



ANXIAN YUAN CHINA HOLDINGS LIMITED 安賢園中國控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 00922)

Environmental, Social and Governance Report **2025**

www.anxianyuanchina.com

* For identification purposes only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

Anxian Yuan China Holdings Limited (hereinafter referred to as “Anxian Yuan”) strives to enhance the transparency of the Group in respect of its influence on the environment and society. The mission and values of the Group regard advocating green funeral services and the Group is striving to become a leading operator in the funeral industry in the People’s Republic of China (the “PRC”). Cemeteries of Anxian Yuan spread across Zhejiang, Zunyi and Yinchuan and cover eastern and southern China and areas with prosperous economy and apparent trend of aging population, which form a largescale strategic layout. In addition to burial services, Anxian Yuan also provides funeral services in Zhejiang. The Group will concurrently develop its funeral and burial services in the future.



Zhejiang Anxian Yuan



Zunyi Dashenshan



Yin Chuan Fu Shou Yuan

While steering towards sustainable development, the Group takes into account numerous short-term and long-term factors, including business challenges, responsibilities to stakeholders, professional ethics, global trends, laws and regulations and risk management. We constantly seek for business opportunities which are beneficial to suppliers, customers and the social environment.

The daily operation of Anxian Yuan is affected by its stakeholders. Through stakeholders, Anxian Yuan is able to understand the expectations of the stakeholders and society on the Group and achieve those expectations through sustainable development. The major stakeholders of Anxian Yuan include the Group’s customers, investors and shareholders, employees, suppliers and communities, which have considerable influence on the daily operation of the Group.

The management of Anxian Yuan is carried out on the basis of sustainable development. This report emphasises on achieving a balance among business development, needs of society and environmental relations. Along with nowadays rapid global development, the Group constantly identifies risks and opportunities in its daily operation to satisfy the expectations and needs of all stakeholders. In addition, the Group has a corporate culture of high transparency which steers to maintain good communications with its employees, consumers and other stakeholders.

Last but not least, in order to facilitate sustainable development, the Group has established a top-down management approach which has spread across each level of the Group and the effect of which has influenced communities outside the Group. The Group will maintain communications with all stakeholders concerning all environmental and social issues and solutions.

The Group implements the following sustainable development strategies with a top-down approach:

1. Achievement of environmental sustainability;
2. Respect for human rights and social culture;
3. Continuous communication with stakeholders;
4. Support to employees; and
5. Preservation of local community development.

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Scope of the Report

This report is an environmental, social and governance (“ESG”) report (the “ESG Report” or “Report”) published by Anxian Yuan China Holdings Limited together with its subsidiaries (the “Group”, “we”, “our”, “us” or “Anxian Yuan”). Based on the business scope and nature of the Group, the content herein focuses on summarising the ESG performance of our burial services, funeral services and cemetery operations in the PRC and Hong Kong during the financial year from 1 April 2024 to 31 March 2025 (the “Reporting Year” or “Year” or “Year 2024/25”), including:

- Zhejiang Anxian Yuan Company Limited, which is located in the PRC;
- Zunyi Shixiang Dashenshan Ecological Cemetery Co., Ltd., which is located in the PRC;
- Yin Chuan Fu Shou Yuan Cultural Memorial Park Co., Ltd., which is located in the PRC;
- Anxian Yuan (Zhejiang) Investment Management Co., Ltd., which is located in the PRC; and
- Hong Kong office of Anxian Yuan China Holdings Limited, which is located in Hong Kong.

Through the Report, we have carried out thorough review and assessment on our performance in order to achieve a better outcome. The Group will continue to attach importance to the most significant issue of stakeholders and focus on the largest cemetery in Zhejiang. The Report also demonstrates the contribution to sustainable development made by Anxian Yuan as a regional leading operator of the funeral industry.

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Reporting Principles

The Report has been prepared in accordance with the Environmental, Social and Governance Report Guidelines (the “Report Guidelines”) contained in Appendix C2 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Report has been prepared based on four reporting principles of materiality, quantitative, balance and consistency, and complies with the “comply or explain” provisions and the proposed disclosures in the Report Guidelines.

“Materiality”:	The Group’s stakeholders are engaged in the identification of ESG issues that matter most from their perspectives. The Group assesses the materiality of those ESG issues based on the corresponding risks posed by such issues on the sustainability of the Group’s businesses. Material ESG issues would be identified and prioritized and are disclosed in the ESG Report.
“Quantitative”:	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption, where applicable, is disclosed in the respective sections in the ESG Report.
“Balance”:	The ESG Report is prepared on a fair and unbiased basis. The Group fully discloses the material key performance indicators ¹ (“KPIs”) regardless of whether performance has improved or declined in line with the principle.
“Consistency”:	Unless otherwise stated, the Group applies consistent methodology in compiling the ESG data reported to ensure meaningful comparison of ESG performance over time and between entities. Any change in methods or KPIs used is explained.

The Group has adopted the emission factors and international standards set out in Appendix 2: Reporting Guidance on Environmental KPIs and Appendix 3: Reporting Guidance on Social KPIs issued by the Stock Exchange in preparing the Report in the same manner as in the previous year. For details on the application of materiality reporting principles, please refer to the section headed “MATERIALITY ASSESSMENT” in the Report.

Although the business scope of the Group covers several cities in the PRC, the Group’s businesses, however, are mainly located in Zhejiang, Zunyi, Yinchuan in the PRC and Hong Kong, the Report mainly discloses the environmental and social issues of the aforesaid locations.

We adequately understand that the ESG policies of the Group have a long-term influence on our future development and business and also affect our future community and environment. Other than focusing on the group values, policies and core competitiveness which aim to facilitate our sustainable development, Anxian Yuan also takes into account necessary continuous communications with stakeholders that enable the Group to identify potential sustainable development issues.

The Report was approved by the Board on 20 June 2025.

Feedbacks and Opinions

For details on our financial performance and corporate governance, please refer to our website (www.anxianyuanchina.com) and our annual report. We also value your feedback and opinion on our performance of sustainable development. Please email your feedback and other sustainable development information to our Anxian Yuan China Public Relations Department.

¹ How to Prepare an ESG Report –
Appendix 2: Reporting Guidance on Environmental KPIs, https://www.hkex.com.hk/-/media/hkex-market/listing/rules-and-guidance/environmental-social-and-governance/exchanges-guidance-materials-on-esg/app2_envirokpis;
Appendix 3: Reporting Guidance on Social KPIs, https://www.hkex.com.hk/-/media/hkex-market/listing/rules-and-guidance/environmental-social-and-governance/exchanges-guidance-materials-on-esg/app3_socialkpis

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INFORMATION OF STAKEHOLDERS

The Group actively seeks all opportunities to understand and attract stakeholders in order to create sustainable growth and long-term value for its stakeholders. The Group is committed to meeting stakeholders' expectations and addressing their concerns through regular communication. The Group continues to communicate with stakeholders to understand their views and collect their expectations and concerns on material ESG-related matters in relation to the Group's business. The Group will make assessment in this regard, prioritize and incorporate such issues into its ESG strategy, which includes setting feasible goals for ESG. The Group actively seeks every opportunity to understand and communicate with stakeholders to ensure the improvement on our products and services. We believe that our stakeholders are critical for maintaining our success in business.

