



WEIYE HOLDINGS LIMITED
偉業控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

Hong Kong Stock Code: 1570

2021

SUSTAINABILITY REPORT

年度可持續發展報告



** For identification purpose only*

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ABOUT THIS REPORT

Weiyee Holdings Limited (the “Company” together with its subsidiaries, hereinafter referred to as the “Group”, “Weiyee” or “we”) is pleased to present our Sustainability Report for the year ended 31 December 2021 (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance (“ESG”) issues.

The board of directors (the “Board”) has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. For details on corporate governance, please refer to the “Corporate Governance Report” of the Group’s 2021 Annual Report.

Reporting Period

The Report illustrates the Group’s initiative and performance regarding the environmental and social aspects during the reporting period from 1 January 2021 to 31 December 2021 (the “Reporting Period” or “2021”).

Reporting Scope

This Report covers certain subsidiaries of the Group with core business that principally engaged in property development for residential and commercial properties in the People’s Republic of China (the “PRC”). Among the business segment of property development, we disclosed certain key performance indicators (“KPIs”) for those entities with actual equity interest of over 50% and with completed project progress of over 50% during the Reporting Period (the “Reporting Scope”). Compared with the Group’s 2020 Sustainability Report, the Group has included entities in Fujian and Zhejiang Province in the reporting scope during the Reporting Period.

Henan Province

- Henan Weiyee Construction Development Group Co., Ltd.
- Henan Xingwei Zhuolian Property Co., Ltd.
- Henan Tiandao Assets Management Co., Ltd.
- Henan Xingwei Property Co., Ltd.
- Xinxiang Weiyee Property Co., Ltd.

Hainan Province

- Weiyee Holdings Group (Hainan) Co., Ltd.
- Wanning Yingde Property Co., Ltd.
- Tunchang Hongji Weiyee Property Development Co., Ltd.
- Tunchang Yajing Property Co., Ltd.

Guangdong Province

- Huizhoushi Dajinzhou Property Development Co., Ltd.
- Guangdong Leiding Property Development Co., Ltd.
- Huizhou Dayawan Pengrun Industrial Development Co., Ltd.

Fujian Province

- Fujian Tianzhi Corporation Management Co., Ltd.
- Fujian Tianjue Corporation Management Co., Ltd.

Zhejiang Province

- Hangzhou Junwei Real Estate Co., Ltd.

Reporting Basis

The Report is prepared with the ESG Reporting Guide (the “ESG Reporting Guide”) set out by Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group has complied with the mandatory disclosure requirement and the “comply or explain” provisions set out in the ESG Reporting Guide. The Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

Reporting Principles

The Group attaches great importance to the materiality, quantitative and consistency during the preparation for this Report, and the Group has applied these reporting principles in the aforementioned ESG Reporting Guide as the following:

Materiality: After collecting the opinions of stakeholders, the Group re-evaluated the importance priorities of various issues to the Group, thereby defining the disclosure focus of this Report and providing accurate and detailed responses to the issues that stakeholders are most concerned about. For details, please refer to the section of “Materiality Assessment”.

Quantitative: The Group sets targets for the indicators and presents quantitative data in this Report. The Group used the data collection tools to continuously record environmental and social performance during the Reporting Period, and to monitor the progress. In order to present the Group’s annual performance changes, this Report continued to contain some historical data of the Group.

Consistency: The Report adopted the consistent standards, tools, assumptions and/or source of conversion factors used, as well as explanations of any inconsistencies to the Group’s 2020 Sustainability Report, where appropriate.

Information and Feedback

The Group values your views on this Report. Should you have any comments or suggestions, please feel free to email us at weiyegroup@weiyeholdings.com.



SUSTAINABILITY MANAGEMENT

Introduction

Founded in 1999, Weiye Holdings Limited is principally engaged in developing large-scale and multi-phased property projects in the PRC. The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") in August 2011 and dual primary listed on the Stock Exchange in April 2016. In August 2018, the Company voluntarily delisted from the SGX-ST.

After more than 20 years of development, Weiye has become the leading green living lifestyle provider and operator in the PRC. With the enterprise mission of "Carrying people's dream of living in peace and drawing pictures of happy life for people" and the enterprise development theme of "environment-friendly housing investment and development", Weiye firmly seizes the historical opportunity of the rapid rise of the Central Plains Economic Zone and the vigorous development of Hainan International Tourism Island. Weiye has completed its strategic layout from Henan to Hainan, and successfully entered China's first tier metropolitan areas such as the Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta region, with products covering industrial bases, tourism real estate, high-end residences, commercial offices and commercial complexes.

At of 31 December 2021, the Group's portfolio comprised of 33 property development projects which were either completed or under various stages of development in the PRC, the development of which is set out below:

Project Type	Number	Total Gross Floor Area ("GFA") (ten thousand square meters)
Completed	26	319.45
Under development	6	36.30
Held for future development	1	9.30

In addition to developing its own real estate projects, the Group also engages in joint real estate development projects and provides project management services for partner landholders in real estate development.

Due to its quality standards in construction and management, the Group has built the brand and attained numerous awards from past years such as "Henan Top 50 Real Estate Development Enterprise" (河南房地產開發企業綜合實力50強單位), "Zhengzhou City Leading Property Development Enterprises" (鄭州市房地產開發先進單位), "Zhengzhou City Real Estate Development Enterprise Excellence" (鄭州市房地產開發優秀企業), "Kaifeng City Best Residential Landscape" (開封市最佳人居景觀設計獎), "Economy Development Contribution Enterprise Excellence" (紅旗區經濟發展突出貢獻企業獎), "Zhengzhou Annual Green Residence Award" (鄭州年度綠色人居樓盤大獎) and "China Elite Science and Technology Award - Green Community" (中國精銳科學技術獎 - 綠色社區).

