



**Oriental**  
University City  
東方大學城

ANNUAL REPORT  
2023/2024  
年報



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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*This annual report, for which the directors of Oriental University City Holdings (H.K.) Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Chew Hua Seng (*Chairman*)  
Mr. Liu Ying Chun (*Chief Executive Officer*)

#### Non-executive Director

Ms. Geng Yu  
(appointed on May 24, 2024)

#### Independent Non-executive Directors

Mr. Tan Yeow Hiang, Kenneth  
Mr. Wilson Teh Boon Piaw  
Mr. Liu Guilin  
(appointed on July 25, 2023)

### COMPANY SECRETARY

Ms. Tung Wing Yee Winnie

### COMPLIANCE OFFICER

Mr. Liu Ying Chun

### AUTHORISED REPRESENTATIVES

Ms. Tung Wing Yee Winnie  
Mr. Liu Ying Chun

### AUDIT COMMITTEE

Mr. Tan Yeow Hiang, Kenneth (*Chairman*)  
Mr. Liu Guilin  
(appointed on July 25, 2023)  
Ms. Geng Yu  
(appointed on May 24, 2024)  
Mr. Wilson Teh Boon Piaw  
(ceased to be a member on May 24, 2024)

### REMUNERATION COMMITTEE

Mr. Liu Guilin (*Chairman*)  
(appointed on July 25, 2023)  
Mr. Chew Hua Seng  
Mr. Tan Yeow Hiang, Kenneth

### NOMINATION COMMITTEE

Mr. Wilson Teh Boon Piaw (*Chairman*)  
(appointed on July 25, 2023)  
Mr. Chew Hua Seng  
Mr. Liu Guilin  
(appointed on July 25, 2023)

### RISK MANAGEMENT COMMITTEE

Mr. Tan Yeow Hiang, Kenneth (*Chairman*)  
Mr. Liu Ying Chun  
Mr. Wilson Teh Boon Piaw

### LISTING INFORMATION

#### Place of Listing

GEM of The Stock Exchange of Hong Kong Limited

#### Stock Code

8067

#### Board Lot

1,000 shares

### COMPANY'S WEBSITE

[www.oriental-university-city.com](http://www.oriental-university-city.com)

### INDEPENDENT AUDITOR

BDO Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor

## **CORPORATE INFORMATION**

### **REGISTERED OFFICE**

31st Floor  
148 Electric Road  
North Point  
Hong Kong

### **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")**

Levels 1 and 2  
100 Zhangheng Road  
Oriental University City  
Langfang Economic & Technological Development Zone  
Hebei Province  
The PRC 065001

### **SHARE REGISTRAR AND TRANSFER OFFICE**

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F  
148 Electric Road  
North Point  
Hong Kong

### **PRINCIPAL BANKERS**

United Overseas Bank Limited (Hong Kong Branch)  
Langfang Bank Co., Ltd  
(Development Zone Sub-branch)  
Industrial and Commercial Bank of China  
(Langfang Chaoyang Sub-branch)  
Langfang City Suburban Rural Credit Cooperatives  
(Tongbai Credit Union)

### **LEGAL ADVISOR**

As to PRC law  
Hebei Ruoshi Law Firm

## CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the board of Directors (the “**Board**”), I present herewith the annual report of the Company and its subsidiaries (the “**Group**”) for the financial year ended June 30, 2024 (the “**FY2023/24**”) to the shareholders of the Company (the “**Shareholders**”).

The Group recorded a revenue of Renminbi (“**RMB**”) 55.97 million for the FY2023/24, representing a decrease of 9.3% from revenue of RMB61.68 million for the financial year ended June 30, 2023 (the “**FY2022/23**”). The economic slowdown affecting the PRC, and particularly in Langfang City, the PRC (“**Langfang**”), where our business predominantly operates, had resulted in less students enrolment for some of the Education Institutions (hereinafter collectively referred to “colleges, education institutions, training centres and educational corporate entities”) that the Group’s properties leased to. Consequently, these Education Institutions had reduced the size of their leased spaces or opted not to renew their lease upon expiry, resulted in less revenue for the Group. The Group recorded a net loss of RMB74.58 million for FY2023/24, compared to a net loss of RMB23.38 million for FY2022/23, mainly due to the decline in the fair value of certain investment property that was disposed of for RMB110 million which is expected to complete within the first quarter of the financial year ending June 30, 2025 (the “**FY2024/25**”).

The Group continues to rationalise its investment properties in the Oriental University City campus in Langfang (the “**OUC Campus**”) to improve the overall return of investment properties. Sub-optimal and low-yielding investment properties were disposed of, while better yielding investment properties were renovated and refurbished. A canteen and a theatre which were newly constructed had been handed over in the first quarter of the FY2024/25 to an existing Education Institution, which would generate a long-term lease revenue to the Group.

The Group has also completed the acquisition of 4 Vallees Pte Ltd in the third quarter of FY2023/24, which has become a wholly-owned subsidiary and broadened the revenue base and geographical market reach of the Company.

Despite the economy slowdown, the Group remains optimistic of the medium to long term prospects of the provision of education facilities services in the OUC campus. Demand for the Group’s education facilities in Malaysia and Indonesia and occupancy of its hotel properties in Switzerland are expected to record a stable to moderate growth.

I would like to extend my sincere appreciation to our Shareholders for their steadfast support and our fellow Board members for their wise counsel.

On behalf of the Board, we would like to express our sincere appreciation to our staff for their tireless dedication and commitment, and to our tenants, business associates, consultants and all other stakeholders for their support in the FY2023/24.

**Chew Hua Seng**  
*Chairman*

August 16, 2024

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

Revenue decreased by 9.3% to RMB55.97 million from RMB61.68 million for the FY2022/23, mainly due to reduced leasing caused by non-renewal of lease by a few Education Institutions and commercial tenants in the OUC Campus, which were affected by the economy downturn.

#### Employee costs

Employee costs increased by 10.8% to RMB5.46 million from RMB4.92 million recorded for the FY2022/23, mainly due to increase in staff force in the second half of FY2023/24 following the completion of the 4Vallees Acquisition (as described below).

#### Property taxes and land use taxes

Property taxes and land use taxes decreased by 13.5% to RMB10.5 million, from RMB12.15 million for the FY2022/23, mainly due to disposal of 4 plots of land located in the OUC Campus, with an aggregate land area of 62,000 square meters and buildings and ancillary facilities erected thereon with an aggregate built-up area of 51,789 square meters (“2023 Property Disposal”), as announced on 21 March 2023. Please refer to the Company’s announcements or circular, as the case may be, dated March 21, 2023, April 14, 2023, May 12, 2023 and May 29, 2023 for further details of the 2023 Property Disposal.

#### Property management fees

Property management fees decreased by 32.9% to RMB3.09 million, from RMB4.60 million for the FY2022/23, mainly due to reduced areas for cleaning and greenery upkeep following the 2023 Property Disposal.

#### Legal and consulting fees

Legal and consulting fees increased by 142.0% to RMB5.84 million, compared to RMB2.41 million for the FY2022/23, as more professional fees were incurred for corporate exercises undertaken in FY2023/24.

#### Other income, other gains/(losses), net

Other gains, net, of RMB5.31 million was achieved for the FY2023/24, mainly due to foreign exchange gains derived from the acquisition of the remaining 75.39% of the issued share capital of 4 Vallees Pte Ltd (“4 Vallees”), from Raffles Education Limited (“RE”), the parent company of the Company, for a cash consideration of Swiss Franc (“CHF”) 11.48 million (“4Vallees Acquisition”). In comparison, other loss, net, of RMB13.65 million was recorded for the FY2022/23, which resulted from a loss on disposal of investment properties of RMB18.23 million that arose from the 2023 Property Disposal.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Share of results of associates

Loss on share of results of associates were RMB3.13 million, 10.0% higher than RMB2.85 million for the FY2022/23, mainly due to higher net loss recorded by its associate, Axiom Properties Limited.

### Fair value losses on investment properties

Fair value losses on investment properties of RMB93.81 million was recorded for FY2023/24, compared to RMB16.84 million for the FY2022/23. The fair value losses for FY2023/24 were primarily attributed to the lower fair value of the assets classified as held for sale, comprising 4 plots of land located in the OUC Campus with an aggregate land area of approximately 67,574 square meters and buildings and ancillary facilities erected thereon with an aggregate build-up area of approximately 52,618 square meters (“2024 Property Disposal”). The 2024 Property Disposal has been approved by the Shareholders in the extraordinary general meeting held on 14 May 2024 and is expected to be completed in the first quarter of the FY2024/25. Please refer to the Company’s announcements or circular, as the case may be, dated March 15, 2024, April 10, 2024, April 23, 2024 and May 14, 2024 for further details of the 2024 Property Disposal.

### Interest expenses on bank borrowings

Interest expenses increased by 10.2% to RMB16.43 million from RMB14.91 million for the FY2022/23, mainly due to increase in interest rates on bank borrowings.

### Current tax

Current tax expense was RMB4.86 million, 61.5% lower than RMB12.62 million for the FY2022/23, as occurrence of land appreciation tax related to the 2023 Property Disposal occurred in FY2022/23, whereas there was none in the FY2023/24.

### Deferred tax

Deferred tax credit was RMB13.81 million, 336.4% higher than RMB3.16 million for the FY2022/23, due to higher reversal of deferred tax, mainly attributed by the fair value loss of the assets classified as held for sale subject to the 2024 Property Disposal.

### Loss for the Year

Due to the foregoing factors set out in notes above, loss for the year was RMB74.58 million, 219.0% higher than RMB23.38 million for the FY2022/23. The net loss for the FY2023/24 was mainly attributed to fair value loss attributed to the assets classified as held for sale that is subject to the 2024 Property Disposal.



## MANAGEMENT DISCUSSION AND ANALYSIS

### EBITDA

Earnings before interest expenses, tax, depreciation and amortization (“EBITDA”), was RMB27.09 million, 48.9% higher than RMB18.19 million recorded for the FY2022/23.

### Liquidity and Financial Resources

As at June 30, 2024, the Group has a net current liabilities of RMB6.90 million (At June 30, 2023: net current assets of RMB20.17 million). The net current liabilities are mitigated by the following factors:–

As at June 30, 2024, the Group had total assets of approximately RMB1,800.79 million (At June 30, 2023: RMB1,691.76 million), which were financed by total liabilities and equity of approximately RMB655.29 million (At June 30, 2023: RMB458.31 million) and RMB1,145.51 million (At June 30, 2023: RMB1,233.45 million), respectively.

- (a) The current liabilities included (i) the deposits received from the purchaser of property held for sale of RMB110,000,000 (Note 15(d)). The Directors considered that the completion of the disposal of property will be completed in the first quarter of the financial year ending June 30, 2025; and (ii) advances from customers of RMB6,102,000, which will be recognised as revenue with the passage of time in accordance with the terms of the rental agreements.
- (b) Subsequent to the reporting date, the Group obtained a new bank loan of RMB16,644,000, this bank loan will be repaid by 60 monthly instalments till August 2029.

### Gearing Ratio

The Group’s gearing ratio as at June 30, 2024 is 25.34% (At June 30, 2023: 21.20%), which is calculated based on the total borrowings of RMB290.27 million (At June 30, 2023: RMB261.47 million) divided by total equity of RMB1,145.51 million (At June 30, 2023: RMB1,233.45 million) and then multiplied by 100%.

### Cash and Cash Equivalents

The Group places a high emphasis on risk management, both credit risk and liquidity risk. Cash in excess of daily operational requirement are placed in fixed deposits. The Group currently does not invest in bonds, bills, structured products or any other financial instruments. As at June 30, 2024, the Group had cash and cash equivalents balance of approximately RMB69.66 million (At June 30, 2023: approximately RMB63.75 million). The cash and cash equivalents were mainly denominated in RMB.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Foreign Exchange Hedging

The Group has limited foreign currency risk as most of the transactions are denominated in RMB as the functional currency of the operations. Thus, the Group presently does not make any foreign exchange hedging. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting a significant foreign currency hedging policy in the future, if necessary.

### BUSINESS REVIEW AND OUTLOOK

The Group primarily owns and leases education facilities, comprising teaching buildings and dormitories to Education Institutions in the PRC, Malaysia and Indonesia. In addition, the Group also owns, leases and manages hotel properties in Switzerland. The Group's education facilities are located in the OUC Campus; Kuala Lumpur, Malaysia; and Jakarta, Indonesia. The Group also leases commercial properties in the OUC Campus to commercial tenants operating a range of supporting facilities, including a shopping centre, supermarket, cafe and cafeterias, bank, telecommunication companies, dental and polyclinic, amongst others, to serve the needs of students in the campus and the residents of adjacent housing estates.

For the FY2023/24, the financial performance of the Group experienced a drop in revenue due to reduced leasing spaces and non-renewal of lease upon expiry by a few Education Institutions and commercial tenants in the OUC Campus affected by the economy downturn. Revenue for the FY2023/24 was RMB55.97 million, a 9.3% decrease from RMB61.68 million recorded for FY2022/23. Loss for the FY2023/24 widened to RMB74.58 million from RMB23.38 million, mainly due to fair value loss of the assets classified as held for sale, which is being subject to disposal.

To broaden its revenue base and enhancing its education facilities' offering, the Group had made the 4Vallees Acquisition (as described on page 5 of this report) which was completed in the third quarter of FY2023/24 and the final consideration was adjusted to CHF11,366,623 (approximately to RMB93.34 million). After completion of the 4Vallees Acquisition, 4 Vallees became a wholly-owned subsidiary of the Company.

To improve the overall return of its investment properties, the Group is rationalising the usage of its assets, by disposing of idle and low-yield investment properties, and upgrading selected investment properties in the OUC Campus to improve yield. In this regard, the Group had entered into a sale of 4 plots of land located in the OUC Campus with an aggregate land area of approximately 67,574 square meters and buildings and ancillary facilities erected thereon with an aggregate build-up area of approximately 52,618 square meters. The disposal is expected to be completed in the first quarter of the FY2024/25 and the cash infusion from this disposal would enable the Group to reduce its borrowings, sustain general working capital requirements and plan for strategic acquisition when opportunities arise.

## MANAGEMENT DISCUSSION AND ANALYSIS

In view of the existing long-term lease agreements, the Group is confident that the financial performance for the FY2024/25 could be sustained. Furthermore, the newly completed canteen and a theatre had been handed over to an existing Education Institution in the first quarter of the FY2024/25, for which a long term lease was signed and would generate additional recurring lease revenue to the Group.

The Group is mindful of the challenges and risks posed by the economic slowdown in the PRC that can affect its revenue and would prudently manage its operational costs and cashflow. The Group will continue to evaluate business opportunities, both in the PRC and international markets, while continuing its business development efforts to improve the yield of its investment properties.

The Board views that there would be a steady increase in the demand of education facilities as student enrolment for Education Institutions in the OUC Campus continues to rise. The demand for the Group's education facilities in Malaysia and Indonesia and occupancy of its hotel properties in Switzerland are expected to record a stable to moderate growth. As a provider of education facilities and hotel properties in these countries, the Group is well-poised to benefit from this stable to growth trend.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### Executive Directors

Mr. Chew Hua Seng (周華盛), aged 70, is the founding Director appointed on June 11, 2012 and re-designated as an executive Director and the chairman of the Board (the “Chairman”) in January 2014. He is also a member of each of the Board’s remuneration committee (the “Remuneration Committee”) and nomination committee (the “Nomination Committee”). Mr. Chew joined the Group in December 2007. He is primarily responsible for the overall strategic planning and management of the Group.

Mr. Chew is the founder, chairman and chief executive officer (the “CEO”) of RE and its subsidiaries. Under his astute leadership, RE has grown to become the premier private education provider, with 16 institutions of learning, including two universities, spread across 9 different countries. Mr. Chew founded RE in 1990, and led it to be listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) in 2002.

Mr. Chew was appointed as a non-executive chairman of Sitra Holdings (International) Limited, a company listed on the SGX-ST, with effect from 21 October 2019.

Mr. Chew holds a Bachelor’s Degree in Business Administration from the University of Singapore (now known as the National University of Singapore) obtained in May 1979 and was awarded the National University of Singapore Business School Eminent Business Alumni Award in November 2010 for his outstanding achievements. Mr. Chew was also conferred the Public Service Medal in 2010 by the President of Singapore for his contribution to community service. Mr. Chew does not have any relationship with any Director and senior management. Mr. Chew is a director of RE, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong.

Mr. Liu Ying Chun (劉迎春), aged 60, is the CEO of the Group and an executive Director. He is also a member of the risk management committee of the Board (the “Risk Management Committee”). Mr. Liu joined our Group in June 2010 and was appointed as an executive Director on January 16, 2014. He is primarily responsible for managing the overall operations of the Group. Mr. Liu has served as director of, namely (i) Langfang Education Consultancy, a subsidiary of the Company since December 2011; (ii) OUC Malaysia Sdn. Bhd. since May 2016; (iii) OUC (Indonesia) Pte, Ltd. since February 2020; (iv) PT OUC Jakarta Indo since February 2020; and (v) PT OUC Thamrin Indo since February 2020, all of which are wholly-owned subsidiaries of the Company. Mr. Liu was appointed as a non-executive director of Axiom, an associate of the Company, since November 25, 2015. Mr. Liu also served as the chairman of Langfang Huaxi Construction Consultancy Company Limited (廊坊市華璽建設工程諮詢有限公司) from September 2000 to June 2010. He worked in the Langfang Audit Office (廊坊市審計局) as the vice-head, and as the head of Construction Centre Department from December 1991 to September 2000. Mr. Liu also worked in the Wenan County Audit Office (文安縣審計局) from July 1983 to November 1991. Mr. Liu obtained an executive master of business administration degree from University of Science and Technology Beijing (北京科技大學) in January 2019 and a diploma in business economics from the Renmin University of China (中國人民大學) in June 1988. Mr. Liu is registered as a valuer with the China Appraisal Society (中國資產評估協會). He is a qualified auditor accredited by the National Audit Office of the PRC (中國審計署), and is also an engineer in the PRC. Mr. Liu does not have any relationship with any Director and senior management.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### Non-executive Director (the “NED”)

**Ms. Geng Yu (耿瑜)**, aged 48, was appointed as a NED on May 24, 2024. She is also a member of Audit Committee. Ms. Geng has extensive experience in corporate management, finance and audit, as well as education investment and management. Ms. Geng is currently the deputy president of Wanbo Institute of Science & Technology (萬博科技職業學院) (“Wanbo”), a wholly-owned subsidiary of Raffles Education Limited, the ultimate parent of the Company. She joined Wanbo in July 2008 and has been responsible for various positions, including finance, human resources and administration. Ms. Geng is also a director of Hefei Lanjing Technology and Trade Limited and a supervisor of each of Anhui Anxue Education Consultancy Limited, Hefei Yuren Education Management Limited and Shanxi Yuren Education Investment Limited. Ms. Geng served as the finance manager of Anhui EDE Human Resources Technology Limited from May 2007 to July 2008. Prior to that, Ms. Geng served as the finance manager of Anhui Anxin New Energy Limited from October 2000 to October 2006. Ms Geng, graduated from Anhui University (安徽大學) in 2000 with a bachelor’s degree. She has been conferred as a qualified intermediate accountant by Ministry of Finance of the PRC since 2004 and a certified internal auditor by China Institute of Internal Audit with the authorization from the Institute of International Auditors since 2016.

### Independent Non-executive Directors (the “INEDs”)

**Mr. Tan Yeow Hiang, Kenneth (陳耀鄉)**, aged 56, was appointed as an INED on December 23, 2014. He is also the chairman of the audit committee of the Board (the “Audit Committee”) and the Risk Management Committee and a member of the Remuneration Committee. Mr. Tan is currently an executive director of Quintegra Ventures Inc., an investment holding company. He worked at United Overseas Bank Limited in Singapore from September 2008 to May 2015 as its managing director heading various businesses such as the bank’s corporate banking franchise in its overseas branches and its overseas financial institutions group. Mr. Tan previously worked at the Singapore Economic Development Board (the “EDB”) from October 2001 to September 2008, during which period he worked as director of the Services Cluster from 2003 to 2006, and subsequently as the assistant managing director of EDB from December 2007 to September 2008. As director of the Services Cluster, Mr. Tan had worked on a number of EDB’s education related projects such as the German Institute of Science and Technology, Singapore – MIT alliance and the Institute of Environmental Sciences and Engineering (Pte) Ltd. Prior to working at EDB, Mr. Tan worked as a banker with a commercial bank in Singapore from February 1999 to April 2001 where his focus areas were in private equity and corporate development. Mr. Tan also served in the Singapore Armed Forces from December 1985 to February 1999. Mr. Tan obtained a master’s degree in business administration from the National University of Singapore in August 1995, and a Bachelor of Arts in philosophy, politics and economics from the University of Oxford in June 1989. He was awarded the Singapore Armed Forces Overseas Training Award by the Government of Singapore in 1986.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Wilson Teh Boon Piaw (鄭文鏢)**, aged 69, was appointed as an INED on December 23, 2014. He was also the chairman of the Nomination Committee, a member of the Risk Management Committee. On May 24, 2024, Mr. Teh resigned as a member of Audit Committee. Mr. Teh has been acting as the CEO and chairman of Chef At Work Pte. Ltd. in Singapore as from October 1, 2015. Chef At Work is a one-stop food and beverage solutions provider with inter-disciplinary expertise. Mr. Teh served as the chairman and chief executive director of TMX International Limited, a new start up company and distributor of kitchen appliances, from May 2013 until November 2014. From August 2007 to October 2012, Mr. Teh served as director of Huhu Studio Ltd., a computer animation studio based in New Zealand, and had served as a director of its investment holding company, Huhu Holdings Pte Ltd., from July 2007 to December 2021. Mr. Teh previously worked at JOST World Group, a manufacturer of components for commercial vehicles, from May 1991 to September 2009, where he served as managing director of JOST Far East Pte Ltd. from May 1991 to September 2008 and was responsible for developing markets and for all sales matters in the Southeast Asia, Taiwan and Hong Kong, as well as setting up a regional logistic hub in Singapore. He served as president, Asia of JOST Asia (Shanghai) Auto Component Co. Ltd. from September 2001 to September 2008 and subsequently as consultant from October 2008 to September 2009, where he led and managed three companies in Asia, and developed and executed their strategy and long-term business plan. Mr. Teh obtained a master's degree in business administration from the University of Dubuque in Iowa, the United States of America in January 1996, a diploma in management study from the Singapore Institute of Management in Singapore in March 1992, and a diploma in shipbuilding and repair technology from Ngee Ann Technical College (now known as Ngee Ann Polytechnic) in Singapore in association with The Polytechnic of Central London in the UK in July 1980.

