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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 THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

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.

1 FINANCIAL HIGHLIGHTS

- The Group recorded a revenue of approximately RMB58.4 million for the nine months ended March 31, 2020, representing an increase of 2.4% as compared with that of the corresponding period in 2019.
- Profit attributable to owners of the Company for the nine months ended March 31, 2020 amounted to approximately RMB20.3 million, representing a decrease of 25.5% as compared with that of the corresponding period in 2019.
- Basic earnings per share for the nine months ended March 31, 2020 amounted to RMB0.11 (2019: RMB0.15).

2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2020

		For the three months ended March 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	For the three months ended March 31, 2019 <i>Unaudited</i> <i>RMB'000</i>	Increase/ (Decrease) %	For the nine months ended March 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	For the nine months ended March 31, 2019 <i>Unaudited</i> <i>RMB'000</i>	Increase/ (Decrease) %
	<i>Notes</i>						
Revenue	5.1	19,443	19,326	0.6	58,448	57,080	2.4
Government grant		–	200	NM	–	400	NM
Employee costs	5.2	(1,767)	(674)	162.2	(4,299)	(2,158)	99.2
Depreciation of property, plant and equipment		(88)	(84)	4.8	(260)	(248)	4.8
Business taxes and surcharges		(99)	(97)	2.1	(298)	(283)	5.3
Property taxes and land use taxes	5.3	(2,944)	(2,612)	12.7	(8,363)	(9,164)	(8.7)
Property management fee		(1,721)	(1,777)	(3.2)	(5,208)	(4,966)	4.9
Repairs and maintenance	5.4	(280)	(70)	300.0	(2,597)	(1,503)	72.8
Legal and consulting fees	5.5	(1,192)	(842)	41.6	(4,529)	(3,027)	49.6
Net other gains/(losses)	5.6	(2,424)	138	NM	(2,402)	(952)	152.3
Other expenses	5.7	(1,350)	(1,032)	30.8	(3,805)	(1,976)	92.6
Share of results of associates	5.8	(874)	(475)	84.0	497	(1,378)	NM
Operating profit		6,704	12,001	(44.1)	27,184	31,825	(14.6)
Interest income	5.9	133	163	(18.4)	467	836	(44.1)
Interest expenses	5.10	(1,842)	(250)	636.8	(3,459)	(728)	375.1
Profit before income tax		4,995	11,914	(58.1)	24,192	31,933	(24.2)
Income tax		(993)	(1,485)	(33.1)	(3,644)	(4,406)	(17.3)
Profit for the period	5.11	4,002	10,429	(61.6)	20,548	27,527	(25.4)

NM – not meaningful

2 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

FOR THE THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2020

	For the Three months ended March 31, 2020 <i>Unaudited</i> RMB'000	For the Three months ended March 31, 2019 <i>Unaudited</i> RMB'000	Increase/ (Decrease) %	For the Nine months ended March 31, 2020 <i>Unaudited</i> RMB'000	For the Nine months ended March 31, 2019 <i>Unaudited</i> RMB'000	Increase/ (Decrease) %
Other comprehensive Income						
Items that may be subsequently reclassified to profit and loss:						
Exchange differences from translation of convertible note equity element	4,285	–	NM	1,095	–	NM
Exchange differences from translation of foreign operations	(6,186)	49	NM	(4,628)	101	NM
Share of other comprehensive income of associates	(756)	(3,802)	(80.1)	(1,411)	(346)	307.8
Other comprehensive income for the period	(2,657)	(3,753)	(29.2)	(4,944)	(245)	2,018.0
Total comprehensive income for the period	<u>1,345</u>	<u>6,676</u>	<u>(79.9)</u>	<u>15,604</u>	<u>27,282</u>	<u>(42.8)</u>
Profit attributable to						
– Owners of the Company	3,912	10,315	(62.1)	20,285	27,216	(25.5)
– Non-controlling interests	90	114	(21.1)	263	311	(15.4)
	<u>4,002</u>	<u>10,429</u>	<u>(61.6)</u>	<u>20,548</u>	<u>27,527</u>	<u>(25.4)</u>
Total comprehensive income attributable to						
– Owners of the Company	1,255	6,562	(80.9)	15,341	27,216	(43.6)
– Non-controlling interests	90	114	(21.1)	263	311	(15.4)
	<u>1,345</u>	<u>6,676</u>	<u>(79.9)</u>	<u>15,604</u>	<u>27,282</u>	<u>(42.8)</u>
Earnings per share for profit attributable to the owners of the Company during the period						
– Basic (RMB per share)	<u>0.02</u>	<u>0.06</u>	<u>(66.7)</u>	<u>0.11</u>	<u>0.15</u>	<u>(26.7)</u>
– Diluted (RMB per share)	<u>0.02</u>	<u>0.06</u>	<u>(66.7)</u>	<u>0.11</u>	<u>0.15</u>	<u>(26.7)</u>

