

## First Shanghai Investments Limited

Stock Code: 227

# 2018

Environmental,  
Social and  
Governance Report





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# ABOUT THE GROUP



First Shanghai Investments Limited (the “Company”) and its subsidiaries (collectively “First Shanghai” or the “Group”) are engaged in integrated businesses, which mainly include financial services, property development, property investment and hotel, medical and healthcare and direct investment. The Company wholly owns a number of financial services, hotel and property development companies in Hong Kong, Mainland China and overseas.

At the end of 2017, the Group set up a medical centre in Central, Hong Kong to provide one-stop integrated medical and healthcare services for the residents in Hong Kong and Mainland China. In 2018, the Group expanded the scope of services to day surgery centre, IVF centre and specialist clinics, collaborated with many local specialists and introduced advanced medical equipment so as to cater for the medical needs of residents in all aspects.

**53%**

## Financial Services

Hong Kong  
Headquarter

- securities investment
- securities broking
- margin financing
- corporate finance
- underwriting and placements
- asset management

**27%**

## Property Investment and Hotel

Mainland  
China

- property investment
- property management
- hotel and golf course operation

- exploring investment opportunities in various industries so as to optimize returns to its shareholders

## Direct Investment

**1%**

Mainland  
China

## Medical and Healthcare

**5%**

Hong Kong

- setting up a medical centre to provide integrated medical services including imaging and body check-up centre, day surgery centre, IVF centre and specialist clinics, etc.

In 2018, a year full of challenges, the Group leveraged on its expertise, adopted diversified business strategies and dedicated its resources to accelerating growth in various major business sectors. Looking forward to the future, the Group will focus on its core business of financial services and continue the expansion of medical and healthcare business. Please see the 2018 annual report of the Company for details.




## ABOUT THIS REPORT

The “Environmental, Social and Governance Report” (the “Report”) allows all stakeholders to understand the progress and direction of the Group in sustainable development issues by reporting on the environmental, social and governance policies, measures and performance of the Group. The Report has been prepared in both Chinese and English and is available on the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Group’s website ([www.firstshanghai.com.hk](http://www.firstshanghai.com.hk)) under “Corporate Social Responsibility — ESG Report”.

### SCOPE OF THE REPORT

In line with the 2017 “Environmental, Social and Governance Report”, the Report focuses on the financial services<sup>1</sup>, property investment<sup>2</sup> and hotel sectors of First Shanghai, covering a period from 1 January 2018 to 31 December 2018 (the “Year”). It incorporates operations of the Group’s headquarters office in Hong Kong, the property investment office in Wuxi, Jiangsu Province, China, and the DoubleTree by Hilton Hotel Wuxi in the “First Shanghai Plaza”<sup>3</sup> in Wuxi, Jiangsu Province, China.

The Report currently does not cover all businesses of the Group, among which business sectors such as property development, direct investment, and medical and healthcare are not included. With the development of medical and healthcare business, the Group will review the reporting scope and optimize internal data collection and management to ensure sufficient and reliable information will be accessible to investors and other stakeholders.

- 
- property development with development projects including residence, service apartment, commercial office and industrial office, etc.

**Property Development**

**14%**



**Mainland  
China and  
Europe**

<sup>1</sup> The place of business for Financial Services Sector of the Group is the headquarter office in Hong Kong (“Hong Kong Headquarter”).

<sup>2</sup> The property investment of the Group was operated by Wuxi Sunshine Real Estate Limited (“Wuxi Sunshine”), whose place of business is the “Property Investment Office”.

<sup>3</sup> The “First Shanghai Plaza” project is invested and developed by Wuxi Sunshine Real Estate Limited of the Group, which has two buildings where DoubleTree by Hilton Hotel Wuxi (“Hotel”) is located, and its operation has been entrusted to the Hotel Manager (“Hotel Manager”) by the Group.

## ABOUT THIS REPORT



### REPORTING STANDARDS

The Report is prepared in accordance with the “comply or explain” requirements set out in the “Environmental, Social and Governance Reporting Guide” (the “Guide”) in Appendix 27 to the Listing Rules issued by the Stock Exchange with its four reporting principles, i.e. materiality, quantitative, balance and consistency, as the basis of preparation. For the purpose of allowing stakeholders to gain a comprehensive understanding of the Group’s environmental, social and governance performance, the Report also discloses society-related key performance indicators (KPIs) specified in “recommended disclosures” of the “Guide”, in addition to environment-related KPIs pursuant to the “comply or explain” requirements. To ensure the accuracy of environment-related KPIs, the Group has entrusted the professional consulting firm, Carbon Care Asia (CCA), to conduct a carbon assessment and calculate the Greenhouse Gas (GHG) emissions based on the data provided by each department of the Group. A complete index is appended in the last chapter hereof for reading the Report in accordance with the “Guide”.

### CONFIRMATION AND APPROVAL

All information contained herein is collected from the Group’s official documents and statistics, and has been reviewed and approved by the Board of the Company on 23 July 2019.





## ABOUT THIS REPORT



## OPINION FEEDBACK

Opinions and recommendations from stakeholders will help the Group develop more detailed and sound sustainability strategies in the future. If you are in doubt or have any recommendations concerning the contents or reporting form of the Report, you are welcome to send us your advice via the following methods:

**Address:** Room 1903, Wing On House, 71 Des Voeux Road Central, Central, Hong Kong  
**E-mail address:** [enquiry@firstshanghai.com.hk](mailto:enquiry@firstshanghai.com.hk)  
**Telephone:** +852 2522 2101  
**Fax:** +852 2810 6789



# MESSAGE FROM THE CHAIRMAN




In 2018, significant results were achieved at the 24th Conference of the Parties to the “United Nations Framework Convention on Climate Change” held in Poland, which aimed for effective execution of the “Paris Agreement” to limit global temperature increase below 2 degrees Celsius, the level before the industrialization. Climate change exposes enterprises operating in different sectors to unprecedented challenges, including physical risks, such as damage to buildings due to extreme weather, and transition risks, such as legal and technological variations arising from climate change. In the event of any failure to timely assess the risks and give proper response, those enterprises may lose opportunities or even be subject to additional financial risks.

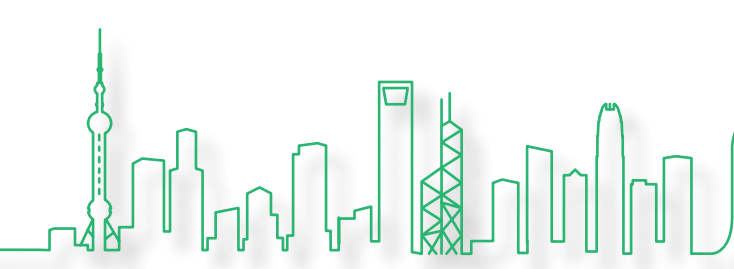
As an enterprise engaging in financial services and property development, First Shanghai understands that relevant regulators and investors tend to believe the disclosure of environmental management and performance by an enterprise can not only contribute to the sustainable development, but also serve as an important basis for their assessment on the enterprise’s ability to combat climate change, so as to guarantee long-term returns on their investments made. Environmental and social issues also gave rise to reforms of varied degrees of hotel business and medical and healthcare business development, including the implementation of green procurement and the protection of customer privacy. To ensure each critical link of its value chain has regard to the opportunities and risks brought by climate change and other sustainable development, First Shanghai reviewed its internal risk management system during the Year, and intends to conduct environmental and social risk assessment by the nature of business in the year to come, so as to identify key issues and develop more targeted strategies and objectives.

With the goals of 193 members of the United Nations toward sustainable development, the enterprises in each country have taken active measures to incorporate sustainable development goals into their corporate strategies, aiming to eliminate poverty of whatever form, achieve equity and tackle climate change prior to 2030. First Shanghai expects to make positive contributions to the sustainable development goals by refining its business operation and management. To improve resource utilization efficiency and mitigate the impacts on the environment from its operations, the Group has adopted a series of saving measures and plans to formulate green procurement guidelines on the resources constantly used by individual businesses. For the sound health and well-being of the residents from the place where it operates, First Shanghai conducts medical and healthcare business to provide quality medical services affordable by people of different classes. As to hotel operation, First Shanghai maintains close communication with the Hotel Manager, aiming to improve its performance in sustainable development issues on a continual basis. It can be seen that more attention from the public is drawn to the issues on marine plastic pollution and micro-plastics, etc. Accordingly, the Group is in the process of active discussion with the Hotel Manager to promote plastics reduction initiatives and avoid the use of one-off plastic products.

The Group values the opinions from stakeholders. For the establishment of more effective and accurate communication channels, the Group will gradually broaden the scope of communication with stakeholders in the future, with a view to better understanding and responding to their expectations on the sustainable development of First Shanghai.



**LO Yuen Yat**  
*Chairman*  
**First Shanghai Investments Limited**



## MESSAGE FROM THE CHAIRMAN



**TAKEN ROOT IN  
HONG KONG FOR  
50 YEARS  
SINCERITY BRINGS  
US TO SUCCESS**



# SUSTAINABILITY GOVERNANCE



The Board of the Company is dedicated to maintaining high level of corporate governance, and believes that sound corporate governance practices can effectively guide the Group to develop and realize long-term strategies and objectives, and lead the enterprise to seize and respond to the opportunities and risks arising from the sustainable development.