Stakeholders	Possible matters involved	Communication and response
Stock Exchange	Compliance with the Listing Rules and timely and accurate publication of announcements	Conference, training, seminar, programme, website update and announcement
Government and regulatory body	Compliance with laws and regulations, attention to social welfare and prevention of tax evasion	Interview, governmental inspection and information including tax form
Supplier	Payment schedule and stable demand	Business conference and on-site interview
Investor and shareholder	Profit and income, compliance with regulations and corporate governance	Company website, Company's announcement, general meeting and annual and interim report
Media and public	Corporate governance, environmental protection and human rights	Notice/message published on the Company's website
Customer	Product/service quality, reasonable price, service value, labour protection and work safety	On-site inspection and after-sales service
Employee	Labour rights, staff remuneration and benefits, healthy and safe working environment and staff training and development	Staff training, email and opinion box, regular conference, employee performance evaluation and employee activity
Community	Community environment, employment and community development and social welfare	Development of community activity and staff voluntary activity, social welfare subsidy and donation

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ESG MANAGEMENT

Statement of the Board

To demonstrate our commitment to transparency, the Group has established an ESG-related governance structure, with clear terms of reference setting out the authorities delegated to it by the Board. The Board has overall responsibility for the ESG strategies and reporting matters of the Group and fully monitors the related risks and opportunities. The Board will conduct corporate risk assessment at least once a year to identify, assess and monitor ESG-related risks in the ordinary course of business. The Board is also responsible for formulating the Group’s ESG-related management approach, strategies and objectives, regularly reviewing the objectives set by the Group and its performance regarding such objectives and revising its strategies as appropriate. To carry through the concept of sustainable development and effectively manage ESG matters, the Group has established an ESG working group (the “ESG Working Group”) to assist the Board in overseeing and promoting the implementation of various ESG strategies. The ESG Working Group is also responsible for assisting the Board to identify and prioritise important issues, reporting to the Board regularly on the effectiveness of the ESG system and the performance of the Group in relation to environment and social key performance indicators, and preparing the annual ESG report.

Going forward, the Board will continue to oversee and refine the Group’s measures and performance on sustainable development in order to create long-term value for all stakeholders and the communities in which we operate.

Governance Structure

Board	<ul style="list-style-type: none">The Board is responsible for overseeing ESG related matters, including the formulation of relevant policies and strategies.
ESG Working Group	<ul style="list-style-type: none">The Working Group is responsible for assisting the Board in implementing various daily management work for ESG issues.
Functional departments	<ul style="list-style-type: none">Each functional department is responsible for implementing various measures formulated by the Group in connection with ESG issues.

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MATERIALITY ASSESSMENT

In order to ensure that this report has comprehensively covered and responded to the key matters of concern to stakeholders, in addition to regular communication with stakeholders, the Group has also made reference to certain information such as the matters covered in ESG report of the previous years, internal policies of the company, industry trends and the materiality matrix² introduced by the Sustainability Accounting Standards Board, to identify issues that have potential and practical impact on the sustainable development of the Group. The Group has analysed and prioritised the ESG issues based on certain factors such as its strategies, development and objectives. During the Reporting Year, there were no significant changes in the nature of the Group's business and therefore the Group has continued to use the materiality matrix from the previous reporting year:

Materiality Matrix



Environment

Social

1 Air pollutant	8 Employee benefits	16 Product and service quality management
2 Greenhouse gas emission	9 Recruiting and retaining talent	17 Quality monitoring and evaluation
3 Waste	10 Diversity and equal opportunity	18 Product and service innovation
4 Use of energy	11 Occupational health and safety	19 Protection of intellectual property ("IP")
5 Water consumption	12 Employee training and professional development	20 Protection of customer privacy
6 Environment and natural resources	13 Prevention of child and forced labour	21 Anti-corruption
7 Climate change	14 Supply chain management	22 Community investment
	15 Customer satisfaction	

² Materiality matrix introduced by the Sustainability Accounting Standards Board, <https://materiality.sasb.org/>

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ENVIRONMENT

Summary

The Group deeply recognizes that environmental protection, optimal utilization of resources and green development are important responsibilities that enterprises should undertake to achieve sustainable development. We attach great importance to our impacts on the environment and society, and are committed to actively fulfilling our obligations as a corporate citizen through various environmental protection measures and social welfare projects, thereby making contributions to the creation of a better living environment. As a result, the Group attaches considerable importance to its influence on the environment and society. In addition to strictly complying with environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Water Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, we have also established an internal corporate culture to safeguard the interests of all stakeholders. The impacts on the society and environment have been taken into account in management's decision making and the Group's daily operation in order to conserve natural resources and protect the environment.

In recent years, people are paying more attention to environmental protection and are willing to let their bodies return to the nature when their lives end in order to reduce consumption of funeral and burial resources, including simplifying ways of funerals and graveside rituals. The Group is actively promoting the concept of green funerals and updating the "Green Policy" to ensure the enterprise can achieve a balance between sustainable development and environmental protection. During the Reporting Year, the Group complied with all regulations related to environmental protection and it was not involved in any non-compliance issues in relation to environment protection which have significant impact on the Group.

Emission

The source of gas fuel of the Group is coal gas, which is mainly used for the cooking stoves in the canteen. During the Reporting Year, we consumed a total of approximately 101,025 MJ (Year 2023/24: approximately 82,942 MJ) of coal gas, up 22% from that of last year. The Yinchuan Municipal Government has strictly implemented the policy of safety management on gas tanks and reduced the density of gas in the tanks, resulting in a decrease in the amount of gas stored in the tanks of the same quality. As a result, the Group's procurement and usage of gas tanks were both on an upward trend.

During the Reporting Year, the details of the Group's usage of vehicles are as follows:

	Year 2024/25	Year 2023/24
Number of vehicles	17	18
Type of vehicles		
Private cars	0	3
Light vehicles (<=2.5 tons)	11	6
Light vehicles (2.5-3.5 tons)	3	5
Light vehicles (3.5-5.5 tons)	2	2
Mid-sized vehicles (5.5-15 tons)	1	2
Type of fuel used		
Vehicles powered by gasoline	10	13
Vehicles powered by diesel	2	4
Vehicles powered by electricity	5	1
Total distance ran by vehicles powered by gasoline and diesel in km	234,536 km	274,905 km
Gasoline consumed	23,292 litres	27,759 litres
Diesel consumed	2,741 litres	4,236 litres

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The above coal gas consumption and the use of vehicles result in emission of nitrogen oxides, sulphur oxides and particulate matter. The relevant emission data during the Year 2024/25 and the Year 2023/24 are set forth below:

Emission	Source	Used resource data		Type	Emission figures	
	KPI1.1	Year 2024/25	Year 2023/24		Year 2024/25	Year 2023/24
		<i>MJ</i>	<i>MJ</i>		<i>g</i>	<i>g</i>
Emission from gas fuel consumption	Coal gas	101,025	82,942	Nitrogen oxides:	404.10	331.77
				Sulphur oxides:	2.02	1.66
Emission from vehicles	Distance ran by vehicles powered by gasoline and diesel in km	234,536 km	274,905 km	Nitrogen oxides:	301,626.42	299,698.84
				Particulate matter:	25,641.66	25,655.00
	Gasoline	23,292 litres	27,759 litres	Sulphur oxides:	386.52	476.26
	Diesel	2,741 litres	4,236 litres			

With regard to vehicles, the Group provides several shuttle buses for grave sweepers. During the Reporting Year, the number of kilometres travelled by petrol and diesel-powered vehicles decreased by 15% while the emission of nitrogen oxides increased slightly and the emission of sulphur oxides and particulate matter showed a downward trend, thus the Group has successfully achieved the targets set in the previous reporting year. This success is attributable to the Group's active promotion of the green mobility initiative on the one hand, and the introduction of electric vehicles to replace conventional fuel vehicles on the other, as part of the Group's commitment to sustainable development. In selection of vehicle fleets, the Group takes into account factors such as cost efficiency, fuel efficiency, maintenance costs and satisfaction of its needs in order to reduce its impact on the environment. The Group will continue its efforts to reduce emissions of nitrogen oxides, sulphur oxides and particulate matter by increasing or maintaining the emissions of nitrogen oxides, sulphur oxides and particulate matter in the range of 80% to 120% of the baseline level for the year ended 31 March 2025 for the next reporting year.



