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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED JUNE 30, 2016

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.*

ANNUAL RESULTS

The board of Directors (the "**Board**") is pleased to announce the audited consolidated results of the Company and its subsidiary (the "**Group**") for the year ended June 30, 2016 (the "**Year**") together with the comparative audited figures in 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2016

	Notes	**2016** *RMB'000*	2015 *RMB'000*
Revenue	4	**68,619**	61,588
Government grants	5	**5,000**	—
Employee costs		**(2,537)**	(2,748)
Depreciation of property, plant and equipment		**(344)**	(410)
Fair value gains on investment properties	8	**28,867**	34,935
Business taxes and surcharges		**(3,286)**	(3,449)
Property taxes and land use taxes		**(12,633)**	(11,793)
Property management fee		**(6,172)**	(5,584)
Repairs and maintenance		**(1,775)**	(2,382)
Legal and consulting fees		**(3,585)**	(11,345)
Other gains, net		**2,117**	2,220
Other expenses		**(2,259)**	(2,815)
Share of results of an associate		**920**	—
Loss on de-recognition of an available-for-sale financial asset	10	**(1,887)**	—
Operating profit		**71,045**	**58,217**
Interest income		**737**	210
Profit before income tax	**5**	**71,782**	**58,427**
Income tax	6	**(18,301)**	(15,777)
Profit for the year		**53,481**	**42,650**

	Note	2016 RMB'000	2015 *RMB'000*
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Share of other comprehensive income of an associate		**1,390**	—
Fair value (losses)/gains on available-for-sale financial assets, net		**(977)**	1
Reclassification adjustments on de-recognition of an available-for-sale financial asset		**1,887**	—
Other comprehensive income for the year		**2,300**	1
Total comprehensive income for the year		**55,781**	42,651
Profit for the year attributable to:			
Owners of the Company		**52,913**	42,128
Non-controlling interests		**568**	522
		53,481	42,650
Total comprehensive income attributable to:			
Owners of the Company		**55,213**	42,129
Non-controlling interests		**568**	522
		55,781	42,651
Earnings per share for profit attributable to the owners of the Company during the year	7		
– Basic (RMB per share)		**0.29**	0.27
– Diluted (RMB per share)		**0.29**	0.27

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2016

	Notes	**2016** **RMB'000**	2015 *RMB'000*
Non-current assets			
Property, plant and equipment		**5,705**	6,029
Investment properties	8	**892,183**	860,436
Interest in an associate	9	**23,805**	—
Available-for-sale financial asset	10	**17,652**	17,617
Prepayments for purchase of property, plant and equipment and investment properties	11	**80,000**	—
Total non-current assets		**1,019,345**	884,082
Current assets			
Trade and other receivables and prepayments	12	**38,843**	21,745
Cash and cash equivalents		**4,866**	101,663
Total current assets		**43,709**	123,408
Current liabilities			
Trade and other payables and accruals	13	**18,912**	14,889
Advance from customers		**1,265**	1,223
Current tax liabilities		**21,597**	23,128
Total current liabilities		**41,774**	39,240
Net current assets		**1,935**	84,168
Total assets less current liabilities		**1,021,280**	968,250
Non-current liabilities			
Deferred tax liabilities		**50,863**	35,771
Total non-current liabilities		**50,863**	35,771
NET ASSETS		**970,417**	932,479

	Note	2016 RMB'000	2015 RMB'000
Capital and reserves attributable to owners of the Company			
Share capital	14	**411,936**	411,936
Reserves		**550,865**	513,495
		962,801	925,431
Non-controlling interests		**7,616**	7,048
Total equity		**970,417**	932,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2016

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. The addresses of the Company's registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong and principal place of business is Levels 1 and 2, No. 100 Zhangheng Road, Oriental University City, Langfang Economic & Technical Development Zone, Hebei Province, the People's Republic of China (the "**PRC**"). The Company acts as an investment company and its principal subsidiary is engaged in the provision of education facilities rental services in 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.

