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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, 2023

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 (hereinafter collectively referred to as the “**Group**”) for the year ended June 30, 2023 (“**FY2023**”) together with the comparative audited figures for the year ended June 30, 2022 (“**FY2022**”), as follows:

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

FOR THE YEAR ENDED JUNE 30, 2023

	Notes	FY2023 RMB'000	FY2022 RMB'000	Change + / (-) %
Revenue	3.4 & 4.1	61,680	54,168	13.9
Employee costs	4.2	(4,923)	(5,824)	(15.5)
Depreciation of property, plant and equipment		(372)	(348)	6.9
Business taxes and surcharges	4.3	(920)	(720)	27.8
Property taxes and land use taxes	4.4	(12,145)	(11,035)	10.1
Property management fee		(4,598)	(5,029)	(8.6)
Repairs and maintenance	4.5	(1,379)	(580)	137.8
Legal and consulting fees	4.6	(2,413)	(3,892)	(38.0)
Other income, other (losses)/gains, net	3.5 & 4.7	(13,648)	(6,554)	108.2
Other expenses	4.8	(3,347)	(3,849)	(13.0)
Share of results of associates	4.9	(2,846)	6,845	NM
Operating profit before impairment losses and fair value changes		15,089	23,182	(34.9)
Reversal of impairment loss on an associate	4.10	2,652	—	NM
Fair value (losses)/gains on investment properties	4.11	(16,838)	22,780	NM

	<i>Notes</i>	FY2023 RMB'000	FY2022 RMB'000	Change + / (-) %
Operating profit	4.12	903	45,962	(98.0)
Interest expenses on bank borrowings	4.13	(14,905)	(19,648)	(24.1)
Interest income		78	53	47.2
(Loss)/profit before income tax	3.6	(13,924)	26,367	NM
Income tax:				
<i>Current tax</i>	3.7 & 4.14	(12,619)	(153)	8,147.7
<i>Deferred tax</i>	3.7 & 4.15	3,164	(20,263)	NM
(Loss)/profit for the year	4.16	<u>(23,379)</u>	<u>5,951</u>	<u>NM</u>
EBITDA	4.17	18,191	23,583	(22.9)
Other comprehensive income				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences from translation of foreign operations		115	(243)	NM
Share of other comprehensive income of associates		8,965	(278)	NM
Other comprehensive income for the year		<u>9,080</u>	<u>(521)</u>	<u>NM</u>
Total comprehensive income for the year		<u>(14,299)</u>	<u>5,430</u>	<u>NM</u>

	<i>Notes</i>	FY2023 RMB'000	FY2022 <i>RMB'000</i>	Change + / (-) %
(Loss)/profit attributable to				
— Owners of the Company		(23,017)	5,811	NM
— Non-controlling interests		(362)	140	NM
		<u>(23,379)</u>	<u>5,951</u>	<u>NM</u>
Total comprehensive income attributable to				
— Owners of the Company		(13,937)	5,290	NM
— Non-controlling interests		(362)	140	NM
		<u>(14,299)</u>	<u>5,430</u>	<u>NM</u>
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company during the year				
— Basic (<i>RMB per share</i>)	3.8	<u>(0.13)</u>	<u>0.03</u>	<u>NM</u>
— Diluted (<i>RMB per share</i>)	3.8	<u>(0.13)</u>	<u>0.03</u>	<u>NM</u>

Abbreviations:

NM *Not meaningful*

EBITDA *Earnings before interest expenses, tax, depreciation and amortization*

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

		As at June 30, 2023	As at June 30, 2022
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		4,707	4,805
Investment properties	3.9	1,458,878	1,563,593
Interests in associates	3.10(a)	46,643	69,906
Prepayments	3.11	72,336	18,009
		<hr/>	<hr/>
Total non-current assets		1,582,564	1,656,313
		<hr/>	<hr/>
Current assets			
Trade and other receivables	3.12	12,004	18,623
Amount due from an associate	3.10(b)	33,406	—
Tax recoverable		31	76
Restricted cash		—	2,678
Cash and cash equivalents	4.20	63,752	4,713
		<hr/>	<hr/>
Total current assets		109,193	26,090
		<hr/>	<hr/>
Current liabilities			
Trade and other payables and accruals	3.13	12,335	14,919
Advances from customers		6,054	5,728
Bank borrowings, secured	3.14	68,323	40,552
Current tax liabilities		2,314	76
		<hr/>	<hr/>
Total current liabilities		89,026	61,275
		<hr/>	<hr/>
Net current assets/(liabilities)	4.18	20,167	(35,185)
		<hr/>	<hr/>
Total assets less current liabilities		1,602,731	1,621,128
		<hr/>	<hr/>

