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ORIENTAL UNIVERSITY CITY HOLDINGS (H.K.) LIMITED

東方大學城控股（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8067)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 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.*

FINANCIAL HIGHLIGHTS

- The Group recorded revenue of RMB31.1 million for the six months ended December 31, 2020, representing a decrease of 20.4% as compared with that of the corresponding period in 2019.
- Profit attributable to the owners of the Company for the six months ended December 31, 2020 amounted to RMB45.4 million, representing an increase of 177.5% as compared with that of the corresponding period in 2019.
- Basic earnings per share for the six months ended December 31, 2020 amounted to RMB0.25 (2019: RMB0.09).

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and six months ended December 31, 2020, together with the relevant comparative figures for the corresponding periods in 2019, as follows:

**1. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

		For the three months ended		For the six months ended		
	Notes	December 31, 2020 Unaudited RMB'000	December 31, 2019 Unaudited RMB'000	December 31, 2020 Unaudited RMB'000	December 31, 2019 Unaudited RMB'000	Change %
Revenue	6.1	17,451	19,266	31,064	39,006	(20.4)
Government grants	6.2	—	—	200	—	NM
Employee costs	6.3	(1,558)	(1,584)	(3,249)	(2,532)	28.3
Depreciation of property, plant and equipment		(88)	(87)	(176)	(172)	2.3
Business taxes and surcharges	6.4	(81)	(98)	(148)	(199)	(25.6)
Property taxes and land use taxes		(2,891)	(2,956)	(5,648)	(5,419)	4.2
Property management fee	6.5	(1,242)	(1,721)	(2,337)	(3,480)	(32.8)
Repairs and maintenance fees	6.6	(125)	(207)	(156)	(2,316)	(93.3)
Legal and consulting fees	6.7	(1,152)	(2,297)	(1,779)	(3,337)	(46.7)
Other (losses)/gains, net	6.8	(618)	(746)	(1,913)	22	NM
Other expenses	6.9	(1,193)	(1,327)	(1,801)	(2,462)	(26.8)
Share of results of associates	6.10	4,352	1,692	3,946	1,371	187.8
Operating profit before fair value changes	6.11	12,855	9,935	18,003	20,482	(12.1)
Fair value gains on investment properties	6.12	43,425	—	43,425	—	NM
Fair value gain on convertible note	6.13	2,360	—	2,360	—	NM
Operating profit		58,640	9,935	63,788	20,482	211.4
Interest income	6.14	12	169	27	334	(91.9)
Interest expenses	6.15	(1,514)	(1,187)	(3,131)	(1,618)	93.5
Profit before income tax		57,138	8,917	60,684	19,198	216.1
Income tax						
Current income tax expense	6.16	(531)	(1,619)	(572)	(2,651)	(78.4)
Deferred tax expense	6.16	(14,133)	—	(14,133)	—	NM
Profit for the period	6.17	42,474	7,298	45,979	16,547	177.9

**1. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)**
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

		For the three months ended		For the six months ended	
		December 31,	December 31,	December 31,	December 31,
	Note	2020	2019	2020	2019
		Unaudited	Unaudited	Unaudited	Unaudited
		RMB'000	RMB'000	RMB'000	RMB'000
					Change
					%
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
<i>Exchange differences from translation of foreign operations</i>					
		(521)	3,017	(2,327)	1,558
					NM
<i>Share of other comprehensive income of associates</i>					
		161	(2,020)	(1,888)	(655)
					188.2
Other comprehensive (loss)/income for the period					
		(360)	997	(4,215)	903
					NM
Total comprehensive income for the period					
		42,114	8,295	41,764	17,450
					139.3
Profit attributable to					
– Owners of the Company					
		41,993	7,215	45,444	16,374
					177.5
– Non-controlling interests					
		481	83	535	173
					209.2
		42,474	7,298	45,979	16,547
					177.9
Total comprehensive income attributable to					
– Owners of the Company					
		41,633	8,212	41,229	17,277
					138.6
– Non-controlling interests					
		481	83	535	173
					209.2
		42,114	8,295	41,764	17,450
					139.3
Earnings per share for profit attributable to the owners of the Company during the period					
	5.8				
– Basic (RMB per share)					
		0.23	0.04	0.25	0.09
					177.5
– Diluted (RMB per share)					
		0.15	0.04	0.16	0.09
					77.3

