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ORIENTAL UNIVERSITY CITY HOLDINGS (H.K.) LIMITED
東方大學城控股（香港）有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 8067)

**ANNOUNCEMENT OF THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of Oriental University City Holdings (H.K.) Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

1. FINANCIAL HIGHLIGHTS

- The Group recorded revenue of RMB40.06 million for the 9 months ended March 31, 2022, representing a decrease of 20.2% as compared with that of the corresponding period in 2021.
- Profit attributable to the owners of the Company for the 9 months ended March 31, 2022 amounted to RMB2.59 million, representing a decrease of 88.4% as compared with that of the corresponding period in 2021.
- Basic earnings per share for the 9 months ended March 31, 2022 amounted to RMB0.01 (9 months ended March 31, 2021: RMB0.12).

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 3 months and 9 months ended March 31, 2022, together with the relevant comparative figures for the corresponding periods in 2021, as follows:

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

FOR THE 3 MONTHS AND 9 MONTHS ENDED MARCH 31, 2022

	Note	For the 3 months ended			For the 9 months ended		
		March 31, 2022 Unaudited RMB'000	March 31, 2021 Unaudited RMB'000	Change +/(-) %	March 31, 2022 Unaudited RMB'000	March 31, 2021 Unaudited RMB'000	Change +/(-) %
Revenue	4.3 & 5.1	13,879	19,121	(27.4)	40,058	50,185	(20.2)
Government grants		—	—	NM	—	200	NM
Employee costs	5.2	(1,422)	(1,735)	(18.0)	(4,580)	(4,984)	(8.1)
Depreciation of property, plant and equipment		(80)	(88)	(9.1)	(270)	(264)	2.3
Business taxes and surcharges		(63)	(112)	(43.8)	(183)	(260)	(29.6)
Property taxes and land use taxes	5.3	(2,782)	(3,257)	(14.6)	(8,566)	(8,905)	(3.8)
Property management fee	5.4	(1,171)	(1,364)	(14.1)	(3,458)	(3,701)	(6.6)
Repairs and maintenance fees	5.5	(55)	(237)	(76.8)	(590)	(393)	50.1
Legal and consulting fees	5.6	(405)	(968)	(58.2)	(3,485)	(2,747)	26.9
Other (losses)/gain, net	4.4 & 5.7	(238)	(1,138)	(79.1)	(1,352)	(3,050)	(55.7)
Other expenses	5.8	(777)	(1,199)	(35.2)	(3,757)	(3,002)	25.1
Share of results of associates	5.9	(743)	1,873	NM	3,953	5,819	(32.1)
Operating profit before fair value changes	5.10	6,143	10,896	(43.6)	17,770	28,898	(38.5)
Fair value gains on investment properties		—	—	NM	—	43,425	NM
Fair value loss on convertible note		—	(27,288)	NM	—	(24,928)	NM
Operating profit/(loss)	5.11	6,143	(16,392)	NM	17,770	47,395	(62.5)
Interest income		11	11	—	50	38	31.6
Interest expenses	5.12	(4,662)	(5,309)	(12.2)	(15,096)	(8,441)	78.8
Profit/(Loss) before income tax		1,492	(21,690)	NM	2,724	38,992	(93.0)
Income tax:							
Current tax expense	4.5 & 5.13	(34)	(1,302)	(97.4)	(109)	(1,874)	(94.2)
Deferred tax expense	4.5	—	—	—	—	(14,133)	NM
Profit/(Loss) for the period	5.14	1,458	(22,992)	NM	2,615	22,985	(88.6)
EBITDA	5.15	6,234	10,995	(43.3)	18,090	29,200	(38.0)
Other comprehensive income							
<i>Items that may be subsequently reclassified to profit or loss:</i>							
Exchange differences from translation of foreign operations		1,186	215	451.6	(173)	(1,591)	(89.1)
Share of other comprehensive income of associates		394	965	(59.2)	(1,010)	965	NM
Other comprehensive income for the period	5.16	1,580	1,180	33.9	(1,183)	(626)	89.0
Total comprehensive income for the period		3,038	(21,812)	NM	1,432	22,359	(93.6)