**Mr. Liu Guilin (劉桂林)**, aged 44, was appointed as an INED on July 25, 2023. He is also the chairman of the Remuneration Committee, a member of the Audit Committee and a member of Nomination Committee. Mr. Liu Guilin has extensive experience in financial management, enterprise tax planning and industrial park operation. From 2004 to 2017, Mr. Liu Guilin was the chief financial officer of Langsen Automotive Industrial Park Development Co., Ltd\* (the “**Langsen Group**”, 朗森汽車產業園開發有限公司) and was mainly responsible for the investment and financing business of the Langsen Group. He has also participated in the merger and acquisition transactions of the Langsen Group, among others, the acquisitions of Beijing Life Insurance Limited\* (北京人壽保險股份有限公司), Tianjin Yuhanyao Graphene Store Energy Material Technology Co., Ltd\* (天津玉漢堯石墨烯儲能材料股份有限公司), and Langfang Xinhe Software Investment Co. Limited\* (the “**Xinhe Software**”, 廊坊信和軟體投資有限公司). From 2017 to 2018, Mr. Liu Guilin served as the general manager and an executive director of Xinhe Software which was mainly engaged in the operation and development of high-tech industrial park, and Mr. Liu Guilin was responsible for the development of the education technology sector of the industrial park. Since 2018, Mr. Liu Guilin has served as an executive director of Langfang Yuhe Park Construction Co., Ltd.\* (the “**Yuhe Park**”, 廊坊裕和園區建設有限公司) which mainly engages in the development of high-tech incubation business. Mr. Liu Guilin is responsible for the development and operation of the incubation park. Mr. Liu Guilin graduated from Hebei University of Economics and Business (河北經貿大學) in 2001 with a diploma of accounting and has been conferred as a qualified accountant by Ministry of Finance of the PRC since 2005.

\* The English name of the company represents the best effort made by management of the Company in translating its Chinese name as it does not have any official English name.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

**Mr. Liu Ying Chun (劉迎春)** is our executive officer. Please refer to the subsection headed “Executive Directors” for his biographical details.

**Mr. Lee Kheng Yam, (李景炎)**, aged 48, was appointed as the financial controller of the Group in November 2019. Mr. Lee is responsible for the accounting and finance aspects of the Group. Prior to joining the Company, Mr. Lee served as financial controller in Foshan Nile Building Materials Trading Co., Ltd. from 2015 to 2019. Prior to that, he was the chief financial officer for Kada Technology Holdings Limited from 2010 to 2013. He served as senior finance manager in Anglo-Eastern Plantation Management Sdn Bhd from 2008 to 2010. Mr. Lee graduated from National University of Malaysia with a bachelor’s degree in Accountancy and is a member of Malaysian Institute of Accountants with 24 years’ working experience in the fields of finance, accounting, commercial and business development.

**Mr. Chen Guang (陳光)**, aged 61, was appointed as the chief operating officer of the Group in March 2016. Mr. Chen is responsible for overseeing the property management and operation matters of the Group, including managing the acquisition, disposal, lease and maintenance of land and buildings and other fixed assets of the Group. Prior to joining the Group, Mr. Chen was the general manager of China Unicom of Yongqing branch of Langfang from December 2008 to June 2013. He was the manager of Administration of China Unicom of Langfang branch from March 2003 to December 2008. He was the general manager of Langfang Hanyi Textile Co., Ltd. (廊坊韓一紡織有限公司) from August 1993 to March 2003. Mr. Chen obtained a diploma in textile from 河北紡織職工大學 (Hebei Textile College) in the PRC in June 1988.

**Mr. Zhang Jian Guang (張建光)**, aged 45, is the deputy general manager of the Group. Mr. Zhang joined the Group in May 2011 and is responsible for managing the human resources operations and staff administration of the Group. Mr. Zhang has previously held various positions within the Group, including the vice director of human resources and vice director of the office administration. Prior to joining the Group, Mr. Zhang worked as a lecturer and subsequently as human resources administrator at Langfang Food Engineering Technical School (廊坊食品工程學校) from August 2003 to July 2009. Mr. Zhang obtained a master’s degree in business administration from the Graduate School of the Chinese Academy of Sciences (中國科學院) (now known as University of the Chinese Academy of Sciences (中國科學院大學)) in the PRC in July 2011.

## REPORT OF DIRECTORS

The Board presents the annual report together with the audited consolidated financial statements of the Group for the FY2023/24.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are leasing educational 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. In addition, the Company is engaged in leasing and managing of hotel properties in Switzerland.

### RESULTS

The results of the Group for the FY2023/24 and the state of affairs of the Company and of the Group as at June 30, 2024 are set out in the consolidated financial statements and their accompanying notes on pages 81 to 154 of this annual report.

### FINAL DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for the FY2023/24 (FY2022/23: Nil).

### BOOK CLOSE DATES

For the purpose of ascertaining the entitlement of the Shareholders to attend and vote at the annual general meeting of the Company to be held on Friday, October 25, 2024 (the "2024 AGM"), the register of member of the Company (the "Register of Members") will be closed. Details of such closures are set out below:

Latest time to lodge transfer documents	4:30 p.m. on October 21, 2024 (Monday)
Closure of Register of Members	October 22, 2024 (Tuesday) to October 25, 2024 (Friday) (both days inclusive)
Record date	October 25, 2024 (Friday)

During the above closure period, no transfer of shares of the Company (the "Shares") will be registered. To be entitled to attend and vote at the 2024 AGM, the non-registered Shareholders must lodge all completed and stamped transfer documents accompanied by the relevant share certificates for registration with the Company's share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong before the above latest time.



## REPORT OF DIRECTORS

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 156 and 157 of this annual report. This summary does not form part of the audited financial statements.

### INVESTMENT PROPERTIES

All the investment properties of the Group were revalued at June 30, 2024. The net decrease in fair value of investment properties amounting to RMB93.81 million (FY2022/23: fair value loss of RMB16.84 million) has been debited directly to the consolidated statement of profit or loss and other comprehensive income.

Details of movements in the investment properties of the Group during the FY2023/24 are set out in note 15 to the consolidated financial statements.

Details of the properties held by the Group for investment as at June 30, 2024 are set out in the section headed “Investment Properties” on page on 155 of this annual report.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the FY2023/24 are set out in note 14 to the consolidated financial statements.

### SUBSIDIARIES

Particulars of the Company’s principal subsidiaries are set out in note 27 to the consolidated financial statements.

### SHARE CAPITAL

Details of the Shares issued in the FY2023/24 are set out in note 22 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s articles of association (the “Articles of Association”) which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

### DONATION

During the FY2023/24, the Group did not make any charitable donation (FY2022/23: nil).

## REPORT OF DIRECTORS

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchased or sold any of its Shares during the FY2023/24.

### RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and the Group during the FY2023/24 are set out in note 23 to the consolidated financial statements and in the consolidated statement of changes in equity on page 85, respectively. The distributable reserves, calculated under Part 6 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “Companies Ordinance”), details of the distributable reserves of the Company are set out in note 23 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group’s major customers and suppliers, respectively, during the FY2023/24 is as follows:

	Percentage of the Group’s total revenue/purchase %
The largest customer	31.3
Five largest customers in aggregate	74.5
The largest supplier	21.7
Five largest suppliers in aggregate	63.7

Save as rental income derived from Raffles College of Higher Education Sdn. Bhd and P.T. Raffles Institute of Higher Education (“RIHE”), which collectively is one of the five largest customers during the FY2023/24, disclosed in note 28 to the consolidated financial statements, none of the Directors or their respective close associates (as defined in the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”)) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the issued Shares) had any beneficial interest in the Group’s major largest customers or suppliers referred above.

### REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and the five individuals with the highest emoluments for the FY2023/24 are set out in notes 10 and 11 to the consolidated financial statements, respectively.

## REPORT OF DIRECTORS

### EMOLUMENT POLICY

The Remuneration Committee was established for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The Company has adopted the Share Option Scheme to provide an incentive to the Directors and eligible employees, details of which are set out in the section headed "Share Option Scheme" below.

### EQUITY-LINKED AGREEMENT

The Group has not entered into any equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any arrangements that will or may result in the Company issuing Shares during the FY2023/24 or existed as at June 30, 2024.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there has been a sufficient public float of the issued Shares as required under the GEM Listing Rules (i.e. at least 25% of the issued Shares in public hands) throughout the FY2023/24 and thereafter up to the date of this annual report.

### DIRECTORS

The Directors during the FY2023/24 and up to the date of this annual report were:

#### Executive Directors

Mr. Chew Hua Seng (*Chairman*)

Mr. Liu Ying Chun (*Chief Executive Officer*)

#### Non-executive Director (the "NED")

Ms. Geng Yu (appointed on May 24, 2024)

#### Independent Non-executive Directors (the "INEDs")

Mr. Tan Yeow Hiang, Kenneth

Mr. Wilson Teh Boon Piaw

Mr. Liu Guilin (appointed on July 25, 2023)

## REPORT OF DIRECTORS

In accordance with article 141 of the Articles of Association, Mr. Tan Yeow Hiang, Kenneth (“**Mr. Tan**”) and Mr. Chew Hua Seng (“**Mr. Chew**”) will retire from office by rotation and being eligible, have offered themselves for re-election at the 2024 AGM.

In accordance with article 113 of the Articles of Association, Ms. Geng Yu (“**Ms. Geng**”) will retire from office by rotation and being eligible, has offered herself for re-election at the 2024 AGM.

The Company has received an annual written confirmation of independence from each of the INEDs, namely Mr. Tan, Mr. Wilson Teh Boon Piaw (“**Mr. Teh**”) and Mr. Liu Guilin (for the period from July 25, 2023, the date of his appointment as an INED, to August 16, 2024, the date of this annual report), pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this annual report, the Company considered all the INEDs are independent.

The biographical details of the Directors and the senior management of the Group are set out on pages 10 to 13 of this annual report.

### DIRECTORS’ SERVICE CONTRACTS

Mr. Chew has entered into a service contract as the Chairman and an executive Director with the Company for an initial term of three years commencing on December 24, 2014, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Mr. Liu Ying Chun has entered into a service contract as an executive Director with the Company for an initial term of three years commencing on January 16, 2014, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Each of Mr. Tan and Mr. Teh has entered into a letter of appointment with the Company for an initial term of three years commencing on December 23, 2014, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Mr. Liu Guilin has entered into a letter of appointment with the Company for an initial term of three years commencing on July 25, 2023, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Ms. Geng has entered into a letter of appointment with the Company for an initial term of three years commencing on May 24, 2024, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

None of the Directors being proposed for re-election at the 2024 AGM has a service contract or a letter of appointment with the Company or its subsidiaries, which is not terminable by the Company within one year without payment of compensation other than statutory compensation.

## REPORT OF DIRECTORS

### DIRECTORS OF SUBSIDIARIES

The names of all Directors who have served on the board of directors of the subsidiaries of the Company during the FY2023/24 to the date of this annual report are as follows:

Name of Subsidiaries	Name of Directors including the directors of subsidiaries
廊坊開發區東方大學城教育諮詢有限公司 Langfang Education Consultancy	Chew Hua Seng Liu Ying Chun Ho Kah Chuan Kenneth
廊坊通睿教育諮詢有限公司 (Langfang Tongrui Education Consultancy Co., Ltd.)*	Chew Hua Seng Liu Ying Chun Ho Kah Chuan Kenneth
OUC Malaysia Sdn. Bhd. (“OUC Malaysia”)	Liu Ying Chun Mok Kam Wah Tho Kwai Kuan
OUC (Indonesia) Pte. Ltd	Liu Ying Chun Doris Chung Gim Lian
PT. OUC Jakarta Indo	Liu Ying Chun Effendi Halim
PT. OUC Thamrin Indo (“OUC Thamrin”)	Liu Ying Chun Effendi Halim
上海通豐睿商務諮詢有限公司 (Shanghai Tongfengrui Commercial Consultancy Co., Ltd)* (Incorporated on July 4, 2023)	Lee Yang Yang
4 Vallees Pte Ltd	Doris Chung Gim Liang Ho Kah Chuan, Kenneth Chew Han Wei

\* The English name of the company represents the best effort made by management of the Company in translating its Chinese name as it does not have any official English name.

## REPORT OF DIRECTORS

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, no Director or a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party during the FY2023/24 or subsisted as at June 30, 2024.

### MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person under the full employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the FY2023/24.

### RELATED PARTY TRANSACTIONS

A summary of the related party transactions entered into by the Group during the FY2023/24 is contained in note 28 to the consolidated financial statements. Certain related party transactions set out in note 28(a) to the consolidated financial statements are regarded as continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules. Details of such transactions are set out in the section headed "Continuing Connected Transactions" below.

### CONTINUING CONNECTED TRANSACTIONS

Save as disclosed below, as at June 30, 2024, the Group does not have any other connected transaction and continuing connected transaction.

#### Tenancy Agreement of Properties in Malaysia

OUC Malaysia, a direct wholly-owned subsidiary of the Company, as landlord, had entered into a tenancy agreement with Raffles College of Higher Education Sdn Bhd, of which 70% of its equity interest is owned by RE, as tenant, on December 10, 2021 for the lease of the properties for a term of three years commencing on January 1, 2022 and expiring on December 31, 2024. The tenancy term was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to Malaysian Ringgit ("RM") 2.01 million (approximately RMB3.06 million). Please refer to the announcement of the Company dated December 10, 2021, for further details of the tenancy agreement.

## REPORT OF DIRECTORS

### Tenancy Agreement of Properties in Indonesia

OUC Thamrin, a wholly-owned subsidiary of the Company, as landlord, has entered into a tenancy agreement with RIHE, a wholly-owned subsidiary of RE, as tenant, for the lease of gross floor area of 1,600 square metres in two floors of Lippo Thamrin office in Jakarta, Indonesia, for a term of three years commencing on July 1, 2023 and expired on June 30, 2026. The tenancy was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to Indonesian Rupiah 5,472.00 million (approximately RMB2.50 million). According to Rule 20.04 of the GEM Listing Rules, the transaction value of the tenancy agreement was a de minimis transaction and was fully exempted from the requirements of announcement and approval of the Shareholders.

### ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTION

The INEDs have reviewed the above continuing connected transactions for the FY2023/24 and confirmed that the above continuing connected transactions were entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. in accordance with the terms of the agreements governing the continuing connected transactions (i.e. the tenancy agreements) that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BDO Limited (“BDO”), Certified Public Accountants, the Company’s independent auditor (the “**Independent Auditor**”), was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. BDO has issued their confirmation letter to the Board containing their findings and conclusions in respect of the Group’s continuing connected transactions disclosed above in accordance with Rule 20.54 of the GEM Listing Rules.

### SHAREHOLDER’S INTERESTS IN CONTRACTS OF SIGNIFICANCE

RE, the controlling shareholder (as defined by the GEM Listing Rules) of the Company, has confirmed that save for its shareholding in the Company, it is neither engaged nor interested in any business which, directly or indirectly, competes or may compete with the Group’s business (save as disclosed under the heading “Excluded Businesses” in the section headed “History and Development-Post-Reorganization” of the Company’s prospectus dated December 31, 2014 (the “**Prospectus**”)).

## REPORT OF DIRECTORS

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in note 28 to the consolidated financial statements, there was no contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the FY2023/24 or at any time during the FY2023/24.

### DEED OF NON-COMPETITION

On December 22, 2014, RE entered into a deed of non-competition and call option in favour of the Company, pursuant to which it has undertaken not to compete with the business of the Company. For further details, please refer to the sub-section headed "Deed of Non-Compete" in the section headed "Relationship with the Controlling Shareholder" of the Prospectus.

RE has made an annual written declaration as to the compliance with the non-competition undertakings in the Deed of Non-Compete (the "Undertakings"). The INEDs have reviewed the same as part of the annual review process and noted that: (a) RE declared that it had fully complied with the Undertakings for the FY2023/24; (b) no new competing business was reported by RE during the FY2023/24; and (c) there was no particular situation rendering the full compliance of the Undertakings being questionable. In view of the above, the INEDs confirmed that all of the Undertakings were complied with by RE for the FY2023/24.

### COMPETING INTERESTS

The Directors have confirmed that save as disclosed above, as at June 30, 2024, none of the Directors, controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company, directors of the Company's subsidiaries or any of their respective close associates (as defined in the GEM Listing Rules) has interest in any business (other than the Group) which, directly or indirectly, competed or might compete with the Group's business.

### BUSINESS REVIEW

Information about a fair review of, and an indication of likely future development in, the Group's business is set out in the "Management Discussion and Analysis" of this annual report.

As regards the principal risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" contained on pages 43 to 69 of the Prospectus.

During the FY2023/24, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.



## REPORT OF DIRECTORS

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2024, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Stock Exchange and the Securities and Futures Commission ("SFC") under the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings") were as follows:–

#### Long positions

##### (a) Shares in the Company

Name of Director	Capacity/Nature of interest	Number of issued Shares held	Percentage of shareholding <sup>(Note 2)</sup>
Mr. Chew <sup>(Note 1)</sup>	Interest of a controlled corporation/ Corporate Interest	135,000,000	75%

#### Notes:

- (1) Details of the interest in the Company held by Mr. Chew, the Chairman and an executive Director, through RE are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below.
- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at June 30, 2024 (i.e. 180,000,000 Shares).

## REPORT OF DIRECTORS

### (b) Shares in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued shares held	Approximate percentage of shareholding
Mr. Chew	RE <sup>(Note 1)</sup>	Beneficial owner and interest of spouse/ Personal interest and family interest	518,078,264	37.34% <sup>(Note 2)</sup>

*Notes:*

- (1) RE, a company incorporated in Singapore and listed on the SGX-ST, is the immediate holding company of the Company.
- (2) Comprised of (a) the 25.01% direct interest of Mr. Chew; (b) the 2.46% interest of Ms. Doris Chung Gim Lian (“Ms. Chung”), the wife of Mr. Chew; and (c) the 9.87% joint interest of Mr. Chew and Ms. Chung.

### (c) Debentures in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of bonds held
Mr. Chew	RE <sup>(Note 1)</sup>	Beneficial owner and interest of spouse/personal interest and family interest	35,030,306 <sup>(Note 2)</sup>

*Notes:*

- (1) RE is the immediate holding company of the Company.
- (2) Comprised of 34,383,487 convertible bonds directly held by Mr. Chew and 646,819 convertible bonds held by Ms. Chung.
- (3) Subsequent to June 30, 2024, Mr. Chew had on July 24, 2024, subscribed to SGD10,000,000 in principal amount of unlisted, non-convertible bonds issued by RE.

Save as disclosed above, as at June 30, 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Stock Exchange and the SFC under the Required Standard of Dealings.

## REPORT OF DIRECTORS

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2024, so far as it was known by or otherwise notified to any Director or the chief executive of the Company, the particulars of the corporations which or the persons who (other than a Director or the chief executive of the Company) had 5% or more interests or short position in the Shares and the underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

#### Long positions in the Shares

Name of Substantial Shareholders	Capacity/Nature of interest	Number of issued Shares held	Percentage of shareholding <sup>(Note 2)</sup>
RE <sup>(Note 1)</sup>	Beneficial owner/Personal interest	135,000,000	75%
Ms. Chung <sup>(Note 1)</sup>	Interest of spouse/Family interest	135,000,000	75%

#### Notes:

- (1) RE is owned as to (a) 25.01% by Mr. Chew, the Chairman and an executive Director; (b) 9.87% jointly by Mr. Chew and Ms. Chung, the wife of Mr. Chew; and (c) 2.46% by Ms. Chung. Under the SFO, Mr. Chew is deemed to be interested in the Shares in which RE is interested, and Ms. Chung is deemed to be interested and the Shares in which Mr. Chew is interested and is deemed to be interested. In addition, Mr. Chew is a director of RE.
- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at June 30, 2024 (i.e. 180,000,000 Shares).

