



**Oriental**  
University City  
東方大學城

Environmental, Social and Governance Report

# 环境、社会及管治报告 2022



Oriental University City Holdings (H.K.) Limited  
東方大學城控股（香港）有限公司  
(incorporated in Hong Kong with limited liability)  
(於香港註冊成立之有限公司)  
Stock code (股票代號) : 8067

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

### Corporate Profile

Oriental University City Holdings (H.K.) Limited (the “**Company**” together with its subsidiaries, the “**Group**”) presents the environmental, social and governance report (the “**ESG Report**”) for the year ended June 30, 2022 (“**Year 2022**”), with an aim to provide details of the system establishment and performance of the Group in terms of sustainable development to both the internal and external stakeholders.

Oriental University City (“**OUC**”) is a district located in Langfang Economic & Technological Development Zone (廊坊經濟技術開發區). It was one of the earliest university city established in the People’s Republic of China (the “**PRC**”) in 1999. OUC is 40km away from Beijing and 60km away from Tianjin and connected to the Beijing-Shanghai expressway network and closed to other major transport networks in Beijing and Tianjin. OUC is also in close proximity to Beijing Daxing Industrial Development Zone (北京大興工業園區), Tianjin Binhai New Area (天津濱海新區) and Tianjin Jingbin Industrial Zone (天津京濱工業園區), where there is a high concentration of foreign and domestic companies engaging in aviation, service industrial and information technology.

The campus site currently occupies a gross site area of approximately 542,045 square meters in OUC, among which the Group owns teaching buildings with a gross floor area of approximately 119,453 square meters and dormitories with a gross floor area of approximately 155,552 square meters. The Group hosted more than 12 education institutions with a student population of 13,000 within the campus.

### Reporting Standard and Scope

This ESG report has been prepared in compliance with the “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) set out in Appendix 20 to the GEM Listing Rules (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This ESG Report highlights the environmental and social measures and activities of the Group during the Year 2022. For information regarding the corporate governance section, please refer to the Corporate Governance Report.

The Company is committed to creating sustained value for stakeholders by implementing ESG management framework into its operation with an aim to put the objectives of sustainable development into its daily practice. To be accountable to all the stakeholders, the Company endeavoured to minimise the influence on the environment, be aware of the employee well-being and contribute more to the community.

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### STATEMENT FROM THE BOARD

#### Board's oversight of ESG issues

The Board retains overall responsibility for overseeing the Group's sustainability strategy, policy and annual reporting. The role of the Board involves directing and overseeing sustainability initiatives to ensure their effectiveness and relevance in light of the evolving sustainability landscape. The Board is committed to incorporate ESG mindset into the Group's business operations and responsible for the long-term sustainability of the Group, including formulating strategies and overseeing the Group's ESG-related risks and opportunities. The Board considers ESG-related risks and opportunities as part of the Company's overall strategic formulation.

The management is delegated to develop sustainability strategies and policies, implement sustainability initiatives and provide sustainability reporting. The management is responsible for executing projects, evaluating results, monitoring potential risks and reporting on performance.

#### Board's ESG management approach and strategy for material ESG-related issues

To better understand the opinions and expectations of different stakeholders on the ESG issues, materiality assessment is conducted annually. The Group ensures various platforms and channels of communication are used to reach, listen and respond to its key stakeholders. Through communication with the stakeholders, the Group can understand their expectations and concerns. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the impacts of the business decisions.

The Group has evaluated the materiality for each of the ESG aspects through the following steps: (i) identification of ESG issues by the Group; (ii) key ESG areas prioritisation with stakeholder engagement; and (iii) validation and determining material ESG issues based on the results of communication with the stakeholders.

Taking these steps enhances the understanding of the expectations and concerns of the Group's stakeholders on various ESG issues, which enable the Board to plan the sustainable development direction to address material ESG-related issues in the future.

#### Board reviews progress made against ESG-related goals and targets

ESG-related goals and targets have been set to provide a strategic direction in business operations, the progress is closely reviewed by the Group from time to time. Modification may be needed if the progress falls short of expectation or change of business operations.

The Group's sustainability target enables the Company to develop a realistic roadmap and focus on results of achieving the visions. The sustainability performance and progress made against the goals are reported to the Board for review at least annually.

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### Reporting Principles

The ESG Report follows the four reporting principles as mentioned in the ESG Reporting Guide:

**Materiality:** Stakeholder engagement and materiality assessment were conducted annually to identify material ESG issues, and to ensure that these issues are addressed in the ESG Report.

**Quantitative:** Data presented in this ESG Report have been collected prudently. Please refer to the environmental and social performance data for standards and methodologies used for calculation of key performance indicators.

**Balance:** An unbiased and balanced picture of the performance has been disclosed in a transparent manner.

**Consistency:** Unless otherwise stated, the disclosures, data collection and calculation methods have remained consistent throughout the years to facilitate comparability over time.

