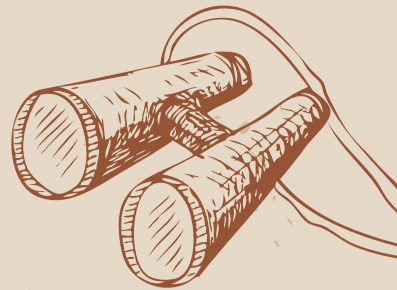
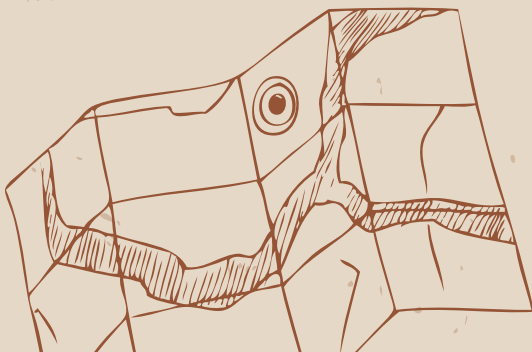


A SUSTAINABLE
Journey



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure on Environmental, Social and Governance

This is the first year for the Company to disclose its performance with regard to environmental, social and governance ("ESG") issues. We would like to take this opportunity to highlight our management approach and achievements in ESG at our key operations. These include the Group's property business in Hong Kong, Mainland China (Shanghai) and Australia (Melbourne, Brisbane and Perth) as well as the Group's hotel operations and management in Hong Kong under Dorsett. While other operations represent a relatively small percentage of our business, we will consider expanding the scope of disclosure in the future.

This section is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules. Unless otherwise stated, the content in this section covers the period from 1 April 2016 to 31 March 2017.

We value your feedback on this section and the Group's ESG performance. Please visit our website at www.fecil.com.hk and share with us your thoughts.

Our Approach to Sustainability

We acknowledge our role as a responsible player in the market. Part of our core values has always been creating and maintaining shared value for our stakeholders. This includes not only economic value, but also environmental and social value.

The Group has developed and implemented a set of ESG policies across our operations. In compliance with local laws and regulations, the policies lay out our standards and expectations towards environmental and social challenges. They also act as a framework to guide our daily decision-making process to address our social and environmental impacts.

By gathering our efforts and collaborating with our stakeholders, we leverage the challenges we face as a conglomerate that operates at multiple locations for sustainable growth. We will achieve this through engaging stakeholders, benchmarking industry best practices and assessing our own performance.

Looking forward, we continue to promote the concept of sustainability within and outside of the Group with the aim to improve our environmental and social performance.

ESG governance

The introduction of an ESG governance structure at FEC allows us to effectively manage our environmental and social risks and to regularly monitor our environmental and social performance.

As the highest governing body of the Group, the Board has an overall responsibility to formulate and oversee the Group's strategies, including those relating to ESG. Day-to-day operations are delegated to the Group's ESG Committee which is chaired by Ms. Winnie Chiu, the President and Executive Director of Dorsett and comprises senior management from various departments across all operations. The ESG Committee was established to support the sustainability work within the Group, including but not limited to the implementation of ESG policies, monitoring the environmental and social performance of our day-to-day operations, engaging stakeholders on ESG issues, and assisting the disclosure of ESG information. Whenever appropriate, the ESG Committee will report relevant ESG matters to the Board.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement

We reach out to our stakeholders and initiate communication as often as we can. We value their opinions as they lay the foundation for our emphasis on sustainable development. We hope to build sustainable relationships with our stakeholders through regular interactions, and create value on their behalf by addressing their interests and concerns.

The Group had achieved several milestones in FY2017 with regard to investor relations. Notably, the Group's market capitalization has exceeded US\$1 billion mark for the first time since its listing. In addition, the Group has been also included in the South-bound trading list in Hong Kong-Shenzhen Stock Connect which was launched in December 2016. All these had effectively broadened the potential shareholder base and enhance stock liquidity of the Group.

During FY2017, the Group issued a five-year US\$300 million note with a 3.75% coupon rate, which marked the lowest rate for five-year US dollar unrated deal for Hong Kong issuers so far. The note issuance drew an order book of more than four times oversubscription to US\$1.2 billion, which demonstrated that the Group has gained significant recognition from the global investors.



Investors Briefing for FY2017 Interim Results Announcement



Press Conference for FY2017 Interim Results Announcement

During FY2017, the Group carried forward various initiatives to improve information transparency and investor relations. In particular, the Group had arranged more than 70 company visits for credit and equity analysts and investors from global investment banks and fund houses, organized and participated in 35 non-deal roadshows and investor conferences. We also maintain regular communication with more than 4,000 institutional investors through emails and phone calls. In addition, the Group has provided prompt information update on Company website including financial reports, presentations, announcements, press releases and newsletters. The Group published 23 press releases during FY2017.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The table below shows the investor conferences and roadshows FEC organized or participated in FY2017.