The electric shuttle buses in Yin Chuan Fu Shou Yuan



The electric shuttle bus in Zhejiang Anxian Yuan

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The funeral parlour of the Group located in Zunyi Dashenshan provides cremation services for customers. Hazardous gases are generated during the cremation process, including dust, carbon dioxide, nitrogen oxides and carbon monoxide. In order to minimise the impact of the aforementioned gas emission on the environment, the Group keeps a stringent supervision and control over the quantity of emission of the aforementioned gases in an endeavour to comply with the requirements of the national standards under the Emission Standard of Air Pollutants for Crematory (GB13801-2015) of the PRC. Meanwhile, cremation involves high-temperature combustion, the process of which requires consumption of diesel to power the cremators for cremation work.

During the Reporting Year, we have carried out a total of 3,315 (Year 2023/24: 3,402) cremation projects. The emission data in relation to the cremation process are set forth below:

Cremation projects	Year 2024/25	Year 2023/24
Number of cremation projects	3,315	3,402
	(kg/m ³)	(kg/m ³)
Dust	0.10	0.18
Carbon dioxide	0.10	0.15
Nitrogen oxides	0.66	0.45
Carbon monoxide	0.50	0.55

During the Reporting Year, the Group newly planted a total of nine trees exceeding five meters in height, maintaining a total inventory of 3,920 trees taller than five meters (Year 2023/24: 3,911 trees). This represented stable performance compared to the previous reporting year and successfully achieved the target set in the previous reporting year. The Group will continue to strive to reduce the total greenhouse gas emission, and increase or maintain the total number of newly planted trees to a level ranging from 80% to 120% on the basis of that of the year ended 31 March 2025 during the next reporting year. For detailed approaches to reducing total greenhouse gas emission, please refer to the section of “OUR GREEN ACTIONS” of the Report. The indirect gas emissions of the Group are mainly derived from the use of purchased electricity as the power generation process of power companies causes greenhouse gas emission. As such, the Group advocates its employees to conserve energy and reduce power consumption.

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Green Areas in Zhejiang Anxian Yuan



Green Area in Yin Chuan Fu Shou Yuan



Green Area in Zunyi Dashenshan

During the Reporting Year, the source of direct greenhouse gas emission (Scope 1) of the Group was divided into stationary sources and mobile sources, with stationary sources including cooking stoves and cremators. Indirect greenhouse gas emission (Scope 2) and other indirect emission (Scope 3) of the Group were mainly derived from electricity consumption, paper waste and business travel. During the Reporting Year, total greenhouse gas emissions intensity of the Group was 1.19 kg Carbon Dioxide Equivalent ("CO₂e")/square meter (2023/24: 1.09 kg CO₂e/square meter³). Due to the improvement of statistical methodology, the Group gradually included the weight of paper waste in the Chinese region into the disclosure scope starting from the Reporting Year, resulting in a significant increase in the weight of paper waste during the Reporting Year. Despite the impact of the downward adjustment of gas density in gas tank, the Group did not use generators and has continuously promoted green travel and planted tree. As a result, total greenhouse gas emissions intensity of the Group only increased by 9% compared to the previous reporting year, successfully achieving the target set in the previous reporting year. The Group will continue to strive to reduce the total greenhouse gas emission, and increase or maintain the total greenhouse gas emissions intensity to a level ranging from 80% to 120% on the basis of that of the year ended 31 March 2025 during the next reporting year.

³ During the Reporting Year, the Group adjusted the statistical standards for tree height of the previous reporting year with only trees higher than five meters were included in the statistics. Therefore, the greenhouse gas emissions intensity data for the previous reporting year was restated.

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During the Year 2024/25 and the Year 2023/24, the data of total greenhouse gas emissions of the Group is set forth below:

Total greenhouse gas emissions ⁴				Year 2024/25		Year 2023/24	
KPI1.2	Source	Unit	CO ₂ e: (kg)	Unit	CO ₂ e: (kg)		
Scope 1: Direct greenhouse gas emission							
Stationary sources of greenhouse gas emission							
	Cooking stoves, cremators						
	Coal gas	3,447 kg		2,830 kg			
	Diesel	65,856 litres		57,624 litres			
	Gasoline	0 litres		1,435 litres			
Total stationary sources of greenhouse gas emissions			179,784			163,420	
Mobile source of greenhouse gas emission							
	Vehicles						
	Gasoline	23,292 litres		27,759 litres			
	Diesel	2,741 litres		4,236 litres			
Total mobile source of greenhouse gas emissions			69,386			85,707	
Counteraction of CO ₂ e							
Greenhouse gas by newly planted trees							
	Newly planted trees	3,920 trees	90,160	3,911 trees ³		89,953	
Scope 2: Indirect greenhouse gas emission from energy consumption							
Indirect greenhouse gas emission from energy consumption							
	Electricity	2,171,692 kWh	1,347,404	1,960,217 kWh		1,118,449	

⁴ Greenhouse gas emission data is presented in CO₂e, with reference to, including but not limited to, the “Announcement on the Release of 2023 Electricity Carbon Footprint Factor Data” issued by the Ministry of Ecology and Environment of the PRC, the “Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Building Operating Units (Enterprises) (Trial)” issued by the National Development and Reform Commission of the PRC, the “2024 HK Electric Investments Sustainability Report” issued by Hong Kong Electric, the “Annual Report 2023/2024” issued by Water Supplies Department, the “DSD Environmental, Social and Governance Report 2023-24: Flood Resilience Embracing the Future” issued by Drainage Services Department, “How to prepare an ESG report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, and the “GHG Conversion Factors for Company Reporting” published by the UK Government. The emissions from business travel were calculated using the online tools provided by the International Civil Aviation Organization (ICAO).

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Total greenhouse gas emissions ⁴		Year 2024/25		Year 2023/24	
Scope 3: Indirect greenhouse gas emission from other consumption	Paper waste disposed of at landfills	145 kg	696	50 kg	240
	Business travel		1,990		N/A
			1,599,260		1,367,816
Total greenhouse gas emissions: (Excluding counteraction of greenhouse gas by newly planted trees)			1.26		1.17
Intensity of total greenhouse gas emissions: (Excluding counteraction of greenhouse gas by newly planted trees) (kg CO ₂ e/square meter) ⁵			1.26		1.17
Total greenhouse gas emissions: (Including counteraction of greenhouse gas by newly planted trees)			1,509,100		1,277,863
Intensity of total greenhouse gas emissions: (Including counteraction of greenhouse gas by newly planted trees) (kg CO ₂ e/square meter)			1.19		1.09

⁵ The total area of cemeteries was 1,264,685 square meter (2024: 1,164,773 square meter) for the Reporting Year. The data was also used for calculating other intensity data for compliance with the reporting principle of consistency as set out in the reporting guidelines of the Stock Exchange.

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Waste

Hazardous Waste

No hazardous waste is generated in the course of operation. Therefore, no relevant data is disclosed.

Non-hazardous Waste

Other emissions of the Group in the course of business also include sewage and solid waste. Sewage is classified into household sewage and industrial sewage. Household sewage of the Group is mainly derived from the cemeteries and offices. In order to strengthen environmental protection, water purification equipment is installed in cemeteries, through which all household sewage is purified and recycled for the irrigation of plants in the cemeteries. As for industrial sewage, no industrial sewage is produced in the course of the Group's business.