		As at June 30, 2023	As at June 30, 2022
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Trade and other payables and accruals	3.13	—	4,551
Bank borrowings, secured	3.14	193,142	189,866
Deferred tax liabilities		176,143	178,966
		<hr/>	<hr/>
Total non-current liabilities		369,285	373,383
		<hr/>	<hr/>
NET ASSETS		1,233,446	1,247,745
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves attributable to owners of the Company			
Share capital		290,136	290,136
Reserves		932,696	946,633
		<hr/>	<hr/>
		1,222,832	1,236,769
Non-controlling interests		10,614	10,976
		<hr/>	<hr/>
TOTAL EQUITY		1,233,446	1,247,745
		<hr/> <hr/>	<hr/> <hr/>

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Economic and Technological Development Zone, Hebei Province, 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 Limited (“**RE**”) (formerly known as Raffles Education Corporation Limited), 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 RE excluding the Group, are collectively referred to as the RE Group.

3.2 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, 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

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.

(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 revised HKFRSs — effective July 1, 2022

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41
Amendments to HKAS 12	International Tax Reform - Pillar Two Model Rules

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	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) (“ 2020 Amendments ”) ^{2,4}
Amendments to HKAS 1	Non-current Liabilities with Covenants (“ 2022 Amendments ”) ^{2,4}
Amendment to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

- ¹ *Effective for annual periods beginning on or after January 1, 2023*
- ² *Effective for annual periods beginning on or after January 1, 2024*
- ³ *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*
- ⁴ *As a consequence of the amendments to the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after January 1, 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 (revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion*

The Directors do not anticipate that the application of the amendments and revision 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 (“**CODM**”) 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 Group is principally engaged in leasing services in the PRC, Malaysia and Indonesia and the CODM assesses the performance of the business based on a measure of operating results and considers the business as a single operating segment. Information reported to the CODM for the purposes of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated.

Segment assets and liabilities have not been presented as such amounts are not regularly provided to the executive Directors.

Analysis of revenue by category for the year is as follows:

	FY2023	FY2022	Change
Revenue within scope of HKFRS 16:	RMB'000	RMB'000	+ / (-) %
Education facilities leasing	58,154	50,061	16.2
Commercial leasing for supporting facilities	3,526	4,107	(14.1)
	61,680	54,168	13.9

Analysis of revenue by countries for the year is as follows:

	FY2023	FY2022	Change
Revenue within scope of HKFRS 16:	RMB'000	RMB'000	+ / (-) %
PRC	55,277	48,039	15.1
Non-PRC (Malaysia and Indonesia)	6,403	6,129	4.5
	61,680	54,168	13.9

Management considered that most of the education facilities leasing and commercial leasing for supporting facilities are in the PRC and no significant assets of the Group are located outside the PRC, thus 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:

	FY2023	FY2022	Change
Revenue	RMB'000	RMB'000	+ / (-) %
Customer A	17,778	—	NM
Customer B	10,067	Not applicable ^(Note)	NM
Customer C	6,775	15,709	(56.9)
Customer D	6,487	7,728	(16.1)
RE Group	6,403	6,129	4.5

Note: The corresponding revenue did not contribute 10% of the total revenue of the Group for the respective period.

NM — Not meaningful

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

	FY2023 RMB'000	FY2022 RMB'000	Change + / (-) %
Net foreign exchange gains/(losses)	3,620	(1,868)	NM
Loss on disposal of property, plant and equipment	—	(58)	NM
Loss on disposal of investment properties	(18,234)	(4,917)	270.8
Others	566	289	95.8
Government grants ^(Note)	400	—	NM
	<u>(13,648)</u>	<u>(6,554)</u>	<u>108.2</u>

Note: For the year ended June 30, 2023, government grants had been received from Langfang Economics and Technological Development Zone Management Committee (“廊坊經濟技術開發區管理委員會”) (English name is for identification purpose only) in relation to the outstanding contribution made to the society by the Group’s entity located in the PRC (the “PRC Subsidiary”). There were no unfulfilled conditions or contingencies relating to these grants.

