

元亨燃氣  
YUANHENG GAS

**YUAN HENG GAS HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

Stock Code: 332



## Vision

To become China's leading sustainable clean energy group, first-class producer, supplier and service provider in the energy industry

## Mission

To provide adequate returns to shareholders, employees and society

## Contents

ABOUT THIS REPORT	2
ESG GOVERNANCE	5
PEOPLE-ORIENTED	8
GREEN OPERATION	21
RESPONSIBLE SUPPLY CHAIN	32
PRODUCT RESPONSIBILITY	35
BUSINESS ETHICS	40
COMMUNITY COMMITMENT	42
LAWS AND REGULATIONS	43
SUMMARY OF KEY PERFORMANCE INDICATORS	45
HKEX ESG CONTENT INDEX	48





## ABOUT THIS REPORT

Yuan Heng Gas Holdings Limited (“Yuan Heng Gas” or the “Company”) and its subsidiaries (the “Group” or “we”) (Stock Code: 0332) are pleased to present the ninth environmental, social, and governance (“ESG”) report (the “Report”), aiming to report to stakeholders on the Group’s management approach, relevant performance, and impact on ESG issues for the financial year ended 31 March 2025 (the “Reporting Period” or “FY2025”). The Report should be read in conjunction with the Group’s annual report. For information relating to corporate governance, please refer to the Corporate Governance Report in the annual report.

## REPORTING SCOPE

We have determined the scope of the Report based on the degree of impact of our business on the environment and society. Therefore, the scope of environmental and social disclosure in the Report covers the Group’s LNG production, transmission, and distribution business at its two LNG processing plants, 鄂爾多斯市星星能源有限公司 (“Xingxing Energy”) in Inner Mongolia, and 達州市匯鑫能源有限公司 (“Huixin Energy”) in Sichuan, both located in the People’s Republic of China (“China”, the “PRC” or “Mainland China”) (collectively referred to as the “Operating Stations”).

The Report covers the Group’s ESG commitments, governance approach, achievements, and areas for improvement for the period from 1 April 2024 to 31 March 2025. To enhance the comparability and forward-looking nature of the Report, certain content is moderately extended to prior and subsequent years.

## REPORTING GUIDELINES

The Report is prepared in accordance with the “comply or explain” requirement under Appendix C2 “Environmental, Social and Governance Reporting Guidelines” (“ESG Reporting Guidelines”) of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) (the “Listing Rules”), and in conjunction with the actual circumstances of the Group. The Report is disclosed in accordance with the principles of “Materiality”, “Quantitative”, and “Consistency”, aiming to enhance the comprehensiveness and transparency of the Report. The reporting principles are detailed as follows:



### Reporting Principles

### Definitions

#### Materiality

Materiality assessment was conducted with key stakeholders to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this ESG Report. The materiality of the relevant issues is reviewed and confirmed by the board (the “Board”) of directors (the “Directors”) of the Company. For more details, please refer to the “Materiality Assessment” section.

#### Quantitative

The data contained in the Report has been checked and analyzed. Please refer to the “Summary of Key Performance Indicators” of the Report for the standards referenced in calculating environmental and social key performance indicators (“KPIs”).

#### Consistency

To ensure comparability of information, unless otherwise stated, the disclosure and statistical methods of the Report are consistent with the past and are presented on a comparable year-on-year basis.

## INFORMATION SOURCE

All information and data cited in the Report are from the Group’s official archives, internal documents, statistical reports and financial reports.

## CONFIRMATION AND APPROVAL

The Group has established internal data collection and verification mechanisms to ensure the accuracy and reliability of the data contained in the Report. The Report was confirmed and approved by the Board.

## ACCESS TO THE REPORT

The Report is prepared in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail. For inquiries regarding the content of the Report or to request a hard copy, please send an email to [yhad@yuanhenggas.com](mailto:yhad@yuanhenggas.com), or call (852) 3583 1120.



## FEEDBACK

If you have any comments or suggestions regarding the Report, you are welcome to contact the Group through the following channels:

### Yuan Heng Gas Holdings Limited

Address: Unit D, 12/F, Seabright Plaza,  
9-23 Shell Street, North Point,  
Hong Kong

Email: [yhad@yuanhenggas.com](mailto:yhad@yuanhenggas.com)

Tel: (852) 3583 1120

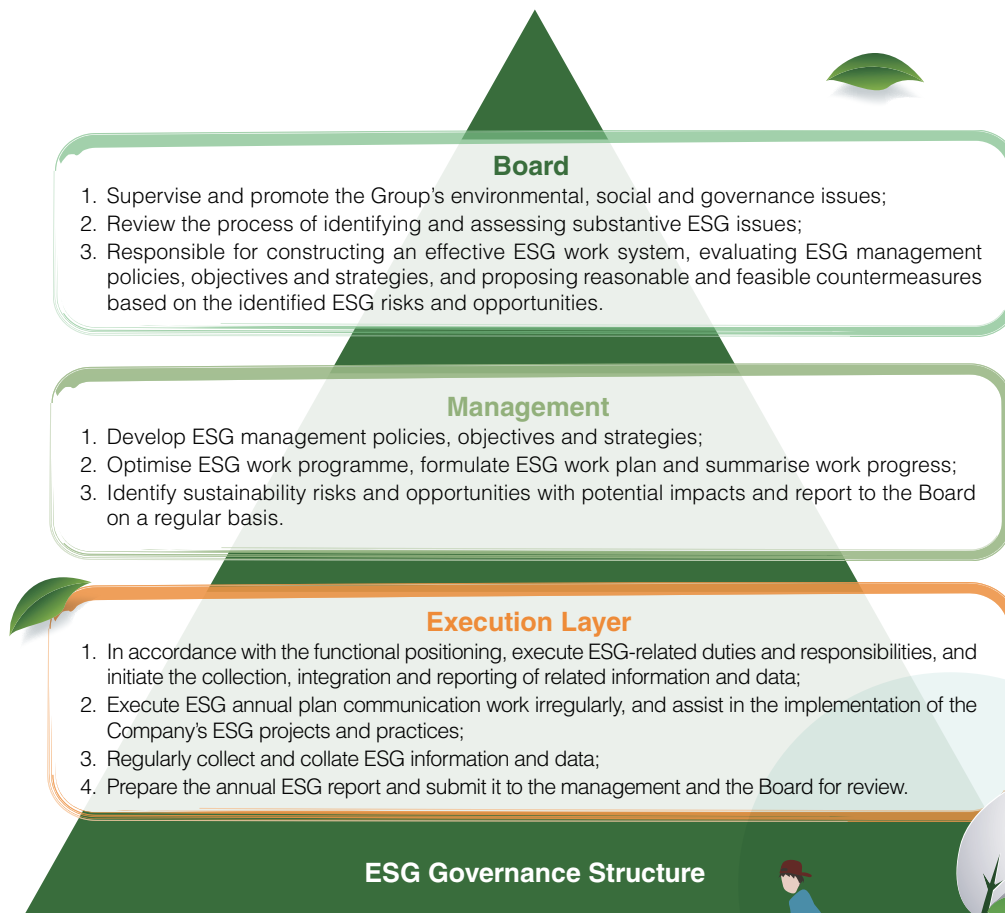
Fax: (852) 2116 1339

## ESG GOVERNANCE

The Group attaches great importance to sustainable development and nurtures the team culture of “People-Oriented, Harmonious and Mutually Beneficial”, integrating the concept of sustainable development into the Company’s strategy formulation and daily operations process. We constantly improve ESG governance, strengthen communication with stakeholders and enhance our ESG governance capabilities, committing ourselves to realizing our development vision of becoming China’s leading sustainable clean energy group and a first-class producer, supplier and services provider in the energy industry.







### BOARD STATEMENT

The Board of the Group is the highest responsibility and decision-making body for ESG issues, bearing ultimate responsibility for ESG work. The Board, with the assistance of the Safety Production Committee and the Energy Conservation and Emission Reduction Working Group, is responsible for overseeing and reviewing the Group’s sustainable development policies and strategies, the progress of ESG goals, and the identification and assessment process of material ESG issues. The Group’s management and execution layer collaborate to jointly participate in the management and practice of ESG work, identify sustainable development-related risks and opportunities that have a potential significant impact on the Group, and report to the Board regularly.



## MATERIALITY ASSESSMENT

The Group attaches great importance to the identification and management of sustainable development issues. Through regular communication with stakeholders, we understand and collect their opinions to identify substantive ESG issues. We regularly communicate with stakeholders through multi-level and multi-channel communication methods, listening to their opinions and suggestions on the sustainable development of the Group. Based on the identified ESG-related risks and opportunities, we adjust the Group's sustainable development management policies and goals, and promote the sustainable development process. Below are the stakeholder communication channels and concerns:

Stakeholders	Concerns	Communication Channels and Methods
 <b>Board and The Management</b>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Economic Performance</li> <li>• Business Operations</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Meetings</li> <li>• Factory Visits</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Career Development and Training</li> <li>• Occupational Health and Safety</li> <li>• Employee Remuneration and Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• E-mail</li> <li>• Work Report Meeting</li> <li>• Suggestion Box</li> <li>• Official Website</li> <li>• Staff Handbook</li> <li>• Staff Management System</li> </ul>
 <b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Economic Performance</li> <li>• Operational Risk</li> </ul>	<ul style="list-style-type: none"> <li>• General Meeting of Shareholders</li> <li>• Company Website</li> <li>• Corporate Communications</li> <li>• Shareholder Enquiry</li> <li>• Webcasts</li> <li>• Annual Report</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Privacy Protection</li> <li>• Quality Management</li> <li>• Product Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Company Website</li> <li>• Exhibitions</li> <li>• Social Media</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Business Ethics</li> <li>• Operational Risk</li> </ul>	<ul style="list-style-type: none"> <li>• Engage in Exchange and Reciprocal Visits</li> <li>• Supplier Management</li> <li>• Industry Forum</li> <li>• Association Exchange</li> <li>• Information Disclosure</li> </ul>
 <b>Government/Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Business Ethics</li> <li>• Environmental Compliance</li> <li>• Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Announcement</li> <li>• Public Welfare Projects</li> </ul>



We assess materiality by carrying out stakeholder surveys, to score and prioritise potential ESG issues. This assessment allows us to identify risks and opportunities that could significantly impact our business operations, and to develop relevant sustainability strategies and targets. Materiality issues reflect the Company's significant economic, environmental and social impacts and help us to better identify core issues in the Group's operating activities that have positive or negative impacts on sustainable development, and to focus our response. In FY2025, we have started the materiality assessment in an orderly manner based on the steps of "Stakeholder Communication – Issue Identification – Issue Assessment – Materiality Confirmation", and identified the materiality issues for FY2025 as follows:

- Prevention and Control of Corruption
- Standardization of Corporate Governance
- Green Supply Chain
- Product Responsibility
- Promotion of Career Development

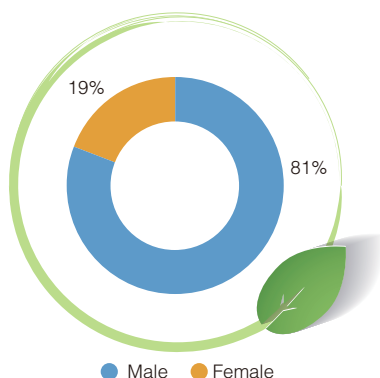
## PEOPLE-ORIENTED

Employees are the core driving force for the success of an enterprise, and the Group regards the protection of employees' rights and interests as the cornerstone of its long-term development and has established a comprehensive employee management system. In order to create a fair, just and diversified working environment, the Group has formulated a series of internal management regulations such as the "Labour Contract Management System", "Staff Recruitment and Employment Management System", "Salary and Welfare Management System" and "Group Anti-Discrimination and Harassment Rules". The Group prioritises employee training and development, occupational health and safety, aiming to help each employee achieve personal and professional growth. By empowering talent in the natural gas industry, we strive to drive the sector's prosperity and development.

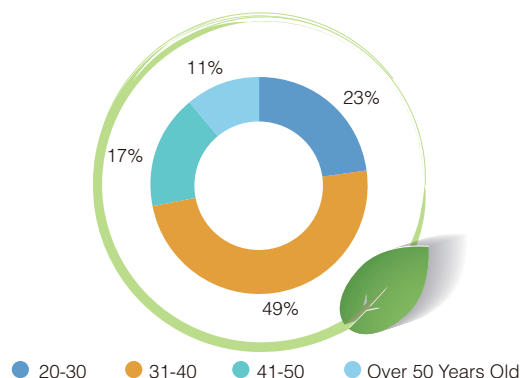
## EMPLOYEE COMPOSITION

As of 31 March 2025, the Group's natural gas processing plants had a total of 242 employees (all employees were located in Mainland China). For more details on the Group's employee structure, please refer to the social indicators performance in the "Summary of Key Performance Indicators".

