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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, 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE (THE “GEM”).

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 (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.

FINANCIAL HIGHLIGHTS

- The Group recorded a revenue of approximately RMB 34.5 million for the six months ended December 31, 2015, representing an increase of 12.5% as compared with the corresponding period in 2014.
- Profit attributable to shareholders of the Company for the six months ended December 31, 2015 amounted to approximately RMB 18.3 million, representing an increase of 1,282.4% as compared with the corresponding period in 2014.
- Basic earnings per share for the six months ended December 31, 2015 amounted to RMB 0.10 (2014: RMB 0.01).
- An interim dividend of HK4 cents (equivalent to approximately RMB3.3 cents) per share is declared by the Board for the six months ended December 31, 2015 (2014: Nil).

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated results of the Company and its subsidiary (together, the “**Group**”) for the three months and six months ended December 31, 2015, together with the relevant unaudited/audited comparative figures, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

		For the three months ended		For the six months ended	
		December 31,	December 31,	December 31,	December 31,
	Notes	2015	2014	2015	2014
		Unaudited	Unaudited	Unaudited	Unaudited
		RMB'000	RMB'000	RMB'000	RMB'000
Revenue	3	17,260	15,254	34,455	30,628
Government grant		—	—	2,000	—
Employee costs		(655)	(677)	(1,186)	(1,328)
Depreciation of property, plant and equipment		(85)	(30)	(172)	(333)
Fair value gains on investment properties		—	(437)	—	(437)
Business taxes and surcharges		(967)	(855)	(1,929)	(1,715)
Property taxes and land use taxes		(3,182)	(2,969)	(6,352)	(5,952)
Property management fee		(1,548)	(1,450)	(3,039)	(3,051)
Repairs and maintenance		(886)	(36)	(1,551)	(2,022)
Legal and consulting fees		(1,182)	(9,923)	(1,739)	(9,416)
Other gains/(losses), net	4	1,185	651	2,761	1,218
Other expenses	5	(634)	(236)	(1,163)	(1,301)
Share of results of associates		(1,250)		(1,250)	
Operating profit		8,056	(708)	20,835	6,291
Interest income	6	39	25	76	106
Profit before income tax		8,095	(683)	20,911	6,397
Income tax	7	(934)	(2,269)	(2,451)	(5,029)
Profit for the period		7,161	(2,952)	18,460	1,368
Profit attributable to					
– Owners of the Company		7,091	(2,961)	18,275	1,322
– Non-controlling interests		70	9	185	46
		7,161	(2,952)	18,460	1,368

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

	<i>Note</i>	For the three months ended		For the six months ended	
		December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>	December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>
Total comprehensive income attributable to					
– Owners of the Company		7,091	(2,961)	18,275	1,322
– Non-controlling interests		70	9	185	46
		<u>7,161</u>	<u>(2,952)</u>	<u>18,460</u>	<u>1,368</u>
Earnings per share for profit attributable to the owners of the Company during the period	10				
– Basic (RMB per share)		<u>0.04</u>	<u>—</u>	<u>0.10</u>	<u>0.01</u>
– Diluted (RMB per share)		<u>0.04</u>	<u>—</u>	<u>0.10</u>	<u>0.01</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	<i>Notes</i>	December 31, 2015 <i>Unaudited RMB'000</i>	June 30, 2015 <i>Audited RMB'000</i>
Assets			
Non-current assets			
Property and equipment	11	5,877	6,029
Investment properties	11	863,316	860,436
Investments in associates		22,334	—
Available-for-sale financial assets		—	17,617
Total non-current assets		891,527	884,082
Current assets			
Trade and other receivables	12	62,866	21,745
Prepayments		38	—
Cash and cash equivalents	13	99,798	101,663
Total current assets		162,702	123,408
Total assets		1,054,229	1,007,490
Current liabilities			
Trade payables and other payables and accruals	14	21,030	14,889
Advance from customers		34,486	1,223
Current tax liabilities		23,820	23,128
Total current liabilities		79,336	39,240
Net current assets		83,366	84,168
Total assets less current liabilities		974,893	968,250
Non-current liabilities			
Deferred tax liabilities	15	35,771	35,771
Total non-current liabilities		35,771	35,771
NET ASSETS		939,122	932,479
Equity attributable to owners of the Company			
Share capital	16	411,936	411,936
Reserves		519,953	513,495
		931,889	925,431
Non-controlling interests		7,233	7,048
TOTAL EQUITY		939,122	932,479

