

DASHAN EDUCATION HOLDINGS LIMITED

大山教育控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 9986



2023

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

CONTENTS

2	1. ABOUT THIS ESG REPORT	31	7. SUPPLY CHAIN MANAGEMENT
4	2. STATEMENT OF THE BOARD	31	7.1 Suppliers Screening and Procurement Management
5	3. CORPORATE GOVERNANCE	32	7.2 Quality and Service Evaluation
5	3.1 Governance Structure	33	7.3 Anti-Corruption and Integrity Management
7	3.2 Concept of Sustainable Development	34	8. ENVIRONMENTAL PROTECTION
8	3.3 Business Transformation	34	8.1 Environmental Impact
9	3.4 Steady Operation	37	8.2 Use of Resources
10	4. STAKEHOLDER ENGAGEMENT	40	8.3 Climate Change
10	4.1 Stakeholder Identification and Communication	44	8.4 Environmental Education
13	4.2 Materiality Assessment	46	9. COMMUNITY INVESTMENT
17	5. EDUCATIONAL INNOVATION	46	10. FUTURE PROSPECTS
17	5.1 Education Transformation and Business Innovation	47	11. LIST OF LAWS AND REGULATIONS
18	5.2 Enhancement of Teachers' Quality and Skills	49	12. INDEX TABLE OF THE ESG REPORTING GUIDE
21	5.3 Quality Education Resources and Services	55	13. GLOSSARY
24	6. PEOPLE-ORIENTED		
24	6.1 Bringing Talents Together		
27	6.2 Career Growth		
27	6.3 Diversification		
28	6.4 Care for Employees		
30	6.5 Health and Safety		

1. ABOUT THIS ESG REPORT

Report overview

The Group is pleased to present its ESG Report for FY2023. This ESG Report publicly discloses the Group's ESG work, and outlines the Group's strategy, policy, vision and performance on ESG issues of stakeholder concern and in relation to the Group's sustainable development for FY2023. As a responsible enterprise, the Group has always been committed to the concept of sustainable development, actively fulfilling its corporate social responsibility and integrating environmental and social management into its business decisions. The Board is responsible for the overall ESG strategy and reporting of the Group, and comprehensively oversees the associated risks and opportunities. Going forward, the Group will continue to monitor and refine the Group's initiatives and performance on sustainable development in an effort to create long-term value for all stakeholders and the communities in which it operates.

Reporting scope and reporting period

Unless otherwise stated, the scope of this ESG Report covers the Group's Non-academic Education Business in the PRC. (as defined in section 3.3 in this ESG Report). This ESG Report covers the period from 1 January 2023 to 31 December 2023, which corresponds to the financial period covered by the FY2023 annual report of the Group.

Basis of report preparation

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") set out in Appendix C2 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). This ESG Report has complied with all mandatory disclosure requirements and all "comply or explain" provisions, as well as the principles of materiality, quantitative, balance and consistency.

Materiality:

Combined with the Group's business development direction and the stakeholders' materiality assessment results in the previous years, the working group of this ESG Report conducted comparative analysis of the industry concerns, and reviewed and updated the Group's sustainability issues with reference to the international report preparation guidelines. After the Board identified the issues of high materiality for FY2023, the disclosure of this ESG Report was formed to thoroughly respond to the stakeholders' concerns. For more details application of materiality reporting principle, please refer to the subsection headed "Materiality Assessment" of "Stakeholders Engagement" in this ESG Report.

Quantitative:

The Group used customised data collection tools to continuously record and monitor environmental and social indicators related to its business, and made directional and forward-looking statements for some indicators that describe their purpose and impact, and so as to assess and verify the effectiveness of ESG policies and management systems. In preparing this ESG Report, the Group adopted the emission factors and international standards set out in the ESG Reporting Guide. Unless otherwise stated, this ESG Report provides environmental and social indicator data for the three years ended 31 December 2023 to present annual performance changes, thus laying the foundation for the Group's formulation of future environmental and social performance targets.

Balance:

This ESG Report discloses the Group's sustainability challenges and efforts and objectively reflects the Group's operations in an unbiased manner.

Consistency:

Unless otherwise stated, this ESG Report uses the same data calculation method as in the past to collect and disclose information to ensure the meaningful comparisons of ESG data over time.

Source and reliability statement

The information disclosed in this ESG Report is obtained from the Group's internal documents, statistical reports or relevant public information. The Group confirms that there are no false statements, misleading statements or material omissions in this ESG Report, and is responsible for the truthfulness, accuracy and completeness of its contents. This ESG Report has been approved by the Board.

Report Acquisition

This ESG Report is available in English and Chinese. If there is any discrepancy between the Chinese and English versions, the English version shall prevail. The electronic version of this ESG Report is available on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.dashanedu.com.

Contact us

The Group values the opinions of the readers of this ESG Report. If you have any comments or suggestions on this ESG Report, you are welcome to share your comments with our investor relation team via email at ir@dashanedu.com.

2. STATEMENT OF THE BOARD

As the highest decision-making body for the Group's ESG management, the Board bears the ultimate responsibility for the Group's ESG management policies, strategies and reports. The Board is fully responsible for maintaining the sound and effective risk management and internal control systems of the Group, determining the risk level and risk tolerance of the Group and reviewing the Group's ESG policies and guidelines to ensure the effective implementation of ESG-related work.

As a responsible enterprise, the Group has always been committed to the concept of sustainable development, actively fulfilling its corporate social responsibility and integrating environmental and social management into its business decisions. This ESG Report outlines the Group's management policy, strategy, practice and vision on ESG issues, and conveys the Group's commitment to sustainable development.

The Group has established a sound governance structure to strengthen its work on ESG. The Board has the responsibility for comprehensively supervising the ESG-related risks and opportunities of the Group. Based on the external economic and social macro environment and the Group's business development strategy, the Board conducts enterprise risk assessment and opportunity study at least once a year to identify, assess and monitor ESG-related risks and opportunities in the ordinary course of business through the processes of analysis, assessment, validation and review as well as prioritisation and management of material risk projects. The Board is also responsible for formulating the Group's ESG-related management policies, strategies and objectives, reviewing the objectives established by the Group and related performance on a regular basis, and revising the strategies as appropriate.

The Group strives to uphold the Group's sustainable development philosophy from top to bottom, inside and outside, from management to employees to all stakeholders, and integrate environmental and social responsibilities into daily work and life. To implement the concept of sustainable development and effectively manage ESG issues, the Group has established an ESG working group. The group comprises of personnel from the Finance, Internal Control Management, Accounting and Treasury departments. The composition of the ESG working group is carefully selected to ensure that employees of different backgrounds, expertise and business functions are covered.

The ESG working group is responsible for assisting the Board in overseeing and promoting the implementation of strategies for sustainable development, identifying and prioritising key issues, and urging relevant departments to formulate policies, measures and quantifiable targets or directional, forward-looking statements on ESG in line with their development strategies. The ESG working group also reports regularly to the Board on the effectiveness of ESG system and performance of the Group's key environmental and social performance indicators, and prepares the annual ESG report.

Going forward, the Board will continue to monitor and improve the Group's sustainable development measures and performance, and strive to create long-term value for all stakeholders and the communities where its business is located.

3. CORPORATE GOVERNANCE

3.1 Governance Structure

As the highest decision-making body for the Group's ESG management, the Board bears the ultimate responsibility for the Group's ESG management policies, strategies and reports. The Audit Committee is responsible for reviewing the Group's financial and ESG reporting processes and internal control systems, and making recommendations and opinions to the Board. The Board and the Audit Committee are fully responsible for determining the risk level and risk tolerance and reviewing the Group's risk management and internal control systems, ESG policies and guidelines to ensure the effective implementation of risk management and internal control systems as well as ESG-related work.

The Group has established an ESG working group composed of senior and middle management of the Company. The Company's internal control department takes the lead, together with the Group's functional departments, is responsible for implementing ESG-related measures to strengthen the management of sustainability related matters. ESG information is regularly collected by functional departments of the Group and submitted to the internal control department. By closely monitoring the Group's ESG performance, the ESG working group reviews the progress according to relevant goals and makes targeted improvements by means of management optimisation and others. At the same time, the ESG working group also, on a regular basis, reports to the Board and the Audit Committee on possible ESG risks and opportunities of the Group, and reviews the Group's sustainability strategy to meet the changing expectations and requirements of stakeholders.



3.2 Concept of Sustainable Development

The Group actively performs its environmental and social responsibilities and develops sustainable development strategies to continuously mitigate the adverse impacts of its business operations on the environment and society and further create sustainable development value for stakeholders. The Group integrates the concept of sustainable development into day-to-day operations. Through a top-down and inside-out approach, the Group aims to have its management, employees and other stakeholders adhere to the Group's sustainable development philosophy thoroughly, and incorporate environmental and social responsibilities into their daily work and lives. The Board is fully aware of the importance of sustainable development for the long-term development of the Group and treats the creation of long-term value for stakeholders as an imperative goal.





In order to implement the Group's sustainable development philosophy and create long-term value for stakeholders, the Group is committed to:

- Practising good ethics and complying with applicable laws and regulations in the business operation of the Group;
- Integrating environmental education into the Group and encouraging stakeholders to contribute to environmental protection to reduce environmental impact;
- Protecting the health and safety of the Group's employees, customers and students; and
- Introducing high-quality education resources into quality education, and upgrading all kinds of education services.

3.3 Business Transformation

Prior to March 2022, the Group was mainly engaged in providing primary and secondary after-school academic education services (the “**Academic Education Business**”) in the PRC. Due to the tightened regulations on the after-school academic education services sector, the Group had to face a comprehensive business transformation. The Group had completely terminated the Academic Education Business in March 2022, and readjusted the business strategy to provide extracurricular programmes for personal attainment and overseas education consultation service (the “**Non-academic Education Business**”) and provide training and consultancy services for educational institutions, schools and other entities in the PRC.

