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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Oriental University City Holdings (H.K.) Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)****VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO  
DISPOSAL OF PROPERTY IN LANGFANG  
AND  
NOTICE OF EGM**

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Capitalised terms used in the lower portion of the cover and first page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the EGM to be held at Conference Room, Level 2, 100 Zhangheng Road, Oriental University City, Langfang Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC 065001 on Tuesday, 14 May 2024 at 9:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use in connection with the EGM is enclosed with this circular. If you are not able to attend the EGM in person but wish to exercise your right as a Shareholder, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event, not later than 48 hours before the time appointed for holding the EGM or its adjournment (as the case may be) (excluding any public holiday in Hong Kong). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or its adjournment should you so wish. If you attend and vote in person at the EGM, the authority of your proxy will be revoked.

This circular 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 circular is also published on the website of the Company at [www.oriental-university-city.com](http://www.oriental-university-city.com).

23 April 2024

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## CHARACTERISTICS OF GEM

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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.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following respective meanings:*

“4 Vallees”	4 Vallees Pte. Ltd., a company incorporated in Singapore with limited liability and is wholly owned by the Company upon acquisition of 75.39% of its remaining issued shares in the third quarter of FY23/24
“Advance Payment”	the meaning as defined in the section headed “The Agreement – Consideration and Payment Terms” in the Letter from the Board
“Agreement”	the sale and purchase agreement dated 15 March 2024 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Property
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Audit Committee”	the audit committee of the Board
“Balance”	the meaning as defined in the section headed “The Agreement – Consideration and Payment Terms” in the Letter from the Board
“Board”	the board of Directors
“Company”	Oriental University City Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability and whose issued Shares are listed and traded on the GEM of the Stock Exchange (stock code: 8067)
“Completion”	completion of the Disposal
“Condition Precedent”	the condition precedent to the Completion set out in the section headed “The Agreement” in the Letter from the Board
“Director(s)”	director(s) of the Company
“Disposal”	the sale and purchase of the Property under the Agreement
“EGM”	an extraordinary general meeting of the Company to be held, at which to consider and, if appropriate, to approve the ordinary resolutions contained in the notice of the EGM which are set out on pages EGM-1 to EGM-3 of this circular
“FY20/21”	the financial year ended 30 June 2021

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## DEFINITIONS

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“FY21/22”	the financial year ended 30 June 2022
“FY22/23”	the financial year ended 30 June 2023
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“H1FY22/23”	the six months ended 31 December 2022
“H1FY23/24”	the six months ended 31 December 2023
“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“INED(s)”	the independent non-executive Director(s)
“Latest Practicable Date”	19 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Mr. Chew”	Mr. Chew Hua Seng, the chairman of the Board and an executive Director
“Ms. Chung”	Ms. Doris Chung Gim Lian, the wife of Mr. Chew
“Nomination Committee”	the nomination committee of the Board
“OUC Campus”	Oriental University City Campus in Langfang Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC
“percentage ratio(s)”	has the meaning as ascribed to it under Rule 19.07 of the GEM Listing Rules
“PRC”	the People’s Republic of China
“Property”	the property to be transferred by the Vendor to the Purchaser pursuant to the Agreement including land use rights, buildings and ancillary facilities

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## DEFINITIONS

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“Purchaser”	Hebei Oriental College* (河北東方學院), a private regular undergraduate college established and existing under the laws of the PRC
“RE”	Raffles Education Limited, a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited, holding 75% of the issued share capital of the Company
“Remaining Group”	the Group after completion of the Disposal
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Accountants”	WM CPA Limited, the reporting accountants of the Company
“Risk Management Committee”	the risk management committee of the Board
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Report”	the Valuation Report of the Property prepared by the independent property valuer set out in Appendix I to this circular
“Vendor”	Langfang Development Zone Oriental University City Education Consulting Co., Ltd.* (廊坊開發區東方大學城教育諮詢有限公司), a subsidiary of the Company
“working day(s)”	any day on which banks in the PRC are generally open for business (other than a Saturday, Sunday or public holiday in the PRC)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meter(s)
“%”	per cent