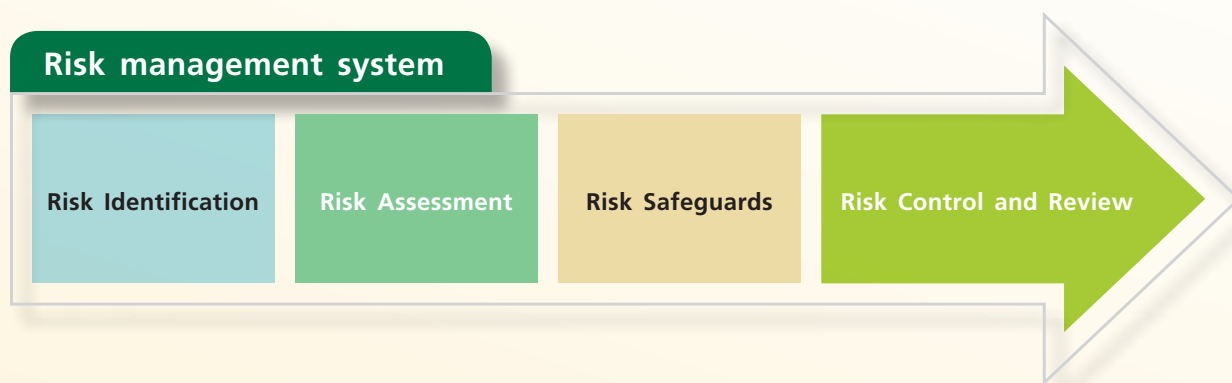
## RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

The Board, the highest decision-making and managing body of the Group, is responsible for formulating the Group's risk management strategies and building a risk management and internal control management structure with clear lines of responsibility and limit of authority. Assisted by the Audit Committee, the Board is also responsible for reviewing and assessing the risk management and internal control policy and process of the Group to ensure it is appropriate and effective on an ongoing basis.

The Risk Committee of the Group consists of executive directors and senior management from major operating units. The Risk Committee shall meet regularly to take charge of overseeing the design, implementation, monitoring and evaluation of the risk management framework and shall report the effectiveness of the system and assessment results to the Audit Committee annually. The Audit Committee shall conduct discussion and assessment on the overall risk assessment report presented by the Risk Committee to ensure the effective operation of the risk management system.

## RISK MANAGEMENT PROCESS

Risk management is an important link in routine management process and sound corporate governance. The Group designates policy and process in its risk management and internal control system:



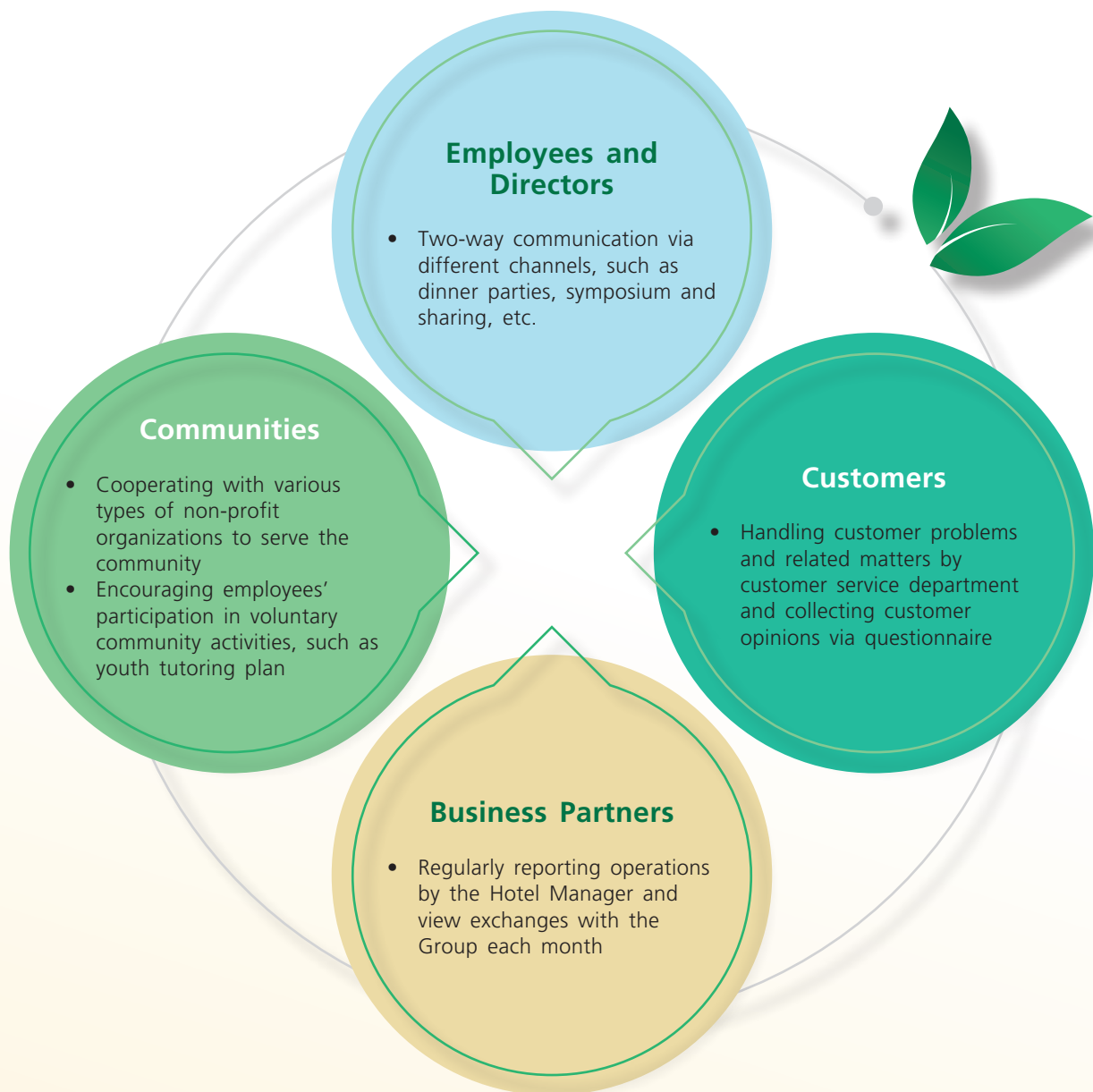
The senior management of operating units is responsible for identifying and assessing significant risks during operation, and establishing risk mitigation strategies under the Group's designated risk mitigation policy and guideline, carrying out risk management activities and monitoring the daily operations. The results of risk assessment are recorded and reported to the Risk Committee from time to time, and are then deliberated and assessed by the Risk Committee. During the Year, the Audit Committee has reviewed the overall risk assessment report presented by the Risk Committee; meanwhile, the Group has also engaged an external advisor to review the effectiveness of internal control system of the Group to enhance its overall governance. The Audit Committee has reviewed the report and considered the internal control system of the Group to be effective and adequately resourced, and necessary control measures having been adopted.

The Group is aware that the existing risk management and internal control system does not fully cover operation-related sustainability issues. In the future, the Group intends to conduct annual environmental, social and governance risk assessment by the nature of business to ensure timely identification of relevant risks and determination of coping measures.



# STAKEHOLDER ENGAGEMENT

The Group attaches importance to the communication with stakeholders, and believes their opinions will guide the Group to formulate more comprehensive sustainable development strategies. The Group's stakeholders represent the entity and individual which can exercise an important effect on, or will be affected by, its operations. These stakeholders include, without limitation to, employees, shareholders, business partners, suppliers, customers, regulators and communities. The Group communicates with key stakeholders via different channels to gain an in-depth understanding of their opinions and expectations, so as to improve its operations on an ongoing concern.