On the basis of consolidating the development and construction of real estate projects, the Company takes financial capital and intelligent technology as two wings, and extends its business to several fields at home and abroad at the same time, such as cold chain business, technology purification equipment business, etc.

In the future, Weiye will continue to create high quality environment-friendly products from the perspective of the user. Weiye will also continuously carry out product innovation to improve product quality, and realize people's dream of having great housing by providing an environment-friendly and healthy living environment. To become a world-class green residential and living industry group trusted by the public with more responsibility and value, Weiye is contributing to the promotion of urban and rural construction and sustainable social development.

Sustainability Strategy

The Group recognizes the significance of ESG issues to build long-lasting business success. The Board endorses the Sustainability Reports and assumes full responsibility for overseeing the Group's key ESG issues including material ESG risks associated with the business operations and their integration with the Group's ESG strategies, policies, procedures and initiatives.

Senior management of the Group has been delegated by the Board to review and monitor the management and implementation effectiveness of relevant ESG-associated issues including implementation of goals and targets. Senior management from different business operations reports regularly to the Board on relevant ESG-associated issues and progress, and assists the Board in monitoring and reviewing of material ESG-related issues, associated business risk and progress and implementation of ESG policies, procedures and initiatives.

In addition, with the aim to demonstrate the steadfastness of the Group on sustainable development, the Group has conducted its first target setting on the environmental aspects and implemented the latest ESG-related policies and guidelines for complying with the latest applicable laws and regulations. To achieve the goals, the Group implements various environmental protection measures and raises employees' awareness of ESG. We believe that these objectives and environmental protection measures can help enhance employees' environmental awareness and enhance the Group's ESG performance to meet stakeholder expectations.

As a premium property developer, the Group fully understands the importance of sustainability-driven operation to its long-term business development. While pursuing economic growth and meeting consumer needs, we also focus on protecting the environment, caring for our employees, serving the community, and creating a healthy and comfortable living environment. We are committed to maintaining communication and cooperation with our stakeholders to mitigate environmental and social risks in our business operations, to enhance our environmental and social benefits, and to drive a long-term stable development of our business.

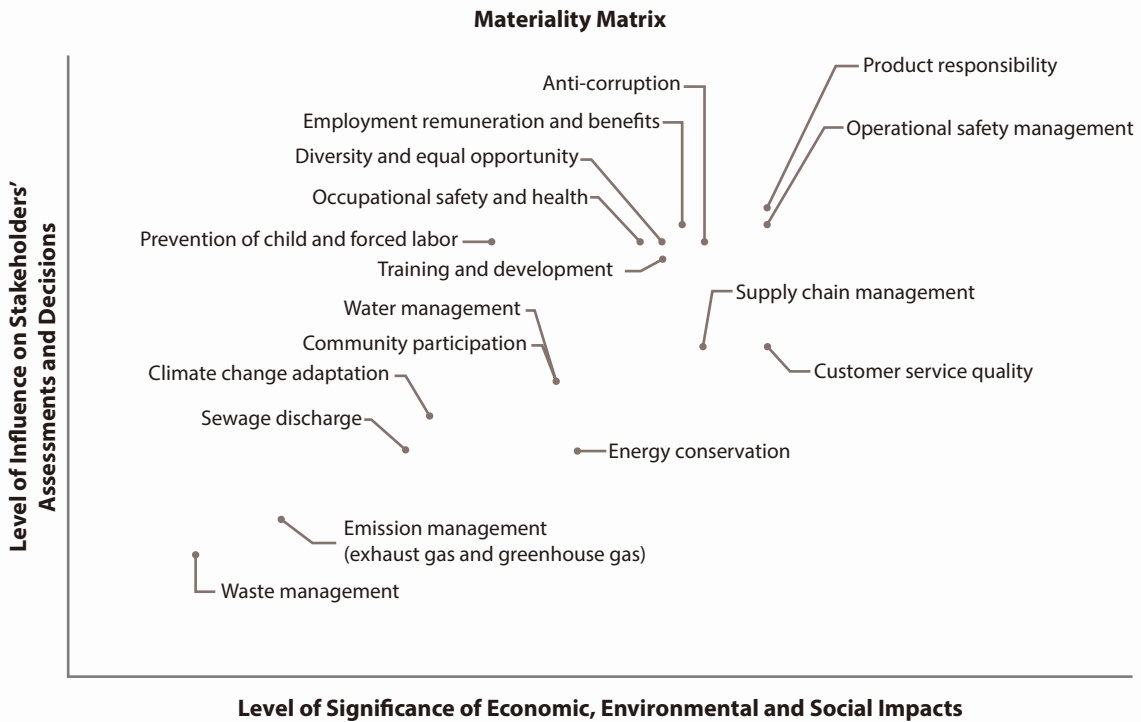
Stakeholder Engagement

The Group is well aware of the interaction and importance of its business operations with internal and external stakeholders. Thus, we set up and constantly improve our effective communication mechanisms to understand and manage the expectations and needs of our key stakeholders through various channels and to maintain a collaborative relationship with stakeholders for the long term.