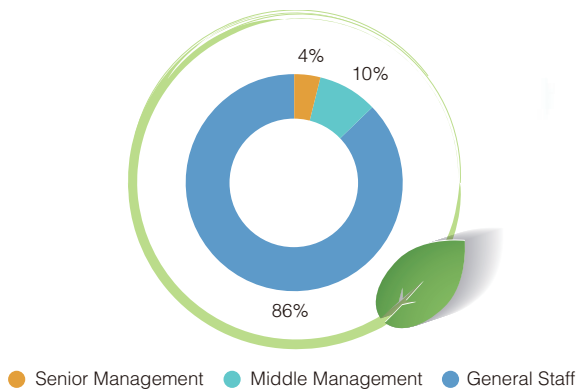
### EMPLOYEES BY GENDER



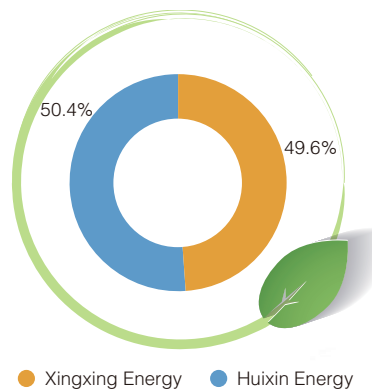
### EMPLOYEES BY AGE



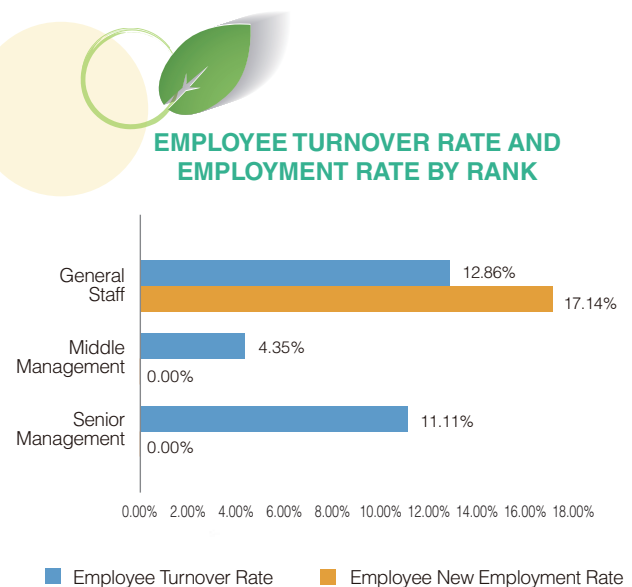
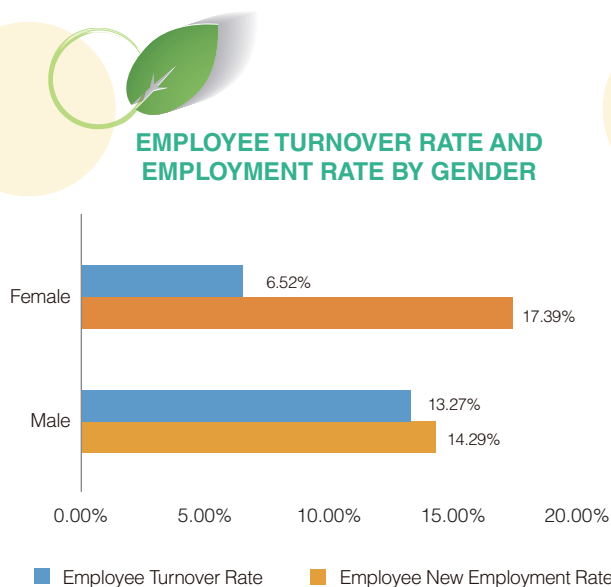
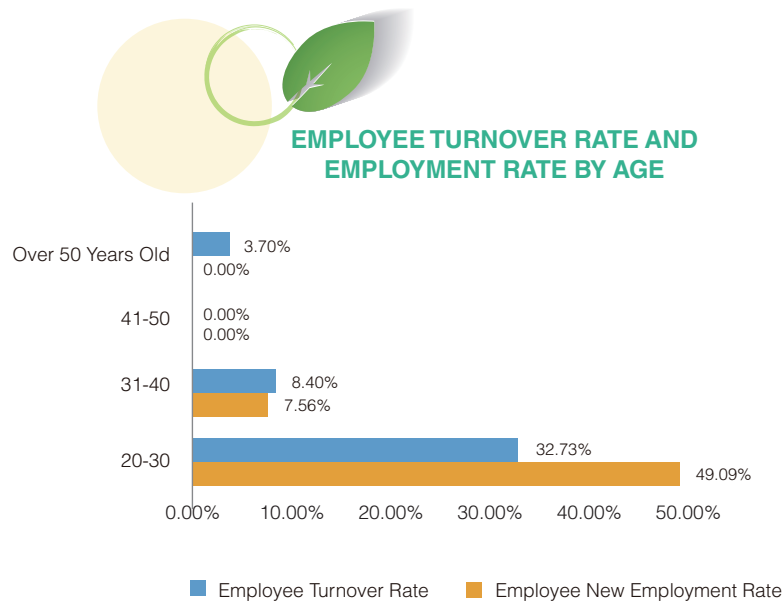
### EMPLOYEES BY CATEGORY



### EMPLOYEES BY GEOGRAPHICAL REGION



During the Reporting Period, the Group's employee turnover rate was 11.98%, and the employee onboarding rate was 14.88%. For more details on the Group's employee turnover rate and employment rate by different categories, please refer to the social indicators performance in the "Summary of Key Performance Indicators".





## EMPLOYMENT COMPLIANCE

The Group is committed to creating a fair and transparent work environment. In accordance with the “Labour Law of the People’s Republic of China” and the “Labour Contract Law of the People’s Republic of China”, we have developed a detailed labour contract management system to ensure that the rights and interests of all employees are protected. This system covers the entire process of signing, changing, renewing, terminating, and ending labour contracts, aiming to establish stable and lawful labour relations.

## RECRUITMENT

The Group has established the “Employee Recruitment and Employment System” which strictly follows standard recruitment procedures. This ensures optimal allocation of human resources in line with our strategic goals. The system covers all recruitment activities and ensures compliance with all applicable laws and regulations. The administrative office is responsible for the unified release and management of recruitment information in terms of content and format. We select outstanding talent through internal and external channels such as internal recommendations, online recruitment, talent markets, and partnerships with educational institutions. The recruitment process follows a dual assessment principle. Candidates must be evaluated jointly by the employing department and the administrative office before being hired. From recruitment needs analysis to employee employment, we have developed a complete process, including interviews, selection, and probation periods, ensuring a high degree of compatibility between talents and positions.

## EQUAL EMPLOYMENT AND ANTI-DISCRIMINATION

The Group has established the “Anti-discrimination and Harassment Policy” to create a fair and just work environment, ensuring that there is no discrimination in recruitment, compensation, training, promotion, or dismissal. Discrimination is defined as unequal treatment not based on job performance. The Group emphasises equal treatment of all candidates during recruitment, prohibiting gender-based hiring standards or rejection of disabled applicants (unless their health condition prevents it). The Group upholds the principle of equal pay for equal work and provides promotion opportunities to all outstanding employees, regardless of gender or nationality, while protecting employees from unlawful dismissal. At the same time, the Group respects employees’ religious freedom and strictly prohibits sexual harassment in the workplace. The administrative office is responsible for formulation, implementation, and handling of complaints related to these policies. Each department promotes and enforces these regulations. Huixin Energy and Xingxing Energy have also set up complaint email addresses for this purpose (huixinhr@126.com and xxnyxzb@163.com), respectively. Confirmed cases of discrimination or harassment are addressed through education, correction, or legal action, depending on the severity, to maintain good work order and protect employee rights.

## FORCED LABOUR

The Group upholds fairness and voluntariness, firmly opposing any form of forced labour. We have implemented the “Policy on Preventing Forced Labour”. We ensure no coercion or deception during recruitment. During the recruitment process, candidates are provided with essential information about the Group. All agreements signed between employees and the Group are based on voluntary principles.

## ELIMINATING CHILD LABOUR

The Group has established the “Policy on Prohibiting Child Labour and Remedial Measures for Misuse of Child Labour”. We strictly review the recruitment process to verify candidates’ age and prevent the misuse of child labour. If such a case is found, we immediately terminate the employment and ensure that the child undergoes a comprehensive medical examination to safeguard their health, and arrange for guardians to care for the child and also cover the related expenses. To ensure the child’s right to compulsory education, we actively track their educational status and provide financial assistance until they complete their compulsory education.

## EMPLOYEE RIGHTS

### REMUNERATION

The Group adheres to a people-oriented value system and has established a comprehensive remuneration and benefits management system. The system aims to ensure fairness and market competitiveness through a scientific and reasonable compensation structure, motivating employees to be proactive and creative. The compensation system emphasises alignment between employee contributions and the Group’s strategy while considering market dynamics and regulations, promoting a win-win development for both employees and the Group.

The compensation and benefits management system follows these principles:

<b>Position Value Orientation</b>	Ensure compensation aligns with job worth, reflecting responsibilities and contributions
<b>Performance Orientation</b>	Link performance evaluation results with compensation to incentivize high performance
<b>Prioritising Efficiency with Fairness</b>	Ensure employees’ efforts are fairly rewarded
<b>Sustainable Development</b>	Coordinate with the Group’s strategy and overall benefits to support long-term development
<b>Market Orientation</b>	Ensure competitive compensation levels to attract and retain top talent

Highlights of the compensation system design:

### Compensation System Highlights

#### Compensation Structure

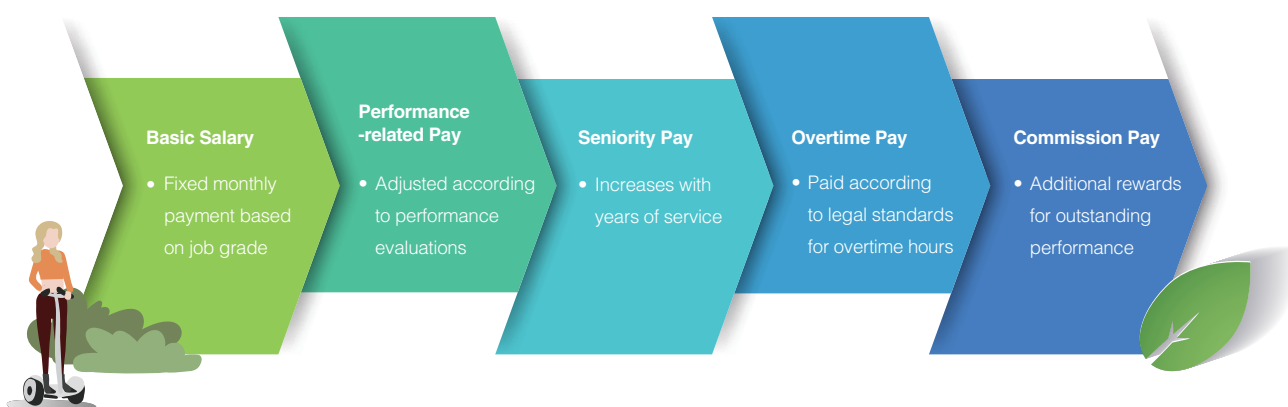
Adopt five salary grades based on job value, featuring a broad range of design to ensure personalized allocation.

#### Compensation Distribution and Adjustment

Clear guidelines for monthly-based salary, annual payment, and basic monthly salary algorithms, with regular growth ratios and flexible adjustments.

#### Annual and Non-annual Salary Management

Vice president level and above receive fixed compensation and annual bonuses, while others are adjusted based on function and performance.



## BENEFITS

The Group strictly complies with national laws and regulations such as the “Social Security Law of the People’s Republic of China” and the “Labour Law of the People’s Republic of China”. It provides employees with a comprehensive compensation structure and various welfare benefits, to ensure the full contributions to pension insurance, work injury insurance, unemployment insurance, medical insurance, and maternity insurance, as required by law, along with housing provident fund deposits. In addition to statutory benefits, we offer employees other benefits including holiday bonuses, free cafeteria meals, and staff dormitories.

#### Statutory Benefits



- Five Social Insurances and One Housing Fund: Pension insurance, work injury insurance, unemployment insurance, maternity insurance, medical insurance, housing provident fund
- Paid Leave: Statutory paid leave, statutory annual leave, marriage leave, maternity leave, funeral leave, prenatal examination leave, paternity leave, breastfeeding break, etc.

#### Extra Benefits



- Training, birthday gifts, cafeteria, team-building activities, sports competitions, etc.



## EMPLOYEE COMMUNICATION

The Group values communication among employees and strives to build harmonious and stable labour relations, besides safeguarding employees' right of speech. To achieve this, the Group has established diverse communication channels, including suggestion boxes and email systems, encouraging employees to proactively provide feedback or suggestions to departments for prompt resolution of any issues. The Group listens to employee voices, promotes innovative thinking, and recognises outstanding ideas adopted through a performance reward mechanism.

## TRAINING AND DEVELOPMENT

To enhance employees' skills and help them grow in their careers, the Group has developed detailed training programmes covering all types of staff from senior management to frontline operators, ensuring tailored training for each position. The training content is extensive and thorough, encompassing national safety production policies, laws and regulations, safety production techniques, management skills, emergency response plans, occupational health and safety, and more. The Group's training is managed jointly by the administrative office, training department head, and training instructor to ensure smooth implementation.

### Administrative Office

- Responsible for organizing and arranging the formulation and implementation of employee training programmes
- Conducts evaluations on training effectiveness and maintains training records
- Coordinates with relevant departments for organizing and updating training materials
- Assists various department heads in establishing talent echelon development plans

### Training Department Head

- Assists the administrative office in conducting training and encourages department staff to actively participate
- Responsible for formulating and implementing specific training programmes for department staff
- Oversees talent development within the department

### Training Instructor

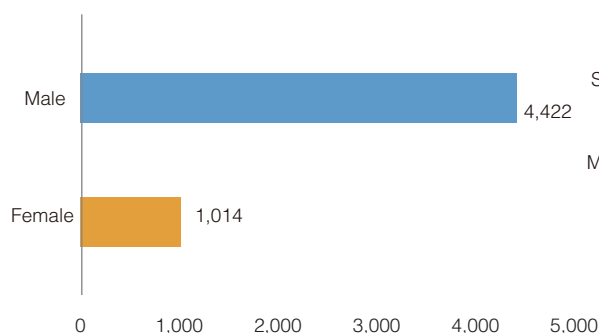
- Assists department heads in implementing department-specific training programs
- Ensures timely updates and reporting of departmental training content



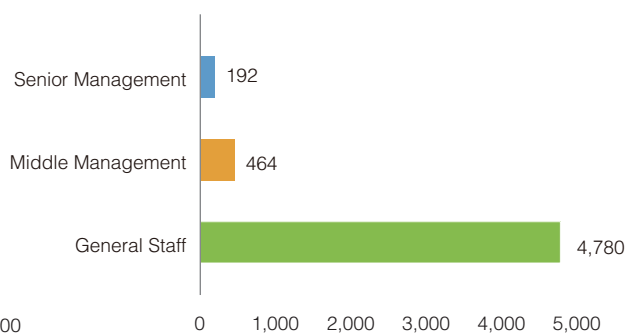
## PEOPLE-ORIENTED

During the Reporting Period, the Group's training coverage reached 100% of employees, and the aggregate training hours were 5,436 hours. For more details on the distribution of trained employees and training hours, please refer to "Social Indicators Performance" in the "Summary of Key Performance Indicators".

