



WEIYE HOLDINGS LIMITED

偉業控股有限公司*

(Singapore Company Registration Number: 198402850E)
(Incorporated in the Republic of Singapore with limited liability)
(Hong Kong Stock Code: 1570)
(Singapore Stock Code: BMA)

SUSTAINABILITY REPORT

Weiye Holdings Limited Sustainability Report

Introduction

We are pleased to present our first sustainability report (the “**Report**”) of Weiye Holdings Limited (“**Weiye**”) and its subsidiaries (collectively the “**Group**”).

This report sets out our commitments, governance and policies in respect of managing the environmental and social impacts of the Group during the financial year ended 31 December 2016.

Company Background

Weiye was founded in October 1999 and registered in Henan Province, China (one of China’s most populous and economically fast-growing provinces). The Group mainly conducts business in property development. Since 2009, the Real Estate Industry in China has been developing rapidly, the Group has expanded its property development business into China’s tourist spot, Hainan and Economic Development Zone Pearl River Delta, Shenzhen. At the same time, Weiye has been actively exploring market opportunities in the Jing-jin-ji Region and the Yangtze River Delta Region. The Group has become a specialized company that focuses mainly on Real Estate Investment and Development. Since its inception, the Group has been using various operating models to enter key domestic cities. The five main development operation models include integrated development model, joint venture model, joint development model, project management model and first-level and second-level linkage development model. Besides property development, the Group actively advocates and promotes the concept of environmental protection, bringing world-class air purification technology and products into our development projects and making efforts to build Green

and Environmental Friendly Real Estate. The Group will uphold the development concept of standardisation, efficiency and effectiveness and commit to become an influential company in China.

The Group was listed on the Mainboard of the 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.

Our Sustainability Governance

The Group's Board of Directors (the "**Board**") is responsible for the Report, which is aligned to the disclosure requirements of the Hong Kong Exchanges and Clearing Limited's ("**HKEX**") Environmental, Social and Governance ("**ESG**") Reporting Guide.

The Sustainability Steering Committee ("**SSC**") comprises of senior management representation across the Group's divisions and regions, and reports to the Board on sustainability matters. The SSC seeks to develop the Group's sustainability objectives, review the Group's sustainability policies and practices and manage and monitor the Group's ESG performance. We strongly believe in the value of the tone from the top, and all significant decisions in relation to environmental and social matters are deliberated by the Board and the SSC. This leadership drives the organisational commitment to our sustainability strategy and allows for sustainability to be integrated into our daily business operations. The Group has robust policies and practices such as our unique Management Approach Policy, the Roles and Responsibilities Management Policy, the Monitoring Audit System and the Project Development Standards in place to ensure accountability and transparency of the governance structure. The Roles and Responsibilities Management Policy was developed in 2017 to define the power relations of all levels of the Group in line with the Group's 2016 organisational reform programme and management needs. Responsibilities are clearly assigned and formal business approval procedures and regular business and specific audits are set to guide and monitor all key business decisions making process and business operations. The Project Development Standards were developed to clarify the project scope and standardisation, to improve the project efficiency and increase the risk awareness. To ensure the accuracy on implementing internal policies and standards, the Monitoring Audit System was developed to standardise the compliance monitoring and auditing process, and to prevent the operational risk of every business unit.

Our Sustainability Strategy

As a leading premium property developer in Henan and Hainan, China, we understand that sustained business growth in the longer term is closely tied to responsible business practices, including environmental and social practices. While we work towards meeting the increasing demand of residence and holiday homes in these fast-growing provinces, we are at the same time committed to creating environment-friendly and healthy living environments that will benefit our customers, contribute to our communities and enhance our reputation.

Our efforts to engage with stakeholders across the Group and to manage our supply chain contribute significantly to our objective of continuing compliance with relevant legal and regulatory requirements on environmental and social matters in our locations of operations. We believe that our proactive approach allows us to be better positioned in anticipation of upcoming environmental and social risks and opportunities. We hope to continuously refine and improve in our environmental and social management and performance so as to positively contribute to our overall business growth.

Our Report Scope

This report discloses information on the 11 prescribed aspects by HKEX ESG Guide relating to the Group’s core business activities in Property Development, Housing Construction and Project Management in both Hainan and Henan provinces. The Group intends to perform an assessment in the following financial year with relevant stakeholders to validate the materiality of these aspects to the Group.

In determining the scope of this report, we have included entities which either contribute significantly to the Group’s revenue for the financial year ended 31 December 2016, or for which the Group has operational control.

