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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)

(Stock Code: 8067)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on the GEM.

*This announcement, 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 the GEM of the Stock Exchange (the "**GEM Listing Rules**") 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 announcement 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 announcement misleading.*

INTERIM RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

The Board of Directors (the "**Board**") is pleased to announce the unaudited results of the Company and its subsidiary (the "**Group**") for the six months ended December 31, 2014 (the "**Period**") together with the comparative unaudited figures for the corresponding period in 2013 as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended December 31, 2014

		Unaudited	
		Six months ended December 31,	
	Note	**2014**	**2013**
		RMB'000	*RMB'000*
Revenue	4	30,628	29,848
Government grant		—	8,648
Employee cost		(1,328)	(1,702)
Depreciation		(333)	(426)
Fair value (losses)/gains on investment properties	5	(437)	9,090
Business taxes and surcharges		(1,715)	(1,671)
Property taxes and land use taxes		(5,952)	(5,863)
Property management fee		(3,051)	(3,051)
Repairs and maintenance		(2,022)	(1,506)
Legal and consulting fees		(9,416)	(3,569)
Other gains - net	10	1,218	104
Other expenses	11	(1,301)	(2,172)
Operating profit		6,291	27,730
Finance income	12	106	509
Profit before income tax		6,397	28,239
Income tax expenses	13	(5,029)	(1,224)
Profit for the period		1,368	27,015

	Note	Unaudited Six months ended December 31, 2014 RMB'000	2013 RMB'000
Profit attributable to			
– Shareholders of the Company		1,322	26,745
– Non-controlling interests		46	270
		1,368	27,015
Earnings per share for profit attributable to the shareholders of the Company for the period (expressed in RMB per share)			
– Basic earnings per share	14	0.01	0.20
– Diluted earnings per share	14	0.01	0.20
Dividends	15	—	—

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended December 31, 2014

	Unaudited Six months ended December 31, 2014 RMB'000	2013 RMB'000
Profit for the period	1,368	27,015
Other comprehensive income for the period, net of tax	—	—
Total comprehensive income for the period	1,368	27,015
Total comprehensive income attributable to		
– Shareholders of the Company	1,322	26,745
– Non-controlling interests	46	270
	1,368	27,015

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at December 31, 2014

	Note	December 31, 2014 RMB'000 (Unaudited)	June 30, 2014 RMB'000 (Audited)
Assets			
Non-current assets			
Property and equipment	5	6,082	800
Investment properties	5	824,773	816,179
		830,855	816,979
Current assets			
Prepayments		9,872	7,258
Trade and other receivables	6	28,428	37,592
Cash and cash equivalents		45,246	50,563
		83,546	95,413
Total assets		914,401	912,392
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	7	331,898	331,898
Reserves		(71,025)	(71,025)
Retained earnings		543,713	542,391
		804,586	803,264
Non-controlling interests		6,572	6,526
Total equity		811,158	809,790
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	8	24,524	20,404

	Note	December 31, 2014 RMB'000 (Unaudited)	June 30, 2014 RMB'000 (Audited)
Current liabilities			
Current income tax liabilities		24,030	23,882
Advance from customers		7,216	615
Trade and other payables	9	47,473	57,701
		78,719	82,198
Total liabilities		103,243	102,602
Total equity and liabilities		914,401	912,392
Net current assets		4,827	13,215
Total assets less current liabilities		835,682	830,194

1. General information

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. The address of the Company's registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong.

The Company is an investment holding company and its subsidiary is principally engaged in the provision of education facilities rental services in the People's Republic of China (the "**PRC**").

The Company's shares were listed on the GEM of the Stock Exchange on January 16, 2015 (the "**Listing Date**").

This condensed consolidated interim financial information is presented in Renminbi ("**RMB**"), unless otherwise stated.

This condensed consolidated interim financial information was approved by the Board of Directors of the Company on February 6, 2015.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended December 31, 2014 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The condensed consolidated interim information should be read in conjunction with the annual financial statements for the year ended June 30, 2014 as set out in the prospectus of the Company dated December 31, 2014 (the "prospectus"), which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended June 30, 2014, as described in the prospectus.