Save as disclosed above, as at June 30, 2024, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations or persons (other than a Director or the chief executive of the Company) had 5% or more interests or short positions in the Shares and the underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

A corporate governance report containing the principal corporate governance practices adopted by the Group is set out on pages 33 to 50 of this annual report.

The compliance officer of the Company is Mr. Liu, whose biographical details are set out on page 10 of this annual report. The company secretary of the Company is Ms. Tung Wing Yee Winnie ("Ms. Tung"), whose brief particulars are set out under the section headed "COMPANY SECRETARY" of the corporate governance report on page 47.

## REPORT OF DIRECTORS

### SHARE OPTION SCHEME

The Company conditionally approved and adopted the Share Option Scheme on December 17, 2014, which became effective on January 16, 2015 (the “Listing Date”). The following is a summary of the principal terms of the Share Option Scheme:

#### (a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive or reward for the Eligible Participants (defined below) for their contribution or potential contribution to the Company and/or any of its subsidiaries.

#### (b) Participants of the Share Option Scheme

The Directors may, subject to and in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, at its discretion, grant options to any full-time or part-time employees, consultants or potential employees, consultants, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or its subsidiaries, and any suppliers, customers, consultants, agents and advisers, who in the absolute discretion of the Directors has contributed or will contribute to the Group (collectively, the “Eligible Participants”).

#### (c) Maximum number of Shares available for subscription

The maximum number of the Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the number of the Shares that shall represent 10% of the total number of the Shares in issue immediately upon completion of the listing of the Company on GEM (the “Scheme Mandate Limit”), which is 18,000,000 Shares. For the purpose of calculating the Scheme Mandate Limit, options which have lapsed in accordance with the terms of the relevant scheme shall not be counted.

The maximum limit on the number of the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed such number of the Shares as shall represent 30% of the Shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

As at the date of this annual report, there was no outstanding option under the Share Option Scheme, and the outstanding number of options available for grant under the Share Option Scheme was such number of options, upon exercise, representing 10% of the issued Shares.

## REPORT OF DIRECTORS

### (d) Grant to connected persons, substantial shareholders and independent non-executive directors of the Company

Any grant of options to a connected person (as defined by the GEM Listing Rules) of the Company must be approved by all the INEDs (excluding any INED who is also a proposed grantee of the options, the vote of such INED shall not be counted for the purposes of approving the grant).

Any grant of options to a substantial shareholder or an INED or any of their respective associates shall be subject to, in addition to the approval of the INEDs, the issue of a circular by the Company to its Shareholders and the approval of the Shareholders in general meeting if the Shares issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12-month period up to and including the date of offer of grant of the option (the “Offer Date”):

- (i) would represent in aggregate more than 0.1%, or such other percentage as may from time to time be provided under the GEM Listing Rules, of the Shares in issue on the Offer Date; and
- (ii) would have an aggregate value, based on the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, in excess of HK\$5,000,000 (or such other amount as shall be permissible under the GEM Listing Rules from time to time).

### (e) Grant to Eligible Participants other than parties mentioned above

- (i) Subject to below paragraph (ii), no Eligible Participant (other than parties mentioned in above paragraph (d)) shall be granted an option if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the options granted to such Eligible Participant (other than parties mentioned in above paragraph (d)) (including both exercised and outstanding options) in any 12-month period exceeding 1% of the total number of Shares in issue.
- (ii) Where any further grant of options to an Eligible Participant (other than parties mentioned in above paragraph (d)), if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all options granted and to be granted to such Eligible Participant (other than parties mentioned in above paragraph (d)) (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant (other than parties mentioned in above paragraph (d)) and his close associates abstaining from voting. Our Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant (other than parties mentioned in above paragraph (d)), the number and terms of the options to be granted and options previously granted to such Eligible Participant (other than parties mentioned in above paragraph (d)) and the information required under the GEM Listing Rules.

## REPORT OF DIRECTORS

### (f) Exercise price

The price per Share at which a grantee may subscribe for Shares upon exercise of an option shall, subject to any adjustment resulting from the alteration of the number of the issued Shares, be a price determined by the Directors but in any event shall be at least the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the Offer Date; and
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date.

### (g) Acceptance and payment on acceptance of option offer

An option may be accepted by an Eligible Participant within 30 days from the Offer Date.

A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

### (h) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period commencing on the Listing Date and ending on the tenth anniversary of the Listing Date (both days inclusive), after which time no further option will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and the options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme.

No options were granted since the Listing Date. Therefore, no options were exercised or cancelled or lapsed during the FY2023 and there were no outstanding options under the Share Option Scheme as at June 30, 2024.

At its meeting held on August 16, 2024, the Remuneration Committee reviewed the Share Option Scheme.

## ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the FY2023/24 or as of June 30, 2024 was the Company or any of its subsidiaries, fellow subsidiaries and holding company a part to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

## REPORT OF DIRECTORS

### PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance for the Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance when this annual report prepared by the Directors is approved in accordance with section 391(1)(a) of the above Companies Ordinance.

### ENVIRONMENTAL POLICY

The Group is committed to nurturing its staff to care about and protect the environment. It conducts its business in a manner that balances the environment and economic needs.

The Group complies with all relevant environment regulations. It works with its partners including customers and suppliers in a connected effort to operate in an environmentally responsible manner by making concerted efforts to be energy-efficient and to practice "Reduce, Reuse and Recycle".

Among others, the Group has taken the following initiatives:-

- Performed minimal renovations, by re-using existing flooring, furniture etc., during the FY2023/24.
- Works closely with various local governments in Langfang City to help them promote environmental protection strategies.
- Promotes the knowledge of environmental protection to students and staff in its campus and advocates students therein to sort their trash into separate bins.
- Saves power by implementing automatic lights off during non-business hours and providing manual override switches for all non-emergency lighting.
- Adjusts the heat supply system to low settings during the winter vacation period.

During the FY2023/24, the Group has complied with the provisions set out in the Environmental, Social and Governance ("ESG") Reporting Guide in Appendix 20 to the GEM Listing Rules. Please refer to the ESG report on pages 51 to 75 of this annual report about the Company's ESG policies and performance during the FY2023/24.

## REPORT OF DIRECTORS

### RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

#### Employees

All of the Group's employees work in the campus site, owned by the Group, located in the Oriental University City in Langfang Economic and Technological Development Zone in Langfang City (the "Campus Site"). They perform management, administration and human resources, operation, finance and investors' relation functions respectively. The Group determines the remuneration of its employees by reference to the market salary of their individual experience and performance. The Group will continue to improve and upgrade their management and professional skills. None of the Group's employees is represented by any collective bargaining agreement or labour union. The Group has not experienced any significant problem with its employees or disruption to its operations due to labour dispute, nor has the Group experienced any difficulties in the recruitment and retention of experienced staff.

#### Suppliers

The Group's suppliers provide the Group with a range of services associated with the management and maintenance of the Campus Site, mainly including cleaning, gardening, building maintenance and refurbishing, and campus security. The Directors believe that the Group is able to get access to the service of the suppliers easily as they are all located in Langfang City. The Directors also believe that maintenance of a stable relationship with the Group's major suppliers is important to the Group's operations as this will enable a stable supply of services to the Campus Site.

The Group's property team is responsible for quality control over the selection and performance of the suppliers. In general, the said team selects and evaluates the suppliers based on their pricing, background, industry experience, reputation and ability to deliver quality services. The suppliers are sourced through a tender process for an aggregate contract amount that exceeds RMB50,000.

Apart from those suppliers for the building maintenance and refurbishment services which are determined on an individual project basis, the Group's relationships with other major suppliers are over five years on average. Although the Group does not enter into any long-term contracts with certain of its suppliers, the Group has established a long-term business relationship with them. The Group has not experienced any disruption in the supply of services by suppliers.

#### Customers

The Group's principal customers are the Education Institutions. For the FY2023/24, the Group had 10 Education Institutions (excluding RE Group). Revenue from the five largest customers (excluding RE Group) using the Group's educational facilities, most of which were the Education Institutions, accounted for 69.55% of the Group's total revenue for the FY2023/24.



## REPORT OF DIRECTORS

### USE OF PROCEEDS FROM THE 2023 PROPERTY DISPOSAL

The 2023 Property Disposal was completed in June 2023. Please refer to the Company's announcement dated March 21, 2023, and the circular to the Shareholders dated May 12, 2023, for details of the 2023 Property Disposal.

The net proceeds from the 2023 Property Disposal was RMB83.60 million after deducting the relevant professional expenses of RMB0.71 million, value-added tax and tax surcharges of RMB5.55 million and land appreciation tax of RMB10.14 million.

The utilisation of the net proceeds from the 2023 Property Disposal is set out as follows: —

Proposed use of net proceeds	Planned use of net proceeds RMB million	Net proceeds used up to June 30, 2024 RMB million	Unutilised net proceeds as at June 30, 2024 RMB million	Expected timeline for unutilised net proceeds
Repayment of borrowings	39.00	39.00	—	Completed
Construction and renovation of education facilities	20.00	20.00	—	Completed
General working capital	24.60	24.60	—	Completed
	<u>83.60</u>	<u>83.60</u>	<u>—</u>	

As at June 30, 2024, all the net proceeds from the 2023 Property Disposal have been fully used up as planned.

### EVENT AFTER REPORTING PERIOD

There is no other significant event after the end of the FY2023/24 and up to the date of this annual report.

### CHANGE IN INFORMATION OF DIRECTOR

Subsequent to the date of the 2023/2024 interim report of the Company, there was no change in the Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

## REPORT OF DIRECTORS

### INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the FY2023/24 were audited by BDO, the Independent Auditor. BDO will retire, and being eligible, offer themselves for re-appointment at the 2024 AGM. A resolution for the re-appointment of BDO as the Independent Auditor will be proposed at the 2024 AGM.

On behalf of the Board

**Chew Hua Seng**  
*Chairman*

Singapore, August 16, 2024

## CORPORATE GOVERNANCE REPORT

The Company is committed to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholder value through solid corporate governance.

The Company has complied with the mandatory disclosure requirements and all the code provisions as set out in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the GEM Listing Rules during the FY2023/24 and up to the date of this annual report.

### CORPORATE CULTURE, VALUE AND STRATEGY

The Company aims to provide high-quality properties, supporting facilities and services to educational institutions, hotel operators and commercial clients, and commits to cultivating a corporate culture anchored in integrity, inclusivity, and excellence. Such culture are pivotal in propelling the Company towards achieving its long-term strategic goals and ensuring sustainable growth. We strive to create a conducive environment for educational institutions and hotel operators, as well as their respective students and clients.

The Company’s values are (i) to prioritize the needs and satisfaction of tenants; (ii) to provide a conducive and nurturing environment for the clients; (iii) to build strong client relationships based on reliability and trust; (iv) to ensure that the properties meet high standards of quality and safety; and (v) to seek innovative solutions to meet the evolving needs of the education sector.

The Company’s strategies are (i) to develop a diverse property portfolio that caters to the needs of different types of tenants; (ii) to build a sustainable and long-term relationship with the clients; and (iii) to develop in strategic location that are convenient for educational institutions and their students.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has complied with provision C.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chew Hua Seng as the Chairman is responsible for overseeing the functions of the Board and formulating overall strategies and policies of the Company. The CEO of the Group, Mr. Liu Ying Chun, supported by the senior management, is responsible for managing the businesses of the Group, implementing major strategies as well as making day-to-day decisions and overall coordination for business operations.

### SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transactions by the Directors as set out in the Required Standard of Dealings as its own code of conduct for dealings in the Company’s securities by the Directors. The Company had made specific enquiries with all the Directors and each of them has confirmed his compliance with the Required Standard of Dealings during the FY2023/24.

Specific employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with the Required Standard of Dealings. No incident of non-compliance was noted by the Company during the FY2023/24.

## CORPORATE GOVERNANCE REPORT

### BOARD OF DIRECTORS

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors make decision objectively in the interests of the Company. The Board has the full support of the executive Directors and the senior management of the Company to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the CEO of the Group and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions being entered into by the above mentioned officers.

The Board also assumes the responsibilities for maintaining a high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements.

As at the date of this annual report, the Board comprises two executive Directors, one NED and three INEDs. The Board delegates certain functions to committees to enable the Board to manage more effectively its stewardship and fiduciary responsibilities. The Board is assisted by four committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee. The composition of the Board and its committees are stated below and their respective responsibilities are discussed in this annual report.

	Board Member	Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee
<b>Board of Directors</b>					
<i><b>Executive Directors</b></i>					
Mr. Chew Hua Seng ( <i>Chairman</i> )	✓		✓	✓	
Mr. Liu Ying Chun ( <i>Chief Executive Officer</i> )	✓				✓
<i><b>NED</b></i>					
Ms. Geng Yu	✓	✓			
<i><b>INEDs</b></i>					
Mr. Tan Yeow Hiang, Kenneth	✓	✓	✓		✓
Mr. Wilson Teh Boon Piaw	✓			✓	✓
Mr. Liu Guilin	✓	✓	✓	✓	

## CORPORATE GOVERNANCE REPORT

All Directors, including the NED and INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for the efficient and effective delivery of the Board functions.

Please refer to the section headed “Biographical Details of Directors and Senior Management” in this annual report for key information on each Director and member of the senior management.

There was no financial, business, family or other material relationship among the Directors.

All the INEDs were appointed for a term of three years which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Ms. Geng Yu was appointed as the NED on May 24, 2024. On May 8, 2024, she has (i) obtained legal advice from Mason Ching & Associates, a firm of solicitors qualified to advise on Hong Kong law, as regards the requirements under the GEM Listing Rules that are applicable to her as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange; and (ii) confirmed her understanding of her obligations as a Director.

### Compliance with the GEM Listing Rules/Code Provisions

During the period from July 1, 2023 to July 24, 2023, the Board had two INEDs only, hence failing to meet the requirements under Rules 5.05(1), 5.28 and 5.36A of the GEM Listing Rules. On July 25, 2023, the Company appointed Mr. Liu Guilin as an INED, thereafter fulfilled the relevant requirements of the GEM Listing Rules.

### Independent Non-executive Directors

Save as disclosed in this annual report, the Company had at least three INEDs during the period from July 25, 2023 to June 30, 2024 during the FY2023/24 and up to the date of this annual report, and at least one of the INEDs had appropriate professional qualifications or accounting or related financial management expertise at all times during the FY2023/24. A written annual confirmation on independence as required by Rule 5.09 of the GEM Listing Rules has been received from each of the INEDs. The Company considers all of the INEDs to be independent.

## CORPORATE GOVERNANCE REPORT

### Board Meetings

The Board meets at least four times a year at approximately quarterly intervals and additional meetings will be convened as and when required. During the FY2023/24, four Board meetings as well as an annual general meeting (the “AGM”) of the Shareholders were held. Details of the attendance of the Directors are as follows:

	Number of Board meetings attended/ eligible to attend	AGM attended/ eligible to attend
<b>Board of Directors</b>		
<i>Executive Directors</i>		
Mr. Chew Hua Seng	4/4	1/1
Mr. Liu Ying Chun	4/4	1/1
<i>NED</i>		
Ms. Geng Yu (appointed on May 24, 2024)	0/0	0/0
<i>INEDs</i>		
Mr. Tan Yeow Hiang, Kenneth	4/4	1/1
Mr. Wilson Teh Boon Piaw	4/4	1/1
Mr. Liu Guilin (appointed on July 25, 2023)	4/4	1/1

The Group recognises that a comprehensive corporate governance management structure is crucial in helping the Company to implement its strategies and policies effectively and consistently throughout the Group, and safeguard the long-term interests of its shareholders. Accordingly, the Company has established the following policies and mechanism and has continuously reviewed them to ensure that the Group meets the requirements of the applicable laws and regulations:

- Board Diversity Policy
- Mechanisms Ensuring Independent Views Available to the Board
- Anti-corruption Policy
- Whistle-blowing Policy

## CORPORATE GOVERNANCE REPORT

### BOARD DIVERSITY AND WORKFORCE POLICY

#### Board Diversity Policy

The Board values diversity as a factor in selecting candidates to serve on the Board, and believes that the diversity which exists in its composition provides significant benefits to the Board and the Company.

The Board adopted a board diversity policy (the “**Board Diversity Policy**”) which relates to the selection of candidates for the Board. The Board believes that a key success factor of an effective Board is that it comprises a range and balance of skills, experience, knowledge and independence with individuals that work as a team. The Board Diversity Policy was adopted to ensure that diversity in its broadest sense continues to remain a feature of the Board.

Pursuant to Rule 17.104 of the GEM Listing Rules, gender diversity of the Board is a factor of achieving Board diversity. On May 24, 2024, the Company appointed Ms. Geng Yu as the NED, thereafter fulfilled the aforesaid requirement of the GEM Listing Rules.

The Nomination Committee has been delegated with the responsibilities for the review of the Board Diversity Policy on an annual basis to ensure its continued effectiveness, and where necessary, will make revisions that may be required and recommend any such revision to the Board for consideration and approval.

At the meeting held on August 16, 2024, the Nomination Committee has reviewed the implementation and effectiveness of the Board Diversity Policy during the Year and considered that it was sufficient and effective, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board.

#### Workforce Diversity Policy

As at June 30, 2024, the gender ratio the Company’s workforce (calculated by dividing the no. of female staff by the no. of male staff) was 0.52. The Company’s hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

The Company offers all-rounded trainings to all employees of both gender whom we consider having the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

## CORPORATE GOVERNANCE REPORT

### INDEPENDENT VIEWS OF THE BOARD

In compliance with Code B.1.4 of the CG Code, the Company has established mechanisms to ensure that a strong independent element on, and independent views and input are available to the Board (the “Mechanisms”).

The Mechanisms cover the composition of the Board and Board Committees, the independence assessment of the INED, Board decision making progress and guideline of policy implementation review.

The Board will review the implementation and effectiveness of the Mechanisms annually. At the meeting held on August 16, 2024, the Board has reviewed the implementation and effectiveness of the Mechanisms during the FY2023 and considered that the existing Mechanisms is sufficient and effective.

The Board have also taken into account the respective contributions of the INEDs to the Board and their firm commitments to their independent roles. During the FY2023/24, all the INEDs do not hold any cross-directorships or have any significant links with other Directors through involvement in other companies or bodies that could give rise to conflicts of interest in their roles as INEDs and they are not involved in the daily management of the Company nor in any relationships or circumstances which would affect the exercise of their independent judgment. They continue to demonstrate their ability to provide an independent, balanced and objective view to the affairs of the Company.

### ANTI-CORRUPTION POLICY

To outline the Company’s expectations and requirements on prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities; and to provide information and guidance on recognising and dealing with bribery and corruption, the Company has established its group-wise anti-corruption policy that complies with Code D.2.7 of the CG Code.

Our staff can anonymously report any suspected corrupt incident directly to the chairman of the Audit Committee, who will review the complaints and determine the appropriate mode of investigation and subsequent corrective action. Upon completion of investigation, the results of investigation together with corrective action plans (if any) will be communicated to the senior management of the Company. No incident of fraud or misconduct was considered to have material effect on the Group’s financial statements or overall operations for the FY2023/24. The anti-corruption policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

### WHISTLE-BLOWING POLICY

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability, the Company has established a whistle-blowing policy which forms an important part of its effective risk management and internal control systems.



## CORPORATE GOVERNANCE REPORT

Under the whistle-blowing policy, the whistleblowers can be any employee of the Group or any third party who deal with the Group (e.g. customers, suppliers, etc.). The whistleblowers who wish to report a concern can complete and send a prescribed whistleblowing report form with supplementary information, if any, directly to the management of the Company by email or by post. No concern was reported nor proved to be correct and substantiated during the FY2023/24. The whistle-blowing policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

The Group strictly adheres to the rules and regulations relating to anti-corruption and fraudulent behaviors set out by the relevant authorities. At the same time, the Group maintains a high standard of business integrity throughout its operations. We require our employees to follow our employee manual and code of business conduct and ethics, negligence and corruption. We also carry out regularly on the job compliance training for our senior management and employees to maintain a healthy corporate culture and enhance their compliance perception and responsibility.

### Directors' Induction and Continuous Professional Development

Each newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of the Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements (the "Directors' Induction"). The Company is dedicated to arrange appropriate induction for the continuous professional development for all Directors at the Company's expenses to develop, replenish and refresh their knowledge and skills.

The Company will from time to time provide briefings to all Directors to develop and refresh the Directors' duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense.

During the FY2023/24, all the Directors, namely Mr. Chew Hua Seng, Mr. Liu Ying Chun, Mr. Tan Yeow Hiang, Kenneth, Mr. Wilson Teh Boon Piaw, Mr. Liu Guilin (appointed on July 25, 2023) and Ms. Geng Yu (appointed on May 24, 2024) have participated in continuous professional development by attending conferences and internal training as regards corporate governance, laws, regulations and the GEM Listing Rules, or reading materials in the above areas and relevant to their duties, responsibilities and the Group's business in order to develop, refresh and update their knowledge and skills. Ms. Geng Yu, who was appointed as a Director on May 24, 2024 (i.e. after Rule 5.02D of the GEM Listing Rules came into effect on January 1, 2024), has obtained legal advice on Hong Kong Law, as regards the requirements under the GEM Listing Rules, as well as the Directors' Induction.

