



2013 CHINA OVERSEAS LAND & INVESTMENT LTD.

Corporate Social Responsibility Report

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Co-building of Eternal and Excellent Products

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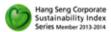
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## **Message from** Chairman

We believe a prerequisite for a listed company to create value effectively and continuously is a sincere appreciation of and support for the community where we work. This prerequisite is also the foundation to fulfill our corporate social responsibility.

During 2013, sales, turnover and profit attributable to equity shareholders of the Company once again climbed to record-setting heights. This outstanding result was attributable to the commitment to our sustainable development strategy. Over the past 12 years from 2002 to 2013, our net profit growth exceeded 20% each year, Over the past five years from 2009 to 2013, the compound growth rate of net profit attributable to shareholders reached 34.7% while the average return on shareholders' funds reached 23.4%. In 2013, COLI continued to be recognized as a constituent member of the "Hang Seng Corporate Sustainability Index" for the fourth consecutive year. Three major international ratings companies (Moody's, Standard & Poor's and Fitch Ratings) assigned COLI the highest rating in the industry with our sustainable development considered as "having stable prospects". For the second time, the Company took the lead within the industry in successfully issuing 30-year US Dollar bonds, which reflected wide recognition of our long-term sustainable development by capital markets and investors alike. As one of the leading property developers in China, we will reward the trust with consistent solid results.

We believe, the mutually development and win-win cooperation with our customers, shareholders, staff, partners, communities and cities, and the effort in fulfilling corporate social responsibilities are the core values of sustainable development strategy for a listed company. To achieve this end, in 2013:

We have continued to attach great importance to the sincere cooperation and mutual growth with more than 5,000 partners along the down- and upstream business chain, in order to ensure that the tens of thousands of material and service contracts in the year were fair, transparent and open. We have stuck to the production philosophy of caring each and every detail, and therefore implemented more than 300 QC inspections in the development stage of every project with the aim to provide quality properties to our customers. We understand that the sheer scale of projects covering 30 million sq. m. under construction and completed projects exceeding 10 million sq. m. have a significant impact on the environment and resources. Thus the Company has continued to enhance the selection and procurement of green building materials and energy-saving equipment, and actively promoted such energy-saving construction technology and green building materials to our business partners.

We have also initiated and implemented low-carbon production in all our projects, while continuously research and launch more green properties.

We believe that harmony in every community is the cornerstone to build a harmonious China. Towards this end, we have organized a series of comprehensive activities including "Lohas Sports Season," "1 June Crazy Children's Day," "Experience Camp for Children of Property Owners," "China Overseas Talent Show," "Charity Donations" and "Tree Planting" across more than 40 million sq. m. of communities and commercial facilities under our management. These activities were aimed across the age spectrum spanning children, youngsters and the retired to share the happiness with more than 200 communities and a million residents to build a harmonious home together.

We are always dedicated to supporting charitable causes, "Caring for The Young Generation" has been the main theme of our charity efforts. In 2013, China Overseas Majin Hope School in Majin Town, Kaihua County, Quzhou City, Zhejiang Province was put into use. The foundation stone was laid for the China Overseas Yuanling Hope School in Madiyi Village, Yuanling County, Huaihua City, Hunan Province, As of late 2013, China Overseas had built 10 Hope schools (one of them still under construction), and had donated more than HK\$140 million for charity, disaster and poverty relief.

Subscribing to the belief that people are essential for our business success, we strive to create a good working environment for our staff, provide competitive remuneration and benefits, and pay great attention to boost the professional value of our personnel through staff training. In 2013, we continued to optimize and improve a serious of programmes under talent nurturing system, namely "Career Development Workshop", "Sons of the Sea Pilot Training Class", "Intensive Training Programme" and "E-learning Academy of COP", to cultivate the talent we need to fuel our business growth while promoting career development of every staff.

We will continue to execute our sustainable development strategy. While striving our utmost to boost our business performance, we will not forget our corporate social responsibility with an aim to achieve our long-term growth.

> Chairman of the Board. China Overseas Land & Investment Ltd.





We believe, the mutually development and win-win cooperation with our customers, shareholders, staff, partners, communities and cities, and the effort in fulfilling corporate social responsibilities are the core values of sustainable development strategy for a listed company.





# **1** China Overseas Land & Investment



# **Operational Philoso- phy and Values**

# Operational philosophy

Excellent Integrity,
Eternal and
Excellent Products

#### Corporate spirit

To Unite Faithfully, To Strive Arduously, To Progress Vigorously, To Demand Rigorously, and To Contribute Actively

# 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

#### Vision

Become a leading property developer, leading the industry through excellence in performance

#### Values

Integrity, Practicality, Innovation, Excellence. To cope with individual's needs by the long-term development of the company





# **Business Structure** and **Network**



#### Property Development: 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 50 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. 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 2013, the Company's total assets reached HK\$296.5 billion. Its accumulated realized property sales and net profit reached HK\$138.52 billion and HK\$23.04 billion respectively in 2013, maintaining its top position in terms of operational efficiency in the industry. As at the end of December 2013, the Company's total land reserves were over 50 million m.

Brand website: http://www.coli688.com



#### Commercial Property: 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 2013, the operational area of commercial property projects spanned  $600,000\,\mathrm{m}^2$ , while the area of projects under construction and earmarked for construction exceeded  $5.8\,\mathrm{million}\,\mathrm{m}^2$ , 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 shareholdervalue and brand value, so as to achieve the objective of generating wealth and sharing resources to create a bright future together for everyone."

Official website for Unipark: http://www.unipark.net.cn/



#### Property Management: 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. In 2013, the Company's property management fee income amounted to HK\$1.77 billion, representing an increase by 33.1% as compared to 2012. GFA under management exceeded 40 million sq m.

China Overseas Property Services Limited is responsible for the property management for Hong Kong properties. In addition to providing excellent property management services to the Company's luxury residential property development projects — No.1 Oxford Road, No. 6 Stanley Beach Road, the Green and the Grandeur, it also provides diversified management services throughout Hong Kong and Macau, including commercial buildings, shopping malls, large estates, public housing estates, private properties, public facilities, entry and exit points as well as military sites. And the China Overseas Property Services Limited in Hong Kong was awarded the "Best Property Services Agent (Safety Management)" by the Housing Department and the "Safe and Healthy Estate with Excellent Performance" Certificate by the Occupational Safety & Health Council in 2013.

Official website: http://www.copm.com.cn/



#### Construction Design: Hua Yi Design



HuaYi Design Consultants Ltd., incorporated in Hong Kong in 1986, has attained "Grade A Architectural Design Qualification" and "Grade A Urban Planning Qualification". Currently HuaYi has ten branches in Shanghai, Nanjing, Wuhan, Beijing, Chongqing, Guangzhou, Xiamen and Chengdu, etc. Boasting of more than 900 top professional designers, HuaYi has the capability and project experience 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 1,400 design projects for construction of a wide range of edifices. It has already won more than 330 outstanding design awards for more than 140 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 2013, new contracts signed by HuaYi exceeded HK\$770 million. Turnover and operating profit amounted to HK\$480 million and HK\$100 million, respectively.

Official website: http://www.huayidesign.com/



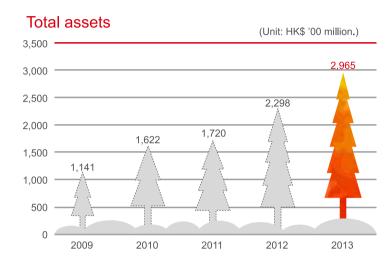


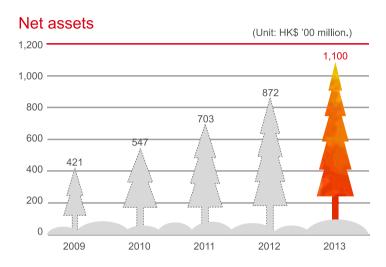


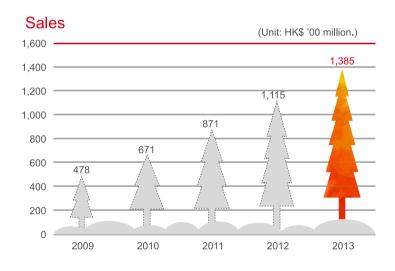


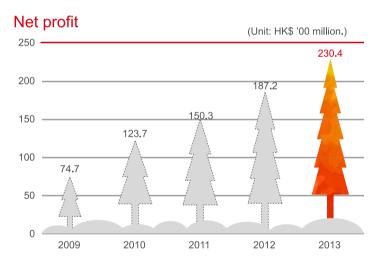


# Financial Performance









The audited profit attributable to equity shareholders of the Company for the year ended 31 December 2013 increased by 23.1% to HK\$23.04 billion. Basic earnings per share were HK\$2.82, an increase of 23.1%. Total shareholders' funds increased by 26.0% to HK\$109.97 billion. Net assets per share were HK\$13.5, an increase of 26.2% on 2012, and average return on shareholders' funds reached 23.4%.

In 2013, the target for contracted sales of properties was exceeded for another record high. Total sales of properties amounted to HK\$138.52 billion, while the corresponding area sold was 9.23 million sq m.There was a cash inflow of HK\$120.4 billion from sales for the Company and the joint ventures, representing a year-on-year increase of 15.2%.

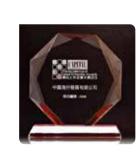
Over the past 12 years from 2002 to 2013, net profit growth of COLI exceeded 20% each year. Over the past five years from 2009 to 2013, the compound growth rate of net profit attributable to shareholders reached 34.7%, while the average return on shareholders' funds reached 23.4%.

# 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.

- Constituent stock of Hang Seng Index
- 10th Anniversary of The Most Respected Companies of China
- Hang Seng Corporate Sustainability Index
- Leading Brand of China Real Estate Companies
- O China Blue Chip Real Estate Developer
- FTSE China 25 Index
- Financial Times Global 500
- O Top 10 Most Influential Brand in Chinese Lifestyle















## **Awards and Honours**

Major Awards in 2013

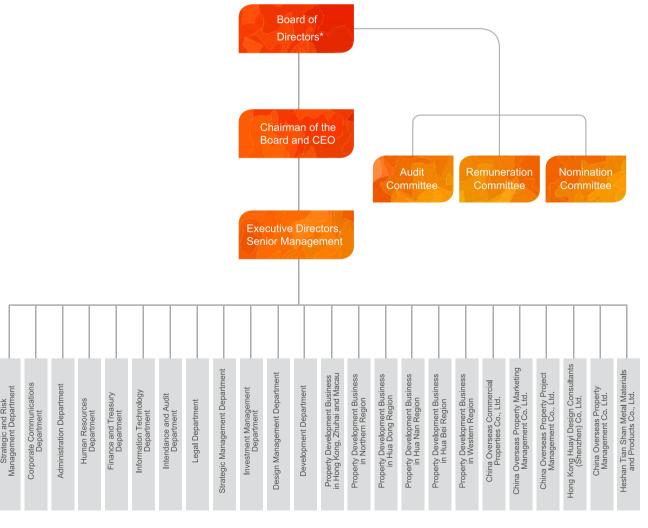
Date of Award	Name of Award	Awarding Organisation
2013.12.19	The Asset Corporate Awards -Titanium Award (Financial Performance and Social Responsibility)	The Asset (Hong Kong)
2013.12.5	Hong Kong Outstanding Enterprises, Outstanding Listed Companies Award, Overall Performance TOP 100	Economic Digest
2013.11.5	2013 China Corporate Social Responsibility Awards on Real Estate Enterprises (Leadership) 2013 China Real Estate TOP 20 2013 Real Estate List Company Award: Best Financial Value	China Business News
2013.10.9	Ranking of Chinese Enterprises in Hong Kong Stock Market : Best Market Value Award	Yazhou Zhoukan (Hong Kong)
2013.9.17	No.1 in 2013 Chinese Real Estate Enterprise Brand Value TOP 50 No.2 in 2013 Best Employer in Chinese Real Estate TOP 30	China Real Estate Research Association, China Re Estate Association, China Real Estate Appraisal
2013.9.12	Leading Brand of China Real Estate Companies Brand value amounted to RMB 29.74 billion, No.1 in the industry	Enterprise Research Institute of Development Research Center of State Council of P.R.C, Institute of Real Esta Studies of Tsinghua University, China Index Academy
2013.8.24	2013 Most Valuable Chinese Real Estate Enterprises Ranking: Annual Corporate Citizenship Award, Value Real Estate Enterprise Award	National Business Daily
2013.8.20	2013 The Best Board of Director of Listed Companies in Hong Kong	Moneyweek
2013.7.29	2013 China Outstanding Real Estates: Blue Chip Real Estate Award	Economic Digest
2013.7.26	2012 China Best Employer: TOP 50 2012 China Best Employer: Best Employer in Property Industry	ChinaHR.com
2013.6.26	China Blue Chip Real Estate Developer (No. 1 for the tenth consecutive year)	The Economic Observer, Sina Leju
2013.6.20	Corporate Governance Asia - Asia's Outstanding Company on Corporate Governance 2013	Corporate Governance Asia
2013.5.31	Mainland China Real Estate Companies listed in Hong Kong: Top 10 Overall Ranking -No.1 in Top 10 Wealth Creating Capability, No.1 in Top 10 Financial Stability, No.1 in Top 10 Investment 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
2013.5.23	No.4 in 2013 China Real Estate Listed Companies Top 100 Ranking	China Real Estate Research Association, China Re Estate Association, China Real Estate Appraisal
2013.3.29	No.4 in China Real Estate Companies (Overall Performance) Top 10 No.1 in Top 10 Profitability, No.1 in Top 10 Stability	Enterprise Research Institute of Developme Research Center of State Council of P.R.C, Institute Real Estate Studies of Tsinghua University, Chir Index Academy
2013.3.13	Top 1,000 Chinese Enterprises in the Globe: Best Results Enterprise Award Best Real Estate Company Award	Yazhou Zhoukan (Hong Kong)
2013.1.23	2012 China Best Employer Award TOP100	Peking University, Zhaopin.com

