



## SUSTAINABILITY REPORT FY2017

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## About Weiye Holdings Limited

Founded in 1999, Weiye Holdings Limited (“**Weiye**”), has a strong track record of over 18 years in property development specialising developing large-scale and multi phased property projects. Apart from developing its own properties, Weiye ventured into joint development projects and providing project management services to third-party land owners. At the end of 2017, Weiye’s portfolio comprises 25 property developments of which 16 have been completed.

Since it was established, Weiye has expanded to various parts of China with strategic focuses on 5 regions – Henan, Hainan, Pearl River Delta, Yangtze River Delta and the Jing-Jin-Ji regions. Weiye has also built the brand by delivering high quality products and attained numerous awards such as Henan Top 50 Real Estate Development Enterprise, Zhengzhou City Leading Property Development Enterprises and Economy Development Contribution Enterprise Excellence.

Weiye was listed on the Mainboard of Singapore Exchange Securities Trading Limited on 16 August 2011 and dual primary listed on the Main Board of the Stock Exchange of Hong Kong Limited on 6 April 2016.

## Board Statement

This FY2017 Sustainability Report (the “**Report**”) marks Weiye and its subsidiaries’ (collectively the “**Group**”) second published sustainability report.

The Group published its first sustainability report in 2016 in compliance with the Hong Kong Exchanges and Clearing Limited’s (“**HKEX**”) Environment, Social and Governance (“**ESG**”) Reporting Guide Appendix 27. This year, the Group extended the reporting scope by using the Global Reporting Initiatives (“**GRI**”) Standards (2016) as a reporting framework to comply with Singapore Exchange (“**SGX**”) listing requirement, effective for all listed companies starting financial year ending 31 December 2017.

Our Sustainability Steering Committee (“**SSC**”) and Sustainability Task Force (“**STF**”) established in 2016 which comprise our senior management and key division representatives, continue to assume their responsibilities in managing the Group’s sustainability performance and report to the Board. The Board also continues to discharge their responsibility of overseeing the SSC to ensure alignment of overall sustainability performance with the business strategy, including development and approval of this report.

We are pleased to report that our sustainability approach and performance has made progress since our first published report. In order to align our sustainability issues with our business goals, we conducted our first materiality assessment workshop to identify the ESG material factors that are most significant to our stakeholders and our business. The material factors have been validated and approved by our Board of Directors (the “**Board**”). This report also encapsulates our sustainability performances and achievements, as well as the targets we have set, for the factors identified.

The Board remains committed to creating long term value for its stakeholders by delivering sustainable outcomes economically, socially and environmentally and is determined to work together with the SSC and STF to enhance our ESG performance across the business.

## 2017 Performance Highlights

### Compliance

- In FY2017, we are pleased to report we achieved no incident of non-compliance in the following areas that are of business viability to Weiye, including
  - Product responsibility
  - Occupational health and safety
  - Socio-economic
  - Anti-corruption
  - Environment

### Customer Satisfaction

- Through our concerted efforts to improve customer satisfaction, the customer complaint rates during handover of our two development projects completed last year were below 3%. We are committed to continue improving our performance and we aim to reduce the customer complaint rates to below 2% next year

### Occupational Health and Safety

- Our commitment to health and safety has enabled us to operate with no significant work-related injuries and fatalities

### Awards

- Based on our consistent quality and safety efforts, Yehai ShangCheng Project received 2 awards
  - Provincial Excellence Structural Engineering
  - Provincial Safe and Civilised Construction Sites

### Energy

- As part of our energy conservation initiatives, we replaced incandescent lightbulbs with LED lightbulbs across Weiye's properties
- All development projects were designed in compliance with the Building Energy Design Code and provincial energy saving requirements

## About This Report

This FY2017 report has been prepared in accordance with the HKEX ESG Reporting Guide Appendix 27 and made references to the GRI Standards (2016) to meet the requirements set out by HKEX and SGX. This report shares the sustainability performance results obtained during the period of 1 January to 31 December 2017 (FY2017) for the following entities in Henan and Hainan provinces respectively. The report focuses on Henan and Hainan provinces where the Group has its core operating markets.