Training records for the FY2023/24 have been provided by all Directors to the Company.

## CORPORATE GOVERNANCE REPORT

### Board Committees

The Board is supported by four Board committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within their respective terms of reference.

#### (1) *Audit Committee*

The Company has established the Audit Committee with clear written terms of reference in compliance with the CG Code, which are posted on the respective websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are (a) to review the Group's financial statements and annual, interim and quarterly reports; (b) to discuss and review with the Independent Auditor of the Company on the scope and findings of the audit and the Independent Auditor's management letter; and (c) to review the financial and accounting policies and practices, financial controls and internal controls (including those relating to the Group's ESG risk, performance and reporting) of the Group.

Currently, the Audit Committee has three members comprising two INEDs and one NED, namely Mr. Tan Yeow Hiang, Kenneth (chairman of the Audit Committee), Mr. Liu Guilin and Ms. Geng Yu (appointed on May 24, 2024).

The Audit Committee held four meetings during the FY2023/24 to review and supervise the financial reporting process and system of internal controls and recommend the re-appointment of the Independent Auditor. It had, in conjunction with the Independent Auditor, reviewed the Group's audited annual results for the year ended June 30, 2023 and unaudited first quarterly results for the three months ended September 30, 2023, interim results for the six months ended December 31, 2023 and third quarterly results for the nine months ended March 31, 2024 and recommended the same to the Board for its consideration and approval. The Audit Committee was of the opinion that such results had been prepared in compliance with the applicable accounting standards and requirements and that adequate disclosure had been made. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the Independent Auditor for the FY2023/24. The Audit Committee also carried out and discharged its other duties as set out in the CG Code.

The Audit Committee met on August 16, 2024 and among other matters, reviewed the Group's audited consolidated results for the FY2023/24.

## CORPORATE GOVERNANCE REPORT

The attendance of each INED and NED at the Audit Committee meeting during the FY2023/24 is as follow:

Members	Number of meetings attended/eligible to attend
Mr. Tan Yeow Hiang, Kenneth ( <i>Chairman</i> )	4/4
Mr. Wilson Teh Boon Piaw (ceased to be a member on May 24, 2024)	4/4
Mr. Liu Guilin	4/4
Ms. Geng Yu (appointed on May 24, 2024)	0/0

### (2) *Remuneration Committee*

The Company has established the Remuneration Committee according to the relevant provisions of the CG Code of the GEM Listing Rules with specific written terms of reference. Its primary duties are to (a) make recommendations to the Board on the Company's policy and structure for all remuneration of executive Directors and senior management and the remuneration of non-executive Directors; (b) establish formal and transparent procedures for developing a policy on remuneration; (c) review and approve the management's remuneration proposals by reference to the Board's corporate goals and objectives; (d) make recommendations to the Board on the remuneration packages of individual executive Directors and senior management; and (e) to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

The Remuneration Committee presently comprises an executive Director, Mr. Chew Hua Seng, and two INEDs, namely Mr. Liu Guilin (chairman of the Remuneration Committee) and Mr. Tan Yeow Hiang, Kenneth.

During the FY2023/24, the Remuneration Committee held a meeting to, among others, assess the performance and remuneration of the executive Directors and discuss the policy for the remuneration of Directors and senior management. The Remuneration Committee has also reviewed the Share Option Scheme.

The attendance of each Director who was a member of the Remuneration Committee at the Remuneration Committee meeting during the FY2023/24 is as follows:

Members	Number of meetings attended/eligible to attend
Mr. Liu Guilin ( <i>Chairman</i> ) (appointed on July 25, 2023)	1/1
Mr. Chew Hua Seng	1/1
Mr. Tan Yeow Hiang, Kenneth	1/1

## CORPORATE GOVERNANCE REPORT

The Remuneration Committee met on August 16, 2024 and among other matters, reviewed the remuneration package of all Directors and made recommendation to the Board on the remuneration proposal for all Directors and senior management.

### (3) *Nomination Committee*

The Company has established a Nomination Committee according to the relevant code provisions of the CG Code with specific written terms of reference which are posted on the respective websites of the Stock Exchange and the Company. Its primary duties are to: (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (c) assess the independence of the INEDs; and (d) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the CEO of the Group.

The Nomination Committee consists of three members, of which two are INEDs. The members of the Nomination Committee are Mr. Wilson Teh Boon Piaw (chairman of the Nomination Committee), Mr. Liu Guilin (both INEDs) and Mr. Chew Hua Seng (an executive Director). The Nomination Committee determines the policy for the nomination of Directors, the nomination procedures, process and criteria adopted in the selection and recommendation of candidates for directorship. Details of the nomination policy of the Company (the "**Nomination Policy**") are set out below under section headed "Nomination Policy".

During the FY2023/24, the Nomination Committee held one meeting and, among other matters, assessed the independence of the INEDs, recommended to the Board for consideration the re-appointment of all the retiring Directors as Directors as well as reviewed and assessed the Board composition on behalf of the Board taking into account the Board Diversity Policy.

In determining the Board's composition, the Nomination Committee has considered a number of aspects, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service, which have been incorporated in the Board Diversity Policy. The Nomination Committee will also consider factors based on the Company's business model and specific needs from time to time in determining the optimum composition of the Board.

## CORPORATE GOVERNANCE REPORT

The attendance of each Director who was a member of the Nomination Committee at the Nomination Committee meeting during the FY2023/24 is as follows:

Members	Number of meetings attended/eligible to attend
Mr. Wilson Teh Boon Piau ( <i>Chairman</i> ) (appointed as chairman on July 25, 2023)	1/1
Mr. Chew Hua Seng	1/1
Mr. Liu Guilin (appointed on July 25, 2023)	1/1

The Nomination Committee met on August 16, 2024 and, amongst other matters, recommended the re-appointment of all the retiring Directors at the forthcoming AGM.

#### (4) Risk Management Committee

The Risk Management Committee currently consists of three members, of which two are INEDs, The members of Risk Management Committee are Mr. Tan Yeow Hiang, Kenneth (chairman of the Risk Management Committee), Mr. Wilson Teh Boon Piau (both INEDs) and Mr. Liu Ying Chun (an executive Director).

The primary duties of the Risk Management Committee are to formulate the appropriate framework, system and policies for managing risks relating to the activities of the Group, and to provide support to the Board on proposed strategic transactions by focusing on risk aspects and implications of the risks for the Group.

During the FY2023/24, the Risk Management Committee held two meetings to review amongst others, the risk management system and discuss risk management-related matters.

The attendance of each Director who was a member of the Risk Management Committee at the Risk Management Committee meeting during the FY2023/24 is as follow:

Members	Number of meetings attended/eligible to attend
Mr. Tan Yeow Hiang, Kenneth ( <i>Chairman</i> )	2/2
Mr. Liu Ying Chun	2/2
Mr. Wilson Teh Boon Piau	2/2

## CORPORATE GOVERNANCE REPORT

### NOMINATION POLICY

The Nomination Policy aims to ensure that the Board has a balance of skills, experience, knowledge and diversity of perspective appropriate to the requirement of the Group's business. It provides the key selection criteria and procedures in making any recommendation on the appointment and re-appointment of the Directors.

#### Selection Criteria

The Nomination Committee shall consider a number of selection criteria including but not limited to the following for making recommendation on appointment of any proposed candidate to the Board or re-appointment of any existing member of the Board.

- (a) Diversity in the aspects of, amongst others, gender, age, cultural and educational background, professional experience, skill, knowledge and length of service;
- (b) Qualifications including accomplishment and experience in the relevant business industries in which the business of the Company;
- (c) Commitment for responsibilities of the Board in respect of available time and relevant interest;
- (d) Independence (for INEDs);
- (e) Character and integrity;
- (f) Potential contribution that the individual will bring to the Board; and
- (g) Other perspective that are appropriate to the Company's business and succession plan.

#### Nomination Procedures

The Nomination Committee will recommend to the Board for the appointment or re-appointment of a Director in accordance with the following procedures or process:

- (a) The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidate, such as interviews, background checks, presentations and the third party reference checks;
- (b) The Nomination Committee should evaluate such candidate based on the selection criteria as set out above to determine whether such candidate is qualified for directorship;
- (c) When considering a candidate's suitability for the directorship, the Nomination Committee and/or the Board will hold a meeting and/or by way of written resolutions to approve the appointment and make recommendation to Shareholders in respect of the proposed election of Director at the general meeting (the "GM");

## CORPORATE GOVERNANCE REPORT

- (d) The Nomination Committee should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board; and
- (e) The Nomination Committee and/or the Board should determine whether the retiring Director continues to meet the selection criteria and to make recommendation to Shareholders in respect of the proposed re-election of Director at the GM.

### CORPORATE GOVERNANCE FUNCTION

The Risk Management Committee is responsible for developing and putting in place policies and practices to ensure compliance with the provisions of the CG Code, for the training and continuous professional development of the Directors and senior management, for the compliance with legal and regulatory requirements, etc.

During the FY2023/24, the Board has through the Risk Management Committee reviewed the Company's policies and practices on corporate governance as well as the corporate governance report contained in the Company's 2023/2024 annual report in discharge of its corporate governance functions, ensuring compliance with the GEM Listing Rules.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the FY2023/24 are set out in note 10 to the consolidated financial statements. Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographical Details of Directors and Senior Management" in this annual report for the FY2023/24 by band is set out below:

Remuneration band (in RMB)	Number of individuals
Nil to 500,000	3

### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgement and estimates have been made.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements. The Independent Auditor's responsibilities are set out in the "Independent Auditor's Report" of this annual report.

## CORPORATE GOVERNANCE REPORT

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the establishment, maintenance and review of the Group's systems of internal controls and risk management (including ESG risks and opportunities). The Company has an established risk framework under which it identifies risks relevant to the operations and activities of the Group, and assesses these risks in relation to their likelihood and potential impacts. The Group's internal control and risk management systems include a well-defined management structure with limits of authority, which is designed to achieve business objectives, safeguard assets against unauthorised use or disposition, ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and ensure compliance with relevant legislations and regulations. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aims to provide a reasonable, as opposed to an absolute assurance against material misstatement or loss.

The Company does not have an internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function in light of the size, nature and complexity of the Group's business. The need for an internal audit function will be reviewed from time to time. However, during the FY2023/24, the Company has engaged an external professional internal control consultant firm (the "Internal Control Consultant") to provide internal control review services to the Group on an annual basis. The internal control review report issued by the Internal Control Consultant was reviewed by the Audit Committee and the Board. No major issue was raised for improvement.

The Board has through the Audit Committee and Risk Management Committee reviewed, and is satisfied with, the effectiveness of the systems of internal controls and risk management (including ESG risks and opportunities) of the Group.

### DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the GEM Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and



## CORPORATE GOVERNANCE REPORT

- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, the company secretary of the Company (the "Company Secretary") and investor relations officers are authorised to communicate with parties outside the Group.

### REMUNERATION OF THE INDEPENDENT AUDITOR

The consolidated financial statements for the FY2023/24 were audited by BDO whose term of office will expire at the forthcoming AGM. The Audit Committee has recommended to the Board that BDO be nominated for re-appointment as Independent Auditor at the forthcoming AGM.

The remuneration paid/payable to BDO and its network firm in respect of the FY2023/24 is set out below:

Type of Services	Fees Paid/Payable (RMB)
<b>Assurance services</b>	
BDO Limited	
– Auditing of financial statements, agreed-upon procedures on the Group's preliminary annual results announcement and report on the Group's continuing connected transactions	800,000
– Other auditing works	50,000
BDO LLP, Singapore	
– Auditing of financial statements of subsidiary of the Group	51,000
	<hr/>
	901,000
	<hr/> <hr/>

### COMPANY SECRETARY

The Company Secretary is Ms. Tung, who has been appointed by the Board since January 22, 2021 and has been so nominated by Boardroom Corporate Services (HK) Limited ("Boardroom") under an engagement letter entered into between the Company and Boardroom. The primary person of the Company with whom Ms. Tung has been contacting is Mr. Zhang Jianguang, deputy general manager, in relation to corporate secretarial matters. Ms. Tung has extensive experience in the corporate secretarial field, audit and assurance, financial management and corporate finance, gained from her working with an international accounting firm and a number of listed companies in Hong Kong. Ms. Tung is a fellow member of The Hong Kong Institute of Certified Public Accountants and a Fellow Certified Practising Accountant of the CPA Australia. Ms. Tung had attended no less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules during the FY2023/24.

## CORPORATE GOVERNANCE REPORT

### DIVIDEND POLICY

In order to enhance transparency of the Company and facilitate the Shareholders and investors to make informed investment decisions relating to the Company, the Board has adopted a dividend policy of the Company (the “Dividend Policy”).

According to the Dividend Policy, the dividend payments will depend upon the share capital and/or the distributable reserve of the Company and the availability of dividends that the Company received from any of its subsidiaries. The Board may declare dividends taking into account the operations, earnings, financial condition, cash requirements and availability, all applicable requirements under the Companies Ordinance and the Articles of Association and other factors as it may deem relevant at such time. The payment of dividends may also be limited by legal restrictions and by financing agreements that the Company may enter into in the future.

Under the current laws and regulations of the PRC, dividends paid by companies incorporated in the PRC to a non-PRC resident enterprise shareholder are subject to a 10% withholding tax unless reduced by a tax treaty or arrangement. Under an arrangement between the PRC and Hong Kong and subject to approvals from the relevant local tax authorities, the Company is entitled to a reduced withholding tax rate of 5% on dividends which the Company receives from its subsidiaries in the PRC.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board’s discretion. The Board will review the Dividend Policy on a regular basis.

### COMMUNICATION WITH SHAREHOLDERS

The Company communicates with the Shareholders and the potential investors of the Company (the “Investors”) mainly in the following ways:

- i the holding of AGMs and GMs, if any, which may be convened for specific purpose and provide opportunities for the Shareholders and the Investors to communicate directly with the Board;
- ii the publication of quarterly, half-yearly and annual reports, announcements and/or circulars as required under the GEM Listing Rules and/or press releases of the Company providing updated information on the Group; and
- iii the latest information on the Group is available on the respective websites of the Stock Exchange and the Company.

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS' RIGHTS

#### Procedures for Shareholders to convene a GM

The following procedures for Shareholders to convene a GM are subject to the Articles of Association and the Companies Ordinance (both as amended from time to time):

- i any one or more Shareholders representing at least 5 per cent. of the total voting rights of all the Shareholders having a right to vote at general meetings (the “Eligible Shareholder(s)”) may request the Board to call a GM;
- ii the request must state the general nature of the business to be dealt with at the meeting; and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting (the “Written Request”). Such Written Request may consist of several documents in like form and be sent to the Company in hard copy form in accordance with item (iii) below or in electronic form (via email at zhangjianguang@oriental-university-city.com); and must be authenticated by the Eligible Shareholder(s) making it;
- iii the Eligible Shareholder(s) who wish(es) to convene a GM must deposit a Written Request signed by the Eligible Shareholder(s) concerned to the registered office of the Company, presently located at 31st Floor, 148 Electric Road, North Point, Hong Kong and its principal place of business in the PRC at Levels 1 and 2, 100 Zhangheng Road, Oriental University City, Langfang Economic & Technological Development Zone, Hebei Province, the PRC 065001 for the attention of the Board and/or the Company Secretary;
- iv the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene a GM and the details of the business(es) proposed to be transacted at the GM, and must be signed by the Eligible Shareholder(s) concerned;
- v the Requisition will be verified with the share registrar of the Company and upon their confirmation that the Requisition is proper and in order, the Board will convene a GM by serving sufficient notice in accordance with the requirements under the Articles of Association to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for a GM; and
- vi if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such GM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

## CORPORATE GOVERNANCE REPORT

### Procedures for Shareholders to put forward proposal at GM

Shareholder(s) representing at least 5 per cent. of the total voting rights of all Shareholders who have a relevant right to vote or at least 50 Shareholders who have a relevant right to vote may request the Company to circulate to the Shareholders entitled to receive notice of a GM, a resolution proposed and a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution to be dealt with at that GM.

The request may be sent to the Company in hard copy at the Company's registered office and principal place of business in the PRC or in electronic form (via email at [zhangjianguang@oriental-university-city.com](mailto:zhangjianguang@oriental-university-city.com)); must identify the resolution and any statement to be circulated; and must be authenticated by the Shareholder(s) making it.

### PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRIES TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the registered office of the Company, presently located at 31st Floor, 148 Electric Road, North Point, Hong Kong by post or by email to Ms. Tung at [winnie.tung@boardroomlimited.com](mailto:winnie.tung@boardroomlimited.com) for the attention of the Company Secretary.

The Company treats all Shareholders fairly and equitably. At GMs and AGMs, the Shareholders are provided the opportunities to share their views and to meet the Board, including chairpersons of the Board committees and certain members of senior management.

### SHAREHOLDERS' COMMUNICATION POLICY

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders will have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

The Company discloses all necessary information to the Shareholders in compliance with the GEM Listing Rules and applicable laws and regulations. Updated and key information of the Group is also available on the Company's website. The Company also replies to the enquiries from the Shareholders timely. The Directors will host the AGM each year to meet the Shareholders and answer their enquiries.

The Board has reviewed the Group's shareholders and communication activities conducted during the year ended June 30, 2024 and is satisfied with the implementation and effectiveness of the Shareholders' Communication Policy.

### CONSTITUTIONAL DOCUMENTS

During the FY2023/24, there were no changes in the constitutional documents of the Company.

The Articles of Association is available on the respective websites of the Stock Exchange and the Company.

## 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, 2024 (“**Year 2024**”), 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 and Technology 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 419,356 square meters in OUC, among which the Group owns teaching buildings with a gross floor area of approximately 198,142 square meters and dormitories with a gross floor area of approximately 132,534 square meters. The Group hosted more than 12 education institutions with a student population of 12,000 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 C2 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 2024. 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### GOVERNANCE STRUCTURE

#### 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.

#### 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.

#### 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 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 2024 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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>

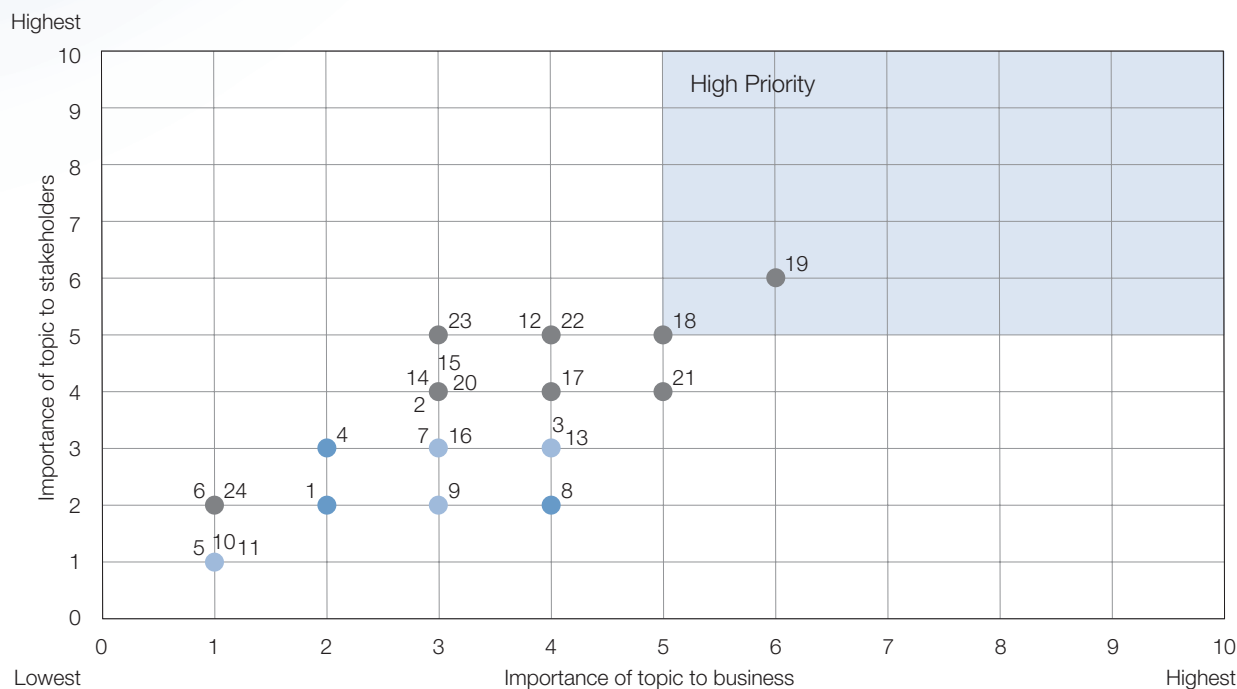
### MATERIALITY ASSESSMENT

In the Year 2024, the Group carried out materiality assessment on a number of ESG issues in order to identify which issues were crucial to the Group's business and were of the utmost concern to stakeholders. It helps the Group to ensure its business development can meet the expectations and requirements of stakeholders. The Group has identified 24 ESG issues covering environmental, social and operation, and has invited both internal and external stakeholders to assess the materiality of the ESG issues through a scoring tool and interviews. The Group's management has reviewed the ranking of materiality of the ESG issues and then disclosed the results in this report. The results of materiality assessment prioritised stakeholder inputs and made the Group focused on the material aspects for actions, achievements and reporting.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group’s materiality matrix of ESG issues in Year 2024:



### 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

### Social issues

8. Community contribution
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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 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 2024 and Year 2023 (defined as the year ended June 30, 2023) are shown in the table below:

Environmental indicators	Unit	Year 2024	Year 2023
<b>Air emissions</b> <i>(Note 1)</i>			
Nitrogen oxides (NO <sub>x</sub> ) emissions	Kg	<b>16.41</b>	16.33
Sulphur oxides (SO <sub>x</sub> ) emissions	Kg	<b>0.03</b>	0.03
Particulate matter (PM) emissions	Kg	<b>1.57</b>	1.56
<b>GHG emissions</b>			
Total GHG emissions <i>(Note 2)</i>	Tonnes CO <sub>2</sub> e	<b>530.98</b>	600.39
GHG emissions intensity	Kg CO <sub>2</sub> e/square meter of campus site	<b>1.27</b>	1.26
Direct emissions (Scope 1)	Tonnes CO <sub>2</sub> e	<b>6.23</b>	5.85
Indirect emissions (Scope 2) <i>(Note 3)</i>	Tonnes CO <sub>2</sub> e	<b>497.12</b>	583.68
Other indirect emissions (Scope 3) <i>(Note 3,4)</i>	Tonnes CO <sub>2</sub> e	<b>27.63</b>	10.86
<b>Waste</b>			
Total non-hazardous waste produced <i>(Note 5)</i>	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 <i>(Note 6)</i>	Tonnes	<b>N/A</b>	N/A
Hazardous waste produced intensity	Tonnes/square meter of campus site	<b>N/A</b>	N/A

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*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 0.9714 kg CO<sub>2</sub>/kWh, which are sourced from The Ministry of Ecology and Environment of People's Republic of China (2021). The figures are calculated in accordance with the "Reporting Guidance on Environmental KPIs. The figures of Year 2023 are restated as the emission factor used for the calculation of CO<sub>2</sub>e associated with electricity purchased in Mainland China is changed in order to be in line with the calculation of the figure in the Year 2024.

