



# FUTURE BRIGHT

HOLDINGS LIMITED 佳景集團有限公司\*

(Incorporated in Bermuda with limited liability) (Stock code: 703)

ROOTED IN MACAU,  
CREATING  
A BRIGHT FUTURE

立基澳門，共創佳景

# 2017

ENVIRONMENTAL, SOCIAL AND  
CORPORATE GOVERNANCE REPORT

## OUR ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE REPORT 2017

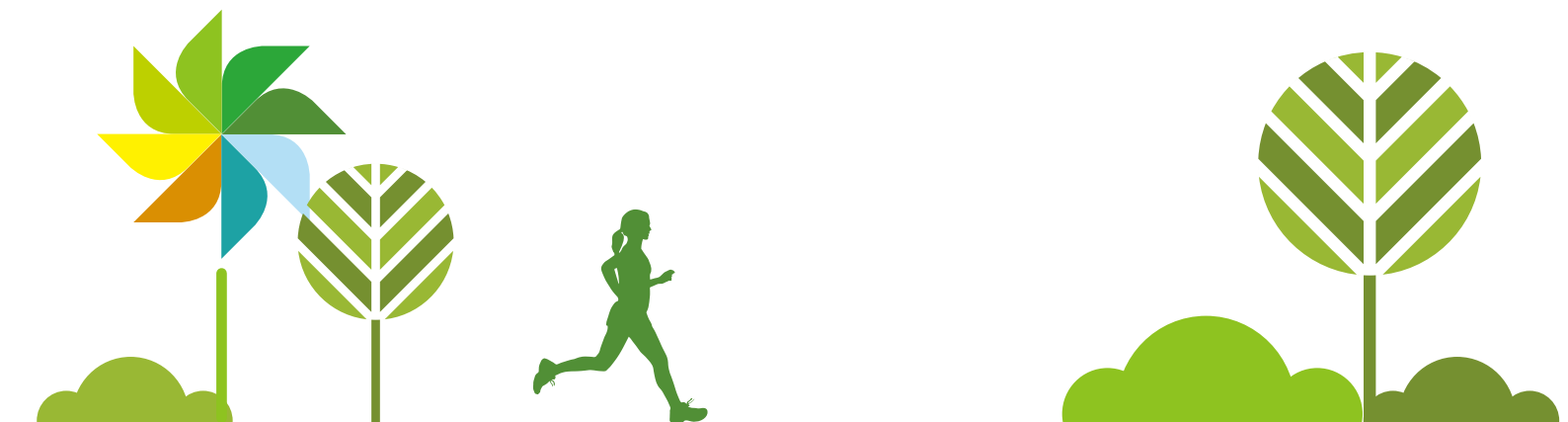
Our strategic focus is on “Rooted in Macau, creating a bright future” with environmental protection, social values and proper corporate governance being parts of our core business priorities.

## 立基澳門，共創佳景

### ABOUT THIS REPORT

Based on the ESG Reporting Guide published by The Stock Exchange of Hong Kong, we have prepared this environmental, social and corporate governance report (“report”) of 2017 for our group. This report summarizes under our strategy – “Rooted in Macau, creating a bright future 立基澳門，共創佳景” our progress on our environmental protection, social values and corporate governance in 2017, including the topics that are most relevant to our stakeholders and our business. And this report has been reviewed by our board of directors (“Board”) to confirm that the information therein is reliable and accurate. This report is issued and presented on our company’s website and the Stock Exchange’s website.

**For more information, see:**  
[www.fb.com.hk](http://www.fb.com.hk)





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# CHAIRMAN FOREWORD

## OUR 2017 ESG REPORT

We commit to evolve our business into a successful and sustainable business with an ambition to achieve better sustainability by 2021. We have been undertaking regular reviews of environmental, social and corporate governance aspects of our business, with regards to the values we treasure. This strategy encompasses:

- our mission to provide customers with valued and quality food and services by using our culinary and professional hospitality management;
- our vision to enhance people's quality of life; and
- our core values of being customer-driven and staff-oriented with premium quality, flexibility, integrity and fairness and social responsibility.

We provide high quality food products and services with dedication and passion. We create jobs, build better skills, promote health and set high safety standards. We get involved with local communities. We are aware of our use of resources: water, electricity, gas, and fuel and food waste. We engage with our customers in having a responsible approach to enjoying our food and services.

Doing all the above is to grow our business closely with local communities. It is our central policy to comply fully with all relevant laws, rules and regulations relating to our business. In addition, we adhere to strong compliance and good practices for our corporate governance, and to follow the guidelines on environmental protection and social responsibility.

## ROOTED IN MACAU, CREATING A BRIGHT FUTURE 立基澳門，共創佳景

One of the goals of our strategy of "*Rooted in Macau, creating a bright future* 立基澳門，共創佳景" is for creating shared, sustainable value for our business and stakeholders. This strategy has made sustainability as: a path to enhance our business efficiency; a bright lifestyle with healthy delicious food; and a smart use of resources, all to make our environment (physical, social and corporate) better and more sustainable. We adhere to this strategy to evolve our business.

## MAKING A DIFFERENCE

We are a leading food and catering group with over 66 restaurants and 11 shops mainly in Macau, Hong Kong and Guangdong. We employ over 2,200 people, and our restaurants and food souvenir shops serve over 5.6 million customers a year. We highly value our position in the markets, the quality of our products and services to the public, our influence on the society, and our impact on the environments. We want to make a difference. We work better and go for success. It is our core policy to strive to attain efficient use of resources and we recognize that sustainability is one of the ways to achieve these goals.

## LOOKING FORWARD

Sustainability is our strategic priority and business imperative, while good corporate governance and being social conscious and connected are our core values. We have a responsibility to help our staff, business, communities and environment to be more sustainable, socially friendly and accountable.

**Chan See Kit, Johnny**  
Chairman of the Board  
28 June 2018



# INTRODUCTION

## “ROOTED IN MACAU, CREATING A BRIGHT FUTURE 立基澳門，共創佳景”

Our strategy – “Rooted in Macau, creating a bright future 立基澳門，共創佳景” entails our commitment to have focuses on:

- Wise use of water resources;
- Lowering carbon emissions;
- Sourcing sustainably;
- Promoting responsible consumption;
- Enhancing health and food safety; and
- Growing with communities; with
- Regards to the values of: dedication to quality, food and brands that people love, joy of life and respect for people and planet; and
- Good adherence to upright corporate governance.

We have our commitment to fairness, integrity, respect for and compliance with the law. And we continue to update our assessment matrix for our performance, based on on-going dialogue with our stakeholders, on-going research and internal analysis.

## ACHIEVEMENTS

We have been awarded with much recognition from other organizations and entities on our food products and services, resources utilization and community involvement as follows:

- ISO 22000: 2005 Food Safety Management System, and ISO 9001: 2008 Quality Management System.
- HACCP (Hazard Analysis Critical Control Point) System and Guideline.
- Award – “International Famous Restaurant for Chinese Cuisine” issued by World Association of Chinese Cuisine in October 2008.
- Award – “The Best Brand Enterprise Award – Certificate of Merit” in The Best Enterprise Award 2008 (Greater China) issued by Hong Kong Productivity Council: being first food and catering operator in Macau to win the award among hundreds of entries.
- Award – “The Order of Merit in Travelling” issued by the Macao government in 2014.
- Award – Our Edo Japanese Restaurant at the Venetian Macao being awarded of “Select” category (Boutique Restaurants Classy Recommendation) by “Ctrip Gourmet List Top Restaurant for Chinese Travelers 2017”.
- Award – 16 of our restaurants being accredited in 2017 under “Quality Tourism Services Accreditation Scheme” by Macao Government Tourism Office, the scheme of which aims to recognize tourism businesses for their outstanding services and excellent service management.
- Award – One of our employees won the first prize in the women’s category in “Tray Race 2017”, which was a supporting annual event of the World Tourism Day (27 September) by Macao Government Tourism Office.
- “Award of the Employment of Disability People” 2015 and 2017.