Stakeholders		Communication Channels	Frequency
Internal Stakeholders	The Board	Board meeting Reporting to the Board	Quarterly Throughout the year
	Employees	Intranet, email and meetings Employee trainings Employee activities	Throughout the year
External Stakeholders	Government and regulatory agencies	Regular information reporting	Monthly
	Shareholders and investors	Announcements and newsletters Annual General Meeting Company website	Throughout the year Annually Throughout the year
	Customers	Customer service center and hotline Customer satisfaction survey	Throughout the year Upon project handover
		Social media platforms (such as WeChat public account)	Throughout the year
	Suppliers	Bidding process	Throughout the year
	Community	Social media platforms (such as WeChat public account)	Throughout the year

Materiality Assessment

The Group re-examined and reviewed the materiality issues determined in the Group’s 2020 Sustainability report in accordance with the “Materiality” principle in the ESG Reporting Guide. On this basis, the Group has further determined an updated list of material ESG issues for the Reporting Period. The Group has compiled a questionnaire in reference to the identified material ESG issues to collect the information and feedback from the management and employees in different departments and business units of the Group. Based on the results of the questionnaire, the management determined the final priority of different ESG issues that are material to the Group. Details of such materiality issues are as follows:



ENVIRONMENTAL ASPECTS

Emissions

The Group fully acknowledges that, as a company engaged in property development, construction and use of buildings will generate certain emissions and its business activities will inevitably cause environmental impacts. Therefore, in response to the government requirements, the Group undertakes to minimize negative impacts on the environment during its business operations. The Group implements stringent oversight of emissions, such as sewage discharge, dust control, construction waste management and noise control. In addition, project managers regularly communicate with construction contractors to review the environmental compliance on the construction sites.

The Group's construction and residential sewage discharge strictly complies with national and local standards, and sewage is precipitated before being discharged into the municipal sewage pipe network. To reduce dust, we adopt the water-based dust control method to carry out ground works by spraying water regularly and setting fog cannon spray machine in the construction site. The construction site is covered with dust filter materials. We monitor the real-time air pollution index by using site dust monitoring system. To store and dispose wastes, we place and classify construction wastes in specific areas to take measures to manage different types of wastes and recycle them where practicable. For toxic materials such as chemicals and oils, seepage control is applied to storage sites. We require the waste cleaning and transportation unit to obtain a transportation permit and sign a garbage removal agreement. Transportation vehicles are completely blanketed to prevent the overflow of wastes and flying dust during transportation. The cleaning equipment is installed at the entrance of the construction site to ensure that the incoming and outgoing vehicles are cleaned. Due to the nature of our business, the amount of hazardous wastes directly generated by the Group during the Reporting Period was not significant. Yet, all hazardous waste was filtered and passed to a qualified chemical waste collector to lawfully handle and dispose.

In order to reduce the impact of noise on the surrounding environment during construction, we not only deploy a dense network of acoustic barriers for the buildings, but also measure the noise level of the construction site in accordance with the relevant standards so that the daytime noise level of the construction site is strictly controlled within the standard limits. We have also taken steps to reduce fuel emissions, such as using smaller vehicles and performing regular maintenance to ensure optimal engine performance and fuel use.



Car cleaning equipment is installed at the entrance of the construction site



Covering exposed loess on site

In strict compliance with relevant laws and regulations on environmental protection, such as the Environmental Protection Law of the PRC, Law of the PRC on Environmental Impact Assessment, Law of the PRC on the Prevention and Control of Atmospheric Pollution and Law of the PRC on Prevention and Control of Pollution from Environmental Noise, the Group was not aware of any material non-compliance with related laws and regulations during the Reporting Period.

USE OF RESOURCES

Green Building

The Group actively applies environmental protection elements to its property development.

The Group also draws on and adopts the experiences of leading companies in the industry in the architectural design, construction and operation to develop environmental management plans and emergency rescue plans. The Group takes effective measures to reduce environmental load while improving performance.

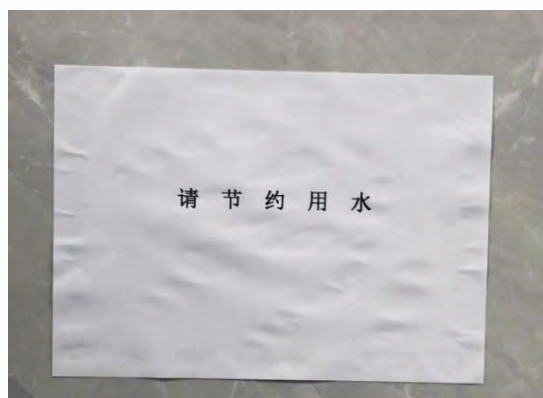
Property development projects of the Group are designed based on the “Code for Green Design of Civil Buildings” 《民用建築綠色設計規範》, “Assessment Standard for Green Building” 《綠色建築評價標準》, “Green Building Evaluation Technical Rules” 《綠色建築評價技術細則》, “Supplementary Instructions to Green Building Evaluation Technical Rules” 《綠色建築評價技術細則補充說明》, “Design Standard for Energy Efficiency of Buildings” 《建築節能設計準則》 and green building and energy saving standards at provincial level. In order to meet the requirements of energy efficiency standards, the materials such as hollow bricks, aerated concrete, thermal insulation material of exterior walls and aluminium alloy windows are used in the construction of the Group’s property projects to improve the insulation performance of the building. We also take various measures to improve the water efficiency. For example, a map of water distribution regarding the construction site is prepared to ensure that the water source is clearly identified and controlled; water pipes and equipment receive regular inspection to prevent leakage; a recycling pool is established to collect water for washing machines, equipment and vehicles; and use of new materials or processes is vigorously promoted to improve water efficiency.

Due to the nature of the Group’s business, the Group has not encountered any problems in obtaining suitable water sources.

Given that lighting energy consumption accounts for a large proportion, the Group has replaced incandescent lamps for all property projects with energy-efficient LED lamps. In addition to the lighting system, we also reduce energy consumption by optimizing heating and cooling system, setting constant air conditioning temperature in summer, adopting municipal unified heating in winter, disposing of company public vehicles and promoting public transport and ride-hailing. Starting from 2018, Xinxiang Weiye Property Co., Ltd. and Henan Xingwei Property Co., Ltd. adopted the Sponge City Construction System to collect rainwater for flushing and greening, and enhanced the environmental awareness of residents by organizing property owners to participate in environmental protection campaigns, as well as offering books and periodicals on environmental protection.

