



VIRSCEND EDUCATION COMPANY LIMITED

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1565

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2018

A PROFOUND CHINESE FOUNDATION,
A PANORAMIC GLOBAL OUTLOOK,
AN INNOVATIVE FUTURE



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ABOUT THIS REPORT

BASIS OF COMPILATION

The report is prepared in accordance with the requirements of Appendix 27 “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” or “HKEx”).

REPORTING SCOPE

This is the third Environmental, Social and Governance (“ESG”) report published by Virscend Education Company Limited. This report covers our ESG performance and related information from 1 January 2018 to 31 December 2018. Unless otherwise stated, the scope of this report is same as that of the 2018 Annual Report of Virscend Education Company Limited.

DATA SOURCE

All the data and case studies in this report came from statistics reports and relevant documents of Virscend Education Company Limited. The Company warrants that there are no false representations, misleading statements and material omissions in this report, and is responsible for the truthfulness, accuracy and completeness of the content herein.

APPELLATION STATEMENT

For convenience, the “Group”, the “Company”, “We” and “Virscend Education” refer to “Virscend Education Company Limited” in this report.

APPROVAL AND ACCESS TO THE REPORT

This report adheres to the principles of materiality set out in the ESG Reporting Guide and was approved for publication by the board of directors of the Company (the “Board”) on 25 July 2019. This report includes both Chinese and English versions. If there is any discrepancy, please refer to the Chinese version. An electronic version of the report is available at the official website of the Company www.virscendeducation.com.

OPINION AND FEEDBACK

If you have any queries or feedback on this report or its contents, you are always welcome to contact us through the following channels:

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SENIOR MANAGEMENT'S STATEMENT

2018 was an extraordinary year, it was the 40th anniversary of China's reform and opening up. We have written a glorious chapter in these 365 days, a story woven with bits of struggle here and there. As a pioneer in private education in Sichuan Province, we insisted on exploring the road to sustainable development throughout the year while continuously improved our social responsibility management system, so as to make substantial progress in our environmental, social and corporate governance efforts. In this year, all the Virscend educators have been adhering to the spirits of integrity and responsibility, they pursued pragmatic targets through innovative ideas, achieved common goals through cooperation, strived to overcome difficulties and made vigorous effort to fulfill their duties. They upheld the ideals of education with their hard work, marching hand in hand to advance the cause of Virscend.

We aim for excellence, endeavor to forge ahead, with quality education as our top priority. Modern education values the pursuit of personal development, sustainable education goes further in this aspect and regards the all-round development of individuals as the main task of education. We focus on developing individual awareness, abilities, attitudes and values at different stages of education, emphasizing the ability of children to learn to survive, learn to live their lives and learn to develop their potentials, so that they can effectively participate in local and national sustainable development initiatives, capable of making decision on environmental and social problems in order to create a more sustainable future. Virscend actively promotes the development of its schools and fosters harmonious education, teaching resources are integrated to meet the needs of diverse education which reflects the characteristics of private schools. We serve the public and aim to provide satisfactory education for them.

We are full of sincerity and enthusiasm, eager to recruit more talents to impel our prosperous growth. We advocate management mechanisms that are scientific and "people-centered", adhere to long-term planning for sustainable development. Our decision-making process emphasizes rationality, democracy and efficiency, we believe that collective efforts, teamwork and logical reasoning lead to progress and growth. With our diverse team culture, effective employee incentives, comprehensive training system and intimate care, we have attracted a pool of talents who empower Virscend to gather tremendous momentum and build up transcendent competitiveness.

We are unwaveringly committed to minimize our carbon emission and protect the environment. We actively respond to the national green development concept and implement the requirements of ecological progress. Environmental-friendly practices are encouraged in our offices while eco-awareness campaigns are conducted in the school, aiming to integrate green mindset into our daily operations and campus life. We set example with our own actions, starting from bit by bit, show our concern for the nature through protecting every single grass and tree that is under our care, in hope of creating harmony between man, nature and society.

We try our best to give back to the community, extend a helping hand to those in need. In 2018, in response to the call of Sichuan Provincial Party Committee to "visit the grass roots and send support", we offered our help and care to destitute rural households. Believe in eradicating poverty through education, we try to curtail the difference between urban and rural by supporting rural schools, helping underprivileged children to go to school and offer loving support to them. We inspire the love for society in our teaching, advocate the spirit of communal support and encourage volunteer service, cultivating the children's sense of social responsibility.

Targets of sustainability cannot be achieved overnight, the task is arduous and the responsibility is massive. We are now standing on the new starting point of history and have commenced a new journey of Virscend. In the process of achieving the objective of sustainable development, we should innovate and make unremitting efforts, work together with the same goal, be ambitious and be bold, stride towards our target without hesitation, so that we shall look back on our journey with no regret. We shall accomplish the mission of Virscend Education in flying colors, establish Virscend as a home base for good education!

Wang Xiaoying

Chairwoman










ABOUT US

OUR PROFILE

Virscend Education Company Limited (1565.HK) is a leading provider of private education services in Southwest China, offering comprehensive services from pre-school to grade 12 ("K-12"), university and international education. The Group started venturing into education in 2000, and has since been operating private schools in Sichuan Province for more than 18 years. At the end of the reporting period, the Group was operating sixteen schools:

Chengdu Foreign Languages School	Chengdu Foreign Languages School of Panzhihua
Chengdu Experimental Foreign Languages School	Primary School attached to Chengdu Experimental Foreign Languages School
Chengdu Experimental Foreign Languages School (Western Campus)	Gaoxin Meinian Campus of Primary School attached to Chengdu Foreign Languages School (the "Gaoxin Meinian Primary School")
Primary School attached to Chengdu Foreign Languages School	Chengdu Experimental Foreign Languages School of Xindu Wulongshan
Kindergarten of the Primary School attached to Chengdu Jinniu District Foreign Languages School	Chengdu Experimental Foreign Languages School of Quxian
Wulongshan Campus of Chengdu Experimental Foreign Languages School	Virscend High School of Quxian (the "Quxian High School")
Chengdu Foreign Languages School of Zigong	Kindergarten of the Primary School attached to Chengdu Foreign Languages School of Zigong (the "Chengdu Foreign Languages Kindergarten of Zigong")
Chengdu Foreign Languages High School of Zigong (the "Zigong High School")	Chengdu Institute Sichuan International Studies University

OUR MILESTONES

2000		We founded Chengdu Foreign Languages School as a joint school sponsor.
2002		We founded Chengdu Experimental Foreign Languages School as a joint school sponsor.
2003		We founded Chengdu Experimental Foreign Languages School (Western Campus) and the Primary School attached to Chengdu Foreign Languages School as the sole school sponsor.
2004		We founded Chengdu Institute Sichuan International Studies University as a joint school sponsor.
2007		The Primary School attached to Chengdu Foreign Languages School founded Kindergarten of the Primary School attached to Chengdu Jinniu District Foreign Languages School as the sole school sponsor.
2017		We founded Chengdu Foreign Languages School of Panzhihua, Primary School attached to Chengdu Experimental Foreign Languages School as the sole school sponsor; and founded Wulongshan Campus of Chengdu Experimental Foreign Languages School, Chengdu Experimental Foreign Languages School of Xindu Wulongshan, the Gaoxin Meinian Primary School, the Zigong High School, Chengdu Foreign Languages School of Zigong and Chengdu Foreign Languages Kindergarten of Zigong as a joint school sponsor.
2018		We founded Chengdu Experimental Foreign Languages School of Quxian and the Quxian High School as the sole school sponsor.



ABOUT US

OUR HONORS



HONORS OF OUR SCHOOLS

Awards	Awarded Entity	Awarded by	Time
Kid's Box Cambridge Young Learners' English Model school	Gaoxin Meinian Primary School	Foreign Language Teaching and Research Press	March 2018
Key Experimental School	Gaoxin Meinian Primary School	Ministry of Education authorized research group on "Application of IT in English Teaching in Schools"	March 2018
Four Star Recycling squadron	Gaoxin Meinian Primary School	Chengdu Youth Pioneer National Work Committee, Chengdu Municipal Committee of Communist Youth League	March 2018
Most Influential Education Brand at the 40th years of Reform and Opening up	Chengdu Foreign Languages School	China Academy of Management Science Academy of Educational Sciences China Academy of Management Science Advisory Department	May 2018
Outstanding school	Chengdu Foreign Languages School	Chengdu Education Bureau	November 2018



HONORS OF OUR TEACHERS

Competitions and Activities	Awards	Awarded by	Time
2018 "Star of Outlook" English Talents Awards	Outstanding instructor	National Organizing Committee of "Star of Outlook" English Talents Awards	June 2018
Teaching lesson of the "11th National Basic English Quality Education Experimental Base Academic Exchange Seminar"	First prize Second prize	National Research Centre for Foreign Language Education of Beijing Foreign Studies University	July 2018
2018 CYECC Exhibition of Teaching Achievements of English New Curriculum Teachers	First prize	China Basic Foreign Language Education Research & Training Center China Youth English Competence Contest	July 2018
13th Open Class Cup National Youth Creative Composition Competition Semi-finals	Outstanding instructor	Department of Chinese Language and Literature, Peking University	July 2018
2018 National High School Model United Nations China Meeting	Best instructor	International Model United Nations Association Organizing Committee	August 2018
National Middle School English Literacy Competition	Outstanding instructor	Organizing Committee of National Middle School English Literacy Competition Beijing Zhiyun Technology Education Research Center	October 2018
9th ICAA INTERNATIONAL CHILDREN'S ART Contest	Organizational guidance gold medal	International Children's Art Association	March 2018



ABOUT US



HONORS OF OUR STUDENTS

Competitions and Activities	Awards	Awarded by	Time
20th Chinese Newspaper Cup National High School Essay Contest (3rd year high school division)	First prize and Third prize	The Association for Newspapers and Periodicals of National Chinese Linguistics	January 2018
2018 CCTV High School Students Channels (Central Studio of News Reels Production) "Star of Outlook" English Talent Competition National Final	First prize	National Organizing Committee of "Star of Outlook" English Talent Competition	June 2018
Asian International Music and Dance Contest (Guitar)	Second prize	China International Youth Culture and Art Federation	July 2018
15th Foreign Language Teaching and Research Press Cup National English Competition For Schools (personal skill competition) National Final Junior High School Group D	Third prize	National Organizing Committee of "FLTRP Cup" English Competition For Schools	July 2018
National High School Mathematics League 2018	Second prize and Third prize	Chinese Mathematical Society	July 2018
17th National Creative English Essays Contest	First prize, Second prize and Third prize	College and University Admission Magazine's Organizing Committee of National Creative English Essays Contest	August 2018
16th Ye Shengtao Cup High School Students Writing Competition	First prize, Second prize and Third prize	Organizing Committee of Ye Shengtao Cup Junior High School Students National Writing Competition	September 2018
2018 World Artificial Intelligence Competition For Youth	Winner of China National Finals	Carnegie Mellon University	September 2018
Final of 7th National Aerobics Dancing Competition 2018, Group B of Primary schools	Second prize	General Administration of Sports of China Gymnastics Management Center Chinese Aerobic Association	October 2018
35th National Physics Competition for Junior High School Students	Second prize and Third prize	Chinese Physics Society	October 2018
National English Proficiency Competition for Junior High School Students	First prize, Second prize and Third prize	National Basic Foreign Language Teaching Research Centre	December 2018
2018 China Computer Federation National Olympiad in Informatics in Provinces semi-finals	First prize and Second prize	China Computer Federation	December 2018
ICAA International Children's Art Contest	Gold, Silver and Bronze medals	International Children's Art Association	March 2018
19th Asian Physics Olympiad (APHO)	Gold medal	Organizing Committee of Asian Physics Olympiad	May 2018
China Academy of Art Cup National Youth Art Creation Competition	Second prize and Third prize	China Academy of Art Publishing House Youth Art Education Research Center Organizing Committee of China Academy of Art Cup National Youth Art Creation Competition	June 2018



SUSTAINABILITY MANAGEMENT

OUR VISION OF SUSTAINABLE DEVELOPMENT




Virscend Education is committed to providing quality education services to students, cultivating their global vision and equipping them with practical knowledge. We uphold people-oriented teaching strategies and implement effective school management, we respect students' personal lives while stimulating their learning potential, and care for their lifelong achievements. Our focus is on the nurturing of students' overall development, so that they will be prepared to face challenges in the future.

Our teaching is targeted at the advancement of students' "knowledge, character, ability and quality", we adhere to the guiding ideas of "laying the foundation for the development of students and taking up the duty of shaping the future of the nation", and strive to cultivate high-quality new generation Chinese students who have a sense of social responsibility, national sentiment and worldwide perspective. We abide by the educational philosophy of "people-oriented and comprehensive education", we advocate an all-round education concept of schooling through management, teaching, environment and service. We actively promote the integration of social responsibility ideas into Group management and campus operations, strive for sustainable development. We aim to set up schools for the people, teach for the motherland, scale new heights for the students, and stand tall in the world for our nation.

