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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)**

### **FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED JUNE 30, 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.*

## ANNUAL RESULTS

The board of Directors (the “**Board**”) presents the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended June 30, 2022 (the “**FY2022**”) together with the comparative audited figures for the year ended June 30, 2021 (“**FY2021**”), as follows:

### 1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Notes	FY2022 RMB'000	FY2021 RMB'000	Change +/(-) %
Revenue	3.4 & 4.1	54,168	65,775	(17.6)
Government grants		—	400	NM
Employee costs	4.2	(5,824)	(6,929)	(15.9)
Depreciation of property, plant and equipment		(348)	(428)	(18.7)
Business taxes and surcharges		(720)	(350)	105.7
Property taxes and land use taxes	4.3	(11,035)	(12,418)	(11.1)
Property management fee		(5,029)	(5,034)	(0.1)
Repairs and maintenance fees	4.4	(580)	(295)	96.6
Legal and consulting fees	4.5	(3,892)	(5,295)	(26.5)
Other (losses)/gains, net	3.5 & 4.6	(6,554)	(3,708)	76.8
Other expenses	4.7	(3,849)	(4,373)	(12.0)
Share of results of associates	4.8	6,845	10,898	(37.2)
<b>Operating profit before impairment losses and fair value changes</b>		<b>23,182</b>	<b>38,243</b>	<b>(39.4)</b>
Reversal of impairment loss on an associate		—	7,014	NM
Fair value gains on investment properties	3.9 & 4.9	22,780	51,421	(55.7)
Fair value loss on convertible note		—	(24,928)	NM
<b>Operating profit</b>		<b>45,962</b>	<b>71,750</b>	<b>(35.9)</b>
Interest expenses on bank borrowings	4.10	(19,648)	(13,892)	41.4
Interest income		53	61	(13.1)
<b>Profit before income tax</b>	3.6	<b>26,367</b>	<b>57,919</b>	<b>(54.5)</b>
Income tax:				
Current tax	3.7 & 4.11	(153)	(2,375)	(93.6)
Deferred tax	3.7	(20,263)	(20,071)	1.0
<b>Profit for the year</b>	4.12	<b>5,951</b>	<b>35,473</b>	<b>(83.2)</b>
<b>EBITDA</b>	4.13	<b>23,583</b>	<b>38,732</b>	<b>(39.1)</b>

NM — Not meaningful

	<i>Notes</i>	<b>FY2022</b> <b>RMB'000</b>	FY2021 RMB'000	Change + / (-) %
<b>Other comprehensive income</b>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences from translation of foreign operations		(243)	(1,272)	(80.9)
Share of other comprehensive income of associates		(278)	(5,701)	(95.1)
<b>Other comprehensive income for the year</b>		<u>(521)</u>	<u>(6,973)</u>	<u>(92.5)</u>
<b>Total comprehensive income for the year</b>		<u><u>5,430</u></u>	<u><u>28,500</u></u>	<u><u>(80.9)</u></u>
<b>Profit attributable to</b>				
— Owners of the Company		5,811	34,891	(83.3)
— Non-controlling interests		140	582	(75.9)
		<u>5,951</u>	<u>35,473</u>	<u>(8.32)</u>
<b>Total comprehensive income attributable to</b>				
— Owners of the Company		5,290	27,918	(81.1)
— Non-controlling interests		140	582	(75.9)
		<u>5,430</u>	<u>28,500</u>	<u>(80.9)</u>
<b>Earnings per share for profit attributable to the owners of the Company during the year</b>				
— Basic (RMB per share)	3.8	<u>0.03</u>	<u>0.19</u>	<u>(84.2)</u>
— Diluted (RMB per share)	3.8	<u>0.03</u>	<u>0.19</u>	<u>(84.2)</u>

## 2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

		As at June 30, 2022	As at June 30, 2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		4,805	4,826
Investment properties	3.9	1,563,593	1,547,773
Interests in associates	3.10	69,906	78,889
Prepayment for acquisition of investment properties	3.11	18,009	14,738
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>1,656,313</b>	<b>1,646,226</b>
		<hr/>	<hr/>
<b>Current assets</b>			
Trade and other receivables	3.12	18,623	19,059
Tax recoverable		76	—
Restricted cash		2,678	4,525
Cash and cash equivalents	4.16	4,713	28,095
		<hr/>	<hr/>
		<b>26,090</b>	<b>51,679</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables and accruals	3.13	14,919	10,742
Advances from customers		5,728	3,882
Bank borrowings, secured	3.14	40,552	62,545
Current tax liabilities		76	15
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>61,275</b>	<b>77,184</b>
		<hr/>	<hr/>
<b>Net current liabilities</b>	4.14	<b>(35,185)</b>	<b>(25,505)</b>
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>1,621,128</b>	<b>1,620,721</b>
		<hr/>	<hr/>