# **Corporate Governance and Supervision**

**Organization Chart** 

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. Thus the Company has always been dedicated to pushing forward and improving corporate governance standards at three levels

- (1) Ensure COLI and its subsidiaries comply with respective laws, regulations and ethical codes.
- (2) Use the corporate governance principles as guidance for the Company to enhance its competitiveness and increase stakeholders' value.
- (3) Continue to improve operational management systems and mechanisms to secure the interests of different stakeholders group.

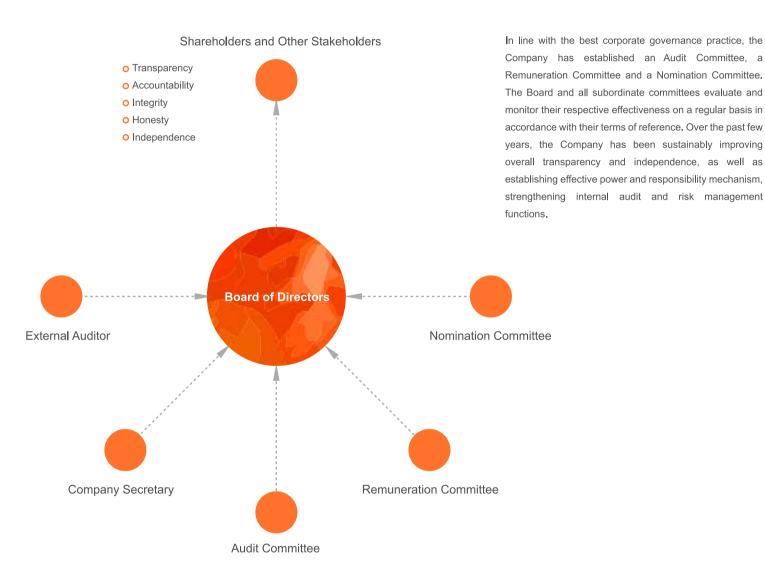


<sup>\*</sup>As at 13 March 2014, the Board of Directors consists of seven executive directors, one non-executive director and four independent non-executive directors.



# **Corporate Governance and Supervision**

**Board of Directors** 



The Board is responsible for leading Company's development, establishing the Company's strategic goals, by formulating overall strategies and policies of the Company to ensure the availability of financial and other resources necessary for the Company to achieve pre-set strategic goals. The Board is also responsible for performing the Corporate Governance duties set out in the terms of reference in Code Provision D.3.1 (include the determining of the corporate governance policy of the Company) and supervising the work of the management and reviewing business performance of the Company.

During the year, the Company has four Independent Non-Executive Directors which is a sufficient number representing at least one third of the Board (including twelve directors), and one of them has appropriate professional qualifications or accounting or related financial management expertise. The Board believes that the balance between Executive and Non-Executive Directors (including Independent Non-Executive Directors) is reasonable and adequate to provide sufficient checks and balances to safeguard the interests of shareholders, other stakeholders and the Company. Besides, the board composition is well diversified to bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions to corporate issues and establishes a good base for the sustainable development of the Company.

# **Corporate Governance** and **Supervision**

**Investor Relations** 

Communication with shareholders and investors is a top priority for COLI, who is happy to listen to suggestions and answer any queries that might be raised. We have been and will continue to be committed to enhancing the transparency of Company information, with a view to improving our governance standards and our ability to deliver value to shareholders.

The Company handles investor relations through its Corporate Communications Department, which applies a multi-dimensional platform for information dissemination and communication with third parties. Through the Company web page, emails, the project visit appointment system and investors' meetings (by way of interviews, phone calls and video conferences, etc), we provide instant response to the requests of shareholders and investors. The frequency and effectiveness of our communication initiatives has been improving, while feedback from the capital market has also been effectively furnished to the management. Starting January 2013, the Company has revised the format of its operating information briefing to disclose monetary amounts and GFA in property sales for which contracts have not been signed, thereby further enhancing transparency and maintaining its leading edge in terms of the quality of information disclosure.





During the year, the Company organised analysts' meetings in respect of its interim and annual results announcement, which were simultaneously broadcasted to investors worldwide. The Company also held more than 20 investors' meetings, company visits for close to 300 visitors, close to 500 telephone conferences and 205 Company visits to our property projects with more than 1,100 investors participating.



# **Corporate Governance and Supervision**

**Anti-corruption Mechanism** 

COLI has created and nourished a corporate culture characterized by integrity and self-discipline, with the aim to discover and address the problems and weakness in the Company's operational management procedures in a timely fashion and to prevent dereliction of duty or improper fulfillment of responsibility on the part of staff of all levels. To keep abreast of the prevailing corporate management trends, the Company has set up a dedicated department for supervising efficiency since 2006 in order to broaden its internal and external reporting channels and enhance its internal and external supervision.

By implementing a range of measures such as education on eliminating corruption, strengthen a sound supervision system and enhancement of reporting and accountability mechanisms, continuously standardize the Company's decision-making procedure and establish a working mechanism so that staff are restricted and supervised by each other. At the same time, continue the attitude building, risk warning and awareness of anti-corruption strengthening within all the business units, so as to protect the Company's financial and management benefits.





#### China Overseas Tour for Integrity

Starting from May 2013, subsidiaries of COLI have actively participated in the China Overseas Tour for Integrity, a campaign organized by its parent company, China Overseas Holdings Limited, aimed at creating a distinctive corporate-wide approach to maintaining professional integrity. With the theme of "Enhance Corporate Style, Listen to General Staff, Maintain a Clean Culture", the program has been implemented in the form of thematic democratic meetings. This method provides a channel for general staff to express their difficulties and problems and is intended to take actions to improve corporate culture, save costs and enhance work efficiency. Since the introduction of the campaign, the culture of "building honesty, promoting integrity, enhancing efficiency and honoring credibility" has become the norm across all regional companies. Many staff have utilized a variety of ways such as videos, songs, posters, cartoons and e-books to promote and spread the civilized virtues and integrity culture including honest operation, professional integrity, energy conservation and environmental protection, injecting new vigor into the Company's work style and corporate culture.

Website for this specific theme: http://zhqfx.cohl.com/









#### Internal Mechanism

# Education on eliminating corruption

Nurture the awareness and conduct regular education activities

#### System restrictions

Set up rules to ensure a sound system and procedure

Reporting and

Enhance supervision and

Enhance accountability

Ensure strict implementation

of accountability system

investigation

monitoring

#### **Specific Measures**

- Promote upright behavior of self-discipline among all staff under the "Staff's Code of Conduct"
- O Publish and distribute "Anti-corruption Comics" materials
- O Publish and distribute "Anti-corruption and Efficiency" materials
- O Publish and distribute illustrated literature on enterprise risk prevention
- O Send anti-corruption text messages through mobile phones
- Include anti-corruption content in corporate culture
- O Supervise the strict implementation of "Three Key Issues and One Influential Issue"
- Establish Risk Prevention Strategies
- O Implement Separation Management Mechanism of Interest-conflict Positions
- O Establish and implement Policies on Conversation with Integrity and Efficiency
- O Establish and implement Grievance Mechanism
- Establish and implement rules and regulations in relation to assessment and enforcement of an accountability system for upholding personal and business integrity
- Issue tender management open letter: include a written document to remind participants that company staff are prohibited from accepting gifts or other benefits, as well as providing complaint and reporting channels.
- An official probity agreement should be signed together with the contract to prevent any and all kinds of improper conduct and to safeguard the interests of all parties
- O Management to sign an official integrity agreement document
- o Establish records for all management staff in relations to corruption issues
- O Push through regular supervision aimed at efficiency
- O Conduct supervision and investigation on specific cases
- O Promote anti-corruption and self-discipline through related publications
- Staff Satisfaction Survey covers investigation of the satisfaction towards the extent of management integrity
- O Business Partner Satisfaction Survey
- Publicly announce the telephone hotline and e-mail address for complaints, and accept complaints reported by different parties
- Implement provisional regulations on accountability procedures
- "Management Procedure for Qualifications of Top Management Members of Regional Companies", "Management Procedure for Qualifications of Middle Management Members of Regional Companies" etc, clearly state the veto power of serious responsibility of integrity and self-discipline.
- The assessment system of all managerial levels clearly states the responsibility of integrity and self-discipline.

#### Coverage

All staff of subsidiaries

All subsidiaries

Medium-to-senior management of all subsidiaries

All subsidiaries

Medium-to-senior management of all subsidiaries

All subsidiaries

All subsidiaries

Business partners

Business partners including contractors, material suppliers,design companies, marketing and advertising agencies, etc

Medium to senior management of all subsidiaries

All subsidiaries

Business partners

All Stakeholders

All staff of all subsidiaries



## **Stakeholders Engagement**

**Expectation and Requests** Methods of Communi-Responsible Units Expectation and Requests Methods of Communications and Feedback cations and Feedback Information transparency Information disclosure China Overseas Property Marketing Management Co., Ltd. Fulfilment of promises Sincere cooperation China Overseas Property Project Management Co., Ltd. ● Integrity and fulfillment of promises ● Open and fair sale Win-win cooperation Mutual visits by senior Strategic Management Department O High-quality products Quality control management Legal Department Sharing of resources Attentive services and experience
 Satisfaction Survey Administration Department Regular meetings Open and fair procurement Design Management Department Opinions and complaints handling Open complaint channels Regular inspections Mutual development Customer Relations Department Confidentiality of customer
 China Overseas Property Management Co., Ltd. O Privacy protection Negotiations and interaction Expectation and Requests Methods of Communi-Expectation and Requests Methods of Communications and Feedback Compliance and legal C Legal compliance Business partners Customers/ Mutual growth Product design and Design Management Department Fulfilment of tax obligation development Property owners Timely tax payment O Participation in the urban China Overseas Commercial Properties Co., Ltd. O Asset value enhancement community development Participating and driving Proper governance and Huayi Design Consultants Co., Ltd. urban development O Win-win cooperation O Enhance urban image operation China Overseas Property Management Co., Ltd. Responsive to government Cities Government Performance reports and Legal Department public consultation Expectation and Requests Methods of Communi-Methods of Communi-Responsible Units Expectation and Requests **70**: 101 cations and Feedback cations and Feedback Collaborative development Co-building of enduring and China Overseas Property Project nformation disclosure- Timely disclosure of Management Co., Ltd. operating information excellent products Community and transparency O Boost employment Investors Local recruitment China Overseas Property Marketing Returns on investment Enhancing operational O Public welfare and Management Co., Ltd. efficiency Participation in the O Protection of interests Administration Department Maintaining good investor community development O "Go green" Management andcontrol relations Construction of affordable Customer Relations Department of operating risks **Employees** China Overseas Property Management Labour Public welfare initiatives Expectation and Requests Methods of Communications and Feedback Methods of Communi-Expectation and Requests Responsible Units Equal opportunity Open recruitment cations and Feedback O Democratic management Collective decision making
 Staff Association Employment opportunities
 Protection of interests China Overseas Property Project Management Co., Ltd. O Health and safety Protection of interests O Health and safety Implementation of labour contracts Legal Department Benefits Implementation of labour O Labour protection contracts Finance and Treasury Department O Career development Education and training O Caring for people

#### Create employment opportunities

Responsible Units

Management Co., Ltd.