The following new standards and amendments to standards are mandatory for the Group's financial year beginning on or after January 1, 2014. The adoption of these new standards and amendments to standards does not have any significant impact to the results and financial position of the Group:

Standards/Interpretation	Subject of amendment	Effective for accounting periods beginning on or after
Amendment to HKAS 32	Financial instruments: Presentation on assets and liabilities offsetting	January 1, 2014
Amendments to HKFRS 10, HKFRS 12, and HKAS 27	Consolidation of investment entities	January 1, 2014
Amendment to HKAS 36	Impairment of assets on recoverable amount disclosures	January 1, 2014
Amendment to HKAS 39	Financial instruments: Recognition and Measurement – Novation of derivatives	January 1, 2014
HK (IFRIC) 21	Levies	January 1, 2014
Amendment to HKAS19	Employee Benefits	July 1, 2014
Annual improvements 2012	2010-2012 cycle of the annual improvements	July 1, 2014
Annual improvements 2013	2011-2013 cycle of the annual improvements	July 1, 2014

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

4. Segment information

The executive directors of the Company, who is the chief operating decision maker 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 strategy decision.

Management regularly reviews the operating results from a service category perspective. The reportable operating segments derive their revenue primarily from education facilities leasing. As the revenue from the commercial leasing for supporting facilities is below 10% of the total revenue during the six months ended December 31, 2014 and 2013, business segment information is not considered necessary.

As the executive directors consider the Group's revenue and results are all derived from education facilities leasing and commercial leasing for supporting facilities in the PRC and no Group's consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

Analysis of revenue by category for the six months ended December 31, 2014 and 2013 is as follows:

	Six months ended December 31,	
	2014	**2013**
	RMB'000	*RMB'000*
Revenue:		
– Education facilities leasing	29,240	28,463
– Commercial leasing for supporting facilities	1,388	1,385
	30,628	29,848

The Group's revenues were derived from the following external customers that individually contributed more than 10% of the Group's revenues in the six months ended December 31, 2014 and 2013:

	Six months ended December 31,	
	2014	**2013**
	RMB'000	*RMB'000*
College A	16,808	16,067
College B	7,142	7,548
College C	4,016	2,993
	27,966	26,608

5. Property and equipment and investment properties

	Property and equipment *RMB'000*	Investment properties *RMB'000*
Six months ended December 31, 2014		
Opening amount as at July 1, 2014	800	816,179
Transfers from investment properties(note (a))	4,475	—
Transfers to property and equipment(note (a))	—	(4,475)
Additions	1,140	13,506
Depreciation charge	(333)	—
Fair value losses on investment properties	—	(437)
Closing amount as at December 31, 2014	6,082	824,773
Six months ended December 31, 2013		
Opening amount as at July 1, 2013	949	760,950
Additions	107	1,323
Depreciation charge	(426)	—
Fair value gains on investment properties	—	9,090
Closing amount as at December 31, 2013	630	771,363

Note (a):

During the Period, a property with carrying value of RMB4,475,000 previously used for rental yield was transferred to office building for self-use.

Valuation techniques of investment properties

A valuation of the Group's investment properties was performed by the Company's management, to determine the fair value of the investment properties as at December 31, 2014. The revaluation gains or loss is included in "Fair value (losses)/gains on investment properties" in income statement.

Fair value measurements used significant unobservable inputs (Level 3).

All the investment properties are completed investment properties as at December 31, 2014.

Fair value of completed investment properties are generally derived using the income capitalisation approach. Income capitalisation approach (term and reversionary method) which largely uses inputs (such as unit market rent, yield, etc.) and is taking into account the significant adjustment on term yield to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

There were no changes in valuation techniques during the Period.

The main Level 3 inputs used by the Group are as follows:

- Unit monthly rent and reversionary yield

For completed investment properties, increase in unit monthly rent may result in increase of fair value, and increase in reversionary yield may result in decrease of fair value.

6. Trade and other receivables

	As at December 31, 2014 *RMB'000*	**As at June 30, 2014** *RMB'000*
Trade receivables		
Trade receivables	7,367	619
Less: provision for impairment	—	—
Other receivables		
– due from related parties	—	14,946
– due from third parties (note)	21,061	22,027
Other receivables	21,061	36,973
Total trade and other receivables	28,428	37,592

Note

In prior years, the Group has recognised government grants according to certain approval circulars issued by Langfang City Government and Langfang City Finance Ministry ("**Approval Circulars**"). As at December 31, 2014, the government grants receivable recognised according to the Approval Circulars amounted to RMB21,057,000, which was granted by a local authority to subsidise the corporate income taxes of RMB19,752,000 and stamp duties of RMB1,305,000 derived from the land title rationalisation.