# ENVIRONMENTAL PERSPECTIVE

*We have clear commitments on different environmental focus areas with an ambition for 2021.*

## COMPLIANCE AND POLICY

It is the core policy of Future Bright to comply with the relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Future Bright's policy on the uses of resources (including energy, water and others raw materials), greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, is to strive attaining source reduction, re-use, recycling, treatment, appropriate disposal and use of sustainable materials.

## USE OF RESOURCES

Efficient use of resources is the guiding policy of Future Bright in its operations covering matters ranging from the wise consumption of water, use of sustainable materials in renovation, smart use of transportation to its central kitchen and logistic centre, as mentioned in this report. Future Bright does not have any issue in sourcing water that is fit for purpose as its water has been supplied from the local water supply authorities. Future Bright's central kitchen and logistic centre is located in Macau near the local wholesales market for fruits and vegetables and is soon becoming operational to house its offices, warehouses, food processing facilities and central kitchen in one single building. All these would not only enhance business efficiency but also would reduce transportation cost, control the better use of energy and water, and hence reduce carbon footprint.

## SOURCE REDUCTION AND REUSE

Future Bright prefers source reduction and reuse, also known as waste prevention, which means reducing waste at the source, and is the most environmentally preferred policy since source reduction and reuse do:

- Save natural resources.
- Conserve energy.
- Reduce pollution.
- Reduce the toxicity of waste.
- Save money for customers and businesses alike.

Source reduction takes many different forms, including reusing or donating items, buying in bulk, reducing packaging, redesigning products, reducing toxicity and using sustainable materials. Following this policy, Future Bright is, to achieve better environmental protection, whenever possible, using environmentally friendly materials such as:

- LED for the lighting;
- water saver faucets;
- VRV system air-conditioners for air-conditioning (being multi-split type air conditioner for commercial buildings that use variable refrigerant flow control developed to provide with the ability to maintain individual zone control in each room and floor of a building);
- power saving frequency inverters for its kitchen exhaust fans; and
- green plants for the exterior walls,

for the renovation of its restaurants and food souvenir shops and for its logistic centre and central kitchen in Macau. With source reduction in mind, Future Bright's food souvenir business use lighter-weight packaging materials wherever possible. Future Bright encourages reuse of used kitchen equipment and renovation movables for its restaurants and outlets, and used papers for offices. Future Bright also encourages responsible food consumption to its customers to avoid food wastage at source.



## ENVIRONMENTAL PERSPECTIVE

### RECYCLING

Future Bright understands the need of recycling. And Future Bright has in place the guidelines to all staffs to bear in mind of any chances of recycling which entail a series of activities that include collecting used, reused, or unused items that would otherwise be considered waste; sorting and processing the recyclable products. Future Bright also, whenever possible, participates in programs for recycling such as composting of food scraps. Future Bright values the benefits of recycling which include:

- Preventing the emission of many greenhouse gases and water pollutants.
- Saving energy.
- Supplying valuable raw materials to industry.
- Creating jobs.
- Stimulating the development of greener technologies.
- Conserving resources for our children's future.
- Reducing the need for new landfills and combustors.

### TREATMENT AND DISPOSAL

Future Bright recognizes that prior to disposal, treatment can help reduce the volume and toxicity of waste where treatments can be physical (e.g. shredding), chemical (e.g. incineration), and biological (e.g. anaerobic digester). And landfills are the most common form of waste disposal and are an important component of an integrated waste management system. Future Bright recognizes that landfills are costly to the society especially when modern landfills are well-engineered facilities located, designed, operated, and monitored to ensure compliance with local regulations. Future Bright always complies with local regulations in regards of its disposal of waste to landfills.

### MEASURES

Future Bright has various measures to, whenever possible, use resources wisely and efficiently, and to reduce air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste including:

#### VEHICLE MAINTENANCE

- Keep cars properly tuned: an inefficient car uses more fuel and emit more pollutant, which harm the environment and cost more money.
- Maintain correct car tyre pressure by inspecting car tyres regularly and inflating them to the pressure recommended by the manufacturer.
- Avoid sudden acceleration, because it increases fuel consumption.
- Switch off car engines when idling.

#### AIR CONDITIONING

- Avoid installing air-conditioners where the place is exposed to direct sunlight.
- Close off areas that do not require air-conditioning, and turn air-conditioners off in unoccupied rooms.
- Clean or replace the filters in all air-conditioners at the beginning of summer, and clean them regularly from then on.
- Set the office temperature at 25.5°C in summer, if possible.
- Carry out regular leakage check on the air-conditioning system to check for possible leakage of refrigerants.



## ENVIRONMENTAL PERSPECTIVE

### ENERGY SAVING

- Use energy-saving light bulbs.
- Use daylight whenever possible.
- Place lighting carefully where it needs.
- Use dimmers where possible.
- Use non-opaque, light-colored lamp shades.
- Keep light fixtures and lamps clean to maximize their efficiency.
- When buying new lighting, consider choosing compact fluorescent lamps, which use 75% less energy than standard bulbs for the same amount of illumination.
- Switch off the lights and air-conditioning when not in use.
- Switch off computers before the end of a working day.
- Make good use of the energy-saving features and options which come with the operating system of the computers.
- Switch off all electrical appliances or, where appropriate, switch them to the energy-saving mode when not in use.
- Encourage the use of staircase instead of taking the lift for inter-floor traffic.
- Use energy efficient electronic equipment as far as possible.
- Keep track of the power consumption records and take measures to reduce the increase in power consumption.

### PAPER SAVING

- Disseminate information by electronic means (i.e. via email or e-bulletin boards) as far as possible.
- Set duplex printing as the default mode for most network printers.
- Order recycled paper for office photocopying, whenever possible.

- Place boxes and trays beside photocopiers as containers to collect single-sided paper for reuse and used paper for recycling.
- Encourage the staff to use paper on both sides, reuse envelopes and loose minute jackets, and use the backside of letter pads with outdated letterhead for drafting or printing.

### WATER SAVING

- Carry out regular leakage tests on concealed piping and check for overflowing tanks, waste, worn tap washers and other defects in the water supply system.
- Fix dripping taps immediately.
- Reduce water pressure to the lowest practical level.
- Turn off the water supply system at night and on holidays.
- Place posters and other publicity materials in prominent places to encourage water conservation.
- Determine water requirements for each facility and check usage regularly.

### WASTE DISPOSAL AND RECYCLING

- Use, at the canteens of the University of Macau and of Macau University of Science and Technology, the green pack waste boxes for collecting disposals without plastic substances.
- Utilize the universities' kitchen waste recycling machines to collect and treat such kitchen wastes, to minimize the hazardous impact on the environment.

### EMISSIONS

Future Bright had no material non-compliance with the relevant laws, rules or regulations that have a significant impact on itself relating to greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during 2017. The non-hazardous waste of Future Bright has been minimal.





## ENVIRONMENTAL PERSPECTIVE

Future Bright's usage of water and carbon emission for 2017 and 2016 are presented as below:

### Water consumption

		2017	2016
OUR ANNUAL WATER CONSUMPTIONS WERE:	Macau	357,639 meter <sup>3</sup>	289,388 meter <sup>3</sup>
	Guangdong	60,948 meter <sup>3</sup>	71,465 meter <sup>3</sup>
	Hong Kong	32,559 meter <sup>3</sup>	12,256 meter <sup>3</sup>
	Total	451,146 meter <sup>3</sup>	373,109 meter <sup>3</sup>

▲ 20.9%



### Energy consumption

		2017	2016
OUR ANNUAL ELECTRICITY CONSUMPTIONS WERE:	Macau	12,054,868 kWh	12,745,309 kWh
	Guangdong	3,487,076 kWh	3,459,606 kWh
	Hong Kong	1,382,759 kWh	636,375 kWh
	Total	16,924,703 kWh	16,841,290 kWh

▲ 0.5%



		2017	2016
OUR ANNUAL FUEL (STATIONARY AND MOBILE) CONSUMPTIONS WERE:	Macau	35,210 litre	31,793 litre
	Guangdong	3,655 litre	2,712 litre
	Hong Kong	3,745 litre	4,341 litre
	Total	42,610 litre	38,846 litre