Green Office

To promote cost-effective office values and reduce wastes of resources, the Group has developed the "Office Supplies Management Policy", which stipulates that office supplies, as needed, shall be purchased, distributed and managed. The Group also maintains a policy of "reduce", "recycle" and "reuse". We have fully implemented the electronic information approval system, and actively promoted paperless office and WeChat group office. We reduce long-haul flights by means of video and telephone conferences. In addition, we encourage our staff to turn off electricity and water equipment when they are not in use. Furthermore, double-sided printing is encouraged for delivery of documents and waste papers are used for printing informal documents.



Environmentally friendly slogans for offices

Due to the nature of the Group's business, the Group do not consume a significant amount of packaging material used for finished products.

THE ENVIRONMENT AND NATURAL RESOURCES

According to the Group's "Environmental Policy", the Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor past and present business activities impacting upon health, safety and environmental matters. During the Reporting Period, the Junwei Project made more efforts in afforestation by increasing artificial vegetation in order to improve the environment surrounding its construction. With the integration of policies and measures mentioned in sections "Emissions" and "Use of Resources", the Group strives to minimize the impacts to the environment and natural resources.

CLIMATE CHANGE

Climate change poses escalating risks and challenges to the global economy, and such risks may negatively impact the Group's business. As a result, the Group is aware of the importance of identifying and mitigating any major impacts caused by climate change. Pursuant to the International Recommendations from Task Force on Climate-Related Financial Disclosures ("TCFD") established by the Financial Stability Board, the management of the Group has evaluated and fully recognized the impact of climate-related risks on the Group's business. Corresponding opportunities and actions taken to manage them are as follows:

Climate Risks

Physical Risks

Potential impact on the Group's business

For acute risks, the increasing frequency and severity of extreme weather events, such as heat waves, typhoons, floods, and rainstorms etc., may cause physical damage to the Group's property, thus increasing the Group's maintenance costs and disaster response costs. In worse cases, it may seriously threaten the safety of building management personnel and building users, causing a negative impact on the reputation of the Group. For chronic risks, potential flooding due to the rise of sea level will cause damage to infrastructure and facilities, increasing the cost of repairing damaged facilities.

Management strategies

In order to prevent disasters caused by extreme weather, the responsible property management teams of the Group make preparations from the following aspects:

1. According to the geographical location of the project, the management should determine the probability of possible severe rainfall, sandstorm, blizzard, extreme cold, extreme heat, and other extreme weather, and deal with such events based on the probability.
2. Formulate emergency plans for different kinds of extreme weather, conduct drills for prevention, and purchase flood prevention sandbags, warm quilts, and other materials in advance.
3. The relevant responsibility should be assigned to specific person and preventative measures should be taken to prevent accidents before they happen. Accurately grasp the weather conditions, and communicate emergency information in a timely manner through different channels, such as mobile phone short messages, community radio, WeChat group notices.
4. When disasters happen, the management team should respond promptly, and recover the damaged property as well as reputation losses.

For chronic physical risks, such as rising sea level, the Group actively avoids choosing locations that are prone to such chronic risks, during the initial site selection of the project. In the project planning and design stage, the Group fully considers the conditions for disaster prevention and control. The Group would formulate the emergency plan to respond to emergencies in a timely manner. In addition, measures such as energy saving and green commuting are taken by the Group to combat climate change in order to mitigate such chronic risks in the long term.

Transition Risks

Potential impact on the Group's business

For transition risks, the Group expects policies and regulations related to climate change are becoming stricter. If the Group's existing compliance procedures and business operations would not fully comply with the new legal and regulatory requirements, it might incur additional compliance costs and the reputation of the Group. Additionally, tenants and customers are gradually turning to enterprises that incorporate sustainable development concepts into their operations. If the Group fails to integrate sustainable development into business operations in a timely manner and effectively respond to the problems caused by climate change, it may risk losing its competitiveness in the market.

Management strategies

To manage the above transition risks, the Group has taken an array of actions. First, the Group's management regularly monitors existing and emerging climate-related trends, policies and regulations and seek compliance consulting services to reduce legal risks. Second, the Group ensures that all products of the Group meet the current national policy requirements for energy conservation and green construction. By learning the concept of sustainable development from leading property developers, the Group will gradually enhance its product competitiveness regarding sustainability.

ENVIRONMENTAL KPIS

During the Reporting Period, set out in Table 1 are the total area of the business operations included in the reporting scope of this Report, which is used to calculate the intensity data. During the Reporting Period, the Group's environmental data cover data related to offices, sales department (or marketing centre), staff canteen, dormitory of the Company, construction sites, staff canteen and dormitory at worksites. Because the Group added data from entities in Fujian and Zhejiang compared with 2020, the consumption of purchased electricity, water, liquefied gas, gaseous natural gas and non-hazardous wastes increase accordingly. The decrease in petrol consumed by vehicles is mainly because we significantly decrease our use of vehicles in Henan Province and Guangdong Province due to the serious flood in Henan and the approach to completion for certain projects in Guangdong, respectively. During the Reporting Period, the major air pollutant emissions are from the use of vehicles. The Group produces approximately 0.32 kg sulphur oxides, 43.20 kg nitrogen oxides and 3.79 kg particular matters. Due to the nature of our business, the amount of hazardous wastes generated by the Group during the Reporting Period was not significant. Yet, all hazardous wastes were filtered and passed to a qualified chemical waste collector to lawfully handle and dispose.

Table 1

Category	Data Unit	Remarks
Total area	191.53 ten thousand square meters	The total GFA and total office area of subsidiaries included in the reporting scope of this Report.