	For the 3 months ended			For the 9 months ended			
	March 31, 2022	March 31, 2021	Change +/(-) %	March 31, 2022	March 31, 2021	Change +/(-) %	
	Unaudited RMB'000	Unaudited RMB'000		Unaudited RMB'000	Unaudited RMB'000		
<i>Note</i>							
Profit/(Loss) attributable to							
— Owners of the Company	1,435	(23,047)	NM	2,589	22,394	(88.4)	
— Non-controlling interests	23	55	(58.2)	26	591	(95.6)	
	<u>1,458</u>	<u>(22,992)</u>	<u>NM</u>	<u>2,615</u>	<u>22,985</u>	<u>(88.6)</u>	
Total comprehensive income attributable to							
— Owners of the Company	3,015	(21,867)	NM	1,406	21,768	(93.5)	
— Non-controlling interests	23	55	(58.2)	26	591	(95.6)	
	<u>3,038</u>	<u>(21,812)</u>	<u>NM</u>	<u>1,432</u>	<u>22,359</u>	<u>(93.6)</u>	
Earnings/(Loss) per share for profit/(loss) attributable to the owners of the Company during the period							
— Basic (RMB per share)	4.7	0.01	(0.13)	NM	0.01	0.12	(91.7)
— Diluted (RMB per share)	4.7	0.01	(0.13)	NM	0.01	0.12	(91.7)

Abbreviations:

NM Not meaningful

EBITDA Earnings before interest expenses, tax, depreciation & amortization and adjustments (exclude non-routine expenses for meaningful comparison purposes)

3. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Reserves				Exchange reserves RMB'000	Equity attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Other reserves RMB'000	Statutory surplus reserves RMB'000	Retained profits RMB'000				
Balance at 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	—	—	—	22,394	—	22,394	591	22,985
Exchange differences from translation of foreign operations	—	—	—	—	(1,591)	(1,591)	—	(1,591)
Share of other comprehensive income of associates	—	—	—	—	965	965	—	965
Total comprehensive income	—	—	—	22,394	(626)	21,768	591	22,359
Transfer to statutory reserve	—	—	1,418	(1,418)	—	—	—	—
Balance at March 31, 2021 (Unaudited)	290,136	(71,025)	2,357	998,411	5,450	1,225,329	10,972	1,236,301
Balance at June 30, 2021 and July 1, 2021 (Audited)	290,136	(71,025)	1,418	1,011,847	(897)	1,231,479	10,836	1,242,315
Profit for the period	—	—	—	2,589	—	2,589	26	2,615
Exchange differences from translation of foreign operations	—	—	—	—	(173)	(173)	—	(173)
Share of other comprehensive income of associates	—	—	—	—	(1,010)	(1,010)	—	(1,010)
Total comprehensive income	—	—	—	2,589	(1,183)	1,406	26	1,432
Balance at March 31, 2022 (Unaudited)	290,136	(71,025)	1,418	1,014,436	(2,080)	1,232,885	10,862	1,243,747

4. NOTES TO THE CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

4.1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its ordinary shares (the “**Shares**”) in issue have been listed on GEM since January 16, 2015. The address of the Company’s registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong, and principal place of business is Levels 1 and 2, No. 100 Zhangheng Road, Oriental University City, Langfang Economic and Technological Development Zone, Hebei Province, the People’s Republic of China (the “**PRC**”) 065001. 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 issued shares are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Group’s unaudited condensed consolidated results for the 9 months ended March 31, 2022 (the “**Period**”) are presented in Renminbi (“**RMB**”) unless otherwise stated.

4.2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated results for the Period (the “**Third Quarterly Results**”) have been prepared in accordance with Chapter 18 of the GEM Listing Rules, and the Hong Kong Financial Reporting Standards (the “**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants 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 Third Quarterly Results are the same as those followed in the preparation of the Group’s audited financial statements for the year ended June 30, 2021 (the “**Year 2021**”).

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

- Amendments to HKFRS 16, Covid-19-related rent concessions
- Amendments to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2

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

The financial information relating to the Year 2021 that is included in these Third Quarterly 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 2021 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.

4.3 REVENUE AND 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 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 less than 10% of the total revenue during the nine months ended March 31, 2022 and 2021, business segment information is not considered necessary.