NM – Not meaningful

2. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		As at December 31, 2020 <i>Unaudited</i> <i>RMB' 000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB' 000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	5.9	4,155	4,891
Investment properties	5.9	1,540,497	1,506,198
Interests in associates	5.10	74,568	72,510
Prepayment for acquisition of investment properties	5.11	14,738	11,467
Total non-current assets		1,633,958	1,595,066
Current assets			
Trade and other receivables	5.12	12,506	10,780
Restricted cash		445	445
Cash and cash equivalents		18,857	2,211
Total current assets		31,808	13,436
Current liabilities			
Trade and other payables and accruals	5.13	10,303	11,915
Advances from customers	5.14	16,417	1,299
Bank borrowings, secured	5.15	31,458	32,212
Current tax liabilities	5.16	456	1,140
Total current liabilities		58,634	46,566
Net current liabilities		(26,826)	(33,130)
Total assets less current liabilities		1,607,132	1,561,936

2. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT DECEMBER 31, 2020

		As at December 31, 2020 <i>Unaudited</i> <i>RMB' 000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB' 000</i>
	<i>Notes</i>		
Non-current liabilities			
Trade and other payables and accruals	5.13	3,571	3,072
Bank borrowings, secured	5.15	52,367	58,617
Convertible note	5.16	142,653	147,180
Deferred tax liabilities	5.17	152,835	139,125
Total non-current liabilities		351,426	347,994
NET ASSETS		1,255,706	1,213,942
Capital and reserves attributable to owners of the Company			
Share capital	5.18	290,136	290,136
Reserves		954,654	913,425
		1,244,790	1,203,561
Non-controlling interests		10,916	10,381
Total Equity		1,255,706	1,213,942

3. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

	Reserves					Equity attributable to owners of the Company	Non-controlling interests	Total
	Share capital RMB'000	Other reserves RMB'000	Statutory surplus reserves RMB'000	Retained profits RMB'000	Exchange reserve RMB'000	RMB'000	RMB'000	RMB'000
Balance at July 1, 2019 (Audited)	290,136	(71,025)	–	933,610	2,322	1,155,043	9,881	1,164,924
Profit for the period	–	–	–	16,374	–	16,374	173	16,547
Exchange differences from translation of foreign operations	–	–	–	–	1,558	1,558	–	1,558
Share of other comprehensive income of associates	–	–	–	–	(655)	(655)	–	(655)
Total comprehensive income	–	–	–	16,374	903	17,277	173	17,450
Balance at December 31, 2019 (Unaudited)	<u>290,136</u>	<u>(71,025)</u>	<u>–</u>	<u>949,984</u>	<u>3,225</u>	<u>1,172,320</u>	<u>10,054</u>	<u>1,182,374</u>
Balance at June 30, 2020 and July 1, 2020 (Audited)	290,136	(71,025)	939	977,435	6,076	1,203,561	10,381	1,213,942
Profit for the period	–	–	–	45,444	–	45,444	535	45,979
Exchange differences from translation of foreign operations	–	–	–	–	(2,327)	(2,327)	–	(2,327)
Share of other comprehensive income of associates	–	–	–	–	(1,888)	(1,888)	–	(1,888)
Total comprehensive income/(loss)	–	–	–	45,444	(4,215)	41,229	535	41,764
Balance at December 31, 2020 (Unaudited)	<u>290,136</u>	<u>(71,025)</u>	<u>939</u>	<u>1,022,879</u>	<u>1,861</u>	<u>1,244,790</u>	<u>10,916</u>	<u>1,255,706</u>

4. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

	For the six months ended	
	December 31, 2020	December 31, 2019
	<i>Unaudited</i>	<i>Unaudited</i>
	<i>RMB' 000</i>	<i>RMB' 000</i>
Operating activities		
Profit before income tax	60,684	19,198
Adjustments for:		
Interest income	(27)	(334)
Depreciation of property, plant and equipment	176	172
Gain on disposal of property, plant and equipment	–	(2)
Fair value gain on investment properties	(43,425)	–
Fair value gain on convertible note	(2,360)	–
Unrealised net foreign exchange	1,576	(893)
Share of results of associates	(3,946)	(1,371)
Operating cash flows before working capital changes	12,678	16,770
Change in trade and other receivables	(1,726)	(6,382)
Change in trade and other payables and accruals	(1,113)	22,196
Change in advance from customers	15,118	–
Cash generated from operations	24,957	32,584
Income tax paid	(1,206)	(3,386)
Net cash generated from operating activities	23,751	29,198
Cash flow from investing activities		
Interest received	27	334
Payments to acquire property, plant and equipment	(708)	(99)
Payments to increase investment properties	(513)	(33,032)
Increase in prepayment for acquisition of investment properties	(3,271)	–
Proceeds from sale of property, plant and equipment	–	2
Net cash used in investing activities	(4,465)	(32,795)

4. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

For the six months ended
December 31, December 31,
2020 2019
Unaudited Unaudited
RMB' 000 RMB' 000

Cash flow from financing activities

Proceeds from bank borrowings	–	30,382
Proceeds of loan from parent company	35,000	–
Repayment of bank borrowings	(473)	(889)
Repayment of loan to parent company	(35,000)	–
Interest payment of convertible note	(2,167)	–
Net cash (used in)/generated from financing activities	(2,640)	29,493
Net increase in cash and cash equivalent	16,646	25,896
Cash and cash equivalents at beginning of period	2,211	5,236
Cash and cash equivalents at end of the period	18,857	31,132

5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.1 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 (“**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**”).

The Group’s unaudited condensed consolidated results for the six months ended December 31, 2020 (the “**Period**”) are presented in Renminbi (“**RMB**”) unless otherwise stated.

5.2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated results for the Period (the “**Interim Results**”) have been prepared in accordance with Chapter 18 of the GEM Listing Rules, and the Hong Kong Financial Reporting Standards (the “**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and accounting principles generally accepted in Hong Kong. Except as described below, the accounting policies and methods of computation used in preparing this Interim Results are the same as those followed in the preparation of the Group’s audited financial statements for the year ended June 30, 2020 (the “**Year 2020**”).

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the financial statements for the Year 2020 except for the changes mentioned below.

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial information for the current accounting period:

Amendments to HKFRS 3	Definition of a business
Amendments to Hong Kong Accounting Standard (“ HKAS ”) 1 and HKAS 8	Definition of material

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies for the current and prior periods have been prepared or presented.

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

The financial information relating to the Year 2020 that is included in these Interim Results as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the “**Companies Ordinance**”) is as follows:

The Company has delivered the consolidated financial statements for the Year 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s independent auditor has reported on those consolidated financial statements. The independent auditor’s report was unqualified; did 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.

5.3 SEGMENT INFORMATION

The executive Directors who are the chief operating decision makers of the Group review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive Directors that are used to make strategy decisions.

Management regularly reviews the operating results from a service category perspective. The reportable operating segments derive their revenue primarily from education facilities leasing. As the revenue from the commercial leasing for supporting facilities was around 10% of the total revenue during the six months ended December 31, 2020 and 2019, business segment information is not considered necessary.

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

5.4 REVENUE

An analysis of revenue by category for the three months and six months ended December 31, 2020 and 2019 is as follows:

	For the three months ended		For the six months ended		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Change</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Revenue					
– Education facilities leasing	16,384	17,343	28,825	35,232	(18.2)
– Commercial leasing for supporting facilities	1,067	1,923	2,239	3,774	(40.7)
	17,451	19,266	31,064	39,006	(20.4)

Information on major customers

The Group's revenues were derived from the following external customers that individually contributed to more than 10% of the Group's revenues for the three months and six months ended December 31, 2020 and 2019:

	For the three months ended		For the six months ended		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Change</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
College A	8,339	11,799	16,679	23,599	(29.3)
College B	2,676	2,676	3,830	5,352	(28.4)
	11,015	14,475	20,509	28,951	(29.2)

5.5 OTHER EXPENSES

	For the three months ended		For the six months ended		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Change</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Stamp duties	11	14	20	28	(28.6)
Travel & transportation	163	410	300	990	(69.7)
Dining	158	—	238	74	221.6
Utilities	218	358	397	463	(14.3)
Office supplies	50	49	66	67	(1.5)
Insurance	153	16	226	29	679.3
Others	440	480	554	811	(31.7)
	<u>1,193</u>	<u>1,327</u>	<u>1,801</u>	<u>2,462</u>	<u>(26.8)</u>

