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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 FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE (THE “GEM”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on 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 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 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 revenue of RMB19.7 million for the three months ended September 30, 2019, representing an increase of 8.5% as compared with that of the corresponding period in 2018.

Profit attributable to the owners of the Company for the three months ended September 30, 2019 amounted to RMB9.2 million, representing a decrease of 2% as compared with that of the corresponding period in 2018.

Basic earnings per share for the three months ended September 30, 2019 amounted to RMB0.05 (2018: RMB0.05).

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended September 30, 2019 (the “**Period**”), together with the relevant unaudited comparative figures for the corresponding period in 2018, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	<i>Notes</i>	September 30, 2019 Unaudited RMB'000	September 30, 2018 Unaudited RMB'000
Revenue	3	19,740	18,199
Government grants		–	200
Employee costs		(948)	(536)
Depreciation of property, plant and equipment		(85)	(81)
Business taxes and surcharges		(101)	(91)
Property taxes and land use taxes		(2,464)	(3,201)
Property management fee		(1,858)	(1,569)
Repairs and maintenance fees		(2,109)	(526)
Legal and consulting fees		(813)	(543)
Other gains, net	4	768	576
Other expenses	5	(1,263)	(711)
Share of results of associates		(321)	(595)
Operating profit		10,546	11,122
Interest income	6	165	19
Interest expenses		(430)	(225)
Profit before income tax		10,281	10,916
Income tax	7	(1,032)	(1,480)
Profit for the period		9,249	9,436

	<i>Note</i>	September 30, 2019 Unaudited RMB'000	September 30, 2018 Unaudited RMB'000
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences from translation of foreign operations		(1,459)	357
Share of other comprehensive income of associates		<u>1,365</u>	<u>4,635</u>
Other comprehensive income for the period		<u>(94)</u>	<u>4,992</u>
Total comprehensive income for the period		<u>9,155</u>	<u>14,428</u>
Profit attributable to			
– Owners of the Company		9,161	9,339
– Non-controlling interests		<u>88</u>	<u>97</u>
		<u>9,249</u>	<u>9,436</u>
Total comprehensive income attributable to			
– Owners of the Company		9,067	14,331
– Non-controlling interests		<u>88</u>	<u>97</u>
		<u>9,155</u>	<u>14,428</u>
Earnings per share for profit attributable to the owners of the Company during the period	<i>11</i>		
– Basic (RMB per share)		<u>0.05</u>	<u>0.05</u>
– Diluted (RMB per share)		<u>0.05</u>	<u>0.05</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Reserves					Equity attributable to owners of the Company	Non- controlling interests	Total
	Share capital <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	Proposed interim dividend <i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 30 June, 2018 and July 1, 2018 (Audited)	290,136	(71,025)	910,138	230	10,620	1,140,099	9,547	1,149,646
Profit for the period	–	–	9,339	–	–	9,339	97	9,436
Exchange differences from translation of foreign operations	–	–	–	357	–	357	–	357
Share of other comprehensive income of associates	–	–	–	4,635	–	4,635	–	4,635
Balance at September 30, 2018 (Unaudited)	290,136	(71,025)	919,477	5,222	10,620	1,154,430	9,644	1,164,074
Balance at June 30, 2019 and July 1, 2019 (Audited)	290,136	(71,025)	933,610	2,322	–	1,155,043	9,881	1,164,924
Profit for the period	–	–	9,161	–	–	9,161	88	9,249
Exchange differences from translation of foreign operations	–	–	–	(1,459)	–	(1,459)	–	(1,459)
Share of other comprehensive income of associates	–	–	–	1,365	–	1,365	–	1,365
Balance at September 30, 2019 (Unaudited)	290,136	(71,025)	942,771	2,228	–	1,164,110	9,969	1,174,079

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its ordinary shares (the “**Shares**”) in issue have been listed on GEM since January 16, 2015. The address of the Company’s registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong. The Company acts as an investment holding company and its subsidiaries are engaged in the provision of education facilities leasing services in the People’s Republic of China (the “**PRC**”) and Malaysia.

The Directors consider that the Company’s ultimate parent is Raffles Education Corporation Limited (“**REC**”), a company incorporated in the Republic of Singapore (“**Singapore**”), whose issued shares are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Group’s unaudited condensed consolidated results for the Period (the “**First Quarterly Results**”) are presented in Renminbi (“**RMB**”) unless otherwise stated.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The First Quarterly Results have been prepared in accordance with Chapter 18 of the GEM Listing Rules, and the Hong Kong Financial Reporting Standards (the “**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong. Except as described below. The accounting policies and methods of computation used in preparing these quarterly results are the same as those followed in the preparation of the Group’s audited financial statements for the year ended June 30, 2019 (the “**Year 2019**”).

