



VIRSCEND EDUCATION COMPANY LIMITED

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

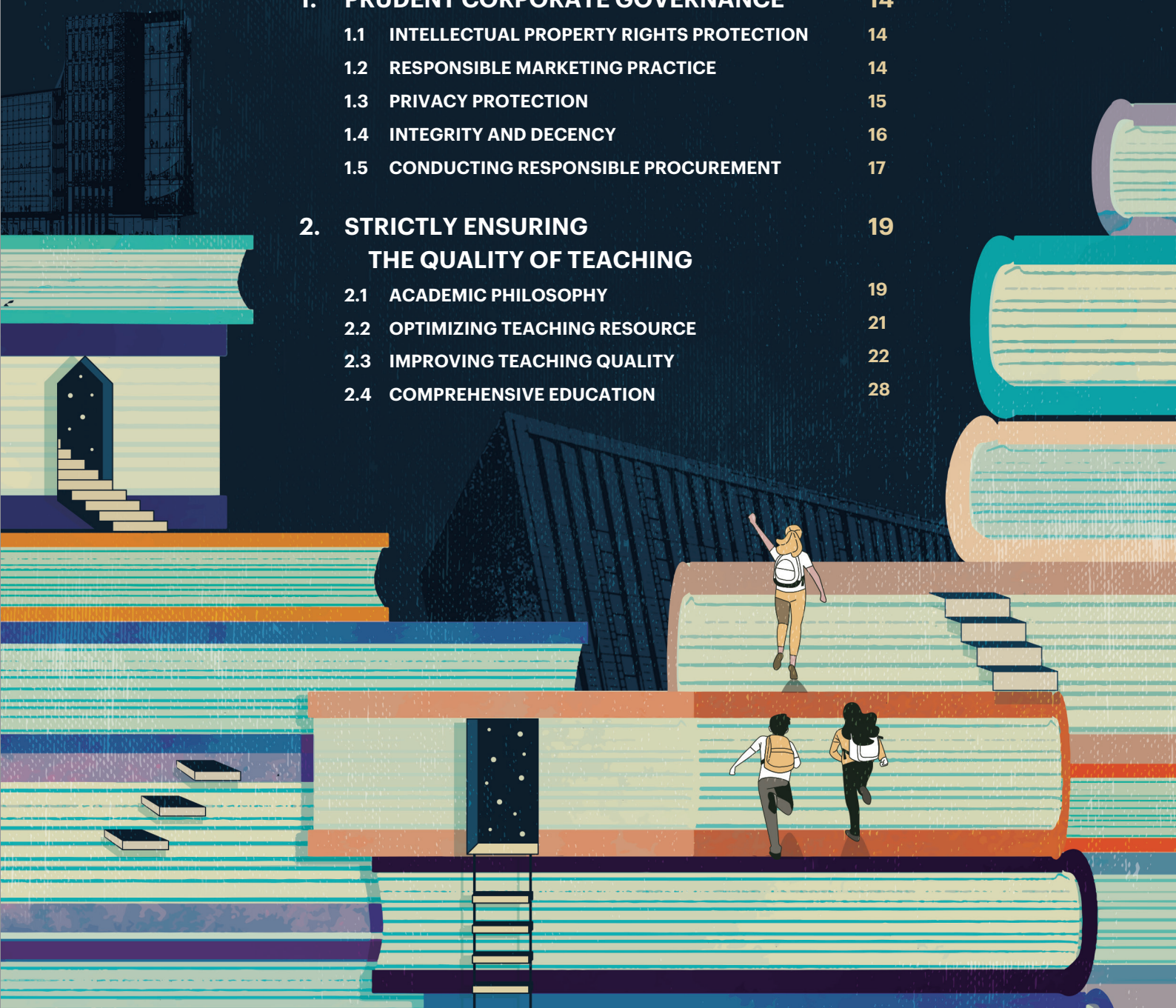
Stock Code: 1565

A Profound Chinese Foundation,
A Panoramic Global Outlook,
An **Innovative Future.**

2024 | Environmental, Social and Governance Report

CONTENTS

ABOUT THIS REPORT	3
ABOUT US	5
STATEMENT FROM THE BOARD	8
SENIOR MANAGEMENT'S STATEMENT	9
OUR MANAGEMENT STRUCTURE	10
1. PRUDENT CORPORATE GOVERNANCE	14
1.1 INTELLECTUAL PROPERTY RIGHTS PROTECTION	14
1.2 RESPONSIBLE MARKETING PRACTICE	14
1.3 PRIVACY PROTECTION	15
1.4 INTEGRITY AND DECENCY	16
1.5 CONDUCTING RESPONSIBLE PROCUREMENT	17
2. STRICTLY ENSURING THE QUALITY OF TEACHING	19
2.1 ACADEMIC PHILOSOPHY	19
2.2 OPTIMIZING TEACHING RESOURCE	21
2.3 IMPROVING TEACHING QUALITY	22
2.4 COMPREHENSIVE EDUCATION	28



CONTENTS (CONTINUED)

3. BUILDING A HARMONIOUS CAMPUS	30
3.1 ENSURING AND SAFEGUARDING FOOD SAFETY	30
3.2 SAFEGUARDING CAMPUS SAFETY	33
3.3 SCHOOL AND -FAMILY COMMUNICATION AND CONNECTION	34
4. CREATING A HAPPY WORKPLACE	35
4.1 SAFEGUARDING EMPLOYEES' RIGHTS	35
4.2 EMPHASIZING ON TALENTS DEVELOPMENT	37
4.3 CREATING ENERGETIC WORKPLACE	39
5. CARING FOR GREEN EARTH	42
5.1 GREEN CAMPUS	42
5.2 FOSTERING GREEN AWARENESS	46
5.3 RESPONDING TO CLIMATE CHANGE	47
6. CONTRIBUTION TO COMMUNITIES	48
6.1 INVOLVING IN VOLUNTEER ACTIVITIES	48
6.2 CHARITY ACTIVITIES	51
7. KEY ESG PERFORMANCE INDEX	52
8. HKEX ESG REPORTING GUIDE CONTENT INDEX	55



ABOUT THIS REPORT

REPORTING SCOPE

This Environmental, Social and Governance (“ESG”) report covers the performance and information of our head office, high schools and universities from 1 September 2023 to 31 August 2024 (“Reporting Period”).

This report will be focused on our operations in China. For the governance section, please refer to the Corporate Governance Report on pages 61 to 78 of this annual report.

Table: List of institutions included in the report

High School	Virscend High School of Quxian
	Virscend High School of Ya'an
	Chengdu Foreign Languages High School of Chengdu Hi-tech Zone
	Chengdu Foreign Languages High School of Yibin
	Chengdu Foreign Languages High School of Deyang
	Chengdu Experimental Foreign Languages High School of Chengdu Jinniu District
	Chengdu Experimental Foreign Languages High School of Sichuan Tianfu New Area
	Virscend High School of Chengdu Xinjin District
	Chengdu Foreign Languages High School of Renshou
University	Chengdu International Studies University/Chengdu International Studies University (Yibin Campus)
	Virscend University (California, USA)
Non-formal Education	Chengdu Fanmao Education Consulting Co., Ltd
	Chengdu Jiataihua Education Consulting Co., Ltd.
	Wah Tai Han Education Company Limited
	Chengdu High-tech Zone Jiayingtai Art Training School

ABOUT THIS REPORT

BASIS OF COMPILATION

The report is prepared under the requirements of Appendix 27, “Environmental, Social and Governance Reporting Guide” of the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited”, intending to fully disclose material environmental, social and governance issues for stakeholders’ further consideration. The scope of the report covers our key business operations in Sichuan Province, China, including subsidiaries where the Group has management control.

REPORTING PRINCIPLES

The following principles are adopted in this report:

Materiality: Important and relevant information to stakeholders on ESG aspects is covered in the report. A comprehensive materiality assessment was conducted to determine key ESG issues with results approved by the Board.

Quantitative: The relevant standards, methodologies, and assumptions used to prepare the quantitative information are fully disclosed. Quantitative information is provided with corresponding narrative and comparative figures, where possible.

Consistency: Consistent methodologies are used to prepare and present ESG data in the report, unless otherwise specified, to allow for meaningful comparisons and analysis.

Balance: The information is presented without selective presentation of information, the omission of key data or other improper manipulation that would influence a decision or judgment by the reader.

APPELLATION STATEMENT

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

APPROVAL AND ACCESS TO THE REPORT

This report was approved for publication by the Board on 13 December 2024. Chinese and English versions of the report are available on our official website (www.virscendeducation.com).

OPINION AND FEEDBACK

The Group values the feedback received to improve enterprise performance. If you have any questions or recommendations on the report or any other ESG matters, please contact us through the following channels:

- Address: Rm 2207 B, 22/F, Kodak House II No.39 Healthy Street East, Quarry Bay, Hong Kong
- Email: ir.virscendeducation@ir

ABOUT US

COMPANY OVERVIEW

Virscend Education Company Limited was incorporated in 2000, and was listed on the Main Board of the Hong Kong Stock Exchange in 2016. The Group is focused on providing a comprehensive range of private education services, including high school and higher education fields. With extensive experience and continuous innovation over the years, we have developed an excellent educational system.

People-oriented teaching has always been the core of our stratagem. At Virscend, we see education as our premier responsibility, and we strive for excellence education outcomes through continuous innovation and dedication.

HIGH SCHOOL EDUCATION

Virscend has the utmost respect for the growth process of students with a view to nurturing future global citizens. We do this to satisfy the progressive educational needs of students so as to cultivate high-quality, patriotic citizens of China. We continuously innovate our education methods, with a diversified goal: to enhance our students' ideology and ethics, improve their ability to execute tasks, and help them realize their full potential.

Our educational philosophy emphasizes personalized development and comprehensive quality cultivation, and we are committed to providing each student with an appropriate learning environment and resources for his or her growth. We strive for excellence in creating a high quality high school with high enrollment rates and high rates of transition to higher education to ensure that every student can achieve academic and personal excellence and move on to a bright future.

HIGHER EDUCATION

To promote economic and social development and provide a space for cultural exchange, the Group has established Virscend University and Chengdu International Studies University to continuously cultivate innovative talents who meet the needs of the times.

With a view to motivating students to develop innovative ideas and business intelligence, Virscend University focuses on the Master of Business Administration (MBA) program and the Bachelor of Business Administration (BBA) program with small class-sized teaching model. In March 2024, Virscend University received full accreditation from WASC Senior College & University Commission (WSCUC). Virscend University currently offers a Master of Business Administration program and a Bachelor of Business Administration program.

In September 2023, the Chengdu Institute Sichuan International Studies University had obtained final approval from the Ministry of Education (the "MOE") for conversion with new school name "Chengdu International Studies University" ("成都外國語學院"). Chengdu International Studies University currently offers 34 bachelor programs and 28 diploma programs, and offers a variety of foreign language related majors under undergraduate and diploma courses including Translation, Business English, Teaching Chinese to Speakers of Other Language, Journalism, International Economics and Trade, International Business, Exhibition Economy and Management, Chinese Language and Literature, Preschool Education, E-Commerce, Sports Operation and Management, Computer Network Technology and Hotel Management, etc.



ABOUT US

INTERNATIONAL EDUCATION

The Group is committed to providing quality education resources and diverse curriculum systems. To lay a solid foundation for students' academic path, we offer courses such as A-level, AP projects, Sino-Australian Advanced Placement and other international competitions. We aim to promote the integration and optimization of advanced education concepts, curriculum design and teaching modes from the East and the West in order to empower the future of students and promote the development and reformation of international education in Southwest China.

EDUCATION SERVICES

Virscend is committed to promoting the education industry and expanding the provision of high-quality education. The Group entered into management cooperation agreements with peer institutions to jointly improve the management level and teaching quality. At the same time, we cooperated with public schools, private schools and kindergartens to support teaching quality monitoring, brand promotion and campus design services.

OUR HONORS

HIGH SCHOOL EDUCATION

All the standalone high schools within the Group and the schools providing compulsory education being deconsolidated since 31 August 2021 (collectively as "Chengshiwai Schools") are stand-alone legal entities but still operating uniformly with the same brands as "branch campus" of Chengdu Foreign Languages School and Chengdu Experimental Foreign Languages School which are the two Flagship Schools.