On November 27, 2014, the State Council issued the "Notice of the State Council on trimming and regulating preferential tax policies (《國務院關於清理規範稅收等優惠政策的通知》)" ("**Notice**"), which provided that preferential policies linked to tax payment and non-tax incomes of enterprises and their investors (or administrators), including Levy First Refund Later (先徵後返), Disbursement in Income and Expenditure (列收列支), fiscal incentives or grants, reduction and exemption of land grant income by way of payment or grants formulated in violation of laws and regulations shall be abolished.

After consultation with the Company's PRC legal advisor, the Directors considered that:

– The Approval Circulars previously obtained by Langfang Education Consultancy do not violate the relevant laws and regulations from the date of their issuance to the date of the issuance of the Notice, and are legally valid prior to the issuance of the Notice;

– There is no requirement in the Notice for corporations to refund those government grants which were already received prior to the issue of the Notice, and accordingly that there is no obligation for Langfang Education Consultancy to refund those government grants it had received under the Approval Circulars;

– As at the approval date of the interim financial information, there is no further public information in relation to the implementation measure of the Notice announced by the Hebei Province and Langfang City governments and it is uncertain if the Approval Circulars would be abolished. No provision is necessary for such government grant receivable as at December 31, 2014. If there is any further implementation measure being put in place in Langfang city, Langfang City Government and Langfang City Finance Ministry may revoke the Approval Circulars in accordance with the Notice, under such circumstance, Langfang Education Consultancy would not be able to receive the outstanding government grants. Accordingly, under such circumstance, the Group will need to write off such government grants receivable of RMB21,057,000 in full.

Trade receivables

Revenue from education facilities leasing and commercial leasing for supporting facilities is settled in cash by instalments in accordance with the payment schedules specified in the agreements. The aging analysis of the trade receivables is as follows:

	As at December 31, 2014	**As at June 30, 2014**
	RMB'000	*RMB'000*
Within 3 months	3,658	36
3 to 6 months	3,670	—
6 to 12 months	39	531
Over 1 year	—	52
	7,367	619

Other receivables

The aging analysis of other receivables is as follows:

	As at December 31, 2014 *RMB'000*	As at June 30, 2014 *RMB'000*
Within 1 year	4	12,278
1-2 years	1,746	5,384
2-3 years	19,311	19,311
	21,061	36,973

7. Share capital

	December 31, 2014		June 30, 2014	
	Number of shares (Shares)	HKD	Number of shares (Shares)	HKD
Authorised: (Note (a))				
Ordinary shares (Note (b))	—	—	—	—

	Number of ordinary shares *(Shares)*	Share capital *HKD*	Share capital *RMB*
Issued and fully paid:			
Six months ended December 31, 2014			
Balance as at July 1, 2014 and December 31, 2014 (Note (c))	200,000	414,872,500	331,898,000
Six months ended December 31, 2013			
Balance as at July 1, 2013 and December 31, 2013	100,000	10,000	8,000

Notes:

(a) Under the Companies Ordinance (Cap. 622), which commenced operation on March 3, 2014, the concept of authorised share capital no longer exists.

(b) In accordance with section 135 of the Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from March 3, 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

(c) On February 28, 2014, the Company issued 100,000 shares at HK$0.10 each to Raffles Education Corporation Limited ("**REC**"), by capitalising the consideration payable amounting to RMB331,890,000 arising from the transfer of equity interests in Langfang Education Consultancy from REC's subsidiary, Oriental University City Education Consultancy (H.K.) Limited to the Company during the reorganisation of the entities historically involved in education leasing business. The surplus between the issued share and the consideration payable amounting to RMB331,882,000 was recognised as share premium.

(d) In accordance with the transitional provisions set out in section 37 of Schedule 11 to the Companies Ordinance (Cap. 622), on March 3, 2014, any amount standing to the credit of the share premium account has become part of the Company's share capital.

8. Deferred income tax

The PRC corporate income tax applicable to the Group's subsidiary established in the PRC is 25% pursuant to the PRC Corporate Income Tax Law.

According to the relevant approval from the in-charge tax bureau, Langfang Education Consulting applied deemed profit basis (「核定徵收」) in PRC corporate income tax computation and filing for the calendar years ended December 31, 2014 and 2013, the tax losses are not allowable to be carried forward against future taxable income under the deemed profit basis. Therefore, no deferred income tax asset in respect of tax losses was recognised as at December 31, 2014.

The profit rate from the revenue is deemed as 10% under the deemed profit basis. Therefore, there was no timing difference arising from tax deduction basis and no deferred tax assets were recognised on the temporary differences derived from the expenses deduction.

