

Shenyang Public Utility Holdings Company Limited

2018 Environmental, Social and Governance Report



**Shenyang Public Utility Holdings Company
Limited**

Stock Code: 747

2018 Environmental, Social and Governance Report

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Shengyang Public Utility Holdings Company Limited

Environmental, Social and Governance Report

1st January 2018 to 31st December 2018

OVERVIEW

In accordance with the requirements of The Stock Exchange of Hong Kong Limited (“HKEx”), listed companies are required to provide an annual Environmental, Social and Governance Report (“ESG Report”). This ESG Report is compiled in accordance with the guidelines laid down in Appendix 27 of the Environmental, Social and Governance Reporting Guide (the “Reporting Guide”) of the rules governing the listing of securities on the Main Board. This ESG Report covers the period from 1 January 2018 to 31 December 2018 (“the Reporting Period” or “2018”).

Shengyang Public Utility Holdings Company Limited (the “Group”, “We” or “Our”) attaches great value and importance in ESG matters and policies when formulating and implementing our corporate goals and business objectives. We believe that successful and sustainable achievements in ESG matters are vital and essential to the growth and development of the Group in the long run. We strive to operate our business with the objectives to: lessen the impact on the environment; provide a safe and pleasant working environment for our employees; comply with legal and regulatory requirements; adhere to high ethical standards, and contribute back to the communities in which we operate.

In preparing this ESG Report, the Group follows the Guidelines stipulated in the Reporting Guide and uses its numbering sequence on the relevant items.

CORPORATE VISIONS AND GOALS AND ESG MANAGEMENT

i. Corporate Visions and Goals

It is the business objectives and visions of the Group to maximize returns for its shareholders while at the same time to achieve continuing and sustainable developments for the society and environment and to provide and maintain a healthy and safe working environment for the employees.

ii. ESG Management Policies and Approaches

The Group has a number of different business operations having a diversified nature, including Zhongfang Chaozhou Jing Nan Industrial Park large scale infrastructure construction project (i.e. the large scale infrastructure construction project) in the the People's Republic of China (the "PRC" or "China"). All these business operations have the same goals and visions of maximising returns for our shareholders. In achieving our goals, the Group also integrates our commitments to staff safety and welfare, and supports the society well-being and environmental protection commitments to our business goals and activities at various stages.

This ESG Report mainly covers data and activities of our business operations for the year ended 31 December 2018, and in many material areas will be compared with the last reporting period at year ended 31 December 2017 ("the Last Reporting Period" or "2017") to demonstrate our environmental and social obligations performance. Especially worth noting is the fact that phase 1 of the large scale infrastructure construction project entered into the final stage (completion and acceptance procedures of the project were entirely completed. The settlement work of the project commenced in November 2018 and is expected to be finalised by the end of December 2019) during the Reporting Period. Relevant completion acceptance record with no adverse comments were received from the relevant government authorities and quality and standards supervising parties. The Group is pleased to report our contributions and accomplishments on ESG matters in the past years. The Group is confident to take on further challenges. Following the project entered into the final stage and before new ones are started, ESG burdens and responsibilities, in particular air emissions and waste discharges, are consequently much off loaded than before.

The Group's visions and goals, ESG Management Policies and Approaches can be summarized in the following statements. There is no significant change of the Group's position in ESG matters since our previous report.

1. The Group is committed to be a successful operator in all our business operations, bringing returns to our investors and supporters, providing a healthy and safe working environment to our employees and helping to achieve sustainable development of the local communities and the Group. The Board will from time to time approve and update strategies and policies which are incorporated with the related environmental and social issues contained in the Reporting Guide. The Board has assigned various company heads to implement the ESG policies relevant to their operations and activities. Through their normal and routine communication channels, the heads report directly to the Group Chairman, who has the overall responsibility to ensure that the Board's approved strategies and policies are implemented. Company heads are duty-bound to explore and develop Key Performance Indicators ("KPIs") where appropriate and necessary for future reference or timely implementation in line with the Group policies and goals.
2. It is incumbent on the Group Chairman and the management team to examine and address all the environmental and social issues spelt out in the Aspects and Areas in the Reporting Guide.

The scope of business and nature of operation of different companies of the Group are rather diversified and different. Understandably, various ESG goals and policies will have different impacts and implications to their operations and activities. For the purpose of this ESG Reporting, only activities and operations which are considered material and significant to the environment and our activities are included.

