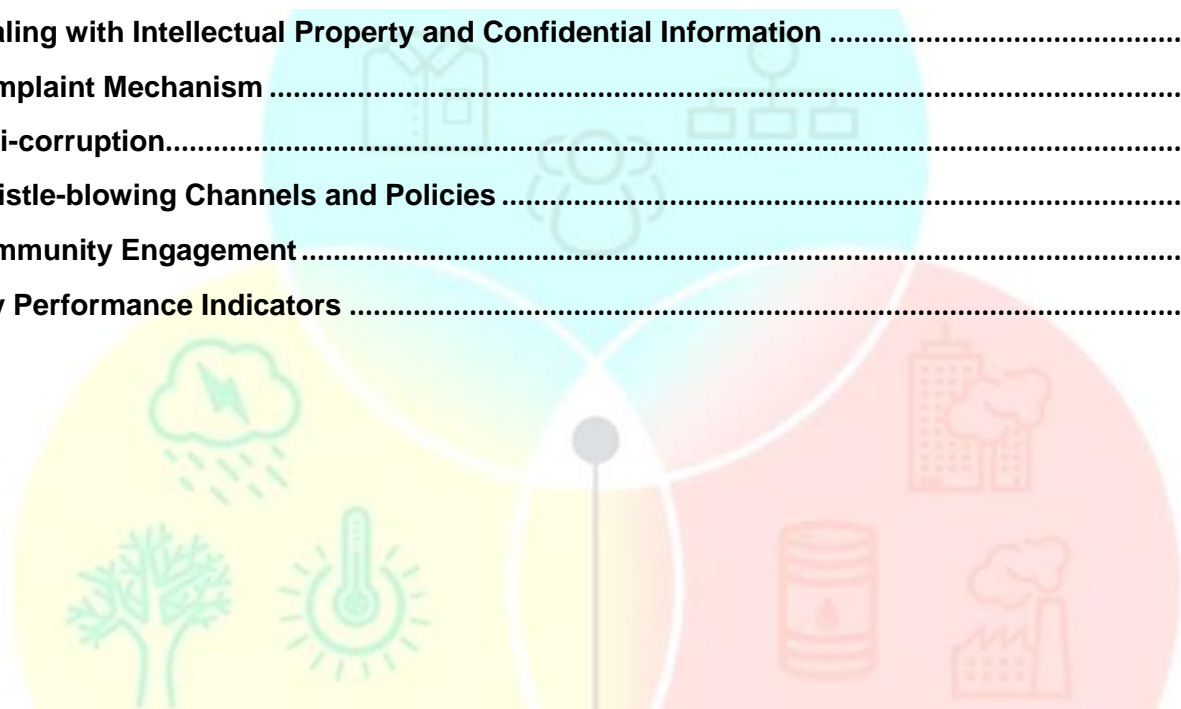


F8 Enterprises (Holdings) Group Limited  
F8 企業（控股）集團有限公司  
**(Incorporated in the Cayman Islands with limited liability)**  
**(Stock Code: 8347)**  
**2017 Environmental, Social and Governance Report**



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## Introduction

F8 Enterprises (Holdings) Group Limited (the "Company") and its subsidiary Great Wall (International) Oil Limited (collectively, the "Group") are principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong. We also supply marine diesel oil used for construction vessels and lubricant oil used for construction machinery and vehicles.