*Note 4:* The electricity consumption per unit for treatment of fresh water and sewage in PRC are set at 0.596 and 0.29 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;

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- 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	Achieved
SO <sub>x</sub> emissions intensity	Reduce 3% by Year 2024	Year 2019	Achieved
PM emissions intensity	Reduce 3% by Year 2024	Year 2019	Achieved
GHG emissions intensity	Reduce 3% by Year 2024	Year 2019	Achieved
Non-hazardous waste produced intensity	Reduce 3% by Year 2024	Year 2019	N/A
Hazardous waste produced intensity	Maintain zero generation	Year 2019	Achieved

The Group has met its reduction targets on air emissions, GHG emissions and hazardous waste produced with baseline year 2019. Moving forward, the new targets are to achieve a 3% reduction by 2029 with baseline year 2024.

In Year 2024, 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 2024.

### 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

Environmental indicators	Unit	Year 2024	Year 2023
Units of diesel consumed	kWh	N/A	N/A
Units of petrol consumed <sup>(Note 1)</sup>	kWh	22,687.49	15,706.44
Units of purchased heating consumed <sup>(Note 2)</sup>	kWh	181,941.38	180,437.73
Units of purchased electricity consumed <sup>(Note 3)</sup>	kWh	511,754.00	600,861.38
Total energy consumption	kWh	716,382.87	797,005.55
Total energy consumption intensity	kWh/square meter of campus site	1.71	1.65
Amount of water consumption <sup>(Note 4)</sup>	Tonnes	3,320	7,166
Water consumption intensity	Tonnes/square meter of campus site	0.01	0.01
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 726 hours and 720 hours for Year 2024 and Year 2023 respectively.

**Note 3:** The data of purchased electricity consists of one part in Year 2024 and three parts in Year 2023:

- (i) 511,753.49 kWh and 487,404.65 kWh of electricity were consumed for PRC office and vacant buildings maintenance in Year 2024 and Year 2023 respectively;
- (ii) 61,866.21 kWh of electricity were consumed for a heat exchange station for delivering heating to customers after the secondary pressurisation by OUC in Year 2023; and
- (iii) 51,590.52 kWh of electricity were consumed for a water pump house for supplying water to customers after the secondary pressurisation by OUC in Year 2023.

Since the heat exchange station and water pump house have been transferred to other party, no related electricity consumption in Year 2024.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*Note 4:* The data of water consumption consists of one part in Year 2024 and two parts in Year 2023:

- (i) 3,320 tonnes and 1,257 tonnes were used for PRC office and vacant buildings maintenance in Year 2024 and Year 2023 respectively; and
- (ii) 5,909 tonnes were used for a heat exchange station for delivering heating to customers after the secondary pressurisation by OUC in Year 2023.

Since the heat exchange station has been transferred to other party, no related water consumption in Year 2024.

*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 2024, 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	Achieved
Water consumption intensity	Reduce 3% by Year 2024	Year 2019	Achieved

The Group has met its energy and water consumption reduction targets with baseline year 2019. Moving forward, the new targets are to achieve a 3% reduction by 2029 with baseline year 2024.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### The 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



▲ Campus environment

### 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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.

### 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.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As of June 30, 2024, the total number of employees being employed by the Group in the PRC was 39 (2023: 26). Summaries of the composition of the employees for the Year 2024 are disclosed as follows:

The composition of the employees by categories	Unit	Year 2024	Year 2023
<b>Workforce by gender</b>			
Male	No. of employees	26(67%)	16(62%)
Female	No. of employees	13(33%)	10(38%)
<b>Workforce by employment type</b>			
Part time	No. of employees	–	–
Full time	No. of employees	39(100%)	26(100%)
<b>Workforce by age group</b>			
Under 30 years old	No. of employees	–	–
30 to 50 years old	No. of employees	21(54%)	16(62%)
Over 50 years old	No. of employees	18(46%)	10(38%)
<b>Workforce by geographical region</b>			
Hong Kong	No. of employees	–	–
Mainland China	No. of employees	39(100%)	26(100%)

As of June 30, 2024, employee turnover rate by categories for the Year 2024 are disclosed as follows:

Employee turnover rate by categories	Year 2024	Year 2023
<b>Employee turnover rate by gender <sup>(Note 1)</sup></b>		
Male	–	13%
Female	–	10%
<b>Employee turnover rate by age group <sup>(Note 1)</sup></b>		
Under 30 years old	–	–
30 to 50 years old	–	–
Over 50 years old	–	30%
<b>Employee turnover rate by geographical region <sup>(Note 1)</sup></b>		
Hong Kong	–	–
Mainland China	–	12%

*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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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 2024, 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 2024.

### 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Year 2024, 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 2024</b>	Year 2023	Year 2022
Number of work-related fatalities	–	–	–
Rate of work-related fatalities (%)	–	–	–
<b>Work-related fatalities occurred</b>	<b>Year 2024</b>	Year 2023	
Lost days due to work injury	–	–	–

In Year 2024, 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 2024.

### 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 2024 are listed as follows:

<b>Percentage of employees trained by categories</b>	<b>Year 2024</b>	Year 2023
<b>Percentage of employee trained</b> <sup>(Note 1)</sup>	<b>100%</b>	100%
<b>By gender</b> <sup>(Note 2)</sup>		
Male	<b>67%</b>	62%
Female	<b>33%</b>	38%
<b>By employee category</b> <sup>(Note 2)</sup>		
Senior Level	<b>10%</b>	14%
Middle Level	<b>25%</b>	43%
Entry Level	<b>65%</b>	43%

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*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.

The average training hours per employee by categories during the Year 2024 are listed as follows:

Average training hours of employees by categories	Unit	Year 2024	Year 2023
Average training hours per employee <sup>(Note 1)</sup>	Hour	12	12
Average training hours by gender <sup>(Note 2)</sup>			
Male	Hour	12	12
Female	Hour	12	12
Average training hours by employee category <sup>(Note 2)</sup>			
Senior Level	Hour	12	12
Middle Level	Hour	12	12
Entry Level	Hour	12	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 2024, 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 2024.

### 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 2024, 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 2024, the number of major suppliers by geographical region is as follows:

Suppliers by geographical region	Year 2024	Year 2023
The PRC	3	3

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 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 2024. 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 2024, 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 2024.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 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.

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 cases regarding corrupt practices in Year 2024.

In Year 2024, 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 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>	<p>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:</p> <p>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	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>	<p>General Disclosure: Information on below relating to bribery, extortion, fraud and money laundering:</p> <p>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	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

## INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288  
Fax: +852 2815 2239  
[www.bdo.com.hk](http://www.bdo.com.hk)

25<sup>th</sup> Floor Wing On Centre  
111 Connaught Road Central  
Hong Kong

電話 : +852 2218 8288  
傳真 : +852 2815 2239  
[www.bdo.com.hk](http://www.bdo.com.hk)

香港干諾道中111號  
永安中心25樓

### TO THE MEMBERS OF ORIENTAL UNIVERSITY CITY HOLDINGS (H.K.) LIMITED

(Incorporated in Hong Kong with limited liability)

#### OPINION

We have audited the consolidated financial statements of Oriental University City Holdings (H.K.) Limited (the “Company”) and its subsidiaries (hereafter referred to as the “Group”) set out on pages 81 to 154, which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT

### VALUATION OF INVESTMENT PROPERTIES

Refer to Notes 4(f), 5(b) and 15(a) to the consolidated financial statements.

The Group's investment properties were carried at fair value of RMB1,533,592,000 as at June 30, 2024 which was based on valuations performed by an independent firm of professionally qualified valuers.

Investment properties were material to the consolidated financial statements of the Group. Fair value was generally derived by the income capitalisation method and where appropriate, by market comparison method. The valuation of investment properties requires significant judgement and estimation in determining the appropriate valuation methodology to be used and in estimating the underlying assumptions to be applied. Income capitalisation method was based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates and market rents. Market comparison method was based on comparable market transactions, as adjusted by the property-specific qualitative factors. There is a risk that the carrying amount of investment properties may be significantly changed if the valuation methodology adopted and the key assumptions and inputs applied by the valuers are varied.

### OUR RESPONSE:

During our audit, we conducted the following audit procedures, amongst others, to address this key audit matter:

- (i) evaluating the competence, capabilities and objectivity of the external valuers;
- (ii) considering the appropriateness of the methodology adopted and key assumptions and inputs applied in the valuation with the assistance of our own valuation specialist;
- (iii) checking, on a sample basis, the accuracy and relevance of the input data used; and
- (iv) assessing the adequacy of the disclosures made in the consolidated financial statements in respect of the valuation of investment properties including the relationship between the key unobservable input and fair value.

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



## INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## INDEPENDENT AUDITOR'S REPORT

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO Limited**

*Certified Public Accountants*

**Chan Tsz Hung**

Practising Certificate Number: P06693

Hong Kong, August 16, 2024

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	6	55,969	61,680
Employee costs	9	(5,455)	(4,923)
Depreciation of property, plant and equipment	14	(379)	(372)
Business taxes and surcharges		(945)	(920)
Property taxes and land use taxes		(10,503)	(12,145)
Property management fee		(3,087)	(4,598)
Repairs and maintenance		(1,331)	(1,379)
Legal and consulting fees		(5,839)	(2,413)
Impairment loss on trade receivables	31(a)	(590)	–
Other income, other gains/(losses), net	7	5,313	(13,648)
Other expenses		(3,325)	(3,347)
Share of results of associates	16	(3,130)	(2,846)
		<hr/>	<hr/>
Operating profit before impairment and fair value changes		26,698	15,089
Reversal of impairment loss on an associate	16	–	2,652
Fair value losses on investment properties	15	(93,813)	(16,838)
		<hr/>	<hr/>
Operating (loss)/profit		(67,115)	903
Interest expense on bank borrowings		(16,428)	(14,905)
Interest income		15	78
		<hr/>	<hr/>
<b>Loss before income tax</b>	8	<b>(83,528)</b>	(13,924)
Income tax:	12		
Current tax		(4,856)	(12,619)
Deferred tax		13,808	3,164
		<hr/>	<hr/>
<b>Loss for the year</b>		<b>(74,576)</b>	(23,379)
<b>Other comprehensive income</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences from translation of foreign operations		(3,650)	115
Share of other comprehensive income of associates	16	(665)	8,965
Release of exchange reserve upon deemed disposal of an associate		(9,048)	–
		<hr/>	<hr/>
Other comprehensive income for the year		(13,363)	9,080
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>(87,939)</b>	(14,299)
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 RMB'000	2023 RMB'000
<b>Loss attributable to</b>			
– Owners of the Company		(73,861)	(23,017)
– Non-controlling interests		(715)	(362)
		<u>(74,576)</u>	<u>(23,379)</u>
<b>Total comprehensive income attributable to</b>			
– Owners of the Company		(87,224)	(13,937)
– Non-controlling interests		(715)	(362)
		<u>(87,939)</u>	<u>(14,299)</u>
Loss per share for loss attributable to the owners of the Company during the year	13		
– Basic (RMB per share)		<u>(0.41)</u>	<u>(0.13)</u>
– Diluted (RMB per share)		<u>(0.41)</u>	<u>(0.13)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	14	4,388	4,707
Investment properties	15	1,533,592	1,458,878
Interests in associates	16(a)	12,160	46,643
Other receivables	18	1,595	–
Prepayments	17	37,471	72,336
Pledged bank deposit	20(e)	7,973	–
Total non-current assets		1,597,179	1,582,564
<b>Current assets</b>			
Trade and other receivables	18	23,950	12,004
Amount due from an associate	16(b)	–	33,406
Tax recoverable		–	31
Cash and cash equivalents		69,664	63,752
		93,614	109,193
Assets classified as held for sale	15(d)	110,000	–
Total current assets		203,614	109,193
<b>Current liabilities</b>			
Trade and other payables and accruals	19	129,032	12,335
Advances from customers		6,102	6,054
Bank borrowings, secured	20	71,135	68,323
Current tax liabilities		4,241	2,314
Total current liabilities		210,510	89,026
<b>Net current (liabilities)/assets</b>		<b>(6,896)</b>	<b>20,167</b>
<b>Total assets less current (liabilities)/assets</b>		<b>1,590,283</b>	<b>1,602,731</b>
<b>Non-current liabilities</b>			
Amount due to RE Group	19	52,574	–
Bank borrowings, secured	20	219,138	193,142
Deferred tax liabilities	21	173,064	176,143
Total non-current liabilities		444,776	369,285
<b>NET ASSETS</b>		<b>1,145,507</b>	<b>1,233,446</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	22	290,136	290,136
Reserves	23	845,472	932,696
		<u>1,135,608</u>	<u>1,222,832</u>
<b>Non-controlling interests</b>		<u>9,899</u>	<u>10,614</u>
<b>TOTAL EQUITY</b>		<u><u>1,145,507</u></u>	<u><u>1,233,446</u></u>

On behalf of the Board

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**Chew Hua Seng**  
*Chairman and Executive Director*

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**Liu Ying Chun**  
*Chief Executive Officer and Executive Director*

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	Reserves					Equity attributable to owners of the Company	Non-controlling interests	Total
	Share capital	Other reserves	Statutory surplus reserve	Retained profits	Exchange reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 22)	(Note 23)	(Note 23)		(Note 23)			
<b>Balance at July 1, 2022</b>	290,136	(71,025)	1,418	1,017,658	(1,418)	1,236,769	10,976	1,247,745
Loss for the year	-	-	-	(23,017)	-	(23,017)	(362)	(23,379)
Exchange differences from translation of foreign operations	-	-	-	-	115	115	-	115
Share of other comprehensive income of associates	-	-	-	-	8,965	8,965	-	8,965
Total comprehensive income for the year	-	-	-	(23,017)	9,080	(13,937)	(362)	(14,299)
Transfer to statutory surplus reserve	-	-	92	(92)	-	-	-	-
<b>Balance at June 30 and July 1, 2023</b>	<b>290,136</b>	<b>(71,025)</b>	<b>1,510</b>	<b>994,549</b>	<b>7,662</b>	<b>1,222,832</b>	<b>10,614</b>	<b>1,233,446</b>
Loss for the year	-	-	-	(73,861)	-	(73,861)	(715)	(74,576)
Exchange differences from translation of foreign operations	-	-	-	-	(3,650)	(3,650)	-	(3,650)
Share of other comprehensive income of an associate	-	-	-	-	(665)	(665)	-	(665)
Release of exchange reserve upon deemed disposal of an associate	-	-	-	-	(9,048)	(9,048)	-	(9,048)
Total comprehensive income for the year	-	-	-	(73,861)	(13,363)	(87,224)	(715)	(87,939)
<b>Balance at June 30, 2024</b>	<b>290,136</b>	<b>(71,025)</b>	<b>1,510</b>	<b>920,688</b>	<b>(5,701)</b>	<b>1,135,608</b>	<b>9,899</b>	<b>1,145,507</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>Cash flows from operating activities</b>			
Loss before income tax		(83,528)	(13,924)
Adjustments for:			
Interest income		(15)	(78)
Interest expense on bank borrowings		16,428	14,905
Depreciation of property, plant and equipment	14	379	372
Fair value losses on investment properties	15	93,813	16,838
Share of results of associates	16	3,130	2,846
Loss on disposal of investment properties	7	–	18,234
Reversal of impairment loss on an associate	16	–	(2,652)
Unrealised net foreign exchange gains		–	(3,620)
Gain from a bargain purchase	7	(2,352)	–
		<hr/>	<hr/>
<b>Operating profit before working capital changes</b>		<b>27,855</b>	<b>32,921</b>
(Increase)/decrease in trade and other receivables		(6,584)	7,009
Increase/(decrease) in trade and other payables and accruals		4,349	(1,126)
Decrease in advances from customers		(4,011)	(466)
		<hr/>	<hr/>
<b>Cash generated from operations</b>		<b>21,609</b>	<b>38,338</b>
Income taxes paid		(5,262)	(10,338)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>16,347</b>	<b>28,000</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Cash flows from investing activities</b>			
Interest received		15	78
Release of restricted cash		–	2,678
Decrease in prepayments		44,454	–
Prepayments made for investment properties		(9,589)	(54,327)
Purchase of property, plant and equipment and investment properties		(8,446)	(17,460)
Proceeds from disposal of investment properties		–	93,726
Deposit received for the assets held for sale		110,000	–
Advances to related companies		(2,300)	(66)
Received from related companies		–	63
Acquisition of a subsidiary (Note 33)		(93,259)	–
		<hr/>	<hr/>
<b>Net cash generated from investing activities</b>		<b>40,875</b>	<b>24,692</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 RMB'000	2023 RMB'000
<b>Cash flows from financing activities</b>	32		
Proceeds from bank borrowings		20,000	50,000
Repayment of bank borrowings		(54,405)	(22,636)
Interest expense on bank borrowings		(16,428)	(14,905)
Repayments to related companies		–	(6,051)
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities		(50,833)	6,408
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net increase in cash and cash equivalents</b>		6,389	59,100
<b>Cash and cash equivalents at beginning of year</b>		63,752	4,713
Effect of foreign exchange rate changes, net		(477)	(61)
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>		<b>69,664</b>	<b>63,752</b>
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Analysis of the balances of cash and cash equivalents			
Cash at banks and in hand		69,664	13,748
Restricted bank deposit*		–	50,004
		<hr/>	<hr/>
		<b>69,664</b>	<b>63,752</b>
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

\* As at June 30, 2023, bank balances that are placed in restricted bank accounts can only be applied in renovation/refurbishment of investment properties projects, of which the bank deposits are held for meeting short-term cash commitments of the Group and are included in cash and cash equivalents. The restricted bank balances carrying interest at interest rate of 0.35% per annum.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 1. GENERAL

Oriental University City Holdings (H.K.) Limited (the “Company”) is a limited liability company incorporated in Hong Kong. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section in the annual report. The Group, comprising the Company and its subsidiaries, is mainly engaged in the provision of education facilities leasing services in the People’s Republic of China (the “PRC”), Malaysia and Indonesia. In addition, the Group engaged in renting, leasing and managing of hotel properties in Switzerland.

The directors of the Company (the “Directors”) consider that the Company’s ultimate parent is Raffles Education Limited (“RE”), a company incorporated in Singapore, whose shares are listed on Singapore Exchange Securities Trading Limited). The subsidiaries of RE excluding the Group, are collectively referred to as the RE Group.

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (a) Adoption of revised HKFRSs – effective July 1, 2023

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

Except for the below, the application of the new and amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### *Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2*

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

#### (b) New and amendments to HKFRSs that have been issued but are not yet effective

The following new and amendments to HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) (“2020 Amendments”) <sup>1, 3</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants (“2022 Amendments”) <sup>3</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>6</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>6</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2024

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2025

<sup>3</sup> As a consequence of the 2020 Amendments and 2022 Amendments, HK Int 5 Presentation of Financial Statements- Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

<sup>4</sup> No mandatory effective date yet determined but available for adoption

<sup>5</sup> Effective for annual reporting periods beginning on or after January 1, 2026

<sup>6</sup> Effective for annual periods beginning on or after January 1, 2027

*Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (Revised), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current clarify that the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that an entity will exercise its right to defer settlement of a liability. The amendments also clarify the situations that are considered a settlement of a liability.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

#### (b) New and amendments to HKFRSs that have been issued but are not yet effective – *Continued*

*Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (Revised), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Continued*

In 2022, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) issued the 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively. Earlier application is permitted.

