Corporate Social Responsibility Report 2016

Wison Engineering Services Co. Ltd.

(Incorporated in the Cayman Islands with limited liability Stock Code: 2236)

WISON

Passion Powering Progress

Content

1. Management Statement

In 2016, facing a challenging and complex market environment, Wison Engineering overcame the difficulties, encouraged innovation and pursued breakthroughs by adhering to its spirits of "integrity-oriented, customer-oriented, innovation-oriented, achieving mutual success in harmony", and to its objectives of "improving people's livelihood with innovative technology", and achieved satisfactory results. In the past year, we continued to devote to areas with traditional advantages on one hand, and achieved breakthroughs on new businesses like liquefied natural gas ("LNG"), environmental protection, new energy and inorganic chemicals on the other hand. Internationalization development was promoted steadily with fruitful outcome on expansion of overseas business. The development of operations in the Middle East, the Commonwealth of Independent States (CIS), and the Americas achieved milestone progress. The domestic and overseas projects under execution currently advanced smoothly under assured quality and safety. Certain research and development, engineering and marketing of innovative technologies, which are of great importance to saving energy and clean energy, achieved good results. Cooperation in respect of technology innovation will continue to expand. In order to cater to the development objective of being an international engineering company, we have modified our management structure, built up an international management team and promote reforms with the principles of being customer-centered and market-oriented.

While expanding our businesses, Wison Engineering is committed to being a corporate citizen who respects life, focuses on health, cherishes the environment and bears social responsibility. Looking back to 2016, we actively implemented and improved the management of social responsibility in various areas, and achieved satisfactory results, including the release of the first social responsibility report of Wison Engineering this year.

In respect of green technology innovation, Wison Engineering achieved fruitful results from internal research and external cooperation. Wison Engineering introduced energy saving technology to the energy optimization of cracking furnace project, thus improving the quality and energy efficiency of products. We worked with our partners to develop clean fuel technology and Hydrogen Peroxide to Propylene Oxide (HPPO) green technology into the pilot phase. Meanwhile, we continued to perfect and improve the management of usage of energy and water, further minimizing the impact of our operation on the environment. Apart from business expansion, we are also committed to caring for employees by creating a healthy, delightful and safe workplace, providing sufficient training resources to staff and pursuing mutual growth with employees. Externally, we actively participated in the society and showed our love to the people in need, shouldering more social responsibility. Besides, we have communicated with the stakeholders to have a better understanding on the impacts of our operation on the stakeholders and their long- term values, and to identify the key sustainability issues to Wison Engineering.

2017 is the 20th anniversary of Wison Engineering. Under no circumstance shall we forget our goal of putting environmental protection, life safety and health, and corporate social responsibility in the first place when devoting effort to engineering service sector. Along with the further implementation of domestic supply-side structural reform and "13th Five-Year Plan", we will capture the opportunities arising from national strategies such as the ""One Belt, One Road" economic belt development, reinforcement of environmental laws and regulations , and chemical industrial park developments. The Group will reinforce the guidance under its core strategies of "market-orientation, internationalization and leadership through differentiation", and continue to strengthen the ability of being sensitive to respond to the market and customer service-providing concepts. We will stick to and strengthen our market-oriented operating mechanism, and persist in internationalization by creating the value chain of the Group's international business, encouraging technology innovation and building up our competitive edge of differentiation. Based on these core strategies and initiatives, we will become an excellent engineering enterprise with the ability of creating financial values and social values for our stakeholders.

Last but not least, we cordially invite stakeholders to provide valuable advices on the work of Wison Engineering, and go toward to a sustainable future with us.

Liu Haijun
Executive Director and President

2. About Wison

2.1 BACKGROUND AND PROFILE

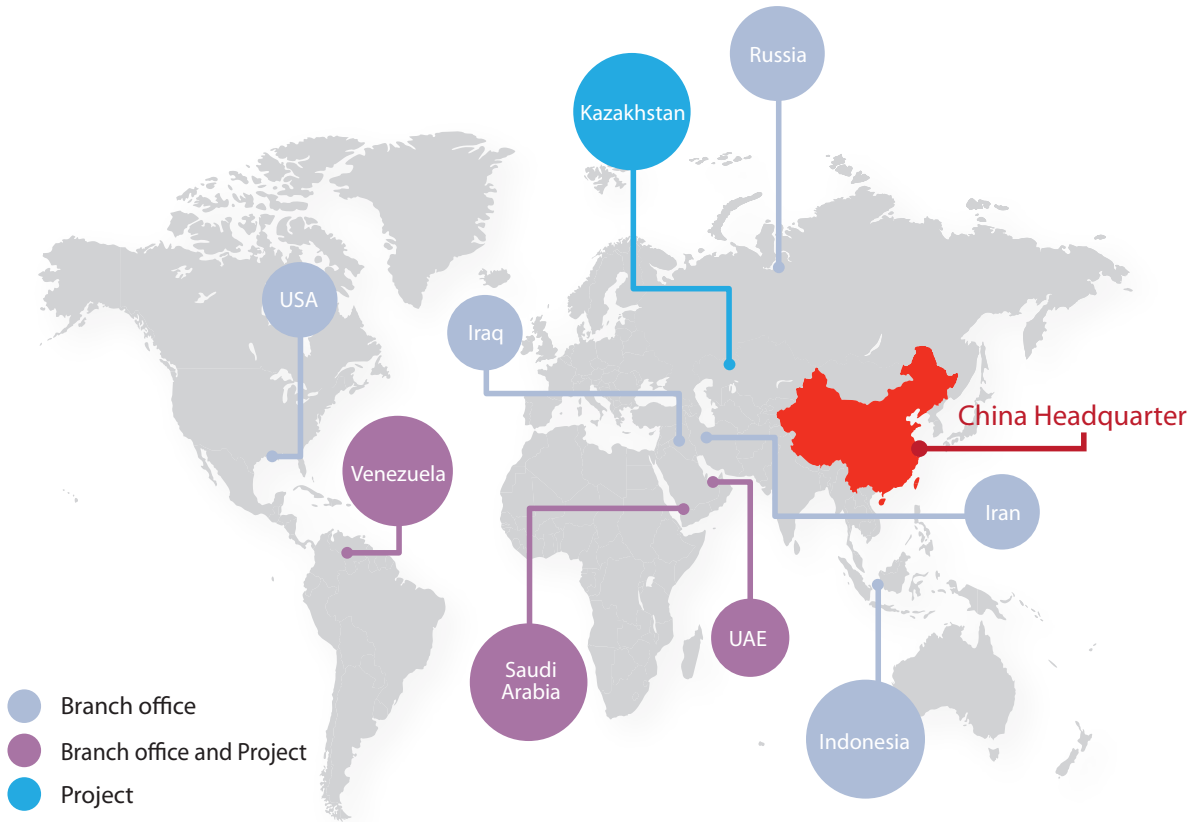
Wison Engineering Services Co. Ltd. ("Wison Engineering" or the "Company", together with its subsidiaries, the "Group"), listed in Hong Kong in 2012 (Hong Kong Stock Exchange Stock Code: 2236), stands as one of leading chemical engineering, procurement and construction management (EPC) service providers in China. With headquarters in the Zhangjiang High-tech Park in Shanghai, Wison Engineering has expanded its presence into the international market including Southeast Asia, Middle East, CIS, as well as in North America and South America.

Wison's goal is to become a global leader in the commercialization of science and technology by promoting economic growth and improving people's livelihood.

Wison Engineering's specialties are in the provision of construction and technical services for engineering installations in the petrochemical, coal-to-chemical and refining industries. From project preliminary planning, consultation, design, raw material and equipment procurement, construction management and trial operation of equipment to the after-sales maintenance and after-sales technical support, Wison Engineering provides diversified and comprehensive solutions to our clients. Wison Engineering is also committed to R&D and technological innovation in the areas of ethylene process integration, coal-to-chemical, clean coal utilization and energy saving technologies. Wison has also developed petrochemical packaged technology, and various proprietary technologies, including coal-to-chemical processing of Methanol, Dimethyl Ether and methanol-to-olefin (MTO) light olefins separation. Wison Engineering has also further developed other coal-to-chemical processing such as large-scale coal gasification, SNG, and coal-to-ethylene glycol in cooperation with other well-reputed organizations and universities.

Over the years, Wison Engineering adhered to the development strategy of "achieving sound and continuous growth, internationalization, and leadership through differentiation". Measures were centered around the themes of "internationalization", "technological innovation", "healthy operations", "enhancement of overall and technological innovating capabilities" and "nurture of new business". The Group will continue to demonstrate its excellent abilities in respect of project management and execution.

About Wison



2.2 CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Board of the Company, consisting of eight Directors, is granted with general power to manage and operate the Company's business, and responsible for the guidance and supervision on the business of Wison Engineering, thus ensuring that a sound corporate governance practice and system is well-established in Wison Engineering. The Board continuously reviews and monitors the corporate governance of the Company with reference to the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. To further strengthen the level of Wison's governance, we establish a risk management system and an internal control system based on the Corporate Risk Management Integration Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and conduct a risk assessment on an annual basis so as to review the effectiveness of risk management and internal control systems.

For more detailed disclosure on corporate governance, please refer to the corporate governance report set out in the annual report of Wison Engineering Services Co. Ltd.

2.3 2016 BUSINESS HIGHLIGHTS

Comprehensive Revenue
RMB**3,041.877** million

Payments To The Government (Income Tax)
RMB**100,251** thousand

New Contract Value
RMB**2,152.5** million

During the year under review, there were no clear signs of recovery in the domestic and overseas energy and chemical industries. The engineering service market was still faced with fierce market competition, which continues to affect the performances of the Group. The Group achieved significant breakthroughs in new business areas such as liquefied natural gas ("LNG"), waste water treatment and new energy, while overseas business expansion achieved milestone progresses. The core capabilities in executing internationalized projects expedited forging. Meanwhile, the major projects under execution in domestic and overseas markets advanced smoothly under assured quality and safety. In respect of technological innovation, fruitful results reaped in technology R&D and innovation. The Group embarked on cooperation with renowned technology patent owners and research institutes from within the country and overseas. These efforts have laid the ground for the realization of a new round of sustained and healthy growth.

During the year under review, revenue of the Group amounted to approximately RMB3,041.877 million, of which revenue from overseas market has accounted for more than half. In respect of business expansion, during the year under review, the new contract value (net of estimated value added tax) amounted to approximately RMB2,152.5 million, demonstrating our continuous breakthroughs in respect of new geographical markets and new clients. New orders from overseas markets accounted for approximately 51.4% of the Group's total sum of new orders, setting a record high percentage. The Group's businesses develop steadily, and the Group is confident in creating long- term value for the investors and shareholders continuously.

3. Wison's Sustainable Development Strategies

3.1 SUSTAINABLE DEVELOPMENT VISIONS

Wison Engineering expands the business in line with the principles of sustainable development. We actively integrate the concept of sustainable development into our business, taking into account the environmental and social impacts from the design, procurement and construction process. We strike a balance between the risks in environment and society and opportunities while pursuing the continuous growth of business.

We adhere to the strategy of "driving energy-saving and emission reduction with advanced technology", and actively devote lots of resources in the development of technology. The focus of the research and development is about the green products that can save and reduce energy consumption, aiming at applying the concept of sustainable development throughout the project with continuous upgrade on existing design and technology. We believe that, the goal of "Green Project" can be achieved if we start to act at the beginning of one project.

Externally, we carry out research with the peers and scholars, making good use of their advantages, and work together towards green development. At the same time, we also pay great attention to the exchange of knowledge in industry. We are pleased to participate in various industry associations to share the experience of Wison Engineering's work on sustainable development, and to cooperate in enhancing the technology level of domestic enterprises to the international standards, so as to cater for the demand in overseas markets.

Wison Engineering has long adhered to the "people-oriented" corporate culture, with a focus on employee career development and health and well-being, pursuing mutual growth with employees. By providing employees with a reasonable level of pay and equal opportunities for development, we establish a close relationship with our employees. At the same time, we are committed to ensuring the safety of project construction and continuously improving the safety performance of our staff and contractors.