### Reporting Boundaries

The Group is principally engaged in the provision of education facilities leasing services in the PRC, Malaysia and Indonesia. It owns and leases education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and Indonesia; and to a much lesser extent, commercial leasing for supporting facilities. All existing education facilities are located in the PRC, Malaysia and Indonesia. The former has relatively high relevance to the environmental, social and governance aspects. Therefore, the disclosures in the ESG Report focus on the policies and performance of education facilities located in the PRC in Year 2022 in relation to four environmental aspects and eight social aspects.

The key performance indicators (“KPIs”) data are gathered only from the operations under the Group’s direct operational control. The Group will continue to strengthen information of the major ESG aspects in order to enhance the disclosure of information on sustainable development when and where applicable.

### Stakeholder Engagement

The Group deeply understands the close relationship between stakeholders and development of its business. In order to address key concerns of stakeholders, the Group maintains a close tie with its stakeholders, including government, investors, customers/potential customers, employees, community and the public.

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The Group continues to improve stakeholder engagement and strives to understand and respond to stakeholders' expectations and requirements through diverse communication and response.

Stakeholders	Expectations and requirements	Communication and response
Government	<ul style="list-style-type: none"> <li>Operate in compliance with the laws</li> <li>Tax payment in accordance with the laws</li> </ul>	<ul style="list-style-type: none"> <li>Law-abiding operations</li> <li>Pay tax on time and in full</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Implement corporate governance and create value</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Optimise internal control and risk management</li> <li>Release operating data in due course</li> </ul>
Customers/potential customers	<ul style="list-style-type: none"> <li>Customer information security</li> <li>Reliability of services</li> <li>Transportation and accessibility</li> </ul>	<ul style="list-style-type: none"> <li>Customer privacy protection</li> <li>Provide high quality education facilities and services</li> <li>Good public transport network</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Career development platform</li> <li>Remuneration and benefits</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Transparent promotion channel</li> <li>Competitive remuneration package</li> <li>Implements health and safety management system</li> </ul>
Community and the public	<ul style="list-style-type: none"> <li>Positive learning atmosphere</li> <li>Support social welfare</li> <li>Protect the nature</li> </ul>	<ul style="list-style-type: none"> <li>Create a conducive environment for colleges and students</li> <li>Participate in charity works</li> <li>Adhere to green operations</li> </ul>

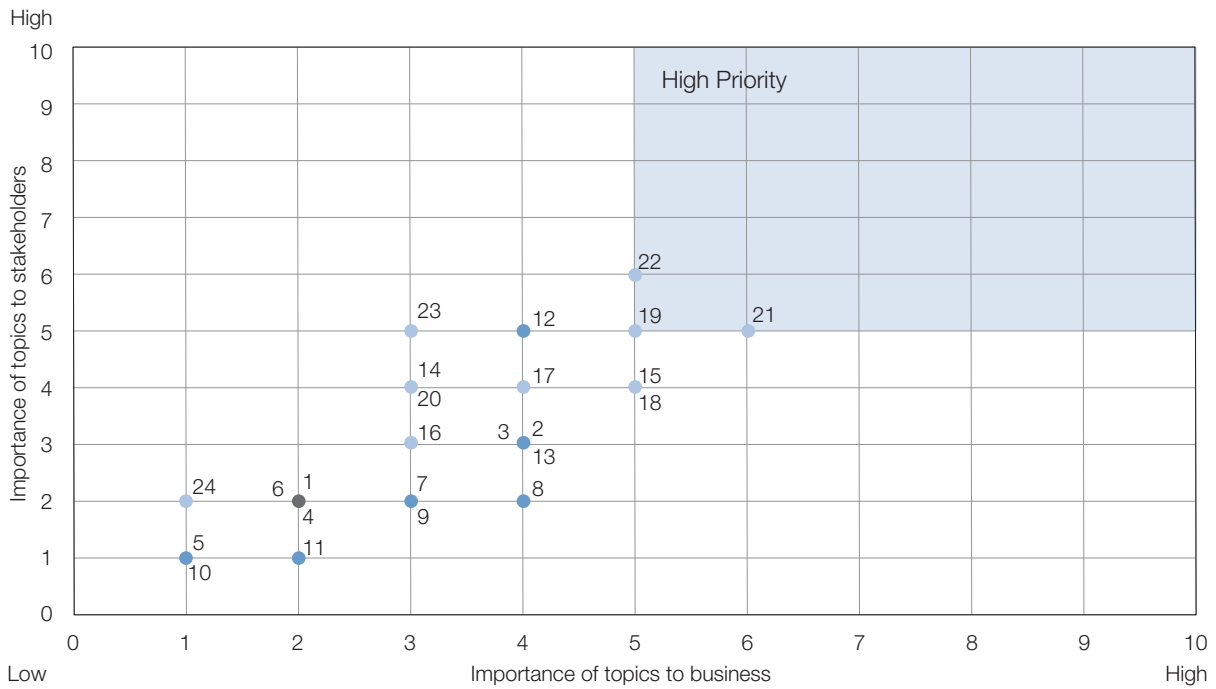
### Materiality Matrix

The Group carried out materiality assessment on a number of ESG issues for the purpose of timely and comprehensive understanding of the materiality of each ESG issue to the business development of the Group and the stakeholders, in order to facilitate the Group's effective disclosure of ESG information and continuous improvement in the management level of relevant issues.

