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, 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.*

ANNUAL RESULTS

The board of Directors (the "**Board**") announces the audited consolidated results of Oriental University City Holdings (H.K.) (the "**Company**") and its subsidiaries (the "**Group**") for the year ended June 30, 2020 (the "**FY2020**") together with the comparative audited figures for the year ended June 30, 2019 ("**FY2019**") as follows:

1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2020

	Notes	**2020** ***RMB'000***	2019 *RMB'000*	Increase/ (Decrease) *%*
Revenue	3.4 & 4.1	**78,046**	76,451	2.1
Government grants		**–**	400	NM
Employee costs	4.3	**(5,432)**	(2,984)	82.0
Depreciation of property, plant and equipment		**(348)**	(332)	4.8
Business taxes and surcharges		**(399)**	(380)	5.0
Property taxes and land use taxes		**(11,337)**	(12,610)	(10.1)
Property management fee		**(6,885)**	(6,877)	0.1
Repairs and maintenance	4.4	**(3,609)**	(1,529)	136.0
Legal and consulting fees		**(4,883)**	(4,440)	10.0
Other (losses)/gains, net	3.5	**(550)**	(508)	8.3
Other expenses		**(4,139)**	(3,878)	6.7
Share of results of associates	4.5	**571**	(1,999)	NM
Operating profit before impairments and fair value changes		**41,035**	41,314	(0.7)
Impairment loss on other receivables	4.6	**(5,937)**	–	NM
Impairment loss on an associate	4.6	**(9,666)**	–	NM
Fair value gains on investment properties	3.9 & 4.7	**36,563**	5,302	589.6
Fair value gain on convertible note	3.17 & 4.8	**8,537**	–	NM
Operating profit	4.2	**70,532**	46,616	51.3
Interest expense on bank borrowings	4.9	**(3,108)**	(953)	226.1
Interest income		**463**	998	(53.6)
Profit before income tax	3.6	**67,887**	46,661	45.5
Income tax	3.7 & 4.10	**(22,623)**	(15,183)	49.0
Profit for the year	4.11	**45,264**	31,478	43.8

NM - Not Meaningful

	Note	**2020** *RMB'000*	2019 *RMB'000*	Increase/ (Decrease) %
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences from translation of foreign operations		**57**	113	(49.6)
Share of other comprehensive income of associates		**3,697**	1,979	86.8
Other comprehensive income for the year		**3,754**	2,092	79.4
Total comprehensive income for the year		**49,018**	33,570	46.0
Profit attributable to:				
Owners of the Company		**44,764**	31,144	43.7
Non-controlling interests		**500**	334	49.7
		45,264	31,478	43.8
Total comprehensive income attributable to:				
Owners of the Company		**48,518**	33,236	46.0
Non-controlling interests		**500**	334	49.7
		49,018	33,570	46.0
Earnings per share for profit attributable to the owners of the Company during the year	3.8			
– Basic (RMB per share)		**0.25**	0.17	47.1
– Diluted (RMB per share)		**0.16**	0.17	(5.9)

2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2020

	Notes	**2020** ***RMB'000***	2019 *RMB'000*
Non-current assets			
Property, plant and equipment		**4,891**	5,125
Investment properties	3.9	**1,506,198**	1,174,532
Interests in associates	3.10	**72,510**	77,908
Deposit paid for acquisition of investment properties	3.11	**–**	54,833
Prepayments for acquisition of investment properties	3.11	**11,467**	–
Total non-current assets		**1,595,066**	1,312,398
Current assets			
Trade and other receivables	3.12	**10,780**	9,497
Restricted cash		**445**	3,018
Cash and cash equivalents		**2,211**	2,218
Total current assets		**13,436**	14,733
Current liabilities			
Trade and other payables and accruals	3.13	**11,915**	6,980
Advances from customers		**1,299**	3,141
Bank borrowings, secured		**32,212**	2,296
Current tax liabilities		**1,140**	1,785
Total current liabilities		**46,566**	14,202
Net current (liabilities)/assets	4.12	**(33,130)**	531
Total assets less current liabilities		**1,561,936**	1,312,929
Non-current liabilities			
Trade and other payables and accruals	3.13	**3,072**	14,373
Bank borrowings, secured		**58,617**	12,572
Convertible note	3.17	**147,180**	–
Deferred tax liabilities		**139,125**	121,060
Total non-current liabilities		**347,994**	148,005
NET ASSETS		**1,213,942**	1,164,924