As advised by our PRC legal advisor, the PRC subsidiary should adopt the accounting book method (「查賬徵收」) for the PRC corporate income tax calculation after the Company's listing on the GEM on January 16, 2015. Under the accounting book method, the PRC corporate income tax is calculated based on the assessable income of the subsidiary established in the PRC. As at the approval date of this interim financial information, the in-charge tax bureau has not yet notified the PRC subsidiary to adopt accounting book basis after the Company's listing. However, the Directors are of the view that the PRC subsidiary should adopt the accounting book basis starting from calendar year beginning on January 1, 2015. Deferred tax assets and deferred tax liabilities as at December 31, 2014 were reassessed according to the accounting book method, differences arising from the reassessment were recognised in the income tax expenses for the Period.

The movement in deferred income tax liabilities during the six months ended 2014 and 2013 is as follows:

	Six months ended December 31,	
	2014	**2013**
	RMB'000	*RMB'000*
Opening balance at July 1	20,404	19,024
Charged to profit or loss	4,120	260
Closing balance at December 31	24,524	19,284

9. Trade and other payables

	As at December 31, 2014	**As at June 30, 2014**
	RMB'000	*RMB'000*
Trade payables	6,483	5,515
Other payables due to		
– related parties	16,552	14,232
– third parties	17,235	33,817
Staff welfare benefit payable	232	183
Accruals	1,838	1,327
Other taxes payable	5,133	2,627
	47,473	57,701

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

	As at December 31, 2014	**As at June 30, 2014**
	RMB'000	*RMB'000*
Within 3 months	1,175	1,418
3 to 6 months	1,869	1,345
6 to 12 months	3,439	2,752
	6,483	5,515

10. Other gains– net

	Six months ended December 31,	
	2014	**2013**
	RMB'000	*RMB'000*
Gains on disposal of property and equipment	30	3
Net foreign exchange gain	1,188	66
Others	—	35
	1,218	104

11. Other expenses

Other expenses consisted of the following:

	Six months ended December 31,	
	2014	**2013**
	RMB'000	*RMB'000*
Auditor's remuneration	830	165
Rental expense	11	1,328
Utilities	9	57
Stamp duties	46	35
Insurance fee	80	68
Others	325	519
	1,301	2,172

12. Finance income

	Six months ended December 31,	
	2014	**2013**
	RMB'000	*RMB'000*
Finance income		
– Interest income on bank deposits	106	509

13. Income tax expenses

	Six months ended December 31,	
	2014	**2013**
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	909	964
Deferred income tax		
– PRC corporate income tax	4,120	260
	5,029	1,224

PRC corporate income tax

The current corporate income tax provision has been calculated at the applicable tax rate on the deemed profit for the period under deemed profit basis. The deferred income tax provision has been calculated taking into consideration of the adoption of accounting book method (note 8).

PRC withholding income tax

According to the Corporate Income Tax Law of the PRC, 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 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty arrangements between the PRC and Hong Kong. As at December 31, 2014, the Group has not accrued relevant withholding tax liabilities for the earnings of its PRC subsidiary generated in the period from January 1, 2008 to December 31, 2014 as the Group has no plan to distribute profit of the PRC subsidiary in the foreseeable future.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the condensed consolidated interim financial information as the Company and the Group did not have assessable profit in Hong Kong during the six months ended December 31, 2014 and 2013.

14. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the Period.

	Six months ended December 31, 2014	2013
Profit attributable to equity holders of the Company (RMB)	1,322,000	26,745,000
Weighted average number of ordinary shares in issue	135,000,000	135,000,000
Basic earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)	0.01	0.20

The Company did not have any potential ordinary shares outstanding during the Period. Diluted earnings per share are equal to basic earnings per share.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been adjusted for the effect of bonus issue of 134,800,000 shares on January 15, 2015 to the then sole shareholder without payment upon listing of the Company's shares on the GEM.

15. Dividends

The Board of the Company resolved not to declare any dividend in respect of the Period (2013: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased by 2.68% to RMB30.6 million for the Period from RMB29.8 million for the same period in 2013. This increase is mainly attributable to higher education facilities leasing fees from Beijing University of Medicine Dongfang College by RMB0.7 million, of which RMB0.6 million is from leasing of teaching buildings.

Government grant

We did not record any government grant for the Period while we recorded government grant amounting to RMB8.6 million for the six months ended December 31, 2013.

