

**MAK HANG KEI (HK)
CONSTRUCTION LIMITED**

ENVIRONMENTAL REPORT 2004

FOREWORD



This report is a valuable way for our company to communicate with stakeholders on the environmental issues concerning our operations. MHK believes that its projects can and should coexist with the natural environment and everyone could make a difference in creating a better environment. It is crucial to have the support and contribution from our stakeholders for achieving the goal of sustainable development.

With our dedication to environmental protection, MHK has implemented various measures aimed at improving our environmental performance and contributing to the society. Through the implementation of Environmental Management System (EMS), the environmental awareness and the overall performance have been greatly improving. Throughout this year, there is a solid progress in our waste reduction and recycling programmes.

Apart from adopting an environmentally responsible attitude in our daily operations, we are also mindful about our day-to-day office management and endeavour to sustain a green office environment. Our Green Site Office is well recognized by setting a good example for the construction industry in achieving the Gold Award Winner in 2003 Eco-business Award: Green Office Award in Hong Kong. Furthermore, as a social responsible company, MHK had strengthened its environmental responsibility in partner synergy by participating in local environmental conferences and events. We have also setting up a volunteer services team in taking more consideration in contributing to our community.

In the forth-coming year, with the increase of public awareness, we would endeavour to improve our environmental performance continually. Our Focus would be on the minimization of our generation of construction and demolition waste as well as the waste produced from our daily operation. Other than waste reduction, there will be several programmes (participation in environmental protection campaigns and environmental trainings) aimed to continuously increase the environmental awareness of our staff.

In the future, MHK will continue our excellence in environmental management, and will provide good quality and value-added services to customers in order to achieve the highest customer satisfaction and exceeding their expectation.

Business Overview



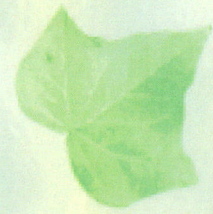
MAK HANG KEI (HK) CONSTRUCTION LIMITED (hereafter called MHK) was founded in mid-60's as a construction contractor engaging in cable laying works. Over the years, MHK has grown by leaps and bounds and become a conglomerate with a wide range of businesses not only in the cable laying, pipe laying, trench excavation, but also in design, supply, management, installation, operation and maintenance of street lighting system, construction of roads and drainage works. MHK also specializes in electrical and telecommunication installation works. MHK has been developing in a dynamic and positive way to light up the economy of Hong Kong. MHK has planned to penetrate into the market of Mainland China to explore more diversified businesses.

The Top Management of MHK is committed to cement our business base in Hong Kong and willing to dedicate better resources to train up the staff and improve the quality in order to provide value-added services to our customers.

MHK is also committed to promote sustainable business development and to enhance the corporate environmental image, in preventing pollution and safeguarding the environment, protecting human health, as well as maintaining profitable business growth.



Environmental Policy



MHK adheres to the following fundamental principles in fulfilling our environmental responsibilities:

1. Conduct operations in compliance with relevant environmental legislation, statutory regulations and other requirements. We operate in an environmentally responsible manner beyond our clients' expectations.
2. Conserve resources and energy by reduce, reuse and recycle whenever possible.
3. Minimize dust emission and noise nuisance arising from our operations through the refinement of existing operational procedures and controls.
4. Ensure our employees having the environmental awareness, skills and knowledge to carry out their duties in conformance with this Policy.
5. Encourage our suppliers and contractors to improve their environmental performance.



MHK was granted ISO14001 certification in 2000, making MHK the first medium-size construction company in Hong Kong to receive this accreditation. ISO 14001 is the internationally recognised standard for environmental management systems, providing a framework for organisation to manage aspects of their operation which have impacts on the environment.



Operational Control – The operational control over our activities is addressed through the implementation of documented Environmental Work Instructions (EWIs) for relevant activities and operations. With regard to the control of contractors and suppliers, relevant procedures are communicated to them by means of Environmental Policy and Guidance Notes outlining the environmental requirements of MHK.

Competent Leadership – Apart from the representative from the Top Management, a simple Environmental Management System hierarchy consists of 3 core members, namely the Environmental Management Representative, Environmental Officer and the Safety, Health and Environmental (SHE) Officers. All are well qualified and trained in the field of environmental. The Top Management relays responsibilities and authorities to the delegated members of staff, who shall ensure that the EMS can be more flexible and accountable on its implementation.

Top Management's Dedications – The Top Management has high priorities in maintaining excellent standards in safety, health, environmental, and quality management. A Safety, Health and Environmental (SHE) Steering Committee was established in February 2003, which consists of our Executive Director, Environmental Officer, Management Representative of ISO 9001 and ISO14001, and all the SHE Officers. This committee meets at least monthly to pave the road for MHK to be an environmental and social responsible company.



Waste Management



MHK has implemented various waste reduction measures based on 5Rs (Reduce, Replace, Reuse, Recover and Recycle) scheme, which includes adopting low-waste construction technologies (i.e. 90% reusable and removable site office infrastructure, pre-cast steel formworks, pre-cast staircases), waste recycling and recovery schemes and waste segregations. We have also Incorporated the environmental initiatives in planning, design and construction activities.

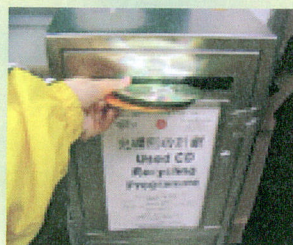


Incorporation of the Environmental Management Plan and Waste Management Plan in the construction contracts by mandating on-site waste sorting and proper waste management.