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

	Reserves								
	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Available- for-sale financial asset reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Proposed interim dividend <i>RMB'000</i>	Equity attributable to owners of the Company <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at July 1, 2014	331,898	—	(71,025)	—	542,391	—	803,264	6,526	809,790
Profit and total comprehensive income for the Period	—	—	—	—	1,322	—	1,322	46	1,368
Balance at December 31, 2014	331,898	—	(71,025)	—	543,713	—	804,586	6,572	811,158
Balance at June 30, 2015 and July 1, 2015	411,936	—	(71,025)	1	573,172	11,347	925,431	7,048	932,479
Profit for the Period	—	—	—	—	18,275	—	18,275	185	18,460
Other comprehensive income	—	—	—	(1)	—	—	(1)	—	(1)
Total comprehensive income	—	—	—	(1)	18,275	—	18,274	185	18,459
Dividends	—	—	—	—	(469)	(11,347)	(11,816)	—	(11,816)
Proposed Interim Dividend (Note 18)	—	—	—	—	(6,016)	6,016	—	—	—
Balance at December 31, 2015	411,936	—	(71,025)	—	584,692	6,016	931,889	7,233	939,122

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

	For the six months ended	
	December 31,	December 31,
	2015	2014
	<i>Unaudited</i>	<i>Unaudited</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Operating activities		
Profit before income tax	9,095	1,805
Adjustments for:		
Interest Income	(76)	(106)
Depreciation of property, plant and equipment	172	226
Fair value gain on investment properties	—	(437)
Gain on disposal of property and equipment	—	—
Operating cash flows before working capital	9,191	1,488
(Increase)/decrease in prepayments	(38)	(2,614)
(Increase)/decrease in trade and other receivables	(41,121)	9,164
Increase/(decrease) in advance from customers	33,263	6,601
Increase/(decrease) in trade and other payables	6,190	(10,179)
Cash (used in)/generated from operations	(14,849)	4,460
Profits tax paid	(1,759)	3,831
Net cash (used in)/generated from operating activities	5,726	8,291
Investing activities		
Interest received	76	106
Payments to acquire property and equipment	(20)	(3,412)
Payments to acquire investment properties	(2,880)	(17,107)
Proceeds from sale of property and equipment	—	30
Payments to acquire available-for-sale financial assets	(4,717)	—
Net Cash (used in)/generated from investment	(7,541)	(13,559)
Financing activities		
Decrease in amounts due to ultimate holdings company	(49)	(49)
Included in other payables		
Issue of shares under placing	(1)	—
Net cash (used in)/generated from financing activities	(50)	(13,559)
(Decrease)/Increase in cash and cash equivalents	(1,865)	(5,317)
Cash and cash equivalents at beginning of period	101,663	50,563
Cash and cash equivalents at end of this period	99,798	45,246

NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

1 GENERAL INFORMATION

Oriental University City Holdings (H.K.) Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong. Its shares have been listed on the GEM since January 16, 2015 (the “**Listing Date**”). The address of the Company’s registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong. The Group, comprising the Company and its subsidiary, is engaged in the provision of education facilities rental services in the People’s Republic of China (the “**PRC**”).

The Directors consider that the Company’s ultimate parent is Raffles Education Corporation Limited (“**REC**”), a company incorporated in Singapore, whose shares are listed on Singapore Exchange Securities Trading Limited. This interim results are presented in Renminbi (“**RMB**”), unless otherwise stated.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group’s unaudited condensed consolidated results for the six months ended December 31, 2015 (the “**Period**”) have been prepared in accordance with Chapter 18 of the GEM Listing Rules, and in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and accounting principles generally accepted in Hong Kong. Except as described below, the accounting policies and methods of computation used in preparing these interim results are the same as those followed in the preparation of the Group’s audited financial statements for the year ended June 30, 2015.