Date	Organiser(s)	Fixed Income/ Equities	Location(s)	Conference/Activity	No. of Day(s)
1-Jun-2016	DBS Vickers	Equities	Singapore	Conference	1
24-Jun-2016	DBS Vickers	Equities	Hong Kong	Non-Deal Roadshow	2
27-Jun-2016	CICC	Equities	Hong Kong	Teleconference	1
27-Jun-2016	CIMB	Equities	Hong Kong	Non-Deal Roadshow	2
28-Jun-2016	DBS	Equities	Singapore	Non-Deal Roadshow	3
4-Jul-2016	Haitong	Equities	Hong Kong	Non-Deal Roadshow	1
8-Jul-2016	Financial PR	Equities	Shenzhen	Hong Kong-Shenzhen Connect	1
8-Jul-2016	Haitong	Equities	Shenzhen	Shenzhen Non-Deal Roadshow	1
28-Aug-2016	Barclays, Credit Suisse, HSBC, AMTD, DBS Vickers, Deutsche Bank, Guotai Junan, Haitong, OCBC	Fixed income	Hong Kong/ Singapore/ London	MTN Programme Roadshow/ London investors conference call	2
23-Sep-2016	FEC	Equities	Shenzhen	Non-Deal Roadshow	1
6-Oct-2016	Haitong	Equities	Hong Kong	Non-Deal Roadshow	1
12-Oct-2016	Guosen	Equities	Shenzhen	Shenzhen-Hong Kong Stock Connect Conference	1
12-Oct-2016	Guosen	Equities	Shenzhen	Guosen Strategic Meeting	1
14-Oct-2016	CITIC Securities	Equities	Shenzhen	Investor Conference	1
14-Oct-2016	HKIRA/CITIC	Equities	Shenzhen	Hong Kong-Shenzhen Conference	1
24-Nov-2016	CIMB	Equities	Hong Kong	Non-Deal Roadshow	2
25-Nov-2016	DBS Vickers	Equities	Hong Kong	Non-Deal Roadshow	2
28-Nov-2016	AMTD	Equities	Hong Kong	Non-Deal Roadshow	2
1-Dec-2016	Jefferies	Equities	London	London Non-Deal Roadshow	1
7-Dec-2016	Nomura	Fixed Income	Hong Kong	Nomura High Yield Day	1
7-Dec-2016	CLSA	Equities	Sydney/ Melbourne	Australia Non-Deal Roadshow	2
9-Dec-2016	Euromoney	Equities	Hong Kong	Euromoney Investor Summit	1
13-Dec-2016	Credit Suisse	Equities	Hong Kong	Non-Deal Roadshow	1
5-Jan-2017	DBS Vickers	Equities	Singapore	Investor Conference	1
6-Jan-2017	Financial PR	Equities	Shenzhen	Investor Conference	1
9-Jan-2017	Deutsche Bank	Equities	Beijing	Investor Conference	3
16-Jan-2017	CCBI/Jefferies/CIBC	Equities	USA/Canada	Non-Deal Roadshow	12
19-Jan-2017	The Chamber of Hong Kong Listed Companies	Equities	Shenzhen	Investor Conference	1
22-Feb-2017	Citi	Fixed income	Singapore	Investor Conference	2
29-Mar-2017	Philips/Cathay Securities	Equities	Taipei	Non-Deal Roadshow	2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Starting this Year, the Group provides English and Mandarin simultaneous interpretation during the annual and interim results announcement briefing, webcast playback and online Q&A session. This allows overseas shareholders to understand Company's business updates without being limited to geographical locations.

The analysts' coverage on FEC also increased. During FY2017, AMTD, UOB and China Galaxy Securities had published their initiation reports on the Group. Together with update reports from DBS Vickers and CIMB, there were a total of 10 reports published on the Group in FY2017.

The Corporate Finance and Investor Relations Department will continue to improve the Group's information transparency through timely communication with external investors as well as through regular corporate disclosures to ensure that the share price will better reflect the underlying value of the Group's business.

The Group has won a number of international awards on the company management, investor relations, corporate governance and corporate social responsibility. Awards including multiple awards in FinanceAsia's "Best Company Poll 2017", including "Top 4 Most Committed to Corporate Governance Company in Hong Kong" and "Top 4 Best Investor Relations – Venus Zhao in Hong Kong"; eight top honours in 2016 Asiamoney Polls highlighted by "Best Managed Small Cap Company Hong Kong", and ranking first across all categories in Hong Kong including "Best Overall for Corporate Governance", "Best for Disclosure and Transparency", "Best for Shareholders' Rights and Equitable Treatment", "Best for Responsibilities of Management and the Board of Directors", "Best for Investor Relations", and "Best for Corporate Social Responsibility"; Best Managed Company in Asia in the Real-Estate Category in Euromoney's Best Managed Companies Survey 2016; "Best Investor Relations Award" in 2016 China Financial Market Listed Companies Awards – Ms. Venus Zhao, gold award in four categories of Governance, Social Responsibility, Environmental Responsibility and Investor Relations at "The Asset Corporate Awards 2016"; eight award nominations and triumphs with three awards at IR Magazine Awards – Greater China 2016, including "Best Overall Investor Relations (small & mid-cap)", "Best in Sector: Real Estate", and "Best Investor Relations Officer (small & mid cap) – Ms. Venus Zhao, "Best IR Company (Small Cap)" in the Hong Kong Investor Relations Association 2nd IR Awards, and "Best at Corporate Social Responsibility" in FinanceAsia's "Asia's Best Managed Companies 2016" Poll.