		<b>As at June 30, 2022</b>	As at June 30, 2021
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current liabilities</b>			
Trade and other payables and accruals	3.13	4,551	235
Bank borrowings, secured	3.14	189,866	219,383
Deferred tax liabilities		178,966	158,788
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>373,383</b>	378,406
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>1,247,745</b>	1,242,315
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		290,136	290,136
Reserves		946,633	941,343
		<hr/>	<hr/>
		<b>1,236,769</b>	1,231,479
Non-controlling interests		10,976	10,836
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>1,247,745</b>	1,242,315
		<hr/> <hr/>	<hr/> <hr/>

### **3. NOTES TO THE CONDENSED CONSOLIDATED RESULTS**

#### **3.1 GENERAL INFORMATION**

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its ordinary shares (the “**Shares**”) in issue 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 the principal place of business is Levels 1 and 2, No. 100 Zhangheng Road, Oriental University City, Langfang Economy and Technology Development Zone, Hebei Province, 065001, the People’s Republic of China (the “**PRC**”). The Company acts as an investment holding company and its subsidiaries are engaged in the provision of education facilities leasing services in the PRC, Malaysia and the Republic of Indonesia (“**Indonesia**”).

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

#### **3.2 BASIS OF PREPARATION**

##### **(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

##### **(b) Basis of measurement and going concern assumption**

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

As at June 30, 2022, the Group's current liabilities exceeded its current assets by approximately RMB35.19 million, which may cast significant doubt about the Group's ability to continue as a going concern. Nevertheless, these consolidated financial statements were prepared based on the assumption that the Group is able to operate as a going concern and the Directors are of the view that the Group will have sufficient working capital to finance its operations based on a projected cash flow covering a period from the end of the reporting period to December 31, 2023 after taking account of the following events and measures:

- (i) Positive cash flows from operating activities mainly result from incoming rental collection for existing and newly committed tenants from July 1, 2022 onwards. Out of which one major tenant has commenced its student enrolment process for the new academic year starting in September 2022 and the management expected that the renewal of tenancy agreement and hence rental collection would be completed soon;
- (ii) Up to the approval date of the consolidated financial statements, the Group had an unutilized loan revolving facility amounting of RMB35,000,000 from REC for a term of three years effective from June 30, 2020. Any loans to be borrowed shall be repaid within 36 months from the date of the disbursement;
- (iii) The Group has been negotiating with a financial institution in the PRC for obtaining a new facility amounting of RMB30,000,000. The Directors are of the opinion that the Group would be able to obtain the new facility; and
- (iv) The Group would consider disposing of certain investment properties to provide further funding when the liquidity needs arise.

**(c) Functional and presentation currency**

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

**3.3 ADOPTION OF NEW/REVISED HKFRSs**

**(a) Adoption of new/revised HKFRSs — effective July 1, 2021**

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19 Related Rent Concessions beyond June 30, 2021
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

None of these amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

**(b) New and amendments to HKFRSs that have been issued but are not yet effective**

The following new and amendments to HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1 and HK Interpretation 5 (2020)	“Classification of Liabilities as Current or Non-current” and “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause” <sup>3</sup>
Amendment to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendment to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2022

<sup>2</sup> Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2023

<sup>4</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

Save for the application of Amendments to HKFRS 10 and HKAS 28 – "Sale of Contribution of Assets between an Investor and its Associate or Joint Venture" that may have an impact on the consolidated financial statements in future periods should such transaction arise, the Directors do not anticipate the application of the aforesaid amendments and revisions in the future will have an impact on the consolidated financial statements.

### **3.4 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 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 less than 10% of the total revenue during the current and prior years, business segment information is not provided. Segment assets and liabilities has not been presented as such amounts are not regularly provided to the executive Directors.