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## DEFINITIONS

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*In this circular, the terms “close associate(s)”, “connected person(s)”, “controlling shareholder(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the respective meanings given to such terms in the GEM Listing Rules, unless the context otherwise requires.*

*Unless otherwise specified in this circular, translations of RMB into HK\$ are made in this circular, for illustration only, at the rate of RMB1.00 to HK\$1.1017. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rates or at all.*

\* For ease of reference, the names of the PRC established companies or entities have generally been included in this circular in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Chew Hua Seng (*Chairman*)

Mr. Liu Ying Chun (*Chief Executive Officer*)

*Independent non-executive Directors:*

Mr. Tan Yeow Hiang, Kenneth

Mr. Wilson Teh Boon Piaw

Mr. Liu Guilin

*Registered office:*

31st Floor

148 Electric Road

North Point

Hong Kong

*Head office and principal place of  
business in the PRC*

Levels 1 and 2

100 Zhangheng Road

Oriental University City

Langfang Economic &

Technological Development Zone

Hebei Province

The PRC 065001

23 April 2024

*To the Shareholders*

Dear Sir or Madam,

### **VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF PROPERTY IN LANGFANG AND NOTICE OF EGM**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 15 March 2024 in relation to the Disposal, pursuant to which the Vendor, a subsidiary of the Company, as vendor and the Purchaser as purchaser entered into the Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendor has conditionally agreed to dispose of, the Property located in Langfang Development Zone, Hebei, the PRC, at a total consideration of RMB110 million (equivalent to approximately HK\$121.19 million).



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, further information relating to the Disposal, the notice of the EGM and other information as required under the GEM Listing Rules.

### THE AGREEMENT

Date : 15 March 2024

Parties : (1) Vendor : Langfang Development Zone Oriental University  
City Education Consulting Co., Ltd.\*  
(廊坊開發區東方大學城教育諮詢有限公司)

(2) Purchaser : Hebei Oriental College\*  
(河北東方學院)

### Property

The Property consists of the land use right in relation to 4 plots of land located in Oriental University City, Langfang Development Zone, Hebei, the PRC with an estimated aggregate land area of approximate 67,574 sq.m. and an aggregate construction area of approximately 52,618 sq.m. as well as the buildings and ancillary facilities erected thereon.

The rental income and net profits (before and after taxation) attributable to the Property for FY21/22 and FY22/23 are set out below:

	<b>FY21/22</b>	<b>FY22/23</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Rental Income	11,825	6,828
Net Profits before taxation	16,447	10,290
Net Profits after taxation	13,110	7,544

### Consideration and Payment Terms

The consideration of RMB110 million (equivalent to approximately HK\$121.19 million) shall be paid by the Purchaser to the Vendor in the following manner:

- (a) RMB20 million (equivalent to approximately HK\$22.03 million) as advance payment (the “**Advance Payment**”) shall be paid within 3 working days after entering into the Agreement; and
- (b) RMB90 million (equivalent to approximately HK\$99.15 million) (the “**Balance**”) shall be paid by the Purchaser upon the Completion.

Payment by the Purchaser to the Vendor under the Agreement shall be made by bank transfer to the Vendor’s designated account.

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## LETTER FROM THE BOARD

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All taxes, costs and expenses arising from the Disposal shall be borne by the relevant parties in accordance with applicable laws and regulations.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the valuation of the Property of RMB132.60 million (equivalent to approximately HK\$146.09 million) as at 29 February 2024 conducted by Cushman & Wakefield Limited, an independent valuer, using income capitalization approach.

### **Condition Precedent**

Completion is conditional upon the following conditions being satisfied or waived (if applicable):

1. Shareholders having approved the Agreement and the transaction contemplated thereunder at the EGM;
2. The Vendor has terminated all the tenancies in the Property and vacated the Property; and
3. The Vendor has completed the registration of release of mortgage upon the Property.