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

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group for the Year have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations (collectively the "**HKFRSs**") and the provisions of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "**Companies Ordinance**") which govern the preparation of financial statements. In addition, the financial statements include applicable disclosures required by the GEM Listing Rules.

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

3. ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs – effective 1 July 2015

HKFRSs (Amendments)	Annual Improvement 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvement 2011-2013 Cycle

The adoption of these amendments has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

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

HKFRSs (Amendments)	Annual Improvement 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initative[1]
Amendments to HKAS 7	Disclosure Initative[2]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[2]
HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 15	Classifications to HKFRS 15 Revenue from Contracts with customers[3]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 16	Leases[4]

[1] Effective for annual periods beginning on or after 1 January 2016

[2] Effective for annual periods beginning on or after 1 January 2017

[3] Effective for annual periods beginning on or after 1 January 2018

[4] Effective for annual periods beginning on or after 1 January 2019

[5] On 6 January 2015, the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") issued "Effective Date of Amendments to HKFRS 10 and HKAS 28, following the International Accounting Standard Board's equivalent amendments. This update defers/removes the effective date of the amendments in Sale or Contribution of Assets between an Investor and its Associate or Joint Venture that the HKICPA issued on 7 October 2014. Early application of these amendments continues to be permitted.

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

Amendments to HKAS 16 and HKAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) - Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("**FVTOCI**") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("**FVTPL**").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

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

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 – Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a subsidiary of an investment entity (including investment entities that account for their subsidiaries at fair value rather than consolidating them). An investment entity parent will consolidate a subsidiary only when the subsidiary is not itself an investment entity and the subsidiary's main purpose is to provide services that relate to the investment entity's investment activities. A non-investment entity applying the equity method to an associate or joint venture that is an investment entity may retain the fair value measurements that associate or joint venture used for its subsidiaries. An investment entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss should provide the disclosures related to investment entities as required by HKFRS 12.

HKFRS 15 - Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

HKFRS 16 - Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group is in the process of making an assessment of the potential impact of these new pronouncements. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group’s accounting policies and financial statements.

4 SEGMENT REPORTING AND REVENUE

The executive Directors, who are 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 that are used to make strategic 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 is below 10% of the total revenue during the Year, business segment information is not considered necessary.

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

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

	2016	2015
	RMB'000	*RMB'000*
Revenue:		
– Education facilities leasing	**65,371**	58,870
– Commercial leasing for supporting facilities	**3,248**	2,718
	68,619	61,588

Information about major customers

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

	2016	2015
	RMB'000	*RMB'000*
College A	**41,131**	33,616
College B	**—**	7,959
College C	**7,583**	8,032
College D	**15,008**	6,655
	63,722	56,262

5 PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting):

	2016	2015
	RMB'000	*RMB'000*
Auditor's remuneration	**580**	445
Direct operating expenses arising from investment properties that generated rental income during the year	**21,715**	22,118
Direct operating expenses arising from investment properties that did not generate rental income during the year	**4,391**	3,909
Government grants (Note)	**(5,000)**	—

Note: During the Year, the Group successfully applied for listing reward (the "**Reward**") of RMB5,000,000 in aggregate, set up by the Local Financial Bureau. The purpose of the Reward is to encourage listing of local entities to capital markets, both local and overseas, by rewarding entities who have successfully listed on the capital markets. No government grant was received by the Group during the year ended June 30, 2015.

6 INCOME TAX

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

	2016	2015
	RMB'000	*RMB'000*
Current tax		
– PRC corporate income tax for the year	**3,423**	1,531
– Over-provision in respect of prior years	**(214)**	(1,121)
	3,209	410
Deferred tax	**15,092**	15,367
Income tax	**18,301**	15,777

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**").