An analysis of revenue by category for the year is as follows:

	<b>FY2022</b>	FY2021	Change
<b>Revenue within scope of HKFRS 16:</b>	<b><i>RMB'000</i></b>	<i>RMB'000</i>	+ / (-) %
Education facilities leasing	<b>50,061</b>	62,768	(20.2)
Commercial leasing for supporting facilities	<b>4,107</b>	3,007	36.6
	<b><u>54,168</u></b>	<u>65,775</u>	<u>(17.6)</u>

As the revenue from non-PRC was more than 10% of the total revenue during the year ended June 30, 2022, analysis of revenue by countries for the year is as follows:

	<b>FY2022</b>	FY2021	Change
<b>Revenue within scope of HKFRS 16:</b>	<b><i>RMB'000</i></b>	<i>RMB'000</i>	+ / (-) %
PRC	<b>48,039</b>	60,070	(20.0)
Non-PRC (Malaysia and Indonesia)	<b>6,129</b>	5,705	7.4
	<b><u>54,168</u></b>	<u>65,775</u>	<u>(17.6)</u>

Management considered most of education facilities leasing and commercial leasing for supporting facilities in the PRC and no significant consolidated assets of the Group are located outside the PRC, geographical segment information is not considered necessary.

#### **Information about major customers**

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

	<b>FY2022</b>	FY2021	Change
<b>Revenue</b>	<b><i>RMB'000</i></b>	<i>RMB'000</i>	+ / (-) %
Customer A	<b>15,709</b>	33,357	(52.9)
Customer B	<b>7,728</b>	11,127	(30.5)
REC Group	<b>6,129</b>	5,705	7.4
	<b><u>29,566</u></b>	<u>50,189</u>	<u>(40.8)</u>

### 3.5 OTHER (LOSSES)/GAINS, NET

Breakdown of the other (losses)/gains, net for the year is as follows:

	<b>FY2022</b>	FY2021	Change
	<b><i>RMB'000</i></b>	<i>RMB'000</i>	<i>+ / (-) %</i>
Net foreign exchange losses	<b>(1,868)</b>	(3,183)	(41.3)
Loss on disposal of property, plant and equipment	<b>(58)</b>	(141)	(58.9)
Loss on disposal of investment properties	<b>(4,917)</b>	(765)	542.7
Others	<b>289</b>	381	(24.1)
	<b><u>(6,554)</u></b>	<u>(3,708)</u>	<u>76.8</u>

### 3.6 PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting):

	<b>FY2022</b>	FY2021	Change
	<b><i>RMB'000</i></b>	<i>RMB'000</i>	<i>+ / (-) %</i>
Auditor's remuneration	<b>750</b>	995	(24.6)
Direct operating expenses arising from investment properties that generated rental income during the year	<b>13,140</b>	17,708	(25.8)
Direct operating expenses arising from investment properties that did not generate rental income during the year	<b>7,595</b>	5,566	36.5
Government grant	<b>—</b>	(400)	NM
	<b><u>—</u></b>	<u>(400)</u>	<u>NM</u>

*NM — Not meaningful*

### 3.7 INCOME TAX

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

	<b>FY2022</b> <i>RMB'000</i>	FY2021 <i>RMB'000</i>	Change + / (-) %
Current tax			
— Corporate income tax for the year	<b>153</b>	1,202	(87.3)
— Over provision in respect of prior years	—	(91)	NM
Withholding tax on dividend income	—	1,264	NM
	<b>153</b>	2,375	(93.6)
Deferred tax	<b>20,263</b>	20,071	1.0
Income tax	<b>20,416</b>	22,446	(9.0)

*NM — Not meaningful*

#### **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 these consolidated financial statements as the Group did not have assessable profit in Hong Kong during the FY2022 and FY2021.

#### **Malaysian income tax**

The Malaysian income tax rate applicable to the Group's 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 arising from change in fair value of investment properties of the Group.

### 3.8 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 years.

	<b>FY2022</b> <i>RMB'000</i>	FY2021 <i>RMB'000</i>	Change + / (-) %
<b>Earnings:</b>			
Earnings for the purpose of basic earnings per share	<u>5,811</u>	<u>34,891</u>	<u>(83.3)</u>
<b>Number of shares:</b>			
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>180,000,000</u>	<u>180,000,000</u>	<u>—</u>
Basic earnings per share	<u>0.03</u>	<u>0.19</u>	<u>(84.2)</u>
Diluted earnings per share	<u>0.03</u>	<u>0.19</u>	<u>(84.2)</u>

The Company did not have any potential ordinary shares outstanding during the current and prior years. Diluted earnings per share are equal to basic earnings per share.