Table 2

Greenhouse gas ("GHG") emissions from our operation are set out as follows:

GHG Emissions

	2021	2020
Scope 1: Direct emissions (tonnes of CO ₂ equivalent)	74.08	111.07
Scope 2: Indirect energy emissions (tonnes of CO ₂ equivalent)	907.86	680.55
Total (tonnes of CO ₂ equivalent)	981.94	791.62
Intensity (tonne of CO ₂ equivalent)/ten thousand square meters)	5.13	5.52

Note:

The calculation of the GHG is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIS" issued by the Stock Exchange, and the "Global Warming Potential Values" from "The Fifth Assessment Report" of the United Nations Intergovernmental Panel on Climate Change. The GHG data only includes data directly related to the Group's operations and excludes the GHG emitted by the Group's outsourced vendors.

Scope 1: Direct emissions from petrol, diesel and liquefied petroleum gas used by vehicles owned by the Group and natural gas used in the canteen and staff dormitory

Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group

Table 3

Non-hazardous wastes generated are set out as follows:

Non-hazardous wastes

	2021	2020
Non-hazardous wastes (tonnes)	225.49	185.09
Intensity (tonnes/ten thousand square meters)	1.18	1.29

Table 4

Energy consumption by the Group are set out below:

Energy Consumption

	2021	2020
Direct energy consumption		
Petrol (kWh)	205,812.48	368,713.20
Diesel (kWh)	2,350.88	–
Liquefied petroleum gas (kWh)	61,681.07	–
Gaseous natural gas (kWh)	13,323.26	4,340.44
Liquefied natural gas (kWh)	–	2,221.33
Indirect energy consumption		
Purchased electricity (kWh)	1,501,627.87	1,185,914.78
Total (kWh)	1,784,795.56	1,561,189.75
Energy intensity (kWh/ten thousand square meters)	9,318.62	10,890.76

Table 5

Water consumption by the Group are set out below:

Water Consumption

	2021	2020
Water (m ³)	69,446.27	52,215.01
Intensity (m ³ /ten thousand square meters)	362.59	364.25

TARGET SETTING ON ENVIRONMENTAL ASPECTS

The table below summarizes the Group's sustainability targets:

Aspect	Upcoming Targets
GHG	In 2025, reduce the GHG intensity by 2% compared with the level in 2021.
Non-hazardous waste	In 2025, reduce the non-hazardous waste intensity by 2% compared with the level in 2021.
Energy	In 2025, reduce the energy consumption intensity by 2% compared with the level in 2021.
Water	In 2025, reduce the water consumption intensity by 2% compared with the level in 2021.

SOCIAL ASPECTS

Supply Chain Management

Supply chain management is an important factor in ensuring the quality of products and services. The Group regards supplier management as partner management, as a good partner could guarantee the smooth progress of property projects. Therefore, we are committed to optimizing supply chain operations, so that the supply chain could operate efficiently to the satisfaction of end customers' needs at the most reasonable cost from the procurement process to other processes, which will deliver suitable products to consumers in a timely and accurate manner at a reasonable price. Starting from the aspects of supplier selection, supplier performance evaluation and supplier classification management, we work closely with high-quality suppliers and contractors to effectively manage supply quality and engineering quality, and actively promote the sustainable development of the supply chain.

The supplier selection of the Group is open to the public, and all suppliers can recommend themselves or be recommended to participate in the construction of the resource library. According to our own needs and "Supplier Management Measures", we conduct review on the information of the required suppliers, pay on-site visits to such suppliers when the suppliers meet the requirements of the Group, and then determine whether to approve the suppliers' access based the on-site inspection opinions and interviews with its senior management. We implement dynamic hierarchical management based on the supplier's competitive advantages and performance evaluation. When considering inclusion of a supplier into our resource library, the management system certification obtained by the supplier will be one of the evaluation factors. At the time of bidding, we explicitly request the bidders to formulate detailed environmental protection management systems and measures in the technical tender, which will also be an important part of the review. We specify environmental protection agreements in the contract with the suppliers, including the management of environmental impact factors, such as noise and dust. When the construction affects the surrounding environment, we will strictly stop the constructors, and urge them to make improvements and strengthen supervision and management in a timely manner. We also reduce the negative impact of the construction on the environment by purchasing or leasing dust-reducing equipment. At the same time, we monitored and disclosed the use of water, electricity and fuel of certain subsidiaries during the Reporting Period to assess the efficiency of resource utilization in relation to the construction. For relevant data, please refer to the section headed "Environmental KPIs".

The Group has formulated the "Management Measures for Bidding and Procurement" and "Supplier Management Measures" to regulate the bidding procurement workflow and conduct dynamic management of qualified suppliers to improve the supervision and management and risk prevention mechanisms for bidding and procurement, thus increasing the cooperation efficiency with suppliers and contractors and the quality of bidding and procurement. We include the track records of the suppliers, such as credit, non-compliance records or conflicts of interest, in the assessment. In the future, the Group will continue to improve the supply chain management to reduce environmental and social risks in the supply chain.

Additionally, the Group endeavours to support local economies and prioritises the procurement from local and regional suppliers to lower the carbon footprint during transportation. The Group also gives priority to suppliers that use environmentally preferable products and services in the selection process, and strives to minimise potential environmental and social risks in the supply chain. The Group will continue to review its supply chain periodically with regard to the suppliers' performance and environmental and social standards. Any material violation of laws and regulations may lead to the termination of supplier contracts.

During the Reporting Period, the Group had engaged a total of 13 major suppliers, which were all located in PRC, and all major suppliers are subject to the above evaluation and monitoring regularly.