▲ 9.7%



		2017	2016
OUR ANNUAL GAS CONSUMPTIONS WERE:	Macau	12.74 million MJ	13.57 million MJ
	Guangdong	7.44 million MJ	8.63 million MJ
	Hong Kong	4.39 million MJ	1.84 million MJ
	Total	24.58 million MJ	24.04 million MJ

▲ 2.2%



## ENVIRONMENTAL PERSPECTIVE

## Greenhouse gas (GHG) emissions

OUR ANNUAL GHG EMISSIONS WERE:		2017	2016
Macau		12,028 tCO <sub>2</sub> e	13,104 tCO <sub>2</sub> e
Guangdong		2,890 tCO <sub>2</sub> e	2,955 tCO <sub>2</sub> e
Hong Kong		1,277 tCO <sub>2</sub> e	595 tCO <sub>2</sub> e
Total		16,195 tCO <sub>2</sub> e	16,654 tCO <sub>2</sub> e

▼ 2.8%



OUR ANNUAL GHG EMISSIONS IN TERMS OF DIFFERENT SCOPES WERE:		2017	2016
Scope 1 (note 1)		1,479 tCO <sub>2</sub> e	1,447 tCO <sub>2</sub> e
Scope 2 (note 2)		14,503 tCO <sub>2</sub> e	15,041 tCO <sub>2</sub> e
Scope 3 (note 3)		213 tCO <sub>2</sub> e	166 tCO <sub>2</sub> e
Total		16,195 tCO <sub>2</sub> e	16,654 tCO <sub>2</sub> e

▼ 2.8%



Future Bright's usage of packaging materials (including the use of paper in offices) for 2017 is presented as below:

## Packaging materials consumption\*

OUR ANNUAL PACKAGING MATERIALS (including the use of paper in offices) CONSUMPTIONS WERE:

	2017
Macau	1,472.2 tonne
Guangdong	1.3 tonne
Hong Kong	0.2 tonne
Total	1,473.7 tonne



Macau	22.8 tonne
Guangdong	0.1 tonne
Hong Kong	— <sup>#</sup> tonne
Total	22.9 tonne



Macau	121.8 tonne
Guangdong	— tonne
Hong Kong	— tonne
Total	121.8 tonne



\* The year of 2017 is the first year of disclosure on usage of packaging materials (including the use of paper in offices).

<sup>#</sup> The consumption of plastic in Hong Kong was less than 0.1 tonne.

## ENVIRONMENTAL PERSPECTIVE

OUR ANNUAL TOTAL ENERGY INTENSITY (kWh/  
HK\$'M REVENUE) WAS:



**-10.0%**



**2017**

24,824

**2016**

27,572

OUR ANNUAL TOTAL GHG (GREENHOUSE GAS)  
EMISSION INTENSITY (tCO<sub>2</sub>e/HK\$'M REVENUE)  
WAS:



**-13.3%**



**2017**

16.9

**2016**

19.5

OUR ANNUAL TOTAL WATER CONSUMPTION  
INTENSITY (m<sup>3</sup>/HK\$'M REVENUE) WAS:



**+7.8%**



**2017**

471

**2016**

437

OUR ANNUAL TOTAL PACKAGING MATERIALS (INCLUDING THE USE OF PAPER IN OFFICES) CONSUMPTION  
INTENSITY (Tonne/HK\$'M REVENUE) WAS:



**2017**

1.54



**2017**

0.02



**2017**

0.13

### 2021 AMBITION

To reduce total GHG emission in operation by 3% (in terms of tCO<sub>2</sub>e/HK\$'m).

To reduce total water consumption in operation by 3% (in terms of meter<sup>3</sup>/HK\$'m).

To reduce total packaging materials (including the use of paper in offices) consumption by 3% (in terms of Tonne/HK\$'m)



#### Notes:

1. Scope 1 includes direct emissions such as fuel consumption. The 2016 Scope 1 of GHG emission data was restated to include consumption of natural gas and towngas.
2. Scope 2 includes indirect emissions from consumption of purchased electricity, natural gas and towngas.
3. Scope 3 includes emissions produced indirectly from water consumption and commercial business travel by airplane.
4. Energy intensity and GHG emission intensity are calculated by dividing the absolute energy consumption and emissions by the total revenue from Future Bright's operations. By reporting energy intensity and GHG emission intensity, it helps to enhance efficiency in the context of environmental performance.
5. The annual water consumed in 2016 and 2017 has been supplied from the local water supply authorities only. The annual fuel consumption in 2016 and 2017 has been mobile fuel only as no stationary fuel has been used. The annual gas consumed in 2016 and 2017 has been natural gas supplied from The Hong Kong and China Gas Company Limited ("Towngas") and natural gas and LPG supplied from local suppliers.
6. The efficiency of using resources depends on lots of factors among which some are relatively constant such as electricity for Future Bright's restaurants and outlets. The higher sales volume, the better for the use of electricity. Therefore, to attain the 2021 ambition targets will also depend on the sales performance of Future Bright from 2018 to 2021.



## ENVIRONMENTAL PERSPECTIVE

### SOURCING SUSTAINABLY

Future Bright places high importance to ensure food quality and traceability keeping a delicate balance between quality and cost, reliability and safety. Future Bright always complies with all the local relevant laws and regulations on sourcing of its supplies. It is the policy of Future Bright to make appropriate enquiries from those suppliers to ensure that their supplies are in full compliance with all the local laws and regulations which would include health and food safety and other aspects. Future Bright strives to source locally wherever possible, to reduce transportation cost and hence greenhouse gases, and to encourage creation of jobs for local residents.

Future Bright always conducts regular review on its supply and sourcing process to enhance its internal control system on quality and food safety including sourcing from reliable and/or sustainably food materials, dedicated to utilizing high-quality ingredients to ensure customers receive the best possible products, while its strive to source locally wherever possible shall reduce carbon footprint and unnecessary cost. Rigorous assessment of food materials are undertaken by Future Bright's central procurement team on-site or, if needed, at suppliers' factories and by the managers of restaurants and food souvenir shops at their outlets to ensure compliance with the standards laid down. And the business with any supplier who fails to meet the standards frequently shall be terminated.



Our annual number of suppliers and sourcing locally and overseas ratios were:

	2017		2016	
	No. of supplier	Sourcing ratio	No. of supplier	Sourcing ratio
<b>Macau:</b>				
Local	142	66%	143	65%
Overseas	65	34%	64	35%
<b>Guangdong:</b>				
Local	74	100%	65	100%
Overseas	0	0%	0	0%
<b>Hong Kong:</b>				
Local	84	73%	62	82%
Overseas	1	27%	3	18%

### FOOD WASTE MANAGEMENT

Future Bright strives to find means to achieve food waste recycling, in order to promote good food waste management practice, despite of inadequate recycling infrastructure constraints. At present, Future Bright's restaurants at the University of Macau in Hengqin Island are using utensils made of recyclable materials while food waste are separated and collected for recycling at the food waste recycling machines provided by the university.

Management is always looking into means to enhance recycling such as segregation of different wastage materials among papers, plastics, cooking oil and food materials, and feeding food wastage into digesting machines to turn it into grey water which can be safely discharged down the drain. Management is also monitoring the development of the food wastage measures to be introduced by any local government authorities with a view how we could utilize such development.

# SOCIAL VALUES

*We emphasize four social values strongly and constantly:*

- *Dedication to premium quality;*
- *Food and brands that people love;*
- *Joy of life; and*
- *Respect for people and planet.*

## RESPONSIBLE CONSUMPTION

Future Bright is dedicated to high food quality, while responsible consumption is always continually promoted to customers to avoid wastage with the following commitments:

- Commit to develop a workforce with positive mindset, skill and knowledge to serve its customers attentively and to engage with customers on the standard and adequacy of food avoiding food waste to be sent to landfills.
- Commit to raise awareness of its customers of responsible food and winery consumption.
- Promotional materials be, whenever possible, placed at the restaurants and food souvenir shops to remind customers to be more mindful of their daily amount of food waste and to complete their meals.

## CODE OF BUSINESS

To achieve the above four social values, Future Bright has in place its code of business conduct, marking a step forward in its approach to honesty and committing to conduct business with fairness, integrity and respect for the law and its values.