The Group's Corporate Finance and Investor Relations Department will continue to promote a professional corporate governance and aim at building up long-term relationships based on credibility and mutual-trust through transparent, effective and proactive communications with our investors, analysts and other stakeholders.



Medium Term Notes Programme Celebration Dinner



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality assessment

Apart from our regular communication channels, this Year, we have authorised an independent third party to conduct a stakeholder engagement survey for us during the early stage of the preparation of this report. The major purpose of the survey is to understand and evaluate the perceptions and expectations of our stakeholders with regard to ESG issues. Through an anonymous online survey, stakeholders were asked to provide feedback on ESG issues that they consider important as stakeholders. We have engaged over 650 individuals of nine different stakeholder groups from Hong Kong, Mainland China and Australia. They are comprised of our employees, investors, property buyers, hotel guests, business partners, suppliers, contractors, industry associations and community partners.

We have also engaged our management team to obtain a fair and comprehensive analysis of our material ESG issues. 12 management members participated in the survey and provided feedback on ESG issues they consider important based on their understanding of the Group's operations.

Material ESG issues of the Group were identified as a result of the stakeholder engagement survey. The result will guide us in formulating our long-term ESG strategies and help us to prioritize in disclosing ESG issues in this report. ESG issues considered most material to our stakeholders and to the Group as a whole are included as the following.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

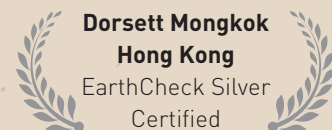
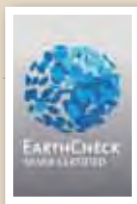
Our Environment

We strive to maximise our environmental value creation through continuously improving our environmental performance. Our strategy is to identify the environmental impacts associated with our operations and gradually incorporate environmental practices into our operations.

To better manage our environmental risks and opportunities, the Group has formulated a comprehensive Environmental Policy in FY2017. The policy demonstrates our commitments and approaches in addressing environmental issues, from the use of resources to various types of emissions. With the support from our ESG Committee, the Environmental Policy has been fully implemented and adopted across all business units within the Group. The policy is used as a guiding principle for business units to make day-to-day decisions.

We expand our efforts to encourage our contractors to adhere to our environmental standards. With the aim to raise their environmental consciousness, we work together in our regular meeting to explore possible ways to incorporate environmentally friendly practices at the construction sites. From utilizing energy efficient electricity generators to using recycled water to clean vehicles on sites, we strive to minimise our impacts on the environment.

Our achievements in mitigating our environmental impacts over the years have been widely recognised. In particular, three of our hotels in Hong Kong are either benchmarked or certified by EarthCheck, the world's leading scientific benchmarking certification and advisory group for travel and tourism. This tourism certification confirms that our hotels demonstrate our commitment to positive environmental and social performance, and at the same time provide a source of confidence for our hotel guests.



We believe that we can only manage our environmental impacts when we can measure them. Hence, we have identified key performance indicators and started engaging business units to collect environmental data. While we continue the collection of environmental data, we will begin analysing the data to ensure completeness, accuracy and consistency to prepare for complete disclosure of our environmental performance data next year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate change and energy

As a conglomerate that operates in multiple regions around the world, we recognise that climate change poses a risk to our business and that we should contribute to mitigation of climate change challenges. Reducing carbon emissions arising from the activities of our operations is a commitment in our Environmental Policy.

With the majority of our carbon footprint coming from electricity use, we prioritise resources in the development and implementation of electricity saving measures. No step is too small to reduce our electricity consumption in our offices. We prefer the use of energy efficient appliances, and make sure all appliances, such as printers, copy machines, lights and air conditioners, are switched off during weekends and holidays when offices are not in use. We also remind our employees to switch off their computers after work to avoid any unnecessary electricity usage. The entire office has adopted the use of energy-efficient fluorescent light-bulbs, switched from 75-Watt high output model to 40-Watt soft light model. With the installation of all new light-bulbs, a total reduction of energy is about 500 kW per year.