NM – not meaningful

3 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Share capital <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Convertible notes reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Exchange reserve <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, 2018 <i>(audited)</i>	290,136	(71,025)	–	910,138	230	10,620	1,140,099	9,547	1,149,646
Profit for the period	–	–	–	27,216	–	–	27,216	311	27,527
Exchange differences from translation of foreign operations	–	–	–	–	101	–	101	–	101
Share of other comprehensive income of an associate	–	–	–	–	(346)	–	(346)	–	(346)
Total comprehensive income	–	–	–	27,216	(245)	–	26,971	311	27,282
2018 final dividend paid	–	–	–	–	–	(10,620)	(10,620)	–	(10,620)
2019 interim dividend	–	–	–	(7,672)	–	–	(7,672)	–	(7,672)
Balance at March 31, 2019 <i>(unaudited)</i>	<u>290,136</u>	<u>(71,025)</u>	<u>–</u>	<u>929,682</u>	<u>(15)</u>	<u>–</u>	<u>1,148,778</u>	<u>9,858</u>	<u>1,158,636</u>
Balance at July 1, 2019 <i>(audited)</i>	290,136	(71,025)	–	933,610	2,322	–	1,155,043	9,881	1,164,924
Profit for the period	–	–	–	20,285	–	–	20,285	263	20,548
Convertible notes equity element	–	–	58,583	–	1,095	–	59,678	–	59,678
Exchange differences from translation of foreign operations	–	–	–	–	(4,628)	–	(4,628)	–	(4,628)
Share of other comprehensive income of an associate	–	–	–	–	(1,411)	–	(1,411)	–	(1,411)
Total comprehensive income	–	–	58,583	20,285	(4,944)	–	73,924	263	74,187
Balance at March 31, 2020 <i>(unaudited)</i>	<u>290,136</u>	<u>(71,025)</u>	<u>58,583</u>	<u>953,895</u>	<u>(2,622)</u>	<u>–</u>	<u>1,228,967</u>	<u>10,144</u>	<u>1,239,111</u>

4 NOTES TO THE CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

4.1 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**”), Malaysia and the Republic of Indonesia (the “**Indonesia**”).

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**”).

These unaudited condensed consolidated results of the Group for the nine months ended March 31, 2020 (the “**Period**” and the “**Third Quarterly Results**”, respectively) are presented in Renminbi (“**RMB**”), unless otherwise stated.

4.2 BASIS OF PREPARATION

The Third Quarterly Results have been prepared in accordance with Chapter 18 of the GEM Listing Rules, and in accordance with the Hong Kong Financial Reporting Standards (“**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.

The accounting policies and methods of computation used in preparing these Third Quarterly Results are consistent as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended June 30, 2019 (the “**2019 Financial Statements**”). The independent auditor’s report for the 2019 Financial Statements 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.