Management Co., Ltd.

Legal Department

China Overseas Property Marketing

China Overseas Property Project

Strategic Management Department

Intendance and Audit Department

Administration Department

Responsible Units

Finance and Treasury

Investment Management

Intendance and Audit

Responsible Units

Corporate Communica-

Intendance and Audit

Responsible Units

 Benefits and caring for employees

Human Resources Department

Administration Department

Department

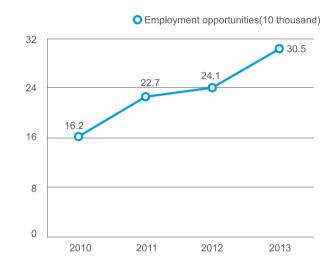
Administration Department

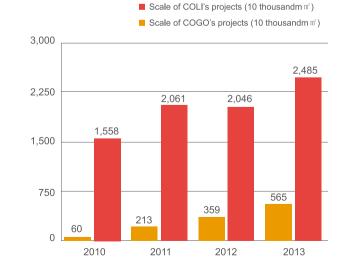
Department

Department

Department

From 2010 to 2013, the scale of COLI's projects has steadily expanded, with the annual scale of projects under contraction amounting to 16,180,000 m<sup>2</sup>, 22,740,000 m<sup>2</sup>, 24,060,000 m<sup>2</sup> and 30,500,000 m<sup>2</sup> 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 four years were 162,000, 227,000, 241,000 and 305,000, bringing a huge collateral value and benefit to the society at large.







# **Staff: People-oriented Sustainability**

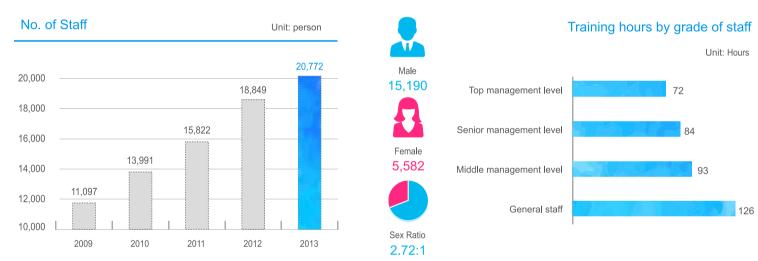
COLI has maintained its strategic focus on human resources management and has assumed the social responsibility of cultivating industry talents. Through creating and maintaining two human resources approaches - "Sons of the Sea" and "Sea's Recruits", the Company has continued implementing its human resources strategy by "providing internal training and promotion opportunities" for key positions, establishing its position as a "Whampoa Military Academy" in human resources for cultivating industry talent.

# **Overview**

COLI serialized and branded industry talent nurturing program comprises the "Career Development Workshops", "Pilot Training Class", "Career Foundation Program", "Professional Workshops for Managers", "Training Camp for Potential Employees" and "Motivation Workshop for Senior Management," complemented by its E-learning Academy of COP, a knowledge sharing learning platform. The program has made the Company a pioneer enterprise in emphasizing protection of intellectual property rights in human resources management, talent selection and brand development in China. It has also established an optimally structured talent pool on an appropriate scale given its size.

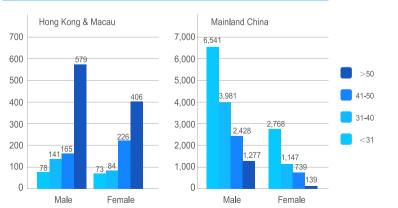
Building on the foundation of solid human resource infrastructure and talent pool management, the Company adhered to the sound system and culture already in place, while seeking to achieve a balanced development of staff, quiding employees to incorporate their personal goals into the long-term corporate development objectives, resulting in a simple, transparent, positive and promotional working environment. The Company has also continued to optimize its appraisal, remuneration and welfare procedures, improve the office environment and organize different recreational activities to boost staff satisfaction and nurture their sense of belonging.

Its outstanding performance in talent development and corporate governance has garnered for the Company the honors of "Best Employer in China" and "The Most Respected Company" for several consecutive years.

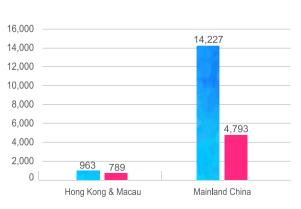








#### No. of Staff by gender and region Unit: person



As at the end of December 2013, COLI had 20,772 staff, of which more than 90% were working in Mainland China. There were 3,776 staff in the property development division in the PRC, of which 3,135 staff or 83% with bachelor's qualifications or higher. The average age of the staff force was 32 with an average 9.3 years of working experience and 3.9 years of service within the Company.





The Company has constantly built its talent nurturing system which features a number of distinctive features.



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. 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.

Sons of the Sea Career Foundation Progra Youth Action **Pilot Training Class** Career Development Workshop

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. In 2013, more than 350 outstanding graduates from leading universities in China

were recruited through the "Sons of the Sea" scheme and more than 540 talented staff joined through the "Sea's Recruits" scheme. This recruitment of plentiful human resources effectively met our demand for new staff.

> Job Rotation Acceleration Progra

or Managers

Official website forrecruit:

http://www.cohl.net

Sea's Recruits

Orientation Camp

General Manager and Director Qualification raining Camp for Potential Staf rofessionalism Worksho Professional Workshops 







#### Career Development Workshop

The "Career Development Workshop" is a collaboration project with educational institutions, aiming to select and nurture future industry talents. In 2013, by utilizing the organizational capabilities through the initiatives of the regional offices and autonomy of local companies, the Company targeted outstanding third-year university students and second-year postgraduate students. The talent development included student recruitment and selection options such as the optimization of campus forums, recruitment programs and school exchange seminars, as well as providing centralized courses, organizing project visits, simulated company operations, internships and participating in social charity activities.

The aim was to "participate in the cultivation of talent, implementing matrix-based management, realizing competitive cooperation among teams and, ultimately, commercialization of products through a variety of means. All of these activities can facilitate the career transformation of outstanding college and university students and enrich their corporate experiences, thereby enhancing the image and good reputation of China Overseas Property as a preferred employer.

The "Career Development Workshop" has entered its seventh year in 2013. With "Star Project of Nurturing Talents through Collaboration with Universities" as this year's theme, the project has attracted 237 students from 27 colleges and universities in 12 cities including Shanghai, Nanjing, Hangzhou, Dalian, Xiamen, Xi'an, Ji'nan, Chongqing, Wuhan and Shenyang. This year's workshop lasted for 36 days and has completed 3 national courses, nearly 20 regional courses, 28 campus promotions, 38 research reports and 37 innovative activities, as well as generating 20 briefings, more than 20 videos, more than 700 questionnaires and thousands of photos.



## Case Study



On 9 May 2013, the internal exchange session of Phase 3 of the Workshop in Ii'nan was held at Shandong Jianzhu University. Outstanding students in Phase 1 and Phase 2 of the Workshop who have already joined the company as full-time employees were invited to share and exchange their professional growth with the younger students.



On 18 May 2013, students at the Xi'an Workshop joined the centralized course organized by the Company. The course featured a session entitled "The Control System of the Real Estate Market Price in Long-term Development" by Professor Liu Hongyu, Director of Institute of Real Estate Studies of Tsinghua University.



The Workshop in Xiamen kicked off on 12 May 2013. Apart from launching the promotion and interviews on campus, Mr. Zhou Jingbin, the CFO of the Xiamen office, also participated in face-toface exchange forums with students majoring in finance and accounting at Xiamen University, offering a greater insight into the Company.



Students participating in the Shanghai Workshop visited the Amethyst project on 18 May 2013. Through a close examination of the show flats and the exquisite housing refurbishing standard, the students were able to have a better appreciation of the painstaking effort involved in constructing China Overseas luxury properties.



On 13 May 2013, Phase 6 of the Workshop in Dalian was held at Dalian University of Technology. The participating teachers and students have gained systematic knowledge and an understanding of the Workshop through the China Overseas Career Development Workshop and related forums on how to reach a consensus with enterprises.



On 31 May 2013, students of the Xiamen Workshop participated in the 1 June Community Care Activity "Dream and Home" with the primary students of the migrant school in Siming District, Xiamen. The students of the Workshop spent a joyful Children's Day with the kids through fun-filled "Drawing Our Home," "Sharing Our Dream" and "Expressing Gratitude to Our Parents" activities.



Phase 1 of the Workshop in Shanghai started with a recruitment interview on 13 May 2013. Through small scale campus forums and a mini-assessment center, its goal was to recruit 20 students from Tongji University, Fudan University and Shanghai Jiaotong University to enroll in the Workshop from a pool of close to 200 outstanding college and university students



# 0

#### Sons of the Sea Pilot Training Class

Between 3 and 12 August 2013, 380 Sons of the Sea from across the country gathered in Shenzhen to participate in the 11th "Sons of the Sea Pilot Training Class" which represented their first step in embarking on a career in China Overseas Property. With a theme of "New Age, New Generation, New Journey", this year's commencement featured lessons by the seniors, including military training, quality enhancement, an exchange of views on specific issues, integrated exams and capped off by a graduation celebration dinner. The scheme also fully demonstrated the self-organization, self-management and self-service characteristics of the Sons of the Sea. The participants exhibited their wholehearted involvement in what was its largest commencement session to date. As the largest scale of the Pilot Training Scheme from the past, it was most noteworthy for achieving many "the first time", including setting the theme of incorporating the mission of the Company and the characteristics of the students as a group, establishing the supervision and discussion procedures of the representative meetings of the Sons of the Sea, clarifying the basic development requests by the Sons of the Sea, and debuting their pledge while singing their original theme song. All of these activities have demonstrated in action the youthful vitality and innovative spirit of the Sons of the Sea.



Video: "Because of Dream", Song of the Sons of the Sea



#### Career Foundation Program

The "Career Foundation Program" is a short-term intensive orientation learning and exchange activity devised for new employees of COLI. From 16-31 July 2013, 38 newcomers from the northern regional headquarters and branch offices attended a half-month "Career Foundation Program." Its main themes were "Professional Basic Knowledge Training," "Occupational Skill Training," and "China Overseas Culture Introduction Session." Through nine professional basic training sessions, two exchange activities centered on the main themes, one property basic knowledge and corporate culture competition and a site visit to a quality project, the Program aimed to introduce the Company and its standards of professionalism to the new starters.





#### **Newcomers Training Camp**

From 7-8July 2013, organized by the western regional office, 38 new employees from its regional headquarters, Chengdu, Xi'an, Chongqing and Kunming offices gathered in Chongqing to join a two-day "2013 Sons of the Sea Training Camp: 2012 Probation Assessment and Training Session." The session aimed to ignite the excitement of a new experience for participants, reviewing their performance and progress during the year after joining the Company and exploring new challenges in the future through a range of different activities such as team building, interactive training, and oral debate for becoming permanent staff.



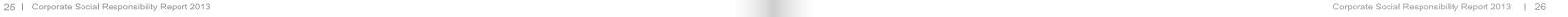




#### Youth Action

To better implement the Sons of the Sea program and enable participants to rapidly and comprehensively understand all aspect of the Company's operations, under the guidance of the human resources department, all subsidiaries have collaborated to establish the "2013 Sons of the Sea: Youth Action" program. Aimed at motivating all new employees to take part in key operations and management of the Company, they have joined different activities from project allocation, expansion of customer base, online promotion for project launches, sales and so on.









### Sea's Recruits Orientation Camp

This is a key component of its "Seas Recruits" program to familiarize new recruits with our corporate culture and business and provide guidance for changes of position and career development.