Chengdu Foreign Languages School is the only foreign language school with the qualification of recommendation for admission (only 16 schools nationwide) approved by the Ministry of Education in Sichuan Province, and one of the six pilot schools in Sichuan Province for the cultivation of national top-notch innovative talents. In the evaluation of the teaching quality of general high schools in Chengdu in 2023, Chengdu Experimental Foreign Languages School won three municipal honors: "Excellent School in terms of affordability budget (以入量出優秀學校)", "High School with Humanistic Characteristics (人文特色高中)" and "Excellent School (優秀學校)".

During the Reporting Period, schools affiliated with the Group achieved remarkable results. Approximately 89.2% (2023: 89.7%) of graduates from the Flagship Schools who achieved scores that allowed them to apply for and be accepted by first-tier universities in China. 27 of their graduating high school students received offers from Peking University or Tsinghua University (2023: 24) and 82 of their graduating high school students were recommended for admission into first-tier universities without taking the Gaokao (2023: 83). Other than the Flagship Schools, for 2024 Gaokao, approximately 80.9% (2023: 77.8%) of graduates from the rest Chengshiwai Schools achieved scores that allow them to apply for university admission, significantly exceeding the average university admission rate of schools in Sichuan Province.

For students who are interested in attending colleges and universities overseas, the Group established international programs at various schools under which PRC/overseas standard high-school curriculum, overseas standardised college entrance examinations, language testing examinations or United States University Advanced Placement (“AP”) course are offered to them. Such programs allow students to take overseas high-school curriculum taught by foreign teachers as well as PRC high-school curriculum taught by PRC teachers. In 2024, one high school graduate from international program received offer to be admitted into Cornell University, and one graduate from the University gained the qualification for postgraduate entrance to Peking University with excellent performance ranking first in the Russian Language and Literature major. In 2024 and 2023, 130 and 168 of students received offers from the top 100 universities in the QS World University Rankings respectively.

Besides, in 2024, 58 students from Chengshiwai Schools (2023: 74) won first prize in provincial academic contests including mathematics, physics, chemistry, biology and information science (“Five Academic Contests”). 14 of Chengshiwai Schools students (2023: 15) were elected into the Sichuan provincial contests teams. Furthermore, 7 of Chengshiwai Schools students (2023: 4) won the gold medal in national Five Academic Contests, 5 of Chengshiwai Schools students (2023: 2) were elected into the national team.

HIGHER EDUCATION

In March 2024, Virscend University received full accreditation from WSCUC, and is currently running Master of Science in Business Analytics (MSBA) and Bachelor of science in Business Administration. Virscend University is in the development to recruit the first cohort of MBA program (Global) in South Korea starting from Fall 2024.

Form I-17 petition for certification and enrollment in SEVIS was reviewed and approved by The Student and Exchange Visitor Program (SEVP) on 30 June 2022. Virscend University are permitted to issue I-20 to prospective or continuing nonimmigrant students.

In 2024, according to WuShulian’s “China Independent College and Private Universities Rankings”, Chengdu International Studies University ranked 4th among all 394 independent colleges and private universities in literature.

Chengdu International Studies University has 16 foreign language programs including English, Japanese, German, Spanish, French, Portuguese, Korean, Russian, Vietnamese, Thai, Italian, Arabic, Polish, Czech, and Hungarian. In addition, it offers other four- or three year programs related to foreign languages including Translation, Business English, Teaching Chinese to Speakers of Other Language, Journalism, International Economics and Trade, International Business, Exhibition Economy and Management, Chinese Language and Literature, Preschool Education, E-Commerce, Sports Operation and Management, Golf and Management, Hotel Management, etc.

STATEMENT FROM THE BOARD

Virscend Education is aware of and appreciates the importance of good corporate governance and risk management processes. We believe that ESG management is crucial to the sustainable development of the Group.

As the decision-making body of the Group's operation, the Board has overall responsibility for the ESG matters. The Board is responsible for formulating the Group's overall ESG strategies, identifying the relevant risks and establishing an effective ESG management system, to regularly review the Group's ESG performance. Virscend Education established the ESG working group, headed by our financial department and in collaboration with members from different functional units, including the teaching quality department, teachers (cadre) development centre, administration office, human resources department (Party Building Committee), brand promotion department, logistics support department, equipment department and art and sports department. All the campuses were supportive and participative to the ESG governance practices.

The working group organizes the updates on ESG-related policies and systems, collects and integrates our ESG practice performance, and provides recommendations and decision-making support to the Board after reviewing the ESG annual performance of the Group annually. Virscend Education regularly publishes the ESG report following the "Environmental, Social and Governance Reporting Guide" issued by the Hong Kong Stock Exchange.

The ESG working group will initiate and review the annual ESG report, the final draft of which will be reviewed and confirmed by the Board. Virscend Education conducts an ESG assessment every year based on the macro environment and the development strategy of the Group, to identify the Group's ESG issues and relevant risks or opportunities.

The Board reviews and confirms the results of the important assessments, incorporates the major issues into the Group's overall strategies, and ensures that these issues are managed effectively. The Group has set various ESG targets, including energy conservation and water consumption. The Board will review the achievement of the targets and the implementation strategies and action plans of the annual targets.

This report has disclosed the progress and achievements of Virscend Education in ESG-related work during the period from 1 September 2023 to 31 August 2024 in details and was approved by the Board on 13 December 2024.

SENIOR MANAGEMENT'S STATEMENT

For the 23 years of the establishment of Virscend Education, we have persisted in straight abidance with the law, seeking to fulfil our duty as educators in a worldly and practical way. We have kept pace with times by expanding our business while maintaining an asset-light business model, with a view to reinvigorating our development plan and promoting the sustainable development of the Group.

"An educator must have faith in education and strive to become a person who sees education as a faith", this is a famous quote from Mr. Zhu Ziqing (「教育者須對教育有信仰心,應努力成為以教育為信仰的人。」——朱自清先生). Virscend Education has been putting this quote into practice throughout the years. We believe that education requires faith, and so does every education practitioner. In the past year, by upholding our passion for and faith in the cause of education as well as committing to the goal of developing wisdom and cultivating virtue, we have harvested the healthy growth of every child, so as to facilitate the sound development of Virscend Education.

Adhering to the original aspiration of education, Virscend Education puts humanity at its core and is devoted to academics development. Our operation centres around nurturing people by focusing on individuality, respecting differences, stimulating proactiveness, and motivating students to be proactive in their study. We emphasize fostering talent by implementing an international curriculum system that teaches foreign languages and emphasizes comprehensive practice and quality development to cultivate students' abilities across all subject areas. We strive to constantly innovate the methodology of our institute while at the same time strengthening the moral character and ethics of our educators. Through keeping up with times, our innovative approach to education ensures the fulfilment of our students' and educators' diverse educational needs while fulfilling one of our most sacred responsibilities: educating.

As a reputable education company, Virscend Education takes its responsibility of campus guardians seriously, protecting students from danger and keeping them happy and healthy. We insist on eliminating food safety hazards with a traceable mechanism. We establish and conscientiously implement various safety barriers to provide for personal safety and to prevent fire, traffic accidents, and the spread of disease. We listen to the voices of students and parents and foster the relationship between home and school by working together. We create a harmonious campus where students can grow up healthy and strong.

Virscend Education is committed to fulfilling its civic responsibility and strives to create social values. We continued to improve the scientific level of corporate governance, follow integrity and compliance in operation, and maintain the bottom line of integrity to reward our shareholders with healthy and sound development. We focus on personal and professional development to allow employees to thrive in a harmonious, diverse environment that encourages cooperation between management and staff to improve relations. We carefully implement new development concepts and apply systematic thinking to conduct green development during campus construction and management. We cultivate students' awareness of environmental and ecological protection and promote a culture of ecological civilization to build a green campus together. As a leader in promoting educational management and consultation services, we transfer our mature teaching system to more districts and schools in need. We help promote educational equity, contributing quality educational resources when necessary.

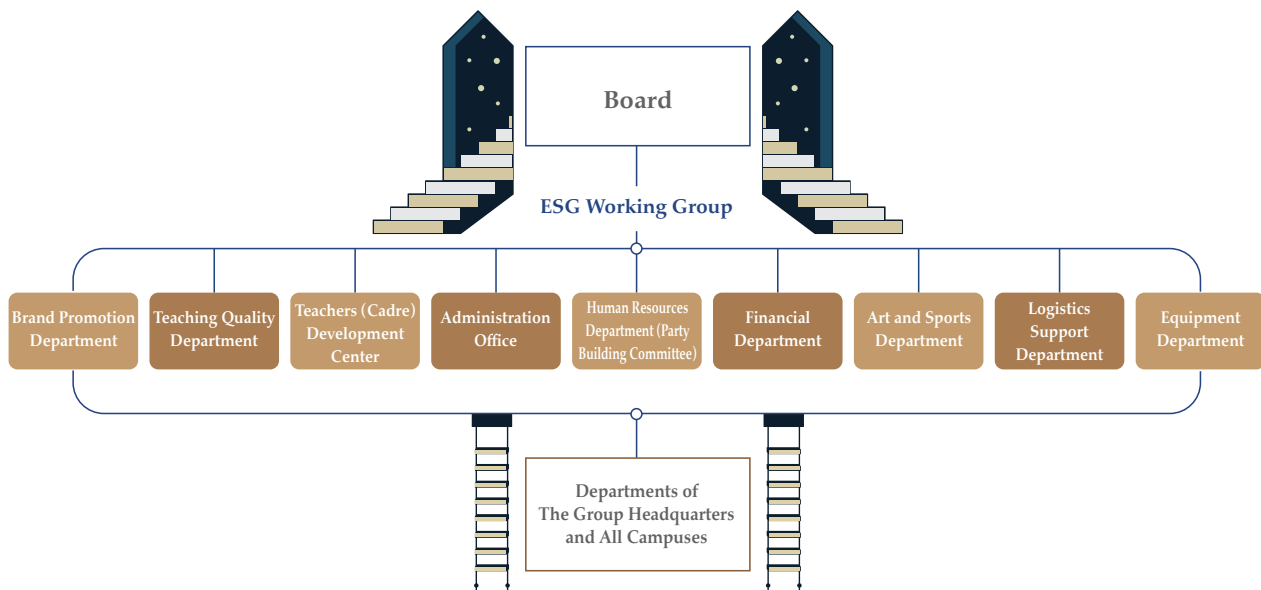
Focusing ahead, we will continue to strive for our mission of fostering integrity and promoting the all-around development of people. We will continue striving for our students' perfection with zealous passion, to awaken their souls and illuminate their bright futures. We will adapt to the times, keep our heads held high, and our innovations coming, bravely shoulder the mission, and coordinate with various organizations to provide academic support for national rejuvenation, prosperity, and social progress. Virscend Education will deliver satisfactory results on the topic of "fostering a brighter future for humanity" (「更好創造人類的美好未來」).

OUR MANAGEMENT STRUCTURE

A good environment, social, and governance (ESG) structure is a solid foundation for ESG management. Virscend Education continues to improve its environmental, social, and governance management systems and has established an organizational structure with clear powers and responsibilities. The Board, as the top of the ESG management regulatory structure, is responsible for overall supervision. The ESG working group comprises the key functional departments in the organization. They are responsible for developing specific ESG frameworks to implement ESG-related tasks in each department.

The working group is mainly responsible for integrating ESG into Virscend's business processes, integrating ESG performance analysis, and providing report recommendations to the Board based on its analysis of company-wide ESG performance.

The ESG governance structure of Virscend







OUR MANAGEMENT STRUCTURE




STAKEHOLDERS COMMUNICATION

We have established a comprehensive communication system to gain a better understanding of and make the response to the expectations and demands of our stakeholders, which include our investors and shareholders, teachers and staff, students, parents, government and regulatory authorities and community and public. We will continue to enhance communication effectiveness and strive to create long-term value.