As the business continues to expand, we place great importance on the communication with local communities while expanding our overseas markets. Through active communication and understanding, we implement community-focused strategies to respond to their needs.

With the business expansion, we continue to focus on developing green technology, strengthening environmental protection, ensuring the quality of the project and cultivating talents. With the efficient governance structure, we ensure that Wison Engineering fulfills its responsibilities and commitment as an engineering company and is actively moving towards the goal of sustainable development.

3.2 ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) GOVERNANCE STRUCTURE

Led by the board of directors and with the support and cooperation of the management and responsible departments, Wison adopted a set of special ESG governance structure. The effective governance structure provides clear guidance for each business decision of Wison and is the basis for continued improvement in the business performance.

The Board is the top governing body for the governance structure, and is responsible for providing directional guidance for Wison's ESG governance and developing overall policies and strategies. The daily operation like implementation and execution of policies and measures are handled by various departments, such as supervising safe operation, managing supply chains, arranging staff development and training, and communicating with stakeholders. The annual ESG report is also prepared by the departments, and then reviewed and determined by the Board. The departments will regularly report to the Board on the progress, including the feedbacks from stakeholders. Then the Board will supervise and evaluate the effectiveness of the system to ensure comprehensive and sound ESG governance.

3.3 MEMBERSHIPS AND AWARDS

Wison Engineering has always been very focused on external communication, hoping to support the development of the industry by holding major positions in the industry associations and the special committees. In 2016, Wison Engineering participated in 58 industry associations and special committees, and held major positions in certain important industry associations, including vice president of China National Association of Engineering Consultants (中國工程諮詢協會), executive director of China Exploration and Design Association (中國勘察設計協會), director of China Petroleum and Chemical Industry Association (中國石油和化學工業聯合會), executive director of China Petroleum and Chemical Exploration and Design Association (中國石油和化工勘察設計協會), director of China Overseas Development Association (中國產業海外發展協會), vice president of Shanghai Chemical Industry Association (上海市化工行業協會). In addition, Wison Engineering actively participates in the activities organized by the industry associations for idea exchange and discussion with the peer companies. In 2016, Wison Engineering participates in the decision making regarding the amendments to the constitutions of China Exploration and Design Association (中國勘察設計協會) and China Petroleum and Chemical Exploration and Design Association (中國石油和化工勘察設計協會), contributing to the improvement of the industry standards.

The Group's achievements are recognized by the society and industry associations and reflected in the number of awards over the years. In 2016, the Group received 10 outstanding engineering projects awards from the industry associations, of which Yangmei Hengtong MTO project (陽煤恒通MTO項目) was selected as the "Top Ten Projects (十佳工程)" of the 12th Five-Year Plan in petroleum and chemical industry in China; Fushun Petrochemical 800,000 tons/year Ethylene Project (撫順石化80萬噸/年乙烯工程) won the Petroleum Quality Engineering Gold Award (石油優質工程金獎); Xinjiang Heart-to-Heart 280,000 tons/year Synthetic Ammonia, 480,000 tons/year Urea Project (新疆心連心28萬噸/年合成氨、48萬噸/年尿素項目) won the National Chemical Industry Quality Engineering Award (全國化學工業優質工程獎). In addition, Wison Engineering's efforts in quality, environmental health and safety are also recognized by the industry. Wison Engineering is awarded the "Safe Million Working Hours Report (安全百萬工時捷報)", "Safe Million Working Hours and 2016 Safety Advanced Unit Medal (安全百萬工時暨2016年度安全先進單位獎牌)" and "Safe Million Working Hours and 2016 Safety Advanced Organization Medal (安全百萬工時暨2016年度安全先進集體獎牌)" by Cornell Chemical Industrial Limited Liability Company, and "2016 Safety Model Construction Unit Medal (2016年度安全模範參建單位獎牌)", "PMC Management Team 2016 Outstanding Safety Contribution Medal (PMC管理團隊2016年度安全傑出貢獻獎牌)" by 山西潞安煤基清潔能源有限責任公司, and "Advanced Construction Contractor Medal in the quality month (質量月先進施工承包單位獎牌) by Yanan Energy Chemical Co., Ltd. (延安能源化工有限公司).

In 2016, Wison Engineering was listed in "2016 GoldenBee CSR China Honor Roll (2016金蜜蜂企業社會責任 • 中國榜)" and won "GoldenBee Honor Roll Listed Company Award (金蜜蜂 • 入圍企業榮譽證書)".

4. About this Report

This Corporate Social Responsibility Report 2016 is the first annual Corporate Social Responsibility report of Wison Engineering Services Co. Ltd, covering Wison Engineering and its subsidiaries in Mainland China, Hong Kong, the Americas, the Middle East and Southeast Asia. The report details the environmental, social and governance performance of Wison Engineering and its subsidiaries. Unless otherwise stated, the reporting period is from 1 January 2016 to 31 December 2016.

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Sustainability Reporting Guidelines 4th Edition issued by Global Reporting Initiative("GRI G4"), and its contents complied with the format of core aspects.

We attach great importance to the views of stakeholders and welcome readers to contact us through the following. Your comments will help us further improve this report and enhance the overall sustainability performance of Wison Engineering.

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4.1 STAKEHOLDERS ENGAGEMENT

Wison Engineering pays much attention to the communication with stakeholders, actively carrying out regular and effective stakeholder communication, and includes their feedbacks in our long- term sustainable development strategies.

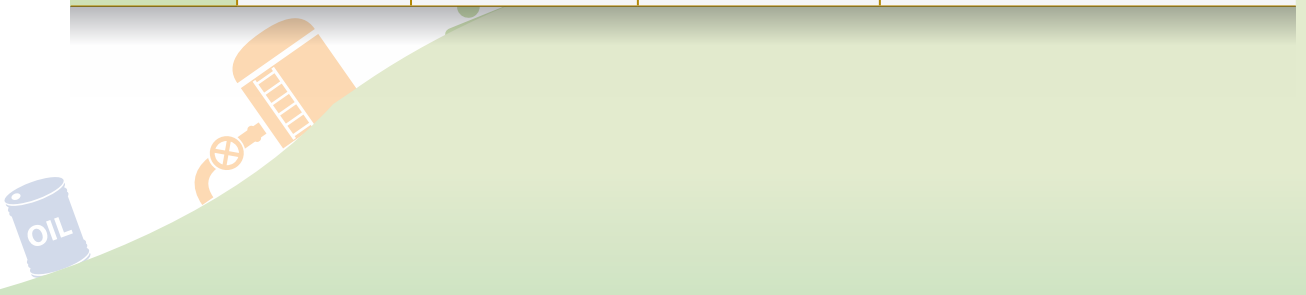
This year, we engaged an independent third party consultant to conduct online research and interviews in accordance with the guidelines of the Hong Kong Stock Exchange and GRI G4. Due to the wide range of Wison Engineering's stakeholders, we seek for feedbacks from stakeholders in different regions through online questionnaires and telephone interviews. One-on-one interviews are aimed at stakeholders who have close and long-term relationships, so as to have an in-depth understanding on the evaluation and expectations of Wison Engineering's performance in terms of co-operative experience, specific projects or sustainable development. We have collected feedbacks from more than 300 internal stakeholders (employees of Wison Engineering) and external stakeholders (including customers, suppliers, business partners, investors, industry associations and scholars) through the above channels. By analyzing the stakeholders' views, suggestions and expectations on the management and sustainable development of Wison Engineering, we can understand the issues of sustainable development that all stakeholders concerned, and prioritize the sustainable development in different areas. At the same time, the results of the analysis also provide a useful reference for the future development strategy of Wison Engineering and the content of this report.

About this Report

Stakeholders	Communication frequency	Communication and feedback channels	Stakeholder concerns	Wison Engineering response
Staff 	Before entry	Labour Contract	• Personnel training and development • Employee benefits • Provide a healthy and safe working environment • Complete employee complaint mechanism	• Continuously examine the internal training system and continue to devote in staff training to promote the personal career development of employees • Regularly review the remuneration and benefits of employees to ensure that all employees enjoy fair and competitive compensation and benefits, and be committed to improving staff's compensation level. • Establish a sound occupational health and safety management system, review regularly in order to ensure the effective implementation of safety measures, and strive to create a safe and healthy working environment. • Pay attention to the two-way communication with the staff, and understand staff's views with active and open attitude by providing different channels internally.
	Regular	Group and departmental meetings		
	Irregular	Internal announcement		
	Anytime	Internal forum		
	Irregular	Interviews and surveys		
	Irregular	Education and training		
Customers 	Before cooperation	Negotiation of contract	• Continuously develop green technology • Protect customers' privacy	• Uphold the principal of "improving people's livelihood with innovative technology", actively invest in the field of technology research, develop and introduce a variety of green products successfully, and minimize the impacts of our operation on the environment • Commit to protecting the privacy of customers, taking the initiative to sign confidential agreements with customers, and avoiding leakage of customer information.
	Regular	Customer satisfaction survey		
	Regular	Regular communication		
	Irregular	Customer services		
	Irregular	Interviews		

About this Report

Stakeholders	Communication frequency	Communication and feedback channels	Stakeholder concerns	Wison Engineering response
Suppliers 	Before cooperation	Negotiation of contract	• Management on suppliers' social responsibility • Concern about customer satisfaction • Improve occupational health and safety	• Develop rigorous supplier selection criteria, effectively implement sustainable procurement policies for suppliers and contractors, and strengthen the management of suppliers by conducting occasional supplier evaluations. • Provide a variety of ways and channels to communicate with customers, including the "Annual Report on Customer Satisfaction" and so on. If the complaint is verified and confirmed the involvement of the supplier's work, Wison Engineering will take effective rectification measures according to the process with the supplier. • Establish and improve the occupational health and safety management system to ensure that Wison Engineering's occupational health and safety policies and measures are effectively implemented and expand its coverage to suppliers, and ensure the safety of construction site by carrying out regular supervision and inspection.
	Irregular	Inspection and evaluation		
	Irregular	Education and training		
	Regular	Regular meetings		
	Irregular	Interviews		
Business Partners 	Before cooperation	Negotiation of contract	• Business development and financial performance • Actively develop green technology • Reduce the consumption of resources • Improve the management of internal anti-corruption	• Maintain a stable financial position while facing internal and external challenges, and achieve better results than expected in domestic and foreign markets. • Actively work with external organizations to carry out research work while carrying out research by itself, with a view to quickly obtain the knowledge in relevant area and achieve breakthrough in green technology. • Develop and apply green technologies to provide products with low energy consumption and high efficiency, thereby reducing the consumption of resources during operation. • Fully implement the "System for Honesty and Integrity", strengthen the internal anti-corruption supervision, encourage employees to directly report their concerns towards integrity to the Group by the establishment of transparent reporting channels. We will also incorporate integrity educational activities into the annual training program, with a view to develop the Group's culture of integrity.
	Regular	Regular meetings		
	Irregular	Interviews		



About this Report

Stakeholders	Communication frequency	Communication and feedback channels	Stakeholder concerns	Wison Engineering response
Investors 	Regular	Annual report and interim report	• Business development and financial performance	• Maintain a stable financial position while facing internal and external challenges, and share our performance and market breakthrough in domestic and overseas markets with investors via different channels.
	Regular	Annual General Meeting		
	Irregular	Interviews		
Industry associations and academia 	Long-term	Multi-channel cooperation and technical research	• Industry Development	• Support industry development by participating in industry associations and special committees, actively exchange experiences of execution of overseas projects and new directions in technical research with peer companies at seminars.
	Long-term	Participate in industry associations and special committees		
	Irregular	Seminars		
	Irregular	Interviews		
Community 	Irregular	Participate in and organize public welfare activities	• Production and reduction of waste • Care about and response to community needs	• Wison Engineering has developed management policies in relation to wastes to enhance the management of hazardous and non-hazardous wastes produced during the course of construction. The waste with recycling value will be collected by the recycler. Other wastes will be cleaned and disposed by the designated third party. • Actively get involved in the community where the projects locate, understand the needs of the community and formulate policies for the realization of its devotion to the community, to help the community improve the quality of life, including organizing various activities that focus on children, education and health.

