



现代投资
XIANDAITOUZI



2023 | ESG
Environmental , Social
and Governance Report
Xiandai Investment Co., Ltd.

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Start of the Report / About this Report

Report Description

This report is an annual report and is the second Environmental, Social and Governance (hereinafter referred to as "ESG") Report released by Xiandai Investment Co., Ltd. (hereinafter referred to as "Xiandai Investment", "Company" or "We"), and no restatement of information is required.

In accordance with the sustainable development philosophy of Xiandai Investment Co., Ltd., this report discloses the Company's ESG performance and management measures in 2023, which aim to truly represent the practices and achievements in fulfilling responsibilities of Xiandai Investment in management, compliance operations, road quality and safety, customer service, talent development, environmental protection and social feedback to shareholders, employees, government, customers, partners, the public and other stakeholders.

Use Standard Declarations

This report is prepared in compliance with the *Self-Regulatory Guidelines for Listed Companies No. 1 - Standard Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange*, and with reference to the *GRI Standards* issued by the Global Reporting Initiative, and the *United Nations Sustainable Development Goals* (UN SDGs), the State-owned Assets Supervision and Administration Commission's of the State Council *Reference Indicator System for ESG Special Reports of Central Enterprise-controlled Listed Companies* and other related requirements, climate change-related disclosures also refer to the *Task Force on Climate-related Financial Disclosures* (TCFD) suggestions.

Report Scope and Boundary

Unless otherwise specified, the time range of the data contained in this report is from January 1, 2023 to December 31, 2023 (hereinafter referred to as "in this year" or "during the reporting period"). In order to enhance the comparability and completeness of the report, extend appropriately.

This report covers Xiandai Investment and our subordinate branches, wholly-owned subsidiaries, and holding subsidiaries. Unless otherwise stated, the scope of this report is the same as that of the Company's annual report.

Branches

Changsha Branch of Xiandai Investment Co., Ltd. (referred to as "Changsha Branch")

Huaihua Branch of Xiandai Investment Co., Ltd. (referred to as "Huaihua Branch")

Wholly-owned subsidiaries

Dayou Futures Co., Ltd. (referred to as "Dayou Futures")

Modern Wealth Capital Management Co., Ltd. (referred to as "Modern Wealth")

Hunan Modern Environment Technology Co., Ltd. (referred to as "Modern Environment")

Hunan Modern Assets Management Co., Ltd. (referred to as "Modern Assets")

Hunan Modern New Energy Co., Ltd. (referred to as "Modern New Energy")

Hunan Modern Hongyuan Venture Capital Co., Ltd. (referred to as "Modern Hongyuan")

Holding subsidiaries

Hunan Yueyang Baling Rural Commercial Bank Co., Ltd. (referred to as "Yueyang Baling RCB")

Hunan Huaizhi Expressway Construction and Development Co., Ltd. (referred to as "Huaizhi Company")

Hunan Xiangheng Expressway Co., Ltd. (referred to as "Xiangheng Company")



Data Source and Reliability Assurance

All the information and data in this report are from the Company's financial report and ESG information collected, summarised and reviewed by the Company. Unless otherwise stated, the currency for data involved in this report is CNY, for more economic data, please refer to the Company's 2023 annual report. During the reporting period, due to adjustments to statistical methods and restatements of some data, this report shall prevail for any differences from reported data in previous years.

The Board of Directors of the Company hereby guarantees that there are no misrepresentations or misleading statements contained in this report, and bears responsibility for the authenticity, accuracy and completeness of the contents.

Report Release and Access

This report includes Chinese and English versions, and is published once a year in paper and electronic format. You can obtain the electronic version of the report in Chinese and English on the www.cninfo.com.cn. If there is any discrepancy between the Chinese and English versions of this report, the Chinese version shall prevail.

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Letter from Our Chairman

Party Secretary
and Chairman:
Luo Weihua



In 2023, we usher in the important moment of the 30th anniversary of Xiandai Investment. After thirty years of baptism, Xiandai Investment has gradually grown from us start-up stage into an outstanding enterprise full of vitality, diversified business, and shouldering social responsibilities. We have achieved many "first-created" honors for provincial state-owned enterprises and accumulated experience for the development of expressways in Hunan Province. With successful experience in marketization, the Company's comprehensive strength ranks among the top in Hunan province. We are honored to share with you our outstanding results in the fields of corporate governance, environmental protection and social responsibility through this 2023 ESG report. We hope that this report will provide with all stakeholders a deeper understanding of Xiandai Investment and jointly witness our bright future.

Party building leads the way, raising the flag for direction

Party building leads the way, raising the flag for direction. We thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, carry out thematic education in a solid manner, build souls, increase wisdom, correct conduct, and promote work by learning, carry forward the spirit of "Four Dares". We cultivate an integrated brand of party building business, strengthen the in-depth integration of party building and business. We consolidate the political responsibilities of party organizations at all levels and party members and cadres in managing and governing the party, improve the capabilities and quality of party members and cadres, carry out anti-corruption warning education on a regular basis, and build a strong defense line against integrity. In 2023, Xiandai Investment held 27 Party Committees and conducted more than 240 research projects, fully leveraging the Company's Party Committee's role in "managing the overall situation, guiding direction, and ensuring implementation", and integrating party leadership throughout the company's reform and development.

Safety first, people oriented

Safety first, people oriented. We always give top priority to safe operations and firmly adhere to the safety policy of people-oriented, safety first, prevention first, and comprehensive management. We have established a dual prevention mechanism related to hierarchical safety risk management and control and hidden danger investigation and management, and strictly implemented safety production responsibility system requirements.

Embarking on a new chapter of digital transformation, leading the forefront of intelligence

Embarking on a new chapter of digital transformation, leading the forefront of intelligence. We actively respond to digital and intelligent changes, carefully formulate the top-level design of digital transformation planning, increase research and development project management and investment collection. With the help of big data engines, we fully apply information technologies such as the Internet and artificial intelligence to all aspects of the Company. In 2023, digital systems such as toll business supervision, ramp pre-transaction, AI intelligent maintenance, and financial sharing platform will be put into operation.

Serving Sanxiang, flourishing development

Serving Sanxiang, flourishing development. We have made every effort to develop "one body and two wings", focusing on "safety, smoothness, comfort and beauty" of expressways. "Three guarantees, three majors and one creation" complement each other with civilized and high-quality services. In 2023, the Company's three road sections ranked among the top 10 in Hunan province in the year-end assessment. The Zhaoshan service area was rated as the first batch of five-star service areas in Hunan province, second and first respectively in the two unannounced visits by the operating entities of the service area throughout the year. We deepen our industrialization, optimize traditional areas of asset operation and green and low-carbon transformation business, and implement sewage treatment projects and waste incineration power generation projects in service areas. We specialize in finance and always adhere to financial services to support the recovery of the real economy, promote the "Insurance + Futures" business out of Hunan, and help rural revitalization.

Move forward with low carbon and create a harmonious home

Move forward with low carbon and create a harmonious home. We actively committed to the national dual-carbon goals, promote the investment, construction and operation of new energy infrastructure such as distributed photovoltaics, energy storage, charging and swapping on expressways, and strive to build an efficient and low-carbon public transportation network. We continue to improve the sustainable development framework, actively respond to risks related to climate change, and jointly build a beautiful home where man and nature live in harmony.

Raise a glass and fill it with the wine of happiness the true path of spring and autumn comes first

Raise a glass and fill it with the wine of happiness, the true path of spring and autumn comes first. We will anchor the beautiful blueprint of "Three Highs and Four News", promote the deep integration of party building and production operation, focus on deepening the reform of state-owned enterprises, strengthen innovation-driven development, further increase the proportion of revenue from emerging industries, actively develop new productive forces, and strive to build a leading domestic comprehensive service provider in the transportation industry in China.

Party Secretary and Chairman: Luo Weihua

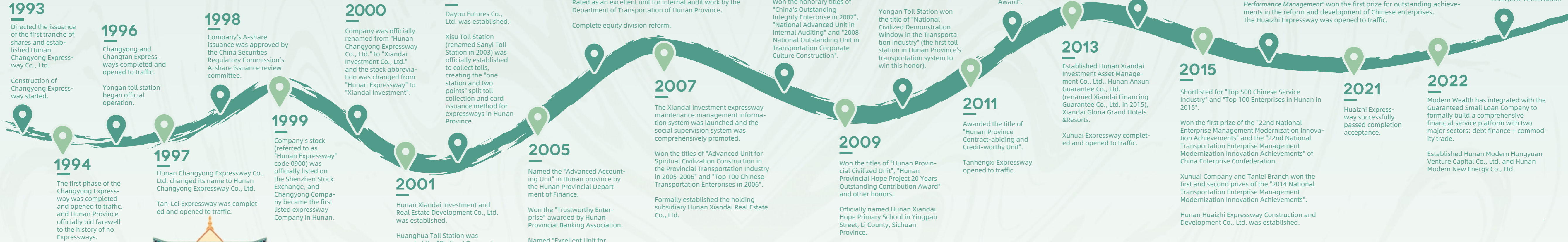
30
1993 ——— 2023

Thirty Years of Glorious History
Creating Xiandai

30

1993 — 2023

Thirty Years of Glorious History
Creating Xiandai



1993
Directed the issuance of the first tranche of shares and established Hunan Changyong Expressway Co., Ltd.
Construction of Changyong Expressway started.

1994
The first phase of the Changyong Expressway was completed and opened to traffic, and Hunan Province officially bid farewell to the history of no Expressways.

1996
Changyong and Changtan Expressways completed and opened to traffic.
Yongan toll station began official operation.

1997
Hunan Changyong Expressway Co., Ltd. changed its name to Hunan Changyong Expressway Co., Ltd.
Tan-Lei Expressway was completed and opened to traffic.

1998
Company's A-share issuance was approved by the China Securities Regulatory Commission's A-share issuance review committee.

1999
Company's stock (referred to as "Hunan Expressway" code 0900) was officially listed on the Shenzhen Stock Exchange, and Changyong Company became the first listed expressway Company in Hunan.

2000
Company was officially renamed from "Hunan Changyong Expressway Co., Ltd." to "Xiandai Investment Co., Ltd." and the stock abbreviation was changed from "Hunan Expressway" to "Xiandai Investment".

2001
Hunan Xiandai Investment and Real Estate Development Co., Ltd. was established.
Huanghua Toll Station was awarded the "Civilized Demonstration Window Unit" (the first toll station in Hunan Province's expressway system to receive this honor).

2002
Dayou Futures Co., Ltd. was established.
Xisu Toll Station (renamed Sanyi Toll Station in 2003) was officially established to collect tolls, creating the "one station and two points" split toll collection and card issuance method for expressways in Hunan Province.

2005
Named the "Advanced Accounting Unit" in Hunan province by the Hunan Provincial Department of Finance.
Won the "Trustworthy Enterprise" awarded by Hunan Provincial Banking Association.
Named "Excellent Unit for Internal Audit Work" by the Department of Transportation of Hunan Province.

2006
Selected as a sample stock of cninfo 100 Index.
Obtained the "Provincial Gate No. 1 Road" trademark registration certificate issued by the Trademark Office of the State Administration for Industry and Commerce in five major categories: advertising, real estate affairs, repair and installation services, transportation, and temporary accommodation.
Won the title of "Excellent Enterprise of Hunan Province" and "Civilized Unit of Hunan Provincial Government".
Rated as an excellent unit for internal audit work by the Department of Transportation of Hunan Province.
Complete equity division reform.

2007
The Xiandai Investment expressway maintenance management information system was launched and the social supervision system was comprehensively promoted.
Won the titles of "Advanced Unit for Spiritual Civilization Construction in the Provincial Transportation Industry in 2005-2006" and "Top 100 Chinese Transportation Enterprises in 2006".
Formally established the holding subsidiary Hunan Xiandai Real Estate Co., Ltd.

2008
Won the honorary titles of "China's Outstanding Integrity Enterprise in 2007", "National Advanced Unit in Internal Auditing" and "2008 National Outstanding Unit in Transportation Corporate Culture Construction".
Yongan Toll Station won the title of "National Civilized Demonstration Window in the Transportation Industry" (the first toll station in Hunan Province's transportation system to win this honor).

2009
Won the titles of "Hunan Provincial Civilized Unit", "Hunan Provincial Hope Project 20 Years Outstanding Contribution Award" and other honors.
Officially named Hunan Xiandai Hope Primary School in Yingpan Street, Li County, Sichuan Province.

2010
Established Modern Weibaote Technology Investment Co., Ltd. (renamed Modern Environmental Technology Investment Co., Ltd. in 2015).
Yongan Toll Station won the title of "National Civilized Demonstration Window in the Transportation Industry" (the first toll station in Hunan Province's transportation system to win this honor).

2011
Awarded the title of "Hunan Province Contract-abiding and Credit-worthy Unit".
Tanhengxi Expressway opened to traffic.

2012
Tanheng Branch, Changsha Branch (Changyong and Changtan branches merged), Tanlei Branch were established.
Won the "2011 Tax Contribution Enterprise Award".

2013
Established Hunan Xiandai Investment Asset Management Co., Ltd., Hunan Anxun Guarantee Co., Ltd. (renamed Xiandai Financing Guarantee Co., Ltd. in 2015), Xiandai Gloria Grand Hotels & Resorts.
Xuhuai Expressway completed and opened to traffic.

2014
Won the first "National Corporate Culture Demonstration Base" in the national transportation system.
The main line of Changshao-Lou Expressway is completed and opened to traffic.

2015
Shortlisted for "Top 500 Chinese Service Industry" and "Top 100 Enterprises in Hunan in 2015".
Won the first prize of the "22nd National Enterprise Management Modernization Innovation Achievements" and the "22nd National Transportation Enterprise Management Modernization Innovation Achievements" of China Enterprise Confederation.
Xuhuai Company and Tanlei Branch won the first and second prizes of the "2014 National Transportation Enterprise Management Modernization Innovation Achievements".
Hunan Huaizhi Expressway Construction and Development Co., Ltd. was established.

2019
Hunan Yueyang Baling Rural Commercial Bank Co., Ltd. was established.
The Company's village-based poverty alleviation work team officially stationed in Kexi Village, Zhaping Township, Dongkou County, Shaoyang City to carry out village-based poverty alleviation work.
Selected into the list of "Top 100 Corporate Tax Contributors in Hunan Province in 2018".
Construction of Assessment and Evaluation System for Investment Enterprises Based on Excellent Performance Management won the second prize of the 20th Hunan Provincial Enterprise Management Modernization Innovation Achievement Award.
The Exploration and Practice of Listed Companies Promoting "Excellent Performance Management" won the first prize for outstanding achievements in the reform and development of Chinese enterprises.
The Huaizhi Expressway was opened to traffic.

2021
Huaizhi Expressway successfully passed completion acceptance.

2022
Modern Wealth has integrated with the Guaranteed Small Loan Company to formally build a comprehensive financial service platform with two major sectors: debt finance + commodity trade.
Established Hunan Modern Hongyuan Venture Capital Co., Ltd. and Hunan Modern New Energy Co., Ltd.

2023
Held the 30th anniversary summary meeting.
Released Company's first Environmental, Social and Governance (ESG) report.
Obtain national high-tech enterprise certification.



About Us

Company Profile

Xiandai Investment Co., Ltd. was established in 1993 and listed on the Shenzhen Stock Exchange in 1999 (stock code: 000900.SZ, referred to as "Xiandai Investment"). We are the only listed Company in the transportation field in Hunan Province. Currently, Xiandai Investment has formed a "one body, two wings" development pattern with expressway investment, construction, operation and management as the main body, and modern finance and industrial investment as the "two wings". The Company is road-oriented and grows collaboratively. Our business scope involves expressways, banking, futures, trade, environmental protection, asset management, road management and other fields. In 2023, the Company's total operating income was CNY8.467 billion, total profit was CNY0.802 billion, total assets were CNY56.819 billion, the weighted average return on net assets was 4.54%, and profits and taxes were achieved CNY0.945 billion. The Company is included as a constituent stock in the Shenzhen-Hong Kong Stock Connect program.

With the mission of "Create a beautiful road and practice green development", the Company has achieved many "first" in the Hunan province's expressway operation and management.

- We have 7 operational and managed expressways with an operating mileage of 521 kilometers.
- Established Hunan province's first professional expressway civilized service training institution "Lifei Studio".
- Create Hunan province's first civilized and high-quality service brand for monitoring positions "Audible Smile".
- Cultivate the first toll station in Hunan province with 7 collective national honors - Changsha Toll Station.
- Construction of Hunan province's first Beidou navigation floating car technology expressway traffic incident detection system.
- Be the first in Hunan province to build ETC pre-transaction, CPC pre-payment and other systems.
- Create the country's first "green energy + modern high-speed" simulation demonstration project.

Corporate Culture

Corporate Mission

Create a beautiful road and practice green development

Development Vision

Domestic first-class transportation industry comprehensive service provider

Value

Reform, Innovation and Excellence

Corporate Purpose

Serve the Country, Society and Employees

Development Model

Focus on creating a "one body, two wings" development pattern, that is, with expressway operation management as the main body, with the financial services and industrial operations as the "two wings", strengthen the main body, specialize in finance, deepen industry, and focus on core business.

Management Philosophy

Digitalization, Specialization and Marketization

Development Strategy

During the 14th Five Year Plan period, the Company adheres to the "Three Highs and Four News" strategy of serving Hunan province, fully implement the strategic positioning and mission of "Hunan Province expressway operation and maintenance brand merchant, expressway intelligent comprehensive service provider, capital operation platform, and financial service platform". We cultivating high-quality development momentum, and striving to build an industry-leading demonstration enterprise.