NM — Not meaningful

3.6 (LOSS)/PROFIT BEFORE INCOME TAX

This is arrived at after charging:

	FY2023 RMB'000	FY2022 RMB'000	Change + / (-) %
Auditor’s remuneration	1,200	750	60
Direct operating expenses arising from investment properties that generated rental income during the year	12,368	13,140	(5.9)
Direct operating expenses arising from investment properties that did not generate rental income during the year	<u>8,136</u>	<u>7,595</u>	<u>7.1</u>

3.7 INCOME TAX

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

	FY2023 RMB'000	FY2022 <i>RMB'000</i>	Change + / (-) %
Current tax for the year			
— PRC corporate income tax	2,239	—	NM
— Malaysian income tax	238	153	55.6
— PRC land appreciation tax	10,142	—	NM
	12,619	153	8,147.7
Deferred tax	(3,164)	20,263	NM
Income tax	9,455	20,416	(53.7)

NM — Not meaningful

PRC corporate income tax

The corporate income tax rate applicable to the PRC Subsidiary is 25% pursuant to the Corporate Income Tax Law of the PRC.

PRC land appreciation tax

A PRC Subsidiary is also subject to the PRC land appreciation tax, which is levied at progressive rates on the appreciation of land value with certain allowance deductions.

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 FY2023 and FY2022.

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 credited for the year is mainly due to the de-recognition of deferred tax liabilities arising from disposal of investment properties. Deferred tax charged for the year arises from the change in fair value of investment properties of the Group.

3.8 (LOSS)/EARNINGS PER SHARE

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

	FY2023	FY2022
(Loss)/profit attributable to owners of the Company (RMB'000)	<u><u>(23,017)</u></u>	<u><u>5,811</u></u>
Weighted average number of ordinary shares in issue	<u><u>180,000,000</u></u>	<u><u>180,000,000</u></u>
Basic (loss)/earnings per share (RMB per share)	<u><u>(0.13)</u></u>	<u><u>0.03</u></u>
Diluted (loss)/earnings per share (RMB per share)	<u><u>(0.13)</u></u>	<u><u>0.03</u></u>

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company did not have any potential ordinary shares outstanding during the years ended June 30, 2023 and June 30, 2022. Diluted (loss)/earnings per share are equal to basic (loss)/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:

	FY2023	FY2022
Fair value	RMB'000	RMB'000
At beginning of year	1,563,593	1,547,773
Additions	17,197	5,510
Disposals	(111,960)	(9,559)
Exchange realignment	6,886	(2,911)
Change in fair value	<u><u>(16,838)</u></u>	<u><u>22,780</u></u>
At end of year	<u><u>1,458,878</u></u>	<u><u>1,563,593</u></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, 2023 and June 30, 2022, 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, 2023 and June 30, 2022.

Valuation basis

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

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

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

Valuation techniques

Fair value of completed investment properties are generally derived using the income capitalisation method and market comparison method. Income capitalisation method (term and reversionary method) largely uses observable inputs (e.g. market rent, capitalisation rate, etc.) and takes into account the significant adjustment on term yield to account for the risk. The market comparison method refers to the comparable market transactions as available. The market comparison method 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 AND AMOUNT DUE FROM AN ASSOCIATE

(a) Interests in associates

	As at June 30, 2023 RMB'000	As at June 30, 2022 RMB'000
Share of net assets other than goodwill	43,991	69,906
Goodwill	2,652	2,652
	<u>46,643</u>	<u>72,558</u>
Accumulated impairment loss ^(Note)	<u>—</u>	<u>(2,652)</u>
Share of net assets	<u><u>46,643</u></u>	<u><u>69,906</u></u>

Note: During the year ended June 30, 2023, impairment of RMB2,652,000 made in the prior years against the carrying amount of interests in associates had been reversed. This reversal arose due to an increase in its fair value less cost to sell by reference to its quoted market price of RMB17,374,000 as at June 30, 2023.

(b) Amount due from an associate

The balance represented the capital reduction receivables from 4 Vallees Pte Ltd (“4 Vallees”), which was unsecured, interest-free and no fixed term of repayment. Pursuant to a board resolution of 4 Vallees dated November 1, 2022, an aggregate amount of SGD22,603,440 will be returned from its paid-up share capital to its shareholders as excess capital by way of a share capital reduction. Out of SGD22,603,440 share capital reduction, SGD6,250,861 (equivalent to RMB33,406,000) will be returned to the Group. After the share capital reduction, the Group’s effective interest in 4 Vallees remains unchanged.

3.11 PREPAYMENTS

As at June 30, 2023, included in the balances were (i) prepayments of RMB26,943,000 (At June 30, 2022: RMB18,009,000) made for acquisition of investment properties in Mongolia at a total consideration of RMB32,712,000; and (ii) prepayments of RMB45,393,000 (At June 30, 2022: Nil) for various refurbishment and construction works of investment properties in the Oriental University City campus in Langfang City, the PRC (the “OUC Campus”) at a total consideration of RMB94,354,000.