### 3.9 INVESTMENT PROPERTIES

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

<b>Fair value</b>	<b>FY2022</b> <i>RMB'000</i>	FY2021 <i>RMB'000</i>
At beginning of year	1,547,773	1,506,198
Additions	5,510	5,235
Disposal	(9,559)	(3,636)
Exchange realignment	(2,911)	(11,445)
Change in fair value	<u>22,780</u>	<u>51,421</u>
At end of year	<u>1,563,593</u>	<u>1,547,773</u>

Independent valuations of the Group's investment properties were performed by Cushman & Wakefield Limited, an independent firm of professionally qualified valuers, to determine the fair value of the Group's investment properties as at June 30, 2022 and June 30, 2021, adopting a valuation method using significant unobservable inputs (Level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the years ended June 30, 2022 and June 30, 2021.

The Group obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar investment leases and other contracts. Where such information is not available, the Directors consider information from a variety of sources including:

- (i) Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- (ii) Discounted cash flow projections based on reliable estimates of future cash flows.
- (iii) Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

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

Income capitalisation approach (term and reversionary method) largely uses observable inputs (e.g. market rent, yield, etc.) and takes into account the significant adjustment on term yield to account for the risk upon reversionary.

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

### 3.10 INTERESTS IN ASSOCIATES

	<b>As at June 30, 2022 RMB'000</b>	As at June 30, 2021 RMB'000
Share of net assets	<b>69,906</b>	78,889

A return of capital of Australian Dollar 3,290,000 (approximately RMB15,550,000) was received from its associate, Axiom Properties Limited, on December 23, 2021.

### 3.11 PREPAYMENT FOR ACQUISITION OF INVESTMENT PROPERTIES

As at June 30, 2022, included in the balances was prepayments of RMB18,009,000 (2021: RMB14,738,000) made for acquisition of investment properties in Mongolia at a total consideration of RMB32,712,000.

### 3.12 TRADE AND OTHER RECEIVABLES

	<b>As at June 30, 2022 RMB'000</b>	As at June 30, 2021 RMB'000
Trade receivables	<b>6,559</b>	10,647
Other receivables <i>(Note)</i>	<b>12,064</b>	8,412
Income tax	<b>18,623</b>	19,059

*Note: Included in the balance as at June 30, 2022 was an amount due from an associate of RMB63,000 (At June 30, 2021: RMB67,000), 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 required to be paid 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. Generally, the education facilities tenants are required to pay the majority of the annual rentals before end of October, with the remaining payable by end of calendar year. In relation to commercial leasing for support facilities, most of the Group's tenants are required to pay the annual rent in advance unless stated otherwise in their respective tenancy agreements. The aging analysis of trade receivables (net of impairment) by revenue recognition date is as follows:

	<b>As at June 30, 2022 RMB'000</b>	As at June 30, 2021 RMB'000
Within 3 months	47	35
Over 3 months to 6 months	5,138	1,620
Over 6 months to 12 months	1,232	8,992
Over 1 year	142	—
	<u>6,559</u>	<u>10,647</u>

### 3.13 TRADE AND OTHER PAYABLES AND ACCRUALS

	<b>As at June 30, 2022 RMB'000</b>	As at June 30, 2021 RMB'000
Trade payables	4,284	1,620
Other payables <sup>(Note)</sup> and accruals	15,186	9,357
	<u>19,470</u>	<u>10,977</u>

*Note: Included in other payables as at June 30, 2022 were (i) amounts due to REC Group of RMB4,551,000 (2021: Nil), which were unsecured, interest-free, shall not be payable before January 1, 2024 and non-trade in nature; (ii) an amount due to REC Group of RMB1,500,000 (2021: Nil), which was unsecured, interest-free, repayable on demand and non-trade in nature.*

Analysis of trade payables and other payables and accruals for reporting purposes:

	<b>As at June 30, 2022 RMB'000</b>	As at June 30, 2021 RMB'000
Current	14,919	10,742
Non-current	4,551	235
	<u>19,470</u>	<u>10,977</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 as follows:

	<b>As at June 30, 2022 RMB'000</b>	As at June 30, 2021 RMB'000
Within 3 months	1,210	457
Over 3 months to 6 months	977	861
Over 6 months to 12 months	1,829	—
Over 1 year	268	302
	<u>4,284</u>	<u>1,620</u>