The entities covered in this report are:

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

The 11 prescribed aspects by HKEX ESG Guide which will be described in this report are:

Environment	Social
<ol style="list-style-type: none"> 1. Emissions 2. Use of resources 3. The environment and natural resources 	<ol style="list-style-type: none"> 4. Employment 5. Health and safety 6. Development and training 7. Labour standards 8. Supply chain management 9. Product responsibility 10. Anti-corruption 11. Community investment

Emissions

Recognising the importance of the environmental impact of the Group's business activities, we are committed to adopt high environmental standards and upholds the principle to strictly follow all relevant laws and regulations relating to environmental management in the operation of our businesses. The key measures taken by the Group on sewage discharges, waste management and dust control include precipitation of sewage before discharging; sorting, recycling and proper disposal of construction waste; and use of wet trade work for construction to reduce dust. Staff working on sites are given training on implementing these measures.

The Group's construction and domestic sewage discharges are in compliance with the Integrated Wastewater Discharge Standard and local regulations, such as the Construction Site Standard of Safety and Civilisation of Henan Province. We ensure that both construction and domestic sewage water are precipitated before discharging to the municipal wastewater pipes.

To manage construction waste, the Group ensures that it is disposed in a timely and environmentally responsible manner and recycled where possible. Construction waste on site is classified and respective control measures are set up to manage the different types of waste. Construction waste is placed separately at specific garbage storage sheds to avoid dust and waste is removed out of the construction site on a regular basis based on the quantity collected. Transportation permission is needed to clear the construction waste. All waste transport vehicles are fully covered by cloth after being loaded to prevent spills and dusts creation during transportation. In addition, car wash facilities are set at entrances to ensure all vehicles are 100% cleaned entering or exiting the construction site. To reduce as much solid waste as possible during the construction process, usable construction waste are tracked, collected and recycled. The Group's waste management is compliant with Construction Site Standard of Safety and Civilisation of Henan Province.

The Group also controls the dust and gas emissions to ensure that they do not exceed the boundary of relevant regulations. We use wet trade work for earthwork construction, spray water to reduce dust and cover the work site with dust filters. The Group is also in compliance with the dust prevention and control rules of the Ministry of Housing and Urban-Rural Development in Henan Province.

During the year, there were no incidents of non-compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land and generation of waste based on the Group's best knowledge.

Use of Resources

The Group actively incorporates environmentally friendly features in our construction projects to ensure efficient use of resources. The Group's construction of properties in Henan Province follow the Henan Province Energy Efficiency Design Standard for Residential Building and Public Building and the Construction Site Standard of Safety and Civilisation of

Henan Province. Examples of energy saving features include the use of commercial concrete, energy-saving aerated blocks, aerated concrete and other lightweight partition materials, external wall insulation and thermal broken bridge Aluminium windows. Moreover, we adopt numerous practices to enhance water usage efficiency. Examples of these practices include drawing the layout of water usage in construction sites to ensure water sources are clearly identified and controlled; planning and designing the water supply network for construction and fire control based on water consumption; at the same time prevent leakage from water pipes and equipment. We have set up recycle pools for the water used for washing machines, equipment, and vehicles. We also put emphasis on providing special control, adopting new materials or processes to increase the water use efficiency for high water demand procedures, such as concrete curing, mortar mixing, fire control water storage, plastering or other wet trade work.

Our Henan XinXiang Project participated in the 2016 Green Environmental Residence Programme organised by the Henan Housing and Urban-Rural Construction Department and obtained the Certification in Green Building Evaluation Label (Two Star).

To promote a green environment protection and conservation corporate culture, the Group has developed the Office Supplies Management Policy. At the Group's offices, we maintain a policy of reduce, recycle and reuse of materials to reduce wastage of resources. Procedures are developed on a needs basis and set out for the sourcing, purchasing, monitoring and distributing of office supplies.

In addition, according to the Employee Basic Behaviour Standard, the Group encourages reduction of electricity and water consumption by ensuring all facilities are switched off after work and save office supplies by using double-sided printing and reusing waste papers to minimise paper wastage.

The Environment and Natural Resources

The Group is in compliance with the noise emission standards of the Noise Limits for Construction Site by controlling the daytime noise level on site within the noise emission limit of GB12523—90 Noise Limits for Construction Site and following the GB12524—90 Noise Measurement for Construction Site to measure the noise level on site. The Group also complies with the Construction Site Standard of Safety and Civilisation of Henan Province. We reduce the nuisance of noise to the surrounding environment during construction through covering the exterior of the buildings under construction with dense meshes.