The PRC Subsidiary was approved by the in-charge tax bureau to adopt the collection on a deemed profit basis in prior years. The profit rate from the revenue is deemed as 10% under the deemed profit basis. However, under the PRC CIT Law, the PRC Subsidiary is not allowed to adopt the deemed profit basis for the purpose of calculation of corporate income tax after the successful listing of the Company's shares. Since January 1, 2015, the corporate income tax of the PRC Subsidiary is levied according to accounting book under the PRC CIT Law.

7 EARNINGS PER SHARE

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

	2016	2015
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic earnings per share	**52,913**	42,128
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**180,000,000**	155,465,753

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

8 INVESTMENT PROPERTIES

	2016	2015
	RMB'000	*RMB'000*
Fair value		
At beginning of year	**860,436**	816,179
Additions	**2,880**	13,797
Transfer to property, plant and equipment	**—**	(4,475)
Change in fair value	**28,867**	34,935
At end of year	**892,183**	860,436

As at June 30, 2015 and 2016, all investment properties were completed.

(a) Valuation

An independent valuation of the Group's investment properties was performed by DTZ Cushman & Wakefield Limited ("**DTZ**"), an independent firm of professionally qualified valuers, to determine the fair value of the Group's investment properties as at June 30, 2016, by 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, 2015 and 2016.

Valuation basis

The Group obtains independent valuations from DTZ 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 approach.

Income capitalisation approach (term and reversionary method) largely uses observable inputs (e.g. 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.

9 INTEREST IN AN ASSOCIATE

	2016	2015
	RMB'000	*RMB'000*
Share of net assets other than goodwill	**21,153**	—
Goodwill	**2,652**	—
	23,805	—

10 AVAILABLE-FOR-SALE FINANCIAL ASSET

During the prior year, the Group acquired a 14.9% equity interest in Axiom Properties Limited ("**Axiom**"), a company whose shares are listed on the Australian Stock Exchange (the "**ASX**") at a cash consideration of approximately RMB17,616,000.

During the Year, the Group acquired additional 5% equity interest in Axiom at a cash consideration of approximately RMB5,765,000. The aggregate 19.9% equity interest in Axiom held by the Group has been accounted for as associate of the Group, details of which are set out in Note 9. Upon the de-recognition of the Group's equity interest in Axiom as available-for-sale financial asset, the related accumulated fair value changes in available-for-sale financial asset reserve of RMB1,887,000 was charged to the profit or loss.

During the Year, the Group acquired a 12.77% equity interest in 4 Vallees Pte. Ltd. ("**4 Vallees**"), a private company incorporated in Singapore with limited liability and the then wholly-owned subsidiary of REC, at a cash consideration of approximately RMB16,741,000, by subscription of ordinary shares of 4 Vallees.

During the Year, the increase in fair value of the Group's available-for-sale financial asset of RMB911,000 (2015: RMB1,000) was recognised in other comprehensive income as at June 30, 2016.

11 PREPAYMENTS FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Included in the balances is an amount of RMB64,000,000 paid for purchases of investment properties from (i) the wife of Mr. Chew Hua Seng ("**Mr. Chew**"), a Director, who is also a director of REC; and (ii) an entity controlled by the wife of Mr. Chew.

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2016	2015
	RMB'000	*RMB'000*
Trade receivables	**2,036**	719
Other receivables (Note (i))	**27,007**	21,026
Prepayments	**9,800**	—
	38,843	21,745

Note:

(i) As at June 30, 2015 and 2016, other receivables mainly comprised government subsidy receivables amounting to RMB21,015,000 (2015: RMB21,015,000). The government subsidy receivables represented a special fund to subsidise the Group from its restructuring and preparation for the listing, which are of the same amount included in current tax liabilities of the Group at the end of reporting period.