The overall feedback from the stakeholders is highly satisfying, which helps Wison Engineering understand its own sustainability performance. Stakeholders recognized the leadership position of Wison Engineering in the domestic engineering industry, and acknowledged the stringent management requirements of Wison Engineering in terms of technology, production, safety and suppliers. In addition, stakeholders also recognized the importance of corporate governance, green technology development, and management on suppliers' social responsibility. Some stakeholders also commended Wison Engineering for its high contribution to the local environmental, economy, human rights and community investment in the place where our overseas business operates.

4.2 MATERIALITY ANALYSIS

Based on feedback from various stakeholders, the management of Wison Engineering identified the most important sustainable development issues to Wison Engineering. The following are important issues raised by stakeholders and Wison Engineering:

About this Report

We describe the value of the 22 key issues based on its internal and external effects on Wison Engineering.

		Internal Value	External Value
Economy	Financial performance	√	√
Environment	Wastewater and solid waste	√	√
	Use of resources	√	√
	Investment in environmental protection	√	√
	The impact of operational process on environment and natural resources	√	√
	Energy	√	√
	Water	√	√
Staff	Occupational health and safety	√	
	Prevention of child labour or forced labour	√	
	Employment	√	
	Labour relations	√	
	Human rights	√	
	Trainings and education	√	√
Code of Conduct	Anti-corruption	√	√
	Protection of customer privacy	√	√
	Supply chain management	√	√
	Security measures	√	√
	Anti-competitive behavior	√	√
	Marketing	√	√
	Product safety	√	√
	Customer satisfaction	√	√
Community	Community investment	√	√

5. Innovative Technology and Green Management

As a responsible social citizen, Wison Engineering is determined to keeping up green management and green development. Wison Engineering strictly complied with environment-related laws and regulations and actively participated in environmental protection by consolidating relevant practice with our business operation. Through introduction of relevant practice to different stages of business, energy-saving, reduction of emission and environmental protection were realized, thus reducing impact on the environment by our operation. At the same time, Wison Engineering is committed to technological development and innovation. Wison Engineering adopted the strategy of "driving energy-saving and emission reduction with advanced technology". By implementing innovative environmentally-friendly technology throughout production and operation processes of each project, environmental brand of the corporate as "green construction (綠色工程)" was created.

Wison Engineering established systematic environment management systems, including "Procedures for environment management" Provisions for Managing Solid Waste, Exhaust Gases and Waste Water" and "Provisions for Managing High(Low)Temperature, Toxic Dust and Noise" to specify duties, content and requirement of environmental protection. Environmental protection management was implemented to each business stages such as administration and office work, constructional design, purchase of constructional materials and process of construction to prevent pollutants from being discharged into the environment. Furthermore, the Company also sets goals for environment management in accordance with "Procedures for Identification and Evaluation of Source of Hazards and Environment Factors"and conducted identification and evaluation on key environment factors. Through implementation of policies, monitoring and evaluation complemented and combined to improve our environment management systems continuously. In the future, we would continue to improve environment management systems with innovative technologies and enhancing our compatibility of green management, and make best efforts on environmental protection and energy-saving,

Expense and investment in environmental protection of Wison Engineering	Unit	2016
Research and development on environmental protection	RMB	5,000,000
Trainings related to environmental protection	RMB	63,879
Environmental management (including: purchase, repair and maintenance of environmental protection facilities, disposal of waste and management of emission of exhaust gases)	RMB	1,274,159
Expenses related to environmental protection(e.g. contribution to community related to environmental protection such as tree planting for surrounding community)	RMB	53,540
Expense and investment in environmental protection of Wison Engineering (in aggregate)	RMB	6,391,578

5.1 GREEN TECHNOLOGY INNOVATION

Upholding our corporate commitment to "benefit people through science and technology", Wison Engineering always strived to reduce impacts of business activities of the Company and promote harmonic co-existence between mankind and nature through reforming green technologies and developing green products.

Wison Engineering will focus on core technology of clean coal-to-chemicals and energy-saving technologies, commencing research and development works on aspects including effective use of clean coals, research on core equipment for energy-saving and utilization of non-fossil fuels. While conducting independent research, Wison Engineering also started to cooperate with research institutions and companies such as Tianjin University and Shell to speed up development and industrialisation of new technologies in relevant fields.

Investment and achievement of Wison Engineering in technology development

Wison Engineering self-developed coal-to-chemical technology (including technology of methanol-to-olefin (MTO) separation, technology of methanol heat pump separation (甲醇熱泵精餾) and technology of improved low-temperature methanol wash (低溫甲醇洗), and at the same time jointly researched and developed coal-to-chemical technology with universities and other companies, including technology of production of ethylene glycol from synthesis gas (Wison Engineering-Tianjin University-Guizhou Xinxin) , technology of production of ethanol from synthesis gas (Wison Engineering-Tianjin University), SNG Technology (Wison Engineering-Foster Wheeler & Clariant) and technology of Bottom Quench (Wison Engineering-Shell); as for petrochemical technology, technology researched and developed by Wison Engineering included: technology of butane oxidization and dehydrogenation to butadiene, quench oil viscosity reduction technology and cracking furnace technology.

Technology Introduction

(1) Technology of methanol-to-olefin (MTO) separation

This technology made a breakthrough in the bottleneck of technologies in this field and of low local production of equipment, bringing great influence to improving energy security of our country and enhancing the comprehensive competitiveness of coal-to-chemical products. MTO olefin separation technology uses self-developed core technology of "pre-cutting + oil absorption" to replace traditional Cryogenic separation of methane system (深冷脱甲烷系統). This technology has advantages including advanced technology, reliable performance, low power consumption, investment saving, stable operation and long operation cycle, as compared to existing olefin separation technology within and beyond the country.

(2) Technology of production of ethylene glycol from synthesis gas: Wison Engineering-Tianjin University-Xinxin Group

By using this technology, new equipment has a synthesis and hydrogenation circulation load of 10% to 20% lower than same type of equipment and compressor of lower power consumption, resulting in 10% lower in investment in equipment; high concentration of synthesis and hydrogenation catalysts allow key parts realising high conversion rate. The cost of ethylene glycol catalysts is below RMB120 per tonne; heat pump separation technology is used to reduce power consumption for refining ethylene glycol. Steam consumption is 1 tonne lower than same type of technology for every one tonne of ethylene glycol produced.

(3) Hydrocarbon steam cracking to ethylene full-set technology (烴類蒸汽裂解制乙烯成套技術)

Wison Engineering self-developed 1000kta hydrocarbon steam cracking to ethylene full-set technology with features of low energy consumption, high efficiency and low investment.

(4) Technology of Bottom Quench: Wison Engineering-Shell

Wison Engineering and Shell took advantages of each other in research, design and engineering, jointly developed mixed gasification technology of low cost, environmentally feasible and wide technological application, to expand the market needs of synthesis gas of coal-to-chemical, hydrogen production and chemical fertilizer industries. With characteristic of high carbon conversion rate and high residue production, this technology further contributed to clean and efficient use of coal resources in China.

(5) VESTA SNG Technology: Wison Engineering-AmecFW-Clariant

VESTA SNG Technology has significant advantages of once-through, wide H2/CO flexibility, low investment and low power consumption, allowing easy, safe and reliable operation of production. For equipment of 4 billion standard cubic SNG output per year, one-off investment by users can be reduced by more than 20% (equipment for gas purification, chiller and methanation), adding value for corporates over RMB200 million per year, while reducing production cost of each cubic SNG by RMB5 cents in average.

(6) Technology of butane oxidization and dehydrogenation to butadiene

Advantages of this technology include short process and low power consumption, performance of its complementary catalysts is better than same type of products with yield rate of butadiene over 70% and selectivity over 92%.

Innovative Technology and Green Management

Case

Wison Engineering has leading technology in the ethylene cracking furnace industry. Since its establishment, it successively completed a number of energy-saving renovation projects for cracking furnace, with a result of 167 new or renovated cracking furnaces. Over 50% of the projects used proprietary cracking furnace technology of Wison Engineering which effectively reduced power consumption during operation process.

In 2016, Wison Engineering undertook energy-saving renovation project for cracking furnace of Liaohua to meet the energy saving and reduction goals in operation by measures like upgrading and renovating the control system. In the design process, Wison Engineering always strive for overall balance for general power and graded use of power in chemical equipment. Wison Engineering recommended to owners or adopted according to needs of owners the developed and advanced process package technology and catalysts, then determined scientifically reasonable process solutions and improved equipment models, with a view to realising goals of owners to reduce equipment's power consumption per unit of products, improve quality of products, raise rate of single pass conversion and yield of products.

Direction of technology investment and challenges in the future

In the future, on the basis that Wison Engineering keeps its leading position in existing technologies, Wison Engineering will continue to committing to conducting innovative research in areas such as optimized consolidation technology for ethylene process, coal-to-chemicals, technological application of clean energy, reduction of carbon emission and other environmentally-friendly and energy-saving technology. Wison Engineering undertakes the responsibility to realise green sustainable development of corporations in energy and high-tech industries. Wison Engineering strived for harmonic co-existence between mankind and nature and has been concerning effective development and use of resources such as petroleum, coals and natural gases.

5.2 ENERGY MANAGEMENT

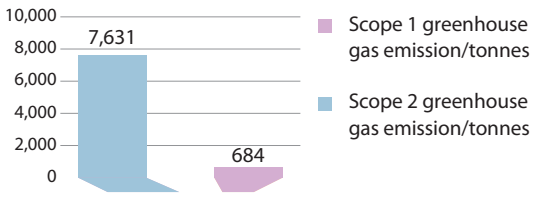
Wison Engineering is committed to saving energy and paid great attention in reducing consumption of energy and resources in the process such as activities, products and services of the Company to reduce both the consumption and disposals.

Internal energy consumption

Wison Engineering continued to promote the idea of saving energy and reducing consumption, merging the idea throughout all processes of management and services of the Company. In particular, the Company implemented the "Provisions for Managing the Consumption of Energy and Resources" to determine indicators and solutions for managing energy saving and consumption reduction and to improve or adjust related works timely. At the same time, Wison Engineering also actively conducted promotion and trainings regarding energy saving and consumption reduction which allowed more employees to join in. The project department made project design compiled energy-saving features for projects and implemented sufficient relevant energy-saving measures according to "Regulations for the Formulation of Energy Saving Policy" of the Company, in order to ensure energy consumption indicators of equipment complied with relevant laws and regulations and standard of environmental protection and energy-saving.

Total energy consumption	Unit	2016
Power	kWh	10,189,325
Gasoline	liters	174,833
Diesel for company vehicles	liters	26,102
Natural gas	Cubic meters	65,296
Energy consumption intensity	GJ/million revenue	12.06

2016 Greenhouse Gas Emission (Carbon dioxide equivalent)



Unit greenhouse gas emission to revenue	tonnes/ million revenue	2.74

Measures to save energy and reduce carbon emmission

Wison Engineering is committed to saving energy and resources in its office administration and reduced energy consumption in office operation by:

- Using solar power for water used in kitchens and bathing
- Replacing part of office lightings in buildings with LEDs

- Adopting ice thermal storage technology in central air-conditioning

Innovative Technology and Green Management

Project design of Wison Engineering always strived for overall balance for general power and graded use of power in chemical equipment to reduce consumption of energy and resources of customers, mainly through the following ways:

01 Fully recover and utilise waste heat of industrial gas and produce as much steam with higher potential energy as possible.