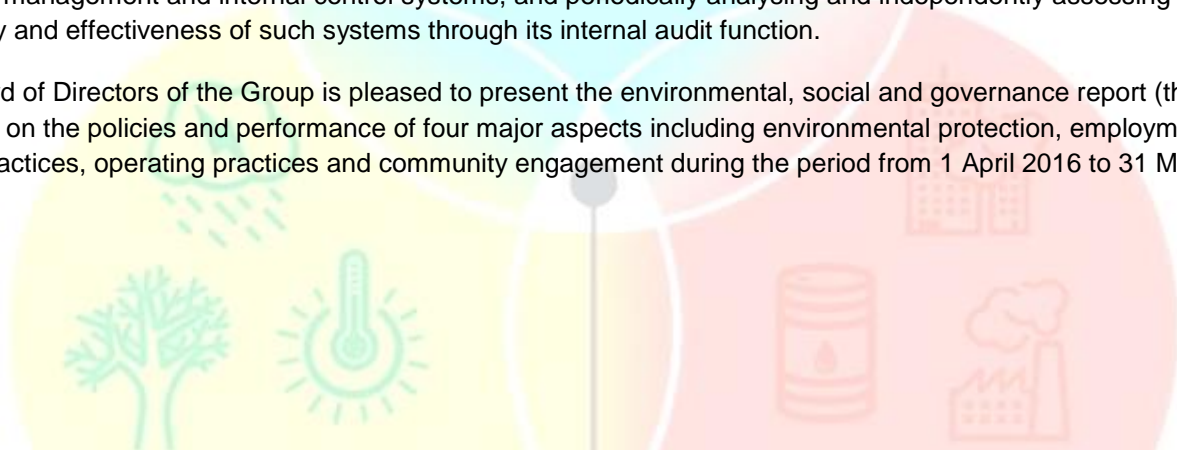
Great Wall (International) Oil Limited, an established diesel oil provider for the construction sector in Hong Kong led by our experienced management team, is committed to offering higher-value services to customers to enhance their competitiveness and achieve mutual success of the Company and customers. The Group has an own fleet of diesel tank wagons, which enables stable relationships with key customers and suppliers.

The Group has benefited from its highly efficient product sale and distribution network and its special emphasis on environmental protection and safety. While attending to the needs of stakeholders, we also seek to minimise impact of the Group's operations on local environment and community, including promotion of low-carbon emissions in the industry and supply of green energy for development of the whole society. This report will outline sustainable development strategy and social responsibilities of the Group.

The Group also adheres to the sustainable development strategy. Management policies, mechanisms and measures are in place with respect to providing employees with a safe and healthy workplace, personnel training and drills as well as promoting supply chain management policy, environmental protection and community investment and engagement, to live up to our objectives of sustainable development and operation.

The Board of Directors of the Group is responsible for assessing and determining its environmental, social and governance ("ESG") risks, developing ESG strategies, confirming the establishment and maintenance of effective ESG risk management and internal control systems, and periodically analysing and independently assessing the adequacy and effectiveness of such systems through its internal audit function.

The Board of Directors of the Group is pleased to present the environmental, social and governance report (the "Report") on the policies and performance of four major aspects including environmental protection, employment and labour practices, operating practices and community engagement during the period from 1 April 2016 to 31 March 2017.



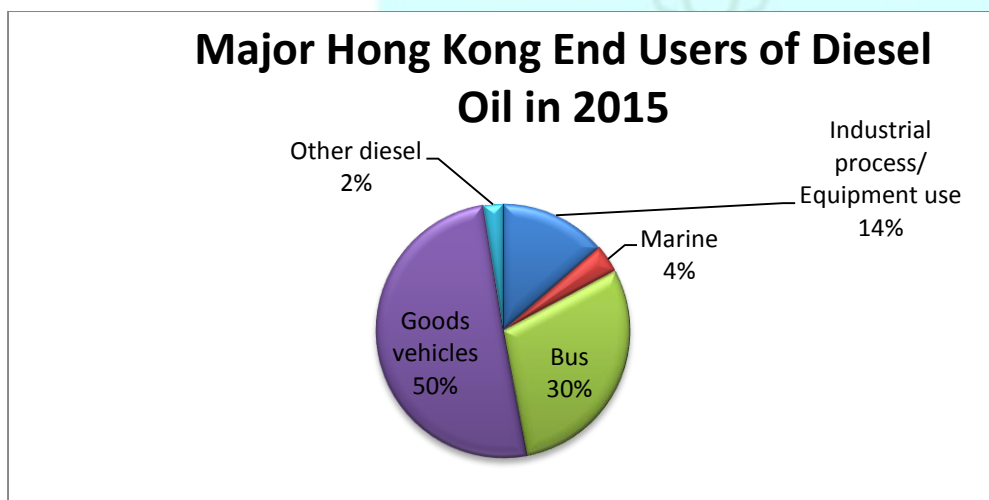
## About this Report

### Introduction to the Report

This is the first annual ESG report of the Group which demonstrated our efforts in sustainable development during the past year. This report covers our management policies, mechanisms and measures in place during the fiscal year 2017 with respect to safe workplace, personnel training and drills, supply chain management policy, environmental protection and community investment and engagement. Focuses are placed on certain aspects closely relevant to our shareholders and stakeholders, and our full commitment to sustainable development of the Group as a whole.