### 3.14 BANK BORROWINGS, SECURED

	<b>As at June 30, 2022 RMB'000</b>	As at June 30, 2021 RMB'000
Bank borrowings due for repayment:		
— Within one year <sup>(Note)</sup>	40,552	62,545
— After one year but within two years	47,997	33,606
— After two years but within five years	125,569	153,485
— After five years	16,300	32,292
	<u>189,866</u>	<u>219,383</u>
Total	<u>230,418</u>	<u>281,928</u>

*Note: Included in the balance as at June 30, 2022 were bank overdraft (non-revolving) and term loans amounting to RMB20,226,000 (At June 30, 2021: RMB28,534,000) and RMB20,326,000 (At June 30, 2021: RMB34,011,000), respectively.*

Bank borrowings are interest-bearing at fixed and floating rates. The interest rates of the Group's bank borrowings as at June 30, 2022 granted under banking facilities ranged from 4.63% to 8.16% (At June 30, 2021: 4.60% to 8.50%) per annum. As at June 30, 2022, the bank facilities were secured by certain investment properties of the Group amounted to RMB353,333,000 (At June 30, 2021: RMB356,233,000) and corporate guarantee of the Company.

### 3.15 DIVIDENDS

The Board has resolved not to recommend the payment of any final dividend for the years ended June 30, 2022 and June 30, 2021.



## 4. FINANCIAL REVIEW FOR THE YEAR ENDED JUNE 30, 2022

### 4.1 Revenue

Revenue decreased by 17.6% to RMB54.17 million compared to RMB65.78 million for the FY2021, mainly due to reduction of leased space by the colleges, education institutions, training centres and educational corporate entities (the “**Education Institutions**”) and commercial tenants, who were impacted by the outbreak of the novel coronavirus disease 2019 (the “**COVID-19**”) and the ensuing restrictive public health measures.

### 4.2 Employee costs

Employee costs decreased by 15.9% to RMB5.82 million from RMB6.93 million recorded in the FY2021, as the staff force was rationalised in January 2022 to mitigate the decrease in revenue.

### 4.3 Property taxes and land use taxes

Property taxes and land use taxes decreased by 11.1% to RMB11.04 million, compared to RMB12.42 million for the FY2021, mainly due to lower property taxes in line with the total rental revenue decline.

### 4.4 Repairs and maintenance fees

Repairs and maintenance cost increased by 96.6% to RMB0.58 million, compared to RMB0.30 million for the FY2021, as water-proofing works for the teaching building and air-conditioning repair works at student dormitories, both of which located in Langfang City, were carried out.

### 4.5 Legal and consulting fees

Legal and consulting fees decreased by 26.5% to RMB3.89 million compared to RMB5.30 million for the FY2021, as less professional expenses were incurred.

### 4.6 Other (losses)/gains, net

Other losses increased by 76.8% to RMB6.55 million, compared to RMB3.71 million for the FY2021, mainly due to the loss on disposal of water and heating assets that were transferred to the local authorities for streamlined management of public utilities.

### 4.7 Other expenses

Other expenses decreased by 12.0% to RMB3.85 million, compared to RMB4.37 million for the FY2021, mainly due to overall decrease in transportation, travel and entertainment expenses as a result of the lockdown in Langfang City in the third and fourth quarter of FY2022.

#### **4.8 Share of results of associates**

Gain on share of results of associates decreased by 37.2% to RMB6.85 million, from RMB10.90 million in the FY2021, mainly due to lower net profit of the Company's associates.

#### **4.9 Fair value gains on investment properties**

Fair value gains on investment properties was RMB22.78 million, 55.7% lower, compared to RMB51.42 million recorded in the FY2021. The lower fair value was primarily attributed by the lower fair value gains for investment properties located in Langfang City.

#### **4.10 Interest expenses on bank borrowings**

Interest expenses increased by 41.4% to RMB19.65 million from RMB13.89 million for the FY2021, as the bank loan in the PRC was only drawn down in January 2021.

#### **4.11 Current tax expense**

Current tax expense declined by 93.6% to RMB0.15 million from RMB2.38 million for the FY2021, mainly due to the Group having lower corporate income tax, in line with the lower taxable income.

#### **4.12 Profit for the Year**

Due to the foregoing factors set out in Notes 4.1 to 4.11 above, net profit decreased by 83.2% to RMB5.95 million compared to RMB35.47 million for the FY2021.

#### **4.13 EBITDA**

Earnings before interest expenses, tax, depreciation and amortization (the "EBITDA"), was RMB23.58 million, 39.1% lower than RMB38.73 million recorded in the FY2021, in line with the overall decline in revenue.