5.6 INTEREST (EXPENSE)/INCOME

	For the three months ended		For the six months ended		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Change</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Interest expense	<u>(1,514)</u>	<u>(1,187)</u>	<u>(3,131)</u>	<u>(1,618)</u>	<u>93.5</u>
Interest income on bank deposits	12	8	27	11	145.5
Interest income from loan advance to an independent third party	<u>—</u>	<u>161</u>	<u>—</u>	<u>323</u>	<u>NM</u>
	<u>12</u>	<u>169</u>	<u>27</u>	<u>334</u>	<u>(91.9)</u>

NM – Not meaningful

5.7 INCOME TAX

	For the three months ended		For the six months ended		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Change</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Current corporate income tax					
– PRC	493	1,591	493	2,539	(80.6)
– Malaysia	38	28	79	112	(29.5)
	531	1,619	572	2,651	(78.4)
Deferred tax	14,133	–	14,133	–	NM
Income Tax	14,664	1,619	14,705	2,651	454.7

NM – Not meaningful

Corporate income tax

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 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 Interim Results as the Company and the Group did not have assessable profit in Hong Kong during the six months ended December 31, 2020 and 2019.

Malaysian income tax

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

Deferred tax

Deferred tax liabilities charged for the Period arose from change in fair value of investment properties of the Group.

5.8 EARNINGS PER SHARE

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

	For the three months ended		For the six months ended		
	December 31, 2020 Unaudited	December 31, 2019 Unaudited	December 31, 2020 Unaudited	December 31, 2019 Unaudited	Change %
Earnings (RMB'000):					
Earnings for the purposes of calculating basic earnings per share	41,993	7,215	45,444	16,374	177.5
Effect of dilutive potential ordinary shares:					
Change in fair value on convertible note	(2,360)	-	(2,360)	-	NM
Earnings for the purpose of calculating diluted earnings per share	39,633	7,215	43,084	16,374	163.1
Number of shares ('000)					
Weighted average number of ordinary shares in issue	180,000	180,000	180,000	180,000	-
Potential effect of dilutive number of shares from convertible note issued	87,122	-	87,122	-	NM
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	267,122	180,000	267,122	180,000	48.4
Basic earnings per share for profit attributable to the owners of the Company (RMB per share)	0.23	0.04	0.25	0.09	177.5
Diluted earnings per share for profit attributable to the owners of the Company (RMB per share)	0.15	0.04	0.16	0.09	77.3

5.9 PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTIES

A reconciliation of the opening and closing balance is as follows:

	Property, Plant & Equipment <i>RMB'000</i>	Investment Properties <i>RMB'000</i>
At July 1, 2019	5,125	1,174,532
Additions	114	294,356
Depreciation charges	(348)	—
Exchange realignment	—	747
Change in fair value	—	36,563
At June 30, 2020 and July 1, 2020	4,891	1,506,198
Additions	708	513
Depreciation charges	(176)	—
Exchange realignment	(1,268)	(9,639)
Change in fair value	—	43,425
At December 31, 2020	<u>4,155</u>	<u>1,540,497</u>

Independent valuations of the Group's investment properties were performed by independent firms of professionally qualified valuers, to determine the fair value of the Group's investment properties as at June 30, 2020 and December 31, 2020.

Fair value of investment properties is derived using the income capitalisation approach and direct comparison method. The income capitalisation approach uses the basis of capitalisation of rental derived from the existing tenancies with due allowance for reversionary rental potential of the investment properties. The direct comparison approach uses the principle of substitution as its basis, which assumes the sale of each of these properties in its existing state by making reference to comparable sales evidence as available in the relevant market.

5.10 INTERESTS IN ASSOCIATES

	As at December 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB'000</i>
Share of net assets other than goodwill	81,582	79,524
Goodwill	2,652	2,652
Less: impairment loss	(9,666)	(9,666)
	<u>74,568</u>	<u>72,510</u>

5.11 PREPAYMENT FOR ACQUISITION OF INVESTMENT PROPERTIES

As at December 31, 2020, the Company has prepaid RMB14,738,000 (June 30, 2020: RMB11,467,000) for the acquisition of investment properties in Mongolia at a total purchase consideration of RMB32,712,000.