The Directors do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

*Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements*

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk in response to investors’ concerns that some entities’ SFA are not sufficiently visible, hindering investors’ analysis.

The Directors do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

*Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture. The amendments are to be applied prospectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

#### (b) New and amendments to HKFRSs that have been issued but are not yet effective – *Continued*

*Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Continued*

The Directors do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

#### *HKFRS 18 – Presentation and Disclosure in Financial Statements*

HKFRS 18 introduces the following three sets of new requirements to improve entities’ reporting of financial performance and give investors a better basis for analysing and comparing entities:

- Presentation of new defined subtotals in the statement of profit or loss;
- Disclosures about management-defined performance measures; and
- Enhanced requirements for grouping (aggregation and disaggregation) of information.

HKFRS 18 supersedes HKAS 1 Presentation of Financial Statements. Requirements in HKAS 1 that are unchanged have been transferred to HKFRS 18, HKAS 8 Basis of Preparation of Financial Statements (formerly known as HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors) and HKFRS 7 Financial Instruments: Disclosures.

The Directors anticipate that the application of HKFRS 18 has no impact on the Group’s financial positions and performance in foreseeable future, but has impact on presentation of the consolidated statement of profit or loss and other comprehensive income.

#### *HKFRS 19 – Subsidiaries without Public Accountability: Disclosures*

In July 2024, the HKICPA issued HKFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’, effective for annual reporting periods beginning on or after January 1, 2027. The new accounting standard aims at simplifying financial reporting for eligible subsidiary companies by allowing reduced disclosures.

The Group is currently assessing whether this would be applicable to any subsidiaries of the Company and will consider stakeholder’s information needs when deciding whether HKFRS 19 will be applied within those entities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – *Continued*

#### (b) New and amendments to HKFRSs that have been issued but are not yet effective – *Continued*

##### *Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments*

Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosures include clarifying the classification of financial assets with environmental, social and corporate governance (“ESG”) and other similar features; clarifying the date on which a financial asset or financial liability is derecognised; introducing an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if specified criteria are met; clarifying the requirements for classifying financial assets with non-recourse features and contractually linked instruments; and additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example, features tied to ESG-linked targets.

The Directors do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

### 3. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).

#### (b) Basis of measurement and going concern basis

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and assets classified as held for sale, which are measured at fair values as explained in the accounting policies set out below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 3. BASIS OF PREPARATION – *Continued*

#### (b) Basis of measurement and going concern basis – *Continued*

During the year ended June 30, 2024, the Group incurred a loss of RMB74,576,000 which is included fair value losses on investment properties of RMB93,813,000; and at the end of the reporting period, the Group had net current liabilities of RMB6,896,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and the Directors have assessed the situation and taken the following measures to improve the financial position and liquidity of the Group:

- (a) The current liabilities included (i) the deposits received from the purchaser of property held for sale of RMB110,000,000 (Note 15(d)). The Directors considered that the completion of the disposal of property will be completed in the first quarter of the financial year ending June 30, 2025; and (ii) advances from customers of RMB6,102,000, which will be recognised as revenue with the passage of time in accordance with the terms of the rental agreements.
- (b) Subsequent to the reporting date, the Group obtained a new bank loan of RMB16,644,000, this bank loan will be repaid by 60 monthly instalments till August 2029.

The Directors are of the opinion that as a result of the above considerations, the Group will have sufficient working capital to meet its cash flows requirements in the next twelve months from the end of the reporting period. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

### 4. ACCOUNTING POLICIES

#### (a) Subsidiary

##### *Consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of reporting period. A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is consolidated from the date on which control is transferred to the Group. It is de-consolidated from the date that control ceases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (a) **Subsidiary** – *Continued*

##### *Consolidation – Continued*

##### (i) *Business combination*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition-date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

##### *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (b) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interests in the associates are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associates. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associate are accounted for by the Company on the basis of dividends received and receivable during the year.

#### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's executive directors, who makes strategic decisions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (c) Segment reporting – *Continued*

Segment assets exclude interests in associates and other corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. Segment liabilities exclude other corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

#### (d) Foreign currency translation

##### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

##### (iii) *Group companies*

The results and financial position of all the group companies (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each profit or loss items are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (e) Property, plant and equipment

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	Over the shorter of the lease terms of land and 50 years
Furniture, fittings and equipment	3-7 years
Machinery	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### (f) Investment properties

Investment properties, principally comprising land use rights and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases is accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss.

Any gains or losses on the retirement or disposal of an investment properties (calculated as the difference between the net disposal proceeds and the carrying amount of the asset at last reporting date) are recognised in the consolidated statement of profit or loss and other comprehensive income in the year of the retirement or disposal.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (g) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, the recoverable amount of assets are estimated individually. When it is not possible to estimate the recoverable amount individually, these assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (h) Financial instruments

##### (i) *Financial assets*

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follow:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (h) Financial instruments – *Continued*

##### (ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit loss (“ECL”) on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information that a more lagging default criteria is more appropriate.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (h) Financial instruments – *Continued*

##### (ii) *Impairment loss on financial assets – Continued*

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due, depending on credit worth of customers.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

##### (iii) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade payables, other payables and accruals and bank borrowings, secured are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

##### (iv) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (h) Financial instruments – *Continued*

##### (v) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

#### (i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### (j) Cash and cash equivalents

Cash and cash equivalents, presented on the consolidated statement of financial position and in the consolidated statement of cash flows, include cash, which comprises of cash on hand and demand deposits, and cash equivalents. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash.

#### (k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (l) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### (i) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the entities within the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (ii) *Deferred income tax*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (l) Current and deferred income tax – *Continued*

##### (ii) *Deferred income tax – Continued*

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 “Investment Property”. Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

##### (iii) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### (m) Employee benefits

##### (i) *Retirement benefit costs*

Pursuant to the relevant local regulations in the PRC, the PRC subsidiary of the Company participate in government defined contribution retirement benefit schemes and is required to contribute to the scheme to fund the retirement benefits of the eligible employees. Contributions made to the schemes are calculated based on certain percentages of the applicable payroll costs or fixed sums for each employee with reference to a salary scale, as stipulated under the requirements in the PRC. The Group has no further obligation beyond the required contributions. All contributions made to the schemes are not refundable or forfeitable. The contributions under the schemes are expensed as incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (m) Employee benefits – *Continued*

##### (ii) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of reporting period are discounted to present value.

##### (iii) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (o) Revenue recognition

Rental and interest income which are derived from the Group's ordinary course of business are presented as revenue.

##### *Rental income*

Rental income received and receivable from investment properties is recognised in profit or loss on a straight-line basis over the term of lease. Contingent rental income, representing income over and above base rent, such as turnover rent, is recognised according to the terms of the lease agreements when the amount can be reliably measured, in the accounting period in which it is earned.

##### *Interest income*

Interest income is recognised using the effective interest method.

#### (p) Leases

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

##### *Accounting as a lessor*

The Group has leased out its investment property to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 4. ACCOUNTING POLICIES – *Continued*

#### (q) Non-current assets held for sale

Non-current assets are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for investment properties which continue to be measured in accordance with the accounting policies as set out in Note 4(f) to the consolidated financial statements.

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) Impairment of financial assets

The Group makes allowance for impairment on financial assets based on assumptions about probability of default and loss given default. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculations, based on the Group's historical credit loss experience, existing market conditions as well as forward-looking estimates at the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY –

*Continued*

#### (b) Valuation of investment properties

The fair value of each investment property is individually determined at the end of each reporting period by independent valuer. The valuer has relied on the income capitalisation method and where appropriate, by market comparison method.

##### *Income capitalisation method*

Fair value is based on capitalisation of rental derived from the prevailing market rents of the investment properties at appropriate capitalisation rates, along with an estimate of the reversionary or terminal value anticipated at the end of the projection. Prevailing market rent is estimated based on independent valuer's view of recent lettings, within the subject properties and other comparable properties.

##### *Market comparison method*

Market Direct comparison approach makes reference to the comparable sales evidence in the relevant locality with adjustments made to reflect the differences in size, location, tenure, condition, prevailing market conditions and all other relevant factors affecting its use.

The carrying amount of the investment properties may be significantly changed if the valuation methodology adopted and key assumptions and inputs applied in the valuation are varied. Further details about in fair value assessment of investment properties set out in Note 15.

#### (c) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provision in the period in which such determination is made.

For the purposes of measuring deferred taxes arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised the deferred taxes on changes in fair value of all investment properties at enterprise income tax rate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 6. SEGMENT REPORTING AND REVENUE

The executive directors of the Company, who are the CODM of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategic decisions.

Management regularly reviews the operating results from a service category perspective. During the year, the Group commenced the business engaging in hotel leasing along with the acquisition of 75.39% of the equity interest in 4 Vallees as set out in note 33, and it is considered as a new operating and reportable segment by the CODM. The Group currently has two reportable segments: (i) education facilities leasing services in the PRC, Malaysia and Indonesia, and (ii) leasing and managing of hotel properties in Switzerland. Prior year segment disclosures have been represented to conform with the current year's presentation. Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar transaction.

Analysis of revenue by category for the year is as follows:

	2024 RMB'000	2023 RMB'000
Revenue arising from leases within scope of HKFRS 16:		
Education facilities leasing	49,293	58,154
Commercial leasing for supporting facilities	2,779	3,526
	<hr/> 52,072	<hr/> 61,680
Hotel properties		
– Fixed lease payments	2,940	–
– Variable lease payments that do not depend on an index or a rate	957	–
	<hr/> 55,969	<hr/> 61,680
	<hr/> <hr/> 55,969	<hr/> <hr/> 61,680

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 6. SEGMENT REPORTING AND REVENUE – Continued

For the year ended June 30, 2024

	Education facilities leasing service RMB'000	Hotel leasing RMB'000	Unallocated RMB'000	Total RMB'000
Revenue from external customers	52,072	3,897	–	55,969
Interest income	14	–	1	15
Net fair value loss on investment properties	(90,646)	(3,167)	–	(93,813)
Finance costs	(15,536)	(892)	–	(16,428)
Employee costs	(4,185)	(736)	(534)	(5,455)
Depreciation	(379)	–	–	(379)
Business taxes and surcharges	(442)	(503)	–	(945)
Property taxes and land use taxes	(10,242)	(261)	–	(10,503)
Property management fee	(2,880)	(207)	–	(3,087)
Repairs and maintenance	(1,216)	(115)	–	(1,331)
Legal and consulting fees	(4,088)	(850)	(901)	(5,839)
Impairment loss on trade receivables	(590)	–	–	(590)
Other income, other (losses)/gains, net	2,634	2,679	–	5,313
Other expenses	(2,447)	(185)	(693)	(3,325)
Share of results of associates	–	–	(3,130)	(3,130)
<b>Loss before income tax</b>	<b>(77,931)</b>	<b>(340)</b>	<b>(5,257)</b>	<b>(83,528)</b>

Other information:

Additions to property, plant and equipment	104	–	104
Additions to investment properties	8,342	–	8,342
Segment assets	1,499,852	288,504	1,788,356
Segment liabilities	(484,297)	(170,103)	(654,400)

	Education facilities leasing service RMB'000	Hotel leasing RMB'000	Total RMB'000
Additions to property, plant and equipment	104	–	104
Additions to investment properties	8,342	–	8,342
Segment assets	1,499,852	288,504	1,788,356
Segment liabilities	(484,297)	(170,103)	(654,400)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 6. SEGMENT REPORTING AND REVENUE – *Continued*

For the year ended June 30, 2023 (Represented)

	Education facilities leasing service RMB'000	Unallocated RMB'000	Total RMB'000
Revenue from external customers	61,680	–	61,680
Interest income	76	2	78
Net fair value loss on investment properties	(16,838)	–	(16,838)
Finance costs	(14,905)	–	(14,905)
Employee costs	(4,408)	(515)	(4,923)
Depreciation	(372)	–	(372)
Business taxes and surcharges	(920)	–	(920)
Property taxes and land use taxes	(12,145)	–	(12,145)
Property management fee	(4,598)	–	(4,598)
Repairs and maintenance	(1,379)	–	(1,379)
Legal and consulting fees	(1,613)	(800)	(2,413)
Other income, other (losses)/gains, net	(17,268)	3,620	(13,648)
Other expenses	(3,347)	–	(3,347)
Share of results of associates	–	(2,846)	(2,846)
Reversal of impairment loss on an associate	–	2,652	2,652
	<u>          </u>	<u>          </u>	<u>          </u>
Loss before income tax	(16,037)	2,113	(13,924)
	<u>          </u>	<u>          </u>	<u>          </u>
			Education facilities leasing service RMB'000
Other information:			
Additions to property, plant and equipment			263
Additions to investment properties			17,197
Segment assets			1,611,064
Segment liabilities			<u>(456,067)</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 6. SEGMENT REPORTING AND REVENUE – *Continued*

Reconciliations of reportable segment assets and liabilities to the total assets and total liabilities in the consolidated statement of financial position.

	2024 RMB'000	2023 RMB'000 (Represented)
<b>Assets</b>		
Total assets for reportable segments	1,788,356	1,611,064
Investments in associates	12,160	46,643
Unallocated assets	277	34,050
Consolidated total assets	<u>1,800,793</u>	<u>1,691,757</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	(654,400)	(456,067)
Unallocated liabilities	(886)	(2,244)
Consolidated total liabilities	<u>(655,286)</u>	<u>(458,311)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 6. SEGMENT REPORTING AND REVENUE – *Continued*

#### Information about geographical areas

Analysis of revenue by countries for the year is as follows:

	2024 RMB'000	2023 RMB'000
Revenue within scope of HKFRS 16:		
– PRC	46,519	55,277
– Non-PRC (Malaysia, Indonesia and Switzerland)	9,450	6,403
	<u>55,969</u>	<u>61,680</u>

Analysis of non-current assets by locations of assets as at June 30, 2024 is as follows:

	2024 RMB'000	2023 RMB'000
The PRC	1,158,000	1,386,950
Switzerland	283,055	–
Southeast Asia (Malaysia and Indonesia)	115,534	122,027
Others	40,590	73,587
	<u>1,597,179</u>	<u>1,582,564</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 6. SEGMENT REPORTING AND REVENUE – *Continued*

#### Information about major customers

The Group's revenue was derived from the following external customers that individually contributed more than 10% of the Group's revenue for the year:

	2024 RMB'000	2023 RMB'000
College A	17,521	17,778
College B	10,631	10,067
College C	Not applicable <sup>1</sup>	6,775
College D	Not applicable <sup>1</sup>	6,487
RE Group	Not applicable <sup>1</sup>	6,403

<sup>1</sup> The corresponding revenue did not contribute 10% of the total revenue of the Group for the respective period.

### 7. OTHER INCOME, OTHER GAINS/(LOSSES), NET

	2024 RMB'000	2023 RMB'000
Net foreign exchange gains	2,672	3,620
Gain from a bargain purchase (Note 33)	2,352	–
Loss on disposal of investment properties	–	(18,234)
Others	289	566
Government grants (Note)	–	400
	<b>5,313</b>	<b>(13,648)</b>

Note:

For the year ended June 30, 2023, government grants had been received from Langfang Economics and Technological Development Zone Management Committee (“ 廊坊經濟技術開發區管理委員會”, English name is for identification purpose only) in relation to the outstanding contribution made to the society by the PRC subsidiary. There were no unfulfilled conditions or contingencies relating to this grant.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 8. LOSS BEFORE INCOME TAX

This is arrived at after charging:

	2024 RMB'000	2023 RMB'000
Auditor's remuneration	901	1,200
Direct operating expenses arising from investment properties that generated rental income during the year	14,289	12,368
Direct operating expenses arising from investment properties that did not generate rental income during the year	6,498	8,136
	<u>21,688</u>	<u>21,704</u>

### 9. EMPLOYEE COSTS

	2024 RMB'000	2023 RMB'000
Employee costs (including directors' emoluments) comprise:		
Wages and salaries	4,280	3,838
Other allowances and benefits	433	624
Contributions to defined contribution retirement plans	742	461
	<u>5,455</u>	<u>4,923</u>

Note:

For the years ended June 30, 2023 and 2024, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at June 30, 2023 and 2024, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the government defined contribution retirement benefit scheme.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 10. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance, Cap. 622 and the Companies (Disclosure of Information about Benefits of Directors) Regulation, Cap. 622G is as follows:

2024	Fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonuses RMB'000	Contributions to retirement benefits scheme RMB'000	Total RMB'000
<b>Executive Director</b>					
Chew Hua Seng	-	-	-	-	-
Liu Ying Chun	-	307	-	-	307
<b>Non-executive Director</b>					
Ms. Geng Yu (Note (ii))	-	-	-	-	-
<b>Independent Non-executive Director</b>					
Wilson Teh Boon Piaw	183	-	-	-	183
Tan Yeow Hiang, Kenneth	183	-	-	-	183
Liu Guilin (Note (i))	168	-	-	-	168
	<u>534</u>	<u>307</u>	<u>-</u>	<u>-</u>	<u>841</u>

2023

<b>Executive Director</b>					
Chew Hua Seng	-	-	-	-	-
Liu Ying Chun	-	318	-	-	318
<b>Independent Non-executive Director</b>					
Wilson Teh Boon Piaw	179	-	-	-	179
Tan Yeow Hiang, Kenneth	179	-	-	-	179
Guo Shaozeng (Note (iii))	149	-	-	-	149
	<u>507</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>825</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 10. DIRECTORS' EMOLUMENTS – *Continued*

No director waived any emolument during the years ended June 30, 2023 and 2024.

During the years ended June 30, 2023 and 2024, Mr. Chew Hua Seng, a director of the Company, is also a director of RE, whose emoluments were borne by RE.

Note:

- (i) Mr. Liu Guilin was appointed as an independent non-executive director on July 25, 2023.
- (ii) Ms. Geng Yu was appointed as a non-executive director with effect from May 24, 2024.
- (iii) Mr. Guo Shaozeng resigned as an independent non-executive director on April 30, 2023.

### 11. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, one (2023: one) was director of the Company whose emolument is included in the disclosures in Note 10 above. The emoluments of the remaining four (2023: four) individuals were as follows:

	2024 RMB'000	2023 RMB'000
Salaries and other benefits	1,332	1,367
Contributions to defined contribution retirement plans	52	91
	<u>1,384</u>	<u>1,458</u>

Their emoluments fell within the following band:

	2024 Number of Individuals	2023 Number of individuals
HK\$Nil to HK\$1,000,000 (equivalent to approximately RMB922,600 (2023: RMB925,300))	<u>4</u>	<u>4</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 12. INCOME TAX

The amount of income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 RMB'000	2023 RMB'000
Current tax for the year		
– PRC corporate income tax	394	2,239
– Others	275	238
– Withholding tax on dividend income	884	–
– PRC land appreciation tax	–	10,142
	<u>1,553</u>	<u>12,619</u>
Under provision in respect of prior years	3,303	–
	<u>4,856</u>	<u>12,619</u>
Deferred tax (Note 21)	(13,808)	(3,164)
	<u>(8,952)</u>	<u>9,455</u>

#### PRC corporate income tax

The corporate income tax rate applicable to the Group's entities located in the PRC (the "PRC Subsidiaries") is 25% pursuant to the Corporate Income Tax Law of the PRC (the "PRC CIT of Law").

#### PRC land appreciation tax

A PRC subsidiary is also subject to PRC land appreciation tax which is levied at progressive rates on the appreciation of land value with certain allowance deductions.

#### PRC withholding income tax

According to the PRC CIT Law, starting from January 1, 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after January 1, 2008. A lower withholding tax rate of 5% may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfill requirements under the tax treaty arrangements between the PRC and Hong Kong.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 12. INCOME TAX – *Continued*

#### Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Group did not have assessable profit in Hong Kong during the current and prior years.

#### Others

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

#### Deferred tax

Deferred tax credited for the year mainly from the derecognition of deferred tax liabilities arising from disposal of investment properties.