In the event that the Shareholders have approved the Agreement and the transaction contemplated thereunder at the EGM, the Purchaser may waive all or any part of the conditions preceding.

Should the Company fail to obtain the approval of the Shareholders, the Vendor shall return the Advance Payment without any interest to the bank account as designated by the Purchaser within 3 working days after the EGM.

### **Default in Payment**

In the event of default by any party to the Agreement in payment of any sum due under the Agreement pursuant to the provisions thereof, the defaulting party shall pay a daily liquidated damage to the non-defaulting party at the daily rate of 0.05% based on the outstanding amount due and payable. If the delay is more than 30 days, the non-defaulting party is further entitled to terminate the Agreement.

### **Completion**

Subject to the fulfillment of the Conditions Precedent, the parties shall apply to Langfang Natural Resources and Planning Bureau, Hebei, the PRC for registration of the transfer of the Property so that the Property will be registered in the name of the Purchaser. Upon Completion, the Purchaser shall pay the Balance to the Vendor.

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## LETTER FROM THE BOARD

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### INFORMATION OF THE PARTIES TO THE AGREEMENT

#### The Purchaser

The Purchaser is the same purchaser of the sale and purchase agreement dated 21 March 2023 entered into with the Vendor in respect of a very substantial disposal of the Company (reference are made to the announcement and circular of the Company dated 21 March 2023 and 12 May 2023 respectively). The Purchaser is wholly owned by Mr. LIU Xin Wei\* (劉欣為) and Ms. YU Xiao Feng\* (于曉峰) through Langfang Development Zone Oriental University City Zhongxin Education Investment Co., Ltd.\* (廊坊開發區東方大學城中新教育投資有限公司). The Purchaser is a private regular undergraduate college established and existing under the laws of the PRC, whose scope of business includes, among others, provision of undergraduate education.

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) each of the Purchaser and its ultimate beneficial owners is a third party independent of the Company and its connected persons; and (ii) there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Purchaser who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the Disposal).

#### The Group and the Vendor

The Company is an investment holding company and its subsidiaries are principally engaged in the leasing of education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and the Republic of 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 Vendor is a subsidiary of the Company, owned as to 99% by the Company, whose scope of business includes, among others, provision of education facilities rental services in the PRC.

### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property has experienced a persistent drop in rental income since FY20/21. Similarly, the operating profit before impairment and fair value changes (the “**Operating Profit**”) and the net profit after tax (the “**Net Profit**”) attributable to the Property have experienced corresponding downward trends since FY20/21.

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## LETTER FROM THE BOARD

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The table below illustrate the metrics attributable to the Property for FY20/21, FY21/22, FY22/23 and H1FY23/24.

	<b>FY20/21</b> <i>(RMB'000)</i>	<b>FY21/22</b> <i>(RMB'000)</i>	<b>FY22/23</b> <i>(RMB'000)</i>	<b>H1FY23/24</b> <i>(RMB'000)</i>
Rental Income	13,384	11,825	6,828	2,353
Operating Profit	10,625	9,142	4,298	1,229
Net Profit	16,340	13,110	7,544	379
Fair Value Gain	9,191	7,305	5,992	-

The rental income for FY22/23 had dropped 49% from FY20/21 as the vacant units of the Property, given its old worn-out conditions, were no longer able to maintain sufficient lease interests. The Property would need a large capital re-investment to refurbish into a more appealing tenantable condition in order to bring in further rental income. As at 30 June 2023, the Group had a capital commitment of RMB43.6 million related to a 29,023 sq.m. portion of the Property. The Disposal not only enables the Group to reduce its capital commitment, but also strengthens its liquidity.