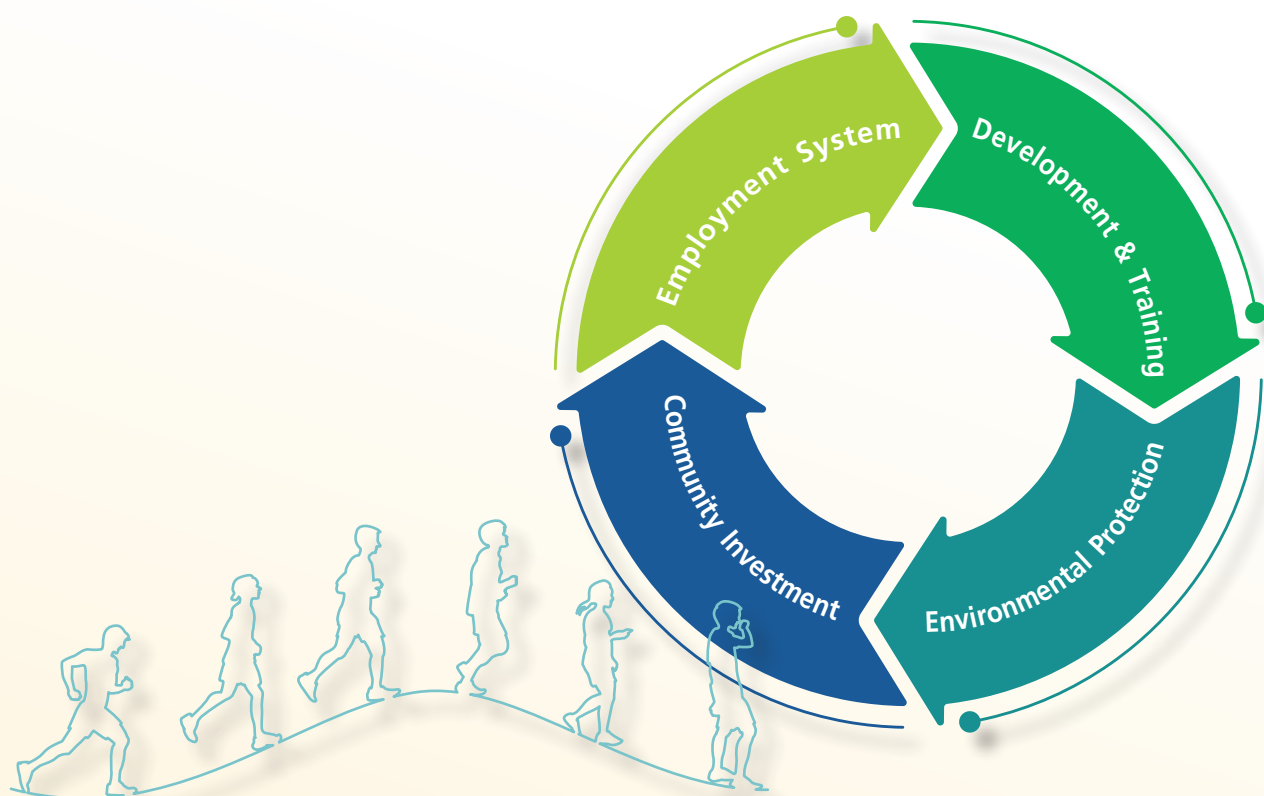


## STAKEHOLDER ENGAGEMENT

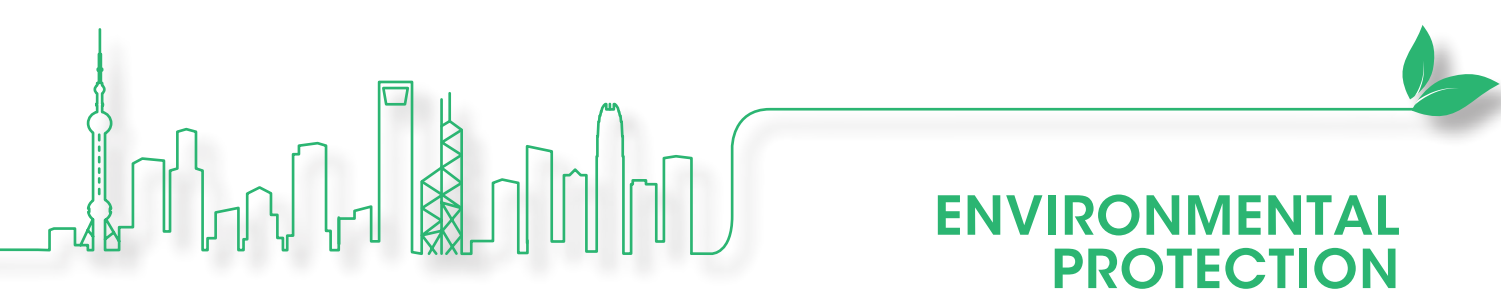


### MATERIAL ENVIRONMENTAL AND SOCIAL ISSUES

The Group has appointed an independent advisor to assist in the preparation of the Environmental, Social and Governance Report for the Year. During the period, the advisor assisted the management of the Group in reviewing the environmental, social and governance issues contained in the “Guide” issued by the Stock Exchange, and identifying material issues based on the issues’ importance to stakeholders and the Group’s influence on the society and environment. Based on the results of the review, the management considers the Group’s material issues for the Year are in line with those for the previous year, which are as follows:



The Group understands that communication with stakeholders is very important, and the material issues derived after analyzing their opinions can function as the basis for formulation of strategies in the future. To establish more effective and accurate communication channels, the Group will continue enhancing interactions with stakeholders and diversify the channels, such as by way of interview or activities, in the future to increase the possibility of contacting with them and forge mutually-beneficial and win-win relations.



# ENVIRONMENTAL PROTECTION

Environmental sustainability is one of the key concerns of the Group in fulfilling its corporate social responsibility. The Group has formulated relevant environmental policies and measures in response to the natures of businesses to avoid and reduce the environmental risks and impacts of business operations. As the owner of the Hotel, the Group is responsible for monitoring the Hotel's environmental measures and performance, and formulating policies to regulate the Hotel Manager.

## EMISSIONS

The Group attaches great importance to reducing the emissions generated in the course of operation. For this purpose, the Group has developed policies for different businesses to reduce emissions of air pollutants, greenhouse gases, waste and wastewater generated from business operations.

### *Greenhouse Gas Emissions*

The Group has established and implemented the "Greenhouse Gas Emission Policy" in Hong Kong, and Wuxi Sunshine has also formulated the same policy during the Year. The policy adopts advocating of the procurement of energy-saving office equipment and encouragement of employees to develop energy-saving habits as the main direction for reducing the greenhouse gas emissions generated from office operations. Such policy restricts employees to choose electric appliances with high energy efficiency and give preference to local suppliers when purchasing office facilities and equipment, in order to reduce the greenhouse gas emissions during the transportation process. Moreover, a renewal of air-conditioning system energy-saving project launched by Wuxi Sunshine during the Year helped enhancing energy efficiency and reducing greenhouse gas emissions.

During the Year, the Group continued to engage independent professional consultants to conduct carbon assessments to calculate greenhouse gas emissions generated from its operations. The quantification was made with reference to the guidelines prepared by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong<sup>4</sup>, guides issued by National Development and Reform Commission of the People's Republic of China<sup>5</sup>, international standards such as ISO14064-1 and Greenhouse Gas Protocol. The results of the assessment indicate that the operation within the scope of report of the Group generated a total of approximately 8,700 tonnes of CO<sub>2</sub>e during the reporting year. Due to its operational nature, carbon emissions from hotel operations accounted for nearly 80% of total carbon emissions, and greenhouse gas emissions from outsourcing electricity consumption accounted for 93% of total operating carbon emissions. The carbon emissions from Hong Kong Headquarter and Property Investment Office accounted for 18% and 3% of the total emissions, respectively.

As the occupancy rate of rooms and banquet rooms of the Hotel increased as compared with that of 2017, their carbon emissions also increased as a result of the increased electricity and thermal energy consumption. In general, during the Year, the total greenhouse gas emissions of the Group increased by 16%, and greenhouse gas intensity (in floor area) increased by 22%.

<sup>4</sup> Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong

<sup>5</sup> Guidelines for Accounting and Reporting Greenhouse Gas Emissions China Public Building Operation Units (Enterprises) (Trial)

## ENVIRONMENTAL PROTECTION



Scope	Hong Kong Headquarter	Property Investment Office	Hotel	Total Emissions in	
	2018	2017			
Unit: Tonnes of CO <sub>2</sub> e					
Scope 1: Direct greenhouse gas emissions	0.3	226.9	274.5	501.7	110.9
Scope 2: Energy indirect greenhouse gas emissions <sup>6</sup>	204.1	1,313.8	6,614.8	8,132.7	7,348.6
Scope 3: Other indirect greenhouse gas emissions	69.4	5.9	0.5	75.8	60.7
<b>Total greenhouse gas emissions</b>	<b>273.8</b>	<b>1,546.6</b>	<b>6,889.8</b>	<b>8,710.2</b>	<b>7,520.2</b>
Unit: Tonnes of CO <sub>2</sub> e/m <sup>2</sup>					
<b>Greenhouse gas intensity (in floor area)</b>	<b>0.11</b>		<b>0.09</b>		

Scope 1: It includes greenhouse gas emissions from the fossil fuel combustion from fixed and mobile sources, as well as the operations of equipment and systems

Scope 2: It includes greenhouse gas emissions generated from electricity and thermal energy consumption

Scope 3: It includes greenhouse gas emissions from waste paper disposal, water and sewage treatment in the office of Hong Kong Headquarter and business travel by air by the Group

As a hotel owner, Wuxi Sunshine compensated for the carbon emissions from hotel operations, entered into a partnership agreement with Australia's Climate Friendly organization to participate in the Clean Air program. Hotel will purchase the "Carbon Credits" based on its required volume to purchase "Carbon Credits" for convening meetings and other events conducted by the customers, and the amount will be used to finance environmental projects to reduce greenhouse gas emissions within Asia-Pacific region. During the Year, Hotel has purchased Carbon Credits of HK\$3,096 to offset the carbon emissions from the Hotel's activities.

<sup>6</sup> It is calculated according to the 2015 national grid average emission factor, and therefore adjusted the data in 2017 for annual comparison.

### Air Emissions

The air emissions of the Group are mainly derived from burning natural gas by kitchen equipment, nitrogen oxides, sulfur oxides and respiratory suspended particles produced by vehicles from combusting gasoline. In terms of hotel business, as the burning of natural gas from kitchen equipment is the main source of air emissions, the nitrogen oxide emissions generated by it accounted for 99.7% of total nitrogen oxide emissions, and respiratory suspended particles also accounted for 98.9% of total respiratory suspended particles emission. The remaining sources of emissions include the burning of fossil fuels from vehicles of each business.

### Air Emissions<sup>7</sup>

Type	Hong Kong Headquarter	Property Investment Office	Hotel	Emissions in 2018
Unit: kg				
Nitrogen oxides	0.08	0.14	82.73	82.95
Sulfur oxides	0.00	0.07	0.81	0.89
Respiratory suspended particles	0.01	0.01	1.68	1.70

The Group has implemented the “Corporate Policy on Air Emission” of Hong Kong to regulate the business travel of staff and use of the vehicles. Wuxi Sunshine has also implemented the “Air Emissions Management Policy” to control, monitor and manage air emissions. In order to reduce greenhouse gas and air emissions from vehicles, the Group has set up video conference equipment, encouraging staff to make good use of equipment for interview in long distance to reduce the number of business travel of staff. In addition, in order to reduce the emissions of polluting gases, Hong Kong Headquarter stipulate that employees can only use official vehicles with unleaded gasoline.

### Waste Management

The Group attaches great importance to the generation and proper disposal of wastes. It sets out the waste management principles in the “Hazardous and Non-hazardous Waste Treatment Policy”, providing staff with sorting and recycling guidelines to promote at-source waste reduction and recycling.

During the reporting year, the Group produced a total of 42 tonnes of non-hazardous waste (including domestic waste, waste cartons and kitchen waste), which were collected and transported by the qualified contractors to the landfill for disposal. The Group has set up recycling bins for waste paper and plastic bottle for sorting the waste by staff. In particular, the total amount of paper recycled by Hong Kong Headquarter was 2 tonnes.

In addition, the Group also produced a small amount of hazardous waste, including LED lighting systems, waste toner cartridges and waste flat panel displays. Of which, the Property Investment Office generated 0.03 tonne of battery waste during the reporting year. All hazardous waste is currently stored in the office temporarily and to be disposed by a qualified contractor or donated to a charity.

<sup>7</sup> Air emissions in 2018 include emissions from fixed source and mobile sources, and 2017 only include emissions from mobile sources, therefore, the data is not suitable for annual comparison.