"I was highly pleased to join the 2013 Sea's
Recruits Orientation Camp organized by the Hua
Nan regional office in September this autumn. It gave us a
chance to experience the culture of the Company and to better
appreciate its development history, so we can better understand
the workflow of property development and all operations from
both my perspective and that of other positions. It was also an
effective platform that enabled staff from different cities,
backgrounds and professions to exchange views. All streams
flow into the sea and we are building our dreams in the
Company as its good reputation as a quality builder
spreads. The event definitely marks a new start
towards achieving our dreams."

--A statement from a new staff from Foshan office



#### Professional Workshops for Managers

The "Professional Workshops for Managers" is a strategic training program to enhance the professionalism and management skills of the recently promoted middle managers, as it is vital for the Company's continued sustainable growth to develop the entire management team.



To help the 2013 Sons of the Sea in the commercial property section to get acquainted with their responsibilities and the Company and boost their professionalism, a system has been set up for staff to rotate across different positions and in this way nurture more talent to be used on its various projects. Under the guidance and arrangement of a commercial property section, the Chengdu commercial property management division welcomed 13 staff from the "2013 Sons of the Sea: Eaglet Scheme" to join a one-month job rotation activity. Through this activity, participants could take part in business recruitment, leasing, marketing and sales operations. They worked in different departments, evaluated a variety of approaches, visited many projects and had access to study materials and attended lessons, examinations and human resources training sessions, while participating in team competition with the mentors' guidance. The program has aided newcomers within the commercial property division to enhance their overall capabilities and professionally grow much faster through experience in different positions.



### Case Study

On 8-9May 2013, more than 30 new department heads and middle management staff from the Hua Nan regional offices came to Guangzhou and attended the two-day 2013 Professional Workshops for Managers. The heads of different operations, as well as professors from Sun Yat-Sen University, and other external expert trainers were invited to conduct lectures for the managers. The workshops also utilized innovations such as salons and discussion sessions to guide participants to expand their horizons from their own professional competence to an expanded management role and enhance their knowledge about overall scientific corporate management and individual case studies.



#### Professionalism Workshop

The "Professionalism Workshop" provides an ideal forum for an exchange of management experiences between different companies of the Company in the same region, thus enhancing its management level. The workshop aims to achieve a balanced complementary development across the different operations in the region, sharing experiences through visits to different projects, sessions sharing success stories and other interactive activities.



## Case Study -



On 24-25May 2013, 36 new staff from the headquarters and offices in the western region joined the inaugural "2013 Sea's Recruits Orientation Camp" participating in courses and training sessions introducing the corporate culture, professional knowledge, role cognition and adoption and career planning, quality enhancement, etc.



From 30June -2July, 2013, the northern region held a three-day "2013 Sea's Recruits Orientation Camp," in which 18 new employees participated from the sales and marketing, contracts, design, finance, engineering and customer service departments that joined the company during 2013.



From 5-7September 2013, the Hua Nan region held the second "2013 Sea's Recruits Orientation Camp." 32 staff from the regional headquarters and offices gathered in Guangzhou and many staff watched the training video. The content of the Camp covered corporate culture, planning and design, project development, sales and marketing, customer services, etc. The event aimed to enhance their knowledge of the Company's corporate culture and boost the team's spirit.











From 23-26May 2013, the northern region held the "2013 Training Camp for Potential Staff." This was the first activity of its kind to be rolled out on a regional basis. A total of 24 staff in the 2008 Sons of the Sea program from six business segments now in the sales and marketing, engineering, contracts and design divisions at the northern regional headquarters and branch offices joined in the training. With the "enhancement of culture," "nurturing of talent" and "learning from the competition" as its objectives, guidance was offered to help them to set up their own career development path and enhance their professional and management skills. Activities included in-depth training conducted by internal and external trainers, case study presentations and analyses, and visits to the Company's quality projects as well as graduation ceremony.







#### Training Camp for Potential Staff

"Training Camp for Potential Staff" is another vitally important program for "nurturing management to rise through the ranks" as part of the Company's talent development system. This particular program arranges for staffs that have worked at COLI for a certain period and have demonstrated outstanding potential to join a short-term training and exchange activity to boost their potential and train them as the leadership vanguard across different operations.



#### General Manager and Director Qualification

To effectively enhance the overall management and leadership capability of general managers and directors at China Overseas Property Management and strengthen the career philosophy of the "change of concepts, bolstering confidence, launching a second start-up," the First China Overseas Property Management General Managers and Directors Qualification Workshop was held on 31 July 2013. 17 staff including general managers of the subsidiaries of China Overseas Property Management, directors of regional managing centers, general managers of the companies in commercial region and general managers of professional companies took part in the workshop which covered "skill set knowledge" and "qualification examinations," careful study of the General Manager Guidebook, a "thesis writing" course and a telephone Q&A session. The workshop has provided an innovative way to facilitate an effective model for nurturing the Company's management staff.



#### E-learning Academy of COP

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

During 2013, a total of 10,072 courses were completed at the E-learning Academy, i.e., 20,712 online learning hours in total (including those still in progress), and every participant completed an average of 21.8 online courses. The number of enrollments actually exceeded the total number of staff by some 90%.



#### **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.

O Small ball group

O Large ball group

Movie group

Reading group

Outings and swimming group

O Fitness and skiing group

Chess, bridge and photography group



#### Annual Staff Satisfaction Survey

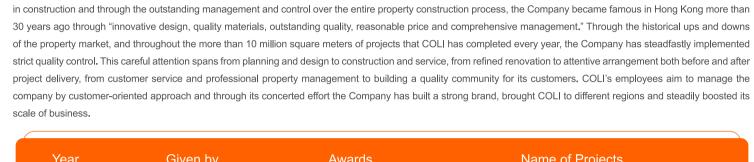
To bolster the Company's management standard and promote the spirit of democracy, COLI has since 2008 been conducting the Annual Staff Satisfaction Survey for all staff of the Company on their satisfaction levels through its intranet platform. Both the participation rate and the satisfaction scores have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

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.



# **Product: Each and Every Detail**

COLI has consistently adhered to its quality product strategy which has aimed to provide expertly designed and well-constructed projects to satisfy the demand of the market and customers. The distinctive excellence and sophistication of its management make the Company stand out from its peers, aided in no small measure by a comprehensive customer services network throughout the entire process as well as professional and individualized service. All of these features have helped the Company to gain the long-term loyalty of



COLI's pursuit of high quality is clearly guided by its project development philosophy of "Each and every detail of each and every project." Leveraging its abundant experience







## **Planning and Design**



#### High Standard and Reliable Quality

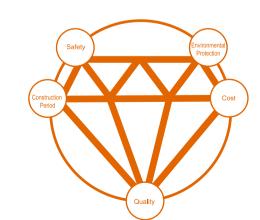
The Company has been achieving "high and trustworthy construction standard" since long time ago. In the 1970s and 1980s before the Company entered the property development business, it had already secured customers in Hong Kong leveraging its construction business. In 1981, the Company obtained the construction 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.

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.



#### 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.





#### Construction Design

Contributing to its consistent success throughout its long history of project development, COLI has been guided by an international vision influenced by a significant component of urban management and planning. The Company maintains three management levels encompassing planning, design and execution. An added advantage of the Company is that it can fully integrate the resources of domestic and overseas outstanding design units, enabling it to provide an in-depth analysis of plot ratio of land parcel and characteristics to calculate the value of project mix so as to maximize its profitability and the benefits to the community at the same time.

Customer demand and satisfaction are the Company's top priority from the planning and design stage, with the aim to create an innovative design, achieve scientific management and pay careful attention to details. COLI's planning has gradually shifted its focus to pure high-rise residential projects, pure villa projects, and high-rise + townhouse/ commercial street projects. To meet the expectations of its customers for a better lifestyle, the Company's projects have adopted a range of styles such as Art Deco, new classics, French, British and modern Chinese styles. To reflect the grandeur of classic design, the Company has carefully considered the profile and proportion to create a node plan and a detailed drawing. The design and layout of property is highly practical and superior materials are also used. This painstaking attention to quality and customer satisfaction has helped us to gain a wide recognition and strong reputation in the market as the Company has also gradually evolved its own distinctive design style.









Art Deco

French

New classics

British

Modern Chinese styles







# **Thorough Quality Control**

#### **Quality 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.

#### Safe Construction

Since 2007, COLI announced Standards for Compulsory Implementation of a Visual Identity System at China Overseas Property's Construction Sites, which has set out clear visual identification rules for site entrances, walls, temporary buildings, safety helmets, tower cranes and construction elevators and standardized the management of construction sites. Moreover, at the system level, the Company has established and clarified the accountability of safety management and has put into place rules for safety checks, special requirements for fire and theft prevention, identified major hazards at projects, implemented contingency measures for project safety and formulated contingency plans for safe production. For projects with greater hazards such as deep foundation pits, high and large formworks and operations at heights 30m and above, it has formulated construction safety plans for specific items, which have been tested and verified by experts. These aimed to ensure safe production of all the development projects and minimize impact of the construction projects on the safety and environment of the surrounding communities. In 2013, 20 projects of the Company were granted 54 quality management and safe construction awards at the provincial or municipal level.

#### Wooden Flooring

In 2013, COLI optimized its central procurement and management of wooden flooring and invited renowned domestic enterprises to submit bids for the tenders. The Company has set quality specifications for raw materials such as wooden flooring base materials, paints and adhesives. It has specified that bidders' product indicators must exceed the national standards, and stressed that formaldehyde emission level of wooden flooring must be better than the national requirements. Besides, the Company has also stated clearly to its business partners that they must establish a sound quality control system covering the entire production chain of their products, including incoming quality of raw materials, production inspection and outgoing quality assurance, to ensure the pass rate of the products attain 100% before official delivery, with the aim to safeguard the interests of both the Company and its customers.

#### Water Heating Components TOTO 科勒KOHLER

To avoid drinking water of the refined renovation projects under the Company from secondary pollution contamination and ensure that property owners in all of its communities can drink and use healthy water every day, COLI, as always, has collaborated with internationally renowned brands in 2013. For example, it has used TOTO and Kohler as centralized water faucet suppliers. The above two brands use production standards for their products that exceed the national standard requirements. The faucet manufacturers of the two brands have also put in place stringent testing procedures for all raw materials. The Company has urged suppliers to attach an inspection report to the faucets that they deliver and to impose quality control measures across the entire process from material sources, production and outgoing products in order to safeguard the purity of customers' drinking water.



#### On-site Measurement

From the perspective of COLI, project quality refers not only to the quality that can be achieved by the construction unit, but also more than 30 years of accumulated actual experience on each and every project detail. Starting from project planning, the Company aims to prevent and eliminate the deficiencies in project design and construction thereby ensuring the quality of projects including functionality of construction hardware and the comfort of residents. On-site measurement is one of the critical means adopted to attain ongoing improvement in the Company's project quality. To boost work efficiency, the Company has simultaneously conducted both on-site measurement and risk assessment.

On-site measurement: COLI has continued to standardize construction quality and the processes and requirements of safety assessment such as procedures, sampling methods, measurement and data processing. It has also provided standard operational guidelines for construction quality and safety assessment so as to eliminate the deviation resulting from manual operation, and conducted quality and safety risk assessment for the projects in progress. The product quality assessment results are promptly passed to the frontline management for them to carry out continuous supervision and make any necessary improvement.

• For the management of contractors, COLI is working to link the mid-term construction fees charged 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 attentive daily management and budgeting which raises the awareness of the importance of quality among the Company's business partners.

O COLI uses objective criteria to evaluate project quality, aiming to enhance customers' satisfaction with the quality of its projects, rather than purely boosting an on-site measurement score. It emphasizes three key components of construction quality: structure, waterproof work and materials. The Company identifies improvement directions through on-site measurement and continually strives to bolster quality and construction management

#### Five-level Inspection and Control System

Group Responsible Unit/ Person Inspection Requirements

#### Contractors Contractors

 100% self-inspection. Timely inspection is carried out according to the progress of the construction

#### O Project Department

- Supervision engineers project engineers O 20% of weekly
- workload, once a weel

#### O Local companies Third parties + quality specialists of

- the Development Management DevelopmentManagement Department of regional companies Department of local companies and project engineers
- O Evaluate whether indicators Q 4% of monthly workload, at least meet the requirements of the quality manual, three times a

Regional companies

- O Development Management Department
- O Revise quality management results, follow up on the progress periodically. coordinate with third parties for on-site measurement, analyze and announce on-site measurement results.