In answer to development requirements of the new era, Virscend Education kept on improving our ESG management system throughout 2018. We established an ESG working group headed by our financial department and assisted by teaching quality department, administration office, human resources department, brand promotion department, logistics support department, equipment department and all of our campuses. The working group is responsible for collecting and integrating information on ESG related policies and systems, and managing ESG data. The Board understands that it is important to involve itself in ESG working and has extended its full support to the ESG working group. This ESG report was approved and authorized for issue by the Board. In the future, we will further consolidate the functions of the ESG working group, optimize the coordination among different departments, gradually form an institutionalized ESG management system and promote efficient operation of all departments and campuses, thus gradually accomplish the sustainable development goals of Virscend Education.





SUSTAINABILITY COMMUNICATION

We are committed to creating lasting value for investors/shareholders, employees, students, parents, governments/regulators, communities and other stakeholders. We maintain close and effective communication with our stakeholders, listen intently to their needs and take their opinions as an important input source for management optimization.

Stakeholder	Main concerns	Communication methods
 Investors/Shareholders	<ul style="list-style-type: none"> Compliant operations and management Satisfactory operation results Information transparency 	<ul style="list-style-type: none"> General meetings Company announcements and press release HKEx website/the Company's website
 Teachers/Staff	<ul style="list-style-type: none"> Safeguard employees' interests Safe and healthy work environment Favorable platforms for employees to develop their careers Competitive salary package 	<ul style="list-style-type: none"> Department meeting/educational research activities Training and exchange programs for teachers/staff Evaluation of teaching quality Teachers/staff assessment
 Students	<ul style="list-style-type: none"> Premium teaching quality Ample teaching resources Comfortable learning environment Diversified activities Advanced teaching methods 	<ul style="list-style-type: none"> Themed class meetings/lectures School principal's mailboxes Survey on levels of satisfaction



SUSTAINABILITY MANAGEMENT

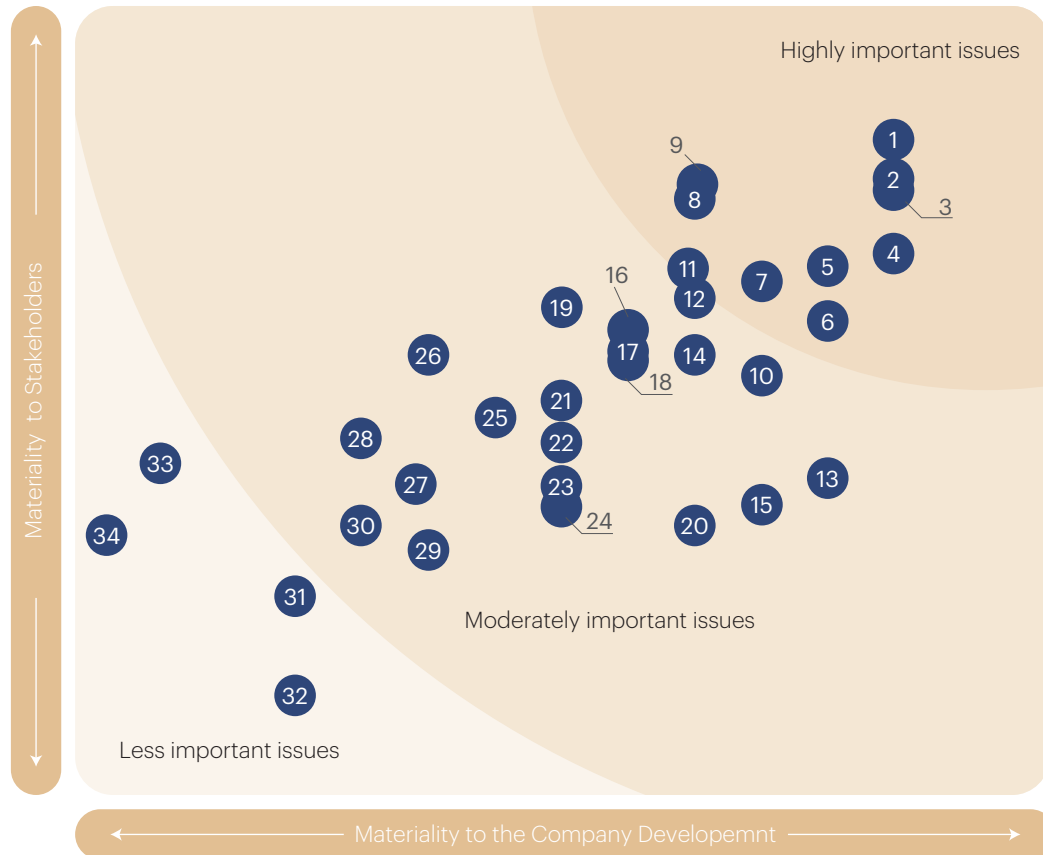
Stakeholder	Main concerns	Communication methods
 Parents	<ul style="list-style-type: none"> Premium teaching quality Outstanding development of teachers' ethics and morality Safeguard the physical and mental health of students Guarantee the safety of students Dietary safety and campus life protection for students 	<ul style="list-style-type: none"> Parents meeting Open day for parents Meet the Principal Day School principal' s mailboxes
 Suppliers/Partners	<ul style="list-style-type: none"> Cooperation and mutual benefit Establish long-term cooperation Fair competition 	<ul style="list-style-type: none"> Supplier evaluation On-site visits to suppliers Supplier gatherings Strategic cooperation
 Government and regulatory authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Pay tax in accordance with the laws Safe teaching environment Create positive social benefits 	<ul style="list-style-type: none"> Compliance report Regular visits Accept on-site inspections Participation in conferences/ seminars
 Community/Public	<ul style="list-style-type: none"> Public welfare and charity projects Social activities for students Updates on education development 	<ul style="list-style-type: none"> Public welfare activities Charitable activities Volunteer activities

Stakeholders' level of concern on various ESG topics and their judgment on the importance of these issues are the basis of our assessment on the priorities of these subjects. In order to obtain stakeholder views on different issues, we have conducted a major materiality assessment for this report. By means of more than 4,000 extensive surveys and interviews, we have better understanding of the evaluation and expectations of stakeholders on the sustainability performance of Virscend Education, these findings constitute an important reference material for our materiality assessment. Through the analysis of the results of the survey, we identified nine top priority issues such as "teaching quality", "development and supervision of teachers' ethics and morality" and "philosophy, mode and aim of education". This report will fully address the key issues that are more crucial to us. We shall also take heed of the concerns and demands of stakeholders, adjust our sustainable development strategy and management policies accordingly.



SUSTAINABILITY MANAGEMENT

ESG ISSUES MATERIALITY MATRIX OF 2018



- | | |
|--|--|
| 1 Teaching quality | 18 Green campus and office environment |
| 2 Development and supervision of teachers' ethics and morality | 19 Employees' career development and training |
| 3 Philosophy, mode and aim of education | 20 Students' satisfaction |
| 4 Management and structure of teaching teams | 21 Employee remuneration and benefits |
| 5 Development and innovation of educational research systems | 22 Professional skill training adapted to market demand |
| 6 Concept of sustainable development | 23 Greenhouse gas emissions and measures to control emission |
| 7 Teaching resources | 24 Supply chain management |
| 8 Safeguard the physical and mental health of students | 25 Care for employees |
| 9 Guarantee the safety of students | 26 Protection of students' and parents' privacy and personal information |
| 10 Handle complaints from students and parents, improvement of service | 27 Whereabouts of graduates |
| 11 Protection of employees' safety, health and rights | 28 Water use and protection of water resource |
| 12 Philosophy and policy of recruitment | 29 Protection and promotion of cultural heritage |
| 13 Teaching courses, models and tools | 30 Rational use of land |
| 14 Compliant operation and anti-corruption | 31 Public welfare of community |
| 15 Attract and retain employees | 32 Employment rate of graduates |
| 16 Campus life and social activities | 33 Energy consumption and energy saving measures |
| 17 Promulgate concept and practice of environmental protection | 34 Amount of waste produced and reduction measures |



PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

UNIQUE EDUCATION PHILOSOPHY

TEACHING FOR THE NATION, RUNNING SCHOOLS FOR THE PEOPLE

Education is the basis of any long term national development plan. Virscend Education cultivates the talents needed by the motherland and society, we impart knowledge, update old learnings, discover new facts and explore the unknowns, enable children to better understand the reality and go on to change the world.

We always keep the fundamental mission of education in mind and cultivate outstanding builders and successors of the motherland. We cultivate patriotic feelings, carry out our social obligations, take responsibility for the future of the nation, and strive for the great revival of our country!

We drive the development of our schools in earnest and aim at providing harmonious school life, we also pursue integration of teaching resources to meet the needs of diverse education. Our mission is to demonstrate the characteristics of private education and serve the people by running first-rate learning institutes.

CONNECTING CHINA TO THE WORLD THROUGH LANGUAGE STUDIES

Virscend Education established its base in the province of Sichuan and specializes in teaching foreign language, we believe that mastering a foreign language can broaden students' horizon and foster their international perspective. Our mission and undertaking is to offer first-rate foreign language education and cultivate elite foreign language talents.

English is our second language; we are aware that there is an additional task in teaching English –paving the path for internationalizing our education in the future. We adhere to the policy of taking English as the main subject, complemented by the studies of other languages, and through these learning we are drawn closer to the outside world. We are the first school in Southwestern China to offer dual language courses such as English + German, English + French and English + Japanese. We shall continue to promote the multilingual teaching model and gradually introduce courses on Japanese, Russian and Spanish, our ultimate mission is to foster multilingual talents for the country.

FOSTER INTEGRITY AND PROMOTE ROUNDED DEVELOPMENT OF STUDENTS, TEACH THEM ACCORDING TO THEIR APTITUDE

Education should be centered on the personal development of the students, with moral training at its forefront. We stand firm in upholding moral values at school, and are resolved to achieve this aim by positive motivation, giving students guidance, inspiration and encouragement. Our focus is on the character-building of each individual, shaping and developing their moral sense by showing them the proper way.

We also encourage creativity and individuality by providing students with a variety of elective courses and activities, such as fitness and sports, leisure hobbies, stage performance, explorations into foreign and Chinese traditional culture, in order to enrich students' campus life and lay solid foundations for their future lives.

PREMIUM TEACHING RESOURCES

Our teachers have lofty ideals, moral integrity, solid knowledge base and loving hearts; their dedication to education is a solid guarantee for the success of our students who are exhorted to embrace noble and ethical ideas, be well-educated and disciplined.

Amid classmates that are cheerful, friendly and eager to learn, our students have good companions in their journey of pursuing knowledge.



PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

OUTFLOWING OF SCHOLARLY AIRS THAT CANNOT BE ENCLOSED BY THE WALLS

We set our sights on the future of education, focus on the care for our children, and concern ourselves with the overall balanced development of students. We take classrooms as our base of operations, transfuse knowledge to students through various activities and carefully construct curriculum. We take note of differences among students and cater to their varied needs, aiming to cultivate their comprehensive personal capability. We emphasize keeping balance between intellectual, physical and personality development. We offer various compulsory and elective courses, arrange engaging activities to ensure that our students will grow up healthily and happily, laying the foundation for their personal development and lifelong success.

- *USE THE LANGUAGES OF THE WORLD TO TALK TO THE SOULS OF THE CHILDREN*

To arouse the interest of the children, we use picture books to cultivate observation ability and show them examples of daily language usage, making language classes more lively and interesting. We emphasize both empirical experience and logical reasoning, encouraging students to discover, ponder and learn grammatical rules in vivid practical situation.



SET UP A LIVELY AND VIVID CLASSROOM

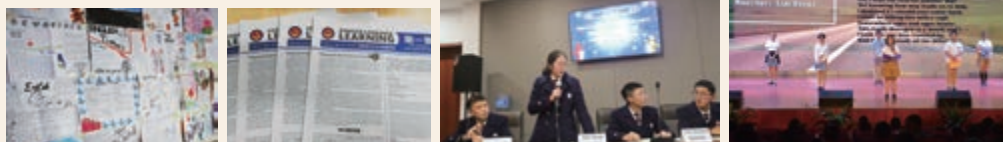
Ms Guo Jia, teacher of the Primary School attached to Chengdu Foreign Languages School, arranged some interesting activities on "The Foggy Day". With a picture tour to various destinations, students were guided to make observation and learn new words, they were also challenged to make predictions in the interactive games which fired up their imagination.

Ms Zhang Li, an instructor of ERA English textbook, conducted a class on "Max Jumps", used simple and interesting story situations to bring together the main points of textbook, guiding students to discover the rule of language usage.



A RENDITION OF YOUTH, SPEAK OUT TO MAKE THE DREAM COME TRUE

Colorful and abundant language practice activity is an important part of our teaching methodology. Our schools have launched a variety of language practice events such as short drama plays, voice-overs, English broadcast, English magazines, foreign language speeches, English debates, spelling contests, reading contests, writing contests, etc., allowing students to learn languages in various interesting ways.