02 Use and recover reaction heat to the greatest extent; reduce loss of energy during the process as much as possible.

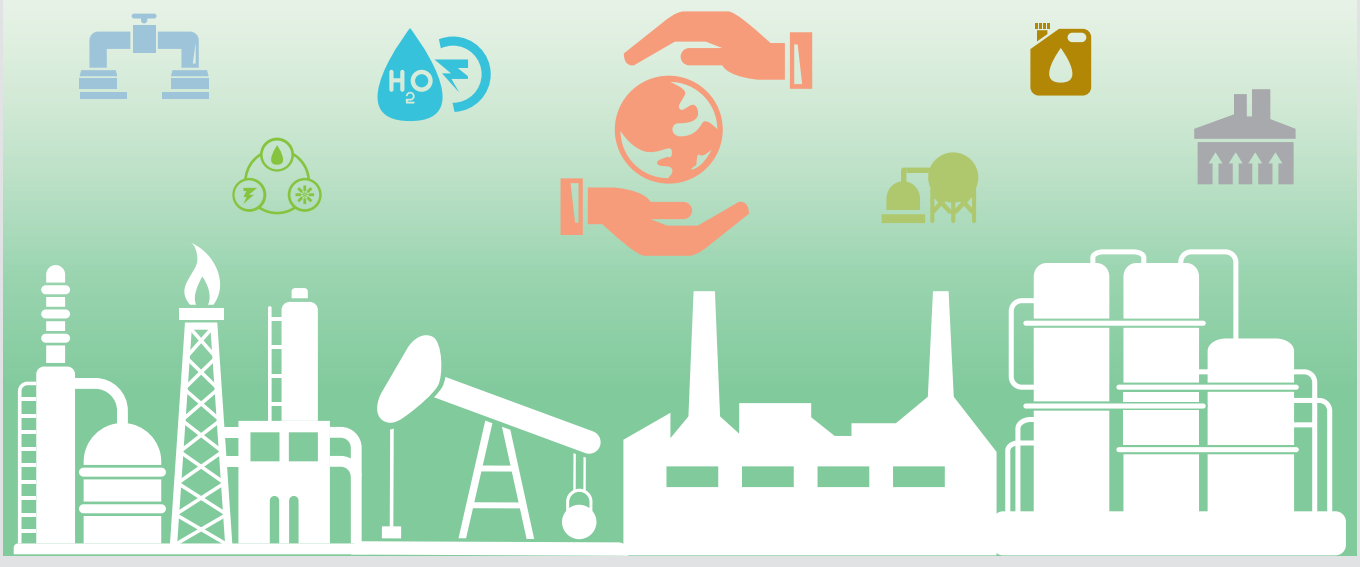
03 Adopt energy-saving advanced process technology.

04 Consider energy efficient equipment when selecting models of equipment.

05 Use energy-saving electric equipment recommended by the country to save power. Use energy-saving transformer and energy-saving electric appliances to reduce power loss. Enhance power factor and reduce power loss by using Capacitor compensator.

06 Reducing energy consumption of buildings in accordance with climatic adaption principle, general principle, integration principle and performance principle.

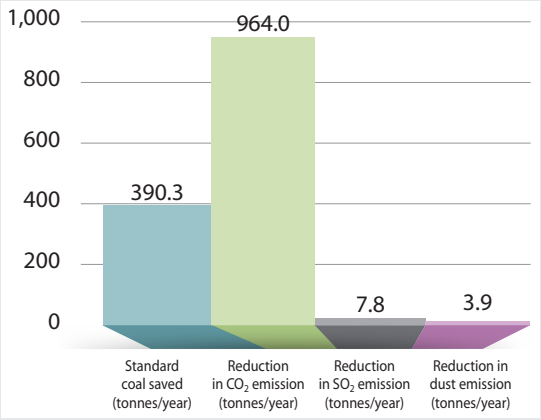
07 Create favourable conditions for production under fulfillment of required standard of fire-proof, explosion-proof, safety and hygiene; dividing sections reasonably for smooth process, using short processing pipelines to reduce energy loss along the pipes; create favorable condition for rainwater discharge of the plant by utilising landscape at the site to reduce installation of electric equipment; shorten transport distance of raw materials and products to and from the plant to reduce consumption and loss of oils used in transportation.



Case

Green energy-saving building in Research and development building (研發樓) on land parcel B-3-6 in Zhangjiang Mid Area (張江中區)

Research and development building (研發樓) on land parcel B-3-6 in Zhangjiang Mid Area (張江中區) established and designed projects of green energy-saving buildings of Wison Engineering. In 2013, it received Green Building Evaluation Label (China Three Star) (中國三星級綠色建築設計標識) for realising docking of power consumption data with Pudong Energy Consumption Monitoring Platform (浦東能耗監測平台). As a demonstration of renewable energy construction, the project adopted various green energy-saving technologies such as geothermal heat pump+ice thermal storage system, solar-powered water heating system, external building sunshade, stereoscopic greening, active and passive daylighting technology and technology for comprehensive use of stormwater and river water. The geothermal pump system of this project saved 390.3 tonnes standard coals each year, cutting cost of about RMB390,000. External wall of the building adopted technology combining sunshading board and waterscape to reduce surface temperature of external wall and in turn saving energy. The project was granted Shanghai Construction Engineering "Magnolia Award" (上海市建築工程「白玉蘭」獎) and title of demonstrative construction of energy-saving buildings in Pudong New Area in Shanghai 2014 (2014年上海市浦東新區建築節能示範工程).



5.3 WASTE MANAGEMENT

To ensure the management of solid waste, waste gas and waste water and prevent its harmful effect to our personnel and the pollution to the environment, Wison Engineering formulated relevant policies such as the "Provisions for Managing Solid Waste, Exhaust Gases and Waste Water", so as to enhance the environmental management and civilization construction management in the working process of the project. It also established HSE management unit in the project department to carry out supervision and inspection.

For non-hazardous wastes which are recyclable, the Company (or contractors) will be in charge of the general collection and disposal; for waste which are non-recyclable, discharge and management will be made in accordance with the relevant laws and regulations and the company policies.

The Company collects and classifies, maintain and label hazardous wastes based on the characteristics of the wastes. Special containers are used or separation and protection measures are adopted to prevent secondary pollution caused by losses, leakage and diffusion to attain the discharging standard.

Case

Venezuela Project

In the operation of project department, printers are set to double print to reduce the paper usage. All of our staff use metal plates and chopsticks to reduce plastic pollution resulting from meal boxes. Water in the office area and during meeting is mainly supplied in bucket, reducing pollution from plastic bottles. Sewage system optimization has also been carried out in the office area to perfect the recycled water utilization system. Accordingly, reclaimed water after filtration and examination was used for the irrigation of the plants in the office area.

During the construction of the project, all the power generators and gas stations in the spot were equipped with metal tray to prevent the pollution of the soil from oil leakage. During the process of spherical tank blasting, Wison Engineering require the contractors to implement full coverage measures to prevent dust pollution and enable the reuse of the sandblasting. Meanwhile, we assist contractors to set up cement silo storage station and concrete mixing station on site to reduce dust pollution by using cement, while ensuring the accurate usage of the concrete and reducing the waste of materials. In the construction of the project, the environmental management staff would re-examine the area that requires clearance of plantation. The area for clearance will be marked with coordinate pile for the assurance of no excess cutting of plantation, to reduce the amount of plantation being cleared and the handling amount of wasted plantation, so as to minimize the negative impact to the environment.

Case

Shaanxi Yan'an project

Shaanxi Yan'an project of Wison Engineering adopts strict clearance and processing towards the disposals. Printing cartridges and toner are returned to professional companies for collection and recycling. Paint buckets are piled up for special treatment. The construction wastes in the field are passed to designated companies for further disposal. General wastes are delivered to specific areas set up by the street and municipal departments.

Type of disposals	Unit	Recycled Amount
Office waste		
Toner	pieces	112
Project Construction waste		
Construction waste	tonnes	30,577
Recycle waste	tonnes	18,601
Hazardous waste	tonnes	235

5.4 WATER RESOURCE MANAGEMENT

Wison Engineering implemented various measures for water resource management, conserve water and ensures reasonable discharge of waste water. The Company formulated relevant policies such as the "Procedures for Environment Management", "Provisions for Managing the Consumption of Energy and Resources" and "Provisions for Managing Solid Waste, Exhaust Gases and Waste Water" to standardize our water resource management.

For sewage management, the construction management team and contractors are responsible for the coordination and management of the dangerous waste water produced on the construction site. HSE management team is responsible for supervision and inspection, arranging waste water to designated sewage ditches through pipes, and end-of-pipe treatment complied with the required standard.

For the purpose of saving water resources, the Company persistently improves its water management, promotes water conservation and reduces resources consumption. Apart from the high pressure fire water system, measuring instruments were set up in the sectors supplying water for production, living and the circulating cooling water device. Recycled water is used for main industrial water and cooling water as far as possible to realize the repeat use of water and water conservation. Solar power is used to heat kitchen water and bath water. River water and rain water were used in the greenery irrigation and the water scenery in the building.

	Unit	2016
Water consumption		
Municipal water supply	cubic meters	110,229
Surface water	cubic meters	15
Ground water	cubic meters	11,200
Internal water consumption and intensity		
Total water consumption	cubic meters	121,444
Intensity	cubic meters/ million revenue	39.92

6. Project Management

During the process of project management, Wison Engineering strictly complies with local laws and regulations and continuously improve the implementation quality and management standard of the project.

6.1 PROJECT QUALITY ASSURANCE

Project quality not only affects the reputation of the Company, but is also a vital factor to its business development. Wison Engineering guarantees the quality of the products by comprehensive control measures on design, procurement and construction.

Design: Wison Engineering Design Centre edits, reviews and approves the design documents and inspects the design quality evaluation to ensure the control and governance towards the quality of the design process.

Procurement: Quality control is carried out through supervision of the procuring materials and equipment in the factory as well as quality evaluation and inspection, so as to implement quality assurance from the origin. Strict approval and assessment process of suppliers are in practice and then the Group is involved in the price determination; inspections for important and key materials are carried out in real time or at the mid-point and before their release; goods are subject to inspection upon delivery and we will contact the supplier in a timely manner to handle the goods that do not meet the requirement stated in the contract.

Construction: quality of the construction projects are strictly controlled through quality control and verification process according to the relevant construction restriction of the country, the quality control and verification requirement of the owner and the internal quality management requirement and construction requirement of Wison Engineering.

6.2 SUPPLY CHAIN MANAGEMENT

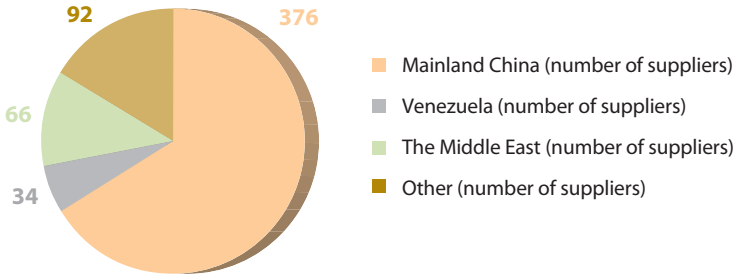
A complete supplier management system

The suppliers of Wison Engineering mainly consist of contractors, design sub-contractors and suppliers that provide materials and services for the construction projects of Wison. Wison Engineering set up a strict supplier selection standard and a complete supplier management system, upholding the principle of “fairness, equality, resources, competition and opt for the best”. Suppliers are examined and assessed in various aspects such as company reputation, production capacity, production environment, staff, equipment capacity, technical capacity, Quality, Health, Safety and Environment (QHSE) system, financial and operating conditions. These suppliers are managed based on the method of “dynamic management, only the best survive, performance-oriented”. In order to strengthen the management of suppliers, the Company formulated the “Provisions on Supplier Management” and established the supplier management structure accordingly, setting out the principle of supplier management. Suppliers are divided into four categories: approved suppliers, qualified suppliers, segregated suppliers and unqualified suppliers. Process and management requirement of the approval, selection, assessment and evaluation, dynamic management, incentive and development are expressly stated. A complete supplier management requirement and structure guarantees the quality of project supplier and maintain the quality of the construction project of Wison.

Priority given to local suppliers

Wison Engineering is committed to supporting and promoting local economic development. When choosing suppliers, priorities are given to those local suppliers satisfying the approval conditions. As of December 2016, the Company had a total of 568 suppliers, of which the proportion of the procurement expense from suppliers in Venezuela and the Middle East was 26.2% and 24.6%, respectively.

Distribution and number of suppliers



Sustainable procurement policy

When establishing good cooperation relationship with suppliers, Wison Engineering is committed to performing the corporate social responsibility with its suppliers through complete supplier management requirements.