In terms of the provision of extracurricular programmes for personal attainment, the Group offered face-to-face sports, dancing and arts courses at self-operated teaching centres located in Zhengzhou, Henan Province during the Reporting Period.

In terms of overseas education consultation services, the Group has opened service centres in Zhengzhou, Hangzhou, Wuhan and Shenzhen etc. to provide overseas education consultation services for students who intend to apply for further education overseas. The Group mainly provides personalised consulting services such as background and enrollment information of overseas higher education institutions, overseas study and college application plans, college application procedures, and student visa applications.

3.4 Steady Operation

In addition to business transformation, the Group also pursues sound operation and adheres to compliance and safety operation. On the one hand, the Group strictly complies with laws, regulations and industry regulatory requirements that have a significant impact on its operations. Relevant departments regularly review updates to current laws and regulations, and make corresponding changes to the Group's policies to ensure that the Group's relevant internal control system meets the relevant requirements and provide compliance training to employees. On the other hand, in response to the changes in the business environment, the Group has continuously optimised its organizational structure and personnel structure based on the attributes and characteristics of new business, and enhanced its competitiveness by highlighting core business resources and integrating and further exploring its development potential, so as to deal with the uncertainty of the external environment.

Intellectual Property Rights and Information Assurance

To protect intellectual property rights and prevent infringement, while ensuring the confidentiality of information generated by business, the Group has established an intellectual property leading team and formulated the *Intellectual Property Management Policy* in accordance with the *Patent Law of the PRC** (《中華人民共和國專利法》) and the *Trademark Law of the PRC** (《中華人民共和國商標法》) to monitor and manage the planning of intellectual property rights and related risks. The Group has also entered into confidentiality and non-competition clauses with its employees to protect the Group's intellectual property rights. The Brand Marketing Centre and the Legal Department are jointly responsible for the management of the Group's intellectual property rights and continuous monitoring of any infringement of third-parties. In case of infringement, brand marketing staff will collect evidence, prepare a monitoring report and submit it to the Legal Department and the management for actions including commencing legal action against the infringing third-party.

Advertising and Promotional Campaigns

To ensure that the advertisements and promotions published by the Group are in compliance with the *Advertising Law of the PRC** (《中華人民共和國廣告法》) and other relevant regulations, the Group has regulated the process of external promotions. Before any department conducts any promotions involving the Group or its brands, the departments are required to submit an application to the brand marketing centre for approval before the execution to ensure the authenticity and timeliness of the information.

Consultation and Compliant Handling

The Group is committed to building a good and trusting relationship with students and parents. The customer service department has formulated a standardised consultation manual to standardise and monitor the consultation process, customer service and complaint management to create a pleasant learning environment and experience for its students and parents. Students and parents can contact our customer service department by phone or through our official website, and our customer service staff will patiently handle any inquiries and complaints. If a complaint is received, the customer service staff will record the relevant content in the “Complaint Description Form” and provide feedback within 48 hours after learning about the situation from relevant departments, and conduct relevant follow-up procedures and improvement work. During the Reporting Period, the Group didn’t receive any major complaints involving compensations.

4. STAKEHOLDER ENGAGEMENT

4.1 Stakeholder Identification and Communication

Stakeholder identification and communication is an integral part of the Group’s drive for sustainable development. Through diversified communication channels, the Group has maintained good communication with stakeholders and fully understood their views and expectations, so as to take into full account their concerns at the time of operational decision-making, which has assisted the Group in formulating appropriate sustainable development policies and fulfilling corporate social responsibilities. The key stakeholders of the Group are institutions and individuals who are affected by the Group’s operations or that may affect the operations of the Group, including the Stock Exchange, shareholders and investors, government and regulators, suppliers and partners, employees, students and their parents, professional organisations and local communities. The Group communicates regularly with our stakeholders to foster reciprocity and mutual trust, to fully comprehend the focus of their concerns and to respond through different channels correspondingly.

Primary channels of communication with stakeholders and key issues of concerns are as follows:

Stakeholders	Primary Communication Channels	Key Issues of Concerns
Stock Exchange	<ul style="list-style-type: none"> The Company's announcements/circulars The Company's website and email 	<ul style="list-style-type: none"> Compliance with the Listing Rules Timely and accurate announcements Compliance promotion
Shareholders and investors	<ul style="list-style-type: none"> Annual/interim report The Company's announcements/circulars Annual general meeting/extraordinary general meeting of shareholders The Company's website, email and hotline 	<ul style="list-style-type: none"> Business strategies Investment returns Corporate identity Compliance operation
Government and regulators	<ul style="list-style-type: none"> The Company's website The Company's announcements/circulars Meetings 	<ul style="list-style-type: none"> Compliance operation Taxation according to the law Information disclosure and reporting materials
Suppliers and business partners	<ul style="list-style-type: none"> Agreements Reviews and assessments Meetings 	<ul style="list-style-type: none"> Compliance operation Quality of products and services Intellectual property protection
Employees	<ul style="list-style-type: none"> Regular work meetings and conferences Training activities Interviews Teaching seminars 	<ul style="list-style-type: none"> Salary and benefits Working environment and safety Diversity and equal opportunity Training and career development

Stakeholders	Primary Communication Channels	Key Issues of Concerns
Students and parents	<ul style="list-style-type: none"> • The Company's website • The Company's WeChat platform • Online learning platform • Offline classes • Seminar for parents • Daily interactions 	<ul style="list-style-type: none"> • Teaching quality • Teaching philosophy • Teaching management • Teaching services • Environment of teaching centres • Health and safety of students
Community	<ul style="list-style-type: none"> • Media enquiry • Press releases and announcements • Public welfare activities • Donation • Face-to-face interview • Forums and seminars 	<ul style="list-style-type: none"> • Community development • Ecological environment • Employment opportunities • Public welfare • Community activities • Volunteer activities

4.2 Materiality Assessment

The management of sustainable development is a dynamic process. The Group must continuously comprehend the everchanging concerns and expectations of our stakeholders, and combine them with the Group's operational focus and its understanding of the external business environment. The Group regularly assesses sustainability issues that are of paramount importance to its stakeholders and provide them with responses in a timely manner. In the meantime, the assessment is also conducive to the Group to understand its possible risks and opportunities in sustainable development.

Through the analysis of the Group's development business and the review of management, the Group has made reference to information such as internal policies of the Company, industry trends and the international report preparation guidelines to identify the issues that have a potential and practical impact on the Group's sustainable development. The Group analysed and identified ESG issues based on its strategy, development, goals and other factors, and selected 10 environmental and 10 social issues of high materiality, which were highlighted in this ESG Report.

The assessment process of the Group's material issues for FY2023 is as follows:

Step 1 – Analysis

The ESG working group re-examined and updated the Group's sustainability issues pool by taking into account the Group's business development direction in FY2023 and the materiality issues of previous years, comparing and analysing the direction of concern of the same industry, and making reference to international guidelines for report writing. Based on the Group's business operation and management highlights during the Reporting Period, the Group's sustainability issues pool, after being reviewed and updated during the Reporting Period, comprises 11 environmental issues and 16 social issues.

The Group's sustainability issues for FY2023 are shown in the following table:

Environmental Issues	Social Issues
1. Exhaust emission and management	1. Employment policy
2. Wastewater Discharge and management	2. Labour standards
3. Solid Waste Disposal and management	3. Teaching service and product responsibility
4. Water source and water efficiency	4. Supply chain management
5. Energy use and efficiency	5. Customer complaint handling mechanism
6. GHG emission and management	6. Customer privacy protection
7. Use of new and renewable or clean energy	7. Anti-corruption and whistle-blowing procedures
8. Environmental education, publicity and practice	8. Diversity and equal opportunity
9. Management of environment and natural resources	9. Staff development and training
10. Climate change	10. Occupational health and safety
11. Waste management and classification	11. Safe and healthy teaching environment
	12. Protection of students' physical and mental health
	13. Teaching quality control and management
	14. Innovative course development
	15. Operational risk control and management
	16. Community participation and contribution

Step 2 – Assessment

After the sustainability issue pool was updated, the ESG working group led a discussion with the Group's management to examine and adjust the level of importance of each issue in the pool. As a result, a total of 10 environmental issues and 10 social issues were identified as high materiality issues during the Reporting Period.

Step 3 – Confirmation

The ESG working group submitted the assessment results of material issues to the Board for review and confirmation of the issues of high materiality during the Reporting Period.

Step 4 – Evaluation

The Group regularly communicated with stakeholders to review the issues of high materiality and their impacts, ensuring that the Group's sustainable development direction is in line with the expectations of stakeholders.

This ESG Report describes the work and progress made by the Group on the 10 environmental issues and 10 social issues of high materiality during the Reporting Period in the following chapters and sections. The Group will closely manage the issues of high importance in its operations by formulating appropriate strategic policies, making policy improvements, and setting long-term goals as a continual process to respond to stakeholders' expectations, while reporting on the efforts put forth on ESG.