The income tax for the year can be reconciled to the loss before income tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 RMB'000	2023 RMB'000
Loss before income tax	<u>(83,528)</u>	<u>(13,924)</u>
Tax calculated at applicable domestic tax rates	(20,466)	(3,847)
Tax effect of share of results of associates	1,100	854
Tax effect of expenses not deductible for tax purposes	7,291	11,488
Tax effect of revenue not taxable for tax purposes	(1,434)	(1,389)
Utilisation of tax loss not recognised	–	(7,793)
Tax effect of PRC land appreciation tax	–	10,142
Tax effect of withholding tax on dividends	884	–
Under-provision in respect of prior years	3,303	–
Others	370	–
Income tax	<u><u>(8,952)</u></u>	<u><u>9,455</u></u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 13. LOSS PER SHARE

#### (a) Basic

The calculation of basic loss per share is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

	2024	2023
Loss attributable to owners of the Company (RMB'000)	<u>(73,861)</u>	<u>(23,017)</u>
Weighted average number of ordinary shares in issue (thousands)	<u>180,000</u>	<u>180,000</u>

#### (b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company did not have any potential ordinary shares outstanding during the years ended June 30, 2023 and 2024. Diluted loss per share are equal to basic loss per share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Furniture, fittings and equipment RMB'000	Machinery RMB'000	Total RMB'000
<b>Cost</b>				
At July 1, 2022	5,074	3,908	8,635	17,617
Additions	–	263	–	263
Disposals	–	(2)	–	(2)
Exchange alignment	–	76	–	76
	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2023	5,074	4,245	8,635	17,954
Additions	–	77	27	104
Disposals	–	(49)	–	(49)
Exchange alignment	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2024	<u>5,074</u>	<u>4,273</u>	<u>8,662</u>	<u>18,009</u>
<b>Accumulated depreciation</b>				
At July 1, 2022	1,018	3,165	8,629	12,812
Depreciation	130	240	2	372
Eliminated on disposals	–	(2)	–	(2)
Exchange alignment	–	65	–	65
	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2023	1,148	3,468	8,631	13,247
Depreciation	130	247	2	379
Disposals	–	(49)	–	(49)
Exchange alignment	–	44	–	44
	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2024	<u>1,278</u>	<u>3,710</u>	<u>8,633</u>	<u>13,621</u>
<b>Net carrying value</b>				
At June 30, 2024	<u>3,796</u>	<u>563</u>	<u>29</u>	<u>4,388</u>
At June 30, 2023	<u>3,926</u>	<u>777</u>	<u>4</u>	<u>4,707</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 15. INVESTMENT PROPERTIES

The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is as follows:

	2024 RMB'000	2023 RMB'000
Fair value		
At beginning of year	1,458,878	1,563,593
Additions	8,342	17,197
Acquisition of a subsidiary (Note 33)	284,938	–
Disposals	–	(111,960)
Reclassified to assets held for sale (Note 15(d))	(110,000)	–
Exchange realignment	(14,753)	6,886
Change in fair value	(93,813)	(16,838)
	<hr/>	<hr/>
At end of year	<b>1,533,592</b>	<b>1,458,878</b>

#### (a) Valuation

Independent valuations of the Group's investment properties were performed by external independent firm of professionally qualified valuers, to determine the fair value of the Group's investment properties, adopting a valuation method using significant unobservable inputs (Level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the years ended June 30, 2023 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 15. INVESTMENT PROPERTIES – *Continued*

#### (a) Valuation – *Continued*

##### *Valuation basis*

The Group obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar investment leases and other contracts. Where such information is not available, the Directors consider information from a variety of sources including:

- (i) Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- (ii) Discounted cash flow projections based on reliable estimates of future cash flows.
- (iii) Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

##### *Valuation techniques*

Fair value of completed investment properties are generally derived using the income capitalisation method and market comparison method.

Income capitalisation method (term and reversionary method) largely uses observable inputs (e.g. market rent, capitalisation rate, etc.) and takes into account the significant adjustment on term yield to account for the risk upon reversionary.

Market comparison method refers to the comparable market transactions as available. The market comparison method is based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 15. INVESTMENT PROPERTIES – *Continued*

#### (a) Valuation – *Continued*

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at June 30, 2024 RMB'000	Fair value as at June 30, 2023 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Completed investment properties in the PRC	645,515	775,280	Income capitalisation method	Unit monthly rent (RMB/sq.m.)	Teaching: 17.5 – 19 (2023: 17.5 – 19) Dormitory: 17.5 – 18 (2023: 17.5 – 18) Retail: 17.5 (2023: 17.5)	The higher the unit monthly rent, the higher the fair value
				Capitalisation rate	8% (2023: 8%)	The higher the capitalisation rate, the lower the fair value
	499,425	562,100	Market comparison method	Market indicative transaction prices (RMB/sq.m.)	1,200 (2023: 1,200)	The higher the market indicative transaction price, the higher the fair value
Completed investment properties in Malaysia	63,962	65,180	Income capitalisation method	Unit monthly rent (Malaysian Ringgit ("RM")/psf)	4.5 (2023: 4.0 – 4.5)	The higher the unit monthly rent, the higher the fair value
				Capitalisation rate	4.25% (2023: 4.25%)	The higher the capitalisation rate, the lower the fair value
Completed investment properties in Indonesia	51,202	56,318	Market comparison method	Market indicative transaction prices (Indonesian Rupiah ("IDR")/sq.m.)	54,810,000 – 56,816,000 (2023: 54,000,000 – 56,700,000)	The higher the market indicative transaction price, the higher the fair value
Completed investment properties in Switzerland (the "swiss properties")	273,488	–	Income capitalisation method	Unit monthly rent rate (Swiss Franc ("CHF")/sq.m)	17.48 to 46.70	The higher the unit monthly rent rate, the higher the fair value
				Capitalisation rate	4%	The higher the capitalisation rate, the lower the fair value
	<b>1,533,592</b>	<b>1,458,878</b>				

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 15. INVESTMENT PROPERTIES – *Continued*

#### (a) Valuation – *Continued*

The following table summarised the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurement of investment properties.

	2024 RMB\$'000	2023 RMB\$'000
	Increase/ (decrease)	Increase/ (decrease)
Unit monthly rent of PRC properties decreased by 5%	(31,270)	(37,741)
Capitalisation rate of PRC properties decreased by 1%	61,360	75,714
Market indicative transaction prices of PRC properties decreased by 5%	(24,960)	(28,105)
Unit monthly rent of Malaysia properties decreased by 5%	(2,279)	(2,013)
Capitalisation rate of Malaysia properties decreased by 0.25%	3,039	3,251
Market indicative transaction prices of Indonesia properties decreased by 5%	(2,978)	(3,140)
Unit monthly rent of Swiss properties decreased by 5%	(8,771)	N/A
Capitalisation rate of Swiss properties decreased by 0.5%	43,056	N/A
	<u>43,056</u>	<u>N/A</u>

(b) As at June 30, 2024, the carrying amount of investment properties of RMB1,109,543,000 are pledged to secure banking facilities of the Group (2023: RMB863,298,000) (Note 20).

(c) There were no changes to the valuation techniques during the year. The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

#### (d) Assets held for sale

On March 15, 2024, the Group entered into the sales and purchase agreement with the independent third party to dispose of a property located in the PRC (the "Property") at the cash consideration of RMB110 million (the "Disposal"). As at June 30, 2024, one of the conditions precedent is not yet fulfilled and hence the Disposal is not yet completed as at June 30, 2024. Accordingly, the Property, with the carrying amount of RMB110,000,000, is classified as assets held for sale and are presented separately in the consolidated statement of financial position as at June 30, 2024. The Disposal is expected to be completed in the first quarter of the financial year ending June 30, 2025. As at June 30, 2024, the carrying amount, which is also the fair value of the Property, was determined using the income capitalisation method, which is a level 2 fair value measurement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 16. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE

#### (a) Interests in associates

	2024 RMB'000	2023 RMB'000
Share of net assets other than goodwill	9,508	43,991
Goodwill	2,652	2,652
	<hr/>	<hr/>
	12,160	46,643
Accumulated impairment loss (Note)	-	-
	<hr/>	<hr/>
Share of net assets	<b>12,160</b>	46,643
	<hr/> <hr/>	<hr/> <hr/>

Details of the associates are as follows:

Name	Place of incorporation, operation and principal activities	Notes	Percentage of ownership interest	
			2024	2023
Axiom Properties Limited ("Axiom")	Australia, property investment and development in Australia	(i)	19.01%	19.01%
4 Vallees Pte. Ltd. ("4 Vallees")	Singapore, leasing of hospitality assets and commercial real estate in Switzerland	(ii)	Not applicable	24.61%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 16. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE – *Continued*

#### (a) Interests in associates – *Continued*

Notes:

- (i) Notwithstanding that the Group's ownership interest in Axiom is less than 20%, the Group has the right to appoint representative on the board of directors of Axiom. The Directors therefore considered the Group has the power to exercise significant influence and accounted for the interest in Axiom as an associate since the date the Group has the significant influence. As at June 30, 2024, the fair value of the Group's investment in Axiom, which is listed on the Australian Securities Exchange, based on the quoted market price is RMB27,354,000 (June 30, 2023: RMB17,374,000).

During the year ended June 30, 2023, impairment of RMB2,652,000 made in prior years against the carrying amount of interests in associates had been reversed. This reversal arose due to an increase in its fair value less cost to sell by reference to its quoted market price of RMB17,374,000 as at June 30, 2023.

- (ii) On July 4, 2023, the Company, as the purchaser and RE, as the seller entered into the sales and purchase agreement pursuant to which the Company has conditionally agreed to acquire, and RE has conditionally agreed to sell 75.39% of the issued share capital of 4 Vallees, at the initial consideration of CHF11,479,000, subject to adjustment (the "Acquisition"). The Acquisition was completed in the third quarter of the financial year ended June 30, 2024 and the final consideration is CHF11,366,623 (equivalent to RMB93,337,000). After completion of the Acquisition, 4 Vallees became a wholly-owned subsidiary of the Company. Details of the Acquisition are set out in note 33 to the consolidated financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 16. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE – *Continued*

#### (a) Interests in associates – *Continued*

As at June 30, 2024

	Axiom RMB'000
<i>Reconciled to the Group's interests in associates</i>	
Gross amounts of net assets of the associate	46,701
Group's effective interest	19.01%
Group's share of net assets of the associate other than goodwill	9,508
Goodwill	2,652
	<hr/>
Group's share of net assets of the associate	12,160
	<hr/> <hr/>

For the year ended June 30, 2023

	4 Vallees RMB'000	Axiom RMB'000	Total RMB'000
<i>Reconciled to the Group's interests in associates</i>			
Gross amounts of net assets of the associates	119,650	76,511	
Group's effective interest	24.61%	19.01%	
Group's share of net assets of the associates other than goodwill	29,446	14,545	43,991
Goodwill	–	2,652	2,652
	<hr/>	<hr/>	<hr/>
Group's share of net assets of the associates	29,446	17,197	46,643
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 16. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE – *Continued*

#### (a) Interests in associates – *Continued*

Summarised financial information of 4 Vallees is as follows:

	2023 RMB'000	
<b>As at June 30</b>		
Current assets		1,908
Non-current assets		286,408
Current liabilities		(96,792)
Non-current liabilities		(71,874)
<b>For the year ended June, 30</b>	<b>2024 RMB'000</b>	2023 RMB'000
Revenue	2,562	5,262
Profit for the year	5,045	25
Other comprehensive income	2,231	33,269
Total comprehensive income	7,276	33,294
Return of capital (Note 16(b))	–	(130,169)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 16. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE – *Continued*

#### (a) Interests in associates – *Continued*

Summarised financial information of Axiom is as follows:

	2024 RMB'000	2023 RMB'000
<b>As at June 30</b>		
Current assets	<u>27,618</u>	<u>60,080</u>
Non-current assets	<u>61,080</u>	<u>26,486</u>
Current liabilities	<u>(34,222)</u>	<u>(10,055)</u>
Non-current liabilities	<u>(4,458)</u>	<u>–</u>
	2024 RMB'000	2023 RMB'000
Revenue	<u>10,272</u>	<u>9,578</u>
Loss for the year	<u>(22,993)</u>	<u>(15,001)</u>
Other comprehensive income	<u>(3,499)</u>	<u>4,089</u>
Total comprehensive income	<u>(26,492)</u>	<u>(10,912)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 16. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE – *Continued*

#### (b) Amount due from an associate

As at June 30, 2023, the balance represented the capital reduction receivables from 4 Vallees, which was unsecured, interest-free and no fixed term of repayment.

Pursuant to a board resolution of 4 Vallees dated November 1, 2022, an aggregate amount of Singapore Dollar (“SGD”) 22,603,440 will be returned from its paid-up share capital to its shareholders as excess capital by way of a share capital reduction. Out of SGD22,603,440 share capital reduction, SGD6,250,861 (equivalent to RMB33,406,000) could be returned to the Group. After the share capital reduction, the Group’s effective interest in 4 Vallees remains unchanged.

### 17. PREPAYMENTS

As at June 30, 2024, included in the balances were (i) prepayments of RMB28,430,000 (2023: RMB26,943,000) made for acquisition of investment properties in Mongolia at a total consideration of RMB32,712,000. This acquisition has not been completed and will be settled based on the terms as set out in the sale and purchase agreement and/or variation terms negotiated and to be mutually agreed; and (ii) prepayment of RMB9,041,000 (2023: RMB45,393,000) made for various refurbishment and construction works of investment properties in Langfang at a total consideration of RMB94,354,000 (2023: RMB94,354,000).

Subsequent to the reporting date, the Group and the construction company, who is responsible for one of the refurbishment and construction works of investment properties in Langfang, both parties are subsequent mutually agreed and refunded the prepayment made for refurbishment and construction works of RMB8,706,000 (2023: prepayment of RMB44,454,000 was refunded after FY2023 reporting date) by the construction company to the Group.

### 18. TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	17,687	7,689
Other receivables (Note)	4,692	624
Other tax recoverable	3,166	3,691
	<u>25,545</u>	<u>12,004</u>

Note:

Included in the balance as at June 30, 2024 was an amount due from an associate of RMRMB65,000 (2023: RMB66,000) and amount due from RE Group, fellow subsidiaries of the Company of RMB2,300,000 (2023: nil), which was unsecured, interest-free, repayable on demand and non-trade in nature.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 18. TRADE AND OTHER RECEIVABLES – *Continued*

Analysis of trade and others receivables for reporting purpose:

	2024 RMB'000	2023 RMB'000
Current	23,950	12,004
Non-current	1,595	–
	<u>25,545</u>	<u>12,004</u>

The carrying amounts of the Group's trade and other receivables approximate their fair values.

The majority of the Group's revenue is required to be paid in advance. Revenue from education facilities leasing and commercial leasing for supporting facilities is settled by instalments in accordance with the payment schedules specified in the agreements. Generally, the Education Institutions are required to pay the majority of the annual rentals before the end of October, with the remaining payable by the end of calendar year. In relation to commercial leasing for support facilities, most of the Group's tenants are required to pay the annual rent in advance unless stated otherwise in their respective tenancy agreements. In relation to hotel property leasing, the fixed portion of the rent is required to be paid annually by the end of December of each year, whereas the variable part of the rent is required to be paid no later than the end of June. The aging analysis of trade receivables (net of impairment) by the contract terms is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	13,821	5,499
3 months to 6 months	3,469	1,282
6 months to 12 months	367	–
Over 1 year	30	908
	<u>17,687</u>	<u>7,689</u>

The Group recognised impairment loss for trade and other receivables during the years ended June 30, 2023 and 2024 based on the accounting policies set out in Note 4(h). Further details of the Group's impairment loss for trade and other receivables are set out in Note 31(a)(i).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 19. TRADE AND OTHER PAYABLES AND ACCRUALS

	Notes	2024 RMB'000	2023 RMB'000
Trade payables		3,064	2,641
Other payables and accruals	(i)	15,968	9,694
Deposit received	(ii)	110,000	–
Amount due to RE Group	(iii)	52,574	–
		<u>181,606</u>	<u>12,335</u>

Notes:

- (i) Included in other payables and accruals as at June 30, 2024 were (i) rental deposits received from customers and RE Group of RMB3,967,000 and RMB636,000 respectively (2023: RMB4,107,000 and RMB648,000 respectively) and (ii) other tax payable of RMB4,517,000 (2023: RMB1,842,000).
- (ii) Deposit received from an independent purchaser of RMB110,000,000 (2023: nil) in relation to the disposal of the Property (note 15(d)).
- (iii) Amounts due to RE Group of RMB52,574,000 (2023: nil), which was unsecured, interest-free, with repayment term not payable before July 1, 2025 and non-trade in nature.

Analysis of trade payables and other payables and accruals for reporting purposes:

	2024 RMB'000	2023 RMB'000
Current	129,032	12,335
Non-current	52,574	–
	<u>181,606</u>	<u>12,335</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 19. TRADE AND OTHER PAYABLES AND ACCRUALS – *Continued*

Trade payables are generated by the daily maintenance costs for the education facilities. The aging analysis of the trade payables based on invoice date is follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	481	829
3 months to 6 months	334	880
6 months to 12 months	1,331	–
Over 1 year	918	932
	<u>3,064</u>	<u>2,641</u>

### 20. BANK BORROWINGS, SECURED

	Notes	2024 RMB'000	2023 RMB'000
Bank borrowings due for repayment:			
– Within one year	(a)	<u>71,135</u>	<u>68,323</u>
– After one year but within two years		73,923	60,615
– After two years but within five years		53,453	91,416
– After five years		<u>91,762</u>	<u>41,111</u>
	(b)	<u>219,138</u>	<u>193,142</u>
	(c), (d)	<u>290,273</u>	<u>261,465</u>

Notes:

- (a) As at June 30, 2024, bank borrowings due for repayment within one year included bank overdraft (non-revolving) and term loans amounting to RMB nil (2023: RMB1,540,000) and RMB71,135,000 (2023: RMB66,783,000) respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 20. BANK BORROWINGS, SECURED – *Continued*

Notes: – *Continued*

- (b) As at June 30, 2023 and 2024, the carrying amount of bank borrowings granted from a bank in Malaysia that is not repayable within one year from the end of the reporting period but contains repayment on demand clause amounted to RMB9,245,000 (2023: RMB9,682,000).

The liability associated with the bank borrowings of the Group raised in Malaysia that contained a repayment on demand clause is classified as current and/or non-current liability as at June 30, 2023 and 2024 as based on the legal opinion of a Malaysian lawyer, the Directors considered that the Group has an unconditional right to defer settlement of the loan irrespective of the repayable on demand clause but follow the agreed repayment schedule.

- (c) Bank borrowings are interest-bearing at both fixed rates and floating rates. The interest rates of the Group's bank borrowings as at June 30, 2024 granted under banking facilities ranged from 3.04% to 8.95% (2023: 4.48% to 8.55%) per annum.
- (d) As at June 30, 2023 and 2024, the banking facilities of the Group were secured by certain investment properties of the Group (Note 15), corporate guarantee of the Company, non-controlling shareholder of PRC subsidiary, the ultimate parent, and share capital of PRC Subsidiary.
- (e) As at June 30, 2024, pledged bank deposit of the Group RMB7,973,000 and rental income from the Swiss properties were secured for the non-current borrowings of the Group.
- (f) As at June 30, 2024, the Group has no undrawn banking facility (2023: RMB20,000,000) available.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 21. DEFERRED TAX LIABILITIES

Details of the deferred tax liabilities recognised and movements during the current and prior years are as follows:

	Revaluation of investment properties RMB'000
At July 1, 2022	178,966
Charged to profit or loss (Note 12)	(3,164)
Exchange realignment	341
	<hr/>
At June 30, 2023	176,143
Acquisition of a subsidiary (Note 33)	11,936
Charged to profit or loss (Note 12)	(13,808)
Exchange realignment	(1,207)
	<hr/>
At June 30, 2024	<u>173,064</u>

No withholding income tax has been recognised as at June 30, 2023 and 2024 in respect of the unremitted earnings of the Group's PRC Subsidiary as the Group currently did not have any plan to declare or distribute dividend from the PRC Subsidiary.

As at June 30, 2023 and 2024, the Group has no tax loss carried forward.

### 22. SHARE CAPITAL

The share capital as at June 30, 2023 and 2024 represented the issued share capital of the Company as follows:

Issued and fully paid	Number of ordinary shares	Share capital	Share capital
	Shares	HK\$	RMB
As at July 1, 2022, June 30, 2023 and June 30, 2024	<u>180,000,000</u>	<u>366,320,500</u>	<u>290,136,000</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 23. RESERVES

#### The Group

The reconciliation between the opening and closing balances of each component of the Group's consolidated reserves is set out in the consolidated statement of changes in equity.

The following describes the nature and purpose of reserves within owners' equity:

Reserve	Description and purpose
Other reserves	On consolidation, the reserves mainly arose from group reorganisation in prior years.
Statutory surplus reserves	Subsidiaries of the Company established in the PRC are required to transfer 10% of their profit after income tax calculated in accordance with the PRC accounting regulations to the statutory surplus reserve until the reserve reaches 50% of their respective registered capital, upon which any further appropriation will be at the recommendation of the directors of subsidiaries. Such reserve may be used to reduce any loss incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.
Exchange reserve	Gains or losses arising on retranslating the net assets of foreign operations into presentation currency.

#### The Company

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Retained profits RMB'000
Balance as at July 1, 2022	25,297
Profit for the year	4,643
	<hr/>
Balance as at June 30, 2023	29,940
Profit for the year	5,155
	<hr/>
Balance as at June 30, 2024	35,095
	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 24. DIVIDENDS

The Directors have resolved not to recommend the payment of any final dividend for the years ended June 30, 2023 and 2024.