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

4.3 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 the 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 were less than 10% of the total revenue during the nine months ended March 31, 2020 and 2019, 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 and nine months ended March 31, 2020 and 2019 is as follows:

	Three months ended March 31, 2020 Unaudited RMB'000	Three months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %	Nine months ended March 31, 2020 Unaudited RMB'000	Nine months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %
Revenue						
– Education facilities leasing	17,604	18,534	(5.0)	52,835	54,421	(2.9)
– Commercial leasing for supporting facilities	1,839	792	132.2	5,613	2,659	111.1
	19,443	19,326	0.6	58,448	57,080	2.4

4.4 NET OTHER GAINS/(LOSSES)

Breakdown of other gains/(losses) for the three months and nine months ended March 31, 2020 and 2019 is as follows:

	Three months ended March 31, 2020 Unaudited RMB'000	Three months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %	Nine months ended March 31, 2020 Unaudited RMB'000	Nine months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %
Gain on disposal of property, plant and equipment	–	–	0.0	2	1	100.0
Exchange gain/(losses)	(2,487)	23	NM	(2,603)	(1,069)	143.5
Impairment loss on investment properties	–	(103)	NM	–	(103)	NM
Other	63	218	(71.1)	199	219	9.1
	(2,424)	138	NM	(2,402)	(952)	152.3

NM – not meaningful

4.5 OTHER EXPENSES

Breakdown of other expenses for the three months and nine months ended March 31, 2020 and 2019 is as follows:

	Three months ended March 31, 2020 Unaudited RMB'000	Three months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %	Nine months ended March 31, 2020 Unaudited RMB'000	Nine months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %
Utilities	296	168	76.2	758	436	73.9
Stamp duties	14	141	(90.1)	42	193	(78.2)
Insurance fee	13	11	18.2	42	38	10.5
Travelling	419	302	38.7	1,410	568	148.2
Director fee	153	145	5.5	477	444	7.4
Miscellaneous	455	265	71.7	1,076	297	262.3
	1,350	1,032	30.8	3,805	1,976	92.6

4.6 INTEREST INCOME

Breakdown of interest income for the three months and nine months ended March 31, 2020 and 2019 is as follows:

	Three months ended March 31, 2020 Unaudited RMB'000	Three months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %	Nine months ended March 31, 2020 Unaudited RMB'000	Nine months ended March 31, 2019 Unaudited RMB'000	Increase/ (Decrease) %
Interest income						
– Interest on bank deposits	13	12	8.3	23	51	(54.9)
– Interest on loan advance to an independent third party	120	151	(20.5)	444	785	(43.4)
	133	163	(18.4)	467	836	(44.1)

4.7 INTEREST EXPENSES

Breakdown of interest expenses for the three months and nine months ended March 31, 2020 and 2019 is as follows:

	Three months ended March 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	Three months ended March 31, 2019 <i>Unaudited</i> <i>RMB'000</i>	Increase/ (Decrease) %	Nine months ended March 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	Nine months ended March 31, 2019 <i>Unaudited</i> <i>RMB'000</i>	Increase/ (Decrease) %
Interest expenses						
– Interest on bank borrowing	709	250	183.6	1,801	728	147.4
– Interest on convertible notes	1,133	–	NM	1,658	–	NM
	<u>1,842</u>	<u>250</u>	<u>636.8</u>	<u>3,459</u>	<u>728</u>	<u>375.1</u>

NM – not meaningful

4.8 INCOME TAX

Breakdown of income tax for the three months and nine months ended March 31, 2020 and 2019 is as follows:

	Three months ended March 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	Three months ended March 31, 2019 <i>Unaudited</i> <i>RMB'000</i>	Increase/ (Decrease) %	Nine months ended March 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	Nine months ended March 31, 2019 <i>Unaudited</i> <i>RMB'000</i>	Increase/ (Decrease) %
Current income tax						
– PRC corporate income tax	977	1,360	(28.2)	3,516	3,985	(11.8)
– Malaysian corporate income tax	16	125	(87.2)	128	421	(69.6)
	<u>993</u>	<u>1,485</u>	<u>(33.1)</u>	<u>3,644</u>	<u>4,406</u>	<u>(17.3)</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 (2007).