COLI engages an external independent consultancy in conductingsafety risk assessment, which evaluates the projects in progressbased on the most frequently-encountered safety risks and the safetymeasures adopted, and subsequently improve the construction sidewith hidden safety risks. In 2013, three safety risk assessments were conducted on the Company's 94 projects in progress, representing a coverage of 100%. There were no serious accidents throughout the year.

two residential units in each

building once a month



# **Thorough Quality Control**

#### Regular Construction Inspection

COLI continues to bolster the quality management competence of the Management Department, a general contractor unit and the supervision units of the individual projects. The Development Management Department in all regions together with staff from the Customer Relations Department, the contracting units and supervision units conduct regular inspections on the construction site management of all projects. Should they discover problems during inspection, they take photos as evidence of the shortcoming and assign responsible units to quickly improve or correct the issue seriously in order to ensure quality of the project.



Inspection standards: Covering all areas of construction highlighted by zero tolerance and strict enforcement of standards, with a stress on practical efficiency; 100% attainment of the standards and thorough inspections through a pragmatic approach.



Inspection content: Equipment installation on construction sites, management of electricity consumption in the construction, safety management, storage of materials, construction quality, document information management, etc.



#### Win-win Cooperation

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.



### **Customer Service**



#### **Attentive Customer Service**

The customer is the foundation and motivation for the Company's sustainable development and the stimulus for its product innovations. COLI insists on providing customer services throughout the entire process from positioning, planning, construction, sales, flat in-take to post stageproperty 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.

Attentive Customer Servi	ce Specific Measures
Planning and design	<ul> <li>Formulate Customer Relationship Management at all stage of project execution, take consideration of customers' feedback in product design and engage them in the approval process for major design changes.</li> </ul>
rianning and doorgin	<ul> <li>Formulate instructions to highlight the specific points of concern throughout the entire planning of customer service and include customers' feedback in product design.</li> </ul>
Sales and marketing	<ul> <li>To enhance transparency in property sales and purchase, all projects are sold in the sales centre and all adverse factors are publicly announced.</li> </ul>
,	• Participate in the approval of project sales contracts to ensure clear, accurate and fair terms and that properties deliveries are in line with the sales commitments.
	<ul> <li>Set up Customer Relationship Management(CRM) system; manage after-sales services of contractors in order to enhance work efficiency and customer experience through standardizing flat in-take risk assessment and providing quality maintenance services.</li> </ul>
After-sales service	OCOLI 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.
	Provide a range of online and offline customer communication channels for owners to feedback, make complaints and offer suggestions for further improvement, such as property service centres within the community, Customer Relationship Department in the regional companies, property owner forum and media supervision, etc.
Continuous care	<ul> <li>Provide property owners with regular updates on project construction progress, deliver caring SMS during festivals and holidays and invite owners to participate in customer activities through China Overseas Property Club, the customer associations.</li> </ul>
Continuous sais	<ul> <li>Periodically organise entertainment activities, and continue to form business alliances, enrich community life and provide value-added services and offers for resident owners.</li> </ul>
Co-building of Eternal and Excellent Products	<ul> <li>Property companies and property related departments cooperate in initiatives to adjust and study quality and details of projects, improve products and enhance the living experience of property owners.</li> </ul>
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.

# A

### **Customer Service**





#### **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 Teamto 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.

Measures on After-sales Service

During 2013, COLI has constantly bolstered its after-sales service through its Customer Relationship Management (CRM) system:

(1) The Company has emphasized enhancing its capability to deliver projects. All frontline customer service staff of the Company are given iPad-enabled terminals, enabling them to conduct property examinations and more efficiently handle flat-intake procedures for the property owners, promptly and accurately record enquiries and complaints and subsequent follow-up on related issues, as well as introduce a public supervision mechanism. At the same time, with the commencement of inspection modules and platforms for the public areas, the delivery quality of these public areas has improved steadily. During the whole year, some 40,000 property units were delivered covering a total area of more than 8 million square meters.

(2) The Company has commenced a "property maintenance center" service model across the country to serve as its maintenance agent for all of its properties in different regions after official delivery. In this way, the Company can immediately respond to the complaints of the property owners of its communities and quickly address the relevant issues. According to the preliminary statistics, more than 70% of problems raised by property owners were solved within two weeks. At the same time, efficiency and the satisfaction level of after-sales project maintenance works have also improved.

#### **Customer Satisfaction Survey**

COLI has conducted the annual third party customer satisfaction survey in 2013 through sample telephone interviews and surveys of both future property owners and current property owners. The proportion of the sampling was close to 10% and the content of the survey covered all aspects including sales, design, quality, and property management. The system has collected assessments and opinions from the owners, providing the Company with direct customer feedback and at the same time an opportunity to improve the quality of its projects, products and services.

During the whole year, some 40,000 property units were delivered covering a total area of more than 8 million square meters.

#### China Overseas Property Club

The "China Overseas Property Club", an association promoting interaction among property owners at COLl's projects, was established in 2004. Its vision is "Wonderful Livelihood, Remarkable Life." As at the end of 2013, the China Overseas Property Club had branches in more than 30 cities with more than 300,000 members and nearly 500 business alliances.

#### Major purpose:

- 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;
- O To enrich living experience through organising a range of social, charity, leisure and entertainment and sports
- O 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;
- To improve and optimise the products and services of China Overseas Property through collecting feedback from customers



#### Exciting and Diverse Cultural Activities in Residential Communities

In 2013, the Chinese Overseas Property Club in various regions have organized more than 200 activities targeting property owners across a range of age groups and different backgrounds. The themes of these activities covered living, festivals, culture and arts and sports. The Company's headquarters has planned and organized three nationwide activities, including a "Lohas Sports Season" in June, the "Experience Camp for Children of Property Owners" in August and a "Happiness Talent Show" in October. These activities have gained enthusiastic customer participation and achieved significant benefits. Tens of thousands property owners from more than 100 communities in over 20 regional companies were enrolled in these activities. The branding activity "Experience Camp for Children of Property Owners," organized by the Company for four consecutive years, was well-received and was honored with the "Insight of Customers Award" at the "2013 Horizon Golden Bell Awards" held on November 12.







Happiness Talent Sl

Experience Camp for Children of Property Owners

#### Attentive Service for Future Property Owners

In 2013, the China Overseas Property Club in various regions have strengthened their service through the following measures to the future property owners as they are waiting to move in. Deliver and share timely updates of their properties' construction progress via Weibo, WeChat and other channels for future property owners; Invite future property owners to participate in various customer activities in the communities in which their property is located, allowing them to experience the living atmosphere and environment of the community created by China Overseas in advance.

#### Experience Camp for Children of Property Owner

The "Experience Camp for Children of Property Owners" has been a particularly successful community activity organized by COLI. First launched in the China Overseas community in Hangzhou in 2010, the activity has been rolled out to all China Overseas communities across the country with nearly 10,000 children of the property owners participating, becoming the featured activity in the China Overseas communities every summer. The activity mainly targets children of the property owners aged 7-14. In the session "experiencing the posts," the children of the property owners play roles as different property management positions such as "little gardener", "little security patrol" and "little customer service officer", helping them realize the hard work and contribution of property management staff to their comfortable lives and instill the value of hard work of other people contributing to harmonious social relationships. The session of "public classroom" promotes a civilised living concept among the children and teaches them the skills and knowledge to counter theft and fraud and how to prevent and escape from fire, with the aim to enhance their ability to manage aspects of their life independently. Moreover, the Company has also organised a special cultural and arts performance to demonstrate the development and growth of the children, so that their

the children, so that their parents can share their children's experience and rewards from participating in this activity.





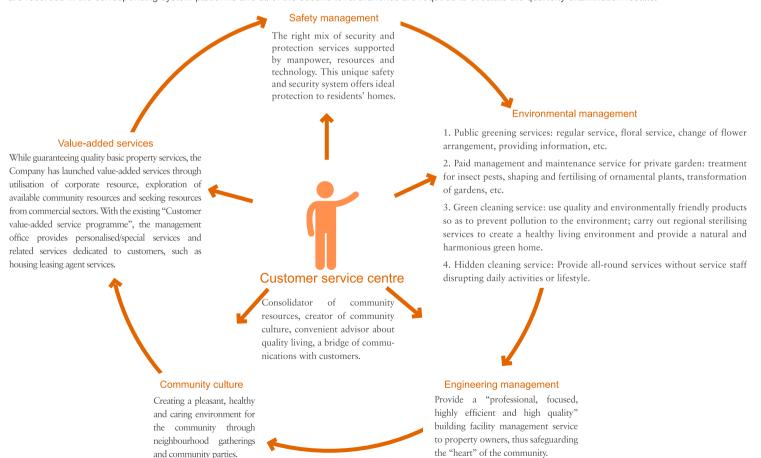
## **Property Services**



#### China Overseas Property Management

All communities under COLI are managed by "China Overseas Property Management" (COPM), a renowned and respected brand in the property management sector. As a pioneer in the China's modern property management business, COPM has been fulfilling its pledge of "Providing superior support and services to all properties" and actively enhancing its service quality. As part of this commitment, in 2013, COPM established an equipment and facilities management platform, a public energy consumption management system, a garden landscape management system and an elevator operation surveillance system, with a view to enhance management efficiency, administrative control and standards of equipment management. The car park management systems of various projects have also been upgraded with the building of an IT-based control platform. Safety and efficiency at car parks has also been improved in order to enhance customer experience with the introduction of a smart car park management.

To ensure property owners' safety and normal daily living, China Overseas Property Management requires its subordinate units of all levels to conduct quarterly safety and health assessments on the properties under their management as well as safety examinations on the facilities and equipment of all projects. The examination results are recorded in the corresponding system platforms and all of the second-level branches are required to circulate the quarterly examination results.



#### **Innovative Property Service**

Quarterly property owner meetings

Facility and equipment room Open Day

Environmental Protection Day

Property Housekeeping Reception Day

Staff Interactive Experience day

General Manager's Mailbox

Opinion box - "My Ideas for a Better Community"

Quality Observer

Home appliances repair specialist





#### O "iCOPM" Service Community

"iCOPM" is an internet platform providing one–stop services set up by China Overseas Property Management through integrating a wide range of commercial resources. Launched in September 2013, this platform is also an important online exchange vehicle offering value-added services of the Company. It aims to offer exclusive convenience and value-for-money services to property owners, including Community Information, i-Mall, Business Alliance and Investment Invitation, thus enriching the living experience of the property owners in the communities created by COPM.

Official website: http://www.icopm.com



#### Publication of the China Overseas Property Management Classic Service Case

To distill and share the Company's property management experience over the years, the headquarters of COPM has collected and analysed classic management cases from various regions, and summarized the lessons learnt. After rounds of screening, selecting and assessing the management philosophy and case studies from various business lines, COPM compiled the China Overseas Property Management Classic Service Case, which was published on 7 April 2013. The whole book is divided into nine chapters, covering advanced concepts, innovative initiatives, industry standards, contingency planning, typical event handling skills and work highlights of the property management industry. The book is intended to help frontline staff to learn from the collective past experience and thus continue to improve service quality.



# ↑ China Overseas Property Management Once Again Earns International Management Accreditations

As China's first property service company to attain the ISO9002 international quality and the ISO14001 international environmental management accreditations, COPM has continuously strived to "Offer Dedicated Services, Bring Excitement to Life" over the years. During 2013, the Company has revitalized the existing standardized tools and embarked on earning three certifications in seven major second-level branches across the country. This initiative has facilitated the alignment of the subordinate units of all levels with international service standards. On 15 November 2013, these branches have once again attained ISO9001, ISO14001 and OHSAS18001 accreditations.



# **Co-building of Eternal** and Excellent Products

#### 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. All expenses incurred in the projects of "Co-building of Eternal and Excellent Products" have been subsidised by the Company proactively. It is a significant investment to reward property owners continuously and to preserve and add value to the communities. The Company is a pioneer in the industry in providing such innovative service to better serve property owners..