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



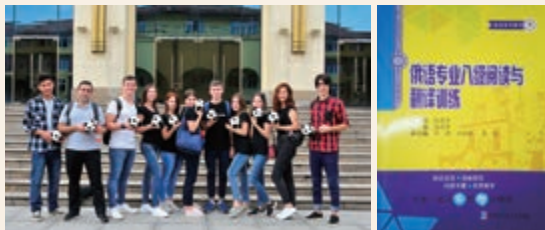
"FOREIGN LANGUAGE + "SPECIFIC TRAINING PROGRAMS

The strategic planning and implementation of the national "One Belt, One Road" vision has brought new opportunities for the advancement and development of foreign language studies. Chengdu Institute Sichuan International Studies University attained a logical extension of foreign language study, organizing courses that meet specific professional needs. These programs focus on technical and occupational language skill as well as multi-lingual working environment, breeding adaptable international workers who can meet the demands of multi-national commerce.

GERMAN+INTERNATIONAL NURSING



RUSSIAN + PETROLEUM AND PETROCHEMICAL INDUSTRIES



FRENCH+ ENGINEERING





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

• *USE LITERATURE AND POETRY TO WARM THE HEARTS OF THE CHILDREN*

Our teaching should be rooted in the classical learning of our ancestors, so that the pupils can emulate the virtues and elegance of classical scholars. On the other hand, only with a thorough understanding of traditional culture can we develop a critical mind of knowing what elements of our traditions should be preserved and what should be discarded. This process of critical thinking is essential for inheriting and refining our culture, it is also a significant aspect of grooming our students into truly thoughtful and open-minded intellectuals.



A TASTE OF CHINESE CLASSICS

Classical literature is the supreme cultural treasure of China. Primary School attached to Chengdu Experimental Foreign Languages School held a "Chinese Classics Reading" event to immerse them in the gracefulness of classical world. The lower-grade group recited the "Three-Character Canon" and "Students' Rules"; the middle grade group used sign language to convey the charm of classic poetry; the higher-grade group played "flying flower game" in which the participants challenged each other to recite the next verse of a poem of Du Fu or Su Shi. This event aroused students' interests in literature, leading them to explore the vast treasure of classical poetry.



• *USE MUSIC AND ART TO MOULD CHILDREN'S TEMPERAMENT*

We want our students to grow in the nourishment of art education, so that they will learn to appreciate the beauty of artistic creation and expression. It is our hope that the seed of art we sowed in their hearts will grow to enrich their lives.



THE SOUND OF MUSIC

At the 2018 new year concert of the Primary School attached to Chengdu Foreign Languages School, the students showed their musical talents and staged an impressive orchestra performance in front of a hall of audience. Such brilliant performance was the culmination of lengthy practice under tireless instruction of music teachers, the success they had on stage gave them a taste of what can be achieved by persistence and hard work.





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



EVERY CHILD IS AN ARTIST

In the creative art class, teachers guided the children to employ different expression techniques and try different materials. From painting to handicraft, from two-dimensional to three-dimensional, from selected materials to waste utilization, various kinds of artworks were created by these little artists, illustrating the colorful imaginations in their minds.



- *USE PHYSICAL ACTIVITY TO STRENGTHEN CHILDREN'S HEALTH*

Vigorous youth fears naught. By setting up a dynamic physical education curriculum, we hope to let students enjoy the fun of sports games on their path of growing up. Physical exercise can relieve the pressure of studying and bestow them with ample physical strength and stamina to meet challenges in the future.



THE JOY AND BEAUTY OF TABATA TRAINING

Chengdu Experimental Foreign Languages School of Xindu Wulongshan introduced the sports concept of "Tabata Training" proposed by Izumi Tabata, a professor at Tokyo Institute of Physical Education in Japan. Tabata is taught in physical education lessons and the level of difficulty is adjusted in accordance with the age of students, the body movements are accompanied by rhythmic music which turns the tough training into fun-filled exercise!





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

- *DEVELOP CHILDREN'S MIND WITH SCIENTIFIC EXPERIMENTS*

"Knowledge coming from books are shallow, only through practical application can one grasp a thorough understanding of what he has learned". At Virscend Education, we allow our students to use both their hands and brains in the laboratory to explore scientific knowledge while enhancing their hands-on ability, laying a solid foundation for cultivating children's scientific way of thinking.



SECRETS OF THE LEAF

To explore the mystery inside the leaves, the teacher instructed the students on how to make the vein bookmarks, so that they can observe the distribution of veins in details. Activities like this in science class add fun to learning.



- *USE PROGRAMMING LANGUAGE TO SHARPEN CHILDREN'S MIND*

Virscend Education rides on the overwhelming trend of information age, introduced courses on artificial intelligence in primary and secondary schools, so as to start programming training at the young age. We have established a public service platform powered by artificial intelligence and aimed at teenagers. We introduced campus open classes and offer special courses such as scratch and robotics, such undertakings will help us to prepare for the full scale launching of artificial intelligence courses in the future.



WELCOMING MINISTACK TO THE CAMPUS

Mr. Li Bowen, a former engineer working at the Silicon Valley, was sent by Ministack to hold computer class for us. He briefed the students on the extensive application of computer programming in various industries, and discussed the future development prospects of programming. By taking part in some graphics design and computer games, the pupils learned about the basis, logic and fun of programming languages such as Scratch and Python.





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

SHARING INFORMATION AND RESOURCES

Exchanges and cooperation between our schools is encouraged in order to integrate premium teaching resources, human resources and environmental resources. We draw on the different strengths and unique characteristics of each school to attain effective resource sharing, enable optimized use of our resources to achieve complementary cooperation for mutual benefit.

We have set up an inter-school resource pool of outstanding teachers, established a teacher-sharing and exchange mechanism which provide access to teachers with special skills. Some of our schools have better facilities, especially in terms of laboratory equipment, they share these resources by receiving students from other schools to use their facilities. In this way our schools formed a mutual supporting network to promote the academic development of students. We share all useful information, each school will conduct at least one inter-school "joint teaching and research" meeting every year. Seminars and exchanges are held in these meeting where participants share their success stories and best practice, ways of more efficient use of common resources are also discussed.

GO SEE THE WORLD

The world is big, there are so many things Virscend Education wants to show to its students. International cooperation on education and exchange is a process of connecting and catching up with the outside world, it keeps us abreast with progress and innovations in other countries, facilitates global mobility of talents. Such interactions can strengthen dialogue and mutual understanding across countries, agencies and institutions. Different countries have different educational and scientific research concepts and practices, each has its own strengths and shortcomings. We must learn from other's savvy while bring our own advantage into full play.

Being a foreign language teaching institute gives us an edge in conducting frequent international exchange and strengthening the international perspective of our faculty. It also builds up students' understanding of international affairs, broaden their vision and encourage them to participate in international activities, which in turn can promote Chinese culture to the foreigners. Our schools have established friendly relationships with groups and schools in the United States, Britain, Japan, Germany, France, Switzerland and Singapore. Visiting these countries and exchanges between teachers and students help us absorb advanced concepts and enhance our teaching standards.

INTERNATIONAL PARTNER SCHOOLS OF VIRSCEND SPREAD ALL OVER THE WORLD





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



WHAT A PLEASURE TO HAVE A FRIEND COME FROM AFAR

As the flowers bloomed in May, Chengdu Experimental Foreign Languages School welcomed the visiting group of Flagler College professors from the United States. Five first-year high school students took up the roles of "image ambassadors" and accompanied the professors in their tour around the campus, presenting the history and current situation of the school to them. The students' warm hospitality and excellent oral English left a deep impression on the American professors. At the end of the campus tour, the professors commented that "the students of your school are really great!"

The cooperation with Flagler College has brought us a wonderful opportunity for cultural exchanges. After an in-depth and cordial dialogue, a memorandum of understanding on friendly cooperation was signed by the two schools.



LET THE WORLD HEAR MY VOICE

"Through discussion conducted in English with representatives from all over the world, I have gained rapid improvement in English listening and speaking. I was amazed at the excellent communication skills and self-confidence of American students, and have gained precious friendships which transcends the boundary of nations. I remember that when I stood at the center of the venue for the first time, my hands trembled while I gave the speech. So when other delegates delivered their passionate discourses, I suddenly realized the true meaning of the American spirit - to speak one's mind in confidence!"

—Hu Yue, student of Chengdu Foreign Languages School, Participant of North American high school UN General Assembly 2018





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



STUDY TOUR IN ENGLAND

The Primary School attached to Chengdu Foreign Languages School organized a UK study tour to Bournemouth. Participants were allocated to local households for boarding during their stay, so as to observe the daily lives of British families. Every morning they went to Oak Academy to attend English lessons, then took part in a variety of campus activities in the afternoon under the guidance of counselors and teachers.





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

RIGOROUS TEACHING MANAGEMENT

Excellent teaching quality is the core competitiveness of Virscend Education. We have established a teaching and research group to further integrate the resources of each school, give full play to the leading and guiding role of key teachers, and assist the professional growth of teachers in each school.

In accordance with the arrangement of our teaching quality department, the teaching and research group of our academic center carries out series of work such as teaching research and demonstration, teaching supervision and research, teaching inspection and evaluation, teaching quality analysis and teaching routine supervision. To ensure that the teaching content keeps pace with the times, we pay special attention to the new education reform and curriculum reform. We also conduct researches on new academic topic, layered teaching and classroom effectiveness. The teaching and research group of our academic center conduct a survey on school subjects at least once in each semester, they attend classes and conduct evaluations, inspect teaching materials and check students' assignments. Each year the group takes samples of examination papers for analysis, and looks into the statistics of examination scores, their findings are compiled into reports for further deliberation.

TEACHING THE SAME CLASS IN DIFFERENT WAYS

"Teaching the same class in different ways" is a symposium designed to trigger brainstorming among the participants, draw on collective wisdom and learn from each other, in order to improve the effect of teaching, raise the professional standard of teachers and elevate teaching quality. Attended by teachers from different school across the Group, this conference mobilizes teachers to actively participate in teaching reform, and to explore effective teaching strategies in line with the actual situation of the school.

"Teaching the same class in different ways" provides teachers with a platform for communication and interaction. Different teachers will conduct a class on the same subject using different teaching styles, and convey their own interpretation of the teaching materials. They also take this chance to discuss issues encountered in schools, look into ways of honing teaching skills, exchange experiences with each other and share their joy of success. This platform is aimed at helping teachers to gain an in-depth understanding of the teaching materials, thus better equipped to assist their students. As participants demonstrate their different approaches in teaching, their peers will evaluate the effectiveness and seek improvement through discussion. Through this kind of activity, we can explore the creative and individualized teaching style of teachers, help them to grow professionally. We encourage teachers to adopt new educational concepts and teaching methods and promote teaching reforms. By constantly updating our teaching methods, we can solidify the core competitiveness of Virscend Education.



PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



BRILLIANT DESIGN OF CLASS SPURS INTEREST IN LEARNING

In September 2018, three teachers - Mr. Li of Chengdu Experimental Foreign Languages School (Western Campus), Mr. Zhang of Chengdu Foreign Languages School and Mr. Wang of Chengdu Experimental Foreign Languages School went to the high school section of Chengdu Experimental Foreign Languages School to give lectures on mathematics.

Mr. Li focused on problem solving, he used his profound teaching skills and affinity to guide students to explore mathematical skill and stress its application in daily life.

Mr. Zhang started the class with a video presentation on practical applications of mathematics and captured the attention of the students right from the beginning, paving way for their active participation in subsequent class activities.

Mr. Wang demonstrated how to solve a mathematical problem in different ways, leading students to ponder on what they have learned and showed them the fun of mathematics. It is noteworthy that all three teachers have managed to instill moral education in the process of imparting mathematical knowledge.

Although the three teachers have different teaching styles and focal points, they have all completed their teaching tasks in flying colors, helping students to improve their way of thinking and offered marvelous ideas on how to learn mathematics in an enjoyable way.





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

STRICT SUPERVISION AND FAIR EVALUATION

We are committed to meeting the needs of students and parents for quality educational resources and helping students to achieve better development opportunities in the fierce real-world competition. Our teaching quality department is the back-up team for the schools, it established quality control supervision group and evaluation group led by the heads of primary schools and assisted vice principals in charge of teaching to ensure that the quality supervision and evaluation work is fair, equitable, objective and scientific.

For the supervision work to be effective, it must go deep into the front line. We start with the teaching routine, implement the inspection system plan, and ensure that relevant works such as class preparation and handling of lessons and homework will have records, evaluations and feedbacks. In 2018, our teaching quality department conducted a survey of nearly 1,000 school curriculum and implementation plans, teaching and research programs at all levels, teacher teaching records and work logs. The department made timely contacts with the school principals and teachers to provide feedback and suggestions for improvement.

The quality supervision team strives to achieve “seeking common ground while harboring differences”, enable each school to form its own characteristics in teaching models, education quality and school culture, and promote the growth of Virscend Education through synergy. In the process of supervision, the teaching quality department drew on the resource advantages of the “central teaching and research group” and offered effective suggestions on how to upgrade teaching methods in accordance with the actual situation of each school. The ultimate target is to foster students' interests and self-motivation in study, enhance their learning abilities and create an academic aura in our schools.