Adopting energy efficient technologies at our hotels

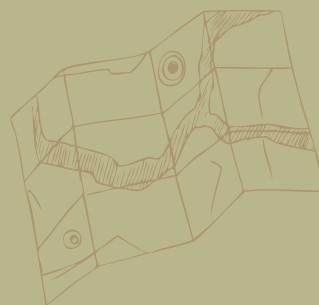
During the Year, we have invested in upgrading the equipment at our hotels with the aim to reduce electricity consumption in the long term. In Dorsett MongKok, Hong Kong and Silka Far East, Hong Kong, we have replaced our existing chiller plants with higher quality and higher energy efficiency models. Correspondingly, our electricity consumption will be cut down, and our electricity bill will be reduced by 10%-20% each year. LED lights have been used in our new opening hotels, such as Silka Tsuen Wan and Dorsett Tsuen Wan, as they are considered as having better energy performance. As such, we have gradually upgraded the lighting systems at our existing hotels. Silka Seaview, Hong Kong, for example, has replaced its exiting traditional T8 tubes with more energy efficient LED lights in public areas. This contributes to an estimated 50% savings in electricity cost every year.

Water conservation

Water is an essential resource for our operations, as well as the planet. We are committed to minimising unnecessary consumption of water through active monitoring and managing of our water consumption.

The majority of our water consumption comes from our hotel operations. Therefore, we have been constantly searching for solutions to conserve water across our hotels. Over the years, we have implemented a number of water conservation initiatives at our hotels. This includes the installation of water efficient taps and showerheads in guest rooms and public bathrooms of some of our hotels. We have also taken the opportunity to engage our hotel guests in reducing water consumption with us. We hope to raise awareness among our hotel guests on water conservation through putting up water conservation signs in guest rooms.

Every drop counts



We are willing to take every step, no matter how small, to conserve water. At our hotels, we encourage our guests to support our water conservation initiative by reducing the frequency of changing linen during their stay while maintaining cleanliness and hygiene. We ask our guests to notify our room attendants when they want their linen changed instead of requesting daily linen changes. The less frequently linen is changed and washed, the less water is consumed.

Despite less significant, the use of water saving devices at our corporate office in Hong Kong has also contributed to water conservation. When we purchase new water devices, we rely on water efficiency labels to help us to choose the best devices. We have installed dual water efficient taps, showerheads and dual flush system in our toilets, and regularly examine such devices to prevent leaks.

Going forward, we will keep a closer watch on our water consumption performance record and continue to explore ways to further reduce our water footprint.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Waste management

Waste generation is inevitable across our operations. The Group has adopted suitable waste handling and reduction measures in accordance with local law and regulations. It is our policy to reduce, reuse and recycle waste whenever possible. This includes waste generated from our corporate offices and hotel operations as well as construction and demolition waste from the operation of buildings. Further, our contractors are required to be responsible for the construction waste by appointing authorised waste collectors to remove the waste. We also encourage waste separation practices to reduce construction waste.

Reducing waste at source

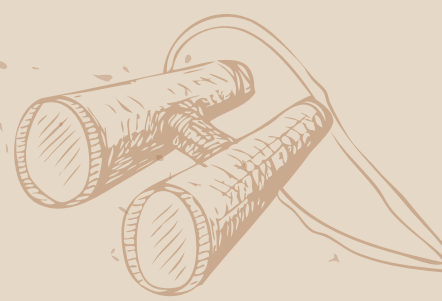
We believe avoiding waste at source could be the most effective solution to reduce the generation of waste from our operations. The usual housekeeping practice for handling used bottled amenities is to directly dispose and replace with new ones. At our hotels, instead of disposing of used bottled amenities, we refill and reuse the bottles. This housekeeping practice has helped reduce plastic waste generation.

Plastic waste recycling with hotel guests

Another effective way to reduce our waste generation is to encourage recycling. At our hotels, we have placed plastic bottle recycling bins in noticeable areas to encourage our staff and hotel guests to recycle used plastic bottles. The results have been promising, and we have successfully collected approximately 20kg of plastic bottles each month.

Going paperless

As we acknowledge that a considerable amount of paper waste is generated at our corporate office, we have become more conscious of paper consumption in our corporate office. Electronic communication is preferred in our daily communication, such as distributing notices and newsletters, with our employees. Our employees are also encouraged to use paper more efficiently by utilising both sides of the paper. To divert waste from landfills, we have set up recycling bins at our office to collect waste paper.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our Employees



Our employees are the primary force that contributes to the continued success of the Group. Recognising their efforts and being a committed, caring employer, we have put in place a number of policies and initiatives to create a fulfilling, enjoyable and safe work environment for them. Our Employees Handbook, which communicates FEC's commitment to and ethical expectations of employees, is one such instrument. It also demonstrates our adherence to the relevant laws and regulations. In particular, we provide equal opportunity for all employees and applicants for employment without regard to race, religion, colour, sex, family status, sexual orientation, national origin, age, marital status, physical disability, pregnancy, or any other basis prohibited by the applicable law. This policy extends to activities including recruitment and employment, promotion and transfer. The above has contributed to an inclusive and harmonious work environment for our employees.