Besides, the Board considers the Operating Profit to be a more relevant measure of yield performance and liquidity, instead of Net Profit, which is elevated by the fair value gains recorded in those respective periods. The sale consideration of RMB110 million represents a multiple of 25.6 times of the Operating Profit of the Property for FY22/23. In this context, it would take approximately 26 years to achieve a similar return of investment.

Taking into account the high vacancy rate of the Property and the large capital re-investment required to refurbish the Property in order to generate better yield, the Board, thus, considers that the Disposal provides an optimum opportunity for the Company to realise its investment in the Property. The Disposal would enable the Group to rationalise the usage of its assets and improve the overall return of its investment properties. In addition, the Disposal would save the Group on recurring operational and capital expenditures and Property-related taxes and enable the Group to reduce its borrowings.

Notwithstanding that the Property was valued at RMB132.60 million, there was limited marketability given the restricted use of the Property (i.e. for education usage only), thus, there was only a limited pool of potential buyers, namely education institutions. Two other education institutions had indicated their interests to purchase some portion or the whole Property, but subsequently had not made any firm offers after due consideration of the lack of potential expansion space and the substantial capital requirement for refurbishing and maintaining the Property. The Purchaser is the only one who offered a credible offer price of RMB110 million, albeit at 17% lower than the valuation.

The Directors consider that the terms of the Agreement are fair and reasonable, and the Disposal is in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### USE OF PROCEEDS

The net proceeds from the Disposal, after deducting the relevant transaction-related expenses and taxes, are estimated to be approximately RMB91.39 million (equivalent to approximately HK\$100.68 million). Having considered the financial performance of the Group and the liquidity of the Group, the Company intends to apply the net proceeds from the Disposal as follows:

<b>Proposed Use</b>	<b>Approximate amount (RMB million)</b>
Repayment of outstanding borrowings due on	
– 30 September 2024	31.00
– 4 January 2025	31.00
General working capital	<u>29.39</u>
	<u><u>91.39</u></u>

It is expected that the net proceeds of approximately RMB91.39 million (equivalent to approximately HK\$100.68 million) would be fully utilized by June 2025. In the event the actual amounts of relevant transaction related expenses and taxes are lower or higher than estimates, the net proceeds shall increase or decrease accordingly. The consequential excess or shortfall in net proceeds shall be adjusted to/from the use as general working capital.

### FINANCIAL EFFECTS OF THE DISPOSAL

Following the Completion, the Group is expected to record an unaudited loss of approximately RMB65.45 million from the Disposal, which is the difference between the net proceeds in the amount of approximately RMB91.39 million to be received by the Vendor, less the carrying amount (net book value) of the Property in the sum of approximately RMB184.73 million as at 30 June 2023 and the gain arising from the de-recognition of deferred tax liabilities attributable to the Property of approximately RMB27.89 million as at 30 June 2023.

Shareholders should note that the actual loss of the Disposal will be calculated based on the relevant figures as at the date of Completion and subject to audit and therefore, might be different from the aforementioned amount.

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## LETTER FROM THE BOARD

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### Earnings

For FY22/23, the Group recorded an audited loss and loss attributable to equity holders of the Company for the year of approximately RMB23.38 million and RMB23.02 million respectively. Based on the “Unaudited Pro Forma Financial Information of the Remaining Group” as set out in Appendix IV to this circular, assuming the Completion had taken place on 1 July 2022, the unaudited pro forma consolidated loss and consolidated loss attributable to equity holders of the Company of the Remaining Group FY22/23 would be RMB93.13 million and RMB92.07 million respectively.

### Assets and liabilities

Following Completion, the assets and liabilities of the Property will no longer be consolidated into the consolidated financial statements of the Group. According to the interim report of the Company for H1FY23/24, the unadjusted unaudited consolidated total assets and total liabilities of the Group as at 31 December 2023 were RMB1,669.90 million and RMB433.49 million respectively. Based on the “Unaudited Pro Forma Financial Information of the Remaining Group” as set out in Appendix IV to this circular, assuming the Completion had taken place on 31 December 2023 the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group as at 31 December 2023 would be RMB1,576.57 million and RMB404.76 million respectively.