Change in the scope of business of the Group during the Reporting Period such as the withdrawal of money lending activity in Hong Kong after September 2018 has no material implications as far as this ESG reporting is concerned.

On the whole, the Group takes on an active role in ensuring a sustainable and environmentally-friendly production and operating processes are in place. This is achieved by taking all practicable and possible measures to comply with all the relevant national laws, operating practices and standards.

(A) ENVIRONMENTAL ASPECTS

A1: Emissions

(a) Policy

The Group reckons that we have a role to play in protecting the resources on earth and that wastes generated are causing harm to the environment. We treasure resources on earth and protect the environment as far as we can in our business operations and activities. The Group advocates the importance of sustainable development in relation to our on-going business operations. We are committed to environmental protection matters and have undertaken all practicable and possible measures to comply with the relevant national and provincial laws. Compliance of statutory requirements is our priority and bottom line of the Group as far as our business operations are concerned. The Group is committed to making every effort to fulfil our legal obligations.

Pragmatic and continuing education and training programmes are pertinent in achieving our environmental sustainability goals. Staff at various levels are made aware of their respective roles and responsibilities in conserving energy and natural resources.

Taking heed of the importance of energy saving and conservation of natural resources has gradually become a culture of the Group.

New approaches and appropriate measures will be considered and implemented in line with new challenges of the Group's operations.

(b) Compliance with relevant laws that have Significant Impacts

The Group is conscientious of our environmental and safety protection roles and responsibilities. We have adopted a policy that statutory compliance is a must and our bottom line.

During the Reporting Period, the Group has not been subjected to any breaches of environmental legislations in relation to emissions and waste discharges or other environmental issues that could have adverse impacts on the local environment.

A1.1 Types of Emissions and Emission Data

As our large scale infrastructure construction project in China and money lending activity in Hong Kong are mainly office works, the main source of gas emissions of the Group's businesses are mainly greenhouse gas emissions indirectly from the use of electricity and from the use of vehicles by the staff for business purposes. During the Reporting Period, since the usage of vehicles is minimal and the emissions from the vehicles are expected to be immaterial, we did not compile the vehicles emission data. We, however ensure that vehicle usage is only on a need-to-use basis in order to minimize vehicle emissions. With phase 1 of the large scale infrastructure construction project entered into the final stage, it is envisaged that vehicle mileage will drop significantly in the coming year.

Effort and attention are given to ensure that electricity and water consumption are properly monitored and controlled for the sake of energy and cost saving, as well as reducing indirect gases emission.

KPIs formulated previously remain valid and are reviewed and updated in various meetings. Existing KPIs are periodically examined in conjunction with our production goals in an ongoing manner. The Group is happy with its steady improvements and accomplishments in the various KPIs.

Emission Quantity

The nature of business operations of the Group does not entail significant amount of emission quantities which are having significant impact on the environment. Generally, emissions indirectly from the use of electricity is the largest source of air emissions follow by vehicle usage. Since direct emissions from vehicle usage are expected to be immaterial, we did not compile the KPI. Indirect emissions namely non-hazardous greenhouse gas – carbon dioxide (CO₂) from use of electricity are analysed in below paragraph.

A1.2 Greenhouse gas (GHG) emissions

The GHG mainly refers to the non-hazardous gas of carbon dioxide (CO₂) which is an indirect emission of electricity consumption.

Intensity comparison of the indirect greenhouse gas emissions is considered not very meaningful or applicable to the Group given the small size and scale of the offices and the fluctuation of work-loads in our large scale infrastructure construction project in our Chaozhou office. However, self-comparison of the same operating locations can be possible if made over a constant period of time, say on a yearly or work-cycle basis. Measures will be implemented to chart out the annual electricity consumption of each office location for long term meaningful comparison. The Group is however mindful of the fact that changes in operation scale for additional machines or employees may hinder any meaningful comparison objectives.

The Group has however prepared, collected, recorded and estimated data where possible and practicable for KPIs formulation. Data for the Reporting Period (2018) and the Last Reporting Period (2017) are tabulated below:

- (i) Total electricity consumption of the 2 offices in China: 17,516.23 kWh (2018); 13,805 KWh (2017)
- (ii) Total CO₂ indirect emission after conversion: 17.46 tonnes (2018); 13.76 tonnes (2017)

The increase in CO₂ emission of 26.8% in the Reporting Period over the Last Reporting Period is normal and should be considered as a positive performance of our staff because the increment is increased at a lower rate than the increment in activities as evidenced by the increase in turnover of 416.75% in the Reporting Period when compared to the Last Reporting Period.