	Note	2020 *RMB'000*	2019 *RMB'000*
Capital and reserves attributable to owners of the Company			
Share capital	3.14	**290,136**	290,136
Reserves		**913,425**	864,907
		1,203,561	1,155,043
Non-controlling interests		**10,381**	9,881
Total equity		**1,213,942**	1,164,924

3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2020

3.1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its ordinary shares (the "**Shares**") in issue were initially listed on GEM on January 16, 2015 (the "**Listing**"). The address 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 Economy and Technology Development Zone, Hebei Province, 065001, the People's Republic of China (the "**PRC**"). The Company acts as an investment holding company and its subsidiaries are engaged in the provision of education facilities leasing services in the PRC, Malaysia and the Republic of Indonesia ("**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 shares are listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

3.2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements 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 ("**HKASs**") and Interpretations (collectively the "**HKFRSs**") and the provisions of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "**Companies Ordinance**"), which concern the preparation of the financial statements.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair values as explained in the accounting policies set out below.

As at June 30, 2020, the Group's current liabilities exceeded its current assets by approximately RMB33,130,000. Included in current liabilities was secured bank borrowings related to bank overdraft amounting to RMB29,734,000 for which the renewal is pending. In addition, the novel coronavirus disease 2019 pandemic (the "**COVID-19**") situation has brought additional uncertainty as to whether the Group is able to complete the renewal the lease agreements with its lessees, which are colleges, given that the academic year might be suspended after the commencement in September 2020. These events or conditions may cast significant doubt about the Group's ability to continue as a going concern. Nevertheless, these consolidated financial statements were prepared based on the assumption that the Group is able to operate as a going concern and the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations based on a projected cash flow covering a period from the end of the reporting period to December 31, 2021 after taking account of the following events and measures:

(i) Subsequent to the end of the reporting period, the Group has obtained and utilised a loan facility amounting to RMB35,000,000 from REC for three years from June 30, 2020. The interest rate is 2.5% per annum, calculated from the date of loan withdrawal;

(ii) Some major lessees have completed their student enrolment phase and will commence the academic year as usual in September 2020 and the management expected that the renewal of tenancy agreements would be completed soon;

(iii) The Group has been in the process of renewing with its banker the bank overdraft facility and considered that the renewal would be completed based on its credit history and fair value of the collateral; and

(iv) The Group would consider disposing of certain investment properties to provide further funding when the liquidity needs arise.

(c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi ("**RMB**") which is the same as the functional currency of the Company.

3.3 ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs – effective July 1, 2019

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases ("**HKAS 17**"), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Group has leased out its investment properties to a number of tenants. As the accounting under HKFRS 16 for a lessor is substantially unchanged from the requirements under HKAS 17, the adoption of HKFRS 16 does not have significant impact on these financial statements.

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The interpretation supports the requirements of HKAS 12 Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

The adoption of these amendments has no impact on these financial statements as the Group does not have any prepayable financial assets with negative compensation.

Amendments to HKAS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company should use updated actuarial assumptions to determine its current service cost and net interest for the year. Additionally, the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.

The adoption of these amendments has no impact on these financial statements as the Group does not have any defined benefit plans.

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that HKFRS 9 applies to long-term interests ("**LTI**") in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

The adoption of these amendments has no impact on these financial statements.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3, which clarify that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should, therefore, be remeasured to its acquisition-date fair value.

The adoption of these amendments has no impact on these financial statements as the Group does not have any joint operations.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11, which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date's fair value.

The adoption of these amendments has no impact on these financial statements as the Group does not have any joint arrangements.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12, which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

The adoption of these amendments has no impact on these financial statements as the Group does not have any dividends recognised during the FY2020.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23, which clarify that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and is therefore included in the general pool.

The adoption of these amendments has no impact on these financial statements as the Group does not have any borrowing costs that fulfilled the capitalisation requirements in accordance with HKAS 23.

(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.

Amendments to HKFRS 3	Definition of a Business[1]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
HKFRS 17	Insurance Contracts[2]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	COVID-19-Related Rent Concessions[4]
Amendments to HKAS 16	Property, Plant and Equipment[5]
Amendments to HKAS 37	Provisions, Contingent Liabilities and Contingent Assets[5]

1 Effective for annual periods beginning on or after January 1, 2020
2 Effective for annual periods beginning on or after January 1, 2021
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after June 1, 2020
5 Effective for annual periods beginning on or after January 1, 2022

3.4 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 was below 10% of the total revenue during the current and prior years, business segment information is not considered necessary.