Hainan Province	Henan Province
<ul style="list-style-type: none"> <li>• Weiye Holdings Hainan Real Estate Co., Ltd</li> <li>• Wanning Yingde Property Co., Ltd</li> <li>• Tunchang Hongji Weiye Property Development Co., Ltd.</li> <li>• Tunchang Yajing Property Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Henan Weiye Construction Development Group Co., Ltd.</li> <li>• Henan Tiandao Assets Management Co., Ltd.</li> <li>• Henan Xingwei Property Co., Ltd</li> <li>• Xinxiang Weiye Property Co., Ltd.</li> </ul>

Two entities disclosed in FY2016 have been excluded for this reporting period. Hainan Zhongfang Investment Holdings Company Limited has been excluded based on its insignificant revenue contribution and ESG impact for FY2017 while Henan Huibang Property Co. Ltd was disposed in April 2017.

We welcome our stakeholders to share their opinions or suggestions to improve the Group's sustainability performance by sending an email to [weiyegroup@weiyeholdings.com](mailto:weiyegroup@weiyeholdings.com).

## Weiye's Sustainability Approach

As our business continues to grow in a dynamic business landscape, we are looking beyond the traditional building-and-selling model of the real estate industry. We take a strategic and comprehensive approach towards sustainability as we acknowledge the importance of effective ESG strategy and management across the business operations.

With the combined efforts of our teams and stakeholders, we strive to effectively manage social and environmental associated risks and opportunities. We strive to continuously enhance our sustainability approach and performance through regular policy and operations reviews to positively contribute to our business growth in the long term and create value for our stakeholders and customers.

## Sustainability Governance

The SSC continues to carry out its responsibility to manage the Group's sustainability governance, monitoring and reporting. With senior management representation from across our divisions and regions, the SSC is able to support the Board in discharging its responsibilities, and provide strategic guidance and sound governance to enable business growth in a responsible manner.

## Stakeholder Engagement

The Group's business operations influence and are influenced by internal and external stakeholders. Thus, it is crucial to set up effective communication and engagement approach and platforms to manage the expectations and needs of our key stakeholders. We strive to maintain a collaborative stakeholder relationships for the long term. Our engagement with our key stakeholders are summarised below.

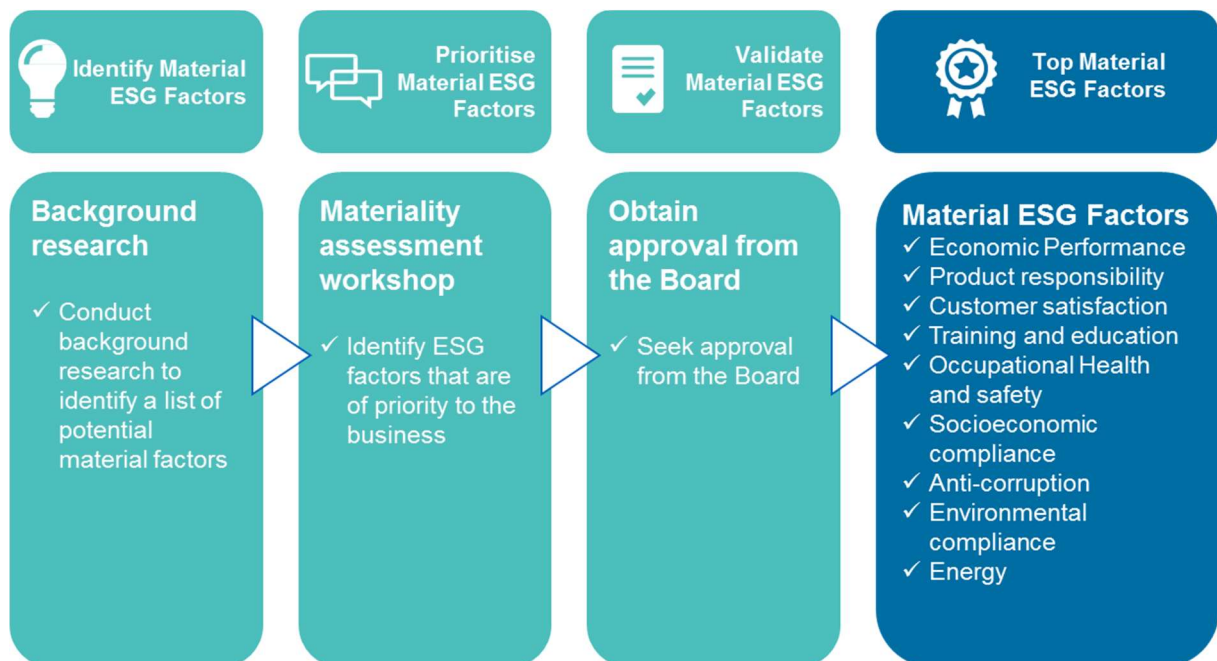
Key Stakeholders	Engagement Methods	Frequency
Internal		
Board of Directors	Board meeting	Quarterly
	Regular reporting to the board	Throughout the year
Employees	Induction programme for new employees	Throughout the year
	Training and development programmes	
	Regular e-mailers and meetings	
	Recreational and wellness activities	
	Career development performance coaching	
External		
Shareholders	Fair disclosures of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and Weiye Holdings Limited website	Throughout the year
	Annual General Meeting	Annually
Customers	After sales survey customer satisfaction survey	Post-handover of project
Regulators	Consultation during submission of Environmental Assessment Report	Pre-start of construction
	Submission of environmental performance	Monthly