The Group's sustainability issues of high materiality for FY2023 are shown in the following table:

Issues of High Materiality	Aspect	Relevant Sections of this ESG Report
1. Exhaust emission and management	Environmental	Environmental impact
2. Wastewater discharge and management	Environmental	Environmental impact
3. Solid waste discharge and management	Environmental	Environmental impact
4. Water source and water efficiency	Environmental	Use of resources
5. Energy use and efficiency	Environmental	Use of resources
6. GHG emission and management	Environmental	Environmental impact
7. Use of new and renewable energy or clean energy	Environmental	Use of resources
8. Environmental education, publicity and practice	Environmental	Environmental education
9. Climate change	Environmental	Climate change

Issues of High Materiality	Aspect	Relevant Sections of this ESG Report
10. Waste management and classification	Environmental	Environmental education
11. Supply chain management	Social	Supply chain management
12. Customer privacy protection	Social	Privacy protection
13. Safe and healthy teaching environment	Social	Health and safety
14. Protection of students' physical and mental health	Social	Health and safety
15. Innovative course development	Social	Education transformation and business innovation
16. Teaching service and product responsibility	Social	Education transformation and business innovation
17. Teaching quality control and management	Social	Education transformation and business innovation
18. Operational risk control and management	Social	Education transformation and business innovation
19. Diversity and equal opportunity	Social	People-oriented
20. Staff development and training	Social	People-oriented

5. EDUCATIONAL INNOVATION

5.1 Education Transformation and Business Innovation

The Group is committed to creating a bright future for its students by stimulating their enthusiasm for learning, improving their quality and literacy, broadening their horizons, and shaping their personalities through our philosophy of “people-oriented, moral education, cultivating interest, and character building”.

With the all-round development of education and the reform of the educational system in China, there is a strong demand for quality extracurricular programmes, such as art, sports, and dancing for children and adolescents. At the same time, the demand for overseas study has gradually recovered. In response to the changing market trend, the Group has been actively transforming its education business to capture new business opportunities. During the Reporting Period, the Group actively pursued business transformation by principally providing extracurricular programmes for personal attainment and overseas study consultation services. The Group strictly abided by laws and regulations that have a significant impact on its operation in terms of health and safety of products and services, advertising, labeling, privacy matters, and compensation methods. During the Reporting Period, the Group was not aware of any events violating laws and regulations regarding the health and safety, advertising, labeling, and privacy matters of the products and services provided, as well as compensation methods, which have a significant impact on the Group’s operations.

Extracurricular Programmes for Personal Attainment

The Group follows the rules of educational development and provides high-quality education to maximise the potential of each student and promote their professional development. The Group provides extracurricular programmes for personal attainment for children and adolescents, mainly providing face-to-face courses covering sports, dancing, and art to comprehensively enhance children’s physical fitness, intelligence, emotional intelligence, and artistic literacy.

Overseas Education Consultation

The Group provides personalised consultation services for students who wish to apply for overseas study by collecting background and enrollment information from overseas higher education institutions, assisting in making overseas study and college application plans, college and university applications, and applying for student visas. The Group provides personalised application guidance based on students' different situations and needs, conducts professional planning based on students' academic backgrounds, interests and future employment directions, assesses the difficulty of application, quickly and accurately matches multiple college application programs and target majors for applicants in a scientific and reasonable manner, and ultimately develops a study abroad plan to exclusively build a one-stop, systematic, and comprehensive overseas education and study abroad service system for students, which greatly improves the competitiveness of students' study abroad applications.

5.2 Enhancement of Teachers' Quality and Skills

Standards for Newly Recruited Teachers

The Group regards the excellence and dedication of its teaching staff as the foundation for providing an outstanding student experience. Therefore, the Group has established long-term cooperative relationships with universities and technical secondary schools, and regularly held campus recruitments. The Group also uses online tools to conduct recruitment and publish recruitment information for various positions from time to time. The Group generally conducts detailed assessment processes, including written tests, interviews, skill demonstrations, and interviews. The Group checks the quality of teachers through the recruitment process. The teachers employed by the Group are mostly full-time teachers who graduated from colleges and universities, and obtained the required qualifications for teachers as stipulated in the *Teachers Law of the PRC** (《中華人民共和國教師法》) and the *Regulations on Teachers' Qualification Ordinance** (《教師資格條例》).

Training for New Teachers

The Teaching Management Centre of the Group provides standardised training for all new teachers, who must undergo at least four weeks of mandatory training and no less than eight weeks of hands-on training before they are allowed to teach. In addition to training like subject courses and personal attainment courses, the training courses also include different professional skills training:

- Presentation skills
- Communication skills
- Teaching skills
- Teaching philosophy
- Personal appearance
- Preparation and classroom management
- Classroom practice

Teaching Training Camp

The Group organises regular training camps for teachers. A team of teachers composed of experienced teachers with years of frontline teaching experience evaluates and provides guidance on the performance of our teachers, and provides professional knowledge training on physiological changes and handling of students to improve the quality and effectiveness of teaching.

The Group carried out thematic training activities for teachers, in which teachers consolidate their understanding of curriculum theory, identify and solve practical problems encountered in teaching practice, with an aim to improve the effectiveness of teachers' classroom teaching, and promote the improvement of teaching quality. Young teachers should select the content of a lesson to complete a teaching design based on their own research topic, teaching progress, and learning situation, with a brief explanation of the main elements of the design. Teachers implement teaching activities in their classes in accordance with the teaching plan, recording their own perceptions, experiences, and student reactions during such activities. After young teachers complete their teaching practice, senior teachers with years of experience will evaluate lessons and provide guidance to young teachers, jointly discussing key points and difficulties of teaching, teaching process design, use of teaching methods, and infiltration of learning methods etc., to improve the teaching quality of young teachers.

In addition, the Group actively organises and conducts thematic lectures, combining educational hotspots and teaching practices, and invites experts and scholars to provide training lectures to the Group's teachers based on students' learning situation and existing problems.

Continuous Training

The Group provides continuous training to all employees to help them enhance their professional knowledge and skills. As for teachers, apart from the teaching services and professional knowledge training, the Group also provides curriculum mapping training to enable them to keep up with the changes in the curriculum and syllabus and teaching materials. The Group also provides other trainings to employees to enhance their professional skills such as illustration production, layout design and human resources performance management. In addition, the Group continues to implement the “Book Sharing Management System” to encourage the employees to conduct reading sharing sessions and submit reading notes, so as to achieve mutual development between the Group and the employees and to enhance the Group’s core competitiveness. At the book-reading exchange session, participating teachers read educational and teaching monographs on their own, took turns to share their reading experiences at the sessions, and summarised educational and teaching experiences in the context of the actual teaching processes to promote the continuous optimisation of teachers’ teaching methods.

During the Reporting Period, details of the Group’s employee training are as follows:

				For the years ended 31 December					
				2023		2022		2021	
Item	Unit		Quantity	Percentage	Quantity	Percentage	Quantity	Percentage	
Development and training									
Number and percentage of trainees	Total	Employee	56	15.6%	34	8.9%	705	48.3%	
	By gender	Male	Employee	12	10.8%	13	11.8%	57	18.4%
		Female	Employee	44	17.7%	21	7.7%	648	55.7%
	By type of employees	General staff	Employee	39	13.7%	–	–	560	44.2%
		Middle and senior staff	Employee	17	33.3%	34	24.8%	145	68.4%
Average training hours completed	Average per staff	Hours	0.03		0.27		1.91		
	By gender	Male	Hours	0.05		0.36		0.71	
		Female	Hours	0.02		0.23		2.23	
	By type of employees	General staff	Hours	0.02		–		1.77	
		Middle and senior staff	Hours	0.10		0.27		2.72	

Teachers' Ethics and Moral Construction

The Group believes that the construction of teacher ethics and moral conduct is an important element in determining the quality of school teaching. The Group actively strengthens the development of teacher ethics and moral conducts in the teacher team, continuously improves the long-term mechanism of teacher ethics and moral conducts, and takes teacher ethics and moral conducts as the core requirements and basis for teacher recruitment and introduction, professional title evaluation, job recruitment, performance evaluation, and evaluation and award. The Group encourages all teaching staff to sign the "Letter of Commitment on Teacher's Ethics and Moral Conducts", collect students' opinions on the teacher's ethics and moral conducts through questionnaires. The Group also formulates the "Implementation Plan for Special Management of Teacher's Ethics and Moral Conducts", which prohibits all staff members from accepting any form of benefits or gifts, in order to ensure that the teachers set a good example for students in work and life.

5.3 Quality Education Resources and Services

Research and Development of School-based Teaching Materials

During the Reporting Period, the Group has been committed to developing school-based teaching materials for new businesses to ensure teaching quality and promote the sustainable development of the Group. To this end, the R&D department is responsible for designing and developing the Group's courses and teaching materials based on the Company's development goals, student feedback, and market demand. R&D courses include but are not limited to a series of courses for studying abroad in the United States, the United Kingdom, Hong Kong, Macao, and extracurricular programmes for personal attainment such as art, dancing, and youth basketball.

In the research and development of school-based teaching materials on dancing, the Group respects student-centred approach, while meticulously designing dance teaching content based on classroom needs, and using games to inspire students to create dance movements. This not only enriches the dancing classroom, which as always focuses on basic skills, but also improves the lack of classroom teaching methods. The Group has established a unique dance art education system from three aspects: dance sense cultivation, strength cultivation, and expressive force cultivation. In terms of research and development of sports teaching materials, the Group conducts basketball school-based courses in accordance with the curriculum standards of Sports and Health, in conjunction with the actual situation of the school and the physiological and psychological characteristics of students, to create a relaxed learning environment for students and stimulate them to actively participate in learning.



Course Settings

As for the extracurricular programmes for personal attainment, the Group has divided the courses into different stages to suit the developmental characteristics and extent of the students at all ages. In terms of overseas study courses, the Group has academic institutions located in various countries and regions, aiming to provide students with tailor-made overseas study plans and professional guidance on overseas study copywriting. The Group is dedicated to providing comprehensive and personalised professional counselling to each student to meet the needs of different students and cultivate students' all-round development in "moral, intellectual, physical, aesthetic and labour".