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

The majority of the Group's revenue is received in advance. Revenue from education facilities leasing and commercial leasing for supporting facilities is settled by installments in accordance with the payment schedules specified in the agreements. The aging analysis of the trade receivables by revenue recognition date is as follows:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**63**	262
3 to 6 months	**200**	183
6 to 12 months	**1,373**	240
Over 1 year	**400**	34
	2,036	719

13 TRADE AND OTHER PAYABLES AND ACCRUALS

	2016	2015
	RMB'000	*RMB'000*
Trade payables	**5,799**	2,716
Other payables and accruals	**13,113**	12,140
Amount due to ultimate holding company (Note)	**—**	33
	18,912	14,889

Note: The amount due was unsecured and interest-free and had no fixed terms of repayment.

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:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**1,380**	1,078
3 to 6 months	**1,375**	1,071
6 to 12 months	**2,552**	115
Over 1 year	**492**	452
	5,799	2,716

14 SHARE CAPITAL

Issued and fully paid

	Number of ordinary shares	**Share capital**	**Share capital**
	Shares	*HK$*	*RMB*
At July 1, 2014	200,000	414,872,500	331,898,000
Bonus issue (Note (b))	134,800,000	—	—
Issue of new shares under placing (Note (c))	45,000,000	101,448,000	80,038,000
At June 30, 2015, July 1, 2015 and June 30, 2016	180,000,000	516,320,500	411,936,000

Notes:

(a) No movement was noted for the share capital during the years ended June 30, 2015 and 2016.

(b) Pursuant to the resolution of the shareholders of the Company (the "**Shareholders**") dated December 17, 2014, a bonus issue of 134,800,000 shares of the Company was completed during the prior year. The bonus issue was carried out without payment and as fully paid.

(c) During the year ended June 30, 2015, the Company issued 45,000,000 shares with a par value of HK$0.1 each, at a price of HK$2.64 per share by way of placing. Net proceeds from such issue amounted to approximately RMB80,038,000 (after offsetting share issue expenses).

15 DIVIDENDS

	2016	2015
	RMB'000	*RMB'000*
Proposed 2016 final dividend – HK4.0 cents (equivalent to approximately RMB3.4 cents) per share	**6,166**	—
Proposed 2015 final dividend – HK8.0 cents (equivalent to approximately RMB6.3 cents) per share	**—**	11,347
Declared interim dividend – HK4.0 cents (equivalent to approximately RMB3.3 cents) per share	**6,027**	—

The proposed final dividend is subjected to the approval of the Shareholders at the forthcoming annual general meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our leasing revenue increased by 11.4% to RMB68.6 million for the Year compared to RMB61.6 million in 2015. This increase was mainly attributable to the expected higher education facilities leasing fees from our major customer, Beijing University of Chinese Medicine, by RMB7.5 million on a 1-year basis.

Operating profit

Our operating profit for the Year was RMB71.0 million compared to RMB58.2 million in 2015, mainly due to the following reasons:

1) **Government grant**

   We received government incentive grant of RMB5.0 million from Hebei and Langfang government in recognition of our successful listing on the GEM.

2) **Employee cost**

   Employee cost decreased by 7.4% to RMB2.5 million for the Year compared to RMB2.7 million in 2015 mainly because of manpower turnover.

3) **Repairs and maintenance fees**

   Repairs and maintenance fees decreased by 25% to RMB1.8 million for the Year compared to RMB2.4 million in 2015.

4) **Legal and consulting fees**

   Legal and consulting fees decreased by 68.1% to RMB3.6 million for the Year from RMB11.3 million in 2015 due to listing expenses incurred in 2015.

5) **Other gains – net**

   We recorded a net other gain of RMB2.1 million for the Year compared a gain of RMB2.2 million in 2015.

6) **Other expenses**

   Our other expenses decreased to RMB2.3 million for the Year from RMB2.8 million in 2015.

Finance Income - net

For the Year and in 2015, we recorded finance income of RMB737,000 and RMB210,000, respectively.

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 RMB18.3 million corporate income tax expense for the Year.