The interim results are unaudited but have been reviewed by the audit committee of the Company.

The financial relating to the year ended June 30, 2015 that is included in these unaudited condensed consolidated financial statements for the Period as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated 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 (Chapter 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 30 June 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Chapter 622).

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Chapter 622).

3 SEGMENT INFORMATION

The executive Directors, who are the chief operating decision makers 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 that are used to make strategy decisions.

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 was below 10% of the total revenue during the six months ended December 31, 2015 and 2014, business segment information is not considered necessary.

As the executive Directors consider that 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 physical assets are located outside the PRC, geographical segment information is not considered necessary.

An analysis of revenue by category for the three months and six months ended December 31, 2015 and 2014 is as follows:

	Three months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Three months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>
Revenue				
– Education facilities leasing	16,463	14,605	32,701	29,240
– Commercial leasing for supporting facilities	797	649	1,754	1,388
	<u>17,260</u>	<u>15,254</u>	<u>34,455</u>	<u>30,628</u>

The Group's revenues were derived from the following external customers that individually contributed more than 10% of the Group's revenues in the three months and six months ended December 31, 2015 and 2014:

	Three months ended December 31, 2015	Three months ended December 31, 2014	Six months ended December 31, 2015	Six months ended December 31, 2014
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
College A	10,332	8,404	20,565	16,808
College B	2,040	2,008	4,080	7,142
College C	1,920	1,907	3,792	4,016
	<u>14,292</u>	<u>12,319</u>	<u>28,437</u>	<u>27,966</u>

4 OTHER GAINS/ LOSSES – NET

	Three months ended December 31, 2015	Three months ended December 31, 2014	Six months ended December 31, 2015	Six months ended December 31, 2014
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gains on disposal of property, plant and equipment	—	—	—	30
Exchange gain	1,185	645	2,761	1,188
Other gain	—	6	—	—
	<u>1,185</u>	<u>651</u>	<u>2,761</u>	<u>1,218</u>

5 OTHER EXPENSES

	Three months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Three months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>
Rental expense	—	—	2	11
Utilities	88	1	93	9
Stamp duties	17	15	34	46
Insurance fee	—	—	84	80
Others	529	220	950	1,155
	<u>634</u>	<u>236</u>	<u>1,163</u>	<u>1,301</u>

6 FINANCE INCOME

	Three months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Three months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>
Finance income				
– Interest income on bank deposits	39	25	76	106
	<u>39</u>	<u>25</u>	<u>76</u>	<u>106</u>

7 INCOME TAX EXPENSES

	Three months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Three months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>
Current income tax				
– PRC corporate income tax	934	(1,851)	2,451	909
– Deferred income tax	—	4,120	—	4,120
PRC corporate income tax	<u>934</u>	<u>2,269</u>	<u>2,451</u>	<u>5,029</u>

PRC corporate income tax

The corporate income tax rate applicable to the Group's entity located in the PRC (the "**PRC Subsidiary**") is 25% pursuant to the Corporate Income Tax Law of the PRC (the "**PRC CIT Law**"). Since January 1, 2015, the corporate income tax of the PRC Subsidiary has been levied according to accounting book under the PRC CIT Law.

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 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.

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, 2015 and 2014.

8 CONTINGENCIES

The Group had no significant contingent liabilities as at December 31, 2015 (December 31, 2014: nil).

9 RELATED PARTY TRANSACTIONS

The Group is controlled by REC, a company incorporated in Singapore. Mr. Chew Hua Seng, the founding shareholder of REC, the chairman and an executive Director, is the ultimate beneficial owner of the Group.

(a) Transactions with related parties

On September 1, 2015, the Group entered into an agreement with Langfang Development Zone Shenglong Property Management Services Co., Ltd. ("**Shenglong Property Management**"), a subsidiary of REC. Pursuant to the agreement, it was agreed that the Group will lease an office premise to Shenglong Property Management from September 1, 2015 to August 31, 2018 with a rental fee of RMB 80,000 per annum.