5.12 TRADE AND OTHER RECEIVABLES

	As at December 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB'000</i>
Trade receivables	5,914	886
Other receivables <i>(Note)</i>	6,592	9,894
	<u>12,506</u>	<u>10,780</u>

Note: Included in the balance as at December 31, 2020 were (i) an amount due from an associate of RMB68,000 (June 30, 2020: RMB197,000), which was unsecured, interest-free, repayable on demand and non-trade in nature; and (ii) amount due from REC group of RMB1,205,000 (June 30, 2020: RMB2,208,000) which was unsecured, interest-free, repayable on demand and non-trade in nature.

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:

	As at December 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB'000</i>
Within 3 months	1,587	—
Over 3 months to 6 months	4,266	781
Over 6 months to 12 months	61	105
	<u>5,914</u>	<u>886</u>

5.13 TRADE AND OTHER PAYABLES AND ACCRUALS

	As at December 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB'000</i>
Trade payables	2,340	4,115
Other payables and accruals <i>(Note)</i>	11,534	10,872
	<u>13,874</u>	<u>14,987</u>

Note: Included in the balance as at December 31, 2020 were (i) an amount due to a non-controlling interest shareholder of a subsidiary of RMB84,000 (June 30, 2020: RMB84,000), which was unsecured, interest-free, and non-trade in nature; and (ii) amount due to REC group of RMB3,231,000 (June 30, 2020: RMB2,267,000), which were unsecured, interest-free, non-payable before January 1, 2021 and non-trade in nature.

Reconciliation of trade payables and other payables and accruals:

	As at December 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB'000</i>
– Current	10,303	11,915
– Non-current	3,571	3,072
	<u>13,874</u>	<u>14,987</u>

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:

	As at December 31, 2020 <i>Unaudited</i> <i>RMB'000</i>	As at June 30, 2020 <i>Audited</i> <i>RMB'000</i>
Within 3 months	1,209	1,735
Over 3 months to 6 months	1,131	2,066
Over 6 months to 12 months	–	261
Over 12 months	–	53
	<u>2,340</u>	<u>4,115</u>

5.14 ADVANCES FROM CUSTOMERS

As at December 31, 2020, rental advances from customers was RMB16,417,000 (June 30, 2020: RMB1,299,000). The advances from customers will be recognised as revenue on a straight-line basis over the term of lease.

5.15 BANK BORROWINGS, SECURED

	As at December 31, 2020 <i>Unaudited</i> RMB'000	As at June 30, 2020 <i>Audited</i> RMB'000
Bank borrowings due for repayment:		
– Within one year <i>(Note)</i>	31,458	32,212
– After one year but within two years	2,630	3,797
– After two years but within five years	12,310	12,625
– After five years	37,427	42,195
	52,367	58,617
	83,825	90,829

Note: Included in the balance as at December 31, 2020 were (i) bank overdraft (non-revolving) and term loans amounting to RMB29,740,000 (June 30, 2020: RMB29,734,000) and RMB1,718,000 (June 30, 2020: RMB2,478,000) respectively.

Bank borrowings are interest-bearing at fixed and floating rates. The interest rates of the Group's bank borrowings as at December 31, 2020 granted under banking facilities ranged from 5.00% to 8.25% (June 30, 2020: 2.96% to 9.57%) per annum. As at December 31, 2020, the banking facilities were secured by certain investment properties of the Group amounted to RMB120,657,000 (June 30, 2020: RMB133,914,000) and corporate guarantee of the Company.

5.16 CONVERTIBLE NOTE

	As at December 31, 2020 <i>Unaudited</i> RMB'000	As at June 30, 2020 <i>Audited</i> RMB'000
At the beginning of the Period/at Issue Date <i>(Note)</i>	147,180	155,717
Interest payment	(2,167)	–
Change in fair value	(2,360)	(8,537)
	142,653	147,180

Note: Issue Date is 19 November 2019.

References are made to the announcements dated August 29, 2018, September 3, 2018, September 13, 2018, October 31, 2018, December 20, 2018, December 31, 2018, January 21, 2019, June 13, 2019, July 23, 2019, October 25, 2019 and November 19, 2019 (the “**Announcements**”) and the circulars dated November 29, 2018 and September 20, 2019 (the “**Circulars**”) issued by the Company in relation to the Acquisition. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcements and the Circulars. According to the Announcements and Circulars, the Convertible Note was issued 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.

A maximum of 87,121,731 Conversion Shares to be issued upon full conversion of the Convertible Note represent approximately 48.40% of the issued share capital of the Company 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. 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.