Model Innovation in Teaching and Management

The Group provides face-to-face courses covering sports, dancing, and art. The Group has always focused on researching, designing, and applying advanced methods, including innovative and more interactive courses and teaching methods, to educate and communicate with students. The teachers mainly provide students with more guidance and hands-on demonstration through offline teaching methods. Students regularly enroll to offline courses, and the teacher dynamically adjusts the courses in accordance with the established curriculum system and taking into account students' physical conditions and quality, to evaluate the effectiveness of students' learning in real time. After class, the teachers will maintain communication with parents and children to evaluate the training effect and performance of each class, and point out some improvements or shortcomings, and instruct parents and children to integrate what they have learned into daily life. Training to maintain a more stable state of physical fitness and professional skills, which can be combined with the centralised teaching and training content to promote the improvement of students' professional skills.

In terms of overseas study consultation, the Group has been providing consulting services for students intending to apply for further education abroad. Its business model is one-to-one customer-oriented consultation model. The Group expects significant growth prospects for this business segment. At the same time, the Group plans to establish a language training department to assist students who intend to study abroad in preparing their language skills.

Teaching Team and Teaching Quality Assurance

The Group believes that maintaining high levels of teaching quality and standards is critical to its sustainable development in educational service industry. Therefore, the Group has implemented a series of quality assurance measures to maintain the quality of teachers' teaching and to ensure the continuous provision of high quality education to students.

The Group has established a teaching management centre and an academic affair centre to manage the teaching team and the quality of teaching services, respectively. The *Management Measures for Teacher Training and Talent Development* has been made, focusing on promoting the quality of the teaching team and ensuring teaching quality. Teaching staff are required to conduct at least two teaching seminars every week, in which the four modules of subject expertise, lesson preparation skills, teaching skills and classroom performance are discussed and assessed. In addition, the Group's Teaching Management Centre, in collaboration with the Human Resources Department, conduct regular teacher evaluations, including closed-book assessments, teaching service evaluations, and satisfaction surveys for students and parents.

In order to implement the educational philosophy of "moral education", the Group has specially formulated an upgraded version of the *Code of Conduct and Quality Assurance Regulations for Teachers*, which stipulates that teachers should fully implement the Party's education policy, follow the rules of education and youth development, and foster the all-round development of primary and secondary school students in "moral, intellectual, physical, aesthetic and labour". Any teachers who violate the rules and regulations will be punished accordingly, and discipline is strictly enforced in order to maintain a clean and upright educational style.

The Group strictly complies to relevant laws and regulations in relation to education service and product responsibility, such as *Private Education Promotion Law of the PRC** (《中華人民共和國民辦教育促進法》), and at the same time ensures that the Group has obtained all business-related licenses.

6. PEOPLE-ORIENTED

Talents are the driving force for enterprise development. The Group adheres to the concept of “people-oriented” sustainable development and is committed to escorting the development of talents to achieve sustainable and high-quality development. The Group strictly complies with the provisions of relevant laws and regulations, protects the legitimate rights and interests of employees, improves the employee quality training system, promotes the common development of the enterprise and its employees, and enhances the sense of social responsibility and mission of its employees.

6.1 Bringing Talents Together

During the Reporting Period, the Group strictly complies with relevant laws and regulations that have a significant impact on the Group’s operations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare and other employment-related matters, to ensure that employees are provided with legal and reasonable remuneration and benefits and are treated fairly. The Group also enters into employment contracts with employees and formulates the *Employee Manual*, outlining the rights and obligations of employees.

The Group follows the principle of fair competition and meritocracy. The Group implements diversified recruitment channels through internal and external recruitment to ensure fairness and equality in the recruitment process. The Group has sound *Measures for Recruitment and Dismissal Management*, which systematically advances the building and growing of teams of talents, so that the staff can better align with the business development needs of the Group. The human resources department ensures that the recruitment and dismissal processes are standardised and transparent, and regularly reviews and updates relevant human resources policies in accordance with the latest laws and regulations. During the recruitment process, the Group considers factors such as candidates’ working experience, expected work capacity and internal budget of the Group, and observes candidates’ personality, enthusiasm, development potential and other personal qualities.

The Group provides diverse promotion channels for its employees. These include a clear and forward-looking direct promotion path, a two-way promotion channel for technical and managerial staff, and a network promotion model that combines direct promotion with horizontal mobility within the Group, providing employees with greater potential career growth, allowing them to have suitable positions and better opportunities to develop their potentials, and at the same time consolidating the sustainable development of talents within the Group, with a benign talent succession plan.

Total Number and Distribution of Employees

As at 31 December 2023, the Group had a total of 360 employees and details of the employees are as follows:

			At 31 December						
			2023		2022		2021		
Item	Unit	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage		
Total number of employees									
Number and percentage of employees	Total	Employee	360	100.0%	383	100.0%	492	100.0%	
	By gender	Male	Employee	111	30.8%	110	28.7%	153	31.2%
		Female	Employee	249	69.2%	273	71.3%	339	68.8%
	By type of employees ¹	General staff	Employee	285	79.2%	246	64.2%		
		Middle management	Employee	51	14.2%	103	26.9%		
		Senior management	Employee	24	6.8%	34	8.9%		
	By type of employment	Full-time	Employee	345	95.8%	383	100.0%	226	45.9%
		Part-time	Employee	15	4.2%	—	—	266	54.1%
	By age	<25	Employee	47	13.1%	34	8.9%	57	11.6%
		25–29	Employee	93	25.8%	113	29.5%	163	33.1%
		30–39	Employee	182	50.6%	212	55.4%	222	45.1%
		40–49	Employee	31	8.6%	21	5.5%	40	8.1%
		≥50	Employee	7	1.9%	3	0.8%	10	2.0%
	By region	Mainland China	Employee	355	98.6%	380	99.2%	487	99.0%
Hong Kong		Employee	5	1.4%	3	0.8%	5	1.0%	

Note 1. The number and percentage of employees by type of employees was newly disclosed in FY2022. No such data was disclosed in FY2021.

Employee Turnover

Details of the Group's employee turnover rate during the Reporting Period are as follows:

			For the years ended 31 December						
			2023		2022		2021		
Item	Unit	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage		
Employee turnover ²									
Number of employees	Total	Employee	171	47.5%	234	61.1%	987	200.6%	
lost and employee turnover rate	By gender	Male	Employee	51	46.0%	47	42.7%	166	108.5%
		Female	Employee	120	48.2%	187	68.5%	821	241.2%
	By age	<25	Employee	35	74.5%	15	44.1%	215	377.2%
		25–29	Employee	64	68.8%	76	67.3%	397	243.6%
		30–39	Employee	67	36.8%	133	62.7%	356	160.4%
		40–49	Employee	5	16.1%	9	42.9%	16	40.0%
		≥50	Employee	–	–	1	33.3%	3	30.0%
	By region	Mainland China	Employee	170	47.9%	233	61.3%	987	202.7%
		Hong Kong	Employee	1	20.0%	1	33.3%	–	–

Note 2. The employee turnover rate is in accordance with *Appendix III: Reporting Guidance on Social KPIs* published by the Stock Exchange, which discloses the percentage of employee turnover by gender, age and region, which is calculated by dividing the number of employees lost by the number of employees at the end of the period.

The Group prohibits any form of unfair or unlawful dismissal, and has established strict policies governing the employee termination process. The guidelines and procedures for termination of contracts are clearly set out in relevant human resources policies and employment contracts. During the Reporting Period, the Group's employee turnover rate was approximately 47.5%.


6.2 Career Growth

The education industry, education policies and trends are constantly evolving. The Group needs to understand market conditions and improve organisational and personal capabilities to enhance its competitiveness. Therefore, the Group places emphasis on the establishment of an internal management training and development system, and has formulated a “Training and Talent Development Management System”, which allocates a certain proportion of the budget amount to employee training activities every year. Through new employee induction training, management and reserve cadre training, lecturer training, and specialised training in different disciplines such as sports and art, the diversified training projects are used to meet the ability needs of employees at all levels, improve teaching skills of employees, enable them to continuously provide high-quality services, contribute to the sustainable development of the Group, and assist their personal growth and development.

6.3 Diversification

The Group is committed to ensuring an appropriate balance in the diversity of skills, experience and perspectives and angles of the Board members so as to support the execution of business strategies and efficient operation of the Board. The Nomination Committee is responsible for identifying candidates suitably qualified to serve as members of the Board, and may select candidates nominated for directorship. In making recommendations to the Board for appointing directors (including independent non-executive directors), the Nomination Committee will consider various criteria for evaluating and selecting candidates for directorship, including, among others, (i) character, integrity and reputation; (ii) qualifications related to the Group’s business and corporate strategy, including professional qualifications, skills, knowledge and experience; (iii) willingness to devote sufficient time to discharge duties as a member of the Board and other directorships as well as significant commitments; (iv) the number of existing directorships and other commitments that may require the attention of relevant candidates; (v) the requirement under the Listing Rules for the Board to have independent non-executive directors, and whether such candidates will be considered as independent with reference to the requirements under the Listing Rules; (vi) the board diversity policy and any measurable objectives adopted by the Board for achieving diversity on the Board, including but not limited to gender, age, culture and education background, ethnicity, professional experience, skills, knowledge, and service tenure; and (vii) other aspects that are appropriate for the Group’s business.

The Board composition has provided the Company with a good balance and diversity of skills and experience appropriate to the requirements of its business. The composition of the Board is also reviewed from time to time in accordance with the specific needs of the Group’s business.



The Group brings in a wide range of talents from different backgrounds to promote the diversification of the Company's talent structure. The Group believes that only a diverse team with an inclusive environment can respond more quickly to changing customer and market needs. At the same time, employees' diverse perspectives and styles, as well as their constant empathy for different external customers and social trends, can help the Group continue to generate better ideas, thereby rolling out better products and services.

During the Reporting Period, female employees accounted for approximately 69.2% of all employees (including senior management) of the Group. The achievements of the Group since its establishment are inseparable from a large number of competent and empathetic female managers, as well as female employees who have insight into the dynamics in the education industry.

