



**ALLIANCE INTERNATIONAL  
EDUCATION LEASING HOLDINGS LIMITED**  
**友聯國際教育租賃控股有限公司**

(formerly known as International Alliance Financial Leasing Co., Ltd.)

*(Incorporated in the Cayman Islands with limited liability)*

Stock code : 1563

Environmental,  
Social and Governance Report 2023/24

# CONTENT

02	<b>1. ABOUT THE GROUP</b>
02	1.1 Introduction of the Group
03	1.2 Enterprises Culture
04	<b>2. ABOUT THE REPORT</b>
04	2.1 Scope of the Report
04	2.2 Reporting Standard
04	2.3 Reporting Principles
05	2.4 Opinions and Feedbacks
06	<b>3. ESG GOVERNANCE</b>
06	3.1 Board Statement
06	3.2 Stakeholder Engagement
08	3.3 Materiality Assessment
10	<b>4. ENVIRONMENTAL PROTECTION</b>
10	4.1 Emissions Management
12	4.2 Waste Management
13	4.3 Use of Resources
16	4.4 Green Operations
16	4.5 Responding to Climate Change
17	<b>5. CORPORATE SOCIAL RESPONSIBILITY</b>
17	5.1 Employment and Labour Practices
21	5.2 Health and Safety
23	<b>6. OPERATING PRACTICES</b>
23	6.1 Supply Chain Management
24	6.2 Service Quality
25	6.3 Customers First
26	6.4 Advertisement Management
26	6.5 Respect for Intellectual Property and Privacy Protection
27	6.6 Anti-corruption
28	<b>7. COMMUNITY INVESTMENT</b>
29	<b>CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE</b>

# 1. ABOUT THE GROUP

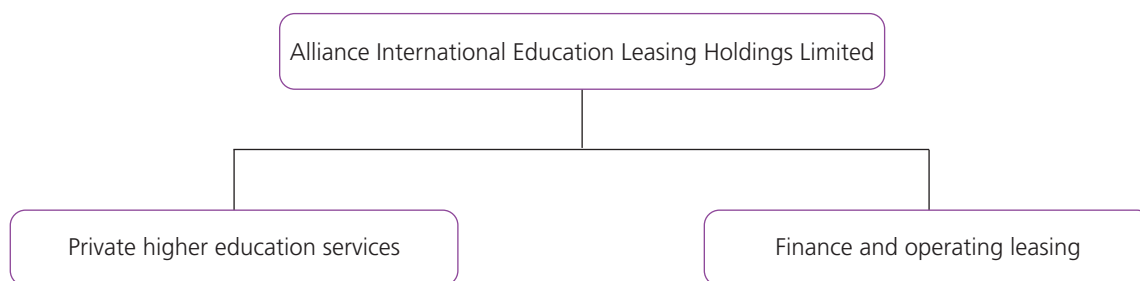
## 1.1 INTRODUCTION OF THE GROUP

Alliance International Education Leasing Holdings Limited (formerly known as International Alliance Financial Leasing Co., Ltd.) (the “**Company**”) and its subsidiaries (collectively known as the “**Group**” or “**We**”) is a company listed on the main board of The Stock Exchange of Hong Kong Limited (the “**HKEX**”) with stock code 1563. The Group is operating in two business segments, namely higher education & finance and operating leasing and related consultancy services. In order to expand its finance and operating leasing business into the shipping segment (vessel leasing service), in May 2023, the Group formed Union Shipping Fund I L.P. (友联航运一期基金有限合伙), a partnership mainly focusing on the acquisition of shares and interests in special purpose vehicles that hold ships or maritime vessels. The Group’s management and business centre is located in Shenzhen, the People’s Republic of China (the “**PRC**”), with offices in Hong Kong Special Administrative Region (“**Hong Kong**”), Beijing, Tianjin and Yantai, the PRC.

The Group completed the transaction in relation to the acquisition of 70% interests in the Yantai Nanshan University (煙台南山學院) (the “**University**”) on 18 August 2022. The University of the Group located in Longkou City, Shandong Province of the PRC (中國山東省龍口市), it is a private institution of higher education that provides undergraduate and junior college diploma programmes approved by the Ministry of Education of the PRC. The University, as an application-oriented higher education institution, collaborates closely with enterprises in various industries to promote and adheres to the idea of “Integration of industry and education; Cooperation of school and enterprise (產學融合、校企合作)”, offers 49 undergraduate programmes and 40 junior college diploma programmes with a total of 30 faculties, and strives to improve its students’ practical training and career prospects. The University expects to offer more choices to college-aged population and graduates, and more service talents to enterprises.

The customers served by the Group’s finance and operating leasing and related consultancy service are mostly in the healthcare industry, the aviation and vessel industry. In 2017, Nanshan Finance Leasing (Tianjin) Co., Ltd., a subsidiary of the Company, ranked tenth among foreign-funded medical device finance leasing companies in China and third among independent non-state-owned aircraft finance leasing companies. The Group adheres to the management concept of standardised operation and controllable risk, and provides customers with professional, efficient and customised financial leasing and consulting services.

The Group’s business segments structure is shown below:



# 1. ABOUT THE GROUP

## 1.2 ENTERPRISES CULTURE

The Group strives to become an industry-leading and distinctive international and diversified company, practicing social responsibility, creating value for shareholders, providing a platform for employees, and assisting in production industry development. Based on the above vision, the Group aims to embrace openness, give back to the community, create wealth for the society, and grow together with our customers and employees in both the present and the future.

- **Financing Assistance**

Financial leasing achieves the purpose of “financing” through the method of “financing”. Provide a new financing channel for enterprises and expand their financing channels.

- **Integration of Industry and Education, Collaborative Education**

Take full advantage of advanced enterprises in running education, and absorb excellent corporate culture and promote better development of education.

- **Win-win Cooperation**

Gather high-quality resources from both domestic and international sources to meet customers’ personalised financing needs, optimise capital structure, and strive to create value for customers.

- **Putting People First**

With rich industry experience and professional literacy, we aim to establish a comprehensive management system with customers, investors, and employees, achieving convenient, fast, smooth, and effective information communication.

- **Giving Back to Society**

Build a harmonious investment relationship, promote industrial and economic development through value sharing, closely follow national strategies, be honest and trustworthy, and serve people’s livelihoods. Strive to achieve harmonious development of the Group, society, and environment.

## 2. ABOUT THE REPORT

The Group gratefully publishes the Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) covering the period from 1 January 2023 to 31 March 2024 (the “**Reporting Period**”). Due to the change in the Group’s financial year, ESG-related information including environmental and social key performance indicators (“**KPIs**”) during the Reporting Period is disclosed herein. The ESG Report summarises the Group’s status in practicing the concept of sustainability comprehensively and performing corporate citizenship responsibilities. The ESG Report also details the Group’s effort in embodying the principle of sustainable development and the performance of social governance during the Reporting Period.

### 2.1 SCOPE OF THE REPORT

The ESG Report details the Group’s overall environmental and social policies relating to its business in the PRC, which include the provision of finance and operating leasing and related advisory services, higher education and vessel leasing service. Among them, vessel leasing services is a newly disclosed business segment during the Reporting Period. As the Group’s vessels are entrusted to the ship management company for daily management, the Group does not have operational control over the vessels and therefore the daily emissions, waste and other data are excluded from the Group’s environmental and social KPIs, and the greenhouse gas (“**GHG**”) emissions generated by the vessels shall be included in the Group’s Scope 3-Other indirect GHG emissions. The ESG Report and its environmental and social KPIs covered the performance of the Group’s offices in Beijing, Tianjin, Shenzhen and Hong Kong during the Reporting Period, as well as the performance of the University. The scope is determined based on whether the Group has operational control over the entity, and whether the entity has a material influence on the Group’s performance or assets.

### 2.2 REPORTING STANDARD

The ESG Report is prepared and disclosed by the Group in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by the HKEX and in compliance with the mandatory disclosure requirements and “comply or explain” provisions thereof.

### 2.3 REPORTING PRINCIPLES

In preparing this report, we meet the four reporting principles stipulated in the Guide — “materiality”, “quantitative”, “balance” and “consistency”.

#### **Materiality:**

This report follows the Guide to carry out materiality assessment work. Our working procedures include: (i) identifying relevant ESG issues, (ii) assessing the materiality of the issues, and (iii) reviewing and confirming the assessment process and results by the Board of Directors (the “**Board**”). We report ESG matters based on the materiality assessment results. For details on materiality assessment work, please refer to the subsection “Materiality Analysis” below.