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and the data disclosed herein are derived from statistics and analysis based on the Group's internal management system.

The Group is principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong. We also supply marine diesel oil used for construction vessels and lubricant oil used for construction machinery and vehicles. We operate a retail network mainly covering Hong Kong to sell diesel oil and related products directly to consumers, generally including industrial process/equipment, vessels, buses, freight vehicles, etc., as illustrated below (source: consultancy report by China Insights and the Census and Statistics Department of Hong Kong):



The Group also closely keeps a close eye on corporate social responsibility issues faced by competitors to explore a desirable approach for sustainable development, especially the corporate social responsibility issues that can have significant impact on the following areas:

- Present or future society and environment;
- Operation and financial situation of the Group; or
- Assessment, decision making and action of stakeholders.

## Your Comments

For information on the Group's financial performance and corporate governance, please refer to our website ([www.f8.com.hk](http://www.f8.com.hk)) and annual report. Your comments are very important to us and any valuable advice on the Group's performance of sustainable development is welcome. Please e-mail your comments and advice to [cs@f8.com.hk](mailto:cs@f8.com.hk).

## About F8 Enterprises (Holdings) Group Limited

### Business Overview

The Group is principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong. The Group was incorporated in 2005. The Group's products are sold to Hong Kong market, and most of its sales are derived from infrastructure construction, residential projects, shipping industry and marine construction. F8 Enterprises (Holdings) Group Limited is listed on the Growth Enterprise Market of the Stock Exchange by way of share offer (stock code: 8347).

### Business Strategies

Our business is built on a customer-oriented culture and focuses on providing quality diesel oil with reasonable prices and timely delivery services. Over the years, with the support of our experienced management team, we have become an established diesel oil provider equipped with an experienced execution team. We pride ourselves on our ability to develop an in-depth understanding and industry knowhow regarding our customers' demand and requirements to fulfil their daily business needs. For most of our construction sector customers, based on our management's experience and understanding of the nature of construction projects, the type and performance of various construction machinery and vehicles involved, we provide consulting services to our customers and customise our services to suit their project needs by recommending the specifications and required amount of diesel oil to be used for their construction projects and other guidance on safety precautions and environmental protection during delivery.

With a view to enhancing the marketability and facilitating the sales of our products, we have established our own fleet of diesel tank wagons for delivery of diesel oil to such destinations as designated by our customers. Over the past decade, we have been expanding our fleet of diesel tank wagons to capture more business opportunities. We had nine diesel tank wagons of various capacities to meet our customers' requirement. Our own wagon fleet allows us to satisfy our customers' immediate or unplanned purchase demands by supplying diesel oil to our customers within a short time frame and responding to our customers' delivery schedule in a more flexible manner.

### Target

Provide quality products and services and sustain high-margin sales, to maximise the sustainable value for stakeholders.

### Members of the Board of Directors

As at the date hereof, the Board of Directors comprises:

Executive Directors	Independent Non-executive Directors
Mr. Fong Chun Man	Mr. Chui Chi Yun, Robert
Ms. Lo Pui Yee	Mr. Kwong Yuk Lap
Mr. Chan Chi Fai	Mr. Wang Anyuan

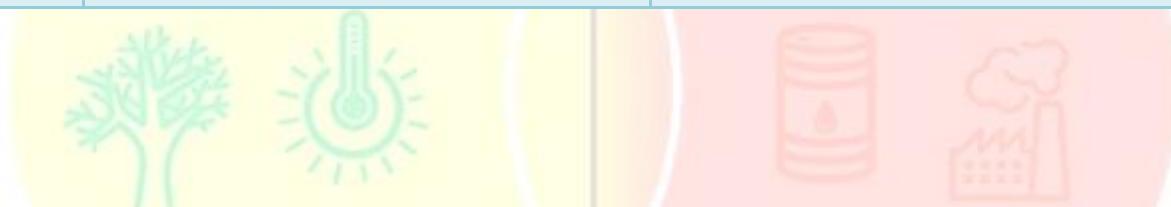
## Involvement of Stakeholders

The Group seeks every opportunity to know our stakeholders, in order to ensure that our products and services can be improved. We believe that our stakeholders will play a key role in sustaining our business success.