During the course of selecting and assessing suppliers, Wison Engineering not only concern about the quality and capacity of the suppliers, but also places great importance on the evaluation of their corporate social responsibility. For example, Wison Engineering requires its suppliers to possess valid Certificate of Environmental Management System (環境管理體系認證證書) and the Certificate of Occupational Health and Safety Management System (職業健康安全管理體系認證證書), to ensure effective control of the environment and human related factors during the production and operation process. The approval, selection and assessment criteria for contractors not only include the review and evaluation of their construction capacity, technical management ability, project performance, human resources, machinery and equipment resources, but also include QHSE qualification of their staff, HSE management system documents, quality assurance system documents, HSE performance certificates and social credibility in recent years etc.

All the new suppliers have to pass the social responsibility screening procedure. During the pre-approval of the qualification of the new suppliers, we require the suppliers to provide their activities commenced or commencing which can reflect the corporate "social responsibility" in the "Supplier information questionnaire"; upon approval of the qualification of the suppliers, they are required to obtain the certificate or evidence of their reputation issued by the relevant authorized department or the third party institution; during the contracting process, the examination of the salary distribution to the migrant workers and the agreement and mechanism of distribution by representative are stated in the contract conditions and set up in the on-site control procedures.

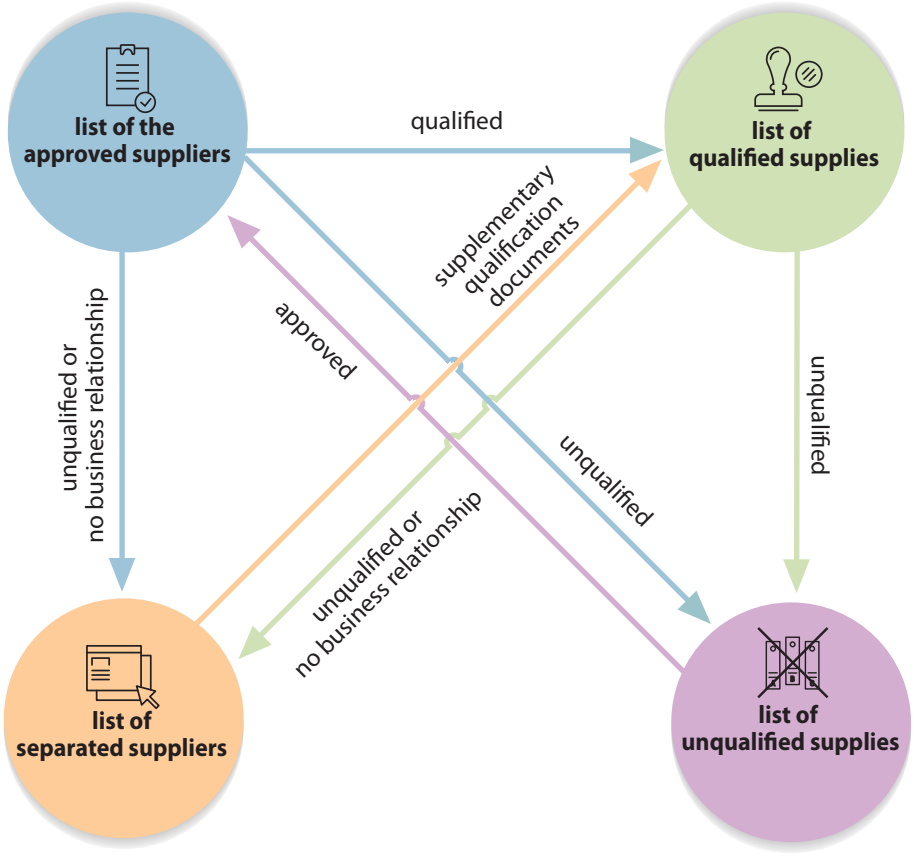
Wison Engineering also assesses and examines its existing suppliers through regular direct assess and examination, project assess and examination and integrated assess and examination. In 2016, we have amended the structure and content of our List of Suppliers to realize dynamic management of the suppliers and ensure the quality of them.

Project Management

Management of existing suppliers

Wison Engineering assesses and examines its existing suppliers through regular direct assess and examination, project assess and examination and integrated assess and examination. In 2016, we have amended the structure and content of our List of Suppliers to realize dynamic management of the suppliers and ensure the quality of them. Moreover, through the issuance of the certificate of excellent suppliers, execution of framework agreements and strategic agreements, Wison Engineering implements incentive and development for the excellent suppliers selected.

In/Out of the List of Suppliers



The project department of Wison Engineering continuously provides all sorts of special training and professional training to the construction technology quality management personnel of its sub-contractors, enhancing the techniques, quality and capacity of the construction personnel, standardizing their quality practice and ensuring the quality of the construction in an effective manner.

6.3 SATISFACTION OF CUSTOMERS' REQUIREMENTS

In pursuit of the satisfaction of customers towards our products, services and management level, Wison Engineering emphasizes on the requirements and expectations of our customers. We keep expanding the communication channel and try our best to provide satisfactory products and services to them. Wison Engineering carries out customer satisfaction survey regularly by various ways such as investigation, interview, telephone interview or mail, so as to construct a comprehensive customer satisfaction indicator system and prepare the "Annual Report on Customer Satisfaction". For the complaint lodged by the customers, the person in charge will identify the responsible unit and adopt efficient correction measures after verification of such complaint by the verification department.

In 2016, the Group did not receive any complaint in relation to its products and services, which makes the best recognition by our customers to the performance of the quality management system of Wison Engineering.

6.4 RESPECT FOR CUSTOMERS' PRIVACY

Wison Engineering respects customers' privacy, and is committed to protecting the privacy right of our customers. Before executing a project, Wison Engineering would sign a confidentiality agreement with customers. Wison Engineering will not disclose data or information provided by customers to any third party without consent of the customers. Internally, the usage of information provided by customers is limited to the persons that needed to be engaged based on the need of the projects; meanwhile, even for confidential information that is not subject to the confidentiality agreement, Wison Engineering will not disclose to any third party without the consent or prior communication of the customers, e.g. project condition of the customers, other suppliers situation of the customers, picture of the location of the project or production equipment, capital situation, organization structure and staff of the customers.

6.5 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Wison Engineering has always put extensive efforts in technological development and investment to push forward technological innovation in a persistent and stable manner. It adopts incentive system to encourage invention and protection of patent. The research and development center focuses on research on new types of coal-to chemicals technologies, new petrochemical engineering and new energy technology. Moreover, Wison Engineering and Tianjin University has co-established "Tianjin University — Wison Research & Development Center for Energy and Chemical Technologies".

In the petrochemical, coal chemical, and other industries, Wison Engineering has accumulated many patented technologies with independent intellectual property rights. As at the end of 2016, a total of 69 patented technologies have been obtained. Meanwhile, many technologies have been commercialized and industrialized, particularly Wison Engineering can provide full set of technology in the areas of ethylene cracking furnace, research on methanol-to-olefin unit technology, research on new hybrid gasification technology, research on coal-to-ethylene glycol technology as well as butane oxidization and dehydrogenation butadiene catalyst and related technology.

Wison Engineering will focus on the core technology of clean coal chemicals and the technology of saving energy and reducing waste, and to commence research and development in the efficient use of clean coal, research on energy saving core equipment and use of non-fossil energy. While undergoing research and development, Wison Engineering also cooperate with well-known institute to master the new technology in the relevant areas.

Case

Based on its experience with coal chemicals, Wison Engineering is developing a clean energy sector based on the integration of technology, research, and projects execution.

- Commercial application of methanol to olefins ("MTO") separation technology

  18 construction-in-progress or completed MTO projects in the country adopted the exclusive MTO separation technology of Wison Engineering.
  - — Wison (Nanjing) Clean Energy Co., Ltd.: project of 300,000 tonnes/year
  - — Adopting advanced UOP reaction technology and Wison Engineering's owned intellectual property MTO separation technology
  - — The project was commenced on 10 April 2012 and production commenced on 22 September 2013
- Commercial application of turnkey cracking furnaces technology

  As at the end of 2016, Wison Engineering has participated in 24 large scale turnkey cleavage of ethylene and 18 construction project for the downstream system. It has newly-built or converted 167 cracking furnaces, of which over 50% using Wison Engineering's owned cracking furnaces technology.

  PetroChina Lanzhou Petrochemical Company newly constructed 2 sets of 40,000 tonnes/year ethylene cracking furnaces project
  - — The projects are contracted by EPC
  - — Adopting furnaces technology independently developed and designed by Wison Engineering: HS-II type cracking furnace
  - — Foundation of the project commenced on 1 November 2006, and the project was completed and delivered on 15 October 2007

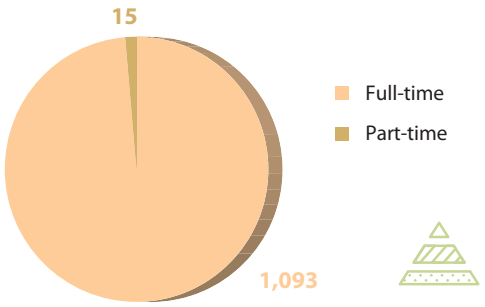
7. Work with Employees

Staff are the most valuable asset of Wison Engineering. We are devoted to foster a corporate culture of "people-oriented" to enhance the sense of belonging of our staff.

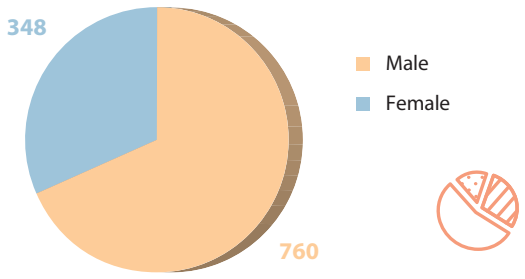
As our business expands, the number of staff keeps increasing, and the interaction between Wison Engineering and its staff becomes vital. We collect the opinion of our staff in different channels, which is followed by continuous review and improvement of the internal management of Wison Engineering, ensuring all of our staff enjoy fair and competitive remuneration and benefits. We also improve the remuneration level of our staff to attract and retain talents. Furthermore, a comprehensive training system encourages the staff for continuous self-improvement. Wison Engineering also promotes staff's personal career development, inspiring their potential and enhancing their working efficiency and quality through providing different kinds of training programs. A transparent and clear promotion channel ensures every staff get equal development opportunity.