We demonstrate our continuous efforts in minimising any potential negative environmental impact through conducting regular test for all incoming materials; radon concentration level test for soil; indoor environment test before completion and environmental analysis; and issuing environmental assessment reports. In addition, the Group also complies with the Regulation on the Quality Management of Construction Projects and the Code for Indoor Environmental Pollution Control of Civil Building Engineering.

Employment

Employees are one of the Group's key assets that contribute to the Group's growth and success. In order to recruit, motivate and retain talents in an open, fair and just manner and comply with the relevant Labour laws and regulations such as the Labour Law and the Labour Contract Law, the Group sets up relevant policies and arrangements for employees such as the Remuneration and Benefit Policy, the Award and Penalty Policy, the Recruitment and Allocation Management Policy and the Employee Promotion Management Policy.

The Remuneration and Benefit Policy follows a fair and motivational principle of providing employee with rewards based on positive contributions, appraisals and performance. The policy sets out details on the remuneration and benefit categories, structure, calculations and release. In addition, the Award and Penalty Policy is designed to implement strict and impartial rewards and penalty system and create a positive work environment through encouraging and recognising positive behavior and contributions with administrative or financial rewards.

The Recruitment and Allocation Management Policy and the Employee Promotion Management Policy were developed to meet the Group's strategic development needs, establish high-quality workforce, optimize talent allocation, improve talent selection and stimulate work motivation. These policies also help to maintain the legitimate rights and interests of the Group and employee and establish a stable and harmonious labour relations. Examples of the Group's recruitment, allocation and promotion management practices include providing opportunities for internal staff rotation and promotion, using diversified recruitment channels to source external staff, developing stringent interview and probation requirements, conducting background checks and recruitment evaluation to ensure equal opportunities and non-discrimination during the hiring and promotion process. The Group has also set out clear procedures on reemployment arrangement and employee transfer process.

To actively cultivate integrity and professional ethical behavior within the Group, the Group also set up various policies and initiatives including the Employee Basic Behavior Standard and Employee Handbook. For example, there is regular supervision and inspection of staff behavior and work to ensure compliance with all rules, regulations and management requirements. Staff is discouraged to lie, slander, defame, bribe and use their position to seek personal economic benefits. Employee who misbehaves or misconducts would receive warning or penalty as set in the Group's Award and Penalty Policy. Moreover, staff compensation and personnel information are kept confidential to protect the privacy of employees.

The Group strives to provide competitive compensation and benefits to reward and motivate our employees based on their ability, performance, contribution and experience. The Group has developed the Staff Attendance Policy and the Employee Holiday Management Policy to communicate procedures, leave and allowance relating to overtime, injury, sickness, study, marriage, maternity, paternity and bereavement. These policies strengthen the management of labour discipline and staff attendance. The Group strictly follows relevant laws and regulations in the provision of the benefits and welfare such as

the minimum wage requirements in the respective provinces, government regulations on pension insurance, medical insurance, maternity insurance, unemployment insurance, work injury insurance and housing provident fund as well as requirements and guidance on medical expenses reimbursement, disability rating, employee paid annual leave and injury leave salary and benefits, etc.

During the year, there were no incidents of non-compliance with relevant laws and regulations relating to the aforementioned aspects of employment based on the Group's best knowledge.

Health and Safety

The Group prioritises the health, safety and the well-being of our employees and stakeholders linked to our operations. We continuously works on improving the working condition and building a clean and safe environment for our staff and stakeholders through following our Office Environment, Office Order and Safety Management Policy, which enables monitoring and timely management in cases of non-compliance with the relevant safety laws and regulations in China. During the year, there were no incidents of non-compliance with relevant laws and regulations relating to health and safety based on the Group's best knowledge.

The Group conducts daily office safety inspection relating to facilities such as electricity and windows, which involves safety inspectors with inspection forms and reports documented to oversee office safety matters. In order to prevent fires, the Group arranges regular safety check of wires and electrical equipment and provides fire emergency training to staff to raise awareness. The Group also outsources the daily cleaning to ensure the cleanliness of the office areas and installs fresh air and air purifying systems for offices and residences in haze affected cities to ensure the comfort and safety of the workplace and living environment.

Furthermore, the staff has the responsibilities to adhere to the behavioural guidelines and ensure environmental hygiene and their own safety at work. Staff responsibilities include keeping the office clean, cleaning up in time, no spitting, littering and smoking in office areas, following guidelines for office key use, following procedures for managing flammable, explosive and dangerous objects, no burning of waste papers in office and reporting of suspicious persons and incidents to Human Resources. Persons failing to adhere to these guidelines or responsible for causing any safety issues will be fined or punished accordingly.