PRODUCT RESPONSIBILITY

Product Quality

Adhering to the principle of "integrity, pragmatism, professionalism and innovation", the Group aims to build a high-end brand and deliver quality housing and services.

In order to supervise the quality and safety level of real estate projects, strengthen the program control of the project schedule, quality and safety of real estate projects, further improve the project management level of each regional group and the projects under its control, pre-control the project management risks of each project, and promote the substantial improvement of the project quality of each project, the Group has developed relevant policies, such as the "Structure Safety and Function Quality Control Measures", "Production Safety Management Measures", "Operation Results Management Measures" and "Construction Supervision Management Policy", "Engineering Inspection and Assessment Management Measures", "Display Area Quality Acceptance Scores Measures". The Group regularly carries out sample checks on safety, construction and bidding process, and completes and reviews necessary documentation. In order to ensure the safe and effective operation of the facilities, we also require the responsible departments to record and properly maintain the construction plans, equipment maintenance plans and test records, fire protection system, water pipes and water pressure test records, and water supply pipe flushing and disinfection records.

The Group's Operation Management Division, Regional Group and Project Team are engaged in product quality management to meet the expectations of different internal stakeholders. The Operation Management Division and the project team are responsible for supervising project compliance to ensure that the projects follow the Group's internal policies and procedures, and comply with the standards such as the "Unified Standards for Constructional Quality Acceptance of Building Engineering" and various engineering construction quality acceptance specifications. Throughout the project construction process, the regional team is responsible for monthly checking and evaluating the quality level and safety of projects under construction in respective regions according to the acceptance standards, while the Operation Management Division is responsible for performing quarterly inspections. As for the project team, the Group requires the project manager to monitor the quality of raw materials through sample inspections, and to check the factory certification or inspection and test reports for new equipment. At the same time, we also carry out the supervision and management of the projects under construction during the process by engaging professional supervision companies, to ensure that the quality complies with the construction project management regulations.

Since the Group predominately engages in developing large-scale and multi-phased property projects, it was not involved in sales of products during the Reporting Period. The disclosure on the total products sold or shipped subject to recalls for safety and health reasons does not apply to the Group.

Customer Services

The Group views customer satisfaction as a tool to understand customer demands and improve the quality of our products and services. The Group focuses on building long-term relationships with our clients and hence puts much effort in providing clients with one-stop services including after-sales maintenance management.

The Group pursues consistency and standardization in customer service. We have established the “After-Sales Maintenance Management Policy”, “Member Management Manual” and “Measures to Establish, Manage, and Use Customer Resource Library”, with a view to delivering consistent and well managed services to our customers, including aftersales maintenance, product warranties, managing and resolving customer complaints, and improving relations with the members of the Club. 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 clarifies the scope of maintenance work, supervision, quality requirements, warranty period, maintenance flow chart and time required, and standard operating procedures to ensure that all complaints are addressed and resolved professionally.

The Group’s sales and marketing service centre has set up a call centre to provide a platform to collect customer enquiries and feedback in order to optimize customer relationships and improve customer service standard. We have established a “Call Centre Management System”. The call centre handles matter such as sales complaints, maintenance, property delivery complaints, and property owners’ enquiry. The sales support centre is responsible for racking the repair and maintenance process, and supervising the third parties and suppliers during repair and maintenance. In addition, they collect feedback from clients regarding their satisfaction of the maintenance work. During the Reporting Period, the Group has not received any major complaints regarding its services. If there is any complaint cases, such case will be handled by responsible function of the Group in a timely manner.

In the process of publicity and sales, the Group abides by the Advertising Law of the People’s Republic of China and other relevant laws and regulations, strives to provide accurate information on promotional materials, and prohibits employees from making any false, misleading or inaccurate statements in any form of marketing activities.

The Group actively responds to the protection of intellectual property, strictly abides by the Patent Law of the People’s Republic of China, Trademark Law of the People’s Republic of China and other relevant laws and regulations. The Group publicize intellectual property laws and regulations and advocate employees to safeguard other people’s intellectual property. For any materials involving other people’s patents and intellectual property, we shall use them carefully within the legal scope after being authorized so as to reduce the risk of infringing other people’s intellectual property.

The Group abide by Personal Information Protection Law of the People’s Republic of China. The Group strictly prohibits any collection, use, disclosure or transfer of the Group’s internal and customer data to other entities without prior consent from the management. Unauthorized access and misuse of information are also strictly prohibited. Any violations are major misconduct that shall be subjected to disciplinary action. In addition, a proper review mechanism has been established to approve any amendment within the data and privacy protection procedures to present risks of inappropriate access grants, and decrease uncertainties of potential misuse of data.

During the Reporting Period, the Group was not aware of any material non-compliant with related relevant laws and regulations regarding governing health and safety, advertising, labelling, privacy matter and methods of redress related to products and services provided. We intend to select pilot venues during the Reporting Period to launch a series of membership activities to boost the activity of owners and improve satisfaction on community culture.



EMPLOYMENT AND LABOUR STANDARDS

Overview of Employees

In strict compliance with the relevant laws and regulations on labour in the jurisdiction where it operates, such as the Labour Contract Law in the PRC and the Employment Ordinance in Hong Kong, the Group is committed to safeguarding the legitimate rights and interests of its employees. Employees are entitled to have equal opportunities and benefits in compensation and dismissal, recruitment, promotion, advancement, and personal development regardless of gender, age, ethnicity and cultural background.

The Group's recruitment, allocation and promotion management practices are developed to meet the Group's strategic development needs, which aims to establish high-quality workforce, optimize talent allocation, improve talent selection and stimulate work motivation. Following the principle of "openness, fairness and justice", the Group recruits external staff by using diversified recruitment channels and selects appropriate talents in accordance with the recruitment and probation process in accordance with the law. In addition, the Group follows its Performance Assessment Measures to assess employees performance with principles such as strategy-oriented, result-oriented in an objective, impartial, and transparent manner.