The First Quarterly Results are unaudited but have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

The financial information relating to the Year 2019 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 Companies Ordinance, Chapter 622 of the laws of Hong Kong (the “**Companies Ordinance**”) is as follows:

The Company will deliver the consolidated financial statements for the Year 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance in due course.

The Company’s independent auditor has reported on those consolidated financial statements. The independent auditor’s report was unqualified; does not include a reference to any matters to which the independent 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 Companies Ordinance.

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 around 10% of the total revenue during the three months ended September 30, 2019 and 2018, business segment information is not considered necessary.

As (a) 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 Malaysia; and (b) the leasing revenue from Malaysia is not significant compared to that from the PRC, geographical segment information is not considered necessary.

An analysis of revenue by category for the three months ended September 30, 2019 and 2018 is as follows:

	Three months ended September 30, 2019 Unaudited RMB'000	Three months ended September 30, 2018 Unaudited RMB'000
Revenue		
– Education facilities leasing	17,889	16,310
– Commercial leasing for supporting facilities	1,851	1,889
	<u>19,740</u>	<u>18,199</u>

4 OTHER GAINS – NET

	Three months ended September 30, 2019 Unaudited RMB'000	Three months ended September 30, 2018 Unaudited RMB'000
Director fee income	66	–
Net foreign exchange gains	702	576
	<u>768</u>	<u>576</u>

5 OTHER EXPENSES

	Three months ended September 30, 2019 Unaudited RMB'000	Three months ended September 30, 2018 Unaudited RMB'000
Stamp duties	14	18
Others	1,249	693
	<u>1,263</u>	<u>711</u>

6 INTEREST INCOME

	Three months ended September 30, 2019 Unaudited RMB'000	Three months ended September 30, 2018 Unaudited RMB'000
Interest income		
– Interest income on bank deposits	2	19
– Interest income from loan advance to an independent third party	163	–
	<u>165</u>	<u>19</u>

7 INCOME TAX

	Three months ended September 30, 2019 Unaudited RMB'000	Three months ended September 30, 2018 Unaudited RMB'000
Current income tax		
– Corporate income tax	1,032	1,480

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.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the First Quarterly Results as the Company and the Group did not have assessable profit in Hong Kong during the three months ended September 30, 2019 and 2018.

Malaysian income tax

The Malaysian income tax rate applicable to the Group entity located in Malaysia is 24%.

8 CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at September 30, 2019 (September 30, 2018: nil).

9 MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On August 29, 2018, the Company, as the purchaser, 廊坊開發區東方大學城教育諮詢有限公司 (Langfang Development Zone Oriental University City Education Consultancy Co., Ltd.*) (the "Langfang Development Zone") (a subsidiary of the Company), 廊坊通慧教育諮詢有限公司 (Langfang Tonghui Education Consultancy Co., Ltd.*) (a subsidiary of REC) and REC (the holding company of the Company) (the "Seller") entered into a sale and purchase agreement (the "Original SPA"), pursuant to which the Seller had conditionally agreed to sell and the Company had conditionally agreed to acquire the properties (being part of Zhuyun Education Land, situated at Oriental University City, Langfang Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC) (the "Properties") at a consideration of RMB252,370,000 (the "Acquisition").

* for identification purpose only

A general meeting of the Company was held on December 20, 2018 to approve the Acquisition. Please refer to the Company's announcements dated August 29, September 3, September 13, October 31 and December 20, 2018 and circular dated November 29, 2018 for more details.

On December 31, 2018 and January 21, 2019, the Company, executed (i) an addendum to the Original SPA and agreed to extend the long stop date to June 30, 2019; and (ii) an addendum to revise certain terms of the Original SPA, respectively. Please refer to the Company's announcements dated December 31, 2018 and January 21, 2019 for more details.

On June 13, 2019, the Company, Langfang Development Zone, TongHui and the Seller entered into a supplemental agreement to amend certain terms of the Original SPA (the "**Supplemental Agreement**"). A general meeting of the Company has been scheduled for October 25, 2019 to approve the Acquisition and the Supplemental Agreement. Please refer to the Company's announcements dated June 13, June 28 and July 23, 2019 and circular dated September 20, 2019 for more details.