Subsequent to the reporting date, the Group and the construction company, who is responsible for one of the refurbishment and construction work of investment properties in the OUC Campus, entered into a supplemental agreement, pursuant to which both parties agreed unconditionally to (1) postpone the estimated completion date of construction works to March 31, 2025 as a result of the change on scope of the refurbishment and construction works, and (2) refund in whole the prepayment made for refurbishment and construction works of RMB44,454,000 by the construction company to the Group, as the construction work has been postponed.

3.12 TRADE AND OTHER RECEIVABLES

	As at June 30, 2023 RMB'000	As at June 30, 2022 RMB'000
Trade receivables	7,689	6,559
Other receivables <i>(Note)</i>	624	8,553
Other tax recoverable	3,691	3,511
	<u>12,004</u>	<u>18,623</u>

Note: Included in the balance as at June 30, 2023 was an amount due from an associate of RMB66,000 (At June 30, 2022: RMB63,000), 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 institutions are required to pay the majority of the annual rentals before the end of October, with the remaining balance payable by the end of calendar year. In relation to commercial leasing for supporting 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 the contract terms is as follows:

	As at June 30, 2023 RMB'000	As at June 30, 2022 RMB'000
Within 3 months	5,499	47
3 months to 6 months	1,282	5,138
6 months to 12 months	—	1,232
Over 1 year	908	142
	<u>7,689</u>	<u>6,559</u>

3.13 TRADE AND OTHER PAYABLES AND ACCRUALS

	As at June 30, 2023 RMB'000	As at June 30, 2022 RMB'000
Trade payables	2,641	4,284
Other payables and accruals <i>(Note)</i>	9,694	15,186
	<u>12,335</u>	<u>19,470</u>

Note: Included in other payables as at June 30, 2023 were (i) rental deposits received from customers and RE Group of RMB4,107,000 and RMB648,000 respectively (2022: RMB4,739,000 and RMB636,000 respectively); (ii) other tax payable of RMB1,842,000 (2022: RMB1,038,000); (iii) amounts due to RE Group of nil (2022: RMB4,551,000, which were unsecured, interest-free, shall not be payable before January 1, 2024 and non-trade in nature); and (iv) an amount due to RE Group of nil (2022: RMB1,500,000, 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:

	As at June 30, 2023 RMB'000	As at June 30, 2022 RMB'000
Current	12,335	14,919
Non-current	—	4,551
	<u>12,335</u>	<u>19,470</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:

	As at June 30, 2023 RMB'000	As at June 30, 2022 RMB'000
Within 3 months	829	1,210
3 months to 6 months	880	977
6 months to 12 months	—	1,829
Over 1 year	932	268
	<u>2,641</u>	<u>4,284</u>

3.14 BANK BORROWINGS, SECURED

	As at June 30, 2023 RMB'000	As at June 30, 2022 RMB'000
Bank borrowings due for repayment:		
— Within one year ^(Note)	<u>68,323</u>	<u>40,552</u>
— After one year but within two years	60,615	47,997
— After two years but within five years	91,416	125,569
— After five years	<u>41,111</u>	<u>16,300</u>
	<u>193,142</u>	<u>189,866</u>
Total	<u><u>261,465</u></u>	<u><u>230,418</u></u>

Note: Included in the balance as at June 30, 2023 were bank overdraft (non-revolving) and term loans amounting to RMB1,540,000 (At June 30, 2022: RMB20,226,000) and RMB66,783,000 (At June 30, 2022: RMB20,326,000), respectively.

Bank borrowings are interest-bearing at both fixed rates and floating rates. The interest rates of the Group's bank borrowings as at June 30, 2023 granted under banking facilities ranged from 4.48% to 8.55% (At June 30, 2022: 4.63% to 8.16%) per annum. As at June 20, 2023, the banking facilities were secured by certain investment properties of the Group amounted to RMB863,298,000 (At June 30, 2022: RMB353,333,000), corporate guarantee of the Company and share capital of a PRC Subsidiary.

3.15 DIVIDENDS

The Board has resolved not to recommend the payment of any final dividend for the years ended June 30, 2023 and June 30, 2022.

4. FINANCIAL REVIEW FOR THE YEAR ENDED JUNE 30, 2023

4.1 Revenue

Revenue increased by 13.9% to RMB61.68 million compared to RMB54.17 million for the FY2022, mainly due to revenue recognition of a few Education Institutions (hereinafter collectively referred to “colleges, education institutions, training centres and educational corporate entities”), which had signed-up long-term lease agreements with annual step-up rental per unit features for leasing of education facilities in the OUC Campus.