A1.3 Total hazardous waste produced

Waste paper and office stationery are the primary waste produced. Given its modest scale and size, they do not entail concern of producing hazardous waste having materiality or significance to the environment. The Group however is conscientious of our role and responsibilities in protecting the environment. Reuse, recycle and renew is the general approaches and principles adopted by the Group.

During the Reporting Period, no adverse comments or irregularities have been reported by law enforcers.

Intensity comparison for this KPI on a location basis is not meaningful owing to the limited size and small number of operating locations.

A1.4 Total non-hazardous waste

The Group does not generate significant amount of non-hazardous wastes during our operations which are of materiality or significance impact on the environment. The amount we produced is not usually significant and material by industry standards as far as the Group is concerned. Nevertheless, all employees are constantly reminded of and educated to reduce waste production. This is considered to be the most efficient and cost effective mean.

All non-hazardous wastes are taken care of by the local waste collector.

A1.5 Mitigation measures on emissions and results

Upon the completion of the large scale infrastructure construction project, the Group sees a natural and consequential decrease of gases emissions. The Group is confident and determined to instigate appropriate measures and standards when new challenges come along.

A1.6 Handling and reduction of hazardous and non-hazardous wastes

Given the prevalent operating nature and scale of the Group, production of hazardous and non-hazardous wastes is immaterial. There is therefore no real concern in this KPI. The Group is also determined to formulate new KPIs in line with the new challenges which may come along in the future.

Non-hazardous wastes are taken care and disposed of by local waste collectors. Waste water from the offices is discharged through the building drainage system.

All levels of the Group are reminded of and educated on the importance of the 3-R guiding principle of reduce, reuse and recycle. The Group is satisfied with its accomplishment in general and recognizes the effort and achievement of the staff though no annual target has been set.

A2. Use of Resources

Policy on Efficient Use of Energy

Water and electricity are the major resources used by the Group. Diesel and gasoline for vehicles are only incidental to our business activities. The Group advocates our determination in promoting and achieving efficient use of energy, water and other raw materials though we do not see any significant impact or material significance to the environment given the modest size and scale of our current operations. The 3-R principle, i.e. reuse, recycle and reduce is implemented throughout the Group. This principle will be fully examined and further explored when new challenges emerge. The Group is satisfied with our performance so far.

During the Reporting Period, the 2 main offices consumed a total of 17,516.23 KWh electricity supplied from the city grid line, which is 3,709.75 KWh or 26.8% more than the Last Reporting Period. The increase is due to the substantial increase in activities as evidenced by the 416.75% increase in turnover.

A2.2 Water Consumption in Total and Intensity

Fresh water and electricity are the only key elements which are considered to have an impact or significance on the natural resource and environment. Through education programs, employees are constantly reminded to treasure natural resources as far as practicable.

City water supply is the only viable water source available to the Group as far as our business locations are concerned. There is no other practicable means or viable substituting sources available. The Group enjoys constant and reliable water supply from the city system.

All waste water discharges are connected to the municipal drainage systems with proper authorization.

The Group always places emphasis on natural resources conservation. However, intensity comparison for this KPI of different sites on water consumption is not meaningful as there are only limited number of offices.

During the Reporting Period, Shenzhen office moved to a new location in September 2018, where water is included in the management fee, and we therefore do not have any water consumption record. The Chaozhou office has a similar arrangement as Shenzhen office, and as a result, we do not have the water consumption record. Hence, no water consumption comparison is prepared. Nonetheless, the Group supports all measures to reduce, reuse and recycle as far as possible and practicable. In addition, the Group is clearly driven by the cost saving incentive to reduce all our natural resource consumption.

A2.3 Description of Energy Use Efficiency Initiatives and Results Achieved

For this KPI, the Group gains benefits from our implemented energy conservation measures. The Group has guidelines and instructions on the efficient use of resources. The Group would not miss out any new technologies and inventions on efficient use of energy and conservation. In parallel, education and promotional programmes are in place to remind staff of efficient use of energy. Energy efficiency is also one of our considerations in our purchases of new plants and equipment.