## Materiality Assessment

In order to focus our sustainability efforts around material ESG factors that align our business perspectives with those of our stakeholders, we appointed an external consultant to conduct a materiality assessment. Our materiality assessment approach is in line with the GRI Standards Materiality Principle to identify the ESG factors that matter most to the success of the business. Our SSC participated in the assessment process and underwent a three-step approach; identify, prioritise and validate material ESG factors as illustrated below.

Through the materiality assessment workshop, we collected views from the senior management across geographies and functions and identified nine ESG factors that are considered to be material to our business. Five of these ESG factors are mapped to the aspects prescribed within the HKEX ESG Reporting Guide Appendix 27. The five aspects are Use of Resources, Health and Safety, Development and Training, Product Responsibility and Anti – Corruption (See Report Content Index for more details). Our Board validated and approved the top nine ESG factors disclosed in this year’s report.

For this reporting period, the remaining six aspects and their associated key performance indicators (KPIs) prescribed within the HKEX ESG Reporting Guide Appendix 27 are not considered to be material and hence not disclosed within this report. The six aspects are Emissions, The Environment and Natural Resources, Employment, Labour Standards, Supply Chain Management and Community Investment. The SSC will review the ESG factors to ensure that our future reports will continue to include disclosures of ESG factors that are material and aligned with our business.





## Our Economic Growth

### Economic Performance

- Achieve sustainable growth through strategic business models with focus in the five targeted regions and streamlining operational efficiencies

FY2017 has been an eventful year for us. In one of the most competitive environments that we have witnessed for the Chinese market through government control on property prices and restrictive measures, we have attained stable growth in two of our main operating markets - Henan and Hainan. Despite the challenging market, we continue to forge our way forward for the business. We will continue to strategically focus on the five targeted regions with great potential for property development specifically, Henan, Hainan, Pearl River Delta, Yangtze River Delta and the Jing-Jin-Ji – Beijing/ Tianjin/ Hebei regions. Moreover, we continuously review and streamline our procurement and supply chain practices to safeguard our profitability.

Please refer to the financial statements in pages 67 – 161 of the FY2017 Annual Report for more details on our economic performance.

## Our Customers

### Product Responsibility

- Deliver quality products that meet customers and regulatory requirements

Product responsibility is a key material factor to our business – from building quality through project management to innovative solutions. We make sure that our products comply with the regulatory requirements while meeting customer expectations, this would help us to achieve greater customer satisfaction and hence create more business opportunities.

### How We Deliver

To manage the expectations that our stakeholders have on the Group and our products, we have established a three tier control implemented through our Costing and Design Division, Regional Teams and Project Teams. The Costing and Design Division and Project Teams are responsible for ensuring projects are executed in accordance with our policies and procedures such as Construction Supervision Management Policy. They are also responsible in making sure that projects comply with regulatory requirements such as the Unified Standards of Construction Quality Acceptance of Building Engineering and the Code of Acceptance of Construction Quality.

The quality and safety of the properties are monitored end-to-end of the entire construction process through regular inspections. As mandated by the Circular on Strengthening the Inspection and Management of Projects, the Regional Teams conduct monthly inspections and evaluate projects under construction for their quality and safety performance within their regions. The Costing and Design Division is responsible to conduct quarterly inspections. The projects are evaluated based on the Unified Standard for Construction Quality Acceptance of Construction Engineering.