4.2 Employee costs

Employee costs decreased by 15.5% to RMB4.92 million from RMB5.82 million recorded in the FY2022, mainly due to rationalisation of staff force in the second half of the FY2022.

4.3 Business Taxes and Surcharges

Business taxes and surcharges increased by 27.8% to RMB0.92 million, compared to RMB0.72 million for the FY2022 due to higher collection of rental advance.

4.4 Property taxes and land use taxes

Property taxes and land use taxes increased by 10.1% to RMB12.15 million, compared to RMB11.04 million for the FY2022, mainly due to provision for property taxes in line with the higher recognition of lease revenue.

4.5 Repairs and maintenance

Repairs and maintenance fees increased by 137.8% to RMB1.38 million, compared to RMB0.58 million for the FY2022, mainly due to repair and parts replacement of heat exchange station in the OUC Campus.

4.6 Legal and consulting fees

Legal and consulting fees decreased by 38.0% to RMB2.41 million, compared to RMB3.89 million for the FY2022, as lower professional fees were incurred for corporate exercise undertaken in the FY2023.

4.7 Other income, other (losses)/gains, net

Other losses increased by 108.2% to RMB13.65 million, compared to RMB6.55 million for the FY2022, mainly due to higher loss on disposal of investment properties. The disposal of certain investment properties in the OUC Campus at a consideration of RMB100.00 million (“**Disposal**”), as announced on March 21, 2023, resulted in a loss on disposal of investment properties of RMB18.23 million for the FY2023. Please refer to the Company’s announcements dated March 21, 2023, April 14, 2023, May 12, 2023 and May 29, 2023 for further details of the Disposal.

4.8 Other expenses

Other expenses decreased by 13.0% to RMB3.35 million, compared to RMB3.85 million for the FY2022, mainly due to lower utilities usage, less office supplies purchase and reduced discretionary expenses incurred.

4.9 Share of results of associates

Loss on share of results of associates of RMB2.85 million was recorded, compared to a gain of share on results of associates of RM6.85 million for the FY2022, mainly due to net loss recorded by its associate, Axiom Properties Limited (“**Axiom**”).

4.10 Reversal of impairment loss on an associate

An impairment of RMB2.65 million made in prior year against the carrying amount of interests in an associate, Axiom, had been reversed (FY2022: Nil). This reversal arose due to an increase in its fair value less cost to sell of RMB17.37 million as at June 30, 2023.

4.11 Fair value (losses)/gains on investment properties

Fair value losses on investment properties of RMB16.84 million was recorded compared to fair value gains on investment properties of RMB22.78 million in the FY2022. The fair value losses were primarily attributed to the lower fair value of investment properties located in the OUC Campus.

4.12 Operating Profit

Operating profit was RMB0.90 million, 98.0% lower than RMB45.96 million for the FY2022, mainly due to loss on disposal of investment properties of RMB18.23 million and fair value losses on investment properties of RMB16.84 million recorded for the FY2023.

4.13 Interest expenses on bank borrowings

Interest expenses decreased by 24.1% to RMB14.91 million from RMB19.65 million for the FY2022, as loan principals had been progressively repaid.

4.14 Current tax

Current tax expense was RMB12.62 million, 8,147.7% higher than RMB0.15 million for the FY2022, mainly due to a PRC Subsidiary being subject to PRC land appreciation tax and having higher assessable income, arising from the Disposal.

4.15 Deferred tax

Deferred tax credit of RMB3.16 million was recorded, compared to deferred tax expense of RMB20.26 million for the FY2022, mainly due to de-recognition of deferred tax liabilities attributed to the investment properties subject to the Disposal.

4.16 (Loss)/Profit for the Year

Due to the foregoing factors set out in Notes 4.1 to 4.15 above, net loss of RMB23.38 million was recorded, compared to net profit of RMB5.95 million recorded for the FY2022. The net loss was mainly attributed to the loss on disposal of investment properties of RMB18.23 million and fair value losses on investment properties of RMB16.84 million recorded for FY2023.

4.17 EBITDA

Earnings before interest expenses, tax, depreciation and amortization (the “EBITDA”), was RMB18.19 million, 22.9% lower than RMB23.58 million recorded in the FY2022, mainly due to the loss on disposal of investment properties and loss on share of results of associates (compared to gains on share of results of associates in the FY2022).

4.18 Liquidity and Financial Resources

As at June 30, 2023, the Group has a net current assets of RMB20.17 million (At June 30, 2022: net current liabilities of RMB35.19 million). The Group has secured an additional 10-years term loan of RMB70.00 million in the PRC, which were disbursed in 2 tranches in June and July 2023, respectively.