#### **4.14 Liquidity and Financial Resources**

As at June 30, 2022, the Group has a net current liabilities of RMB35.19 million (At June 30, 2021: RMB25.51 million). The net current liabilities is mitigated with the following factors:—

- (a) advance from customers of RMB5.73 million (At June 30, 2021: RMB3.88 million), which was recorded as current liabilities, will be recognised as revenue with the passage of time in accordance with the terms of the rental agreements.

- (b) Current bank borrowings of RMB40.55 million (At June 30, 2021: RMB62.55 million), comprised of term loans of RMB20.33 million (At June 30, 2021: RMB34.01 million) and overdraft loan of RMB20.23 million (At June 30, 2021: RMB28.53 million), all of which were secured by certain investment properties of the Group.
- (c) Incoming rental collection for renewal of tenancy agreements commencing July 1, 2022 onwards.
- (d) the Group had an unutilized loan revolving facility amounting of RMB35,000,000 from REC for a term of three years effective from June 30, 2020. Any loans to be borrowed shall be repaid within 36 months from the date of the disbursement. The interest rate is 2.5% per annum, calculated from the date of loan drawdown. As at June 30, 2022, the Group had not utilised this facility.

As at June 30, 2022, the Group had total assets of RMB1,682.40 million (At June 30, 2021: RMB1,697.91 million), which were financed by total liabilities and equity of RMB434.66 million (At June 30, 2021: RMB455.59 million) and RMB1,247.75 million (At June 30, 2021: RMB1,242.32 million), respectively.

#### **4.15 Gearing Ratio**

The Group's gearing ratio as at June 30, 2022 is 18.5% (At June 30, 2021: 22.7%), which is calculated based on the total borrowings of RMB230.42 million (At June 30, 2021: RMB281.93 million) divided by total equity of RMB1,247.75 million (At June 30, 2021: RMB1,242.32 million) and then multiplied by 100%.

#### **4.16 Cash and Cash Equivalents**

The Group places a high emphasis on risk management, safety and liquidity. Cash in excess of daily operational requirement are placed in fixed deposits. The Group currently does not invest in bonds, bills, structured products or any other financial instruments. As at June 30, 2022, the Group had cash and cash equivalents balance of RMB4.71 million (At June 30, 2021: RMB28.10 million). As at June 30, 2022 and, the Group's cash and cash equivalents were mainly denominated in RMB.

#### **4.17 Foreign Exchange Hedging**

The Group has limited foreign currency risk as most of the transactions are denominated in RMB as the functional currency of the operations. Thus, the Group presently does not make any foreign exchange hedging. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting a significant foreign currency hedging policy in the future, if necessary.

## 5. BUSINESS REVIEW AND OUTLOOK

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

The Group also leases commercial spaces in Oriental University City in Langfang City to commercial tenants operating a range of supporting facilities, including a shopping mall, supermarket, cafe and cafeterias, bank, telecommunication companies, dental and polyclinic, amongst others, to serve the living needs of students of the campus and residents of adjacent housing estates.

FY2022 proved to be an exceptionally challenging year brought about by the re-emergence of the COVID-19 outbreak, the month-long lockdown and the endurance of strict zero COVID-19 policy measures, which include travel restrictions, quarantines and regular polymerase chain reaction (PCR) testing for masses. Due to the lockdown in Langfang City, some Education Institutions had to cancel students' intake for spring semester and provided student's fee rebate. Commercial tenants experienced business loss during lockdown and slow business recovery after lifting of lockdown. As a result, the Group experienced a drop in revenue as the affected Education Institutions and commercial tenants reduced their leasing requirement or chose not to renew their tenancies upon expiry of contracts.

Moving onto the financial year 2023 ("FY2023"), the business confidence has gradually improved, as the Group managed to sign up new Education Institutions, who had taken up the vacated educational facilities. In addition, the Group had commenced the construction of a new theatre and canteen, and the refurbishment/renovation of existing two blocks of hostel, which were delayed due the lockdown, to cater for an existing Education Institution. These facilities are expected to be completed and handed over to the Education Institution by second half of the FY2023, and would generate additional revenue.

While the Group is optimistic of achieving higher revenue in FY2023 based on the signed-up leases of both new and existing Education Institutions and commercial tenants, the Group takes cognisance of the risks of COVID-19 flare-ups and potential lockdowns posing downward revenue pressure. The Group would continue to be prudent in managing operational costs and cashflow, while more aggressive marketing and business development efforts will be rolled out to secure more new tenants.