On the Project Team level, project managers are required to monitor the quality of incoming raw materials by conducting sample inspections of the raw materials. For new equipment, product factory certificates or inspection and test reports are reviewed. They are also responsible in maintaining the necessary construction planning and building construction permits, equipment maintenance schedule and test records, fire protection systems, water pipe pressure test records and flushing and

disinfection records of water supply pipes. To measure and continuously enhance our performance, we also seek feedback on our products from our relevant stakeholders.

As a result of our concerted efforts, our Yehai Shangcheng Project was awarded with the Provincial Excellent Structural Engineering award and the Provincial Safe and Civilized Construction Sites award. This is a big recognition and assurance of our team's efforts and we strive to uphold our commitment to continue to deliver high quality products responsibly.

In FY2017, we were compliant with relevant laws and regulations, such as Uniform Standards for Building Construction Quality Acceptance of Buildings, Acceptance Criteria for Construction Quality and Quality Assurance for Commercial Construction Projects. There was no incident of non-compliance with the relevant laws and regulations that have a significant impact relating to health and safety, advertising, labelling and privacy matter relating to products and services provided and methods of redress.

#### Product Responsibility Performance and Targets

FY2017 Performance	FY2018 Targets
<ul style="list-style-type: none"> <li>• Compliant with relevant laws and regulations, such as Uniform Standards for Building Construction Quality Acceptance of Buildings, Acceptance Criteria for Construction Quality and Quality Assurance for Commercial Construction Projects</li> <li>• Recorded no incident of non-compliance with the relevant laws and regulations relating to health and safety, advertising, labelling and privacy matter relating to products and services provided and methods of redress</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to improve the quality of products by enhancing the supervision and inspection during construction</li> <li>• Strengthen the supervision and management requirements and improve quality and safety awareness</li> <li>• Improve the quality of project managers' awareness on quality and safety</li> </ul>

#### Customer Satisfaction

- Provide consistent customer service to enhance and strengthen our customer relations and corporate image

We believe that by improving customer satisfaction, the Group can enhance its business performance through the expansion of its customer base as a result of increased customer loyalty and referrals. In addition, we view customer satisfaction as a tool to better understand customer demands and improve the quality of our products and services.

#### How We Prioritise

Consistency is an important feature in customer service. In Henan, we established an After-Sales Maintenance Management Policy and a Call Centre Management System to standardise the after sales service process. In Hainan, we also established an After-Sales Management Policy and a Member Management Manual to improve customer relations with the members of the Weiye Club; a concierge service provided to Weiye property owners in Hainan.

These policies are put in place to deliver consistent and well managed services to our customers, including after sales maintenance, product warranties, and managing and resolving customer complaints. For example, the After-Sales Maintenance Management Policy stipulates that the maximum turn-around time to respond to a customer's report or complaint is three work days. Apart from that, the policy also documents in detail the standard operating procedures in handling product defect issues to ensure that all complaints are addressed and resolved professionally. The call centre was set up as an avenue to strengthen the corporate image through a unified management centre to improve our customer relationship management.

#### Customer Satisfaction Performance and Targets

FY2017 Performance	FY2018 Target
<ul style="list-style-type: none"> <li>•The customer complaint rates were below 3% for FY2017 completed projects -the Zhengzhou Longhu ShangCheng Project No.1 and the Xinxiang Central Park Project Phase 5. The projects also did not receive any complaint from the government departments</li> </ul>	<ul style="list-style-type: none"> <li>•Reduce the customer complaint rates to below 2%</li> </ul>

## Our Employees

### Training and Education

- Develop employees by providing a workplace that supports continuous learning

Employees are an important resource in our business. Providing an environment that fosters continuous learning allows employees to feel valued, engaged and motivated. We are committed to provide a work environment where continuous learning can be achieved by supporting professional and personal development. It is important to ensure that skills and knowledge are always relevant and we have the right capabilities across the organisation to strengthen our competitive edge.

### How We Develop

Our Regional Human Resource and Administrative Division is tasked to manage the provision of the trainings across the business, from the senior management to the new recruits. The division provides targeted training to employees of different positions guided by the Training Management Policy. The training programmes that are made available to our employees include internal and external trainings, on-the-job training and learning visits that focus on business and management skills and other relevant tools to the business. At the end of each training, employees and trainers undergo a performance based feedback session to create a collaborative and engaging learning experience.