All suppliers of Future Bright are managed by our group's "Vendor Management System": suppliers are selected based on quality, services and pricing through an open tender process. Suppliers are required to sign supply agreements, under which the suppliers agree to supply food and materials as per specific requirements including quality specifications, appropriate trading documents, health and food safety certificates. And Future Bright's supply and sourcing system for the supplies of its daily operations and set-up of new restaurants and shop outlets requires to, whenever possible, have open competing tenders, and selection of qualified tenders are made jointly by management staff of the procurement and accounting departments, so as to prevent corrupt practices.

Future Bright always complies with all the local relevant laws and regulations relating to bribery, extortion, fraud and money laundering. As preventive measures, all employees are regularly reminded in the performance of their duties to comply with the relevant laws, rules and regulations on anti-corruption practices. It is the policy of Future Bright to ensure that all its employees shall strictly adhere to such compliance where the employee handbook of Future Bright contains rules and guidelines on this matter.





## SOCIAL VALUES

Future Bright has in place its Whistleblower Policy to encourage staff to speak up in confidence and without fear of retaliation. This whistleblower access is also opened to third parties such as business partners, suppliers, shareholders, agents, distributors, representatives, customers, and the general public. There was no material non-compliance with the relevant laws and regulations on bribery, extortion, fraud and money laundering in 2016 and 2017. There was no concluded legal case regarding corrupt practices brought against Future Bright or its employees. Future Bright undertakes an annual internal control and risk review every year to assess and reduce its shortcomings and risks (financial and operational), through which Future Bright also aims to achieve total dedication to quality, ensure its food and brands that people love, and provide joy of life to both its employees and customers.

### EMPLOYEE VALUE AND LEADERSHIP

Future Bright is staff-oriented: it recognizes that the staff is the valuable asset and human capital is important, to its business growth. Future Bright provides staff with training to enhance their commercial and technical skills and expertise. It is one of Future Bright's business priorities to be "customer-driven" to provide customers with valued and quality food and services using its culinary and professional hospitality management. Training and regular review are given to all staff to a common approach to driving good leadership to build a winning culture through personal demonstration and impact, and to enhance competencies to manage performance, to face up to challenges, develop leaders, assess future leaders, recruit for roles, and review employee engagement.

Future Bright has been providing scholarships and internship opportunities to those who are interested in pursuing a career in the food and catering industry. In addition, Future Bright also participates in the promotion and education to the communities of the importance of sustainability for the food and catering industry. A

scholarship scheme of Future Bright has been established since 1999 to award employees' children on the basis of their satisfactory academic results, with an aim to encourage and support employees' children in pursuing their path to higher level of education attainment as well as to contribute effectively towards the community. In 2017, there were 17 recipients for such award.

### COMPLIANCE AND POLICY ON EMPLOYMENT

It is the policy of Future Bright to fully comply with all the local relevant laws and regulations relating to labour and employees including dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfares. Future Bright always adheres to such policy in terms of its compliance with all the local relevant laws and regulations in regards of labour and employees.

To facilitate employees to understand its mission, policies and guidelines, Future Bright has in place, for all its employees, an employee handbook which clearly sets out the guidelines for its employees to follow in respect of standards on employees' rights and obligations, the principle of non-discrimination in hiring and giving fair and equal opportunities to all suitable employee, regardless of gender, nationality, marital status, disability, age, religious or political beliefs, including a clear set of company policies on disciplinary and termination procedures. Future Bright always complies with all the local relevant laws and regulations to prevent child and forced labour. It is the policy of Future Bright to require all management staff to check identity and age of all potential employees to ensure that no child or forced labour shall be employed. On sourcing of supplies, management staff shall, if in doubt, make appropriate enquiries from those suppliers to ensure that their supplies are in full compliance with all the local laws and regulations on health, food safety, labour and other aspects.



## SOCIAL VALUES

### EMPLOYEE PROFILE

As at 31 December 2017, Future Bright employed a total of 2,129 full-time staff and 455 part-time workers. Details of its employee profile are as follows:

	Full-time	Part-time	Average Monthly Turnover Rate (%)
<b>Geographical region</b>			
Macau	1,398	42	2.5%
Guangdong	532	169	9.8%
Hong Kong	199	244	4.6%
<b>Gender*</b>			
Female	1,096	282	2.2%
Male	1,033	173	2.2%
<b>Age group*</b>			
Below 30	919	263	2.4%
30-50	877	109	1.7%
Over 50	333	83	0.4%

\* The gender classification is reported, based on the official identity cards and/or passports of the employees, and no employee has declared to fall within transgender classification. The average monthly turnover rate is the average of the turnover rate of each month of the year, based on the total number of full-time employee leavers of the month divided by the total number of full-time employees (irrespective of gender or age) at the end of the month.

Set out below is the average training hours per employee by gender and age of the Group in 2017:

	2017
<b>Average hours of training per employee</b>	9
<b>Gender</b>	
Female	10
Male	9
<b>Age group</b>	
Below 30	6
30-50	11
Over 50	9

### HEALTH STANDARDS

It is the policy of Future Bright to maintain a healthy workforce, ensure healthy working conditions, safe working environments and enable employees to maintain a healthy lifestyle. In addition, Future Bright provides various training on safety and health standards to ensure a safe working environment. Appropriate employees' compensation insurance is always maintained. A medical benefit scheme and group travel insurance for all employees have been long introduced. Future Bright recognises that accidents in business are costly. It has been reported that very few employees were involved in the injury at work places with an overall lost day rate of less than 0.2% due to work injury in 2017. Future Bright is investing in internal training and safety procedures and, whenever possible, working with the relevant organizations to make its business safer.

### PRODUCT RESPONSIBILITY

Future Bright has a centralized procurement department to master-control all sourcing for its restaurants and food souvenir shops. And Future Bright maintains quality standards and food traceability through its centralized warehouse including random site inspections. To ensure quality assurance, Future Bright has also for many years adopted international best practice as its management system with the certifications of: ISO 22000, ISO 9001 and HACCP accreditation for the Central Food and Processing Centre and Bright Elite Gourmet Company Limited, whilst ISO 22000 for the catering services at the canteen of University of Macau. These certifications cover standards on identifying and controlling safety hazards and effective management system. And appropriate product liability insurance is always maintained.

Future Bright always complies with all the local relevant laws and regulations on health and safety, advertising, labelling and privacy matter relating to products and services provided and methods of redress. It is the policy of Future Bright to seek, if required, professional advices and assistance to ensure such compliance. And staffs are assigned to maintain and keep customer data and privacy information confidential while appropriate cyber security software systems are in place with assistance



## SOCIAL VALUES

from professional firms. Also, hotlines for complaints (on products, services and others) are available to the public. Once a complaint is received, a formal investigation shall be conducted and follow-up action shall be taken in a timely manner. It is also the policy of Future Bright that if there is any material problem on our product quality, a product recall shall be taken. There has not been any product recall in 2016 and 2017. As a part of its annual internal control and risk review, Future Bright also regularly reviews its internal policy and system to ensure that intellectual property rights are duly observed and protected.

### GROWING WITH COMMUNITIES

As its core policy, Future Bright values the importance of its social responsibility and its impact on the community, with due regards to the needs and interests of the communities. Future Bright therefore integrates such elements in its business activities and participates in (and encourages the staff to participate in) the charitable activities to promote the good corporate citizenship in Macau, Mainland China and Hong Kong. Future Bright strives to ensure that its success as a business helps the communities and societies in which it operates to prosper, through direct contributions, share of core values and exemplified behaviors. Future Bright cares and provides employment for the underprivileged. Future Bright's employees proactively provide additional assistance to senior customers and those in need while high chairs are available for customers with kids to enjoy their food. Future Bright welcomes the visually impaired to visit its restaurants and food souvenir shops with their guide dogs. Future Bright has been participating in programs of non-profit organizations for the underprivileged.