Awards and Honors

 <p>High-Tech Enterprises 高新技术企业</p> <p>Department of Science and Technology of Hunan Province, Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration</p>	 <p>Advanced Collective in the 2023 Spring Festival Transportation Work 2023年春运工作先进集体</p> <p>National Committee of the Chinese seamen & Construction Workers' Union</p>	 <p>A-level information disclosure for the listed companies on the Shenzhen Stock Exchange in the fiscal year 2022-2023 深市上市公司2022-2023年度信息披露A级</p> <p>Shenzhen Stock Exchange</p>	 <p>China Association of Public Companies 2023 Excellent ESG Practice Cases of Listed Companies 证书</p> <p>China Association For Public Companies</p>
 <p>2022 Golden Information Disclosure Award 2022年度金信披露奖</p> <p>China Securities Journal</p>	 <p>Best Innovation Practice Award</p> <p>The 7th China Outstanding IR</p>	 <p>Best ESG Newcomer Award</p> <p>The 7th China Outstanding IR</p>	 <p>The 21st One-Star National Youth Civilization Award 第21届一星级全国青年文明号</p> <p>Communist Youth League of China, The Supreme People's Court of The People's Republic of China, National Development and Reform Commission and other 23 organizing committees of the National Youth Civilization Campaign</p>
 <p>2023 Fulong Plan Provincial Enterprise Science and Technology Innovation and Entrepreneurship Team 2023年度芙蓉计划省企业科技创新创业团队</p> <p>Office of the Talent Work Leading Group of the Hunan Provincial Committee of the Communist Party of China</p>	 <p>The third batch of innovative small and medium-sized enterprises in Hunan Province 湖南省第三批创新型中小企业</p> <p>Industry and Information Technology Department of Hunan Province</p>	 <p>Advanced Unit in Provincial Rural Credit System Performance Assessment in 2023 二〇二三年度湖南农信系统农商银行绩效考核先进单位</p> <p>Hunan Rural Credit Cooperatives Union</p>	 <p>2023 "Good Start" Competition Comprehensive Winner Second Prize 二〇二三年“开门红”竞赛活动综合优胜奖 二等奖</p> <p>Hunan Rural Credit Cooperatives Union</p>
 <p>"Four New" Economic Demonstration Enterprises in Tianxin District, Changsha City 长沙市天心区“四新”经济示范企业</p> <p>Tianxin District Committee and District Government of Changsha City</p>	 <p>Outstanding units supported by financial institutions in county economic development in 2022 2022年度金融机构支持县域经济发展先进单位</p> <p>The People's Government of Yueyang County</p>	 <p>2022 Hunan Province Contract-abiding and Credit-worthy Enterprise 授予：湖南现代环境科技股份有限公司 湖南省守合同重信用企业 (2022年度)</p> <p>Hunan Enterprise of Keeping Promise Honouring Contracts Association</p>	 <p>2023 Hunan Province Environmental Protection Enterprise Credit AAA Rating Evaluation 企业信用等级证书</p> <p>Hunan Association of Environmental Protection Industry</p>
 <p>Excellent Enterprise in Environmental Sanitation Industry 荣誉证书</p> <p>Hunan Urban-Rural Construction Industry Association</p>	 <p>Excellent Industrial Service Award</p> <p>Futures Daily, Securities Times</p>	 <p>Best Risk Management Subsidiary Service Innovation Award 第十五届中国最佳期货经营机构评选 最佳风险管理子公司服务创新奖</p> <p>Futures Daily, Securities Times</p>	 <p>Best futures operating branch in China 第十五届中国最佳期货经营机构评选 中国最佳期货经营分支机构 大有期货上海营业部</p> <p>Futures Daily, Securities Times</p>



01

Strengthen Management Create an Excellent Xiandai



Establish a Sound Management Mechanism

- Enhance the Effectiveness of Party Building 11
- Optimize the Management System 13

Complete the Responsible Governance

- ESG Governance Framework 15
- Communication with Stakeholders 15
- Analysis of Materiality Issues 16

Integrity and Compliance Operation

- Improve Compliance System 17
- Build Clean and Honest Defense Line 19
- Observe Business Ethics 20

Aligning with the United Nations Sustainable Development Goals (SDGs)

Xiandai Investment follows the rule of law, strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and other relevant regulations. Through the use of a scientific and effective governance system, the Company is able to maintain sustainable and healthy development, optimize our organizational structure, define responsibilities and enhance system construction.



Establish a Sound Management Mechanism

Xiandai Investment continuously establishes and improves enterprise management mechanisms that meet modern and standardized requirements, clearly defining the responsibilities and authorities of the "three meetings and senior management". We place a strong emphasis on the Party's leadership role in corporate governance and actively investigate the most effective ways to include the Party's leadership within the framework.

Enhance the Effectiveness of Party Building

Xiandai Investment follows the essential notion of "two upholds". We fully carry out the Party's basic leadership function. The Company integrates the leadership of the Party into every aspect of corporate governance, embeds the Party into every aspect of the corporate governance structure, incorporates the overall requirements of Party building work into the Company's articles of association, strengthens the deep integration and resonance of Party building work with enterprise management, and creates a new situation for the reform and development of state-owned enterprises with new achievements.

Party Building Leads the way

Xiandai Investment focuses on Party building, enhancing organizational structure, defining job assignments and ensuring that the Party's principles and policies are fully implemented throughout the Company. We focus on the spirit of the 20th Congress of the Party of China, continue to strengthen theoretical education, deepen theoretical popularization, and promote the normalization of the system for heart-to-heart talks. We learn Party building theory in the form of theme party classes, study groups and book sharing sessions, innovate and carry out themed activities such as "one lesson, one article, one practice" every month. We regularly organize practical activities to benefiting the public, actively carry out theoretical education and practical activities, and enhance the political and theoretical guidance of Party members.



"Leading Melody" music party class



Theme education reading group and Party's 20th National Congress Spirit Party Member Rotation Training

Effective Integration Construction

Xiandai Investment persists in aligning the work of Party building with business goals, taking the improvement of Company efficiency and the enhancement of Company's competitive strength as the starting point and foothold of Party building work and implementing the policies of the Party into various aspects of the Company's development. The Company continues to deepen activities such as the "Secretary of Party Linked to Projects" and the "Pioneering Activities of Party Members," while also solidly advancing the construction of the "Five Standards" branch, continuously deepening the "Party Building Plus" system and launching the "Three Leading, Three Innovative and Five Plus" building model. We cultivate the brands of "DA RONG SHU" of Dayou Futures, the "Pomegranate Flower" of Changsha Branch, the "Jingyu" Service Vanguard, the "State-owned Enterprise Craftsman Youth Pioneer", the "Road Guard Vanguard Team" and other brands, promoting the integration and common development of Party Building and business work.

Five Standards	Three Leads and Three Creates	Party member +
Branch establishment standardization	The secretary leads the branch to create excellence	Party member plus safety
Organizational life normalization	The branch leads the Party member to innovate	Party member plus service
Management service refinement	The Party building leads the group to create the effect	Party member plus smooth operation
Work system institutionalization		Party member plus plugging
Site construction standardization		Party member plus electromechanical

Dayou Futures leads the high-quality development with the "DA RONG SHU" Party building brand



In 2023, Dayou Futures' "DA RONG SHU" Party building brand was released and authorized, successfully obtaining the title of "Advanced Grassroots Party Organization" of regulatory enterprises in Hunan Province. Dayou Futures adheres to the main principle of steady development, fully leverages the advantage of finance, takes root in the soil of serving the real economy, promotes the deep integration of Party building work and central work, continuously enhances the influence, radiation, and appeal of the "DA RONG SHU" brand and promotes Party building work to uphold originality and innovation, helping the Company achieve high-quality development.



Logo of the "DA RONG SHU" Brand Opening ceremony of the "DA RONG SHU" brand



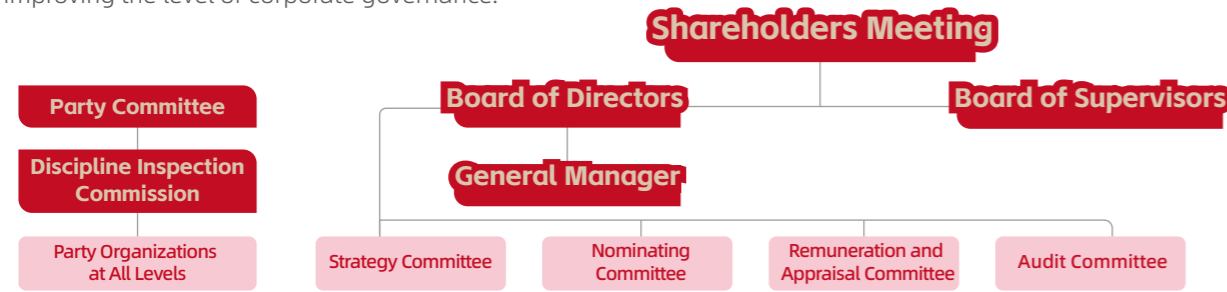
Certificate of honor of advanced grassroots party organization



Work registration of the "DA RONG SHU" brand

Optimize the Management System

Xiandai Investment integrates the improvement of China's modern corporate system with the construction of excellent enterprises, continuously optimizes the corporate governance structure and improves the system of corporate governance regulations. In accordance with the latest policies, regulatory requirements and the current development of the Company, a series of rules and regulations such as the *Articles of Association and the Rules of Procedures for the Board of Directors* have been revised or established. The Company optimizes the organizational structure and operation mechanism of the "three meetings and senior management". The shareholders' meeting, the Board of Directors, the supervisory board, and the management team perform their respective duties, shoulder their respective responsibilities, coordinate operations and maintain effective checks and balances, steadily improving the level of corporate governance.



Construction of the Board of Directors and Board of Supervisors

Xiandai Investment is committed to enhancing the professionalism, diversity and inclusiveness of the Board of Directors and supervisors, focusing on the professional composition of members of the board's specialized committees, continuously optimizing the operation mechanism of the Board of Directors and Supervisors and improving decision-making efficiency. We focus on strengthening the board's capabilities in corporate governance, risk management and leadership, continue to innovate the supervisory form of the Supervisory Board in corporate governance. Through learning and training, we ensure that the Board of Directors is always up to date and fully plays its core role in corporate governance, making greater contributions to the Company's long-term prosperity.

By the end of the reporting period, the Board of Directors of the Company is composed of 9 directors, including 3 independent directors, 2 female directors, and 1 employee directors; the Supervisory Board of the Company is composed of 6 supervisors, including 3 female supervisors and 2 employee supervisors.



Xiandai Investment holds special training for directors, supervisors and senior management



Special training for directors, supervisors and senior management

On May 10, 2023, the Company held a special training for the directors, supervisors and senior management. The training provided a detailed analysis of the regulatory trends and performance requirements after the comprehensive registration system revision, as well as an introduction to the basic ways of capital operation for listed companies. This training deepened the understanding of the comprehensive registration system for the Company's directors, supervisors and senior management members and further enhanced the performance and responsibility of the directors, supervisors and senior management.



Timely Disclosure of Information

Xiandai Investment adheres to the principle of "open, fair and just" information disclosure and has established systems such as the *Rules Governing Information Disclosure Matters*, the *Internal Reporting System for Major Information*, which regulate the reporting, review, confidentiality, disclosure and accountability of significant matters in an all-round and full-process manner. We are investor-oriented and regularly disclose operational information on platforms such as the official website, cninfo website and China Securities Journal to enhance the transparency and timeliness of information disclosure.

Xiandai Investment has obtained an "A" grade assessment results in the evaluation of information disclosure work evaluation of Shenzhen Stock Exchange for two consecutive years and has received various related awards and honors, demonstrating the high recognition of regulatory authorities and the society for the Company's standard governance and information disclosure quality. Details please refer to the "Awards and Honors" section.

During the reporting period, the Company did not engage in any violation of information disclosure and did not receive any penalties from regulatory authorities such as the China Securities Regulatory Commission and stock exchanges.



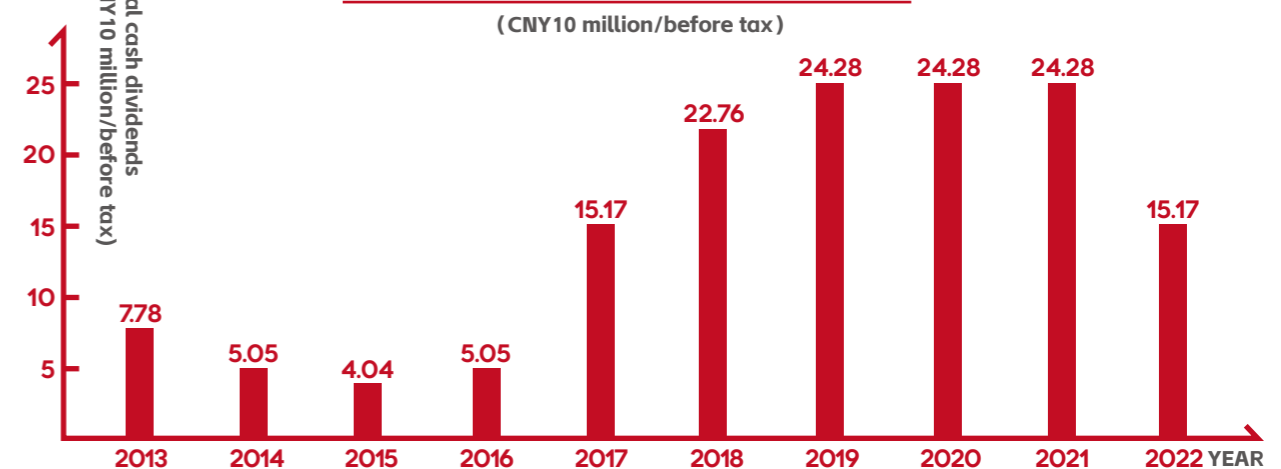
The Company disclosed a total of 72 public notice documents including 6 periodic reports and 66 interim reports

Investor Communication and Returns

Xiandai Investment has established a comprehensive investor relations management system, formulated investor relations management regulations such as investor visit reception, and strengthened communication and interaction with investors through various measures. We classify investors into different categories and formulate different communication strategies based on these categories. We maintain contact with investors through various channels such as telephone conferences, research interviews, seminars and performance briefings, and timely address investors' inquiries. In 2023, we held a performance briefings once, set up investor reception day once, received 87 visits from investors, and answered 34 investors' questions on the interactive platform of the Shenzhen Stock Exchange with a 100% response rate.

Xiandai Investment places emphasis on shareholders' returns and consistently adheres to a cash dividend policy. Since our listing in 1999, the Company has paid dividends 22 times, totaling CNY3.123 billion, far exceeding the funds raised by the Company. We formulate a dividend plan for the years 2022-2024 to further improve and refine the decision-making process and mechanism for profit distribution matters, optimize the continuous, stable, scientific and transparent dividend mechanism, and safeguard the rights of shareholders to enjoy asset returns in accordance with the law.

Xiandai Investment's total cash dividends in the past ten years



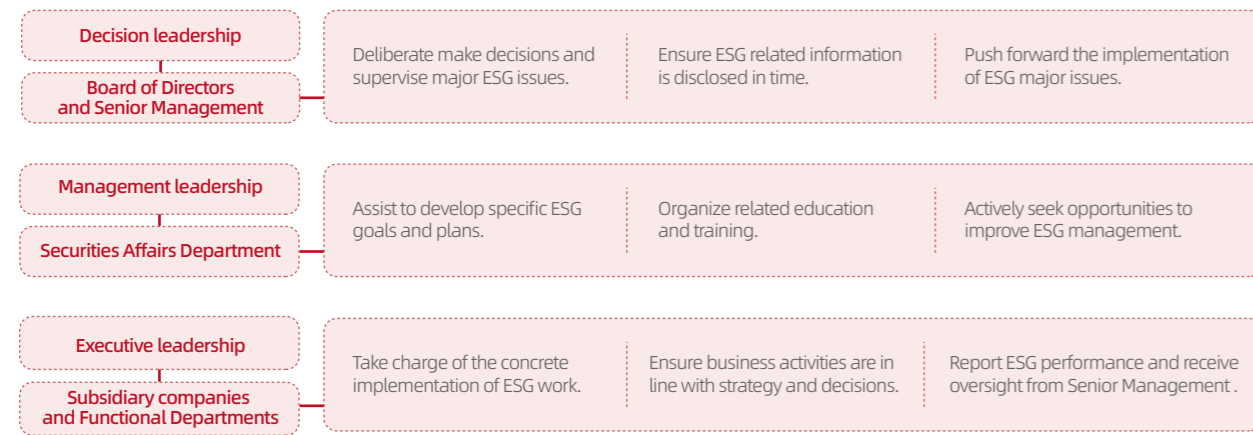
Complete the Responsible Governance

As a responsible Company, Xiandai Investment continuously improves ESG management by integrating the ESG concept into every aspect of the Company, every business decision and every action through a series of innovative ways and methods, contributing to the sustainable development of society.

ESG Governance Framework

Xiandai Investment has gradually optimized our ESG management system, on the basis of the original governance framework, a comprehensive ESG management system improvement has been carried out, clarifying the ESG responsibility allocation of the Board of Directors, senior management, subsidiaries, and various functional departments. This has formed an ESG work mechanism managed by the Board of Directors.

ESG governance framework of Xiandai Investment



Communication with Stakeholders

Xiandai Investment attaches great importance to communication with government and regulatory authorities, shareholders and investors, customers, employees, suppliers and partners, media and non-governmental organizations, communities, the public and other stakeholders and has established diversified communication channels and feedback mechanisms in response to the characteristics of each party, and discloses the Company's sustainable development information to all parties in a timely manner to ensure the accurate identification, comprehensive understanding and precise response to the demands of stakeholders.

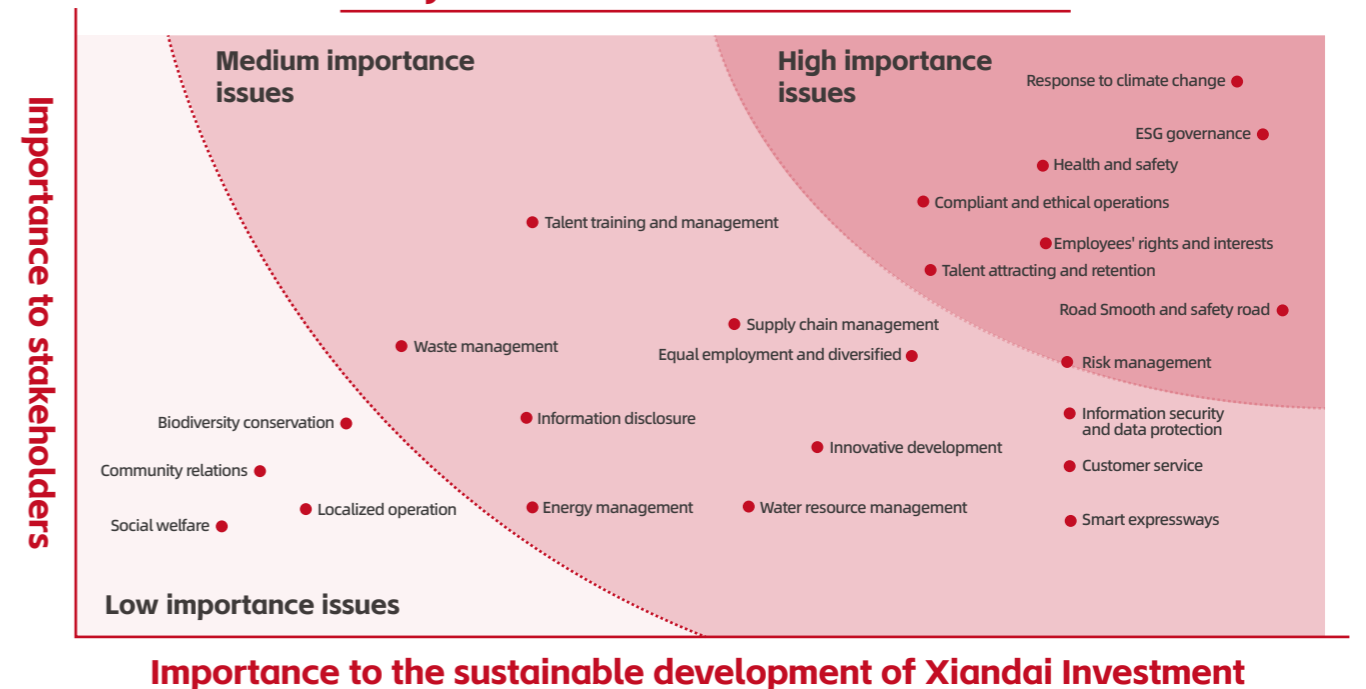


Analysis of Materiality Issues

To better realize the sustainable development of the Company, we have identified 23 potential materiality issues based on our own development plan, combining with the disclosure requirements of regulatory authorities and the focus of stakeholders, and bid selection with outstanding companies in the industry, and ranked materiality issues according to two dimensions of "importance to the sustainable development of Xiandai Investment" and "importance to stakeholders" to ensure the high relevance of the existing issues to our own business operations and the development of the industry. This process is monitored and reviewed by the Board of Directors and is a key consideration in the formulation of internal development strategies and management policies.