Besides providing employee with the benefits required by the government, we also provide each employee with employer liability insurance and annual health check-up.

Development and Training

The Group offers a development platform to allow staff to grow both professionally and personally. The Group has developed a Training Management Policy to implement this

employee empowerment strategy and explains our commitment to enhance employee overall quality and capabilities, build high performance teams, create a good learning environment and strengthen the Group's core competitiveness. The Group offers different types and levels of training for staff including theory/concept, management skills, business skills, tools and others based on their needs. Trainings may be in the form of internal training, external training, on-the-job training, visits or outward bound training. To equip new hires with relevant skills and knowledge, the Group offers pre-post training and mentoring programme for new employees. Training attendance is recorded and training evaluation is conducted to further improve and customise the trainings. The Group also encourages staff's self-learning and continuing education and provide training award and allowance for staff to obtain professional qualification certificate and title certificate, attend external training and pursue further education. In the area of environmental and social management, every year during the two to three Group's Senior Management Trainings will comprise of trainings related to subjects including environmental management, employment, health and safety and corporate governance issues.

Besides training, the Group also encourages vertical and horizontal mobility within the Group for staff career development through promotion based on performance and experience. Moreover, the Group implements the Democratic Life Meeting Policy which comprises of principles, organisation format and rules of Democratic Life Meetings to enable open and frank feedback on individual performance.

Labour Standards

Integrity is one of the Group's key business philosophies and we comply with the stringent recruitment procedures to maintain our reputation as an ethical employer. We will not tolerate any use of child or forced labour. All our employment contracts strictly follow the Labour Law and the Labour Contract Law. The Group did not have any reported incidents on child or forced labour during the year.

Supply Chain Management

The Group works with a wide range of suppliers, partners and contractors and we always aim to exert a positive influence on our supply chain and drive improvements in their performance and impacts. The Group follows the Procurement Management Policy to choose suppliers and contractors. Our management conducts quarterly performance evaluation for each supplier and contractor. Qualified suppliers and contractors with positive performance assessment results, are recorded in our database and will be our prioritised choices for future contracts. By standardizing the bidding and purchasing flow, the bidding management and risk prevention will be able to improve, thus increasing the work efficiency and the quality of recruitment of suppliers and contractors.

In addition, the Group has set out clear basic criteria and requirements in selecting project partners, suppliers and contractors based on the Group's Project Partners Policy and the Group's Contract Management Policy, which includes criteria such as having a good real

estate professional ethics and moral quality apart from professional skills, experience and financial capital. This helps to deepen the organisational reform, as well as meet the Group's needs in rapid development, standardisation and efficiency. These two policies help to monitor and flag any irregularities or non-compliance with the General Principles of the Civil Law of The People's Republic of China, the Contract Law of the People's Republic of China, the Guarantee Law of the People's Republic of China and all relevant laws and regulations on contract and contract management. Our Contract Management Policy explains our approach in managing contracts from contract categorization, development, review and approval, implementation and supervision to changes, termination and conflicts management. In addition, all contracts should respect the social ethics and should not disturb the social and economic orders nor harm the public welfare.

Human Resources and the legal head are responsible to review the standardised contracts; provide training on legal knowledge; supervise the contract managers; provide initial legal opinions to customised contracts; inspect, supervise and assess the implementation of the contracts and manage any contract dispute. The contractors are being assessed based on their credibility, non-compliance history or any major economy crime or conflicts and they are required to provide documentations such as business license, production and operation permits, tax registration certificate, and other relevant certifications to show their qualification. In addition, the product quality of the contractors are being assessed by reviewing domestic and foreign production standard certificates. The Group will continue to identify areas where we can improve our assessment and management of environmental and social risks along the supply chain.

Product Responsibility

The Group builds our strong brand by following the principle of integrity, pragmatism, professionalism and innovation to deliver quality housing and services. To monitor the quality and safety of the properties and comply with relevant laws and regulations such as the Unified Standard for Constructional Quality Acceptance of Building Engineering, the Code for Acceptance of Construction Quality and Housing Quality Guarantee for Commercial Housing, the Group has developed the Construction Supervision Management Policy and regularly carries out sample checks on safety, construction and bidding process and completes and reviews necessary documentation. For example, the Group require stakeholders to provide construction project planning permit and test records of equipment operation; pipeline water pressure and closed water; rinse and disinfect water supply pipeline; fire-fighting system, weak current system, fitness equipment and entertainment operation to ensure the facilities are safe and working efficiently. The Group also provides documents for properties users such as Installation and operation instructions, product certification and maintenance menu to facilitate the use of the equipment and facilities provided. In addition, the Group engages qualified supervision companies to carry out independent third-party supervision as required by the Code of Construction Project Management.