As the executive Directors consider that most of the Group's revenue and results are 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:

	2020	2019	Increase/ (Decrease)
	RMB'000	*RMB'000*	*%*
Revenue within the scope of HKFRS 16 (2019: HKAS 17):			
– Education facilities leasing	**72,597**	71,639	1.3
– Commercial leasing for supporting facilities	**5,449**	4,812	13.2
	78,046	76,451	2.1

Information about major customers

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

	2020	2019	Increase (Decrease)
	RMB'000	*RMB'000*	*%*
College A	**47,197**	46,947	0.5
College B	**10,704**	7,656	39.8
	57,901	54,603	6.0

3.5 OTHER (LOSSES)/GAINS, NET

	2020 *RMB'000*	2019 *RMB'000*	Increase/ (Decrease) *%*
Net foreign exchange losses	**(710)**	(1,082)	(34.4)
Others	**160**	574	(72.1)
	(550)	(508)	8.3

3.6 PROFIT BEFORE INCOME TAX

This is arrived at after charging:

	2020 *RMB'000*	2019 *RMB'000*	Increase/ (Decrease) *%*
Auditor's remuneration	**750**	900	(16.7)
Direct operating expenses arising from investment properties that generated rental income during the year	**20,253**	19,006	6.6
Direct operating expenses arising from investment properties that did not generate rental income during the year	**6,355**	4,867	30.6

3.7 INCOME TAX

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

	2020	2019	Increase/ (Decrease)
	RMB'000	*RMB'000*	*%*
Current tax			
– Corporate income tax for the year	**3,763**	6,222	(39.5)
– Under/(over) provision in respect of prior years	**6**	(11)	NM
– Withholding tax on dividend income	**836**	–	NM
	4,605	6,211	(25.9)
Deferred tax	**18,018**	8,972	100.8
Income tax	**22,623**	15,183	49.0

NM - Not meaningful

3.8 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.

	2020	2019
	RMB'000	*RMB'000*
Earnings:		
Earnings for the purposes of basic earnings per share	**44,764**	31,144
Effect of dilutive potential ordinary shares: Change in fair value on convertible note	**(8,537)**	–
Earnings for the purposes of diluted earnings per share	**36,227**	31,144
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**180,000,000**	180,000,000
Effect of dilutive potential ordinary shares: – Convertible note issued by the Company	**53,320,404**	–
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	**233,320,404**	180,000,000

The Company did not have any potential ordinary shares outstanding during the year ended June 30, 2019. Accordingly, diluted earnings per share were equal to basic earnings per share.

3.9 INVESTMENT PROPERTIES

The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is as follows:

	2020	2019
	RMB'000	*RMB'000*
Fair value		
At beginning of year	**1,174,532**	1,155,987
Additions	**294,356**	12,344
Exchange realignment	**747**	899
Change in fair value	**36,563**	5,302
At end of year	**1,506,198**	1,174,532

(a) Valuation

Independent valuations of the Group's investment properties were performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited and KJPP Rengganis, Hamid & Rekan, independent firms of professionally qualified valuers, to determine the fair value of the Group's investment properties as at June 30, 2020, adopting a 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, 2019 and 2020.

(b) Valuation basis

The Group obtains independent valuations 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.

(c) Valuation techniques

Fair value of completed investment properties are generally derived using the income capitalisation approach and market approach.

Income capitalisation approach (term and reversionary method) largely uses observable inputs (e.g. market rent, yield, etc.) and takes 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.

Market approach is by making reference to the comparable market transactions as available. The market approach is based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.

3.10 INTERESTS IN ASSOCIATES

	2020	2019
	RMB'000	*RMB'000*
Share of net assets other than goodwill	**79,524**	75,256
Goodwill	**2,652**	2,652
Less: impairment loss	**(9,666)**	–
	72,510	77,908

3.11 DEPOSIT PAID FOR ACQUISITION OF INVESTMENT PROPERTIES/ PREPAYMENTS FOR ACQUISITION OF INVESTMENT PROPERTIES

Deposit paid for acquisition of investment properties

As at June 30, 2019, the Group had paid RMB54,833,000 as deposit to acquire certain properties situated in the PRC, through the acquisition of the entire equity interest of 廊坊通睿教育諮詢有限公司 (Langfang TongRui Education Consultancy Co., Ltd.*) from REC, as a seller. As at June 30, 2020, the acquisition was completed. Please refer to Note 6.1 for more details.