#### **Quantitative:**

This report follows the Guide and refers to applicable quantitative standards and conventions, and adopts quantitative methods to measure and disclose applicable KPIs. The measurement standards, methods, assumptions and/or calculation tools of the KPIs in this report, as well as the sources of the conversion factors used have been explained in the corresponding places (if applicable), and the relevant environmental objectives are disclosed in the “Environment Protection” section.

## 2. ABOUT THE REPORT

### **Balance:**

The Group's performance during the Reporting Period has been presented in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgements. Performance data is reported in a way that allows information users to see negative and positive year-on-year trends in impacts.

### **Consistency:**

The preparation method of this ESG Report for the Reporting Period is consistent with that of the previous years and to facilitate comparison of ESG performance between reporting periods, the Group has endeavoured to adopt a consistent method of calculation as far as reasonably practicable. Any changes that may affect meaningful comparison with previous reports have been explained in the corresponding positions.

## 2.4 OPINIONS AND FEEDBACKS

The Group values your opinions on this report. Should you have any advice or suggestion, please feel free to email us at [IR@aiel-holdings.com](mailto:IR@aiel-holdings.com).

## 3. ESG GOVERNANCE

### 3.1 BOARD STATEMENT

The Group believes that establishing sound ESG principles and practices will help to increase the investment value of an enterprise and provide long-term returns to its stakeholders. The Board directly shoulders the responsibilities for the supervision and oversight of the execution of ESG and climate-related matters and ESG performance. To maintain effective ESG risk management measures and internal control systems, the Board of the Group is responsible for monitoring and reviewing whether the ESG-related matters have been in compliance with the applicable laws and regulations, reviewing ESG-related information annually, as well as assessing the ESG work progress and the content and quality of the ESG Report.

During the Reporting Period, the Group has commissioned a third-party consultancy firm to assist in identifying potential and significant ESG issues for the business and its stakeholders, and providing suggestions for the ESG performance of the Group. The consultancy firm assisted in collecting and analysing the comments on ESG matters from the Group's stakeholders and conducting materiality assessment. The Board reviews and approves the ESG policies and conclusions from the consultant. The Board has reviewed the assessment results and confirmed the material ESG matters (including risks to the Group's business) as set out in the ESG Report. The Board is also responsible for regularly reviewing the channels for stakeholder communications in order to ensure that the Group maintains effective communications with stakeholders.

The Board is well informed regarding the results of the evaluation on ESG related risks, the results of the review of the existing ESG strategy, goals, and policies, and the materiality assessment. Supervised by the Board, the Group actively identifies and monitors the environmental, social and climate-related risks and opportunities over the short, medium and long term and it seeks to incorporate such issues into its businesses, strategy and financial planning. For example, the Group continuously strives to reduce energy consumption and reduce GHG emissions through energy-saving transformation. As a vessel leasing and finance company, the Group has the responsibility to assess and manage the environmental risks associated with the assets it leases. By setting ESG goals centred around reducing energy consumption and GHG emissions, the Group demonstrates its duties in mitigating the environmental impact of its operations.

With the aim of effectively overseeing and promoting the ESG development of the Group, the Board continuously monitors ESG-related work and keeps track of the latest regulations regarding ESG disclosure issued by the HKEX, as well as ensures close co-operation among departments, to achieve the goals of both compliant operations and social responsibilities. The Group has set environmental goals, details of which are set out in the section "Environmental Protection". Based on the goals formulated by the Group, the Board regularly reviews the relevant systems and policies and the status of execution, as well as monitors the coordination and management of ESG matters.

### 3.2 STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder engagement and their continuous support are important for the long-term development of an enterprise. The Group has communicated with the stakeholders for the purpose of improving its sustainable development strategy and achieving various sustainable development goals. Therefore, we have adopted a variety of communication methods to allow stakeholders from different sectors to express their opinions and suggestions. We have also responded to the stakeholders' expectations and concerns via different channels to improve our ESG performance and future development strategies.

### 3. ESG GOVERNANCE

Stakeholder	Requirement and Expectation	Communication and Response
<b>Governments and Regulatory Bodies</b>	<ul style="list-style-type: none"> <li>• Compliance with national policies, laws and regulations</li> <li>• Supporting local economic growth</li> <li>• Driving local employment</li> <li>• Tax payment in full and on time</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reporting</li> <li>• Examinations and inspections</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Returns</li> <li>• Compliant operations</li> <li>• Rise in company value</li> <li>• Transparent information and efficient communication</li> </ul>	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Company announcements</li> <li>• Emails, telephone contacts and company website</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>• Operations with integrity</li> <li>• Fair competition</li> <li>• Performance of contracts</li> <li>• Mutual benefits and win-win results</li> </ul>	<ul style="list-style-type: none"> <li>• Reviews and appraisal meetings</li> <li>• Business communication</li> <li>• Exchange and discussions</li> <li>• Engagement and co-operation</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Outstanding services</li> <li>• Health and safety</li> <li>• Performance of contracts</li> <li>• Operations with integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Customers meetings</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Compliance with emission standards</li> <li>• Energy conservation and reduction of emissions</li> <li>• Ecological protection</li> <li>• Reasonable water usage</li> </ul>	<ul style="list-style-type: none"> <li>• Report submission</li> </ul>
<b>Industry</b>	<ul style="list-style-type: none"> <li>• Promotion of industry development</li> </ul>	<ul style="list-style-type: none"> <li>• Communication with local labour department</li> <li>• Participation in industry forums</li> <li>• Field visits and reciprocal visits</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Protection of rights</li> <li>• Occupational health and safety</li> <li>• Remunerations and benefits</li> <li>• Career development</li> <li>• Humanity cares</li> </ul>	<ul style="list-style-type: none"> <li>• Employee communication meetings</li> <li>• Training and workshops</li> <li>• Employee activities</li> </ul>
<b>Society and the Public</b>	<ul style="list-style-type: none"> <li>• Open and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company announcements</li> </ul>



## 3. ESG GOVERNANCE

### 3.3 MATERIALITY ASSESSMENT

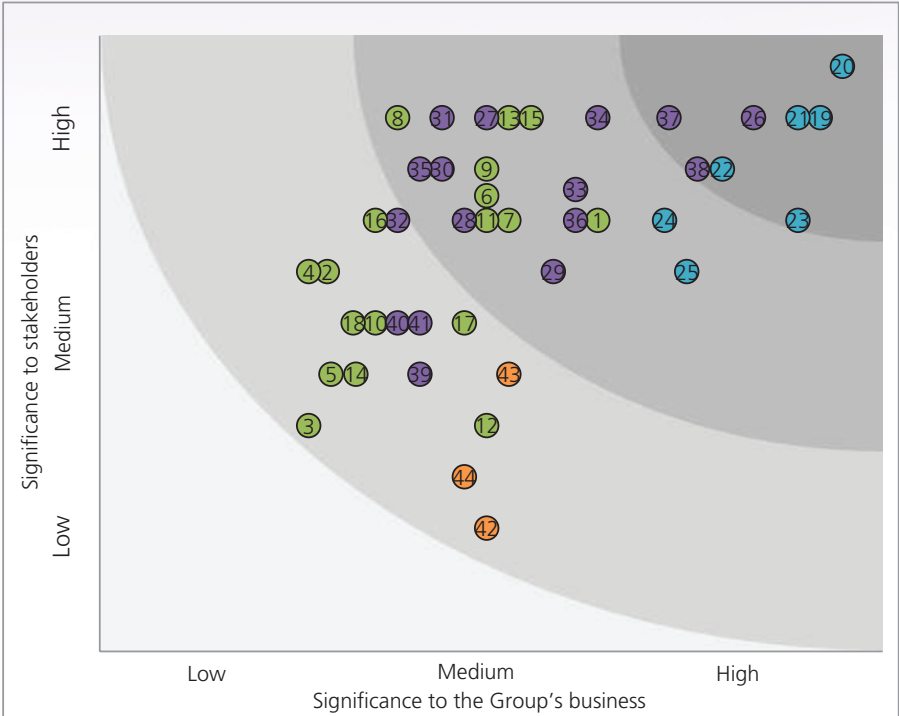
The Group had engaged independent third-party consultants to assist in conducting the materiality assessment during the Reporting Period in a just manner. The materiality assessment was carried out in the following three main phases:

- (i) Identifying potential ESG material issues that might affect the Group's business or stakeholders' interest as follows:

Environment and Resources		Employment and Labour Practices		Operating Practices		Community Investment	
1	Environmental Compliance	19	Employment Compliance	26	Operational Compliance	42	Charity
2	Air Pollutant Management	20	Remuneration and Benefits	27	Managing Environmental Risks of Supply Chain	43	Promotion of Community Development
3	Fleet Emissions Management	21	Working Hours and Rest Period	28	Managing Social Risks of Supply Chain	44	Poverty Alleviation
4	Wastewater Management	22	Diversity and Equal Opportunity	29	Procurement Practices		
5	GHG Emission	23	Occupational Health and Safety	30	Quality Management		
6	Waste Management	24	Training and Education	31	Customer Health and Safety		
7	Energy Consumption	25	Prevention of Child Labor and Forced Labor	32	Responsible Sales and Marketing		
8	Use of Water Resources			33	Customer Service Management		
9	Green Energy Project			34	Intellectual Property Protection		
10	Use of Raw Materials and Packaging Materials			35	Research and Development		
11	Ecological Protection			36	Information Security		
12	Responding to Climate Change			37	Customer Privacy Protection		
13	Prevention and Handling of Environmental Incidents			38	Anti-corruption		
14	Noise Management			39	Quality Teaching		
15	Green Office			40	Health and Safety Management at Schools		
16	Green Campus			41	Student Privacy Protection		
17	Green Buildings						
18	Soil Contamination Management						

# 3. ESG GOVERNANCE

- (ii) Conducting a survey by way of questionnaires to understand the views and expectations of the internal and external stakeholders on the Group’s response to and disclosure of ESG issues, the materiality matrix derived from the questionnaire results is set out below.



- (iii) Prioritisation of potential material issues based on the questionnaire survey and with reference to materiality maps of the industry developed by well-known external institutions, namely Morgan Stanley Capital International (MSCI) and the Sustainability Accounting Standards Board (SASB). After analysing the survey results and exercise of judgment by the management, the Group identified the material topics and highlighted them in the ESG Report.

By analysing the results of survey with consideration to the actual business operation, the Group identified eight material issues which are disclosed in detail in the ESG Report.

Material Issues	Corresponding Sections
19. Employment Compliance	Employment and Labour Practice
20. Remuneration and Benefits	Employment and Labour Practice
21. Working Hours and Rest Period	Employment and Labour Practice
22. Diversity and Equal Opportunity	Employment and Labour Practice
23. Occupational Health and Safety	Employment and Labour Practice
26. Operational Compliance	Operating Practices
37. Customer Privacy Protection	Respect for Intellectual Property and Privacy Protection
38. Anti-corruption	Anti-corruption

In the future, the Group will continue to promote the engagement of different stakeholders in a bid to collect their valuable and constructive opinions and suggestions on the Group’s development policy. The Group will also improve its ESG performance and strengthen its management of ESG risks in the process of business development.

## 4. ENVIRONMENTAL PROTECTION

The Group's operating facilities are mainly based in the PRC. We strictly comply with relevant local environmental laws and regulations including but not limited to the Environmental Protection Law of the PRC, Water Pollution Prevention and Control Law of the PRC, Law of the PRC on the Prevention and Control of Atmospheric Pollution, and Solid Waste Pollution Prevention and Control Law of the PRC. The Group closely monitors activities that have a potential impact on the environment during its business operations, and assesses the impacts on the surrounding environment to fulfil the responsibilities and obligations of environmental protection.

During the Reporting Period, the Group has not been involved in and has not discovered any violations of environment-related laws and regulations.

### 4.1 EMISSIONS MANAGEMENT

#### GHG Emissions

The Group has always been committed to protecting the environment and reducing GHG emissions during the operation process through controlling and managing resource consumption. During the Reporting Period, the Group has newly disclosed vessel leasing services, which belongs to the downstream leasing asset of the Group, and therefore its GHG emissions shall be included in the Group's Scope 3-Other indirect GHG emissions. The direct GHG emissions (Scope 1) are mainly from the fuel combustion of vehicles, which are generated by other business segments including finance and operating leasing and related advisory services and higher education. In addition, the Group's indirect GHG emissions (Scope 2) can be mainly divided into three categories, including energy indirect emissions from purchased electricity, heating and steam. Other indirect emissions (Scope 3) cover GHG emissions that occur outside the Group, including methane gas generation at landfills due to disposal of paper waste, electricity for water treatment, business air travel by employees and GHG emissions from vessels as downstream leased assets.

Our GHG emissions are mainly from Scope 3 due to the combustion of vessel fuels and Scope 2 from purchased steam and purchased heating from the University. Therefore, in the future, the Group will actively explore ways to reduce carbon emissions from vessels, such as using clean fuels, to help the shipping industry achieve green shipping transformation and upgrading. In addition, the Group purchases electronic devices with energy efficiency labels to enhance energy efficiency, encourages employees and students to save electricity in daily life, posts electricity-saving notices, and completely switches off electronic devices during non-working hours to reduce energy consumption. We encourage employees who frequently participate in overseas meetings to use telephone or video conferences to avoid unnecessary overseas business travels, while choosing direct flights for unavoidable business travels to reduce their carbon footprint and achieve the goal of maintaining and even reducing GHG emissions as much as possible.

## 4. ENVIRONMENTAL PROTECTION

During the Reporting Period, the Group's GHG emissions data are as follows:

GHG Emissions	Unit	For the fifteen months ended 31 March 2024	For the year ended 31 December 2022
Total GHG Emissions	tCO <sub>2</sub> e	<b>275,165.33</b>	8,342.88
Scope 1 — Direct Emissions ( <i>Note (1)</i> )	tCO <sub>2</sub> e	<b>77.65</b>	58.07
Scope 2 — Energy Indirect Emissions ( <i>Note (2)</i> )	tCO <sub>2</sub> e	<b>24,226.19</b>	8,079.65
Scope 3 — Other Indirect Emissions ( <i>Note (3)</i> )	tCO <sub>2</sub> e	<b>250,861.49</b>	205.16
Intensity of GHG Emissions	tCO <sub>2</sub> e/employee ( <i>Note (4)</i> )	<b>143.32</b>	4.93

Notes:

- (1) Scope 1 — direct emissions refer to the direct GHG emissions generated from operations that are owned or controlled by the Group. The Group's direct GHG emissions are mainly from fuel combustion of vehicles. The emission factors for different types of vehicles are provided by the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" issued by the National Development and Reform Commission ("NDRC") of the PRC.
- (2) Scope 2 — energy indirect emissions refer to the indirect GHG emissions generated by the Group's purchased or acquired energy. The Group's energy indirect GHG emission is from purchased electricity, heating and steam. The calculation of electricity is based on "Release of Carbon Dioxide Emission Factors for Electricity in 2021" issued by the Ministry of Ecology and Environment of the PRC and the National Bureau of Statistics of China in 2024. The calculation of heating is based on the "Greenhouse Gas Emissions Accounting and Reporting Guide (Trial) of Public Buildings in Operation" issued by NDRC of the PRC. The calculation of steam is based on the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by NDRC of the PRC.
- (3) Scope 3 — other indirect emissions include other indirect emissions that occur outside the Group, including (i) methane gas generation at landfills due to disposal of paper waste; (ii) electricity for water treatment; (iii) business air travel by employees and; (iv) GHG emissions from vessels as downstream leased assets. The calculation of methane gas generation at landfill due to disposal of paper waste is based on Appendix II "Reporting Guidance on Environmental KPIs" ("Appendix II") provided by the HKEX. The calculation of electricity for water treatment is based on the standards of the Water Supplier Department and the Drainage Services Department of Hong Kong. The calculation of outbound business travels by employees is based on the Carbon Emissions Calculator provided by the International Civil Aviation Organisation. The GHG emissions from the combustion of vessels fuel are calculated based on the "Fourth IMO GHG Study 2020" provided by the International Maritime Organisation.
- (4) The number of total full-time employees of the Group was used to calculate the density for each environmental indicator. The total number of full-time employees in the Group during the Reporting Period was 1,920.

## 4. ENVIRONMENTAL PROTECTION

### Exhaust Gas Emissions

During the Reporting Period, the Group has newly disclosed emission data of different types of air pollutants. The Group has newly disclosed vessel leasing services during the Reporting Period, but since the Group does not have operational control over the vessels, the exhaust gas emissions generated from these vessels are excluded. The primary source of exhaust gas emissions directly generated by the other business segments is vehicle fuel combustion. The Group is committed to reducing exhaust gas emissions by regularly maintaining its fleet, inspecting and inflating tyres to ensure that vehicles maintain suitable tyre pressure and avoid further emissions due to vehicle performance degradation. In addition, the Group provides low-carbon driving training to drivers to avoid idling vehicles to reduce air pollution.