The senior management team is mandated to attend trainings annually. The trainings provided primarily focus on environmental management, employment, health and safety and corporate governance issues. Furthermore, the senior management team is involved in the management rotation training programme to develop and enhance management capabilities through in-depth understanding of the business's operations across all portfolio.

We also have a Promotion Policy that includes dual-track career development system that encourages vertical and horizontal career mobility. This career flexibility allows employees to determine their own career path whether it is a technical or management position – a commitment by the Group to empower our employees. Across the business, we also practise a Democratic Life Meeting Policy that encourages open and frank feedback on individual performance.

#### Training and Education Performance and Targets

FY2017 Performance	FY2018 Targets
<ul style="list-style-type: none"> <li>• Provided training which includes theory/concepts, management skills, and business skills in the form of internal, external training, on-the job training, visits or outward bound training</li> <li>• Provided senior management trainings relating to environmental management, employment, health and safety and corporate governance issues</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the senior management rotation training to enhance overall management capabilities</li> <li>• Increase the budget allocation for training and senior management training and qualifications</li> </ul>

#### Occupational Health and Safety

- Manage health and safety risks to provide a healthy and safe working environment to our employees

Occupational health and safety is commonly acknowledged as a material factor for many corporations, especially in the construction industry. Our employees are our greatest assets and it is our responsibility to provide a healthy and safe work environment for them.

#### How We Protect

We are committed to providing a healthy and safe working environment by managing our health and safety risks through various policies and procedures such as Office Environment, Office Order and Safety Management Policy, Employee Behaviour and Responsibilities Guidelines, employee liability insurance, accident and injury insurance and annual health checks for our employees.

To echo the Group's safety commitment, Regional Managers have safety as one of their key performance indicators (KPIs) that they must deliver. It is their responsibility to ensure that safety levels across the business are monitored and managed effectively.

All our employees are required to undertake health and safety and firefighting trainings. This is important to ensure that our employees have the necessary skills to identify risks to their health and safety and enable them to respond to emergencies.

On top of trainings, daily safety inspections are carried out in offices and on sites to ensure that the infrastructure and facilities are in good working condition – windows, emergency exits, machineries and electrical wiring. These inspections are performed by the safety inspector and documented to keep track of the observations.

Our offices are cleaned on a daily basis and air purifiers are placed in offices and houses in provinces that are affected by poor air quality to safeguard the comfort and health of the working and living environment. Our employees also participate in annual health checks to monitor their wellbeing.

Furthermore, all employees must adhere to the environmental hygiene and personal safety guidelines – the Staff Behaviour and Responsibilities Guidelines for Office Use and the Office Environment, Office Order and Safety Management Policy of which non-compliance would result in monetary fines or punishments.

#### Occupational Health and Safety Performance and Targets

FY2017 Performance	FY2018 Targets
<ul style="list-style-type: none"> <li>Recorded no incident of significant work-related injuries and fatalities</li> <li>Recorded no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment and protecting employees from occupational hazards</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain no incident of significant work-related injuries and fatalities</li> <li>Continue to maintain no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment and protecting employees from occupational hazards</li> </ul>

## Our Governance

### Socioeconomic Compliance

- Operate our business in compliance with the relevant social and economic laws and regulations through internal checks and balances

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. The Group is committed to conduct the business with integrity and safeguarding the interest of all our stakeholders, both internal and external.

### How We Comply

We have developed necessary mechanisms to prevent violation of laws and regulations. Mandatory compliance trainings are provided to all new employees covering the Employee Basic Behaviour Standards and the Regulations on Quality Management. For existing employees, continuous trainings are provided on a quarterly basis to keep them up-to-date and understand the latest regulatory changes that might impact their functions.

Our Strategic Investment Division and Human Resources and Administrative Division regularly conduct regulatory reviews to update the existing policies according to the changing market and regulatory requirements. Additionally, the Costing and Design Division consistently performs compliance checks to detect any suspicious or inappropriate activities.

We are a firm believer in the leadership management influence. The senior management team and managers are required to attend socioeconomic compliance trainings at least once a year as exemplary management commitment towards socio-economic compliance across business.