## ENVIRONMENTAL PROTECTION



	Type of waste	Hong Kong Headquarter	Property Investment Office	Hotel	Emissions in 2017 and 2018	
	Unit: <i>Tonnes</i>					
Hazardous Waste	 Battery waste	0	0	0.03	2018	0.03
					2017	0.01
Non-hazardous Waste	 Domestic waste	5	No Record	No Record	2018	5
					2017	4.8
	 Waste cartons	N/A	N/A	9	2018	9
					2017	5
	 Kitchen waste	N/A	N/A	28	2018	28
2017					5	
Total		5	No Record	37	2018	42
					2017	14.8

The increase in number of banquets in the Hotel has increased the amount of kitchen waste. In order to reduce kitchen waste from the Hotel, the Hotel participated in the “Clean Your Plate” promotion campaign initiated by Chinese government during the Year and promoted not to waste food with customers.

### Wastewater Discharge


The Group implements the “Wastewater Discharge Management Policy” of Hong Kong Headquarter and the “Environmental Protection Policy” of Wuxi Sunshine to regulate wastewater discharge in accordance with local laws and regulations. Due to the nature of office operations, the domestic sewage generated by the Group is mainly the wastewater discharged from restroom and pantry. For the wastewater management of the Hotel, the Group also implemented the “Wastewater Discharge Management Policy” of Wuxi Sunshine, which stipulates that the Hotel Manager shall:

- engage environmental monitoring agencies to monitor the standard of resorts wastewater and regularly inspect the wastewater discharge in the resorts
- separate sewage pipes from rainwater pipes, and carry out cleaning and inspection on a regular basis
- forbid to pour waste residue, waste oil or waste chemicals into the sewage



The Group complies with national and local laws and regulations relating to pollutant emissions, such as the “Air Pollution Control Ordinance”, the “Water Pollution Control Ordinance” and the “Waste Disposal Ordinance” of Hong Kong, and the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Prevention and Control of Water Pollution” and the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, and other applicable laws and regulations. During the Year, the Group did not find any non-compliance cases in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

## USE OF RESOURCES

The Group reduces resource waste in its daily operation, and formulates corresponding policies setting out the conservation measures and principles for various resources, and encourages staffs to use natural resources effectively. The main resources used in the businesses of the Group include natural gas, petrol, heat, electricity, water and paper, and a series of resource conservation measures are implemented at all levels of operation:

Resource Conservation Policies and Measures		
	Hong Kong Headquarter and Property Investment Office	Hotel Operations
 <p>Energy</p>	<ul style="list-style-type: none"> <li>Hong Kong Headquarter and Wuxi Sunshine have developed the “Energy Management Policy”, respectively</li> <li>Using LED lights by Hong Kong Headquarter</li> <li>Using energy-saving equipment by Hong Kong Headquarter through replacing more energy-efficient electric appliances like refrigerators and printers during the Year</li> <li>Adjusting electronic devices to energy-saving mode and turning off non-essential lighting and other office electronic devices</li> <li>Monitoring and controlling the use of energy on a monthly basis</li> <li>Property Investment Office in Wuxi planned to replace the air conditioning unit project during the Year and is expected to be completed next year</li> </ul>	<ul style="list-style-type: none"> <li>The Hotel Manager implements the “Energy Management and Control” policy and establishes an energy management committee to convene regular meetings on energy management of Hotel, manages and evaluates the technical reform projects and daily maintenance of facilities and equipment (including architectural design, air conditioning systems, thermal energy, gas and electronic facilities), and formulates the energy reward and punishment measures and mechanism of Hotel</li> <li>Hotel planned to replace the air conditioning unit project during the Year and is expected to be completed next year</li> </ul>



Resource Conservation Policies and Measures		
	Hong Kong Headquarter and Property Investment Office	Hotel Operations
 <p>Water</p>	<ul style="list-style-type: none"> <li>• Hong Kong Headquarter and Wuxi Sunshine have developed the “Water Resources Management Policy”, respectively</li> <li>• Using water-saving faucet</li> <li>• Monitoring and controlling the use of water</li> <li>• Conducting routine inspection and maintenance on water pipes and faucets to avoid any leakage problem of faucets and gaskets as well as other issues in the water supply system</li> <li>• Posting slogans to remind and encourage employees to save water</li> </ul>	<ul style="list-style-type: none"> <li>• The Hotel Manager implements the “Policy on Water Management”, and the hotel management department shall supervise the water supply system</li> <li>• Inspecting whether any faucet is damaged or leaked on a regular basis</li> <li>• Developing staffs’ habit of saving water</li> </ul>
 <p>Paper</p>	<ul style="list-style-type: none"> <li>• Hong Kong Headquarter has adopted the “Efficient Use of Resources (Paper) Management Policy</li> <li>• Sending various information and monthly statements to customer by email</li> <li>• Encouraging internal communication by electronics means</li> <li>• Encouraging double-sided or re-use one-sided printed paper for printing and reuse of envelopes</li> <li>• Adjusting the default print settings for the printer and fax machine</li> </ul>	<ul style="list-style-type: none"> <li>• Reminding staffs to save paper, including check-in form and bills of customers, and paper used in meeting with customers</li> </ul>

### Use of Energy

The overall energy consumption of the Group showed a slight upward trend, representing an increase of 10% as compared with that of 2017. Heat is the main source of energy consumption, representing 69% of total energy consumption, and electricity represents 27% of total energy consumption. The purchased heat is steam, which is mainly used for air conditioning and hot water supply in property management, as well as steamer and dishwasher for kitchen equipment in the hotel business. The total energy consumption of the Hotel represents 84% of the total energy consumption, and the main energy consumption is derived from the use of indirect energies such as electricity and heat.

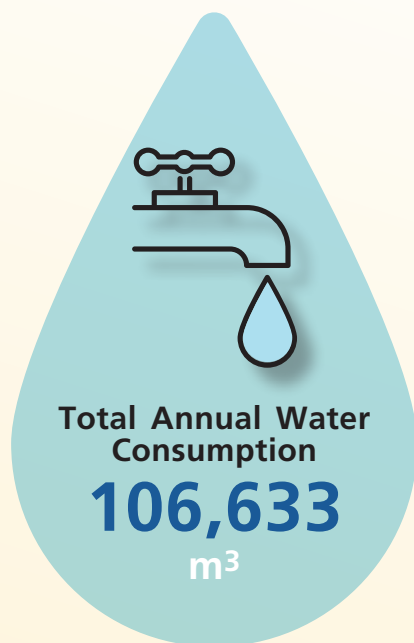
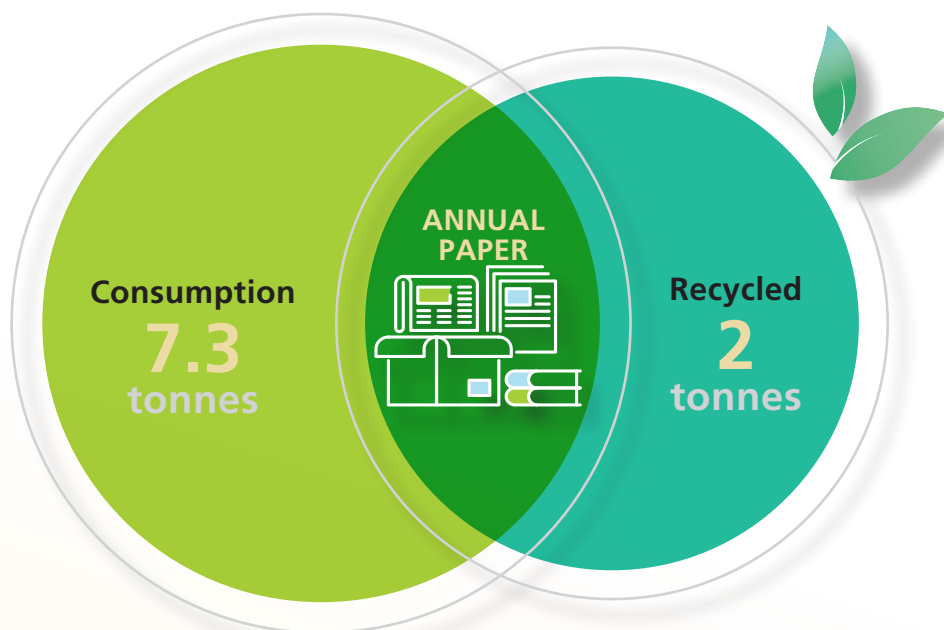
Use of Energy						
Type of Energy	Hong Kong Headquarter	Property Investment Office	Hotel	Consumption in 2018	Consumption in 2017	Unit
Petrol	1.2	8.8	38.8	48.8	63.0	MWh-e
Natural gas	N/A	N/A	546.6	546.6	476.6	MWh-e
Electricity	255.1	1,289.3	3,457.2	5,001.6	4,323.6	MWh
Heat	N/A	1,331.3	11,377.7	12,709.0	11,787.6	MWh-e
Total energy consumption	256.3	2,629.4	15,420.3	18,306.0	16,650.8	MWh-e
Energy intensity (in floor area)				0.24	0.21	MWh-e/m <sup>2</sup>

### Use of Other Resources

During the reporting year, the Group consumed a total of 106,633 m<sup>3</sup> of water resources and 7.3 tonnes of paper. None of Hong Kong Headquarter, Property Investment Office and Hotel has faced with any difficulty in sourcing water.

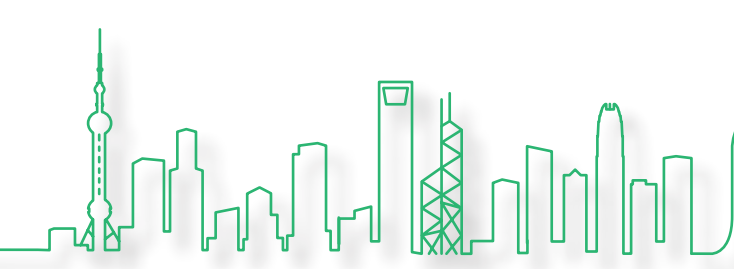
Water Resource						
Water Resource	Hong Kong Headquarter	Property Investment Office	Hotel	Consumption in 2018	Consumption in 2017	Unit
Consumption	190	15,259	91,184	106,633	111,800	m <sup>3</sup>
Water consumption intensity (in floor area)				1.38	1.39	m <sup>3</sup> /m <sup>2</sup>
Paper						
Paper	Hong Kong Headquarter	Property Investment Office	Hotel	Consumption in 2018	Consumption in 2017	Unit
Consumption	4.1	0.1	3.1	7.3	7	tonnes

Complete and accurate data helps us review the effectiveness of existing measures on a regular basis. The Group will continue to record its environmental data and commence to record and report data on hazardous and non-hazardous waste in the next year, and develop environmental objectives and work plans.