ESG materiality issue matrix of Xiandai Investment in 2023





Integrity and Compliance Operation

Xiandai Investment insists on operating in accordance with the law, continuously strengthening risk control, improving compliance systems and operating mechanisms, nurturing a culture of compliance, strengthening supervision and accountability, adhering to the bottom line of integrity in employment, strengthening employees' awareness of business ethics and leading the right business ethical values.

Improve Compliance System

Xiandai Investment attaches great importance to internal control work, always insisting on embedding compliance management requirements into various areas of business management, and simultaneously building a compliance management system and compliance culture. We continue to strengthen audit supervision, improve the internal control system, prevent operational risks and continuously improve the Company's legal construction and compliance management mechanisms.



Audit Supervision System

Xiandai Investment has established the *Audit Supervision System* and the *Implementation Rules for Economic Responsibility Audit*, clarifying the leadership responsibilities and work mechanisms for compliance management. At the beginning of the year, we formulated an audit plan and strictly completed audit tasks according to the plan. We supervised and tracked the audit issues requiring rectification, ensuring rectification within the specified timeframe. During the reporting period, we conducted compliance training and needs interviews, and implemented a comprehensive compliance management system involving all employees, further enhancing internal control construction and standardizing system management in accordance with the Work Plan for Compliance Management System Construction.



Kickoff meeting for the construction of compliance management system

Internal Control Risk Management

Xiandai Investment is making great efforts to promote the construction and improvement of the risk management system and processes, continuously enhancing the Company's risk management capabilities and defense capabilities. We are establishing a dual regulatory system to standardize and strengthen the Company's borrowing management and investment decisions, effectively achieving the goals of "two preventions" and "two necessities" and improving the Company's risk prevention and control regulatory system.

Two Preventions Mistakes in investment decision-making should be prevented, and borrowing should not be used to cover operational issues.

Two Necessities Every penny borrowed by the Company must be decided by the Board of Directors, and the purpose of every penny borrowed must be clearly defined.

Risk management measures

Risk management measures	Actions
Risk dual regulatory system	A leadership group led by the Company's top leaders as the group leader is established to strengthen the regulatory system for preventing systemic risks. This group will coordinate and promote the relevant work for the construction of the dual regulatory system.
Internal control self-evaluation	Formulate the annual internal control evaluation plan, urge and guide each unit to carry out self-evaluation seriously, review the self-evaluation draft of each unit and department, and complete the preparation and disclosure of the annual internal control evaluation report.
Risk control system rating	Formulate the <i>Risk Prevention and Control System Rating Management Evaluation Rules</i> , comprehensively judge the risk prevention and control system construction, risk management level and risk status of the subsidiaries.
Regular and irregular risk assessment	<p>Risk identification According to the control objectives, collect relevant information, accurately identify various internal risks and external risks.</p> <p>Risk analysis According to the probability of risk occurrence and the degree of impact of the ranking, formulate the <i>Significant Risk List</i> and risk analysis is carried out by combining qualitative and quantitative methods.</p> <p>Risk management Combine with risk tolerance, determine the risk response strategy, and the Company risk assessment results for annual or irregular adjustment.</p>
Contract management	Formulate the <i>Contract Management System</i> , clear the contract review, signing, performance and other whole process management rules, control contract management risks.
Legal risk prevention	Formulate the <i>Management System of Legal Litigation Disputes</i> and the <i>Measures for the Administration of Legal Service Intermediaries</i> , improve the system of various contracts, litigation disputes and legal affairs of the co-ordination of management requirements and authority.
Contract management	Conduct compliance training and watch educational videos.

Privacy and Information Security



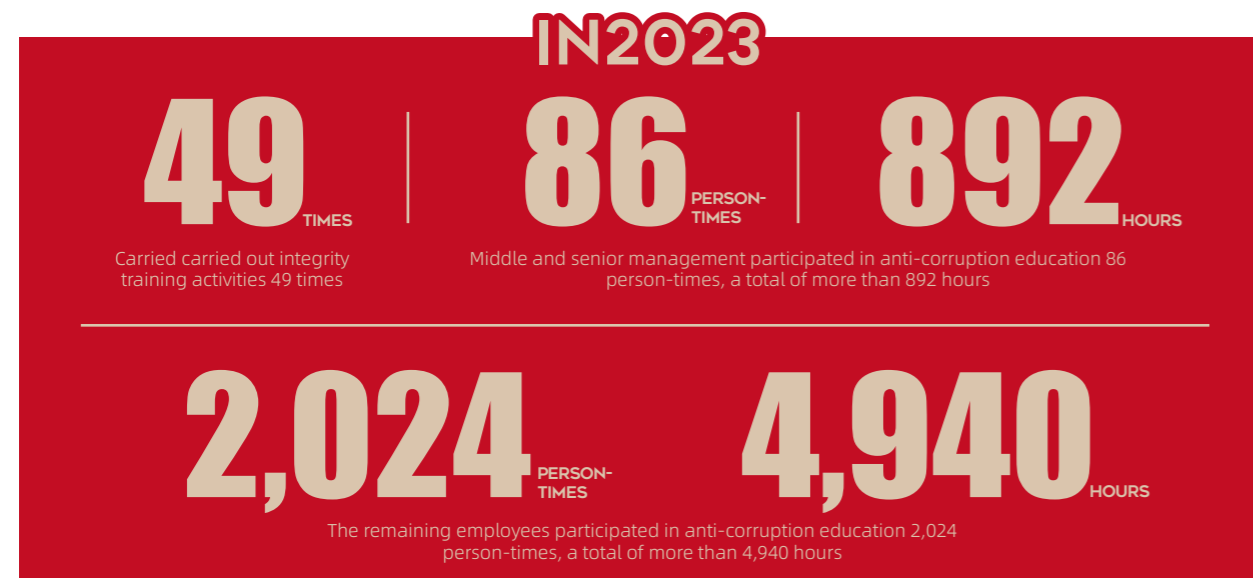
Xiandai Investment obtained "National Information System Security Three-level Registration" certificate

Xiandai Investment is committed to protecting the privacy information of investors, employees, and clients. We have established the *Network Security Management Measures* and *Confidentiality System* and other information security protection systems. Additionally, we have formed a network security working group to supervise and manage network security work. Internally, the Company takes measures such as encrypted storage and transmission, restricted access permissions, network security training, establishment of emergency response mechanisms, management and restriction of employee account permissions, and desensitization of data used in non-production environments of information systems. These measures ensure the security and confidentiality of customer, investor, and employee privacy information. Externally, the Company actively registers insiders and reminds them of their confidentiality obligations regarding major matters.

Build Clean and Honest Defense Line

Xiandai Investment maintains a "zero tolerance" attitude towards bribery and corruption. With deepening and refining political supervision as the leader, we establish a perfect "Five Responsibilities Coordination" as the platform, coordinate efforts to promote special rectification as the focus, strengthen daily supervision as the key point and achieve breakthroughs in handling problem clues. We are making comprehensive efforts to deepen the construction of a "clean Xiandai Investment" corporate culture.

During the reporting period, Xiandai Investment focused on the construction of a clean culture. In addition to holding annual meetings on party conduct, integrity building, and anti-corruption work, it also promoted a clean culture in various forms. This included organizing "Family Support for Cleanliness" activities, setting up a clean industry promotion column for futures investors, actively participating in clean debate competitions, releasing a series of clean wallpapers for mobile phones and computers, and organizing the "Clean Xiandai Investment, Everyone Speaks" essay display activities.



Dayou Futures organized clean culture construction and family assistance theme education activity



Clean culture construction and family assistance theme education activity

In August 2023, Dayou Futures organized the "Clean Dayou Futures and breeze family" clean culture construction and family assistance theme education activity at the New Era Integrity Education Base in Hunan Martyrs Park. The activity effectively guided Party members to strengthen their ideals and beliefs through a combination of seeing, listening, appreciating, thinking, and understanding. It rooted clean culture and a clean family style in the hearts of participants, encouraged them to practice it in their actions, and effectively strengthened the family's defense line against corruption and change.



Observe Business Ethics

Adhering to the bottom line of the law and strictly Observe Business Ethics is the Company's solemn commitment to society. Xiandai Investment strictly complies with the requirements of laws and regulations such as the *Law of the People's Republic of China on Anti-Unfair Competition* and the *Law of the People's Republic of China on Anti-money Laundering*. We attaches great importance to managing conflicts of interest, anti-money laundering, anti-unfair competition, and anti-corruption work. We always adheres to the highest business ethics standards, maintains fair competition, advocates honest operation, and is committed to establishing a positive business ethics model.

Anti-money Laundering

The financial services sector of Xiandai Investment has established a sound system for reporting suspicious transactions, implemented arrangements for anti-money laundering work and implemented "risk-based" classification control measures such as setting monitoring indicators for suspicious transactions, establishing procedures for reviewing and submitting anti-money laundering reports and improving customer risk classification standards.

Dayou Futures has taken many measures to promote anti-money laundering work

- Suspicious transaction analysis platform
- Anti-money laundering network contest
- Directors, supervisors and senior management anti-money laundering training
- Intellectual Property Protection

Intellectual Property Protection

Protecting intellectual property is protecting innovation. Xiandai Investment has formulated the *Information Management System* and the *Implementing Rules for Software Genuine Licensing*, establishing a dedicated intellectual property management department, and set up a leadership group for software genuine licensing. This group is responsible for intellectual property application, maintenance, and rights protection work. At the same time, the Company regularly conducts intellectual property training to enhance employees' patent awareness and protection consciousness. The Company encourages employees to actively participate in innovation, provides necessary resources and support, and promptly rewards and commends them. It actively assists employees in applying for patents and other intellectual property protection measures.

In 2023, the Company was recommended by Hunan Province to participate in the selection of national copyright demonstration units (software genuine licensing). By the end of the reporting period, the selection work has not been completed.

153

The Company has 153 software copyrights and patents

116

116 patents have been granted

8

8 new patents added in 2023



02

Use Intelligence Guard the Safety of Xiandai

Pursue Technological Innovation

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Aligning with the United Nations Sustainable Development Goals (SDGs)

Xiandai Investment has established a core value of "Reform, Innovation and Excellence", empowering business operations with wisdom and continuously improves service quality. The Company continuously upgrades our management through intelligent solutions and pursues excellence in products and services, always providing customers with the best service experience.

Pursue Technological Innovation



Digital transformation is one of the key measures to drive the development of modern enterprises and Xiandai Investment actively responds to this trend, embracing the wave of digital transformation and continuously introducing innovative technologies. The Company continuously deepens the integration and application of new generation information technologies such as big data, Internet of Things, and cloud computing, enhancing the Company's innovation capabilities and core competitiveness.

Smart Expressways

Relying on the advantage of "smart expressways", Xiandai Investment continues to explore various AI technologies, such as non-sensing, barrier-free, and contactless, fully creating a comfortable and fast new mode of passage. We use the most advanced artificial intelligence technology, with big data as the engine, to promote the deep integration of big data with toll collection, maintenance, emergency rescue and other scenarios. This effectively of travel and enables drivers and passengers to experience a comfortable and seamless driving process on the expressway.

Smart Expressway Construction in 2023

Automatic charge	<ul style="list-style-type: none"> •Building smart toll station to make charging and issuing cards unmanned. •Equipped with entrance infrared ultra-high detection equipment and charging robot equipment. •Building systems such as ETC pre-transaction and CPC pre-payment.
Intelligent rescue	<ul style="list-style-type: none"> •Building a cloud platform for expressway emergency rescue and dispatch for information sharing and joint logistics linkage. •Launching a "One-click Rescue" service to quickly and accurately locate malfunctioning vehicles through satellite positioning technology.
Automatic business	<ul style="list-style-type: none"> •Equipped with a high-density and high-definition intelligent road monitoring system. •Setting up a tunnel incident monitoring system.
Quantitative services.	<ul style="list-style-type: none"> •Building "GSHT" one-stop digital service platform.



Mini Program of GSHT



The implementation of intelligent high-definition video monitoring system on Changzhi Expressway Changshaolou section



Full coverage of charging robot equipment on Changzhi Expressway Changshaolou section

Smart Maintenance

Xiandai Investment relies on the intelligent management system platform for expressway maintenance, conducting comprehensive analysis of factors such as traffic flow and climate to provide scientific basis for maintenance planning, promoting the standardization, informatization, scientification and refinement of maintenance management. Through automation equipment, robots and other technologies, the Company has achieved the intelligence of road maintenance work such as road marking repairs and barrier cleaning, improving operational efficiency and construction quality.

Management measures of intelligent maintenance

Closed-loop maintenance engineering management

•Based on the application of hand-held mobile terminals, a detailed closed-loop management process for routine inspection, disease treatment, construction acceptance, measurement and payment and statistical analysis is formed

Maintenance data interoperability

•Complete the data interworking between the Company's platform and each branch Company's platform
•Enhance data sharing between computer and mobile phone applications to facilitate the management of routine on-site maintenance verification

Build a big data center of maintenance

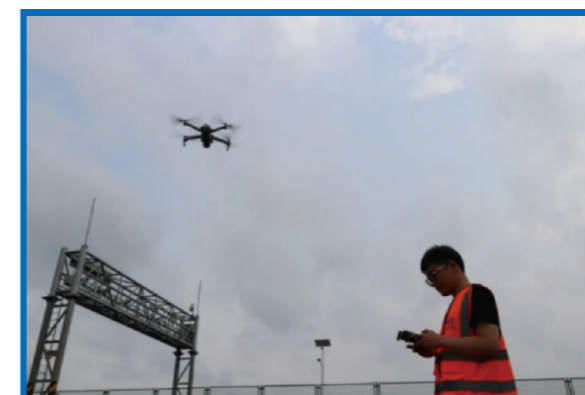
•Establish the infrastructure database for road production and realize the standardized management of the basic data

Innovate the emergency management of maintenance

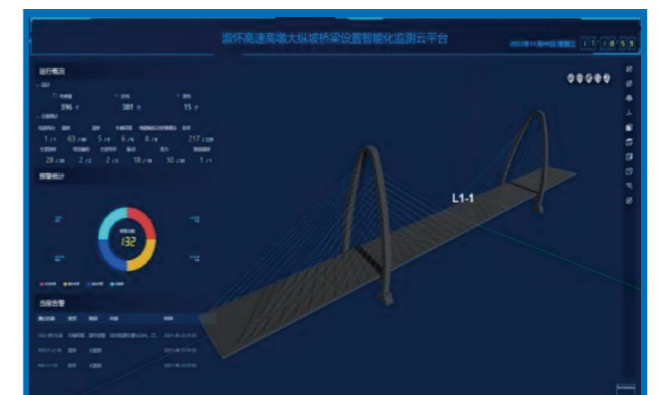
•Standardized management and automated grading of slope risk assessment
•Achieve real-time reporting and summarization of emergency situations such as slope flooding

Innovative intelligent management of bridges

•Each bridge generates a unique two-dimensional code, which can accurately identify the relevant information of the bridge at any time by scanning the code and comprehensively master the basic attribute information of the bridge
•Systematic inquiry to know the status of routine maintenance and inspection of bridges in real time



Maintenance inspections is carried out using unmanned aerial vehicles on the Changshaolou Expressway



Intelligent Monitoring Cloud Platform for Xuhuai Expressway high pier large longitudinal slope bridge

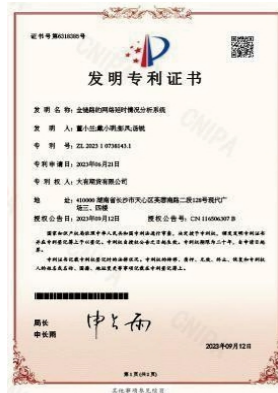
Smart Finance

Xiandai Investment's financial sector adheres to the concept of "specialising in modern finance, promoting the integration of financial and industrial capital, and serving the real economy". It is committed to using advanced technologies, such as big data and artificial intelligence, to innovate financial services, enhance the supply of financial products, explore and implement new models and paths of intelligent finance, and provide customers with more efficient, convenient, and intelligent financial service experiences based on data-driven decision support.

In 2023, our focus is on the efficient and stable construction of systems, as well as the independent research and development of integrated platforms. These platforms aim to support the development of innovative businesses and provide reliable technical support, guided by the construction of secure and innovative systems for the creation of a national cryptocurrency. Focusing on customer needs and business development, we actively promote digital transformation. We have successively obtained 7 practical system national computer software copyright registration certificates, including "OTC Option Comprehensive Management System", "OTC Option Quoting Mini Program" and "Futures and Spot Comprehensive Management System". Modern Wealth has officially launched the Anxun Microfinance "Xiandai Property Mortgage" cloud mortgage real estate registration system, achieving full online registration of real estate mortgages in the loan business by integrating with the "Internet + Real Estate Mortgage Registration" in Changsha.

Dayou Futures develops the information technology system to enhance the user experience

obtains 1 patent and 7 soft copyright



Smart Technology

Xiandai Investment continues to develop environmentally friendly smart new technologies, using technological power to solve environmental problems and providing more diversified choices and solutions for environmental governance. Modern Environment has established the "Hunan Province Urban and Rural Domestic Waste Treatment and Disposal Engineering Technology Research Center", "Non-ferrous Metal Green Ore Dressing and Pollution Control Technology Hunan Province Engineering Laboratory," the Changsha City Expert Workstation and other research platforms. The development and application of these new technologies have achieved good economic, social and ecological benefits and awards. To date, the Company has obtained 4 authorized patents and published 3 SCI papers.