To reward the hard work of our employees and retain the best talents in the industry, we offer a variety of benefits and compensation which are beyond the requirements of applicable laws and regulations. Apart from the gratuitous performance-based year-end bonus, we have initiated a special birthday arrangement to our permanent full-time employees. To celebrate the day, they can enjoy a one-day birthday leave with pay or a birthday red packet. We also present awards, including long service, star employee of the year and perfect attendance awards, in recognition of our employees' outstanding service and work. In addition, we provide promotion channels for our employees to advance their career based on their demonstrated performance and ability.

Employees code of conduct

We believe that the action of every employee contributes to build our reputation as one of the most respected international companies. Our employees must uphold their responsibility to behave ethically and protect the reputation of the Group. As such, we have implemented the Code of Business Conduct (the "Code") across different business functions to guide all our employees on how we should work and operate. The principles in the Code define who we are and demonstrate our commitment to honesty and integrity.

The Code clearly delineates unacceptable and corrupt behaviour which would result in bribery. In compliance with the Prevention of Bribery Ordinance, it provides the definition of unlawful acts and certain exceptions for employees to follow. On the other hand, the Code helps our employees to handle any potential conflict of interest for the best interest of the Group. We also use the Code to communicate our commitment in prohibiting the use of child and forced labour. All employees are obliged to observe our Code. To further ensure compliance, they are required to review and acknowledge their understanding and adherence to the Code annually.

The Group is committed to the highest possible standards of openness, probity and accountability. We encourage our employees to report any suspected misconduct or malpractice regarding financial reporting, internal control and other matters in any business unit. Employees can report any suspected non-compliance to the appropriate personnel as appointed by the Group, either verbally or in written form. Even if the case is not confirmed by an investigation, their concerns are still valued and appreciated. To foster a whistle-blowing culture, we make all reasonable efforts to ensure employees feel able to voice their concerns without fear of reprisal by protecting their anonymity.

During the Year, no concluded legal cases regarding corrupt practices were recorded.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Safe work environment and proactive employee engagement

We strive to provide each employee with a safe and healthy work environment. Our Employees Handbook and the Code have relevant policy descriptions in realising such an environment. The Company and its subsidiaries regularly organise safety training such as fire emergency evacuation drills for our employees to raise their safety awareness. In case of work-related injury, thorough investigation will be conducted to determine the cause of the injury for improvement in the future. Apart from offering facilities to foster a safe and healthy work environment, we consider each employee as sharing a joint responsibility to maintain workplace safety and health for all employees and to report accidents, injuries and unsafe equipment, practices or conditions. Employees are expected to perform their work in a safe manner by following all safety precautions prescribed by the business units and using necessary safety devices while operating equipment. Violence, threatening behaviour and illegal drug use will not be tolerated.

Other than providing a safe and healthy work environment, we are committed to creating an enjoyable work experience for our employees. Promoting the well-being of employees at work, we have organised a number of staff engagement activities internationally. These include annual dinners, annual parties, volunteer work, sports events, birthday celebrations, festive gatherings and skill-related competitions. Through these events, we not only facilitate work-life balance but also increase our employee's sense of belonging to the Company. To further keep our employees abreast of the latest news on the Group, we utilise digital channels to disseminate information. We also value our employee's inputs in making FEC a better workplace for all. As such, a grievance mechanism is in place to allow for an open and honest relationship between employees and the Group.



Badminton Competition



FEC and Dorsett Annual Dinner 2017



Participants from HK Corporate Office for Half Marathon Corporate Relay



FEC and Dorsett Annual Dinner 2017

We also make use of an annual employee survey to measure how engaged our employees are with us. The survey findings help our Company to create an engaging environment for our employees to work in alignment with our agenda in attracting, training, developing and retaining our talents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Training and development opportunities

We understand the success of the Group depends on the effective placement, adequate training and development of abilities of our employees. It is our commitment to provide training and development programmes to them to enhance their job performance and prepare them for future advancement in FEC. For all our employees, an orientation and induction programme is arranged to help them to get to know the company culture and work environment. Subsequent training, whether in-house or external, is provided to employees subject to the needs of specific business units, apart from general safety training such as the annual fire emergency evacuation drill.

To provide learning opportunities for our employees in an organized manner, we have made use of training systems. At Dorsett, a Departmental Training System has been implemented since 2016 with the aim to further improve and enhance the job performance of the associates and create an engaging learning culture. Departmental trainers who are responsible for conducting the department-based on-the-job training are identified from every function of the hotels. A series of Train-the-Trainer (TTT) Workshops have been conducted to sharpen the trainer's skills and provide them with necessary knowledge in delivering effective training sessions. These TTT Workshops integrate lectures, role play and real-time practices in the training content. Through such training systems, we strive to advance our employees' learning experience.