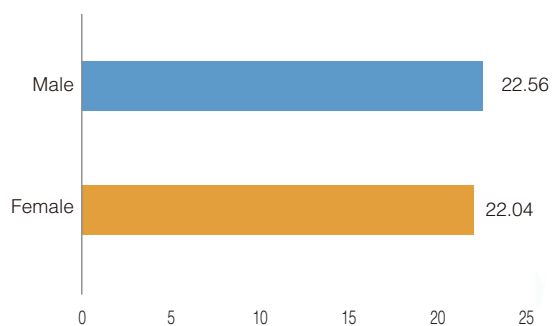
**TOTAL TRAINING HOURS BY GENDER (HOURS)**



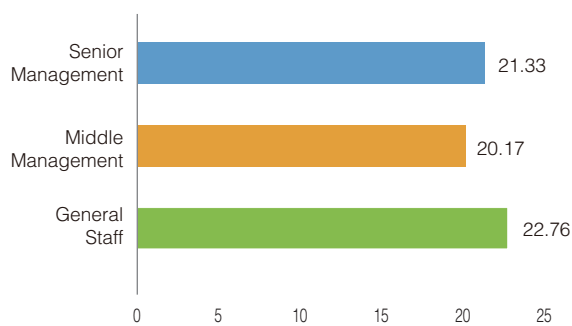
**TOTAL TRAINING HOURS BY RANK (HOURS)**



**AVERAGE TRAINING HOURS BY GENDER (HOURS)**



**AVERAGE TRAINING HOURS BY RANK (HOURS)**



In addition to providing internal training, the Group encourages employees to participate in external training by offering subsidies. We reimburse a portion of tuition fees for employees who successfully pursue postgraduate studies. For professional and technical experts, key business personnel, and middle to senior management, the Group provides opportunities to attend specialised skills and management training programmes at domestic and international institutions and schools. By combining internal and external training, we systematically provide employees with professional and general training to supplement and update their existing knowledge and skills.

<b>Elaborate on Training Requirements:</b>	<ul style="list-style-type: none"> <li>Develop tailored training programs suitable for the content of the workshop training in accordance with the actual situation of the workshop to enhance training relevance</li> </ul>
<b>Diverse Training Methods and Approaches:</b>	<ul style="list-style-type: none"> <li>Employ various training formats and techniques according to participants' knowledge levels, combining theoretical explanations with hands-on practice to help employees more easily grasp and standardize their operations</li> </ul>
<b>Analyze and Improve Training Effectiveness:</b>	<ul style="list-style-type: none"> <li>Conduct post-training evaluations to assess participant satisfaction and understanding of the course content, facilitating future improvements in training content, programs and methods</li> </ul>

## OCCUPATIONAL HEALTH AND SAFETY

The Group regards employees' occupational health and safety as one of its important corporate responsibilities. We strictly comply with the "Production Safety Law of the People's Republic of China" and the "General Rules on Safety Standardization of Hazardous Chemicals Enterprises", along with other laws and regulations related to occupational health and safety. By setting, regularly reviewing and updating relevant targets, we ensure their continued suitability and effectiveness. In the production safety operation, the Group adheres to the principles of "safety and prevention first, comprehensive management, full participation, and continuous improvement", practices comprehensive policies and operating procedures to establish a secure and healthy working environment for all employees. In the past three years, there have been no incidents of lost work days or work-related fatalities attributable to work injuries.

## OCCUPATIONAL HEALTH AND SAFETY OBJECTIVES

- Zero occupational disease cases
- Zero fatalities or serious injuries
- Zero poisoning, major combustion and explosion accidents
- Zero major special equipment accidents
- 100% certified employees

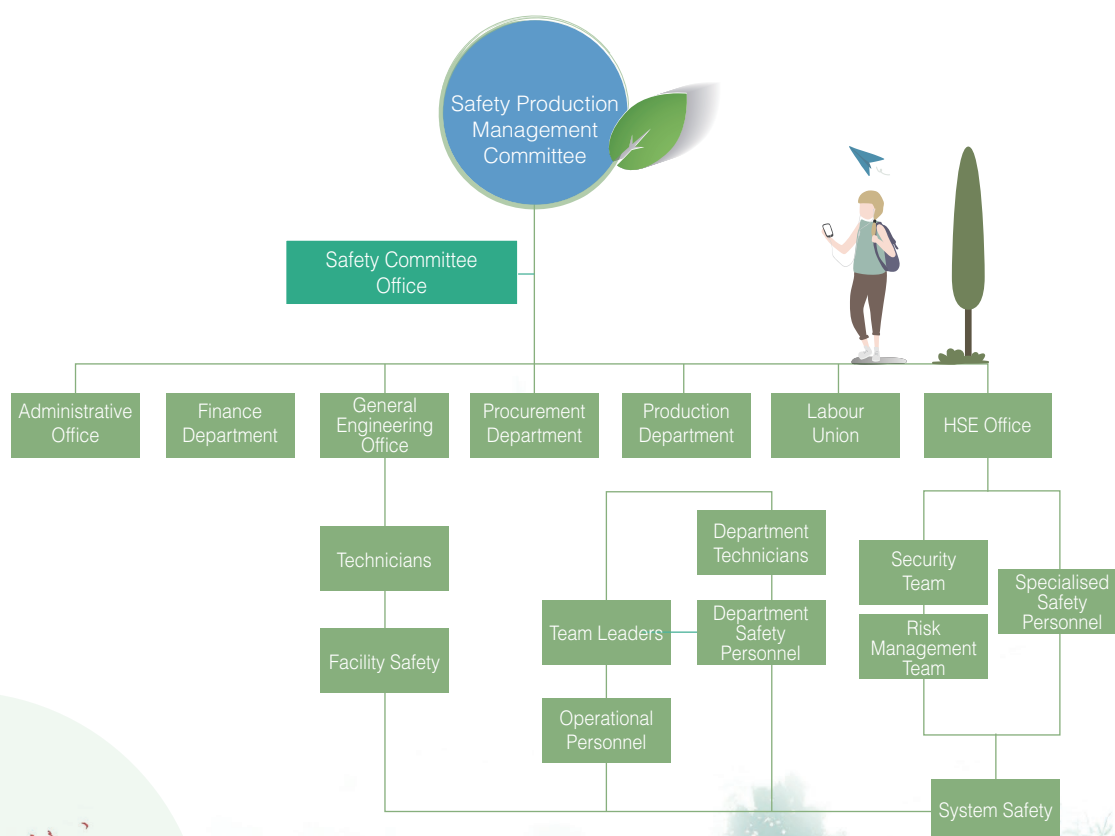




## SAFETY GOVERNANCE SYSTEM

To strengthen the management of occupational health and safety and to minimize the occurrence of occupational health and safety accidents, the Group continuously improves the relevant systems. Through regular reviews and revisions, we continuously strengthen our safety management system. We provide employees with the “Employee Safety Knowledge and Skills Manual” to enhance their awareness of production safety protocols and improve their production skills. During the Reporting Period, we continued to use the “Occupational Health Management System” and updated the “Compilation of Health, Safety and Environment (“HSE”) Management System”, “Compilation of Production Safety Management Systems”, and “Compilation of Safety Management Systems”. These updates clarified the organisational structure and related governance measures for production safety management and fire safety management, specifying provisions for risk hazard identification, hazardous chemicals safety management, contractor management, and special operations.

The Group continues to improve its safety management structure, ensuring that security responsibilities at all levels are put in place through dedicated personnel and cross-departmental collaboration mechanisms, so as to jointly maintain a comprehensive security protection network, effectively prevent various risks and potential hazards, and continuously enhance the effectiveness of security management and emergency response capabilities. The HSE Office is mainly responsible for revising the relevant rules and monitoring their implementation, as well as promptly revising them based on the monitoring results. Every department is responsible for supervising on-site safety in its jurisdiction and the safety of personnel entering the region, reporting to the HSE Office in a timely manner. Additionally, to address potential production safety emergencies, the Group has established an emergency leadership group led by the General Manager. This group, in collaboration with various departments, conducts swift and efficient emergency rescue operations to minimise the potential harm caused by emergencies.






The Group has a comprehensive management system covering personnel safety, equipment safety, and operational site safety management, with the commitment to ensure maximize production safety. New employees must complete three levels of safety education and pass assessments before starting work in their positions. Operators are required to hold a “Safety Technical Operation Certificate”. Personnel involved in the operation of hazardous chemicals, electrical work, lifting, transportation, boilers, welding and cutting, pressure vessel and other special equipment operations, as well as safety production management, must obtain the “Hazardous Chemical Practitioner Qualification Certificate”, “Special Operation Personnel Certificate”, and “Safety Management Qualification Certificate”. This ensures that all operations and management activities are conducted in compliance with the strictest safety regulations. Additionally, the Group regularly conducts emergency drills to test and optimise the effectiveness of established contingency plans, and optimizes plans according to actual circumstances, thereby enhancing employees’ ability to respond to emergencies and improving the overall emergency response level.



Based on the characteristics and hazardous factors of the facilities, we conducted various accident drills in April, June, and July 2024, and June 2025, in accordance with the accident emergency rescue drill plan, including but not limited to the “2024 Comprehensive Drill for Major Hazard Source LNG Storage Tank Accident”, “2024 Emergency Evacuation Drill for Refrigerant Storage Tank Leakage Accident” and “2025 Comprehensive Emergency Plan Drill”.

To ensure that workers receive appropriate medical care if they get injured or fall ill, the Group has set up a community clinic responsible for providing daily and emergency medical services for the staff within the community. At the same time, the Group has developed an emergency plan system consisting of comprehensive emergency plan and on-site handling plans for different accident scenarios, clearly defining the responsibilities of each department and personnel before, during and after an incident.

<p><b>Prevention</b></p> 	<ul style="list-style-type: none"> <li>• Include prevention of occupational hazards in project construction considerations</li> <li>• Analyze sources of hazards and risks in the working environment</li> <li>• Perform annual testing and identification of occupational hazard factors, and evaluate the effectiveness of occupational health control measures every three years</li> </ul>
<p><b>Production Inspection</b></p> 	<ul style="list-style-type: none"> <li>• Strengthen workplace inspections and perform regular maintenance checks on production systems and equipment</li> <li>• Regularly inspect and ensure that employees are proficient in the correct use of personal protective equipment and emergency equipment</li> <li>• Improve emergency response and handling procedures</li> </ul>
<p><b>Review Assessment</b></p> 	<ul style="list-style-type: none"> <li>• Encourage all employees to engage in safety and health initiatives and actively offer suggestions</li> <li>• Update internal safety regulations in a timely manner based on statistical analysis of past performance in the implementation of relevant policies</li> </ul>

## OCCUPATIONAL DISEASE PREVENTION

The Group adheres to the policy of “prioritising prevention, integrating prevention and control, categorised management and comprehensive management”, while implementing the management system of “company supervision, department response, hierarchical management, and regular evaluation”. General managers of each company act as occupational health management leaders, comprehensively overseeing the prevention and control of occupational hazards. The Group regularly commissions the third-party institutions to conduct on-site testing of the concentration/intensity of occupational disease hazards and to issue current status evaluation reports. These evaluations assess the effectiveness of occupational disease prevention measures and health management measures, providing a basis for the day-to-day management of occupational disease prevention.

The Group has established a comprehensive system to manage and avoid potential occupational disease hazards. The Group's HSE Office oversees and manages occupational health work. We report the occupational hazard prevention plan and its implementation progress at the annual employees' representatives meeting, and actively listen to employees' opinions, ensuring that relevant departments promptly address reasonable suggestions and legitimate requirements.

### Occupational Health Management Related Systems

- Occupational Disease Hazard Prevention Responsibility Management System
- Occupational Disease Hazard Notification and Warning System
- Occupational Disease Hazard Project Declaration System
- Occupational Disease Prevention and Education Training System
- Occupational Disease Protection Equipment Maintenance and Inspection System
- Occupational Disease Protection Products Management System
- Occupational Disease Hazard Monitoring and Evaluation Management System
- Occupational Disease Hazard Incident Response and Reporting System

### Main Measures for Occupational Safety and Health Prevention Measures

- An annual employee occupational health examination is conducted, ensuring prompt adjustment of work arrangements for individuals with occupational contraindications, effectively removing them from the source of occupational hazards;
- Prominent display of warning signs for occupational disease hazards at work sites, providing welders with necessary protective equipment, installing ventilation systems, and assigning dedicated personnel for monitoring purposes;
- The Group reinforces occupational disease hazard training for operators, actively disseminates occupational health knowledge, urges employees to adhere to the laws and regulations on the prevention and control of occupational diseases, and occupational operation protocols, and guides them in the correct usage of occupational disease protection and personal protective equipment;
- All departments undertake occupational hazard awareness campaigns through bulletin boards, billboards, meetings, training sessions, and labelling initiatives to enhance employees' understanding and awareness of occupational disease prevention.

For employees engaged in special operations, the Group has implemented targeted protective measures. For instance, local exhaust ventilation is installed at electric welding work sites to ensure that concentration of harmful substances in the air is below national health standards. We require employees engaged in noisy, toxic, and hazardous operations to wear personal protective equipment correctly and to have their work hours reasonably arranged to reduce exposure risks. Employees involved in hazardous operations undergo regular health examinations, and their medical reports are properly filed to continuously monitor and protect their health.