Operating profit

Our operating profit for the Period was RMB6.3 million, compared to RMB27.7 million in for the same period in 2013, mainly due to the following reasons:

Employee cost

Employee cost decreased by 24% to RMB1.3 million for the Period compared to RMB1.7 million for the same period in 2013 mainly because we transferred out 17 commercial property management team staff members in our effort to rationalize the needs of the Group in September 2013. This led to decreased costs for wages and salaries, pensions, housing benefit, medical benefit and other allowances and benefits for the Period (for which we only have a total head count of 15).

Fair value (losses)/gains on investment properties

Fair value loss on investment properties was RMB0.4 million for the Period compared to fair value gain of RMB9.1 million on pre-existing investment properties during the same period in 2013, based on the assessment performed by the management.

Property taxes and land use taxes

Property taxes and land use taxes increased by 1.7%, to RMB6.0 million for the Period, compared to RMB5.9 million for the same period in 2013,as we have a slight increase in leasing revenue.

Repair and maintenance fees

Repair and maintenance fees increased by 33.3% to RMB2.0 million for the Period from RMB1.5 million for the same period in 2013, primarily due to RMB0.3 million renovation expenses on converting building to our own offices in August 2014.

Legal and consulting fees

Legal and consulting fees increased by 161.1% to RMB9.4 million for the Period from RMB3.6 million for the same period in 2013 due to additional listing expenses incurred.

Other gains — net

We incurred a net other gain of RMB1.2 million for the Period from a gain of RMB0.1 million for the same period in 2013. We recorded a net foreign exchange gain of RMB1.2 million for the Period, primarily due to fluctuations of related party payables denominated in Singapore dollars which were affected by an appreciation in RMB exchange rate versus the Singapore dollar.

Other expenses

Our other expenses decreased to RMB1.3 million for the Period from RMB2.2 million for the same period in 2013, primarily due to the lease contract of dormitories from an independent third party had expired.

Finance income

For the Period and six months ended December 31, 2013, we recorded finance income of RMB0.1million and RMB0.5 million respectively from bank deposits.

Income tax expenses

Our PRC subsidiary will be taxed using accounting book method from 1 January 2015 onwards (PRC tax assessment year 2015), as such we incurred RMB3.9 million additional deferred corporate income tax for the Period because of the said change tax computation method.

Net profit

Due to the foregoing factors, our net profit for the Period was RMB1.4 million, compared to RMB27.0 million for the same period in 2013.

Events after the balance sheet date

(a) Bonus issue

On December 17, 2014, pursuant to the resolution of the then sole shareholder of the Company, it was approved for the Company to issue 134,800,000 ordinary shares to the then sole shareholder without payment upon listing of the Company's shares on the GEM (the "**Bonus Issue**"). Such shares were issued on January 15, 2015.

(b) Placing of shares

On January 15, 2015, the Company issued a total of 45,000,000 ordinary shares at a placing price of HK$2.64 per share as a result of the completion of the placing of shares. Proceeds after deducting prepaid listing expenses of approximately HK$101,404,000 (equivalent to RMB80,038,000) were credited to the Company's share capital account. Number of total issued shares of the Company was increased to 180,000,000 shares upon completion of the placing of shares and the Bonus Issue.

(c) Settlement of amounts due to ultimate holding company

The amounts due to ultimate holding company were all settled on January 16, 2015 by way of cash repayment to REC from the listing proceeds.

LIQUIDITY AND FINANCING

Net current assets

As of June 30, 2014 and December 31, 2014, our net current assets were RMB13.2 million and RMB4.8 million, respectively. The decrease in net current asset as of December 31, 2014 as compared to June 30, 2014 was primarily due to decrease in trade and other receivables by RMB9.2 million and increase in advance from customers by RMB6.6 million.

	December 31, 2014	**June 30, 2014**
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Current assets		
Prepayments	9,872	7,258
Trade and other receivables	28,428	37,592
Cash and cash equivalents	45,246	50,563
	83,546	95,413
Current liabilities		
Current income tax liabilities	24,030	23,882
Advance from customers	7,216	615
Trade and other payables	47,473	57,701
	78,719	82,198
Net current assets	4,827	13,215

The decrease in trade and other receivables was mainly due to the collection from a related party of RMB14.9 million whereas the increase in advance from customers was mainly related to collection of education facilities leasing fee for year ending June 30, 2015.