Prepayments for acquisition of investment properties

As at June 30, 2020, the Company has prepaid RMB11,467,000 as part of the consideration for the purchase of the entire 3rd, 4th, 5th, 6th and 7th floors of an office building known or to be known as Misheel Lifestyle Tower M2 (the "**Misheel Properties**"), being part of a property development project known as Misheel City Complex, Ulaanbaatar, Mongolia. Please refer to Note 6.3 for more details.

* *The English translation of the Chinese names is for information purpose only and shall not be regarded as the official English translation of such Chinese names.*

3.12 TRADE AND OTHER RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**886**	515
Other receivables *(Note)*	**9,894**	8,982
	10,780	9,497

Note:

Included in the balance as at June 30, 2020 were (i) an amount due from an associate of RMB197,000 (2019: RMB65,000), which was unsecured, interest-free, repayable on demand and non-trade in nature; (ii) amount due from REC Group of RMB2,208,000 (2019: RMBNil); and (iii) a loan advance with principal amount of RMB Nil (2019: RMB3,295,000) to an independent third party, which was transferred from the prepayment made in connection with potential acquisition of land in Mongolia as at June 30, 2018 and was interest-bearing at a daily rate of 0.05%. The balance was fully settled during the year ended June 30, 2020.

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

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

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**–**	330
Over 3 months to 6 months	**781**	185
Over 6 months to 12 months	**105**	–
	886	515

3.13 TRADE AND OTHER PAYABLES AND ACCRUALS

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**4,115**	3,201
Other payables and accruals	**10,872**	18,152
	14,987	21,353

Reconciliation of trade payables and other payables and accruals:

	2020	2019
	RMB'000	*RMB'000*
– Current	**11,915**	6,980
– Non-current	**3,072**	14,373
	14,987	21,353

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:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**1,735**	1,685
Over 3 months to 6 months	**2,066**	1,474
Over 6 months to 12 months	**261**	8
Over 1 year	**53**	34
	4,115	3,201

3.14 SHARE CAPITAL

The share capital as at June 30, 2019 and 2020 represented the issued share capital of the Company as follows:

Issued and fully paid	Number of Shares	Share capital *HK$*	Share capital *RMB*
As at July 1, 2018, June 30, 2019 and June 30, 2020	**180,000,000**	**366,320,500**	**290,136,000**

3.15 DIVIDENDS

	2020 *RMB'000*	2019 *RMB'000*
2019 Interim dividend declared and paid – HK$5.0 cents (equivalent to approximately RMB4.4 cents) per share	**–**	7,672

The Board has resolved not to recommend the payment of any final dividend for the FY2020 (2019: HK$Nil cent).

3.16 RESERVES OF THE COMPANY

As at June 30, 2020, the Company recorded retained profits of RMB40,947,000 (2019: RMB36,891,000).

3.17 CONVERTIBLE NOTE

On November 19, 2019 (the "**Issue Date**"), the Company completed the acquisition of the properties (being part of Zhuyun Education Land, situated at Oriental University City, Langfang Economy and Technology Development Zone, Langfang City, Hebei Province, the PRC (the "**Zhuyun Properties**") as set out in Note 6.1 below. The aggregate consideration of the acquisition was satisfied by (i) cash payment of RMB75,711,000; and (ii) the remaining consideration was paid by the Company to REC by issuance of convertible note (the "**Convertible Note**") in the principal amount of HK$200,379,982 with a conversion price of HK$2.30 per ordinary share of the Company and the Convertible Note will be matured on August 29, 2028 (the **Maturity Date**"). The interest rate of the Convertible Note is 2.48% per annum payable every six calendar months in arrears.

The other principal terms of the Convertible Note are summarised as follows:

Conversion Shares

A maximum of 87,121,731 conversion shares (the "**Conversion Shares**") to be issued upon full conversion of the Convertible Note represent approximately 48.40% of the issued share capital of the Company as at the Issue Date and approximately 32.61% of the Company's then issued share capital as enlarged by the issue of the Conversion Shares assuming that there is no change in the total number of issued shares from the Issue Date up to the allotment and issue of the Conversion Shares.

Conversion period

The holders of the Convertible Note will be able to convert the outstanding principal amount of the Convertible Note in whole or in part into the Conversion Shares at any time following the relevant date of issue until the Maturity Date.

Transferability

The Convertible Note may only be assigned or transferred to an affiliate of REC with prior written notification made to the Company.