The Group's sales and marketing service center has set up a Call Center Management System to provide a platform to collect enquiries and feedback on our products and services

in order to continuously improve and customise our products and services to meet and exceed our clients' needs. The call center handles matters such as sales complaints, maintenance, property delivery complaints, real estate license and owners enquiry. The sales support center is responsible for tracking the repair and maintenance process and supervise the third party and suppliers during repair and maintenance with documentation. In addition, they collect feedback from clients regarding their satisfaction of the maintenance work.

The Group focuses on building long-term relationships with our clients and hence put much effort in providing clients with one-stop services including aftersales maintenance management. The Group's Aftersales Management Policy monitors issues and processes including workflows on maintenance work scope, supervision, quality requirements, warranty period, flowchart and timeline. The policy was developed according to the standardization management requirements of the Group and the actual working condition of the city companies to ensure the after-sales maintenance quality and progress of the projects.

During the year, there was no material breach of or non-compliance with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress based on the Group's best knowledge.

Anti-corruption

To ensure the safeguarding of the Group's interest and prevent any illegal and improper behavior, the Group's Independent Commission Against Corruption (ICAC) Policy emphasises the Group's responsibilities in observing and upholding the Group's zero-tolerance for all forms of corruption, bribery and fraud and complying with national and organizational regulations on ICAC. This policy covers the monitoring and inspection of business activities from tendering and purchasing, engineering construction management and budgeting.

The Group take a proactive and serious stance to set up policies and guidelines across functions in preventing any illegal and improper behavior relating to corruption, bribery and fraud and building a sustainable and effective business. For example, the Regulations on Business Discipline Ordinance provide guidelines for staff to avoid bribery and avoid potential conflict of interests with related parties. In addition, staff is required to make assessment on relevant policy and regulations and write a report before working with any government departments. They are also responsible to ensure transparency throughout the bidding process and no insider information is sold to outsiders. The Group's corporate governance has a Monitoring Audit System which mainly conducts regular business audit and specific audit to prevent management risks such as violations, non-compliance and encroachment as well. The Finance Management Policy also sets out control points to regulate and monitor the finance staff to ensure all expenses and reimbursement made are in compliance with relevant fiscal and taxation policies and company finance management standards. The policies also optimize the efficiency usage of funds to reduce costs and

improve the quality and services of the financial management. Clear procedures are developed for expenses and reimbursement approvals and the finance staff is responsible to abide by professional ethics and adhere to the principle of integrity, confidentiality, and cautiousness. All employees are required to report any gifts received to Human Resources and follow the Group's rules to use those gifts received.

The Group has set up an independent mailbox, e-mail address and hotline for staff to report on suspicious incidents and the regional Group will arrange inspections to verify the reported incidents. The Group did not have any reported incidents on corruption in the 2016 financial year.

Community Investment

As a socially responsible corporate citizen, it is important that we contribute to the community in which we operate through charitable donations and organising voluntary community services. To monitor and manage the charitable donations made, according to the Group's 2017 Roles and Responsibilities Management Policy, the regional CEO is responsible for approving any regional group's charitable donations with an annual accumulated amount of RMB 100,000. For charitable donations above RMB 100,000, approval is needed from the Group CEO, who has the authority to approve an annual accumulated amount of RMB 100,000 to 200,000.

The report and additional corporate information are also available on our company website (www.weiyeholdings.com). Please feel free to send us your feedback on this report and other sustainability related enquiries to weiyegroup@weiyeholdings.com.

Appendix: HKEX ESG Content Index

Disclosures references with the requirements of the Hong Kong Exchanges and Clearing Limited’s (“HKEX”) Environmental, Social and Governance (“ESG”) Reporting Guide.

Aspect	Comply or explain Provisions	Description	Page Number
Environment	A1 Emissions	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4
	A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	4-5
	A3 The Environment and Natural Resources	Policies on minimizing the issuer’s significant impact on the environment and natural resources.	5
Social	B1 Employment	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to the following aspects: <ul style="list-style-type: none"> ▪ Compensation and dismissal ▪ Recruitment and promotion ▪ Working hours and rest periods ▪ Equal opportunity and anti-discrimination ▪ Diversity ▪ Other benefits and welfare 	6-7
	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.	7
	B3 Development and Training	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	7-8
	B4 Labour Standards	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	8

Aspect	Comply or explain Provisions	Description	Page Number
	B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	8-9
	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.	9-10
	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.	10-11
	B8. Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	11