To save on banks' interest expenses, the Group had made an early principal repayment of a bank loan in Indonesia in January 2022 and embarked on a gradual monthly reduction of the overdraft facility in Malaysia since February 2022. In addition, the Group had successfully negotiated with the bank in the PRC for the rescheduling of loan principal repayments and interest reduction for the remaining loan tenure of 3.5 years, which is expected to save approximately RMB4.3 million in interest.

In view of the anticipated trend of interest rates going up offshore of the PRC, the Group would continue to explore other financing options to rebalance its loan portfolio and/or refinance its existing bank facilities for lower effective interest cost. To prepare the Group with readily accessible funds, the Group had obtained a loan revolving facility amounting to RMB35.00 million from REC for a period of three years from June 30, 2020. The interest rate is 2.5% per annum, calculated from the date of loan redraw. As at June 30, 2022, the Group had not drawn down on this facility.

The Board views that the education industry is resilient, despite the challenges posed by the COVID-19 epidemic. The education industry in the PRC, Malaysia and Indonesia, is expected to resume moderate growth in line with student population growth. The Group, as a provider of education facilities in these countries, is well-poised to ride the growth trend in the long term.

## **6. SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENTS**

Save as disclosed below, as at June 30, 2022, the Group did not have any other significant investment and future plan for material investments and capital commitments.

### **6.1 Purchase of investment properties in Mongolia**

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 June 30, 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 8, 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 the second half of FY2023.

### **6.2 Renovation/refurbishment of two blocks of dormitories in Langfang City**

On June 16, 2022, the Company entered into in a construction project contract with an independent contractor for the renovation/refurbishment of two blocks of dormitories, No. 23 and No. 24, located at the Oriental University City campus for a contract sum of RMB10.18 million. The contract sum will be paid in instalments in accordance to the agreed terms. The renovation/refurbishment work is expected to be completed by the end of the first quarter of FY2023.

### **6.3 Renovation/refurbishment of investment properties in Langfang City**

The Group also undertakes renovation/refurbishment of investment properties in Langfang City, estimated at RMB174 million, on progressive basis based on its funding capability.

## **7. 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 FY2022.

## **8. CONTINUING CONNECTED TRANSACTIONS**

Save as disclosed below, as at June 30, 2022, the Group does not have any other connected transaction and continuing connected transaction.

### **8.1 Tenancy Agreements of Properties in Malaysia**

OUC Malaysia Sdn Bhd, a wholly-owned subsidiary of the Company, as landlord, had entered into the following tenancy agreements with Raffles College of Higher Education Sdn Bhd, of which 70% of its equity interest is owned by REC, as tenant for the tenancy of properties in Kuala Lumpur, Malaysia:

- (i) for a term of three years commenced on January 1, 2019 and expired on December 31, 2021. The tenancy agreement was executed on arm's length terms and the annual rental paid under the agreement amounted to Malaysian Ringgit ("MYR") 1.91 million (approximately RMB2.98 million).
- (ii) upon expiry of the abovesaid tenancy term, a renewal for a term of three years commenced on January 1, 2022 and expiring on December 31, 2024. The tenancy agreement was executed on arm's length terms and the annual rental payable under the agreement amounts to MYR2.01 million (approximately RMB3.06 million). For details, please refer to the Company's announcement dated December 10, 2021.

### **8.2 Tenancy Agreement of Properties in Indonesia**

PT OUC Thamrin Indo, a wholly-owned subsidiary of the Company, as landlord, had 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 commenced on July 1, 2020 and expiring on June 30, 2023. The tenancy agreement was executed on arm's length terms and the annual rental payable under the agreement amounts to Indonesian Rupiah 7,154.64 million (approximately RMB3.14 million). For details, please refer to the Company's announcement dated June 17, 2020.

## **9. CHARGE ON THE GROUP'S ASSETS**

As at June 30, 2022, investment properties of RMB353.33 million (At June 30, 2021: RMB356.23 million) were pledged to secure banking facilities granted to the Group.

## **10. CAPITAL STRUCTURE**

There was no change in the capital structure of the Group as at June 30, 2022 as compared with that as at June 30, 2021.

## 11. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at June 30, 2022 (At June 30, 2021: Nil).

## 12. EVENT AFTER THE REPORTING PERIOD

There is no other significant event after the reporting period up to the date of this announcement.