We pay attention not only to teaching, but also to the overall atmosphere of the campus. We are concerned with the ethos of the schools, students' homework workload, and living conditions of teachers and students.



EVALUTATING THE PERFORMANCE OF THE CLASS

For the purpose of fully understanding the teaching performance of the teachers in Chengdu Foreign Languages School of Panzhihua, the teaching quality department sent a team to observe all school lessons, then made recommendations for improvement. After each lesson, the team would hold a review session with the teachers of the same subjects, conferred on the best teaching approach on each subject.



IMPROVE TEACHING QUALITY BY EXHAUSTIVE DIAGNOSIS

As we found out that the primary section of Chengdu Foreign Languages School of Zigong had some problems in school management, our teaching quality department sent a task team to pay 7 visits to Zigong to conduct detailed investigation into its management, teaching and school life. The team held face-to-face discussion with the management staff and teachers, and submitted a comprehensive report which triggered sweeping reforms in the management system of the primary section. As a result, the staff of the primary section showed revived enthusiasm and initiative in their work. After devising a new management model for the primary section, the task team stayed at the school for an extended period, ensuring that all the rectifying measures, including the establishment of various work systems and new requirements concerning all aspects of teaching, are implemented.



PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

DISCUSS AND LEARN, REPLICATE THE BEST PRACTICE

Virscend Education is endeavoring to launch reform in view of the new syllabus of National College Entrance Examination and Senior High School Entrance Examination, we seek to reinforce our educational research in various subjects of the school, and provide advanced concept guidance and experience for the implementation of "deep learning, effective learning" in classrooms. To this end, we establish friendly interactions with renowned schools in Jiangsu such as Nanjing Jinling High School and conduct exchanges with high schools in other provinces. We adopted a two-way interactive channel, on one hand we absorbed the advanced education teaching concept of famous Jiangsu schools through exchanges, learned from their experience in teaching reform and quality control, in order to propel our quest for in-depth learning in classrooms. On the other hand, we invited famous teachers and managers from well-known Jiangsu schools to visit Virscend, and selected some of our key staff and teachers to go on field trips to famous Jiangsu schools for on-the-spot observation.

ROBUST LOGISTICS SUPPORT

SAFEGUARDING FOOD SAFETY

Food is the paramount concern of people, safety is the paramount concern about food. Food safety is the top priority of all the logistic tasks of a school, ensuring the healthy growth of every student is the fundamental duty of Virscend Education.

The student canteens of each school are all properly registered in accordance with the laws, ensuring that the facilities, equipment conditions, sanitation, personnel, food purchases, safety precautions, etc. meet the relevant requirements. They have obtained relevant licenses and have undergone qualification audit, being supervised in accordance with the provisions of higher-level administrations. All the canteens are subject to random inspections by the municipal education bureau, the municipal health and family planning bureau and the market supervision administration department.

For the sake of strengthening the logistics management of schools and raise awareness of safety and hygiene to create a healthy and safe dining environment, we have placed safety and hygiene in the first place, focusing on routines, paying attention to details, and attaching great importance to cleanliness and health. We have established a logistics management system consists of school leaders and student representatives.

The Logistics Service Center strictly abides by the "Food Safety Law of the People's Republic of China", the "Operating Rules on Food Safety in Catering Service", and formulates nearly 20 management requirements such as the Food Import Inspection System, the Food Quality Commitment System, and the Canteen Facilities Cleaning and Disinfection System. It exerts strict controls on the procurement and catering procedures and keeps a close eye on the health of employees. The ingredients suppliers must provide the date of production and date of purchase of the various ingredients to ensure that the foodstuff are fresh and of good quality. All the certificates must be complete and detailed records are kept to ensure that the source is controllable and well documented. The ingredients must follow the steps of "washing, swaying, cleaning, drying, cooking", and the tableware must be "washed, cleaned, disinfected". The school's clinic checks the health status of canteen workers everyday, and all of the staff in the canteen are certified by health checkups.

School leaders go on duty at the canteens every day to watch and try the food. The Student Life Management Office regularly checks the hygiene of the main food storage, side food store, sinks, cutting room, fruit room, dishwashing room, operation room and the catering area, process of cooking is also closely supervised.

Each school has set up a Dietary Committee which comprises of student representatives. The committee communicates with the heads of the canteen every Monday; opinions of the students will be heeded to make sure they are satisfied with the meals.



DIETARY COMMITTEE'S RESPONSIBILITIES INCLUDES:

- Research, promote, and implement policies and regulations of relevant departments related to the sanitation management at our canteens;
- Supervise and inspect the environment, health and safety aspects of the canteens to ensure food safety and food quality;
- Raise awareness of canteen staffer to improve their service attitude and service quality;
- Gather opinions and suggestions from all parties, organize regular management meetings, resolve tangible issues, and promote scientific management at our canteens;
- Organize school-and-family interactive activities such as "Dinner with the Principal".



PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



01 STRICT FOOD INSPECTION

We screen the food provided by the suppliers, and require food suppliers to issue inspection report of the relevant food material, and provide animal quarantine certificate for the meat to ensure freshness as well as health and safety.

02 REGULAR DISPLAY OF FOOD SAFETY INFORMATION

Our canteens regularly display the relevant information on food safety, tableware disinfection and food safety levels in accordance with the regulations of the Sichuan Food and Drug Administration.

03 CATEGORIZATION AND SEPARATE STORAGE OF DIFFERENT INGREDIENTS

Our canteens carefully comply with the categorization and separate storage of food. Perishables are stored in refrigerators in a timely manner, whereas dry ingredients are stored in dry condition and regularly checked for pests.

04 KEEPING MEAL SAMPLES

We reserve samples of three meals a day in case of emergencies of food poisoning, so that the source of the problem can be traced to quickly dispose of harmful food.

05 A CLEAN AND TIDY CANTEEN

In order to allow teachers and students feel comfortable and relaxed, we clean the kitchen, kitchen utensils and restaurant tables and chairs on time every day to keep them clean and bright.

06 ROUND THE CLOCK RECORDING BY SURVEILLANCE CAMERAS

The monitoring equipment acts as our eyes to monitor all areas in our canteens, and control the safety and hygiene conditions thereof.

07 NEAT UNIFORMS OF STAFF

The neat and tidy staff members in uniform present a smart imagery, and each employee's smile adds to the appetite of our teachers and students.



PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



08 SUPERVISION OF STUDENTS' MEALS BY PARENTS

In order to strengthen the food hygiene supervision, and strengthen the understanding of parents and students towards the food service situation at our canteens, the school food supervision committee organizes parents and representatives of all grades and classes to tour the canteens to understand and supervise the operation process and hygiene of our kitchens. On any operating days, no less than two representatives will be assigned a representative pass and valid health certificate would be dressed in canteen uniform and a mask, to observe the actual operation of the canteens to observe the cooking process in the kitchen, monitor the hygiene condition, identify the ingredients, and eat the same

meal as the students. They would give comments in writing and timely and truthfully reporting to the parent group. Immediately communicate and feedback on any issue and follow up actions on supervision and rectification would be given in a timely manner.

During the tour, the head chef led the parents and students to visit the operation room, storage room, dish-washing room and other areas, and present the most authentic view of the canteen to the parents and students, so that the students can fully understand the food safety and standardized management of the canteen, enhance the transparency of canteen management and build up trust between students, parents and canteens in terms of food safety.

Food safety and hygiene are recurring topics. We will be cautious in each step along the way to go steady forward, and pay close attention to details in setting a defense line on school food safety, in order to ensure the healthy development of students, peace of mind for parents, and peace of mind for the community.





PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD

REASSURE SECURITY ON CAMPUS

Campus security is at the core and a cornerstone of school life. Protecting the personal safety of teachers and students is a prerequisite for day-to-day classes and studying for our teachers and students. In the past year, we joint hands with our supporting security department to improve on the system, refine the rules, strengthen management, and provide oriented trainings, resulting in an impeccable record on campus security.

Campus safety involves a number of aspects. We have developed clear specifications for fire safety, vehicle safety, school safety, laboratory safety, and safety of personnel entering and leaving our campus, to ensure the safety of our teachers and students. During the reporting period, the Group had no major campus safety incidents.

Hidden dangers are treacherous than the bright flame, and prevention is better than disaster relief. In accordance with the "Fire Control Law of the People's Republic of China", we have formulated the "Fire Safety Management System", "Fire Protection Facilities and Fire Fighting Equipment Management System" and "Fire Inspection System" to eliminate fire hazards and strive to reduce the risk of campus fires. We have drawn detailed emergency response plans for 22 types of accidents such as fire accidents, electric shock accidents, traffic accidents, geological disasters, etc.; dormitories, canteens, libraries, reading rooms, instrument rooms, computer rooms, printing rooms are listed as the key areas of fire safety, where the No Flames signs are displayed in key areas, and have established the relevant fire-fighting protocols. We regularly check the electrical appliances and wires, and promote the knowledge of safe electricity usage to strengthen the school's fire safety awareness.

Vehicle safety on school grounds is a guarantee in order to improve our education efficiency. We have formulated the "School Vehicle Management System", requiring drivers to drive safely, and regularly checking the validity of various documents of the vehicles under their watch. It is strictly forbidden to drive illegally, where "heroic driving", "negative driving" and "fatigue driving" are strictly forbidden. Sick or drunk drivers are forbidden, and encourage drivers to rather "stop for three minutes instead of rush for a second". Traffic staffers are encouraged to conserve energy, cherish the vehicle, and to provide attentive and conscious services to our teachers and students.

Our laboratories are the important base for production and scientific research. The safety management of the laboratories is the basis for the normal operation of experimental works. We have formulated the "Laboratories Safety Management System" and the "Hazardous Chemicals Safety Management System", which require safety facilities and precautionary signs in the laboratories. We conduct regularly inspections and repairing of the power lines of the laboratories, check the storage and use of hazardous chemicals, and pay close attention to hazard prevention works such as fire safety, electricity safety, and chemical safety.

A civilized and safe dormitory is the second home for our children. We have formulated the "Safety Management System for School Buildings", regularly organizing teachers and students to learn about school buildings safety measures and skills, and timely report, prevent and actively handle any incident involving school buildings safety.



PREMIUM EDUCATION QUALITY BREEDS OUTSTANDING GRADUATES SPREADING ALL OVER THE WORLD



TAKE PRECAUTIONS BEFOREHAND, BE PREPARED FOR DANGER

As the earthquake warning sounds off, the Primary School attached to Chengdu Foreign Languages School began its earthquake and emergency evacuation drill following an urgent round of whistle. Teachers and students quickly drop to the ground. Under the guidance of the teachers, students quickly held their heads, closed their eyes, and hid under the desk. Students in bedrooms quickly

evaded to the nearest safety triangle zone. After the evacuation command was broadcasted, each class organized the students to evacuate according to the designated route, and everyone quickly and orderly evacuated from the classroom to the designated open area to regroup. The whole process was completed in a fast and orderly fashion, reflecting the good habits and abilities to deal with emergencies.



INCORPORATING FIRE PRECAUTION INTO MILITARY TRAINING

In order to further enhance the fire safety awareness and the escape and self-rescue ability of teachers and students, the school has incorporated fire drills into our military trainings. By analyzing the major cases of fire accidents in recent years, the instructors introduced the common campus fire hazards and fire responses to the students, and encouraged everyone to actively find the fire safety hazards around them to build a safe campus.

At the same time, the school and the instructors jointly formulated a detailed fire emergency evacuation drill program, applied the fire knowledge learned in real life, and organized students to simulate fire incidents in the dormitory building to train students' fire evacuation abilities. With the sound of the alarm, the students, under the guidance of the instructors and teachers, used the towel to cover the mouth and nose and follow the designated route to evacuation in a quick, orderly and safe fashion towards the safe area.