During the Reporting Period, the Group's air pollutants emission data is as follows:

Air Pollutants (Note (1))	Unit	For the fifteen months ended 31 March 2024
Nitrogen oxides	kg	219.63
Sulfur oxides	kg	0.75
Particulates	kg	17.88

Note:

- (1) The calculation is based on the "Land Transportation Enterprises — Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines (Trial)" provided by NDRC of the PRC and Appendix II published by the HKEX.

### 4.2 WASTE MANAGEMENT

The non-hazardous waste of the Group is mainly daily office waste, such as general garbage, plastics, metal and wooden products etc. We use waste recycling bins to collect non-hazardous waste, which is then handled collectively and processed by the office's property management service provider. We also reuse envelopes and other stationeries, such as using replacement refills to reuse the barrels of pens to avoid discarding the entire pen. The Group is fully aware of the environmental hazards of hazardous waste and is committed to reducing the generation of hazardous waste, for example, using rechargeable batteries instead of disposable batteries. Hazardous waste generated by the Group will be collected and treated properly. For example, batteries will be placed in designated recycling bins and handled by the office's property management service provider, toner cartridges will be collected and recycled by printer service providers, and waste computers will be handed over to electronic waste recycling companies and electronic companies for recycling or reuse. We also try to use recyclable toner cartridges to replace non-recyclable ones as far as possible. Our goal is to reduce the environmental impact of waste through proper collection and disposal of waste. The Group will continue to improve existing waste management policies, encourage employees to carry out waste classification and reduce the production of unnecessary waste.

## 4. ENVIRONMENTAL PROTECTION

During the Reporting Period, the statistics of the non-hazardous waste and hazardous waste generated during business operations of the Group are as follows:

Waste	Unit	For the fifteen months ended 31 March 2024	For the year ended 31 December 2022
Non-hazardous waste <i>(Note (1))</i>			
Total Non-hazardous Waste Generated	tonne	<b>42.15</b>	65.36
Intensity of Non-hazardous Waste Generated	tonne/employee	<b>0.02</b>	0.04
Hazardous waste <i>(Note (2))</i>			
Total Hazardous Waste Generated	kg	<b>966.04</b>	1,635.61
Intensity of Hazardous Waste Generated	kg/employee	<b>0.50</b>	0.97

Notes:

- (1) The non-hazardous waste generated by the Group is calculated based on the office general waste daily estimated amount and volume-to-weight conversion factors provided by the United States Environmental Protection Agency, the "Monitoring of Solid Waste in Hong Kong (Waste statistics for 2022)" provided by the Hong Kong Environmental Protection Department and the "Research on Solutions to Domestic Solid Waste in Cities of China" issued by the Beijing Environmental Sanitation Administration.
- (2) The hazardous waste generated by the Group is calculated based on actual weight.

### 4.3 USE OF RESOURCES

The Group recognises the importance of effective resource utilisation and has been committed to improving operational efficiency with a view to optimising resource utilisation and striving to save energy and reduce consumption. We actively promote the importance of environmental protection to employees to raise their awareness of environmental protection, and implement the philosophies of energy conservation and consumption reduction, waste reduction at the source, effective use of resources and maintaining a green office.

The resource consumption of the Group is mainly from the use of electricity, water and paper for its daily office operation. Due to the nature of the Group's business, no packaging materials are involved.

## 4. ENVIRONMENTAL PROTECTION

### Energy Conservation

The Group is committed to continually optimising its operating processes and implementing power-saving measures in its offices with the objective of energy saving. The Group will remind employees to turn off all electrical appliances including lights and air conditioning equipment before leaving the offices. Such practice is also reinforced in the Employees' Codes of Conduct of the Group. For air conditioning systems, we adopt water-cooled air-conditioning systems and split-type air conditioners with Grade 1 energy efficiency labels, set the minimum temperature of the air conditioning systems as 25.5 degrees Celsius, regularly check and clean the filters and coil fans, and avoid installing air conditioners under direct sunlight in order to ensure normal operation of the air conditioning system. We carry out regular leakage checks and replacement of pressure gauges, pressure hoses and connectors of air compressors to reduce the possibility of refrigerant leakage, ensuring air-conditioning performance and thus reducing energy consumption. In addition, we place weather strips on doors and windows to prevent leakage of conditioned air and waste of unnecessary energy. Our employees are allowed to wear casual clothing on Fridays or hot weathers, instead of full suits to reduce the use of air conditioning. For lighting systems, the Group sets up light switches that can be controlled independently in different areas of the office, saving energy as much as possible. We also adopt energy-efficient lamps (such as T5 fluorescent lamps and LEDs) and keep lighting fixtures and lamps clean in order to maximise their energy efficiency. Moreover, computers are set to automatic stand-by or sleeping mode while idling to avoid waste of energy.

The Group actively responds to national policies on energy saving and emissions reduction and takes the requirements as set out therein as the energy use efficiency goal to reduce consumption from the source.

During the Reporting Period, the data of energy consumption of the Group are as follows:

Energy Consumption	Unit	For the fifteen months ended 31 March 2024	For the year ended 31 December 2022
Total Energy Consumption <i>(Note (1) and (2))</i>	MWh	<b>58,200.54</b>	17,924.46
Direct Energy Consumption	MWh	<b>489.37</b>	231.29
Vehicles Fuel Consumption	MWh	<b>489.37</b>	231.29
Indirect Energy Consumption	MWh	<b>57,711.17</b>	17,693.17
Purchased Electricity	MWh	<b>8,532.88</b>	3,489.89
Purchased Steam	MWh	<b>49,167.42</b>	6,850.55
Purchased Heating	MWh	<b>10.87</b>	7,352.73
Intensity of Energy Consumption	MWh/employee	<b>30.31</b>	10.59

Notes:

- (1) The Group's direct energy consumption is mainly derived from the use of vehicles in the University. The energy consumed by the combustion of fossil fuels in vehicles is calculated according to the Appendix II released by the HKEX. The emission factors for different types of vehicles are provided by the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" issued by NDRC of the PRC.
- (2) The Group's indirect energy consumption is mainly derived from the use of purchased electricity, purchased steam and purchased heating. The purchased electricity is based on the Group's actual electricity usage, the calculation of steam is based on the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by NDRC of the PRC, while the purchased heating is calculated based on the CJJ34-2010 "Design Code for City Heating Network" issued by the Ministry of Housing and Urban-Rural Development of the PRC.

## 4. ENVIRONMENTAL PROTECTION

### Water Conservation

Water is a precious resource, and the Group understands the importance of treasuring water. As the Group only operated in commercial buildings over the fifteen months ended 31 March 2024, the water consumption and sewage discharge were under the sole control of the property management service provider, and the Group could not obtain data on water usage of offices over fifteen months ended 31 March 2024.

The Group aims to conserve water as much as possible and consistently promotes the preservation of water resources in offices and the campus. We reduce water pressure to the lowest practical level and regularly check water meter readings for any hidden water leakage, if the leakage is found in any of the water supply facilities, we will inform the property management company immediately for arranging inspections and repair. We also recycle and reuse washing wastewater for cleaning and irrigation purposes to reduce water consumption. The Group recognises that raising employees' awareness of water preservation is essential to water conservation. As such, the Group continues to promote water preservation awareness and practises to employees, for instance, turning off running taps when not in use, and posting water conservation reminders in each restroom. We also install rainwater harvesting devices and use rainwater for planting, and utilise toilet facilities with water-saving labels, such as dual-flush toilets and faucets equipped with infrared sensors. The Group also pays attention to the latest water-saving equipment and discusses the possibilities of their application, thereby further reducing water consumption. During the Reporting Period, the Group did not encounter any issues in sourcing water that is fit for the purpose of its daily operation.

During the Reporting Period, the data of water consumption of the Group are as follows:

Water Consumption	Unit	For the fifteen months ended 31 March 2024	For the year ended 31 December 2022
Total Water Consumption (Note (1))	cubic meter	<b>959,002</b>	352,459
Water consumption Intensity	cubic meter/employee	<b>499.48</b>	208.31

Note:

- (1) The Group's water consumption data is mainly sourced from the University. The use of water resources in the offices of Beijing, Tianjin, Shenzhen and Hong Kong is contracted out to the property management company.