### IMPLICATIONS UNDER GEM LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company pursuant to Rule 19.06(4) of the GEM Listing Rules and is, therefore, subject to reporting, announcement, circular and the Shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules.

**Completion of the Disposal is conditional upon the satisfaction of the Conditions Precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

### EGM

Set out on pages EGM-1 to EGM-3 of this circular is a notice convening the EGM to be held at Conference Room, Level 2, 100 Zhangheng Road, Oriental University City, Langfang Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC 065001 at 9:30 a.m. on Tuesday, 14 May 2024 at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Disposal. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 9 May 2024 to Tuesday, 14 May 2024, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 8 May 2024.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, as at the Latest Practicable Date, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, the resolution will be voted on by way of poll at the EGM and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### RECOMMENDATION

The Directors (including the INEDs) are of the opinion that the terms of the Agreement and the transaction contemplated thereunder are on normal commercial terms which have been made on an arm's length basis and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution in relation to the Agreement and the transaction contemplated thereunder to be proposed in the EGM.

### GENERAL

The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English text of this circular will prevail.

### FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the Property as at 29 February 2024.*



27/F  
One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

23 April 2024

The Directors  
Oriental University City Holdings (H.K.) Limited  
Levels 1 and 2  
100 Zhangheng Road  
Oriental University City  
Langfang Economic and Technology Development Zone  
Langfang City  
Hebei Province  
The People's Republic of China

Dear Sirs,

**Re: Four parcels of land and eleven buildings situated at Oriental University City, Langfang Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC**  
中國河北省廊坊市廊坊經濟及技術開發區東方大學城內的四幅土地及十一幢房屋

#### **INSTRUCTIONS, PURPOSE AND VALUATION DATE**

In accordance with the instructions by Oriental University City Holdings (H.K.) Limited (referred to as the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) for us to value the property in the People's Republic of China (the “**PRC**”) (as more particularly described in the valuation report and referred to as the “**Property**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 29 February 2024 (the “**Valuation Date**”).



**DEFINITION OF MARKET VALUE**

Our valuation of the Property represents its market value which in accordance with The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (“**HKIS**”) is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION BASIS AND ASSUMPTIONS**

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In valuing the Property, we have complied with the requirements set out in Chapter 8 of the GEM Listing Rules governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited, and The HKIS Valuation Standards 2020 published by the HKIS.

In the course of our valuation of the Property in the PRC, we have relied on the information and advice given by the Group and its legal adviser, Jingzi Lawyer’s Firm of GD, regarding the title of the Property. In valuing the Property, we have prepared our valuation on the basis that the owner of the Property has an enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired land use term as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

In respect of the Property situated in the PRC, the status of title and grant of major certificates, approvals and licences, in accordance with the information provided by the Group are set out in the notes of the valuation report.

**METHOD OF VALUATION**

In valuing the Property in the PRC, we have adopted income capitalization method to value the Property on the basis of capitalization of rental derived from the rental potential of the Property because the Property is held for letting purpose and receiving rental income.

**SOURCES OF INFORMATION**

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group regarding the title of the Property. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided.

### **TITLE INVESTIGATION**

We have been provided with extracts of documents relating to the title of the Property in the PRC but no searches have been made in respect of the Property. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the Property in the PRC and we have therefore relied on the advice given by the Group and the PRC legal opinion prepared by the Group's legal adviser regarding the Property.

### **SITE INSPECTION**

Our valuer, Mr. Gavin Guan, Manager with Master's Degree and 4 years of experience in property valuation in the PRC, inspected the exterior and, wherever possible, the interior of the Property on 11 April 2024. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the Property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct.

### **CURRENCY AND EXCHANGE RATE**

Unless otherwise stated, all monetary sums stated in our valuation are in Renminbi ("RMB"), the official currency of the PRC.