### ENVIRONMENT AND NATURAL RESOURCES

The Group attaches great importance to the impact of its business operations on the environment and natural resources, and introduces the concepts of environmental protection into the process of business to fulfill corporate responsibility. The Group has set up the "Relevant Policies for Minimising the Significant Impact of the Operation on the Environment and Natural Resources", which developed relevant policies and measures in the ordinary course of business and required all subsidiaries to formulate their own specific policy according to the local laws and regulations. As the owner of the Hotel, the Group also stipulates that all the business shall not have significant impact on the environment and natural resources in the "Environmental Protection Policy".



## ENVIRONMENTAL PROTECTION

In respect of financial services and property investment business, the Group has established the “Investment Screening Policy” and undertaken to assess and screen environmental and social risk for various investment projects. The office operation of such business only generates normal office consumption during the operation without hazardous emissions which have significant impact on the environment. The Group implements various measures to reduce operational impacts, such as the procurement of FSC paper for general use in offices. In addition, the Group stipulates that the staff of the Group are prohibited from consuming shark fins and non-sustainable seafood during the official meal so as to contribute in ocean conservation in the “Policy on Community Welfare”.



### Hotel Operations

In order to reduce the environmental impact, the Hotel Manager has developed a “Hazardous Waste Environmental Emergency Plan”. If hazardous waste is stored in the Hotel, it shall be treated according to the emergency plan to reduce environmental pollution. During the Year, the Hotel built a new roof reservoir to solve the problem of failure of discharge treatment facilities. The Hotel Manager has assigned dedicated employees to be responsible for the daily hygiene management of water supply facilities of reservoir such as cleaning, disinfection, operation and maintenance, conducts cleaning and disinfection for reservoir according to the requirements of the health supervision department and standard procedures at least twice a year, and establishes disinfection and cleaning records. The management conducts physical examination and health knowledge training once a year.

The food and beverage department of Hotel is also committed to protecting the ocean through refusing to sell shark fins for use as ingredients.

In addition, the initial stage of construction of the Hotel has obtained the assessment that the project site met the requirement of land planning for city districts and the functional areas planning for ecological environment in Jiashan County, and that upon the implementation of the project, the pollutants shall have little significant impact on the surrounding environment which can be maintained as the current status.





# RESPONSIBLE OPERATION



The Group was committed to improving supply chain and quality management, establishing long-term relationships with its partners, properly managing environmental and social risks, and continuously ensuring the quality of products and services, health and safety, good supplier management and adherence to the principles of honesty and integrity.

## SUPPLY CHAIN MANAGEMENT

The Group valued the management of the supply chain and the cooperation and communication with the supply chain business partners. The Group has developed policies and measures for different businesses, including screening and evaluating the performance of some products and service providers to reduce the environmental and social risks of the supply chain.

### Financial services

The Group has formulated an “Investment Screening Policy” and committed to establish an assessment mechanism to screen environmental and social risk for significant investment projects and require that the preparation of investment agreement meets the local environmental, social and governance compliance requirements of each subsidiary. In addition, as financial services involve in online service and trading platform and support of considerable quantity of data by the servers, how to supervise and ensure safety and stability of network is of great significance. The Group has listed the procurement standards for computer sector in the “Supply Chain Environmental and Social Risk Management Policy” to ensure that suppliers comply with legal and regulatory requirements in all aspects including finance, business ethics, information security and environmental protection. To protect the security of information on the online platform, we have taken the following control measures for our service providers:

- Improving system security and stability:
  - Supervise the suppliers to maintain the stability of the system and regularly update the security system of the system
  - Suppliers are required to upgrade the security system according to our requirements (such as the requirements of the CSRC) to improve the security of the online trading system
- Protecting customer’s privacy:
  - Suppliers are required to sign a confidentiality agreement with us
  - If a supplier is unauthorised, he/she does not have access to all data obtained through the online trading system, including but not limited to the customer’s personal data and all transaction data stored in the Company’s server



### Hotel operation

The Group entrusted third-party hotel management company to establish the operation mode of the Hotel Manager through the establishment of the “Environmental Protection Policy” of Wuxi Sunshine, to manage the Company’s operations and hotel business and ensure the quality of hotel services.

The operation of the hotel business requires regular large-scale procurement, and the Hotel Manager has established policies and measures to ensure the quality of the purchased products and the environmental and social impact. The main supplier of hotel business is the supplier of ingredients and hotel supplies, through responsible procurement policy and code of conduct of the Hotel Manager, which requires the reduction of environmental impact, compliance with regulations, procurement standards, integrity, confidentiality and human rights.



As the policy is established, the Group will strengthen and establish a systematic supply chain management to distinguish and examine the environmental and social risks of the supply chain and to continuously improve the performance of the supply chain business partners.



PRODUCT RESPONSIBILITY

The Group valued the quality of its products and services with policies and control measures in place for different businesses and areas to safeguard the interests of its customers and enhance their satisfaction. The Group developed and implemented the “Product Safety, Product Risk Disclosure, Advertisement and Client Data Privacy Policy” and the “Sustainable Development, Environmental Social and Client Management Policy” to regulate the management of health and safety, advertising and customer privacy protection related to products and services. Wuxi Sunshine also formulated the “Product Supervision and Management Policy”, which stipulates that the Hotel Manager must strictly implement food safety audits.

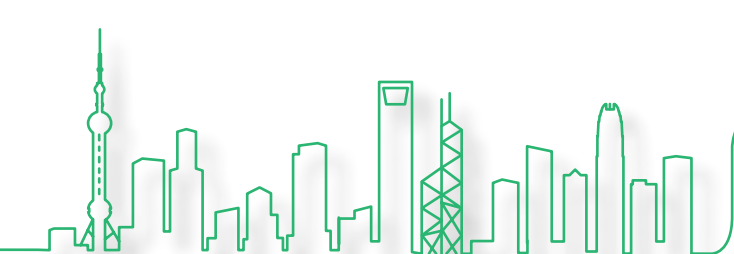


**Financial services**

Investment products involve risks, and clear financial product information helps customers make appropriate decisions based on their individual investment objectives and risk orientation to protect their interests.

The Group provided services to clients on the principles of fairness, equality, honesty and trustworthiness, and has developed a “Compliance Manual” to ensure the disclosure of product information and risks. The Group provided customers with comprehensive financial product information, including descriptions of product features, terms and conditions, and any related risks and charges, so that customers can clearly understand the investment risks of each product before selecting the products of the Group. To ensure that financial services staff implement standard procedures, the Group has developed an “Operational Manual” that sets out the procedures for due diligence and customer suitability assessment of various financial products; the Group will only sell or recommend investment products to the right customers based on the suitability assessment results. At the same time, the Group ensures that the advertisements it published would not contain information that was false, defamatory, misleading or deceptive and that would comply with the regulatory requirements on the advertisement of the Hong Kong Securities Regulatory Commission Code and “Securities and Futures Ordinance”.

The financial business also involves a large amount of customer data collection and storage. To protect customer privacy and information security, the Group complies with all relevant codes of conduct issued by the Hong Kong “Personal Information (Privacy) Ordinance” and the Privacy Commissioner for Personal Data at all times. At the same time, the customer account agreement signed between the Group and the customer clearly sets out the relevant provisions on the collection and use of customer data. The employment contract signed between Hong Kong Headquarter and the employees also included provisions for safeguarding the client transactions, finance and other confidential information.



## RESPONSIBLE OPERATION

### Property investment

The quality of properties is very important to the safety of customers. Wuxi Sunshine has formulated the “Product Supervision and Management Policy” to conduct regular inspections of properties to ensure property safety. For example, Property Investment Office will be responsible for the renovation and repair works of the building exterior wall in question, and will also assist the regulatory authorities in conducting annual inspections of the elevator equipment of the building to confirm the safety of the elevator equipment.



### Hotel operation

The Hotel Manager has formulated policies and control measures on matters regarding the health and safety, advertising and privacy of products and services.

To protect the health and safety of our customers, the Hotel Manager updated the “Hilton Greater China Food Safety Procedures Handbook” during the Year. So the food safety critical control (HACCP) system is implemented to regulate the food processing process, and the appropriate control methods are established specifically for hazards that may arise during the processing process. These ensure that the food achieves the safety standards and reduces the risk of harm. In addition, the Hotel also sets the hygiene standards for drinking water storage and provides food safety training for the Hotel’s internal staff and banquet-related staff.



The Group always communicates with its customers with multiple communication channels for customers to advice and seek assistance. The Group has developed a Compliance Manual to set up guidelines for employees to handle customer’s complaints. In addition, the customer service department handles customer issues and related matters, including handling customer calls, and irregularly collecting opinions via questionnaire, understanding the customer’s needs and conducting the regular internal reviews to continuously improve the customer satisfaction. During the Year, the property investment and hotel operations of the Group have procedures in place to follow up and handle complaints about products or services. The content of the complaints mainly relates to the quality of products or services. The financial services business did not receive any complaints about products or services during the Year.

The Group complies with laws and regulations relating to product liability, such as the “Securities and Futures Ordinance” and “Personal Information (Privacy) Ordinance” of Hong Kong and the “Tort Liability Law of the People’s Republic of China”, “Law on Protection of the Rights and Interests of Consumers of the People’s Republic of China”, the “Food Safety Law of the People’s Republic of China” and other applicable laws and regulations. During the Year, the Group did not identify any violations of laws and regulations related to the health and safety, advertising, labelling and privacy matters of products and services.