Table of Stakeholders Communication

Stakeholder	Major Concerns	Communication & Response
 Investors/Shareholders	<ul style="list-style-type: none"> Compliant operations and management 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 working environment Favorable platforms for the development of career path Competitive salary package 	<ul style="list-style-type: none"> Department meeting/educational research activities Training programs for teachers/staff Evaluation of teaching quality Teachers/staff assessment
 Students	<ul style="list-style-type: none"> Premium teaching quality Ample teaching resources Advanced teaching methods Comfortable learning environment Diversified activities 	<ul style="list-style-type: none"> Themed class meetings/lectures School principal's mailboxes Survey on levels of satisfaction
 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 diet and campus safety of students 	<ul style="list-style-type: none"> Parents meeting Open day for parents Meet the Principal Day School principal's mailboxes

OUR MANAGEMENT STRUCTURE

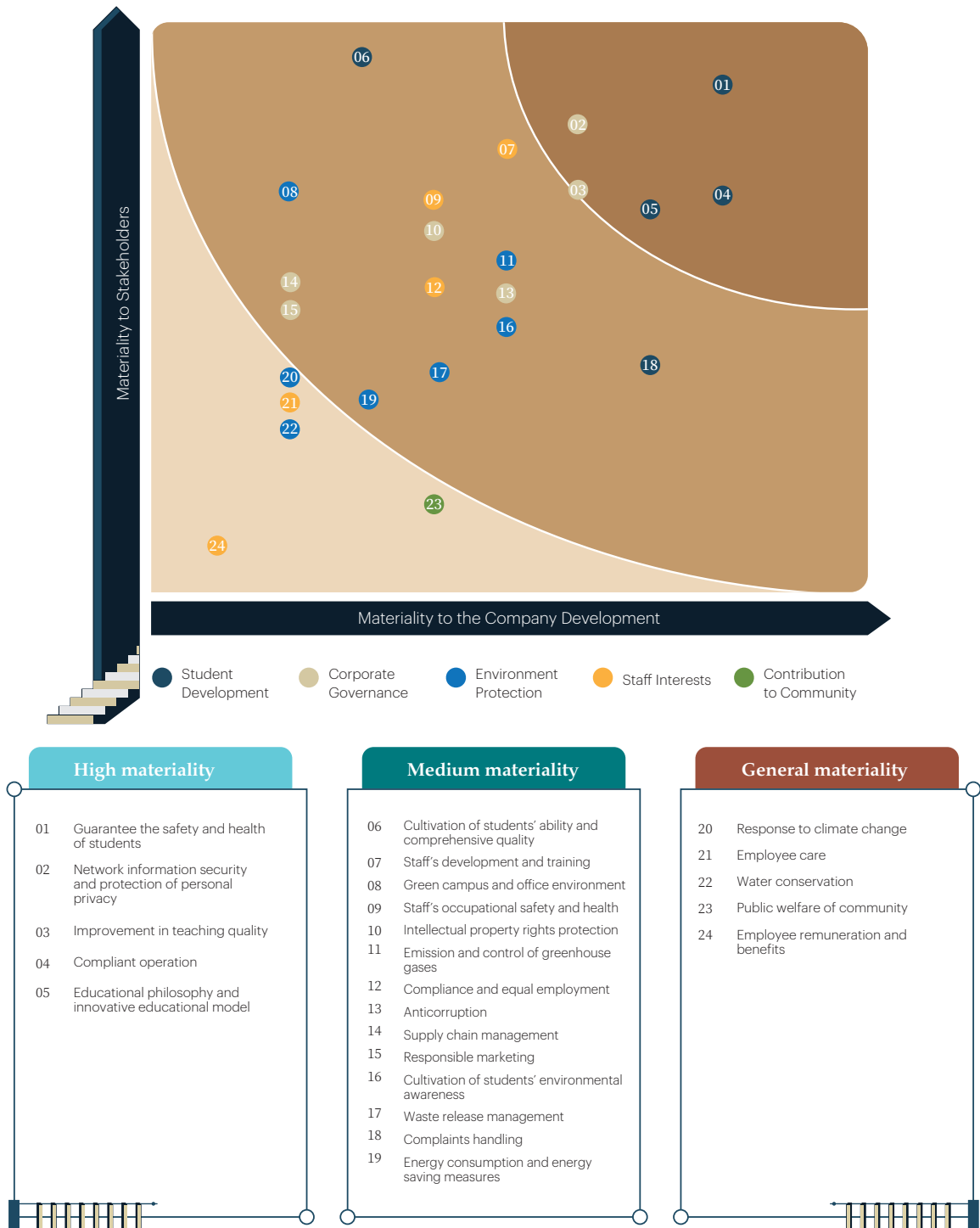
Stakeholder	Major Concerns	Communication & Response
 Suppliers/Partners	<ul style="list-style-type: none"> • Cooperation and mutual benefit • Establish long-term cooperation • Fair competition 	<ul style="list-style-type: none"> • Supplier evaluation • On-site visits to suppliers • Supplier gatherings • Strategic cooperation
 Government/ 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"> • Charitable activities • Public welfare activities • Volunteer activities

OUR MANAGEMENT STRUCTURE

MATERIALITY MATRIX

The Company's assessment on the priorities of ESG issues is based on stakeholders' level of concern and their judgment on the importance of various ESG issues.

ANALYSIS ON ESG ISSUES MATERIALITY MATRIX OF 2024



1. PRUDENT CORPORATE GOVERNANCE

Virscend Education continually improves corporate governance to strictly abide by the compliance of relevant laws and regulations; improves the internal control system, enhances risk management and adheres to operation with honesty under the principle of anti-corruption and anti-fraud.

As an enterprise citizen, we strictly follow the “Company Law of the People’s Republic of China”, “Education Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Promotion of Privately-run Schools” and the “Implementing Regulations of the Law of the People’s Republic of China on the Promotion of Privately-run Schools” and other relevant laws (《中華人民共和國公司法》、《中華人民共和國教育法》、《中華人民共和國民辦教育促進法》及《中華人民共和國民辦教育促進法實施條例》), regulations and industry regulatory requirements of the states and where our operations located. To ensure the Company’s continuous operation and prudent development of our schools, we will actively identify, prevent and control the risks from industry and market. Further, we have built a sound compliance management system and perfect the risk management mechanism.

As a private education enterprise, we have complied with relevant regulatory requirements. To this end, we have updated our charging license under the “Interim Measures for the Management of Collection of Non-State Education Fees” (《民辦教育收費管理暫行辦法》). Each school has set up corresponding systems to cross-check the number of students registered by the department of academic affairs with the amount of tuition fees collected by the accounting department to ensure fee accounting accuracy.

1.1 INTELLECTUAL PROPERTY RIGHTS PROTECTION

As a portal to knowledge, Virscend Education made a concerted effort to protect intellectual property owned or assessable to it. We strictly abided by relevant laws and regulations, which include the Copyright Law of the People’s Republic of China and the Patent Law of the People’s Republic of China (《中華人民共和國著作權法》、《中華人民共和國專利法》).

We have actively promoted the creation, development, and protection of intellectual property by our students and educators. We will regularly review and summarize the intellectual property achievements by our school. We will take immediate legal action if any of these properties are infringed. We strictly follow intellectual property rights under the laws and regulations of its country or regions of origin, as well as the provisions of product rights certificates. We require all departments and campuses to strictly respect the intellectual properties of all externally produced material and insist on the use of genuine teaching and research and pedagogical data.

1.2 RESPONSIBLE MARKETING PRACTICE

In order to ensure all the information disseminated to the public is pragmatic, true and accurate, our advertisements and marketing materials are reviewed by the brand promotion department. This includes the website content and official social media accounts, such as Weibo and WeChat. Such review involves the timeliness of information and its compliance with the requirements of the “Advertising Law of the People’s Republic of China” (《中華人民共和國廣告法》).

1. PRUDENT CORPORATE GOVERNANCE

1.3 PRIVACY PROTECTION

With the rapidly digitizing world, we must fully respect and protect the privacy and personal information of students, their parents, and all faculty and staff. We adhere strictly to the relevant laws and regulations such as the “Cyber Security Law of the People’s Republic of China”, the “Administrative Measures for the Graded Protection of Information Security” and the Ministry of Education’s “Guiding Opinions on Strengthening the Network and Information Security Work of the Education Industry” (《中華人民共和國網絡安全法》、《信息安全等級保護管理辦法》、《關於加強教育行業網絡與信息安全工作的指導意見》) to work on establishing a secure system for information protection.

Our organization continuously invest in information security and data protection, striving to reduce the risks of security breaches and information leaks in our Information Security Policy, and has developed a series of systems such as the “Systems and Measures for Safeguarding Information Security”, the “Cybersecurity Contingency Plan”, the “Information System Contingency Proposal” and the “Management Systems for Network Centre Server Room” (《保障網絡信息安全制度和措施》、《網絡安全應急預案》、《信息系統應急預案》、《網絡中心機房管理制度》) to ensure the efficient implementation in information security management, providing every teacher and student with a secure and trustworthy digital environment and maintaining the privacy and security of personal information.

In this regard, we have established a comprehensive data safety mechanism at each data node. A comprehensive data security management system was set up. The system included a wide-encompassing AI protection platform and a warning and control system based on big data security analysis. Furthermore, the information security systems of Virscend Education had obtained National Information System Security Protection Level II (國家信息系統安全等級保護二級證書).

To bolster employee information security awareness, we rely on digital communication and training programs offered by vendors and education systems to raise employees’ security awareness and their abilities and ensure that all employees make joint efforts to maintain information security. During the Reporting Period, we participated in network and information security training online and offline provided by third-party professional institutes.



Special training courses for capacity improvement of network security organised by provincial education department



Exchange study organised by colleges

1. PRUDENT CORPORATE GOVERNANCE

1.4 INTEGRITY AND DECENCY

As a part of the education sector, we believe the sector should uphold the highest standard of moral and ethical principles, place importance on moral ethics and anti-corruption. Hence, we have implemented supervision and governance policies to improve education environment and level of integrity. This bolstered the moral and ethical growth of educators and also propelled the advancement of educational endeavours. There were no occurrence of legal cases involving embezzlement or corruption during the Reporting Period.

INTEGRITY SYSTEM BINDING

To ensure strict compliance with the relevant laws and regulations, we have adopted the following as the guiding principle of our governance policies:

- the “Anti-Corruption and Bribery Law of the People’s Republic of China” (《中華人民共和國反貪污賄賂法》) and
- the “Anti-Money Laundering Law of the People’s Republic of China” (《中華人民共和國反洗錢法》).

At the same time, we have formulated the “Guiding Opinions of Virscend Education on Promoting the Implementation of Integrity Construction Work of Schools” (《成實外教育關於推進學校落實廉政建設工作實施指導意見》), and clarified the requirements of integrity and self-discipline, integrity in teaching for cadres in the “Administrative Measures for Mid-Level and Above Cadres in Primary and Secondary Schools of Virscend Education Company Limited” (《成實外教育有限公司中小學校中層幹部及以上人員管理辦法》). We have strictly implemented the relevant national laws and regulations, including:

- “the CPC Code of Integrity and Self-discipline” (《中國共產黨廉潔自律準則》),
- “Opinions on Strengthening and Improving the construction of teachers’ moral and ethical in the New Era” (《關於加強和改進新時代師德師風建設的意見》),
- “Enforcement Outline of Establishing a Sound System of Punishment and Prevention of Corruption with Equal Emphasis on Education, System and Supervision” (《建立健全教育、制度、監督並重的懲治和預防腐敗體系實施綱要》), etc.

We regard integrity culture as an important component of the Group’s culture, and emphasize the power of culture to promote integrity education and training.

Each of our institutes has developed the “Commitment Letter of Virscend Education on Integrity Construction and Ethical Development of Teachers” (《成實外教育廉潔建設和師德師風承諾書》), and established an Integrity Construction Supervision Committee of the school. For staff who have violated teachers’ moral standards and resulted in adverse incidents, we will take swift steps to ensure corrective action is taken. We have various reporting mechanisms in place, including the school principal’s mailbox, telephone hotline, and online platform. Furthermore, we have established a reporting and whistleblowing channel that encompasses the Company and all its schools to anonymous reporting for violations of laws such as corruption, embezzlement and bribery. In response to the reports received, the Group will launch an inquiry in close collaboration with its campuses. The personnel found to be involved will be subject to a stern warning and other serious investigation and correction according to the “Measures for Embezzlement and Corruption Reporting” (《關於貪污、腐敗檢舉處理辦法》) after verification. At the same time, we will take effective measures to ensure the rights and interests of anonymous whistleblowers, protecting their private information from being disclosed.