Xiangxiang domestic waste incineration for power generation project won "2023 Hunan Environmental Protection Demonstration Project"



The integrated treatment technology and demonstration project of Dispersed Kitchen Waste won the gold prize of "Award for invention and entrepreneurship"

Modular smart sewage treatment technology of Modern Environment won many honors

Modern Environment has conducted key technical research on modular smart sewage treatment, maximizing the reduction of operational energy consumption, drug consumption and enhancing the system's ability to withstand shock loads to ensure stable and compliant water discharge through smart transformation, technological improvements and innovation to adapt to "tidal phenomena". According to incomplete statistics, the application of the above operating mode can save 37.5 kWh of electricity, 4.61 kg of standard coal and reduce 11.33 kg of carbon dioxide emissions per cubic meter of water. This technology has been awarded the "Advanced Environmental Protection Technology of Hunan Province in 2023" and the "Practical Environmental Protection Technology of Hunan Province in 2022" and has been included in the Practical Environmental Protection Technology Directory of Hunan Province. It has been successfully applied to multiple projects such as the sewage quality improvement project at the Chaling Service Area of Hunan High Speed Industry Development Co., Ltd. and the sewage treatment project at the Nanchangcheng Service Area.



Modular smart sewage treatment equipment



Modular smart sewage treatment technology was awarded the "Advanced Environmental Protection Technology of Hunan Province in 2023"

Build Safe Fort Together



The road to safety production is endless. Xiandai Investment has always adhered to an unremitting and unrelenting attitude and has integrated the concept of safety development into every aspect of daily operation and management, laying a solid foundation for the Company's safe and stable development, providing employees with a safe and comfortable working environment and offering customers safe and reliable services.

Standardise the Safety System

Xiandai Investment has always adhered to the business philosophy of safety development, established and improved the safety production management system and working mechanisms in accordance with the laws and regulations such as the *Production Safety Law of the People's Republic of China*, focusing on strengthening the construction of the safety production standardization system and implementing the safety production responsibility at all levels.

Safety Production System Construction

Xiandai Investment has established a set of safety production management system covering various aspects such as building safety, facility and equipment safety, safety production education and training and special operation safety. The Company dynamically identifies and obtains safety production-related laws, regulations, and other requirements, formulates the *List of Production Safety Laws, Regulations, and Standards* and regularly evaluates the compliance of safety production laws, regulations, standards and rules to ensure that the Company's safety management activities meet the requirements.



Safety production standardization construction reaches the second level standard

Safety Production Management Organization

Adhering to the safety production supervision and management principles of "unified leadership, responsibility implementation, graded management and classified guidance," the Company has established a four-level safety production management structure, implemented safety production responsibilities, signed safety production responsibilities at all levels, continuously strengthened the awareness of the safety red line and ensured effective management of safety production work.

Work Safety Committee

As the highest deliberative, coordinating and decision-making organization of Work Safety Management, it is responsible for researching, directing, coordinating, supervising and inspecting work safety of the Company, researching and solving major problems in work safety

Safety Committee Office

To undertake the daily work of the Work Safety Committee, implement the work requirements of the committee, coordinate and cooperate with relevant departments to ensure the effective promotion of work safety

Safety Operation & Maintenance

The department in charge of the work safety supervision and management of the Company shall perform the duties of supervision and management of the work safety of the Company

Subsidiaries

Under the leadership of the Company's Work Safety Committee to do a good job in the work of the unit's safety leadership

Ensure Safe Operation

Xiandai Investment is comprehensively promoting safe production operations, strengthening safety management, refining safety measures, and standardizing safety work processes. The Company has established clear safe production goals and plans, established comprehensive emergency plans and emergency response systems, promoted the graded control of operational safety risks and established a dual prevention and control mechanism for hidden dangers. The Company fully leverages the work mechanisms such as police coordination and emergency drills to continuously improve the Company's safety operation and management level, and make every effort to ensure operational safety management and vehicle safety.

In 2023, the Company achieved safety production "Four 100%" management indicators:

100%

Self-check coverage of security risks 100%

100%

100% timely rectification of safety hazards

100%

Safety education and training rate 100%

100%

Special equipment regular detection rate of 100%

168 TIMES

Carried out various emergency drills 168 times

1,417 TIMES

1,417 regular and irregular security checks

2,480

Checked for 2,480 potential hazards

100%

The rectification rate of hidden trouble is 100%

Security Risk Screening

Xiandai Investment has established a comprehensive business inspection mechanism based on the "Five Fix and Three Check" approach, and has conducted safety production inspections, joint law enforcement special rectification for "treating safety hazards at the source," as well as self-inspection and self-correction activities for hidden danger investigations. It has also established a safety hazard risk ledger and list, and has promptly eliminated safety hazards.

Capacity Building for Emergency Response

Xiandai Investment has formulated *Emergency Plan for Work Safety*, the *Special Emergency Plan for Emergencies* and the *Comprehensive Emergency Plan for Emergencies*. It has organized subsidiary companies to develop annual emergency plan exercise plan focused on the key tasks and key links of safe production. The Company has innovatively implemented desktop drills in the form of "monthly exercises" and regularized fire evacuation drills, ensuring the ability to respond to and handle sudden situations quickly and effectively. Furthermore, we have strengthened the supervision and management of vehicle rescue services, conducted strict checks on the performance of the vehicle rescue service teams, and strengthened the supervision and management of the three stages of pre-event, in-event and post-event vehicle rescue services.

Huaihua Branch conducted a comprehensive emergency response drill for tunnel incidents



Emergency response drill for tunnel incidents

In June 2023, Huaihua Branch conducted a comprehensive emergency response drill for tunnel incidents, simulating a rear-end collision between a small van and a hazardous chemicals transport vehicle in the tunnel. The tunnel surveillance employees guided the orderly evacuation of personnel inside the tunnel for the first time. Various units immediately responded, organized relevant personnel to rush to the scene for survey and took corresponding measures. The drill process was closely connected, and traffic control, extinguishing the fire source, and other disposal measures were efficiently coordinated. Accident investigation, road clearing, and other tasks were orderly and the emergency response personnel cooperated closely to complete all tasks satisfactorily.

Responsibility Assessment

Xiandai Investment has assumed the main responsibility for safe production and effectively achieved the annual safety production work goals issued by the Company. Every year, we conduct safety production target assessments and evaluations based on the annual safety production plan and key work system, resulting in an effective incentive and restraint mechanism.

Occupational Safety

Xiandai Investment prioritizes the health and safety of employees in business operations. The Company strictly complies with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and formulates the *Occupational Health and Safety Management System* and Post Safety Operation Rules to standardize the prevention, control, and elimination of occupational hazards.

The Company has set the goal of "eliminating all safety hazards and ensuring the health and safety of all employees," thereby ensuring that the workplace is always safe and healthy. In 2023, the Company did not exceed the limits of occupational hazard factors and did not have any major occupational health incidents.

To ensure the occupational safety of employees, the measures we have taken include:

-  Pre-employment, during-employment and post-employment occupational health examinations for personnel exposed to occupational hazards, and establishment of individual occupational health surveillance records
-  Equipping employees with labor protection supplies, relevant emergency equipment, and emergency medicines
-  Conducting occupational hazard factor testing
-  Regularly conducting occupational health training
-  Setting up occupational disease hazard warning signs and notice boards and publicizing health knowledge

Enhance Safety Awareness

To enhance the safety awareness of Company employees, the Company has formulated the *Safety Production Education and Training System* and implemented a "three-level" safety training at the Company level, department (grassroots unit) level and post level. We continue to carry out powerful, outstanding, distinctive and effective safety publicity and education activities that combine online and offline methods, such as classroom lectures, safety knowledge competitions and symposiums, to further enhance the overall health and safety awareness and emergency evacuation capabilities of all employees.



Xiandai Investment organized "Ankang Cup" safety emergency skills knowledge contest

In September 2023, Xiandai Investment organized a safety emergency skills knowledge competition. The competition aimed to promote learning through activities, strengthen skills through learning and convert safety knowledge into wisdom and action, thus improving the overall safety quality of the enterprise, creating a strong safety atmosphere and consolidating the Company's high-quality safety foundation.



Safety emergency skills knowledge contest

Enhance Professional Services

Xiandai Investment has always adhered to the management concept of "Digitalisation, Specialisation and Marketisation", continuously improving service standards and management quality. We aim to enhance the service system, optimize the service process, and ultimately provide customers with a superior service experience.

Warm and Smooth Travel

Xiandai Investment follows the idea of "focusing on the main business for future development, doing operation around the theme of transportation", adheres to the development concept centered on the people, implements the "four-good transportation" requirements and builds a transportation system that satisfies the people. We are committed to ensuring comprehensive improvement of road conditions and appearance, comprehensive improvement of service quality and comprehensive optimization of transportation environment to meet the travel needs of drivers and passengers for "safety, smoothness, comfort and beauty".



Improve the Level of Road Smoothness

The Company normalizes the requirements of the "Three Guarantees and Three Improvements (ensuring safety, smoothness, service and conducting inspections, rectifications, improvements)" special action into daily management, strengthens the investigation of slope hazards during the main flood season, carries out anti-icing and emergency rescue efforts, plans for peak traffic flow and implements the transformation of toll ticket from paper to electronic format. By empowering toll stations with technology and ensuring the safety, smoothness and orderliness of the expressway in the jurisdiction through multi-party collaboration and various measures.



Spring Festival travel rush volunteer service desk

Huaihua Branch set up a volunteer team to ensure smooth travel during the Spring Festival

During the Spring Festival travel rush, Huaihua Branch set up "Spring Festival volunteer convenience service desks" at each toll station, established volunteer service teams and provided 24-hour hot water, simple maintenance tools, protective equipment and consulting services as part of the extended convenience services. Combining past experience in ensuring smooth traffic flow, each toll station scientifically analyzed and judged changes in traffic flow, accurately revised and implemented "one station, one strategy" plans to ensure smooth traffic, and continued to implement effective measures such as being on standby and diverting passenger and cargo traffic.

Ensure Safe Operation

Xiandai Investment is committed to creating a safe, harmonious and efficient environment for expressway traffic, providing a range of rescue services for drivers and passengers. The Company has formulated a *Vehicle Rescue Standardized Management Manual*, established "one station, one strategy" emergency traffic flow protection plan and standardized rescue operation procedures. We have equipped our own vehicle rescue supervision system to ensure quick response and efficient execution, thus improving the accuracy and efficiency of rescue services.

Improving Service Quality

Xiandai Investment is enhancing service quality and efficiency from multiple dimensions, strengthening employee education and training and elevating the overall service level. The ultimate competition in business development lies in the competition of service, we have established "cultural and tourist stations," built intelligent charging stations, and operated the first "fully automatic car wash" service area within Hunan province's expressway service area, enriching our service experience.



"Automatic car washing" service of Zhaoshan Service Area



Intelligent charging station on Zhaoshan Service Area

Scientific Maintenance

The Company strictly implements special maintenance projects, enforces daily maintenance and inspection systems, adheres to preventive and refined maintenance, scientifically carries out maintenance management work and conducts seasonal maintenance in a planned manner, comprehensively improving the technical condition of the expressways and the level of expressway maintenance. According to the 2023 road condition inspection report, the average Highway Maintenance Quality Indicator (MQI) for Xuhuai Expressway is 96.22 and for Huaizhi Expressway is 97.05, both of which are at an excellent level.

Optimizing the Service Environment

The Company pays attention to the cleanliness and aesthetics of the service environment. We conduct special rectification for non-expressway signs, illegal constructions and bridge spaces, inspecting each bridge and culvert along the entire route and establishing a ledger for illegal constructions and accumulation. We comprehensively improve the public toilet facilities and overall environment in various service areas of the expressway, continuously enhancing the public service level of the expressway.

Huaihua Branch vigorously promotes the "toilet revolution"

Due to the long construction time, the facilities at the Changzhi Expressway Xuhuai Branch Service Area are old and outdated, with many blockages in the underground buried pipeline and a strong odor. In addition, the service area is short of water. The Huaihua Branch is fully promoting the "Three Guarantees and Three Improvements" special action and actively responding to the public's demands. After multiple negotiations and communications, they have found suitable water sources in the villages along the route. In the end, the Huaihua Branch spent more than CNY9 million to complete the "toilet revolution" project and the new water source access project at the Chenxi and Zhongfang Service Areas in addition to the overall transformation of the service area's greening, external wall decoration, cleaning and hot water bathing, providing the public with a completely new and comfortable, clean and hygienic sanitary environment.



The renovated public toilet in the service area of Xuhuai Expressway



Special rectification operation under the bridge, a total of 1 demolition of illegal buildings, cleaning debris and construction waste 2 tons



Demolition of illegal roadside structures

Intimate Financial Services

Xiandai Investment has been deeply cultivating the local area of Hunan, promoting the integration of production and finance, optimizing deposit and loan services, providing inclusive financial services, actively carrying out financial propaganda activities such as the "Five Entries" (entering rural areas, communities, campuses, enterprises and business districts), establishing a long-term mechanism for deposit insurance promotion, continuously improving customer financial service experience and convenience, enhancing business processing efficiency, and serving the real economy well.

Highlights in 2023 Financial Services

Yueyang Baling RCB	Dayou Futures
Successful creation of five-star and four-star outlets	Launch of the Dalian Commodity Exchange "2 + 1" pilot project
Play the role of financial services to ensure that the county's arable land can be cultivated in suitable weather smoothly	
Match financial products accurately with customers' needs and deepen the system of "Five complete" (overall layout, comprehensive visits, full marketing, full supervision and quality improvement)	

Xiandai Investment adheres to putting the protection of investors' legitimate rights and interests in a primary position in financial services. We have established systems such as the *Investor Suitability Management System* and the *Accountability Measures for Investor Suitability Management*, guiding investors to develop correct and rational investment concepts. We combine regional characteristics and Company business characteristics, using an "online + offline" approach to carry out targeted investor education, financial knowledge, financial policy and service promotion activities for different groups, creating a multi-form, multi-channel and three-dimensional publicity atmosphere.



The important initiatives for financial knowledge promotion in 2023

Organize "3.15 Consumer Rights Day" publicity activities

Organize "Prevent telecommunications fraud, popularize financial knowledge" theme publicity activities

Carry out the "Financial Knowledge into Campus" activities at Hunan University, Hunan University of Science and Technology, The Secondary Vocational School of Yueyang County in Hunan Province, Lotus Pond Primary School and Changling Middle School in Yueyang Economic Development Zone

Establish the "Awareness" investment education service brand, "Awareness Forum" wealth management forum, "Awareness Campus Tour" and other offline investment education activities

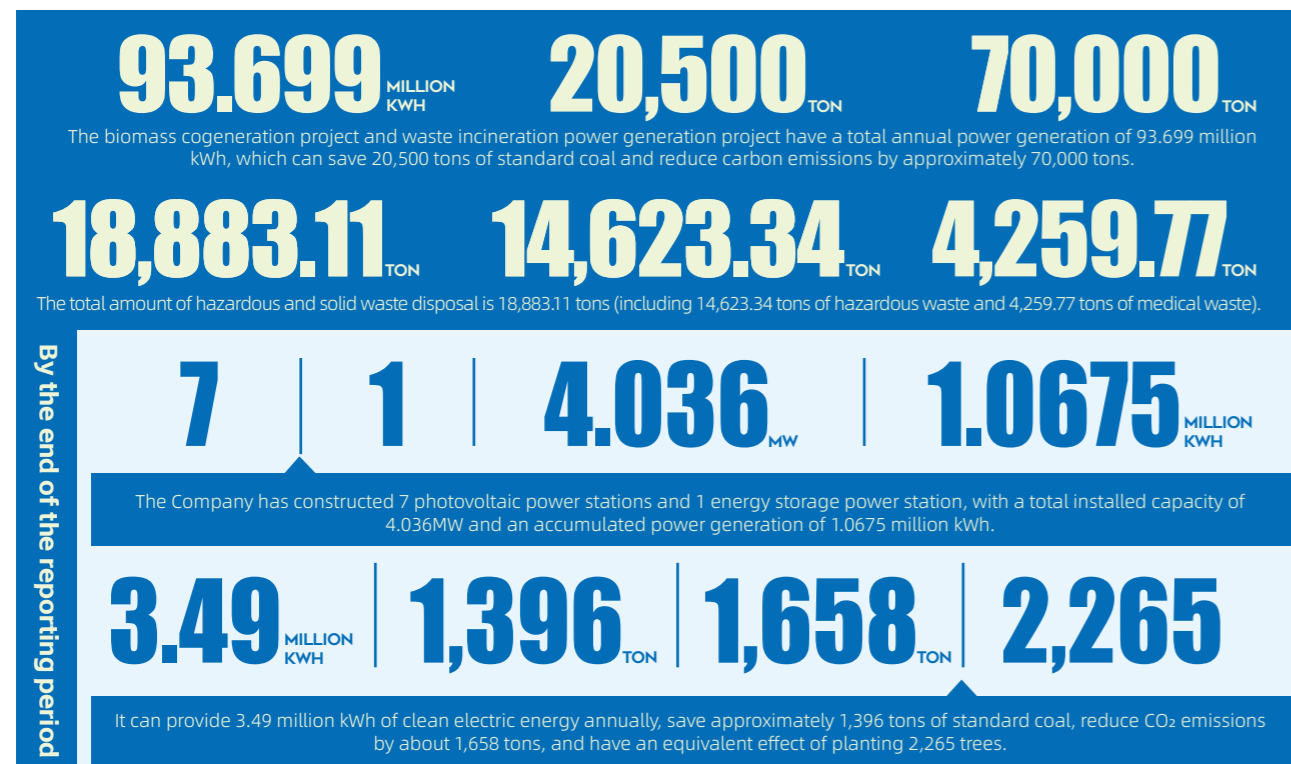
Concentrat promotion of integrity and credit information through various forms such as radio, news, special topics, micro-films, new media, etc.



The Dayou Futures Investment Education Base was once again recognized by Securities Association of Hunan Province as the "Outstanding Investor Education Base in Hunan in 2022," and also received the annual award for "investor education + service to agriculture, rural areas, and farmers".

Seriously Industry Operation

Xiandai Investment fully utilizes the resources of road assets in Hunan Province, focusing on environmental protection, new energy, road derivative industries and actively carrying out diversified industrial investments, providing customers with comprehensive services such as professional contracting for environmental protection projects, waste incineration power generation, photovoltaic power new energy business and road asset management, creating an industry service brand.



Domestic Waste Incineration for Power Generation

Modern Environment adopts a mechanized grate furnace, where household waste undergoes "3T+E" clean and stable incineration in the mechanical grate furnace, with the waste heat being recycled. The steam produced drives the turbine generator set for power generation, and the incineration emissions meet the standard for discharge after purification. The treated wastewater meets the standard for reuse and the fly ash is stabilized in a dedicated area for landfill, while the slag is used in the preparation of building materials, achieving safe and environmentally friendly disposal of waste.

The groundbreaking ceremony was held for the household waste incineration power generation project of Modern Environment in Huaihua

The household waste incineration power generation project is a major livelihood project in Hunan Province and Huaihua, as well as a major infrastructure construction project in Huaihua, with a total investment of CNY769 million, a construction scale of 1,200 tons per day and an annual waste treatment capacity of 438,000 tons. On the morning of October 28, 2023, the project held a groundbreaking ceremony. After formal production and operation, the annual power generation is expected to be about 210 million kWh, with an annual grid-connected power generation of 180 million kWh and an expected annual savings of 82,000 tons of standard coal, achieving the reduction and resource utilization of household waste.