The "Remuneration and Benefit Policy" of the Group follows a fair and motivational principle of providing employee with rewards based on positive contributions, appraisals and performance. In addition, the "Award and Penalty Policy" is designed to stimulate the enthusiasm and potential of employees. We strictly abide by the minimum wage requirements in each place of operation, and comply with laws and regulations in terms of social insurance, paid annual leave, and salary and benefits during work-related injuries. In terms of promotion and advancement, the Group provides employees with a two-channel promotion system for technology and management positions, where employees can choose their development based on individual needs. In terms of demission and dismissal, the Group strictly follows the Labour Law and the Labour Contract Law. The Group will not tolerate unjustifiable dismissal of employees under any circumstances. Any termination of employment contract will be based on reasonable and lawful reasons and internal policies. The Group strictly prohibits any form of unfair or unreasonable dismissal.

As far as labour standards are concerned, the Group strictly abides by the Labour Law. During the Reporting Period, the Group has not aware of any non-compliance with related laws and regulations on equal opportunity, diversity, anti-discrimination and other treatment and benefits, nor has there been any violation of child labour or forced labour. In terms of working hours, the Group adopts 5 working days per week and 7 working hours per day. The Group also provides various holidays for employees, including annual leave, study leave, marriage leave, paternity and bereavement leave, work-related injury leave, maternity leave, sick leave, etc. The application, use and payment of various holidays are detailed in the related policies of employee leave management.

During the Reporting Period, the Group had a total number of 135 employees within the Reporting Scope and all employee are full-time employees based in China. Below is a detailed breakdown of our employees by gender, age group and employee category as at 31 December 2021:

	2021	
	Number of staff	% of total
By gender		
Male	88	65
Female	47	35
Total	135	100
By age group		
Below 30	29	21
30–50	103	77
51 or above	3	2
Total	135	100
By employee category		
Senior	13	10
Middle	38	28
Normal	84	62
Total	135	100

During the Reporting Period, the turnover rate in China is 71% within the Reporting Scope. Below is a detailed breakdown of our employee's turnover rate by gender and age group as at 31 December 2021:

	2021
Turnover rate by gender	
Male	77%
Female	62%
Turnover rate by age group	
Below 30	53%
31–50	83%
51 or above	67%

Note:

The turnover rate for each employee category is calculated by the following formula:

$$\frac{\text{Number of employees left during the Reporting Period}}{\text{Number of employees at the beginning of the Reporting Period}}$$

Labour Standards

As far as labour standards are concerned, the Group strictly abides by the Labour Law. During the Reporting Period, the Group was not aware of any non-compliance with child labour or forced labour related laws and regulations that would have a significant impact on the Group.

Guided by the Labour Standards Recruitment Procedures, the use of child or forced labour are strictly prohibited within the Group. During the recruitment process, we conducted the employee background check through inspection of identification documents and background investigation prior to offering of the employment contract. If there is any infringement, the Group will handle it seriously depending on the specific conditions. Such procedures will be reviewed regularly by the Group's management to comply with the latest laws and regulations.

Health and Safety

The Group regards employees as the most important assets and promises to provide a safe and healthy working environment for each employee. Safety operation is listed as one of the KPIs. It is the responsibility of the regional manager to ensure that the Company's overall safety levels across the business are monitored and managed effectively. We prevent occupational health and safety risks by purchasing accident and injury insurance policies and providing annual health checks for our employees.

During the severe spread of the novel coronavirus, the Group recognizes the importance of prioritizing the health and safety of its employees, customers and suppliers, and promptly made arrangements relating to the pandemic prevention and control throughout its operation management divisions, regional groups, and project companies, whereby focusing on the establishment of the staff health management, procurement of pandemic supplies, project safety management, and other areas, while planning and coordinating the Group's pandemic prevention and control in each region. To strengthen the pandemic monitoring and reporting, the Group maintains a daily report on the health conditions of all employees and their family members, pays a closer attention to anomalies, and took appropriate pandemic prevention and control measures.

- Office buildings of the subsidiaries were required to turn off the central air-conditioner;
- Air purifiers were used to clean and disinfect public areas before the commencement of work;
- Our employees who were required to return to their workplaces carried out a home or centralized quarantine for fourteen days, and submitted reports to the community management office in a timely manner;
- Any visitors from China pandemic areas listed with high-risk are not allowed to enter the office site;
- Each unit was required or encouraged to provide flexible workplaces or allow for home offices based on actual local conditions;
- Online conferences using video conferencing systems, WeChat, etc. were held instead of large conferences during the pandemic;
- Our employees were required to take their temperature twice a day, and were provided with masks to ensure that the on-the-job employees wore masks as required;
- Daily disinfection was required for public areas, shared items, and key crowded areas as required by the pandemic prevention and control authorities;
- Staggered meal hours were required to ensure that the employees kept a distance of at least one meter from each other, and no face-to-face dining was permitted with the canteen closed temporarily;
- During the pandemic, the employees were prevented from travelling, and business activities were conducted through online communications;

- We effectively managed the influx of visitors to prevent public premises from exposure to major potential pandemic risks; and
- Each unit was encouraged to receive the vaccine to prevent the Coronavirus disease.

In order to strengthen the safety management at the workplace, the Group has designated safety inspectors to conduct daily safety inspections of offices and workplaces in accordance with the “Regulations Governing the Use of Office by Employees and their Responsibilities” 《員工辦公室使用行為及責任規定》, “Office Environment, Office Order and Safety Management System” 《辦公環境、辦公秩序及安全管理制度》, and “Office Order Management Regulations” 《辦公秩序管理規定》 to ensure the normal operation of infrastructure such as windows, emergency exits, wires, and electrical equipment. We also provide firefighting training to all employees to improve their fire response capacity and fire prevention awareness. We engage a professional cleaning company to be responsible for the daily cleaning of the office and install an indoor air purification system in areas with poor air quality to ensure a comfortable and healthy working environment.