In early 2013, facing the actual customer demand across different regions, the Company has kicked off the second round of "Co-building of Eternal and Excellent Products" program, encompassing the upgrade and transformation of the community's living environment at 32 existing projects in 17 regions across the country, with a planned investment of more than RMB60 million for upgrading the security systems and adding more recreational facilities, etc. These projects have been gradually completed and commenced services. To date, the Company has invested a total of RMB76.65 million in the "Co-building of Eternal and Excellent Products" program, with RMB52.65 million invested in the first round and RMB24 million in the second round. More than 60 projects of the Company were covered, benefitting more than 200,000 customers.

Properties in Second Round of "Co-building of Eternal and Excellent Products"

Shanghai	Majestic City	Dalian	Classic Palais, The Prime Manor
Suzhou	Haiyue Garden (Central District), Haiyue Garden (Northern District), Noble House	Changchun	International Community: Orange County, The Summit , Royal Court
Nanjing	The Phoenix	Qingdao	Crystal Palace, Violet Palace
Ningbo	Bellagio, The Manor Park	Chongqing	International Community, The U World
Hangzhou	The Vistera, The Tudor	Chengdu	One Villa South
Beijing	Residence Nine	Xi'an	International Community
Ji'nan	Dragon Manor (Eastern District)	Guangzhou	Blossom Cove
Shenyang	International Community, City Life, Riverside, Center Villa, La	Foshan	Star Crest East
	Cite, COLI City, The Central Villa (Edinburgh)	Shenzhen	Dynasty Court





Over the course of three decades of dedicated efforts, China Overseas Property Management has garnered a range of awards and is widely respected for its professional and attentive service. However, COPM has not been content to rest on its laurels. The project of "Co-building of Eternal and Excellent Products" is a unique edge of the Company that not only improves its property management services but also reconstruction of its physical facilities and amenities. While accomplishing this, it also eventually promotes the healthy development of the entire industry.

——Property Office of Xi'an Property Management Bureau



Since the launch of the project of "Co-building of Eternal and Excellent Products", substantial changes have been implemented in the community so as to provide better services to property owners, including upgraded automatic access control, better tailor-made services and stronger security control. Procedures have been set up and our work has become more standardized and regulated.

——Property Management Center of International Community, Shenyang

To date, the Company has invested a total of RMB76.65 million in the "Co-building of Eternal and Excellent Products" program.



The project of "Co-building of Eternal and Excellent Products" helps each staff participated to better understands professional property management. It lets us to think more when providing services to property owners—What more can be done? What could we do to improve? We learn to step into property owners' shoes, to solve their problems in real life in real time. In turn, our sincere efforts to render service have earned their trust and satisfaction.

——Property Management Center of Top View, Guangzhou



Co-building of "Excellent Products" and "Model Projects" is a win-win situation for the property and property owners alike. Better property service is provided for owners and owners for their part can contribute to creating better property. We then become a big family, sharing similar experiences and ideas as we work together towards the same goal to build a better and happier home together.

----Property owner of Violet Palace, Qingdao



#### Awards and Honours for Projects

Project awards and honours are recognition of the Company's excellence in construction and property development and community management. They are not only a testament to the Company's quality and taste in project planning and design, landscaping, apartment layouts and property management, but also a reflection of value instilled by customer choice. Over the years, COLI has been among the industry leaders in a number of international and domestic projects awards and honours. As of 2013, the Company has received the Zhan Tianyou Award 53 times, including 31 Gold Awards and 22 Individual Commendations, as well as seven China Construction Project Luban Awards and 12 International Property Awards, demonstrating the leading position of the Company's projects.





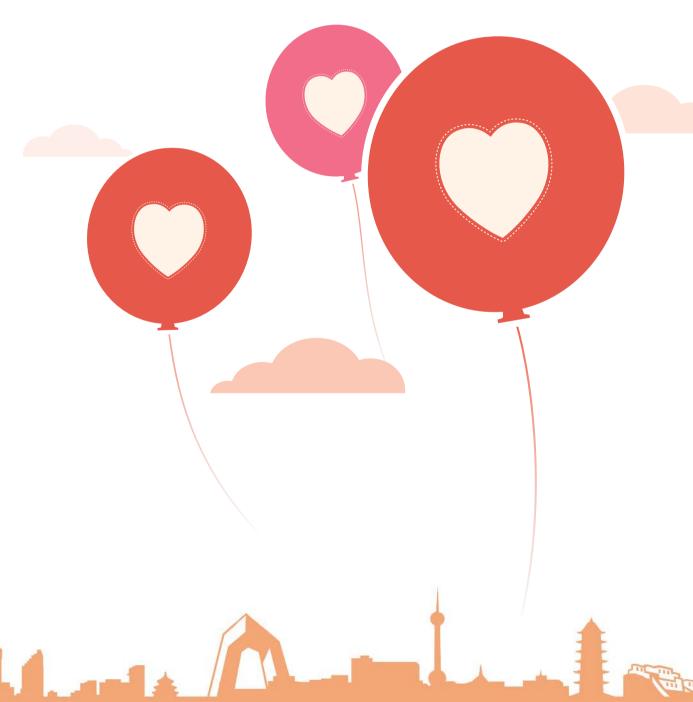
- The Manor Park in Ningbo, Lagoon Manor in Beijing:
   2013 Zhan Tianyou Award Excellent Resident Gold Award
- Edinburgh, International Community in Suzhou:
   2013 Zhan Tianyou Award Excellent Resident Outstanding Project
- Fuhua Lane in Zhuhai:
   Annual Top 10 Design IDEA-KING Award in 2013 International
   Landscape Planning & Design Competition
   2012 Excellent Construction Engineering Award in China
- O The Amethyst in Shanghai
  Shanghai Changfeng Ecological Commercial District Home Construction
  Contribution Award





# Urban Charity: The Sea Has no Limit and Love Has no Boundary

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. COLI and its parent company (China Overseas Holdings Limited) has so far donated over HK\$140 million to disaster relief, education and public charity causes.



The Company made charitable and other donations amounted to approximately HK\$3,800,000 in 2013.

Official website for Hope School: http://school.cohl.com/

Year	Awards	Given By
2013	Most Valuable Chinese Real Estate Enterprises Ranking: Annual Corporate Citizenship Award	National Business Daily
2013	China Corporate Social Responsibility Awards on Real Estate Enterprises (Leadership)	China Business News
2012	China Corporate Social Responsibility Awards on Real Estate Enterprises	China Business News
2011	10th Anniversary of The Most Respected Companies of China	Peking University, The Economic Observer
2010	China New Vision of Real Estate: Top 10 Public Welfare Activities of Brand Property Companies	Sohu.com, Focus.cn
2009/2011	Best Practice Award for Corporate Social Responsibility in China	China Business News
2009	China Property Enterprise: Corporate Social Responsibility Grand Award	Economic Digest (Hong Kong)
2009–2010	Top 20 Real Estate Enterprises of Corporate Social Responsibility in China	China Real Estate and Housing Research Association, The Economic Observer
2008	Promoting the Development of Residential Building Technology Contribution Award	Work Guidance Committee of Residential of Construction of China Civil Engineering Society
2008	Best Living Environment in China for 10 years: Outstanding Contributions Enterprise Award	China Real Estate Business, International Real Estate Trade Organisation
2007	Most Respected Enterprise in China	Peking University, The Economic Observer



# 2013 **Charity Events**



6 January 2013, Hong Kong

#### Walks for Millions of the Community Chest

Walks for Millions of the Community Chest is one of the biggest series of charity events with the longest history in Hong Kong. Since the 1970's, Walks for Millions has been held for more than 40 years and has become a renowned charity brand in Hong Kong. As a leading Chinese enterprise in Hong Kong, COLI has been actively supporting in the "Walks for Millions of the Community Chest" since 1997 with more than 5,000 staff participating to date. The Company has also organized staff to join activities such as "The Community Chest Green Day" and "Dress Casual Day." In 2013, more than 400 staff of COLI and its parent company have participated in the "Hong Kong and Kowloon Walk", in which the entire proceeds raised have been used in funding "Family and Child Welfare Services". The Company has also actively participated in the charity events organized by various NGOs including The Hong Kong Island Social Services Charitable Foundation, The Conservancy Association and Wu Zhi Qiao (Bridge to China) Charitable Foundation as part of its commitment to corporate social responsibility.





24 March 2013, Hong Kong

#### "China Overseas X TREATS" Mainland + Hong Kong Student Drawing Competition

The 2013 "China Overseas X TREATS" Mainland + Hong Kong Student Drawing Competition was co-organized by China Overseas Holdings Limited and TREATS, sponsored by China Overseas Charity Foundation and supported by China Overseas Property Club and the Hong Kong Society for Education in Art. The award presentation ceremony was held at Courses & Seminar in Central, Hong Kong. More than 3,200 entries were received this year, of which nearly 2,000 were from primary schools, special schools and community groups in Hong Kong, while the remaining 1,200 were from seven China Overseas Hope Schools, special schools in Mainland China and COLI Community in Hua Nan region.

A website has been developed and promoted for this year's drawing competition, which has been reported by mainstream media in Hong Kong including the Hong Kong Commercial Daily, Wen Wei Po and Ming Pao. Awork exhibition was held at Oasis Gallery in Central, Hong Kong between March 23 and April 4, allowing the public to witness the creations displaying harmony, fair play and friendship shared by the children across different regions from different races and ranges of talent on the same platform.



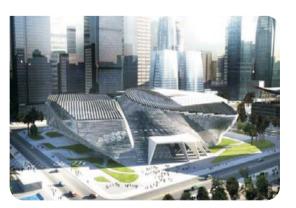
Shenzhen Museum of Contemporary Art and Urban Planning Exhibition Hall

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 30,000m<sup>2</sup>, with a total gross floor area of 87,800m<sup>2</sup>. 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.



#### Shenzhen Museum of Contemporary Art and Urban Planning Exhibition Hall

As one of the 60 showcase construction projects in Shenzhen's "Twelfth Five Year Plan," construction of the Shenzhen Museum of Contemporary Art and Urban Planning Exhibition Hall ("Twin Museums") commenced in April 2013. At the Contemporary Art and Art Museum Development Culture Salon cum Inauguration Ceremony of the Honorary Curator of the "Twin Museums" in Shenzhen held on September 9, Zhang Zikang, former curator of Today Art Museum in Beijing, was appointed as the Honorary Curator of the "Twin Museums," which symbolized the official commencement of the operation and management of the "Twin Museums." The design of the "Twin Museums" features a semi-transparent "City Boulder" and its dynamic construction and design highlights low carbon, environmentally friendly and energy-saving concepts. As the builder and operator of the "Twin Museums," COLI is actively exploring new management models in order to build a new industry chain for the museums and realize highly effective operations and sustainable development, thus developing the "Twin Museums" into a refined construction and sophisticated cultural product in Shenzhen's urban setting.







16 April 2013, Huaihua

#### Foundation stone laying for the 10th China Overseas Hope School

Foundation stone was laid for the latest China Overseas Yuanling Hope School at Madiyi Village, Yuanling County, Huaihua City in Hunan Province. As the 10th Hope School built by the Company in Mainland China, it has a planned area of 23,275 square meters and a GFA covering 5,650 square meters. Offering a Grade 1-9 Curriculum, it can accommodate 1,200 students. Leaders of Huaihua City and Yuanling County, senior executives and staff of China Overseas Holdings Limited, COLI and the Changsha office as well as the entire faculty and students from the nine schools in Madivi Village attended the foundation stone laying ceremony.



#### Hope School

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."











# 2013 **Charity Events**

20 April 2013, Hong Kong

# Donation for Victims of the quake-hit regions in Ya'an, Sichuan

All units at different levels of the Company have immediately responded to the fundraising initiative after the earthquake struck Lushan county of Ya'an city in Sichuan province on April 20. To actively fulfill its corporate social responsibilities, COLI and its parent company donated a total of HK\$2.84 million through the China Overseas Charity Fund. The Company has showed great concern to 50 staff in the earthquake affected areas, and donated a total of RMB245,000 to them as an expression of care and sympathy.