FY2017 Performance	FY2018 Targets
<ul style="list-style-type: none"> <li>Recorded no incident of non-compliance with the relevant laws and regulations in the social and economic area resulting in internal disciplinary action or public allegation</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain no incident of non-compliance with the relevant laws and regulations in the social and economic area resulting in internal disciplinary action or public allegation</li> <li>Continue to conduct compliance training and awareness programmes for key management personnel at least once per calendar year and whenever there are substantial changes of relevant laws and regulations</li> </ul>

### Anti -Corruption

- Conduct our business with integrity and transparency with no compromise on corruption

The Group has zero tolerance on fraudulent and corrupt practices that may disrupt the business operations and impede the growth of the business due to loss of trust in the Weiye brand that we have built over the years.

### How We Uphold

To effectively monitor anti-corruption practices, the Group adopts several policies such as the Code of Conduct, the Conflict of Interest Policy, the Whistle Blowing Policy, the Regulations on Business Discipline Ordinance, the Independent Commission against Corruption Policy and the Finance Management Policy to prevent, govern and facilitate the reporting of any illegal or unethical practices across the business.

The many policies put in place are intended to educate and empower our employees to conduct their responsibilities effectively. For example, Regulations on Business Discipline Ordinance details out the guidelines for employees to avoid bribery and avoid potential conflict of interests with related parties.

To monitor and ensure compliance, we have set up the Monitoring Audit System to supervise and verify that our business practices do not infringe any laws and regulations. The responsible management teams are tasked with conducting business audits across functions such as bidding and procurement, finance and tax, and the Group's financial management practices to prevent and manage identified risks, if any. Another initiative that we have in place is setting up independent mailbox, e-mail and hotline for our employees to report suspicious behaviours or incidents, thereafter the reported cases will be investigated and necessary actions taken. For more information on our whistle blowing policy, please see our Corporate Governance Report in our FY2017 Annual Report.

The Legal Department keeps track on the latest changes with the relevant laws and regulations and update the internal policies accordingly. The updated policies will be disseminated to the relevant teams to prevent violations.



Above these preventive mechanisms, all newly recruited employees are required to undergo the Code of Conduct training. Annual training is provided to all employees to ensure that they understand their responsibilities and always uphold the business policies on conducting the business in accordance with the applicable laws and regulations. The trainings are also intended to keep all employees abreast of the latest changes in the regulatory requirements and understand the impacts on their functions.

For this reporting period, there was no incident of non-compliance with the relevant law and regulations resulting in internal disciplinary action or public allegation. There was also no non-compliance relating to bribery, extortion, fraud and money laundering.

#### Anti –Corruption Performance and Targets

FY2017 Performance	FY2018 Targets
<ul style="list-style-type: none"> <li>Recorded no incident of non-compliance with the relevant laws and regulations involving corruption, bribery, extortion, fraud and money laundering resulting in internal disciplinary action or public allegations</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain no incident of non-compliance with the relevant laws and regulations involving corruption, bribery, extortion, fraud and money laundering resulting in internal disciplinary action or public allegations</li> <li>Implement Compliance Surveillance Check</li> <li>Implement employee declaration on conflict of interest</li> </ul>

#### Environmental Compliance

- Care for the environment by going beyond regulatory requirements to minimise our carbon footprint

We recognise the role that we play in influencing our operations and their impacts on the environment. As a responsible corporation, we are committed to govern and minimise our environmental footprint to contribute to the climate change cause.

#### How We Contribute

Our environmental performance extends beyond national and provincial regulatory requirements and compliance standards. We ensure that all developments consider environmental metrics throughout the construction phase from pre to post construction and implements strict supervision and enforcement measures to safeguard the environmental performance of the construction sites.

Prior to the commencement of construction, the project managers are required to submit Environmental Assessment Reports and soil contamination test reports to the authorities. During operations, they must ensure their sites' environmental performances are compliant with the air, dust, fumes and emissions, noise, and waste standards and legislations such as the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution and the Regulations on the Prevention and Control of Atmospheric Pollution in Henan Province.

The project managers regularly inspect their sites to check on the compliance status. They make sure that their sites have the obligatory permits to manage and dispose of wastes and emissions. In addition,

there is real-time monitoring of air pollution index at all our construction site to fulfil requirements such as those mandated under the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and the Regulations on the Prevention and Control of Atmospheric Pollution in Henan Province. Project managers must submit the air pollution index of their sites to the Environment Protection Department.