Promote awareness and participation among staff and minimize use of resources by reducing waste

- ★ Safety helmets and scrap plastic
- ★ Compact Disk
- ★ Spent Cables, metals and lamp poles
- ★ Mooncake Containers Recovery Programme with EPD
- ★ Paper
- ★ Mobile Phone/Walky-talkies Batteries
- ★ Spent Mercury Light Bulbs and Fluorescent Tubes
- ★ Scrap Transformer



Waste Recovery Schemes:

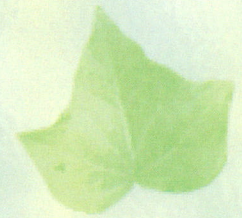
- ★ Used Ink Cartridge Toner
- ★ Computer and accessories for Caritas Hong Kong
- ★ Electrical equipments
- ★ Old glasses for Crossroad Hong Kong International
- ★ Reused Paper & Stationary Collection
- ★ Old Hoardings and barriers Donated to Evergreen Community Organic Farm



Wastewi\$e Scheme

Participate in EPD's Wastewi\$e Scheme for further reducing office and operational wastes. We have undertaken 5 entries for the Award, and will continue our efforts in Waste reduction and recycling schemes.

Environmental Awareness Programme



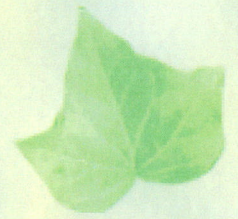
It promotes environmental friendly work process, enhancing understanding of the environmental issues and encourages active participation in resolving environmental problems, the programme topics:

- ✦ Waste Management (March 2004)
- ✦ Green Procurement (June 2004)
- ✦ Green Innovation (September 2004)
- ✦ Sustainable Development (December 2004)

Total headcount to 327 Staffs attended training on EMS implementation to enhance environmental management expertise.



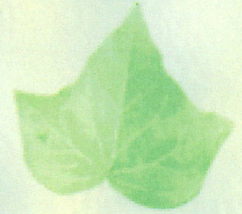
Environmental Activities



Ecotour to Ping Chau and Crooked Island



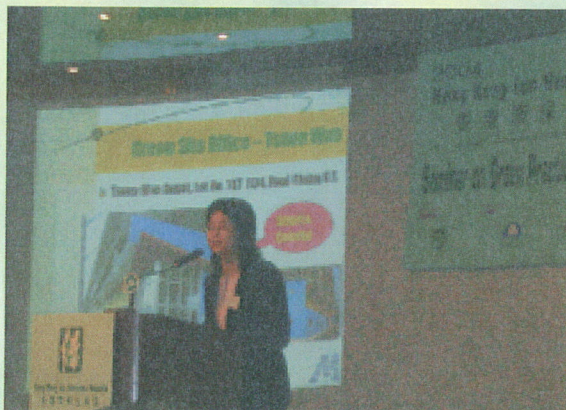
Engaging the community



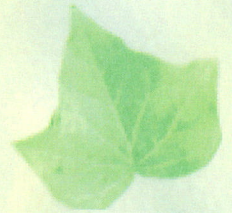
Benchmarking Visits By: Highways Department, Students, Sanfield Construction Ltd, Hang Zhou Government Officials



Experience sharing on environmental issues through series of Presentation, External Seminars, Workshop and Conference: ECC Presentation, KMB Depot Visit, etc.



MHK's Volunteer Team



Occupational Safety and Health Ambassadors have to be appointed on 13 March 2004.



To build the Volunteer services team in taking more consideration in contributing to our community by:

Organic Farming & Voluntary Lighting Installation (May 2004)



SHE Day (August 2004)

Activities that are designed to cultivate general awareness of SHE issues:

No-smoking Day in the workplace campaign

Morning Exercise

Desk Tidiness Competition



Environmental Hygiene

MHK has implemented a series of measures to ensure the site tidiness and hygiene. These include removal of stagnant water and waste, periodical cleaning of site depot, use of biodegradable malarial oil and mosquito magnet to eliminate the spreading of dengue fever.



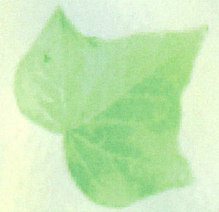
Green Transport

Electric hybrid cars were introduced in 2002 which enables higher efficiency in fuel consumption and reduction of exhausted emission.



89% less smog-forming emissions than a conventional car. With fuel consumption less than **4.5l/100km**

Environmental Targets 2004



- ◆ Paper-less office with the increased use of electronic means of communication, including circulation of circulars and dissemination of information by email and e-bulletin boards.
- ◆ Regular update in public server and MHK's website (www.mhkgroup.com)
- ◆ Start PCCW electronic submission of works order system, 'E See Fax' service saving the cost in paper, toner, maintenance fee and fax line, and to enhance operation efficiency.
- ◆ Undertake the surveys to evaluate the environmental performance and promote environmental awareness to all suppliers and contractors.
- ◆ Enhance environmental awareness of staff through quarterly Environmental Sharing Programme.

Environmental Awards & Recognition



With great commitment from the Top Management as well as good enthusiasm and delegation of staff, MHK's environmental achievement is also highly recognized in various environmental awards. MHK has attained the 2000 Hong Kong Eco-Business Awards: Green Office Certificate of Merit in Shatin Headquarters. In both 2001 and 2003, MHK has received the Hong Kong Awards for Industry: Certificate of Merit in Environmental Performance. Furthermore, MHK has awarded the 2003 Hong Kong Eco-business Award: Green Office Gold Award in the Tsuen Wan Site Depot.



Information and suggestion

We welcome your comments on both this report and approach to environmental management in MHK. Please contact us at telephone number 26868366 or email to mhk@mhkgroup.com.