Stakeholders	Key Concerns/Issues	Communication Channel and Means
Stock Exchange	<ul style="list-style-type: none"> <li>● Compliance with the Listing Rules</li> </ul>	<ul style="list-style-type: none"> <li>● Routine meetings / regular and irregular communication meetings</li> </ul>
Government / regulatory authorities	<ul style="list-style-type: none"> <li>● Corporate governance</li> <li>● Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>● Compliance checks in cooperation with government and regulatory authorities</li> <li>● Periodic filings</li> <li>● Workshops/seminars</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>● Fair competition / quality and price</li> <li>● Stable payment term</li> </ul>	<ul style="list-style-type: none"> <li>● Business communication / procurement contract / e-mail and telephone contact</li> </ul>
Investors	<ul style="list-style-type: none"> <li>● Financial performance</li> <li>● Corporate governance</li> <li>● Market image</li> </ul>	<ul style="list-style-type: none"> <li>● Information published on websites of the Company / the stock exchange (e.g. announcements, circulars, quarterly results reports, interim reports, annual reports, etc.)</li> <li>● Shareholders' general meetings</li> <li>● Press releases</li> </ul>
Media	<ul style="list-style-type: none"> <li>● Corporate governance</li> <li>● Environmental protection</li> <li>● Human rights</li> </ul>	<ul style="list-style-type: none"> <li>● Explanation on key issues / press releases</li> </ul>

## Involvement of Stakeholders (Cont'd)

Stakeholders	Key Concerns/Issues	Communication Channel and Means
Customers	<ul style="list-style-type: none"> <li>● Product quality</li> <li>● Prohibited/restricted substance management</li> <li>● Environmental, safety and health management performance</li> <li>● Implementation performance of the code of conduct (labour relations / labour rights / compliance with laws and regulations)</li> <li>● Transparency and reliability of information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>● Business visits / routine meetings / regular and irregular communication meetings</li> <li>● Audit feedback / self-managed performance feedback</li> </ul>
Employees	<ul style="list-style-type: none"> <li>● Salaries and benefits</li> <li>● Labour relations / labour rights / working hour management</li> <li>● Workplace safety / rationality of rules and regulations</li> <li>● Opinion communication channels</li> </ul>	<ul style="list-style-type: none"> <li>● The Company's internal website / e-mail / employee suggestion box</li> <li>● Discussion between employees and executives / surveys (irregular)</li> </ul>
Community	<ul style="list-style-type: none"> <li>● Environmental issues / compliance with laws</li> <li>● Transportation</li> <li>● Employment opportunities / community public welfare</li> </ul>	<ul style="list-style-type: none"> <li>● Sponsoring community public welfare activities / community visits / corporate website</li> </ul>





## Environmental Protection

### Introduction

In accordance with the environmental regulations related to its business operation, the Group has formulated a series of management policies, mechanisms and measures on protection of environment and natural resources.

The Group also advocates a "green policy" which encourages employees to reduce consumption of electricity, water and paper as well as natural resources, reduce, classify and recycle wastes, and carry out energy conservation and carbon reduction. For example, paper consumption efficiency is maximised through double-sided photocopying and printing. The environmental protection efforts have brought a positive effect to the environment.

### Use of Energy Resources

The Group is fully aware of the importance of conserving energy and reducing greenhouse gas emissions. We encourage our employees to conserve energy and resources in their daily operations, including the consistent "no-light policy" during lunch time. Also, energy-efficiency bulbs have been used in our offices to further improve the effect of energy conservation.



In addition to energy-efficient bulbs, floor-to-ceiling windows are used in our meeting room. In the daytime, sunlight is used for illuminating the meeting room, thus saving the energy for bulbs to achieve the effect of environmental protection.

Furthermore, power saving mode is activated for printers in our office, which will be automatically switched to power saving mode to reduce energy consumption if they are idle more than 15 minutes.







## Use of Energy Resources (Cont'd)

To save paper, we generally use projector and whiteboard to inform employees during the meeting.

Our pantry room has a manual faucet which reduces the opportunity of wasting water resources to advocate environmental protection.





## Use of Energy Resources (Cont'd)

To enhance employees' awareness of environmental protection, reminders are posted in our offices, such as "Please turn off the lights before leaving" and "Please cherish the water", to remind employees of energy conservation.

## Waste Management

Save for common office supplies and water, the Group's operation has no special demand for energy or water. Since the Group's business does not involve product manufacturing, no raw materials or special packaging materials are used in its operations.