9 RELATED PARTY TRANSACTIONS - continued

(a) Balances with related parties

The Group had the following significant non-trade balances with related parties:

	As at December 31, 2015 <i>Unaudited</i> RMB'000	As at June 30, 2015 <i>Audited</i> RMB'000
Amounts due to		
– Ultimate holding company	82	33

Note: Amounts due from/to related parties are unsecured, interest-free and have no fixed terms of repayment.

(b) Key management compensation

Key management includes directors and heads of major operational departments. The compensation paid or payable to key management for employee services is shown below:

	Six months ended December 31, 2015 <i>Unaudited</i> RMB'000	Six months ended December 31, 2014 <i>Unaudited</i> RMB'000
Salaries and other employee benefits	879	947

10 EARNINGS PER SHARE

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

	Three months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Three months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	Six months ended December 31, 2014 <i>Unaudited</i> <i>RMB'000</i>
Profit attributable to the shareholders of the Company (RMB'000)	7,091	(2,961)	18,275	1,322
Weighted average number of ordinary shares in issue	<u>180,000,000</u>	<u>135,000,000</u>	<u>180,000,000</u>	<u>135,000,000</u>
Basic earnings per share for profit attributable to the Shareholders during the year (expressed in RMB per share)	<u>0.04</u>	<u>—</u>	<u>0.1</u>	<u>0.01</u>

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

11 PROPERTY AND EQUIPMENT AND INVESTMENT PROPERTIES

	Property and equipment Unaudited RMB'000	Investment properties Unaudited RMB'000
Six months ended December 31, 2015		
Opening amount as at July 1, 2015	6,029	860,436
Transfers from investment properties	—	—
Transfers to property and equipment	—	—
Additions	20	2,880
Depreciation charge	(172)	—
Fair value losses on investment properties	—	—
Closing amount as at December 31, 2015	5,877	863,316
Six months ended December 31, 2014		
Opening amount as at July 1, 2014	800	816,179
Transfers from investment properties	4,475	—
Transfers to property and equipment	—	(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

Valuation techniques of investment properties

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

All the investment properties were completed investment properties as at December 31, 2015.

Fair value of completed investment properties are generally derived using the income capitalization approach. Income capitalization 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.

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

— Unit monthly rents 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.

There were no changes in the valuation techniques during the Period.

12 TRADE AND OTHER RECEIVABLES

	As at December 31, 2015 <i>Unaudited</i> RMB'000	As at June 30, 2015 <i>Audited</i> RMB'000
Trade receivables		
Trade receivables	9,350	719
Less: provision for impairment	—	—
Trade receivables, net	9,350	719
Other receivables		
– Due from related parties	—	—
– Due from third parties	53,516	21,026
Other receivables, net	53,516	21,026
Total trade and other receivables	62,866	21,745

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, 2015 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2015 <i>Audited</i> <i>RMB'000</i>
Within 3 months	78	262
3 to 6 months	9,022	183
6 to 12 months	110	240
Over 1 year	140	34
	<u>9,350</u>	<u>719</u>

Other receivables

The aging analysis of other receivables is as follows:

	As at December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2015 <i>Audited</i> <i>RMB'000</i>
Within 1 year	32,500	—
1-2 years	1,705	1,715
2-3 years	19,311	19,311
	<u>53,516</u>	<u>21,026</u>

13 CASH AND CASH EQUIVALENTS

	As at December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2015 <i>Audited</i> <i>RMB'000</i>
Cash at bank and in hand	99,798	101,663

Cash and cash equivalents of the Group are denominated in the following currencies:

	As at December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2015 <i>Audited</i> <i>RMB'000</i>
RMB	85,517	55,162
HKD	14,281	46,501
Cash at bank and in hand	99,798	101,663

14 TRADE AND OTHER PAYABLES

	As at December 31, 2015 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2015 <i>Audited</i> <i>RMB'000</i>
Trade payables	4,558	2,716
Other payables due to		
– Related parties	82	33
– Third parties	7,447	7,748
Staff welfare benefit payable	149	137
Accruals	2,944	1,259
Other taxes payable	5,850	2,996
	21,030	14,889