Total number of staff: 1,108

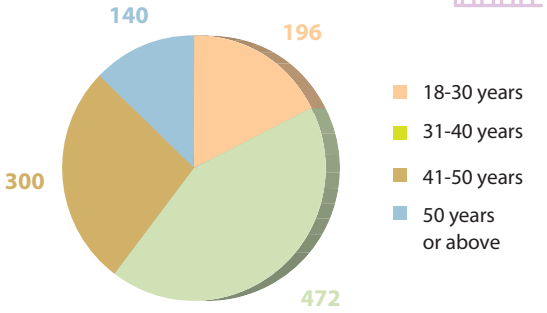
By contract



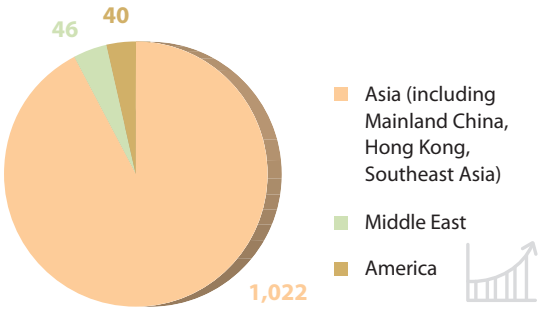
By gender



By age



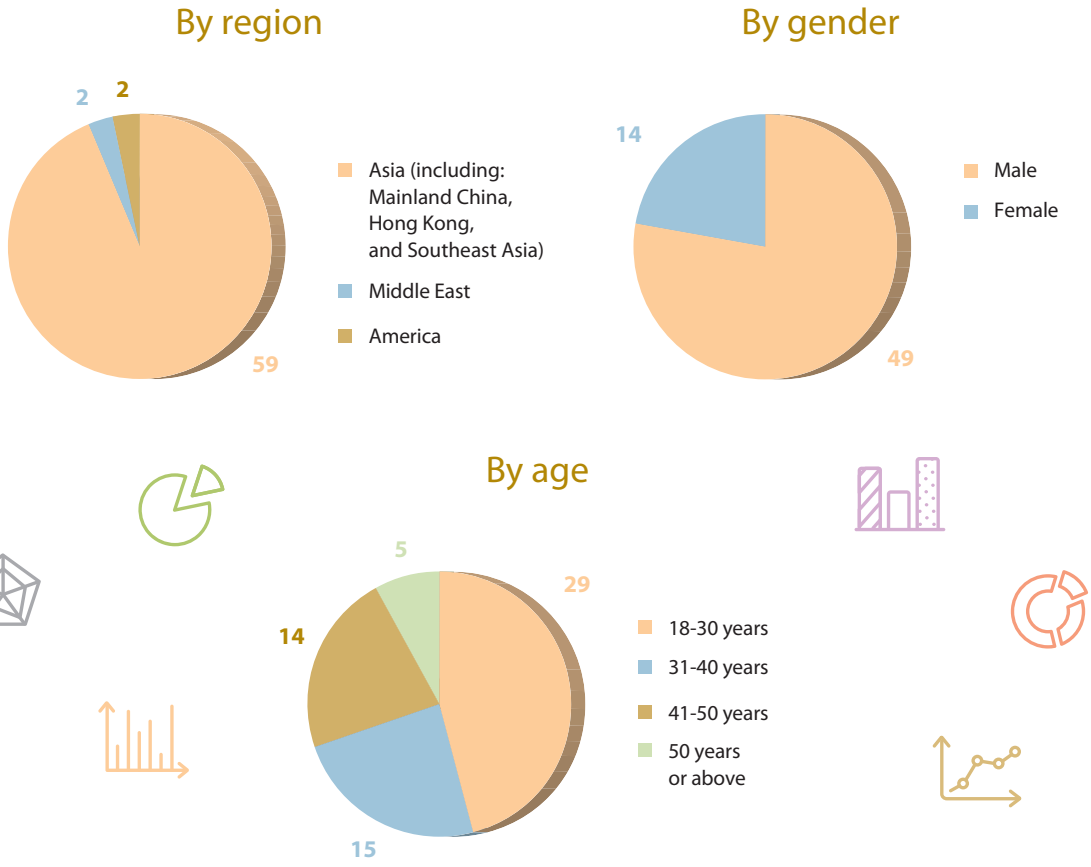
By region



We strictly comply with local labour laws, and refuse the use of child or forced labour. To standardize the employees recruitment procedure in a more efficient way, the Group formulated the "Provision for Managing the Recruitment of Employees", so as to optimize the deployment of human resources while ensure the fairness of the recruitment procedures. For any violation during the recruitment process, Wison Engineering will report to the management and carry out an investigation. After verification, the problem will be addressed by measure that is favorable for both parties in accordance with the requirements. We are committed to providing an equal and diversified working environment without discrimination to our staff. Moreoever, we established "Provision for Managing the Staff Behavior and Reward and Punishment", expressly standardize employees behavior at work and stated the measures of reward and punishment. During this year, there are 63 new employees and the distribution of our new staff by region, gender and age are as follows.

Work with Employees

Total Number of new employees: 63



7.1 RELATIONSHIP WITH EMPLOYEES

We firmly believe staff are the core stone in our operation. Hence, the Group respects the opinion of our staff and encourages the interaction between the management and employees, in the hope of strengthening the internal management of our Group through the feedback of the staff. We provide different channels for staff to express their views, letting them share their advice about Wison Engineering through channels such as meetings of the Group and departments, notice and announcement, internal forum, staff interview, seminar, staff survey and online voting, to create a harmonious, efficient and delightful working environment.

Benefits and promotion opportunities not only are the concerns of the staff, but also are the matters Wison Engineering cares. We provide reasonable remuneration and packages as well as development opportunities to let our staff find satisfaction during the work and support the continuous development of the Group. The Group provides staff with benefits policies, including "five insurance and one fund, supplementary medical insurance, annual leave and regular health check. At the same time, a canteen is set up in our Company, providing free meal to our staff. Shuttle bus is arranged for the commute of the staff. Moreover, we have set up the Staff Club (員工互助會), to encourage our staff to care for their colleagues, in the hope of making them take the initiative to care and give help to the family of staff having difficulties to ease their living and economical pressure.

We have employed many overseas staff to commence the overseas project of Wison Engineering. By providing humanistic care, sufficient insurance coverage and additional benefits, we help our staff stationed overseas to adapt to the life of working abroad more easily. In addition to the basic travelling insurance coverage, Wison Engineering provides extra overseas allowance to overseas staff according to local environment of different projects. Overseas staff are separated with their family for a long period of time during their station. Based on the needs of overseas staff, hence we provide special leave such as compensation leave and project withdrawal leave, letting them enjoy a longer vacation and have more time to stay with their families. During important Chinese festival, we organized celebrating activities to invite our staff to join and feel the warm of "home".

Wison Canteen provide staff healthy and nutritious diet

7.2 TRAININGS AND EDUCATION

Wison Engineering is always concerned about trainings and education. Working level and professional skills of our staff are enhanced through different kinds of trainings so as to improve their working quality and efficiency and maintain the competitiveness of Wison Engineering, which is also the foundation for the continuous development of Wison Engineering. We formulated the "Provisions for Managing Staff Training" to standardize the management of staff training, expressly state the goal for the trainings, the type of the trainings and budget of the trainings.

Wison Engineering continues to carry out internal trainings. The Human Resources department is in charge of the determination of annual training proposal and budgeting of the annual training expense. Each department is responsible for the formulation of its own annual training plan, and the specific training is organized based on the plan. According to the needs of staff, the departments can organize internal trainings or take part in the trainings provided by external training institutions, including entry training, skill training and corporate culture training. Besides, Human Resources department will assess the training results of the departments and review the overall effectiveness of the training plan every year to establish a better training plan.

Besides the regular training of the departments, on group level, the human resources department will organize customized training to ensure the overall development of the staff. For example, overseas exchange activities are held regularly to send staff to join the professional skill or general training program. In 2016, Wison Engineering provided special training to 44 staff of overseas projects in Venezuela and MDI etc.. The training included procuring and supplier management, quality and safety, civil construction, communication and other project management. Furthermore, we put great emphasis on the training of management and held regular leadership training, covering all middle to high level management staff, to provide support and guarantee for the enhancement of management skills of the management of the Group.

Work with Employees

We ensure every staff obtain adequate training resources. Last year, Wison Engineering provided a total of over 40,000 hours of training and every staff received more than 35 hours of training on average.

Percentage of employees received trainings

Senior management		Mid-level management		General Staff	
80%	100%	100%	100%	98%	98%

Average number of hours of training

Senior management		Mid-level management		General Staff	
67.5	60.0	95.6	85.4	30.8	38.3

Case

Wison School

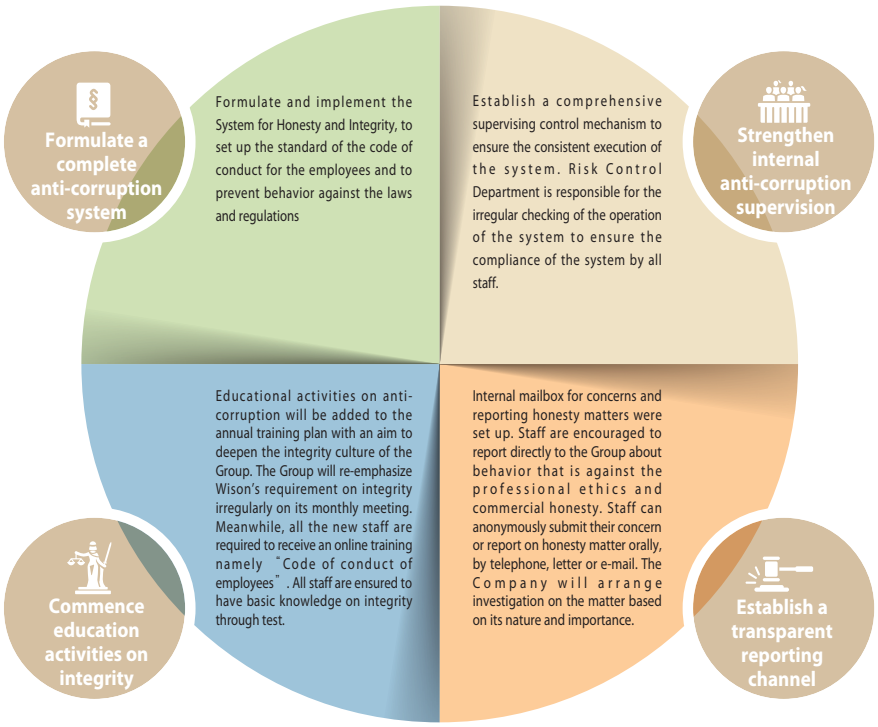
To standardize staff training in a more efficient way, we have established the Wison School. Wison School regularly organizes all-rounded training programs and seminars in order to improve the professional skills and enrich the project experience of our staff and increase their awareness to health and safety. During the year, Wison School has held a total of 16 trainings, providing 2,321 hours of trainings in total to our staff. The trainings covered a wide range of areas, including professional knowledge (e.g. How to Become an Excellent Technical Leader), introduction of domestic and overseas classic projects (e.g. Sharing of Foreign Trade Logistic Experience of MDI Project), sharing of management experience (e.g. Management of the Process Control of MDI Project) as well as health and lifestyle (e.g. Treasuring Life and Caring Health, Health and Science Knowledge). As the Group has many projects overseas, Wison School set up a two-year English online learning platform in 2016, providing English learning for the 500 staff in need, to assist the improvement of English level of our staff.

Discussion of staff from different departments on the lesson

Staff focused on the lesson

7.3 ANTI-CORRUPTION

Wison Engineering adopts a "zero tolerance" attitude towards behavior such as bribery, fraud, cheating and money laundering. To uphold the core value of "Integrity is the principle" by the Group, Wison Engineering formulated a "System for Honesty and Integrity" according to the laws and regulations of the region where it operates, to provide guidance to its staff on the code of conduct in the course of business activities. The system is fully implemented in the departments and subsidiaries to assist staff in different position to understand the expectation of the Company towards the behavior of our staff, so as to perform its obligation on honesty. During the reporting period, we did not record any event of corruption confirmed by litigation.



To ensure the procuring work can be carried out on a fair principle, the Group formulated the "Code of Conduct for Procuring Staff" on the foundation of the "System for Honesty and Integrity". We further guarantee the interest of the Group by standardizing the working criteria and code of conduct for our procuring staff.

Moreover, we require all the business units, including suppliers, contractors and service providers to enter into a "commitment letter for integrity" before having any business activities with us, to state clearly the requirement for integrity business by Wison Engineering.

8. Safety Production and Occupational Health

As a responsible corporate citizen, Wison Engineering has always given priority to protecting the environmental as well as the life, safety and health of our employees. Efforts were made on protecting the environment and securing safety of life and properties. We are committed to uphold the principles of "Safety comes first and precaution is crucial; Cherish life and protect the environment; Be people-oriented and manage all employees; Continuous development and benefit people's livelihood".

With designs of devices subject to HAZOP (Hazard and operability study) approval requirements to ensure safety, implementation of standardized and green construction at construction sites and introduction of the humanity concept of "warm moments", Wison Engineering has always given priority to protecting the environment as well as the life, safety and health of our employees and has incorporated the advance Health, Safety and Environment (HSE) concept into our decision-making process. We implemented HSE administrative measures in the course of operation to secure safety and health of our staff, customers, contractors, suppliers and other parties and protect the environment. We strive to pursue outstanding HSE management results on the international level and become the market leader adopting HSE management with scientific management, advanced technologies and efforts by all our employees.