Waste reduction is a crucial step in environment protection. Keeping it in our mind, we encourage employees to use glass cups during work time to minimise the waste from paper cups and so on, so as to contribute to a better Earth.

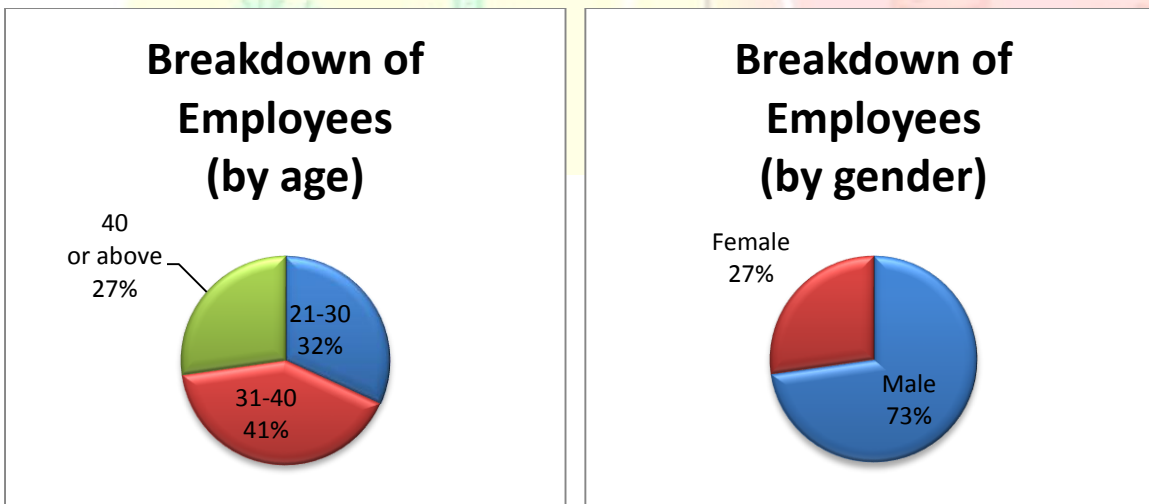
## Employment and Labour Practices Recruitment

The Group believes that our business success depends on team spirit and cohesion of the enterprise. As such, we adopt the human-oriented approach to attract, develop and retain the best people to support our business. Sound codes, rules, reward and punishment criteria are worked out, with cohesive group activities to improve employees' understanding of the Group and core value of the enterprise.

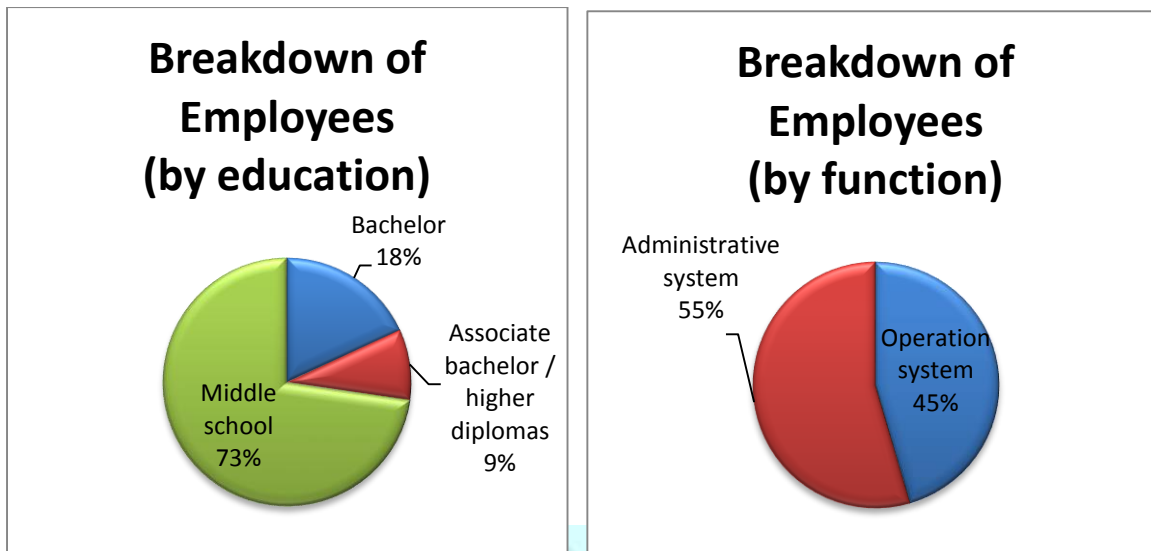
The Group provides a sound training system, competitive salaries and a diversified communication mechanism to enhance employees' professional competency and dedication to work. We have introduced the performance management system to effectively motivate employees for continuous growth and assist them in career planning, to achieve talent inheritance and allow the Group to march towards the goal of sustainable operation. The Group is also committed to providing employees with a fair, safe and healthy workplace, with an aim at compliance with laws and regulations and harmony between employees and employers to build up an outstanding enterprise.