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 as follows:

	As at December 31, 2015 <i>Unaudited</i> RMB'000	As at June 30, 2015 <i>Audited</i> RMB'000
Within 3 months	2,770	1,078
3 to 6 months	1,643	1,071
6 to 12 months	28	115
Over 1 year	117	452
	4,558	2,716

15 DEFERRED TAX LIABILITIES

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

	<i>Temporary differences on recognition of fair value gains on investment properties RMB'000</i>
At 1 July 2014	20,404
Charged to profit or loss	15,367
At 1 July 2015	35,771
Charged to profit or loss	—
At 1 December 2015	35,771

16 SHARE CAPITAL

	Number of ordinary shares (Shares)	Share capital HKD	Share capital RMB
At 30 June 2014 and 1 July 2014	200,000	414,872,500	331,898,000
Bonus issue	134,800,000	—	—
Issue of new shares under placing	45,000,000	101,448,000	80,038,000
	<u>180,000,000</u>	<u>516,320,500</u>	<u>411,936,000</u>
At 30 June 2015	<u>180,000,000</u>	<u>516,320,500</u>	<u>411,936,000</u>
At 31 December 2015	<u>180,000,000</u>	<u>516,320,500</u>	<u>411,936,000</u>

17 CAPITAL COMMITMENTS

As at December 31, 2015, the Group did not have capital expenditure contracted but not yet incurred for construction of either investment properties or self-use properties and equipment (June 30, 2015: Nil).

18 DIVIDEND

	Six months ended December 31,	
	2015	2014
	<i>Unaudited</i>	<i>Unaudited</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Dividend declared after the end of the reporting periods:		
2015: HK4 cents (equivalent to approximately RMB3.3 cents) per ordinary share	6,016	—
2014: Nil	<u>—</u>	<u>—</u>

During the six months ended December 31, 2015, a final dividend HK8 cents (equivalent to approximately RMB6.3 cents) per share totalling RMB11,816,640 was paid to the shareholders of the Company in respect of the year ended June 30, 2015 (December 31, 2014: Nil).

The Board declared an interim dividend of HK4 cents (equivalent to approximately RMB3.3 cents) per share for the Period. (December 31, 2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our leasing revenue increased by 12.5% to RMB 34.5 million for the Period compared to RMB 30.6 million for the same period in 2014. This increase was mainly attributable to higher education facilities leasing fees.

Operating profit

Our operating profit for the Period was RMB 20.8 million compared to RMB 6.3 million for the same period in 2014, mainly due to the following reasons:

1) *Government grant*

We received a one-time government incentive grant of RMB 2.0 million from Hebei government in recognition of our successful listing on the GEM.

2) *Employee cost*

Decrease in employee cost by 10.7% to RMB 1.2 million for the Period compared to RMB 1.3 million for the same period in 2014 mainly because of manpower turnover.

3) *Repairs and maintenance fees*

Decrease in repair and maintenance fees by 23.3% to RMB1.6 million for the Period from RMB2.0 million for the same period in 2014.

4) *Legal and consulting fees*

Decrease in Legal and consulting fees by 81.5% to RMB 1.7 million for the Period from RMB 9.4 million for the same period in 2014 due to listing expenses incurred in the first six months of FY2014.

5) *Other gains – net*

We recorded a net foreign exchange gain of RMB 2.8 million for the Period primarily due to fluctuations of Hong Kong Dollar deposits kept with a financial institutions in Hong Kong, which were affected by an appreciation in RMB exchange rate versus Hong Kong Dollar.

6) Other expenses

Our other expenses decreased to RMB 1.2 million for the Period from RMB 1.3 million for the same period in 2014, primarily due to a decrease in travel expenses.

Finance Income - net

For the Period and the same period in 2014, we recorded finance income of RMB 76,000 and RMB 106,000, respectively from bank deposits.

Income tax expenses

Since January 1, 2015 (PRC tax assessment year 2015) onwards, the corporate income tax of the PRC Subsidiary has been levied according to accounting book under the PRC CIT Law. We incurred RMB 2.5 million corporate income tax expense for the Period.