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

An analysis of revenue by category for the 3 months and 9 months ended March 31, 2022 and March 31, 2021 is as follows:

	For the 3 months ended			For the 9 months ended		
	March 31, 2022 RMB'000	March 31, 2021 RMB'000	Change +/(-) %	March 31, 2022 RMB'000	March 31, 2021 RMB'000	Change +/(-) %
Revenue						
Education facilities leasing	12,844	17,949	(28.4)	37,046	46,775	(20.8)
Commercial leasing for supporting facilities	1,035	1,172	(11.7)	3,012	3,410	(11.7)
Total	13,879	19,121	(27.4)	40,058	50,185	(20.2)

4.4 OTHER (LOSSES)/GAINS, NET

Details of the other (losses)/gains, net, for the 3 months and 9 months ended March 31, 2022 and March 31, 2021 are as follows:

	For the 3 months ended			For the 9 months ended		
	March 31, 2022 RMB'000	March 31, 2021 RMB'000	Change +/(-) %	March 31, 2022 RMB'000	March 31, 2021 RMB'000	Change +/(-) %
(Loss)/Gain on disposal of plant and equipment	(1)	—	NM	4	—	NM
Net foreign exchange losses	(308)	(1,206)	(74.5)	(1,559)	(3,402)	(54.2)
Others	71	68	4.4	203	352	(42.3)
	(238)	(1,138)	(79.1)	(1,352)	(3,050)	(55.7)

NM — Not meaningful

4.5 INCOME TAX

The income tax for the 3 months and 9 months ended March 31, 2022 and March 31, 2021 is as follows:

	For the 3 months ended			For the 9 months ended		
	March 31,	March 31,	Change	March 31,	March 31,	Change
	2022	2021		2022	2021	
	RMB'000	RMB'000	+ / (-) %	RMB'000	RMB'000	+ / (-) %
Current tax						
— PRC	—	1,264	NM	—	1,757	NM
— Malaysia	34	38	(10.5)	109	117	(6.8)
	<u>34</u>	<u>1,302</u>	<u>(97.4)</u>	<u>109</u>	<u>1,874</u>	<u>(94.2)</u>
Deferred tax	—	—	NM	—	14,133	NM
Total	<u>34</u>	<u>1,302</u>	<u>(97.4)</u>	<u>109</u>	<u>16,077</u>	<u>(99.3)</u>

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 is 25% pursuant to the Corporate Income Tax Law of the PRC (the "PRC CIT Law").

PRC withholding income tax

A withholding tax of 10% is levied on the Company, in accordance with the PRC CIT Law, for dividend declared out of profit of its subsidiary in the PRC.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the Third Quarterly Results as the Company and the Group did not have assessable profit in Hong Kong during the 9 months ended March 31, 2022 and March 31, 2021, respectively.

Malaysian income tax

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

Indonesian income tax

The Indonesian income tax rate applicable to the Group's entity located in Indonesia is 25%.

Deferred tax

Deferred tax liabilities charged for the period ended March 31, 2021 due to change in fair value of investment properties of the Group for the same period.

4.6 EARNINGS/(LOSS) PER SHARE

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

	For the 3 months ended			For the 9 months ended		
	March 31, 2022 Unaudited	March 31, 2021 Unaudited	Change +/(-) %	March 31, 2022 Unaudited	March 31, 2021 Unaudited	Change +/(-) %
Earnings/(Loss) attributable to the owners of the Company (RMB'000)	<u>1,435</u>	<u>(23,047)</u>	<u>NM</u>	<u>2,589</u>	<u>22,394</u>	<u>(88.4)</u>
Weighted average number of ordinary shares in issue ('000)	<u>180,000</u>	<u>180,000</u>	<u>—</u>	<u>180,000</u>	<u>180,000</u>	<u>—</u>
Basic earnings/(loss) per share (RMB per share)	<u>0.01</u>	<u>(0.13)</u>	<u>NM</u>	<u>0.01</u>	<u>0.12</u>	<u>(91.7)</u>
Diluted earnings/(loss) per share (RMB per share)	<u>0.01</u>	<u>(0.13)</u>	<u>NM</u>	<u>0.01</u>	<u>0.12</u>	<u>(91.7)</u>

NM — Not meaningful

The Company did not have any potential ordinary shares outstanding as at March 31, 2022 and March 31, 2021. Diluted earnings/(loss) per share are equal to basic earnings/(loss) per share.

4.7 DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (9 months ended March, 31, 2021: RMB Nil).

5. FINANCIAL REVIEW FOR THE 3 MONTHS AND 9 MONTHS PERIOD ENDED MARCH 31, 2022

5.1 Revenue

For the 3 months period ended March 31, 2022 (the “**Third Quarter**”), revenue recorded was RMB13.88 million, 27.4% lower than RMB19.12 million for the previous corresponding quarter. For the 9 months period ended March 31, 2022 (“**9-months Period**”), revenue decreased by 20.2% to RMB40.06 million compared to RMB50.19 million for the previous corresponding period. The decrease was mainly attributable to the reduction of leased space and leased period for education facilities leased out to colleges, education institutions, training centres and educational corporate entities (the “**Education Institutions**”) in Langfang city, the PRC as some Education Institutions had re-orientated their business strategies to mitigate the challenging business environment brought about by the novel coronavirus disease 2019 pandemic (the “**COVID-19**”).