PRC withholding income tax

According to the PRC CIT Law (2007), 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 a 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 the 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 Third Quarterly Results as the Company and the Group did not have any assessable profit in Hong Kong during the nine months ended March 31, 2020 and 2019.

Malaysian corporate income tax

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

Indonesia corporate income tax

No provision for Indonesia corporate income tax has been made in the Third Quarterly Results as the Company and the Group did not have any assessable profit in Indonesia during the nine months ended March 31, 2020 and 2019.

4.9 CONTINGENT LIABILITIES

The Group had no contingent liabilities as at March 31, 2020 (March 31, 2019: nil).

4.10 CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

4.10.1 Major and connected transactions in relation to the acquisition of properties

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.*) (“**LDZEC**”) (a subsidiary of the Company), 廊坊通慧教育諮詢有限公司 (Langfang Tonghui Education Consultancy Co., Ltd.*) (“**TongHui**”) (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 Technology Development Zone, Langfang City, Hebei Province, the PRC) (the “**Zhuyun Properties**”) at a consideration of RMB252,370,000 (the “**Acquisition of Zhuyun Properties**”).

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

The Company had on December 31, 2018 and January 21, 2019 respectively 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. Please refer to the announcements of the Company dated December 31, 2018 and January 21, 2019 for more details.

On June 13, 2019, the Company, LDZEC, 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 was held on October 25, 2019 and the resolutions for approving the transaction contemplated under the Supplemental Agreement and the issue of the conversion shares were passed by the Company’s independent shareholders. Please refer to the announcements of the Company dated June 13, June 28, July 23, October 25, and November 19, 2019 respectively and its circular dated September 20, 2019 for more details.

On November 19, 2019 (the “**Issue Date**”), convertible notes in the value of HKD200,379,982 with a conversion price of HKD2.30 per Share (“**Convertible Notes**”) were issued by the Company to the seller pursuant to the Supplemental Agreement, which will mature on August 29, 2028 (the “**Maturity Date**”). The holders of the Notes will be able to convert the outstanding principal amount of the Convertible Notes in whole or in part into conversion shares at any time following the Issue Date until the Maturity Date.

4.10.2 Continuing connected transaction

On December 18, 2018, OUC Malaysia Sdn. Bhd., a direct wholly-owned subsidiary of the Company, as landlord, entered into a tenancy agreement with Raffles College of Higher Education Sdn. Bhd. which is 70%-owned by REC, as the tenant, for the lease of the properties in Kuala Lumpur, Malaysia for a term of three years commencing on January 1, 2019 and expiring on December 31, 2021 at a monthly rent of MYR179,400. Please refer to the announcements of the Company dated December 18 and December 19, 2018 for more details.

4.11 EARNINGS PER SHARE

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

	Three months ended March 31, 2020 <i>Unaudited</i>	Three months ended March 31, 2019 <i>Unaudited</i>	Nine months ended March 31, 2020 <i>Unaudited</i>	Nine months ended March 31, 2019 <i>Unaudited</i>
Profit attributable to the owners of the Company (expressed in RMB)	3,912,000	10,315,000	20,285,000	27,216,000
Weighted average number of Shares in issue	180,000,000	180,000,000	180,000,000	180,000,000
Basic earnings per share for profit attributable to the owners during the period (expressed in RMB per share)	0.02	0.06	0.11	0.15

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.

4.12 DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (Nine months ended March 31, 2019: nil).

4.13 COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary to conform with current period's presentation.

5 FINANCIAL REVIEW

5.1 Revenue

Revenue increased by 2.4% to RMB58.4 million for the Period compared to RMB57.1 million for the same nine months period in 2019 due to new additional leases.