In view of the business characteristics of the Group, the Group has identified 24 ESG issues covering environmental, social and operation for Year 2022. The Group invited both internal and external stakeholders to assess the materiality of the ESG issues through a scoring tool and interviews. Based on the results of the materiality assessment, the Group discussed and determined the disclosure of the ESG Report for the Year 2022.

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The Group's materiality matrix of ESG issues in Year 2022:



### Environmental issues

1. Greenhouse gas ("GHG") emissions
2. Energy consumption and resource management
3. Water resources management
4. Waste management
5. Use of packaging materials
6. Impact on the environment
7. Climate change
8. Community contribution

### Social issues

9. Occupational health and safety
10. Child labour
11. Forced labour
12. Training and development
13. Salaries and employee benefits
14. Diversity and equal opportunity
15. Talent attraction and retention
16. Anti-corruption

### Operation issues

17. Supply chain management
18. Supplier evaluation and selection
19. Customer satisfaction
20. Customer privacy
21. Feedback and complaint handling
22. Product safety and quality
23. Intellectual property protection
24. Marketing and labeling

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### ENVIRONMENT ASPECTS

The Group committed to maintain sustainable development and to comply with the relevant laws and regulations in respect of environmental protection, the Group endeavours to minimise the impacts of its operating activities on the environment.

#### Emissions

The Group knows that the quality of environment protection is very important to achieve of long-term development. The Group does its best to ensure that the concept of environmental sustainability is integrated into every part of its daily business operation. The Group keeps on monitoring all types of changes in the ways of producing waste and/or utilising energy during the process of carrying on its business activities.

The Group understands the importance of environmental protections. It actively implements multiple measures for environmental protection in its operations and formulates an Office Environmental Guidelines 《辦公室環保指引》 to reduce emissions. The key environmental performance indicators of the Group's emissions in Year 2022 and year 2021 (defined as the year ended June 30, 2021) are shown in the table below:

Environmental indicators	Unit	Year 2022	Year 2021
<b>Air emissions</b> <sup>(Note 1)</sup>			
Nitrogen oxides (NO <sub>x</sub> ) emissions	Kg	<b>68.92</b>	104.09
Sulphur oxides (SO <sub>x</sub> ) emissions	Kg	<b>0.13</b>	0.34
Particulate matter (PM) emissions	Kg	<b>6.58</b>	9.94
<b>GHG emissions</b>			
Total GHG emissions <sup>(Note 2)</sup>	Tonnes CO <sub>2</sub> e	<b>870.15</b>	1,163.29
GHG emissions intensity	Kg CO <sub>2</sub> e/square meter		
	of campus site	<b>1.61</b>	2.39
Direct emissions (Scope 1)	Tonnes CO <sub>2</sub> e	<b>24.42</b>	62.22
Indirect emissions (Scope 2) <sup>(Note 3)</sup>	Tonnes CO <sub>2</sub> e	<b>835.10</b>	1,064.90
Other indirect emissions (Scope 3) <sup>(Note 4)</sup>	Tonnes CO <sub>2</sub> e	<b>10.63</b>	36.17
<b>Waste</b>			
Total non-hazardous waste produced <sup>(Note 5)</sup>	Tonnes	<b>N/A</b>	N/A
Non-hazardous waste produced intensity	Tonnes/square meter of campus site	<b>N/A</b>	N/A
Total hazardous waste produced <sup>(Note 6)</sup>	Tonnes	<b>N/A</b>	N/A
Hazardous waste produced intensity	Tonnes/square meter of campus site	<b>N/A</b>	N/A



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*Note 1:* The emission factors used to calculate the NO<sub>x</sub>, SO<sub>x</sub> and PM are sourced from: (i) the Hong Kong Environmental Protection Department's ("EPD") EMFAC-HK Vehicle Emission Calculation model; and (ii) the United States Environmental Protection Agency's Vehicle Emission Modeling Software – MOBILE6.1. The assumption of 80% relative humidity, a temperature of 25 degrees Celsius, an average speed of 30kmh, and include running exhaust emissions only.

*Note 2:* GHG emissions can be divided into the following three separate areas:

Scope 1: Direct GHG emissions from operations that are owned or controlled by the Group including GHG emissions from vehicles controlled in the PRC;

Scope 2: Indirect GHG emissions resulting from generation of purchased electricity that is consumed by the Group; and

Scope 3: Other indirect GHG emissions that occurred outside the Group, including both upstream and downstream emissions including: (i) emission from paper waste disposed at landfills; (ii) emission from electricity consumption for processing fresh water and sewage; and (iii) business travel by employees by the Group.