Solid waste mainly includes food waste and general waste in offices. Due to the special nature of the Group's business, solid waste generated in the course of business is rather inconsiderable. Not only is the food waste produced in cemeteries limited, but certain amount of the food waste is also recycled into fertilizer. Regarding to office supplies, the Group advocates conservation and environmental protection and recycles the recyclable materials to the extent possible. The Group urges its employees to use emails and electronic files instead of printed copies and advocates duplex printing and the use of pen refills in order to reduce waste.

The Group advocates green funeral services and appeals grave sweepers to burn less incense and offerings to the extent possible. However, as traditional mindset still prevails in the PRC, some people still choose to burn incense and offerings during graveside rituals. Hence, the Group has set up incense areas and required grave sweepers to burn incense and offerings at specified areas. Incense ash is collected and used for green planting in order to reduce pollution to the environment.

In order to reduce the impact on the environment, cemeteries workers of the Group provide grave sweepers with flowers in replacement of traditional incense on traditional grave sweeping festivals to promote the Group's concept of green funeral. In addition, the Group set up a public account “彼岸天堂” (in English, for identification purpose only, “Paratown”) on WeChat a few years ago which is used as a We Media platform for spreading the filial piety culture. It also organised the “Scanning QR Code for Flowers” activity at Zhejiang Anxian Yuan-flower giveaway to all Hangzhou citizens and propagandized civilised graveside rituals.

As the Group has recycled or eliminated the disposal of non-hazardous waste, there is no statistics or disclosure of the Group's emission of non-hazardous waste.

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USE OF RESOURCES

The Group's major uses of resources are purchased water and fuel consumption.

Drinking water processing by the government always requires consumption of electricity and most of the electricity is generated from non-renewable fossil fuel such as coal and oil. Consumption of water and electricity hence results in emission of carbon dioxide. However, we still wish to minimise our influence on the environment through conservation and effective usage of water resources and electricity.

During the Reporting Year, although the Group faced the challenge of the decrease in gas intensity, the Group promoted a number of high efficient and energy saving measures including replacement of fuel vehicle by electric vehicle, thereby resulting in a slight decrease in energy consumption intensity. This marked the achievement of the target set in the previous reporting year.

In terms of water resources, during the Reporting Year, under the call of water conservation by the Group, efficient water saving measures such as the posting of water conservation signs, and the decrease in development projects resulted in a decrease of 22% in the Group's water consumption intensity, reaching the target set in the previous reporting year.

The Group will continue its efforts to reduce energy consumption and water consumption, respectively, aiming to reduce or maintain energy consumption intensity and water consumption intensity at a range between 90% and 120% of the benchmark level for the year ended 31 March 2025 in the next reporting year. For detailed methods of energy consumption and water consumption reduction, please refer to the following sections.

Electricity is mainly used in the daily operation of the headquarters and cemetery offices of the Group to sustain the operation of air-conditioning, lighting system, computers and other office equipment. In order to use resources effectively, the Group requires employees to turn off electrical appliances when not in use, including during lunch hour and after work.

As for the consumption of water resources, the water consuming parties of the Group are offices and cemeteries and there is no issue in sourcing water that is fit for purpose. In order to conserve water resources, the Group requires office workers to save water. As all cemeteries are equipped with water purification equipment, all household sewage is recycled upon filtration through purification equipment for irrigating plants in the cemeteries. In addition, the cemeteries also use rainwater for irrigation. For example, Zhejiang Anxian Yuan has an artificial lake for collection of natural rainwater and irrigates the plants in the cemeteries with the lake water extracted from the automatic irrigation system.

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The nature of the Group's business does not involve the use of packaging materials. For details of methods to reduce energy and water consumption, please refer to the section headed "OUR GREEN ACTIONS" in this report.

During the Reporting Year, the relevant data about the Group's usage of resources are set forth below:

Energy consumption⁶

KPI2.1	Energy unit	Year 2024/25 kWh	Year 2023/24 kWh
Direct energy consumption	Coal gas	36,052	23,039
	Gasoline	225,727	282,931
	Diesel	734,212	662,098
Indirect energy consumption	Electricity	2,171,692	1,960,217
Total energy consumption		3,167,683	2,928,285
Energy consumption intensity (kWh/square meter)		2.50	2.51

Water consumption	Total water consumption (cubic meter)		Water consumption intensity (cubic meter/square meter)	
KPI2.2	Year 2024/25	Year 2023/24	Year 2024/25	Year 2023/24
	20,742	24,624	0.0164	0.0211

OUR GREEN ACTIONS

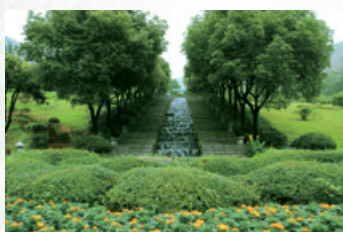
We have established a comprehensive internal corporate culture to safeguard the interests of all stakeholders and will continue to disclose our results on our website and in the annual ESG Report. Although certain parts of our corporate culture are not filed in written record, the internal management and all the staff members consider the environment and the society as their primary concern and they are committed to reducing the use of natural resources and protecting the environment.

⁶ The unit conversion method of energy consumption data is formulated based on the Energy Statistics Manual issued by the International Energy Agency.

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Cemetery Greening

Taking into account the use of electricity resources in the course of business, the solid waste generated and the greenhouse gas indirectly produced, the Group strives to enhance the greening rate of all cemeteries by increasing the coverage of green plantation in order to reduce emission of greenhouse gas, which relieves global warming. The Group is currently operating three main cemeteries, namely Zhejiang Anxian Yuan, Yin Chuan Fu Shou Yuan and Zunyi Dashenshan, the greening rates of which are 42%, 70% and 65% (Year 2023/24: 42%, 70% and 65⁷%), respectively. The Group endeavours to raise the greening rate of all cemeteries and plans to make every cemetery a green eco-park.



Cemetery Greening in Zhejiang Anxian Yuan



Cemetery Greening in Zunyi Dashenshan



Cemetery Greening in Yin Chuan Fu Shou Yuan

Furthermore, taking into account the air pollution caused by the incense and offerings burnt by grave sweepers during the graveside rituals, the Group provides grave sweepers with flowers to advocate civilised graveside rituals.



Civilised Graveside Rituals

We make a greening plan for every year which mainly focuses on planning the greening and plantation for the next year. Furthermore, the Group also organises tree planting activities in the cemeteries and invites customers of Anxian Yuan, primary school students and their parents and other citizens to join every year. In addition to planting new trees to increase the green area of the cemeteries, the Group also wishes to advocate the awareness of environmental protection and stay close to the nature and, at the same time, reduce the emission of greenhouse gas.