Energy saving has a cost saving incentive in the long run. The Group has invested in installing energy saving devices such as LED lights in offices. However, the Group considers that creating and maintaining an energy saving culture and being participated by employees is more meaningful. All employees are encouraged to use energy in a smart and responsible manner. Staff at all levels are made responsible for and be conscientious of the importance of energy conservation. Furthermore, office supervisors have been assigned to ensure the workplace temperature are maintained at a pre-determined degree. Equipment and tools are switched off when they are idle.

A2.4 Issues in Sourcing Water

Water is supplied from the city water supply system which is reliable in quality and supply quantity. Given the physical location of our offices, being in high rise buildings, alternative water sourcing is unattainable.

A2.5 Packaging Materials for Finished Products and Use of Other Resources

Given our business nature, packaging materials for finished products does not constitute any concern or relevance to the Group. We are however committed to reviewing our policy in line with any new challenges the Group may take up in the future.

A3. Environment and Natural Resources

A3.1 Policies on minimizing the Group's significant impact on environment and natural resources and the actions taken to manage them.

The Group is committed to, on an ongoing basis, minimizing impacts on environment and natural resources. Staff education remains to be our primary measure which we consider to be effective.

Consistent with our visions and policies on the environmental protection and conservation of resources on earth, the Group fully recognises the value and importance of this aspect despite the fact that our operations are innocuous and our scale is modest.

Staff at all levels are constantly reminded of and made aware of our roles as an individual or as a member of the Group to minimise impact on the environment and resources.

In conjunction with the measures to reduce, reuse and recycle, the Group and all managers are constantly reminded to look for ways and means to accomplish the 3-R goals.

(B) SOCIAL RESPONSIBILITY ASPECTS

Employment and Labour Practices

B1. Employment

(a) Policy

The Group treasures and regards our employees as an invaluable asset of the Group. It is the policy of the Group to strictly comply with all the relevant statutory requirements in the Labour Laws of PRC and Employment Ordinance of the Hong Kong Special Administrative Region.

The Group takes all measures to ensure that our statutory duties and responsibilities as an employer are duly complied with in our operating locations. The Group adopts a serious view and attaches great importance to complying with all the labour laws on employment, employee compensation etc., which are applicable to our office operating locations. This is our base line and minimum standard. Employment of child labour and forced labour is expressly and totally forbidden. It is under the regular scrutiny of the management. No anomalies have been detected or reported.

In this connection, the Group has formulated policies and regulations on employment and other labour welfare and protection matters which include but not limited to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits.

The Group drives to provide equal opportunity for our staff in recruitment, promotion, compensation and benefits and is dedicated to establish and promote a fair, harmonious and respectful workplace.

(b) Compliance with the relevant laws and regulations that have a significant impact on the Group

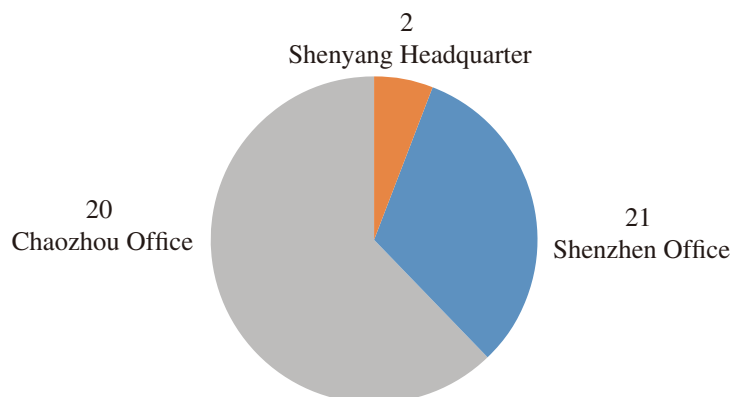
- (i)* We take all possible measures within our resources and ability to ensure that all labour protections requirements, employment laws and statutory requirements are duly complied with.