### ANTI-CORRUPTION

The Group adheres to the principle of integrity and prohibits any corruption, extortion, fraud and money laundering in daily operations. To this end, the Group has formulated and implemented a series of policies and internal and external control measures to establish an integrity business framework.

The Staff Handbook of the Group stipulates that employees must not claim or accept benefits including gifts, loans, fees, rewards, offices, contracts, services, personal assistance and etc. "Policy against Bribery and Anti-Money Laundering" and "Compliance Manual" by Hong Kong Headquarter of the Group also require employees to strictly abide by "Prevention of Bribery Ordinance" and "Guidelines on Combating Money Laundering and Terrorist Financing" of Hong Kong.

In respect of the property investment business, Wuxi Sunshine implemented the "Anti-Corruption Policy and Bribery, Extortion, Fraud and Money Laundering Prevention Policy" and set up a reporting mechanism to supervise the daily operational procedures. The Group will pursue legal disciplinary responsibilities for any betrayal of the Group's materials, corruption and bribery, extortion, fraud and money laundering. In respect of the hotel business, the Group has considered the past management records of the hotel management in selection of the Hotel Manager and assessed whether its environmental and social responsibility policies are in line with or even higher than the national regulations, to confirm the feasibility of its operation policies. The implementation of the Hotel Manager will also be supervised.

In order to strengthen the anti-corruption and standardize the procedures of complaint reporting management, the Group established and implemented the "Prevention of Fraud and Blackmail Policy" during the Year. It sets up the procedures of fraud reporting to encourage employees to disclose relevant misconduct to the management in real-name to reduce the risk of corruption. Upon receipt of report, the management must notify the compliance department and consult their opinions and conduct an investigation. During the investigation, the whistleblower and related information will be kept confidential. If a corruption incident is confirmed, the management will decide to take appropriate disciplinary actions or alarms accordingly.

#### Hotel operation

The Hotel Manager sets out the relevant policies in its Staff Handbook. Employees must not pay bribes to civil servants, customers or other relevant personnel in any name. In case of serious violations, the Hotel Manager has the right to dismiss the relevant employees immediately.



The Group complies with relevant laws and regulations, such as "Prevention of Bribery Ordinance" and "Anti-Money Laundering and Terrorist Financing Regulations" of Hong Kong, as well as the "Anti-Unfair Competition Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China" and others applicable laws and regulations. During the Year, the Group did not identify any violations related to corruption and there were no corruption cases related to the Group and its employees.



## EMPLOYEE CARE

The Group values talent, understands employee needs and pays attention to employee's development. We also create a friendly, equal, healthy and safe working environment for employees.

### EMPLOYMENT SYSTEM

The Group attaches great importance to the establishment of a sound employment system. Currently, the Group regulates the management of remuneration and dismissal, recruitment and promotion, working hours, vacation, equal opportunities, anti-discrimination and other benefits through the "Staff Handbook" and the "Equal Opportunities Policy".

The Group continues to improve its employee system. To promote a diversified and inclusive working environment, apart from the board diversity system, the Group has formulated and implemented a "Diversification Policy" for all employees during the Year. The implementation and formulation of the Group's human resources policies shall not be influenced by race, color, gender, age, sexual orientation, family role, disability or nationality, which ensure that employees must have the fair opportunities in recruitment, induction, training, promotion and resignation, and establish mutual respect for corporate culture.

The Group values communication with employees and their welfare. It implements various policies and measures to establish a harmonious working environment and retain outstanding talents:

Family-friendly policies	<ul style="list-style-type: none"> <li>• Employees and their families are insured by a global medical insurance plan</li> <li>• Female employees who return to work after their maternity leave are offered a privacy space to arrange lactation in working hours</li> </ul>
Staff benefits	<ul style="list-style-type: none"> <li>• The "Policy for Caring the Physical and Psychological Wellness of Employees" of Hong Kong Headquarter stipulates that, in addition to statutory holidays, employees are also entitled to full paid marriage leave, test leave, funeral leave and birthday leave</li> <li>• Employees who have performed well in the annual assessment will be granted employee service awards</li> </ul>
Employee communication	<ul style="list-style-type: none"> <li>• The Group values communication with employees, regularly organizes employee activities to promote employee relationships and create a harmonious working environment</li> <li>• The Group has a grievance procedure in the "Staff Handbook". Employees may appeal to the department head or human resources department for handling by the information acceptance department</li> <li>• Concerning about the sexual harassment, the Hong Kong Headquarter has also formulated a "Policy on Prevention of Discrimination and Harassment" to encourage employees who have been harassed to report sexual harassment cases via letter or e-mail. The department head or human resources department will conduct investigations and follow-up actions after receiving suspected cases</li> </ul>



## EMPLOYEE CARE



### Hotel operation

The Hotel Manager has also established a comprehensive employment system to provide a sound working environment for employees. During the Year, several new hotels opened in Wuxi, which was the significant factor of the employee turnover. In order to reduce the turnover rate, the Hotel Manager has actively followed up with the belows:

- Adjusting the salary of frontline employees according to the market salary survey
- Developing career development plans for high-potential employees
- Strengthening recognition of employees



The Group complied with laws and regulations related to employment such as the "Employment Ordinance", the "Employees' Compensation Ordinance", the "Sex Discrimination Ordinance", the "Disability Discrimination Ordinance", the "Family Status Discrimination Ordinance", and the "Personal Information (Privacy) Ordinance" of Hong Kong, as well as the "Labour Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China" and other applicable laws and regulations. During the Year, the Group did not identify any complaints about discrimination or harassment, or violations related to employment.

### HEALTH AND SAFETY

The Group values the health and safety of employees in the workplace and formulates internal policies and regulations to protect employees' physical and mental health from occupational hazards.

The financial services and property investment of the Group are mainly for office operations. A clean and comfortable working environment is very important for the health and safety of employees. The "Occupational Safety and Health Policy" adopted by the Group specifies safety standards for the working environment in office, including:

Work environment	Office equipment	Occupational safety and health education
<p>To keep the cleanliness and comfort of the working environment, in the workplace, the Group:</p> <ul style="list-style-type: none"> <li>• conducted tests and assessments</li> <li>• kept the fire escape clear</li> <li>• equipped with adequate indoor ventilation</li> <li>• ensured the design with enough space for storage and stretching the body</li> </ul>	<p>Employees sit at computers for a long time. So good office equipments and proper use of them can avoid to suffer from occupational diseases such as muscle strain, shoulder pain and so on. The Group:</p> <ul style="list-style-type: none"> <li>• offered foot pedals, wrist pads or computer screen filters, larger computer screens, etc.</li> <li>• reminded employees to use the office equipment properly via email and posting reminders in the appropriate place</li> </ul>	<p>The Group developed codes of practice for the needs of particular work and also distributed occupational safety brochures to employees. The seminars on occupational safety and health were held for employees during the Year. The Group regularly arranges employees to participate in fire drills held in the building when necessary and encourages them to participate in external training events and lectures</p>

The physical and mental health of employees is also important. The Hong Kong Headquarter and the finance department of the Group have formulated the “Policy for Caring the Physical and Psychological Wellness of Employees”. In order to allow employees to get adequate physical and mental rest outside of work, the Group implemented a series of measures, including regular staff activities (such as dinner party, wine tasting, outdoor activities or overseas travel), weekly fruit days, psychological counseling and medical benefits. The “Employee Health and Safety Policy” adopted by Wuxi Sunshine also requires employees to conduct fire drills and provides free check-up for employees. Through the policy, the Hotel Manager is urged to set up a trade union, the chairman of which will be elected by employees. The trade union organized employee tours and gatherings in its spare time to enhance the physical and mental health of employees.

### Hotel operation

The Hotel Manager has set standard handling procedures and safety measures for different situations and positions, and included safety training in the monthly training program. The hotel training department organizes to check the implementation and effectiveness of the training. In addition, the Hotel Manager has set up a crisis management manual to provide a series of standard principles for crisis management, special situation handling and tools needed to deal with the crisis, to ensure that employees can properly handle the crisis and ensure safety. Hotel also has a crisis management team. In addition to being responsible for the crisis management of its own hotel and the annual risk assessment, it is also required to communicate with the Global Crisis Implementation Team at the Hilton Hotel headquarter on safety matters as a consideration for future revision of policies and systems by the headquarter.



During the Year, there were no death cases in the Group. Two cases of slipping injuries occurred in the Hotel. In order to prevent similar accidents from happening again, the Hotel Manager strengthened inspections afterwards to avoid water marks on the ground and placed anti-slip tips. The injured hotel staff recovered and returned to work during the reporting period. The Group complies with laws and regulations relating to occupational safety and health such as the “Occupational Safety and Health Ordinance” of Hong Kong, the “Labour Law of the People’s Republic of China” and the “Law on the Prevention and Control of Occupational Diseases of the People’s Republic of China” and other applicable laws and regulations. During the Year, the Group did not identify any violations related to health and safety.

## DEVELOPMENT AND TRAINING

The Group pays much attention to the vocational skills training for employees and improves the essential skills for their career development for employees of different businesses and positions. The “Staff Training Policy” of the Group adopted by Hong Kong Headquarter and the “Staff Training and Development Policy” by Wuxi Sunshine standardized employee training systems and processes, unified management and training concepts, while urging the Hotel Manager to provide training and sound development space for employees through policy commitments.

At the Hong Kong Headquarter, the Group provides in-house training for employees involved in the financial services business and encourages them to attend external training, and provides continuous learning and development opportunities for employees and encourages them to take professional examinations related to their work. During the Year, employees from the Hong Kong Headquarter actively participated in the training. The average training hour per employee was 2.9 hours.

