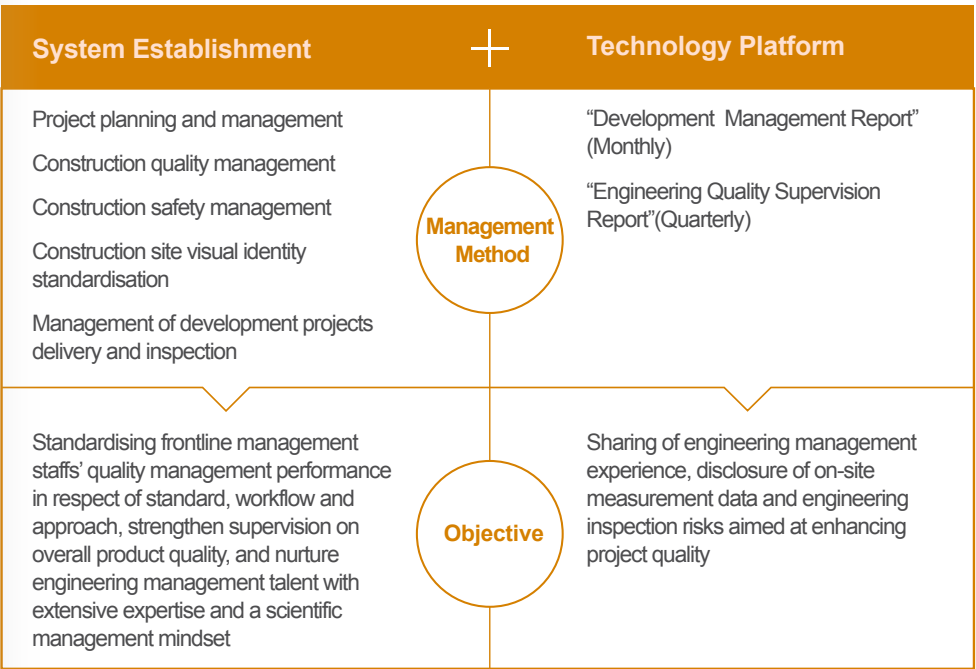
Quality control based on precise on-site measurement

To ensure project quality, COLI has been following the national inspection standards in relation to concrete engineering, brickwork, plastering and installation of doors and windows to assess the quality of its projects. It has also continued to study ways to boost construction technologies, such as the improvement in the perpendicularity of concrete shear walls. The Company has proposed three construction technologies improvement methods targeting moldboard bracing system, wall column moldboard positioning and fixing. The improvements include “increasing scaffolding, sweeping rod and inclined bracing, increasing wall column moldboard external inclined bracing and increasing wood reinforcement and connection of the upper cut of the wall column moldboard”. These initiatives have resulted in notable improvement in the overall construction quality of concrete shear wall of all projects.



Each and Every Detail

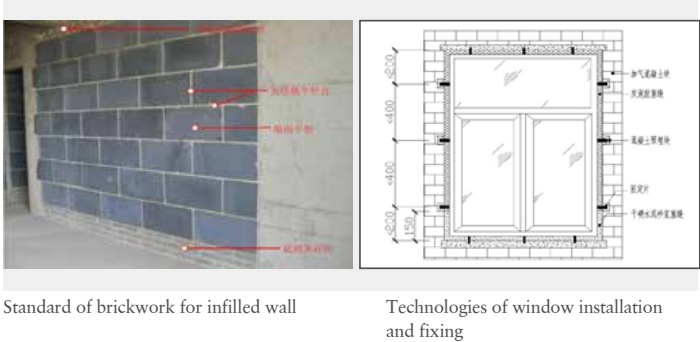
Management Mechanism



Case study:

Quarter Investigation, Correction and Supervision of Common Problems of Construction Projects in Progress

To continuously improve the construction quality of all projects, COLI has raised the safety management and control standards and cooperated with construction units to promote the innovative construction quality management mechanism. In 2012, the Company commenced an activity entitled “Quarter Investigation, Correction and Supervision of Common Problems of Construction Projects in Progress” in northern area which was implemented over a quarter. The activity mainly conducted a centralised investigation on the common problems of the quality of brickwork, plastering and installation of doors and windows during project construction, and implemented three “project supervision week” activities. This initiative was integrated with the daily quality supervision of construction projects in progress and unified the content, standards and actions. Each “project supervision week” focused on the investigation of a specific series of problems, which resulted in overall improvement in construction quality.



Each and Every Detail
Safe Construction

COLI places great emphasis on the safe construction of its projects to minimise the impact on the safety and environment of the surrounding communities.

In 2012, 17 projects of the Company were granted the Safe and Civilised Construction Site title a total of 24 times, accounting for 28% of all the 61 projects in progress.

COLI engages an external independent consultancy in conducting safety risk assessment, which evaluates the projects in progress based on the most frequently-encountered safety risks and the safety measures adopted, and subsequently improve the construction side with hidden safety risks.

In 2012, three safety risk assessments were conducted on the Company's 40 projects in progress, representing a coverage of 100%. There were no serious accidents throughout the year.

| City | Project | Awards |
|-----------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shenzhen | Southern Garden / Fairview Park | Shenzhen Excellent Safe Production and Civilised Construction Site Award |
| Zhongshan | Dragon Bay Phase 2 | Zhongshan Safe Production and Civilised Construction Model Site |
| Foshan | Gold Coast East Phase 3 | Foshan Safe Production and Civilised Construction Model Site |
| Beijing | Public rental housing in the old city E | Beijing Shijingshan District Green Construction Site |
| Suzhou | International Community 233-1 | Suzhou Civilised Construction (Safety) Site |
| Hangzhou | La Cite D | Hangzhou Safe Production and Civilised Construction Site |
| | La Cite E | Hangzhou Green Construction Site |
| | The Tudor Phase 1 | Hangzhou Excellent Garden Construction Site |
| Shanghai | The Amethyst | Shanghai Putuo District Public Security Advance Unit |
| Nanjing | The Majestic | Nanjing Civilised Construction Site |
| Chongqing | International Community Phase I District 1 No. 1 | Three Gorges Cup Excellent City Grade Safety and Civilised Construction Site |
| | International Community No. 3 | Chongqing Dust Control Demonstration Construction Site |
| Chengdu | One City South Phase 2 | Chengdu Safe and Civilised Construction Site |
| Xi'an | Qujiang Garden B | Shanxi Safe and Civilised Construction Site |
| Shenyang | China Overseas Plaza | Shenyang Safe and Civilised Construction Site Shenyang Safe Production Demonstration Construction Site Liaoning Standardised Construction Site Liaoning Civilised Construction Site |
| | Coli City 02G | Shenyang Excellent Construction Site |
| Qingdao | International Community | Qingdao Safe and Civilised Construction Site |
| Yantai | Windsor Pavilion | Shandong Civilised Construction Site |

Internal Property Examination

Although the properties have passed the self-inspection by the construction units, a double-inspection by the commissioner and approval by the government's quality supervision department before official delivery, COLI still insists on conducting multiple rounds of internal inspections. The Company's responsible staffs of the Customer Relations Department, Regional Development Management Department, Regional Companies' Property Department, Customer Services Department and Project Development Department have formed an Internal Joint Property Examination Team to inspect the property deficiencies of every flat. Major failures such as omission of specific processes or defects of finished products to minor failures such as sanitary conditions of the environment will be supervised and followed-up by on-site inspection staff. A feedback will be submitted in a written inspection report to the Project Department to urge the construction unit to redress the problem as soon as possible.

Customer Service

COLI insists on providing customer services throughout the entire process from positioning, planning, construction, sales, flat in-take to post stage property services, and includes the customer satisfaction levels for all regional companies into the Company's performance appraisal. This exercise enables the Company to be involved in all business processes of property development operations from the customers' perspective and assigns the benefits of customers as first priority, thus driving the improvement of its products and services.



New Staff - customer service

Promote the "customer-oriented" management culture, instill within new staff the importance of customer service and assign them to customer service positions for short term job rotation to accumulate experience as well as enhance training for customer service teams.