Conversion restriction

The conversion rights attaching to the Convertible Note cannot be exercised (and accordingly, the Company will not issue Conversion Shares) if the Company believes that it would no longer fulfill the public float requirement under Rule 11.23 of the GEM Listing Rules immediately after the issue of the Conversion Shares.

Redemption

The Company may, at any time before the Maturity Date by written notices to the noteholder, and with the consent of the relevant noteholder, redeem the Convertible Note (in whole or in part) of the principal amount of the part of the Convertible Note to be redeemed together with any accrued and unpaid interest. Notice to pre-pay shall be irrevocable and the Company has the right of redemption unilaterally.

The acquisition of properties is a cash-settled share-based payment transaction in accordance with the requirements of HKFRS 2 Share-Based Payment. At initial recognition, the properties acquired and the liability incurred were measured at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. Transaction costs relating to the issuance of the Convertible Note is charged to profit or loss immediately. Accordingly, the Company initially recognised the fair value of the properties acquired of RMB231,428,000 as at November 19, 2019, and the corresponding increase in fair value of the Convertible Note of RMB155,717,000. The difference between the fair values of the properties and the Convertible Note of RMB75,711,000 represented deposits paid for acquisition of investment properties of which RMB54,833,000 was paid in 2019 and RMB20,878,000 was paid during the year ended June 30, 2020.

The details and the movement of the Convertible Note during the year ended June 30, 2020 were as follows:

	RMB'000
Fair value at the Issue Date	**155,717**
Change in fair value	**(8,537)**
At June 30, 2020	**147,180**

4 FINANCIAL REVIEW

4.1 Revenue

Revenue increased by 2.1% to RMB78.0 million for the FY2020 compared to RMB76.5 million in the FY2019. This increase was mainly attributable to the increase in number of tenants and unit rental price of the colleges, universities, schools, education training centres and corporate entities that lease education facilities from the Group (the "**Contract Colleges**").

4.2 Operating profit

Operating profit increased by 51.3% to RMB70.5 million for the FY2020 compared to RMB46.6 million in the FY2019, and the increase was mainly due to the fair value gains on investment properties and the Convertible Note as set out in Notes 4.7 and 4.8 below.

4.3 Employee costs

Employee costs increased by 82.0% to RMB5.4 million for the FY2020 compared to RMB3.0 million in the FY2019 due to an increase in the number of staff to manage the newly acquired properties and nearly completed dormitories in the campus in Langfang city, PRC.

4.4 Repairs and maintenance fee

Repairs and maintenance fee increased by 136.0% to RMB3.6 million for the FY2020 compared to RMB1.5 million in the FY2019, mainly due to repair and repainting of exterior walls of 3 dormitory buildings and 3 integrated buildings in the campus in Langfang city, PRC during the FY2020.

4.5 Share of results of associates

Gain on share of results of associates was RMB0.6 million for the FY2020 compared to a loss of RMB2.0 million in the FY2019 mainly due to Axiom Properties Limited ("**Axiom**") having made profit in the FY2020.

4.6 Impairment losses

Impairment of loss on other receivables of RMB5.9 million was recorded for the FY2020 (FY2019: RMBNil) to recognise long outstanding balances, which are not recoverable. Further, an impairment of loss on an associate of RMB9.7 million was recognised for the FY2020 (FY2019: RMBNil) as the fair value less cost of disposal of Axiom as at June 30, 2020 was lower than the carrying amount of its net assets.

4.7 Fair value gains on investment properties

Fair value gains on investment properties increased by 589.6% to RMB36.6 million for the FY2020 compared to RMB5.3 million in the FY2019. The increase was due to fair value gains of RMB27.4 million and RMB9.2 million in investment properties in the PRC and the newly acquired investment properties in Jakarta, Indonesia, respectively.

4.8 Fair value gain on Convertible Note

A fair value gain on Convertible Note of RMB8.5 million was recorded in the FY2020 (FY2019: RMBNil) as the fair value of the Convertible Note was lower at the reporting date than its fair value on the Issue Date in the FY2020.

4.9 Interest expenses on bank borrowings

Interest expenses on bank borrowings increased by 226.1% to RMB3.1 million for the FY2020 compared to RMB1.0 million in the FY2019, mainly due to the drawdown of new bank facilities which were bank overdraft and term loan.

4.10 Income tax

Income tax increased by 49.0% to RMB22.6 million for the FY2020 compared to RMB15.2 million in the FY2019. The increase in income tax was mainly attributed to the higher proportion of deferred tax, which increased in proportion to the fair value gains of investment properties in the FY2020.