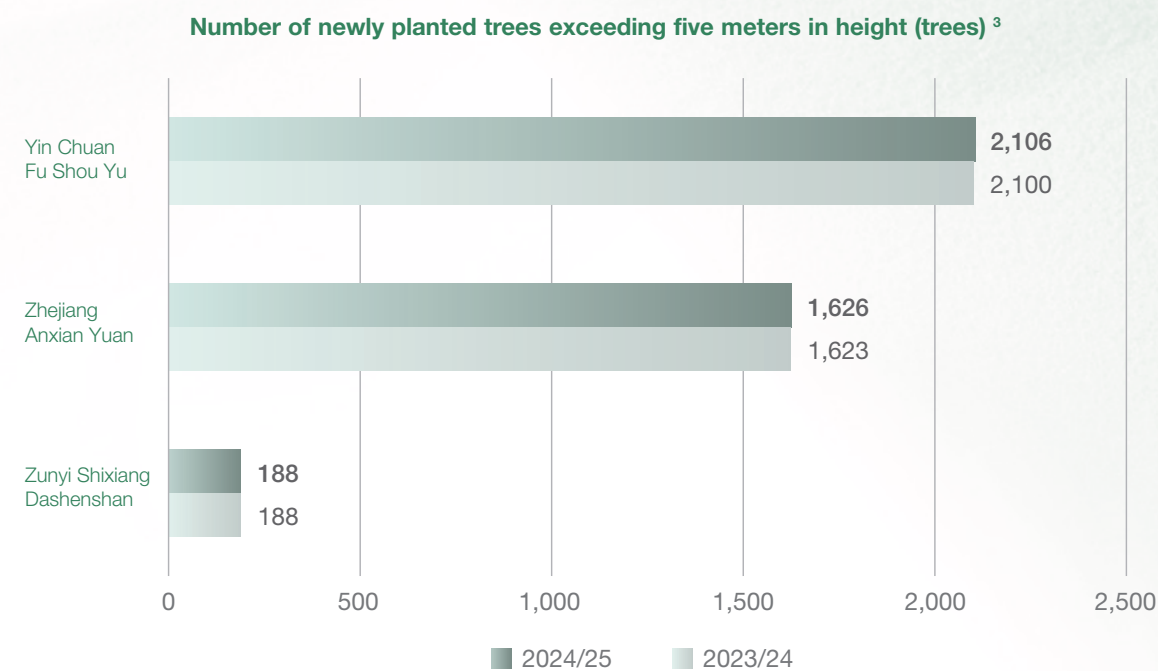
⁷

Restated according to the updated calculation method.

Greening rate (percentage) = developed greening area of the park (sq.m.) / total area of the park (sq.m.) * 100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The data about our newly planted trees during the Reporting Year are set forth below:



Civilised Graveside Rituals

Tradition graveside rituals include burning incense and offerings and lighting firework and firecrackers which would release tremendous amount of smoke, particulate matter (PM2.5) and ashes, resulting in air pollution. However, along with the promotion and popularisation of civilised and green graveside rituals, we introduce a brand-new measure for green graveside rituals with a hope to preserve the traditional and religious culture while reducing the damage to health and improving the environmental quality in order to become a smokeless cemetery. We strictly comply with the requirements of the government authorities and forbid customers to burn incense and offerings and light firework and firecrackers in cemeteries and other funeral service facilities. We have also set up a spot at lobby to sell products for graveside rituals and sell plastic flowers to citizens in order to advocate civilised graveside rituals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

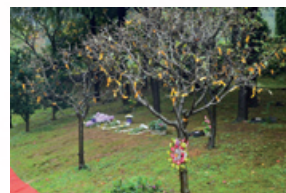


Green Burial

We are committed to promoting green burial and advocating diversified burial methods which take up less space and are non-polluting. In addition to traditional burial service, we also provide ecological funerals and burials including new burial methods such as tree-planting burial, flower bed burial, lawn burial and wall burial.

Tree-planting Burial

Modern tree-planting burial is a new way of burial. Tree-planting burial is to bury the bone ashes under a specified tree or scatter the bone ashes on the soil and plant a tree on it as a memorial, replacing grave facilities with memorial trees or natural stones.



Lawn Burial

Lawn burial is to bury the bone ashes under a piece of lawn which not only fulfils the wish of the deceased for returning to nature but also realises a civilised and environmentally friendly way of burial.



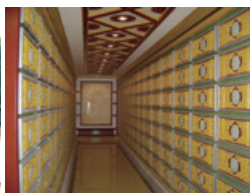
Flower Bed Burial

In replacement of tombs, flower bed burial uses specialised degradable casket under a flower bed and flowers are planted thereon. The flower bed is reusable and it takes up a little space. Not only does it conserve land resources, but also brightens up the cemetery.



Wall Burial

Wall burial is a way of burial where caskets are placed in niches which conserves land effectively. Niche walls are of similar heights to normal walls with square niches on the front side where caskets are placed. The niches are sealed with gypsum with the outward appearance as a headstone.



Yellow River Burial

The Memorial Square of Yellow River Burial is established to provide a place of remembrance for the families who scattered bone ashes in the Yellow River.















ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CLIMATE CHANGE

The Board of Directors of the Group and the ESG Working Group regularly review the ESG strategies and, in response to the recommendations of the Task Force on Climate-Related Disclosures, consider the potential risks associated with climate change in order to identify, assess and monitor the physical and transition risks that could have an adverse financial impact on the Group's business and operations, and to develop and revise strategies as appropriate.

The Group's analysis of the potential financial risks arising from climate change and strategies to address them are as follows:

Risk Type	Potential Financial Impact Low  Medium  High 	Short Term (The Reporting Year)	Medium Term (1 to 3 years)	Long Term (4 to 10 years)	Mitigation Strategy
Physical Risk	Acute Extreme weather conditions, such as increased flooding, resulting in loss of assets, lower revenues or supply chain disruption				Develop a safety protocol and emergency response plan to cope with extreme weather conditions
	Chronic The persistent high temperatures have led to an increase in electricity consumption which in turn affects operating costs				Energy saving policies and green measures are adopted to avoid excessive use of natural resources
Transition Risk	Policies and Regulations More stringent climate policies and regulations (e.g. stricter electricity restrictions) may increase compliance costs and operating costs				<ul style="list-style-type: none"> – Strict implementation of emission reduction measures (e.g. vehicle management measures) to maintain low emission levels – Green burial is promoted to reduce emissions for the transformation and realization of a carbon-neutral economy in line with the 14th Five-Year Plan of the PRC

The Group will continue to review the climate change-related risks on an annual basis and take corresponding measures to mitigate any potential physical or transition risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIETY

The Group regards talents as the most precious asset. The Group strives to create a safe and comfortable working environment and provide relevant training for its staff, and jointly establish a cooperative and friendly working environment with employees. In addition, the Group provides comprehensive and competitive salary and benefits to attract talents and retain employees with outstanding performance.

Valuing Talents

The Group has strictly complied with the relevant labor laws and regulations of the PRC, including the Labor Law of the PRC, the Labor Contract Law of the PRC and the Social Insurance Law of the PRC.

The Group has formulated Staff Handbook and Human Resource Management System in accordance with relevant labor regulations, covering human resources policies and working conditions, such as recruitment and promotion procedures, dismissal procedures, training, performance assessment, remuneration and benefits, working hours, vacations and other holidays (including marriage leave, compassionate leave, and maternity leave), etc.

The Group attaches importance to employees and strives to offer equal opportunities for employees with different backgrounds. The Group recruits and promotes employees based on the performance of employees following the principle of openness, fairness and justice, regardless of the skin colour, descent, race, gender, age, nationality and religion, etc. All the candidates and existing employees of the Group are entitled to equal opportunities and fair treatment. The Group values the diversified backgrounds of employees, and welcomes talents with different characteristics joining the Group to make contributions to the Group. In addition, with emphasis on the rest time of our employees, the Group adopts the working system of 8 hours per day. If there are any needs for overtime work, the Group provides relevant remuneration or arranges the leaves in lieu for employees according to the national regulations. To ensure that employees enjoy their due benefits, the Group also entitles its employees to due public holidays (including national statutory holidays) and other holidays, as well as reasonable remuneration. When employees resign, the Human Resource Department of the Group will calculate the salary for employees who will confirm the final salary, and handle relevant resignation procedures.

The Group deems that employees are the foundation of the Group, and the enterprise achievements and progress shall be attributed to the concerted efforts of all employees. Therefore, the Group will make unremitting efforts to evaluate the internal mechanism, and strives to share its achievements with employees by means of performance incentives, training and promotions.