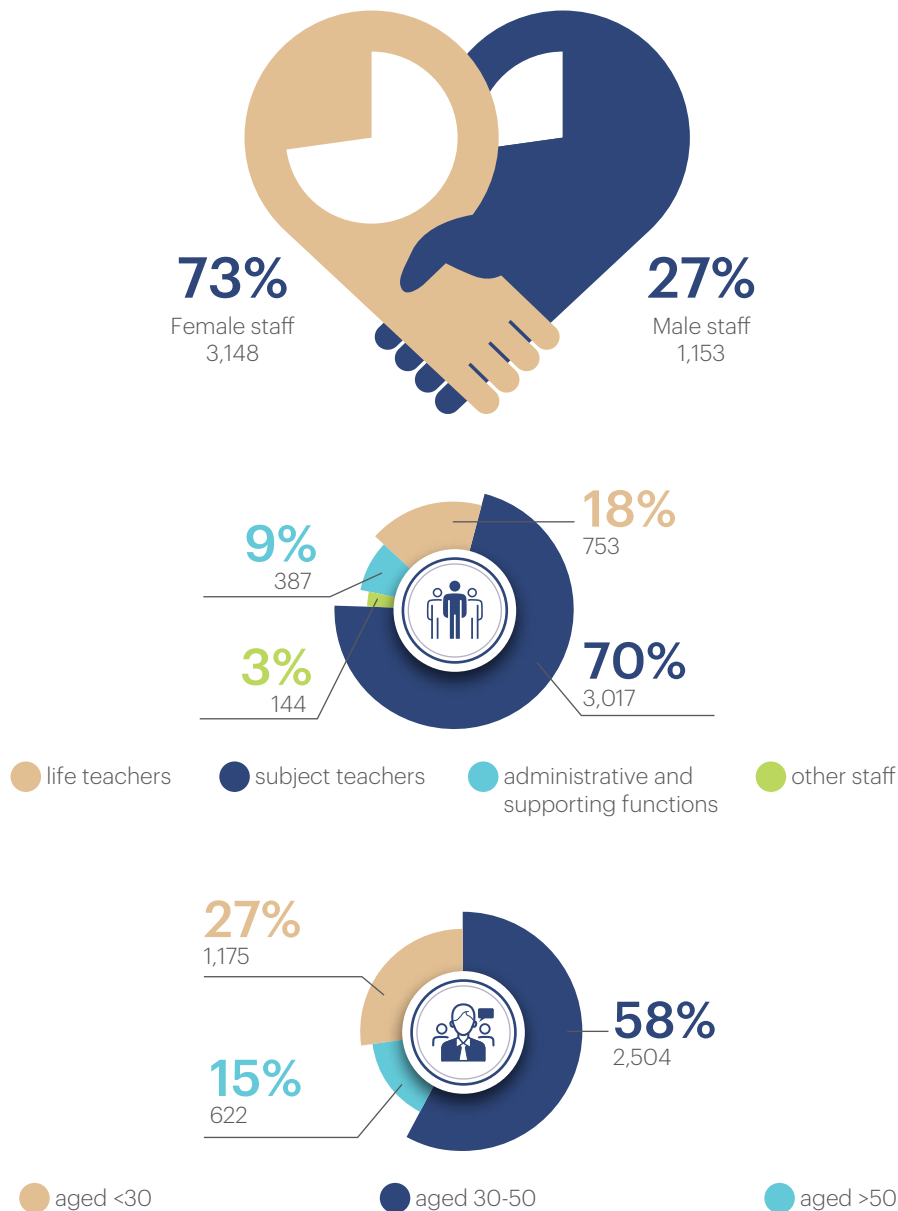




ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT

Talents are the foundation of a country and the basis of a thriving company. Virscend Education understands that our employees are of utmost importance to our existence and development. We have been paying efforts to establish a system of employee recruitment and training in order to build a great team with diversified culture.

We have 9 departments, 4 business support centres and 16 schools. There are 4,301 teachers and staff members, 7 directors including 3 independent non-executive directors, and 3 members of senior management in our Group.





ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT

We abide by the "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China", "Prohibition of the Use of Child Labor" and other laws and regulations, and have formulated comprehensive "labor and personnel system" and "teacher's manual". During the recruitment process, we require candidates to submit complete personal information, including ID and other documents required for the position. If any information is found to be inconsistent, the recruitment will be terminated to ensure that the employees we hire have relevant qualifications and avoid employing underage persons. We enter into labor contracts with our employees to protect their legitimate interests, such as working hours, compensation and benefits, and to avoid child and forced labor. We also handle employee's dispute promptly. In the reporting period, the Group maintained harmonious relationship with its employees resulting from the fully implementation of labor contracts, and there were no violation of relevant laws and regulations that have a significant impact on the Group related to employment, child labor and forced labor.

We recruit through various channels, such as internet, career fairs and campus campaigns. Applicants are treated equally, regardless of their gender, age, ethnicity or religion. We also bear in mind the principle of "hiring candidates demonstrating both morality and talents while emphasizing morality", so as to enable flexibility in appointment and recruitment of employees. We employed 27 new staff members and 893 new teachers in the year.



Besides, Virscend Education took appropriate measures in organization and management of training, as well as the management of performance appraisals, remuneration and social insurance. In view of the expansion of the strategic layout of the Company, we are considering to set up a shared personnel center to achieve the advantages of scientific and standardized personnel management, analysis of employment based on big data, and optimization of the deployment of human resources according to the result of the analysis. With an improvement of human resources management in our schools, we look forward to the accomplishment of a diversified team, which lay the ground for the continuous development of our schools and the Company.

EFFECTIVE EMPLOYEE INCENTIVES

Virscend Education wishes to provide a platform for its employees to demonstrate their enhancement, talents and good progress. We understand that reasonable compensation and benefits are the greatest driving force behind the continuous enhancement of employees. With an aim of achieving employees' well-being, we provide a comprehensive system of compensation and benefits.

Virscend Education offers competitive compensation with reference to market rate to its employees, in order to attract and retain talents, ensure respectable image and stable position of our employees, and encourage them to create values to the development of the Company. Employees can enjoy paid statutory holidays according to national requirements. We participate in the statutory insurance schemes consisting of 5 kinds of insurance and the housing provident fund scheme, as well as provide free health check-up to employees every year. In addition to the statutory benefits and remuneration, we offer subsidies or benefits-in-kind to our employees at special occasions as a condolence, such as employees' birthday, wedding or at the loss of immediate family members. We also admit school-age children of our employees in order to ease the burden of their parents.

We assist our employees in exploring and developing their strength so as to achieve the growth of the Company together with employees' career development target. We adhere to relevant requirements in the personnel system in respect of promotion, whereby we promote qualified employees after assessments and evaluate outstanding employees to identify potential cadre members. There might be exceptional cases of promotion of employees proven by their specific contribution and excellent performance reflected in routine assessments. Priorities will be given to those qualified as potential cadre members when there is vacancy of existing or new positions. The list of candidates will be published before we approve any promotion according to assessment results and the business operation of the Company to ensure a fair and open process. Going forward, Virscend Education will continue its efforts in providing effective incentives as a momentum to growth of its employees.



ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT

A CONSUMMATE TRAINING SYSTEM

Virscend Education cannot maintain its energy to a sustainable development without providing training and opportunities to its employees. In order to enhance the training to young teachers and cadre teachers and to accelerate their growth, we launch training programmes with affirmed goals. By discovering their own potential through those programmes, well-equipped teachers serve as the driving force of improvement of teaching quality. In 2018, employees were given a total of 203,824 training hours, with an average of approximately 47 hours per head.



Total training hours

203,824



An average of approx.

47 training hours per head

A CAREFUL ORIENTATION PROGRAMME TO NEW COMERS

We formulated a training programme for new teachers in order to promote our school mission and culture, help them to assimilate into the culture of our school and ensure a smooth adaption to their new positions. The training programme includes mentoring programmes, apprenticeship, general introduction of school operation and case studies, while assessments are also conducted by means of observing and attending lessons given by new teachers. In addition, teacher development centers or subject departments of each campus also contribute in enhancing the teaching quality of new teachers by taking lead in preparing training programmes.

In the summer vacation of 2018, we arranged a 2-day training totaling 224 learning hours for over 700 new comers in the year regarding knowledge of their subjects and behavior in teaching industry given by senior teachers, subject panels, cadre teachers of 6 subject teams and team leaders of the subject center. The training was well received by our new teachers.



THE MENTORING PROGRAMME HELPS IN ENHANCING THE GROWTH OF NEW TEACHERS

The mentoring programme enables young teachers picking up to elementary requirements of their positions more smoothly and heading to professionalism with the help from subject panels and cadre teachers.

Mentors facilitate young teachers' learning and knowing of the teaching system and framework of the new curriculum by giving particular instructions regarding different aspects of work, assessing young teachers' performance as an assistant teacher and during their trial lessons, and advising on their performance. After running for years, the mentoring programme has become a traditional and yet effective training programme to new teachers in each campus and contributed to build a great team of talented teachers.





ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT



"THE FIRST LESSON", SPECIFIC TRAINING DURING SUMMER VACATION

The Primary School attached to Chengdu Foreign Languages School launched a training by means of experiencing and practical operation, so as to provide a general introduction of our school and a briefing of the preparation work before the new school term to new teachers, as well as facilitate their work in the new school term. The specific training in summer vacation serves as "the first lesson" of new comers, which includes specified training of different subjects, integrated training, training via hostel life activities and introduction of e-learning.



MY ORIENTATION PROGRAMME

"Don't judge each day by the harvest you reap but by the seeds that you plant. I am still green to be a teacher, but I believe I will be an outstanding Chinese teacher after possessing a thorough understanding of Chinese education in primary school. Go for it!"

"Mathematics is the foundation of science. I have to learn about theories as well as means of education."

"I will strive to give quality lessons and my characteristic lessons. I strongly believe this will help my students to achieve all-rounded development and allow myself to build my career."





ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT

A VARIETY OF DAILY TRAINING PROGRAMMES

Each campus of Virscend Education organizes training programmes regarding theories of curriculum reform, teaching skills, educational scientific research and lifestyle management, in order to improve the overall quality of teachers, implement the concept of “Lifelong learning and all-rounded development”, and build a team of modernized and innovative teachers.

Training of theories of curriculum reform: Focusing on curriculum reform, we refresh the mission of teaching of our teachers by joining lessons of different subjects based on educational and scientific research groups. We invite specialists in education to give talks in our schools, hold periodic meetings with teachers and staff member, arrange external training for management teams at schools and cadre teachers, and organize debriefing sessions to share with other teachers. We encourage teachers to learn the new ideas and implement effective techniques and means of new curriculum in their teaching.

Training of teaching skills: Based on educational and scientific research groups, we organize training programmes regarding modern teaching skills, such as teaching case studies, designing activities in lessons and communication with students. We also arrange reflection session and training of problem solving skills with educational and scientific research groups. We aim at strengthening teachers’ ability of tracking and managing their own work, and encouraging young teachers to strive to be outstanding teachers and pillars of the school.

Training of educational scientific research: In order to enhance the quality of scientific research of our teachers gradually, we build up the concepts of educational research and scientific research through training programmes. The training includes elementary method of educational scientific research regarding the implementation of new curriculum and integration of teaching in lessons. Examples of training are the group preparation for new teachers’ teaching competition, public lessons in teaching competition of every teacher, yearly thesis assessment, group reading topics and the topic of “6T English teaching model”; topic research in the school, district, city, province or nationwide; inter-school exchange activities; showing videos of lessons given by outstanding teachers; exchange activities of learning conditions analysis; and analysis of teaching quality.

Training of lifestyle management: We plan our training to teachers and governesses, in order to guide and enhance their belief, professional qualities, culture and quality of work. Thus, they can nurture good habits of behavior, hygiene, self-help skills and politeness for students.



“FOCUSING ON STUDENTS TO DISCOVER THEIR VALUES AND AWAKE THEIR POTENTIALS”

Children learn and grow in school, while the nature of education is to facilitate their growth. Education in school has been fundamentally changed from the attention to how teachers teach to how students learn. As such, the teaching quality department of primary schools of Virscend Education organized an academic seminar, “Focusing on students to discover their values and potentials”, with an aim to focus on students, discover their values and awake their potentials, in order to promote a reform in education at school. We study the teaching of Chinese language, mathematics, English and music through a combination of showing examples of lessons, discussion and talks given by experts. It helps with improvement of teaching quality.





ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT



TEACHING COMPETITION FOR NEW TEACHERS

In order to improve teaching quality and techniques and create an environment for diversified topics, the Primary School attached to Chengdu Foreign Languages School organized a teaching competition for new teachers in November 2018. The competition was available to our new teachers, who would be evaluated by a group of judges comprising of leaders in lesson preparation of each grade and experts. Excellent designs of lessons were shown in the competition that impressed judges, such as the lesson of "Stop for key features and draw details carefully", the lesson of "The flying squirrel" and the lesson of "The little mouse and the great tiger". Teaching competition will urge teachers to review their teacher quality and design more innovative lessons.



STRICT COMPLIANCE TO TEACHERS' ETHICS

Teachers lay the ground of improving and nurturing students' morals and sentiments. Thus, Virscend Education has been emphasizing on building teacher's ethics and conducts, and strengthening teachers' political and morals training. We instruct and urge teachers to abide by the "Compulsory Education Law of the People's Republic of China", "People's Republic of China Teacher Law" and other relevant laws and regulations. In addition, we encourage teachers to remain passionate in their roles, hardworking and contributing, so as to build up a strict compliance to teachers' ethics and morals.



ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT

CARING OUR EMPLOYEES

Virscend Education is a family full of love and wisdom. We care about needs of our employees, and endeavor to create a healthy and safe environment, in order to ensure the well-being of our employees.

HEALTHY AND SAFE ENVIRONMENT

Virscend Education strictly abides by laws and regulations such as “Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases” and is committed to providing employees with a safe and comfortable working environment. We set up teams of security guards and supporting function teams, who are responsible for the safety of teachers’ and staff members’ dormitory and school bus and dealing with emergency. Besides, we will carry out supervisory safety control in each campus periodically, and implement yearly correction measures of safety, in order to prevent crisis. We will also report difficulties to the Company and the competent government departments. Meanwhile, safety management measures in each campus and each department of the Company are also subject to the guidance and supervision of the competent department of education and public security of the provincial and city government and the Group. During the reporting period, there was no significant incident involving any casualty of student and staff member and no non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safe environment had been identified.