10 CONTINUING CONNECTED TRANSACTION

Reference is made to the announcements of the Company dated May 30, June 5 and July 7, 2016 and its circular dated June 20, 2016, whereby it was disclosed that OUC Malaysia Sdn. Bhd. ("**OUC Malaysia**"), a direct wholly-owned subsidiary of the Company, entered into acquisition agreements (the "**Acquisition Agreements**") with the former landlord Ms. Doris Chung Gim Lian ("**Ms. Chung**"), the wife of Mr. Chew Hua Seng ("**Mr. Chew**") (the chairman of the Board (the "**Chairman**") and an executive Director) and Evergreen Plus Sdn. Bhd. ("**Evergreen**"), a company owned as to 99% by Ms. Chung, for the purchase of the properties in Kuala Lumpur, Malaysia. Before completion of the acquisition two tenancy agreements (the "**Tenancy Agreements**") were signed between the former landlords with Raffles College of Higher Education Sdn. Bhd. ("**Raffles College**"), a company owned as to 70% by REC which is the immediate holding company of the Company, as tenant for the lease of the properties for a term of three years commencing on January 1, 2016 and expiring on December 31, 2018. On July 7, 2016, the shareholders of the Company (the "**Shareholders**") (except Mr. Chew and his associates (as defined in the GEM Listing Rules)) passed the resolutions approving the Acquisition Agreements, the Tenancy Agreements and the transactions contemplated thereunder at the general meeting held that day. Upon completion of the subject acquisition, an assignment of the Tenancy Agreements was executed by Ms. Chung and Evergreen and delivered to OUC Malaysia.

As the Tenancy Agreements expired on December 31, 2018, OUC Malaysia, as landlord, entered into a tenancy agreement with Raffles College, as tenant, on December 18, 2018 for the lease of the properties for a term of three years commencing on January 1, 2019 and expiring on December 31, 2021 at a monthly rent of Malaysian Ringgit of 179,400. Please refer to the Company's announcements dated December 18 and December 19, 2018 for more details.

11 EARNINGS PER SHARE

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

	September 30, 2019 Unaudited	September 30, 2018 Unaudited
Profit attributable to the owners of the Company (RMB' 000)	9,161	9,339
Weighted average number of ordinary shares in issue	<u>180,000,000</u>	<u>180,000,000</u>
Basic earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	<u><u>0.05</u></u>	<u><u>0.05</u></u>

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

12 DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (September 30, 2018: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our leasing revenue increased by 8.5% to RMB19.7 million for the Period compared to RMB18.2 million for the same period in 2018.

Operating profit

Our operating profit for the Period was RMB10.5 million compared to RMB11.1 million for the same period in 2018, mainly due to a 8.5% increase of our leasing revenue for the Period and the following reasons:

1) *Other gains – net*

We made net other gains of RMB0.8 million for the Period compared to a gain of RMB0.6 million for the same period in 2018 mainly due to fluctuations of exchange rate.

2) *Property taxes and land use taxes*

Property taxes and land use taxes decreased by 23% to RMB2.5 million for the Period compared to RMB3.2 million for the same period in 2018 owing to the fact that the Company was no longer required to pay the property tax for student dormitories for the Period according to PRC tax authority.

3) *Share of results of associates*

Share of results of associates recorded a loss of RMB0.3 million for the Period compared to a loss of RMB0.6 million for same period in 2018 due to a decrease in the loss of the Company's associates for the Period.

The above were, however, offset by:

1) *Employee costs*

Employee costs increased by 76.9% to RMB0.9 million for the Period compared to RMB0.5 million for the same period in 2018 due to an increase in the number of staff to manage additional space of facilities leased out.

2) *Business taxes and surcharges*

Business taxes and surcharges increased by 11% to RMB0.10 million for the Period compared to RMB0.09 million for the same period in 2018 due to an increase in revenue.

3) *Property management fee*

Property management fee increased by 18.4% to RMB1.9 million for the Period compared to RMB1.6 million for the same period in 2018 owing to an increase in the space for leasing.

4) *Repairs and maintenance fees*

Repairs and maintenance fees increased to RMB2.1 million for the Period compared to RMB0.5 million for the same period in 2018 due to the repainting of building exterior, the shifting of the transformer in student dormitories as well as the demolition and reconstruction of a basketball court at our campus in Langfang City, the PRC.

5) *Legal and consulting fees*

Legal and consulting fees increased by 49.7% to RMB0.8 million for the Period compared to RMB0.5 million for the same Period in 2018 mainly due to such fees arising from the proposed acquisition of the Properties.

6) *Other expenses*

Other expenses increased to RMB1.3 million for the Period from RMB0.7 for the same period in 2018 mainly due to an increase in travelling expenses for business trips to explore new business opportunities.