Customer Service

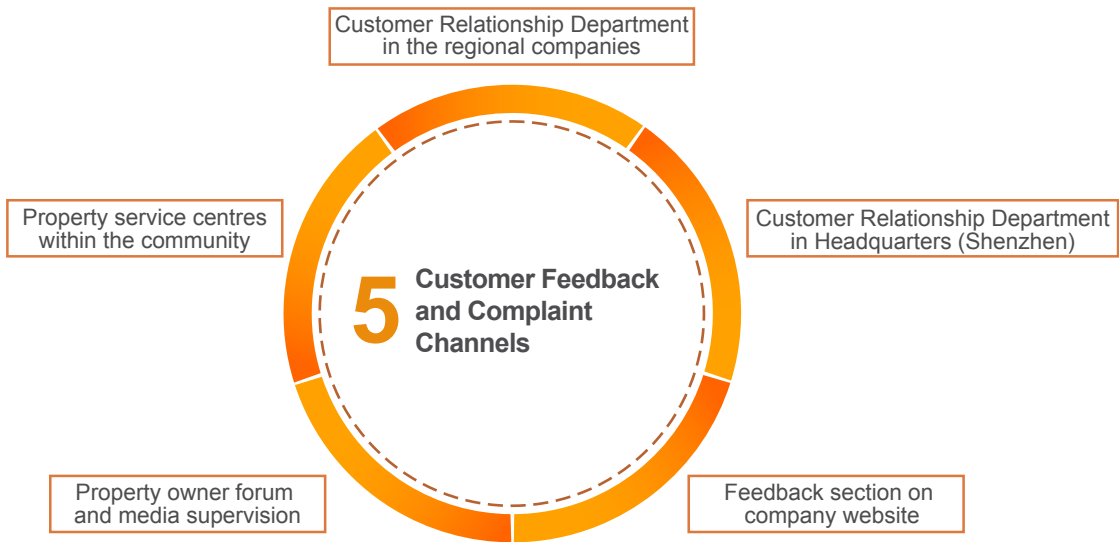
Customer Relationship Management System

COLI was the first enterprise in the industry to develop and launch an iPad-enabled system, which allows staff to log in on-site and follow-up on the issues involved in inspection by customers before taking possession of the property as well as any complaints after sale. To significantly enhance its operation efficiency, it also enables property owners to take on a supervisory role.

In August 2012, the CRM system was adopted by all subsidiaries. In 2012, resolution ratio of recorded problem in CRM reached 93.8%, 5.8 percentage points more than that in 2011 while the resolution ratio of flat in-take complaints reached 92.7%. Timely resolution ratio was 75.7%, an increase of 19.7 percentage points over 2011.

| Application of CRM system | 2011 | 2012 | Comparison |
|---------------------------------------------|------|-------|------------|
| Covered cities(number) | 21 | 25 | ↑ |
| Covered projects(number) | 252 | ALL | ↑ |
| Resolution ratio of recorded problem | 88% | 93.8% | ↑ |
| Resolution ratio of flat in-take complaints | 94% | 92.7% | ↓ |
| Timely resolution ratio | 56% | 75.7% | ↑ |

Customer Feedback and Complaint Channels



Customer Service

China Overseas Property Club

Vision: "Wonderful livelihood, remarkable life"

Year of establishment: 2004

Scale of organisation: As at the end of 2012, China Overseas Property Club had branches in more than 30 cities with more than 300,000 members and nearly 500 business alliances.

- Major purpose:**
- 1.To enhance and promote the liaison of COLI, customers (principally property owners) and the community, and share the latest updates of China Overseas Property's operations and services;
 - 2.To enrich living experience through organising a range of social, charity, leisure and entertainment and sports activities;
 - 3.To expand the business alliance network of China Overseas Property Club and provide value-added services such as special offers and group purchases for property owners;
 - 4.To improve and optimise the products and services of China Overseas Property through collecting feedback from customers.



300,000
with more than 300,000 members

500
nearly 500 business alliances

Case study:

Nationwide Branding Activity

In 2012, the China Overseas Property Club set customer activity as a focus and held the "Crazy Children's Day" on Children's Day (1 June) with 71 China Overseas communities in 28 cities joining in. Later in August, the "China Overseas Experience Camp for Children of Property Owners" was organised with 81 China Overseas communities in 21 cities participating. For a change of pace, in October, the "Aerobic Dance Contest for Property Owners" attracted 81 China Overseas communities in 18 cities. More than 14,400 property owners enjoyed these three nationwide activities promoting the customer interaction. Millions of people read the news about these activities which was reported by more than 20 newspapers and 80 websites.



Crazy Children's Day(June)
with 71 China Overseas communities in 28 cities involved



China Overseas Experience Camp for Children of Property Owners(August)
with 81 China Overseas communities in 21 cities involved



Aerobic Dance Contest for Property Owners (October)
with 81 China Overseas communities in 18 cities involved

Quality Property Services

Basic Property Service

Working Principle: Customers and services come first

Service Pledge: Provides superior support and services to all properties



Customer service centre

Consolidator of community resources, creator of community culture, convenient advisor about quality living, a bridge of communications with customers.



Safety management

The right mix of security and protection services supported by manpower, resources and technology. This unique safety and security system offers ideal protection to residents' homes.



Environmental management

·Public greening services: regular service, floral service, change of flower arrangement, providing information, etc.

·Paid management and maintenance service for private garden: treatment for insect pests, shaping and fertilising of ornamental plants, transformation of gardens, etc.

·Green cleaning service: use quality and environmentally friendly products so as to prevent pollution to the environment; carry out regional sterilising services to create a healthy living environment and provide a natural and harmonious green home.

·Hidden cleaning service: Provide all-round services without service staff disrupting daily activities or lifestyle.



Value-added services

While guaranteeing quality basic property services, the Company has launched value-added services through utilisation of corporate resource, exploration of available community resources and seeking resources from commercial sectors. With the existing "Customer value-added service programme", the management office provides personalised/special services and related services dedicated to customers, such as housing leasing agent services.



Community culture

Creating a pleasant, healthy and caring environment for the community through neighbourhood gatherings and community parties.



Engineering management

Provide a "professional, focused, highly efficient and high quality" building facility management service to property owners, thus safeguarding the "heart" of the community.

Quality Property Services

Innovative Property Services

| | |
|----|-------------------------------------------------|
| 01 | Quarterly property owner meetings |
| 02 | Facility and equipment room Open Day |
| 03 | Environmental Protection Day |
| 04 | Property Housekeeping Reception Day |
| 05 | Staff Interactive Experience day |
| 06 | Quality Observer |
| 07 | Opinion box - "My Ideas for a Better Community" |
| 08 | General Manager's Mailbox |
| 09 | Home appliances repair specialist |

Case study:

Quality Observer

COLI's projects such as One City South in Chengdu, Classic Palais in Xi'an and the International Community in Chongqing provide an opportunity for property owners to participate in supervising and managing the quality of property service in the community, point out the shortcomings of the property services as well as observe the abundant "hidden" works in the daily performance of property services, such as facility operations management, maintenance, etc. By doing so, they could appreciate the difficulties faced by the management office in the provision of quality property services and cooperate together to boost the property service standard while launching the "Quality Observer" activity in the community. The interaction between quality observers and the management office has led to closer collaboration to address the management challenges. This closer partnership in turn has enhanced the integrity and fulfillment of promises and increased communications between property owners and the management office, ultimately promoting open and transparent exchanges of management service information. Not surprisingly, the Quality Observer initiative has been well-received by property owners.



Building Quality Properties
Co-building of Eternal and Excellent Products

Guided by the vision of “steady progress lays a solid foundation for sustainable development” and its objective “care for customers”, the Company’s property development division and property companies joined hands to initiate an activity “Co-Building an Exemplary Model of a Top Property Projects” in 2011. Selected projects having been already occupied for two or more years were upgraded in order to optimise the facilities and improve property service, with an aim to enhance the living environment and experience.

In 2012, the first round of “Co-building of Eternal and Excellent Products” was held at more than 30 projects in the country, where the security systems were upgraded and more recreational facilities were installed. The accumulated investment exceeded RMB50 million and more than 20,000 families benefited by the time the event was completed at year-end, with a widespread positive response from property owners.