The groundbreaking ceremony

Biomass Combined Heat and Power Generation

Modern Environment uses crop straw as fuel in a circulating fluidized bed straw boiler and recovers the heat generated by incineration to produce steam, which can be used for both power generation and heating. The incineration produces flue gas that meets emission standards after purification, and the furnace slag and fly ash can be comprehensively utilized.

Disposal of Kitchen Waste

Modern Environment has developed a set of decentralized kitchen waste integrated treatment equipment, which uses high-temperature aerobic fermentation technology and adds high-temperature composite advantageous strains to quickly produce soil conditioners, transforming organic waste into organic fertilizer substrates rich in beneficial bacteria and organic matter. At the same time, relying on "the Internet" "big data" "the Internet of things" and other technologies, and integrating cloud platform management, the equipment is connected to the cloud platform via the Internet of things, allowing for remote data collection and real-time monitoring of equipment operation. The project has completed the acceptance of environmental protection research projects in Hunan Province.

Tailings Treatment

Taking advantage of the expressway construction project, Modern Environment fully investigates the available tailings and waste slag such as waste rock, gangue and steel slag around the construction sites, explores the utilization of tailings and waste slag for expressway subgrade, pavement, and supporting projects.

Modern Environment undertook the second-phase pollution control project of Hongtai Manganese Slag Repository in Guzhang County



The construction site of the second-phase pollution control project of Hongtai Manganese Slag Repository in Guzhang County

In May 2023, Modern Environment undertook the second-phase pollution control project of Hongtai Manganese Slag Repository in Guzhang County. This is the corrective project for the second round of feedback on the Central Ecological and Environmental Protection Inspection in 2021, the "Dongting Qingbo" supervised and rectified project of the Discipline Inspection Commission of Hunan Province Commission, and a project that must be rectified and delisted in the supervision "Sword Action" for ecological and environmental protection in Hunan Province. The project has a tight schedule, a large amount of governance engineering and great construction difficulties. Modern Environment has developed an engineering governance plan and held several special meetings to study the remediation issues of the repository, successfully achieving the on-time delisting target for the 2023 manganese pollution control project funded by the central budget.

Photovoltaic Energy Construction

Xiandai Investment revolves around the expressway network in Hunan Province, implementing new energy businesses mainly with photovoltaic power generation, energy storage, charging piles and battery swap stations, utilizing innovative technologies such as photovoltaic smart sensors and BIPV to enhance the expressway service capabilities. Modern New Energy conducts standardized feasibility studies, standardized design and standardized construction research based on the characteristics of "small and decentralized" new energy projects. It also combines load characteristics, peak-valley electricity price periods and basic electricity price analysis to study the optimal control strategies.

The Main Photovoltaic Power Stations Under Operation and Construction of Xiandai Investment

Changsha Branch Office PV Power Station	"Green Source Expressway" Demonstration Power Station
Huaihua Branch Office PV Power Station	The first expressway operation office PV power station in Hunan Province
Huitang Toll Station PV Power Station	The first toll station PV power station in Hunan Province
Xiangxiang East Service Area PV Power Station	The first service area PV power station in Hunan Province built PV carports and slope protection
PV power station of Department of Transportation of Hunan Provincial	Demonstration sample of PV power station in Hunan Provincial Direct Organs
Chishan Prison PV Power Station	The first PV power station in the Hunan prison management system

Safeguard the Interests of Customer

Xiandai Investment has always adhered to putting customers at the center, with customer satisfaction as the ultimate goal, making every effort to solve customer problems. The Company has established the *Customer Service Telephone Implementation Rules* and improved the complaint handling mechanism, opening up diversified communication channels, and implemented customer service telephone transfer handling, responding to each case, each handling unit accurately records the basic situation, processing results and processing basis, providing feedback to the monitoring and auditing center within 24 hours, ensuring that customer complaints are handled and resolved promptly.

Customer service communication channels of Xiandai Investment

12328
Ministry of Transport services supervision hotline

The Department of Transportation of Hunan Province has been randomly distributing survey questionnaires to passengers for many years, understanding the satisfaction of drivers and passengers with service area facilities, service quality, service attitude, and other aspects from six aspects: squares, catering, supermarkets, guest rooms, auto repair, and gas stations. In two undercover inspections conducted in 2023, the Company ranked second and first in the assessment of the operating management entity in the service area, while Zhaoshan Service Area ranked in the top ten with excellent scores above 950. The feedback from undercover inspections has provided strong support for us to further improve our services.

03

Low Carbon Development Construct a green Xiandai



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Aligning with the United Nations Sustainable Development Goals (SDGs)

Xiandai Investment is committed to realizing the responsibility and mission of "creating and enjoying a beautiful road and practicing green development". The Company actively responds to the national carbon peak and carbon neutrality goal and integrates environmental protection concepts into the Company's operations. We pay great attention to climate change and our impact, advocate a green, low-carbon and environmentally friendly lifestyle, and strive to achieve an organic combination of economic benefits and environmental responsibility.

Strengthen Environmental Management



Xiandai Investment strictly complies with relevant laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on the Environmental Impact Assessment*. We have issued environmental management system documents, have formulated the *Environmental Protection Management System* and the *Environmental Protection Management Measures for Construction Projects*, and strictly implemented the "Three Simultaneities" (Environmental protection supporting equipment and the main project be designed, constructed and put into use at the same time). We stipulates a sound environmental protection management system should be established and improved. During the reporting period, Xiandai Investment had no major environmental pollution accidents.

Environmental Management System

Xiandai Investment implements a project supervision system during the construction period. The project implementation unit entrusts professional supervision units with corresponding qualifications in accordance with relevant national regulations to coordinate and supervise the environmental protection behavior of the entire project process, and supervise and guide the construction project to carry out environmental monitoring, environmental acceptance, etc., ensuring safe production and civilized construction. In addition, Modern Environmental also implements an environmental protection job responsibility system, establishes an environmental protection work leading group, clarifies environmental protection management responsibilities step by step, specifically implements various work arrangements for environmental protection management, and conducts inspections and assessments of the environmental protection management work of each unit through regular organizations, evaluation to ensure that the Company's environmental conditions comply with relevant policy requirements.

Personnel Structure of the Environmental Protection Work Leading group

Team leader	General Manager of the Company
Executive deputy leader	Deputy general manager in charge of engineering construction
Deputy head	Other deputy general managers of the Company
Team members	Heads of relevant business departments of the Company and personnel of relevant departments

Engineering Project Environmental Protection Management

Prior Control	Control during Events	Ex Post Control
<ul style="list-style-type: none"> Timely handle various environmental protection administrative approval procedures Sort out pollution sources and environmental risk points, and identify major environmental risks Clear environmental protection management requirements for construction units, etc. 	<ul style="list-style-type: none"> Carry out environmental supervision Evaluation of important environmental factors and major pollution sources Reasonable disposal of pollutants Carry out environmental monitoring work in a timely manner according to the operating procedures Carry out regular environmental inspections, etc. 	<ul style="list-style-type: none"> Complete completed environmental protection acceptance procedures in a timely manner Before the debugging of environmental protection facilities is completed, the project shall not be put into use, etc.

Environmental Incident Emergency

Xiandai Investment has formulated an *Emergency Plan for Environmental Incidents*, conduct regular environmental emergency training, and establish a complete environmental monitoring system to minimize the impact on society and the ecological environment when environmental incidents occur, and ensure that emergency response can be quickly and effectively addressed to meet various environmental challenges.

Road industry firefighting jointly fights slope fire

On April 3, 2023, a fire accident occurred at K324 on the west-to-east Xuhuai Expressway due to tomb sweeping and worship. The Huaihua Road Maintenance and Safety Management Office quickly rushed to the scene after receiving the order and turned on the vehicle alarm and placed safety warnings. The fire was successfully extinguished within half an hour by setting signs, opening isolation fences, and assisting firefighters to control the fire. They also cooperated with firefighters to water and cool down the nearby weeds and trees to prevent re-ignition. The fire was discovered in a timely manner and the handling measures were effective and appropriate, effectively protecting the road property and the driving safety of passing vehicles.



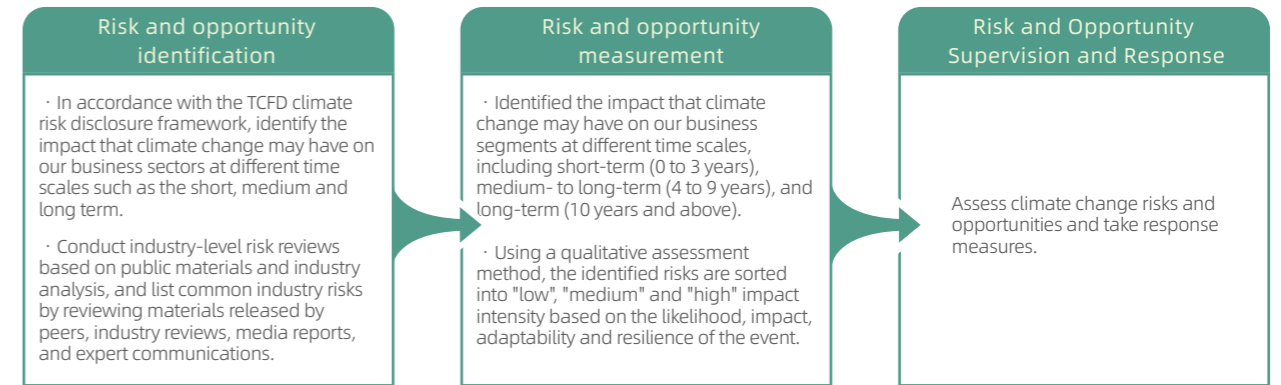
Workers are Extinguishing the Fire



Address Climate Change

Climate change is a global challenge in the 21st century. Xiandai Investment actively responds to the "Dual Carbon Strategy" and, based on the TCFD framework and recommendations, identifies physical risks and transformation risks that may potentially affect the Company's assets through three steps: risk and opportunity identification, risk and opportunity measurement, and risk and opportunity supervision and response, ranking and management, and discloses the Company's policies and actions in addressing climate risks and seizing climate opportunities to help achieve the climate change goal of controlling global temperature increase within 2°C by the end of this century.

Climate Change Risk and Opportunity Identification Process



Identify Climate Risks

Xiandai Investment's physical risk assessment covers seven climate indicators including extreme high temperature, extreme low temperature, earthquakes, floods, typhoons, landslides, and extreme weather. Currently, the climate-related transformation risks faced by companies mainly come from policy, supervision, law, technology, market and other aspects.

Climate Risk Identification Matrix

Risk type	Climate risk factors	Risk classification	Risk example description	Time dimension	Business-related sectors	Influence strength
Physical risks	Extreme high temperature	Acute operational risk	During a heat wave, employees may be unable to work due to heat exhaustion, heat stroke or other health conditions caused by the extreme heat, resulting in higher operating costs. Equipment and facilities may be overheating, resulting in a shortened service life. The two situations could result in income loss.	Medium term and Long term	Whole Company	High
	Extreme low temperature	Acute operational risk	Due to the Company's geographical location in the subtropics, the risk of extreme cold temperatures is low.	Short term	Whole Company	Low
	Earthquakes	Acute operational risk	Since the Company is not located in an earthquake-prone area, the earthquake risk it faces is low.	Long term	Whole Company	Low
	Floods	Acute operational risk	Flooding can cause equipment damage. It will bring certain safety and health risks to employees and cause secondary disasters such as landslides. The Company is located in a geographical location with high terrain on all sides and low terrain in the middle, so it faces a higher risk of flooding.	Short term, Medium term and Long term	Whole Company	High
	Typhoons	Acute operational risk	Since the geographical location of the Company's business is not in typhoon-prone areas, it is exposed to low typhoon risk.	Short term, Medium term and Long term	Whole Company	Low
	Landslides	Acute operational risk	Landslides may cause road interruption or damage, or incur mechanical damage repair expenses. Since the Company's business is road management and our geographical location is prone to landslides, it faces a higher risk of landslides.	Short term, Medium term and Long term	Whole Company	High
	Extreme weather	Acute operational risk	Extreme weather such as heavy rain, snow, heavy fog, and strong winds will cause expressway driving safety risks, cause difficulties in traffic management or troubleshooting and rescue, and reduce the quality of expressway services. Thunderstorms may easily cause secondary disasters such as explosions and fires. Therefore, the risks faced are higher.	Short term, Medium term and Long term	Whole Company	High

Climate Risk Identification Matrix

Risk type	Climate risk factors	Risk classification	Risk example description	Time dimension	Business-related sectors	Influence strength
Transitional Risks	Energy pressure	Acute operational risk	Since the Company's business is related to land transportation, it faces high pressure.	Medium term and Long term	Whole Company	High
	Water resources pressure	Chronic operational risk	As the Company's operations are located in areas with less water resources pressure, the risk of water shortages is low.	Short term	Whole Company	Low
	New policy for low-carbon economy transformation	Market and technology risks	With committing to the "Dual Carbon" goal, the government has introduced new policies to support low-carbon transition, high-emission economic activities will be under pressure, thereby increasing the research and development costs of green operations.	Long term	Whole Company	High
	Energy transformation policy	Market and technology risks	the government continues to promote green transportation, it has introduced more stringent emission reduction policies, the Company needs lower-emission green energy to replace existing high-emission energy, thus increasing the cost of transforming to lower-emission technologies.	Long term	Whole Company	Medium
	Fluctuation of carbon market price	Market and reputation risks	Because of more rigorous government policies on carbon emissions, the cash flow of the Company may be affected by the fluctuation of carbon market price.	Short term, Medium term and Long term	Whole Company	High
	Information disclosure	Operational and reputation risks	The mandatory climate-related financial information disclosure by regulatory authorities and the lack of historical data and accurate accounting methods affect disclosure quality. Insufficient information disclosure may prevent investors from properly understanding the Company.	Long term	Whole Company	Low
	Improvement of environmental protection standards	Market and technology risks	As the government has introduced more rigorous environmental protection policies, the Company needs to improve environmental service standards, and may increase new investment in energy conservation and environmental protection improvement.	Long term	Whole Company	High

Climate Risk Management

Xiandai Investment develops reasonable response strategies for the identified climate risks, takes measures to mitigate, transfer or control risks, and takes practical actions to respond to risks and seize opportunities from multiple perspectives such as system establishment, risk prevention and control drills, and industrial development.

Climate change response

Extreme weather response	Develop the Freezing Weather Severe Weather Emergency Plan, Flood Control Management System, Slope Water Damage On-site Disposal Plan and other systems	
	Formulate severe weather emergency response to ensure smooth flow and slope emergency rescue drill plans during flood season and conduct drills as planned, and strengthen inspections and hidden danger inspection and rectification during flood season	
	Strengthen meteorological monitoring and early warning	Develop level defense responses, predict weather changes, and deploy equipment, supplies, personnel arrangements, etc. in advance
	Release weather changes in a timely manner	Install lightning rods and grounding devices on the factory building to prevent lightning strikes
Policy risk response	Adjust the energy use structure, control the use of fossil fuels, and increase the proportion of clean renewable energy such as solar energy	
	Encourage employees to travel and work greenly	Construct or use environmentally friendly and energy-saving equipment
Information disclosure	Disclosure of environmental-related performance	Follow policy and system guidance requirements

Changsha Branch adopts the "four in place" model to actively prepare for low-temperature rain and snow weather

In December 2023, the Changsha Branch responded to extreme weather risks through the "four in place" model based on weather warnings.

Deployment in place

At the low-temperature rain and snow weather work arrangement meeting, all aspects of work such as personnel arrangements, material reserves, duty requirements, civilized services, and information submission will be fully deployed.

Measures in place

Establish a leading group to deal with low-temperature rain and snow weather, and establish a joint logistics working mechanism with the expressway traffic police, security department, and maintenance department.

Investigation in place

Conduct a comprehensive investigation of key locations and reinforce facilities and equipment.

Services in place

A convenience service desk is set up to provide convenient travel route consultation, brown sugar ginger tea, epidemic prevention supplies, and maintenance tools.



Prepare snow melting agent

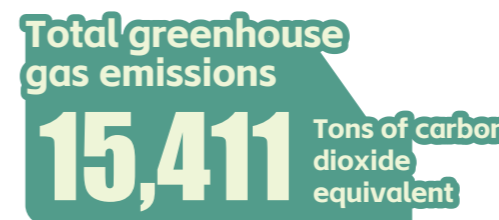
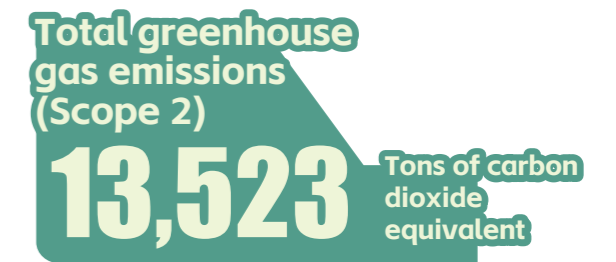
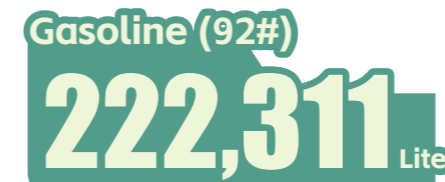
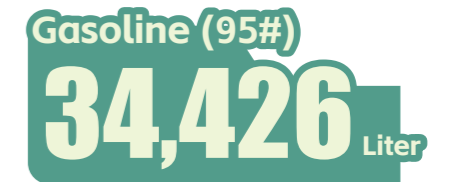
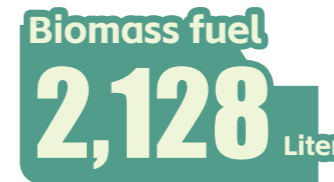
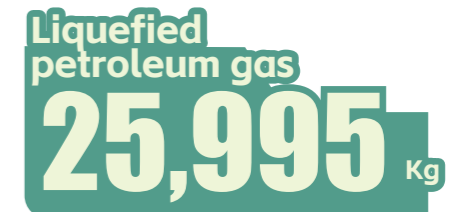
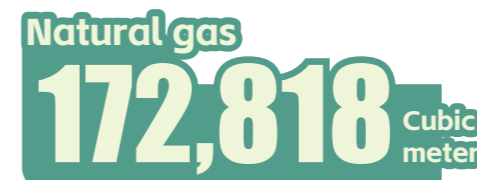


Inspection of key parts

Greenhouse Gas Emission

The greenhouse gas emissions of Xiandai Investment mainly stem from the consumption of electricity, gasoline, diesel, and other fossil fuels. Specifically, the consumption of liquefied petroleum gas, natural gas, coal, biomass fuel, and fuel oil falls under Scope 1 greenhouse gas emissions, i.e., direct greenhouse gas emissions. Purchased electricity, on the other hand, is categorized as Scope 2 greenhouse gas emissions, i.e., indirect greenhouse gas emissions. Greenhouse gas emissions data are presented in terms of carbon dioxide equivalents.