## SAFETY TRAINING

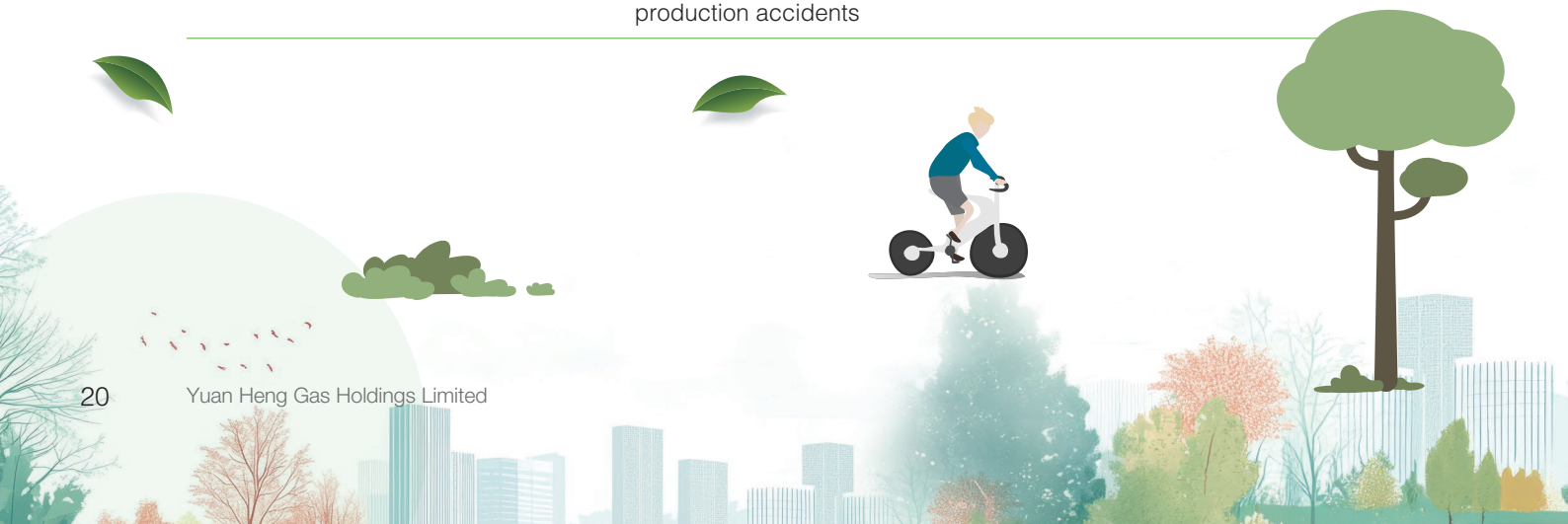
To establish and maintain a safe working environment, the Group endeavors to enhance employees' safety awareness and their ability to address safety issues by organising multi-level and diverse safety training. In accordance with policies and regulations such as the "Regulations on Safety Training of Production and Operation Units (Order No. 3 of the State Administration of Work Safety)", the "Production Safety Responsibility System", the "Inspection and Maintenance and Special Operation Regulations" issued by State Administration of Work Safety of the PRC, and in conjunction with the requirements of "Fire Protection Theory and Practical Knowledge Training", "Safety Warning Education", and the "Production Safety Law", the Group organises centralised safety education and training programmes for all employees, to help employees promptly identify and properly handle safety hazards in the course of actual work.

### Training implementation and participating units

- **The Office (Human Resources)** is tasked with incorporating the employee safety education and training plan into the annual overall training plan and assisting the HSE Office in organising, managing, and controlling safety training
- **The HSE Office** is responsible for creating, executing, and evaluating the Company's annual safety education and training plan
- **New employees** are obligated to participate in safety training
- **Contractors** must conduct safety education and training for their workers
- **Other relevant departments** are responsible for providing safety training, skill training, and training for non-compliant employees
- **Each team** is accountable for team-level safety education, skills training, and specialised safety skills training

### Main training programmes

- **Basic and specialised training:** Induction training for responsible and full-time safety management personnel, training for new employees, regular training for those handling special operations and special equipment, and "Four New" (new processes, new technologies, new materials, new equipment) training
- **Contractor and external personnel training:** Contractors and external personnel must undergo on-site safety education and training, facilitated by the HSE Office in collaboration with the Group's docking department. The training curriculum covers the requirements outlined in national safety production laws and regulations, safety production management system, specific characteristics and nature of safety production, workplace risk factors, necessary safety precautions, and prevention and emergency measures for safety production accidents





## GREEN OPERATION

The Group continues to explore new paths for sustainable development, improving its environmental management system, and using more of energy-saving and emission-reduction technologies to achieve harmony between enterprise growth and nature. We remain committed to developing a low-carbon economy and enhancing our adaptability to climate change, contributing to the national “carbon peaking and carbon neutrality” goals. At the same time, to integrate sustainable development into our business operations, the Group allocates the necessary funds for pollution prevention in our fixed assets investment plans.


## ENVIRONMENTAL MANAGEMENT

The Group strictly complies with the latest national and local policies, laws and regulations. In line with the Group's actual situation, a series of internal management systems have been formulated, including but not limited to the “Environmental Protection Responsibility System”, the “Environmental Information Disclosure System”, the “Environmental Protection Inspection and Reporting System”, and the “Responsibility System for Prevention and Control of Environmental Pollution by Solid Waste”. These systems are continuously improved to clearly define relevant management responsibilities and mechanisms.

### Environmental Protection Responsibility System

- The General Manager is the primary responsible person for the Group's environmental protection and assumes overall responsibility for the Group's environmental protection work
- The leaders of each department are the primary responsible person for environmental protection in their respective departments and are required to understand and implement applicable laws, regulations and standards and execute the Group's environmental management system
- The HSE Office is responsible for organizing the implementation of long-term environmental protection plans and annual plans for environmental protection, preparing and reporting plans for environmental protection measures, and supervising the implementation

### Environmental Information Disclosure System

- The HSE Office is responsible for collecting the environmental information required to be disclosed
  - Pollutant discharge information, construction and operation of pollution prevention facilities, environmental impact assessment of construction projects and other environmental protection administrative licenses, emergency plans for environmental emergencies shall be disclosed to the public
- 

### Environmental Protection Inspection and Reporting System

- The HSE Office is responsible for supervising and inspecting the operation of environmental protection facilities, and the emission of “three wastes” (waste gas, waste water, and solid waste), etc.
- The operators must conduct regular, fixed-point and specific inspections in a serious and careful manner according to the route and content of the inspection tour. If any abnormal situation is found, it is mandatory to report to the supervisor promptly and actively assist in handling the issue

### Responsibility System for Prevention and Control of Environmental Pollution by Solid Waste

- Departments that collect, store, transport, utilize or dispose of waste must take measures to prevent scattering, loss, leakage or other measures to prevent environmental pollution
- The waste storage points of each department should have clear and visible signs to prevent mixed loading and transportation; waste shall not be dumped, piled, discarded or abandoned without authorization

We actively discharge our environmental protection responsibilities and have established a sound environmental management system that assigns accountability to promote green development strategies from the top down. The Group's Safety and Environment Committee is chaired by the General Manager and the heads of various departments, and with administrative leaders at all levels responsible for environmental management and protection, coordinates with various functional departments to establish a working mechanism, strengthen the regulation and guidance of environmental management for units at all levels, and jointly consolidate the environmental management system.

### Safety and Environment Committee

- Supervise and inspect the Group's environmental management work, promptly eliminate potential environmental pollution incidents, and truthfully report environmental pollution accidents
- Organize and evaluate the environmental education and training plans of various departments and establish and implement the environmental protection responsibility system
- Hold quarterly meetings of the Safety and Environment Committee, listen to the work reports of functional departments, professional safety, environmental protection and other departments, and study and resolve major issues in the operation of the management system

We strictly implement the environmental impact assessment and “three simultaneous” system for construction projects, which means that in the main production engineering of a construction project, pollution prevention and control facilities must be planned, constructed, and put into operation simultaneously.

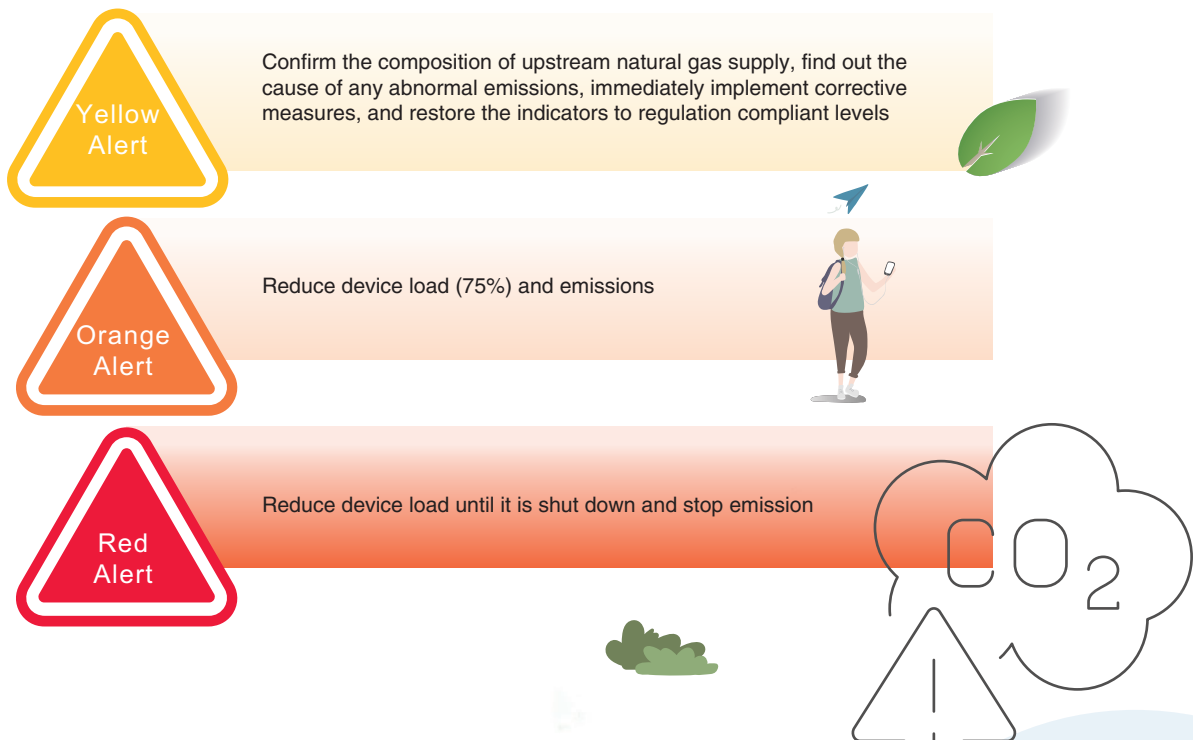
## RESPONDING TO CLIMATE CHANGE

### GOVERNANCE

The Group's management of climate-related risks and opportunities permeates all levels of its operations. As described in the "ESG Governance" section, the Group adopts a clear governance structure to address climate-related issues. The Board is responsible for overseeing and advancing the Group's ESG matters; management is responsible for identifying, assessing, and managing the Group's climate-related risks and opportunities, and must report significant climate-related risks and opportunities to the Board; and each operating unit is responsible for implementing the measures and policies formulated by management.

### STRATEGY AND RISK MANAGEMENT

We have incorporated the "carbon peaking and carbon neutrality" goals into the Group's development plan and formulated a Climate Change Policy to promote various energy-saving and emission reduction measures, set carbon emission reduction targets, and identify and manage climate change risks and opportunities, thereby adapting to and mitigating the impact of climate change on our business. To address the increasing risks of climate change, the Group has implemented special work arrangements and precautionary measures under severe or extreme weather conditions. In the event of extreme weather events (e.g., high temperature weather or low temperature, rain, snow, and freezing weather), we will assess the severity of the situation, guide the leaders of different departments to cooperate with subordinate employees, and take appropriate actions according to the corresponding emergency plans and policies to protect personal safety and company property. Based on the characteristics of the Group's business operations, we have set up three levels of warnings and corresponding countermeasures to avoid matters that would have a severe impact on climate change:





We continuously monitor the impact of climate change risks and opportunities on the Group's business, and regularly review identified climate change risks and opportunities, as well as update the corresponding response measures. The Group plans to fully incorporate climate risks into its enterprise risk management process to orderly address the impacts of climate change. Climate-related risks during FY2025 are summarized as follows:

Type	Description of Risks	Potential Impacts	Response Measures
<b>Physical Risks</b>			
<b>Acute</b>	<ul style="list-style-type: none"> <li>Frequent extreme weather events, such as typhoons, heavy rain, floods, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in revenue due to decrease in production capacity</li> <li>Damage to operating pipeline networks and equipment, affecting the stability of gas supply</li> <li>Potential supply chain disruptions may result in issues such as business interruptions, involving breaches of contract, compensation, and legal liabilities</li> <li>Affect employee safety and the production environment, and increase employee health risks</li> </ul>	<ul style="list-style-type: none"> <li>Establish a weather monitoring system in the factory to respond to extreme high temperature risks in a timely manner</li> <li>Formulate emergency and recovery plans for extreme weather conditions such as typhoons to ensure employees' safety and the production environment</li> <li>Protect and optimize pipeline network design and material selection, strengthen the disaster resistance of facilities, and improve their risk resistance level</li> <li>Achieve diversified supply sources and reduce reliance on a single region</li> </ul>
<b>Chronic</b>	<ul style="list-style-type: none"> <li>Long-term extreme high temperature weather</li> <li>Sea level rise</li> <li>Average temperature rise</li> </ul>	<ul style="list-style-type: none"> <li>Flooding of facilities may cause production interruptions or asset losses, increasing maintenance and protection costs</li> <li>Increased frequency and intensity of extreme weather events such as heatwaves, droughts, and fire</li> <li>High temperatures affecting production efficiency and employee health</li> <li>Reduced gas demand due to a decrease in winter gas supply facilities</li> </ul>	<ul style="list-style-type: none"> <li>Conduct risk assessments for sea level rise, identify affected facilities and areas, and develop response strategies for sea level rise, such as relocating to higher altitude areas</li> <li>Enhance the climate resilience of the supply chain</li> <li>Implement response measures such as facility ventilation and cooling equipment</li> <li>Explore diversified business models, such as integrated energy, to balance seasonal demand changes</li> </ul>



Type	Description of Risks	Potential Impacts	Response Measures
<b>Transition Risks</b>			
<b>Policies and Laws</b>	<ul style="list-style-type: none"> <li>• More stringent government regulations and policies</li> <li>• Restrictions on the use of fossil fuels in business</li> </ul>	<ul style="list-style-type: none"> <li>• Stricter regulatory requirements for environmental information disclosure lead to increased compliance costs</li> <li>• Price fluctuations in carbon trading may also increase the cost of emissions reduction investments for enterprises</li> <li>• Effective management of environmental performance of business to ensure compliance, otherwise there will be litigation risks</li> </ul>	<ul style="list-style-type: none"> <li>• Closely monitor policy developments and actively participate in the formulation of industry-related policies</li> <li>• Invest in clean technologies and energy efficiency improvements to reduce carbon emissions</li> <li>• Review and consult with advisors on compliance policies and procedures, and timely resolve potential litigation risks</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Low-carbon transformation costs, including equipment procurement and upgrading of equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing the development of energy-saving and emission-reduction technologies will increase human resources and capital costs</li> <li>• Exploration and development of digital technologies will bring additional capital and human resource costs</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct research on green and low-carbon technologies, and collaborate with research institutions and universities</li> <li>• Promote digital transformation to enhance the intelligence level of production management</li> </ul>
<b>Market</b>	<ul style="list-style-type: none"> <li>• Changes in market and downstream demand</li> <li>• Rising cost of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• Increased demand from the market and downstream customers for green and low-carbon energy solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Promote energy supply models that integrate multiple clean energies, including renewable energy</li> </ul>
<b>Reputation</b>	<ul style="list-style-type: none"> <li>• Increased stakeholder concern or negative feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to meet emission reduction commitments or the occurrence of negative incidents such as severe emission incidents may damage the Company's reputation and brand image</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the internal carbon emission management framework, regularly review emission reduction progress, and disclose it externally</li> <li>• Actively engage in communication and dialogue with stakeholders and the public</li> </ul>



## GREEN OPERATION

At the same time, climate change also brings new development opportunities to the Group. We actively explore new technologies and new models, and actively embrace the opportunities for clean energy development brought by the low-carbon transition.