The Group is active in recruiting people of different nationalities, genders, ages and religions in a fair and impartial principle, which is consistently applied in recruitment, remuneration and benefits, holidays, training, promotion opportunities, etc.. We have zero tolerance for any form of discrimination, including those related to gender, sexual orientation, disability, age, ethnic group or race, family status or other personal characteristics protected by laws. We aspire to providing a non-discriminatory environment and assessing employees based on their abilities, skills, qualifications and performance.

By function, we have approximately 45% employees in the operation system and approximately 55% employees in the administrative system. The proportion by gender is approximately 73% for male employees and approximately 27% for female employees. The proportion by age is approximately 32% for aged 21 - 30, approximately 41% for aged 31 - 40, and approximately 27% for aged 40 or above. In addition, the proportion by level of education is 73% for employees with middle school education, 9% for employees with associate bachelor degree or higher diplomas, and 18% for employees with bachelor degree.



## Recruitment (Cont'd)



## Performance Management System

The Group adopts a performance management system to achieve operational objectives and enhance competency of employees. The establishment and implementation of organisational and individual goals, together with two-way daily communication and feedback between supervisors and employees, help to connect the organisational and individual pursuits in a clearer manner. The results of performance assessment at the beginning of each year, which is designed to measure the achievement of overall objectives and work performance, are fully reflected in promotion, reward, training and individual development of employees.

The Group also plans to provide more training on occupational health and safety to the existing and newly recruited employees. Such training courses will include internal training as well as the programmes organised by external sources and training agencies.

The training development goal is to continuously improve calibre and skill set of employees and stimulate their work enthusiasm to embrace challenges, thereby creating more corporate value and achieving operational objectives for future growth. To achieve the Group's training development policy and objectives, the training development plan will reflect the Group's business vision and goal as well as the assessment on employee performance and occupational gaps. Under an education and training system in line with the Company's management system, a full range of training activities are provided including employee orientation, management training at various levels and environmental protection related drills. These initiatives allow our employees to enhance both professional and management competencies, find the posts suitable for them, and grow up with the Group as stable partners.



## Balance Between Work and Life

To ensure a balanced and healthy way of life for our employees, the Group regularly organises healthy recreational activities to enhance the unity and sense of belonging of employees to the organisation.

### Equipment in Pantry Room

At our office, induction cooker and kitchen appliance are provided in the pantry room for cooking at lunchtime. This reduces the financial burden and consumption of monosodium glutamate of employees going out for lunch, among our cares about employee needs.



### Pay Rise, Bonus and Attendance Incentives

Based on the performance assessment at the beginning of each year, each employee having served the Group for a full year will receive a pay rise and bonus. In addition, we provide attendance incentives to employees always getting to work on time without absence, to enhance staff morale and the sense of belonging to the organisation.

### Maternity Leave and Childcare Leave

The Group always provides comprehensive support to pregnant employees. We provide maternity leave to female pregnant employees. In addition, arrangement of heavy workload is prohibited for employees in pregnancy, to ensure safety both for the child and the mother. Moreover, male employees are also offered a paternity leave of three days.

### Medical Allowances

Medical allowances provided by the Group to employees cover traditional Chinese medicine, dentistry, etc., as a basic benefit for employees that are unwell.

### Advocating Not to Work Overtime

We appreciate the hardworking of employees in their duty time, and advocate a no-overtime culture to allow for sufficient rest time of employees. If overtime is required, overtime compensation will be paid to employees according to the actual additional working hours.

## Multiple Communication Channels

All employees and management members of the Group can use multiple channels for horizontal or vertical communications such as e-mail, bulletin board, etc.. Typically, an employee lodging complaint about work can have a face-to-face dialogue with the department head, or submit the complaint to the relevant parties or departments. If the individual or department in question cannot provide a satisfactory solution, the complaint will be escalated to ensure a clear feedback.