Building Quality Properties
Co-building of Eternal and Excellent Products

The “Co-building of Eternal and Excellent Products” initiative in 2012 made us more clearly realise that the expectations of property owners are higher now. In addition to efficient property management services and a positive attitude, they pay more attention to real life operations. Is the equipment functioning? Do we follow procedures? Is the water healthy for use? Are the lifts safe for use? Are the cars safe in the car park? Do they feel safe living in the community? Are obsolete and damaged equipment and facilities being replaced and repaired in due course? Are more and bigger recreational activities being planned? To satisfy their demands, we have to perform our responsibilities efficiently and in a fashion where property owners see tangible progress and understand that we have the same requirement as they do. We make regular reports to them on posters placed at bulletin boards. As is always the case, we are striving our utmost to provide a safe and comfortable living environment.

The programme provides better services for property owners, not only to merely see, but to actually experience. Whether something good can be accomplished and continue, the keys are discovery, action and innovation. In implementing this initiative, Classic Palais has emphasised that it is not money that satisfies their demand but our hearts. Through our actions, we have optimised the facilities and equipment within the community and built a better environment. Such an excellent outcome can be only achieved through persistence and innovation. We are happy with the result.

——A staff member of Classic Palais, Xi'an



Case study:

Emergency Services Team Protect the Safety of Property Owners

The Gold Coast in Foshan has more than 20,000 property owners residing within three zones occupying more than 1.3 million m². To enhance the synergies within the organisation and fulfill the principle of “Co-building of Eternal and Excellent products”, the Company set up an emergency services team and upgraded the patrol vehicles. The eight vehicles mainly comprise four-wheeled electric vehicles, two-wheeled electric vehicles and police patrol cars. Previously patrol in the zone is scheduled for every 30 to 40 minutes, but the interval has now been shortened to every 15 to 20 minutes. This arrangement has been conceived so that the patrol team can arrive on the scene quickly in case of an emergency with the collateral benefit of protecting the community at night. Through the upgrade of this service, both property owners and the community have been better protected while reducing the



labour-intensive nature of duty and boosting the professionalism and morale of the security officers.

Self-innovation benefits property owners—Self-innovated wheel stoppers for vehicles

At The Silver Carse in Qingdao, the rubber wheel stoppers in its car park were discovered to be shoddy as they were damaged quickly after frequent collision by vehicles. Based on the monthly average of 100-200 wheel stoppers being damaged at the 1,185 underground car parking spaces with a cost of RMB70 per stopper, the expense of replacement was approximately RMB10,000 per month, causing trouble to both property owners and the property company. Through brainstorming and collaborative work, the property company’s maintenance team members generated the idea of using self-innovated concrete wheel stoppers as replacements. Having sourced materials and created moulds, the team developed durable, low-priced concrete wheel stoppers costing around RMB6 per unit (excluding labour cost). The cost of replacing all existing

rubber stoppers with the previously used rubber stoppers was RMB82,950 (RMB70 x 1,185), while the long-life concrete-made wheel stoppers was only RMB7,110. The new self-made product not only saves RMB75,840, but also offers the advantage of durability, leading to additional labour and resources savings and offers a greater convenience to property owners.



Building Quality Properties

Awards and Honours for Projects

| Year | Awarding Organisation | Awards | Projects |
|----------------------|-----------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2010 | US Green Building Council | LEED Gold | China Overseas Plaza(Beijing) |
| 2010 | Bloomberg, The New York Time etc. | Bloomberg International Property Award(Asia Pacific) | Best Interior Design: Olympic City Best High-Rise Building: Windsor Pavilion Best Architecture: Mt. Riviera, The Villa Utopia (Chengdu) etc. |
| 2009 | CNBC, The New York Time etc. | CNBC International Property Award(Asia Pacific) | Best Development: One North Riviera, Starcrest |
| 2008 | | | Best Development: One Honey Lake, Greenwich Village Best High-Rise Development: Top View Best Interior Design: Royal Lakefront Best Architecture: Royal Green |
| 2011 | China Civil Engineering Society | Zhan Tianyou Award | Windsor Pavilion, Orchid Garden, Blossom Riverine, International Community(Shenyang) etc. |
| 2010 | | | Noble House, Mt. Riviera, The Arch(Nanjing), Park Royal, Coli City(Beijing) etc. |
| 2009 | | | Gold Coast, Royal Lakefront, Classic Palais(Xi'an), International Community(Changchun) etc. |
| 2008 | | | Top View, Greenwich Village, Lakeside Palace, Galaxy Centro etc. |
| 2007 | | | One Honey Lake, Sunny Palm, Haiyue Garden, Zhonghai Golf Garden etc. |
| 2006 | | | Grandeur Vista, Sapphire Cove |
| 2005 | | | Elegant Town |
| 2011 2005 1997 | China Construction Industry Association | Luban Award | China Overseas Plaza(Beijing), Haiyue Garden, Haili Garden, Dongshan Plaza etc. |

Remarks: As at June 2012, China Overseas Property has received the Zhan Tianyou Award 50 times, including 29 Gold Awards and 21 Individual Commendations, as well as seven China Construction Project Luban Awards and 12 International Property Awards.

Building Quality Properties

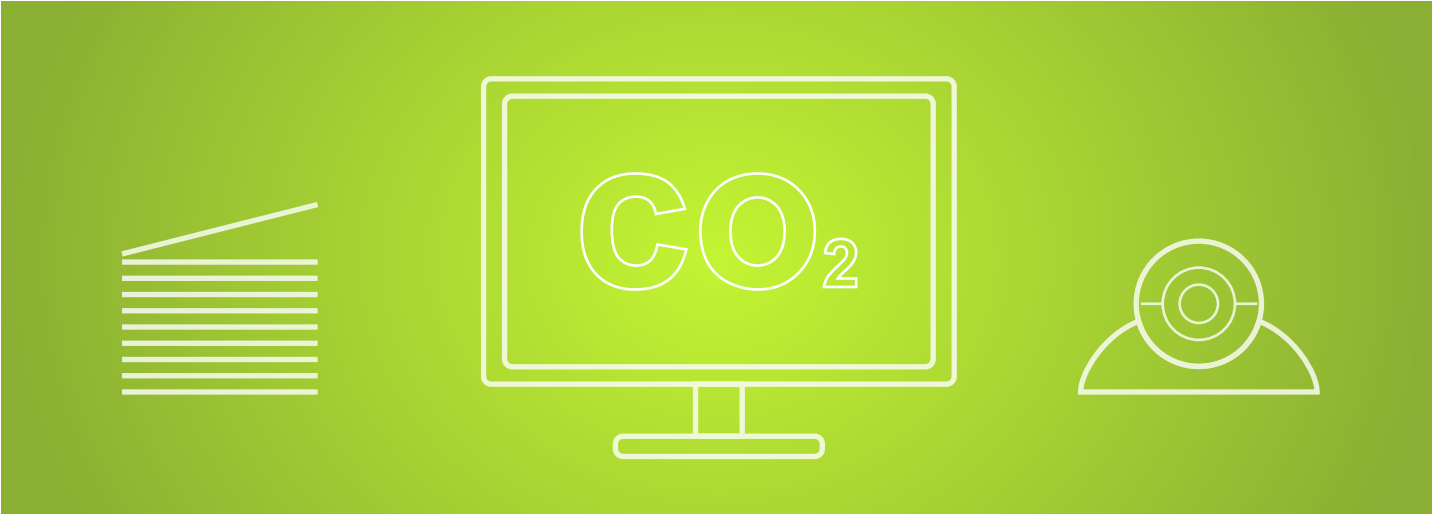
Major Awards for Projects in 2012

| Date of Award | Name of Award & Winning Projects | Awarding Organisation |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2012.11 | National 1-Star Certification in Green Building Design Southern Garden Fairview Park #1 Lake Lantern | Ministry of Housing and Urban-Rural Development of the People's Republic of China |
| 2012.10 | 2012 National Classics of Residential Projects Contest: Consolidated Grand Prize Gusu Mansion Perfect Manor The Amethyst La Cite(Chongqing) International Community(Xi'an) | Architectural Society of China, Committee of National Classics of Residential Projects Contest |
| | 2012 National Classics of Residential Projects Contest: Double Golden Prize of Planning and Construction Residence Nine Lagoon Manor China Overseas Plaza(Ji'nan) Peaceland Cove Glory City Glorious City(Chengdu) | |
| | 2012 National Classics of Residential Projects Contest: Double Golden Prize of Construction and Environment International Community(Xi'an) The Piedmont | |
| 2012.09.06 | Top 10 of Chinese Real Estate Project Brand Value 2012 | Enterprise Research Institute of Development Research Center of State Council of P.R.C, Institute of Real Estate Studies of Tsinghua University, China Index Academy |
| 2012.08.30 | 2011 China Best Investment Value Commercial Property La Cite(Hangzhou) | Policy Research Institute of the Ministry of Housing and Urban-Rural Development, Development Research Center of State Council of P.R.C, The Economic Observer Ifeng.com people.com.cn |
| 2012.06.28 | The Highest Honour in the 49th Gold Nugget Awards in the U.S. : International Residential Project - Detached Lagoon Manor | Homebuilding's Premier Tradeshow and Conference(PCBC)in the U.S. |
| 2012.06 | Zhan Tianyou Award - Resident Gold Award: International Community(Suzhou) La Cite(Shenyang) Residence Nine Royal Lakeside | China Civil Engineering Society |
| | Individual Awards in the Zhan Tianyou Award The Phoenix Star Crest East Coli City(Shenyang) | |
| 2012.02.13 | 2011 Chinese Model Resident of Property Management Classic Palais(Xi'an) | Ministry of Housing and Urban-Rural Development of the People's Republic of China |