1. PRUDENT CORPORATE GOVERNANCE

INTEGRITY SUPERVISION AND INSPECTION

Virscend Education's administrators are responsible for controlling and overseeing the establishment of trustworthiness. We conduct comprehensive supervision and research on the implementation of integrity policies in our Company and schools, as well as manage the integrity, leadership and governance development of the Group and its related institutions. Any issues we uncover will be dealt with quickly and effectively. Moreover, our party cadre activities are regularly inspected and monitored at the beginning and conclusion of each semester to ensure that all staff always maintain integrity and professional competence. For potential illegal activities, we will issue stern warnings and take necessary disciplinary measures against individuals breaking the rules.

CULTIVATION OF INTEGRITY

Virscend Education is always committed to cultivating an integrity culture which is also the foundation of schools' long-term growth. In the cultural building of the Group and schools, our mission is to play the role of cultural penetration actively. We strongly believe the values are the cornerstone to lead integrity education. Therefore, all faculty and staff must develop a sense of integrity, practice honest conduct and be trustworthy.

At Virscend Education, cultivating a culture of honesty and morality is our highest priority, which is the cornerstone of our long-term success. We are devoted to nurturing a culture of integrity within our organization and its associated schools, and prioritizing educating on the importance of integrity. All faculty and staff must commit to upholding honesty in their daily life. We believe that this is essential for fostering a healthy school environment.

Integrity training is included in the orientation program to help strengthen the sense of integrity and discipline among our new employees and instructors. Beyond that, we promoted the Communist Party's discipline and values to all faculty and staff through initiating responsible behaviors and integrity education. In addition, we used a variety of channels, such as an open forum for school affairs, bulletin boards, news display boards, and communication groups among teachers, which could effectively promote and reinforce the implementation of Communist Party directives in our daily operations.

During the Reporting Period, there were no legal cases regarding corrupt practices brought against the Group or our employees.

1.5 CONDUCTING RESPONSIBLE PROCUREMENT

We uphold the mutual benefits and win-win concepts to widely strengthen supplier management in each stage from bidding and purchasing, entrance and election, performance evaluation to dynamic management. By emphasizing our suppliers' environmental responsibility, we take accountability for the supply chain system with them to promote sustainable development. With active cooperation and communication, we hope to form a close partnership with our suppliers to jointly promote the harmonious development for the society and the environment.

1. PRUDENT CORPORATE GOVERNANCE

To ensure the scientificity and fairness of our supply chain management process, we have implemented the “Equipment Department Management System” and “Measures for Corporate Tenders and Bids Management” (《裝備部管理制度》、《公司招投標管理辦法》). In conjunction with a series of internal procurement management systems established according to the relevant laws and regulations such as the “Law of the People’s Republic of China on Tenders and Bids” and the “Government Procurement Law of the People’s Republic of China” (《中華人民共和國招標投標法》、《中華人民共和國政府採購法》), we have a sufficient mechanism to manage supplier selection, evaluation and the entire process of management. With bidding data accessible, we ensure that the tender procurement process is transparent and fair, thereby promoting a clear understanding of the published information and always upholding the standards of just and legality.

Supplier selection

We possess a thorough valuation of the suppliers’ operation and ability to meet their commitments in locating suppliers, particularly concerning their project safety, financial stability, and reputation. This process helps us avoid potential risks caused by suppliers’ lack of financial resources.

When choosing partners, our Company takes corporate social responsibility as an important factor. This includes evaluating their environmental protection policies, integrity and self-discipline, employee welfare, work ethics, a ban on child labour, equality in the workplace, and overall good business practices. The Group maintains at least two suppliers of similar nature on our list to diversify the risk of supply disruption.

Performance evaluation and management of suppliers

We have developed an online information system regarding supplier management operated by designated personnel. The list of suppliers is adjusted regularly based on a performance review, fully considering the capabilities of existing and new suppliers. Providers who demonstrate below-standard performance and show no signs of improvement during the evaluation period, or those found to be engaging in fraudulent, coercive or collusive practices during the evaluation process, will be taken off the list. The Group will maintain continuous relationships with those suppliers who achieve the best performance.

Green supply chain

We work closely with local suppliers to keep supplies coming in a timely fashion while cutting back on energy waste and pollution generated during transportation. We encourage suppliers to practice environmental responsibility and prioritize suppliers who strictly comply with the “Environmental Protection Law of the People’s Republic of China” (《中華人民共和國環境保護法》) and other environmental protection regulations. In addition, every school has clear environmental requirements for construction standards, technology, materials, and equipment for infrastructure projects to ensure that the projects meet the national environmental and health standards. We also take the initiative to purchase certified green products and encourage suppliers to obtain certification of relevant environmental management standard.

As of 31 August 2024, Virscend Education had 45 suppliers in total, of which the majority were in Sichuan Province, reaching 43 and there were also 2 suppliers in other provinces.

2. STRICTLY ENSURING THE QUALITY OF TEACHING

Providing and maintaining excellent teaching quality is not just the core value of Virscend Education; it is also our firm commitment to society. We continuously optimize the educational system, conduct research on teaching, and control teaching standards. We also keep exploring innovative teaching models by integrating the strength of multicultural educational models so as to develop the full potential of our students.

2.1 ACADEMIC PHILOSOPHY

OUR VISION

Virscend Education is committed to grooming outstanding talents for society; we impart knowledge, revise antiquated learnings, explore facts, and discover new information, helping children understand other people and different cultures and spurring them on to create a better world.

We always keep the fundamental mission of education in mind, which is to cultivate outstanding and constructive successors in the motherland. We encourage patriotism and fulfil our social obligations to ensure and secure the ceaseless rejuvenation of our nation.

Our mission demonstrates the unique characteristics of private education of “serving the people by running first-rate learning institutes”. We proactively develop our schools and provide a harmonious educational environment for students. We pursue the integration of different teaching tools to meet the diverse needs of students.



2. STRICTLY ENSURING THE QUALITY OF TEACHING

CONNECTING CHINA TO THE WORLD THROUGH LANGUAGE STUDIES

Virscend Education is primarily based in the Sichuan Province and specializes in foreign language education. Our mission and commitment are to provide high-quality foreign language education and nurture talents with foreign language skills.

English is our second language, and we know that English teaching is a significant part of future education internationalization. Therefore, our school embraces the policy of making English our primary language, complemented by studying other languages. In this way, our students can broaden their horizons and be more connected to the global community. We are the first school in Southwestern China to offer dual foreign language courses. We shall gradually promote multilingual courses in German, French and other languages in order to foster multilingual talents.

FOSTERING INTEGRITY AND PROMOTING ROUNDED DEVELOPMENT TO STUDENTS, TEACHING THEM ACCORDING TO THEIR APTITUDE

Education always should be centred on the personal development of the students, with moral training at its forefront. Our focus is on the character-building of each individual, shaping and developing their moral sense by showing them the proper way. 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.

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

2. STRICTLY ENSURING THE QUALITY OF TEACHING

2.2 OPTIMIZING TEACHING RESOURCE

With Virscend Education's mission of improving students' holistic education, we fully utilize the advantages of a large company to integrate high-quality teaching resources, keep our educational plans and curriculum up-to-date, and promptly adjust our teaching plans and syllabuses. These efforts allow us to effectively promote teaching quality and achieve comprehensive and quality education development in the Group.

2.2.1 ARTICULATING INTRICATE TEACHING PLANS

We persist on the mission of "Integrity Advocation by setting samples" (「立德樹人」) and implement the principle of "Five Pronged Education stratagem" (「五育並舉」), whereby we conducted in-depth studies on following documents issued by the General Office of the State Council:

- the "Opinions on Deepening the Education Reform and Comprehensively Improving the Quality of Compulsory Education" (《關於深化教育教學改革，全面提高義務教育質量的意見》), and
- the "Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education" (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》)

Guided by the training plan of "Core Competence for Chinese Students' Development" (《中國學生發展核心素養》), we will meet the new policy challenge of "double reduction" to achieve "burden reduction and quality improvement" (「減負提質」，迎接「雙減」).

During the Reporting Period, under the leadership of the Group, every school actively researched policies and curriculum, and formulated intricate teaching plans and syllabuses. Every school embraced the teaching practice of "burden reduction and quality improvement" as the overall goal. They adopted "routine management" as their starting point, teaching quality as the core, and carried out effective teaching and research. They considered solving complex problems in teaching as the focus area for breakthroughs. We led the teachers to improve educational methodologies and consequently improve the capability to implement new courses, and strengthen curriculum awareness and teaching management. Furthermore, this set of directives not only could promote the deepening of curriculum and teaching research, but also expand the "learning" teaching mode of the schools within the Group. It could optimize the "intersubjective" teaching paradigm, creating a high-quality lively class.

2.2.2 PROMOTING ACCESSIBILITY TO TEACHING RESOURCES

We played the role of bridge and continuously strengthened the communication, exchange and cooperation among schools under the principle of "appreciating the differences as strengths" (「同中存異，異中見長」). While promoting the formation of unique teaching advantages and characteristics of each school, mutual assistance and complementation of teaching resources and human resources were also realized to maximize the balance and optimization of the teaching ability and resources of each school.



2. STRICTLY ENSURING THE QUALITY OF TEACHING

We built an inter-school quality teaching resource library and established a teacher exchange and communication mechanism to realize inter-school teaching resource sharing. To promote the access to our teaching resources, the teaching quality department of the Group has established a “Central Teaching and Research Group” (「中心教研組」). To foster sense of cooperation, they created a WeChat group to share activity updates. Each school undertakes at least one inter-school “joint teaching and research” each semester. Through seminars and communication, excellent results will be showcased, and resources will be shared. We continue to carry out and promote the recording and broadcasting of excellent teachers’ experience sharing lectures, demonstration courses and educational informatization courses, and disseminate excellent teaching examples to the schools of the Group. These activities not only promote the rapid growth of teachers, but also enable each school to develop at the same rate and elevation in teaching standards.

Our schools collaborate to foster and promote the all-round growth of our students. In the schools with better practical teaching conditions, we integrated high-quality experimental training rooms and training bases on and off campus. Further, we provided services for accepting student training to other colleges and universities.

2.3 IMPROVING TEACHING QUALITY

In order to promote the “into textbook, into the classroom and into students’ mind” (“Three into”) (「三進」) of the ideology of socialism with Chinese characteristics, Virscend has set up and perfected an assessment and evaluation system for the “Three into” curriculum construction in each school. This system aims to continuously promote the innovation of knowledge, theories and methods, set up special topics, and enhance support for outstanding achievements.

The quality of education and teaching is not only the core competitiveness of the school’s sustainable development, but also our solemn commitment to students. To this end, we attach great importance to the construction of teachers, strengthen the training and cultivation of teachers, and improve the comprehensive quality and teaching ability of teachers through systematic training projects and professional development opportunities to better serve the growth and development of students.

2. STRICTLY ENSURING THE QUALITY OF TEACHING

2.3.1 CONDUCTING STRICT TEACHING MANAGEMENT

The quality control of teachers' teaching guarantees students' learning effectiveness. Virscend Education fully performs management functions such as planning, organization, coordination and control, conducts strict supervision and fair evaluation of teaching, and comprehensively promotes teaching management.

- *CONDUCTING TEACHING SUPERVISION*

We insist on pursuing the effectiveness of teaching management and focus on supervision work to maintain teaching effectiveness, regulate teaching activities, develop teaching force, and deepen teaching reform. Leveraging the teaching practice of each school, we strive to improve the teachers' abilities and the students' mental and physical health. Our approach could enhance the quality of teaching and achieve balanced development of the students.

Following the principle of "seeking common ground while harbouring differences", we analyze and evaluate the establishment and implementation of the teaching routine system in light of the history of school operation and the actual practice of teaching in schools, and put forward proposals for optimizing the mode of teaching in the classroom, so as to help each school to develop unique characteristics of school operation and the quality of education. Based on the principle of "supervision on teaching, going deep into the front line" (「深入實際、深入一線」), our approach begins with teaching management, goes deep into the schools and lessons, and we implement daily management by inspecting class preparation, lessons, and homework. In order to improve order and efficiency, we have formulated a strict guideline to rectify the deficiencies in school management, to ensure the regularity and scientificity of the newly established schools, and to promote the establishment of a sound management system.