*Note 3:* The emission factor for Langfang City as in North China Grid (華北電網) is set at 0.9419 kg CO<sub>2</sub>/kWh, which are sourced from The Ministry of Ecology and Environment of People's Republic of China (2019).

*Note 4:* The electricity consumption per unit for treatment of fresh water and sewage in PRC are set at 0.6 and 0.28328 kWh respectively.

*Note 5:* The Group has engaged a waste management company located in OUC to handle non-hazardous waste, such as food waste and general office waste. Hence, no data of non-hazardous waste is maintained by the Group itself.

*Note 6:* No hazardous waste is produced by the Group. In the event when any hazardous waste is to be disposed of, the Group would engage professional companies to handle it.

The Group upholds the principles of environmental protection management and is committed to the proper handling and disposal of all emissions and wastes. Specific actions have already been taken, which include:

- Maintaining an indoor temperature at an optional level for comfort;
- Installing LED lighting system in the offices. Saves power by implementing automatic lights off during non-business hours and providing manual override switch for all non-emergency lighting;
- Encouraging the employees to switch off the computers and monitors when not utilised, setting office machines such as copiers and TV monitors to switch off automatically after office hours;
- Encouraging the employees to make the best use of modern telecommunication system to avoid unnecessary travel arrangement;

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- Putting up signage emphasising the importance of energy saving at offices are in place;
- Performed minimal renovations, by re-using existing flooring, furniture etc.;
- Works closely with various local governments in Langfang City, Hebei Province, to promote PRC environment protection strategies to its tenants; and
- Promotes the knowledge of environmental protection to students and staff in its campus and advocates students therein to sort their trash into separate bins.

To better manage the Group’s material topics and its performance on emissions, the Group decides to set quantifiable targets for air emissions and GHG emissions over the year ending June 30, 2024 (“Year 2024”) as follows:

Environmental indicators	Reduction target	Baseline Year	Status
NO <sub>x</sub> emissions intensity	Reduce 3% by Year 2024	Year 2019	In progress
SO <sub>x</sub> emissions intensity	Reduce 3% by Year 2024	Year 2019	In progress
PM emissions intensity	Reduce 3% by Year 2024	Year 2019	In progress
GHG emissions intensity	Reduce 3% by Year 2024	Year 2019	In progress
Non-hazardous waste produced intensity	Reduce 3% by Year 2024	Year 2019	In progress
Hazardous waste produced intensity	Maintain zero generation	Year 2019	In progress

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have significant impact, including Environmental Protection Law of the People’s Republic of China 《中華人民共和國環境保護法》 and Water Pollution Prevention and Control Law of the People’s Republic of China 《中華人民共和國水污染防治法》. In addition, there was no report of significant fines or non-monetary sanctions as the result of non-compliance with relevant laws and regulations in Year 2022.

### Use of Resources

The Group pays attention to environmental protection and is striving to realise reasonable utilisation of energy and resources. An Office Environmental Guidelines has been established and appropriate measures are advocated for enhancement of utilisation rate.

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The key environmental indicator data in respect of use of resources by the Group is shown below:

Environmental indicators	Unit	Year 2022	Year 2021
Units of diesel consumed	kWh	N/A	N/A
Units of petrol consumed <sup>(Note 1)</sup>	kWh	88,974.78	226,689.77
Units of purchased heating consumed <sup>(Note 2)</sup>	kWh	180,437.73	180,437.73
Units of purchased electricity consumed <sup>(Note 3)</sup>	kWh	886,611.03	1,130,590.93
Total energy consumption	kWh	1,156,023.54	1,537,718.43
Total energy consumption intensity	kWh/square meter of campus site	2.13	3.16
Amount of water consumption <sup>(Note 4)</sup>	Tonnes	9,058	38,592
Water consumption intensity	Tonnes/square meter of campus site	0.02	0.08
Total amount of packaging materials used <sup>(Note 5)</sup>	Tonnes	N/A	N/A
Intensity of packaging materials used	Tonnes/units of product	N/A	N/A

*Note 1:* The conversion factor used to convert data in other units to kWh is sourced from the Energy Statistics Manual issued by the International Energy Agency.

*Note 2:* The data includes units of heating purchased by OUC for the PRC office. The units of heating consumed for leased buildings of OUC are excluded since the customers have purchased heating by themselves and the Group is responsible for delivering heating to customers after secondary pressurisation by OUC. The floor area of PRC office is approximately 3,605.87 m<sup>2</sup>. The space-heating load data per unit floor area (供暖面積熱指標) of office/university is ranged from 58 to 81 W/m<sup>2</sup> (i.e. 69.5 W/m<sup>2</sup> in average) according to Technical Measures for Heating and Ventilation Design of Civil Buildings 《民用建築採暖通風設計技術措施》 issued by China Academy of Building Research (中國建築科學研究院).