4.11 Profit for the year

Due to the foregoing factors set out in Notes 4.1 to 4.10 above, net profit recorded an increase of 43.8% to RMB45.3 million for the FY2020 as compared to RMB31.5 million in the FY2019.

4.12 Liquidity and Financial Resources

In July 2019, the Group had obtained loan facility of Malaysian Ringgit ("**MYR**") 18 million (equivalent to RMB29,734,000) from a commercial bank in Malaysia. This loan facility is secured by properties of the Group and the Company is confident that this loan facility will continue to be extended by the bank.

The Group has also obtained a mortgage loan of Indonesian Rupiah Dollars ("**IDR**") 93.2 billion (equivalent to RMB47,357,000) from a commercial bank in Indonesia in April 2020 to finance the newly acquired properties in Jakarta, Indonesia.

In order to ensure that the Group's working capital requirement is adequately supported, the Group has in July 2020 received a loan of RMB35,000,000 from its ultimate holding company REC, which is repayable in three years.

As at June 30, 2020, the Group had total assets of approximately RMB1,608.5 million, which were financed by total liabilities and shareholders' equity of approximately RMB394.6 million and RMB1,213.9 million, respectively.

4.13 Gearing Ratio

The Group's gearing ratio as at June 30, 2020 was 19.6% (June 30, 2019: about 1.3%), which is calculated based on the total borrowings (bank borrowings and Convertible Note), amounting to RMB238.0 million, divided by total equity as at the respective reporting dates and then multiplied by 100%.

4.14 Cash and Cash Equivalents

The Group places a high emphasis on risk management, safety and liquidity. Cash in excess of daily operational requirement are placed in licensed banks as fixed deposits. The Group currently does not invest in bonds, bills, structured products or any other financial instruments. As at June 30, 2020, the Group had cash and cash equivalents balance of approximately RMB2.7 million (June 30, 2019: RMB5.2 million). The cash and cash equivalents were mainly denominated in RMB and IDR.

4.15 Foreign Exchange Hedging

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

5 BUSINESS REVIEW AND OUTLOOK

The Group owns and leases education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and Indonesia. The Group's education facilities are located in Langfang city in Hebei Province of the PRC, Kuala Lumpur in Malaysia, and Jakarta in Indonesia.

The Group also leases commercial spaces in Langfang city, the PRC, to tenants operating a range of supporting facilities, including grocery stores, laundry shops, internet cafes and canteens, to serve the living needs of students of the campus and residents of adjacent housing estates.

The outbreak of the COVID-19 has led to disruption of the market, production and supply chains around the world. The ensuing travel restrictions, quarantine measures and suspension of work imposed by local authorities have severely affected the business and profitability of the tenants of the Group. In turn, the financial performance of the Company, in the short term, is expected to be adversely affected in terms of reduced demand for our education facilities, decreased occupancy rate of the education facilities and delay in completion of construction of new dormitories. In this respect, the Group has stringently implemented cost containment measures and deferred capital expenditures to a later appropriate date to ensure sufficient funds for working capital requirements and mitigate the COVID-19 impact on business profitability. To add further buffer fund, the Group has also explored financing facilities options in the PRC and Malaysia.

On a longer term, the education industry is expected to recover and normalise, and the resident student population of the Contract Colleges and the revenue to be generated from Contract Colleges and commercial leasing are expected to remain relatively stable.

6 SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENTS

Save as disclosed below, as at June 30, 2020, the Group did not have any other significant investment or future plan for material investments and capital commitments.

6.1 Acquisition of Zhuyun 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.*) (a subsidiary of REC) and REC (the "**Seller**") had entered into a sale and purchase agreement, pursuant to which the Seller had conditionally agreed to sell and the Company had conditionally agreed to acquire the Zhuyun Properties at a purchase consideration of RMB252,370,000 (the "**Consideration**").

The sale and purchase agreement was subsequently supplemented by the first addendum, the second addendum and the supplemental agreement on December 31, 2018, January 21, 2019 and June 13, 2019 respectively, whereby the Company had further agreed to acquire the Zhuyun Properties at the Consideration, through the incorporation and acquisition of the entire equity interest of 廊坊通睿教育諮詢有限公司 (Langfang TongRui Education Consultancy Co., Ltd.*) from REC.

As at September 30, 2019, the Company had paid RMB75,711,000, representing 30% of the Consideration, as the deposit to the Seller. On November 19, 2019, the Company had issued the Convertible Note, as set out in Note 3.17, to the Seller as settlement of the remaining 70% of the Consideration.