Net profit

Due to the foregoing factors, our net profit for the Period was RMB 18.5 million compared to RMB 1.4 million for the same period in 2014. Total comprehensive income for the Period was RMB 18.5 million compared to RMB 1.4 million for the same period in 2014.

Liquidity and Financial Resources

The Group has sufficient liquidity and financial resources on hand to meet its due obligations and capital investment plans.

Cash and Cash Equivalents

The Group places a high emphasis on risk management, safety and liquidity. Cash in excess of daily operational requirements are placed in fixed deposits. The Group currently does not invest in bonds, bills, structured products or any other financial instruments. As at December 31, 2015, the Group had a cash and cash equivalent balance of approximately RMB99.8 million (June 30, 2015: RMB101.7 million).

Foreign Exchange Hedging

The Group have limited foreign currency risk as most of the transactions are denominated in the RMB as the functional currency of the operations. Thus, the Group presently does not conduct 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 significant foreign currency hedging policy in the future, if necessary.

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, the PRC.

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 rates 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 placing of 45,000,000 ordinary shares of the Company (the “**Shares**”) at a price of HK\$ 2.64 each on January 16, 2015 (the “**Placing**”) 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 approximately 19,500 beds as of December 31, 2015, to approximately 23,000 beds for the 2016 to 2017 academic year. For update on the business plan of the Group, please refer to “Use of Proceeds from the Company’s Placing” section below.

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.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENT

Saved as disclosed in the Prospectus, as at December 31, 2015, the Group did not hold any significant investment, had no material capital commitments and no future plans for material investments or purchase of capital assets.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

On October 30, 2015, the Group purchased 20,950,00 ordinary shares representing approximately 5 per cent. of the existing issued equity capital of AXIOM at A\$0.06 per share. through purchase via married deal on the ASX. The consideration for this acquisition totalling A\$1,269,570 (approximately RMB5.74 million), has been paid in cash on completion of this acquisition.

CHARGE ON GROUP ASSETS

As at December 31, 2015, the Group did not have any charge on its assets.

CAPITAL STRUCTURE

There was no change in the capital structure of the Group as at December 31, 2015 as compared with that as at June 30, 2015.

CONTINGENT LIABILITIES

As at December 31, 2015, the Group and the Company did not have any significant contingent liabilities (June 30, 2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2015, the Group had a total of 16 full-time employees in the PRC, all of which were located in Langfang city, Hebei. (June 30, 2015: 17). The Group's total employee costs were approximately RMB1.2 million for the Period (December 31, 2014: RMB1.3 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.

USE OF PROCEEDS FROM THE COMPANY'S PLACING

The net proceeds received by the Company from the Placing, after deducting the amounts due to REC, the controlling shareholder of the Company 36.57% owned by Mr. Chew Hua Seng, the chairman and an executive Director for listing expenses as set out in the Prospectus and the total underwriting commission, fees and expenses relating to the Placing paid by the Company, amounted to approximately HK\$ 75.3 million.

The Directors intend to apply all the above net proceeds for constructing new dormitories on the campus site owned by the Group, housing the colleges, universities, schools, education training centre and corporate entities that lease facilities from the Group, located in Oriental University City in Langfang Economic and Technology Development Zone in Langfang city, Hebei, the PRC.

As at December 31, 2015, preparation work for the construction of new dormitories was on-going. The planning and design has been approved by the Langfang Development Zone Planning Bureau. The budget of RMB 65.0 million (HK\$ 80.9 million) is slightly higher than the planned investment amount of HK\$ 77.8 million stated in the Prospectus. The additional investment will be funded by internally generated funds.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the implementation plans as set out in the Prospectus with the Group's actual plans for the six months ended December 31, 2015 is set out below:

Timetable	Implementation Plans in Prospectus	Actual Plans
For the six months ended June 30, 2015	Commence preparation work for the construction of new dormitories.	Completed
For the six months ended June 30, 2015	Make relevant application to the relevant government authorities	Planning design and drawing had been approved by the Lang Fang Development Zone Planning Bureau on May 20, 2015.
For the six months ended December 31, 2015	Commence selection of appropriate third party contractors for construction of the new dormitories.	On-going

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPETING INTERESTS

REC 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 Prospectus).