Net profit

Due to the foregoing factors, our net profit for the Year was RMB53.5 million compared to RMB42.7 million in 2015. Total comprehensive income for the Year was RMB55.8 million compared to RMB42.7 million in 2015, mainly due to fair value adjustment for available-for-sale financial asset.

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 June 30, 2016, the Group had a cash and cash equivalent balance of approximately RMB4.9 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.

EVENT AFTER REPORTING PERIOD

A general meeting was held on July 7, 2016 at which the resolutions regarding (i) the acquisition agreements entered into between Diamond Nest Sdn. Bhd., a wholly-owned subsidiary of the Company, and Ms. Doris Chung Gim Lian ("**Ms. Chung**"), the wife of Mr. Chew (the chairman of the Board and an executive Director), and Evergreen Plus Sdn. Bhd. ("**Evergreen Plus**"), which is owned as to 99% by Ms. Chung and as to 1% by Madam Yeo Geok Siew (the mother-in-law of Mr. Chew) in relation to the acquisitions of lands and properties in Malaysia; and (ii) the tenancy agreements entered into between Ms. Chung and Evergreen Plus, respectively as landlord, and Raffles College of Higher Education Sdn. Bhd., a company owned as to 49% by REC, as tenant for the lease of the above properties were passed by the Shareholders. For further information, please refer to the Company's announcements dated June 5, 2016 and July 7, 2016 and circular dated June 20, 2016.

BUSINESS REVIEW AND OUTLOOK

The Group owns and leases education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC. All of the Group's existing education facilities are located in Oriental University City, Langfang city, Hebei Province, the PRC.

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

In general, the Group expects the resident student population of the Contract Colleges and the revenue to be generated from them to remain relatively stable in the near future.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENT

Saved as disclosed in the prospectus of the Company dated December 31, 2014 (the "**Prospectus**") and the section headed "Material acquisition or disposal of subsidiaries and affiliated companies" below, as at June 30, 2016, 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 Company purchased 20,950,000 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 totaling A$1,269,570 (approximately RMB5.74 million), has been paid in cash on completion of this acquisition.

On March 28, 2016, the Company entered into a subscription agreement with 4 Vallees, a then wholly-owned subsidiary of REC, to subscribe for issued ordinary shares representing an aggregate of 12.77 per cent. of the enlarged issued share capital of 4 Vallees (the "**Subscription**"). The consideration for the Subscription was SGD3,664,000 (equivalent to approximately HKD20,000,000).

CHARGE ON GROUP ASSETS

As at June 30, 2016, 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 June 30, 2016 as compared with that as at June 30, 2015.

CONTINGENT LIABILITIES

As at June 30, 2016, the Group and the Company did not have any significant contingent liabilities (June 30, 2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2016, the Group had a total of 17 full-time employees in the PRC, all of which were located in Langfang city, Hebei Province. (June 30, 2015: 17). The Group's total employee costs were approximately RMB2.5 million for the Year (June 30, 2015: RMB2.7 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.

USE OF PROCEEDS FROM THE COMPANY'S PLACING

The net proceeds received by the Company from the listing by way of a 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**"), after deducting the amounts due to REC, the controlling shareholder of the Company and a company 36.88% owned by Mr. Chew, 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 centres and corporate entities that lease facilities from the Group, located in Oriental University City in Langfang Economic and Technology Development Zone in Langfang city, Heibei Province, the PRC.

As at June 30, 2016, preparation work for the construction of new dormitories was on-going.

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 Year is set out below:

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

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 June 30, 2016, none of the Directors, controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) 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 the Group) which, directly or indirectly, competed or might compete with the Group's business.

FINAL DIVIDEND

The Board has resolved to recommend for the Shareholders' approval at the forthcoming annual general meeting of the Company (the "**2016 AGM**") the payment of a final dividend of HK4.0 cents (equivalent to approximately RMB3.4 cents) (2015: HK8.0 cents) per Share for the Year to the Shareholders. The relevant dividend warrants are expected to be despatched on or before Friday, November 11, 2016.