To this end, representatives of the teaching quality department regularly visit schools, participating in class observation and in-depth discussions. After class, they provide teachers with valuable feedback and suggestions to ensure that every teacher receives practical guidance. In addition, the representatives follow up on previously established improvement measures to continuously drive up the quality of teaching and learning.

2. STRICTLY ENSURING THE QUALITY OF TEACHING

- *Evaluating teaching performance*

The evaluation of a teacher's performance is a crucial step in the regulation of teaching behaviour. We constantly seek to innovate and improve the teaching evaluation system and to formulate the "School Teaching Quality Assessment Plan of Virscend Education" (《成實外教育學校教學質量水平考核方案》). We evaluate the curriculum, general teaching management, teacher training, and teachers' professional development by combining quantitative and qualitative analysis and self-assessment. We adopt a variety of assessment methods, which furthers the aims of "Evaluation for Improvement" and "Evaluation for Teaching" (「以評促改」、「以評促教」).

Teachers' Self-Evaluation	Once teachers lead the lesson, they share their experience, learnings, shifts in perspective, requests, or feedback. Then, they communicate with the quality department to facilitate an improvement in the teachers' capability and practical guidance.
Students' Evaluation	Evaluating teaching effectiveness of the teachers based on the needs of their students facilitates a comprehensive understanding of how teachers work, how adjustments are made to distribution and how their teaching guidance is adjusted according to the conditions in the classroom, and improvement of the effectiveness of those lessons with clear goals.
Evaluation by the Teaching Quality Department	According to students' opinions, we continuously give teachers timely feedback to optimize the teaching plan. According to the results of the school's relevant subject exams, we timely assess and review the school and teachers' teaching performance.
School Evaluation and Assessment	Schools formulate an assessment plan to conduct the periodic and final evaluation of their teaching. The results of the evaluation are included in their performance in the teachers' evaluation, promotion, and performance assessment.

2. STRICTLY ENSURING THE QUALITY OF TEACHING

- *Teacher team building*

Virscend Education always considers students' teaching as its top priority, focuses on students' ideological dynamics and growth needs, and constantly optimizes its educational strategies and practice modes. We regularly organize teacher team building and seminars to promote the continuous innovation of educational concepts and teaching methods, ensuring that the teaching content can keep up with the times and practically enhance students' depth of thought and comprehensive quality. In this process, we strive to strengthen the theoretical learning of teachers of social political education class in school. Through systematic training and professional development, we can construct a more efficient and precise social political education system to promote the implementation and penetration of social political ideology.



Against the backdrop of education and teaching reforms, Virscend Education is committed to expanding the horizons of teachers and management staff and launching targeted training programs. In particular, we have customized training courses for new teachers, key teachers and school management staff, covering "cultivation of core academic competencies", "enhancement of teaching and research skills", and "development and sharing of school-based training resources". Through these training programs, teachers' creativity and teaching potential will be stimulated, and the collaboration and innovation of the teaching team will be strengthened to promote the effective transformation of teaching.

2. STRICTLY ENSURING THE QUALITY OF TEACHING

2.3.2 Deepening teaching research

We have created a structured, well-planned and effective learning system that can be practised easily, and the consistency can also be assured. The teaching quality department of the Group guides us to systematically go into details on the textbooks that the government has issued for use in all educational institutions in the nation. We assemble teams of specialists to examine and investigate new textbooks from the perspective of content structure, teaching instructions, and more. We standardize teachers' understanding of teaching materials to improve the accuracy of teaching content and effectively highlight the cultivation of students' core literacy by teaching materials.

- *Analyzing teaching materials*

Virscend Education attaches great importance to the selection and utilization of the teaching materials and has established a sound education system. Led by the teaching quality department, we organize schools to conduct in-depth interpretation of teaching materials to assure that the teachers have standardized understanding and effective application of teaching materials. Leveraging national common materials provided by the Ministry of Education of China, we assembled a team of specialists to investigate and appraise new teaching materials and course standards based on their content organization and pedagogical advice. This will enhance the precision of teaching materials and effectively promote the core competency development of students, which enable them to achieve a more significant improvement in their in-depth thought and capability.

- *Conducting exemplary lessons (課例)*

During the Reporting Period, each school conducted exemplary lessons to carry out academic teaching and research activities in the context of "Three into". The exemplary lesson is a method of instruction with the teachers' teaching skills as the core, aiming at creating an effective class and achieving effective teaching. Through observation, learning and reflection, teachers present their knowledge in a positive and civilized manner, fully mobilize students' learning initiative and enhance their sense of affection and interest in the lessons.



2. STRICTLY ENSURING THE QUALITY OF TEACHING

- *Promoting our practice of “teaching the same class in different ways”*

Heterogeneous teaching is having different teachers in the same class to teach a single subject. It is intended to provide students with different perspectives and help them better comprehend the materials. In this way, the same materials are taught from different angles and styles, allowing students to gain a deeper understanding. At the same time, by conducting a variety of activities, school teachers can further explore the theme.

During the course, our teachers learn from one another’s strengths and absorb the core concepts of various teaching approaches, to enhance the capability of handling teaching issues and foster the growth of the profession. Through studies regarding course observation and evaluation, teachers will better understand the school’s basic teaching situation and assess the impact of reform strategies on course effectiveness. The interaction and reflection not only improve the teaching quality, but also create a platform of continuous learning and cooperation for the teachers.

- *Layered teaching*

To comprehensively improve the learning efficiency of all kinds of students, Virscend Education aims to “implement effective teaching strategies for all students”(「面向全體學生，實施有效教學策略」). Based on analysis of student academic performance, we actively explore and experiment with different types of classes that involve layered teaching. We create layers of classes and strive to build distinctive learning environments. For all kinds of students in different learning levels, teaching is provided to them according to their learning aptitudes and abilities, which help build a beneficial learning environment.

Under the guidance of the Group’s teaching quality department, each school formulates its distinctive layered teaching work plan, organizes the seminars, analyzes the related issues in depth, and promotes the research and practice. We systematically analyze and summarize the effective layered teaching models, and share the implementation strategies and experience of the member schools to promote the development of education.

2. STRICTLY ENSURING THE QUALITY OF TEACHING

2.4 COMPREHENSIVE EDUCATION

In our schools, we strictly control the quality of teaching, and attach great importance to extracurricular activities and sports activities. We believe that high-quality physical education not only helps to improve students' physical fitness, but also effectively fosters their teamwork, leadership and resilience. All physical education courses and extracurricular activities are designed and guided by experienced professional coaches and teachers to ensure that each activity is strictly in accordance with education standards and is organically complementary and supplemental to class teaching.

By integrating sports activities and extracurricular activities into daily education, we not only provide students with a rich and diverse learning experience, but also promote students' development in many dimensions such as physical, psychological and social aspects. On the basis of ensuring the quality of teaching, we are devoted to the principles, and committed to allowing every student to gain comprehensive growth during the participation, and improve their comprehensive quality.



The third session campus basketball league of Virscend Education Group

2. STRICTLY ENSURING THE QUALITY OF TEACHING



The Chorus Competition on the Youth Day in 2024



The seventh session foreign languages (English) debate competition

3. BUILDING A HARMONIOUS CAMPUS

With the consistent objective of “providing students with a high-quality and safe growth environment” (「為學生提供優質、安全的成長環境」), our primary concern is to ensure that our school provides students with a safe place to learn and grow. Furthermore, we sincerely accept parents’ advice and suggestions to enhance the school-and-family co-education system further and continuously improve the management level of the school to work together to create a campus for students’ healthy growth.

3.1 ENSURING AND SAFEGUARDING FOOD SAFETY

We follow food safety guidelines and earnestly perform our duty as monitors to safeguard every student’s health. We strictly abide by the laws and regulations, such as the Food Safety Law of the People’s Republic of China, the Regulations on School Food Safety and Nutrition and Health Management, and the Operating Rules on Food Safety in Catering Service (《中華人民共和國食品安全法》、《學校食品安全與營養健康管理規定》、《餐飲服務食品安全操作規範》). We also formulate internal regulations such as the Regulations on Food Traceability Management and the Regulations on Food Storage Management (《食品可追溯管理規定》、《食品儲存管理規定》). We establish a whole life-cycle food safety supervision system covering various aspects, including food purchase, storage, nutrition and canteen service and try our best to create a healthy and safe dining environment to ensure that every student has access to quality food.

During the Reporting Period, no food hygiene and safety incidents occurred in all the canteens of the Group.

- **ENFORCING THE TRACEABILITY OF FOOD PURCHASE**

We implement the “Supplier Management System” and “Food Import Inspection System” (《供應商管理制度》和《食品進貨查驗制度》) to standardize the procurement process of food comprehensively and strengthen the management of suppliers. All ingredient suppliers must provide the qualification certificates and batch inspection reports. Further, our practices ensure all imported ingredients comply with our internal inspection requirements, including their production dates, import dates, expiration dates, quality of the ingredients and the supplier’s information.

To ensure the freshness, safety, and high quality of food ingredients, we establish a complete food ingredient purchase system through logistics records, stock books, and purchase records. Further, we conduct on-site investigations on the qualification of suppliers and production regions of the products. We prefer food ingredient providers that have agricultural logistics processing and quality control capabilities.

- **MANAGING FOOD STORAGE**

We strictly abide by laws and regulations such as the “Food Safety Law”, “Regulations on Implementation of the Food Safety Law” and “Measures for the Supervision and Administration of Food Safety in Catering Services” (《食品安全法》《食品安全法實施條例》和《餐飲服務食品安全監督管理辦法》), and formulate the “Regulations on Food Storage Management” (《食品儲存管理規定》). The regulations aim to ensure uniformity in the storage and handling of canteen food, food additives and related products. We sort the items into food groups and arrange them according to the characteristics of each food item. We abide by the “first-in first-out” policy, which dictates that we prioritize the use of ingredients that have been stored for a long time. We regularly inspect the food storage and timely get rid of those that have gone bad, expired, or been regularly contaminated by pests or rodents. At the same time, storage sites, containers, tools and facilities are kept clean and regularly maintained to ensure proper functioning and food safety.

- **MAINTAINING FOOD RESERVING SAMPLES**

We established a food traceability system, which designates the person in charge of reserving samples and standardizes package seal, information mark, and sample storage. Reserve samples are required for three meals each day, and the risk of sudden food safety incidents is mitigated by implementing an accountability system.

3. BUILDING A HARMONIOUS CAMPUS

- MAINTAINING FOOD SUPERVISION SYSTEM

Our staff regularly evaluate food safety levels, the quality of the food, the nutrition balance, and the service level. We regularly display relevant information about food safety, tableware infection prevention, and supervision in our canteens to ensure transparency and trustworthiness. We introduced the “transparent kitchen and stoves” (「明廚亮灶」) video surveillance system. “Internet + video kitchen” (「互聯網 + 視頻廚房」) construction were completed during the Reporting Period. We welcome the participation of students’ parents in accompanying meals and invite teachers and students to fill in satisfaction ratings forms to collect their feedback and continuously improve our services. In addition, we organized a skills competition for canteen staff with the aim of motivating staff to upgrade their skills and provide better catering services.



Supervision Department Conducting Routine Inspections

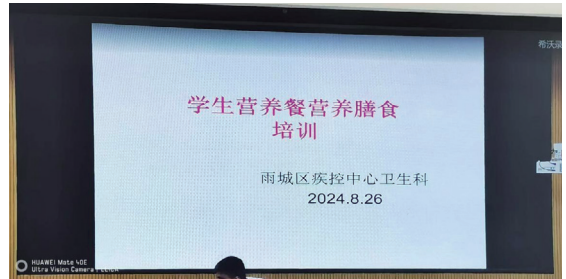


Skills Competition for Canteen Staff

3. BUILDING A HARMONIOUS CAMPUS

• TRAINING ON FOOD SAFETY

We regularly organize food safety training for canteen staff members every year to familiarize them with relevant regulations in depth as well as to identify problems and design preventative measures based on the actual situation, so as to help improve staff members' comprehensive ability in quality and safety management. To assure a safe and nutritious diet for teachers and students, we also invited experts from Chengdu to conduct professional food nutrition training to ensure that the nutritional balance of teachers and students had been strictly controlled. Through systematic training and guidance, we strive to improve the overall service level of the canteens and provide safer and healthier dining choices for everyone.