- (ii) All employments are entered into contracts in writing signed by the employee and representative of the Group. Employment terms and conditions and welfare provisions are spelt out in the employment contract. In formulating our policies, complying with the prevalent statutory requirements on labour protection, employment and welfare of the government where the office operates is the fundamental principle and bottom line of the Group. As an employer, the Group takes all measures to ensure due compliance.
- (iii) The Group provides and maintains employment welfare and benefits to our staff, including but not limited to mandatory provident fund, medical insurance and work injury insurance.
- (iv) The Group is committed to creating a fair employment environment with equal opportunity. All applications for vacancies, transfers and promotions will receive fair consideration with no regard to age, race, religion, gender, sexual orientation, disability or other discriminating basis.
- (v) Relevant education qualifications, skills, professional or technical qualifications and relevant experience and performance form the basis of selection criteria for appointment and promotion. Recruitment or promotion is carried out by the user department and the human resources department in an open and transparent manner.
- (vi) Employee remunerations are determined with reference to the prevailing market level as well as the competency, qualification and experience of the individual employee.
- (vii) Salary payment is duly paid to the employees within the statutory prescribed period.

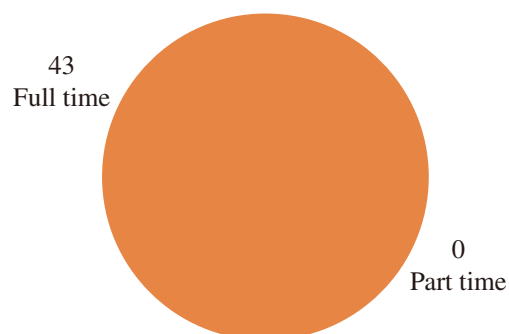
During the Reporting Period, the Group received no complaints, warnings, litigations or fine from the law enforcing agents or the staff.

As at 31 December 2018, the Group employed a total of 43 employees. The employment mix in term of location, gender, full time and part time, functions and ages distribution are charted below:

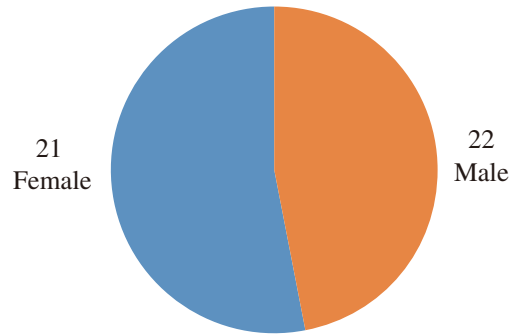
Location



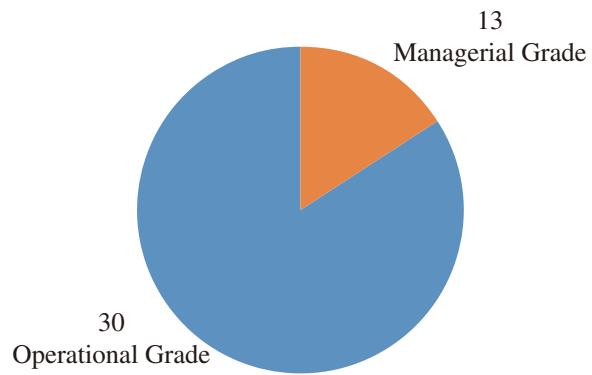
Full Time and Part Time



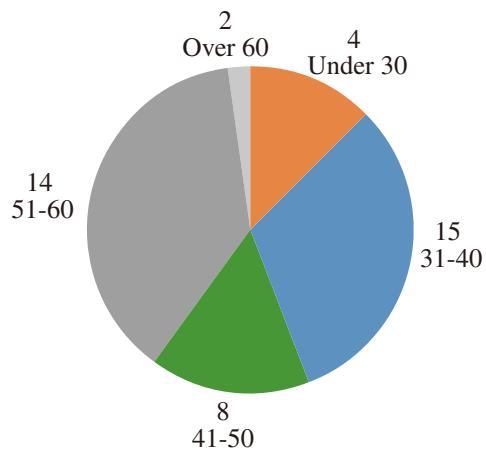
Gender



Functions



Ages Distribution



B2: Health and Safety

(a) Policy

The Group is committed to providing a safe, healthy and pleasant working environment to the employees. We have equipped the offices with adequate equipment and facilities to ensure safety and convenience to employees.

The Employee Handbook sets out the general safety policies and procedures for all employees.

All employees are required to strictly observe the health and safety policies, instructions and guidance and to follow the same at work and to place safety as their priority over production. Managers and supervisors are charged with the responsibility of ensuring that safety policies, rules and practices are implemented.