During the Reporting Year, the Group has strictly complied with the labor laws and related regulations of the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our Team

With the aging of the population intensified and urbanisation accelerated in the PRC, the funeral industry in the PRC will sustain a prolonged rapid development in the future as funeral service concerns thousands of households. The Group has always been making significant contributions and implementing diversified management in respect of society, including organising elderly care activities, providing employees with a safe and healthy working environment, offering employees with relevant trainings and jointly establishing a cooperative and friendly working environment with employees.

As of 31 March 2025, our employment structure is as follow:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Total number of employees (person)	210	280
Total number of employees by gender (person)		
Male	102	162
Female	108	118
Total number of employees by age group (person)		
< 25 years old	2	4
25-29 years old	10	8
30-39 years old	46	63
40-49 years old	59	68
50 years old	93	137
Total number of employees by category (persons)		
General employees	150	N/A ⁸
Middle management	36	N/A ⁸
Senior management	24	N/A ⁸
Total number of employees by region (person)		
The PRC	199	269
Hong Kong	11	11
Total number of employees by employment type (person)		
Full-time	206	229
Part-time	4	51

⁸ To further enhance the Group's transparency, the Group discloses the total number of employees by category commencing from this reporting year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 March 2025, a total of 36 employees of the Group left and the turnover ratios of male and female employees are set out below:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Total employee turnover rate (%)	17	27
Employee turnover rate by gender (%)		
Male	22	30
Female	13	22
Employee turnover rate by age group (%)		
< 25 years old	50	0
25-29 years old	20	38
30-39 years old	13	19
40-49 years old	3	25
≥50 years old	27	31
Employee turnover rate by region (%)		
The PRC	18	28
Hong Kong	9	0

TALENT RECRUITMENT AND RETAINMENT

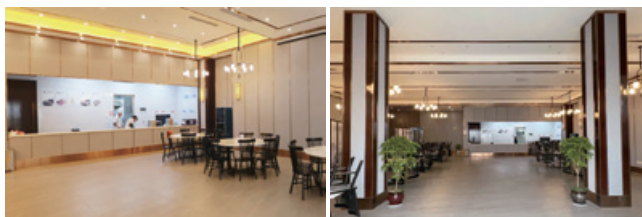
We believe that the success and development of the Group's business are attributable to the devotion and contribution of employees. Hence, we proactively invest resources and provide good salary and benefits to attract and incentivize talents.

Annual Salary Adjustment

We wish to share the economical achievement of the Group with our employees. We perform a general salary adjustment in light with the Company's development every year and raise the monthly salary of the employees in recognition all employees for their contribution during the year. Annual salary adjustment allows us to ensure the market competitiveness of the salary we offer and attract exceptional talents in the market and retain our capable employees.

Luncheon Voucher and Staff Canteen

We have established staff canteen which not only provides a comfortable environment, but also a free, healthy and diversified staff lunch to restore employees' energy for the whole day of work. Although there is no canteen in certain project companies under the Group, we provide these employees with luncheon vouchers which allow them to have lunch at the restaurants nearby the companies for free.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Valuing the Physical and Mental Health of Employees

We value the physical and mental health of our employees. Hence, the Group has adopted a standard working hour system which limits the working hours of the employees to be under 8 hours per day. The Group strictly complies with the national requirements and ensure that the employees are able to enjoy all statutory holidays and leaves for visiting relatives, wedding ceremonies and funerals, maternity leaves and paid annual leaves. To ensure the personal health of the employees, all employees are subject to a health check organised by the Group before induction.

STAFF TRAINING

As talent cultivation is critical to the future development of the Group, the Group spares no effort on talent development and training. In order to strengthen the knowledge and skills of the employees necessary for the performance of duties, the Group conducts a survey on its employees every December concerning their feedbacks on the content of the trainings, the results of which would reflect employees' concerned topics for the work training and allow the Group to organise suitable training courses based on the needs of the corporate development. The Group also provides trainings based on the types of occupations in the funeral and burial industry specified by the Ministry of Civil Affairs and Ministry of Human Resources and Social Security in order to ensure relevant employees obtains qualified licenses.

During the Reporting Year, the total training hours for the Group's employees were 1,533 hours (Year 2023/24: 1,486 hours). For the year ended 31 March 2025, the percentage of employees trained by gender and employee category and the average training hours per employee are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Percentage of employees trained to the total number of employees ⁹ (%)	76	53
Percentage of employees trained by gender to the number of trained employees in such employee category (%) ¹⁰		
Male	51	53
Female	49	47

⁹ Percentage of total employees trained = total number of employees trained / total number of employees x 100%.

¹⁰ Percentage of average training hours completed by employee category = number of employees trained by employee category / number of employees trained x 100%.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	Year ended 31 March 2025	Year ended 31 March 2024
Percentage of employees trained by rank to the number of trained employees in such employee category (%)		
General employees	85 ¹¹	81
Middle management	11	13
Senior management	4	6
Average training hours (hour/total number of employees) ¹²	7.3	5.3 ¹³
Average training hours of employees by gender (hour/number of employees in such employee category) ¹⁴		
Male	7.0	4.6
Female	7.5	6.3
Average training hours of employees by rank (hour/number of employees in such employee category) ¹⁴		
General employees	7.4	5.6
Middle management	9.0	4.9
Senior management	4.2	3.7

Job-Related Knowledge Training

We understand the importance of inspiring talents' potential through training. We are committed to promoting on-the-job trainings and providing employees with trainings for skills required in their job duties in order to further consolidate their job related knowledge.

Induction Training

We attach importance to every new employee. In order to help our employees integrate into the company environment as soon as possible and recognise our culture, we provide new employees with induction trainings and introduce to them the Group's history, basic workflow, code of conduct and company structure, so that they can promptly throw themselves into work and enjoy it.

Fire Safety Training

Due to the potential fire risk caused by grave-sweeping activities, we regularly provide fire safety trainings and fire drills for employees to raise their awareness on fire safety.

¹¹ Due to the rounding, the percentage of general employees trained among the trained employees in such employee category is adjusted to 85%.

¹² Average training hours completed per employee = total training hours / total number of employees.

¹³ Due to the adjustment of the calculation method, the Group has revised and restated the statistical results related to the average training hours for the previous reporting year.

¹⁴ Average training hours of employees trained by employee category = training hours of employees trained by employee category / number of employees by employee category.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Funeral Service Training

We also spare no effort in our service training, striving to cultivate a high-quality service team which can provide premium services. Therefore, to continuously consolidate employees' knowledge about funeral and burial and maintain the service standard, we provide funeral service training regularly, such as "China Funeral Association's Qingdao Funeral and Burial Equipment Learning". The Group also provides trainings based on the types of occupations in the funeral and burial industry specified by the Ministry of Civil Affairs and Ministry of Labor Indemnification in order to ensure that relevant employees obtain qualified licenses.

Professional Qualification

We support our staff to pursue continuous education and encourage personnel from the finance department, engineering department and human resources department to participate in vocational qualification examinations to obtain relevant professional qualifications. At the beginning of each year, we plan the total amount of funding for examinations during the year to ensure that eligible employees receive relevant funding. We will also continue to pay attention to the timetable for relevant examinations so as to timely remind or advise our employees to participate in suitable professional qualification examinations. We are also committed to fully subsidising the expense of staff for participation in examinations.