6.4 Care for Employees

The Group strongly believes that its employees are the most valuable asset of the enterprise and regards human resources management as an integral part of its overall business strategy. The Group strictly complies with all laws and regulations related to employment, including but not limited to the *Labour Contract Law of the PRC** (《中華人民共和國勞動合同法》), the *Labour Law of the PRC** (《中華人民共和國勞動法》), the *Regulation on Paid Annual Leave for Employees** (《職工帶薪年休假條例》), the *Law of the PRC on the Protection of Women's Rights and Interests** (《中華人民共和國婦女權益保護法》), the *Law of the PRC on the Protection of Disabled Persons** (《中華人民共和國殘疾人保障法》) and the *Social Insurance Law of the PRC** (《中華人民共和國社會保險法》).

The Group has developed policies such as human resources management, recruitment management, remuneration management and employee handbook to regulate the workflow of recruitment, entry and exit, promotion and remuneration calculation to standardise the workflow to enhance efficiency. The Group is committed to building a diverse, non-discriminatory and inclusive working environment where harassment and misconduct are strictly prohibited, in order to create a fair, respectful, trusting and inclusive working environment for its employees. The Group ensures that the value of its employees is fairly assessed and appropriately rewarded, and that recruitment and promotion processes do not discriminate against or exploit such opportunities on the basis of aspects including gender, ethnic background, religion, colour, sexual orientation, age, and marital status. During the Reporting Period, the Group did not receive any complaints of infringement of employee rights and interests and was not aware of any events violating employment laws and regulations, which have a significant impact on the Group's operations.

Meanwhile, the Group stays committed to protecting basic human rights and strictly prohibits any form of child labour and forced labour. The Group strictly complies with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour, including the *Labour Law of the PRC** (《中華人民共和國勞動法》), the *Law of the PRC on the Protection of Minors** (《中華人民共和國未成年人保護法》), and the *Provisions on the Prohibition of Child Labour of the PRC** (《中華人民共和國禁止使用童工規定》), so as to protect the employees' legitimate rights and interests. To prevent child labour and forced labour, the Human Resources Department strictly monitors the recruitment process, conducts background checks on applicants, and verifies the authenticity of their certificates and personal information stated in their application forms. If any non-compliance is found, the Group will immediately terminate the employment contract and investigate the incident. If a candidate uses any false information, it will be considered fraudulent and the signed employment contract will be deemed invalid. During the Reporting Period, the Group was not aware of any events violating laws and regulations related to the prevention of child labour or forced labour, which have a significant impact on the Group's operations.

As the standardised quality of teaching team is crucial to the Group's business, the Group uses stringent selection criteria to identify suitable and outstanding candidates. The Human Resources Department is responsible for screening candidates, comprehensively considering their educational background, relevant work experience and professional qualifications, such as whether they hold a teaching certificate. Such selected candidates may be required to undergo further interviews with the Teaching Department in order for the Human Resources Department and the Teaching Department to evaluate their teaching performance. Employees who wish to resign must submit a written notice in advance. The Human Resources Department will conduct an exit interview with the employee in order to understand the reasons for resignation and feedback on the Company. The Group also attaches great importance to career management for its employees and offers promotion opportunities to encourage them to achieve their full career potential.

The Group offers competitive remuneration packages and benefits to its employees in order to attract, retain and motivate high-quality talents. Most employees of the Group work for the standard working hours of eight hours per day, an average of forty hours per week, and at least one rest day per week. The Group's employees are also entitled to statutory social insurance and housing provident fund. The Group regularly reviews the remuneration packages of its employees and will make necessary adjustments to meet the expectations of employees and the market. In addition to the basic salary, the Group's teaching staff will also receive performance bonuses based on their teaching hours and seniority. At the same time, the Group implemented a share incentive mechanism by granting award shares to eligible persons. The Group takes into account factors such as the overall business objects and future development plans, their contribution to the Group, their principal duties and length of service within the Group in selecting the eligible persons. The Group motivates its employees with a share incentive mechanism and encourages them to work with the Group to achieve its goals.

6.5 Health and Safety

Safe and Healthy Teaching Environment

The Group highly values the health and safety of all teachers and students and is committed to creating a healthy and safe campus working environment for employees and students. Safety is the top priority for the Group. The Group has established an emergency command department and formulated emergency response plans and workflow to improve the comprehensive management capability of each teaching centre in responding to emergencies.

The Group has established strict safety management rules and guidelines for fire safety, facility and equipment management and smoking bans. The Group has also incorporated fire safety into daily safety management and developed fire safety emergency plans, fire safety education and training guidelines, and fire safety system guidelines to ensure the safety of all teachers and students. The Group regularly holds fire drills to enhance the fire safety awareness of employees and students and enhance their ability to respond to fire emergencies. The Group organises regular fire safety inspections to further improve the regulations of fire safety management of the campuses, implements standardised and regulated management so as to eliminate fire hazards in a timely manner.

During the Reporting Period, the Group is in strict compliance with the relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. Such laws and regulations include but not limited to the *Regulations on Work-Related Injury Insurance** (《工傷保險條例》), the *Law of the PRC on Prevention and Treatment of Infectious Diseases** (《中華人民共和國職業病防治法》), and the *Fire Control Law of the PRC** (《中華人民共和國消防法》), the *Law of the PRC on the Prevention and Control of Infectious Diseases** (《中華人民共和國傳染病防治法》) and other relevant legal provisions. Due to the nature of the Group's business, employees mainly work in offices and are less likely to suffer from work-related injuries. During the Reporting Period, there was no work-related fatalities and the number of lost days due to work injury was zero. In the past three years (including the Reporting Period), the Group only had one minor work-related injury accident in FY2021, in which an employee lost a total of seven working days, and did not have any serious work-related injuries or deaths.

Students' Health and Safety

The Group is concerned with the physical health of students and organises health lectures from time to time to disseminate health knowledge to students. Regular trainings on hygiene, medical, and health related topics such as common infectious diseases, emergency rescue knowledge are provided for teaching members, so that they can take timely and appropriate measures when they are aware of a suspected outbreak of infectious diseases among students. The Group also attaches great importance to the mental health of students, and promotes mental health knowledge to students through holding mental health lectures, establishing online mental health education columns, and other ways to enable students to grow healthily.

Privacy Protection


The Group has established information security management measures to protect the information security of students and users. Employees are required to maintain and keep confidential information and data necessary for business operation. Important information, electronic documents and important data are regularly backed up, and the backup data of application systems adopts dual backup to prevent data loss due to equipment failure or accidental deletion. In addition, the Group strictly prohibits its employees from disclosing confidential information of the Group and its users to other irrelevant employees or external parties. If the leakage of the Group's confidential information causes losses to the Group and its users, the Group will impose administrative penalties, fines or pursue legal liabilities against the parties concerned to protect the interests of the Group and its users. The Group strictly complied with the *Personal Information Protection Law of the PRC** (《中華人民共和國個人信息保護法》) and did not have any non-compliance incidents related to data privacy during the Reporting Period.

7. SUPPLY CHAIN MANAGEMENT

7.1 Suppliers Screening and Procurement Management

The Group is aware of the inseparable relationship between the supply chain management and its sustainable development, and is therefore committed to building long-term harmonious relationships with its suppliers. The Group expects its suppliers will adhere to the principles of integrity and pragmatism, and to strictly comply with applicable laws and regulations in the provision of products and services.

In order to standardise the procurement process of products and services, enhance the monitoring and management of suppliers and better control procurement cost, the Group has formulated the *Procurement Management System, Procurement Management Process and Measures for the Management of Low-Value Consumables*, defined procurement duties and product categories, developed the processes for procurement application, price management, contract approval, order management, product acceptance, payment and settlement, and specified the criteria for selecting suppliers and the approval process for incorporating qualified suppliers into its database, so as to properly handle the environmental and social risks facing the supply chain of the Group.



In compliance with the *Procurement Management System*, for a single product or project whose procurement amount is bigger than RMB3 million, the Group will adopt bid invitation. To be specific, after a procurement bid invitation plan is developed, the procurement work team will evaluate and select proper suppliers by following a standard process from issue of bidding documents and bidding to bid opening, bid evaluation and announcement of bid winners to control procurement cost. In terms of the number of bidders, in principle, at least three bidders will be required for such a project, and all bidders are required to make quotations in line with the standard format specified in the Quotation Letter, and provide scanned or original copies sealed with official stamps. Also, a bid evaluation team will be set up based on project nature and characteristics, and use the comprehensive bid evaluation method to evaluate the bid in terms of suitability as well as technical, business and comprehensive aspects. For supplies and projects whose procurement amount is bigger than RMB5,000 and smaller than RMB3 million, price inquiry, comparison and negotiation are adopted. In principle, at least three bidders will be required for such a project, and factors including price, delivery time, quality, service and payment terms will be fully considered when the bid winner is decided on, to control the price and reduce comprehensive cost. For procurement of customised products, interim or sporadic product procurement, procurement from a supplier designated by the applicant due to product particularity or procurement of supplies with the amount smaller than RMB5,000, the number of inquirers is subject to actual conditions, and not smaller than three in principle.

When selecting a potential supplier, the Group conducts a preliminary investigation, obtains its business license and related certificates and fills in supplier rating forms to understand the supplier's scale, technicality, quality of service and reputation in the industry. Considering the potential environmental and social impacts of the supply chain, the Group takes into account ISO/TS16949 or ISO9001 quality management certification as well as environmental protection, occupational health and safety, labour rights and compliance with laws and regulations when selecting potential suppliers, aiming to bring positive impacts to the entire supply chain. In case of bulk purchase, besides high quality, the Group prefers the products with less negative impact on the environment. So, it will clearly specify environmental requirements for products in bid invitation documents, and select green products under equal conditions, so as to promote green procurement.