(b) Compliance of relevant laws that have significant impacts

Compliance of the relevant statutory provisions or laws in health and safety is the primary concern of the Group. All permanent staff have been covered with social, medical and accidental insurance as required by laws.

There were no serious injuries, incidents or disastrous events which could have significant impact on the operations or business of the Group during the Reporting Period.

The Group has purchased office appliances and tools which are safe for use and fit for our operations. There have been no adverse comments or fines or prosecution being reported or recorded by the law enforcing departments.

The Group did not have any record on any claims, disputes on compensation or work related injury or investigation by the government officials during the Reporting Period.

B3: Development and Training

(a) Policy on improving employee knowledge and skills

It is the policy of the Group to employ employees with the required qualification, competency and skills for the position. The Group instigates training programmes for all levels of employees. It is the policy of the Group to provide the required level of training in terms of skills and job knowledge to employees at various levels so that they are able to perform their required job duties in a competent and capable manner, without risk to their health and safety.

The Group supports and encourages staff to attend trainings to better equip themselves for further self-development. Staff can also apply for free time and cost reimbursement for external training to improve their job skills and potential. All training supports are provided strictly on a justification basis and regardless of their age, gender, race or religion.

A total of 15 employees (6 males and 9 females) from the operational level received a total of 30 hours training comprising 18 hours internally developed training programs and 12 hours externally paid programs during the Reporting Period.

B4: Labour Standards

(a) Policy on the relevant laws and regulations that have a significant impact on the Group

The Group strictly complies the statutory requirements and legal standards in law applicable to our business operations. All relevant statutory requirements and laws are adopted as our minimum labour standard on labour protection and welfare. Furthermore, the Group is committed to ensuring their full compliance of statutory duties and obligations and all management and supervisory levels are made aware of this.

(b) Compliance on the relevant laws and regulations that have a significant impact on the Group

The Group, strictly abides by the laws on employment and labour protection in ensuring employee health, safety and welfare during their employment. The Group pays wages and salaries, benefits, compensation payments and insurance on time within the statutory prescribed period. The Group honoured all our obligations towards our employees and no disputes or litigations on labour matters or labour welfare were reported for the Reporting Period.

B4.1 Description of measures to review employment practices to avoid child and forced labour

The Group is determined and committed to banning the employment of child, forced or illegal workers. Banning the employment of child labour, illegal workers and forced labour is achieved through the recruitment and employment process at source by the Human Resources Department. All job applicants are required to submit their credentials such as academic qualifications, professional skill certificates, references and identity cards for verification and record purpose during recruitment process. Such information is kept as the employee's personal file for record, future reference and government inspection.

B4.2 Description of steps taken to eliminate such practices when discovered

Heads of the business offices are responsible for ensuring compliance of all labour protection and welfare obligations including banning of child or forced or illegal labour employment. Any breaches of statutory compliance are required to be brought to the attention of the senior levels for further action.

No cases of any child labour or forced labour or illegal worker employment have been reported or detected during the Reporting Period.

B5. Supply Chain Management

(a) Policies on managing environmental and social risks of the supply chain

Our most important business – large scale infrastructure construction project is operating under the model of “sub-contracting out on turnkey basis”, and this means that all the purchases are handled by the sub-contractors. Most of our purchases are therefore for office use like stationeries which are concluded from local or nearby sources or suppliers. The Group does not foresee our source of supplies to be a potential threat to our business operations.

B5.1 Number of suppliers by geographical regions

Most of our purchases for general purpose are concluded with local suppliers as far as possible so as to reduce carbon footprint. It is the policy of the Group to ensure that the supply of service or goods is fit for purpose and meeting our specification before price is put into consideration.

B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.

Most of our purchases are for office use and there is little implication arising from this KPI. The Group does not foresee its source of supplies to be a potential threat to our daily operations.

B6. Product Responsibility

(a) Policy

The Group takes all reasonable steps to ensure that our products and services are safe and not harmful to customers and that the services delivered meet with all agreed or legally required standards. The Group has enjoyed good reputation of delivering quality services in the business and strives to provide high quality services to our clients in our future challenges. The Group reckons the aspects on quality and timely completion and delivery of the contract works in the large scale infrastructure construction project and customer/(client) privacy in our money lending business operation have implications and importance, but we are confident that our measures in honouring and protecting them are comprehensive.