As at June 30, 2023, the Group had total assets of approximately RMB1,691.76 million (At June 30, 2022: RMB1,682.40 million), which were financed by total liabilities and equity of approximately RMB458.31 million (At June 30, 2022: RMB434.66 million) and RMB1,233.45 million (At June 30, 2022: RMB1,247.75 million), respectively.

4.19 Gearing Ratio

The Group's gearing ratio as at June 30, 2023 is 21.2% (At June 30, 2022: 18.5%), which is calculated based on the total borrowings of RMB261.47 million (At June 30, 2022: RMB230.42 million) divided by total equity of RMB1,233.45 million (At June 30, 2022: RMB1,247.75 million) and then multiplied by 100%.

4.20 Cash and Cash Equivalents

The Group places a high emphasis on risk management, both credit risk and liquidity risk. 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, 2023, the Group had cash and cash equivalents balance of approximately RMB63.75 million (At June 30, 2022: RMB4.71 million). The cash and cash equivalents were mainly denominated in RMB.

4.21 Foreign Exchange Hedging

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

5. BUSINESS REVIEW AND OUTLOOK

The Group owns and leases education facilities, comprising primarily teaching buildings and dormitories to Education Institutions in the PRC, Malaysia and Indonesia. The Group's education facilities are located in the OUC Campus; Kuala Lumpur, Malaysia; and Jakarta, Indonesia. In addition, the Group also leases commercial properties in the OUC Campus to commercial tenants operating a range of supporting facilities, including a shopping centre, supermarket, cafe and cafeterias, bank, telecommunication companies, dental and polyclinic, amongst others, to serve the needs of students in the campus and the residents of adjacent housing estates.

The FY2023 was challenging due to prolonged disruptions in operations caused by the novel coronavirus disease 2019 (“**COVID-19**”). The enhancement of strict zero COVID-19 policy measures in Langfang City in October 2022 that had resulted in citywide lockdown from October to November 2022. Subsequently, the swift uplifting of the zero COVID-19 policy measures in December 2022 had resulted in widespread COVID-19 infections in Langfang City. A small number of Education Institutions and commercial tenants in the OUC Campus, whose businesses were affected by the aforementioned events, had to reduce their leasing space or prematurely terminated their leases.

Despite the challenges, the Group was able to secure a few sizeable Education Institutions, which signed up long-term leases with annual step-up rental per unit features for leasing of the education facilities in the OUC Campus. The long-term lease agreements resulted in increased revenue compared to the previous year, and improved cashflow due to upfront rentals collection.

To improve the overall return of its investment properties, the Group is rationalising the usage of its assets and upgrading selected investment properties in the OUC Campus to improve yield.

As announced on March 21, 2023, the Group has entered into a sale and purchase agreement for the disposal of certain investment property located in the OUC Campus, for RMB100.00 million (“**Disposal**”). The cash infusion from the Disposal enabled the Group to reduce its borrowings and financed the progress of upgrade works of other investment properties in the OUC Campus.

With the Disposal completed in June 2023, the Group is now focusing on rebuilding its business, particularly, in broadening its revenue base and enhancing its education facilities' offering. On July 4, 2023, the Company announced the proposed acquisition of the remaining 75.39% of the issued share capital of 4 Vallees, that the Company did not own, from RE, for a cash consideration of Swiss Franc (“CHF”) 11.479 million (approximately RMB96.40 million) (“**Acquisition**”). Upon completion of the Acquisition, 4 Vallees will become a wholly-owned subsidiary of the Company. An extraordinary general meeting is expected to be convened to obtain the approval of the Company’s shareholders (“**Shareholders**”) for the Acquisition, details of which will be announced in due course. In the meantime, please refer to the Company’s announcements dated July 4, 2023 and July 24, 2023 for details of the Acquisition.

While the Group is cautiously optimistic to achieve better results for the financial year ending June 30, 2024 (“**FY2024**”), based on signed-up leases in hand of both Education Institutions and commercial tenants, the Group, nevertheless, is cognisant of the possible risks of economic downturn that can affect its revenue. In this respect, the Group would continue to prudently manage its operational costs and cashflow, while dedicating more business development efforts to secure more new tenants.

Looking ahead, the Board is of view that the education industry in the PRC would see a recovery in line with the recovery in student population of the Education Institutions that lease education facilities in the OUC Campus from the Group. Meanwhile, the Group’s education assets in Malaysia and Indonesia are expected to remain stable.

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

Save as disclosed below, as at June 30, 2023, 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 2023, the Company has paid RMB26.94 million of the purchase consideration and the remaining balance of RMB5.77 million will be paid in instalments according to the various stages of 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 first half of the FY2024.