5.2 Employee costs

For the 9-months Period, employee costs decreased by 8.1% to RMB4.58 million compared to RMB4.98 million for the previous corresponding period, as the staff force was rationalised in January 2022 to mitigate the decrease in revenue. For the Third Quarter, employee cost was RMB1.42 million, 18.0% lower than RMB1.74 million for the previous corresponding quarter, having accounted for the full quarterly effect of the cost rationalisation.

5.3 Property taxes and land use taxes

For the Third Quarter, property taxes and land use taxes recorded was RMB2.78 million, 14.6% lower than RMB3.26 million for the previous corresponding quarter, thus resulting in property taxes and land use taxes for the 9-months Period decreased by 3.8% to RMB8.57 million, compared to RMB8.91 million for the previous corresponding period. The reduction was mainly due to lower property taxes in line with the total rental revenue decline.

5.4 Property management fee

For the Third Quarter, property management fee was RMB1.17 million, 14.1% lower than RMB1.36 million for the previous corresponding quarter, while for the 9-months Period, property management fee decreased by 6.6% to RMB3.46 million compared to RMB3.70 million for the previous corresponding period. This was mainly attributed to the reduction of contractual cost for cleaning services, which was negotiated lower to commensurate with the reduced leased spaces to customers.

5.5 Repairs and maintenance fees

For the Third Quarter, repair and maintenance fees was RMB0.06 million, 76.8% lower than RMB0.24 million for the previous corresponding quarter as less maintenance works were required. However, overall repairs and maintenance fees of RMB0.59 million for the 9-months Period was higher by 50.1% compared to RMB0.39 million for the previous corresponding period as water-proofing works for the teaching building and air-conditioning repair works at student dormitories were carried out.

5.6 Legal and consulting fees

For the Third Quarter, legal and consulting fees was RMB0.41 million, 58.2% lower than RMB0.97 million for the previous corresponding quarter due to less professional works engaged. Nonetheless, legal and consulting fees for the 9-months Period, was RMB3.49 million, 26.9% higher than RMB2.75 million for the previous corresponding period, as corporate exercise expenses relating to the Company's application for transfer of listing of its Shares from GEM to the Main Board of the Stock Exchange (the "**Transfer Application**"), were billed. As announced on August 11, 2021, the Transfer Application has since lapsed.

5.7 Other (losses)/gain, net

For the Third Quarter, other losses, net, recorded was RMB0.24 million, 79.1% lower than RMB1.14 million for the previous corresponding quarter, while for the 9-months Period, other losses, net, decreased by 55.7% to RMB1.35 million, compared to RMB3.05 million for the previous corresponding period. This was mainly attributed to the lower net foreign exchange losses, resulted from the translation of foreign currency balances against RMB.

5.8 Other expenses

For the Third Quarter, other expenses were RMB0.78 million, 35.2% lower than RMB1.20 million for the previous corresponding quarter as less canteen fees, utilities and other office expenses were incurred, due to lockdown imposed over the COVID-19 outbreak in Langfang city, from March 10, 2022, onwards. Nonetheless, for the 9-months Period, other expenses were RMB3.76 million, higher by 25.1%, compared to RMB3.00 million for the previous corresponding period, attributed by charity donation for public health cause, office supplies replenishment and increased business entertainment charges, incurred prior to lockdown, to build rapport with customers in order to canvass for more businesses.

5.9 Share of results of associates

For the Third Quarter, loss on share of results of associates of RMB0.74 million was recorded, as compared to a gain of share on results of associates of RMB1.87 million, mainly due to net loss of the associate, Axiom Properties Limited. However, for the 9-months Period, overall share of results of associates still managed to record a gain of RMB3.95 million, albeit at 32.1% decrease compared to RMB5.82 million for previous corresponding period, mainly due to lower net profit of the associates.