Safety performance

In December 2011, Wison Engineering applied to become a member of China Association of Work Safety and China Chemical Safety Association. In April 2012, Wison Engineering officially became standing council units of the two associations. Wison Engineering is one of the few non-state owned enterprises acting as standing council units of these two associations.

Wison Engineering signed the letter of commitment in respect of responsibility and care with China Petroleum and Chemical Industry Association, pursuant to which Wison Engineering undertook to make efforts in dealing with occupational health, safety and environmental issues in the process of research and development, production, sales and disposal of products, fulfill its social responsibility and promote sustainable development of our company.

Given the stringent and effective implementation of HSE management system, there was only one work injury in 2016, resulting in 10 lost days. During the year, there were no work-related fatalities within the workforce, therefore fulfilling our safety commitment and objectives of "no serious accidents, no harm to personal health and no damage to the environment". All employees are responsible for complying with HSE policies and procedures, and we have put great emphasis on enhancing staff awareness and knowledge in respect of HSE management. As of December 2016, 92 employees obtained safety and health licenses, of which 25 of them obtained registered safety engineer certificates; 7, 39 and 36 of them obtained work safety certificates for chief person in charge, project manager and full-time work safety management personnel of construction enterprises respectively; and 2 of them obtained NEBOSH certificates (Globally recognized health,safety and environmental qualifications).

8.1 SAFETY OPERATION

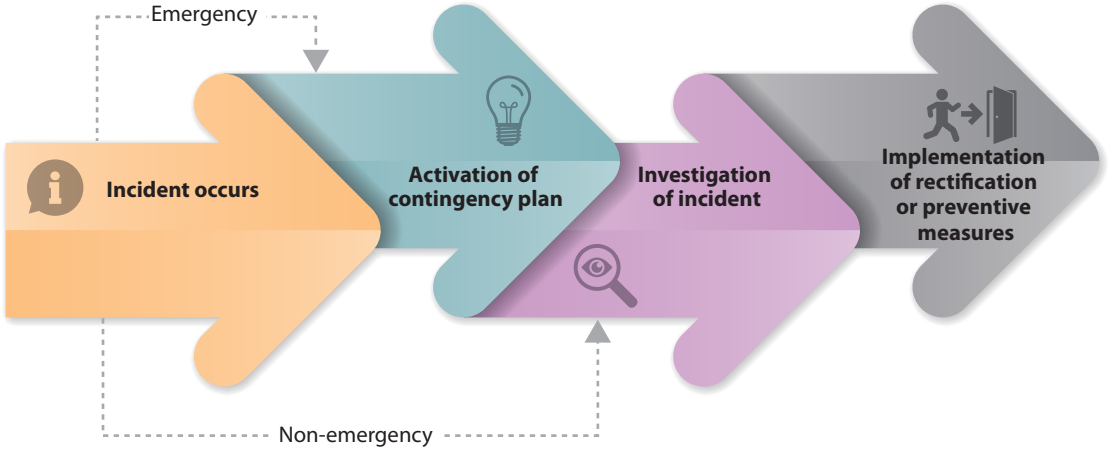
Monitoring and inspection system for HSE performance

Our Company established a monitoring and inspection system for HSE performance for inspecting, recording and tracking the operation of HSE system, the control over hazard sources and environmental elements, and site construction. Monitoring and inspection are carried out on two levels: by the Company on the Project Department, and by the Project Department according to "HSE Monitoring and Inspection Management Requirements" and "Project HSE Assessment, Reward and Discipline Management Requirements" to ensure the safety of the construction projects. Hazard sources and environmental elements are identified, controlled and evaluated during the process of design and construction of engineering projects, procurement of materials and management of living facilities. The relevant departments of the Company will evaluate, report and rectify any hidden dangers and issues on a timely basis.

Emergency management

"Emergency Management Procedures" are in place to enhance emergency management process, improve our ability to respond to emergencies and minimize loss arising from incidents. Our Company established comprehensive contingency plan, headquarter contingency plan, branch offices and project contingency plan to specify the responsibilities of emergency management organization and emergency response process. Moreover, headquarter and branch offices hold regular emergency training and drill every year to ensure the effective implementation of the emergency management procedures when emergency occurs and to enhance the emergency handling and response capability.

Incident Management Flowchart



Enhance the awareness of HSE

Through different kinds of internal and external HSE training sessions, promotion and exchanges on multiple-levels of the organization, Wison Engineering has been actively spreading the requirement of HSE Management System, HSE concept and HSE culture and enhancing employees' awareness and skills on HSE so that all employees would be familiar with the HSE hazards related to their positions and the corresponding control and contingency measures. Achieving HSE objectives in each position is a pre-condition of realizing the Company's HSE objects, which enables all employees to work safely and develop a collective sense of honor. Wison Engineering has been adhering to the "win-win cooperation" concept and sharing HSE management experience and resources with our customers and cooperation partners, thus achieving an understanding on HSE management and creating a win-win situation.

- QHSE web sub-portals are set up to share with our employees the news on HSE management within the Company and the industry, and the relevant rules and regulations on HSE.
- "HSE bulletins" are released to employees on a regular basis to share HSE's vision and experience as well as the Company's vision regarding the safety and health of the employees.
- QHSE lectures are available on the QHSE web sub-portals to share training material on HSE.
- "HSE Observation Card", which is available on the QHSE web sub-portals, at our reception desk and project sites, is a channel for any employee, visiting customer or cooperation partner to give advice or suggestions regarding Wison Engineering's HSE management procedures.

Occupational health

In order to safeguard the health of our employees, the Company established "Occupational Health Management Procedures". Our human resources department, general management office, quality and safety department, project department and contractors are responsible to control and eliminate the adverse factors affecting the occupational health of employees. Regular occupational health check and employee health records are in place for the occupational health management. Project department and contractors set up occupational health and sanitation facilities and on-site first aid facilities to provide safe and comfortable working conditions and protective equipment for workers. The Company paid much attention to employees' health in every work aspect. For example, during the high-temperature season, shade roofs or sunshades are set up and sufficient heatstroke prevention supplies are provided for employees exposed to long-term outdoor working environment.

8.2 SAFETY TRAINING

Wison Engineering adopted a people-oriented principle with a strong focus on employees to secure their health and safety during operation.

Wison Engineering focused on cultivating and enhancing employees' HSE awareness through training. In order to standardize HSE training management and improve HSE awareness and skills of employees and project personnel (including contractors, suppliers, service providers and other project participants), the Company formulated "HSE Training Management Requirements" and complied "HSE Management Brochure", "HSE Construction Brochure", "HSSE Handbook" and "Overseas Safety Knowledge" for HSE training and guidelines of daily safety work. All employees had the obligations and rights to participate in the induction HSE training at corporate-level and department-level, specialized HSE training as well as other HSE training organized by the training department, and they were subject to assessment.

Safety training offered to employees

Safety Production and Occupational Health

Project quality and production safety is the main focus of production and operation. In 2016, Wison Engineering provided 25 technical training sessions to contractors, with 518 participants and an aggregate of 1,154 training hours. Through training, technical and quality capabilities of project staff were enhanced and quality management was regulated, effectively securing the quality of projects. All personnel entering project sites of Wison Engineering are subject to admission HSE training and assessment and they will only be admit to enter the site after obtaining the entrance pass. In 2016, an aggregate of 7,572 personnel received admission training for constructions in progress. Based on an average of 3 hours per admission training, the annual training hours of admission training were 22,716 hours .

HSE training is carried out in each aspect of the whole process of projects. For example, operation teams of our contractors hold daily HSE meetings before work session, identified the hazard sources of the working environment of each positions and took preventive measures.

9. Community Contribution

As an international enterprise, Wison Engineering takes up social responsibility in the course of operation. We engage ourselves in communities nearby our projects and set up community network to have an understanding of the basic needs of local communities. We hope that we could help the communities in need enhance the quality of life with our resources and capabilities.

Wison Engineering implemented community-oriented strategies in regions where we operate, including organizing activities to focus on children, education and health issues and encouraging employees to participate in charity activities.

Case

School Talks on Environmental Protection and Caring Activities for Students

Venezuela's developing economic conditions in recent years had an impact on the local teaching conditions. Students had to study in shabby classrooms due to lack of teaching resources in local community schools. As an international enterprise operating in Venezuela, Wison Engineering is very concerned about basic education and future development of local children. Therefore, Wison Engineering's volunteers visited three elementary schools close to our projects in May 2016. We organized five talks and communicated with 220 teachers and students. In addition to explaining knowledge on environmental protection and introducing Chinese culture to students from different classes, Wison Engineering also donated stationary, sports supplies and office supplies to schools. Wison Engineering hoped that these activities would help local schools encourage students to study hard. One of the school headmasters appreciated our concern about children and stated that "Wison Engineering is the first international enterprise that comes to their school and shows care about students. Such seemingly small move makes huge contributions to them. "

Our volunteers distributed stationery to students

Our volunteers showed videos on environmental protection to students

Case

Recycling of Bottle Caps

Venezuela's developing economic conditions in recent years led to rise in price and severe inflation. Local residents, especially the families with sick children, faced hardship in dealing with the increase in daily expenses and the burden of expensive imported medication.

With an aim to help local residents overcome difficulties and improve quality of life, Wison Engineering organized "Recycling Plastic Caps" in response to the national "sick children relief organization" in Venezuela. Wison Engineering collected and delivered plastic bottles to designated recyclers for making regular donations to the "sick children relief organization". We encouraged all employees and contractors to participate in this activity, and we set up three recycling points in office to facilitate collection.

Recycled plastic caps and plastic cartridges

10. Our Performance

ECONOMIC DATA

Revenue	RMB'000	3,041,877
Payments to the government (income tax)	RMB'000	100,251
Employees' salary and welfare	RMB'000	617,800

ENVIRONMENTAL DATA

Total consumption of energy		
Electricity	KWh	10,189,325
Gasoline	Liter	174,833
Diesel fuel used for company vehicles	Liter	26,102
Natural gas	Cubic meter	65,296
Energy consumption density	GJ/revenue in millions	12.06
Greenhouse gas emission		
greenhouse gas emission Scope 1 (direct greenhouse gas emission)	Tonnes	684
greenhouse gas emission Scope 2 (indirect greenhouse gas emission)	Tonnes	7,631
Total emission of greenhouse gas	Tonnes	8,315
Greenhouse gas emission per million RMB of revenue	Tonnes/revenue in millions	2.74
Water consumption		
Municipal water supply	Cubic meter	110,229
Surface water	Cubic meter	15
Ground water	Cubic meter	11,200
Total water consumption	Cubic meter	121,444
Water consumption intensity	Cubic meter/ revenue in millions	39.92
Consumption of raw materials		
Stone	Tonnes	621,112
Concrete	Tonnes	326,225
Steel	Tonnes	59,471
Cement	Tonnes	38,919
Aluminum	Tonnes	658
Copper	Tonnes	296

Waste collected for recycling		
Office waste		
Ink cartridges	Number	112
Project construction waste		
Construction Waste	Tonnes	30,577
Recyclable waste	Tonnes	18,601
Hazardous waste	Tonnes	235

SOCIAL DATA

Employment		
Total number of directors	Number of individual(s)	8
By position		
Independent non-executive director	Number of individual(s)	3
Non-executive director	Number of individual(s)	1
Executive director	Number of individual(s)	4
By length of service		
0–3 years	Number of individual(s)	5
4–6 years	Number of individual(s)	3

Total number of employees	Number of individual(s)	1,108
By nature of contract		
Full-time employees	Number of individual(s)	1,093
Part-time employees	Number of individual(s)	15
By gender		
Male	Number of individual(s)	760
Female	Number of individual(s)	348
By age		
18–30	Number of individual(s)	196
31–40	Number of individual(s)	472
41–50	Number of individual(s)	300
50 or above	Number of individual(s)	140
By region		
Asia (including Mainland China, Hong Kong and Southeast Asia)	Number of individual(s)	1,022
Middle East	Number of individual(s)	46
America	Number of individual(s)	40