### Sewage Management

The Group strictly adheres to policies and laws such as the Water Pollution Prevention and Control Law of the People's Republic of China and Environmental Protection Law of the People's Republic of China in handling domestic sewage produced by the offices and the campus of the Group. Domestic sewages from offices are discharged into the city's sewage network for treatment, and domestic sewages from the campus are sent to waste treatment plants for filtration. This ensures that the discharge of wastewater by the Group complies with standard rules of GB 18918-2002 Pollutant Discharge Standards for Urban Sewage Treatment Plants.



## 4. ENVIRONMENTAL PROTECTION

### 4.4 GREEN OPERATIONS

While actively developing its business, the Group has been mindful of the importance of green operations and the promotion of concepts of reducing paper consumption and waste at the source to its employees. We strives to reduce the impact of the Group's activities on the environment and natural resources. Therefore, we have adopted different measures to integrate environmental protection concepts into our daily operations and build a comprehensive enterprise that takes economic, environmental and social aspects into account.

The Group attaches great importance to saving paper and reducing unnecessary waste. Through internal communication, the Group encourages employees to use email systems to disseminate information internally as far as possible, so as to reduce the use of fax and photocopying documents. In order to reduce paper usage, we use an electronic office system to replace the office administration system which mainly uses paper for records. Meanwhile, notices are prominently displayed near photocopiers/printers to encourage employees to copy and print on both sides, reuse paper that has been printed on one side and use waste paper for note-taking. Except for paper with confidential information, all waste paper will be sent to a paper recycling company for recycling. Regular paper consumption statistics will be conducted to monitor paper consumption and implement appropriate improvement measures. We avoid using disposable and non-recyclable products as far as possible, and replace all disposable cups and wooden chopsticks with reusable items, such as ceramic cups and reusable plastic utensils. We also reuse envelopes, binders, file cards and other stationery supplies. When there is a need to procure materials, we will evaluate the material usage to avoid overstocking and incurring unnecessary waste. We will also give priority to purchasing environmentally friendly materials, such as printing paper, toilet paper and paper towels containing recycled materials. In addition to waste generation, GHG emissions are another major concern of the Group. The Group is committed to reducing its carbon footprint by taking various measures with respect to different sources of emissions. For example, we encourage employees to take public transportation when going to work and organise events at venues with easy access to public transportation as far as possible in order to reduce carbon emissions. The Group will continue to implement and strengthen measures to reduce GHG emissions to make a significant contribution to greening the environment and fighting climate change.

### 4.5 RESPONDING TO CLIMATE CHANGE

Climate change is one of the most imminent global environmental issues, and the issue is attributed to the collective concern of communities from different sectors regarding climate change. Although the Group has not found any significant climate change-related risks which are relevant to its business, we have always adhered to the policy of prevention and preparedness at all times. The Group also understands the severity of global warming, and has formulated corresponding response management measures for preventing and reducing losses that may occur under extreme weather brought by climate change, such as typhoons and floodings. Based on the response management measures, the Group will establish an emergency leading group when necessary. The leading group will be responsible for coordinating various departments in carrying out emergency work and delivering early alerts to employees through coordination and communication mechanisms as soon as possible in a bid to ensure the safety of employees. For example, the Group will adopt special working arrangements in anticipation of extreme weather conditions. We will allow the employees to take leave and stay home. For safety reasons, employees in offices can also leave earlier for safety. The Group also regularly conducts fire evacuation drills and reviews the current evacuation plans. In future, the Group will continue to review policies, regulatory updates, technological developments and market trends in global and business operating areas, so as to identify the climate-related risks which may possibly affect the Group's finance and business, and responses with corresponding measures.

## 5. CORPORATE SOCIAL RESPONSIBILITY

### 5.1 EMPLOYMENT AND LABOUR PRACTICES

The Group always values employees as precious assets, strives to provide a safe and comfortable working environment for employees, facilitates their professional development, and protects their interests. We strictly comply with applicable laws and regulations related to employment, including but not limited to the Labour Law of the PRC, the Labour Contract Law of the PRC and the Employment Ordinance (Cap. 57 of the laws of Hong Kong). We provide equal opportunities and create a harmonious working environment, to ensure that potential candidates or incumbent employees are not discriminated against or deprived of opportunities on the basis of gender, ethnicity, religion, age, marital status, physical conditions, pregnancy, political connection and sexual orientation. We strive to be a responsible employer and are committed to implementing better employment practices, and advocating ethics and human rights at the workplace.

As at 31 March 2024, the Group had a total of 2,406 employees (2022: 1,965). The composition of the Group's employees is as follows:

Employment Indicators <i>(Note (1))</i>	For the fifteen months ended 31 March 2024 Number of employees (Percentage)	For the year ended 31 December 2022 Number of employees (Percentage)
By Gender		
Female	<b>1,266 (66%)</b>	1,059 (63%)
Male	<b>654 (34%)</b>	633 (37%)
By Employee Category		
Senior Management	<b>296 (16%)</b>	297 (18%)
Middle Management	<b>620 (32%)</b>	535 (32%)
Frontline and Other Employees	<b>558 (29%)</b>	418 (24%)
Other	<b>446 (23%)</b>	442 (26%)
By Geographical Region		
Mainland China	<b>1,912 (99%)</b>	1,687 (99%)
Hong Kong	<b>7 (1%)</b>	5 (1%)
Japan	<b>1 (0%)</b>	Not applicable
By Age Group		
Aged 18–25	<b>84 (4%)</b>	84 (5%)
Aged 26–35	<b>890 (46%)</b>	699 (42%)
Aged 36–45	<b>456 (24%)</b>	458 (27%)
Aged 46–55	<b>231 (12%)</b>	211 (12%)
Aged 56 or above	<b>259 (14%)</b>	240 (14%)

*Note:*

- (1) Data only includes full-time employees (1,920 employees). The Group has hired 486 part-time employees during the Reporting Period.

## 5. CORPORATE SOCIAL RESPONSIBILITY

### Practices on Recruitment Process

The Group is committed to the principle of equal opportunities for all employees. When conducting open recruitment, we focus on an individual's professional skills, work experience and suitability for relevant job requirements and prohibits any form of discrimination. The Group strictly prohibits the employment of child labour in accordance with the relevant laws and regulations such as the Provisions on the Prohibition of Using Child Labour of the PRC and the Employment of Children Regulations (Cap. 57B of the laws of Hong Kong). The applicants' identification documents, relevant certificates and work experience would be checked and reviewed during the recruitment process to verify their age. If child labour is found, we will stop his work immediately and carry out an investigation to identify the loophole, then implement remedial measures to prevent such incidents from happening again. If an employee is found to have committed fraud during his employment, we will dismiss him immediately. Before the formal entry of employees, the Group will enter into employment contracts with employees, which explicitly specify the terms such as working hours, rest period, remuneration, insurance and benefits of employees, for their wellbeing and to safeguard the interests of employees and prevent forced labour. The Group has also formulated an Employee Withdrawal Management System listing proper resignation, termination and dismissal procedures. When an employee submits a resignation, the responsible personnel of the human resources department will meet with the employee and ascertain the reasons for resignation. During the Reporting Period, the Group was not involved in and has not discovered any material violation of employment and labour practices, prevention of child labour and forced labour related laws and regulations.

During the Reporting Period, a total of 224 employees left the Group (turnover rate: 12%). They are employees from the PRC and other regions (2022: a total of 125 full-time PRC employees; turnover rate: 7%). The employee turnover rate of the Group by different categories is as follows:

Turnover Rate Indicators	For the fifteen months ended 31 March 2024	For the year ended 31 December 2022
By Gender		
Female	12%	8%
Male	14%	7%
By Age Group		
Aged 18–25	17%	21%
Aged 26–35	18%	11%
Aged 36–45	10%	4%
Aged 46–55	7%	5%
Aged 56 or above	3%	1%
By Geographical Region		
Mainland China	12%	7%
Hong Kong	17%	20%
Japan	0%	Not applicable

## 5. CORPORATE SOCIAL RESPONSIBILITY

### Practices on Remuneration and Promotion

The Group offers a clear career pathway and competitive salary for employees to attract and retain talents. In terms of career promotion, internal transfer and career development, the Group has established the Management System for Job Positions to provide a clear perspective and direction regarding the career progression of employees, as well as optimising human resources management. We conduct staff assessments regularly, evaluating employees' work performance, execution ability, communication and coordination, and teamwork ability. The Group arranges promotion and demotion based on employees' assessment performance, occupational development planning, position vacancies, professional integrity and other factors. The Group gives priority to internal promotion, and then considers external recruitment, providing a broader development path for employees. In terms of remuneration, the Group has established a remuneration management system and will conduct an annual review of the remuneration structure. Competitive compensation package based on internal and external reference standards to motivate employees' work efficiency and make continuous contributions to the Group.