Future Bright has in 2017 contributed cash donation, time, in-kind donations and management costs to the non-profit organizations. Future Bright encourages all employees to become actively involved in the communities in which they live and work. More than 100 employees and family members of Future Bright have in 2017 participated in the Macau Walks for Millions. In 2017, employees of Future Bright have taken part in volunteering activities including participation in overseas promotion trips organised by local government and/or trade organisations. Future Bright has a team of staff undertaking volunteer works on a regular basis. Future Bright has also been undertaking relatively lower margin canteen services for universities and schools in Macau as a part of its social responsibility to serve the public. Being a leading food and catering group in Macau, Future Bright's contribution to the communities is the positive impact of its business itself: creating jobs, providing business to suppliers and providing wide variety of quality food and services to visitors to Macau to help the tourist industry.

Future Bright has for years been hiring people of special needs, providing them with appropriate accommodation and job training. Future Bright has been also supporting the social integration of people with and without disabilities. In 2015 and 2017, Future Bright was granted of the "Award of the Employment of Disability People".

Since 2017, Future Bright has set up a volunteer team to actively participate in the volunteer activities to assume more social responsibilities to serve the local community and to bridge the gap between business and community. It is planned to include activities such as visits to socially vulnerable groups, provision of training workshop for the disabled, donations to elderly home and visits to the underprivileged. In 2017, six staff members of Future Bright participated in the Recognition Award Program for Outstanding Elderly Employees launched by the Labour Affairs Bureau and the Social Welfare Bureau of Macau and they were granted of memorial awards.



# CORPORATE GOVERNANCE

*It is the policy of Future Bright (“Company”) to maintain and ensure high standard of corporate governance, with its board (“Board”) of directors undertaking regular review and improvement of its corporate governance practices and standards.*

Future Bright’s 2017 Corporate Governance Report has been included in its 2017 annual report (“the 2017 annual report”) and is also set out below. The Board is committed to maintain and ensure high standard of corporate governance. The Board is regularly reviewing and improving the corporate governance practices and standards of the Company (together with its subsidiaries called “Group”) to ensure that business activities and decision making processes are conducted in a proper manner and to enhance the Company’s competitiveness and operating efficiency.

The Company has complied with the Corporate Governance Code (“CG Code”) and Corporate Governance Report, Appendix 14 to the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) for the year ended 31 December 2017 as set out in Appendix 14 of the Listing Rules.

The Board is committed to maintaining and ensuring high standard of corporate governance. It is regularly reviewing and improving the corporate governance practices and standards of the Group to ensure that business activities and decision making processes are conducted in a proper manner and to enhance the Company’s competitiveness and operating efficiency.

The Board has in place a set of up-to-date terms of reference on corporate governance for its directors in line with the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules. These updated terms of references are published on the Company’s website at [www.fb.com.hk](http://www.fb.com.hk) (“Company’s Website”) and the Stock Exchange’s website.

## THE BOARD OF DIRECTORS

### BOARD COMPOSITION

The Board is led by the Chairman and currently comprises of four executive directors (one of them is the Chairman) and three independent non-executive directors. The directors of the Company during the year of 2017 and up to the date of the 2017 annual report are:

#### EXECUTIVE DIRECTORS

Mr. Chan See Kit, Johnny (*Chairman*)  
Mr. Chan Chak Mo (*Managing director*)  
Mr. Lai King Hung (*Deputy chairman*)  
Ms. Leong In lan

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Hon Kit  
Mr. Yu Kam Yuen, Lincoln  
Mr. Chan Pak Cheong Afonso

The biographical details of the Directors are set out in the section headed “Profile of Directors” on pages 55 and 56 of the 2017 annual report. All Directors have confirmed that they have taken an active interest in the Company’s affairs and obtain a general understanding of its business. The Board possesses a balance of skills and experience which are appropriate for the requirements of the business of the Company. The independent non-executive directors of the Company have appropriate professional qualifications and their professional opinions raised in the Board meetings facilitate the maintenance of good corporate governance practices. A balanced composition of executive and non-executive Directors also generates a strong independent element to the Board, which exercises independent judgment effectively and makes decision objectively for the best interests of the Company. The Company shall review the composition of the Board regularly to ensure the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group’s business.



## CORPORATE GOVERNANCE

The Company does not at present have any officer with the title of “chief executive officer” but instead, its duties are performed by Mr. Chan Chak Mo, the managing director. To have a clear division between the management of the Board and the daily management of the business operations of the Company, the role of the chairman is separate from that of the managing director. The chairman focuses on overall corporate development and strategic direction of the Group and provides leadership for the Board and oversees the efficient functioning of the Board. The managing director is responsible for all daily management including planning and developing the Group’s strategy. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority. The Company shall ensure and facilitate each Director to take an active interest in the affairs of the Group so that each Director could make positive contribution to the Group.

All independent non-executive Directors are free from any business or other relationship with the Company. The Company’s independent non-executive Directors represent at least one-third of the Board. The Company has received from each independent non-executive Director a confirmation of his independence. The Board considers that each independent non-executive Director is independent in character and judgment and that each of them meets the specific independence criteria as required under Rule 3.13 of the Listing Rules. Moreover, all independent non-executive Directors are engaged on service contracts for a term of one year commencing on date of appointment and thereafter for further successive periods of one year, subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. Also a separate ordinary resolution in general meeting is necessary for shareholders to retain an independent non-executive Director who has served nine years or more.

The Board also regularly reviews the contribution and time of each Director in his/her discharge of duties and responsibilities to the Company. Each Director is fully aware of his/her obligation to inform the Company on a timely manner of any change to significant commitments to the Company.

To keep abreast of the responsibilities as directors of the Company and of the conduct, business activities and development of the Company, the Directors are from time to time provided with information on the activities, development and financials of the Group’s business, and the legal and regulatory requirements (including duties and responsibilities) as a director of the Company. In addition, they are given full access to independent professional advice whenever deemed necessary by the Directors at the Company’s expenses.

Under the code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Company has provided the Directors with the relevant training reading materials as well as information on different seminars and training courses during the year of 2017. The Directors have confirmed that they have complied with the provision A.6.5 of the CG Code during the year of 2017 on directors’ training. All Directors have confirmed that they have during the year of 2017 participated in continuous professional development by attending seminars briefing and/or reading the relevant materials to develop and refresh their knowledge and skills and provided a record of training to the Company.

The Board has in place a set of updated procedures for Shareholders to propose a person for election as a director of the Company, and these procedures are published on the Company’s Website and the Stock Exchange’s website.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has in place a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry with them, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company’s code of conduct regarding directors’ securities transactions during the year of 2017.





## CORPORATE GOVERNANCE

To enhance the corporate governance of the Group as a whole, the Board has in place a written guideline on terms no less exacting than the Model Code for directors and employees of the Company and its subsidiaries and holding company who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company. No incidents of non-compliance have been noted by the Company in 2017.

### NOMINATION OF DIRECTORS

The Board has a nomination committee with specific written terms of reference which deal clearly with its authority and duties. These terms of references are published on the Company's Website and the Stock Exchange's website.

The nomination committee's major role is to advise on and propose to appoint any person as a Director either to fill a casual vacancy on or as an additional member of the Board. The selection criteria are mainly based on the professional qualification and experience of the candidate. A newly appointed Director must retire and be re-elected at the first general meeting after his appointment. At each annual general meeting, one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director shall be eligible for re-election.

The members of the nomination committee are:

Mr. Chan See Kit, Johnny (*Committee Chairman*)  
Mr. Cheung Hon Kit  
Mr. Chan Pak Cheong Afonso

A majority of the nomination committee members are independent non-executive Directors. During the year ended 31 December 2017, no nomination committee meeting was held as no new Director was proposed or appointed.

### BOARD MEETING

Regular Board meetings are held at least four times a year to approve annual and interim results, review the business operation and the internal control system of the Group. Apart from these regular meetings, Board meetings are also held to approve major issues including, among other things, overall strategy and investment plans of the Group. At least 14 days' notice of each regular meeting is normally given to all Directors. Agendas and accompanying board papers are usually sent not less than 3 days before the date of board meetings to ensure that the Directors are given sufficient review time. Draft minutes of Board meetings and Board committee meetings are circulated to Directors for their review and comment while final version of the said minutes, duly signed, are sent to all members for their records. All said minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

During the year ended 31 December 2017, 10 Board meetings were held, and the attendance of these meetings of each Director is set out as follows:

Directors	No. of meeting attended
Mr. Chan Chak Mo	7/10
Mr. Chan See Kit, Johnny	10/10
Mr. Lai King Hung	10/10
Ms. Leong In lan	8/10
Mr. Cheung Hon Kit	9/10
Mr. Yu Kam Yuen, Lincoln	10/10
Mr. Chan Pak Cheong Afonso	10/10

No Board meeting was attended by any alternate Director during the year.