Sustainability in Environmental Protection

Green Office




In the beginning, COLI has introduced the concept of environmental protection and resources conservation in its day-to-day routine work and office operations. Over the years, all staff from all levels of the Company have pushed forward low carbon and green office initiatives such as “dual-purpose paper”, and “take the stairs within three floors”. In recent years, with the increasing popularity of the internet, the paperless initiatives have been extended to all phases of business. The Information Technology Department optimises persistently paperless office management systems, such as an OA platform and an electronic approval platform, to reduce a great deal of unnecessary paper wastage and also promote recycling and reuse of paper.


As always, COLI encourages its subsidiaries to use the video conferencing system instead of avoidable business travel. In 2012, the Company has upgraded the video conferencing system by improving its user-friendliness and interactive capabilities. More than 400 video conferences were held during the year. This valuable tool has not only boosted communications efficiency and saved time, but has also reduced greenhouse gas emissions generated by transportation during business travel. Moreover, all subsidiaries of COLI have also applied the resources conservation and environmental protection concept in office renovation by introducing energy-saving lighting, such as LED lights, to reduce electricity consumption.



400
More than 400 video conferences were held in 2012



OA
ITD optimises persistently paperless office management systems



LED
Introducing energy-saving lighting, such as LED lights

Green Properties
Green Building

With several decades of experience in industry-leading project design and construction, COLI has continued to fulfill its commitment to protecting the natural environment across project planning and design by adopting appropriate measures based on actual topographical and geographical conditions and by refining design through introducing the concepts of land optimisation, energy and water conservation, material economisation, indoor environmental technology, green construction and operational management to precisely determine project positioning. Through doing research on current conditions, formulating an

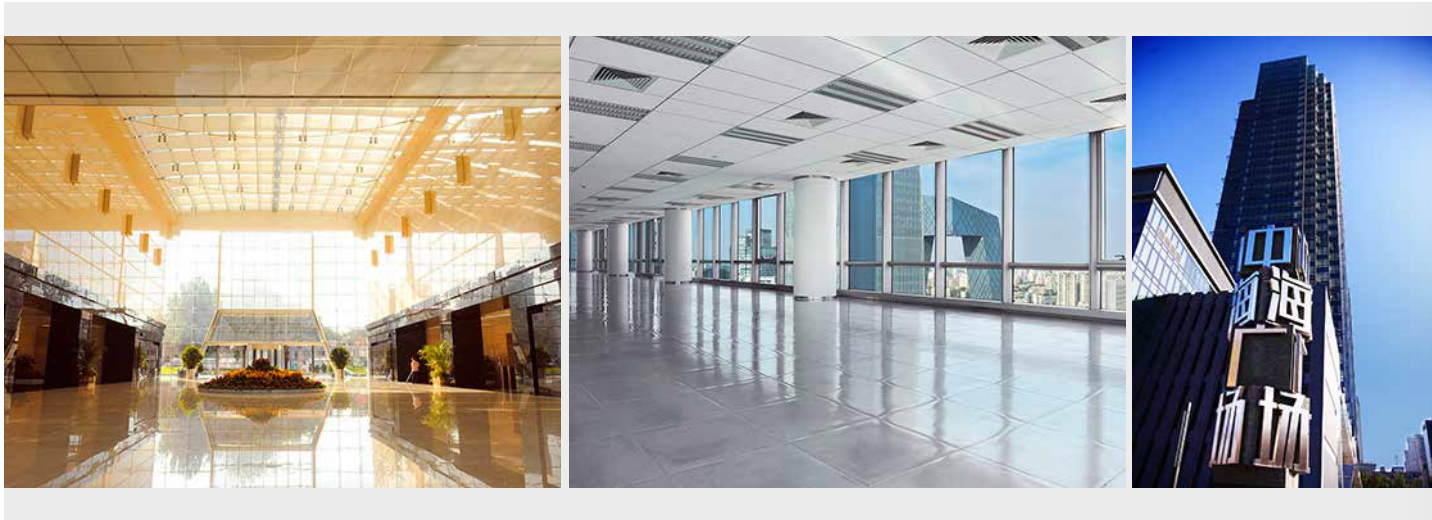
appropriate implementation method and technology strategy, and creating exemplary pilot projects, the Company has promoted the wide application of green construction technology in its new residential projects. China Overseas Property has compiled “Research Report on Characteristics of Green Building”, “Measures for the Promotion and Implementation of Green Building” and “Technical Guidelines for Green Building” for green construction, which have become landmark reference works for the Company to introduce green architectural design.

- The One Honey Lake project in Shenzhen has introduced innovative architectural interior and exterior designs to enhance interior ventilation which could help reduce air conditioning in summer.
- In view of the particularly significant geological component of its groundwater recharge area, the International Community project in Ji’nan has ensured and enhanced water conservation within the district by focusing on underground construction while expanding ground plant coverage and introducing household water treatment.
- A number of COLI’s projects introduced natural lighting and natural ventilation design in lift lobbies and underground car parks, which were described as “Car Parks with Sunlight and Fine Breezes” by its customers.
- After the SARS outbreak in 2003, the Company has reviewed the design principle of its floorplan for new construction projects, carefully formulating new standards and specifications so as to ensure sufficient ventilation and sunlight for the elderly and children activity areas in the community, thereby providing a more comfortable living environment.
- Spurred by the Sichuan earthquake on 12 May 2008, the Company conducted a complete inspection of the schools and kindergartens which were completed or are under construction within the areas managed by the Company. While substantially bolstering the earthquake-resistant capability of those buildings, the Company introduced new standards for exterior design integrated with the landscaped gardens in the public areas with an aim to improve the community’s emergency evacuation capability in the event of disaster.




China Overseas Property Group was elected as the team leader of the Green Real Estate Group of the China GBC.
A number of COLI’s projects have attained LEED Certification and China’s Star Rating Certification of Green Building.

Green Properties
Green Building



Case Study:

Beijing China Overseas Plaza

China Overseas Plaza is located in the core CBD in Beijing, facing Changan Street in the south and adjacent on the east to the China World Trade Center. It comprises two Grade A office buildings and a commercial ancillary building and commercial podium on the north side. The Plaza covers an area of approximately 19,000 m² with a gross floor area of approximately 150,000 m². The curtain wall, hall, elevators, air conditioning and the software and hardware configuration such as 5A wisdom were designed in order to blend perfectly into and preserve the natural environment while creating a healthy green office environment. The project has brought significant economic and social benefits as well as industry accolades.

LEED Gold Certificate
China Construction Project
Luban Award

Property Management
Exemplary Project in Beijing

One of the First Group of
“Exemplary Commercial
Building in Beijing” selected by
the Beijing Municipal
Commission of Commerce

Green Construction Technology:

- The setting of the service room group control system is subject to the change of the total cooling load. The optimum control of water chiller unit, water pump, cooling tower and other equipment will be realized to enable all equipment to always operate at the optimum working condition.
- The cold water and the hot water circulating pumps on high floors of the middle building, the cold water circulating pump in the inner zones of buildings in winter, and the cooling water circulating pump in the 24-hour service room for tenants are operated with variable frequency, to save energy.
- The cooling tower utilises a frequency conversion fan. The fan speed is adjusted according to load changes to save energy.
- Variable volume fans have been used in the commercial podium, which are automatically adjusted according to indoor loads to reduce energy use.
- The car park air exhaust and supply system is operated according to CO and NOx sensorcontrolled air supply and exhaust fan to save energy.