The Company encourages employees to give reasonable suggestions, and is open to their views and opinions, whether being major issues or minor details, on corporate development and management. The Administration Department is responsible for collecting reasonable suggestions from employees and ensuring their circulation in an accurate manner.

## Healthy and Safety

We strive to provide employees with a healthy and safe workplace. We undertake to fully comply with all provisions on occupational health and safety, and fulfil an effective and safe workplace for our employees. All our employees are required to abide by our staff manual and the safety code for drivers. For example, our drivers are required to participate in regular training courses, including a series of training sessions for drivers in relation to the loading process at oil depots to ensure their work safety. With such mechanism and measures, we recorded zero death or permanent disability case in 2017.

## Child Labour

In no event shall the Group recruit children labour aged below local regulations, and our Human Resources Department requires applicants to provide valid identity documents to confirm their actual age at the interview process. In case of any identified misuse of child labour, the child labour will be immediately suspended from work and sent back to the original residence for custody under his or her parents or guardian, while the Company will bear relevant transportation and accommodation costs and pay for the work completed.

## Development and Training

We believe that employees are the most important assets, and training can promote their sense of career success, increase their motivation and reduce the turnover rate. In 2017, the Group provided on-the-job training to employees, including training on internal policies, safety knowledge, environmental protection, filing of employee complaints, recruitment, gender equality policy, etc.. All new recruits will receive the first-day orientation training.

To align the training plan with the Group's strategic needs, in addition to reviewing the training and development effectiveness in the reporting year, we hold review meetings to understand updates of business divisions as the basis for the future training and development plan, aiming to enhance competitive edge in talents in line with the Group's overall operation strategy.

We uphold a mission to build a comprehensive training system. Moreover, the Group encourages and requires employees to participate in the irregular training sessions organised by government agencies on occupational safety and environmental awareness.

Our internal rules explicitly provide that withholding employees' personal documents and wages is not allowed, nor can any violent or harsh measures such as wilfully caused difficulties, threats or corporal punishment be used to force employees to work.



## Employee Activities

Each employee will be invited to Mei-ngaa, the last worship to the Earth God as held by the Group at the beginning of each new year, where employees are entertained with cuisines and lucky draw to enhance their sense of belonging to the organisation.



## Principles and Channels for Complaints and Whistle-Blowing

The Group encourages the management to dialogue with employees, listen to their voice through various channels, and solve their difficulties to achieve harmonious labour relationship.

The Group maintains an employee complaint handling policy to ensure that appropriate procedures are in place where employees lodge complaints. An employee who believes his/her personal interests are violated unduly, or has different opinion on the Company's management practices or finds a case of violation of the Company's rules may lodge a complaint or consultation to the relevant party or department. If the individual or department in question cannot provide a satisfactory solution, the complaint will be escalated to ensure a clear feedback.

## Supply Chain Management

We have a transparent and independent procurement process aimed at promoting competitiveness and serving the interests of our shareholders and other stakeholders. We expect to establish a vertically integrated supply chain management system by integrating procurement resources and implementing the supplier selection and management mechanism, in a bid to offer comprehensive solutions to meet customer needs.

We have set up a list of selected suppliers. Before a supplier is approved for inclusion into the list, we will review its background (including the permits, qualifications and licenses obtained), product pricing and the terms and conditions of supply.

## Supply Chain Management (Cont'd)

In particular, to ensure the quality of raw materials purchased by the Group, we will take sample inspection on suppliers and require them providing the petroleum ingredient list for inspection. In case of any validity problem with the permit, we may conduct further due diligence investigation or preclude the supplier in question from our list.

The list of selected suppliers is reviewed at the end of each year. Such review involves an assessment as to whether they can still satisfy our requirements and criteria on pricing, product quality, performance, reliability, on-time delivery of products, renewal of license and technical capability.

We encourage suppliers to promote corporate social responsibility activities and abide by the code on corporate social responsibility with respect to their business ethics, workplace operations, market activities, social engagement and environmental responsibilities. High standards of ethics should include that integrity is expected across all commercial transactions; no bribery or other improper interests may be provided or accepted; and information on business activities, structure, financial position and performance may be disclosed only in accordance with the applicable laws and regulations.