ANNUAL GENERAL MEETING

The 2016 AGM will be held in Hong Kong on Wednesday, October 19, 2016 and the relevant notice and documents will be despatched to the Shareholders and published onto the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Company (www.oriental-university-city.com) in September 2016.

BOOK CLOSE DATES

For the purpose of ascertaining the entitlements to attend and vote at the 2016 AGM and to qualify for the proposed final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

For ascertaining Shareholders' entitlement to attend and vote at the 2016 AGM

Latest time to lodge transfer documents	4:30 p.m. on October 14, 2016 (Friday)
Closure of register of members	October 17, 2016 (Monday) to October 19, 2016 (Wednesday) (both days inclusive)
Record date	October 19, 2016 (Wednesday)

For ascertaining Shareholders' entitlement to the proposed final dividend

Latest time to lodge transfers documents	4:30 p.m. on October 24, 2016 (Monday)
Closure of register of members	October 25, 2016 (Tuesday) to October 27, 2016 (Thursday) (both days inclusive)
Record date	October 27, 2016 (Thursday)

During the above closure periods, no transfer of Shares will be registered. To be entitled to attend and vote at the 2016 AGM and to qualify for the proposed final dividend, all completed and stamped transfer documents accompanied by the relevant share certificates 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 before the above latest time.

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 had complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the Year.

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 of such Shares during the Year.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transaction by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**"). The Company had made specific enquiries with all Directors and each of them had confirmed his compliance with the Required Standard of Dealings during the Year.

INTERESTS OF THE COMPLIANCE ADVISER

As at June 30, 2016, as notified by the Company's compliance adviser, BNP Paribas Securities (Asia) Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement dated August 29, 2014 entered into between the Company and the Compliance Adviser and becoming 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 or any member of the Group (including interest in the securities of the Company or any member of the Group, and options or rights to subscribe for such securities), 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 June 30, 2016, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares or 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(Note 2)
Mr. Chew	Interest of a controlled corporation(Note 1)	135,000,000	75%

Notes:

(1) Details of the interest in the Company held by Mr. Chew through 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 June 30, 2016 (i.e. 180,000,000 Shares).

(b) Shares in associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interests	Number of shares	Appropriate percentage of shareholding
Mr. Chew	REC(Note 1)	Beneficial owner and interest of spouse	356,082,899	36.88%(Note 2)

Notes:

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

(2) It includes (a) the 2.71% interest of Ms. Chung, the wife of Mr. Chew; and (b) the 12.98% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at June 30, 2016, 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at June 30, 2016, 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 required to be kept under section 336 of the SFO were as follows:-

Long positions in the Shares

Name of Shareholders	Capacity/Nature of interest	Number of issued 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) 21.19% by Mr. Chew, the Chairman and an executive Director; (b) 12.98% jointly by Mr. Chew and Ms. Chung, the wife of Mr. Chew; and (c) 2.71% 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 in which Mr. Chew is interested.

2. The percentage of shareholding was calculated based on the Company's total number of issued Shares as at June 30, 2016 (i.e. 180,000,000 Shares).

Save as disclosed above, as at June 30, 2016, 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 interest or short positions 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 TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as otherwise disclosed, no 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 any of its subsidiaries was a party during the Year.

DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the years ended June 30, 2016 and 2015 included in this preliminary announcement of results does not constitute the Company's statutory annual consolidated financial statements for those years 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 Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended June 30, 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended June 30, 2016 in due course.

The Company's independent auditor has reported on the consolidated financial statements of the Group for both years. The independent auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

REVIEW BY AUDIT COMMITTEE AND INDEPENDENT AUDITOR

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 audited annual results of the Group for the Year, 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.

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's independent auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

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

Malaysia, August 16, 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