Green Properties
Green Building



Case Study:

International Community - Park Avenue, Suzhou

International Community - Park Avenue is a high-rise residential building community located in the surrounding residential district of Fangzhou Park in Suzhou Industrial Park. The project covers an area of approximately 57,000 m² and a gross floor area of approximately 170,000 m², and boasts a green coverage ratio of approximately 53.85% and a building density of approximately 15.7%. With a total of 1,194 units, the project has merged the overall concept with green technology starting from the design stage. By effectively deploying appropriate green technology, the project was not only developed into a green modern residential community featuring environmentally friendly energy conservation throughout entire life cycle and comfort. It has also attained national three-star certification for green building.

National Three Star Certificaiton in
Green Building Design

Green Construction Technology:

- Land optimisation design: with meticulously-planned green land coverage and plant community, optimised building density and direction complemented by an innovative underground car park design.
- Energy conservation initiatives: optimising the controlled shape co-efficient of the buildings, introduced a solar photovoltaic power system and an optimised lighting system.
- Water conservation initiatives: using water conservation premises irrigation methods such as spray watering or capillary watering, applying recycled water, reducing the water supplied from the municipal waterworks as well as sewage discharge, using water conservation tools and equipment during housing refurbishing.
- Material saving initiatives: 90% of construction materials used have been produced within 500km from the construction site, the Company has applied ready-mix concrete and environmental insulation materials for exterior wall and implemented a green construction plan by merging design and construction of civil engineering and architecture.
- Indoor air quality control: developed innovative designs for kitchen and sanitary areas and window opening, used built-in venetian blinds to shade from the sun and insulated glass to save on air conditioning and heating.
- Operational management: Installed security subsystems, management and equipment surveillance subsystems and information network subsystems.

Green Properties

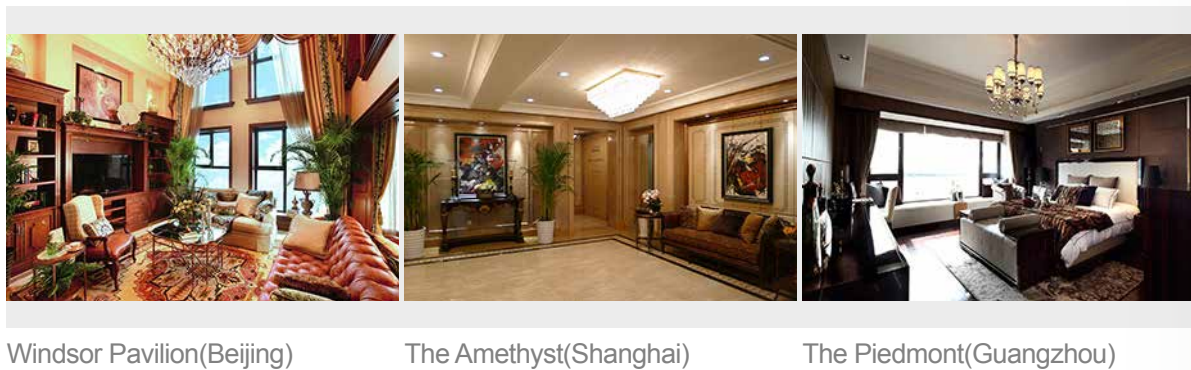
Refined Renovation

By leveraging its strength in large scale operations, COLI has set “refined renovation” as the positioning of community living quality and embarked on intensive construction by utilising low carbon and environmentally friendly techniques. The Company has gradually implemented a refined renovation strategy with an aim to reduce wastage of materials, noise pollution and disruption of social resources as by-products of renovation commenced by property owners after delivery of residential units. After research and evaluation, the Company introduced six types of refined renovation options for customers to choose, provided advice on standards for design style and ratio of use of materials and centralised procurement of wooden flooring, sanitary equipment, kitchenware and electrical appliances, thus significantly boosting utilisation of social resources as well as general performance of the residential units.

With the benchmark clearly set for refined renovation during the year as well as the standards on product design specifications, and through a number of measures and initiatives taken by the Planning & Design Center, the Company has successfully taken its refined renovation strategy forward. The specific initiatives includes research studies and announcement of refined renovation standards for all segments, professional training of managers specialised in refined renovation, research studies and exchange on refined renovation in all regions, centralised procurement by the Cost Management Department and trainings on construction management by the Development Management Department.



Case Study :



Green Community

COLI strongly advocates the implementation of green, environmental protection, hygiene and healthy living concepts. It has been active in launching various environmental protection activities in all of the communities, including separation and collection of household wastes, recycling of used batteries and collection of pets’ faeces, in a bid to promote the idea of a “green environment”, a “low carbon and happy life” and “Building a Green Home Together” continuously. In line with the

government’s call for “Millions of household for low carbon living, separation of wastes comes first”, in April 2013, the management offices of 127 projects under China Overseas Property Management introduced waste separation procedures, accounting for 72% of the Company’s total number of environmental protection projects. In addition, the management office of about 17% of the projects have formulated future environmental protection plans.



Case study:

Large charity and environmental protection activities by “China Overseas Green Alliance”

COLI has cared for and supported environmental protection in its operations. It has strived to reduce energy consumption and improve the environment through a variety of pioneering initiatives. Since the “China Overseas Green Alliance” was established within its communities in Beijing on 10 April 2010, a series of green services and products encompassing quality, environmental protection, security, engineering and promotions have been rolled out across Northern China. In addition, it has also joined hands with large property owners to actively promote the concepts of “green environment,” “low carbon and happy life” and “Building a Green Home Together” in the communities through large-scale social and charity activities such as a “Green Redemption” programme (where participants could exchange old newspapers for green plants), a donation programme collecting books for children’ s library in rural areas and “Dedication of

Plant” programme raising saplings within the communities. These activities have been a huge success.

From April 2011 to April 2012, hundreds of families have planted the saplings or flowers within their communities. Other activities such as the “Green Redemption” and “Seeds into Plants · Absorbing Carbon” also attracted thousands of property owners to come and support. Each year, more than a hundred property owners inquire and make reservations for next year’ s “Dedication of Plants” programme. The communities in Beijing have also renovated gardens, and have grown more than one hundred plant species such as peony, crape myrtle, Chinese flowering apple, lotus magnolia, early lilac, flowering plum and more. This one-month annual activity covers nearly 10,000 families, which benefits around 30,000 to 50,000 people. In 2012, the activities of the “China Overseas Green Alliance” have been reported by sina, soufun, The Beijing News, QQ.com, kaixin.com, etc.

Green Procurement

COLI has actively responded to the government's call to implement a series of sustainable development policies such as reduction of energy consumption and emissions. When the Company decides the development and construction project, it uses new materials and technologies that can reduce waste and avoid any material or construction method that may result in serious pollution. When the Company chooses suppliers and contractors, it is concerned about whether related candidates have environmental certification and whether their products are compliant with specific environmental standards. Bulk purchases of materials can ensure the good quality, reduce energy consumption and facilitate the technological development of construction material suppliers. COLI is increasing the portion of environmental specifications and requirements in tender documentation as a way to support green products and suppliers.

The Company is also imposing strict supervision and control on the impact on environment not only from material sources, production process, technologies and practices, but also cost, storage, and delivery methods of suppliers. It conducts inspection on the environmental-friendliness of materials being used according to criteria as part of the annual evaluation of suppliers' performance, in turn assisting them to adopt low carbon production and operations.



Case study:

Innovative durable energy-saving water heating components

In 2012, COLI conducted a study on plating material for water heating hardware elements together with the related suppliers, and achieved a significant breakthrough. The result not only strengthens the durability of plating, but also reduces the thickness of plating and the use of heavy metal, making the product more environmentally friendly. Generally the plating on water heating components in the market has three layers, i.e., the copper base, a nickel layer and a surface layer (typically chromium or gold). Its major purpose is to strengthen the resistance of product to corrosion and therefore its durability and improve appearance. As the plating is usually made of a heavy metal or a precious metal, after conducting market research and a technological study, the responsible departments of the Company, together with the suppliers, decided to invest human and capital resources to improve the relevant technology, with an aim to reduce the thickness of the plating, the amount of heavy metal used and waste, thereby reducing waste pollution.