At the construction sites, we also attach great importance to the occupational health and safety of construction workers and ensure construction safety by implementing the following measures:

- Set up occupational health and safety management objectives and establish safety management organizations;
- Organize pre-job training and establish the certificate-for-job system;
- Strictly implement the rules and regulations on work safety, and establish a safety production responsibility system for management staff at different positions;
- Develop implementation rules on safety production and safety fire management;
- Prepare an emergency rescue plan for safety production accidents;
- Divide the living quarters of workers and implement environmental and health protection measures;
- Implement health protection measures on food storage and processing;
- Implement detailed dust control measures; and
- Implement measures to reduce the hazards of vibration and noise.

During the Reporting Period, the Group did not have any violations in terms of health and safety, including but not limited to the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, Fire Law of the People’s Republic of China. There were no work-related fatalities that occurred in each of the past three years including the Reporting Period and there were no records of lost days due to work injury during the Reporting Period.

Development and Training

Employees play an important role in the growth and development of the Group. The Group attaches great importance to the professional development and personal growth of its employees. Through the enhancement of internal training, the Group strengthens the overall quality and learning capabilities of its employees.

Guided by the Group’s sustainable development strategy, the Group has established a training system combining internal training and external training with the goal of improving employees’ business skills, comprehensive quality and management ability. Internal training focuses on corporate culture, institutional process and professional knowledge training in order to stimulate employees’ innovation ability, sense of belonging and sense of urgency, and constantly enhance the vitality and cohesion of the enterprise. It is mainly applicable for middle management, normal employees and new employees.

External training focuses on improving the management concept, ideology, innovation, and resource management, so as to improve the comprehensive quality and management ability of employees. It is mainly applicable for middle and senior management of the Group.

In 2021, the Group invited a guest speaker to give an “Industry+” thematic knowledge training, which explores how to proceed “Industry+” convergence under the “two-level control and one-level approval” model, aiming to achieve the win-win new development that “property brand promote the implementation of industries and industrial development drive property development”.



“Industry+” thematic knowledge training

The Group regards training as its routine management in which different types of training will be held 2–3 times a month on average and require every employee receiving at least 4 hours training a month.

Below is a detailed breakdown of the percentage of trained employees by gender and employee category during the Reporting Period:

	2021	
	Number of staff	% of total
Employee trained by gender		
Male	88	65
Female	47	35
Employee trained by employee category		
Senior	13	10
Middle	38	28
Normal	84	62

Note:

The percentage of trained employees during the Reporting Period is calculated by the following formula:

$$\frac{\text{Number of employees trained in this category}}{\text{Total number of employees trained}}$$

The average training hours for employees by gender and employment category during the Reporting Period is as follows:

	2021
	Hours per employee
By gender	
Male	66
Female	74
By employment category	
Senior	69
Middle	69
Normal	69

ANTI-CORRUPTION

The Group has consistently adopted a zero-tolerance policy on all forms of corruption, bribery, fraud and money laundering, and strictly complies with laws and regulations in the PRC and the Prevention of Bribery Ordinance in Hong Kong. During the Reporting Period, the Group was not aware of any material non-compliance with related laws and regulations that resulted in internal disciplinary actions or external condemnation, and no bribery, extortion, fraud or money laundering. The Group has formulated rules and regulations 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 so on, which detail out the guidelines for employees to prevent various illegal and improper behaviours and to avoid potential conflict of interests with related parties, as well as the provisions for supervision and verification in bidding and procurement. The terms of the commitment to integrity will be stated when entering into business contracts with our customers, suppliers and other partners, to eliminate any violations of business integrity.

The Legal Department of the Group is responsible for updating the internal policies according to the latest changes with the relevant laws and regulations, and informs relevant teams to prevent violations. The Group has setup independent mailbox, e-mail and hotline to encourage its employees to report any concerns about misconduct, malpractice or irregularities in any matters related to the Group. After the preliminary evaluation of the whistleblowing, an investigational group with professionals included will be established to conduct investigation and submit reports to the Group's management for further handling. Every reasonable effort will be made by us to maintain the confidentiality of all whistle-blower, and the mechanism will be followed by careful investigation procedures. Such procedures will be regularly reviewed by the management to ensure its effectiveness.

Apart from above mentioned preventive mechanisms, we have also established annual anti-corruption training provided to the Board and employees, and require all newly recruited employees to undergo the "Code of Conduct" training. During the Reporting Period, both directors and employees have taken four anti-corruption courses, covering topics such as supervision and audit system, ethical management, therefore understanding their respective roles and responsibilities in anti-corruption and business ethics matters. During the Reporting Period, the Group was not aware of any material violation of laws and regulations related to bribery, extortion, fraud and money laundering, including but not limited to the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, and the Law of the People's Republic of China on Tenders and Bids, which had a significant impact on the Group.

COMMUNITY INVOLVEMENT

The Group rewards the society through charitable donations and participation in poverty alleviation organized by government. The Group attaches great importance to the investment and construction of the community, and encourages companies in all regions to actively fulfill corporate social responsibility. In accordance with the internal policies of Weiye Holdings, social welfare programs are initiated and implemented by each region, and are reviewed and supervised by the Group.

During the novel coronavirus pandemic, the Group has devoted its resources to maintain its business operations and suspended all its philanthropic activities. Should the pandemic have been ended, the Group will reallocate its resources to focus more on social activities and repay the community in the future.