The heating supply period is commonly known as November 15 to March 15 of next year in the north of PRC and the efficient heating supply time is around 25%. Therefore, the efficient time of heating supply used in the ESG Report is near to 720 hours for Year 2022 and Year 2021.

*Note 3:* The data of purchased electricity consists of three parts:

- (i) 485,483.88 kWh and 537,970.33 kWh of electricity were consumed for PRC office and vacant buildings maintenance in Year 2022 and Year 2021 respectively;
- (ii) 220,803.20 kWh and 384,018.60 kWh of electricity were consumed for a heat exchange station for delivering heating to customers after the secondary pressurisation by OUC in Year 2022 and Year 2021 respectively; and
- (iii) 180,323.95 kWh and 208,602 kWh of electricity were consumed for a water pump house for supplying water to customers after the secondary pressurisation by OUC in Year 2022 and Year 2021 respectively.

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Note 4: The data of water consumption consists of two parts:

- (i) 4,058 tonnes and 17,638 tonnes were used for PRC office and vacant buildings maintenance in Year 2022 and Year 2021 respectively; and
- (ii) 5,000 tonnes and 20,954 tonnes were used for a heat exchange station for delivering heating to customers after the secondary pressurisation by OUC in Year 2022 and Year 2021 respectively.

Note 5: The Group's business does not involve any use of packaging materials. Therefore, no data in this aspect is available.

During the Year 2022, the Group has not experienced any difficulty in sourcing water that is fit for the usage of the Group.

The Group seeks opportunities to reduce and recycle resources that have consumed in order to minimise the amount of waste generated to the environment by the following steps taken to achieve it:

- Adjusting the heat supply system to low settings during the winter vacation period to reduce heat waste ultimately; and
- Encouraging all employees to reduce paper usage by using double-sided papers and by a frequent use of electronic information systems for material sharing or internal administrative documents as part of the environmental protection campaigns.

In the future, the Group will continue its commitment in environmental protection and strive to build a greener and healthier environment to fulfil its responsibilities as a member of the community we all live in.

To better manage the Group's material topics and its performance on environmental aspect, the Group decides to set quantifiable targets for use of resources over the Year 2024 as follows:

Environmental indicators	Reduction target	Baseline Year	Status
Energy consumption intensity	Reduce 3% by Year 2024	Year 2019	In progress
Natural gas consumption intensity	Reduce 3% by Year 2024	Year 2019	In progress
Water consumption intensity	Reduce 3% by Year 2024	Year 2019	In progress

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### Environment and Natural Resources

The Group engages a gardening service provider to provide gardening services on its campus site, including the removal of any unwanted or dead plants and replenishment with new seed beds and healthy plants. The gardening service provider has to comply with the Group's internal guidelines on Gardening Maintenance Scheme (《綠化養護方案》), Gardening Maintenance Operation Guideline (《綠化養護操作規範》) together with Gardening Maintenance Quality and Examination Standards (《綠化養護質量與考核標準》) which set out the frequency of fertilization on different types of plants, and guidelines for tree cutting and trimming, removal of dead plants and application of disinfectants.



▲ Environmental enhancement on campus site



▲ Environment in dormitories

### Climate Change

Task Force on Climate-related Financial Disclosures (the "TCFD") provides a reporting framework for companies to report their climate-related risks to the stakeholders. TCFD divided climate-related risks into physical risks and transition risks, the physical impacts of climate change and transition risks brought by decarbonisation could have material impact to the Group's operation and development. The Group has raised its awareness towards the risks and potential impacts on the Group due to climate change. The Group has identified the climate-related risks that may adversely impact the Group's operations and development.

The Group understands that the climate change has posed existential threats to the world and its operation, and the Group must put effective measures in place to protect its operations from potential disruptions and damages caused by them. Such risks include physical risks such as typhoon and rainstorms potentially leading to loss of electrical power, property and machinery damage and staff casualty as well as transition risks such as policy and regulatory changes.

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In response to these, the Group has created risk management system and procedures to identify, monitor and control climate change impacts. Particular measures to mitigate climate change related impacts include the enhancement and well maintenance of building design and structure and facilities therein to strengthen endurance against extreme weathers. Emergency plans including flexibility of working hour and location under certain extreme weathers are also in place to maintain the Group's day-to-day operation in order and reduce risks of staff injuries when commuting.

The Group is also concerned about the exposure to relevant regulatory requirement that would have potential cost implications or disruption of operation due to failure to meet them by the then practices of operations. Failure to comply with those limits would lead to a fine and or even an order to suspend the operation for a certain period. The Group will regularly review relevant policy updates and assess their potential impact on the operation and stipulate relevant responsive measures to mitigate the potential risks.