In standard industry equipment, the EN plating layer in conventional plating technology which passes the international salt spray test is 10-20um thick, and is produced from one-off plating. After half a year of testing, the Company and suppliers improved the plating technology and utilised the dual-plating method and the difference in voltage to change the plating molecule. The finished product shows better density, resistance to corrosion and is more glutinous. Even with 30% less in thickness, the dual EN plating layer still passes the international salt spray test. This energy saving innovation creates a situation from which all parties benefit.



Case study:

Energy-saving lighting

To meet the widespread demand for energy-saving lighting promoted by the government, COLI procures for its projects more advanced products and no longer purchases conventional lighting that consumes more energy such as incandescent lamps. In the future, the Company will gradually expand the variety of energy-saving lighting it deploys, and introduce next-generation energy-saving lighting products such as LED lights.



Case study:

Water-saving toilet

COLI imposes strict requirements on the procurement of environmentally friendly and energy saving products. A water-saving toilet is one of the items in its refined renovation project. Water-saving has now become a key measurement of the quality of cleaning products within the industry. The Company's main supplier TOTO is one of the early-movers in water-saving sanitary products through COLI's promotion and encouragement. Its TOTO4.8L water-saving toilet adopts the advanced ECO-MAX smart highly-efficient flushing system that offers an edge in saving water, flush force and effect. Compared with conventional toilets, it can save water by more than 50%. With this technology, 4.8 litre of water has the same flushing effect of 9 litre. This product is renowned throughout the industry.



Case study:

Air-conditioning system

The offices under COLI currently use variable air volume (VAV) air-conditioning systems which can effectively improve indoor air quality, thus saving more energy. The Company has also replaced the original constant speed products of all of the home central air-conditioning equipment in its projects with DC frequency-converting products, offering improved energy saving. In addition, the Company requires suppliers to use R410a refrigerant instead of freon for the air-conditioning products to reduce the damage to the ozone layer in the atmosphere.



Green Technology

Case study:

Construction technology of aluminium formworks

As the latest formwork system with its origin in the U.S. in 1962, aluminium alloy formworks are widely used in the U.S., Europe, Malaysia, Korea and India.

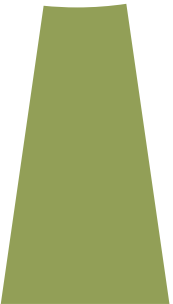
In 2012, Glorious City in Foshan, a project of the Company, installed aluminium alloy formworks and conducted a study analysing this configuration. Compared with conventional wooden boards, the aluminium alloy product has a higher satisfaction rate, produces better finished products, shortens construction time, optimises on-site management, and reduces construction waste and emissions.

Advantages

- ✓ Shorter construction period
- ✓ Reusable which can lower average cost
- ✓ Easy to use, high efficiency
- ✓ Stable with a high load capacity
- ✓ High recycling value
- ✓ Diversified application
- ✓ Satisfactory surface after removing the formwork
- ✓ No construction waste on site
- ✓ Standardised, suitable for general use
- ✓ Low carbon emission
- ✓ User-friendly support system



COLI has embarked on a number of initiatives to incorporate environmental protection concepts into its day-to-day operations. At the same time, it has launched initiatives within all of the communities that it manages with the intention to better serve society. The Company has promoted green office operations procedures involving all staff while implementing green programmes within numerous commercial projects and residential communities. Besides, it has adopted green procurement best practices, continuously introduced advanced green construction technologies and promoted the use of environmentally-friendly construction techniques and building materials.



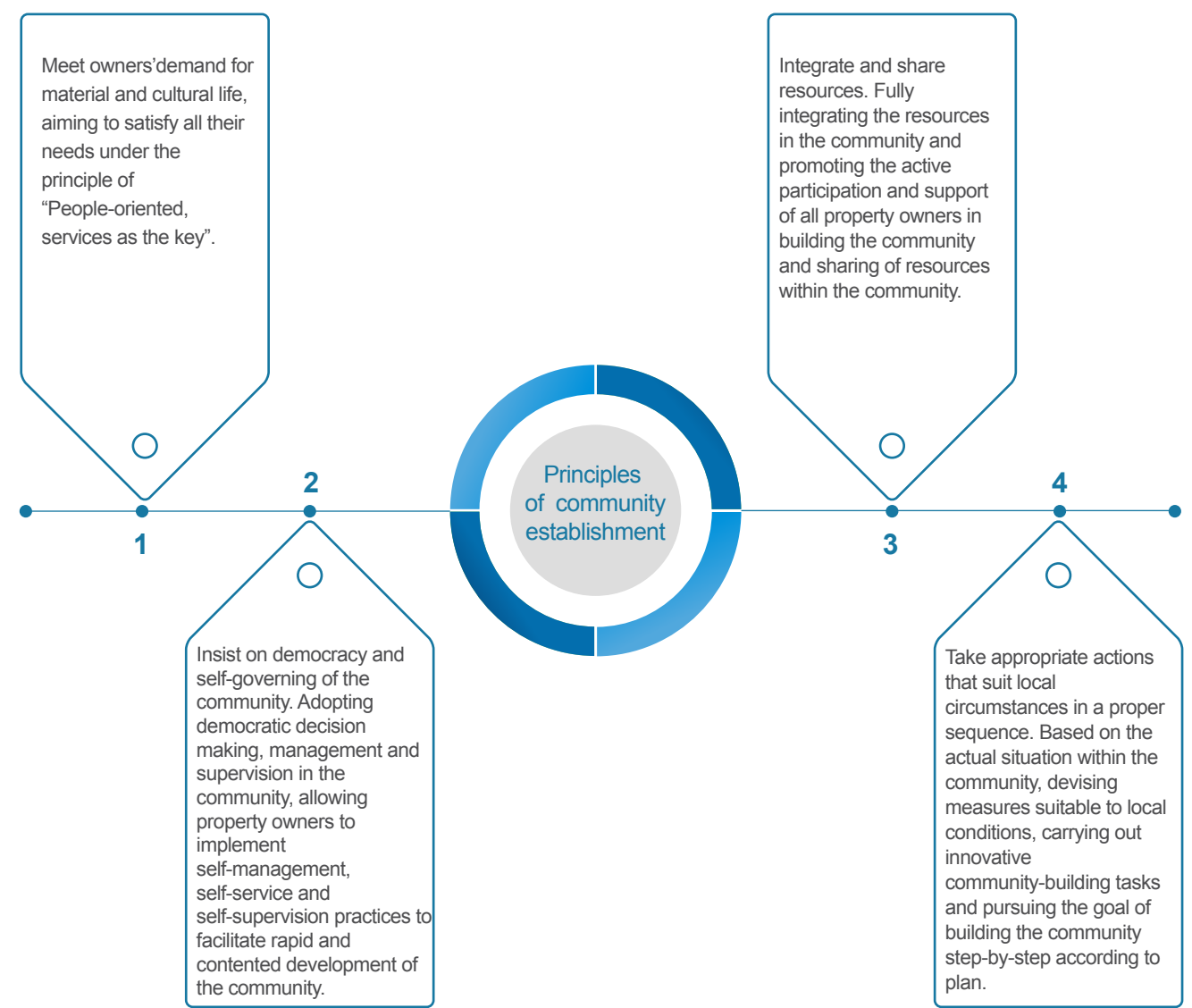


Sustainability
in Community

Community Establishment

Principles of community establishment

COLI leverages its various forces and resources from society to strengthen the functions of those communities, optimise community services and redress community problems. These efforts have helped raise the living quality of the residents of the community and nurture a harmonious community, which are the original and ultimate objectives for establishing the community.



Community Establishment

Activities in the Community



Case study:

The first "Property Owners Festival" of Changchun China Overseas Property Club

In September 2012, the Changchun China Overseas Property Club kicked off the first "Property Owners Festival" with the "Thousand People Walkathon" event. The Festival also featured outdoor film festivals in nine community squares, badminton, ping pong and billiard tournaments with a highlight being the "70s and 80s Retrospective Banquet". The "Property Owners Festival" concluded with a cultural performance joined by a majority of property owners. The Festival lasted for half a month and with nearly 3,000 people participating, and it earned praise from the property owners.