5.10 Operating profit before fair value changes

Operating profit before fair value changes for the Third Quarter was RMB6.14 million, 43.6% lower than RMB10.90 million for the previous corresponding quarter. Correspondingly, operating profit before fair value changes for the 9-months Period decreased by 38.5% to RMB17.70 million compared to RMB28.90 million for the previous corresponding period, in line with overall decline in revenue and lower gain in share of results of associates.

5.11 Operating profit/(loss)

Operating profit for the Third Quarter was RMB6.14 million, compared to operating loss of RMB16.39 million, as fair value loss on convertible note was recorded in the previous corresponding quarter. Operating profit for the 9-months Period of RMB17.70 million, however, was still lower by 62.5% than RMB47.40 million for the previous corresponding period. This was due fair value gains arising from revaluation of investment properties in the previous corresponding period was much larger to offset the fair value on convertible note.

5.12 Interest expenses

Interest expenses for the Third Quarter of RMB4.66 million was 12.2% lower than RMB5.31 million as more repayment of loan principals in the past 1 year had resulted in less absolute interest amounts paid. Interest expenses for the 9-months Period, however, was RMB15.10 million, which was 78.8% higher, compared to RMB8.44 million for the previous corresponding period, as the bank loan in the PRC was only drawn down in January 2021.

5.13 Current income tax

Current income tax for the Third Quarter of RMB0.03 million was 97.4% lower than RMB1.30 million for previous corresponding quarter, while current income tax for the 9-months Period was RMB0.11 million, 94.2% lower compared to RMB1.87 million in the previous corresponding period. This was mainly due to the subsidiary in the PRC recorded lower income than the previous corresponding quarter and period.

5.14 Profit/(loss) for the Period

Due to the foregoing factors set out in Notes 5.1 to 5.13 above, profit for the Third Quarter and the 9-months Period were RMB1.46 million (compared to a net of loss RMB22.99 million for the previous corresponding quarter) and RMB2.62 million (a 88.6% decrease compared to RMB22.99 million for the previous corresponding period), respectively.

5.15 EBITDA

EBITDA for the Third Quarter and the 9-months Period were RMB6.23 million (43.3% lower than RMB10.99 million for the previous corresponding quarter) and RMB18.09 million (38.0% lower than RMB29.20 million for the previous corresponding period), respectively, in line with the overall decline in revenue.

5.16 Other comprehensive income

Other comprehensive income for the Third Quarter was RMB1.58 million, 33.9% higher than RMB1.18 million for the previous corresponding quarter. Nevertheless, loss in other comprehensive income for the 9-months Period was recorded at RMB1.18 million, 89.0% higher compared to a loss of than RMB0.63 million for the previous corresponding period, mainly due to higher unrealised foreign exchange losses arising from foreign operations and associate's balance.

6. BUSINESS REVIEW AND OUTLOOK

The Group owns and leases 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 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 financial performance of the Group, in the past nine months was impacted in terms of reduced leasing space taken up by the Education Institutions and commercial tenants, as some of the tenants had re-orientated their business strategies, including reduction of leasing commitments to mitigate the challenging business environment brought about by the COVID-19.

The COVID-19 outbreak in early March 2022 in Langfang city, had resulted in city-wide lockdown implemented on March 10, 2022, in line with zero COVID-19 policy. The lockdown resulted in quarantine measures for positive cases and close contacts, stay-at-home for work and study, shutdown of all non-essential business activities that lasted until end of April 2022. The subsequent gradual relaxation of lockdown since end of April 2022, however, proved challenging for business recovery, as inter-districts movement was still disallowed. Consequently, the businesses of some of the Education Institutions that leases from the Group were impacted in terms of the cancellation of spring students' intake and the potential student's fee rebates. This, in turn, may result in the reduction of leased space and the leased period from Education Institutions in the immediate term.

The lockdown has also caused the delay of a planned construction of a new theatre and canteen to cater for a newly signed-up Education Institution.

Revenue for the Group in the immediate term is likely to deteriorate further due to ongoing zero COVID-19 policy measures. The Group is still in the midst of assessing the full impact of these zero COVID 19 policy measures and will continue to monitor the situation and step up its marketing efforts to canvass for prospective customers once there is more visibility of recovery in business environment.

To reduce bank borrowings and save on interest expenses, the Group had made an early principal repayment of a bank loan in Indonesia in January 2022 and also embarked on a gradual monthly reduction of the overdraft facility in Malaysia since February 2022. In addition, the Group is further exploring other financing options to rebalance its loan portfolio and/or refinance its existing bank facilities. The Group had also obtained a loan revolving facility amounting to RMB35.00 million from REC for three years from June 30, 2020. The interest rate is 2.5% per annum, calculated from the date of loan redraw. As at March 31, 2022, the Group had not utilised this facility.