In 2023, relevant data on greenhouse gas emissions of Xiandai Investment



Note: Gasoline and diesel are usage data of Company-owned vehicles or equipment. The electricity emission factor used is taken from the national power grid average emission factor in the Corporate Greenhouse Gas Emission Accounting Methods and Reporting Guide issued by the Ministry of Ecology and Environment in 2022. The calorific value emission coefficients of gasoline and diesel are derived from the Guidelines for Reporting on Environmental Key Performance Indicators issued by the Hong Kong Stock Exchange.

Create Green Operations



Enterprise "green operation" is a choice that conforms to the global trend. Xiandai Investment actively coordinates and controls the impact of resource use and energy consumption on the environment by optimizing energy management, reducing waste generation, and actively investing in green projects. In accordance with the principles of "Priority to protection, prevention as the main approach, comprehensive management, public participation, accountability for damages", we carry out environmental protection work and promote the Company in developing a more sustainable and environmentally friendly direction.

252.7 MILLION CNY

During the reporting period, the Company's investment in environmental protection totaled CNY252.7 million.

Active Environmental Action

Xiandai Investment combines the Company's industry characteristics to carry out various environmental protection actions in multiple dimensions. We create a green office environment, support environmentally innovative enterprises, carry out various environmental protection information technology training, and through all-round environmental protection promotion, enhance communication and exchanges between the Company and the outside world, guide employees and the public to pay attention to environmental issues, and jointly participate in environmental protection causes.



"World Environment Day" and environmental protection facilities open to the public publicity activities

Green Office

Xiandai Investment has implemented a series of relevant measures to reduce the office carbon footprint, and issued the *Proposal on Environmental Protection, Energy Saving, Cost Reduction and Efficiency Increase* to minimize the generation, emission of pollutants in the office process, reasonably reduce office energy consumption, and integrate green concepts into office details and contribute to environmental protection.



Dayou Futures tree planting activity

The Company's green office initiatives include

Save office supplies

Promote double-sided printing, make full use of OA systems and software tools, and reduce paper consumption. Reduce the use of disposable items and give priority to energy-saving office supplies. It is recommended to bring your own water cup to meetings to reduce the consumption of bottled water and disposable paper cups. It is recommended to use fountain pens or ballpoint pens with replaceable refills to reduce office pen consumption.

Reduce resource consumption

Try to use energy-saving appliances, keep the air conditioner at a suitable temperature, make full use of natural light sources, and turn off lights and electricity at will. Save water and avoid long water flow.

Promote environmental awareness

Carry out various environmental protection training and publicity activities such as tree planting, garbage cleaning, and vegetable garden planting. Convey environmental protection concepts through electronic screens, WeChat platforms, posters, slogans and other forms of publicity.

Reduce travel energy consumption

Promote online working and advocate video conferencing. Promote green travel, encourage the use of clean energy vehicles, and reduce vehicle and fuel consumption for people traveling back and forth. Strictly use official vehicles in accordance with the regulations, strictly implement the system of sealing and suspending official vehicles during holidays, and strictly manage the fuel consumption of official vehicles.

Stop food waste

We will continue to carry out the "clear the plate" campaign to promote civilized dining and resolutely stop food waste.

Green Investment

Xiandai Investment focuses on credit extension in the fields of clean energy, green technology, energy-saving and environmental protection technology, accelerates the development of photovoltaic energy construction, assists the green transformation of rural economy, and supports the development of green economy.



Yueyang Baling RCB issued a loan of CNY19.4 million to enterprises to support the research and development and production of technical equipment for "harmless treatment of dead animals"

Green Maintenance

Xiandai Investment selects green and environmentally friendly solutions, technologies, and materials in daily road management. In road maintenance projects, we follow the principles of symptomatic treatment, economic feasibility, recycling, and easy organization of construction, selects green and environmentally friendly maintenance technologies, and takes a series of measures during maintenance to reduce the impact of these projects on the environment.

Utilizing 259 pieces of waste anti-glare boards, saving CNY10,550 in costs



Replanting green plants in central divider



Environmental protection measures during the construction phase of maintenance projects

Wastewater

Project sewage is prohibited from being discharged at will, and must be treated in a centralized manner in a timely manner and discharged in compliance with standards, or diverted to nearby sewage channels;

Domestic sewage from on-site construction workers shall be treated in a centralized manner, and it is strictly prohibited to discharge it directly into water bodies without treatment;

Carry out civilized construction, clean up the site and remove pollutants in a timely manner, and do not leave any dirt or debris behind or pollute water sources;

During the construction process, pay attention to checking construction machinery and tools to prevent oil dripping and leakage, and reduce pollution to land and water sources along the line.

Solid waste

Milling old asphalt mixture ensures 100% recycling and timely utilization in maintenance of low-grade roads along the route. In 2023, the Company recycled a total of 10,092 cubic meters of old asphalt mixture from milling;

Clean up all waste and garbage in a timely manner and process them centrally.

Noise

Control the operating hours of construction machinery and try not to carry out construction at night to reduce the impact of noise on residents' lives.

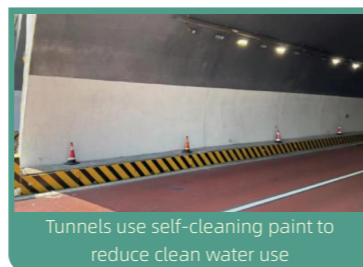


Resource and Energy Management

Xiandai Investment abides by 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 other laws and regulations. The Company promotes water conservation measures, actively uses clean energy, increases investment in environmental protection, and strives to save energy, reduce consumption, cut costs, increase efficiency, and refine our efforts in management.

Conserve Water

Xiandai Investment adheres to the production philosophy of saving water and protecting the environment, actively promotes advanced water-saving technologies and equipment, strives to advocate and practice water-saving actions, enhances the water-saving awareness of all employees, and creates a resource-saving enterprise. The Company's water comes from the local municipal water supply system or well water, and there is no problem in obtaining suitable water sources. During the reporting period, Xiandai Investment's fresh water consumption was 597,447 tons.



Energy Saving

Xiandai Investment strictly implements the energy conservation system, controls energy consumption indicators through the implementation of various measures, and integrates energy conservation elements into daily production and operations.

Our energy saving and consumption reduction measures

Carry out publicity and mobilization on energy conservation and consumption reduction	Use clean energy: lay out photovoltaic panels in available areas	Integrate employee dormitories to ensure full occupancy
Adjustment of electricity usage period	Formulate regulations for the collection of various consumables	Renovation of old and high-energy-consuming facilities and equipment: overhauling and rebuilding dust collectors and optimizing dust collector flue gas systems
Use high-efficiency thermal energy: heating in some factory areas has been changed from coal-fired boilers to electric heating, etc.	Standardize equipment maintenance to ensure equipment is in good condition	

35%

Reducing Lighting Power Consumption

15%

Ventilation Equipment Power Consumption

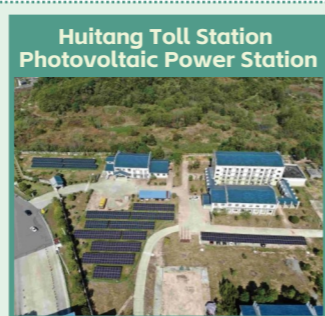
Adjust the illumination according to the environment: Actively control the tunnel fan system and adjust the fan operation period to the low period, reducing lighting power consumption by 35% and ventilation equipment power consumption by 15%

Strengthen the Integration of "Transportation + New Energy"

Based on the characteristics of abundant lighting resources and diverse energy usage scenarios in road areas, Xiandai Investment invests in and operates distributed photovoltaic energy project construction in areas such as roofs, carports, idle land, and tunnel entrances and exits, as well as in areas such as zoning, interconnection, slopes, and slope protection. In photovoltaic deployment projects, slope spiral pipe piles and photovoltaic self-cleaning technology are used to simulate typical application scenarios such as expressway slopes to carry out construction, significantly reducing the amount of land leveling and excavation work and water consumption during the construction process.

Changsha Branch Regional Photovoltaic Project Phase I was successfully connected to the grid to generate electricity

In 2023, the Changsha Branch's regional photovoltaic project phase I successfully completed construction and grid connection tasks. This project serves as a high-speed photovoltaic demonstration application project in Hunan, with a total installed capacity of 953kWp. During the operational period of the project, the average annual power generation is about 795,700 kilowatt-hours, which is equivalent to saving approximately 258.57 tons of standard coal every year, reducing carbon dioxide (CO₂) emissions by about 677 tons, sulfur dioxide (SO₂) emissions by about 2.20 tons, and nitrogen oxide emissions (NO_x) is about 1.91 tons. Furthermore, dust emissions are reduced by about 216.4 tons. The project thus demonstrates significant energy-saving, environmental, and social benefits.



953 _{KWP} | **795,700** _{KWH} | **677** _{TON} | **2.20** _{TON} | **1.91** _{TON}

Emissions Management

Xiandai Investment strictly abides by the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution* and other relevant laws and regulations, and controls waste water, exhaust gas, noise, solid waste and other pollutant prevention and control measures from the source to ensure the normal operation of environmental protection facilities and the stable and up-to-standard discharge of pollutants. It also sets up automatic monitoring systems to control the adverse impact of the operation process on the environment in real time.

Wastewater Management

The wastewater involved in Xiandai Investment mainly consists of domestic and industrial wastewater. We standardize the construction of emergency accident pools and set up discharge outlets. Various types of sewage are collected and sent to self-contained sewage treatment plants or intelligent integrated sewage treatment equipment for processing. After treatment, the wastewater is reused or discharged into the municipal sewage network in a reasonable manner. Our measures for wastewater reuse include: treated leachate for reuse, concentrated liquid for fly ash chelation, leachate from solid hazardous waste landfill and initially treated rainwater fully reused in the plant area, ensuring complete wastewater reuse and no discharge.

The Zhaoshan Service Area sewage treatment plant



240 _{TON/DAY} | **90,000** _{TON} | **347,000** _{CNY/YEAR}

A medium-sized sewage treatment plant, has a daily designed treatment capacity of 240 tons/day. The annual reuse volume reaches 90,000 tons, resulting in a water fee savings of CNY347,000 per year.

Waste Gas Management

The waste gas generated by Xiandai Investments mainly originates from the waste incinerator of our subsidiary, Modern Environment. For waste gas prevention and control, we ensure full-process control, from waste entry, storage, and treatment to ensure that the odor concentration at the factory boundary meets the secondary standard requirements of the *Emission Standards for Odor Pollutants* (GB14554-93). An air curtain is installed at the entrance and exit of the unloading hall, ensuring that the garbage unloading door remains closed at all times. The garbage storage pit adopts a slightly negative pressure suction design (the air is extracted from the inside of the workshop through exhaust mechanical equipment, so that the air pressure in the workshop is lower than the external environment, preventing Diffusion of pollutants), the exhaust gas is collected into the combustion system for treatment. The waste treatment adopts the combined process of "SNCR furnace denitrification + semi-dry deacidification + dry injection + activated carbon adsorption + bag dust removal". After reaching the standard, it will be discharged from the 80-meter double-cylinder chimney.

Solid Waste Management

Xiandai Investment's solid waste mainly includes domestic waste, general industrial waste and hazardous waste. We adhere to the principle of "harmlessness, reduction and resource utilization" in solid waste management to minimize the generation of solid waste.

Domestic waste	Regularly handed over to the environmental sanitation department for removal and disposal
General industrial waste	Incineration residue External sales for comprehensive utilization as building materials
	Other general industrial waste Landfill or incineration after preliminary treatment
Hazardous Waste	Classified management, safe storage, and the unified delivery of hazardous waste to qualified disposal companies to ensure proper disposal

Zhaoshan service area food waste treatment station



80%

The food waste decomposition rate is close to 80%

Noise Management

The primary sources of noise in Xiandai Investment are equipment operation and traffic vehicles. To address high-noise equipment, we implement effective measures to reduce noise and vibration, ensuring that the noise levels at the factory boundary meet the standard. To mitigate noise pollution from traffic vehicles, we adopt low-noise road surfaces with anti-slip features, which help reduce air and vibration-related noises. Additionally, we install sound barriers along the roadsides to further reduce noise pollution.

Installing sound barriers to reduce vehicle noise pollution on the Beijing-Zhuhai Expressway

On November 14, 2023, the sound barrier project of the 2023 annual maintenance project of Changtan Expressway completed the project on-site acceptance. The total length of the project is 228 meters, all of which is subgrade sections. The project team overcame difficulties such as the steep slope of the slope, limited construction work surface, and cable displacement, and successfully installed all upright ECPs with a height of 3 meters and a unit length of 4 meters, serving as sound barrier panels. The construction quality and management effects of the project were unanimously recognized by the owners, local governments and residents, and the local government issued a banner of thanks to the owner.



Site picture after sound barrier installation

Protect Biodiversity



Actively promote the concept of "biodiversity conservation"

Biodiversity is the foundation for human survival and development. Xiandai Investment strictly abides by the *Wildlife Protection Law of the People's Republic of China*, proactively carries out biodiversity protection work, formulates a clean-up plan for the invasive alien species - the Canada Goldenrod, actively promotes the concept of "ecological prosperity leads to civilization prosperity", and uses practical actions to help achieve the vision of jointly building a community of life on earth and a clean and beautiful world.

Ecological slope protection helps to preserve the biodiversity of plant communities

Xiandai Investment adopts a combination of ecological slope protection and civil engineering slope protection in slope protection projects. We use renewable materials, and give priority to plant species that adapt to the local climate and soil. Through adhesion between plant rhizomes and nutrient soil and intertwining of rhizomes, the ability to strengthen slopes and slope surfaces against washing is achieved, which not only restores and protects the local natural ecosystem, but also effectively conserves the biodiversity of plant communities.

Ecological slope protection in front of Guanyin Stone Tunnel





04

People Oriented Build a Blessed Xiandai

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Xiandai Investment has always adhered to the "people-oriented" development concept, and paid attention to the comprehensive growth of employees while ensuring the rights and interests of employees. With the goal of "intensive management, professional training and market-oriented salary", we support the human resource system oriented by "value creation", provide hardware and software support for the training of professional talents, reserve talents for intensive management, and establish a market-oriented performance salary distribution system with the core structure of "job classification and quantitative" and "compulsory ranking and outstanding contribution". We will comprehensively promote effective management.

Aligning with the United Nations Sustainable Development Goals (SDGs)

Protect Employees' Rights and Interests



Xiandai Investment strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations. We have deeply implemented the strategy of strengthening enterprises with talents, formulated the *Measures for Labor Management and the Measures for the Management of Total Wages* and other systems, and continue to focus on the reform and restructuring of the Company, salary incentives, and talent construction. We constantly release the potential energy of enterprise development, and promote the high-quality development of the Company with high-quality talents.

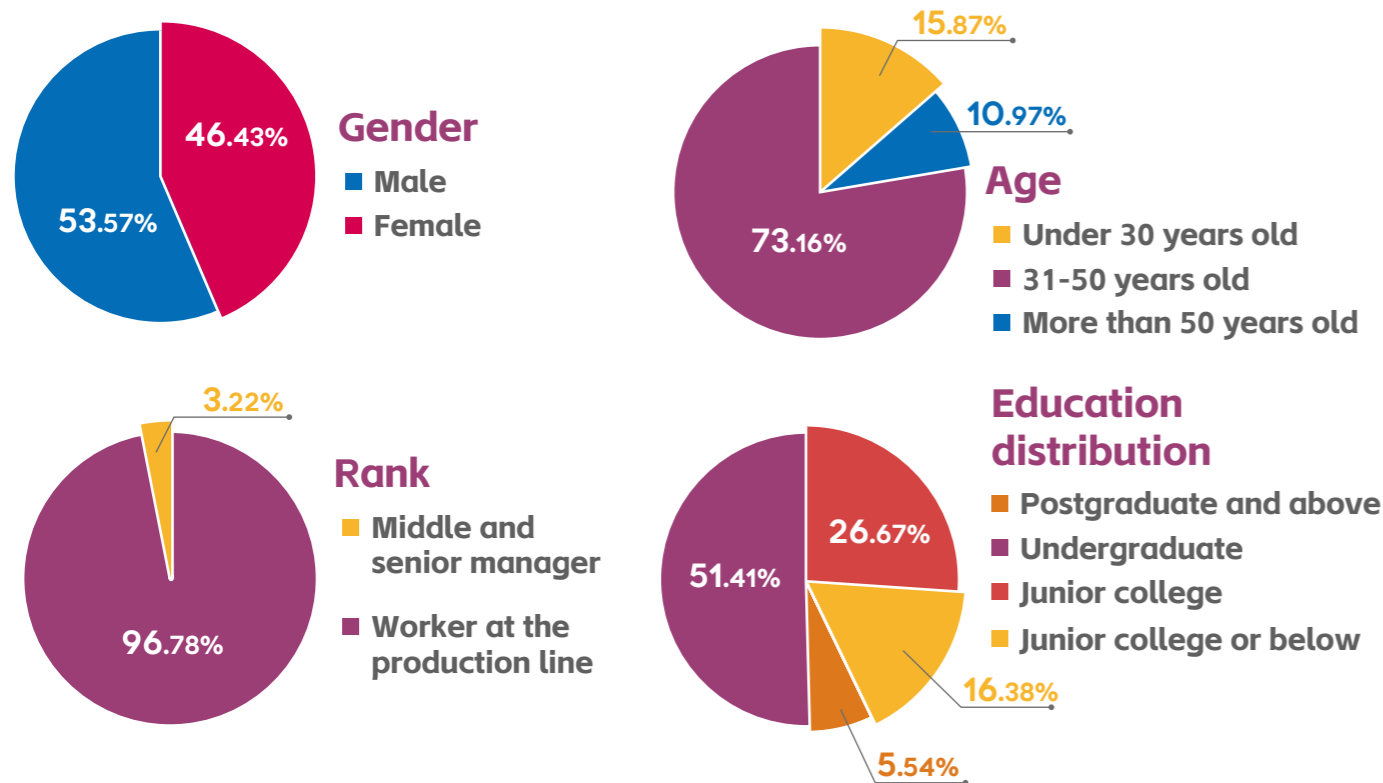
Diverse and Compliant Employment

Xiandai Investment attaches great importance to employee diversity and equality, firmly opposes any discrimination based on education, gender, age, cultural background, religion, and other relevant factors, and strictly prohibits the use of child labor and various forms of forced labor. It also opposes any form of harassment and abuse. The Company signs labor contracts with employees in accordance with the law, pays social insurance in full, and prioritizes the reasonable demands and rights of employees. In the event of significant operational changes that may have a material impact on employees, the Company provides 30 days' notice to employees and their representatives, in compliance with national and regional minimum notice periods for operational changes.