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 fair value of the Convertible Note will be remeasured at the date of redemption. Any change in fair value will be recognised in the Group's consolidated statement of profit or loss and other comprehensive income.

5.17 DEFERRED TAX LIABILITIES

Details of the deferred tax liabilities recognised and movements during the Period and prior year are as follows:

	Revaluation of investment properties RMB'000
At July 1, 2019	121,060
Charged to profit or loss	18,018
Exchange realignment	47
At June 30, 2020 and July 1, 2020	139,125
Charged to profit or loss	14,133
Exchange realignment	(423)
At December 31, 2020	<u>152,835</u>

5.18 SHARE CAPITAL

The share capital as at June 30, 2020 and December 31, 2020 represented the issued share capital of the Company as follows:

	Number of Shares	Share capital HK\$	Share capital RMB
Issued and fully paid			
As at June 30, 2020 and at December 31, 2020	<u>180,000,000</u>	<u>366,320,500</u>	<u>290,136,000</u>

6. FINANCIAL REVIEW

6.1 Revenue

Our revenue decreased by 20.4% to RMB31.06 million for the Period compared to RMB39.01 million for the same period in 2019. The decrease was mainly attributable to the reduced leasing space and leasing period for education facilities leased out to colleges, education institutions, training centres and educational corporate entities (the “**Education Institutions**”) in Langfang City, the PRC. The novel coronavirus disease 2019 pandemic (the “**COVID-19**”) outbreak in the year 2020 had led to movement restrictions, quarantine measures, suspension of work and stay-at-home for work and study (collectively referred to as the “**COVID-19 Impact**”) that have affected the businesses of the Education Institutions that leases from the Group. This, in turn, has resulted in reduced leasing space and leasing period from the Education Institutions for the Period.

6.2 Government grant

A government grant of RMB0.20 million was received for the Period (six month period ended December 31, 2019: RMB Nil) given by local authority in Langfang City in recognition of good performance as corporate citizen.

6.3 Employee costs

Employee costs increased by 28.3% to RMB3.25 million for the Period compared to RMB2.53 million for the same period in 2019 as the increased number of employees employed to manage the newly acquired properties were only added in the second quarter of Year 2020.

6.4 Business taxes and surcharges

Business taxes and surcharges decreased by 25.6% to RMB0.15 million for the Period compared to RMB0.20 million for the same period in 2019 in line with the overall decrease in revenue for the Period.

6.5 Property management fee

Property management fee decreased by 32.8% to RMB2.34 million for the Period compared to RMB3.48 million for the same period in 2019, mainly due to reduced pricing negotiated for the provision of cleaning services.

6.6 Repairs and maintenance fees

Repairs and maintenance fees decreased by 93.3% to RMB0.16 million for the Period compared to RMB2.32 million for the same period in 2019 as major expenditures such as repainting of building exterior, shifting of the transformer in student dormitories and reconstruction of a basketball court, were incurred for the same period 2019 at our campus in Langfang City, the PRC.

6.7 Legal and consulting fees

Legal and consulting fees decreased by 46.7% to RMB1.78 million for the Period compared to RMB3.34 million for the same period in 2019 as more professional fees were incurred in connection with the acquisition of the properties in Langfang City, the PRC, in the corresponding period in 2019.

6.8 Other (losses)/gains, net

Other losses of RMB1.91 million was recorded for the Period compared to a gain of RMB0.02 million for the same period in 2019 mainly due to net unrealised foreign exchange losses, resulted from the translation of foreign currency balances against RMB.

6.9 Other expenses

Other expenses decreased by 26.8% to RMB1.80 million for the Period from RMB2.46 million for the same period in 2019 mainly due to decrease in discretionary expenditures, e.g. travel and transportation, dining and entertainment expenses, in light of the COVID-19 Impact.

6.10 Share of results of associates

Gain on share of results of associates increased by 187.8% to RMB3.95 million for the Period compared to RMB1.37 million for same period in 2019 due to an increase in the net profit of the Company's associates for the Period.

6.11 Operating profit before fair value changes

Operating profit before fair value changes for the Period decreased by 12.1% to RMB18.00 million for the Period compared to RMB20.48 million for the same period in 2019, in line with overall decrease in revenue.