On December 22, 2014, REC 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.

The Directors have confirmed that saved as disclosed above, as at December 31, 2015, none of the Directors, controlling shareholder or substantial shareholders of the Company, directors of any of the Company's subsidiaries or any of their respective close associates (as defined in the GEM Listing Rules) had interest in any business (other than our Group) which, directly or indirectly, competes or may compete with the Group's business.

DIVIDEND

The Board has resolved to declare an interim dividend of HK4 cents (equivalent to approximately RMB3.3 cents) per share for the Period (the “**Interim Dividend**”) to Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, March 24, 2016. (December 31, 2014: Nil). The relevant dividend warrants are expected to be despatched on or before Thursday, April 7, 2016.

BOOK CLOSE DATES

For the purpose of determining Shareholders’ entitlement to the Interim Dividend, the Company’s register of members will be closed on Thursday, March 24, 2016 on which day no transfer of shares will be registered. In order to qualify for the Interim Dividend, all completed transfers forms accompanied by the relevant share certificate(s) must be lodged for registration with the Company’s Share Registrar, Boardroom Share Registrars (HK) Limited of 31/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Wednesday, March 23, 2016.

CORPORATE GOVERNANCE

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 code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the Period.

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

The Company did not redeem any of its Shares listed on the GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares during the Period.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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**”) as its own code of conduct for dealings in the Company’s securities by the Directors. The Company had made specific enquiry with all Directors and each of them has confirmed his compliance with the Required Standard of Dealing during the Period.

INTERESTS OF THE COMPLIANCE ADVISER

As at December 31, 2015, 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, which 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.

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

As at December 31, 2015, 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**")) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions

(a) Shares in the Company

Name of Director	Capacity/Nature of interest	Number of issued Shares held	Appropriate percentage of shareholding
Chew Hua Seng ("Mr. Chew")	Interest of a controlled corporation ^(Note 1)	135,000,000	75% ^(Note2)

Notes:

- 1) Details of the interest in the Company held by REC 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 December 31, 2015 (i.e. 180,000,000 Shares).

(b) Shares in associated corporation of the Company

Name of Director	Name of Associated Corporation	Nature of interests	Appropriate Number of shares	percentage of shareholding
Mr. Chew	REC ^(Note 1)	Beneficial owner and interest of spouse	356,082,899	36.57% ^(Note 2)

1) REC, a company incorporated in Singapore and listed on Singapore Exchange Securities Trading Limited, is the immediate holding company of the Company.

2) It includes (a) the 2.69% interest of Ms. Doris Chung Gim Lian (“Ms. Chung”), the wife of Mr. Chew in REC; and (b) the 12.87% joint interest of Mr. Chew and Ms. Chung.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at December 31, 2015, 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 any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2015, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director or the chief executive of the Company) which/who had 5% or more interests in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

Long position in the Shares

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held	Appropriate percentage of shareholding
REC	Beneficial owner ^(Note 1)	135,000,000	75% ^(Note 2)
Ms. Chung	Interest of spouse ^(Note 1)	135,000,000	75% ^(Note 2)

Notes:

- 1) REC is owned as to (a) 21.01% by Mr. Chew, the chairman and an executive Director; (b) 12.87% jointly by Mr. Chew and Ms. Chung; and (c) 2.69% by Ms. Chung. Under the SFO, Mr. Chew is deemed to be interested in the Shares in which REC is interested and Ms. Chung is deemed to be interested in the Shares that Mr. Chew is interested and deemed to be interested.
- 2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at December 31, 2015 (i.e. 180,000,000 Shares).

Save as disclosed above, as at December 31, 2015, 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 any interest or short position in the Shares and the underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS

Save as otherwise disclosed, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (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 results of the Group for the Period and was of the opinion that such results had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures had been made.

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

Singapore, January 26, 2016

As at the date of this announcement, the executive Directors are Mr. Chew Hua Seng (Chairman) 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 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