In accordance with the relevant provisions of the *Company's Employee Recruitment and Dismissal Management Measures*, Xiandai Investment develop talent recruitment plans in line with the Company's development needs, attracting employees from diverse backgrounds through various channels including campus recruitment, social recruitment, and talent introduction. We innovate and explore efficient recruitment methods, actively leveraging recruitment resources, and prioritizing key positions and reserve talents.

During the reporting period, the Company did not have any large-scale layoffs and strikes, and there was no illegal recruitment. As of December 31, 2023, the Company has 2,673 employees (formal contract employees, excluding labor dispatch), including 11 disabled employees and 79 active veterans. The labor contract signing rate, collective contract signing rate and social insurance coverage rate are 100%.

The distribution of employees divided by gender, age, educational distribution and rank is as follows



Fair Pay and Benefits

Xiandai Investment establishes and improves a salary system that is compatible with the modern enterprise system, continues to revise the *Salary Management System*, implements a market-oriented, differentiated, and professional salary, establishes a salary system corresponding to the position and rank, follows the principle of more work, more ability, more responsibility, more efficiency, and gives full play to the role of our compensation guarantee, incentive, and guidance. We ensure that employees enjoy reasonable and legal salaries and benefits at work, and attract and retain talents who meet the needs of the Company's development.

We provide our employees with scientific and comprehensive welfare protection measures:

Mandated benefits	-Including the basic five social insurance and provident fund, statutory holidays, paid annual leave, summer allowance
Supplement welfare	-Provide breakfast, lunch and evening extra meal for employees -June 1 International Children's Day, employees with children under the age of 14 can take half a day off -On-boarding physical examination and annual health examination -Supplementary medical insurance -Health subsidies for female workers -Organize a collective birthday party -Organize condolence activities on New Year's Day, Spring Festival, Dragon Boat Festival, Mid-Autumn Festival and other festivals, distribute condolence money or purchase holiday gifts for employees
Special benefits	-Benefits that vary based on position, rank or performance, including job allowance, position allowance, performance allowance, skills allowance
Non-economic welfare	-Improve employees environment and set up maternal and infant care rooms -Education and training, honorary titles, etc

Xiandai Investment held beauty Goddess Festival theme activities

On March 6, 2023, the Company held a Beauty Goddess Festival Theme Activity at the Youyuan Camp. The activities included barbecue, kite flying, outing, a game of tag, Frisbee, and various other forms of entertainment. This event successfully stimulated the vitality of employees and strengthened communication and unity among them.



Goddess Day celebration scene



"Summer Cooling" relief program



Maternity and infant care room

Democratic Management Communication

Xiandai Investment is committed to establishing an open, transparent, and democratic management communication system aimed at fostering participation, communication, and cooperation of members within the organization. The Company conducts in-depth grassroots research through employee symposiums, democratic life meetings, joint construction activities, etc., encourages employees to receive valuable feedback for enterprise development, and harnesses the collective wisdom to tangibly and visibly address worker concerns and carry out practical measures.

In 2023, the Company and our subsidiaries

54 TIMES
Conducted 54 employee seminars

76 TIMES
Conducted 76 meeting of democratic life

15 TIMES
Conducted 15 the employees and workers' congress

78,000 CNY
Conducted joint construction and invest a special fund of CNY78,000



Stimulate Talent Vitality

Xiandai Investment knows that "talent is the first resource for enterprise reform and development", regards the employees who are willing to contribute, possess the necessary skills, and demonstrate excellence as its most valuable resource. The Company advocates fostering a shared growth mindset with its employees, so that those who make valuable contributions can reap the benefits and honors they deserve. This approach ensures that employees and the enterprise can mutually promote each other's growth and achieve shared goals.

Equal Talent Promotion

Xiandai Investment ensures that every employee has an equal opportunity to succeed and advance in their careers through a fair and transparent promotion evaluation process. The Company formulated the *Post and Rank Management Measures*, the *Career Pathway and Rank System* and other systems, implemented the concept of "talent overall planning" in the Company system, strengthened the flexible flow of personnel, and established the "horizontal series-vertical ranks" flow mechanism. We grade employees according to their basic conditions, performance and ability requirements, managers according to their management levels, and technicians according to their professional and technical qualifications, and promote them step by step to ensure fair competition.

Employee career development dual channels

Vertical promotion	Promotion of employees through the ranks within the same sequence
Horizontal cross-sequence post transition	Horizontal sequence includes: management sequence, technical sequence, operational sequence and non-leadership sequence. Employees follow their own wishes and combine their own characteristics to switch positions across sequence

Diverse Capability Enhancement

Xiandai Investment regards talent training as a major task, continuously improving the skills and qualities of employees, and providing employees with more opportunities for growth. The Company has formulated the *Training Management System* and *Employee Certificate Management System*, implemented incentives and subsidies for employees to obtain employment certificates, and formulated training plans every year based on the principle of "practical effect, business coverage and overall benefit", including professional skills, teamwork and leadership training. Diversified training methods of "theory + practice" and "online + offline" such as internal centralized teaching, seminars and external training are adopted to build a complete and diversified training system to ensure the comprehensive improvement of employees.

298 Completed 298 training
1.75 MILLION CNY Employee training investment CNY1.75 million
2,673 A total of 2,673 employees participated in the training
147,150 HOURS Training time 147,150 hours
55 HOURS Each employee receives 55 hours of training

Training type	Training objects	Training form	Typical case
Management training	Senior management	directors, supervisors and senior management training; economic knowledge training; enterprise management knowledge training; senior training class	·On May 10, special training for directors, supervisors and senior executives on performance of duties. ·On October 31, senior compliance management case sharing session. ·On December 8, the 137th independent director training of listed companies.
Comprehensive training	Middle management personnel, headquarters employees, professional and technical personnel in various positions	Professional and technical training, continuing education training, induction training, special training, on-the-job training	·On August 31, Hunan Xiangjiang New District project application guidance training. ·In September, the middle management training. ·On October 26, construction land soil pollution investigation training. ·On November 20, new employees training.
Business training	General management positions, professional and technical positions	Vehicle rescue supervision system training, audit training, system training, and other related, academic exchange meetings	·On June 18, Huaihua Branch the second phase of the "one post multi-ability" training. ·On July 13, contract management system publicity training. ·On July 28, the cost employees to improve the quality and efficiency of the conference training.

Xiandai Investment carried out the second phase of middle management training



From September 20 to 22, 2023, Xiandai Investment successfully held the second phase of middle management training. The training covers knowledge of leadership, communication skills, change management, and in-depth analysis of the latest market trends and management cases. Through interactive exchanges and team discussions, the participants shared their management experiences and challenges, and the training achieved remarkable results.

The first mechanical and electrical maintenance primary training course of Xiandai Investment was successfully completed

On June 19, 2023, the Company successfully concluded our first beginner-level mechanical and electrical maintenance training course at the Jinfeng Training Center. From June 6 to June 19, 12 employees selected from maintenance, charging, auditing, and other departments participated in the 14-day program. Through a combination of classroom instruction and hands-on experience, the employees' theoretical knowledge and practical skills were further enhanced.



Care about the Needs of Employees



Xiandai Investment strives to create a positive working atmosphere and actively build a working environment of care and common development. We maintain a balance between employees' life and work, provide timely assistance to employees in need, provide a variety of support to employees in need, and enhance team cohesion and sense of belonging.

Help Employees in Need

Xiandai Investment aligned with the concept of "helping each other, overcoming difficulties together", emphasizes mutual assistance among its employees. We have established a robust support system to promptly identify and address economic or life difficulties faced by our employees. Regularly, we provide hardship subsidies to employees experiencing family difficulties, serious illnesses, or disabilities, ensuring that the needs of each employee are met.

58

Helped 58 employees in need

Symposium of Visiting and Consoling Difficult Employees



Seminar on Consoling Disadvantaged Employees at the Grassroots Level



Create Sunny Life

The happiness of employees not only promotes the harmonious development of society, but also lays a solid foundation for the sustainable development of enterprises. Xiandai Investment is committed to fostering a positive and dynamic work environment for its employees. Guided by the founding philosophy of "building for employees and relying on employees," we create "Employee's Family". In 2023, the Huaihua Branch Xupu Road Maintenance Safety Management Office Branch Trade Union and the Zhijiang Maintenance Road Safety Management Office branch were honored with the title of "Model Employee Families" by the Hunan Provincial Transportation Union.

To this end, we offer a range of recreational and sports facilities, including employee activity rooms and libraries. We also establish interest groups for activities such as basketball, badminton, and billiards, and organize various sports events and amateur activities. Additionally, we conduct mental health training, establish a psychological consultation room, and take multiple measures to safeguard the physical and mental well-being as well as the quality of life of our employees.



Employees gym renovation



Construction and renovation of three gardens (vegetable garden, breeding garden, fish pond)



Employees activity room renovation



Canteen questionnaire survey



Modern Environment employees participated in the 15th Huxiang hundred kilometers "Ten thousand people walking Hiking around Dawei Mountain" activity



Yueyang Baling RCB friendly football match

Xiandai Investment carried out the 2023 employees table tennis competition

On May 6, 2023, the Company held the 2023 employees table tennis competition. The competition includes four events, including men's and women's team events and men's and women's singles events, with a total of about 100 players actively participating. The competition not only stimulated the enthusiasm of the employees, but also promoted the communication and cooperation between the teams, and injected a positive vitality into the Company's team building.



Employees table tennis match

Xiandai Investment held the first employee e-sports competition

On December 4, 2023, the Company held the first employee e-sports competition, introducing the esports tournaments from the Hangzhou Asian Games into the employee sports activities. This was done in order to enhance team spirit, strategic thinking ability, and emergency response speed among our employees.



Esports competition



05

Partner Together Promote a Better Xiandai

Work Together for Win-Win Development

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Aligning with the United Nations Sustainable Development Goals (SDGs)

As a responsible enterprise, Xiandai Investment is committed to building a warmer and more prosperous community, and the Company has always taken the initiative to practice social responsibility and contribute to social progress. We focus on the improvement of the supply chain management system, respond to the national strategy, and continue to make efforts in public charity, rural revitalization, volunteer services, etc., to enhance social well-being.

Work Together for Win-Win Development



Xiandai Investment focuses on the future common development of the entire industry and the cultivation of industry talents. We adhere to the concept of win-win cooperation, adopt a comprehensive supplier evaluation system, and establish a solid supply chain partnership through good management and communication with suppliers.

Promote Industry Development

Xiandai Investment firmly believes that through extensive industry communication, the talent pool within the industry can foster technological innovation, drive sustainable industry development, and provide strong support for the Company's leadership in the competitive market. The Company establishes partnerships with peer enterprises, and shares research and development projects and experiences with peer enterprises through forums, exchange and learning meetings, seminars, industry annual meetings, exhibitions and other forms. We use our own platform advantages and professional resources to continuously strengthen the in-depth cooperation with universities and academic research institutions, carry out school-enterprise discussions and exchanges, build internship bases, provide practical opportunities for students, and promote the continuous improvement of the technical level of the industry.

Dayou Futures carried out "investor education into 100 universities" activities

In 2023, Dayou Futures Investment and Education Base signed a cooperation agreement with Hunan University of Science and Technology aiming to deepen school-enterprise cooperation. As part of this agreement, the base conducted six university activities in cooperation with Hunan University, Hunan University of Science and Technology, and Shaoyang University. These activities aimed to assist students in establishing correct investment concepts and risk management awareness, thus contributing to the popularization of investor education within the national education system.

With the support of the exchange, Dayou Futures launched the "Financial Knowledge into Campus" activities of Zhengzhou Commodity Exchange Cup, CCFEX Cup and the Shanghai Futures Exchange. On November 17th, the participants of the "CCFEX Cup" National University Financial Literacy Debate Invitational at Hunan University received guidance on futures-related knowledge and analysis of debate topics. With its excellent performance, Hunan University won the champion of the CCFEX Cup National University Financial Business Debate Invitational Competition.



Futures professional knowledge tutoring at Hunan University



Group photo at the competition venue of Hunan University



Futures knowledge promotion at Hunan University of Science and Technology



Signed a cooperation agreement with the Business School of Hunan University of Science and Technology

Supplier Management

Xiandai Investment always follows the principles of openness, fairness and impartiality, cooperates with suppliers in strict compliance with relevant laws and regulations such as the *Regulations on the Implementation of the Bidding Law of the People's Republic of China*, the *Procurement Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, and formulates the *Supplier Management Measures*, *Contract Management System* and other systems to ensure the orderly operation of the supply chain management system. Furthermore, Xiandai Investment continuously strives to improve the supervision process.

Supplier Entry

The Company will identify new suppliers quarterly, collecting data and assessing risks from multiple channels during the supplier access stage. After conducting a basic investigation of the suppliers, field investigations and assessments will be carried out. Suppliers that successfully pass the assessment will be included in the list of potential suppliers.

Supplier Monitoring

For the suppliers we have cooperated with, we conduct regular follow-up visits to the suppliers, implement dynamic evaluation, and encourage them to continuously improve product quality and service level.

Supplier Evaluation

The Company evaluates and scores suppliers in five categories: equipment, main material, engineering, service, and others. Based on the score values, suppliers are categorized into four levels. Suppliers deemed unqualified are listed in the restricted bidding catalog.

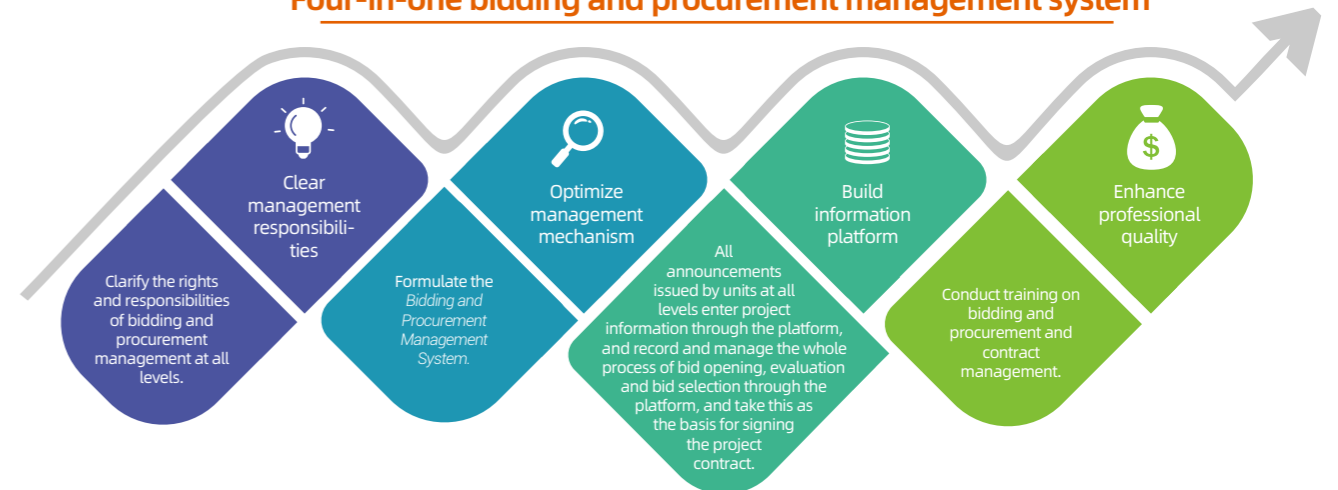
Supply Chain Risk Response

The Company proactively identifies and dynamically monitors supply chain risks to ensure supply chain safety compliance from both quality control and emergency mechanism. We maintain active communication with suppliers, sharing information and needs promptly. Project progress is tracked and inspected throughout its lifecycle, and appropriate emergency mechanisms are established to address contractor performance and unexpected situations. These efforts provide a solid foundation for the stable development of the Company.

Responsible Purchasing

Xiandai Investment actively practices responsible procurement, standardizes procurement procedures, and takes green procurement, responsible procurement and transparent procurement as important strategies to ensure the sustainable development of the Company. The Company integrates the concept of green environmental protection into the daily procurement of materials and equipment, gives priority to the procurement of energy-saving and environmental protection products, and carries out procurement work in strict accordance with the national green manufacturing standards and relevant customer regulations. We take corporate social responsibility as our own responsibility, prevent corruption in the supply chain process, and emphasize the fairness and transparency of the supply chain. During the reporting period, 100% of the suppliers that have passed the Company's annual audit signed the *Honesty Commitment*.

Four-in-one bidding and procurement management system



Contract life cycle risk prevention and control and operational training



Contract management system publicity training

Unite and Build Harmonious Society



Xiandai Investment is committed to the harmonious development of economic and social benefits. The Company actively engages in voluntary activities that contribute to social and economic development, integrating into the local community through public welfare measures and good deeds, including donations, donations, assisting the needy. Through these efforts, Xiandai Investment exemplifies the social responsibility of state-owned enterprises and promotes positive societal development.

Boost Rural Revitalization

In response to the country's call for rural revitalization, Xiandai Investment uses the dual advantages of technology and finance to carry out a series of activities, including financial knowledge publicity, professional assistance, industrial assistance, and consumer assistance. By deeply understanding the actual needs of agricultural enterprises, we tailor financial services to provide strong support for their modernization, transformation, and development. Our focus remains firmly on serving the real economy, injecting financial vitality into rural revitalization.

928

A total of 928 rural assistance and agricultural projects were implemented, covering 12 provinces nationwide

Xiandai Investment performance of financial aid to agriculture

Yueyang Baling RCB

- The Company issued a loan of CNY1 million to the Collective Economic Cooperative of Qingshui Village, Xinqiang Town, Yueyang County, to support the cultivation of local characteristic fruits.
- The Company took the lead in issuing a syndicated loan of CNY220 million for the construction of "Huangmao Mountain Pastoral Complex Project in Yueyang City", which is used for the construction of high-standard farmland renovation project.
- The Company issued the first "Fuxiang · Xiang-nong e-loan" in Yueyang County, effectively solving the "agriculture, rural areas, and farmers" guarantee amount is not enough, information sharing is not smooth, business processing is not fast and other difficult problems.

Dayou futures

- The Company provides price insurance for more than 15,000 farmers.
- The Company donated CNY2.3 million to Henan Charity Association to optimize the "Insurance + Futures" project model.
- The Company donated CNY0.73 million to the Charity Association of Shunde District of Foshan City to enhance the accuracy and practicality of financial support for agriculture.
- Signing a strategic cooperation framework agreement with the Shaoyang County People's Government of Shaoyang City, Hunan Province, to utilize financial tools to assist in the revitalization of rural areas in Shaoyang County.
- Continuously researching the oil tea industry for six years, and in 2023, guiding and witnessing the first national simulation delivery of oil tea seed futures.

Modern Wealth financial empowers agricultural enterprises' modernization transformation

Modern Wealth focuses on serving the real economy and explores the scene of pig farm leasing to support agriculture and benefit farmers. In Shaoyang, Hunan Province, a major market for pig farming, the business team of Modern Wealth conducted in-depth field research at pig farms, identified market conditions along the upstream and downstream supply chains, and designed financing leasing services to accelerate the upgrade of production lines and increase output for a certain agricultural company in Shaoyang. With financial empowerment, in September 2023, the "6,000-head breeding sow base" of an agricultural limited company in Shaoyang was successfully completed and put into operation in Panbi Village, Daxiang District, as scheduled.