All Directors have confirmed that they have in a timely manner informed the Company that there had been no changes in the number and nature of offices held by him/her in public companies or organisations and other significant commitments during the year of 2017.



## CORPORATE GOVERNANCE

### BOARD AND MANAGEMENT

To enable all Directors to make informed decisions at Board meetings and to discharge their duties and responsibilities, management always provides the Directors with appropriate, complete and reliable information in a timely manner. In addition, management has been providing the Directors with monthly management reports and quarterly business update public announcements which contain the monthly and quarterly financials, business development and reviews of the Group's business. To further reinforce independence, the Board and each Director can have separate and independent access to the management and staff of the Company if additional information is required. The Company has also provided appropriate insurance cover in respect of legal action against its directors and senior management.

In order to have a clear principle in relation to matters specifically reserved to the Board for decisions, functions between the Board and the management of the Company are formalised. Matters reserved to the Board for decision include the making of significant financial and legal commitments, merger and acquisition, material asset acquisition or disposal, the change of share capital, the approval of financial reporting, budgeting, management succession and representation to Shareholders. The management of the Company is thus responsible for the day-to-day running of the Group; making reports on the operations to the Board on a monthly basis and making recommendations to the Board on the development of any major projects or business proposals and their respective implementation. The Board is of the view that such division of responsibilities does enhance the corporate governance of the Company. The Board has in place specific written terms of reference in respect of the corporate governance to perform the corporate governance function of the Company.

During the year, the Board has reviewed the Company's policies and practices on corporate governance, and reviewed and monitored the training and continuous professional development of Directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory

requirements, the code of conducts, the CG Code and the disclosure in the Corporate Governance Report of the 2017 annual report.

During the year of 2017, the Board has considered the following corporate governance matters:

- review of the compliance with the CG Code; and
- review of the effectiveness of the internal controls and risk management systems of the Group through the audit committee.

### REMUNERATION OF DIRECTORS

The Board has a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. The Board has in place a set of updated terms of reference for the remuneration committee, a copy of which is published on the Company's Website and the Stock Exchange's website.

The remuneration committee's role is to make recommendation to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of Shareholders. The principal duties of the remuneration committee include determining the specific remuneration packages of all executive Directors and senior management, as well as reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

Details of remuneration payable to Directors and senior management are set out in the notes 12 and 13 to the financial statements on pages 127 to 129 of the 2017 annual report.

The members of the remuneration committee during the year of 2017 were:

Mr. Chan Pak Cheong Afonso (*Committee Chairman*)  
 Mr. Cheung Hon Kit  
 Mr. Chan See Kit, Johnny



## CORPORATE GOVERNANCE

A majority of the remuneration committee members are independent non-executive Directors. During the year ended 31 December 2017, one remuneration committee meeting was held to consider and approve the remuneration package of the Directors, and the individual attendance of that meeting of members is set out as follows:

Members	No. of meeting attended
Mr. Chan Pak Cheong Afonso	1/1
Mr. Cheung Hon Kit	1/1
Mr. Chan See Kit, Johnny	1/1

No remuneration committee meeting was attended by any alternate Director during the year of 2017.

The remuneration, comprising director's fee, of independent non-executive Directors is subject to recommendation by the remuneration committee for Shareholders' approval at the annual general meeting. Reimbursement is allowed for out of pocket expenses incurred (including traveling and hotel expenses) in connection with the performance of their duties.

### AUDIT COMMITTEE

The Board has an audit committee with specific written terms of reference which deal clearly with its authority and duties. The Board has in place a set of updated terms of reference for the audit committee, a copy of which is published on the Company's Website and the Stock Exchange's website. The audit committee is to review the Group's financial reporting, internal controls and corporate governance issues and make relevant recommendations to the Board. And the audit committee meets the Company's auditor at least twice a year.

The members of the audit committee during the year of 2017 were:

Mr. Chan Pak Cheong Afonso (*Committee Chairman*)  
 Mr. Cheung Hon Kit  
 Mr. Yu Kam Yuen, Lincoln

All audit committee members are independent non-executive Directors. During the year ended 31 December 2017, two audit committee meetings were held, and the individual attendance of these meetings of members is set out as follows:

Members	No. of meeting attended
Mr. Chan Pak Cheong Afonso	2/2
Mr. Cheung Hon Kit	2/2
Mr. Yu Kam Yuen, Lincoln	2/2

No audit committee meeting was attended by any alternate Director during the year of 2017.

In discharging its responsibilities, the audit committee has performed the following works during the year of 2017:

- (i) review of the draft interim and annual financial statements and the related draft results announcements;
- (ii) review of the change in accounting standards and assessment of potential impacts on the Group's financial statements; and
- (iii) making recommendation on the appointment or reappointment of the external auditors and approved their terms of engagement.

The audit committee allows employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters. The relevant arrangement is in place for the fair and independent investigation of these matters and for appropriate follow up action. A copy of such arrangement is published on the Company's Website and the Stock Exchange's website. The audit committee has since March 2012 established a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the audit committee about possible improprieties in any matter related to the Company. A copy of such system arrangement is published on the Company's Website and the Stock Exchange's website.



## CORPORATE GOVERNANCE

### RISK COMMITTEE

The Board has a risk committee with specific written terms of reference which deal clearly with its authority and duties. The Board has in place a set of terms of reference for the risk committee, a copy of which is published on the Company's Website and the Stock Exchange's website.

The risk committee's role is to make recommendation to the Board on the risk management framework and internal control policies. The principal duties of the risk committee include reviewing and monitoring the Company's risks. The risk committee also reviews the effectiveness of the enterprise risk management function, including staffing level and qualification as well as risk reports and breaches of risk tolerances and policies from time to time.

The members of the risk committee are:

Mr. Chan Pak Cheong Afonso (*Committee Chairman*)  
Mr. Yu Kam Yuen, Lincoln  
Mr. Chan See Kit, Johnny

A majority of risk committee members are independent non-executive Directors. During the year ended 31 December 2017, one risk committee meeting was held, and the individual attendance of that meeting of members is set out as follows:

Members	No. of meeting attended
Mr. Chan Pak Cheong Afonso	1/1
Mr. Cheung Hon Kit	1/1
Mr. Yu Kam Yuen, Lincoln	1/1

In discharging its responsibilities, the risk committee has appointed independent professionals to review the Group's internal control system and to advise on the relevant issues including financial, operational and compliance controls and risk management functions during the year of 2017. More details on risk and internal control are set out below.

### AUDITOR'S REMUNERATION

Apart from carrying out the annual audit, BDO Limited, being the auditor of the Company carried out the review on the interim report of the Company in 2017 and other non-audit services. The fee of the annual audit was HK\$1,550,000 whereas the non-audit fees in respect of the interim review were HK\$400,000 and other non-audit services (i.e. agreed-upon procedure) were HK\$15,000. In addition, the Company paid the non-audit fees of HK\$630,000 to BDO Financial Services Limited for review of (i) 2016 ESG report; and (ii) internal control and other non-audit assignments on non-financial operations of the Group.

### RESPONSIBILITY FOR PREPARATION AND REPORTING OF ACCOUNTS

The Directors acknowledge their responsibility for preparing the accounts which have been prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditor about their reporting responsibilities is set out in the section headed "Independent Auditor's Report" on pages 67 to 73 of the 2017 annual report.

### RISK MANAGEMENT AND INTERNAL CONTROLS

#### GROUP RISK MANAGEMENT

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The audit committee assisted the Board to fulfill its responsibility. The Board recognizes that risk taking is unavoidable as part of the Company's business. By appropriate risk management and continuous risk monitoring, risk taking can bring value to the Company. The Board believes that risks are acceptable after prudent assessment of their impact and likelihood. The Company can protect its assets and Shareholders' interests and create value simultaneously through appropriate risks management and control measures. The system includes a defined management structure with limits of authority, safeguards its assets against unauthorised use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial

## CORPORATE GOVERNANCE

information for internal use or for publication, and ensures compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage the risks of failure in the Group's operational systems and in the achievement of the Group's objectives.