3. BUILDING A HARMONIOUS CAMPUS

3.2 SAFEGUARDING CAMPUS SAFETY

Campus safety is the precondition and foundation of smooth school education work. We attach great importance to campus safety management, constantly improve the safety management system, and pay close attention to implementation of management, supervision and education in personal safety, fire protection and traffic safety. During the Reporting Period, no major safety incidents occurred in any campus of the Group.

- PERSONAL SAFETY PROTECTION

We regularly conduct checks for hazards in our campus to make sure the facilities are safe for students and faculty. We conduct regular repairs of facilities and check for hazards in time, to ensure that when a problem arises, we can handle it immediately. And we develop emergency plans to anticipate and prevent emergencies, and ensure that we respond quickly to minimize the possible harm. We organize safety education activities including counter-terrorism training and knowledge training of school bullying for teachers and students in the whole school, thereby improving emergency capability of counter-terrorism in school and effectively safeguarding personal and property safety of school students.



3. BUILDING A HARMONIOUS CAMPUS

3.3 SCHOOL-AND-FAMILY COMMUNICATION AND CONNECTION

We adhere to the core of the school-and-family culture of “collaborative and empathic nurturing” (「共情、共育、共樂」). We have established platforms for open communication, including telephone lines, WeChat group, parent meeting, education platform, open day, school principal’s mailbox, school official website and other channels. For better learning outcomes, we are concerned about how students and parents envision the relationship between school and home, to promote healthy and constructive development in all children.

- **LISTENING TO THE VOICES OF PARENTS**

We organize the Open Day (「家長開放日」) event to help improve relationships between schools, teachers and parents, as well as to gain insight into the academic and living situations of students at schools. Parents can experience their children’s life at our campus through “classes, tours, and meals” (「進班聽課、參觀教學樓、體驗食堂用餐」). We constantly improve our approach to dealing with parent grievances, paying close attention to their needs and wants, and unravelling all the underlying complexities in time. We took swift action to respond to the concerns expressed by parents and implemented measures to enhance the quality of schooling, to avoid similar grievances in the future. The Group’s response rate to school complaints during the Reporting Period reached 100%.

- **FIRE SAFETY MANAGEMENT**

Each campus strictly abides by the “Fire Control Law of the People’s Republic of China”, “Regulations on Fire Safety Management of Authorities, Groups, Enterprises and Institutions” (《中華人民共和國消防法》、《機關、團體、企業、事業單位消防安全管理規定》) and other laws and regulations. Each campus develops a “Fire Safety Management System” which is internal to the campus, and a “Fire Inspection System”, which helps implement the Fire Safety Management System. All this promotes the systematisation and standardisation of campus fire safety work. On top of that, staff members are assigned to supervise and inspect fire safety facilities in key areas and parts every day. They regularly update and maintain the effectiveness of their firefighting facilities to prevent dangers in advance.

Schools invite local fire departments and public security departments to hold lectures and train students on fire safety laws. They teach teachers and students first aid knowledge and organise activities such as trainings to practice fire safety.



- **UNDERSTANDING THE NEEDS OF STUDENTS**

Students can give their feedback to and share their thoughts with their school through the principal’s mailbox or by attending student meetings. These channels provide a good platform between students and schools to communicate and promote meaningful dialogue, thereby ensuring the interests of the students are protected. They also act as a conduit between students and school that allows for positive interactions.

4. CREATING A HAPPY WORKPLACE

Virscend Education takes great pride in having a diverse and inclusive team that it values as its greatest resource. We create a harmonious and supportive working atmosphere to ensure that everyone benefits from the successes of the Company.

4.1 SAFEGUARDING EMPLOYEES' RIGHTS

Virscend Education strictly adhered to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》、《中華人民共和國未成年人保護法》), and other laws and regulations applicable to our operations.

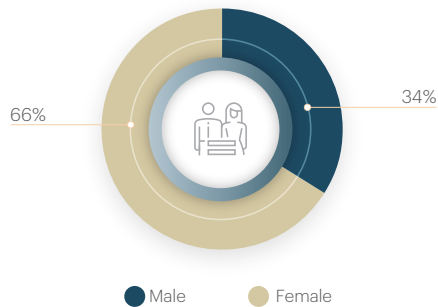
We have developed organizational protocols, such as the Labor and Personnel System, Recruitment Protocol and Teacher's Manual (《勞動人事制度》、《招聘制度》、《教師手冊》), ensuring that workers were treated fairly and that a stable, cordial atmosphere among staff was maintained.

The Group adheres to the principles of diversity, equality and justice to ensure equal remuneration for men and women doing the same job. We also implement humanitarian policies such as the Work-Family Program. We aim to eradicate any unfairness or unhealthy competition between groups of people in terms of race, origin, faith, gender and background, and to ensure every employee has equal opportunities for employment and development. The Company has a zero-tolerance policy in regard to the use of child and forced labour, and thoroughly checks the identity information of all candidates through a rigorous vetting process. We must create a strong organization and provide adequate training to empower teachers; they need our trust, respect, and genuine care in order to stay and keep up with our requirements. As they depart, we offer our best wishes, stay in contact, and work together to reach their goals. Any issues that have arisen concerning the use of forced labour and child labour will be dealt with seriously and terminated immediately. As of the end of the Reporting Period, there were 2,000 employees working at Virscend Education. The rate of signing employment contracts and social insurance coverage reached 100%.

We must build a solid system and provide proper training to give teachers the tools necessary for their successes. Giving them our trust, admiration and kindness will help to maintain high standards. We want all teachers, present and past, to stay in touch and reach their ambitions. So as they leave, we wish them all the best on their journey.

4. CREATING A HAPPY WORKPLACE

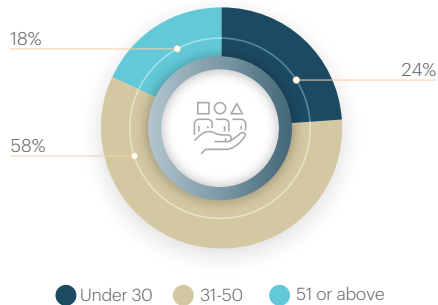
Gender distribution



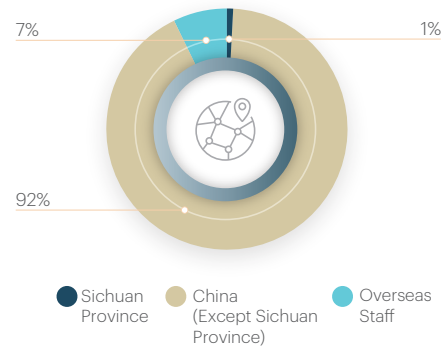
Employment type distribution



Age group distribution



Region distribution



To ensure maximum talent retention rate, we continue to improve the employee compensation and benefits system. The Group upholds the principle of “more pay for more work, better pay for better work” (「多勞多得、優勞優酬」), while offering diverse and competitive welfare policies to enhance their sense of happiness and recognition.

Benefits package

- Social insurance and housing provident fund
- Provision of accommodation and meals for employees
- Statutory holidays
- Preferential enrollment for children of teachers and staff
- Enjoying the same teacher title assessment policy as public teachers

4. CREATING A HAPPY WORKPLACE

4.2 EMPHASIZING ON TALENTS DEVELOPMENT

The Group is convinced that the success of an educational corporation depends heavily on its teachers who possess exceptional qualifications. Thus, the Group is devoted to creating career development and elevation opportunities and constructing comprehensive training programs to promote the expertise of its teachers. At present, Virscend Education has assembled an impressive group of teachers. We have a total of 1,513 teachers, of which all hold a bachelor's degree or above, and approximately 56.3% hold a master's degree or above. Most of our teachers are full-time teachers. The Group also values the recognition bestowed upon teachers who have achieved teaching excellence. Approximately 23.9% of our teachers hold the advanced teaching qualification, and 67 teachers are recognised as exceptional teachers. The Group offers mandatory and continuing training courses and seminars to our teachers and offers mandatory professional teaching technique training courses for newly hired teachers.

4.2.1 Developing careers

The Group creates and maintains plans for the career development and elevation of teaching staff and corporate employees, tying job responsibilities and evaluation pathway together to incentivize employees to better themselves and advance with the Company.

By broadening the pre-existing development frameworks, we have created three new career development pathways that focus on enhancing the skills and abilities of our staff. We prompt them to choose professional advancement possibilities based on their interests and needs, their job positions and their current circumstances, all to meet the objective of “utilizing people to the fullest and making the most of each person's talents” (「人盡其用、各盡所長」).

The management growth pathway of a teacher refers to their expansion of administrative responsibility. As they gain experience, they are able to take on different tasks — from teaching professionally, to participating in the management of schooling and instruction. As time progresses, they can go from new recruit to lesson-planning team leader, director of the grade, and eventually assume middle-level management duties. With proper training, these educators may even become school-level administrators.

PROFESSIONAL GROWTH PATHWAY Considering the professional title standards of teachers, their years of service, and their salary structure, the teachers can be categorized in an incubation system from newly recruited to experienced. Our system catered to the operational characteristics of the Group.

MANAGEMENT GROWTH PATHWAY Enhancing teachers' knowledge and experience of management, in addition to their excellent pedagogical skills. Encouraging teachers to take on school-level education management so that they can take on the duties of educational management at the school level.

COMPANY STAFF DEVELOPMENT Establishing dual channels for confidence-based career development, we sought to develop confidence and professionalism in both management and professionalism. We clarified the requirements needed to progress through each rank and motivated staff to hone their skills and heighten their quality.

4. CREATING A HAPPY WORKPLACE

We evaluated our employees on their growth and particular advantages, by taking the indicators such as the duration of one's employment, qualifications, certifications, and performance analysis, we contrast such advantages with previous proficient evaluation standard. Our standards for assessing staff are beneficial in setting achievable objectives. We use qualitative and quantitative measures to evaluate their skills, and rely on incremental improvement in performance to encourage our employees.

Qualification and work experience	Knowledge	Competencies	Reference
<ul style="list-style-type: none"> Qualification level Work experience 	<ul style="list-style-type: none"> Professional knowledge Corporate knowledge Industry knowledge 	<ul style="list-style-type: none"> Professional title Performance outcome 	<ul style="list-style-type: none"> Tranining and development, special awards Accumulated knowledge

The Qualifications and Assessment Criteria of Virscend Education

4.2.2 Maintaining Professional Training Systems

We are always concerned with the growth of our employees, and we consistently motivate them to develop with the corporation through a comprehensive training system.

In response to national requirements regarding the development of teachers, we actively assist new teachers in professional growth while supplying timely work guidance on cultivating teachers. This is performed through methods such as holding lectures, Teacher Quality Improvement Week, and support from experienced teachers, thereby accelerating the pace of ecological classroom construction and improving the overall execution of the teacher team.

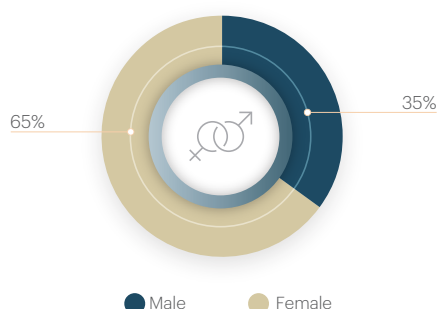
During the Reporting Period, we implemented the "Excellence Project" (「青藍工程」) with the leading idea of "enhancing moral and professionalism of teachers and to be an elegant teacher" (「提升師德、提升專業、做和雅之師」) with the aim to give full play to the active role of the academic pacesetter and the backbone teachers as leaders, providing a platform with high quality and starting point for young teachers to grow and advance. We guide young teachers to fully understand the philosophy of the school, to establish a mindset of loving education, school and students, and continuously improving their abilities to educate and teaching.