Festival celebrations

Festival celebrations and themed activities for particular festivals, such as Lunar New Year dinner, Mother's Day celebration, tree planting volunteer activity, etc.



540
Frequency



19
Number of cities covered



30,000
Number of participants



119
Frequency



16
Number of cities covered



35,000
Number of participants

Convenience and value-added services

Help property owners to solve problems in daily life, such as fixing home appliances and conducting body checks for free, caring for elderly, etc.

Provide conveniences to property owners by way of paid services, such as selling flowers for the Lunar New Year, helping them lease out car space or property, etc.

Special and innovative activities

Organise cultural activities or innovative activities for property owners by integrating the characteristics of the projects, for example spring outings, summer weekend beer party, community goods transition points, DIY repairs, book fair, outdoor film festivals, etc.



427
Frequency



18
Number of cities covered




65,000
Number of participants

Love and Care for the Youth


Adhering to COLI’ s philosophy of building “eternal and excellent products”, all Hope Schools built by the Company are of high specification and high quality with an investment cost of millions of dollars for each school, thus the local Hope School typically offers the best hardware in its vicinity. Among these schools, the investment cost of Xinjian Special Education School in Dujiangyan exceeded HK\$30 million, while China Overseas Sanxia Hope School was honoured as “The Most Beautiful Hope School in China.”

Progress on China Overseas Hope Schools


Completed and commenced service




China Overseas Qinglong Hope School
(Hanzhong, Shaanxi, 2005)




China Overseas Sanquan Hope School
(Nanchuan, Chongqing, 2007)




China Overseas Xinhua Hope School
(Changchun, Jilin, 2008)




China Overseas Sanxia Hope School
(Yunyang, Chongqing, 2009)




Xinjian Special Education School in Dujiangyan
(Dujiangyan, Sichuan, 2009)



China Overseas Shaling Hope School
(Shenyang, Liaoning, 2010)




China Overseas Jinfeng Hope School
(Yinchuan, Ningxia, 2012)




China Overseas Dougou Hope School
(Ji'nan, Shandong, 2012)

Under construction



China Overseas Majin Hope School
(Kaihua, Zhejiang)



China Overseas Ruanling Hope School
(Huaihua, Hunan)

Love and Care for the Youth



Case Study:

The 2nd Care for Autism Children Event in Dalian

The Dalian China Overseas Property Club has been emphasising special care for autistic children since 2010. By recruiting teenage volunteers, the Club has held a large scale “Opening a Closed Heart”event, “Let Love Fly” Care for Autistic Children event and “Love is All Around” visit featuring daily visits and charity events.

On 10 June 2012, the Dalian China Overseas Property Club organised a large scale event entitled “Pass On Love, Company of Growth - Care for Autistic Children” at the Violet Palace. At the event, 20 groups of families with autistic members arrived at the Sales and Marketing Center at the Violet Palace to make kites with the property owners of the Violet Palace, visitors, volunteers and the voluntary group of China Overseas Property Club and unveiled the creative “Magic Balloon”. During the event, business alliances prepared a three-layer cake and the Club presented gifts of soft toys to the children to surround them with love.



Case Study:

China Overseas Little Angel Art Festival

In late May 2012, the Changsha office collaborated with News Channel of Changsha TV Station and 105 News Radio Station of Changsha to hold an activity to select little actors for the microfilm “Little Angel of the Micro Era”. The young candidates had to participate in a personal talent show in the open selection, semi-final and final-selections, which attracted children from more than 20 kindergartens (nearly 1,100 households) in Changsha. The 20 “little angel” finalists then received professional host and performance training and then played roles in the microfilm produced by Changsha News Channel. The activity has not only helped nurture children to become the future star but also fostered an unique parent-child bonding experience to the participating families.

Charity Fund

Guided by its CSR strategy, the Company's development efforts are executed as systematic operations on the basis of company policies. In this regard, the Company has registered the "China Overseas Charity Fund Limited" and its brand slogan "The Sea has no Limit and Love has no Boundary". The Company has formulated a mid- and long-term development plan for CSR and outlined a blueprint for its sustainable development, with community development, teenager education and charitable donations as the three main areas of focus.

As for community development, the Company is leveraging its expertise as a property developer and participate in affordable housing projects. COLI continues to extend its contribution to the building of China Overseas Hope Schools in Mainland China as well as to strengthen its long-term partnerships with non-profit organisations through involvement in fundraising, and community and education events in order to continue giving back to society.

| | |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| January | Walk for Millions by The Community Chest of Hong Kong with more than 400 participants. |
| March | Walk for the Environment by The Conservancy Association in Hong Kong with more than 60 participants. |
| April | "China Overseas x TREATS" Mainland + Hong Kong Drawing Competition 2012 with more than 6,700 participants. |
| May | "Charity Walk" by The Hong Kong Island Social Services Charitable Foundation with more than 100 participants. |
| May | Established "China Overseas Garden for Volunteers" in Yuen Long, Hong Kong with more than 60 participants. |
| May and June | Arranged "China Overseas Hope Schools visit 2012" by subsidiaries in Mainland China. |
| July | Groundbreaking ceremony of China Overseas Majin Hope School with Radio and Television Group of Zhejiang Province reporting the event. |
| August | Cooperated with "China Overseas Career Development Workshop" for the first time to hold the Cheers Mate Summer Camp with more than 70 participants. |
| November (until April 2013) | "China Overseas x TREATS" Mainland + Hong Kong Drawing Competition 2013. |
| November | "Wu Zhi Xing" event held by Wu Zhi Qiao (Bridge to China) Charitable Foundation with more than 30 participants. |
| December | Participated BOCHK Outward Bound Corporate Challenge to facilitate the exchange among banking corporations and industry. |
| December | Delivery of China Overseas Dougou Hope School and China Overseas Jinfeng Hope School. |



Case Study:

Cheers Mate: China Overseas Summer Camp for Mainland & Hong Kong Youth 2012

"Cheers Mate: China Overseas Summer Camp for Mainland & Hong Kong Youth 2012", a large scale cultural exchange event for the youth, was successfully held between 1-6 August 2012. The camp site was located at Geleshan National Forest Park in Chongqing. The delegation for the Summer Camp included 51 members, comprising students and teachers from six of the China Overseas Hope Schools and student representatives from Hong Kong.

Held at the same time as the London Olympic Games, the Summer Camp set "Integrated Sports Tournament" as its theme. At the opening ceremony, all of the participants paraded into the site, swore to an oath, received a flag from the leader and sang camp songs. These, coupled with a series of non-competitive activities, enabled the students to realise the objective of "friendship first, competition second" and put the spirit into action. The pioneering cooperation with "China Overseas Career Development Workshop" has not only facilitated cultural exchanges, but has also achieved the interaction and penetration between a charity brand and a human resources brand. Three of the students from Hong Kong and China were interviewed by the Chongqing media to share their experience and what they have learnt.



Staff Voluntary Service

Through various charitable events including “Summer Camps”, “Visits” and “Drawing Competitions” for China Overseas Hope Schools, COLI aims to encourage staff to actively participate in the charitable events held in their cities and make a contribution to fulfilling the Company’s corporate social responsibilities.

Case Study:

Staff Visits

The Shenyang office held the “Love · Let Hope Set Sail” visits in 2012. In addition to giving books, the Company also brought all the love and care from its staff to the children of the Hope School.

Case Study:

China Overseas Library

On 14 September 2012, the library at Ganzhou Dingnan Yangtian Primary School, the first library donated by China Overseas Grand Oceans via the “Bliss · Home” charitable event, was established. The staff made voluntary donations and contributions of books, as well as donating educational materials and sports equipments. They also opened a charitable event page on the intranet for book donation going forward.

Case Study:

Teacher’s Day Sharing Session

On Teacher’s Day 2012, 17 volunteers of the Chengdu office paid a visit to Xinjian Special Education School in Dujiangyan to take part in the 2012 Teacher’s Day event. These dedicated volunteers provided an exemplary demonstration of the responsible character of the China Overseas employees through giving care and love to the disabled students and extending their appreciation to the dedicated special education workers.