Employees Training



As noted before, we promote our employees to advance their career based on their demonstrated performance and ability. Their performance and ability are reviewed regularly with the established performance review system.

Responsible Operation

We believe that strong ethics complement good business. By our commitment to operate with integrity and in accordance with the highest ethical standards, we foster trust and confidence among our stakeholders and maintain the Group's reputation. Our business decisions and practices are governed by the principles and standards set out in the Code. It prescribes the Group's core values as a responsible company and provides clear guidance to ensure that we are in full compliance with all applicable laws where we operate. The Code is applicable to the Board and all employees, where they are subject to certain responsibilities and obligations. Violations of the Code will result in disciplinary action.

Customers first

Our hotel operations aim to delight our guests by creating consistently engaging experiences that embody our operating philosophy of '...bringing Asian hospitalities to the world'. We strive to achieve the highest guest satisfaction experience by instilling a culture of continuous improvement and ensuring that processes, systems and behaviour changes are addressed and sustained. In order to measure, monitor and manage guest satisfaction, our hotels utilise the following channels:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Dorsett Wine Hour at Dorsett Wanchai, Hong Kong (with live performance)

In-room Guest Questionnaire

The form is placed in all our hotels' guestrooms for the convenience of our guests to complete and submit to our associates upon check-out. The objective is to table and address any comments as well as positive feedbacks to be shared with the hotels' associates and operating team members.

Dorsett Wine Hour

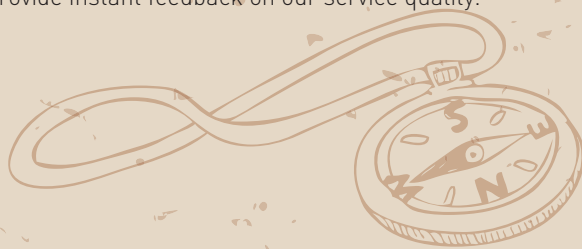
In an effort to foster closer relationship with our guests and adopt a more personal approach to enhance guests' satisfaction, Dorsett Wine Hour was introduced at our hotels. Through this weekly one-hour networking event with complimentary drinks, long-stay guests, regular guests and clients from corporate companies are invited such that we could build a strong bonding between our guest and our management team.

Online platforms

Every guest is encouraged to share their experiences upon checking out from any Dorsett hotels via various online guest comment platforms such as TripAdvisor, Booking.com, Agoda and Ctrip. All feedback is monitored closely. This allows each hotel to obtain a deeper understanding of their reputation and performance as well as operational strengths and weaknesses.

We receive regular feedback and complaints from our guests via the above channels as well as other online platforms. All direct guest complaints are handled within 24 to 48 hours by our hotel associates, who are trained to handle guest complaints properly.

Our hotels in Hong Kong are pioneers in using smartphone facilities to ensure that our guests enjoy seamless connectivity and content when staying at any Dorsett hotel. Some of the smartphone functions enjoyed by our guests include 4G internet connectivity, WiFi hotspots to share internet access with the guests' own mobile devices, free local calls, free IDD calls and access to countless city offers and discounts, dining deals and places of interest. Our hotel guests can also connect with us using smart phones and provide instant feedback on our service quality.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We are fully committed to achieving operations excellence in our hotels and creating a memorable experience for our guests. The below recognition of our quality services from the hospitality industry has strengthened public confidence in our hotels.

Dorsett Wanchai, Hong Kong

The Best Selected Family Hotel in Hong Kong, awarded by Lotour.com
Outstanding Performance Award, awarded by Expedia
2016 Expedia+ VIP Access best of 2016, awarded by Expedia

Dorsett Mongkok, Hong Kong

Hotels.com™ Loved by Guests Award 2017, awarded by Hotels.com
Certificate of Excellence, awarded by TripAdvisor.com

Dorsett Tsuen Wan, Hong Kong

2016 Gold Circle Award, awarded by Agoda

Dorsett Kwun Tong, Hong Kong

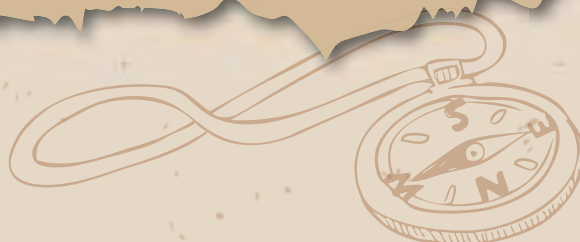
2016 Certificate of Excellence awarded by Hotels.com
2016 Certificate of Excellence, awarded by TripAdvisor.com
2017 'Loved by Guests' Award, Hotels.com™ 2017, awarded by Hotels.com

Lan Kwai Fong Hotel @ Kau U Fong

2016/17 Certificate of Excellence, awarded by TripAdvisor

Silka Seaview, Hong Kong

Gold Circle Award, awarded by Agoda.com
City Hotel of the Year 2016, awarded by the Guangdong, Hong Kong, Macau Hotel General Managers Society



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Striving to provide excellent service for our property customers, FEC will try a new CRM system to better manage our database. The system will provide new communication lines to all customers, including VIP clients. In addition, quarterly newsletters will be sent out including information gained from our Industry Insight Evenings as well as general FEC project updates and news.