Business environment is expected to be challenging in the immediate term, due to unpredictable COVID-19 flare-ups that may occur, and the ensuing zero COVID-19 policy implementation, which entails strict lockdown and other tough public health measures imposed by authorities. The immediate preventive measures, such as travel restrictions, continuous polymerase chain reaction test, personnel quarantines, coupled with anticipated slow recovery post-lockdown, to a certain extent, would affect the business and profitability of the Education Institutions and commercial tenants. Consequently, this could affect demand for education facilities and supporting commercial facilities, in the short term.

The Board views that the education industry in the PRC is resilient in nature, and would in the long term, continue to grow in line with student population growth. The Group, as provider of education facilities in strategic locations, will benefit from this growth trend.

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

On March 6, 2020, the Company entered into a sale and purchase agreement with an independent vendor for the purchase of investment properties in Ulaanbaatar, Mongolia, for a purchase consideration of RMB32.71 million. As at March 31, 2022, the Company has paid RMB18.01 million of the purchase consideration and the remaining balance of RMB14.70 million will be paid in instalments according to the various stages of construction completion as set out in the sale and purchase agreement. Please refer to the announcement dated March 6, 2020 for details of the acquisition of investment properties in Mongolia. The investment properties are expected to be completed and vacant possession handed over by December 31, 2022.

The Group also undertakes renovation/refurbishment of investment properties in Langfang city, estimated at approximately RMB240 million, on progressive basis based on its funding capability.

Save for the above, the Group did not have any other significant investment of future plan for material investments and capital commitments, as at March 31, 2022.

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

The Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures, as at March 31, 2022.

9. CONTINUING CONNECTED TRANSACTIONS

Tenancy Agreement of Properties in Malaysia

OUC Malaysia Sdn Bhd, a wholly-owned subsidiary of the Company, as landlord, had 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 10, 2021 for the lease of the properties for a term of three years commencing on January 1, 2022 and expiring on December 31, 2024. The tenancy term was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to Malaysian Ringgit 2.01 million (approximately RMB3.06 million).

Tenancy Agreement of Properties in Indonesia

PT OUC Thamrin Indo, a 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 Indonesian Rupiah 7,154.64 million (approximately RMB3.18 million).

10. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at March 31, 2022 (March 31, 2021: RMB Nil).

11. DIVIDENDS

The Board has resolved not to recommend payment of any dividend for the Period (March 31, 2021: RMB Nil).

12. **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 March 31, 2022, 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.

13. **CORPORATE GOVERNANCE**

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

14. **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.

15. 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.

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

As at March 31, 2022, 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 ⁽²⁾
Mr. Chew Hua Seng (“Mr. Chew”) ⁽¹⁾	Interest of a controlled corporation/ Corporate interest	135,000,000	75%

Notes:

- (1) Details of the interest in the Company held by Mr. Chew, the chairman of the Board (the “**Chairman**”) and an executive Director, through REC are set out in the 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 March 31, 2022 (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 ⁽¹⁾	Beneficial owner and interest of spouse/ personal interest and family interest	462,907,764	33.58% ⁽²⁾

Notes:

- (1) REC, a company incorporated in Singapore 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 March 31, 2022, 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.

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

As at March 31, 2022, 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 ⁽²⁾
REC ⁽¹⁾	Beneficial owner/ Personal interest	135,000,000	75%
Ms. Chung ⁽¹⁾	Interest of spouse/ Family interest	135,000,000	75%

Notes:

- (1) REC is owned as to (a) 21.17% by Mr. Chew, the Chairman and an executive Director; (b) 9.93% jointly by Mr. Chew and Ms. Chung, the 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 March 31, 2022 (i.e. 180,000,000 Shares).

Save as disclosed above, as at March 31, 2022, 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.

18. 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.

19. REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Board currently comprises three independent non-executive Directors, namely Mr. Tan Yeow Hiang, Kenneth, Mr. Guo Shaozeng and Mr. Wilson Teh Boon Piaw with Mr. Tan Yeow Hiang, Kenneth serving as the chairman.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the Third Quarterly Results, and was of the opinion that such results had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures had been made.

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

Hong Kong, May 7, 2022

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. Tan Yeow Hiang, Kenneth, Mr. Wilson Teh Boon Piaw 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.