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### SOCIAL ASPECTS

The Group provides employees with a fair working environment, protects their physical and mental health, and provides training to improve their knowledge and skills for discharging duties at work.

#### Employment

The Group understands that human resources is one of its most important valuable assets. The Group respect culture and individual diversity, it aims to uphold a fair and equitable human resource policy, in which quality and merit of the candidates are the most important elements to be assessed during the recruitment and promotion processes. The Group offers equal employment opportunities to different genders, age groups and nationalities such that a sound of diversify of human resources can be achieved. The Group has established human resource management policy which covers: (i) recruitment and promotion; (ii) working hours; (iii) rest periods; and (iv) benefits and welfare.

As of June 30, 2022, the total number of employees being employed by the Group in the PRC was 29 (2021: 49). Summaries of the composition of the employees for the Year 2022 are disclosed as follows:

The composition of the employees by categories	Unit	Year 2022
<b>Workforce by gender</b>		
Male	No. of employees	18
Female	No. of employees	11
<b>Workforce by employment type</b>		
Part time	No. of employees	–
Full time	No. of employees	29
<b>Workforce by age group</b>		
Under 30 years old	No. of employees	–
30 to 50 years old	No. of employees	17
Over 50 years old	No. of employees	12
<b>Workforce by geographical region</b>		
Hong Kong	No. of employees	–
Mainland China	No. of employees	29

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As of June 30, 2022, employee turnover rate by categories for the Year 2022 are disclosed as follows:

Employee turnover rate by categories	Year 2022
<b>Employee turnover rate by gender</b> <i>(Note 1)</i>	
Male	11%
Female	18%
<b>Employee turnover rate by age group</b> <i>(Note 1)</i>	
Under 30 years old	–
30 to 50 years old	18%
Over 50 years old	8%
<b>Employee turnover rate by geographical region</b> <i>(Note 1)</i>	
Hong Kong	–
Mainland China	14%

*Note 1:* Employee turnover rate by categories is calculated by dividing the total number of employees departed in such category by the total number of employees in the corresponding category.

The Group has placed a high value on the employee welfare by providing a clean working and living environment with a relaxing and pleasant atmosphere. All the staff are entitled to social insurance and various paid leave, such as sick leave, work-related injury leave, statutory holidays, marital leave, maternity leave, compassionate leave and annual leave.

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have significant impact. The Group strictly complied with local laws and regulations relating to employment, such as Labour Law of the People's Republic of China 《中國人民共和國勞動法》 and Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》. In addition, there was no report of significant fines or sanctions as the result of non-compliance with relevant laws and regulations in Year 2022.



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### Health and Safety

The Group is committed to provide and maintain a safe and health working environment for all employees.

In order to strengthen employees' work safety awareness and to reduce number and severity of injuries and accidents, the Group has developed health and safety policies including prohibition of smoking in the workplace, abuse of alcohol and drugs, identification and prevention of risks and hazards on its campus site, and follow-up actions for accidents or personal injuries. The Group requires its employees to strictly adhere to and comply with such policies, which are set out in the employee handbook.

The Group attaches great importance to fire safety. The entire campus site has been equipped with fire station and firefighting devices such as fire extinguishers and fire hydrants. In addition, the leasing contracts include the clauses of fire safety and for customers who rent the whole buildings, Fire Safety Responsibility Letters (《消防安全責任狀》) are necessary to be signed to declare the responsibilities for fire safety as lessees. Apart from submitting supporting documents of firefighting devices to Fire Protection Section of Langfang City (廊坊市消防大隊), the Group also attends fire drills conducted by Fire Protection Section of Langfang City at least annually to raise fire safety awareness of employees.

In response to the outbreak of the Coronavirus Disease 2019 ("COVID-19") pandemic, the Group prioritised the protection of staff health by providing them with sufficient quantities of hand-rub sanitisers and medical face masks. In addition, the Group has developed policies including prevention and control of COVID-19 in canteen and emergency plan for COVID-19. The Group has also taken a number of preventive measures against COVID-19 in workplace including but not limited to: (i) reminding employees to maintain hand hygiene; (ii) arranging security guard at the front desk to measure employees/visitors' body temperature, if it exceeds 37.3°, no entry into the office building is allowed; (iii) requiring all employees/visitors to wear mask before entering the office building and canteen; and (iv) increasing frequency of cleaning and disinfection.

During the Year 2022, the number and rate of work-related fatalities occurred and the number of lost days due to work injury are as follows:

<b>Work-related fatalities occurred</b>	<b>Year 2022</b>	<b>Year 2021</b>	<b>Year 2020</b>
Number of work-related fatalities	-	-	-
Rate of work-related fatalities (%)	-	-	-
<b>Work-related fatalities occurred</b>	<b>Year 2022</b>		
Lost days due to work injury	-		

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impact. The Group strictly complied with local laws and regulations relating to health and safety, such as Law of the People's Republic of China on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and the Regulations on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》). In addition, there was no report of significant fines or sanctions as the result of non-compliance with relevant laws and regulations in Year 2022.