Climate-related Opportunities		Opportunity Description
<b>Energy Sources</b>	<ul style="list-style-type: none"> <li>Use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Increase the use of renewable energy and reduce reliance on traditional energy</li> <li>Promote clean production technologies and provide clean energy products</li> <li>Reduce the Group's operating costs and increase social benefits</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>Improve energy use efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Use low-energy consumption equipment and develop energy-saving process technologies to improve energy efficiency in business operations, effectively reduce operating costs, and enhance corporate competitiveness</li> <li>Expand the development and use of clean energy, green power procurement, etc., to help reduce energy costs</li> </ul>
<b>Products and Services</b>	<ul style="list-style-type: none"> <li>Adopt low-carbon emission products</li> </ul>	<ul style="list-style-type: none"> <li>Increase revenue by meeting users' demand for low-carbon energy</li> </ul>

## INDICATORS AND TARGETS

The Group adopts a targeted measurement system to assess climate-related risks and opportunities. For FY2025, the Group has identified greenhouse gas ("GHG") emissions and energy consumption as core indicators that are significant and operationally critical to climate risk governance. The Group continuously monitors and discloses these environmental key performance indicators, providing annual progress reports to ensure information transparency and comparability. For more details, please refer to the "Emissions" section under "Caring for the Environment".

## GHG EMISSIONS

During the Reporting Period, we further standardised the norms and methods for GHG emissions in accordance with the "Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by China's Oil and Gas Production Enterprises" and "Greenhouse Gas Protocol" and other accounting guidelines, and regularly calculated the GHG emissions at Operating Stations.

The GHG emissions generated by the Group's business operations include direct (scope 1) GHG emissions from fuel consumption of factories and vehicles, indirect (scope 2) GHG emissions from electricity usage, and indirect (scope 3) GHG emissions from employee business travel and waste paper disposal. During the Reporting Period, the Group's total GHG emissions were 137,586.86 tonnes of carbon dioxide equivalent, with direct (scope 1) GHG emissions being approximately 25,880.29 tonnes of carbon dioxide equivalent, indirect (scope 2) GHG emissions being approximately 111,683.46 tonnes of carbon dioxide equivalent, and indirect (scope 3) GHG emissions being approximately 23.11 tonnes of carbon dioxide equivalent, resulting in a total emission intensity of 0.42 tonnes of carbon dioxide equivalent per tonne of liquefied natural gas. The GHG emissions mainly come from electricity usage, accounting for about 81% of the total GHG emissions.

To actively promote GHG emissions reduction policies, the Group has set GHG emissions reduction targets for FY2025 based on previous GHG emissions. During the Reporting Period, the GHG emissions from the Group's production facilities are mainly attributable to oil and gas business emissions and flare burning. The emissions from the oil and gas business are constrained by upstream gas supply units due to the Group's oil and gas processing business's GHG emissions, making it impossible to set emission targets. Components that affect gas quality are complex and fluctuate greatly, making it impossible to set emission targets. For the flare burning part, to ensure that the exhaust gas can be fully burned under accident conditions, the flare must be kept in a constantly burning state, making emissions reduction unfeasible.

GHG Emissions (Unit: tonnes of carbon dioxide equivalent)				
	2024/25		2023/24	
	Xingxing Energy	Huixin Energy	Xingxing Energy	Huixin Energy
Scope 1	13,042.22	12,838.07	17,835.01	14,319.02
Scope 2	60,877.71	50,805.75	58,996.60	48,419.04
Scope 3	2.33	20.78	N.A.	N.A.

## EMISSIONS MANAGEMENT

The Group strictly complies with the "Environmental Protection Law of the People's Republic of China" and other relevant laws and regulations, continuously improves its internal emissions management system, and accelerates the promotion of green and high-quality development of the enterprise. The Group continues to strengthen exhaust gas management, continuously increases investment in technological innovation, and implements atmospheric pollution prevention work. Additionally, we regularly test pollution sources and accurately control air pollutant emissions at Operating Stations. The Group's air pollutants mainly come from the production process. All air pollutants generated during the production process are burned in the flare system. The gases produced mainly include carbon dioxide, water vapour, and a small amount of nitrogen oxides, which do not affect the surrounding environment.

Air Emissions (Unit: kg)				
	2024/25		2023/24	
	Xingxing Energy	Huixin Energy	Xingxing Energy	Huixin Energy
Nitrogen oxides – stationary pollution sources <sup>1</sup> (factory exhaust)	789.36	3,912.30	3,296.95	2,102.00
Nitrogen oxides – mobile sources (vehicle exhaust)	31.28	130.23	17.92	8.89
Sulfur oxides	0.56	1.88	0.18	0.15
Particulate matter	2.80	12.28	1.39	0.65

<sup>1</sup> Includes emissions from purification units and utilities



## ENERGY EFFICIENCY

We are committed to continuously reducing the energy consumption at our project operations, strictly complying with the Measures for the Administration of Energy Conservation of Key Energy-consuming Units, formulating energy management policies, and establishing corresponding responsibilities for various levels of energy-saving supervision institutions. In FY2025, we continued to apply various technologies and strategies to improve energy utilisation efficiency, including phasing out outdated motors, scientifically planning energy use, and enhancing energy management levels.

To improve energy management efficiency, the Group has established an energy-saving and emission reduction working group in Xingxing Energy, which is led by the General Manager. The working group is responsible for formulating major strategies, guidelines and policies for energy-saving and emission-reduction work, uniformly arranging and deploying energy-saving and emission reduction work, regularly holding energy-saving meetings, coordinating and solving operational problems, and jointly promoting the achievement of energy management goals.

During the Reporting Period, the total energy consumption of the Group was 760,424.08 GJ, a decrease of 17.32% compared to the financial year ended 31 March 2024 ("FY2024"); the energy consumption intensity decreased by approximately 12.36% to 2.34 GJ per tonne of liquefied natural gas.

Total Energy Consumption (Unit: GJ)				
	2024/25		2023/24	
	Xingxing Energy	Huixin Energy	Xingxing Energy	Huixin Energy
Energy consumption	372,414.00	388,010.08	494,003.99	425,752.20

## WATER RESOURCES MANAGEMENT

The Group strictly complies with the "Water Pollution Prevention and Control Law of the People's Republic of China" and other national laws, regulations, and local policies, continuously promotes water resource conservation, and adopts active water-saving measures to improve water resource management and utilisation efficiency. During the Reporting Period, the Group did not have any issue in sourcing water.

Xingxing Energy has implemented an innovative circulating water management strategy in the plant area, effectively recycling and reusing wastewater generated during production and in daily life usage through a highly integrated water circulating system. This system not only reduces the consumption of freshwater but also ensures the stability and quality of circulated water through advanced means such as the addition of scale inhibitors and bactericides.

Moreover, Huixin Energy adopts a wastewater reuse model, widely applying treated domestic and production wastewater for winter storage and summer irrigation, as well as for greening projects within the plant area, continuously improving the efficiency of water usage in the plant area. On this basis, we have further deepened our exploration of energy conservation, emission reduction, water-saving, and efficiency improvement, continuously seeking and implementing more efficient water resource management strategies through regular water-saving diagnosis and evaluation.

Water Consumption (Unit: m <sup>3</sup> )				
	2024/25		2023/24	
	Xingxing Energy	Huixin Energy	Xingxing Energy	Huixin Energy
Groundwater	284,544	/	247,138	/
Municipal water supply	/	264,982	/	235,196
Total		549,526		482,334

## WASTE MANAGEMENT

### SOLID WASTE

The Group consistently adheres to the fundamental principles of “source classification and resource utilisation”. For disposal of all types of waste, we strictly comply with the relevant laws and regulations of the countries and regions where our business operations are located, ensuring compliant disposal of waste. We continuously strive to improve the identification procedures for hazardous waste, and are committed to continuously reducing generation of hazardous waste and its related environmental impacts.

We adopt strict management systems for solid waste and regularly conduct clean production audits, carrying out rigorous diagnostics of the production process and formulating clear waste reduction plans to minimise the impact of solid waste on the environment. Additionally, the Group requires units generating solid waste to promptly record quantitative data, flow, storage methods and disposal methods of solid waste, and report to the HSE Office monthly. During the Reporting Period, our operations generated approximately 25.12 tonnes of non-hazardous waste and 90.38 tonnes of hazardous waste<sup>2</sup> and all of this waste was disposed of by qualified third-party companies.

Solid Waste (Unit: tonnes)		
	2024/25	2023/24
Hazardous waste	90.38	24.16
Hazardous waste production intensity (tonnes/production volume of LNG per thousand tonnes)	0.28	0.07
Non-hazardous waste	25.12	21.00
Non-hazardous waste production intensity (tonnes/production volume of LNG per thousand tonnes)	0.08	0.06

<sup>2</sup> The hazardous waste generated by the Group mainly includes waste lubricants (oil) generated during inspection and maintenance (replacement), waste molecular sieves used for natural dehydration, and waste MEA solution used for removing CO<sub>2</sub>

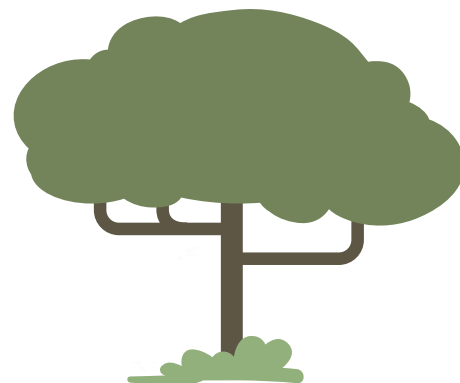
## WASTEWATER

The Group strictly complies with the “Regulations on Urban Drainage and Sewage Treatment”, the “Regulation on the Administration of Permitting of Pollutant Discharges” and other relevant laws and regulations and has formulated and implemented the “Sewage Treatment Facilities Operation Management System”, standardising wastewater treatment and discharge requirements. This includes standardised wastewater handling procedures, and regularly reviewing its business and production processes to ensure compliance with sewage discharge standards.

Wastewater generated by the Group mainly comes from domestic sewage produced in office buildings and employees living areas, as well as cooling water and sewage generated during the production process. Water used for cooling is relatively less polluted and is directly discharged into the park’s rainwater pipe network. The sewage mainly includes a small amount of oily wastewater generated during equipment cleaning and maintenance, which is treated in septic tanks and discharged into the municipal sewage pipe network along with the production wastewater.

We view wastewater management as a serious responsibility and aim to reduce reliance on freshwater while minimising external discharge of wastewater. During the Reporting Period, the Group generated a total of 212,736 tonnes of wastewater, of which Xingxing Energy and Huixin Energy generated 80,245 tonnes and 132,491 tonnes of wastewater, respectively.

Wastewater (Unit: tonnes)				
2024/25			2023/24	
	Xingxing Energy	Huixin Energy	Xingxing Energy	Huixin Energy
Wastewater	80,245	132,491	56,156	155,660



## GREEN OFFICE

The Group has incorporated the concept of green environmental protection in its work practices. The Group encourages employees to engage in environmental protection in daily operations. Through extensive publicity, education, and training activities, we strive to raise employees' awareness and consciousness of energy conservation and environmental protection, encouraging them to conserve electricity, conserve water, and reduce waste generation in their work and life. Moreover, the Group is committed to building a green office, adopting energy-saving equipment, optimising resource utilisation, and achieving green, low-carbon, and sustainable development. Requirements of laws and regulations such as the "Energy Conservation Law of the People's Republic of China" and the "Cleaner Production Promotion Law of the People's Republic of China" and the Group's own circumstances have been taken into account for formulation of detailed regulations such as the "Company Water, Electricity, and Gas Usage Management Regulations" and the "Trial Measures for the Management of Office Paper", which help minimise damage to the environment through a series of measures and ensure that every aspect complies with green environmental protection requirements.

### Water and Electricity Conservation

- During the day, the office does not turn on lights, and uses natural light as much as possible;
- The lights in public corridors and restrooms are turned on and off as needed;
- Computers, printers, water dispensers, and other electrical appliances in each department are turned off and the power is cut off before leaving the office;
- Water taps are run on slower flow, and turned off immediately after use. The water supply equipment is frequently checked to avoid waste of water caused by running, overflowing, dripping and leakage of water taps.

### Paperless Office

- Printing and copying of draft documents are reduced as much as possible, giving full play to the role of office automation equipment;
- Subject to safety and confidentiality, double-sided use of paper is advocated;
- Circulation of documents is maximised to reduce photocopying;
- Materials are modified as much as possible on computers to reduce repeated printing.