(b) Compliance with relevant laws and regulations that have a significant impact on the Group

The large scale infrastructure construction project of the Group in which compliance of the relevant contract requirements is crucial and has significant impact to the Group. In the course of contract administration, the end product and our services rendered are subject to the close supervision and monitoring of a third party professional agency. Phase 1 of the project has been granted with the relevant completion acceptance record issued with no adverse comments or defects or complaints. For money lending business, the Group has strictly complied and followed guidelines issued by the Hong Kong Monetary Authority and the relevant Laws of Hong Kong Special Administrative Region. The Group is confident that our businesses have met with all the legal and contract requirements of the domiciled areas.

B6.1 Percentage of total products sold subject to recalls for health and safety reasons

The Group did not encounter or record any such recalls or complaints in its large scale infrastructure construction project, which has been granted with completion and compliance certificates issued with no adverse comments or complaints lodged. There are no recalls or complaints received for the money lending business during the Reporting Period.

B6.2 Number of products or services related complaints received and how they are dealt with

During the Reporting Period, we were not aware of any incident of customer complaint, or any investigation by any government authorities that could have a material adverse impact on our business.

B6.3 Intellectual Property Right

(a) Policy and (b) Compliance with relevant laws that have Significant Impacts

The Group respects intellectual rights and takes all measures to ensure that intellectual property rights are not infringed in all our products though we do not reckon it should have significant impact or implication to our business operations.

During the Reporting Period, there had no complaints or allegations received on intellectual property rights infringement.

B6.4 Description of quality assurance processes and recall procedures

In the course of execution of the large scale infrastructure construction project, the relevant stakeholders have ensured quality assurance in accordance with industry practice to resolve quality problems on site. Phase 1 of the project has been completed with its quality being approved and accepted by the client and the relevant government authorities. The completion acceptance record has relieved the Group of our responsibilities. For money lending business, the Group has strictly complied and followed guidelines issued by the Hong Kong Monetary authority and the relevant Laws of Hong Kong Special Administrative Region.

B6.5 Client Privacy

The Group attaches high regards for and utmost importance to client data and privacy as we have significant number of clients in our money lending business. We maintain such personal data in a confidential manner with restrictive and limited access. Our system allows such access only by authorised personnel and on a strictly only for business purpose.

There was no privacy problem or complaint reported in the Reporting Year.

B7: Anti-corruption

(a) Policy

The Group is well aware of the importance of honesty, integrity and fairness in our business operations and has in place an anti-corruption policy. Employees at all levels are constantly reminded in meetings and documents on corruption prevention, offering and taking of interests. Staff are required to declare any conflicts of interests in the execution of their roles and duties. Through the establishment of these rules and regulations, the Group encourages all employees to discharge their duties with integrity and comply with the relevant laws and regulations.

- (b) *Compliance with relevant laws that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering*

B7.1 Number of concluded legal cases regarding corrupt practices brought against the Group or employees during the reporting period and the outcome of the cases.

The Group during the Reporting Period had no such cases detected, recorded or reported.

B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored

Staff are required to declare any conflicts of interest in the execution of their roles. Through establishing rules and guidance, the Group encourages all employees to discharge their duties with integrity and comply with the relevant national anti-bribery laws and regulations. Any deviations found or detected are brought to the management of the Group for further enquiry or investigation if necessary. Transactions in large monetary sums are processed through bank transactions which require authorized signatories of the appropriate levels depending on the amount involved. Check and balance systems have been installed in the various money transaction activities and are considered effective and adequate. The Group also keeps close monitoring to detect any money laundering activities. There have been no enquiries or concerns from the government or banking officials.

During the Reporting Period, the Group recorded no bribery, corruption charges or money laundering enquiries.

B8: Community Investment

(a) Policy and (b) Compliance

The Group appreciates our social obligations and the need for re-contributing to the society. Through the day-to-day contact with various local government officials and industry leaders, the Group continues to explore and examine what and how the Group can contribute more and in a better way to the local community and society within the limit of our ability.

B8.1 Focus areas of contribution

The Group has given priority to employing local people and encourages employees to participate and serve in a wide range of services to the local community.

B8.2 Resources contributed

During the Reporting Period, the Group allocated resources to ensure that our large scale infrastructure construction project had not given any disturbances, pollution and inconveniences to the locals. We also supported the employees to offer volunteer and charity services to local villages and communities with paid leaves.