### Interests and Benefits of Employees

For the employees' well-being and to stimulate their working initiative, the Group offers all employees a wide range of welfare and benefits. The Group strictly complies with laws and regulations in both the PRC and Hong Kong, including but not limited to the Labour Law of the PRC and the Social Insurance Law of the PRC, the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong) and the Minimum Wage Ordinance (Cap. 608 of the laws of Hong Kong) to ensure that its employees' working hours, wages and benefits meet local requirements. The Group also provides endowment insurance, medical insurance, unemployment insurance, maternity insurance, employment injury insurance, and housing provident fund, namely the "five social insurance and one housing fund (五險一金)" and makes mandatory provident fund contribution to the PRC and Hong Kong employees respectively in accordance with corresponding regulations in the PRC and Hong Kong. The Group determines the working hours of employees in accordance with relevant regulations and adopts a five-day workweek arrangement to ensure that employees have sufficient rest time. By reviewing the working hours of employees, we strictly control overtime work of employees, prevent forced labour from occurring in business operations, and avoid overtime work as far as possible. If overtime work is required, we will provide employees with compensatory leave and allowances in accordance with the relevant regulations. Employees are also entitled to statutory holidays, annual leave, maternity leave, paternity leave, bereavement leave, and marriage leave. The Group values employees' well-being by organising team-building activities, and providing annual medical checks, birthday gifts, and daily meals and transportation allowances.

## 5. CORPORATE SOCIAL RESPONSIBILITY

### Vocational Training and Development

In order to promote the sustainable development and efficient operations of the Group, the Group firmly believes that enhancing the working ability of employees is the key to business development and is therefore committed to nurturing talent. The Group has formulated and organised internal training projects annually to enhance the professional skills and working ability of the employees. The training topics of the Reporting Period include financial leasing law, business processes and related systems, and research management policies interpretation, etc. Moreover, the Group has in place the Management Measures on New Employee's Training to help new employees better understand their job responsibilities, tasks and goals, as well as familiarising themselves with the Group's standard operational procedures. We offer training to newly joined employees which includes an introduction to the Company, attendance and performance management measures, code of conduct, the document writing system, and finance and risk control systems. The Group will arrange additional training for employees according to business needs and encourage them to participate in symposiums and sharing sessions organised and hosted by external organisations, and provide education subsidies and tuition reimbursement to employees in order to encourage them to enhance their skill development and enrich their professional knowledge. We also conduct performance reviews according to the employees' positions to unearth their potential and provide promotion opportunities to employees with excellent performance.

During the Reporting Period, 1,431 employees had been trained for a total of 6,929 hours (2022: 1,692 employees were trained for 15,314 hours in total). The training-related data of the Group are as follows:

Training	For the fifteen months ended 31 March 2024		For the year ended 31 December 2022	
	Average Training Hours per Employee (Hour)	Percentage of Trained Employee (%)	Average Training Hours per Employee (Hour)	Percentage of Trained Employee (%)
By Gender				
Male	<b>4.45</b>	<b>69</b>	9.20	100
Female	<b>3.18</b>	<b>78</b>	8.96	100
By Employee Category				
Senior Management	<b>4.54</b>	<b>80</b>	8.93	100
Middle Management	<b>3.70</b>	<b>86</b>	9.00	100
Frontline and Other Employees	<b>4.07</b>	<b>85</b>	9.63	100
Other	<b>2.28</b>	<b>42</b>	8.65	100

# 5. CORPORATE SOCIAL RESPONSIBILITY

## 5.2 HEALTH AND SAFETY

As a responsible employer, the Group strictly complies with laws and regulations related to occupational health and safety, including but not limited to the Law of the PRC on Work Safety, the Law of the PRC on the Prevention and Control of Occupational Diseases and the Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong), in order to provide a safe working environment for incumbent employees. The Group has relevant internal policies that emphasise the importance of a safe and healthy working environment, and ensures that the office and working environment comply with the requirements of relevant laws. We also establish safety protection measures for work identified as higher risk, and provide employees with the necessary protective equipment and set security goals that include all personnel. In addition, the Group has prepared emergency management measures in accordance with relevant regulations, which set out the procedures and measures in case of emergency so that the respective responsible persons would be able to respond to emergencies in a timely manner. The Group also ensures that employees participate in fire drills organised by the office property management and prohibits employees from lighting cigarettes in the workplace, in order to raise their awareness of fire safety. The Group will respond to all reports of unsafe and unhealthy working conditions and will impose penalties on employees who endanger themselves or others.

### Emergency Drill of the University

In order to improve the ability of teachers and students to cope with emergency situations, the University organised a fire drill. By simulating various situations of fire, such as a smoky environment, teachers and students were able to practice how to react calmly and solve problems in advance. When a real fire occurs, everyone will be able to respond calmly and reduce the risk to a minimum.

In addition, fire drills also enable teachers and students to be familiar with the school's evacuation routes and escape routes, and to understand the evacuation procedures, so that they can withdraw from the scene in an orderly manner in case of emergency and avoid unnecessary accidents caused by confusion. Through regular drills, teachers and students are able to know how to respond to various emergencies and improve their overall safety awareness and response capability.



Meanwhile, the Group continues to maintain work-related injury insurance for all employees in accordance with the Social Insurance Law of the PRC. In view of the recurring COVID-19 pandemic, the Group has formulated an office prevention and control plan and adopted a series of prevention and control measures, such as regular disinfection of the office, body temperature checks of employees entering the office and reducing the number of on-site meetings. During the Reporting Period, the Group is not aware of any material breach of the laws and regulations related to a safe working environment, and there were one work-related fatality and four work-related work injuries during the Reporting Period.

## 5. CORPORATE SOCIAL RESPONSIBILITY

Health and Safety	For the fifteen months ended 31 March 2024	For the year ended 31 December 2022	For the year ended 31 December 2021
Work Related Fatality (case)	<b>1</b>	0	0
Work-related Fatality Rate (%)	<b>0.04%</b>	0	0
Work Injury Cases > 3 Days (case)	<b>1</b>	4	0
Work Injury Cases ≤ 3 Days (case)	<b>3</b>	0	0
Lost Days due to Work Injury (day)	<b>7.5</b>	208	0