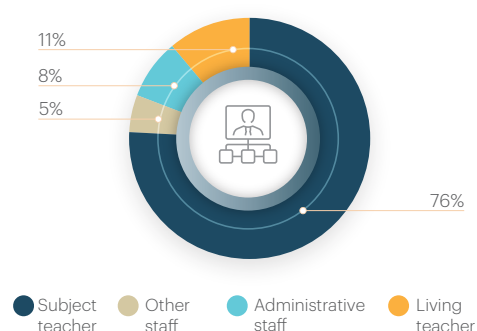
4. CREATING A HAPPY WORKPLACE

During the Reporting Period, a total of 1,363 employees were trained, with a total of 62,167 training hours, and 45.61 training hours per capita. These measures fully demonstrate we attach great importance to employee development and commitment.

Gender distribution of trained employees



Category distribution of trained employees



4.3 CREATING ENERGETIC WORKPLACE

Virscend Education attaches great importance to employees' physical and mental health and actively promotes the concept of "healthy life, happy work" (「健康生活、快樂工作」). By the "Law of the People's Republic of China on Prevention and Control of Occupational Diseases" (《中華人民共和國職業病防治法》) and other laws and regulations applicable to the locations where we operate, we carried out a series of activities in respect of employees' physical and mental health, such as annual physical examination, health lectures and psychological consultations.

We strongly support our staff to stay active and join physical fitness clubs or classes to cultivate healthy routines, such as regular exercise. At the same time, we frequently host birthday parties, festivities, movie screenings, and tours to historical sites to provide employees with chances to enrich their minds and spirits through the Company's channels, thus strengthening the bond between staff members and boost morale.

In addition, the Group organises various activities such as regular physical examinations, sports day, visit to red base, collective birthday parties for faculty members of schools, and outdoor quality development to enrich employees' spare time and enhance team cohesion.

4. CREATING A HAPPY WORKPLACE



Visit to Red Base



Teacher Appreciation Ceremony

4. CREATING A HAPPY WORKPLACE



Teachers' Day Celebration



Teacher and Staff Badminton Contest

5. CARING FOR GREEN EARTH

We strictly abide by relevant environmental protection laws and regulations, such as (Environmental Protection Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, (《中華人民共和國環境保護法》、《中華人民共和國節約能源法》) and make great effort to build a green campus environment. We integrate the concept of green development into the school operation, talent cultivation, campus construction and management to cultivate a green campus atmosphere and work together with all teachers and students to keep a green living environment.

5.1 GREEN CAMPUS

5.1.1 UPHOLDING ENERGY CONSERVATION

We advocate the development concept of conserving and reducing consumption of energy, and have formulated the "Regulations on Reducing Energy Consumption at the Office" and the "Regulations on Reducing Energy Consumption in the Dormitory" to fully standardize the management for energy consumption of equipment and lighting facilities during working, teaching and living hours.

In 2024, all campuses actively worked on conserving and reducing energy consumption. The logistics support department regularly inspected and followed up on campus energy conservation and consumption reduction to form a sound energy conservation management mechanism. Our major measures for energy management included the following:

- implementing "Green Lighting Projects" (「綠色照明工程」) to renovate school lighting facilities and gradually replace them with energy-saving lamps such as LED lamps;
- appointing personnel to review and inspect high-power machinery to reduce the use of standby and energy-intensive devices. Optional high-power equipment must be turned off after the standard meal period in the cafeteria;
- advocating and applying energy-efficient teaching facilities, materials and equipment, phasing out energy-intensive and inefficient equipment, and prioritizing environmentally friendly and energy-saving products in the procurement of equipment;
- Office equipment and electrical appliances automatically switch to low-energy consumption mode when not in use, and devices that have been idle for an extended period are turned off promptly to minimize energy consumption. This included electrical items such as computers, printers, water dispensers, air conditioners and fans;
- Regulations have been set for controlling the frequency and temperature of using the air conditioner, and to reduce power consumption, it is not permitted to use the air conditioner with windows or doors open;
- The curtains in all offices and classrooms are open to the greatest extent to let in natural light, and we encourage to develop the habit of turning off lights when leaving, to minimize the occurrence of "ever-on lighting";
- Implementing a vehicle allocation system, including discouraging drivers from changing their assigned routes. For staff travelling to the same destination at the same time, they should share vehicles to reduce usage and costs;
- Actively promoting green commutes, advocating "135" practice, i.e., to walk for commuting within 1 kilometre, to ride for commuting within 3 kilometres and to take public transport for commuting within 5 kilometres (「1公里內步行、3公里內騎自行車、5公里左右乘坐公共交通」).

5. CARING FOR GREEN EARTH

A number of campuses put forth measures for power management, proposing standards and initiatives regulating the power and energy consumption in teaching venues, public areas and other key energy-consuming areas.

Furthermore, the “saving prize” has been set on some campuses as an incentive to meet energy-saving objectives.

5.1.2 WATER CONSUMPTION AND WASTEWATER MANAGEMENT

We earnestly implement water conservation management in the three aspects of managing water consumption from the source, saving water in the consumption process and controlling wastewater when discharging. We actively respond to the policy guidelines given by the energy conservation supervision department, and set water consumption per person caps for each school regarding the per capita water consumption quota benchmarks of educational institutions. We keep track of water consumption, and continuously work to improve the efficiency of water utilization.

- *REDUCING CONSUMPTION FROM THE SOURCE*

We make sure that water facilities are well-maintained and kept in good condition daily. Efforts are constantly being made to manage drinking water for teachers and students, water for cleaning public areas and other important water-utilizing areas, and to keep good records of water consumption to prevent unreasonable water utilization.

In order to have a better understanding of water consumption and avoid unnoticed leakage, water usage is recorded and analyzed based on categories, such as cleaning public areas and personal hygiene. Valves are installed on vacant floors. In order to regulate the water consumption behaviour of students, we also upgrade and renovate the intelligent water control system, under which students fetch water by swiping cards, thus ensuring the record and management of the water consumption in different areas in real-time, and reducing waste of water resources from the source.

- *UPHOLDING DAILY CONSERVATION*

We have implemented water conservation policies under the “Water Conservation Measures” (《節水制度》), highlighting the implementation of water-saving technologies in buildings, including installation of water meters and rainwater recycling systems. We have also set up notice boards for water conservation, put up signs of water conservation, and used sprinklers, micro irrigation and drip irrigation to improve water utilization efficiency in campus green areas and landscaping.

5. CARING FOR GREEN EARTH

We formulated an elaborate three-year plan for building water-conservation schools, appointed the vice-principal as the chief responsible person and appointed full-time managers to inspect and record water consumption, and address warranty matters at all points.

The school aims to continue to improve its water conservation efforts and to raise awareness of all teachers, students and staff of the need to conserve water. We intend to work with teachers, students and staff to revise the water efficiency programme to include a mechanism that allows all teachers, students and staff to participate in saving water.

- *ENSURING EMISSION COMPLIANCE*

The effluent produced by schools consists of domestic waste created by educators and pupils and wastewater generated by the cafeteria. All of our schools have discharge permits, and their wastewater is treated by wastewater treatment facilities to ensure that the discharge meets the requirements of the “Integrated Wastewater Discharge Standard” (《污水綜合排放標準》). The schools promote the use of phosphate-free detergents and biodegradable cleaning products to reduce the environmental impact of wastewater discharge.

5.1.3 MANAGING WASTE

Waste generated by the Group mainly includes office paper, lamps, toner cartridges, ink cartridges and other office waste generated from the daily operation of the Group’s offices; kitchen waste generated from the canteens of various campuses; and all kinds of chemicals used in chemical experiments conducted in some schools.

We strictly comply with the regulations and systems such as the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” (《中華人民共和國固體廢棄物污染環境防治法》) and the “Regulations on the Management of Municipal Domestic Waste” (《城市生活垃圾管理辦法》). We have established an efficient and coordinated system to manage the treatment and disposal of waste. Hazardous waste is appropriately stored and handed over to qualified third parties for safe disposal and recycling. We have a 100% safe disposal rate for hazardous waste.

- *MANAGING DISPOSAL OF OFFICE WASTE*

We implore our staff to reduce paper use in the office by sending emails with priority, circulating documents, and recycling double-sided copier paper. We have different types of recycling bins to ensure that the old envelopes, letter paper, newspapers and wrapping paper are collected. For waste ink cartridges and batteries, we choose replaceable toner cartridges and rechargeable batteries as far as possible in the procurement. The waste toner cartridges are collected and disposed of by the suppliers on a regular basis.

5. CARING FOR GREEN EARTH

- *MANAGING DISPOSAL OF KITCHEN WASTE*

The Group has formulated the “Management System of Kitchen Waste Disposal” (《餐廚廢棄物處置管理制度》) to regulate the treatment of kitchen waste strictly. Every canteen must implement environmentally friendly disposal measures and keep track of their waste disposal records in details. Canteens separate kitchen waste into domestic waste and slop-type of waste: wet food waste is transferred by sanitation workers to domestic waste treatment plants, while slop-type of waste is emptied into special slop buckets or the grease is discharged into grease traps after separated by oil separators. The transfer and disposal of these waste shall be conducted by qualified third party company. The sale of these wastes to other units or individuals is strictly prohibited.

At the same time, the Group requires all school managers and head chefs to separate wet and dry food waste and reduce the amount of waste to be disposed of, and ensures that kitchen waste is being disposed of on daily basis. In order to reduce food waste, schools have launched the “Clean Plate Campaign” (「光盤行動」) to persuade students to cherish the food and finish their meals. Supervision and monitoring of students’ eating habits have been adopted as a way to create an environment where finishing one’s meal is considered a matter of pride.

- *HAZARDOUS CHEMICALS MANAGEMENT AND DISPOSAL*

For schools carrying out chemical experiments, we have, in accordance with the “Regulations on Safety Management of Dangerous Chemicals”, the “Regulations on the Supervision and Management of Fire Safety of Flammable and Explosive Chemical Substances” and the Safety Management System of Dangerous Chemicals” (《化學危險品安全管理條例》、《易燃、易爆化學物品消防安全監督管理辦法》、《危險化學品安全管理制度》), developed an internal management system.

At the start of the process, chemicals are purchased from vendors whose practices meet all safety and environmental regulations. The chemicals are then stored in a special and secure area, sorted into groups, and separated to effectively avoid any potential safety hazards such as explosions and leaks. The use of chemicals is strictly monitored and teachers and students are required to observe the relevant regulations for using various chemicals. At the waste disposal stage, the school shall enter into agreement with a certified hazardous chemical recycling company or delegate a unit with legal disposal qualifications to regularly perform clearance and destruction.

5.1.4 MANAGING EXHAUST

The school canteens have adopted a combined electrostatic fume purifier to test and treat the fumes, with a 98% of fume removal rate. We have commissioned an agency to monitor the emissions of fumes in each school to ensure that the emissions comply with the “Emission Standard of Cooking Fume” (《飲食業油煙排放標準》). Furthermore, we have installed activated carbon adsorption devices in the chemistry laboratories’ ventilation end to prevent the laboratories’ emissions from affecting the air quality inside and outside the campus, thus avoiding environmental pollution.

To reduce vehicle emissions, each campus of the Group has issued the “Company Vehicle Management System” (《公司車輛管理制度》), which regulates the application requirements for utility vehicles, account records of fuel consumption, vehicle maintenance, etc. By centralised the deployment of idle company vehicles, the number of utility vehicles has decreased to reduce vehicle fuel consumption and emissions. At the same time, in respect of the travel management for employees, we encourage employees to work in different places through online communication or video meetings. Such measures can reduce greenhouse gas emissions caused by unnecessary travel.

5. CARING FOR GREEN EARTH

5.2 FOSTERING GREEN AWARENESS

We actively commit to the green development plan of our country and continually introduce green education activities in schools based on green culture. This helps to increase environmental knowledge and raise awareness of green issues among students. To raise awareness of the importance of protecting the environment, students are given various training methods, such as erecting signs, delivering presentations under the national flag and participating in practical activities. The schools introduced their plans for green education, use of low-carbon energy, and frugality and conservation to raise environmental consciousness amongst all members and cultivate a campus culture focused on saving energy and reducing emissions.