AWARDS AND RECOGNITION

As a member of China Funeral Association, Anxian Yuan has operated in compliance with laws and regulations under the care and guidance of government departments at the provincial, municipal and district levels. It has always adhered to public welfare for the people. Through unremitting efforts over the years, it has successively won honors such as Provincial Standardized Cemetery, Provincial Civilized Unit, Municipal Model Cemetery, Municipal Model Unit for Funeral Reform, Municipal Ecological Land-Saving Demonstration Site, and Municipal Model Unit for Greening, and is a demonstration service site for funeral reform. In 2006, the Group passed the "Three in One" (quality, environment, and health and safety) international standard certification and in 2009, the Group was accredited by Zhejiang Provincial Archives as an outstanding enterprise.

EMPHASIS ON POLICIES

DIVERSITY POLICY

We attach significant importance to the principle of discrimination-free management and strive to create a diversified working environment. For the composition of the Board, the Group has implemented diversity policy and established a nomination committee to regularly review the structure, scale and composition of the Board.

The nomination committee selects members of the Board based on the different aspects as set out in the diversity policy, including but not limited to gender, age, culture and education background, professional qualification, skills, knowledge and industrial and regional experience. The finally selected directors shall have certain advantages in the above factors and shall be able to contribute to the Board in order to achieve the diversity purpose of the Board. Currently, the directors of the Group have different backgrounds and possess sufficient relevant experience and professional background, such as financial accounting, which allows them to complement each other for the governance of the Company and form a relatively all-inclusive corporate governance system. The nomination committee is responsible for the continuous review of the composition of the Board to ensure the lasting effectiveness of the diversity policy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EQUAL OPPORTUNITIES AND DIVERSIFICATION AND ACCEPTANCE

The Group is committed to establishing an open, fair, just and reasonable competition for talents. We attach great importance to the appointment of talents and also focus on the training of personnel. We strive to create a stable working environment with diversification and acceptance and provide excellent remuneration and benefits to attract and retain talents.

According to the diversity policy, apart from the members of the Board, we also apply the discrimination-free, diversification and acceptance principle to the working environment of other employees and strive to provide an accepting, harassment-free, non-discriminatory and harmonious working environment. In accordance with the relevant laws and regulations including Employment Ordinance, the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, the Group has formulated staff manual which covers recruitment, remuneration, promotion, dismissal, working hour, holiday, equal opportunity, diversification, anti-discrimination and other treatments and benefits. The Group has strictly complied with the laws and regulations related to employment and labor which have significant impact on the Group. We determine a fair remuneration according to the staff contribution and market standards.

Meanwhile, the Group also undertakes that the recruitment, promotion and dismissal decisions are based on performance through a fair and transparent process and not affected by race, ethnicity, nationality, religion, gender, age and disability, and offers all employees with equal opportunities. Currently, the male and female employees of the Group account for an approximate proportion and both are entitled to the same career development opportunities and benefits. For instance, both male and female employees can receive the same trainings. During the Reporting Year, the average hours of training completed by male and female employees are close.

At the same time, the Group has zero tolerance towards discrimination or harassment acts at any workplaces. We will take corresponding actions if any act of discrimination or harassment is discovered. In the future, we will continue to deepen the diversity policy to create an inclusive and diversified working environment.

LABOR STANDARDS

To avoid child labor and forced labor, the Group has stringent requirements on the selection of employees. When recruiting employees below the management level, the Group performs background check on applicants in accordance with the Human Resources Management System and requires them to provide identity card, proof of highest education, professional qualifications (such as driver license and engineer license) and certificate of resignation. Foreign applicants are required to present their work permit to verify their identity.

In the event that the management discovered child labor or forced labor against the regulations, the Company would immediately terminate relevant contracts and impose appropriate punishment on the employee ascertained to be responsible for the illegal employment.

During the Reporting Year, there was no child labor and forced labor in the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HEALTH AND SAFETY

In order to provide employees with a safe working environment and protect employees from occupational hazards, the Group has provided employees with adequate health and safety measures and trainings and purchased sufficient social insurances for all employees. The Group also strictly complies with the safety regulations in all regions, including the Occupational Safety and Health Ordinance and Regulation on Work-Related Injury Insurances.

Save for the aforementioned measures, the Group has purchased group safety insurances for employees of engineering departments to enhance the protection of employees when accidents occur. In addition, other than purchasing social insurances for employees by the Group, Zhejiang Anxian Yuan also purchases commercial accident insurances to safeguard employees' interests. Employees are generally not required to perform overhead work. Whenever working in mountainous areas is necessary, employees are required by the Group to take precautions against accidents. Furthermore, the Group purchases safety equipment necessary for work for the employees to ensure employees' safety.

Given the current situation of wildfire prevention, the Group has taken initiatives to comprehensively enhance the ability of the wildfire prevention team of Anxian Yuan to handle with fires, regularly examine the ability of employees in various departments of the Company to deal with fires, and assess the skills and effectiveness of daily firefighting training and education, in order to improve employees' firefighting, evacuation and self-rescue skills, and the manager's ability to organize, coordinate and take command at the fire site. We try to enable employees to be exercised and educated in fire drill, and further enhance the safety of employees with fire safety awareness.



Firefighting Education and Training

In terms of health protection, the Group has paid social insurance (including medical insurance, work-related injury insurance, maternity insurance, etc.) for employees in accordance with national and local laws. The Group also regularly arranges employees to do comprehensive health checks in designated hospitals or health centres, so as to effectively protect the occupational safety and health of employees. In order to ensure the safe production of the Group and the health of employees, effectively control infectious diseases and fulfill its social responsibilities, the Group has formulated the Manual for Normalized Epidemic Prevention and Control and Instruction Manual for Epidemic Prevention and Control in accordance with the relevant prevention and control requirements of the government of the People's Republic of China and in light of the actual situation of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Year, the Group recorded one work-related injury, and 15 working days lost, and the number of work-related fatalities in the past three years (including this year) was zero. In this regard, we held a specific meeting to strengthen education and enhance employees' awareness of protection and safety. The Group was committed to providing sufficient days of sick leave for such employees to make compensation for their injuries and leave sufficient time for them to recover.

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Workplace accidents (case)	1	1	0
Number of working days lost due to work-related injuries	15	136	0

ANTI-CORRUPTION

The Group adopts zero-tolerant policy against corruption, and strictly abides by the "Criminal Law of the PRC (《中華人民共和國刑法》)", the "Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》)" and the "Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》)" and prohibits any corruption, defraud, money laundering, bribery and blackmail. We have formulated anti-corruption policies to prevent potential bribery, blackmail, fraud, money laundering and gambling.

The Group has established good communication channels with employees. If employees find out or suspect corruption or immoral behaviours, they may give opinions and report to their superiors and the chief executive officer or express their views directly through emails. The Group also guarantees that the information in relation to the opinions and reports submitted by all employees is kept confidential, and it will carry out investigation and verification according to the report contents, and handle according to actual situations.

In addition, the Group also annually assesses employees' working competence and psychological quality and has established a penalty and reward system to enhance employees' sense of belonging to the Company and reduce the possibility of crimes committed by employees.

During the Reporting Year, the Group was not involved in any legal proceedings in relation to bribery, blackmail, defraud and money laundering. During the Reporting Year, the Group has not organised any relevant training. However, the Group will continue to closely monitor anti-corruption regulations and will arrange additional relevant trainings for directors and employees when necessary.

EMPHASIS ON SUPPLY CHAIN MANAGEMENT

To enhance the management of environmental and social risks of supply chain, the Group has strict requirements on the selection of suppliers, and has formulated a policy to standardize the supplier management procedures. During the Reporting Year, the Group purchased from 9 suppliers throughout the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the selection of potential suppliers, the Purchase Department firstly conducts preliminary assessment of candidate suppliers to understand their enterprise data, product quality, supply capability, quality management, environmental protection and after-sales service. The Group only selects suppliers which satisfy the following requirements: 1) having industrial and commercial and tax registration certificate; 2) having good integrity filing records; 3) complying with national laws and regulations on society and the environment in the course of operation; 4) having certain operation scale and considerable reputation in the industry; 5) being up to standards for the services and products provided; and 6) having sound after-sales warranty and emergency management.