* *The English translation of the Chinese names is for information purpose only and shall not be regarded as the official English translation of such Chinese names.*

6.2 Acquisition of the Thamrin Properties

On February 21, 2020, P.T. OUC Thamrin Indo ("**OUC Thamrin**"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent vendor to acquire two floors of Lippo Thamrin office in Jakarta, Indonesia (the "**Thamrin Properties**") at a purchase consideration of IDR94,140,000,000 (equivalent to approximately RMB47,835,000).

As at June 30, 2020, the Company has fully paid the consideration for the acquisition of the Thamrin Properties.

6.3 Acquisition of the Misheel Properties

On March 6, 2020, the Company entered into a sale and purchase agreement with an independent vendor for the purchase of the Misheel Properties, in Ulaanbaatar, Mongolia, for a purchase consideration of RMB32,712,000.

As at June 30, 2020, the Company has prepaid RMB11,467,000 of the purchase consideration and the remaining balance of RMB21,245,000 will be paid in instalments according to the various stages of completion of the Misheel Properties as set out in the sale and purchase agreement.

7 CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

Save as disclosed in Note 6.1 and below, as at June 30, 2020, the Group did not have any other connected transaction and continuing connected transaction (as defined in the GEM Listing Rules).

7.1 Tenancy Agreement of Properties in Malaysia

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, of which 70% of its equity interest is owned by REC, 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. The tenancy was executed on arm's length terms and the annual rental payable under the tenancy agreements amounts to MYR1,913,000 (approximately RMB3,187,000).

7.2 Tenancy Agreement of Properties in Indonesia

OUC Thamrin, a direct wholly-owned subsidiary of the Company, as landlord, has entered into a tenancy agreement with PT. Raffles Institute of Higher Education, a wholly-owned subsidiary of REC, as tenant, for the tenancy of the Thamrin Property for a term of three years commencing on July 1, 2020 and expiring on June 30, 2023. The tenancy was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to IDR7,154,640,000 (approximately RMB3,635,000).

8 CHARGE ON THE GROUP'S ASSETS

As at June 30, 2020, investment properties of RMB133,914,000 (June 30, 2019: RMB75,269,000) were pledged to secure banking facilities granted to the Group.

9 CAPITAL STRUCTURE

There was no change in the capital structure of the Group as at June 30, 2020 as compared with that as at June 30, 2019.

10 CONTINGENT LIABILITIES

As at June 30, 2020, the Group and the Company did not have any significant contingent liabilities (June 30, 2019: RMBNil).

11 EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2020, the Group had a total of 53 full-time employees in the PRC, all of which were located in Langfang City, Hebei Province (June 30, 2019: 23). The Group's total employee costs were approximately RMB5.4 million for the FY2020 (June 30, 2019: RMB3.0 million). The employees' remuneration is determined by reference to the market salary of their respective experience and performance. The Group provides training to its employees to improve and upgrade their management and professional skills. As required by the PRC social security regulations, the Group 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. The Group has adopted a share option scheme on December 17, 2014 (the "**Share Option Scheme**") as an incentive to the Directors and eligible employees. As no share option has been granted by the Company under the Share Option Scheme, there was no share option outstanding as at June 30, 2020 and no option was exercised or cancelled or lapsed during the FY2020.

12 USE OF PROCEEDS FROM THE COMPANY'S IPO PLACEMENT

The net proceeds received by the Company from the listing on GEM by way of a placing of 45,000,000 Shares at a price of HK$2.64 each on January 16, 2015 (the "**IPO Placement**"), after deducting the amounts due to REC 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 IPO Placement paid by the Company, amounted to approximately HK$75.3 million (the "**Net Proceeds**"). REC is the controlling shareholder (as defined in the GEM Listing Rules) of the Company and a company owned as to 33.58% by Mr. Chew Hua Seng ("**Mr. Chew**"), the chairman of the Board (the "**Chairman**") and an executive Director.

In light of the impact of the COVID-19 outbreak and the economic outlook remain uncertain, it was no longer suitable for the Group to pursue construction of further new dormitories in Oriental University City in Langfang Economy and Technology Development Zone in Langfang City, Hebei Province, the PRC (the "**Campus Site**"), other than completion of dormitories under current construction. In order to cope with the economic uncertainty in the future, the Company has announced on July 22, 2020, to re-allocate the unutilised Net Proceeds raised from IPO Placement to supplement the general working capital for the ordinary operation of the Group.