7.2 Quality and Service Evaluation

To ensure the quality of suppliers, the Group closely monitors the performance of the suppliers and conducts quarterly reviews of qualified suppliers to evaluate the supplier's prices offered, the quality and products or services provided and other aspects. For suppliers that fail to meet the Group's standards, the Group will consider terminating the cooperation with such suppliers. During the Reporting Period, the Group had 22 major qualified suppliers, all of which were located in Mainland China, and mainly distributed in Henan Province and Zhejiang Province.

All of the suppliers of the Group are subject to relevant supply chain policies and practices relating to engaging suppliers mentioned above.

7.3 Anti-Corruption and Integrity Management

The Group strictly complies with relevant laws and regulations that have a significant impact on the Group relatives to bribery, extortion, fraud and money laundering, such as the *Anti-Money Laundering Law of the PRC** (《中華人民共和國反洗錢法》), the *Anti-Unfair Competition Law of the PRC** (《中華人民共和國反不正當競爭法》) and the *Criminal Law of the PRC** (《中華人民共和國刑法》), and adheres to the basic standards of integrity and self-discipline. The Group has established an *Anti-Corruption and Fraud Management System* to regulate the professional conduct and ethics of its employees and to prohibit any corrupt practices such as bribery, fraud and deception. All directors were provided with corporate governance training prior to appointment; the *Anti-Corruption and Fraud Management System* was introduced by trainers during the initial training of new employees so that employees would understand the importance of adhering to professional conduct and ethics. If employees found any non-compliance, they can report to the Group's Compliance Department by phone, email, letter or interview. Upon receiving a report, the department will collect evidence and decide whether to conduct an investigation based on the evidence obtained. If an investigation is decided to be conducted, the Compliance Department will set up an investigation team to confirm the existence of non-compliance, determine the corresponding penalties for the employees involved based on the nature and severity of the violations, and submit a written report on the investigation result and opinions on handling to the Compliance Department and the Board in a timely manner.

Focusing on the publicity and education on anti-corruption policies, the Group released the *Circular on Seriously Implementing Various Disciplines*, which specified disciplines for workplace conduct, procurement, public relations, document management and office dress. To convey relevant innovation and raise employees' awareness of the consequences of involving bribery, extortion, fraud or money laundering, the Group regularly organises workshops and training sessions relating to anti-corruption for directors, senior management and ordinary employees.

During the Reporting Period, the Group was not aware of any legal cases regarding corrupt practices brought against the Group or its employees, and was not aware of any bribery, extortion, fraud or money laundering violations that have significant impact on the Group's operations.

8. ENVIRONMENTAL PROTECTION

8.1 Environmental Impact

The Group not only highly values its business operation, but also cares about environmental protection. The Group integrates the concept of sustainable development into its daily management process in order to raise the environmental awareness of all teachers and students, and make every effort to create a green environment. During the Reporting Period, the Group strictly complies with relevant laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharges into a water and land, and generation of hazardous and non-hazardous waste, including but not limited to the *Environmental Protection Law of the PRC** (《中華人民共和國環境保護法》), the *Law on the Prevention and Control of Atmospheric Pollution of the PRC** (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law of the PRC** (《中華人民共和國水污染防治法》), the *Law on the Prevention and Control of Environmental Pollution by Solid Waste of the PRC** (《中華人民共和國固體廢物污染環境防治法》) and the *Energy Conservation Law of the PRC** (《中華人民共和國節約能源法》).

Air Emissions

As the Group is engaged in educational services and operates in office or commercial buildings, there are no significant gas emissions involved in the daily operations. The main source of the Group's emissions is emissions from the vehicles owned by the Group. During the Reporting Period, the types and amounts of these emissions of the Group are as follows:

For the years ended 31 December							
		2023		2022		2021	
Main emissions ³	Unit	Emissions	Density (unit/ number of employees at the end of the year) ⁴	Emissions	Density (unit/ number of employees at the end of the year) ⁴	Emissions	Density (unit/ number of employees at the end of the year) ⁴
Nitrogen oxides (NOx)	kg	68.78	1.91 x 10 ⁻¹	114.74	3.00 x 10 ⁻¹	18.97	3.86 x 10 ⁻²
Sulphur oxides (SOx)	kg	0.08	2.25 x 10 ⁻⁴	0.11	2.97 x 10 ⁻⁴	0.15	3.05 x 10 ⁻⁴
Particulate matter (PM)	kg	6.59	1.83 x 10 ⁻²	10.75	2.81 x 10 ⁻²	1.66	3.37 x 10 ⁻³
Total	kg	75.45	2.10 x 10 ⁻¹	125.60	3.28 x 10 ⁻¹	20.78	4.22 x 10 ⁻²

Notes:

- In FY2022 and FY2023, main emissions were calculated in accordance with the *Annex II: Reporting Guidance for Business on Environmental Key Performance Indicators* released by HKEx. The scope of the data only covers the Non-academic Education Business in Henan Province.
- As at 31 December 2023, 2022 and 2021, the total number of employees of the Group was 360, 383 and 492, respectively.

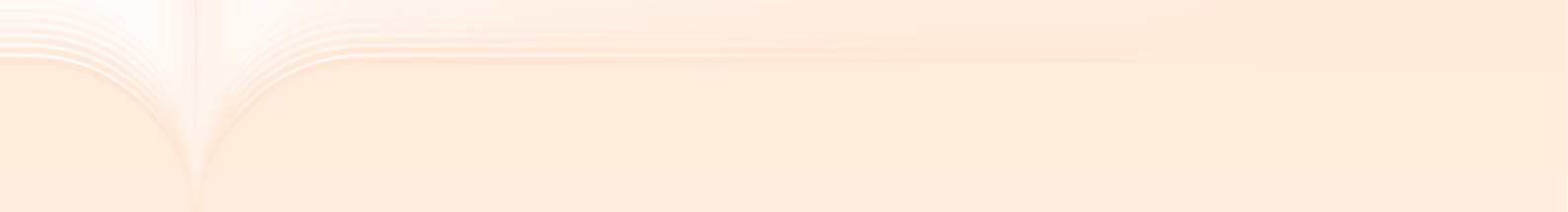
During the Reporting Period, vehicle use, driving distance and fuel consumption decreased significantly compared with FY2022, and vehicle emissions have decreased significantly year-on-year. The Group has rolled out vehicle management measures to reduce emissions, with details shown in the section headed “Emissions Reduction Measures” in this ESG Report.

GHG

The Group’s direct GHG emissions are mainly from vehicle fuel combustion of the Group, while indirect GHG emissions are mainly from purchased electricity.

Main emissions types	Unit	For the years ended 31 December		
		Emissions in 2023	Emissions in 2022	Emissions in 2021
Scope 1				
Carbon dioxide (CO ₂)	tons CO ₂ equivalent	13.02	18.27	24.84
Methane (CH ₄)	tons CO ₂ equivalent	0.04	0.05	0.05
Nitrous oxide (N ₂ O)	tons CO ₂ equivalent	1.62	2.27	3.62
Total emissions from vehicle fuel combustion	tons CO ₂ equivalent	14.68	20.59	28.51
Scope 2				
Electricity ⁵	tons CO ₂ equivalent	77.31	123.56	1,501.32
Total Emissions	tons CO ₂ equivalent	91.99	144.15	1,529.83
Total emission intensity	tons CO ₂ equivalent/ employee	0.26	0.38	3.11

Note 5. In FY2022 and FY2023, the factor of GHG emissions from the consumption of purchased electricity was based on the *Guidelines on Enterprises Greenhouse Gas Emissions and Reporting – Power Generation Facilities (Revised in 2022)* released by the Ministry of Ecology and Environment of China, and different from the emission factor adopted in FY2021. The scope of the data only covers the Non-academic Education Business in Henan Province.



The indirect GHG emissions from electricity consumption decreased during the Reporting Period as compared with FY2022 due to reduced numbers of self-operated teaching centres and employees in FY2023.

The Group has completely terminated the Academic Education Business in China, and closed all the self-operated teaching centres that offered Academic Education Business. Meanwhile, the Group actively pushed for business transformation, adjusting business strategy and providing extracurricular programmes for personal attainment, vocational education and overseas education consultation services. As the Group's transformation is ongoing, it has not yet entered a stable development stage.

It is difficult for the Group to set future targets based on the emissions during the Reporting Period. Until the new business becomes stable in the next one to two years, the Group will re-examine its GHG emissions and set appropriate targets to control and reduce GHG emissions.

Emissions Reduction Measures

In order to effectively reduce the emissions generated by the Group, the Group has adopted certain vehicle management measures, including but not limited to rational use of vehicles, prohibition of private use of company cars and strict approval of long-distance travel arrangements to reduce unnecessary business trips. The Group's vehicles undergo weekly inspections and maintenance to improve energy efficiency. Also, the Group has developed the *Business Trip Expenses Management System* to strictly control business trip approval and budgets, taken measures such as classifying and grading inter-city traffic expenses, accommodation expenses, meal allowances and miscellaneous expenses, setting quotas for such expenses and strict control over the number of employees and days on a business trip, to guide proper choices of means and ways of travelling by employees, and advocated online communication to reduce business trips, decrease the use of resources and thus promote energy conservation and emission reduction. As a result of these measures, the Group has maintained relatively low emission levels which do not have a significant impact on the environment and society. For details of the energy conservation and green measures adopted by the Group, please refer to the section headed "Resource Usage Efficiency" in this ESG Report.

Hazardous and Non-hazardous Waste

Given the nature of its business, the Group does not generate significant hazardous and non-hazardous wastes in its daily operations. The Group's non-hazardous waste mainly comes from daily office garbage, while hazardous waste mainly comes from discarded cartridges of printers, which are recycled by professional manufacturers. In FY2023, the Group generated approximately 12 tons of office wastes and 51 waste cartridges were recycled.