Virscend Education is committed to improving the degree of satisfaction of our staff members by paying attention to their work-life balance as well as their physical and mental health. In the year, we organized seminars about mental health and provided consultation for staff members in each campus, and also encouraged staff members to join cultural and sports activities in their leisure time, so as to improve their physical and mental health.

CARING OUR STAFF MEMBERS

With an aim to care about employees, Virscend Education has investigated in how we could maintain a balance between caring about the spirit of employees and providing rooms for their career growth while we were expanding rapidly, in order to help employees to create values and raise their competitiveness.

In order to enhance staff members’ cohesiveness and share the warmth of the Company as a family, the Company takes further step regarding employees’ birthday care. Employees who were employed for more than one year will receive birthday cards, sincere greetings and warm wishes from the Company on their birthday.

Platforms of leisure activities were set up in each campus, such as photography clubs, basketball clubs, football clubs, badminton clubs, guqin interest classes, Tai Chi exercise classes and yoga classes, so as to encourage work-life balance of our teachers and staff members.

Moving forward, the Company will attempt to introduce elements of entertainment and unity into employees’ leisure activities in order to achieve good results of caring our employees.



ATTRACT TALENTS BY OFFERING A SINCERE AND OPEN ENVIRONMENT



BASKETBALL LEAGUE OF TEACHERS AND STAFF MEMBERS

The 11th Basketball league was held in Chengdu Foreign Languages School, during which teams of teachers were formed by grades. The league promoted sports activities among teachers and staff members, enriched their leisure time, enhanced their physical strength and satisfied the desire of interaction of our basketball fans.



"GO BEYOND AGE"

Light volleyball training was organized for teachers in Primary School attached to Chengdu Experimental Foreign Languages School in 2018. As a simple sport for physical strength and fun, light volleyball is popular among our employees. The light volleyball training facilitated interaction of employees and establishment of the culture of "work merrily and live healthily".





MAKE GREAT EFFORTS TO ACHIEVE WELL OPERATION

OPERATION UNDER LONG-TERM COMPLIANCE

Virscend Education understands the importance of compliance. We adhere to laws and regulations, strengthen risk management, abide by business ethics, implement anti-corruption measures, safeguard intellectual property rights, protect personal privacy, actively fulfill corporate social responsibility, and uphold the principle of sustainable development. We focus in the education industry for more than a decade, during which we create values for the society and are well-recognized.

CREATE A CULTURE OF COMPLIANCE

We adhere to the operation under compliance and strictly abide by the relevant laws, regulations and regulatory requirements under "Company Law of the People's Republic of China", "Education Law of the People's Republic of China", "Non-state Education Promotion Law of the People's Republic of China" and "the Implementing Regulations of the Law of the People's Republic of China on the Promotion of Privately-run Schools" of the country and where our operations locate. We abide by laws and regulations under "Advertising Law of the People's Republic of China", and we are committed to true, accurate and not misleading advertisements and promotion materials. We proactively identify and control risks from our industry and market, build up a management system for compliance and optimize the system of risk management, in order to ensure stable operation and development of our schools and the Company. During the reporting period, we were not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to the compliance operation.

PROMOTE ANTI-CORRUPTION

We adhere to our philosophy of integrity and strictly abide by laws and regulations under "Anti-Corruption and Bribery Law of the People's Republic of China", "Anti-Money Laundering Law of the People's Republic of China" and "Interim Provisions on Banning Commercial Bribery". We do not tolerate corruption and carry on with measures to strengthen the anti-corruption and anti-commercial bribery management system.

As a private education enterprise, we comply with regulatory requirements such as "Interim Measures for the Management of Collection of Non-State Education Fees" and "Interim Measures for the Management of Collection of Kindergarten Fees". When we adjust tuition fees, we will update the charging license and renew the same at its expiry in accordance with relevant laws and regulations. For the tuition fees collected, we establish a risk isolation system at schools and calculate number of students in the department of academic affairs and the amount of tuition fees in the finance department, in order to control risks of revenue and expenditure.

We urge that teachers should not give any paid extra lesson which violates the law and discipline, and should not abuse their authorities to seek for personal gain. We provide channels for communication such as mail box and hotline with confidentiality, so as to encourage reports of corruption, bribery and other violations of laws, establish a positive image of anti-corruption and bribery, and support proactive reports of corruption from employees and the public. During the reporting period, there was no litigation involving commercial bribery and we were not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.



MAKE GREAT EFFORTS TO ACHIEVE WELL OPERATION

PROTECT INTELLECTUAL PROPERTY RIGHTS

We abide by laws and regulations under "Patent Law of the People's Republic of China" and "Copyright Law of the People's Republic of China". We request our schools to prevent from infringement of intellectual property rights of others, and encourage the protection of achievements of teaching and scientific research by applying for patents and copyrights. In view of the protection of intellectual property rights, we require self-discipline from the Group and its schools in using official computer software and authorized editions of teaching materials. During the reporting period, the Group had no violation of relevant market promotion laws and regulations resulted from intellectual property management that have a significant impact on the Group.

THOROUGH PROTECTION OF PRIVACY

According to "Tort Law of the People's Republic of China" and "Law of the People's Republic of China on the Protection of Minors", we adhere to the requirements related to protection of privacy of our students and parents. At school level, we request teachers and staff members to sign a "Statement of liability to safety and confidentiality" every academic year, and assign dedicated personnel to keep confidential documents such as test papers and questions. In addition, we also develop the Administration of Filing System and Code of Confidentiality, in order to control the behavior of teachers and staff members and protect the personal privacy of employees, students and parents. In the future, we will continue to upgrade the protection of information security with increasing manpower and financial resources. During the reporting period, there was no litigation involving infringement of privacy of students and parents and no non-compliance with the relevant laws and regulating that have a significant impact on the Group relating to privacy had been identified.

RECIPROCAL MANAGEMENT OF SUPPLY CHAIN

Virscend Education adheres to the concept of mutual benefit and maintains self-discipline in building strategic partnerships with suppliers, in order to achieve win-win situation in the value-added chain and improvement of performance of our supply chain. During the reporting period, we had 103 suppliers in Sichuan Province and 5 suppliers in other regions, which were subject to the same management system.

STRINGENT GATEKEEPING MEASURES

In order to optimize supplier resources, establish a supplier market access and performance evaluation system, and effectively manage procurement and bidding activities, we have developed a Supplier Management System and an electronic information system regarding supplier execution which were managed by designated personnel.

The Supplier Management System explicitly requires relevant staff members to assess the comprehensive strength of existing suppliers and new suppliers based on the analysis and summary of supplier resources investigation reports, in order to form a mechanism for selection and prepare the List of Qualified Suppliers. The equipment department of the Company is responsible for the establishment, review and evaluation of the List of Qualified Suppliers, removal of rule-breakers, disqualification of suppliers and addition of new suppliers. The list will be published regularly to ensure the true, accurate and valid information.



MAKE GREAT EFFORTS TO ACHIEVE WELL OPERATION

A FAIR EVALUATION

Based on years of practice, we have gathered a team of suppliers satisfying all our needs. With reference to results of the suppliers' resources investigation report, the equipment department is responsible for the evaluation of suppliers, in which suppliers with good quality of products, reasonable pricing, long-term relationship, good reputation and conduct will be included in the List of Qualified Suppliers. The evaluation team consists of technical personnel of the user, team leader of the user, relevant professionals, relevant merchandisers and representatives from supervision department, in order to ensure a fair evaluation. There are four grades in the evaluation, namely excellent, good, pass and fail. The following suppliers will be removed from the list: being graded "fail"; committed fraud, coercion, bid-rigging while doing business with the Company; and being penalized by audit and supervision department of the Company. In addition to requirements such as presenting proof of compliance with relevant national quality, environmental protection and safety accreditation, we also conduct on-site inspections of suppliers from time to time.

STANDARDIZED TENDERING AND PROCUREMENT

In order to standardize the management of bidding, Virscend Education formulated a rigorous workflow of tendering based on "Bidding Law of the People's Republic of China", "Government Procurement Law of the People's Republic of China", "Measures for Handling Complaints by Government Procurement Suppliers", "Working Regulations for Handling the Complaints of Sichuan Government by Procurement Suppliers" and "Interim Measures for Handling the Challenges against Sichuan Government by Procurement Suppliers", in order to ensure a strict, serious and fair review of tender documents. We also include suppliers' CSR requirements in supplier selection process, including their adoption of environmental protection measures, supplier integrity, respect to employees' efforts, prohibition of child labor in any form, equal treatment to employees and proper business practice.

GREEN SUPPLY CHAIN

Virscend Education promotes green supply chain management and fosters a green and low-carbon market. Currently, we cooperate with various suppliers of school equipment and catering services. We mainly purchase from local suppliers to minimize impacts of energy consumption and air pollutants emission caused by transportation.

In the future, Virscend Education will improve its management work by strengthening the communication with suppliers and our departments, monitoring the environmental friendliness and usefulness of the merchandise and ensuring the scientific supply of low-carbon materials, in order to create a green and smart supply chain by promoting green manufacturing and green transportation.

ACCEPTANCE OF OPINIONS

"Sharing emotions and joy on the way of nurturing children" is the key to Virscend Education's parent-school partnership. We endeavor to build a harmonious parent-school relationship to protect the healthy growth of our students. In order to strengthen communication and cooperation between the school and parents, and to let parents know about students' school life in a timely manner, we carry out various activities from time to time, such as parents' exchange meetings, sharing sessions, experience days and open days. These activities facilitate the comprehensive and balanced development of students and achievement of parent-school partnership in nurturing our children.



MAKE GREAT EFFORTS TO ACHIEVE WELL OPERATION

PARENTS' MEETING

Parents' meeting enables personal communication between parents and teachers, during which they can let one another know about the family life and school life of our students.

Parents' participation in the meeting represents the support and encouragement to teachers and enables better understanding of students, and thus teachers can adjust their method of teaching according to their aptitude.

Parents can clearly learn from teachers of students' studies, performance, strength, difficulties and weakness, so that students can be trained scientifically with explicit goals.

Parents' participation in the meeting also reflects their attention to students and serves as an incentive to students to some extent.



EXPERIENCE OF LESSONS ON OPEN DAY

"Open day of lessons" was held in our schools to enable effective communication and cooperation between parents and school by showing students' real school life to parents.

Parents can experience the new model of "students-oriented lesson" and share their views and suggestions towards teachers' work, so as to facilitate the communication between parents and school and better progress of students.



After participating in our lessons, parents expressed their satisfaction to the joy and fun in the class, and showed great interest to such an event that was beneficial to the growth of students, as well as their willingness to make a progress together with the school and students.



The feedback from parents helps us to improve. We establish different means of communication for parents and students, such as the principal's mail box, parents' association, chat groups of WeChat and message board in the official website of schools. We will treat the comments carefully for our improvement or adjustment.

In order to respond to the complaint and advise from parents promptly, we establish a system of complaint handling. When we receive complaints from our parents, we will listen to their opinions, show our understanding and empathy to them, and conduct a comprehensive investigation before our conclusion, enabling our objective and reasonable treatment to those issues.



EFFECTIVE ENVIRONMENTAL PROTECTION

WIDESPREAD AWARENESS OF ENVIRONMENTAL PROTECTION

Everybody is responsible for reducing consumption of energy and protecting our environment. As the starting point for bringing in green awareness to each generation of children, our schools should strive for excellence in their work. Virscend Education effectively responds to the requirements of the national green development concept and ecological civilization construction, actively promotes green office and arouses awareness to environmental protection, and strives to incorporate environmental elements into the Company's daily operations and campus construction.

We complied with "Environmental Protection Law of the People's Republic of China" and "Law of the People's Republic of China on Conserving Energy" during the reporting period. With reference to our actual operations, we formulated "Regulations of the Official Consumption of Electricity and Water", in order to raise the efficiency of our consumption of electricity and water and minimize the adverse impact on our environment. During the reporting period, there was no significant incident of pollution or non-compliance in relation to environmental protection.



PROMOTE ENERGY CONSERVATION

We encourage our employees to make good use of sunlight in their office and turn off lights when they leave the office. We execute the control of room temperature, encourage utilization of natural breeze and request power-off of air-conditioner in half an hour before the close of business. We also advocate the use of advanced energy-efficient products and technologies, prioritize the utilization of environmentally-friendly electrical appliances and phase out inefficient equipment, in order to reduce greenhouse gas emissions. During the reporting period, we achieved a reduction of approximately 7.34 million kWh when compared with 2017.



AROUSE AWARENESS FOR WATER CONSERVATION

Water is the source of life and we have to treasure our water. We promote the use of water-saving devices and post slogans of water conservation in order to arouse employees' and students' awareness. In addition, we carry out maintenance and management of water equipment and regular check of water taps and water tanks, in order to prevent leakage and dripping. During the reporting period, we achieved a reduction of approximately 689,305 tons by implementing water conservation measures when compared with 2017. The only source of our consumption of water was the municipal waterworks, and the Group did not encounter any water supply problems.