### Reducing Travel

- Reduce the expenses of meetings and official receptions. Following the principles of "simplification, efficiency, and economy", meetings that can be avoided are canceled, and the number of participants and duration of necessary meetings are shortened as much as possible. For cross-regional meetings, video and telephone conferencing are adopted as far as possible;
- Minimize the use of motorized vehicles and go out to work with other staff as far as possible.

Rational and efficient use of resources is an indispensable step toward sustainable development. The Group puts heavy emphasis on resource consumption and the resulting environmental impact of operations of each unit, actively advocating and promoting green office, and striving to implement energy conservation and environmental protection in daily operations of the Group.





## RESPONSIBLE SUPPLY CHAIN

The Group has always adhered to the business philosophy of “quality first, user first and win-win cooperation”. Through continuous optimisation of supply chain management, strengthening customer service, and ensuring product safety and reliability, the Group strives to not only provide high-quality energy services to its customers but also actively fulfil its corporate social responsibility and promote sustainable development of the entire industry. As a leading sustainable clean energy group in China, the Group is committed to integrating the concept of sustainable development into its supply chain management, striving to enhance the ESG performance of the Group's suppliers, to achieve long-term sustainable development of the industrial chain.

## SUPPLIER MANAGEMENT

The Group continuously focuses on sustainable supply chain management, to maintain stability and sustainability of the supply chain, drive the long-term sustainable development of the industrial chain, and strengthen transparency and accountability of the supply chain, thereby laying a solid foundation for the Group's sustainable development. The Group has established internal policies, and their key contents are shown in the figure below. The Group evaluates and assesses the overall qualifications and credit performance of suppliers based on internal policies and documents shown in the figure, providing a detailed guidance for selection and evaluation of suppliers.

<b>Procurement Management System</b>	<ul style="list-style-type: none"><li>• Define the Group's procurement process, reducing procurement costs and improving procurement efficiency</li><li>• Define the responsibilities of the departments involved in procurement</li><li>• Define the procurement process</li></ul>
<b>Supplier Performance Evaluation Form</b>	<ul style="list-style-type: none"><li>• Periodically evaluate the performance of suppliers to ensure integrity of the Group's supply chain</li></ul>
<b>Supplier Risk Periodic Evaluation Form</b>	<ul style="list-style-type: none"><li>• Evaluate and judge the quality, delivery period, price, and service of suppliers</li></ul>
<b>Supplier Directory, Qualification Approval, Selection and Reuse, Evaluation and Risk Identification Form</b>	<ul style="list-style-type: none"><li>• Regularly evaluate the supplier's qualification approval status, selection and reuse status, risk assessment status, and evaluation qualification status to help the Group effectively identify the supplier's performance</li></ul>
<b>Supplier Risk Management</b>	<ul style="list-style-type: none"><li>• Improve the stability of the supply chain and reduce the risks of suppliers in terms of quality, cost, delivery period, technology, and service</li><li>• Establish a risk assessment process</li><li>• Locate sources factors of risk and define the responsibilities of the risk assessment team</li></ul>
<b>Contractor Directory, Qualification Approval, Selection and Reuse, Evaluation and Risk Identification Form</b>	<ul style="list-style-type: none"><li>• Regularly evaluate the contractor's qualification approval status, selection and reuse status, risk assessment status, and evaluation qualification status to help the Group effectively identify the contractor's performance</li></ul>
<b>Supplier Environmental Identification and Social Risk Response</b>	<ul style="list-style-type: none"><li>• Clearly define the categories of supplier environmental identification and risk response measures</li></ul>

In addition, the Group collects information on relevant supplier risk factors through internal policies such as the “Supplier Performance Evaluation Form”, the “Supplier Risk Periodic Evaluation Form”, and “Supplier Risk Management”, which constitute risk avoidance measures and help subsequent investigations. This reduces the risks of suppliers in terms of quality, cost, delivery period, technology, and service, thereby improving the overall stability and competitiveness of the supply chain in the industry. Furthermore, the Group reviews the quality control level of all upstream suppliers, then proceeds to score and rate them to ensure the normal and efficient operations of the supply chain management.

We profoundly recognise the importance of managing environmental and social risks in the supply chain. To manage suppliers more effectively, we have incorporated environmental and social performance of suppliers into its supplier evaluation process, in order to ensure that the business conduct of suppliers is consistent with our environmental and social responsibility policies and code of conduct. Through cooperative efforts with suppliers, the Group aims to create a more environmentally friendly and socially responsible business ecosystem.

Environmental Factors	Social Factors
Environmental management certification	Qualified Materials
Emission compliance	Quality and Price
Compliance with hazardous substance content standards	Special commodity operation license
Non-compliance and penalties	Payment methods

As of 31 March 2025, the Group had a total of 173 suppliers that provide products or services through direct business relationships, of which 101 belong to Xingxing Energy and 72 belong to Huixin Energy. All suppliers are located in mainland China.

## SUPPLIER COMMUNICATION

The Group has established an efficient model for two-way communications with suppliers to ensure smooth exchange of information between the suppliers and the purchasers. The Group communicates with suppliers through multiple online and offline channels such as phone calls and on-site visits, helping them to understand promptly and learn the Group's latest policy requirements to ensure stable gas supply, and promote long-term and stable cooperation with suppliers. For projects that require bidding, the Group communicates with suppliers through methods such as bidding negotiations, meetings, site visits, phone calls, online platforms, and written correspondence.

### GREEN PROCUREMENT

To reduce the negative socio-environmental impact of our supply chain, the Group is committed to implementing green procurement to achieve goals of sustainable green procurement. The Group attaches importance to the review of environmental protection and other pollution prevention measures and prioritises procurement of raw materials from suppliers that minimise environmental impact. According to the current environmental protection requirements for enterprises in the PRC and the internal “Procurement Management System”, suppliers are required to provide corresponding environmental protection audit qualification documents. The Group manages procurement, inspection, storage and distribution and eliminates suppliers with obsolete or contaminated products. This ensures the quality, safety and stability of upstream suppliers. For suppliers at the same supply level, the Group prioritises those with environmental certifications or those that can provide environmentally friendly and recyclable products and services.

In addition, the Group advocates paperless office in the procurement process and encourages online communication with suppliers. In the packaging process, recyclable, easy-to-disassemble and reusable packaging is encouraged to reduce the waste generated. The Group also encourages the use of electronic contracts to replace paper contracts to save paper and courier costs.



# PRODUCT RESPONSIBILITY

## QUALITY MANAGEMENT GUARANTEE MECHANISM

The Group is committed to providing high-quality and safe natural gas to its customers. We strictly abide by the laws and regulations related to quality management<sup>3</sup> and have established a three-level quality management guarantee mechanism, to systematically improve the quality of our gas operations, including transmission and distribution services from the perspectives of procurement control, preventive measures, human resources, nonconforming product control, risk and opportunity response control, technical inspection, production safety, etc., to ensure stable and high-quality gas supplies.

### Level 1 Quality System Manual

The manual of "Mobile Pressure Vessel Filling Quality System" specifies the Group's quality policy and objectives, clarifies the quality system, determines job responsibilities, management systems and operating procedures, provides a reference for safety and quality management and activities, and is the basic principle for implementation of mobile pressure vessel filling.

### Level 2 Procedural Documents

Through the system process and operating procedures, the Group implements information tracking and quality service control, monitoring and measurement equipment control, internal audit control, process and product monitoring and measurement control, risk and opportunity response control, and establishes a comprehensive internal control mechanism to ensure the effective operation of the quality management system.

### Level 3 State Supporting Documents

Guided by various national and local laws, regulations and management procedures, such as the "Rules for Regular Inspection of Pressure Pipelines – Industrial Pipelines" and the "Regulations for Safety and Technical Supervision of Mobile Pressure Vessels" promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC, the Group continued to improve the establishment of internal systems and procedures.

### Three-level quality management guarantee mechanism

<sup>3</sup> For laws and regulations related to quality management, please refer to the section headed "Laws and Regulations"



## PRODUCT RESPONSIBILITY

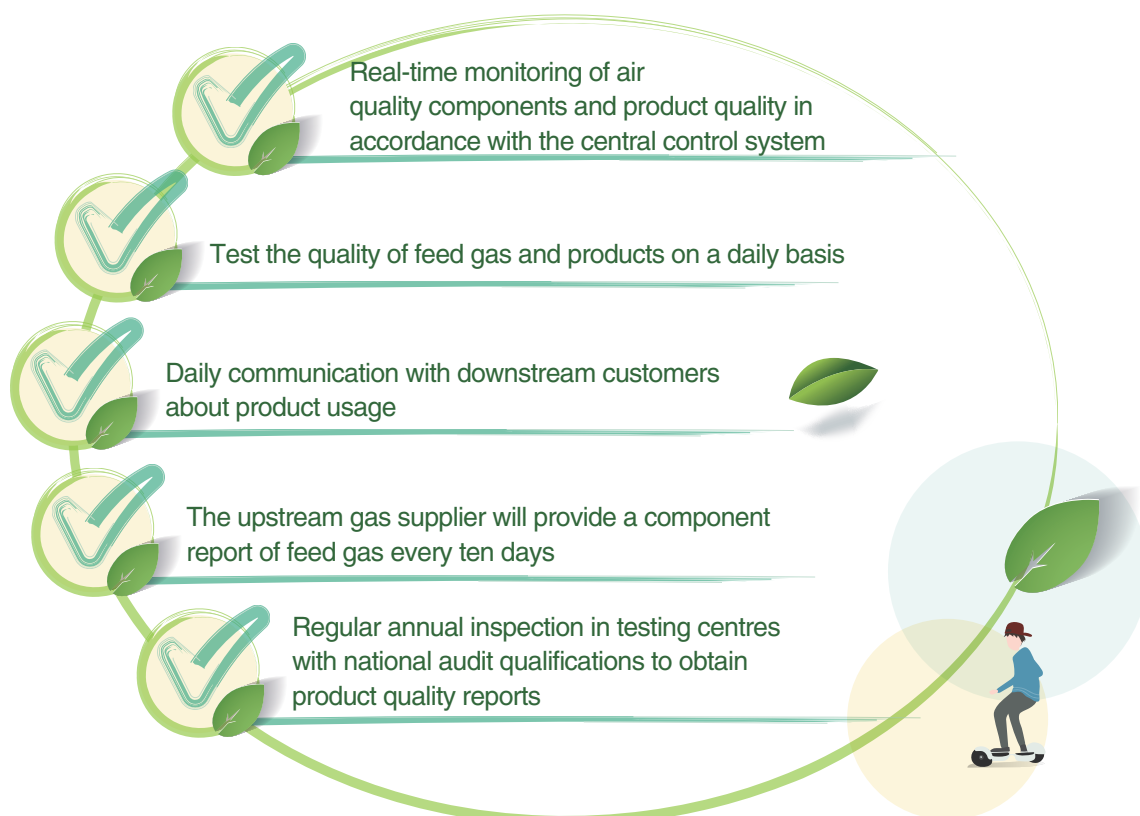
To ensure the quality and safety of filling of mobile pressure vessels, the Group has set the following quality objectives:



## QUALITY MANAGEMENT MEASURES

The production technology department of the Group is responsible for daily supervision, inspection and assessment of the quality system, requiring all departments and teams to control process indicators in accordance with product standards, technical requirements and technical quality management. They are required to cooperate with established quality inspection systems such as the Off-site Natural Gas Pipeline Safety Inspection System, Electrical Equipment Maintenance and Repair Procedures, Pipeline Inspection and Maintenance Management System, etc., and to regularly inspect and repair mechanical equipment, ensure timely discovery and elimination of potential quality risks and safety hazards in the production process, and fully guarantee safety and quality in the production, transmission and distribution of natural gas.

The quality of gas supply is the top priority for the Group's quality management. We regularly monitor and inspect key aspects of product quality to achieve efficient control of natural gas quality. The Group strictly complies with the GB/T 38753-2020 execution standard. The Group randomly selects samples from the products to be sold by the manufacturers and sellers once a year. A total of 6 categories are inspected, and only items that pass the inspection are considered qualified. To ensure that the natural gas sold meets the corresponding national standards, we specify in the Natural Gas Sale and Purchase Contract signed with the customers that the Inspection Report of the natural gas sold will be provided to the customer regularly during the contract period.



## QUALITY INSPECTION STANDARDS

GB/T 38753-2020 is a liquefied natural gas testing standard issued in 2020 by the State Administration for Market Regulation and the National Standardization Management Committee. The Group strictly follows the inspection standards of GB/T 38753-2020 when testing Methane Molar Fraction, C4+ Alkanes Molar Fraction, Carbon Dioxide Molar Fraction, Nitrogen Molar Fraction, Oxygen Molar Fraction, Total Sulfur Content (calculated as sulfur), etc., to ensure the accuracy of the inspection results.

Serial Number	Inspection Item	Inspection Standard	Method
1	Methane Molar Fraction	GB/T 38753-2020	GB/T 13610-2020
2	C4+ Alkanes Molar Fraction		GB/T 13610-2020
3	Carbon Dioxide Molar Fraction		GB/T 13610-2020
4	Nitrogen Molar Fraction		GB/T 13610-2020
5	Oxygen Molar Fraction		GB/T 13610-2020
6	Total Sulfur Content (calculated as sulfur)		GB/T 11060.4-2017 GB/T 11060.8-2020

### PROTECT CUSTOMER RIGHTS AND INTERESTS

The Group has always adhered to the business philosophy of “quality first, user first and win-win cooperation”, strives to focus on the energy industry, and actively builds a business model including oil and gas exploitation, and production and sales of liquefied natural gas. In the production and operation process, customer-oriented principles, focusing on “Three Full” management practices that cover the full life cycle of customers, a full pipeline of customer service, and a full life cycle of key equipment, help improve the customer service experience. The products and services of the Group have been widely recognised in the industry for their reliability and sense of responsibility, winning the trust and support of many customers. With continuous stable product quality and high-quality service, we continue to receive positive feedback and praise from customers.