The Group is committed to promoting green campuses and offices, and adheres to the four "R" environmental principles (reduce, reuse, recycle and restore) in its daily operations, aiming to reduce waste generation and achieve resource usage efficiency maximise.

As for paper use, the Group advocates a paperless office, including but not limited to the following measures:

- Setting the printer to print on both sides by default; recycling non-confidential documents, such as double-sided printing or reusing single-sided paper;
- Encouraging employees to use online communication and approval;
- Strictly implementing office paper budget system and purchase approval to ensure resource utilisation and avoid waste;
- Setting up waste paper recycling bins to separate recyclable waste papers.

8.2 Use of Resources

Environment and Natural Resources

The Group's resource consumption primarily includes the consumption of purchased electricity in daily operations. For some of the Group's teaching centres, water consumption is covered under the property management fees, so the total water consumption data cannot reflect actual water consumption of all teaching centres. For details of various resource efficiency and green measures adopted by the Group, please refer to the section headed "Resource Usage Efficiency" in this ESG Report.

Total Consumption of Resources

Type of Resources	Unit	For the years ended 31 December		
		2023 Consumption	2022 Consumption	2021 Consumption
Electricity				
Total electricity consumption	kWh	129,346.35	216,656.20	2,460,774.92
Total electricity consumption density	kWh/employee	359.30	565.68	5,001.58
Water				
Total water consumption	m ³	537.37	4,693.24	363,639.96
Total water consumption density	m ³ /employee	1.49	12.25	739.11

The Group's electricity and water consumption decreased considerably during the Reporting Period as compared to FY2022. This was due to the reduced numbers of self-operated teaching centres and total number of employees during FY2023 of the Group. Therefore, the Group's total consumption of electricity and water consumption in total and density decreased significantly during the Reporting Period.

As mentioned in the section headed "Air Emissions – GHG", until the new business stabilises in the next one to two years, the Group will re-examine the total electricity and water consumption density and set appropriate targets to control and reduce electricity and water consumption.

Resource Usage Efficiency

The Group advocates sustainable development and adopts a series of energy conservation and emissions reduction measures to enhance the environmental awareness of all students and teachers.

In terms of electricity consumption, the Group has adopted measures including but not limited to:

- Using low power consumption and recycled energy efficient lighting to reduce power consumption of lighting products, in order to reduce carbon emissions;
- Guiding all departments and campuses to turn off lights in a timely manner according to administrative control to reduce the waste of electrical resources;
- Maintaining existing electric equipment in strict accordance with the repair and maintenance procedures, to improve the efficiency of equipment use and extend its service life;
- Encouraging employees and students to turn off power and any equipment not in use when leaving the classrooms or offices;
- Maintaining the temperature of classrooms and offices at 24 degrees Celsius or above;
- Using natural lighting in public areas such as classrooms, corridors, and reading areas as much as possible.

As for water consumption, the Group has taken various water conservation measures, such as regular inspection of toilets by cleaners to avoid leakage of water from the water taps. The Group also puts up signs in prominent places in the toilets to remind all students and teachers to conserve water.

Water Resource

The Group has not encountered any difficulties in finding a suitable water source and its teaching centres have a stable water source to meet their daily operational needs. During the Reporting Period, the Group consumed approximately 537m³ of municipal water and generated about 110 m³ of waste water.

Packaging Materials

Given the nature of the Group's business, the Group does not use a lot of packaging materials in its daily operations.

8.3 Climate Change

Corporate Governance

The daily operations of the Group does not have significant impact on the environment or natural resources, and the Group is committed to protecting the environment and natural resources in the course of its business by adopting corresponding energy conservation and green measures, striving to avoid significant impact on environment or excessive consumption of natural resources. The Group closely monitored the environmental impact of the daily operations of each teaching centre to develop a green environment for future.

Coping Strategy

The Board and the ESG working group regularly review the ESG strategies to consider potential risks related to climate change based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) so as to identify, assess and monitor the possible impact on the Group's business and operations. The Group separately identifies the physical risks and transition risks of adverse financial impacts, and formulate and revise coping strategies based on actual conditions. The Group's analysis of the potential financial risks arising from climate change and strategies to address them are as follows:

Risk Type	Potential Financial Risk			Coping Strategies	
	Short Term (The Reporting Period)	Medium Term (1-3 years)	Long Term (4-10) years		
Physical Risk	Acute Extreme weather conditions, such as increased flooding, resulting in loss of assets, reduced revenues or business interruption.	M	M	H	Develop a safety protocol and emergency response plan, learn from previous drought and flood resistance experience, further improve emergency response plan to cope with extreme weather conditions.
	Chronic The persistent high temperatures leads to an increase in electricity consumption which in turn affects operating costs.	L	L	M	Energy saving policies and green measures are adopted to avoid excessive use of natural resources, which are described in the section headed "Resource Usage Efficiency" above.

Note: L: Low, M: Medium, H: High

Risk Type		Potential Financial Risk			Coping Strategies
		Short Term (The Reporting Period)	Medium Term (1-3 years)	Long Term (4-10) years	
Transition Risk	Policies and Regulations More stringent climate policies and regulations (e.g. stricter electricity restrictions) may increase compliance costs and operating costs.	L	L	H	Strictly implement the emissions reduction measures (e.g. vehicle management measures) to maintain low emission levels, which are described in the section headed "Emissions Reduction Measures" above.
	Market Consumers switch to more environmentally conscious teaching institutions, resulting in lower revenues.	L	L	H	Adhere to the Group's philosophy of sustainable development, strictly control teaching quality and teaching materials research and development to meet market expectations and needs.

Note: L: Low, M: Medium, H: High

The Group will continue to monitor the related risks of climate change annually and take appropriate measures to mitigate any potential physical or transition risks.

Climate Scenario Analysis

In accordance with the pilot climate risk stress test of the Hong Kong Monetary Authority, the Group have evaluated its exposures to climate risks in three scenarios, including one physical risk scenario targeting worsening climate conditions and two transition risk scenarios that respectively represent orderly and disorderly transition to a low-emission economy, so as to assess the impact of extreme weather, carbon taxes at different levels, and changes in energy demands on related business or industry.

Climate Risk Scenarios	Physical Risks	Transition Risk – Disorderly Transition	Transition Risk – Orderly Transition
Time Range of the Test	2051–2060	2031–2035	2024–2050 (at five-year intervals)
Scenario forecast and analysis	<p>Hong Kong will be severely affected by extreme weather events, including but not limited to:</p> <ul style="list-style-type: none"> • Rising temperature • Rising sea level • Stronger tropical typhoons 	<ul style="list-style-type: none"> • Countries will not introduce climate policies until 2030, after which dramatic reductions in GHG emissions will be required to meet the <i>Paris Agreement</i> targets. • There will be significant changes in energy consumption patterns and carbon prices, which will have a major impact on high-carbon emitting industries. • The global economy will be dramatically affected by the rapid transition to low emission energy and production process. 	<ul style="list-style-type: none"> • As new technologies are introduced, countries will take progressive actions at early stage to meet the <i>Paris Agreement</i> targets. • As the <i>Paris Agreement</i> targets are met in a relatively orderly fashion, it will have less impact on the global economy in the process.

Risk Management

Through climate risk identification and assessment, the Group analyzes the economic and financial impacts on the Group’s operations and business, and formulates control measures and coping strategies for the assessed risk items to improve risk management processes and capabilities.

CLIMATE RISK MANAGEMENT PROCESS

Policy System

Guarantee Mechanism

Improve environmental, climate and social risk management regulations. Incorporate relevant factors into risk management regulations and continuously improve relevant risk identification, measurement, monitoring, reporting, control and mitigation frameworks.

Major Measures

- Incorporate the principle of “sustainable development” and environmental, climate and social risk considerations to the Group’s risk management policies for relevant businesses;
- Gradually incorporate ESG considerations into risk management of the Group’s business.

Risk Identification

Guarantee Mechanism

- Identify and evaluate environmental, climate and social risks of the Group’s business;
- Include sustainable development of suppliers into risk considerations;
- Evaluate suppliers’ exposure and resilience to climate risks to identify potential business opportunities and implement appropriate protection strategies.

Major Measures

- Evaluate suppliers’ environmental, climate and social risks, require them to understand and comply with environmental laws and regulations, and encourage them to develop environmental and low-carbon projects while balancing the needs of local communities;
- Develop questionnaires to help assess the operational and financial impact of climate risks on suppliers and implement appropriate protection strategies;
- Evaluate the supplier’s ability to mitigate relevant physical risks, strategies to address transition risks, and whether low-carbon transition goals have been set and carried out in an orderly manner as planned.

STRESS TEST AND SCENARIO ANALYSIS

Guarantee Mechanism

- Conduct stress tests and scenario analysis in areas with high climate risk sensitivity, assess supplier rating migration and impact on the Group's business and finance in climate risk scenarios, and appropriately incorporate conventional risk analysis tools.

Major Measures

- Gradually implement and improve the scope of testing, scenario setting, and testing methods, based on the Group's business development and regulatory requirements.

RISK REPORTING AND MITIGATION

Guarantee Mechanism

- Climate and environmental risk monitoring and reporting mechanism

Major Measures

- Gradually implement climate and environmental risk monitoring and reporting mechanism in accordance with the Group's *Sustainable Development Plan*.

Goal Programming

As mentioned above in this ESG Report, the Group completely terminated the provision of the Academic Education Business in the PRC and has closed all related self-operated teaching centres. In the meantime, the Group is actively promoting business transformation by adjusting its business strategy to expand its provision of extracurricular programmes for personal attainment and overseas education consultation services business. Therefore, it is difficult for the Group to determine the potential impact of climate change on it in the coming years and to formulate corresponding goals based on the existing and future conditions in the Reporting Period.