## 13. EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2022, the Group had a total of 29 full-time employees in the PRC, all of which were located in Langfang City, Hebei Province (At June 30, 2021: 49). The Group's total employee costs were RMB5.82 million (FY2021: RMB6.93 million). The employees' remuneration is determined by reference to the market salary of their respective experience and performance. The Company provides training to its employees to improve and upgrade their management and professional skills. As required by the PRC social security regulations, the Company makes contributions to mandatory social security funds for its employees to provide for their retirement and provides medical, unemployment, work-related injury and maternity benefits. The Company has adopted a share option scheme to provide an incentive to the Directors and eligible employees.

## 14. FINAL DIVIDEND

The Board has resolved not to recommend payment of any dividend for the FY2022 (FY2021: 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 June 30, 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 the Group) which, directly or indirectly, competed or might compete with the Group's business.

## **16. ANNUAL GENERAL MEETING (THE “2022 AGM”)**

The 2022 AGM will be held on Friday, October 21, 2022 and the relevant notice and documents will be despatched to the Shareholders and published on the respective websites of Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.oriental-university-city.com](http://www.oriental-university-city.com)) in due course in the manner as required by the GEM Listing Rules.

## **17. BOOK CLOSE DATES**

For the purpose of ascertaining the entitlement to attend and vote at the 2022 AGM, the register of members of the Company will be closed. Details of such closure is set out below:

### **For ascertaining Shareholders’ entitlement to attend and vote at the 2021 AGM**

Latest time to lodge transfer documents      4:30 p.m. on October 17, 2022 (Monday)

Closure of register of members                      October 18, 2022 (Tuesday) to October 21, 2022 (Friday)  
(both days inclusive)

Record date    October 21, 2022 (Friday)

During the above closure period, no transfer of Shares will be registered. To be entitled to attend and vote at the 2022 AGM, the non-registered Shareholders must lodge all completed and stamped transfer documents accompanied by the relevant share certificates for registration with the Company’s share registrar, Boardroom Share Registrars (HK) Limited of Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong before the above latest time.

## **18. CORPORATE GOVERNANCE**

The Company is committed to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholder value through solid corporate governance.

The Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the FY2022.

## **19. 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 FY2022.



## 20. 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 FY2022.

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

As at June 30, 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 <sup>(Note 2)</sup>
Mr. Chew Hua Seng (“Mr. Chew”) <sup>(Note 1)</sup>	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 June 30, 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 <sup>(Note 1)</sup>	Beneficial owner and interest of spouse/ personal interest and family interest	476,562,764	34.57% <sup>(Note 2)</sup>

*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) Comprised of (a) the 22.17% direct interest of Mr. Chew; (b) the 2.47% interest of Ms. Doris Chung Gim Lian (“**Ms. Chung**” the spouse of Mr. Chew in REC); and (c) the 9.93% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at June 30, 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.

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

As at June 30, 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 <sup>(Note 2)</sup>
REC <sup>(Note 1)</sup>	Beneficial owner/ Personal interest	135,000,000	75%
Ms. Chung <sup>(Note 1)</sup>	Interest of spouse/ Family interest	135,000,000	75%

#### Notes:

- (1) REC is owned as to (a) 22.17% 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 June 30, 2022 (i.e. 180,000,000 Shares).

Save as disclosed above, as at June 30, 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.

## **23. 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 FY2022.

## **24. DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE**

The financial information relating to the FY2022 and FY2021 included in this preliminary announcement of results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for FY2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the FY2022 in due course in the manner required by the Companies Ordinance.

The Company's independent auditor has reported on the consolidated financial statements of the Group for both years. The independent auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## **25. REVIEW BY AUDIT COMMITTEE**

The audit committee of the Board (the "**Audit Committee**") currently comprises three independent non-executive Directors, namely Mr. Tan Yeow Hiang, Kenneth, Mr. Guo Shaozeng and Mr. Wilson Teh Boon Piau 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 audited annual results of the Group for the FY2022, and is 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.

## 26. SCOPE OF WORK OF BDO LIMITED

The figures in respect of this preliminary announcement of the Group's results for the FY2022 have been agreed by the Group's independent auditor BDO Limited ("BDO") to the amounts set out in the Group's audited consolidated financial statements for the FY2022. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by BDO on this preliminary announcement.

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

Singapore, August 19, 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](http://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](http://www.oriental-university-city.com).*