6.12 Fair value gains on investment properties

Fair value gains on investment properties increased by RMB43.43 million for the Period (six month period ended December 31, 2019: RMB Nil) as a result of revaluation of all investment properties of the Group in conjunction with the Company's application for transfer to the Main Board of the Stock Exchange.

6.13 Fair value gain on Convertible Note

A fair value gain on Convertible Note of RMB2.36 million was recorded for the Period (six month period ended December 31, 2019: RMB Nil) as the fair value of the Convertible Note was lower at the reporting date than its fair value on previous reporting date as at June 30, 2020.

6.14 Interest income

Interest income decreased by 91.9% to RMB0.03 million for the Period from RMB0.33 million for the same period in 2019 as the loan to an independent third party, for which an interest income was derived in the corresponding period in 2019, had been fully repaid in the Year 2020.

6.15 Interest expenses

Interest expenses increased by 93.5% to RMB3.13 million for the Period from RMB1.62 million for the same period in 2019 mainly due to inception of a term loan facility to finance the acquisition of properties in Jakarta, Indonesia.

6.16 Income tax

Income tax increased by 454.7% to RMB14.71 million for the Period compared to RMB2.65 million for the same period in 2019, mainly due to deferred tax charged for the Period, which arose in line with fair value gains on investment properties.

6.17 Profit for the Period

Due to the foregoing factors set out in Notes 6.1 to 6.16 above, net profit for the Period recorded an increase of 177.9% to RMB45.98 million compared to RMB16.55 million for the same period in 2019.

6.18 Liquidity and financial resources

As at December 31, 2020, the Group has a net current liabilities of RMB26.83 million (At June 30, 2020: RMB33.13 million). Included in the current liabilities are:–

- (i) advance from customers of RMB16.42 million (At June 30, 2020: RMB1.30 million), which will be recognised as revenue with the passage of time in accordance with the terms of the rental agreements.
- (ii) bank borrowings of RMB31.46 million (At June 30, 2020: RMB32.21 million) that were secured by certain investment properties of the Group and the Group is confident the bank borrowings will continue to be extended by the respective banks.

The Group has further obtained a term loan of RMB200 million in the PRC, in January 2021, which would be deployed, where appropriate, to rebalance our loan portfolio, and/or to provide buffer fund for working capital requirements.

7. EVENTS AFTER THE REPORTING PERIOD

On January 15, 2021, the Company has, pursuant to the terms and conditions of the Convertible Note, given notice to REC that the Company will, on February 16, 2021, redeem the Convertible Note that remains outstanding in full as at the date of such notice before the maturity at a redemption price of HK\$201,156,029 (together with outstanding interests thereon up to the date of such notice). For details please refer to the announcement of the Company dated January 15, 2021. The fair value of the Convertible Note will be remeasured at the date of redemption. Any change in fair value will be recognised in the Group's consolidated statement of profit or loss and other comprehensive income in the financial year ending June 30, 2021.

On February 10, 2021, the Company announced that it has submitted to the Stock Exchange an application for the proposed transfer of listing of the Shares from GEM to the Main Board of the Stock Exchange. For details please refer to the announcement of the Company dated February 10, 2021.

8. BUSINESS REVIEW AND OUTLOOK

The Group owns and leases the Education Institutions in the PRC, Malaysia and Indonesia. The Group's Education Institutions 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 Oriental University City, in Langfang City, the PRC, to commercial tenants operating a range of supporting facilities, including a shopping mall, supermarket, café and cafeterias, bank, telecommunication companies, renovation and engineering firms, amongst others, to serve the living needs of students of the campus and residents of adjacent housing estates.

The COVID-19 pandemic that began more than a year ago, continued to have a significant bearing on the education facilities industry in the regions where the Group operates. The COVID-19 Impact has, to some extent, affected the business and profitability of the Education Institutions. In turn, for the Period, the financial performance of the Company was impacted in terms of reduced leasing space and leasing period taken up by the affected Education Institutions. To mitigate the business erosion caused by the COVID-19 Impact, the Group had reduced discretionary expenditures, such as travel and transportation, dining and entertainment, and deferred certain capital expenditures.

As mentioned in the first quarterly results announcement dated October 23, 2020, the Group had initiated discussion with financial institutions to explore financing facilities. Subsequently, the Group has managed to secure a new bank loan facility in the PRC in January 2021. The bank loan would be deployed, where appropriate, to rebalance our loan portfolio, and/or to provide buffer fund for working capital requirements. The available funding will enable the Group to be in good stead for anticipated rebound in demand in the next financial year.