In addition to meeting regulatory requirements, we provide regular trainings to broaden our employees' awareness on environmental issues and regulatory compliance to support the business' aspirations of going beyond environmental compliance. On top of this, key management personnel are required to attend yearly trainings that cover topics on environmental compliance together with environmental awareness to boost our environmental performance.

We are pleased to disclose that there were no violation of laws and regulations in the environmental aspect resulting in internal disciplinary action or public allegation.

#### Environmental Compliance Performance and Targets

FY2017 Performance	FY2018 Targets
<ul style="list-style-type: none"> <li>Recorded no incident of non-compliance with the relevant laws and regulations in the environment area resulting in internal disciplinary action or public allegation</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain no incident of non-compliance with the relevant laws and regulations on environmental protection, resulting in internal disciplinary or public allegation</li> <li>Continue to conduct compliance training and awareness programs for key management personnel at least once per calendar year as and when there are substantial changes of relevant laws and regulations</li> <li>Continue to meet national and government pollution index requirements through project inspection and governance</li> </ul>

#### Energy

- Conserve energy by increasing our energy use efficiencies and complying with national and provincial energy saving targets

Governments around the world are advocating to increase energy use efficiencies and use of renewable energy to reduce reliance on fossil fuels due to its polluting nature. To support China's energy conservation initiatives, we continuously incorporate good operational and building design practices into our business to deliver better performances and minimise our resource consumption.

#### How We Conserve

In FY2017, we implemented responsible and innovative initiatives across our business, from corporate buildings to the construction sites as well as in our products delivered to customers to conserve energy.

As lighting accounts for a large portion of our energy consumption, incandescent light bulbs were replaced with energy efficient LED lights across all properties. In addition to investing in LED lights,



we also conduct tests on regular basis to make sure our equipment are operating at optimal conditions. Furthermore, the heating and cooling systems of our buildings have been reconfigured to provide comfortable temperatures according to the seasonal changes as overheating or over cooling consumes excessive amount of energy. To further reduce our energy consumption, employees are encouraged to contribute to the cause through behavioural changes such as switching off lights and electronic devices when leaving the office.

We believe in creating developments that are sustainable. The Costing and Design Division and project teams are well versed with the national and provincial building design standard requirements such as the Building Energy Conservation Design Code and the Henan Province Energy Saving Design Standards for Residential Buildings (Cold Areas) DBJ41062-2012 that stipulate the mandatory energy efficiency targets for buildings. For example, the Housing and Urban Development Office of Henan Province stipulates that buildings must achieve energy efficiency target of 75% while in Hainan, the energy efficiency target is 50%. To meet the requirements, we incorporate the use of thermal insulation solutions such as use of double glazed window and window opening adjustments and energy saving materials such as air block, aerated concrete and other lightweight partitions. The materials used must pass the energy saving acceptance test before being used.

#### Energy Performance and Targets

FY2017 Performance	FY2018 Target
<ul style="list-style-type: none"> <li>•All development projects were designed in compliance with the Building Energy Design Code and provincial energy saving requirements</li> <li>•Adopted thermal insulation solutions such as installation of double glazed windows and window opening adjustments that resulted in energy savings that meet the national and provincial building design standard energy efficiency requirements</li> <li>•Materials used in the projects fulfil the energy saving design requirements and passed acceptance test</li> </ul>	<ul style="list-style-type: none"> <li>•Continue to comply with the national and provincial energy efficiency targets</li> </ul>

## The Way Ahead for Weiye

We believe that sustainability is the key to create value and delivering sustainable growth for our stakeholders, both internal and external. We will continue to uphold our belief and commitment to operate responsibly and sustainably.

In the forthcoming year, we will continue to assess, review and update our material ESG factors and sustainability initiatives to be relevant to the demands of the changing business landscapes in places we operate.

## Report Content Index

Disclosures references with the requirements of the HKEX ESG Reporting Guide Appendix 27 and the GRI Standards (2016).