Holding activity of Tree Planting Day with the theme of "sowing the gratitude and harvesting the hope" (「播種感恩、收穫希望」)



Carrying out activity of "312" Tree Planting Day, and calling for teachers and students on campus to exchange flower seeds with express cartons and empty bottles



Planting the wish trees activity

5. CARING FOR GREEN EARTH

Incorporating the notion of energy efficiency and conservation, we have included this ideology in all areas of our program, from teaching, student education, evaluation and administrative management. Through various activities, courses and competitions, we have raised awareness about the environment and fostered positive environmental habits in faculty and students. We have had classes about preserving a low-carbon environment, contests for low-carbon-themed craftwork and other practical activities.

5.3 RESPONDING TO CLIMATE CHANGE

Climate change brings both short-term and long-term challenges to countries around the world. Its environmental and economic impact has prompted many countries to focus on developing technology to respond better to the risks of climate change. For this, Virscend Education is working on ways to address the challenge in its operations while staying true to our mission of providing students worldwide opportunities. We will closely monitor and adjust our business operations per the latest standards and regulations.

In response to climate change and the increase in extreme weather caused by global warming, we have adopted the following measures: (1) regulating the use of resources such as water for green land maintenance and switches of street lights, (2) promoting scientific and reasonable irrigation, and (3) maximizing the use of natural light to achieve a rational use of water resources and energy. Furthermore, we also organize drill activities of natural disasters to enhance the awareness and ability of teachers and students to respond to emergencies.

6. CONTRIBUTION TO COMMUNITIES

The continued success of our business depends on the well-being of the communities in which we operate. And our commitment to social responsibility is an integral part of our sustainability strategy. At Virscend Education, we well recognize the importance of our faculty, staff, and students engaging in community activities. We firmly believe in the power of education, and do our best to support this cause.

During the Reporting Period, our staff and students have accumulated 127,119 hours of working as volunteers, which fully demonstrates our contribution and commitment to the community. For this reason, the student team of Chengdu International Studies University is honored to be selected as a national grade's team for lecture and service of college student volunteer, which demonstrates our social responsibility and active involvement.

6.1 INVOLVING IN VOLUNTEER ACTIVITIES



Case :

The Youth League Committee of Chengdu International Studies University and all secondary colleges have organized nearly 70 teams of "Bringing Knowledge of Culture, Science and Technology to the Rural Areas" (三下乡) to travel to various places in Sichuan to carry out practices of red theory lecturing, in-class tutoring, e-commerce to assist farmers, intangible cultural heritage inheritance, rural revitalization, etc. in Chengdu, Mianyang, Guangyuan, Ya'an, Yibin, Guang'an, Suining, Panzhihua and other places.



寻访傣寨之乡,奏响文化之音

成都外国语学校国际传媒艺术学院“三下乡”暑期社会实践队依托学院传媒专业学科优势,紧扣攀枝花市“一三三三”总体战略部署和建设产业强、生态优、人文美的社会主义现代化米易,做好“文化+旅游”发展要求,赴攀枝花市米易县新山傣族乡开展民族团结宣讲实践活动,于新山乡中心小学为学生讲解傣族文化。

7月11日,成都外国语学校国际传媒艺术学院“三下乡”暑期社会实践队依托学院传媒专业学科优势,紧扣攀枝花市“一三三三”总体战略部署和建设产业强、生态优、人文美的社会主义现代化米易,做好“文化+旅游”发展要求,赴攀枝花市米易县新山傣族乡开展民族团结宣讲实践活动,于新山乡中心小学为学生讲解傣族文化。

米易——中国稻画文化之乡,稻田故事傣族聚居地。新山村自然生态环境优美,傣族的文化底蕴深厚,织布技艺、刺绣技艺独具特色,葫芦笙、拜神树仪式被列入市级非物质文化遗产,民族习俗文化古朴、丰富。万紫千红绽放,七彩斑斓的少数民族文化,是中华民族的重要财富,为更好地传承民族文化,构筑共有精神家园,让学生了解身边的民族文化,增强文化自信,暑期三下乡社会实践队身着傣族特色服装为学生带来了一节生动的文化讲解课程。



6. CONTRIBUTION TO COMMUNITIES



Case :

The students actively carried out volunteer services themed “Promoting the Spirit of Lei Feng and Supporting Children with Autism” (弘揚雷鋒精神,守護星星的孩子) at a special children care center in Dujiangyan City.



Case :

Representatives of young volunteers went to an elderly care center to conduct a visitation activity in Yibin City.



6. CONTRIBUTION TO COMMUNITIES



Case :

Volunteers carried out volunteer service activities of "Cleaning Up Garbage and Beautifying the Environment" (清理垃圾, 美化環境) in Bamboo Culture Park.



6. CONTRIBUTION TO COMMUNITIES

6.2 CHARITY ACTIVITIES

Virscend Education aims to improve society and has committed to doing so by supporting charity activities in a variety of ways and by spreading the message of excellence in its industry.



Carried out charity fund-raising activities and sent donations to primary schools in mountain areas



Carried out public welfare charity sale activity and donated the money to special education schools

7. KEY ESG PERFORMANCE INDEX

Environmental Performance	Unit	FY 2024	FY 2023
Greenhouse gas emissions			
Scope 1 ¹	T eCo ₂	6,868	6,328
Scope 2 ²	T eCo ₂	17,476	20,381
Total GHG emission	T eCo ₂	24,343	26,709
GHG intensity	T eCo ₂ /student	0.80	0.88
Waste production			
Hazardous waste ³	tonne	3.94	2.87
Hazardous waste production intensity	tonne/student	0.0001	0.0001
Non-hazardous waste ⁴	tonne	6,277	6,166
Non-hazardous waste production intensity	tonne/student	0.21	0.20
Use of resources			
Electricity	MWh	28,644	33,405
Natural gas	M ³	3,085,076	2,867,768
Gas	M ³	30,956	—
Unleaded petrol	L	41,988	41,273
Diesel	L	1,378	850
Total energy consumption ⁵	MWh	61,768	64,115
Energy consumption intensity	kWh/student	2,036	2,113
Water	tonne	2,271,560	1,886,880
Water consumption intensity	tonne/student	74.87	62.19

¹ Scope 1 includes direct emissions generated by gasoline, diesel, natural gas and pipeline gas.

² Scope 2 includes indirect emissions generated by purchased electricity.

³ Hazardous wastes include light tubes, batteries, ink tanks, printer cartridges and lab wastes.

⁴ Non-hazardous wastes include domestic waste and food waste (e.g. oil, water and waste residue).

⁵ Total energy consumption includes the sum of consumptions of gasoline, diesel, natural gas and pipeline gas. Data computing standard is that the conversion of standard coal for the total energy consumption is made with reference to the "GB/T 2589-2008T General Principles for Calculation of the Comprehensive Energy Consumption".

7. KEY ESG PERFORMANCE INDEX

B1 Employment

Staff distribution	Number of staff	Turnover rate
Total workforce	2,000	15.90%
By gender		
Male	676	17.60%
Female	1,324	15.03%
By employment type		
Subject teacher	1,513	N/A
Administrative and supporting staff	241	N/A
Living teacher	164	N/A
Other staff ⁶	82	N/A
By age		
Aged 18 to 30	475	14.95%
Aged 31 to 50	1,153	11.27%
Aged 51 or above	372	31.45%
By geographical region		
Sichuan Province	1,844	16.49%
China (except Sichuan Province)	145	6.21%
Overseas	11	45.45%
By employment type		
Full time	1,987	N/A
Part time	13	N/A

⁶ Other staff under employment type of indicator B1 includes cadres and mid-level cadres at the school level.

7. KEY ESG PERFORMANCE INDEX

B2 Health and safety

Safety statistics	2024	2023	2022
Work-related fatalities	0	0	0
Work injury	0	0	0
Lost days due to work injury	0	0	0

B3 Development and training

Training statistics	No. of staff	Average training hours
Staff attended training	1,363	45.61
By gender		
Male	473	48.62
Female	890	44.01
By employment type		
Subject teacher	1,042	49.18
Administrative and supporting staff	109	61.45
Living teacher	148	25.10
Other staff	64	28.76

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Index	Reporting Guide Requirements	Section or Explanation
Environment			
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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5. CARING FOR GREEN EARTH
	KPI A1.1	The types of emissions and respective emissions data.	Due to the characteristics of the education industry, the emission of air pollutant and sewage discharge is not the major concern in the operation and management of the company. Therefore, the respective emissions data are not disclosed during the Reporting Period.
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7. KEY ESG PERFORMANCE INDEX
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7. KEY ESG PERFORMANCE INDEX
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7. KEY ESG PERFORMANCE INDEX
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	5. CARING FOR GREEN EARTH
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	5. CARING FOR GREEN EARTH

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Index	Reporting Guide Requirements	Section or Explanation
Environment			
A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	5.1 GREEN CAMPUS
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7. KEY ESG PERFORMANCE INDEX
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7. KEY ESG PERFORMANCE INDEX
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	5.1 GREEN CAMPUS
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	All water used by the Group comes from municipal waterworks, and there is no problem in obtaining suitable water sources.
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The operation of the Group does not involve any use or production of packaging materials.
A3: The Environment and Natural Resources			
General Disclosure		Policies on minimising the issuer's significant impact on the environment and natural resources.	5.2 FOSTERING GREEN AWARENESS
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.2 FOSTERING GREEN AWARENESS

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Index	Reporting Guide Requirements	Section or Explanation
Environment			
A4: Climate Change			
	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	5.3 RESPONDING TO CLIMATE CHANGE
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	5.3 RESPONDING TO CLIMATE CHANGE
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.	4. CREATING A HAPPY WORKPLACE
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	7. KEY ESG PERFORMANCE INDEX
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	7. KEY ESG PERFORMANCE INDEX

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Index	Reporting Guide Requirements	Section or Explanation
Social			
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.	3.1 ENSURING AND SAFEGUARDING FOOD SAFETY
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7. KEY ESG PERFORMANCE INDEX
	KPI B2.2	Lost days due to work injury.	7. KEY ESG PERFORMANCE INDEX
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.3 CREATING ENERGETIC WORKPLACE
B3: Development and Training			
	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.2 EMPHASIZING ON TALENTS DEVELOPMENT
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7. KEY ESG PERFORMANCE INDEX
	KPI B3.2	The average training hours completed per employee by gender and employee category.	7. KEY ESG PERFORMANCE INDEX
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.	4.1 SAFEGUARDING EMPLOYEES' RIGHTS
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 SAFEGUARDING EMPLOYEES' RIGHTS
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 SAFEGUARDING EMPLOYEES' RIGHTS

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Index	Reporting Guide Requirements	Section or Explanation
Social			
B5: Supply Chain Management			
	General Disclosure	Policies on managing environmental and social risks of the supply chain.	1.5 CONDUCTING RESPONSIBLE PROCUREMENT
	KPI B5.1	Number of suppliers by geographical region.	1.5 CONDUCTING RESPONSIBLE PROCUREMENT
	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.	1.5 CONDUCTING RESPONSIBLE PROCUREMENT
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.5 CONDUCTING RESPONSIBLE PROCUREMENT
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.5 CONDUCTING RESPONSIBLE PROCUREMENT

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Index	Reporting Guide Requirements	Section or Explanation
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.	1.2 RESPONSIBLE MARKETING PRACTICE
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The operation of the Group does not involve any production or sales of goods.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.3 SCHOOL AND FAMILY COMMUNICATION AND CONNECTION
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.1 INTELLECTUAL PROPERTY RIGHTS PROTECTION
	KPI B6.4	Description of quality assurance process and recall procedure.	2. STRICTLY ENSURING THE QUALITY OF TEACHING
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	1.3 PRIVACY PROTECTION

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Index	Reporting Guide Requirements	Section or Explanation
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.	1.4 INTEGRITY AND DECENCY
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.4 INTEGRITY AND DECENCY
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.4 INTEGRITY AND DECENCY
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.4 INTEGRITY AND DECENCY
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.	6. CONTRIBUTION TO COMMUNITIES
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6. CONTRIBUTION TO COMMUNITIES
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6. CONTRIBUTION TO COMMUNITIES