8.4 Environmental Education

Environmental Protection System

The Group upholds the criteria of "respecting nature and living in harmony with nature". Saving resources and protecting the environment is the responsibility of each of us. The Group focuses on improving employees' environmental awareness and encourages employees to personally participate in environmental protection work and form good environmental protection habits.

The Group advocates green operations and formulates “Management Regulations on Safe Electricity Usage”, “Management Regulations on Air Conditioning Use” and “Energy Efficiency Policy” and strictly implements them to achieve low-carbon operations. The Group encourages the integration of the concepts of resource conservation and environmental protection into daily operations. In order to improve employees’ environmental awareness and cultivate their environmental habits, the Group has implemented a series of green office measures to save energy and reduce material consumption in the office, including:

- Promote paperless office by saving documents in shared disk or using email;
- Turn off lights when no one is in the office;
- Set the computers to enter sleep mode or shut down when idle for 15 minutes;
- Recommend the use of public transportation or bike for commuting.

In the teaching centres operated by the Group, the Group promotes double-sided printing for teaching materials to reduce paper waste. The Group also implements waste recovery and recycle wastes based on the nature of the waste.

Promotion

To enhance the employees’ environmental awareness, the Group promotes the concept of caring for the environment via internal network, public media in the office building and other means. The Group posts slogans on energy conservation, garbage sorting and recycling on blank walls in office areas and teaching centres; and potted plants are set indoors appropriately to create a green and low-carbon environment for employees and students. The Group’s teaching centres hold environmentally themed poster design competitions for students every year, through which the students fully understand the necessity and importance of caring for the environment, and the posters are displayed on the bulletin boards to improve the students’ environmental awareness.

Environmental Actions

The Group also carries out environmental awareness drills and environmental training to further enhance the employees’ environmental awareness and strengthen the Group’s environmental protection culture. The Group promotes garbage sorting in office areas by providing classified dustbins, educating staff on garbage sorting and encouraging them to follow the garbage sorting policy and adopt a green lifestyle. On the World Environment Day, the Group held a thematic competition on environmental protection knowledge, which set questions on climate change, water resources and garbage sorting and gave recognition and rewards to employees who performed well in the competition, so as to enhance the enthusiasm of employees towards environmental actions, help them with the implementation of green and low-carbon practices in daily life and work, and reduce the damages of human activities to the ecosystem.

9. COMMUNITY INVESTMENT

Fully aware of the importance of making positive contribution to the community where it operates, the Group regards community interest as part of its social responsibilities. Besides pursuing business development, the Group also takes active part in public welfare activities to deliver more warmth and care to the society. To this end, the Group formulates community investment management systems and policies, allocates a certain proportion of the annual operating budget as project funds, plans an annual plan, and reviews the plan regularly. The Group has been actively involved in a variety of community activities, including participating in poverty alleviation projects in remote areas, planning brand charity, and actively cooperating with local red cross societies, charity foundations and other charitable organisations.

Over the years, the Group has paid consistent attention to groups with different needs, deepened the cooperation and exchanges with industrial peers and supported the development of cultural undertakings. With a stronger focus on future developments of youths in recent years, the Group has worked to provide diverse opportunities for exchanges and internship to pave the way for their future success.

10. FUTURE PROSPECTS

Looking forward to the future, the Group will continue to invest time and resources in promoting sustainable development throughout the Group, continue to learn about the stakeholders' expectations and demands, and improve policies and measures in terms of quality education, people-oriented, customer first, and green environmental protection, so as to create sustainable value for stakeholders. With resolution, integrity, innovation and transformation, the Group will speed up the construction of new brand advantages and offer quality services to its customers.

In terms of quality education, the Group will rely on its brand and market influence to continue to optimise and integrate quality education resources, design innovative products, upgrade the services for further education, and provide personalised solutions.

In terms of people-oriented, the Group will promote the construction and development of the talent team through a series of human resources policies, connect employees' personal growth with the Group's future, and ensure they could show their strengths in the Group.

In terms of customer first, the Group will continue to improve relevant policies and measures, protect intellectual property and privacy, and safeguard legitimate rights and interests of customers.

In terms of green environmental protection, the Group will integrate green concepts and environmental education into its operations and encourage stakeholders to contribute to environmental protection and minimise the environmental impact.

The Group will fulfill its corporate social responsibility, adhere to sustainable development strategy, strive its best to reduce the environmental and social impacts of its operations, and turn ESG risks into opportunities. At the same time, the Group will also work closely with stakeholders and continue to contribute to the society.

11. LIST OF LAWS AND REGULATIONS

Set out below are the laws and regulations that have a significant impact on the Group's operations in the PRC:

Aspect	Laws and regulations
Environment	Environmental Protection Law of the PRC
	Environmental Impact Assessment Law of the PRC
	Environmental Protection Tax Law of the PRC
	Implementation Regulations of the Environmental Protection Tax Law of the PRC
	Atmospheric Pollution Prevention and Control Law of the PRC
	Water Pollution Prevention and Control Law of the PRC
	Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste
	Law of the PRC on Prevention and Control of Environmental Noise Pollution
Employment and labour practice	Labour Law of the PRC
	Labour Contract Law of the PRC
	Social Insurance Law of the PRC
	Law of the PRC on the Protection of Minors
	Provisions Prohibiting the Use of Child Labour
Workplace Health and Safety	Law of the PRC on the Prevention and Control of Occupational Diseases
	Production Safety Law of the PRC
	Fire Protection Law of the PRC
	Regulations on the Safety Management of Hazardous Chemicals
	Regulations on Safety Supervision of Special Equipment

Aspect	Laws and regulations
Product Responsibility	Copyright Law of the PRC Patent Law of the PRC Trademark Law of the PRC Product Quality Law of the PRC Civil Code of the PRC Teacher Law of the PRC Law of the PRC on the Protection of Minors Education Law of the PRC Law of the PRC on the Promotion of Civil Education Regulations on Teacher Qualifications
Anti-corruption	Anti-Money Laundering Law of the PRC Interim Provisions of the State Administration for Industry and Commerce on Prohibiting Commercial Bribery

12. INDEX TABLE OF THE ESG REPORTING GUIDE

General Disclosure and KPIs	Description	Reference Chapter in This ESG Report
A1: Emissions		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Environmental Protection – Environmental Impact, Use of Resources
KPI A1.1	The types of emissions and respective emissions data.	Environmental Protection – Environmental Impact – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, (where appropriate), intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Environmental Impact – GHG
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Environmental Impact – Hazardous and Non-hazardous Waste
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Environmental Impact – Hazardous and Non-hazardous Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Protection – Environmental Impact – Emissions Reduction Measures
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Protection – Environmental Impact – Emissions Reduction Measures

General Disclosure and KPIs	Description	Reference Chapter in This ESG Report
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Environmental Protection – Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Use of Resources
KPI A2.2	Water consumption in total and density (e.g. per unit of production volume, per facility).	Environmental Protection – Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection – Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps take to achieve them.	Environmental Protection – Use of Resources
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Environmental Protection – Use of Resources
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection – Use of Resources, Environmental Education
KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection – Use of Resources, Environmental Education
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Protection – Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Protection – Climate Change

General Disclosure and KPIs	Description	Reference Chapter in This ESG Report
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People-oriented
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People-oriented — Bringing Talents Together — Total Number and Distribution of Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	People-oriented — Bringing Talents Together — Employee Turnover
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) 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.	People-oriented — Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People-oriented — Health and Safety
KPI B2.2	Lost days due to work injury.	People-oriented — Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People-oriented — Health and Safety

General Disclosure and KPIs	Description	Reference Chapter in This ESG Report
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-oriented, Educational Innovation — Enhancement of Teachers' Quality and Skills
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People-oriented, Educational Innovation — Enhancement of Teachers' Quality and Skills
KPI B3.2	The average training hours completed per employee by gender and employee category.	People-oriented, Educational Innovation — Enhancement of Teachers' Quality and Skills
B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People-oriented — Care for Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-oriented — Care for Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People-oriented — Care for Employees

General Disclosure and KPIs	Description	Reference Chapter in This ESG Report
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) 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.	Educational Innovation – Quality Education Resources and Services
KPI B6.1	Percentage of total products sold or shipped subject to recall for safety and health reasons.	Not Applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Corporate Governance – Steady Operation – Consultation and Compliant Handling
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Corporate Governance – Steady Operation – Intellectual Property Rights and Information Assurance
KPI B6.4	Description of quality assurance process and recall procedures.	Educational Innovation – Quality Education Resources and Services
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	People-oriented – Health and Safety – Privacy Protection

General Disclosure and KPIs	Description	Reference Chapter in This ESG Report
B7: Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Supply Chain Management – Anti-Corruption and Integrity Management
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Supply Chain Management – Anti-Corruption and Integrity Management
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Supply Chain Management – Anti-Corruption and Integrity Management
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Supply Chain Management – Anti-Corruption and Integrity Management
B8: Community Investment		
General Disclosure	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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

13. GLOSSARY

In this ESG Report, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“FY2021”	the year ended 31 December 2021
“FY2022”	the year ended 31 December 2022
“FY2023” or “Reporting Period”	the year ended 31 December 2023
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, which for the purpose of this ESG Report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Dashan Education Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange with stock code of 9986
“Director(s)”	the director(s) of the Company
“ESG”	environmental, social and governance
“ESG Report”	the 2023 Environmental, Social and Governance Report of the Company
“GHG”	greenhouse gas
“Group”	the Company and its subsidiaries
“KPI(s)”	key performance indicator(s)
“Nomination Committee”	the nomination committee of the Company
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

* For identification purpose only