## EMPLOYEE CARE



In-house training	External training
The Group provides training for employees holding relevant licenses in accordance with the requirements of SFC of Hong Kong. During the Year, the Group provided employees with regulations relating to investment products, licensed company compliance, corporate governance and risks, accounting and taxation, company secretary, etc.; and provided training on other topics for staff of each department, such as environmental, social and governance and renewal regulations.	The Group encourages employees to participate in external training and lectures related to their work. The Group also provides financial support for external training. Employees may apply for external training from department head and for his/her approval. Upon completion of the course, they may claim reimbursement from the Company for relevant training fees.

Professional development
The Group supports employee career development. According to the “Staff Handbook”, employees who participate in work-related professional examinations are entitled to examination leaves and may reimburse work-related professional organization membership fees.

In the Property Investment Office, the Group required new employees to engage in induction, while other employees are required to hold monthly departmental trainer meetings to jointly develop monthly training plans for each department and evaluate the training of each department monthly.

### Hotel operation

The Hotel Manager has established an in-house training policy to provide training and assessment for employees; and conducts analysis for training needs before the development of annual training plan to understand the training needs of employees. During the Year, the Hotel Manager provided in-house training for management and operational skills for employees of different positions and ranks, as well as external training such as corporate culture and teamwork. All employees received training, and the average training hours per employee was 96.3 hours.

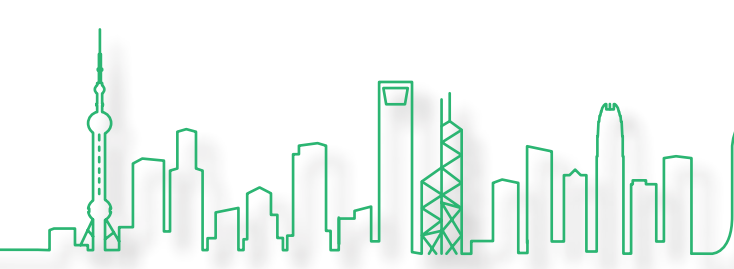


## LABOUR STANDARDS

The Group strictly prohibits the employment of child labor or forced labor in the workplace and regulates it through the “Policy on Prevention of Child Labor or Forced Labor” by the Hong Kong Headquarter and “Employee Rights and Interests Policy” by Wuxi Sunshine. The Hotel Manager has also formulated policies and measures to prevent child labor or forced labor.

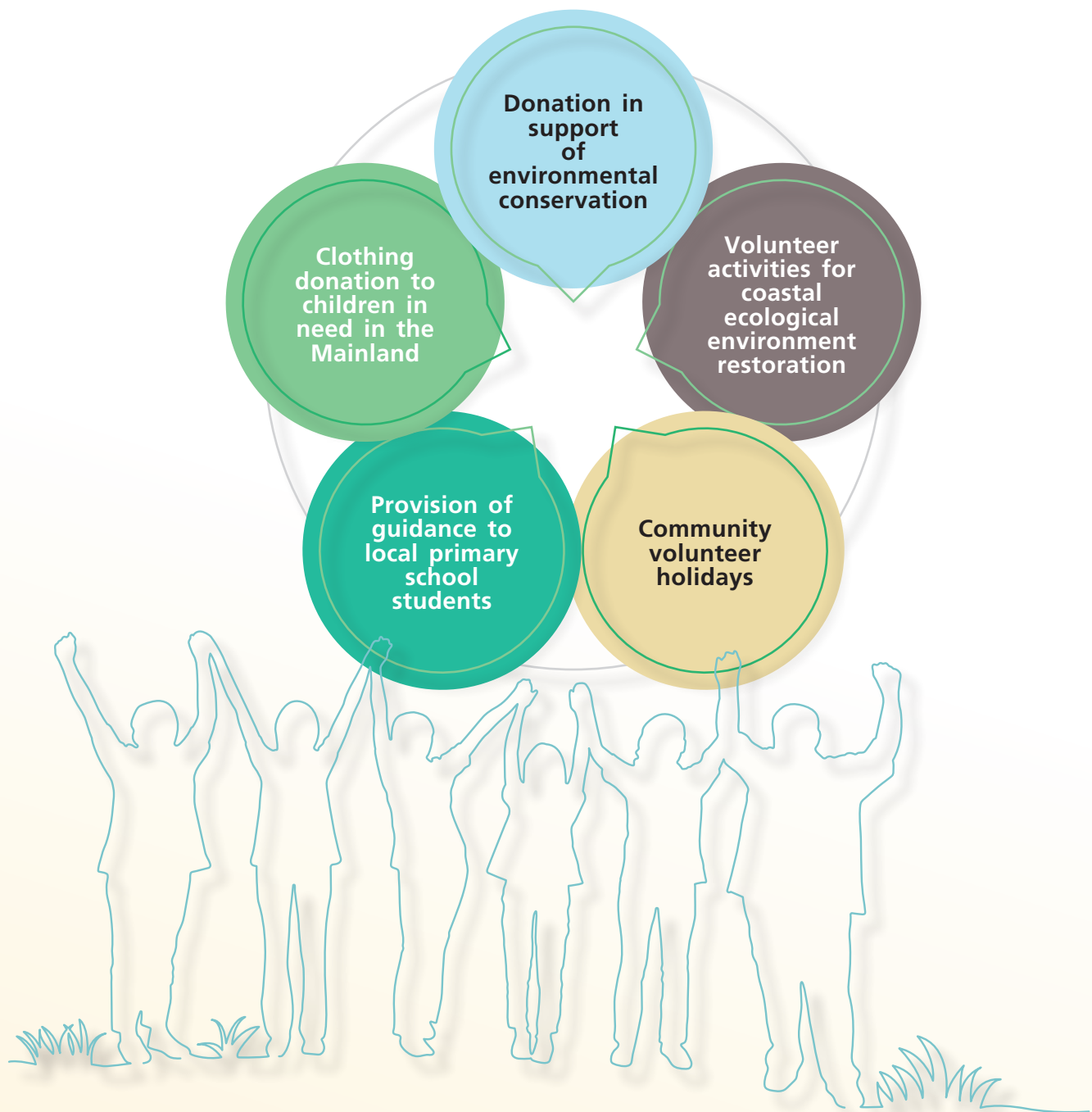
In order to prevent recruiting or appointing staff of the Group who fails to meet age requirement, the human resources department must check the original identity card of the applicant for the purpose of reviewing the age when recruitment. If there are any applicants under the legal working age, the Group will disqualify his/her application. In order to prevent forced labor behavior, the Group sets out the relevant compensation provisions for overtime work of employees in the Staff Handbook. Employees who work overtime can receive salary subsidies or supplementary vacations, and reimbursement of meal and transportation expenses during overtime hours. The Group gives employees the right to leave freely.

The Group complies with laws and regulations relating to labour standards, such as the “Employment Ordinance” of Hong Kong, the “Labour Law of the People’s Republic of China” and the “Law on the Protection of Minors of the People’s Republic of China” and other applicable laws and regulations. During the Year, the Group did not identify any child labor or forced labor.



## COMMUNITY PARTICIPATION

The Group places emphasis on the commitment to social responsibility. Apart from making profits from the business, we will also make efforts to contribute to the society. The Group implements "Community Dedication Policy" to advocate environmental protection welfare and community dedication. The Group cooperates with various non-profit organisations, pays attention to the needs of the community through donations and voluntary service, and jointly builds an inclusive community.



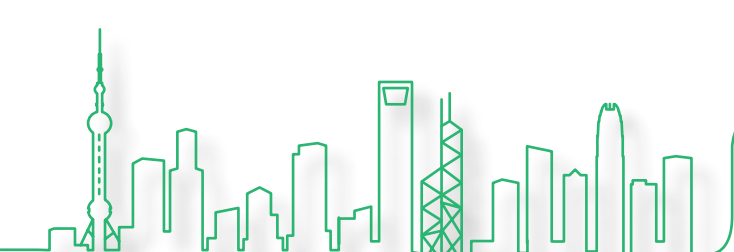
## COMMUNITY PARTICIPATION



Investing resources and cooperating with non-profit organisations	
Charity donation	Provision of paid leave to encourage employees to participate in voluntary activities
HK\$65,000	Volunteer Working 57 Hours

Contribution field	
Environmental protection welfare	Community dedication
<ul style="list-style-type: none"> <li>The Group encourages employees to participate in various environmental protection projects to raise their awareness of caring and cherishing the natural environment, leaving a beautiful natural environment for our next generation.</li> <li>During this Year, the Group continued to participate in the Mikania removal work organized by World Wide Fund for Nature. We organised voluntary activities to remove invasive and climbing plants such as Mikania micrantha in the Mai Po Nature Conservation area, so as to assist the healthy development of the natural ecosystem in Mai Po.</li> <li>In addition, we donate old items which still have value in use to the suitable non-profit organisations. Hotel business also donates used clothes to children in need.</li> </ul>	<ul style="list-style-type: none"> <li>The Group has been participating in “Wind Under the Wings” Growth Navigation Programme held by Hong Kong Playground Association since the previous year. A three-year programme in which employees serve as “Mentor” for trainees, in order to guide, accompany and lead them to grow.</li> <li>As the mentor of the programme, employees will communicate with their mentees at least once a month during the programme, sharing life experience with them, giving advice and encouragement to them and assisting them to make personal development plan, and therefore forming the habit of planning and laying the foundation for their future development.</li> </ul>

Looking forward, the Group will continue to encourage employees to participate in various types of activities, and invest resources to build a healthier and more energetic community by taking advantages of the expertise of its own industry.