### INTELLECTUAL PROPERTY MANAGEMENT

Innovation is an important driving force for the sustainable development of an enterprise. In order to standardise the intellectual property management mechanism and encourage the enthusiasm of employees for innovation and creativity, while maintaining strict compliance with relevant national and local intellectual property laws and regulations<sup>4</sup>, the Group has established the “Intellectual Property Management System” and the Intellectual Property Management Department, together with subordinate management positions such as patents, trademarks and trade secrets, to jointly improve intellectual property management. Any person who is found to have infringed the Group’s intellectual property rights is directly held accountable for the economic effects of the act or is reported to the judicial authorities.

As of the end of the Reporting Period, the Group has cumulatively obtained 15 patents in the field of energy technology, including but not limited to amine stripping equipment based on high-efficiency packing, liquefied gas digital factory safety prevention and control equipment, LNG gas storage tank top fixed cooling water equipment, protective equipment for SIS system control instruments, and high-efficiency energy-saving circulating water pumps.



*Xingxing Energy obtained high and new technology enterprise certification*

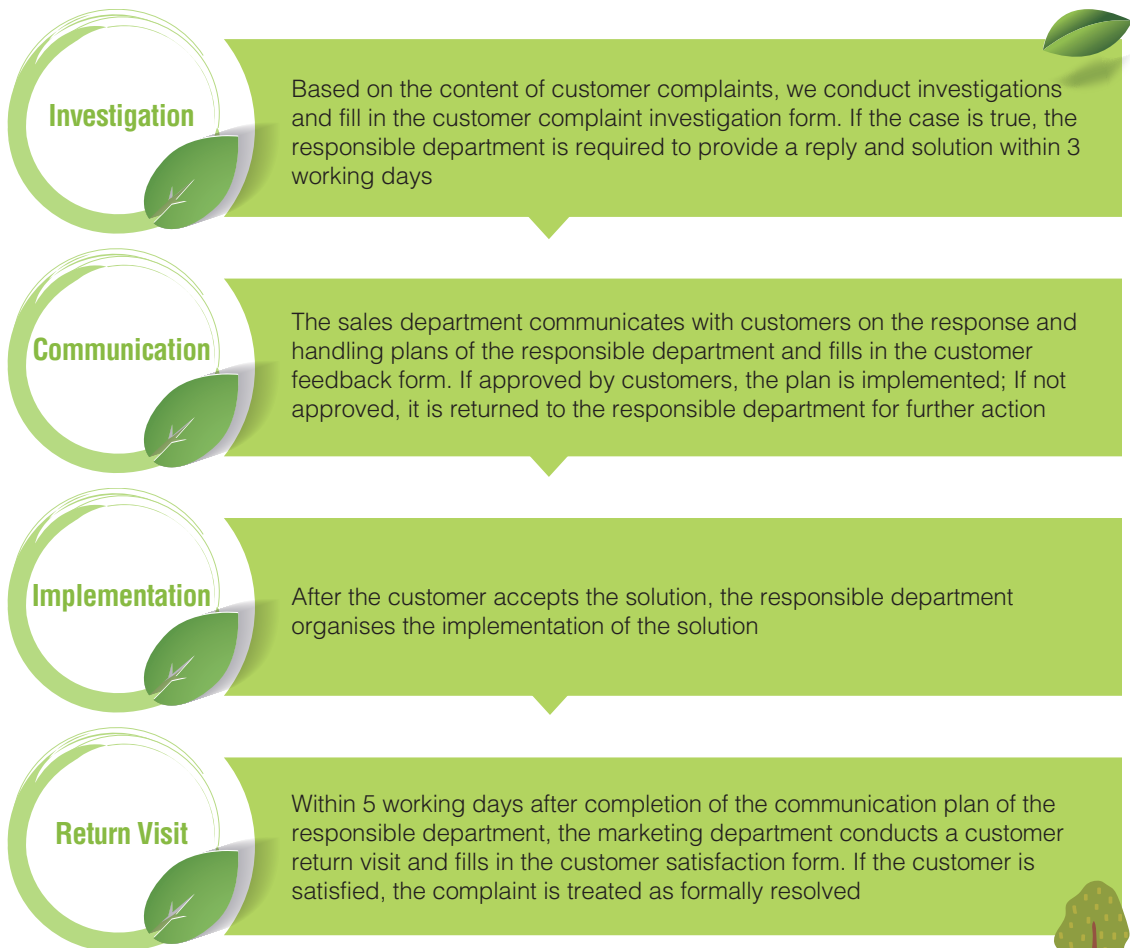
<sup>4</sup> For laws and regulations related to intellectual property, please refer to the section headed “Laws and Regulations”

## PRIVACY PROTECTION

In terms of privacy security, the Group enters into confidentiality agreements with personnel involved in technical and trade secrets of the Group. Through strict control, the Group avoids leakage of important data and maintains information security.

## CUSTOMER COMPLAINT

The Group attaches great importance to customers' opinions and feedback, and follows up and handles customers' complaints promptly through the "Customer Complaint Handling System and Procedures", aiming to provide customers with satisfactory services and establish a good brand image. After receiving a complaint, the sales department of the Group keeps a proper record of the customer complaint and replies to the customer within 5 working days. It is then handled according to the investigation, communication, implementation and return visit process until the customer is satisfied.



*Customer complaint handling procedures*





## BUSINESS ETHICS

The Group continuously improves its compliance operation and risk control capabilities, developing a risk management culture while promoting business development to ensure a balance between business objectives and risk control. Simultaneously, the Group constantly improves its internal control system, actively fosters a clean and positive work environment, regulates the professional behaviour of both management and ordinary employees, implements various systems, and maintains compliance bottom lines.

## ANTI-CORRUPTION

The Group strictly adheres to the “Criminal Law of the People’s Republic of China”, the “Supervision Law of the People’s Republic of China”, the “Interim Provisions on Prohibition of Commercial Bribery”, and other relevant laws and regulations<sup>5</sup>. It has established an anti-corruption supervision system, and resolutely prevents illegal acts such as corruption and bribery. It actively establishes anti-corruption organisations and institutions, formulates anti-corruption mechanisms, and increases anti-corruption publicity.

## ANTI-CORRUPTION SYSTEM BUILDING

### Organisational Construction

- The anti-corruption leadership group is responsible for supervising and managing anti-corruption-related work, including the implementation of national anti-corruption laws, regulations and policies, analysis of anti-corruption schemes, formulation of anti-corruption emergency policies, organization of the relevant work, and summarization of anti-corruption work

### System Construction

- “Anti-corruption management system”
- “Anti-Corruption and Bribery, Anti-Fraud and Money Laundering Management System”
- “Anti-corruption pledge”
- “Preventive measures and reporting procedures for anti-corruption”

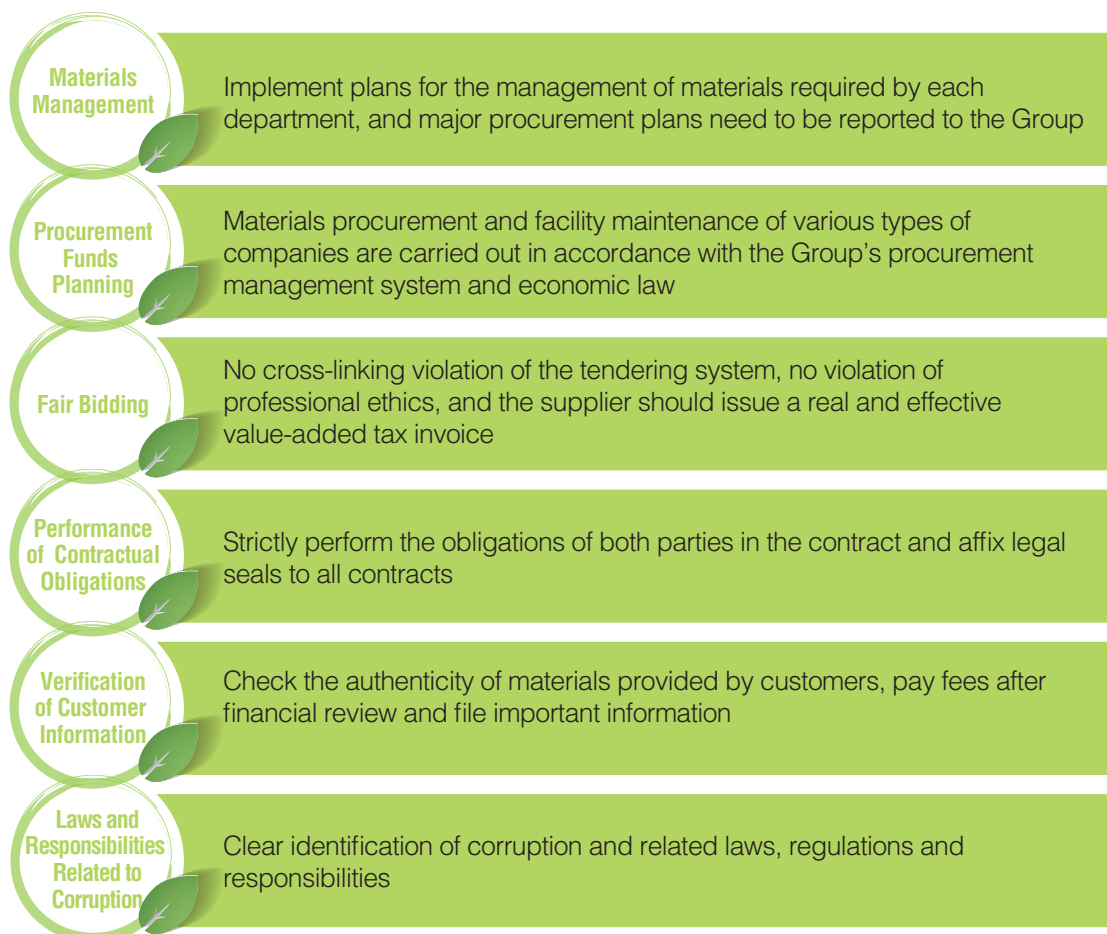
### Anti-corruption Publicity

- Various departments promote the importance of integrity and public service to employees through diverse forms, enhancing employees’ awareness of legal compliance
- Strengthen the review of major projects and economic activities, including the bidding process, and conduct risk assessments of major project implementation plans
- Strengthen the internal and external supervision and management of daily business operations and business engagement. If it is found that business personnel violate the integrity contract, cooperation is terminated in a timely manner and evidence is retained

<sup>5</sup> For laws and regulations related to anti-corruption, please refer to the section headed “Laws and Regulations”.

## ANTI-CORRUPTION TRAINING

The Group holds an anti-corruption training event once a year and updates employees regarding relevant legal content. The training is generally conducted in the form of presentations and discussions, and the content includes:



## WHISTLE-BLOWING SYSTEM

A good operating environment is inseparable from the Group's rules and regulations and supervision of employees. The Group has created a "Whistle-blower Protection System" in accordance with the "Basic Norms of Corporate Internal Control" and the actual situation of the Group. The system stipulates that whistle-blowers have the right to report disciplinary, illegal, and criminal acts of a department or individual in accordance with the law, and their rights to report and other legitimate rights and interests are protected by law. The Group encourages employees to report violations, which include but are not limited to corruption, bribery, theft and abuse of power for personal gains.

Employees can report to the Group with their real name or anonymously through the various channels such as the reporting box, reporting hotline, or mail. The acceptance, investigation and other aspects of the report will be kept strictly confidential. The Group strictly prohibits disclosure of the whistle-blower's name and department, and other information. The reporting materials are not be lent out arbitrarily. The reported party is not distinguished by rank and all cases are to be submitted in writing to the Board for review and filing. Within 7 working days of receiving reported cases, the Group responds, to the extent reasonably practicable, by notifying the whistle-blower in writing that the reported cases has been received, and the Group will uphold the principle of independent investigation and ensure that the investigation will not be delayed.



## COMMUNITY COMMITMENT

With the belief of “Doing the most perfect thing with the kindest heart”, the Group actively participates in rural revitalisation efforts. We provide equipment and financial support to rural schools through educational donations, promoting local educational development. We address the material and cultural needs of villagers by donating supplies, organising and sponsoring cultural activities, collectively contributing to rural revitalisation. In addition, we care for disadvantaged groups by donating funds to people with disabilities, increasing their sense of happiness. In FY2025, the Group contributed a total of 78.5 volunteer service hours in public welfare activities.

## WARMTH TO THE RURAL AREA

The Group actively implements the directives of the Central Committee of the Chinese Communist Party and the State Council on consolidating the achievements of poverty alleviation and rural revitalisation, fulfilling its corporate social responsibility through targeted assistance. In FY2025, to assist rural revitalization, we innovatively adopted a “consumption assistance” model, specifically procuring high-quality agricultural and sideline products such as Wudinghe rice and ecological beef, mutton, and pork produced by the villagers of Shuiqingwan village, Wushen Banner, with a cumulative investment of approximately RMB142,800. This initiative not only broaden stable sales channels for local farmers but also provided healthy ingredients for the Group’s employees and partners, achieving the dual value of assisting farmers in increasing income and promoting sustainable consumption.

## GIVING BACK TO SOCIETY

The Group actively cooperates with organisations to thoroughly implement the “Charity Law of the People’s Republic of China”, cares about, supports, and participates in charitable activities, promoting traditional virtues of the Chinese nation in poverty alleviation and generosity. To practice the concept of community care, the Group carried out a special elder care activity in Shuiqingwan, Wushen Banner, donating “love grain and oil gift packs” to elders aged 70 or above. The gift package, consisting of high-quality rice, low-gluten flour, and non-GMO edible oil, along with other elderly-friendly daily necessities, was accurately delivered through home visits. The total investment for this event was RMB22,150, aiming to support rural elderly care needs through practical actions and convey the Company’s warmth.

## CARING FOR NATURE

In response to the national call for ecological civilization construction, Xingxing Energy organized and implemented a special afforestation activity in the coal mining area and its surrounding regions. Through entrusting a professional landscaping team, approximately 2,000 *Pinus sylvestris* var. *mongolica* trees adapted to the local climate were planted, with an investment of approximately RMB310,000. Those trees will effectively increase the green coverage rate of the mining area and have a long-term positive impact on improving the regional ecological environment.