6.2 Upgrading of investment properties in the OUC Campus

The Group had undertaken the following renovation/refurbishment works and construction of investment properties in the OUC Campus on progressive basis based on its funding capability:—

6.2.1 Renovation/refurbishment of two blocks of dormitories in Langfang City

On June 16, 2022, the Company had entered into 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 OUC Campus for a contract sum of RMB10.18 million. As at June 30, 2023, the Group has paid RMB4.01 million of the contract sum and the remaining balance of RMB6.17 million will be paid in instalments in accordance with the agreed terms. The renovation/refurbishment work had been completed and the two blocks of dormitories had been handed over and occupied by an Education Institution in the FY2023.

6.2.2 Construction of canteen and theatre in the OUC Campus

On January 30, 2023, the Company had entered into a construction project contract with an independent contractor for the construction of a canteen and a theatre, located at the OUC Campus for a contract sum of RMB13.40 million. As at June 30, 2023, the Group has paid RMB9.18 million of the contract sum and the remaining balance of RMB4.22 million will be paid in instalments in accordance with the agreed terms. The construction work is expected to be completed by the first half of the FY2024.

6.2.3 Renovation and refurbishment of investment properties in the OUC Campus

On March 18, 2023, the Company had entered into a contract with an independent contractor for the renovation and refurbishment of selected investment properties in the OUC Campus for RMB80.95 million. As at June 30, 2023, the Group had paid RMB44.45 million.

Subsequent to the reporting date, the Company and the independent contractor had agreed to postpone the completion date of construction works to March 31, 2025 as a result of the change of scope of refurbishment and construction works. In view of the postponement, the independent contractor had refunded in whole the prepayment amount of RMB44.45 million.

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 FY2023.

8. CONTINUING CONNECTED TRANSACTION

Save as disclosed below, as at June 30, 2023, the Group does not have any other connected transaction and continuing connected transaction.

8.1 Tenancy Agreement of Properties in Malaysia

OUC Malaysia Sdn Bhd, a direct 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 RE, 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 RMB3.15 million). Please refer to the announcement of the Company dated December 10, 2021, for further details of the tenancy agreement.

8.2 Tenancy Agreement of Properties in Indonesia

PT OUC Thamrin Indo (“**OUC Thamrin**”), a wholly-owned subsidiary of the Company, as landlord, had entered into a tenancy agreement with PT. Raffles Institute of Higher Education (“**RIHE**”), a wholly-owned subsidiary of RE, as tenant, for the lease of gross floor area of 2,000 square metres on two floors of Lippo Thamrin office in Jakarta, Indonesia, for a term of three years commencing on July 1, 2020 and expired 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 (“**IDR**”) 7,154.64 million (approximately RMB3.18 million). Please refer to the announcement of the Company dated June 17, 2020, for further details of the tenancy agreement.

Due to the impact of the COVID-19 on the business of RIHE, OUC Thamrin and RIHE had on June 13, 2023, signed a new tenancy agreement for the lease of a smaller gross floor area of 1,600 square metres on the same two floors of Lippo Thamrin office in Jakarta, Indonesia, for a term of three years commencing on July 1, 2023 and expiring on June 30, 2026 (“**New Tenancy Agreement**”). The tenancy was executed on arm’s length terms and the annual rental payable under the New Tenancy Agreement amounts to IDR5,472.00 million (approximately RMB2.46 million). According to Rule 20.04 of the GEM Listing Rules, the transaction value of the New Tenancy Agreement was a de minimis transaction and was fully exempted from the requirements of announcement and approval of the Shareholders.

9. CHARGE ON THE GROUP’S ASSETS

As at June 30, 2023, investment properties of RMB863.30 million (At June 30, 2022: RMB353.33 million) were charged 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, 2023 as compared with that as at June 30, 2022.

11. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at June 30, 2023 (At June 30, 2022: Nil).

12. USE OF PROCEEDS FROM THE DISPOSAL

Having been approved by the Shareholders at an extraordinary general meeting held on May 29, 2023, the Disposal was completed in June 2023.

The net proceeds from the Disposal was RMB83.60 million after deducting the relevant professional expenses of RMB0.71 million, value-added tax and tax surcharges of RMB5.55 million and land appreciation tax of RMB10.14 million.