# OVERVIEW OF KEY PERFORMANCE INDICATORS

## ENVIRONMENTAL PERFORMANCE

Environmental Key Performance Indicators	2018	2017	Units
<b>Emission categories and relevant emission data</b>			
Nitrogen Oxides	82.95	1.98	kg
Sulfur Oxides	0.88	0.05	kg
Respirable Suspended Particles	1.70	1.50	kg
<b>Total GHG emissions</b>			
Scope 1: Direct GHG Emissions	501.7	110.9	tonnes of CO <sub>2</sub> e
Scope 2: Energy indirect GHG Emissions <sup>8</sup>	8,132.7	7,348.6	tonnes of CO <sub>2</sub> e
Scope 3: Other indirect GHG Emissions	75.8	60.7	tonnes of CO <sub>2</sub> e
Total GHG emissions	8,710.2	7,520.2	tonnes of CO <sub>2</sub> e
Intensity of GHG (in area)	0.11	0.09	tonnes of CO <sub>2</sub> e/m <sup>2</sup>
<b>Total hazardous waste<sup>9</sup></b>			
Total hazardous waste	30	10	kg
Intensity of hazardous waste (in area)	0.0004	0.0001	kg/m <sup>2</sup>
<b>Total non-hazardous waste<sup>10</sup></b>			
Total non-hazardous waste	42,000	14,800	kg
Intensity of non-hazardous waste (in area)	0.544	0.1846	kg/m <sup>2</sup>
<b>Total energy consumption</b>			
Gasoline	48.8	63.0	MWh-e
Natural gas	546.6	476.6	MWh-e
Electricity	5,001.6	4,323.6	MWh
Heat	12,709.0	11,787.6	MWh-e
Total energy consumption	18,306.0	16,650.8	MWh-e
Intensity of energy (in area)	0.24	0.21	MWh-e/m <sup>2</sup>
<b>Total water consumption</b>			
Total water consumption	106,633	111,800	m <sup>3</sup>
Intensity of water consumption (in area)	1.38	1.39	m <sup>3</sup> /m <sup>2</sup>
<b>Paper consumption</b>			
Total paper consumption	7.3	7.0	tonnes

<sup>8</sup> Calculated by 2015 average emission factor of national power grid, and therefore adjusted the data of 2017 for the purpose of annual comparison.

<sup>9</sup> Only including hotel operations, the Group will carry out measurement and report on the hazardous waste in office operations.

<sup>10</sup> Only including Hong Kong Headquarter and hotel operations, the Group will carry out measurement and report on the non-hazardous waste in the Property Investment Office.



## OVERVIEW OF KEY PERFORMANCE INDICATORS



### SOCIAL PERFORMANCE<sup>11</sup>

#### The number of employees by region and employment type

Regions		Employment type		Total number of employees by region	Total number of employees	
		Full-time	Part-time		2018	2017
Hong Kong	Hong Kong Headquarter	124	0	124	401	396
Wuxi	Property Investment Office	30	0	277		
	Hotel	202	45			

#### The number of employees by gender, employee category and age group

Gender	Employee category	Age group				Total number of employees by gender	Ratio of male to female employees			
		Below 30	30-40	41-50	Above 50		2018	2017		
Hong Kong Headquarter										
Male	Senior management	0	2	4	10	67	1.18:1	1.14:1		
	Middle management	0	4	6	2					
	General employees	17	16	3	3					
Female	Senior management	0	1	3	1	57				
	Middle management	0	5	4	1					
	General employees	15	9	10	8					
Property Investment Office										
Male	Senior management	0	0	1	0	13	0.76:1	1.14:1		
	Middle management	0	0	0	0					
	General employees	0	2	8	2					
Female	Senior management	0	0	0	0	17				
	Middle management	0	0	1	0					
	General employees	0	5	8	3					
Hotel										
Male	Senior management	0	0	1	0	118	0.91:1	0.92:1		
	Middle management	15	15	5	5					
	General employees	57	20	0	0					
Female	Senior management	0	0	0	0	129				
	Middle management	15	15	3	0					
	General employees	59	25	10	2					
Total number of employees and ratio of male to female employees						401			0.98:1	0.98:1

<sup>11</sup> The data of 2017 have been adjusted based on the data statistical method of 2018 for the purpose of fair comparison.



## OVERVIEW OF KEY PERFORMANCE INDICATORS

### The number and ratio of new employees by gender, employee category and age group

Gender	Employee category	Age group				Total number of new employees	Ratio of new employees to total staff	
		Below 30	30-40	41-50	Above 50		2018	2017
Hong Kong Headquarter								
Male	Senior management	0	0	0	0	31	25%	26%
	Middle management	0	0	0	0			
	General employees	18	4	0	0			
Female	Senior management	0	0	0	0			
	Middle management	0	1	0	0			
	General employees	7	0	0	1			
Property Investment Office								
Male	Senior management	0	0	0	0	0	0%	0%
	Middle management	0	0	0	0			
	General employees	0	0	0	0			
Female	Senior management	0	0	0	0			
	Middle management	0	0	0	0			
	General employees	0	0	0	0			
Hotel								
Male	Senior management	0	0	0	0	131	53%	41%
	Middle management	2	5	3	1			
	General employees	35	10	3	4			
Female	Senior management	0	0	0	0			
	Middle management	5	1	0	0			
	General employees	37	15	8	2			
Total number and ratio of new employees						162	40%	34%

## OVERVIEW OF KEY PERFORMANCE INDICATORS



The number of employees' turnover and turnover rate by gender, employee category and age group

Gender	Employee category	Age group				Total number of employees' turnover	Turnover rate	
		Below 30	30-40	41-50	Above 50		2018	2017
Hong Kong Headquarter								
Male	Senior management	0	0	0	1	29	23%	19%
	Middle management	0	0	0	0			
	General employees	13	5	1	1			
Female	Senior management	0	1	0	0			
	Middle management	0	1	0	0			
	General employees	2	2	1	1			
Property Investment Office								
Male	Senior management	0	0	0	0	0	0%	0%
	Middle management	0	0	0	0			
	General employees	0	0	0	0			
Female	Senior management	0	0	0	0			
	Middle management	0	0	0	0			
	General employees	0	0	0	0			
Hotel								
Male	Senior management	0	0	0	0	128	52%	53%
	Middle management	2	3	0	0			
	General employees	36	12	0	3			
Female	Senior management	0	0	0	0			
	Middle management	5	1	0	0			
	General employees	40	18	0	8			
Total number of employees' turnover and turnover rate						157	39%	39%

## OVERVIEW OF KEY PERFORMANCE INDICATORS

### Ratio of male to female average salary by region

Regions	Ratio of male to female average salary	
	2018	2017
Hong Kong Headquarter	2.93:1	2.49:1
Property Investment Office	0.95:1	1.07:1
Hotel	1.01:1	0.97:1

### Health and Safety of Employees

	Number of work- related fatalities	Number of work- related injuries	Work- related injury rate	Lost days due to work- related injuries	Lost day rate due to work- related injuries	Absentee days	Absentee rate
Gender							
Hong Kong Headquarter							
Male	0	0	0%	0	0%	125	1%
Female	0	0		0		329	
Property Investment Office							
Male	0	0	0%	0	0%	0	0%
Female	0	0		0		0	
Hotel							
Male	0	0	1%	0	0.01%	0	0.01%
Female	0	2		6		6	

## OVERVIEW OF KEY PERFORMANCE INDICATORS



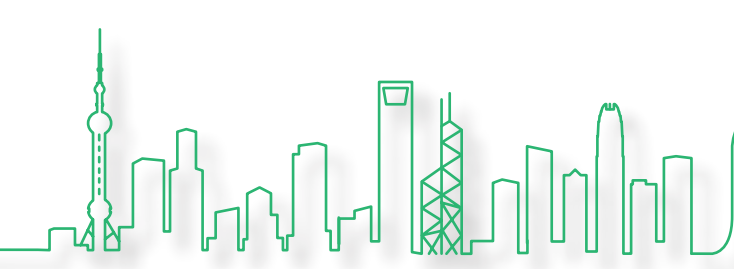
### The numbers and percentage of employees trained by gender and employee category<sup>12</sup>

Gender	Employee category			Total (by gender)
	Senior management	Middle management	General employees	
Hong Kong Headquarter				
Male	8 (50%)	8 (67%)	24 (62%)	40 (60%)
Female	2 (40%)	3 (30%)	17 (40%)	22 (39%)
Total (by employee category)	10 (48%)	11 (50%)	41 (51%)	62 (50%)
Hotel				
Male	1 (100%)	40 (100%)	77 (100%)	118 (100%)
Female	0 (0%)	33 (100%)	96 (100%)	129 (100%)
Total (by employee category)	1 (100%)	73 (100%)	173 (100%)	247 (100%)
<b>Total (by employee category)</b>	<b>11 (50%)</b>	<b>84 (88%)</b>	<b>214 (84%)</b>	<b>309 (83%)</b>

### Average hours of employees training by gender and employee category<sup>12</sup>

Gender	Employee category			Total (by gender)
	Senior management	Middle management	General employees	
Hong Kong Headquarter				
Male	3.5	3.3	3.4	3.4
Female	6.2	1.5	2.0	2.3
Total (by employee category)	4.1	2.5	2.7	2.9
Hotel				
Male	96.0	36.0	141.9	105.6
Female	0	52.4	100.0	87.8
Total (by employee category)	96.0	43.4	118.7	96.3
<b>Total (by employee category)</b>	<b>8.3</b>	<b>33.9</b>	<b>81.7</b>	<b>65.1</b>

<sup>12</sup> Wuxi Property Investment Office does not have relevant training record.



## OVERVIEW OF KEY PERFORMANCE INDICATORS

### Summary of employee training data<sup>12</sup>

Indicators	Hong Kong Headquarter		Hotel	
	2018	2017	2018	2017
The numbers of employees trained	62	68	247	244
The percentage of employees trained	50%	56%	100%	100%
Hours of training (hour)	358.5	371	23,792	18,352
Average hours of training (hour)	2.9	3.0	96.3	75.2

### The percentage of employees that accepted the appraisal of regular performance and occupational development<sup>12</sup>

Regions	2018	2017
Hong Kong Headquarter	100%	100%
Hotel	100%	100%



# REPORT INDEX



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A1.3	Total hazardous waste produced	13–14, 31
A1.4	Total non-hazardous waste produced	13–14, 31
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A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives, and results achieved	13–14, 31
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A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	15–18, 31
A2.5	Total packaging material used for finished products and with reference to per unit produced	The Group's business does not involve the use of packaging material
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B4.1	Description of measures to review employment practices to avoid child and forced labour	28



Subject Areas	Description	Page Index/Notes
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