EFFECTIVE ENVIRONMENTAL PROTECTION



IMPLEMENT ENVIRONMENTAL PROTECTION MEASURES

We advocate paperless office and attempt to adopt electronic document circulation and e-transmission. Meanwhile, paper recycling programs were launched in all of our offices, implementing re-use of paper. In addition, we also encourage employees to bring their own cups to work and use less or even stop using disposable paper cups.

We have an explicit system of the use of vehicles in place. We calculate subsidies to drivers monthly based on the application form of use of vehicles kept by drivers and cross check the fuel consumption with the distance to avoid wastage. At the same time, we advocate green travel and encourage commuting by public transportation, walking or cycling. We also implement travel management and encourage employees to carry out off-site work in the form of online communication or video conferencing, in order to reduce greenhouse gas emissions caused by unnecessary travel.

As an educational service provider, our operation process does not involve finished products nor packaging materials, and therefore we are not subject to requirements of packaging materials management.



ADVOCATE GREEN EDUCATION

We take the opportunity of creating a green campus and integrate the concept of sustainable development into our educational activities. We are committed to enhancing the environmental protection awareness of the next generation to construct a brighter future in a lively manner.

Primary School attached to Chengdu Experimental Foreign Languages School has organized educational activities on the theme of "Saving Water Starts with Me". The activity stimulates students' interest in water resources development and utilization through collecting information, observation and discussion, group cooperation, and research and studies, thereby enhancing the sense of responsibility for water conservation. Chengdu Experimental Foreign Languages School of Xindu Wulongshan launched the propaganda campaign under the theme of "Saving Water Starts with Me" during the flag-raising ceremony to promote water conservation and energy-saving knowledge. During the activity, the school mobilized students to actively participate in water conservation and energy saving activities, starting from daily habits to save water and electricity, establishing a sense of conservation, and construct a preservation-focused and civilized campus.



EFFECTIVE ENVIRONMENTAL PROTECTION

BEAUTIFUL GREEN CAMPUS

Virscend Education adheres to the concept of green development, actively reduces various emissions on campus and launches campus greening activities to improve the quality of the campus environment. It is committed to building the school into a luscious garden with beautiful scenery.



TRANSPORTATION OF SORTED WASTES

In order to create a clean and comfortable learning environment for the children, we strictly abide by the “Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes” and “Administrative Measures for Urban Living Garbage”, on the basis of these regulations, we further develop effective internal measures and programs to actively implement waste processing work.

For the harmless waste generated by canteen kitchens, our logistics support department has formulated the “Leftovers Disposal Management System” to regulate the treatment of kitchen waste. According to the regulations, leftovers at canteens must go through harmless treatment, and discharge of kitchen waste directly into sewers, public toilets and other domestic garbage collection facilities is strictly forbidden. In addition, canteens are required to classify and manage kitchen wastes which are treated separately. Kitchen wastes (vegetables, roots, animal offal, fur, etc.) produced by preliminary processing of raw materials shall be disposed of as domestic garbage and transported by sanitation workers; and swills (including food residue, rice, vegetables, soup, pot residue, reserved samples, etc.) should be disposed into special swill buckets as required, and transported and disposed of by qualified contractors, and shall not be sold to other units or individuals.

The school offices have also made efforts to reduce harmless waste. For example, they advocate the use of porcelain products and reduces the use of disposable articles such as paper cups; staff are encouraged to use of rags and towels instead of paper towels.

The hazardous waste we generate is mainly from the daily operation of the office and the use of chemicals in laboratories, such as old batteries, ink cartridges, hazardous metal materials and laboratory waste chemicals. Each office has regulations in place to recycle used ink cartridges, glass and metal. We also encourage the use of alternating current in the office to reduce the amount of used batteries. In addition, the relevant schools have developed the “Dangerous Chemical Safety Management System” to regulate the use of laboratory chemicals to avoid abuse and arbitrary dumping. Regarding the disposal of hazardous wastes, we comply with the “Standard for Pollution Control on Hazardous Waste Storage”, “Chengdu Primary and Secondary Schools' Hazardous Chemicals Destruction Work Procedures” and other regulations, hazardous wastes are properly stored and regularly transferred to qualified operators for transshipment and disposal, so that the safe disposal rate of hazardous waste can reach 100%.



EFFECTIVE ENVIRONMENTAL PROTECTION



ABOVE BOARD WASTEWATER DISCHARGE

Virscend Education's wastewater discharge mainly includes domestic sewage and canteen wastewater. All of our schools hold sewage discharge permits, and the sewage generated is treated by sewage treatment facilities to ensure that the sewage discharge meets the relevant requirements of the "Integrated Wastewater Discharge Standard" and minimizes its environmental impact. Due to the characteristics of the education industry, wastewater discharge is not a significant issue in the operation and management of the Company. Therefore, no wastewater-related discharge data was recorded during the reporting period.



CLEAN AIR ON CAMPUS

In order to reduce the adverse effects of canteen cooking lampblack emission on the school environment, the school canteen uses a composite electrostatic lampblack purifier to monitor and treat the lampblack, with a lampblack removal rate of 98%. We have also engaged the local environmental monitoring agency to monitor the canteen lampblack emission at our schools to ensure that their emission level comply with the "Food and Beverage Emission Standards". In order to reduce vehicle exhaust emissions, we have formulated the "Regulations on Automobile Management" and "Working Responsibilities for Motor Vehicles" and require the drivers to fill in the vehicle log and gasoline usage records and conduct strict daily use management.



BUILDING A GREEN CAMPUS

In addition to the practical actions taken in the management of waste and wastewater, the construction of the Green Campus is also inseparable from greenery management. In order to further improve on the education environment and improve the campus green coverage, we have organically combined campus greening and campus culture, and formulated the "Campus Greening Maintenance Management System". Landscaping and greening leading group is set up to grow and maintain such plants around campus to create an evergreen environment. The scientific maintenance measures result in flourishing trees and plantation, and is well-received by teachers and students.



PLANT A TREE FOR A PIECE OF GREENERY



On 12 March 2018, Chengdu Institute Sichuan International Studies University actively responded to the "Large-Scale Greening of Sichuan Campuses" campaign, and launched a tree planting activity with the theme of "Plant a Tree for a Piece of Greenery (「種一棵樹苗綠一方淨土」)". During the activity, the students cooperated with a division of work of digging, planting trees, cultivating soil and watering, rows of camellia trees have been planted on the campus, adding luscious greenery to the campus.

During the Company's operation of providing educational services, our impact on the environment and natural resources is minimal, mainly including energy use and greenhouse gas emissions, wastewater discharge and solid wastes, water usage and campus greenery. We have taken appropriate measures and actions to manage the abovementioned effects.



VIRTUOUS AS WATER – AIDS TO THOSE IN NEED TO PRESERVE VIRTUES

WARMHEARTED CHARITABLE ACTS

While focusing on its own development, Virscend Education also shows warm charitable spirits to the society. We actively integrate our educational and resource advantages into various public welfare undertakings, such as precision poverty alleviation, fixed-point poverty alleviation, and education poverty alleviation. We also actively participate and support the development of social welfare undertakings, and contribute to the promotion of social harmony and win-win for all parties. During the reporting period, we had a total of 5,794 volunteers and volunteered for 40,775 hours.



5,794 Volunteers



Volunteered for
40,775 hours

HELP TO ALLEVIATE POVERTY AND ACHIEVE AFFLUENCE

The Chengdu Institute Sichuan International Studies University organized a donation campaign to show love and helping the poor to the targeted poverty alleviation village of Ganluo County. During the campaign, the college trade union issued the "Initiative to Donation to the Targeted Poverty Alleviation Village". Our faculty and staff members actively responded to the initiative, and extended their helping hands to show love and support, helping the village to improve on its basic conditions, and developed production and businesses to alleviate poverty and generate wealth.

Moreover, the college also prepared quilts, mattresses and four-pieces beddings to Pingba Town, Ganluo County, and delivered to 48 poverty households in Linzi Village and Huangshuitang Village as well as 37 households in the resettlement houses under the "Pegged increase and decrease in land use" project in Moziguo Village. We also recruited village doctors and resident workers to send love and warmth.

SUPPORT POVERTY ALLEVIATION THROUGH EDUCATION

Virscend Education strongly supports poverty alleviation through education, and contributes to education in rural regions through donations in capital and in kind provides teacher trainings, with a view to balance the differences between urban and rural areas, and helps more children in difficulties to get an education. Chengdu Foreign Languages School actively participated in the "Donate A Day's Wages" activity organized by the Chengdu Charity Federation, where our faculty and staff members volunteered to donate their day's wages totaling RMB12,038 to help primary and middle school students and college students in poverty. Chengdu Institute Sichuan International Studies University has selected outstanding teachers to provide English teaching trainings for primary and secondary school English teachers in poverty-stricken areas to provide educational partnership assistance. In addition, Wulongshan Campus of Chengdu Experimental Foreign Languages School actively promotes the development of education and poverty alleviation.



VIRTUOUS AS WATER – AIDS TO THOSE IN NEED TO PRESERVE



STRENGTHENING EDUCATION AND TRAINING TO ALLEVIATE POVERTY

Chengdu Institute Sichuan International Studies University leverages on our advantages of being a professional foreign language college, and combined intelligent poverty alleviation and partnership assistances, and sent two of our outstanding teachers from English Education College to Ganluo County to provide trainings for primary and secondary school English teachers. The combination of training theories and practices is highly targeted and effective. It has positively promoted the professional standards, teaching methods and scientific research awareness of the teachers in training, and has been widely praised.



CARE FOR CHILDREN WITH CHILDLIKE HEART

On 30 May 2018, the 69th International Children's Day, teachers and students from Wulongshan Campus of Chengdu Experimental Foreign Languages School went to the Mulan Town Center Primary School in Xindu District to participate in the "Childlike Heart for Stay-behind Children (「情暖童心留愛童行快樂童學」)" attending to stay-behind children in poverty, bringing books to these children to show our care.

The Loving gifts were purchased with income from the charitable concert "Children's Concert in the Sea of Music (「音海徜徉與愛童行」)" organized by the Student Music Society of Wulongshan Campus of Chengdu Experimental Foreign Languages School.





VIRTUOUS AS WATER – AIDS TO THOSE IN NEED TO PRESERVE VIRTUES

ASSISTANCE TO ZIGONG EDUCATION

In order to fulfill the promise of "Based in Zigong, Integrate into Development, and Contribute to Zigong's Education", Chengdu Foreign Languages School of Zigong actively participated in the teachers' volunteer guidance program, and set up free tutorials in Chinese, Mathematics and English for sixth grade students in primary school and third grade students in junior high school held by a team of renowned teachers in order to help students entering their dream schools.



In addition, Chengdu Foreign Languages School of Zigong also pays close attention to the needs of students and parents, and is committed to strengthening the relationship between home and school to create a healthy and efficient education environment. In order to ease the parents' anxiety on education, Chengdu Foreign Languages School of Zigong held a family educational public welfare lecture entitled "School-aged Children at Home (家有學齡娃)". The lecturer shared the experience of cultivating outstanding children with the parents through a number of vivid examples, answering questions on parent-child education, and helped several parents find the "key" to the heart of their children.

SOCIAL IMPLEMENTATION EXPERIENCES

In order to promote a charitable culture, encourage volunteering services, and cultivate the loving spirit, Virscend Education strives to guide students to step out of the school and participate in social activities. Since its inception, our schools have actively carried out off-campus charity activities, leading students into nursing homes, welfare homes, poverty households and rehabilitation centers, allowing students to understanding the life of people with special needs, and to witness and understand for their difficulties. In the future, the school will continue to rely on close and tangible community activities to enhance the sense of social responsibility of students, so that students can learn about the significance of public welfare and promote the community development towards a better future.



CARE FOR SICK CHILDREN

In the winter of 2018, students of the International Department of Chengdu Experimental Foreign Languages School visited the Bayi Rehabilitation Center in Sichuan Province (四川省八一康復中心), and presented a wonderful Chinese New Year's performance to the sick children. The Children's Diseases Section of the Bayi Rehabilitation Center is home to more than 100 children aged 2-12 being treated for diseases such as autism, cerebral palsy, and hearing impairment. In the harsh winter, what these children need most is warmth and care. Through the enthusiastic singing and dancing performances of our students, the hilarious comedian performance and the live interactive game with the children - the mouse and the radish, the children laughed and are filled with positive energy. Students of the International Department helped the children out of tiredness and gloom, whereby understanding that it is a remarkable act to realize social values and give back to the society.