Income tax

Income tax decreased by 30.3% to RMB1.0 million for the Period compared to RMB1.5 million for the same period in 2018.

Net profit

Due to the foregoing factors, our net profit for the Period was RMB9.2 million compared to RMB9.4 million for the same period in 2018.

EVENT AFTER THE REPORTING PERIOD

Reference is made to note 9 to the first quarterly condensed consolidated results of this announcement. The Supplemental Agreement has been approved by the Shareholders at the general meeting of the Company held on October 25, 2019. Please refer to the relevant poll results announcement of the Company dated October 25, 2019 for details.

BUSINESS REVIEW AND OUTLOOK

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

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. The Company had entered into an agreement to bring in healthcare clinic operators to expand its services to students in order to provide a more comprehensive facilities to the students population.

In general, we expect the resident student population of our colleges, universities, schools, education training centres and corporate entities that lease education facilities from the Group (the “**Contract Colleges**”) and the revenue to be generated from them to remain relatively stable in the rest of the current financial year.

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 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 (as defined in the GEM Listing Rules) of the Company of which is owned 33.58% by Mr. Chew, the Chairman and an executive Director, for listing expenses as set out in the prospectus of the Company dated December 31, 2014 (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 have been applying all the above net proceeds for constructing new dormitories on the campus site owned by the Group, housing the Contract Colleges located in Oriental University City in Langfang Economic and Technology Development Zone in Langfang City, Hebei Province, the PRC (the “**Campus Site**”).

As at September 30, 2019, the construction of new dormitories on the Campus Site was still on-going.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPETING INTERESTS

REC, the controlling shareholder (as defined in the GEM Listing Rules) of the Company, has confirmed that save for its shareholding in the Company, it is neither engaged nor interested in any business which, directly or indirectly, competes or may compete with the Group’s business (save as disclosed under the heading “Excluded Businesses” in the section headed “History and Development – Post-Reorganization” of the 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 save as disclosed above, as at September 30, 2019, none of the Directors, controlling shareholder 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 our Group) which, directly or indirectly, competed or might compete with the Group’s business.

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 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 transaction 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 enquiries with all Directors and each of them has confirmed his compliance with the Required Standard of Dealings during the Period.

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

As at September 30, 2019, 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 to be: (a) 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) entered in the register as referred to therein pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions

(a) *Shares in the Company*

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

Notes:

- (1) Details of the interest in the Company held by Mr. Chew, the Chairman and an executive Director, through 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 September 30, 2019 (i.e. 180,000,000 Shares).

(b) Shares in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued shares held	Approximate percentage of shareholding
Mr. Chew	REC <i>(Note 1)</i>	Beneficial owner and interest of spouse/ Personal interest and family interest	462,907,764	33.58% <i>(Note 2)</i>

Notes:

- (1) REC, a company incorporated in Singapore with its issued shares listed on the SGX-ST, is the immediate holding company of the Company.
- (2) It includes (a) the 2.47% interest of Ms. Chung, the spouse of Mr. Chew in REC; and (b) the 9.93% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at September 30, 2019, 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: (a) 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) entered in the register referred to therein pursuant to section 352 of the SFO; or (c) 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 September 30, 2019, 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 which or persons (other than a Director or the chief executive of the Company) who had 5% or more interests or short position in the Shares and the underlying Shares as recorded in the register 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	Percentage of shareholding <i>(Note 2)</i>
REC <i>(Note 1)</i>	Beneficial owner/ Personal interest	135,000,000	75%
Ms. Chung <i>(Note 1)</i>	Interest of spouse/ Family interest	135,000,000	75%

Notes:

- (1) REC is owned as to (a) 21.17% by Mr. Chew, the Chairman and an executive Director; (b) 9.93% jointly by Mr. Chew and Ms. Chung, the spouse of Mr. Chew; and (c) 2.47% 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 and deemed to be interested. In addition, Mr. Chew is a director of REC.

- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at September 30, 2019 (i.e. 180,000,000 Shares).

Save as disclosed above, as at September 30, 2019, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations which or persons (other than a Director or the chief executive of the Company) who had 5% or more interests 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 its holding company or any of its subsidiaries or fellow subsidiaries was a party during the Period.

REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Guo Shaozeng 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 First Quarterly Results, 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

Hong Kong, October 25, 2019

As at the date of this announcement, the executive Directors are Mr. Chew Hua Seng (Chairman) and Mr. Liu Ying Chun (Chief Executive Officer); and the independent non-executive Directors are Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth, Mr. Wilson Teh Boon Piau and Mr. Guo Shaozeng.

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