GRI Standards (2016)		Notes / Page number(s)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Weiye Holdings Limited
102-2	Activities, brands, products, and services	Annual Report – Corporate Profile, page 1
		Annual Report – Operations Review, page 6 – 12
102-3	Location of headquarters	Annual Report – Corporate Information, page 22
102-4	Location of operations	Annual Report – Operations Review, page 6 – 12
		Annual Report – Corporate Information, page 22
102-5	Ownership and legal form	Annual Report – Statistics of Shareholdings, page 160 – 161
102-6	Markets served	Annual Report – Operations Review, page 6 – 12
102-7	Scale of the organisation	Annual Report – Chairman's Statement, page 4 – 5
		Annual Report - Financial Review, page 16 – 17
102-8	Information on employees and other workers	Annual Report - Financial Review, page 16 – 17
102-9	Supply chain	Annual Report – Director's Statement, page 47
102-10	Significant changes to organisation and its supply chain	No significant changes in FY2017.
102-11	Precautionary principle or approach	Weiye does not specifically address the precautionary approach.
102-12	External initiatives	Not applicable
102-13	Membership of associations	Henan Weiye Construction Development Group Co., Ltd. is a standing member of The Housing and Real Estate Association of Zhengzhou City. Weiye Holdings Hainan

		Real Estate Co., Ltd is a member of the Hainan Province Enterprise Confederation.
Strategy		
102-14	Statement from senior decision-maker	Annual Report – Chairman's Statement, page 4 – 5
		Sustainability Report – Board Statement, page 2
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Annual Report – Corporate Governance Report, page 23 – 44
Governance		
102-18	Governance structure	Sustainability Report - Sustainability Governance, page 4
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report – Stakeholder Engagement, page 5
102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	Sustainability Report – Stakeholder Engagement, page 5
102-43	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement, page 5
102-44	Key topics and concerns raised	Sustainability Report – Stakeholder Engagement, page 5
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Sustainability Report – About This Report, page 4
102-46	Defining report content and topic Boundaries	Sustainability Report – About This Report, page 4
102-47	List of material topics	Sustainability Report – Materiality Assessment, page 6
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Sustainability Report – Board Statement, page 2
102-50	Reporting period	Sustainability Report – About This Report, page 4
102-51	Date of most recent report	The first sustainability report was published on 23 June 2017
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report – About This Report, page 4
102-54	Claims of reporting in accordance with GRI Standards	Sustainability Report – About This Report, page 4
102-55	GRI content index	Sustainability Report – Report Content Index, page 16 – 19
102-56	External assurance	Weiye has not sought external assurance for this reporting period and may consider it for future periods.
Management Approach		
103-1	Explanation of the material topic and its Boundary	Sustainability Report – - Economic Performance, page 7 - Product Responsibility, page 7 – 8

103-2	The management approach and its components	- Customer Satisfaction, page 8 – 9 - Training and Education, page 9 – 10 - Occupational Health and Safety, page 10 – 11
103-3	Evaluation of the management approach	- Socioeconomic Compliance, page 11 – 12 - Anti - Corruption, page 12 – 13 - Environmental Compliance, page 13 – 14 - Energy, page 14 – 15

GRI Standards (2016)		HKEX ESG Guidelines Appendix 27		Notes / Page number(s)
Topic-specific Disclosures		Aspects		
Economic				
Economic Performance				
201-1	Direct economic value generated and distributed	N/A		Annual Report - Financial Statements, page 67-161
Anti - Corruption				
205-2	Communication and training about anti-corruption policies and procedures	B7: Anti - corruption	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sustainability Report - Anti-corruption, page 12 – 13
205-3	Confirmed incidents of corruption and actions taken			
Environmental				
Energy				
302-1	Energy consumption within the organisation	A2: Use of Resources	Policies on efficient use of resources, including energy, water and other raw materials KPI A2.3: Description of energy use efficiency initiatives and results achieved	Sustainability Report - Energy, page 14 – 15
Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	N/A		Sustainability Report - Environmental Compliance, page 13 – 14
Social				
Occupational Health and Safety				
403-2	Types of injuries and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities	B2: Health and Safety	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Sustainability Report - Occupational Health and Safety, page 10 – 11

Training and Education				
404-2	Programs for upgrading employee skills and transition assistance programs	B3: Development and Training	Policies on improving employee's knowledge and skills for discharging duties at work. Training refers to vocational training. It may include internal and external courses paid by the employer	Sustainability Report - Training and Education, page 9 – 10
Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	N/A		Sustainability Report - Socioeconomic Compliance, page 11 – 12
Product Responsibility				
N/A		B6: Product Responsibility	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Sustainability Report - Product Responsibility, page 7 – 8
Customer Satisfaction				
N/A	Complaint rates from customers and government departments	N/A		Sustainability Report - Customer Satisfaction, page 8 – 9