Our Performance

New employees			
Total number and proportion of new employees	Number of individual(s)	63(5.7%)	
By gender			
Male	Number of individual(s)	49 (6.4%)	
Female	Number of individual(s)	14 (4.0%)	
By age			
18–30	Number of individual(s)	29 (14.8%)	
31–40	Number of individual(s)	15 (3.2%)	
41–50	Number of individual(s)	14 (4.7%)	
50 or above	Number of individual(s)	5 (3.6%)	
By region			
Asia (including Mainland China, Hong Kong and Southeast Asia)	Number of individual(s)	59 (5.8%)	
Middle East	Number of individual(s)	2 (4.3%)	
America	Number of individual(s)	2 (5.0%)	
Occupational Safety and Health			
Number of work-related fatalities	Number of individual(s)	0	
Number of work-related injuries	Number of individual(s)	1	
Lost days due to work injury	Number of days	10	
Trainings and education			
Percentage of employees trained		Male	Female
Senior management	%	80	100
Mid-level management	%	100	100
General staff	%	98	98
Average training hours		Male	Female
Senior management	Hours	67.5	60.0
Mid-level management	Hours	95.6	85.4
General staff	Hours	30.8	38.3
Supply chain			
Number of suppliers by region			
Mainland China	Number	376	
Venezuela	Number	34	
Middle East	Number	66	
Other regions	Number	92	
Proportion of spending on local suppliers			
Venezuela	%	26.2	
Middle East	%	24.6	

11. Appendix ESG Content Index

11.1 GLOBAL REPORTING INITIATIVE (GRI) G4 CONTENT INDEX

Indicator	Description	Reference	Note
G4-1	Chairman's Statement	Management Statement	
G4-3	Name of the organization	About Wison — Background and Profile	
G4-4	Primary brands, products, and services	About Wison — Background and Profile	
G4-5	Location of the organization's headquarters	About Wison — Background and Profile	
G4-6	Countries where the organization operates	About Wison — Background and Profile	
G4-7	Nature of ownership	About Wison — Background and Profile	
G4-8	Markets served	About Wison — Background and Profile	
G4-9	Scale of the organization	About Wison — Background and Profile; About Wison — 2016 Business Highlights; Work with Employees	
G4-10	Employee data	Work with Employees; Our Performance — Social Data	
G4-11	Collective bargaining agreements	Not applicable	No formal collective bargaining agreement exists. Complaints and requests could be made by employees through existing channels and followed up by the Company according to established procedures.
G4-12	Description of the supply chain	Project Management — Supply Chain Management	
G4-13	Significant changes regarding the organization's size, structure, ownership, or its supply chain	About Wison — 2016 Business Highlights	
G4-14	Explain how the organization acts according to the precautionary approach	About Wison — Corporate Governance Wison's Sustainable Development Strategies — Environment, Social and Governance (ESG) Governance Structure	
G4-15	The organization's support for charters	About Wison — Memberships and Awards	
G4-16	Memberships of associations	About Wison — Memberships and Awards	
G4-17	Entities included in the organization's financial statements; Mention of entities not included in this Report	About this Report 2016 Annual Report	
G4-18	Procedures of evaluating each material aspect	About this Report About this Report —Stakeholders Engagement	
G4-19	Lists of material aspects	About this Report — Materiality Analysis	
G4-20	Aspect boundary within the organization for each material aspect	About this Report — Materiality Analysis	
G4-21	Aspect boundary outside the organization for each material aspect	About this Report — Materiality Analysis	
G4-22	Reasons for restatements of certain information provided in previous reports, and the effect of such restatements	Not applicable	This is the first annual corporate social responsibility report of Wison Engineering.

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Indicator	Description	Reference	Note
G4-23	Significant changes in scope of report/aspect boundaries	Not applicable	This is the first annual corporate social responsibility report of Wison Engineering.
G4-24	Stakeholders engaged by the organization	About this Report — Stakeholders Engagement	
G4-25	Basis for identification and selection of stakeholders with whom to engage	About this Report — Stakeholders Engagement	
G4-26	Methods and frequency of stakeholder engagement	About this Report — Stakeholders Engagement	
G4-27	Key topics and concerns that have been raised by stakeholders and how the organization responds	About this Report — Stakeholders Engagement	
G4-28	Reporting period	About this Report	
G4-29	Date of most recent previous report	Not applicable	This is the first annual corporate social responsibility report of Wison Engineering.
G4-30	Reporting cycle	About this Report	
G4-31	Contact data	About this Report	
G4-32	GRI option followed	About this Report	
G4-33	External assurance	Not applicable	Wison Engineering did not engage external third parties to provide assurance to the contents of this report.
G4-34	Governance structure	About Wison — Corporate Governance ; Wison's Sustainable Development Strategies — Environment, Social and Governance (ESG) Governance Structure	
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Wison's Sustainable Development Strategies — Environment, Social and Governance (ESG) Governance Structure	
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Wison's Sustainable Development Strategies — Environment, Social and Governance (ESG) Governance Structure	
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	Wison's Sustainable Development Strategies — Environment, Social and Governance (ESG) Governance Structure	
G4-38	Composition of the highest governance body and its committees	Our Performance — Social Data	
G4-56	Describe the organization's values, principles, standards and norms of behavior	About Wison — Background and Profile	

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Indicator	Description	Reference	Note
Disclosure on Management Approach		About Wison-2016 Business Highlights	For detailed economic performance, please refer to Wison Engineering's 2016 Annual Report
G4-EC1	Direct economic value generated and distributed	About Wison-2016 Business Highlights	
Disclosure on Management Approach		Project Management — Supply Chain Management	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Project Management — Supply Chain Management	
Disclosure on Management Approach		Innovative Technology and Green Management	
G4-EN1	Materials used by weight or volume	Our performance — Environmental Data	
Disclosure on Management Approach		Innovative Technology and Green management — Energy Management	
G4-EN3	Energy consumption within the organization	Our Performance — Environmental Data	
G4-EN4	Energy consumption outside of the organization	Our Performance — Environmental Data	
G4-EN5	Energy intensity	Our Performance — Environmental Data	
G4-EN6	Reduction of energy consumption	Innovative Technology and Green Management — Energy Management	
G4-EN7	Reductions in energy requirements of products and services	Innovative Technology and Green Management — Green Technology Innovation; Innovative technology and Green Management — Energy Management	
Disclosure on Management Approach		Innovative Technology and Green Management — Water Resource Management	
G4-EN8	Total water withdrawal by source	Our Performance — Environmental Data	
Disclosure on Management Approach		Innovative Technology and Green Management — Energy Management	
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Our Performance — Environmental Data	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Our Performance — Environmental Data	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Innovative Technology and Green Management — Energy Management	
Disclosure on Management Approach		Innovative Technology and Green Management — Waste Management	
G4-EN23	Total weight of waste by type and disposal method	Our Performance — Environmental Data	
Disclosure on Management Approach		Innovative Technology and Green Management — Green Technology Innovation	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Innovative Technology and Green Management — Green Technology Innovation	

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Indicator	Description	Reference	Note
Disclosure on Management Approach		Innovative Technology and Green Management	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not applicable	During the reporting period, we did not breach any environmental laws and regulations.
Disclosure on Management Approach		Project Management — Supply Chain Management	
G4-EN33	Environmental impacts of the supply chain and actions taken	Project Management — Supply Chain Management	
Disclosure on Management Approach		Innovative Technology and Green Management	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Our Performance — Environmental Data	
Disclosure on Management Approach		Work with Employees	
G4-LA1	Total number and rates of new employee hires and leaving staff by age group,gender and region	Our Performance — Social Data	Wison Engineering did not disclose relevant data regarding employee turnover.
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Work with Employees — Relationship with Employees	
Disclosure on Management Approach		Safety Production and Occupational Health — Safety Operation	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism,and total number of work-related fatalities, by region and by gender	Our Performance — Social Data	
Disclosure on Management Approach		Work with Employees — Trainings and Education	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Our Performance — Social data	
Disclosure on Management Approach		Work with Employees	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Our Performance — Social data	

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Indicator	Description	Reference	Note
Disclosure on Management Approach		Work with Employees	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Work with Employees	
Disclosure on Management Approach		Project Management — Supply Chain Management	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Project Management — Supply Chain Management	
Disclosure on Management Approach		Work with Employees	
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Work with Employees	
Disclosure on Management Approach		Work with Employees — Anti-corruption	
G4-SO4	Communication and training on anti-corruption policies and procedures	Work with Employees — Anti-corruption	
G4-SO5	Confirmed incidents of corruption and actions taken	Work with Employees — Anti-corruption	
Disclosure on Management Approach		Project Management — Respect for Customers' Privacy	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable	During the reporting period, no complaints regarding invasion of privacy of customers or loss of customers' data were received.
Disclosure on Management Approach		Project Management	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not applicable	During the reporting period, we provided no products or services infringing any relevant laws and regulations.

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11.2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HONG KONG STOCK EXCHANGE CONTENT INDEX

Indicator	Description	Reference	Note
A. Environmental			
Aspect A1: Emissions			
General Disclosure		Innovative Technology and Green Management	
Key Performance Indicator ("KPI") A1.1	The types of emissions and respective emissions data	Not applicable	Gas emissions were not significant to operation of Wison Engineering.
KPI A1.2	Greenhouse gas emissions in total and intensity	Our Performance — Environmental Data	
KPI A1.3	Total hazardous waste produced and intensity	Our Performance — Environmental Data	
KPI A1.4	Total non-hazardous waste produced and intensity	Our Performance — Environmental Data	
KPI A1.5	Description of measures to mitigate emissions and results achieved	Innovative Technology and Green Management — Green Technology Innovation; Innovative Technology and Green Management — Energy Management	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Innovative Technology and Green Management — Waste Management	
Aspect A2: Use of Resources			
General Disclosure		Innovative Technology and Green Management	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Our Performance — Environmental Data	
KPI A2.2	Water consumption in total and intensity	Our Performance — Environmental Data	
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Innovative Technology and Green Management — Energy Management	
KPI A2.4	Water efficiency initiatives and results achieved	Innovative Technology and Green Management — Water Resource Management	
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced	Not Applicable	Products and services provided by Wison Engineering required no packaging materials.

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Indicator	Description	Reference	Note
Aspect A3: The Environment and Natural Resources			
General Disclosure		Innovative Technology and Green Management	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Innovative Technology and Green Management	
B. Social			
Aspect B1: Employment			
General Disclosure		Work with Employees	
KPI B1.1	Total number of employees by gender, employment type, age group and geographical region	Our Performance — Social Data	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Not Applicable	Wison Engineering will consider disclosing relevant data in the future.
Aspect B2: Health and Safety			
General Disclosure		Safety Production and Occupational Health	
KPI B2.1	Number and rate of work-related fatalities.	Our Performance — Social Data	
KPI B2.2	Lost days due to work injury	Our Performance — Social Data	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Safety Production and Occupational Health	
Aspect B3: Development and Training			
General Disclosure		Work with Employees — Trainings and Education	
KPI B3.1	The percentage of employees trained by gender and employee category	Our Performance — Social Data	
KPI B3.2	The average training hours completed per employee by gender and employee category	Our Performance — Social Data	
Aspect B4: Labour Standards			
General Disclosure		Work with Employees	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Work with Employees	
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Work with Employees	

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Indicator	Description	Reference	Note
Aspect B5: Supply Chain Management			
General Disclosure		Project Management — Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region	Our Performance — Social Data	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Project Management — Supply Chain Management	
Aspect B6: Product Responsibility			
General Disclosure		Project Management	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable	During the reporting period, no products provided by Wison Engineering were recalled.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Project Management — Satisfaction of Customers' Requirements	During the reporting period, no complaints regarding any products and services were received.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Project Management — Protection of Intellectual Property Rights	
KPI B6.4	Description of quality assurance process and recall procedures	Project Management — Projects Quality Assurance	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Project Management — Respect for Customers' Privacy	
Aspect B7: Anti-corruption			
General Disclosure		Work with Employees — Anti-corruption	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Work with Employees — Anti-corruption	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Work with Employees — Anti-corruption	
Aspect B8: Community Investment			
General Disclosure		Community Contribution	
KPI B8.1	Focus areas of contribution	Community Contribution	
KPI B8.2	Resources contributed to the focus area	Community Contribution	