## 6. OPERATING PRACTICES

### 6.1 SUPPLY CHAIN MANAGEMENT

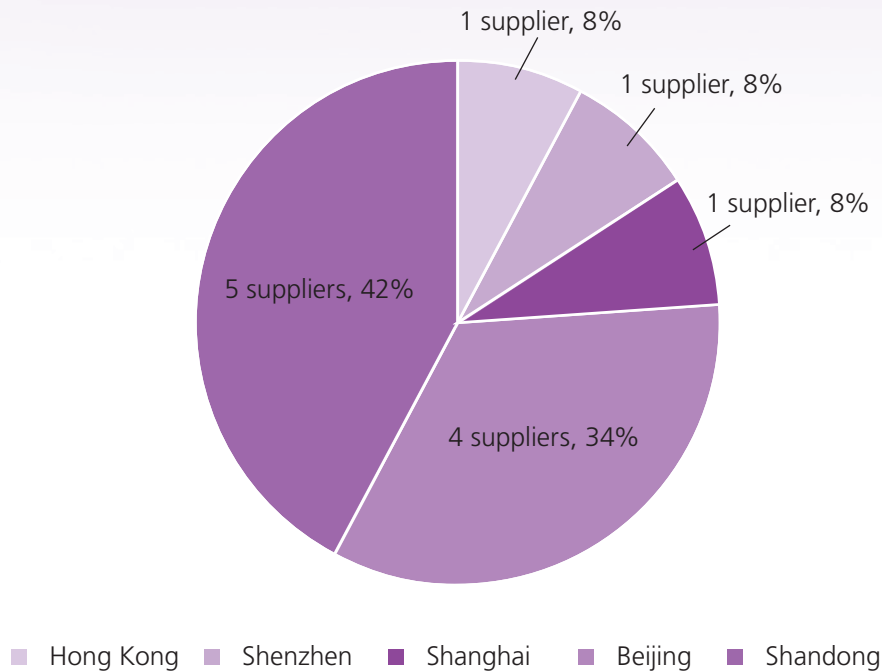
The Group has established relevant procurement management requirements in strict accordance with the relevant laws and regulations such as the Civil Code of the PRC and the Laws of the PRC on Tenders, following the principles of openness, fairness, impartiality, honesty and credibility, and scientific selection by merits to implement procurement policies and control procedures. We require that the procurement plans must include at least two suppliers' quotations and proposals for a comprehensive and objective comparison and centralised assessment. The assessment results and opinions for comparison analysis will undergo multiple reviews and approvals before procurement can be formally implemented. The Group's supply chain mainly involves services related to transportation and administration. Although the environmental and social risks involved in the supply chain are relatively low, the Group will strictly review the service suppliers' environmental performance, health and safety performance, reputation, cost, service scope and service quality during the selection process, and only those that meet the criteria can be added to the directory of qualified suppliers. Suppliers are required to have written policies governing the personal conduct and behaviour of their employees. We will require suppliers to make environmental and safety-related commitments through procurement contracts to ensure that their products comply with the company's quality requirements, safety and environmental protection standards. The selected suppliers must comply with all local and international laws prohibiting bribery, corruption and other unethical business practices. We give priority to suppliers with internationally recognised standards certifications for environmental and social risk management, as well as give priority to local suppliers or suppliers who are located in closer geographical locations or have access to more convenient transportation to reduce carbon footprint. We also require suppliers to provide samples for review to verify that their service quality meets the requirements. For entrusted service suppliers, we will track and monitor their performance and progress. When the supplier's behaviour is found to be inconsistent with our policies, we will suspend their service until the situation improves to ensure that the service quality meets the requirements, thereby optimising the supply chain management. During the Reporting Period, the Group has 12 suppliers which are Shanghai, Shandong, Beijing, Shenzhen and Hong Kong, respectively (2022: 14 suppliers).



## 6. OPERATING PRACTICES

The number of suppliers by geographical location is shown in the graph below:

**The number of suppliers by geographical location**



Meal providers are one of the important suppliers for our higher education services. We pay great attention to food safety, and strictly adhere to the applicable laws and regulations, such as the Food Safety Law of the People's Republic of China and School Canteen Food Safety Management Measures of Sichuan Province, and were evaluated as a "Food Hygiene Grade A Unit". We have also set up a Catering service food safety operation standard food safety management system, and have used it as the working standards and guidelines for meal providers in canteens. We require meal providers to adhere to the cleaning methods for the meal service areas, facilities, equipment and tool cleaning methods with chemical disinfection and usage precautions accordingly, so as to maintain a high degree of cleanliness and hygiene in kitchens and food storages. Simultaneously, they are also required to follow the Precautions for Food Poisoning Prevention in Catering Services and operating practicalities, confirm high-risk food types and processing procedures, implement key prevention and control of food safety risks, the use of specified biologically-hazardous related foods of the Food and Beverage industry and control policies, in order to avoid food poisoning and other food safety problems.

### 6.2 SERVICE QUALITY

In the pursuit of excellence in service quality, the Group makes every effort to strive for the provision of comprehensive financial and operating leasing and related advisory services in accordance with customers' needs and expectations. We have operated in compliance with related laws and regulations in the industry, including but not limited to the Interim Measures for the Supervision and Administration of Financial Leasing Companies (《融資租賃公司監督管理暫行辦法》). The Group has established a sound policy for our finance leasing business, which standardises the operating procedures, minimises operational risk, improves product and service quality and consistency, and particularises the responsibility, rights and interests involved in its business operations. During the Reporting Period, the Group did not discover any major incidents that violated relevant industry laws and regulations.

## 6. OPERATING PRACTICES

To provide high-quality courses for the University, the Group strictly adheres to the civilian education laws and regulations, including but not limited to the Education Law of the People's Republic of China, Higher Education Law of the People's Republic of China, Private Education Promotion Law of the People's Republic of China, Regulations for the Implementation of the Private Education Promotion Law of the People's Republic of China and other normative documents, formulated Teaching Management Work Regulations to raise teaching quality. We actively carry out reforms on the teaching methods, fully utilising advanced teaching methods and measures coupled with multi-media, virtual, and online teaching to improve the teaching performance. Besides, we cooperated with famous enterprises to provide broad-based training to students in order to raise their competitiveness. To add on, we also provide overseas exchange and competition opportunities, so as to broaden their horizons. We understand students may endure different levels of stress from academic and non-academic activities. As such, we pay close attention to the physical and mental health of students, by implementing the National Student Physical Health Standards Measures and carrying out physical health checks for students annually. We actively promote the development of sports among students to raise their physical health levels. We also provide arts & sports facilities such as various sports grounds, opera halls, and university activity centres for students to enrich their campus life and reduce stress.

Satisfactory teaching performance is also an essential aspect in providing high quality education services. Aside from the College Teacher Qualification Certificate, in-class teachers are required to follow the training plan Implementation Measures for Teachers' Classroom Teaching Access we formulated. Teachers are allowed to teach only after passing the measure tests and receiving the training qualification. For monitoring and regulating the performance of teachers, teachers have to adhere to applicable laws and regulations such as the Teaching Law of the People's Republic of China, and the Code of Professional Ethics for Teachers in Colleges and Universities. We have also formulated the Teacher Teaching Job Specification to guide teachers in their daily teaching activities. We carry out regular performance evaluations on the performance of full-time teachers, with the use of student feedback and teaching research results as standards. Assessments are carried out by directors, students and colleagues, ensuring that teachers adhere to our guidelines and standards. Should severe teaching problems arise, we will strictly follow related procedures under Identification and Handling of Teaching Accidents to start an investigation and a formulation of solutions.

### 6.3 CUSTOMERS FIRST

The Group is committed to providing efficient and customised finance and operating leasing and related advisory services to our customers. Through establishing a diversified customer base and strong customer relationships as well as deepening our industry knowledge within each targeted industry, we are more attentive to our customers' needs and are able to tailor-make our finance and operating leasing and related advisory services based on their financing conditions to better serve our current and potential customers. In addition, through providing advisory services, we study and analyse the respective business and financial management models of the customers, as well as the overview and prospects of the industries in which our customers operate to provide tailor-made solutions to satisfy their business needs and enhance customers' satisfaction. Clients' feedback on service quality is also collected for continuously improving our services. In order to handle client complaints in a timely manner, the Group will analyse its clients' feedback and carry out remedial and preventive actions promptly, as well as investigate the root causes thoroughly and carry out evaluations.

## 6. OPERATING PRACTICES

The Group is dedicated in providing high-quality education services to students. To improve executive management, raise teaching qualities, and ensure student rights, we have formulated an Implementation Measures for Letters and Visits policy. Under the said policy, multiple complaint channels, such as phones, letters, personal visits, mails and school webpage, will be set up where all complaints will be recorded, and investigated in a fair and objective manner.

During the Reporting Period, the Group has not received any complaints from related financial and operating leasing services and related advisory services (2022: 0 cases) and 112 cases of complaints from related high education services, all complaints have already been processes and resolved by related systems. For instance, responding to requests by phone, opening up information channels, and disclosing school-related matters in a timely manner for students and parents to avoid misunderstanding.

### 6.4 ADVERTISEMENT MANAGEMENT

The Group strictly adheres to applicable laws and regulations by the Ministry of Education of the PRC and Shandong province, such as the Education Law of the People's Republic of China, Advertising Law of the People's Republic of China, Higher Education Law of the People's Republic of China. The Admissions and Employment department is responsible for the work of producing advertisements for admission, formulation of admission plans and admission agenda. We advertise and promote our courses and services to high school students via different channels such as the means offered by the admission department of each province, the school's admission leaflets and the school's admission webpage. Admission agenda must be evaluated and approved by the education authorities to ensure that inaccurate information is not included and avoid misleading students.

### 6.5 RESPECT FOR INTELLECTUAL PROPERTY AND PRIVACY PROTECTION

The Group understands the importance of protecting and enforcing our intellectual property rights. Being respectful of others and protecting our intellectual property rights, the Group strictly abides by the laws and regulations relating to intellectual property rights, including but not limited to the Patent Law of the PRC, the Trademark Law of the PRC and the Trade Marks Ordinance (Cap. 559 of the laws of Hong Kong). To safeguard the Group's intellectual property rights, we require our employees to keep all information relating to the transactions, operation, management, technology and skills confidential during their employment and after their departure. In addition, prior approval shall be obtained from the Group before any third parties use our trademarks, so as to avoid any infringement of the Group's exclusive right. The Group also specifies that its computer system must use authorised software and does not allow employees to install computer software without permission to ensure that it does not infringe the intellectual property rights of others.