The utilisation of the Net Proceeds and the use of the unutilised Net Proceeds after the re-allocation are set out as follows:

Purpose	Revised allocation of Net Proceeds *(HK$ million)*	Net Proceeds utilised during FY2020 *(HK$ million)*	Utilised Net Proceeds up to the date of this announcement *(HK$ million)*	Unutilised Net Proceeds *(HK$ million)*	Expected timeline for unutilised Net Proceeds
Constructing new dormitories on the Campus Site	31.8	17.4	29.8	2.0	Up to 31 December 2021
General working capital	43.5	0	3.0	40.5	Up to 31 December 2021

13 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, 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, or 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 which, directly or indirectly, competed or might compete with the Group's business.

14 FINAL DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for the FY2020 (FY2019: HK$Nil cent).

15 ANNUAL GENERAL MEETING (THE "2020 AGM")

The 2020 AGM of the Company will be held on Friday, October 23, 2020 and the relevant notice and documents will be despatched to the Company's shareholders (the "**Shareholders**") and published on the respective websites of Hong Kong Exchanges and Clearing Limited and the Company in due course in the manner as required by the GEM Listing Rules.

16 BOOK CLOSE DATES

For the purpose of ascertaining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed. Details of such closure is set out below:

Latest time to lodge transfer documents	4:30 p.m. on October 19, 2020 (Monday)
Closure of register of members	October 20, 2020 (Tuesday) to October 23, 2020 (Friday) (both days inclusive)
Record date	October 23, 2020 (Friday)

During the above closure period, no transfer of Shares will be registered. To be entitled to attend and vote at the 2020 AGM, the non-registered Shareholders must lodge all duly completed and stamped transfer documents accompanied by the relevant share certificates for registration with the Company's share registrar, Boardroom Share Registrars (HK) Limited of Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong before the above latest time.

17 CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholders' 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 FY2020.

18 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 FY2020.

19 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 FY2020.

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

As at June 30, 2020, 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 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 June 30, 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	Approximate percentage of shareholding
Mr. Chew	REC *(Note 1)*	Beneficial owner and interest of spouse/ Personal interest and family interest	462,907,764	33.58% *(Note 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, the wife of Mr. Chew; and (b) the 9.93% joint interest of Mr. Chew and Ms. Doris Chung.

Save as disclosed above, as at June 30, 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 its associated corporations (within the meaning of Part XV of the SFO), which would have 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 are 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.

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

As at June 30, 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 the persons who (other than a Director or the chief executive of the Company) had 5% or more interests in the Shares and the underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:–

Long positions in the Shares

Name of Substantial Shareholders	Capacity/ Nature of interest	Number of issued Shares held	Percentage of shareholding *(Note 2)*
REC*(Note 1)*	Beneficial owner/Personal interest	135,000,000	75%
Ms. Doris Chung*(Note 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. Doris Chung, the wife of Mr. Chew; and (c) 2.47% by Ms. Doris Chung. Under the SFO, Mr. Chew is deemed to be interested in the shares in which REC is interested, and Ms. Doris Chung is deemed to be interested and 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 June 30, 2020 (i.e. 180,000,000 shares).

Save as disclosed above, as at June 30, 2020, 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 by the Company under section 336 of the SFO.

22 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 FY2020.

23 DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the FY2020 and FY2019 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 FY2019 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 FY2020 in due course in the manner required by the Companies Ordinance.

The Company's independent auditor has reported on the consolidated financial statements of the Group for both FY2020 and FY2019. 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.

24 REVIEW BY AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") currently comprises three independent non-executive Directors (the "**INEDs**"), namely Mr. Philip Lam Bing Lun, Mr. Kenneth Tan Yeow Hiang and Mr. Guo Shao Zeng with Mr. Philip Lam Bing Lun 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 FY2020, and is of the opinion that such results has been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures have been made.

25 SCOPE OF WORK OF BDO LIMITED

The figures in respect of this preliminary announcement of the Group's results for the FY2020 have been agreed by the Group's independent auditor BDO Limited ("**BDO**") to the amounts set out in the Group's audited consolidated financial statements for the FY2020. The work performed by BDO 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 on this preliminary announcement.

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

Singapore, August 14, 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 INEDs are Mr. Philip Lam Bing Lun, Mr. Kenneth Tan Yeow Hiang, Mr. Wilson Teh Boon Piaw and Mr. Guo Shao Zeng.

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.