### 25. LEASES

#### Operating leases – lessor

The Group's investment properties are leased to tenants under operating leases with lease term ranging from one to ten years (2023: one to ten years). The minimum rent receivables under non-cancellable operating leases are as follows:

	2024 RMB'000	2023 RMB'000
Not later than one year	45,909	54,816
Later than one year but not later than two years	39,004	36,749
Later than two years but not later than three years	36,380	33,507
Later than three years but not later than four years	13,356	30,027
Later than four years but not later than five years	12,136	11,977
More than five years	24,025	36,050
	<hr/>	<hr/>
	<b>170,810</b>	<b>203,126</b>
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 26. COMPANY'S STATEMENT OF FINANCIAL POSITION

	Notes	2024 RMB'000	2023 RMB'000
<b>Non-current assets</b>			
Investments in subsidiaries	27	678,380	566,484
Interests in associates		–	17,197
Prepayment		28,430	26,943
		<u>706,810</u>	<u>610,624</u>
<b>Current assets</b>			
Other receivables		65	66
Amounts due from subsidiaries		114,389	77,315
Amount due from an associate		–	33,406
Cash and cash equivalents		167	468
		<u>114,621</u>	<u>111,255</u>
<b>Current liabilities</b>			
Other payables and accruals		863	2,218
Amounts due to subsidiaries		495,261	399,509
Current tax liabilities		76	76
		<u>496,200</u>	<u>401,803</u>
<b>Net current liabilities</b>		<u>(381,579)</u>	<u>(290,548)</u>
<b>NET ASSETS</b>		<u>325,231</u>	<u>320,076</u>
<b>Capital and reserves</b>			
Share capital	22	290,136	290,136
Retained profits	23	35,095	29,940
<b>TOTAL EQUITY</b>		<u>325,231</u>	<u>320,076</u>

On behalf of directors

\_\_\_\_\_  
Chew Hua Seng  
Chairman and Executive Director

\_\_\_\_\_  
Liu Ying Chun  
Chief Executive Officer and Executive Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 27. INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of the subsidiaries which affected the results, assets or liabilities of the Group during the year ended June 30, 2024:

Name	Place of establishment/ operation and kind of legal entity	Principal activity	Description of paid-up/ registered capital	Percentage of ownership interest, voting rights and profit share
Langfang Development Zone Oriental University City Education Consultancy Co., Ltd. # 廊坊開發區東方大學城 教育諮詢有限公司	PRC, limited liability company	Provision of education facilities rental services in the PRC	RMB263,500,000	99%
Langfang Tongrui Education Consultancy Co., Ltd. # 廊坊通睿教育諮詢有限公司	PRC, limited liability company	Provision of education facilities rental services in the PRC	RMB199,000,000	99%
Shanghai Tongfengrui Commercial Consultancy Co., Ltd. # 上海通豐睿商務顧問有限公司	PRC, limited liability company	Inactive	Hong Kong Dollars 100,000	100%
OUC Malaysia Sdn. Bhd.	Malaysia, limited liability company	Provision of education facilities rental services in Malaysia	RM2,000,000	100%
OUC (Indonesia) Pte. Ltd.	Singapore, limited liability company	Investment holding	Singapore dollar 2	100%
PT OUC Jakarta Indo	Indonesia, limited liability company	Investment holding	IDR2,500,000,000	100%
PT OUC Thamrin Indo	Indonesia, limited liability company	Provision of education facilities rental services in Indonesia	IDR2,500,000,000	100%
4 Vallees	Singapore, limited liability company	Provision of leasing and managing of hotel properties in Switzerland	CHF 8,111,976	100%

# The English name of the subsidiary represented the best effort by management of the Company in translating its Chinese name as it does not have official English name.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 28. RELATED PARTY TRANSACTIONS

The Group is controlled by RE and Mr. Chew Hua Seng, the founding shareholder of RE, is the ultimate beneficial owner of the Group.

#### (a) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following related party transactions:

Note	2024 RMB'000	2023 RMB'000
<b>Rental income received from fellow subsidiaries:</b>		
Raffles College of Higher Education Sdn. Bhd.	3,058	3,112
PT. Raffles Institute of Higher Education	2,495	3,291
	<u>5,553</u>	<u>6,403</u>

Notes:

- (i) The Group obtained a loan revolving facility of RMB35,000,000 from RE for a term of three years effective from June 30, 2020 to June 30, 2023. On June 30, 2023, the Group obtained a new loan revolving facility of RMB40,000,000 from RE for a term of three years effective from June 30, 2023. The Group did not utilise the facilities during the years ended June 30, 2023 and 2024.

The transactions were carried out in the normal course of the business activities of the Group and were conducted at terms mutually agreed by the respective parties.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 28. RELATED PARTY TRANSACTIONS – *Continued*

#### (b) Compensation of key management personnel

The emoluments of the key management personnel during the year comprised only the Directors whose remuneration is set out in Note 10.

### 29. CAPITAL COMMITMENTS

	2024 RMB'000	2023 RMB'000
Renovation/refurbishment of investment properties	186,533	221,205
Acquisition of investment properties	4,282	5,769
	<u>190,815</u>	<u>226,974</u>

### 30. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following shows the carrying amount and fair value of financial assets and liabilities:

	2024 RMB'000	2023 RMB'000
<b>Financial assets</b>		
Financial assets, at amortised cost		
– Trade and other receivables	20,784	8,313
– Amount due from an associate	–	33,406
– Pledged bank deposit	7,973	–
– Cash and cash equivalents	69,664	63,752
	<u>69,664</u>	<u>63,752</u>
<b>Financial liabilities</b>		
Financial liabilities, at amortised cost		
– Trade and other payables	14,516	9,749
– Amount due to RE Group	52,574	–
– Bank borrowings, secured	290,273	261,465
	<u>290,273</u>	<u>261,465</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT

#### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### (i) Credit risk

Credit risk is the potential financial loss resulting from the tenants defaulting to pay rental fees when due, resulting in a loss to the Group. During the year ended June 30, 2024, the Group provided education facilities leasing and commercial leasing for supporting facilities to five largest customers (2023: five) which accounts to 74.5% (2023: 77.0%) of the Group's total revenue. As at June 30, 2024, 87.7% (2023: 86.5%) of trade receivables due from these five customers. For the consideration of collectability of these five customers, management has not made any provision for trade receivables as of June 30, 2023 and 2024. The Group believes there is no further credit risk provision required because the credit risk of these trade receivables is not significant.

Cash are placed with licensing banks which are all high-credit-quality financial institutions. Management expects the counterparty would be able to meet its obligations. Accordingly, the ECLs for pledged bank deposits and cash and cash equivalents were expected to be minimal.

The carrying amounts of trade receivables, deposits and other receivables, pledged bank deposits and cash and cash equivalents included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets which carry significant exposure to credit risk.

##### Impairment of trade receivables

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix based on days past due for groupings of customer segments that have similar loss patterns.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (a) Financial risk factors – *Continued*

##### (i) Credit risk – *Continued*

##### Impairment of trade receivables – *Continued*

The following tables provide information about the Group's exposure to credit risk and ECLs for the trade receivables as follows:

At June 30, 2024

	Expected loss rate (%)	Gross carrying amount RMB'000	Loss allowance RMB'000	Net amount RMB'000
Neither past due nor impaired	N/A	13,821	–	13,821
1 to 3 months past due	–	–	–	–
More than 3 months but less than 12 months past due	–	3,836	–	3,836
More than 12 months past due	97	1,111	1,081	30
		<u>18,768</u>	<u>1,081</u>	<u>17,687</u>

At June 30, 2023

	Expected loss rate (%)	Gross carrying amount RMB'000	Loss allowance RMB'000	Net amount RMB'000
Neither past due nor impaired	N/A	5,499	–	5,499
1 to 3 months past due	–	–	–	–
More than 3 months but less than 12 months past due	–	1,282	–	1,282
More than 12 months past due	35	1,399	491	908
		<u>8,180</u>	<u>491</u>	<u>7,689</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (a) Financial risk factors – *Continued*

##### (i) Credit risk – *Continued*

###### Impairment of trade receivables – *Continued*

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table reconciled the impairment loss on trade receivables for the year:

	2024 RMB'000	2023 RMB'000
At beginning of year	491	491
Impairment loss recognised	590	–
	<hr/>	<hr/>
At end of year	<b>1,081</b>	491
	<hr/> <hr/>	<hr/> <hr/>

The credit risk on trade receivables is limited because the counterparties are with low loss rates which is estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available.

###### Impairment of other financial assets at amortised cost

The Group measures loss allowances for other receivables and amount due from an associate using the general approach under HKFRS 9. Impairment of these financial assets was provided based on the “three-stage” model by referring to the changes in credit quality since initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (a) Financial risk factors – *Continued*

##### (i) Credit risk – *Continued*

##### Impairment of other financial assets at amortised cost – *Continued*

These financial assets that are not credit-impaired on initial recognition are classified in “Stage 1” and have their credit risk continuously monitored by the Group. The ECL is measured on a 12-month basis.

- If a significant increase in credit risk (as defined in accounting policy Note 4(h)) since initial recognition is identified, the financial asset is moved to “Stage 2” but it not yet deemed to be credit-impaired. The ECL is measured on lifetime basis.
- If the financial asset is credit-impaired (as defined in accounting policy Note 4(h)), the financial asset is then moved to “Stage 3”. The ECL is measured on lifetime basis.
- At Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a financial asset subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting periods to the amortised cost of the financial asset (the gross carrying amount net of loss allowance) rather than the gross carrying amount.

In determining the ECL for other receivables and amount due from an associate, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate, and concluded that credit risk inherent in the Group’s outstanding receivables is insignificant. The management of the Group has assessed there is no significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no impairment has been recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (a) Financial risk factors – *Continued*

##### (i) Credit risk – *Continued*

##### Impairment of other financial assets at amortised cost – *Continued*

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables and amount due from an associate are as follows:

At June 30, 2024

	Expected loss rate (%)	Gross carrying amount RMB'000	Loss allowance RMB'000	Net amount RMB'000
12-month ECLs – Stage 1	–	3,097	–	3,097
Lifetime ECLs – Stage 2	N/A	–	–	–
Lifetime ECLs – Stage 3	100	5,937	5,937	–
		<u>9,034</u>	<u>5,937</u>	<u>3,097</u>

At June 30, 2023

	Expected loss rate (%)	Gross carrying amount RMB'000	Loss allowance RMB'000	Net amount RMB'000
12-month ECLs – Stage 1	–	34,030	–	34,030
Lifetime ECLs – Stage 2	N/A	–	–	–
Lifetime ECLs – Stage 3	100	5,937	5,937	–
		<u>39,967</u>	<u>5,937</u>	<u>34,030</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (a) Financial risk factors – *Continued*

##### (i) Credit risk – *Continued*

##### Impairment of other financial assets at amortised cost – *Continued*

	12-month ECLs RMB'000	Lifetime ECLs RMB'000	Total RMB'000
As July 1, 2022 and June 30, 2023, July 1, 2023 and June 30, 2024	–	5,937	5,937

##### (ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding. Management believes that liquidity risk has been mitigated during the years ended June 30, 2023 and 2024.

To manage the liquidity risk, management monitors rolling forecasts of cash and cash equivalents on the basis of expected cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and equity funding.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (a) Financial risk factors – *Continued*

##### (ii) *Liquidity risk – Continued*

The following table details the remaining contractual maturities of the Group's non-derivative financial liabilities, which is based on contractual undiscounted cash flows (including interest payments computed using contractual rates, if floating, based on rates current at the year-end dates) and the earliest date the Group can be required to pay.

	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within one year RMB'000	More than one year but less than two years RMB'000	More than two years but less than five years RMB'000	More than five years RMB'000
<b>As at June 30, 2024</b>						
Trade and other payables	14,516	14,516	14,516	-	-	-
Amount due to RE Group	52,574	52,574	-	52,574	-	-
Bank borrowings, secured	290,273	354,248	84,309	83,415	74,508	112,016
	<u>357,363</u>	<u>421,338</u>	<u>98,825</u>	<u>135,989</u>	<u>74,508</u>	<u>112,016</u>
<b>As at June 30, 2023</b>						
Trade and other payables	9,749	9,749	9,749	-	-	-
Bank borrowings, secured	261,465	312,942	82,478	70,939	110,320	49,205
	<u>271,214</u>	<u>322,691</u>	<u>92,227</u>	<u>70,939</u>	<u>110,320</u>	<u>49,205</u>

##### (iii) *Interest rate risk*

The Group's interest rate risk arises primarily from bank deposits and bank borrowings, secured. The Group has not used any derivative contracts in order to hedge its exposure to interest rate risk. At June 30, 2023 and 2024, the Group does not anticipate significant impact to bank deposits because the interest rates of bank deposits are not expected to change significantly. The Group has not formulated a policy to manage the interest rate risk.

Cash at banks earns interest at floating rates based on daily deposit rates. At June 30, 2024, the deposits bore interest rates ranging from 0.2% to 0.6% (2023: 0.2% to 0.55%) which are close to the market interest rates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (a) Financial risk factors – *Continued*

##### (iii) Interest rate risk – *Continued*

The Group's fair value interest-rate risk mainly arises from bank borrowings, secured as disclosed in Note 20. At June 30, 2023 and 2024, borrowings, secured of RMB72,182,000 (2023: RMB12,242,000) were issued at variable rate in terms of RM and CHF which expose the Group to fair value interest rate risk. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

At June 30, 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss for the year by approximately RMB722,000 (2023: decrease/increase the Group's profit for the year by approximately RMB122,000).

##### (iv) Foreign currency risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group is currently exposed to currency risk primary arising from amount due to RE Group which are denominated in currency other than the functional currency of the respective group entities, including Singapore dollar ("SGD"). During both years, the Group did not have foreign currency hedging policy but management continuously monitors foreign exchange exposure.

At June 30, 2024, it is estimated that a general increase/decrease of 50 basis points in RMB against SGD, with all other variables held constant, would decrease/increase the Group's (loss)/profit for the year by approximately RMB263,000 (2023: RMB167,000).

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial years and held constant throughout the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 31. FINANCIAL RISK MANAGEMENT – *Continued*

#### (b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce any unnecessary cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As of June 30, 2024, the Group has bank borrowings, secured amounted to RMB290,273,000 (2023: RMB261,465,000). The capital structure of the Group consists of equity attributable to the owners of the Company, comprising issued share capital and reserves.

#### (c) Fair value estimation

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The carrying amounts of the Group's financial instruments including cash and cash equivalents, pledged bank deposit, trade and other receivables, amount due to RE Group, trade and other payables and bank borrowings, secured approximate their fair values.

At June 30, 2023 and 2024, all investment properties are included in level 3 in the fair value hierarchy. Details of the fair value measurement have been disclosed in Note 15.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	Bank borrowings, secured (Note 20) RMB'000
At July 1, 2023	261,465
Changes from cash flows:	
Interest paid on borrowings	(16,428)
Repayment to related companies	–
Proceeds from bank borrowings	20,000
Repayment of bank borrowings	(54,405)
	<hr/> 210,632 <hr/>
Other changes:	
Interest expense on borrowings	16,428
Exchange difference	(1,001)
Acquisition of a subsidiary (Note 33)	64,214
	<hr/> 79,641 <hr/>
Total other changes	79,641
At June 30, 2024	<hr/> <b>290,273</b> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS – *Continued*

	Amounts due to related companies  RMB'000	Bank borrowings, secured (Note 20)  RMB'000
At July 1, 2022	6,051	230,418
Changes from cash flows:		
Interest paid on borrowings	–	(14,905)
Repayment to related companies	(6,051)	–
Proceeds from bank borrowings	–	50,000
Repayment of bank borrowings	–	(22,636)
	<u>(6,051)</u>	<u>12,459</u>
Other changes:		
Interest expense on borrowings	–	14,905
Exchange difference	–	3,683
	<u>–</u>	<u>18,588</u>
Total other changes	–	18,588
At June 30, 2023	<u>–</u>	<u>261,465</u>

### 33. BUSINESS ACQUISITION DURING THE YEAR

As referred to in Note 16(a)(ii), the Group acquired 75.39% of the equity interest in 4 Vallees. The acquisition was made with the aim to broaden the Group's revenue base and diversify the Group's business geographically. The acquisition has been accounted for as acquisition of business using the acquisition method. As at the date of acquisition, the fair value of the acquired trade receivable was RMB1,030,000, which was settled during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 33. BUSINESS ACQUISITION DURING THE YEAR – *Continued*

The fair value of identifiable assets and liabilities of the acquiree as at the date of acquisition and gain from a bargain purchase were as follows:

	RMB'000
Investment properties	284,938
Trade and other receivables	4,596
Pledged bank deposits	8,209
Cash and cash equivalents	78
Trade and other payables	(59,174)
Bank borrowings	(64,214)
Current tax liabilities	(2,362)
Deferred tax liabilities	(11,936)
	<hr/>
Acquisition-date fair values of identifiable net assets acquired	<u>160,135</u>

#### Fair value of consideration paid

	RMB'000
Cash consideration (Note 16(a)(ii))	93,337
Effective settlement of amount due from 4 Vallees upon the acquisition	33,210
Acquisition-date fair value of the previous 24.61% interest in an associate	31,236
	<hr/>
Consideration transferred	157,783
	<hr/>
Gain from a bargain purchase (Note 7)	<u>2,352</u>

An analysis of the cash flows in respect of the acquisition is as follows:

	RMB'000
Cash consideration paid	(93,337)
Cash and cash equivalents	78
	<hr/>
Net cash outflows	<u>(93,259)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

### 33. BUSINESS ACQUISITION DURING THE YEAR – *Continued*

Gain from a bargain purchase of RMB2,352,000 was recognised mainly due to the fair value change on investment properties of 4 Vallees between the date of acquisition agreement and the date of completion. Acquisition costs of RMB1,003,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Since the acquisition date, 4 Vallees has contributed RMB3,897,000 to the Group's revenues and RMB5,321,000 to the Group's loss for the year. If the acquisition had occurred on July 1, 2023, the Group's revenue would have been RMB58,531,000 and the Group's loss for the year would have been RMB69,531,000.

### 34. EVENT AFTER THE REPORTING PERIOD

Other than those disclosed in these consolidated financial statements, the Group did not have other significant event after end of the reporting period.

### 35. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements were reviewed by the Audit Committee and approved and authorised for issue by the Board of Directors on August 16, 2024.

## INVESTMENT PROPERTIES

AT JUNE 30, 2024

Name and Location	Lease Expiry	Usage	Approximate Gross Floor Area (square metres)	Group's Interest (%)
Various land and buildings at Oriental University City, Langfang Economic & Technological Development Zone, Langfang City, Hebei Province, the People's Republic of China	Medium term	Teaching buildings	171,989	99
		Student and staff dormitories	85,236	
		Retail	16,984	
		Ancillary facilities	1,094	
			<u>275,303</u>	
		Land	<u>405,536</u>	
Various Land and buildings at Section 88A Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, Malaysia	Medium term	Teaching buildings	<u>3,754</u>	100
		Land	<u>5,336</u>	
Two floors of office units at Sub-District of Gondangdia, District of Menteng, Municipality of Central Jakarta, Special Capital City of Jakarta, Indonesia	Medium term	Teaching buildings	<u>2,092</u>	100
Hotel 4 Vallee, Chemin des Cibles 17, Haute-Nendaz/VS, Switzerland	Freehold	Hotel	<u>5,910</u>	100

## FINANCIAL SUMMARY

The financial information relating to the year ended June 30, 2024 included in this financial summary does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance, Cap. 622 (the "Companies Ordinance") is as follows:

	For the year ended				
	2020	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>RESULTS</b>					
Revenue	78,046	65,775	54,168	61,680	55,969
Operating (loss)/profit	70,532	71,750	45,962	903	(67,115)
Interest income	463	61	53	78	15
Interest expense on bank borrowings	(3,108)	(13,892)	(19,648)	(14,905)	(16,428)
(Loss)/profit before income tax	67,887	57,919	26,367	(13,924)	(83,528)
Income tax expenses	(22,623)	(22,446)	(20,416)	(9,455)	8,952
(Loss)/profit for the year	45,264	35,473	5,951	(23,379)	(74,576)
Attributable to:					
Owners of the Company	44,764	34,891	5,811	(23,017)	(73,861)
Non-controlling interests	500	582	140	(362)	(715)

## FINANCIAL SUMMARY

	As at June 30,				
	2020	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS AND LIABILITIES</b>					
Non-current assets	1,595,066	1,646,226	1,656,313	1,582,564	1,597,179
Current assets	13,436	51,679	26,090	109,193	203,614
Current liabilities	(46,566)	(77,184)	(61,275)	(89,026)	(210,510)
Total assets less current liabilities	1,561,936	1,620,721	1,621,128	1,602,731	1,590,283
Non-current liabilities	(347,994)	(378,406)	(373,383)	(369,285)	(444,776)
Net assets	1,213,942	1,242,315	1,247,745	1,233,446	1,145,507
<b>CAPITAL AND RESERVES</b>					
Share capital	290,136	290,136	290,136	290,136	290,136
Reserves	913,425	941,343	946,633	932,696	845,472
Equity attributable to owners of the Company	1,203,561	1,231,479	1,236,769	1,222,832	1,135,608
Non-controlling interests	10,381	10,836	10,976	10,614	9,899
Total equity	1,213,942	1,242,315	1,247,745	1,233,446	1,145,507

The Company will deliver the financial statements for the year ended June 30, 2024 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's respective auditors have reported on those financial statements. The auditor's reports were unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their reports; and did not contain a statement under Sections 406(2), 407(2) or (3) of the Companies Ordinance.

# ANNUAL REPORT

2023/2024



**Oriental**  
University City  
东方大学城

**Oriental University City Holdings (H.K.) Limited**

東方大學城控股（香港）有限公司

Tel: +86 0316 6056302 Fax: +86 0316 6056611

[www.oriental-university-city.com](http://www.oriental-university-city.com)