In addition, the Group will also require suppliers to provide material samples for quality testing by the Quality Department or Technology R&D Department. Under normal circumstances, suppliers will be included into the list of recognised suppliers after their samples pass the inspection, and suppliers who consider environmental and social compliance will be more conducive to being accepted as recognised suppliers. The Quality Department, Technology R&D Department and Purchase Department will form a supplier investigation team when necessary to conduct on-site investigation of suppliers and submit supplier investigation reports. Newly increased suppliers will only be included into the list of recognised suppliers after being jointly reviewed by the Purchase Department, Quality Department and Technology R&D Department.

Besides, the Group strictly monitors the performance of suppliers, and appraises the recognized suppliers on a regular basis, in order to guarantee the quality of goods supplied by suppliers. The appraisal standards include the quality, date of delivery, price, service quality, etc. The Group will ask the suppliers that fail to reach the standards of the Group to make rectification, and only continue to make purchase from the suppliers upon completion of corresponding corrective measures.

EMPHASIS ON QUALITY

The Group has completed the trademark registration for its brand “Anxian Yuan” and the brand is thereby under legal protection of intellectual property rights. The prices of the Group’s products and services are open to public and prominently displayed at its office. The Group has also established a feedback and complaint mechanism. Customers who intend to provide feedback or file complaints can fill in the customer’s feedback form and complaint form at the customer reception center. When the customer reception center receives feedback or complaint from customers, it will contact relevant departments and handle the feedback and complaint in a timely manner. During the Reporting Year, the Group did not receive any complaints.

The services and products provided by the Group are subject to a quality inspection process. For services, the Group provides employees with sufficient trainings and builds up service standard through examinations and inspections. As for products, the Group has formulated the Standardized Acceptance Process of Grave Construction (《規範墓穴建造驗收流程》), pursuant to which, cemeteries shall be constructed based on design requirements and are available to customers only after passing the inspections performed by the engineering team in order to ensure product quality. During the Reporting Year, the Group did not recall any products for safety and health reasons.

The Group highly recognizes the importance of personal data to business and personal privacy and strictly implements the Personal Information Protection Law (《個人信息保護法》). To safeguard consumers’ information and privacy, the Group has formulated the Staff Handbook (《員工手冊》), stipulating that employees shall fulfil confidentiality responsibilities and cannot divulge any confidential information of the Group to any third parties without permission, and shall store all clients’ information in its archives and establish a customer file for every customer. Should any departments need to check the customer files, they are required to register in the file book and no original copy of any information shall be taken away from the archive. During the Reporting Year, the Group did not receive any complaints in relation to leakage of clients’ information or identify any infringement or unauthorized use of patents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMPHASIS ON COMMUNITY

The Group understands the philosophy of “what is taken from the community is to use for the good of the community”, and is actively giving back to society and sharing its operating results with the community. During the Reporting Year, the Group supported various charitable activities through donations, and donated a total of approximately RMB164,000 to charity organisations such as Yinchuan Charity Federation (銀川市慈善總會), Hangzhou Linping Red Cross Society (杭州市臨平區紅十字會) and Hangzhou Charity Federation (杭州市慈善聯合會).

In addition, the strategy department of the Group is responsible for preparing community charity activity plans for the next year. Currently, most activities organised by the Group are in collaboration with other organisations.

The activities organised by the Group are mainly classified into two categories: the first category is memorials for celebrities or public figures which allows the public to have in-depth knowledge of those persons who made significant contributions to the country and society; while the second category is caring activities which target elderlies, the underprivileged minorities and families in distress. Those activities aim to care for elderlies, the underprivileged minorities and people in distress through psychological and mental care and to provide help in satisfying their basic needs through material donations. Activities organised by the Group during the Reporting Year include:

“Anxian Cup” Memorial Cycling Event Commemorating 20th Anniversary of Qinghai-Tibet Route Ride & Lakeside Tour

On May 30, 2024, the “Anxian Cup” memorial cycling event was held to commemorate the 20th anniversary of the Qinghai-Tibet Route ride, featuring a lakeside tour.



“60th Anniversary of China’s First Atomic Bomb Success” Science Exhibition

From October 14 to 16, 2024, the “60th Anniversary of China’s First Atomic Bomb Success” Science Exhibition was held at Luxinqiao Campus of Chongxian No.1 Primary School, featuring historical artifacts displays and commemorative badge-making activities for students.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Care Event of “Visiting Public Servants Working in High-Temperature”

On July 18, 2024, the initiative was conducted under the theme of “Visiting Public Servants Working in High-Temperature” to extend our care to the traffic police and urban management officers within the jurisdiction.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Index Table for the Stock Exchange Reporting Guide

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		
Aspect	Description	Chapter Reference
A. Environmental		
Aspect A1: Emissions		
General disclosure	<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Environment – Summary
KPI A1.1	The types of emissions and respective emissions data.	Emission
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No hazardous waste is generated in the course of the operation of the Group. Therefore, no relevant data is disclosed.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	As the Group has recycled or eliminated the disposal of non-hazardous waste, there is no statistics and disclosure of the Group's emission of non-hazardous waste.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		
Aspect	Description	Chapter Reference
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Green Actions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	As the Group does not generate any hazardous waste in the course of its operations, and has recycled or eliminated the disposal of non-hazardous waste, there is no disclosure of the Group's waste reduction target.
Aspect A2: Use of Resources		
General Disclosure	General Disclosure	Use of Resources
	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Green Actions
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).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Green Actions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Our Green Actions
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operation process does not involve the use of packaging materials.

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SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		
Aspect	Description	Chapter Reference
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Green Actions
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Green Actions
Aspect 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.	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.	Climate Change
B. Social		
Aspect B1: Employment		
General Disclosure	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<p>Valuing Talents</p> <p>Our Team</p>
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our Team
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our Team

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SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		
Aspect	Description	Chapter Reference
Aspect B2: Health and Safety		
General disclosure	<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	<p>Health and Safety</p> <p>During the reporting year, there were no work-related fatalities in the Group.</p>
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General disclosure	<p>General disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Staff Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Staff Training

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SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		
Aspect	Description	Chapter Reference
Aspect B4: Labor Standards		
General disclosure	<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labor.</p>	Labor Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Standards
Aspect B5: Supply Chain Management		
General disclosure	<p>General disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>	Emphasis on Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Emphasis on Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Emphasis on Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.	Emphasis on Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.	Emphasis on Supply Chain Management

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SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		
Aspect	Description	Chapter Reference
Aspect B6: Product Responsibility		
General disclosure	<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Emphasis on Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<p>Emphasis on Quality</p> <p>During the reporting period, there were no cases of recall of sold or shipped products for safety and health reasons or products and service-related complaints received.</p>
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Emphasis on Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Emphasis on Quality
KPI B6.4	Description of quality assurance process and recall procedures.	Emphasis on Quality
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Emphasis on Quality

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SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		
Aspect	Description	Chapter Reference
Aspect B7: Anti-corruption		
General disclosure	<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	Anti-corruption
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.	<p>Anti-corruption</p> <p>During the reporting period, there were no legal cases and accusations regarding corruption in which the Group or the employees of the Group were involved.</p>
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General disclosure	<p>General disclosure</p> <p>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.</p>	Emphasis on Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Emphasis on Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Emphasis on Community