Modern Wealth supports agricultural enterprises in applying advanced biotechnology treatment techniques

Dayou futures "Insurance + Futures" to help rural revitalization projects flourish

Dayou Futures adhere to the original intention of serving entities and serving agriculture, rural areas, and farmers, based on professional, industrial and geographical advantages, and actively explore and innovate new models of financial services for rural revitalization, injecting new momentum and strong confidence in escorting the steady development of rural economy. Since 2020, the finance Department of Hunan Province has supported the development of the "Insurance + Futures" project of Dayou Futures for four consecutive years, which avoids the risk of corporate profits being damaged due to the decline in product prices, and the insurance Company reinsure the risk by purchasing over-the-counter options products from the risk subsidiaries of the futures Company.

Live Hogs "Insurance + Futures"

The implementation of the "Insurance + Futures" case for Yongzhou Live Hogs by Dayou Futures has been recognized as one of the excellent cases of the 18th China (Shenzhen) International Futures Conference in 2023. The project guarantee variety has expanded from the core variety of Live Hogs, gradually forming a development pattern with Live Hogs as the centerpiece and other varieties complementing it.



International Futures Industry Congress



Zhijiang City pig farm

15 MILLION CNY 1000 TON

In 2023, the Company provided price risk protection of more than CNY15 million for 1,000 tons of Live Hogs of breeding enterprises in Zhijiang City.

Pig feed price "Insurance + Futures"

18,404 Live Hogs were guaranteed, providing more than CNY14.72 million of risk protection, and the loss rate was as high as 170.9%.

Egg price "Insurance + Futures"

Provide price risk protection of more than CNY5 million for 610 tons of eggs

Cotton "Insurance + Futures"



Bachu cotton production base

Provide 2,850 tons of cotton for Xinjiang Bachu cotton farmers, covering 18,930.8 acres of cotton planting area.

Farmers' self-paid CNY397,500, local financial support of CNY1,391,300, Dayou Futures support of 198,800 CNY, the total premium of CNY1,987,600.

Finally, a compensation of CNY2,902,200 was achieved, with a loss rate of 146.02%. Farmers obtained compensation of 1,018.31 CNY/ton of cotton price risk protection.

Natural rubber "Insurance + Futures"

Underwriting 1,000 tons of natural rubber, benefiting 3,019 farmers, reinforcing and expanding the poverty alleviation achievements of 490 households, and ultimately achieving compensation of more than CNY720,000.

Urea price "Insurance + Futures"

The government provides 50% premium subsidies to provide urea price risk protection for farmers' 1,020 acres of farmland.

Enthusiastic Public Welfare

Xiandai Investment has always been actively enthusiastic about public welfare. We focus on practical issues related to people's livelihoods and deeply carry out the "I do practical things for the people" practical activity. Through public welfare measures such as helping the needy, creating Lei Feng volunteer services, caring for exams, and voluntary blood donation, we give back to society with practical actions and contribute to the construction of a harmonious society.



Assisting the Elderly and Caring for the Young

Caring for special children and paying attention to vulnerable groups contribute to building a harmonious and symbiotic social atmosphere. We focus on special groups, providing practical actions and financial support to care for "the elderly and the young", assisting "the disabled and the needy", creating a better old age for the elderly, and a more hopeful future for children.



Xupu toll management center to help disabled elderly harvest rape



Dayou Futures "Learning from Lei Feng, Being a Good Example, Helping Others in Times of Need" donation assistance program



Zhaoshan toll station volunteer team warmly assists an old woman who lost his way

Yueyang Baling RCB practices social responsibility and continues to carry out public welfare donation activities

In 2023, Yueyang Baling RCB has successively carried out or participated in the "Bringing Warmth in the Spring Festival, Fulfilling Small Dreams" public welfare donation, "Care for Disabled Children, Spread Love to the World" activities and "Youthful Hearts Devoted to the Party, Blossoming Flowers in the Sunshine" large-scale art performance activities, providing assistance to special children, left-behind children, and families in need. The total donation amounted to CNY0.13 million.



"Bringing Warmth in the Spring Festival, Fulfilling Small Dreams" public welfare activities



"Care for Disabled Children, Spread Love to the World" activity

Volunteer Service

Xiandai Investment always keeps in mind the social responsibilities entrusted to state-owned enterprises. We effectively leverage our professional advantages in the industry to promote the deep integration of volunteer service with daily operations, continuously enhance employees' sense of fulfillment and responsibility in volunteer service, and enhance the positive role of public welfare volunteer service.



Xupu Road Maintenance and Safety Management Station assisted the overturned driver in transporting goods and received a commendation flag



Changsha toll station volunteer service point to provide passengers with free convenience materials



Zhaoshan toll station youth volunteers help the driver change the tire

Modern Environment focuses on the destruction of counterfeit drugs and illegal publications

20,000

5,000

50,000 CNY

Modern Environment assists the government in cracking down on counterfeiting and corruption, facilitates the centralized destruction of illegal publications, cracks down on illegal business activities involving the sale of various illegal publications, and takes the initiative to safely transfer and dispose of problematic drugs in a centralized and harmless manner, free of charge. In 2023, Modern Environment destroyed more than 20,000 copies of hundreds of illegal publications, more than 5,000 illegal optical discs, 385 types, more than 1,600 boxes (bottles) of fake drugs worth more than CNY50,000 and a batch of expired medical devices worth more than CNY25,000.



Modern Environment destroys counterfeit drugs and illegal publications



Appendixes

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Key Performance Table

Category	Units	2023
Environment^①		
Environmental investment		
Total investment in environmental protection	Million CNY	252.7
Non-renewable energy consumption		
Natural gas	m ³	172,818
Liquefied petroleum gas	kg	25,995
Coal	Ton	6
Biomass fuel	Ton	2,128
Gasoline (92#)	Liter	222,311
Gasoline (95#)	Liter	34,426
Diesel	Liter	394,593
Purchased electricity	kWh	23,712,181
Total energy consumption	Metric ton of standard coal	3,934
Energy consumption intensity	Metric tons of standard coal /million revenue	4
Renewable energy consumption		
Photovoltaic power generation	kWh	1,403,485
Total energy savings ^② (compared to thermal power generation)	Metric ton of standard coal	423
Greenhouse gas emission reduction ^③ (compared to thermal power generation)	tCO ₂ e	1,004
Greenhouse gases (GHG) emissions		
Direct (Scope 1) GHG emissions	tCO ₂ e	1,888
Indirect (Scope 2) GHG emissions	tCO ₂ e	13,523
Total GHG emissions (Scope 1 and Scope 2)	tCO ₂ e	15,411
Total GHG emissions intensity (Scope 1 and Scope 2)	tCO ₂ e/million revenue	16

① Since the waste and exhaust are mainly from Modern Environment, the two indicators include data from Modern Environmental only.

② According to data from the National Energy Administration, the standard coal consumption for power generation of power plants of 6,000 kilowatts and above nationwide was 301.5 g/kWh in 2022.

③ The baseline emission factor for Hunan power grid is set at 0.715375 tCO₂/MWh.

Category	Units	2023
Waste		
Total waste emissions	Ton	2,183
Total domestic waste	Ton	51
General industrial solid waste generation	Ton	2,132
Amount of general industrial solid waste recycled	m ³	10,092
Exhaust gas emissions		
Volatile Organic Compounds (VOCs) Emissions	Ton	0.03
Sulphur oxides (SO _x) Emissions	Ton	28
Nitrogen oxide (NO _x) Emissions	Ton	121
Particulate matter (PM) Emissions	Ton	7
Wastewater^④		
Wastewater	m ³	143,476
Chemical Oxygen Demand (COD) discharge in wastewater	Ton	1,830
Five-day biochemical oxygen demand (BOD ₅) discharge in wastewater	Ton	0.09
Discharge of suspended solids (SS) in wastewater	Ton	0.13
Ammonia and nitrogen emissions from wastewater	Ton	699
Water consumption		
Fresh water consumption	Ton	597,447
Water reuse	Ton	47,179

④ Statistics on four pollutants in wastewater (COD, BOD₅, SS, ammonia nitrogen) for Modern Environment.

Category	Units	2023
Social and Economic^⑥		
Economic		
Tax amount	Billion CNY	0.357
Annual revenue	Billion CNY	8.467
Social contribution per share	CNY	1.69
Directors, Supervisors and Senior Management		
Average term of office of Board members	Year	3
Directors, Supervisors and Senior Management' turnover rate	%	4%
Proportion of independent directors	%	33%
Ratio of external supervisors	%	50%
Directors, Supervisors and Senior Management' Standard deviation of age	Age	7
Number of board meetings	Times	9
Attendance of Board members	%	100%
Number of directors attending less than 75% of meetings	Person	0
Number of audit committee meetings	Times	10
Number of Remuneration Committee meetings	Times	2
Number of Nomination Committee meetings	Times	1
Percentage of personnel who are female directors	%	22%

⑥Unless otherwise specified, employee-related data statistics are based on formal contract employees and do not include labor dispatch.

Category	Units	2023
Employment and Diversity		
Total number of employees on board	Person	2,673
By gender	Male	1,432
	Female	1,241
By age group	30 years old or below	412
	31-50 years old	1,940
	51 years old or above	291
By educational background	Master's and doctoral students	148
	Undergraduate	1,374
	Specialized training school	713
	Post-secondary	438
By employment type	Full-time employee	2,672
	Part-time employee	1
By grade	Middle and senior management	86
	Frontline employee	2,587
By geography	Hunan Province	2,424
	Outside Hunan Province	249
Socially responsible recruitment	Number of employees with disabilities in service	11
	Number of veterans in service	79

Category		Units	2023
Employee Recruitment and Retention			
Total number of new employees		Person	153
By gender	Male	Person	89
	Female	Person	64
By age group	30 years old or below	Person	70
	31-40 years old	Person	58
	41 years old or above	Person	25
Turnover rate [Ⓢ]		%	11%
Employee Rights and Interests Protection			
Employee assistance and condolence funds		Million CNY	24
Labor contract signing rate		%	100%
Social insurance coverage		%	100%
Occupational Health and Safety			
Amount of investment in production safety		Million CNY	14,966
Number of people trained in security [Ⓣ]		Person	3,119
Number of safety trainings		Times	379
Occupational disease incidence rate		%	0%
Employee annual medical examination coverage rate		%	100%
Coverage rate of safety risk protection training		%	100%

Category		Units	2023
Employee Training			
Employee training investment		Million CNY	175
Total number of employees trained		Person	2,673
By gender	Male	Person	1,432
	Female	Person	1,241
By grade	Middle and senior management	Person	86
	Frontline employee	Person	2,587
Total hours of staff training		Hours	147,156
By gender	Male	Hours	75,815
	Female	Hours	71,341
By grade	Middle and senior management	Hours	7,707
	Frontline employee	Hours	139,449
Total hours of training per employee		Hours	55
By gender	Male	Hours	53
	Female	Hours	57
By grade	Middle and senior management	Hours	90
	Frontline employee	Hours	54

[Ⓢ]Due to changes in the Company's organizational structure, some employees were lost due to reasons other than resignation.
[Ⓣ]Including labor dispatch employees.





Category		Units	2023	
Supplier Management				
Total number of suppliers		Number of suppliers	885	
Supplier Distribution	Inside Hunan Province	Number of suppliers	555	
	Mainland China except Hunan Province	Number of suppliers	330	
Professional Services				
Customers claim		Cases	360	
Number of customer complaints resolved		Cases	360	
Anticorruption				
Training in anti-corruption education	Number of employees participated in anti-corruption education		Person	2,024
	Total hours of participation in anti-corruption education by employees		Hours	4,940
	Number of middle and senior management participated in anti-corruption education		Person	86
	Total hours of participation in anti-corruption education by middle and senior management		Hours	892
	Number of integrity training		Times	49
	Total number of hours of integrity training		Hours	267
Signature rate of the <i>Integrity Contract</i>		%	100%	

Category		Units	2023
Research and Development Innovation			
Number of patents and software copyrights obtained		Cases	153
Number of patents		Cases	116
Number of software copyrights		Cases	37
Number of new patents in 2023		Cases	8
Amount of research and development investment		Million CNY	26.48
Number of R&D personnel		Person	278
Other violations			
Health and safety aspects of services		Cases	0
Marketing aspects		Cases	0
Number of non-compliance penalties involved and total amount of fines paid by the Company		CNY	0
Number of incidents involving leakage of customer information		Cases	0
Losses caused by violating relevant laws and regulations		CNY	0
Incidents of violating laws and regulations in the environmental field		Cases	0
Public welfare donation			
Public welfare expenditure		Million CNY	7.36

GRI Indicator Index

Statement of use	Xiandai Investment Co., Ltd. reported the period from January 1, 2023 to December 31, 2023 with reference to GRI standards.
GRI 1	GRI 1: Foundation 2021
Applicable GRI Industry Standards	No applicable GRI industry standard

GRI Standards	Disclosure	Index Position
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us
	2-2 Entities included in the organization's sustainability reporting	Report Scope and Boundaries
	2-3 Reporting period, frequency and contact point	Report Release and Access
	2-4 Restatements of information	No restatement of information is required in this report
	2-5 External assurance	This report has not been externally verified
	2-6 Activities, value chain and other business relationships	About Us
	2-7 Employees	4.1 Protect Employees' Rights and Interests
	2-8 Workers who are not employees	Not applicable, the Company does not involve non-employed employees
	2-9 Governance structure and composition	About Us
	2-10 Nomination and selection of the highest governance body	1.1 Establish a Sound Management Mechanism
	2-11 Chair of the highest governance body	1.1 Establish a Sound Management Mechanism
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1 Establish a Sound Management Mechanism
	2-13 Delegation of responsibility for managing impacts	1.1 Establish a Sound Management Mechanism
	2-14 Role of the highest governance body in sustainability reporting	1.1 Establish a Sound Management Mechanism
	2-15 Conflicts of interest	1.3 Integrity and Compliance Operation
	2-16 Communication of critical	1.1 Establish a Sound Management Mechanism
	2-17 Collective knowledge of the highest governance body	1.1 Establish a Sound Management Mechanism
	2-18 Evaluation of the performance of the highest governance body	1.1 Establish a Sound Management Mechanism
	2-19 Remuneration policies	4.1.2 Fair Pay and Benefits
	2-20 Process to determine remuneration	4.1.2 Fair Pay and Benefits

GRI Standards	Disclosure	Index Position
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Key Performance Table
	2-22 Statement on sustainable development strategy	1.2 Complete the Responsible Governance
	2-23 Policy commitments	1.2 Complete the Responsible Governance
	2-24 Embedding policy commitments	1.2 Complete the Responsible Governance
	2-25 Processes to remediate negative impacts	2.3 Enhance Professional Services
	2-26 Mechanisms for seeking advice and raising concerns	1.1 Establish a Sound Management Mechanism
	2-27 Compliance with laws and regulations	Key Performance Table
	2-28 Membership associations	No relevant actions
	2-29 Approach to stakeholder engagement	1.2 Complete the Responsible Governance
	2-30 Collective bargaining agreements	4.1 Protect Employees' Rights and Interests
Materiality Issues		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2 Complete the Responsible Governance
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Company 2023 Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	3.2 Address Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	4.1.2 Fair Pay and Benefits
	201-4 Financial assistance received from government	Company 2023 Annual Report
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4.1.1 Diverse and Compliant Employment
	202-2 Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Company 2023 Annual Report
	203-2 Significant indirect economic impacts	

GRI Standards	Disclosure	Index Position
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	5.2 Unite and Build a Harmonious Society Key Performance Table
GRI 204: Procurement Practices 2016	205-1 Operations assessed for risks related to corruption	1.3.2 Build Clean and Honest Defense Line
	205-2 Operations assessed for risks related to corruption	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.3.3 Observe Business Ethics
GRI 207: Tax 2019	207-1 Approach to tax	1.3 Integrity and Compliance Operation
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	4.1.2 Fair Pay and Benefits
	207-4 Country-by-country reporting	Not applicable
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not applicable, Xiandai Investment does not involve products and materials
	301-2 Recycled input materials used	
	301-3 Reclaimed products and their packaging materials	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.3.2 Resource and Energy Management Key Performance Table
	302-2 Energy consumption outside of the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	3.3.2 Resource and Energy Management Key Performance Table
	303-2 Management of water discharge related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	

GRI Standards	Disclosure	Index Position
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.2.4 Protect Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 305: Emissions 2020	305-1 Direct (Scope 1) GHG emissions	3.2 Address Climate Change Key Performance Table
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable, The Company is not involved in the import of ODS
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3.3 Emissions Management Key Performance Table
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.3.3 Emissions Management Key Performance Table
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.1.2 Supplier Management Key Performance Table
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.2 Stimulate Talent Vitality Key Performance Table
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	

GRI Standards	Disclosure	Index Position
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	4.1.1 Diverse and Compliant Employment
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2.2.2 Ensure Safe Operation Key Performance Table
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.2.2 Diverse Capability Enhancement Key Performance Table
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1 Protect Employees' Rights and Interests
	405-2 Ratio of basic salary and remuneration of women to men	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.1 Protect Employees' Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1.2 Supplier Management Key Performance Table

GRI Standards	Disclosure	Index Position
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.1.2 Supplier Management Key Performance Table
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1.2 Supplier Management Key Performance Table
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Not applicable
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.1.2 Supplier Management Key Performance Table
	414-2 Negative social impacts in the supply chain and actions taken	
GRI 415: Public Policy 2016	415-1 Political contributions	Company 2023 Annual Report
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.3 Enhance Professional Services Key Performance Table
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.3 Enhance Professional Services Key Performance Table
	417-2 Incidents of non-compliance concerning product and service information and labeling	
	417-3 Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3 Enhance Professional Services Key Performance Table

Survey

Dear Readers:

Thank you very much for reading the *2023 Environmental, Social and Governance Report of Xiandai Investment Company Limited*. We hope you evaluate this report and provide us your valuable feedback, your comments and suggestions are the important basis to help us make continuous improvements to the report. Please fill in the survey form below and send us your feedback via dongban@xdtz.net.

2023 Environmental, Social and Governance Report of Xiandai Investment Company Limited Feedback Form

Name	Occupation	Tel	Email
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1.What is your overall evaluation of this report?

- Excellent
 Good
 Average
 Poor
 Very poor

2.What do you think about the accuracy, completeness, timeliness and clarity of the information disclosed in this report?

- Excellent
 Good
 Average
 Poor
 Very poor

3.Do you find the organization and style of this report easy to read?

- Excellent
 Good
 Average
 Poor
 Very poor

4.What material issues are you interested in?

5.What need-to-know information do you think is not disclosed in the report?

6. Do you have any other comments on the environmental, social and governance aspects of the Xiandai Investment?