As at December 31, 2014, the Group had a cash and cash equivalent balance of approximately RMB45.2 million (June 30, 2014: RMB50.6 million). Prior to the completion of the listing in January 2015, operations of the Group are conducted in mainland China and its revenue, expenses, assets and liabilities are principally denominated in RMB. The Directors of the Company are currently contemplating plans and procedures to remit listing proceeds which are denominated in Hong Kong dollars to mainland China to fund our new dormitories construction project.

The gearing ratio, defined as total bank borrowings divided by total equity as at December 31, 2014 was not applicable as we do not have any bank borrowings (June 30, 2014: not applicable). We currently do not intend to raise material debt financing in the future and there are currently no charge on the assets of the Group.

Capital Expenditures

We expect to finance our planned capital expenditure project through the net proceeds from the Listing. Our planned capital expenditure project consists of new dormitories as described in the section "Strategy and Use of Proceeds" in our prospectus dated December 31, 2014.

For the remainder of year ending June 30, 2015, our total planned capital expenditure for the construction of new dormitories is expected to be approximately RMB1.7 million.

BUSINESS REVIEW AND OUTLOOK

We own and lease education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC. All of our existing education facilities are located in Oriental University City, Langfang city, Hebei Province.

Apart from education facilities leasing, in order to serve the daily needs of students and staff, our business, to a much lesser extent, includes commercial leasing. We lease buildings and premises to tenants operating a range of supporting facilities, including grocery stores, laundry shops, internet cafes and canteens.

As the lease-out rate for our dormitories are close to full capacity and to diversify the type of dormitories we provide, we plan to use all of our net proceeds from the listing to construct new dormitories to house approximately 3,500 students and staff. The construction of the new dormitories will increase our total dormitory capacity by 17.9% from 19,504 beds as of December 31, 2014 to approximately 23,004 beds for the 2016 to 2017 academic year.

In general, we expect the resident student population of our Contract Colleges and the revenue to be generated from them to remain relatively stable in the current financial year.

CONTINGENCIES

The Group has no significant contingent liabilities as at December 31, 2014 (30 June 2014: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2014, the Group had a total of 15 full-time employees in the PRC, all of which were located in Langfang city, Hebei. (December 31, 2013: 14). The Group's total employee costs were approximately RMB1.3 million for the Period (December 31, 2013: RMB1.7 million). The employees' remuneration is determined by reference to the market salary of their respective experience and performance. The Company provides training to its employees to improve and upgrade their management and professional skills. As required by the PRC social security regulations, the Company makes contributions to mandatory social security funds for its employees to provide for their retirement and provides medical, unemployment, work-related injury and maternity benefits.

DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (December 31, 2013: Nil).

CORPORATE GOVERNANCE

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

As the Shares were only listed on the GEM of the Stock Exchange on the Listing Date, the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules was not applicable to the Company during the Period. However, the Company adopted the CG Code as its own code of corporate governance on December 17, 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

As the Shares were only listed on the GEM of the Stock Exchange on the Listing Date, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares from the Listing Date to Febuary 6, 2015.

SECURITIES TRANSACTIONS BY DIRECTORS

As the Shares were only listed on the GEM of the Stock Exchange on the Listing Date, the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") was not applicable to the Company for the Period. However, the Company adopted the Required Standard of Dealings on December 17, 2014. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his compliance with the Required Standard of Dealing from the Listing Date to February 6, 2015.

INTERESTS OF THE COMPLIANCE ADVISER

As at December 31, 2014, as notified by the Company's compliance adviser, BNP Paribas Securities (Asia) Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated August 29, 2014 and became effective on the Listing Date, neither the Compliance Adviser nor its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

REVIEW BY AUDIT COMMITTEE AND AUDITOR

The audit committee of the Company (the "**Audit Committee**") was established on December 17, 2014 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management systems, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw with Mr. Lam Bing Lun, Philip serving as the chairman.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial statements of the Group for the Period and this results announcement.

The unaudited interim condensed consolidated financial information of the Group for the six months ended December 31, 2014 has been reviewed by PricewaterhouseCoopers, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board
Oriental University City Holdings (H.K.) Limited
Chew Hua Seng
Chairman

Hong Kong, February 6, 2015

As at the date of this announcement, the executive Directors are Mr. Chew Hua Seng and Mr. Liu Ying Chun (chief executive officer); the non-executive Director is Mr. He Jun; and the independent non-executive Directors are Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw.

This announcement will remain on the website of the GEM of the Stock Exchange at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published and will remain on the website of the Company at www.oriental-university-city.com.