5.2 Employee cost

Employee cost increased by 99.2% to RMB4.3 million for the Period compared to RMB2.2 million for the same nine months period in 2019 mainly due to an increase in the number of employees.

5.3 Property taxes and land use taxes

Property taxes and land use taxes decreased by 8.7% to RMB8.4 million for the Period from RMB9.2 million for the same nine months period in 2019 as the Company was no longer required to pay the property tax for student dormitories according to the PRC tax authority.

5.4 Repairs and maintenance fees

Repairs and maintenance fees increased by 72.8% to RMB2.6 million for the Period from RMB1.5 million for the same nine months period in 2019, mainly due to repainting of building exteriors and repairs of water piping of our investment properties.

5.5 Legal and consulting fees

Legal and consulting fees increased by 49.6% to RMB4.5 million for the Period from RMB3.0 million for the same nine months period in 2019, mainly due to fees arising from the Acquisition of Zhuyun Properties as set out in Note 4.10.1 – “Major and connected transactions in relation to the acquisition of properties”.

5.6 Net other gains/(losses)

Other losses increased by 152.3% to RMB2.4 million for the Period from RMB1.0 million recorded in the same nine months period in 2019, mainly due to currency translation loss from fluctuations of exchange rate.

5.7 Other expenses

Other expenses increased by 92.6% to RMB3.8 million for the Period from RMB2.0 million for the same nine months period in 2019, mainly due to increase in travelling expenses for business trips in relation to the acquisition of the Thamrin Property and the Misheel Property (as set out in Note 7 – “Significant Investments and Future Plans for Material Investments and Capital Commitment”) as well as exploring other new business opportunities.

5.8 Share of results of associates

Share of results of associates recorded a share of profit of RMB0.5 million for the Period from a share of loss of RMB1.4 million for the same nine months period in 2019, as the associate company, Axiom Properties Limited had turned profitable in the Period as compared to loss-making in the same nine months period in 2019.

5.9 Interest income

Interest income decreased by 44.1% to RMB0.5 million for the Period from RMB0.8 million for the same nine months period in 2019, mainly due to the repayment of loan advance from an independent third party borrower.

5.10 Interest expenses

Interest expenses increased by 375.1% to RMB3.5 million for the Period from RMB0.7 million for the same nine months period in 2019, mainly due to the larger drawdown of bank borrowings as well as issuance of Convertible Notes pursuant to the Acquisition of Zhuyun Properties as set out in Note 4.10.1 – “Major and connected transactions in relation to the acquisition of properties”.

5.11 Profit for the Period

Profit decreased by 25.4% to RMB20.5 million for the Period compared to RMB27.5 million for the same nine months period in 2019, due to the factors as explained in Notes 5.1 to 5.10 above.

6 BUSINESS REVIEW AND OUTLOOK

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

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.

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 and the revenue to be generated from them to remain relatively stable in the rest of the current financial year.

7 SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENT

7.1 Acquisition of property in Indonesia

On February 21, 2020, PT. OUC Thamrin Indo (the “**Purchaser**”), a company established in Indonesia with limited liability and an indirect wholly-owned subsidiary of the Company, and PT. Mapalus Mancacakti (the “**Vendor**”), a company incorporated in Indonesia with limited liability, entered into a sale and purchase agreement (the “**Thamrin SPA**”) whereby the Vendor agreed to sell and the Purchaser agreed to buy a property at the price of IDR94,140,000,000 (equivalent to approximately HKD53,397,620) and the value added tax payable by the Purchaser to local government is IDR9,414,000,000 (equivalent to approximately HKD5,339,762). The property to be acquired is a unit of the non-residential flats of Lippo Thamrin office, Mezzanine Floor and 9th Floor, locally known as Jalan MH. Thamrin no. 20, Sub-District of Gondangdia, District of Menteng, Municipality of Central Jakarta, Special Capital City of Jakarta, with a total gross area of approximately 2,092 square meters (the “**Thamrin Property**”), which was beneficially owned by the Vendor. IDR10,355,400,000 (equivalent to approximately HKD5,873,738) has been paid upon the signing of the Thamrin SPA and the remaining balance in the sum of IDR93,198,600,000 (equivalent to approximately HKD52,863,642) will be paid by 20 December 2020. The consideration will be financed by the Group’s internal resources and/or borrowings. Please refer to the announcements of the Company dated February 21 and February 26, 2020 for more details.