With regard to information security and confidentiality, in the process of providing financial and operating leasing and related advisory services, the Group needs to collect and store customers' personal data and therefore the protection of customer privacy is highly emphasised. Employees of the Group must abide by relevant industry laws and regulations, including but not limited to the Regulations of the PRC on Protecting the Safety of Computer Information Systems and Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong). The Group has informed the employees about the issues related to handling of customer information. Employees must obtain customer information with sufficient reason. Moreover, employees must strictly abide by the internal confidentiality policy and adhere to professional ethics at all times. All undisclosed business information, financial information, personnel information, investment financing information, contracts and agreements, customer information, research and statistical information, technical documents, planning and marketing plans, management documents and other materials of the Group are trade secrets that all employees have the obligation to keep as strictly confidential. The Group has also

## 6. OPERATING PRACTICES

established an independent data system management department to ensure network security and proper data maintenance for daily operations. Personnel with software operation authority must abide by his work ethics and must not disclose any names and passwords to internal or external personnel of the Group. In addition, the Group has formulated an information security management policy by which employees must strictly abide. For example, employees must use designated anti-virus software and must not use unauthorised software or hardware. Furthermore, they must not take any of the Group's data away from the workplace to ensure information security and to protect customers' privacy and data. During the Reporting Period, the Group has not been involved in or discovered any violations of laws and regulations related to intellectual property rights and privacy.

### 6.6 ANTI-CORRUPTION

Conducting business with integrity is one of the core values underlying the Group's business operations. The Group believes an effective anti-corruption mechanism is a cornerstone for its sustainable growth. The Group has been in strict compliance with anti-corruption related laws and regulations, including but not limited to the Criminal Law of the PRC, Anti-Unfair Competition Law of the PRC, Anti-Money Laundering Law of the PRC and the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong), any form of corruption such as bribery, extortion and embezzlement of public funds are prohibited. Anti-fraud Management Measures are in place to provide guidance and regulations to all employees including Directors, senior management, middle management and other employees. The Anti-fraud Management Measures promote integrity, diligence and fairness in the workplace and prevent any misconduct that may damage the Group's economic interests.

Moreover, the Group has developed a policy and procedures for employees raising possible improprieties which are dedicated to establishing a proper channel for employees to voice out their concerns, in particular, those related to possible improprieties in financial reporting, internal control, risk management and other matters. Employees of all ranks can report any inappropriate or unethical behaviour to the responsible manager by phone, email or letter while the identity of whistle-blowers will be kept confidential. The Group will take all necessary steps and reasonable remedial measures once the reported conduct is verified. The policy stipulates that a committee involving independent non-executive Directors be formed to investigate any concerns raised by the employees, monitor the investigation progress and determine the follow-up actions. During the Reporting Period, the University conducted a training on the theme of "anti-corruption, anti-bribery", which was attended by all administrators, core teachers and counsellors, with a total of 450 participants and 1,125 cumulative hours of training.

During the Reporting Period, the Group was not involved in and did not notice any incident of violation of anti-bribery or anti-corruption related laws and regulations and there are no concluded legal cases regarding corrupt practices brought against the Group or its employees.

## 7. COMMUNITY INVESTMENT

The Group attaches great importance to corporate social responsibility and regards the prosperity and stability of society as a cornerstone of its development. To this end, the Group actively supports charitable projects and public welfare activities. We also encourage employees to participate in volunteer activities and make charitable donations to support the community, while comprehensively enhancing employees' sense of social responsibility, such as regularly visiting those in need, arranging outdoor activities for the disabled and Blood Donation Day. In addition, we actively promote the provision of job opportunities for the disabled, and give priority to suppliers who hire people with disabilities or participate in related support programs. The Group will strive its best to fulfil its responsibility and mission as a corporate citizen and give back to the society. Details of the various charity and donation activities organised and participated by the Group during the Reporting Period are as follows:

### **Yantai Nanshan University Teachers' Volunteer Service Team**

On 1 September 2023, the Group officially established the Yantai Nanshan University Teachers' Volunteer Service Team, which currently has more than 100 volunteer members. Based on the spirit of commitment of "dedication, fraternity, mutual assistance and progress", the volunteer service team continued to expand the coverage of its volunteer services and further enhance the effectiveness and quality of the volunteer services. During the Reporting Period, the Service Team organised 19 voluntary activities, including actively participating in the Longkou marathon volunteer service, campus anti-telecom fraud promotion, parent-child study tours, teachers' association and recreational activities service, campus free clinics, and the "National Constitution Day" learning and publicity, etc., with a cumulative total of 1,200 hours. The Group has taken practical actions to give back to society and demonstrated its support and attention to voluntary activities.

### **Promoting Equality in Education and Supporting Disadvantaged Families**

The Group is committed to promoting equality of opportunity in education and encouraging students to study hard. To achieve this goal, we granted a total of RMB2.755 million in bursaries and scholarships to more than 1,200 students during the Reporting Period, which provided financial assistance to students from disadvantaged families while encouraging them to focus on their studies. The Group actively responds to national policies to promote equality in education.

In addition to direct financial assistance, we also provided nearly 4,000 needy students with work-study positions, with a total payroll of nearly RMB1.2 million. Through the provision of part-time job opportunities, students can not only earn a certain amount of income to alleviate the burden of their families, but also practise their job skills and enhance their self-reliance.

The Group will continue to provide various support to needy students to help them overcome financial barriers, realise their potential and to make contributions to the development of the society.

# CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

ESG Indicators	Summary	Sections	Page/Explanation
<b>Environmental</b>			
<b>A1: Emissions</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Management Waste Management Responding to Climate Change	10–13, 16 10–13, 16 10–13, 16
A1.1	The types of emissions and respective emissions data.	Emissions Management	10–12
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Emissions Management	10–12
A1.3	Total hazardous waste produced and intensity.	Waste Management	12–13
A1.4	Total non-hazardous waste produced and intensity.	Waste Management	12–13
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Management	10–12
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.	Waste Management	12–13
<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	13–15
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources	13–15
A2.2	Water consumption in total and intensity.	Use of Resources	13–15
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	13–15
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	13–15
A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable	The Group's operations do not involve any use of packaging materials.

# CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

ESG Indicators	Summary	Sections	Page/Explanation
<b>A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Use of Resources Green Operation	13–16 13–16
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Use of Resources Green Operation	13–16 13–16
<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.	Responding to Climate Change	16
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Responding to Climate Change	16
<b>Social</b>			
<b>B1: Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices	17–20
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment and Labour Practices	17–20
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices	17–20

# CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

ESG Indicators	Summary	Sections	Page/Explanation
<b>B2: Health and Safety</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety	21–22
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	Health and Safety	21–22
B2.2	Lost days due to work injury.	Health and Safety	21–22
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	21–22
<b>B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Vocational Training and Development	20
B3.1	The percentage of employees trained by gender and employee category.	Vocational Training and Development	20
B3.2	The average training hours completed per employee by gender and employee category.	Vocational Training and Development	20
<b>B4: Labor Standards</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labour Practices	17–20
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Practices	17–20
B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labour Practices	17–20



# CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

ESG Indicators	Summary	Sections	Page/Explanation
<b>B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	23–24
B5.1	Number of suppliers by geographical region.	Supply Chain Management	23–24
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	23–24
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	23–24
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	23–24
<b>B6: Product Responsibility</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service Quality Customers First Respect for Intellectual Property and Privacy Protection	24–27 24–27 24–27
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	The Group's operations do not involve products.
B6.2	Number of products and service related complaints received and how they are dealt with.	Customers First	25–26
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Respect for Intellectual Property and Privacy Protection	26–27
B6.4	Description of quality assurance process and recall procedures.	Not applicable	The Group's operations do not involve products.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Respect for Intellectual Property and Privacy Protection	26–27

# CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

ESG Indicators	Summary	Sections	Page/Explanation
<b>B7: Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	27
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	27
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	27
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	27
<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	28
B8.1	Focus areas of contribution.	Community Investment	28
B8.2	Resources contributed to the focus area.	Community Investment	28