Reliable products and services

The Group realises the importance of helping our customers to make informed decisions by effectively delivering information on our products and services to customers. We have worked to ensure the quality of information in three key dimensions – transparency, clarity and reliability.

As the Residential Properties (First-hand Sales) Ordinance came into effect in April 2013, the Group has devoted resources to ensure that all marketing materials and sales arrangements (including sales brochures, price lists, payment terms, show flats, registers of transactions and advertisements) in regard to the sales of residential properties are fully compliant with the Ordinance. To protect our customers, for example, we provide training to property agencies before they are allowed to conduct sales activities at our show flats in Hong Kong. Inspections at our show flats and examination of relevant marketing materials were conducted by the authority, which determined that we comply with the Ordinance.

Safeguarding the privacy of our customers ensures they feel confident and comfortable when purchasing our products or using our services. As outlined in our Product Responsibility Policy, the Group strictly follows the Personal Data (Privacy) Ordinance in Hong Kong and relevant legal requirements relating to the collection, retention, handling, disclosure and use of personal data in other operating locations. A personal information collection statement is included upon collection of customers' personal data, and we will not use customer data in direct marketing or communication without prior consent from our customers. All personal information is retained in the Group's internal system, which is only accessible by authorised employees with an individual password.

Engaging our suppliers

The Group has continuously improved our supply chain management to ensure the stability of our suppliers while maximising the value created to our business. Our suppliers have always been key partners who contribute greatly to the delivery of quality products and services. To ensure the environmental and social risks are properly managed within the supply chain, a Procurement Policy has been formulated and implemented across our operations. The policy strives to promote strict and fair procurement ethics and ensure our suppliers share our commitments to honesty and integrity. The policy also favours suppliers who invest resources in maintaining a safe and healthy environment for their employees. Expectations on suppliers to manage the environmental impacts of their operations are well outlined in the policy.

Our Community

Apart from contributing to the community with our business, we maintain a strong presence in society in terms of our community work. With our community-based business, we see the importance of facilitating the growth of our local communities and a sustainable future. While we have invested resources into a wide range of community projects on the environment, education and society, the promotion and sustainability of arts and culture have been the focus of our contribution.

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Our duty as a responsible corporate goes beyond donations. For example, Dorsett's hotels work closely with their local communities on critical development and environmental issues to effect positive changes to society over the long term. The following case studies illustrate some of the efforts made:

Cultivating young talents for the sustainability of the hospitality industry

Dorsett Wan Chai, Hong Kong was honoured with the Caring Company logo by The Hong Kong Council of Social Service in recognition of its various community efforts with different partners, including Hong Kong Sea School, Polytechnic University, Institute of Vocational Education and St. Christopher's Home; as well as other social activities such as elderly home visits.

One of the highlights is the 10th year collaboration with Hong Kong Sea School, a programme aimed to provide graduates of Hong Kong Diploma of Secondary Education the opportunity to experience the hotel's operation which ultimately benefited the students.



Dorsett Wan Chai, Hong Kong Elderly home visit

Caring for the less fortunate and elderly



Dorsett Kwun Tong Caring Fund

Dorsett Kwun Tong, Hong Kong Caring Fund was established in July by Dorsett Kwun Tong, Hong Kong with the support from St. James' Settlement. The concept of setting up a charity fund was initially raised by the Caring Team from the hotel. It was then supported by the hotel management team with collaboration of St. James' Settlement – the professional partner on social service which will take charge of the administrative work of the Foundation. The foundation will run as a matching fund and aim to provide immediate assistance to the needy.

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Promoting higher education



Reunion gathering for Dorsett Scholarship awardees



Dorsett Hospitality International Scholarship 2016

As part of the Group's continuous support in promoting higher learning, Dorsett has contributed over HK\$1.5 million throughout the last four years with over 510 award recipients from Ju Ching Chu Secondary Schools and Vocational Training Council. After weeks of preparation, the very first Reunion@Dorsett event was held on 7 June 2016 at Dorsett Wan Chai, Hong Kong.

The event was well attended by 60 joiners from HK Corporate Office and HK Hotel Operators to meet with these scholarship awardees in Hong Kong. Participants included current university students who graduated from Ju Ching Chu Secondary Schools, students in their final year of studies in the hospitality and interior design programme at the Vocational Training Council and interns from Wu Yee Sun College, the Chinese University of Hong Kong.

Ms. Winnie Chiu, the President and Executive Director of Dorsett, shared her vision and spoke about the importance of corporate social responsibility to help the next generation with their personal growth and in realising their dreams.