### Development and Training

The Group acknowledges the importance of training for the development of its employees. To ensure to provide high quality service for the customer, the Group offers professional training program to its employees, including: (i) corporate cultures; (ii) the GEM Listing Rules; (iii) operation management (iv) financial management; (v) revised regulations of social insurance; (vi) internal control measures; and (vii) firefighting and so on. Through education and training, the Group can enhance the employees' personal qualities, reinforce their skill sets and keep up with the most advanced professional knowledge that their position may require.

The percentage of employees trained by categories during the Year 2022 are listed as follows:

Percentage of employees trained by categories	Year 2022
Percentage of employee trained <sup>(Note 1)</sup>	100%
<b>By gender</b> <sup>(Note 2)</sup>	
Male	62%
Female	38%
<b>By employee category</b> <sup>(Note 2)</sup>	
Senior Level	14%
Middle Level	38%
Entry Level	48%

*Note 1:* Percentage of employees trained is calculated by dividing the number of employees who took part in training by the number of employees.

*Note 2:* Breakdown for employees trained by categories is calculated by dividing the number of employees trained in such category by the number of employees who took part in training.

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The average training hours per employee by categories during the Year 2022 are listed as follows:

Average training hours of employees by categories	Unit	Year 2022
Average training hours per employee <sup>(Note 1)</sup>	Hour	12
Average training hours by gender <sup>(Note 2)</sup>		
Male	Hour	12
Female	Hour	12
Average training hours by employee category <sup>(Note 2)</sup>		
Senior Level	Hour	12
Middle Level	Hour	12
Entry Level	Hour	12

*Note 1:* Average training hours per employee is calculated by dividing the total number of training hours by the number of employees.

*Note 2:* Average training hours by categories is calculated by dividing the total number of training hours for such category by the number of employees in the corresponding category.

### Labour Standards

The Group recognises that the employment of child and forced labour is a serious violation of universal values. Accordingly, the Group strictly complies with the Provisions on the Prohibition of Using Child Labour 《禁止使用童工規定》 and other laws and regulations relating to labour standards. The Group also strictly fulfills the requirements under the labour contract system whereby all newly recruited employees will enter into a labour contract or an appointment agreement with the Company upon formal appointment.

The Group has taken measures on practices of recruitment, including: (i) measures to prevent the use of child labour; and (ii) measures to prevent the use of forced labour. The administration and personnel department will screen out applicants under the age of 18 when reviewing resumes. The Group has not employed any child labour since the measures came into effect. Furthermore, staff are required to submit working schedules every day to their immediate supervisors. The administration and personnel department ensures child labour is not in the workforce. If any child labour or forced labour is identified, the employment contract will be terminated immediately. The Group is committed to protecting human rights, to prohibiting forced labours, and to creating a workplace with respect, fairness, and free will for the employees.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to prohibiting the Group from employing child and forced labour. The Group strictly complied with local laws and regulations relating to labour standards, such as the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》). In addition, there were no significant fines or sanctions as the result of non-compliance with relevant laws and regulations in Year 2022.

### Supply Chain Management

As a university city, one of the Group's missions is to provide high quality education facilities to its contract colleges. Selection and maintenance of suppliers and contractors policy is well-documented in the Internal Control Rules and Regulations (《內部監控制度》). During the selection process for suppliers and contractors, the Group not only consider economical and commercial factors in the tendering processes but also make a serious assessment of their compliance with all the applicable laws and regulations; safeguard workers' health and safety; and mitigate environmental impacts. The suppliers and contractors are divided into 8 main aspects, including (i) hardware, electrical materials, building materials, chemical products; (ii) cleaning supplies; (iii) office supplies; (iv) software technology development, computer consumables; (v) moving companies; (vi) companies of waste recycling, cleaning, furniture; (vii) advertisement companies; and (viii) maintenance companies, which are all located in Langfang City. Performance of all suppliers and contractors are assessed half-yearly by the Group in order to obtain satisfactory services.

To maintain a good corporate control and governance, the Group has developed a series of management systems and procedures to be aligned with the corporate governance as required by the Stock Exchange. In addition, the Group encourages all business partners to develop energy-saving and consumption-reducing policies in order to work together in its pursuit of sustainable development.

During the Year 2022, the Group was not aware that any key suppliers had any significant actual and potential negative impact on business ethics, environmental protection, human rights and labour practices, nor any of them had any non-compliance incident in respect of human rights issues.

During the Year 2022, the number of suppliers by geographical region is as follows:

Suppliers by geographical region	Year 2022
The PRC	3

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### Product Responsibility

The Group's main business is leasing education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and Indonesia. The Group endeavours to improve its educational facilities to provide a beautiful and liveable campus to the contract colleges, and create a comfortable and harmonious environment for students in order to improve their satisfaction.