7.2 Acquisition of property in Mongolia

On March 6, 2020, the Company and Misheel Lifestyle LLC, a company incorporated in the People’s Republic of Mongolia (“**Mongolia**”) with limited liability (“**Misheel**”) entered into a sale and purchase agreement (the “**Misheel SPA**”) whereby the Company agreed to buy and Misheel agreed to sell a property at the consideration of RMB32.71 million (equivalent to approximately HKD36.66 million). The property to be acquired are the entire 3rd, 4th, 5th, 6th and 7th floors of an office building known or to be known as Misheel Lifestyle Tower M2, being part of a property development project known as Misheel City Complex, Ulaanbaatar, Mongolia. The property is located at Misheel City, 2nd khoroo, Khan-Uul District, Ulaanbaatar, Mongolia, with a total gross area of approximately 5,206.6 square meters beneficially owned by Misheel (the “**Misheel Property**”). An initial payment of RMB10.77 million (equivalent to approximately HKD12.07 million) has been paid upon the signing of the Misheel Property SPA and the remaining balance of the consideration in the sum of RMB21.94 million (equivalent to approximately HKD24.59 million) will be paid by instalments according to the various stages of completion of the Misheel Property. The consideration will be financed by the Group’s internal resources and/or borrowings. Please refer to the announcement of the Company dated March 8, 2020 for more details.

Save as disclosed above and in Note 4.10.1 to the Third Quarterly Condensed Consolidated Results, as at March 31, 2020, the Group did not hold any significant investment, and had no material capital commitments and no future plans for material investments or purchase of capital assets.

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

The Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during the Period.

9 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 of the Company dated December 31, 2014 (the "**Prospectus**")).

On December 22, 2014, REC entered into a deed of non-compete and call option in favour of the Company, pursuant to which, amongst others, 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 March 31, 2020, none of the Directors, controlling shareholders (as defined in the GEM Listing Rules) 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.

10 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.

11 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.

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

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

As at March 31, 2020, 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) to be entered in the register as referred to under section 352 of the SFO, or (c) to be 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 ⁽²⁾
Mr. Chew Hua Seng (“Mr. Chew”) ⁽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 of the Board (the “Chairman”) and an executive Director through REC are set out in the Note 14 – “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 March 31, 2020 (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	Appropriate percentage of shareholding
Mr. Chew	REC ⁽¹⁾	Beneficial owner and interest of spouse/ Personal interest and family interest	462,907,764	33.58% ⁽²⁾

Notes:

- (1) REC, a company incorporated in Singapore and listed on the SGX-ST, is the immediate holding company of the Company.
- (2) It includes (a) the 2.47% interest of Ms. Doris Chung Gim Lian (“Ms. Chung”), the wife of Mr. Chew; and (b) the 9.93% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at March 31, 2020, 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: (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) to be entered in the register referred to therein pursuant to section 352 of the SFO, (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at March 31, 2020, 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 and short position 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 Shareholders	Capacity/ Nature of interest	Number of issued Shares held	Percentage of shareholding⁽²⁾
REC ⁽¹⁾	Beneficial owner/Personal interest	135,000,000	75%
Ms. Chung ⁽¹⁾	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 wife 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 is 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 March 31, 2020 (i.e. 180,000,000 Shares).

Save as disclosed above, as at March 31, 2020, 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 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.

15 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.

16 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 Third 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

Hongkong, April 24, 2020

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. Philip Lam Bing Lun, Mr. Kenneth Tan Yeow Hiang, 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.