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Saving planet Earth initiatives

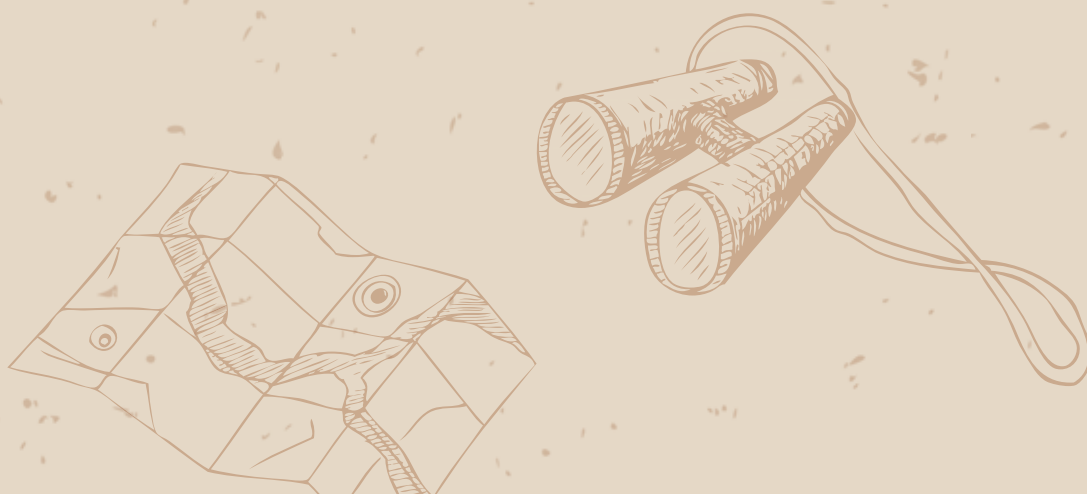


Lan Kwai Fong Hotel@Kau U Fong participated Wood Recycling and Tree Conservation Scheme

Lan Kwai Fong Hotel@Kau U Fong participated in the Wood Recycling and Tree Conservation Scheme organised by Hong Kong Environmental Protection for efforts such as recycling peach blossoms after Chinese New Year. The peach blossom trees were collected after the festive season and recycled as organic fertiliser.

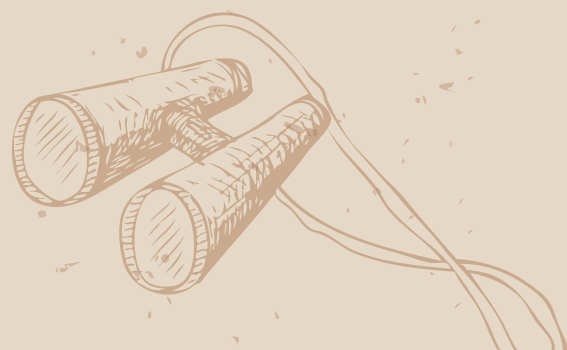
Every year, there are over 200 tons of peach blossom and CNY plants discarded in Hong Kong. Lan Kwai Fong Hotel@Kau U Fong hopes to help to reduce waste and relief the burden of landfill disposal which will ultimately create a more sustainable environment.

Our active involvement in community development has been well-received. In recognition of our community investment, we have received a number of awards and logos which are shown in the following table. While showcasing the achievements we have made, they constantly remind us of the importance of giving back to our community.



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Award Name	Awarding Organization	Receiving Party
Best Listed Company at Social Responsibility in Golden Hong Kong Stocks Awards 2016 Voting	Zhitongcaijing.com	FEC
Best at Corporate Social Responsibility in Asia's Best Managed Companies 2016 Poll	FinanceAsia	FEC
Gold Award in The Asset Corporate Awards 2016	The Asset	FEC
Caring Company Logo 5+	Hong Kong Council of Social Service	Dorsett
Accessibility Award 2016 in The Catey Awards 2016	The Caterer	Dorsett
Caring Company 5+ Logo	Hong Kong Council of Social Service	Dorsett Wanchai, Hong Kong
2016/2017 Caring Company Logo	Hong Kong Council of Social Service	Dorsett Tsuen Wan, Hong Kong Dorsett Kwun Tong, Hong Kong Silka Seaview, Hong Kong Silka West Kowloon, Hong Kong Silka Far East, Hong Kong Dorsett Mongkok, Hong Kong
2016/2017 Barrier-free Companies/ Organizations	Hong Kong Council of Social Service	Dorsett Kwun Tong, Hong Kong



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HKEx Environmental, Social and Governance Guide Content Index

ESG Aspects	General Disclosure	Reference
A.Environmental		
A1: Emissions	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment
A2: Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment
A3: The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environment
B.Social		
Employment and Labour Practices		
B1: Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Our Employees
B2: Health and Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our Employees
B3: Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Employees

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ESG Aspects	General Disclosure	Reference
B4: Labour Standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our Employees
Operating Practices		
B5: Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Responsible Operation
B6: Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Operation
B7: Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our Employees
Community		
B8: Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community

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