In respect of personal data protection and privacy policies, the Group ensures a strict compliance with the statutory requirements to fully meet a high standard of security and confidentiality of personal data privacy protection. As part of the Internal Control Rules and Regulations, a personal data protection procedure is set forth to protect the integrity of the stakeholders' personal data from inappropriate or unauthorised use. The Group highly respects personal data privacy and is firmly committed to preserving the data protection principles during its business operation. Employees are required to strictly follow full procedures of handling company confidential information set out in the Internal Control Rules and Regulations as well as Code of Ethics for Employees (《員工職業道德守則》). Protection of customer data is also highly important to avoid intrusions and unauthorised access. Employees are subjected to the strictest standards of privacy and confidentiality to prevent from leaking of customer privacy.

The Group mainly provides leasing services hence no recall product for safety and health reasons. The Group did not receive service-related complaint in Year 2022. In case of customer feedback with reasonable urgency and of importance, customer can submit directly to operation department of the Group for immediate action, head of operation department will review customer's feedback and assign to responsible personnel for handling the case.

Protecting intellectual property rights is a priority to the Group which has in place dedicated management systems related to the handling of patents and intellectual property. The Group has complied with all applicable legal requirements to prohibit intellectual property infringement.

In Year 2022, the Group was not aware of any material non-compliance with relevant rules and regulations relating to leasing operation, health and safety and privacy matters relating to service provided and methods of redress that have a significant impact. The Group strictly complied with local laws and regulations relating to product responsibility, such as Contract Law of the People's Republic of China (《中華人民共和國合同法》), Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) issued by Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) and other relevant regulations issued by the local government. In addition, there was no report of significant fines in Year 2022.

### Anti-corruption

The Group aims to maintain the highest standards of openness, uprightness and accountability and all staff are expected to observe the highest standards of ethical, personal and professional conduct. The Group does not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of its business operations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition to the well-established Code of Ethics for Employees and Code of Conduct on Anti-corruption (《反舞弊行為規範》), the Group has issued relevant whistle-blowing procedures of setting up a private communication channel on reporting suspicious fraudulent actions to the Group's management directly. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities.

The Group has provided internal training of the relevant law and knowledge and organise directors and employees to study the national anti-corruption laws and regulations and Company's anti-corruption policy. Besides, there were no legal case regarding corrupt practices in Year 2022.

In Year 2022, none of the Group or its employees was involved in any legal proceedings relating to bribery, extortion, fraud or money laundering. The Group strictly complied with local laws and regulations relating to anticorruption, such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》).

### Community Investment

The Group endeavours to support the communities in which the Group operates including community engagement to understand the needs of communities, and to ensure the Group's activities take into consideration of the communities' interest.

The Group encourages its employees to participate in community activities, such as community health initiatives, sports, cultural activities, volunteer work, and education donation. All employees of the Group are encouraged to participate in environmental protection activities and raise the environmental awareness of people in the communities. During Year 2022, the Group made charitable donation of RMB1,000,000 (2021: RMB500,000).

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### HKEX ESG REPORTING GUIDE INDEX

Subject	Disclosure Requirements	Section
<b>Environmental</b>		
<b>A1 Emissions</b>	General Disclosure: Information on below in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject	Disclosure Requirements	Section
<b>Environmental</b>		
<b>A2 Use of Resources</b>	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Use of resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in kWh) and intensity (e.g. per unit of production volume, per facility).	Use of resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of resources
<b>A3 Environment and Natural Resources</b>	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment and natural resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and natural resources
<b>A4 Climate Change</b>	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject	Disclosure Requirements	Section
<b>Social</b>		
<b>B1 Employment</b>	<p>General Disclosure: Information on below relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:</p> <p>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
<b>B2 Health and Safety</b>	<p>General Disclosure: Information on below relating to providing a safe working environment and protecting employees from occupational hazards:</p> <p>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	Health and safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and safety
KPI B2.2	Lost days due to work injury.	Health and safety
KPI B2.3	Description of occupational health and safety measures adopted how they are implemented and monitored.	Health and safety

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject	Disclosure Requirements	Section
<b>Social</b>		
<b>B3 Development and Training</b>	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and training
<b>B4 Labour Standards</b>	General Disclosure: Information on below relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Labour standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour standards
<b>B5 Supply Chain Management</b>	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Supply chain management
KPI B5.1	Number of suppliers by geographical region.	Supply chain management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject	Disclosure Requirements	Section
<b>Social</b>		
<b>B6 Products Responsibility</b>	General Disclosure: Information on below relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Product responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product responsibility
<b>B7 Anti-corruption</b>	General Disclosure: Information on below relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject	Disclosure Requirements	Section
<b>Social</b>		
<b>B8 Community Investment</b>	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community investment