The utilisation of the net proceeds from the Disposal are set out as follows:-

Proposed use of Net Proceeds	Planned use of net proceeds <i>RMB million</i>	Actual use of net proceeds up to June 30, 2023 <i>RMB million</i>	Unutilised net proceeds as at June 30, 2023 <i>RMB million</i>	Expected timeline for unutilised net proceeds
Repayment of borrowings	39.00	—	39.00	Up to September 30, 2023
Construction and renovation of education facilities	20.00	20.00	—	Completed
General working capital	24.60	10.51	14.09	Up to June 30, 2024
	<u>83.60</u>	<u>30.51</u>	<u>53.09</u>	

13. EVENT AFTER THE REPORTING PERIOD

On July 4, 2023, the Company (as the purchaser), RE (as the seller) and 4 Vallees (as the target company) had entered into a sale and purchase agreement (“SPA”), pursuant to which, the Company agreed to acquire the remaining 75.39% of the issued share capital of 4 Vallees, which it did not own, from RE, at a purchase consideration of CHF11.479 million (approximately RMB96.40 million) (the “Acquisition”). Upon completion of the Acquisition, 4 Vallees will become a wholly-owned subsidiary of the Company. The purchase consideration shall be adjusted at completion date, subject to a cap of CHF11.479 million, pursuant to the terms and conditions set out in the SPA.

An extraordinary general meeting will be convened to obtain approval of Shareholders for the Acquisition, details of which will be disclosed in due course. Please refer to the Company's announcements dated July 4, 2023 and July 24, 2023 for details of the Acquisition.

Save as disclosed above, there is no other significant event after the reporting period up to the date of the announcement.

14. EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2023, the Group had a total of 26 full-time employees in the PRC, all of which were based in the OUC Campus (At June 30, 2022: 29). For FY2023, the Group's total employee costs were approximately RMB4.92 million (FY2022: RMB5.82 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 (the "**Share Option Scheme**"). No options were granted since the listing date of the Company's shares. Therefore, no options were exercised, cancelled or lapsed during the FY2023 and there were no outstanding options under the Share Option Scheme as at June 30, 2023.

15. FINAL DIVIDEND

The Board has resolved not to recommend payment of any dividend for the FY2023 (FY2022: Nil).

16. COMPETING INTERESTS

RE, 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, RE 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, 2023, 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.

17. ANNUAL GENERAL MEETING (THE “2023 AGM”)

The 2023 AGM will be held on Friday, October 20, 2023 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) and the Company (www.oriental-university-city.com) in due course in the manner as required by the GEM Listing Rules.

18. BOOK CLOSE DATES

For the purpose of ascertaining the entitlement to attend and vote at the 2023 AGM, the register of members of the Company will be closed. Details of such closure is set out below:

Latest time to lodge transfer documents	4:30 p.m. on October 16, 2023 (Monday)
Closure of register of members	October 17, 2023 (Tuesday) to October 20, 2023 (Friday) (both days inclusive)
Record date	October 20, 2023 (Friday)

During the above closure period, no transfer of Shares will be registered. To be entitled to attend and vote at the 2023 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.

19. 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 FY2023.

20. 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 FY2023.

21. 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 FY2023.

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

As at June 30, 2023, 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 RE 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, 2023 (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	RE ⁽¹⁾	Beneficial owner and interest of spouse/personal interest and family interest	490,349,264	35.52% ⁽²⁾

Notes:

(1) RE is the immediate holding company of the Company.

(2) Comprised of the 23.12% direct interest of Mr. Chew, the 2.47% interest of Ms. Doris Chung Gim Lian ("Ms. Chung", the spouse of Mr. Chew) and the 9.93% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at June 30, 2023, 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.

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

As at June 30, 2023, 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⁾
RE ⁽¹⁾	Beneficial owner/ Personal interest	135,000,000	75%
Ms. Chung ⁽¹⁾	Interest of spouse/ Family interest	135,000,000	75%

Notes:

- (1) RE is owned as to (a) 23.12% 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 RE 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 RE.
- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at June 30, 2023 (i.e. 180,000,000 Shares).

Save as disclosed above, as at June 30, 2023, 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.

24. 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 FY2023.

25. DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the FY2023 and FY2022 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 FY2022 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 FY2023 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.

26. REVIEW BY AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Board currently comprises three independent non-executive Directors, namely Mr. Tan Yeow Hiang, Kenneth, Mr. Wilson Teh Boon Piaw and Mr. Liu Guilin 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 FY2023, 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.

27. SCOPE OF WORK OF BDO LIMITED ON THIS PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended June 30, 2023 as set out in this announcement have been agreed by the Company’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for this year. The work performed by BDO Limited 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 opinion or assurance conclusion has been expressed by BDO Limited on this announcement.

By order of the Board

Oriental University City Holdings (H.K.) Limited

Chew Hua Seng

Chairman and Executive Director

Singapore, August 18, 2023

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. Liu Guilin.

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.