## LAWS AND REGULATIONS

The Group strictly complies with the following laws and regulations and has formulated internal management policies and guidelines based on the relevant laws and regulations.

Aspects	Applicable Laws and Regulations	Compliance Statement
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Environmental Protection Law of the PRC</li> <li>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</li> <li>Water Pollution Prevention and Control Law of the PRC</li> <li>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes</li> <li>Energy Conservation Law of the PRC</li> </ul>	The Group strictly complies with national and local environmental protection laws and regulations. During the Reporting Period, the Group did not identify any significant legal or regulatory issues related to emissions of air pollutants and GHG, discharge into water and land, or the generation of hazardous and non-hazardous waste that would have a major impact on the Group.
<b>Employment and Labour Standards</b>	<ul style="list-style-type: none"> <li>Labour Law of the PRC</li> <li>Labour Contract Law of the PRC</li> <li>Provisions on the Prohibition of Using Child Labour of the PRC</li> <li>Regulations on Special Protection of Underage Workers of the PRC</li> </ul>	The Group strictly adheres to relevant employment and labour laws and regulations. During the Reporting Period, the Group did not identify any significant legal or regulatory issues related to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other benefits and welfare, as well as the prevention of child labour and forced labour that would have a major impact on the Group.
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</li> <li>Production Safety Law of the PRC</li> <li>Provisions on the Safety Training of Production and Operation Entities</li> <li>Regulations on Safety Production Training</li> <li>Regulations on the Safety Management of Hazardous Chemicals</li> <li>Fire Protection Law of the PRC</li> </ul>	The Group strictly complies with occupational health and safety laws and regulations. During the Reporting Period, the Group did not identify any significant legal or regulatory issues related to violations of occupational health and safety standards that would have a major impact on the Group.



## LAWS AND REGULATIONS

Aspects	Applicable Laws and Regulations	Compliance Statement
<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>• Civil Code of the PRC</li> <li>• Mediation Law of the People's Republic of China</li> <li>• Bidding Law of the PRC</li> <li>• Product Quality Law of the PRC</li> <li>• Regulations on Quality Responsibility for Industrial Products</li> </ul>	The Group strictly complies with laws and regulations related to supply chain management. During the Reporting Period, the Group did not identify any significant legal or regulatory issues related to violations of product quality and bidding processes that would have a major impact on the Group.
<b>Product Responsibility</b>	<ul style="list-style-type: none"> <li>• Oil and Natural Gas Pipeline Protection Law of the People's Republic of China</li> <li>• Patent Law of the PRC</li> <li>• Intellectual Property Law of the PRC</li> <li>• Civil Code of the PRC</li> </ul>	The Group strictly adheres to laws and regulations related to quality management. During the Reporting Period, the Group did not identify any significant legal or regulatory issues related to violations of its products, services, operations, sales and marketing, or other business practices that would have a major impact on the Group.
<b>Anti-corruption</b>	<ul style="list-style-type: none"> <li>• Criminal Law of the PRC</li> <li>• Civil Code of the PRC</li> </ul>	The Group did not identify any significant legal or regulatory issues related to bribery, extortion, fraud, or money laundering that would have a major impact on the Group.

# SUMMARY OF KEY PERFORMANCE INDICATORS

## ENVIRONMENTAL INDICATORS PERFORMANCE

Key Performance Indicators	Unit	2024/25	2023/24
Air Pollutants			
Nitrogen oxides	kg	4,863.17	5,398.95
Sulfur oxides	kg	2.44	0.34
Particulate matter	kg	15.08	2.05
GHG Emissions			
Total GHG emissions	tCO <sub>2</sub> e	137,586.86	219,965.83
Scope 1 (direct emissions)	tCO <sub>2</sub> e	25,880.29	112,550.19
Scope 2 (indirect emissions)	tCO <sub>2</sub> e	111,683.46	107,415.64
Scope 3 (indirect emissions)	tCO <sub>2</sub> e	23.11	N.A.
Waste			
Total hazardous waste	tonnes	90.38	24.16
Total hazardous waste	tonnes/thousand tons of LNG	0.28	0.07
Total non-hazardous waste	tonnes	25.12	21.00
Non-hazardous waste intensity	tonnes/thousand tons of LNG	0.08	0.06
Direct Energy Consumption			
Natural gas	GJ	111,548.20	240,626.78
Petrol	liter	9,163.00	33,319.00
Diesel	liter	5,737.00	273.00
Liquefied petroleum gas	liter	14,265.00	N.A.
Indirect Energy Consumption			
Purchased electricity	mWh	179,989.47	188,349.36
Total energy consumption	GJ	760,424.08	919,756.19
Energy consumption intensity	GJ/ton of LNG	2.34	2.67
Packaging materials		The Group's business operations do not involve the use of packaging materials.	
Water Resources			
Total water consumption	m <sup>3</sup>	549,526.00	482,334.00
Water consumption intensity	m <sup>3</sup> /ton of LNG	1.69	1.40
Total wastewater discharge	m <sup>3</sup>	212,736.00	211,816.00

## SUMMARY OF KEY PERFORMANCE INDICATORS

### SOCIAL INDICATORS PERFORMANCE

Key Performance Indicators	Unit	2024/25	2023/24
Total Number of Employees	person	242	235
<b>Gender Distribution</b>			
Male	person	196	192
Female	person	46	43
<b>Rank</b>			
Senior management	person	9	9
Middle management	person	23	22
General staff	person	210	204
<b>Age</b>			
20-30	person	55	53
31-40	person	119	114
41-50	person	41	43
Over 50 years old	person	27	25
<b>Geographical Distribution</b>			
Ordos (Xingxing Energy)	person	120	114
Dazhou (Huixin Energy)	person	122	121
<b>Employee Turnover Rate</b>		11.98%	13.19%
<b>Gender Distribution</b>			
Male	%	13.27%	14.06%
Female	%	6.52%	9.30%
<b>Rank</b>			
Senior management	%	11.11%	11.11%
Middle management	%	4.35%	4.55%
General staff	%	12.86%	14.22%
<b>Age</b>			
20-30	%	32.73%	39.62%
31-40	%	8.40%	5.26%
41-50	%	0.00%	2.33%
Over 50 years old	%	3.70%	12.00%
<b>Geographical Distribution</b>			
Ordos (Xingxing Energy)	%	17.50%	24.16%
Dazhou (Huixin Energy)	%	6.56%	2.5%
<b>New Employment Rate</b>		14.88%	9.36%
<b>Gender Distribution</b>			
Male	%	14.29%	2.08%
Female	%	17.39%	41.86%

## SUMMARY OF KEY PERFORMANCE INDICATORS

Key Performance Indicators	Unit	2024/25	2023/24
<b>Rank</b>			
Senior management	%	0.00%	0.00%
Middle management	%	0.00%	0.00%
General staff	%	17.14%	10.78%
<b>Age</b>			
20-30	%	49.09%	35.85%
31-40	%	7.56%	2.63%
41-50	%	0.00%	0.00%
Over 50 years old	%	0.00%	0.00%
<b>Geographical Distribution</b>			
Ordos (Xingxing Energy)	%	21.67%	18%
Dazhou (Huixin Energy)	%	8.20%	1.65%
<b>Percentage of Employees Trained</b>	%	100%	100%
<b>Gender Distribution</b>			
Male	%	81%	82%
Female	%	19%	18%
<b>Rank</b>			
Senior management	%	3.72%	3.83%
Middle management	%	9.50%	9.36%
General staff	%	86.78%	86.91%
<b>Average Training Hours (Hours)</b>	hours	22.46	28.9
<b>Gender Distribution</b>			
Male	hours	22.56	29.89
Female	hours	22.04	24.49
<b>Rank</b>			
Senior management	hours	21.33	21.56
Middle management	hours	20.17	20.27
General staff	hours	22.76	30.15
<b>Occupational Health and Safety</b>			
Work-related fatalities	cases	0	0
Number of work-related injuries	person	0	0
Lost days due to work-related injuries	days	0	0
Injury rate per thousand employees	%	0.0%	0.0%
<b>Total Number of Suppliers</b>			
<b>Distribution by Region</b>			
Mainland China	number	173	249
<b>Community Participation</b>			
<b>Public welfare investment</b>	RMB ten thousand	47.50	56.05
Number of hours of voluntary work	hours	78.5	285



# HKEX ESG CONTENT INDEX

## Comply or Explain Provisions

Subject Areas, Aspects, General Disclosures and KPIs	Content	Section/Remarks
<b>Aspect A1: Emissions</b>		
General Disclosure	<p>Information on:</p> <p>a) the policies; and</p> <p>b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.</p> <p>Hazardous waste is defined by national regulations.</p>	<p><b>GREEN OPERATION</b></p> <p>– Environmental Management</p>
KPI A1.1	The types of emissions and respective emissions data.	<p><b>GREEN OPERATION</b></p> <p>– Emissions Management</p> <p>SUMMARY OF KEY PERFORMANCE INDICATORS</p>
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).	<p><b>GREEN OPERATION</b></p> <p>– GHG Emissions</p> <p>SUMMARY OF KEY PERFORMANCE INDICATORS</p>
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p><b>GREEN OPERATION</b></p> <p>– Waste Management</p> <p>SUMMARY OF KEY PERFORMANCE INDICATORS</p>
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p><b>GREEN OPERATION</b></p> <p>– Waste Management</p> <p>SUMMARY OF KEY PERFORMANCE INDICATORS</p>

Comply or Explain Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	Content	Section/Remarks
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	<b>GREEN OPERATION</b>
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.	<b>GREEN OPERATION</b> – Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<b>GREEN OPERATION</b> – Environmental Management
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).	<b>GREEN OPERATION</b> – Energy Efficiency SUMMARY OF KEY PERFORMANCE INDICATORS
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<b>GREEN OPERATION</b> – Water Resources Management SUMMARY OF KEY PERFORMANCE INDICATORS
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	<b>GREEN OPERATION</b> – Green Office
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.	<b>GREEN OPERATION</b> – Water Resources Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations do not involve the use of packaging materials

Comply or Explain Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	Content	Section/Remarks
<b>Aspect A3: Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	<b>GREEN OPERATION</b> – Environmental Management – Green Office
KPI A3.1	Description of significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	<b>GREEN OPERATION</b> – Green Office
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	<b>GREEN OPERATION</b> – Responding to Climate Change
KPI A4.1	Description of the significant climate-related issues that have affected or may affect the issuer, and the response actions.	<b>GREEN OPERATION</b> – Responding to Climate Change
<b>Aspect B1: Employment</b>		
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.	<b>PEOPLE-ORIENTED</b> – Employment Compliance – Employee Rights – Employee Communication
KPI B1.1	Total workforce by gender, employment type (e.g. full time or part time), age group and geographical region.	<b>PEOPLE-ORIENTED</b> – Employee Composition SUMMARY OF KEY PERFORMANCE INDICATORS

Comply or Explain Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	Content	Section/Remarks
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	<b>PEOPLE-ORIENTED</b> – Employee Composition SUMMARY OF KEY PERFORMANCE INDICATORS
<b>Aspect B2: Health and Safety</b>		
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.	<b>PEOPLE-ORIENTED</b> – Occupational 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).	<b>PEOPLE-ORIENTED</b> – Occupational Health and Safety SUMMARY OF KEY PERFORMANCE INDICATORS
KPI B2.2	Lost days due to work-related injuries.	<b>PEOPLE-ORIENTED</b> – Occupational Health and Safety SUMMARY OF KEY PERFORMANCE INDICATORS
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	<b>PEOPLE-ORIENTED</b> – Occupational Health and Safety



Comply or Explain Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	Content	Section/Remarks
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<b>PEOPLE-ORIENTED</b> – Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	SUMMARY OF KEY PERFORMANCE INDICATORS
KPI B3.2	The average training hours completed per employee by gender and employee category.	SUMMARY OF KEY PERFORMANCE INDICATORS
<b>Aspect B4: Labour Standards</b>		
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 or forced labour.	<b>PEOPLE-ORIENTED</b> – Labour Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<b>PEOPLE-ORIENTED</b> – Labour Management
KPI B4.2	Description of steps taken to eliminate such situations when violations are discovered.	<b>PEOPLE-ORIENTED</b> – Labour Management
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	<b>RESPONSIBLE SUPPLY CHAIN</b> – Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	<b>RESPONSIBLE SUPPLY CHAIN</b> – Sustainable Supply Chain SUMMARY OF KEY PERFORMANCE INDICATORS

Comply or Explain Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	Content	Section/Remarks
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.	<b>RESPONSIBLE SUPPLY CHAIN</b> – Sustainable Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	<b>RESPONSIBLE SUPPLY CHAIN</b> – Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	<b>RESPONSIBLE SUPPLY CHAIN</b> – Sustainable Supply Chain
Aspect 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, labeling and privacy matters relating to products and services provided and methods of redress.	<b>PRODUCT RESPONSIBILITY</b> – Product Quality – Protect Customer Rights and Interests
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's operation process does not involve product recall for safety and health reasons
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	<b>PRODUCT RESPONSIBILITY</b> – Protect Customer Rights and Interests
KPI B6.3	Description of practices relating to maintaining and protecting intellectual property rights.	<b>PRODUCT RESPONSIBILITY</b> – Protect Customer Rights and Interests

Comply or Explain Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	Content	Section/Remarks
KPI B6.4	Description of quality assurance process and recall procedures.	<b>PRODUCT RESPONSIBILITY</b> – Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<b>PRODUCT RESPONSIBILITY</b> – Customer Responsibility
<b>Aspect B7: Anti-Corruption</b>		
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.	<b>BUSINESS ETHICS</b> – 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.	<b>BUSINESS ETHICS</b> – Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	<b>BUSINESS ETHICS</b> – Whistle-Blowing System
KPI B7.3	Description of anti-corruption training provided to directors and employees.	<b>BUSINESS ETHICS</b> – Anti-Corruption
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into consideration the communities' interests.	<b>COMMUNITY COMMITMENT</b>
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<b>COMMUNITY COMMITMENT</b>
KPI B8.2	Resources (e.g. money or time) spent in the area of specialisation.	<b>COMMUNITY COMMITMENT</b> – Summary of Key Performance Indicators