### RISK ASSESSMENT APPROACH AND RISK IDENTIFICATION

The Board has the oversight responsibility for evaluating and determining the nature and extent of the risks faced by the Group and reviewing and monitoring the Group's approach to addressing these risks. In addition, the Board oversees management in the design, implementation and monitoring of the risk management and internal control systems.

Based on last year's result, risk assessment is reassessed annually to ensure material risks to which the Company may be exposed are properly identified, assessed, managed and monitored. The Company shall perform ongoing assessment to update the entity-level risk factors and report to the Board on a regular basis.

### HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The handling and dissemination of inside information of the Company is strictly controlled and remains confidential including but not limited by the following ways:

1. Restrict access to inside information to a limited number of employees on a need-to-know basis;
2. Reminder to employees who are in possession of inside information and ensure that they are fully conversant with their obligations to preserve confidentiality;

3. Ensure appropriate confidentiality agreements are in place when the Company enters into significant negotiations or dealings with third party; and
4. Inside information is handled and communicated by designated persons to outside third party.

The Board and the senior management review the safety measures regularly to ensure inside information is properly handled and disseminated.

### INTERNAL AUDIT FUNCTION

A professional firm also performs Company internal audit function (the "IA Function") and assists the Board in conducting a review of certain key parts of the internal control systems of the Group. Based on the Company's previous risk assessment results and a three-year internal audit plan, the internal audit review carried out during 2017 includes: a) scoping and planning audit locations as agreed with the audit committee and the Board; b) review of the design of internal control structure by identifying the key controls in place and determining significant gaps within the design of the controls; c) testing of the key controls; and d) reporting to and making recommendations to the audit committee on the major design weakness in order to enhance the internal control of operation procedures, systems and controls. The report and recommendations were submitted to the Board and rectification action was taken based on recommendations by the Company.

### MANAGEMENT'S CONFIRMATION ON RISK MANAGEMENT

Based on the risk management mechanism and internal audit review activities mentioned in the aforesaid paragraphs, the management made a confirmation to the Board that the Company had maintained an effective risk management mechanism and internal control system during the financial year ended 31 December 2017.





## CORPORATE GOVERNANCE

### SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

The Company shall, for the purpose of keeping its shareholders duly informed of their rights, publish from time to time the updated Bye-laws in a consolidated form on the Company's Website and the Stock Exchange's website.

The Group establishes communications with Shareholders through the publication of announcements, notices, circulars, interim and annual reports in the Company's Website.

According to the Bye-laws, Shareholders, holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company, can, by written requisition to the Board or the company secretary, request to convene a special general meeting for the transaction of any business specified in such requisition. Any general meeting, at which the passing of a special resolution is to be considered, shall be called by not less than 21 clear business days' notice, whilst others may be called by not less than 14 clear business days' notice.

The chairman of general meetings ensures that the shareholders are informed of the procedure for demanding a poll by way of making the disclosure in the circulars to Shareholders and repeating the same during the general meetings. The chairman of general meetings also ensures compliance with the requirements about voting by poll contained in the Listing Rules and the Bye-laws.

Regarding the procedures for putting forward proposals at a general meeting, please refer to the procedures made available in the Company's Website and the Stock Exchange's website.

In order to maintain an on-going dialogue with shareholders, Shareholders are encouraged to attend annual general meetings of the Company at which the chairman of the Board and the chairman of the Board's committees are available to answer questions related to the Group's business. The matters resolved at the 2017 AGM are summarised below:

- i. approval of the audited financial statements for the year ended 31 December 2016;
- ii. approval of the special final dividend for the year ended 31 December 2016;
- iii. Mr. Chan See Kit, Johnny and Ms. Leong In Ian were re-elected as executive Directors;
- iv. Mr. Chan Pak Cheong Afonso was re-elected as independent non-executive Director;
- v. re-appointment of BDO Limited as the external auditor of the Company;
- vi. grant of a general mandate to the Directors to allot, issue and deal with additional shares in the Company not exceeding 20% of its total number of issued shares;
- vii. grant of a general mandate to the Directors to repurchase shares in the Company not exceeding 10% of its total number of issued shares; and
- viii. extension of the general mandate to issue shares in the Company by adding to it the number of shares repurchased under the repurchase mandate.



## CORPORATE GOVERNANCE

The 2017 AGM was held on 15 May 2017, and the attendance of that AGM of each Director is set out as follows:

Directors	No. of meeting attended
Mr. Chan Chak Mo	1/1
Mr. Chan See Kit, Johnny	1/1
Mr. Lai King Hung	1/1
Ms. Leong In Ian	0/1
Mr. Cheung Hon Kit	1/1
Mr. Yu Kam Yuen, Lincoln	1/1
Mr. Chan Pak Cheong Afonso	1/1

No general meeting was attended by any alternate Director during the year of 2017.

Shareholders' comments and suggestions as well as any proposals put forward to Shareholders' meetings at a reasonable time are welcome, and such comments and proposals can be sent in writing to the company secretary at the Company's principal place of business in Hong Kong. The Board endeavors to answer all valuable questions from the Shareholders.

### CORPORATE SOCIAL RESPONSIBILITY

As a public listed company, the Company values the importance of corporate social responsibility and its impact on the community. The Company integrates such elements in its business activities and participates in or encourages the staff to participate in the charitable activities to promote the good corporate citizenship in Macau, Mainland China and Hong Kong.

### EMPLOYEES

The Company recognises that staff is a valuable asset, and human capital is important to the growth of the Company. The Company provides staff with training to enhance their commercial and technical skills and expertise. In addition, the Company provides a safe working environment to staff of different sections.

### COMMUNITY

The Company has encouraged donation to the people in need by staff and our customers such as joining events organised by the community chest and placing the donation boxes in the restaurants for donation by customers.

### COMPANY SECRETARY

Mr. Leung Hon Fai remains as the company secretary of the Company. He has taken no less than 15 hours of relevant professional training during the year of 2017.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORT

An ESG report of the Group for 2017 would be issued and published on the Company's Website and the Stock Exchange's website by June 2018.

28 June 2018



# SCHEDULE: PARAMETERS AND METHODOLOGIES

## SCHEDULE:

Parameters and methodologies used in this report are:

1. BDO Financial Services Limited has conducted a review over the reporting mechanism of the environmental and social parts of this report and its recommendations have been adopted in this report accordingly.
2. This report is prepared in accordance with the principles and methodologies of local and international carbon accounting standards, based on the available information as at the date of this report. This exercise is a fair and reasonable representation of business activities and operations in which Future Bright group has direct operational control and full authority to introduce and implement its operation policies. However, this report excludes emissions rising from outsourced operations and fugitive emissions that they are considered not to have a significant impact on its overall emission performance.
3. CO<sub>2</sub>e, or carbon dioxide equivalent, is a standard unit for measuring carbon footprints. The idea is to express the impact of each different greenhouse gas in terms of the amount of CO<sub>2</sub> that would create the same amount of warming. That way, a carbon footprint consisting of lots of different greenhouse gases can be expressed as a single number. Greenhouse gas emissions comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. The data are calculated using locally available methods and data where they exist. Where there is no locally available method or data, the data are calculated using other available appropriate references under the principles and methodologies of local and international carbon accounting standards. There are thus inherent limitations to the accuracy of such data.
4. In calculating the greenhouse gas emission under Scope 1's mobile source for Hong Kong, reference was made to Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong published by the Environmental Protection Department and the Electrical and Mechanical Services Department in 2010. And calculation of emissions for Hong Kong was made to include CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub>, based on emission factor for unleaded petrol for passenger car of 2.36 kg/litre for CO<sub>2</sub>, emission factor for unleaded petrol for passenger car of 1.105 g/litre for N<sub>2</sub>O, and emission factor for unleaded petrol for passenger car of 0.253 g/litre for CH<sub>4</sub>. In calculating the total greenhouse gas emission under Scope 1's mobile source for Macau and China, reference was made to 2006 IPCC Guidelines for National Greenhouse Gas Inventories with the assumption of same emission factors as gasoline. Calculation of emissions for Macau and China was made to include CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub>, based on emission factor of 2.271 kg/litre for CO<sub>2</sub>, 1.081 g/litre for N<sub>2</sub>O, and 0.104 g/litre for CH<sub>4</sub>.
5. In calculating the greenhouse gas for emission for Hong Kong, Macau and Guangdong under Scope 1's stationary source, calculation of emission of CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> for Hong Kong, is based on the emission factor of 2.549 kgCO<sub>2</sub>/unit, 0.0000099 kgN<sub>2</sub>O/unit, 0.0000446 kgCH<sub>4</sub>/unit with reference to HKEx How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs. Calculation of emission of CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> for Macau and Guangdong, is based on the emission factor of 1.88496 kgCO<sub>2</sub>/m<sup>3</sup>, 0.00000336 kgN<sub>2</sub>O/m<sup>3</sup>, 0.000168 kgCH<sub>4</sub>/m<sup>3</sup> with reference to GHG Protocol Emission Factors from Cross Sector Tools March 2017.
6. In calculating greenhouse gas emissions for Scope 2 for Hong Kong, emission factors for electricity (i) of 0.79kg CO<sub>2</sub>e/kWh was used, as based on the Sustainability Report 2017 of Hong Kong Electric Holdings Ltd issued in March 2018, and (ii) of 0.51kg CO<sub>2</sub>e/kWh was used, as based on the Sustainability Report 2017 of CLP Holdings Limited issued in February 2018, while emission factor for town gas of 0.592kg CO<sub>2</sub>e/unit was used, as based on the Sustainability Report 2017 of Towngas.



## SCHEDULE: PARAMETERS AND METHODOLOGIES

7. In calculating greenhouse gas emissions for Scope 2 for Macau, emission factor for electricity of 0.905kgCO<sub>2</sub>e/kWh was used, as based on the Sustainability Report 2016 of Companhia de Electricidade de Macau, and emission factor for natural gas of 0.592 kgCO<sub>2</sub>e/unit was used, as based on the Sustainability Report 2017 of Towngas, assuming same emission factor as Hong Kong since the emission factor for natural gas in Macau is unavailable.
8. In calculating greenhouse gas emissions for Scope 2 for Guangdong, emission factor for electricity of 0.67254 kgCO<sub>2</sub>e/kWh was used, as based on the article "Getting Every Ton of Emissions right: An Analysis of Emission Factors For Purchased Electricity in China" by World Resources Institute of June 2013, and emission factor for natural gas of 0.592 kgCO<sub>2</sub>e/unit was used, as based on the Sustainability Report 2017 of Towngas, assuming same emission factor as Hong Kong since the emission factor for natural gas for Guangdong is unavailable.
9. In calculating the greenhouse gas other indirect emissions for Macau, Guangdong and Hong Kong under Scope 3, reference was made to Water Supplies Department Annual Report 2016/17 of Hong Kong for emissions due to electricity used for fresh water processing by the Water Supplies Department with the emission factor of 0.4025 kgCO<sub>2</sub>e/m<sup>3</sup>. For that of Macau and Guangdong, the same emission factor of 0.4025 kgCO<sub>2</sub>e/m<sup>3</sup> was used as relevant emission factors for Macau and Guangdong are unavailable. And for calculating other indirect emission of greenhouse gas for Macau, Guangdong and Hong Kong due to business air travel by employees, calculation was made by using ICAO Carbon Emission Calculator (<https://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>) with reference to the emission factor of CO<sub>2</sub> per pax = 3.16 \* (total fuel \* pax-to-freight factor)/(number of y-seats \* pax load factor) and ICAO Carbon Emissions Calculator Methodology-version 10 June 2017.

10. The following tables show the total emissions of NO<sub>x</sub>, SO<sub>x</sub> and PM from combustion of fuel of the Group for 2017 and 2016:

Our annual NO<sub>x</sub> emission was:

	2017	2016
Macau	<b>85.4 kg NO<sub>x</sub></b>	85.4 kg NO <sub>x</sub>
Guangdong	<b>33.4 kg NO<sub>x</sub></b>	37.3 kg NO <sub>x</sub>
Hong Kong	<b>21.3 kg NO<sub>x</sub></b>	11.6 kg NO <sub>x</sub>
<b>Total</b>	<b>140.1 kg NO<sub>x</sub></b>	134.3 kg NO <sub>x</sub>

Our annual SO<sub>x</sub> emission was:

	2017	2016
Macau	<b>0.8 kg SO<sub>x</sub></b>	0.8 kg SO <sub>x</sub>
Guangdong	<b>0.2 kg SO<sub>x</sub></b>	0.2 kg SO <sub>x</sub>
Hong Kong	<b>0.2 kg SO<sub>x</sub></b>	0.1 kg SO <sub>x</sub>
<b>Total</b>	<b>1.2 kg SO<sub>x</sub></b>	1.1 kg SO <sub>x</sub>

Our annual PM emission was:

	2017	2016
Macau	<b>2.5 kg PM</b>	2.3 kg PM
Guangdong	<b>0.3 kg PM</b>	0.2 kg PM
Hong Kong	<b>0.3 kg PM</b>	0.3 kg PM
<b>Total</b>	<b>3.1 kg PM</b>	2.8 kg PM

11. In calculating the NO<sub>x</sub>, SO<sub>x</sub> and PM emissions for Hong Kong, Macau and Guangdong from vehicles, emission factors of 0.0747 g/km for NO<sub>x</sub>, 0.0147 g/L for SO<sub>x</sub> and 0.0055 g/km for PM for Hong Kong were used since the emission factors for NO<sub>x</sub> and SO<sub>x</sub> for Macau and Guangdong are unavailable. The above emission factors are based on HKEx How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs. There are thus inherent limitations to the accuracy of such data. In calculating the NO<sub>x</sub> and SO<sub>x</sub> emissions for Hong Kong, Macau and Guangdong from using towngas and natural gas, emission factors of 4.02 kg/million MJ for NO<sub>x</sub> and 0.02 kg/million MJ for SO<sub>x</sub> were used, with reference to HKEx How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs, with the assumption of same emission factors as Hong Kong since the emission factors for Macau and Guangdong are unavailable.

# HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures		Reference section	Reference page
<b>A. Environment</b>			
A1 Emission	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, etc.	Chairman Foreword Environmental Perspective	2 4-10
A2 Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	Chairman Foreword Environmental Perspective: Compliance and Policy Use of Resources Food Waste Management	2 4 4-6 10
A3 The Environment and Natural Resources	Policies on minimizing the operation's significant impact on the environment and natural resources.	Chairman Foreword Environmental Perspective: Compliance and Policy Use of Resources Measures Food Waste Management	2 4 4-5 5-6 10
<b>B. Social</b>			
B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Chairman Foreword Social Values: Code of Business Employee Value and Leadership Compliance and Policy on Employment Health Standards	2 11 12 12 13
B2 Health and Safety	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.	Chairman Foreword Social Values: Compliance and Policy on Employment Health Standards Product Responsibility	2 12 13 13-14
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Chairman Foreword Social Values: Employee Value and Leadership Employee Profile Health Standards	2 12 13 13



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HKEx ESG Reporting Guide General Disclosures		Reference section	Reference page
B4 Labour Standard	Information on:	Chairman Foreword	2
	(a) the policies; and	Social Values:	
	(b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.	Employee Value and Leadership Compliance and Policy on Employment	12 12
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	Chairman Foreword	2
		Environmental Perspective: Sourcing Sustainably	10
		Social Values: Code of Business	11
B6 Product Responsibility	Information on:	Chairman Foreword	2
	(a) the policies; and	Social Values:	
	(b) compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Consumption	11
		Code of Business	11-12
		Health Standards	13
B7 Anti-corruption	Information on:	Chairman Foreword	2
	(a) the policies; and	Social Values:	
	(b) compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering.	Code of Business	11
B8 Community Investment	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	Chairman Foreword	2
		Social Values:	
		Growing with Communities	14