4 July 2013, Shenyang

# Cycling Team Passing on Dreams with Lasting Love

Staff of the Shenyang office kicked off the 2013 Hope School Caring Visits themed "Cycling Team Passing on Dreams with Lasting Love; Delivering Hopes through Charitable Acts." The team for the Caring Visit cycled some 24km to the China Overseas Shaling Hope School. The team presented a donation including scholarships for outstanding students and the incentive bonus for the outstanding teachers of the school. Besides, they also brought books and other learning aids to demonstrate their love and appreciation for the teachers and students.



### 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.

14 May 2013, Chengdu

#### Give Love to Build Hope

Marking the 23rd National Day of Helping the Disabled, staff of the Chengdu office visited the China Overseas Xinjian Special Education School in Dujiangyan. In addition to watching the children's performance, the staff also held a variety of fun activities for the children to enjoy, and brought them beautiful gifts. Through interaction with the children, the staff were moved and touched, and understand the meaningfulness of the Company's corporate social responsibility towards helping the poor and disadvantaged, and youth development and education.









1-4 August 2013, Changchun

# China Overseas Summer Camp for Mainland and Hong Kong Youth

The fourth "Cheers Mate! — China Overseas Summer Camp for Mainland and Hong Kong Youth 2013" co-organized by China Overseas Holdings Limited together with TREATS, undertaken by the Changchun office of COLI and sponsored by the China Overseas Charity Fund concluded successfully in Changchun. A total of 50 people including the teachers and students from seven China Overseas Hope Schools in Mainland China, and student representatives recommended by the Hong Kong Single Parents Association and the Hong Kong Sheng Kung Hui Kowloon City Children and Youth Integrated Service Centre participated in this year's summer camp.

The participants played many non-competitive games and completed tasks in small groups adhering to the principle of "Acceptance, Fair Play and Appreciation." The event also

involved a natural liberal education and civic education sections through the visits to Changchun Agri-Expo Garden and The Museum of the Imperial Palace of Manchukuo. During the period, a number of media in Changchun delivered on-site reports of the event. A Sina Weibo entitled "2013 Cheers Mate" was also set up for live broadcast.





#### 13 July 2013, Chengdu

# Heartwarming Children's Wear Recycling Program

One Villa South in Chengdu, together with Natures Purest, an organic baby colored-cotton brand in the UK, and the local Unite Our Love Charity Organization in Chengdu, jointly launched the Heartwarming Children's Wear Recycling Program. People who donated 10 winter clothes, shoes and socks for children aged 0 to 3 in Yumashan Village, Mianning County, Liangshanzhou in Sichuan received one Natures Purest organic colored cotton baby bodysuit. Nearly 40 groups of customers and China Overseas property owners were inspired to participate in the program.



7 September 2013, Ningbo

#### "Love and Care for the Youth" Yongcheng Charity Jog

To realize the "Sunshine, Sharing, Green and Open" brand philosophy, International Community in Ningbo and the Jiangdong District Committee of the Communist Young League held the "Love and Care for the Youth" Charity Jog in Yongcheng. With the active participation of enthusiastic owners and residents, more than 1,000 people jogged together at four major urban districts across Ningbo. After the event, the organiser held the kick-off ceremony for the "Smile Project of International Community." Additional sponsorship for programs aimed at youngsters such as the "Care for the Youth Thousand Dreams Program", "Care for the Youth Sunshine Breakfast Program" and "Care for Elevating Children Activity" are to be rolled out gradually.





# 2013 **Charity Events**

16 October 2013, Ganzhou

#### China Overseas Act of Providing Warmth

As the first stop of the China Overseas Act of Providing Warmth charity event series, the Ganzhou office and charity-enthusiastic property owners of International Community in Ganzhou visited the elderly home in Shahe, Ganzhou on Chung Yeung Festival to provide warmth and caring to the elderly living alone and spend a joyful holiday with them.





20 October 2013. Yinchuan

#### Entrepreneur Supported Charity Auction

The charity auction co-organized by Sunshine World Enterprise Directors Association and China Overseas Property was held in International Community in Yinchuan. More than one hundred entrepreneurs in Yinchuan City attended the unforgettable and meaningful charity auction. In about two hours, auction items ranging from a restaurant VIP card, an ink painting from private collection to a scroll painting of peony created by the artists on site attracted overwhelming responses. A total of more than RMB60,000 was raised on that day, which will be used entirely on assisting poor university students from the mountainous regions of Hai Yuan County, Ningxia.



10 September 2013, Kaihua

#### China Overseas Majin Hope School **Commenced Operation**

The China Overseas Majin Hope School, located at Majin Town, Kaihua County, Quzhou City, Zhejiang Province, commenced operation on the 29th Teachers' Day. With a total site area of 12,084 square meters and a total GFA of 5,657 square meters, the school in Huizhou architectural style has 24 classrooms. The contract initiating the project was signed on 8 June 2012 and the foundation stone laying ceremony took place on July 2. The new school was of considerable interest to the community as the Zhejiang TV Public Countryside channel followed and reported updates of the construction progress up to its completion.





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 2013, China Overseas Property has invested in the construction of affordable housing with a total area exceeding 1,000,000 m<sup>2</sup> 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.

28 October 2013, Shenzhen

#### Yuejing Garden Completed and Ready for Occupation

As a showcase for the affordable housing project in Shenzhen, Yuejing Garden has conducted occupation preparations between 28-31 October 2013. More than 2,800 property owners have completed the occupation procedures and moved into the flats starting from November 1. In order to offer comprehensive and convenient services to the owners, the Shenzhen office attentively arranged related services, which included setting up a "Yuejing Garden After-Sales Center" in the community with professional teams providing after-sales services to customers.



30 November 2013, Hohhot

#### **Donation on Thanksgiving Day**

On Thanksgiving Day, the Hohhot office successfully organized a novel charity activity, the "Branded Home Electrical Appliances Auction at an Initial Bid of RMB1" in The Azure. All branded home electrical appliances were auctioned at a starting price of RMB1. This low initial bidding price did not dampen customers' high enthusiasm for charity. After many rounds of lively bids, every item was sold at a price above the market value. The winning bidders registered their names and sealed their donations in an envelope on site. Eventually, all the proceeds raised were donated to the Hohhot Special Education School. In this way, the charity activity provided a channel for the public to show their love and care to deaf and dumb children in a practical way.



12 November 2013, Jilin

#### Climb the Ivory Tower and Build the Chinese Dream Together

Donated by the Jilin office, the Library at the Jiangnanxiang Central Primary School in Fengman District, Jilin, was completed after around a month of construction. The Library provides a quiet haven for more than 300 teachers and students of the school to enjoy reading, and interact and develop intellectually.



and launched the "Show Your Care, Donate a Book" campaign, aimed to encourage the staff to donate online and to do a good deed a day, which forms a part of the "micro-charity." The Staff Association has donated to the construction of the China Overseas Library at Dingnan Yangtian Primary School in Ganzhou, the Xingke Qiaoxin Primary School in Lanzhou, and the Jiangnan Xiang Central Primary School in Jilin. The staff have strongly supported the activity with both cash and book donations. The Company has utilized this experience as a reference for local subsidiaries to roll out a range of charity activities such as "Spreading Warmth in Chilly Winter" and

In April 2013, the China Overseas Grand Ocean Staff Association initiated

Love Library Sending Love and Giving Hope through Books

"One-on-One Assistance."





## Environment: Green Properties, Harmonious Communities

The property industry is a business that consumes plenty of energy and resources. To actively support government policies aimed at building civilized cities and supporting sustainable development, it is particularly critical for property enterprises to achieve energy conservation and emissions reduction. Energy conservation and reduction of consumption during the process of investment and development of property projects is a multi-disciplinary approach involving architectural design, construction materials, interior renovation, heating and lighting, and property management as well as the promotion of a green lifestyle and practices among residents.







COLI has advocated the use of low-cost, highly effective energy conservation technology. Passive energy conservation (i.e., realizing environmentally friendly and energy conservation benefits through thermal insulation and heat retention in construction without using additional energy) has been used as a guiding concept throughout the entire project development process, spanning project concept, planning and design. The Company strives to reduce the consumption of energy and resources throughout the life cycle of its projects and utilize its project development experience to enhance public awareness of green building management and practices.

The Company has also embarked on a number of initiatives to incorporate environmental protection concepts in its day-to-day operations and in all the communities under its management. The Company has promoted green office operations procedures involving all staff while implementing green programs within numerous commercial projects and residential communities. It has also maximized utilization of land, raw materials, energy and other resources during the project development process. Beyond obtaining evaluation certification related to green building, the Company has devoted greater attention to the result of energy conservation and environmental quality with the aim to achieve sustainability in green building and maximize value for the Company.



Compliance with the Sustainability Reporting Guidelines published by Global Reporting Initiative



A constituent in the Hang Seng Corporate Sustainability Index



A constituent in the Dow Jones Sustainability Index



Serves as a team leader of the Green Real Estate Group in the China Green Building Council



Supports and participates in China's Star Rating and Certification of Green Building



Supports and participates in the "Leadership in Energy & Environmental Design" (LEED) Rating and Certification by the US Green Building Council



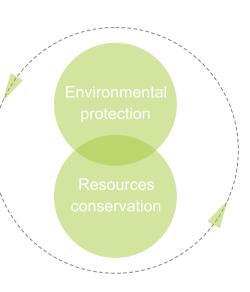




#### **Green Office**

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 2013, the Company has upgraded the video conferencing system by improving its user-friendliness and interactive capabilities. More than 1,200 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.





More than 1,200 video conferences were held during the year.





### **Green Properties**

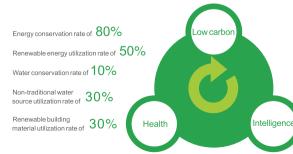
With several decades of experience in industry-leading project design and construction, COLI has continued to fulfill its commitment to protecting the natural environment across project planning and design by adopting appropriate measures based on actual topographical and geographical conditions and 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.

Within the property industry, COLI has been well ahead of its peers to convert the results of research and development in green property construction and development into technical standards and systems that has been put in place by the Company. In 2007, the Company introduced the *Technical Guidelines for Green Building*, which combined *China's Evaluation Standard for Green Building* and the U.S.'s LEED standards. The Guidelines have won high praise from MOHURD (Ministry of Housing and Urban-Rural Development of the PRC) for specifying detailed standards for the development concepts of green properties and detailed rules and regulations for implementation technologies. To complement its operational management style, the Company has also introduced *Measures for the Promotion and Implementation of Green Building*, which comprised a control and management system, a cost control system and an external resources platform during the implementation procedures of green property projects. The two sets of standards and systems have been adopted as the company-wide green system as well as the blueprint of the *White Paper for Green Building of China Overseas Property*, a reference for the Company throughout the development process of its quality green projects.





In 2011, COLI collaborated with Beijing Tsinghua Institute of Urban Building Environment & Energy Studies to launch a pilot project named "Spring Project" on land parcel 233-2 at the International Community in Suzhou, promoting the key concepts of "low carbon, health and intelligence." The target buildings under this project were designed to attain an energy conservation rate of 80%, a renewable energy utilization rate of 50%, a water conservation rate of 10%, a nontraditional water source utilization rate of 30% and a renewable building material utilization rate of 30%. The project was completed in 2013. The Company intends to use the experience in this pilot project as a reference to promote the above concepts in its future projects.



On 9 April 2013, COLI organized and hosted a conference titled "Comprehensive Analysis on Star Rating Certification of Green Building", and commenced the authenticating work for the green building projects at the beginning of the year, with the aim to deepen the practice of green property. During the conference, the Company confirmed the specific projects in terms of design and operation, which will be submitted for the Star Rating Certification of Green Building in the coming few years.





## **Green Properties**

COLI has strived for the sustainable development of China's real estate industry in these years through adopting the objectives of low carbon consumption, environmental protection, and healthy and practical human habitat under the scientific outlook on development.

## The Five Generation

After year 2005, the Company adopted environmental protection, technological advancement and humanitarian sense of belonging as its basic concepts. Through seeking continuous innovation in all areas, it paid attention not only to material needs, but also to the cultural atmosphere in the community. The Company committed itself to promoting the study and practice of China residential buildings in the harmonious integration of human and nature, and human and society.

In the early 2000s, the Company started to emphasise overall design concept and innovative housing types. It was the first to bring outdoor concepts into indoor areas, and transformed scenic environments so they had cultural themes, enriching the cultural significance of physical space. It actively promoted the idea of livable design to provide the customers with shelter that enableda fuller enjoyment of life.