Construction of Affordable Housing

As far back as 1987, the construction business under COLI participated in the erection of Tsui Ping Estate in Hong Kong. Since then, the Company has also witnessed first-hand the expansion of Hong Kong’s public housing through participating in many public housing projects of the Hong Kong Housing Authority. As at the end of 2012, China Overseas Property has invested in the construction of affordable housing with a total area exceeding 1,000,000 m² in Beijing, Qingdao, Shenzhen, Lanzhou and Nanning in Mainland China. There are four principal types of affordable housing units, namely low-rent housing, public rental housing, economical housing and commodity housing, each designed to meet the residential needs of different people.

| Cities | Projects |
|----------|----------------------------------------------------------------------------------------------------------------|
| Beijing | Restricted price property project in Liuquan, Huaxiang, Fengtai District Old CityA1/2/D/D Residence Nine |
| Qingdao | International Community (Land Parcel 3, 4#) No.28 Hangzhou Road Project (Temporary name) Crystal Palace |
| Shenzhen | Southern Garden Fairview Park |



| Major measures of product planning and design are listed as below: | |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| 01 | Rational layout to save area, but still in compliance with the requirements on insolation, ventilation and distance between buildings. |
| 02 | Independent community but with convenient property services and management. |
| 03 | Precise and efficient layout of units to reduce waste of space, and enhance capability to build more units within authorised areas. |
| 04 | Different areas allocated for different functions to maximise utilisation of living space, making it more comfortable. |
| 05 | Comprehensive recreational facilities and attractive landscape design to provide a leisure-enhanced and comfortable living environment. |



Construction of Urban Charity Facilities

Case Study:

Shenzhen Contemporary Art Center and Urban Planning Exhibition Hall

Shenzhen Contemporary Art Center and Urban Planning Exhibition Hall (the “Halls”) are located at the northeastern section of Civic Centre in the heart of Shenzhen. It is the latest key infrastructure project on the axial line of Shenzhen. This landmark building occupies around 30,000 m², with a total gross floor area of 87,800 m². It is to stand 40 meters tall comprising five storeys, with two added storeys of basement. COLI secured the right of construction and operation of the Halls in 2012. The project is expected to be completed and commence operation in 2016, and it will be opened to the public free of charge.



COLI' s Philosophy of Sustainable Development

Based on its philosophy of “exercise caution in details and implementation, build a strong foundation to seek greater success”, COLI is committed to maintaining high corporate governance standard and top quality in all phases of its operations. Through precisely and carefully managing the entire industry chain from property development to operation, the Company continuously fulfills its corporate social responsibility with an aim to bring the greatest benefit to its own operations, as well as society and the environment.

● Fully ● Partially ○ Not Applicable

| | Index | Description | Section/Explanation | Reported |
|------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------|
| Strategy and Analysis | 1.1 | Statement from the most senior decision-maker of the organization. | Chairman's Message | ● |
| | 1.2 | Description of key impacts, risks, and opportunities. | Chairman's Message | ● |
| Organizational Profile | 2.1-2.2 | Name of the organization.Primary brands, products, and/or services. | About the Company; Quality Assurance | ● |
| | 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | About the Company; Sustainable Management | ● |
| | 2.4-2.5 | Location of organization's headquarters.Number of countries where the organization operates, and names of the countries | About the Company | ● |
| | 2.6 | Nature of ownership and legal form. | About the Company; Sustainable Management | ● |
| | 2.7 | Markets served | About the Company | ● |
| | 2.8 | Scale of the reporting organization. | About the Company | ● |
| | 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | No changes | ○ |
| | 2.10 | Awards received in the reporting period. | About the Company | ● |
| Report Parameters | 3.1 | Reporting period of the provided information. | About the Report | ● |
| | 3.2 | Date of the latest report | About the Report | ● |
| | 3.3 | Reporting period | About the Report | ● |
| | 3.4 | Contact point for questions regarding the report or its contents. | About the Report | ● |
| | 3.5-3.7 | Process for defining report content, boundary and limitations. | About the Report | ● |
| | 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | About the Report | ● |
| | 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols. | About the Report | ● |
| | 3.10 | Explanation of the effect of any restatements of information provided in earlier reports. | No changes | ○ |
| | 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | No changes | ○ |
| | 3.12 | Table identifying the location of the Standard Disclosures in the report. | G3.1 Content Index | ● |
| | 3.13 | Policy and current practice with regard to seeking external assurance for the report. | NO external assurance was adopted for this report. | ○ |

● Fully ● Partially ○ Not Applicable

| | Index | Description | Section/Explanation | Reported |
|-----------------------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------|
| Governance, Commitments, and Engagement | 4.1-4.3 | Governance structure of the organization; whether the Chair of the highest governance body is also an executive officer. Number and gender of members of the highest governance body that are as independent and/or non-executive members. | Corporate Governance Annual Report 2012 | ● |
| | 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | Corporate Governance Employee Communication Mechanism | ● |
| | 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | Operational Philosophy and Values | ● |
| | 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | Green Properties | ● |
| | 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies * Participates in projects or committees; * Provides substantive funding beyond routine membership dues receives extra fund apart from general membership's privilege; or * Views membership as strategic. | Green Properties | ● |
| | 4.14 | List of stakeholder groups engaged by the organization. | Stakeholders Engagement | ● |
| | 4.15 | Basis for identification and selection of stakeholders with whom to engage. | Stakeholders Engagement | ● |
| | 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | Stakeholders Engagement | ● |
| | 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | Stakeholders Engagement | ● |
| | | | | |
| Economic | EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | About the Company; Sustainable Management Annual Report 2012 | ● |
| | EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | Sub-Contractor and Supplier Management Green Procurement | ● |
| | EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | Stakeholders Engagement Sustainability in Community | ● |
| | EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | Stakeholders Engagement Sustainability in Community | ● |

● Fully ● Partially ⊕ Not Applicable

| | Index | Description | Section/Explanation | Reported |
|-----------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------|
| Environmental | EN5 | Energy saved due to conservation and efficiency improvements. | Sustainability in Environmental Protection | ● |
| | EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | Quality Assurance Sustainability in Environmental Protection | ● |
| | EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | Quality Assurance Sustainability in Environmental Protection | ● |
| | EN11-E15 | Biodiversity | The company has not invested or developed any projects in ecologically protected areas. | ⊕ |
| | EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | Quality Assurance Sustainability in Environmental Protection | ● |
| | EN26 | Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation. | Each and Every Detail Customer Service | ● |
| | EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | Each and Every Detail | ● |
| Social: Labor Practices and Decent Work | LA1 | Total workforce by employment type, employment contract, and region, broken down by gender. | Staff Development | ● |
| | LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region. | Staff Development | ● |
| | LA10 | Average hours of training per year per employee by gender, and by employee category. | Staff Development | ● |
| | LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Staff Development | ● |
| | LA14 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. | Staff Development | ● |
| Social: Human Rights | HR4 | Total number of incidents of discrimination and corrective actions taken. | No incidents of discrimination were reported in 2012. | ⊕ |
| | HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | Each and Every Detail | ● |
| Social: Society | SO9 | Operations with significant potential or actual negative and positive impacts on local communities. | Sustainability in Community | ● |
| | SO10 | Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities. | Sustainability in Community | ● |

● Fully ● Partially ⊕ Not Applicable

| | Index | Description | Section/Explanation | Reported |
|--------------------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------|
| Social: Society | SO2 | Percentage and total number of business units analyzed for risks related to corruption. | Anti-corruption Mechanism | ● |
| | SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | Anti-corruption Mechanism | ● |
| | SO4 | Actions taken in response to incidents of corruption. | Anti-corruption Mechanism | ● |
| | SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. | No lawsuits were received in 2012. | ⊕ |
| | SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | No penalty was received during the reporting period. | ⊕ |
| Social: Product Responsibility | PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | Quality Assurance | ● |
| | PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. | Quality Assurance | ● |
| | PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | Quality Assurance | ● |
| | PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | Quality Assurance | ● |
| | PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | No lawsuits were received in 2012. | ⊕ |
| | PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | No penalty was received during the reporting period. | ⊕ |

Advice and Feedback

Any advice concerning corporate social responsibility report, please contact: 688csr@cohl.com

About quality and service of the product, please contact Customer Relations Department: copclub@cohl.com

About Investors' enquiries, please contact: coli.ir@cohl.com

For more information about corporate social responsibility, please visit: www.coli.com.hk



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