## Product Management

Our business led by our experienced management team is committed to offering higher-value services to customers to enhance their competitiveness and achieve mutual success of the Company and customers. The Group has an own fleet of diesel tank wagons, which enables stable relationships with key customers and suppliers.

## Dealing with Intellectual Property and Confidential Information

We are committed to safeguarding intangible assets and confidential information of our customers. We have strict guidelines on the handling of intellectual property related products, including patents, copyrights, trademarks, technology and trade secrets. Any employee found to have improperly handled intellectual property will be subject to disciplinary action. As we understand the importance of privacy to customers, we require employees handling all confidential information in good faith and confidentiality.

## Complaint Mechanism

A customer dissatisfied with our products can directly complain to an administrative officer, who will report it to the Chief Executive Officer to work out a solution. Subsequently, Chief Executive Officer will submit the complaint to the Board of Directors.

## Anti-corruption

The Group prohibits any bribery and corruption behaviour, and our good ethics, integrity and anti-corruption mechanisms ensure that all our business activities are conducted on a professional, honest and fair basis.

The Group has formulated a system for preventing commercial bribery and corruption. In the course of business activities, employees are required not to directly or indirectly provide, promise, demand or accept any improper interests, or involve in other dishonest or illegal acts or violation of the State's regulations. These prohibited activities include offering or accepting bribes, extortion, fraud, money laundering and other criminal offences, as well as other improprieties such as provision of illegal political contributions; improper charitable donation or sponsorship; provision or acceptance of unreasonable gifts, entertainment or other improper interests; infringement of business secrets, trademark rights, patent rights, copyright and other intellectual property rights; and unfair competition, etc..

## Whistle-blowing Channels and Policies

The complainant or whistle-blower may provide the facts to the administrative management centre, which will investigate the case after the complaint is accepted. A whistle-blower who involves in falsification of facts, counterfeit of evidence or abuse of the whistle-blowing mechanism to frame up and implicate others shall also bear the corresponding legal liability.

The Group also provides anti-bribery training to employees, and will take necessary legal action in case of any identified corruption, bribery, extortion, fraud and money laundering activities to protect the interests of the Group. Under such mechanism and measures, in 2017, none of the Group and its employees was involved in any corruption, bribery, extortion, fraud or money laundering case, nor did the Group identify or receive a whistle-blowing of any such unethical act on the part of the Group or its employees.

## Community Engagement

The Group adheres to the concept of giving back to the community to showcase the spirit of service as one of its core values. In the next year, the Group will commit more resources to various educational, cultural and social activities, and extend an active presence in community activities to convey its cares in return for local community.



On community public welfare, we also encourage employees to participate in charitable activities. Our employees participated in the event of "ShineTak Hiking for Millions 2016", as shown in the photo on the left, to give back to the community.

## Donations

The Group is keen to promote growth of young people. During the year, the Company donated HK\$100,000 to The Hong Kong Polytechnic University, to provide young people with more resources for learning or academic exchange purposes.

## Key Performance Indicators

### I. Society

Employment Indicators	As at 31 March 2017
<b>Employment</b>	
Number of employees	22
<b>By gender</b>	
Male	16
Female	6
<b>By age group</b>	
21 - 30	7
31 - 40	9
40 or above	6
<b>By region</b>	
Hong Kong	22
<b>By type of employment</b>	
Full time	22
Part time	0



## I. Society (Cont'd)

Employment Indicators		As at 31 March 2017
<b>Employee Turnover</b>		
Total employee turnover		8
<b>By gender</b>		
Male employees		8
Female employees		0
<b>By age group</b>		
21 - 30		1
31 - 40		4
40 or above		3
<b>By region</b>		
Hong Kong		8

Health and Safety Indicators		As at 31 March 2017
Number of casualties reported		0
Casualties ratio		0
Days of loss due to occupational injuries		0
Ratio of days of loss due to occupational injuries		0

Supply Chain Indicators		As at 31 March 2017
<b>Supplier management</b>		
Total number of suppliers		10
<b>By region</b>		
Hong Kong		10



## I. Society (Cont'd)

Product Liability Indicators	As at 31 March 2017
Product responsibility	N/A
Total oil order	N/A
Total products recalled for safety and health reasons	0
Total number of complaints received	0

Community Indicators	As at 31 March 2017
Community investment	N/A
Charitable contributions	N/A
Employee volunteers	N/A
Number of employee volunteers	0