VIRTUOUS AS WATER – AIDS TO THOSE IN NEED TO PRESERVE



case study

"NEW YEAR'S CHARITABLE DUMPLINGS BANQUET"

Under the warm spring sun during the Chinese New Year, students of the International Department of Chengdu Foreign Languages School came to the Tangjia Temple Nursing Home (唐家寺敬老院) in Mimou Town, Qingbaijiang District, Chengdu, to participate in the "New Year Love Dumpling Banquet" to celebrate the New Year with the elderlies. Students prepared for the Chinese New Year's dinner for the elderlies, chat with them and clean their rooms. These actions warmed the stomachs and hearts of the elderlies. For the students, this is a special Chinese New Year activities as they are no longer singing and laughing to celebrate the Chinese New Year by themselves, but rather stepping up for those who need their care to create warmth and convey joy.



case study

KINDNESS TO WELFARE INSTITUTION

In 2018, students from the Chengdu Foreign Languages School of Zigong went to the Aijiabei Children's Welfare Institute in Zigong City (自贡市爱加倍儿童福利院) to participate in the kindness activities. Students sent clothes, books and school supplies to the children at the welfare home. At the same time, students paid a visit to understand the environment at the welfare institution to understand the children's daily life and studying conditions. The children sang and used sign language dance performances to express their gratitude to the students who came to see them. During the trip, our students were deeply touched. They learned a strong and brave spirit from the children and realized the significance of practicing social welfare.





PROSPECTS

The road is long and meandering, and we shall endeavor to go forward. Looking forward, we shall pay more attention to the practical application, and continuously integrate the concept of sustainable development into major social responsibility issues such as teaching quality, employee care, compliance management, environmental protection and public welfare undertakings, so as to keep pace with time and strive to cope with development demands in the new era, improve on our sustainable development management system, as well as continue to pay attention to and assess the Group's environmental, social and governance risks, further enrich and integrate the Company's internal and environmental, social and governance-related policies, effectively fulfill our social responsibilities, in order to achieve true harmony within the community, beautiful environment, and reasonable governance.

We streamline our teaching to offer mastery to our students in preparing for their future. In 2019, we will strive to adapt to the development in the current era, and continue to explore advanced and innovative educational concepts and educational models, strictly control the quality of education, continue to integrate and optimize quality education resources of China and the West, and cultivate elites for the society who are capable of multi-faceted thinking and capable in competing on international level.

We are people-oriented to achieve multi-dimensional talents to further our development. In 2019, we shall continue to broadly and fairly attract outstanding talents at home and abroad, formulate a diversified talent training and promotion program, and create diversified development opportunities for our employees. At the same time, we continue to pay attention to the physical and mental health of our employees, provide care to our employees, enhance employees' sense of belonging and trust to the Company, and motivate them in creating greater value for the Company.

Sincerity brings excellence, while compliances win over trust. In 2019, we will continue to abide by laws and regulations, strengthen risk management, implement anti-corruption requirements, further mutual trust and cooperation with supply partners and improve supplier management system. Moreover, we will pay attention to parents and students' needs and feedback, and operate with integrity.

Our green campuses breed environment-conscious talents. In 2019, we shall continue to explore clean and green campus establishment, and integrate environmental friendly concepts within our office and campus operations, in the effort to endorse environmental protection practices. We will promote green teaching practices and implement energy-saving and low carbon practices to conserve water and electricity, reduce waste and gas emissions, so as to create green environment on our campuses.

We emphasis on compassion, enthusiastic towards charitable causes to show our love towards society. We are constantly reminded of our roots, and shall continue to share the Company's development achievements with the society, promote development of the local region where our campuses are based, support education efforts and poverty alleviation, and promote the dissemination of humanities and culture. We will continue to carry out charitable projects, organize volunteer activities, practice corporate citizenship, care for the society, and give back to the community.

"Those capable bare greater burden and go further on the course." Education is the vital plan of the nation. As a leader in the domestic education industry, we bare great burden and have a long way to go. In the near future, we will continue to focus on caring for the growth of each generation of students. At the same time, we will assume greater social responsibilities with more courage, and wholeheartedly contribute to the social and national sustainable development.



KEY PERFORMANCE INDEX ("KPI")

ESG index		Unit	Data of 2018
Environmental			
A1. Emission	A1.2 Total GHG emission and intensity		
	Total GHG emission	tons (carbon dioxide equivalent)	23,849.68
	Intensity of GHG emission	tons (carbon dioxide equivalent)/number of student	0.52
	Direct GHG emission (scope 1)	tons (carbon dioxide equivalent)	12,033.78
	Indirect GHG emission (scope 2)	tons (carbon dioxide equivalent)	11,815.90
	A1.3 Total hazardous waste produced and intensity		
	Amount of hazardous waste	tons	2.57
	Intensity of hazardous waste	tons/number of student	0.06×10^{-3}
	Wasted light tubes	pieces	7,993
	Used toner cartridge	pieces	376
	Old batteries	pieces	4,618
	Scrapped ink cartridges	pieces	211
	Recycled ink cartridges	pieces	79
	Hazardous wastes from labs	kg	21.50
	A1.4 Total non-hazardous waste produced and intensity		
	Amount of non-hazardous waste	tons	6,048.03
	Intensity of non-hazardous waste	tons/number of student	13.20×10^{-2}
	Wasted paper	tons	4.20
	Kitchen garbage	tons	6,043.83



KEY PERFORMANCE INDEX ("KPI")

ESG index		Unit	Data of 2018
A2. Use of Resources	A2.1 Total energy consumption and intensity		
	Conversion of electricity for comprehensive energy consumption	10,000 kWh	8,168.81
	Conversion of electricity for comprehensive energy consumption intensity	kWh/number of student	1,783.50
	Electricity consumption	10,000 kWh	2,247.65
	Natural gas consumption	10,000 cubic meters	539.67
	Piped coal gas consumption	10,000 cubic meters	68.49
	Gasoline consumption	liter	84,383
	Diesel consumption	liter	5,575
	A2.2 Water consumption in total and intensity		
	Total amount of water consumption	10,000 tons	399.05
	Water consumption intensity	tons/number of student	87.13



KEY PERFORMANCE INDEX ("KPI")

ESG index	Unit	Data of 2018
Social		
B1. Employment	B1.1 Number of employees by gender, employment type, age group and geographical region	
	Total workforce	Persons 4,301
	By gender	
	Male employees	Persons 1,153
	Female employees	Persons 3,148
	By employment type	
	Subject teacher	Persons 3,017
	Life teacher	Persons 753
	Administrative and supporting staff	Persons 387
	Other staff member	Persons 144
	By age	
	Aged 30 and below	Persons 1,175
	Aged 30 to 50	Persons 2,504
	Aged 50 and above	Persons 622
	By geographical region	
	Sichuan Province	Persons 3,692
	China (except Sichuan Province)	Persons 608
	Overseas	Persons 1



KEY PERFORMANCE INDEX ("KPI")

ESG index		Unit	Data of 2018
B2. Health and Safety	B2.1 Number of work-related fatalities		
	Number of work-related fatalities	persons	0
	B2.2 Lost days due to work injury		
	Work injury	cases	4
	Total lost days due to work injury	days	707
B3. Development and Training	B3.1 The percentage of employees trained by gender and employment type		
	The percentage of total number of employees trained	100%	84.0%
	By gender		
	The percentage of male employees trained	100%	81.5%
	The percentage of female employees trained	100%	84.9%
	By employment type		
	The percentage of subject teachers trained	100%	67.0%
	The percentage of life teachers trained	100%	74.2%
	The percentage of administrative and supporting staff trained	100%	90.2%
	The percentage of other staff member trained	100%	100%
	B3.2 The average training hours of employees by gender and employment type		
	The average training hours of all employees	hours	47
	By gender		
	The average training hours of male employees	hours	45
	The average training hours of female employees	hours	48
	By employment type		
	The average training hours of subject teachers	hours	59
	The average training hours of life teachers	hours	19
	The average training hours of administrative and supporting staff	hours	27
	The average training hours of other staff member	hours	13



KEY PERFORMANCE INDEX ("KPI")

ESG index		Unit	Data of 2018
B5. Supply Chain Management	B5.1 Number of suppliers by geographical region		
	Number of suppliers within Sichuan Province	suppliers	103
	Number of suppliers in China (except Sichuan Province)	suppliers	5
B6. Product Responsibility	B6.2 Number of product and service related complaints received		
	Product and service-related complaints	cases	35
B7. Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and outcomes of the cases		
	Number of filed or concluded legal cases regarding corrupt practices	cases	0
B8. Community Investment	B8.2 Resources devoted to focus areas		
	Number of volunteers	persons	5,794
	Hours of volunteer work	hours	40,775



ESG REPORTING GUIDE

ESG Aspects	Index	Reporting Guide Requirements	Chapters and Explanation
A. Environmental			
A1: Emissions	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 air pollutants and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Effective environmental protection – Beautiful green campus
	A1.1	The types of emissions and respective emissions data.	Due to the characteristics of the education industry, the emission of pollutant gases and sewage discharge are not an important issue in the operation and management of the company. Therefore, data related to emissions are not available during the reporting period.
	A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume and per facility).	KPI
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume and per facility).	KPI
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume and per facility).	KPI
	A1.5	Description of measures to mitigate emissions and results achieved.	Effective environmental protection – Widespread awareness of environmental protection
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Effective environmental protection – Beautiful green campus



ESG REPORTING GUIDE

ESG Aspects	Index	Reporting Guide Requirements	Chapters and Explanation
A. Environmental			
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Effective environmental protection – Widespread awareness of environmental protection
	A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity(e.g. per unit of production volume and per facility).	KPI
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume and per facility).	KPI
	A2.3	Description of energy use efficiency initiatives and results achieved.	Effective environmental protection – Widespread awareness of environmental protection
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Effective environmental protection – Widespread awareness of environmental protection
	A2.5	Total packaging material used for finished products (in tons), and, if applicable, with reference to per unit produced.	We provide educational services and do not produce products, so there is no use of product packaging materials.
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Effective environmental protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Effective environmental protection



ESG REPORTING GUIDE

ESG Aspects	Index	Reporting Guide Requirements	Chapters and Explanation
B. Social			
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.	Attract talents by offering a sincere and open environment
	B1.1	Total workforce by gender, employment type, age group and geographical region.	KPI
	B1.2	Employee turnover rate by gender, age group and geographical region.	✓
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.	Premium education quality breeds outstanding graduates spreading all over the world – Robust logistics support Attract talents by offering a sincere and open environment – Caring our employees
	B2.1	Number and rate of work-related fatalities.	KPI
	B2.2	Lost days due to work injury.	KPI
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Premium education quality breeds outstanding graduates spreading all over the world – Robust logistics support Attract talents by offering a sincere and open environment – Caring our employees



ESG REPORTING GUIDE

ESG Aspects	Index	Reporting Guide Requirements	Chapters and Explanation
B. Social			
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Attract talents by offering a sincere and open environment – A consummate training system
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	KPI
	B3.2	The average training hours completed per employee by gender and employee category.	KPI
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.	Attract talents by offering a sincere and open environment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Attract talents by offering a sincere and open environment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Attract talents by offering a sincere and open environment
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Make great efforts to achieve well operation – Reciprocal management of supply chain
	B5.1	Number of suppliers by geographical region.	KPI
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Make great efforts to achieve well operation – Reciprocal management of supply chain



ESG REPORTING GUIDE

ESG Aspects	Index	Reporting Guide Requirements	Chapters and Explanation
B. Social			
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.	Premium education quality breeds outstanding graduates spreading all over the world – Robust logistics support Make great efforts to achieve well operation – Operation under long-term compliance
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reason.	We provide educational services and does not produce products, so there is no product recall.
	B6.2	Number of products and service related complaints received and how they are dealt with.	Make great efforts to achieve well operation – Acceptance of opinions KPI
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Make great efforts to achieve well operation – Operation under long-term compliance
	B6.4	Description of quality assurance process and recall procedures.	Premium education quality breeds outstanding graduates spreading all over the world – Rigorous teaching management
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Make great efforts to achieve well operation – Operation under long-term compliance



ESG REPORTING GUIDE

ESG Aspects	Index	Reporting Guide Requirements	Chapters and Explanation
B. Social			
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.	Make great efforts to achieve well operation – Operation under long-term compliance
	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.	KPI
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Make great efforts to achieve well operation – Operation under long-term compliance
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.	Virtuous as water – aids to those in need to preserve virtues
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Virtuous as water – aids to those in need to preserve virtues
	B8.2	Resources contributed (e.g. money or time) to the focus area.	KPI



OPINIONS AND FEEDBACK

Dear readers,

Thank you for reading this report! This is our 2018 ESG Report, we hope that you can evaluate this report and provide your valuable feedback to help us improve our reporting work.

If you have any comments or suggestions on the Company's environmental, social and governance, please feel free to email us: ir@virscendeducation.com.

Feedback form for the 2018 Environmental, Social and Governance Report of Virscend Education Company Ltd.

Name

Company

Position

Telephone

Email

Your opinion on our report: (Please tick in the corresponding boxes)

	Very good	good	Fair	Poor	Very Poor
Do you think this Report can reflect the Company's economic, environmental and social performance and its significant impact?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What do you think about the clarity, accuracy and completeness of information and indicators disclosed in the Report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What do you think about the layout and design of the Report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which parts of the Report are you most interested in?

Is there any information missed out in the Report?

Do you have any suggestions for our future Environmental, Social and Governance Report?