In the early 1990s, applying COLI's overseas experience of designing and constructing high-rise residential buildings, the Company expanded the available space within the constraints of high plot ratios, high densities and high-rise construction. The Company was not only the first property developerto introduce modern construction and design techniques for high-rise residential buildingsbutalsothefirsttobringintheconceptand services of property management, standard interior décor, and model flats in the domestic real estate market.

In the mid-to-late 1990s, the Company was again a pioneer, introducing environmental design concept that emphasized outdoor space, enhancing everyday life and facilitating the bond between residential buildings and quality of life in Mainland China.



### Application of Full-cycle Green Construction Technology



COLI in its early development stage has only widely applied green technologies in its construction projects, however, with the development of green industry in China, the Company has commenced full-cycle green technology development and application. In 2009-2013, the Company has a GFA of 2.8 million square metres that has reached, or is expected to reach, the standards of China's Star Rating Certification of Green Building. These projects have used various water and energy conservation materials, equipment and technologies such as solar photovoltaic power generation, recycled water facilities, rainwater collection systems, singleunit ventilation systems and lighting control systems according to different levels of green building standards.



Project planning and design stage: Base on the natural and community environment and project positioning, the Company reviews the green design, and conducts computer simulated analysis, while utilizing a passive energy-saving model to achieve maximum results.



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



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.



The Suzhou International Community 199-3 Project has used simulation analysis. The design has located tower blocks separately to achieve balance in the layout. Trees and plants have been planted in the garden to reduce wind hazards in winter and improve indoor ventilation and living environment.



### **Green Properties**





Construction stage: Construction units are required to adopt environmental and other advanced technology, take reference from Hong Kong construction site environmental management, set up an on-site environmental protection system and impose on-site supervision procedures.

## • Prevent floating dust particles

Measures adopted here include hardening on-site floors, installing dust control on working collect waste water to bare soil caused by blocks on cement mixers, hours; adopt noise prevent illegal seepage vegetation damaged placing covers on trucks, reduction measures on into surface water; during construction, in centralizing material loud equipment such as create a sediment basin order to prevent land stacks at construction mixers, air compressors for industrial waste erosion. After construction sites; storing cement in and wood processing water treatment, with is completed, land will be temporary housing; and equipment in order to the treated water then restored to its original building rinsing facilities alleviate disruption. used for spraying the at exit where trucks are permitted to leave the site only after rinsing.

# O Noise cancellation

Install temporary noise barriers, and impose strict

Install temporary antileakage aqua privies and ground and road.

# Landscape protection

Place sandstone or plant fast-growing grass on landscape or covered with new landscape.

## Treatment of construction waste

Transport and dispose construction waste according to the time, route and location required by the health and hygiene bureau. Illegal trash dumping is strictly prohibited.

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.







Residence Nine, Beijing



Gusu Mansion, Suzhou

Project	Date	Name of Certification	State
China Overseas Plaza, Uni park(Shenyang)	2013.09	LEED(Gold Precertification)	Under Construction
China Overseas Plaza(Beijing)	2010.10	LEED (Gold Certification)	Completed Construction
China Overseas Property Plaza (Beijing)	2010.11	Certificate of Green Building Design Label(Three Star)	Completed Construction
China Overseas Plaza, Uni park(Ji'nan)	2013.10	LEED (Silver Precertification)	Under Construction
China Overseas Building(Nanjing)	2013.12	LEED(Gold Precertification)	Under Construction
China Overseas International Center AB(Chengdu)	2013.07	LEED(Silver Precertification)	Completed Construction
China Overseas International Center CD(Chengdu)	2013.10	LEED(Gold Precertification)	Under Construction
China Overseas International Center G(Chengdu)	2014.03	LEED (Silver Precertification)	Under Construction
China Overseas International Center H(Chengdu)	2014.03	LEED(Gold Precertification)	Under Construction
Windsor Pavilion(Beijing)	2011.08	Certificate of Green Building Design Label(Three Star)	Completed Construction
Suzhou International Community(Park Avenue)	2011.11	Certificate of Green Building Design Label(Three Star)	Completed Construction
Yuejing Garden(Shenzhen)	2012.11	Certificate of Green Building Design Label (One Star) Certificate of Green Building Design Label (Shenzhen, Bronze)	Completed Construction
Tiansongyayuan(Shenzhen)	2012.11	Certificate of Green Building Design Label (One Star) Certificate of Green Building Design Label (Shenzhen, Bronze)	Completed Construction
#1 Lake Lantern	2012.5	Certificate of Green Building Design Label (One Star)	Completed Construction



### **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.



#### Installing LED Lighting to Save Energy



Through long-term study and real data comparison, China Overseas Property Management has discovered that LED illumination performs better in terms of energy-saving, and it has a longer product life, which should bring significant benefits to the Company's energy saving. However, the products themselves are more expensive and most suitable for venues requiring a longer duration of illumination such as underground parking spaces. After careful planning, the installation of energysaving LED lighting in underground car parks started on 1 April 2013. Thus far, 50 related projects in the country have been completed with 30,840 LED lights upgraded at a total cost of RMB3,268,757. It is estimated that RMB4,651,187 can be saved each year.



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20 property projects including The Throne, The U World (the northern district ) in the western region were upgraded by replacing 38W fluorescent lights with 28W T5 lights and installing 8,860 LED lights. The rollout is expected to save electricity expenses equivalent to RMB1,118,436 a year.

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The Hua Dong region upgraded eight projects including Majestic City and La Belle Maison De La Seine by replacing light bulbs with 3,748 energy-saving LED lights. The upgrade is expected to save electricity expenses equivalent to RMB475,659 a year.

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The Hua Nan region upgraded six projects including Banyan Bay and The Oakwood. Some 6,700 LED lights were installed with expected savings of electricity expenses of RMB1,552,198 a year.

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Five projects were upgraded in the Hua Bei region including Violet Palace and Faery Villa by replacing regular light bulbs with 6,616 energysaving LED lights. This is expected to save electricity expenses of RMB745,288 a year.

Four projects were refurbished in the northern region including Coli City and the International Community Orange County by upgrading to 1,759 LED lights with expected electricity savings equivalent to RMB380,669 a year.





Depending on the projects' landscape area and layout, design and place sprinkler heads and water pipes accordingly during construction to ensure water-saving irrigation rate.



Incorporate permeable pavement design and installation with reference to the road and landscape plans of different projects to reach proper levels of permeability.



Use high quality water supply plumbing and water-saving equipment in all the projects to accelerate the eliminate inefficient water equipment.



Property management companies regularly inspect and maintain water equipment and water pipes in both residential buildings and public areas, in order to ensure a 0% leakage rate. In addition, the company promotes water conservation as a constant reminder to front-line workers.

Water Conservation Management in Communities







#### Green Community Life







To create a comfortable living environment for property owners and increase their attention to environmental protection, the Shenyang office held an "I Love My Home" campaign in April 2013 at Coli City community. A highlight of the campaign was the "I Love My Home: Building a Green Home Together" tree planting activity held on April 13. Nearly 100 property owners took part in collaborative efforts to maintain a green and healthy living environment.



#### 2. Learn More about Low Carbon Emissions, Zero Distance from a Green Life

On 13 April 2013, the Beijing office and China Overseas Property Management held the 4th China Overseas Green Alliance activity, "Dancing in Spring Time and Walking in Greenery," at several communities including The Metropolis, Faery Villa, etc. Representatives from the China Overseas Property Club in Beijing, COPM and property owners planted "Trees of Hope." More than 400 property owners planted saplings in the garden and hundreds of saplings were "adopted" by families. Also at the event, more than 1,000 property owners exchanged old newspapers, books and magazines and used batteries for plants to grow at home and beautify their lives.



#### 3. Creating a Low Carbon Footprint

On 22-27 April 2013, the Company was engaged in various activities supporting World Earth Day. To promote the low-carbon life philosophy, the Guangzhou office joined hands with COPM in the Hua Nan region to organize a large environmental protection activity "Earth Day, Creating a Low Carbon Footprint." Highlights included five major activities: "IQ Quiz for Green Life Masters," "Take Action, Green Stewards," "Spread Your Love, Let a Green Life Warm Your Heart," "Love Plants and Smell the Floral Fragrance" and "Household Garbage Separation." More than 500 property owners from more than ten China Overseas communities were attracted to participate in these worthwhile activities.



# About the Report Introduction

### **Reporting Overview**

This report is the second corporate social responsibility ("CSR") report 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 2012 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.

#### 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 www.coli688.com

### Reporting Scope

Major data in this report span from 1 January to 31 December 2013, of which the financial data is the same as that in the annual report and other materials are from internal statistics. Some da tahave 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.

# About the Report

Advice and Feedback



www.coli.com.hk

sibility report, please contact: 688csr@cohl.com

Any advice concerning corporate social respon-

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

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

site. For more information, please visit





Fully	Partially	

	Index	Description	Section/Explanation Re	eported
Strategy and	1.1	Statement from the most senior decision-maker of the organization.	Chairman's Message	•
Analysis	1.2	Description of key impacts, risks, and opportunities.	Chairman's Message	•
Organizational	2.1-2.2	Name of the organization. Primary brands, products, and/or services.		•
Profile	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		•
	2.4-2.5	Location of organization's headquarters. Number of countries where the organization operates, and names of the countries.	Business Structure and Network Product: Each and Every Detail	•
	2.6-2.8	Nature of ownership and legal form. Markets served. Scale of the reporting organization.		•
	2.9	Significant changes during the reporting period regarding size, structure, or ownership.		•
	2.10	Awards received in the reporting period.		•
Report Parameters	3.1-3.3	Reporting period of the provided information. Date of the latest report. 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	•
	3.12	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.	0
Governance, Commitments, and Engage-	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 and Supervision Annual Report 2013	•
nent	4.4/4.6	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance and Supervision Annual Report 2013	•
	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	•
	4.12-4.13	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Environment: Green Properties Harmonious Community	•
	4.14/4.16	List of stakeholder groups engaged by the organization. Approaches to stakeholder er 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	•

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	Index	Description	Section/Explanation Repor
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.	Financial Performance Annual Report 2013
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Quality Procurement Win-win Cooperation
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Stakeholders Engagement Charity: The Sea Has No Limit and Love Has No Boundary
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Stakeholders Engagement Charity: The Sea Has No Limit and Love Has No Boundary
Environmental	DMA	Disclosure on Management Approach	Environment: Green Properties Harmonious Community
E	EN5- EN7	Energy saved due to conservation and efficiency improvements. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. Initiatives to reduce indirect energy consumption and reductions achieved.	Environment: Green Properties Harmonious Community
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Product: Each and Every Detail
	EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	Environment: Green Properties Harmonious Community
Social: Labor	DMA	Disclosure on Management Approach	
Practices and Decent Work	LA2	Total workforce by employment type, employment contract, and region, broken down by gender.	Staff: People-oriented
	LA10	Average hours of training per year per employee by gender, and by employee category.	Sustainability
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	
Social: Human Rights	HR4	Total number of incidents of discrimination and corrective actions taken.	No incidents of discrimination were reported in 2013.
Social: Society	DMA	Disclosure on Management Approach	Charity: The Sea Has No Limit and Love Has No Boundary
	SO9	Operations with significant potential or actual negative and positive impacts on local communities.	Charity: The Sea Has No Limit and Love Has No Boundary
	SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Charity: The Sea Has No Limit and Love Has No Boundary
5	SO3-SO4	Percentage of employees trained in organization's anti-corruption policies and procedures. Actions taken in response to incidents of corruption.	Corporate Governance and Supervision
Social: Product	DMA	Disclosure on Management Approach	
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.	Product:
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Each and Every Detail
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing	

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中國海外發展有限公司 ( 00688.HK)
China Overseas Land & Investment Ltd ( 00688.HK)
中海地産集團有限公司
China Overseas Property Group Co.,Ltd.

深圳市福田區福華路399號中海大厦10樓

郵政編碼: 518048

10/F,Zhonghai Bldg.,No.399 Fuhua Rd.,Futian Dist.,Shenzhen 518048,China

電話Tel: 0755 8282 6666 傳真Fax: 0755 8295 0666

網址Website: http://www.coli.com.hk