The education facilities industry remains resilient, especially in the PRC, and in a longer term, the education industry is expected to resume its growth in line with student population growth, and as provider of education facilities, the Group will benefit from this trend.

9. 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**”) amounted to approximately HK\$75.3 million (the “**Net Proceeds**”). In light of the COVID-19 Impact and the uncertain economic outlook, the Company has announced on July 22, 2020, to re-allocate the unutilised Net Proceeds raised from the 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 Period (HK\$ million)	Utilised Net Proceeds up to the December 31, 2020 (HK\$ million)	Unutilised Net Proceeds (HK\$ million)	Expected timeline for unutilised Net Proceeds
Construction of new dormitories on the Campus Site	31.8	–	29.8	2.0	Up to December 31, 2021
General working capital	43.5	8.5	18.0	25.5	Up to December 31, 2021

10. SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENTS

Save for construction of dormitories on campus site in Langfang City, the PRC as disclosed above in note 9 – “Use of Proceeds from the Company's IPO Placement”, and the below acquisition, the Group did not have any other significant investment of future plan for material investments and capital commitments, as at December 31, 2020.

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 5 floors of an office building known as Misheel Lifestyle Tower M2 (the “**Misheel Properties**”) of a property development project known as Misheel City Complex, located in Ulaanbaatar, Mongolia, for a purchase consideration of RMB32,712,000.

As at December 31, 2020, the Company has prepaid RMB14,738,000 of the purchase consideration and the remaining balance of RMB17,974,000 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. The foundation work for the Misheel Properties has been completed and its construction is expected to be completed in the year 2022.

11. 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.

12. CONTINUING CONNECTED TRANSACTIONS

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).

Tenancy Agreement of Properties in Indonesia

PT OUC Thamrin Indo, 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 two floors of Lippo Thamrin office in Jakarta, Indonesia, 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).

13. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at December 31, 2020 (December 31, 2019: Nil).

14. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the Period (December 31, 2019: Nil).

15. 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-competition and call option in favour of the Company, pursuant to which it has undertaken not to compete with the business of the Company. For further details, please refer to the sub-section headed “Deed of Non-compete” in the section headed “Relationship with the Controlling Shareholder” of the Prospectus.

The Directors have confirmed that save as disclosed above, as at December 31, 2020, none of the Directors, controlling shareholder or substantial shareholders (as defined in the GEM Listing Rules) of the Company, directors of any of the Company’s subsidiaries or any of their respective close associates (as defined in the GEM Listing Rules) had interest in any business (other than our Group) which, directly or indirectly, competed or might compete with the Group’s business.

16. CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to its shareholders (the “**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.

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

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

18. SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transaction by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its own code of conduct for dealings in the Company’s securities by the Directors. The Company had made specific enquiries with all Directors and each of them has confirmed his compliance with the Required Standard of Dealings during the Period.

19. DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 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 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 Hua Seng ("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 of the Board (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 December 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	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 with its issued shares listed on the SGX-ST, is the immediate holding company of the Company.
- (2) It includes (a) the 2.47% interest of Ms. Doris Chung Gim Lian ("Ms. Chung"), the spouse of Mr. Chew in REC; and (b) the 9.93% joint interest of Mr. Chew and Ms. Chung.

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

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

As at December 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 or short position in the Shares and the underlying Shares as recorded in the register to be kept under section 336 of the SFO were as follows:

Long positions in the Shares

Name of Shareholders	Capacity/Nature of interest	Number of issued Shares held	Percentage of shareholding (Note 2)
REC (Note 1)	Beneficial owner/Personal interest	135,000,000	75%
Ms. 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. Chung, the spouse of Mr. Chew; and (c) 2.47% by Ms. Chung. Under the SFO, Mr. Chew is deemed to be interested in the Shares in which REC is interested, and Ms. Chung is deemed to be interested in the Shares in which Mr. Chew is interested and deemed to be interested. In addition, Mr. Chew is a director of REC.
- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at December 31, 2020 (i.e. 180,000,000 Shares).

Save as disclosed above, as at December 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 interests or short positions in the Shares and the underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

21. 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.

22. 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 Interim Results, and was of the opinion that such results had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures had been made.

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

Hong Kong, February 11, 2021

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

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