We enclose herewith our valuation report.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**  
**Grace S.M. Lam**  
*MRICS, MHKIS, RPS (GP)*  
*Senior Director*  
*Valuation & Advisory Services*

*Note:* Ms. Grace S.M. Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current knowledge of the market, and the skills and understanding to undertake the valuation competently.

## VALUATION REPORT

## Property held by the Group in the PRC for investment purpose

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2024																								
Four parcels of land and eleven buildings situated at Oriental University City, Langfang Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC	<p>Oriental University City is a self-contained university campus and is developed on various parcels of adjoining land. The campus comprises various buildings completed in between 1999 and 2023.</p> <p>The Property comprises 4 parcels of land for education use with a total site area of approximately 67,573.93 sq.m. upon which 11 buildings with a total gross floor area of approximately 52,618.62 sq.m. are erected.</p>	<p>As at the Valuation Date, portions of the Property with a total gross floor area of approximately 17,429.60 sq.m. were leased under various tenancies at a total prevailing monthly rent of approximately RMB430,925 at an average unit rent of approximately RMB24.72 per sq.m. per month.</p> <p>The occupancy rate was approximately 33%.</p> <p>The latest expiry date of these tenancies is 30 June 2027.</p> <p>The remaining portions of the Property were vacant.</p> <p>As advised by the Company, the tenants will deliver vacant possession of the Property by completion of the sale of the Property.</p>	<p>RMB132,600,000</p> <p>(RENMINBI ONE HUNDRED THIRTY TWO MILLION SIX HUNDRED THOUSAND ONLY)</p> <p>100% interest attributable to the Group: RMB132,600,000</p>																								
中國河北省廊坊市 廊坊經濟及技術開發區東方大學城內 的四幅土地及十一 幢房屋	<p><b>Use</b></p> <table border="1"> <tr> <td>Power station</td> <td>233.03</td> </tr> <tr> <td>Canteen 1</td> <td>3,981.31</td> </tr> <tr> <td>Canteen 2</td> <td>3,697.83</td> </tr> <tr> <td>Teaching building 1</td> <td>10,828.31</td> </tr> <tr> <td>Teaching building 2</td> <td>3,486.54</td> </tr> <tr> <td>Teaching building 3</td> <td>3,482.04</td> </tr> <tr> <td>Teaching building 4</td> <td>8,712.63</td> </tr> <tr> <td>Dormitories 1</td> <td>5,922.35</td> </tr> <tr> <td>Dormitories 2</td> <td>3,490.29</td> </tr> <tr> <td>Dormitories 3</td> <td>2,869.36</td> </tr> <tr> <td>Dormitories 4</td> <td>5,914.93</td> </tr> <tr> <td><b>Total</b></td> <td><b>52,618.62</b></td> </tr> </table> <p>The Property is situated at the northeastern part of the town center of Langfang City. The locality is a large campus of Oriental University intermingled with some residential developments and golf courses.</p> <p>The Property is held with land use rights for education use. For details, please see Note (1) below.</p>	Power station	233.03	Canteen 1	3,981.31	Canteen 2	3,697.83	Teaching building 1	10,828.31	Teaching building 2	3,486.54	Teaching building 3	3,482.04	Teaching building 4	8,712.63	Dormitories 1	5,922.35	Dormitories 2	3,490.29	Dormitories 3	2,869.36	Dormitories 4	5,914.93	<b>Total</b>	<b>52,618.62</b>	<p><b>Approximate gross floor area (sq.m.)</b></p>	
Power station	233.03																										
Canteen 1	3,981.31																										
Canteen 2	3,697.83																										
Teaching building 1	10,828.31																										
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Dormitories 4	5,914.93																										
<b>Total</b>	<b>52,618.62</b>																										

## Notes:

- (1) According to four State-owned Land Use Rights Certificates, the land use rights of the Property for education use have been vested in 廊坊開發區東方大學城教育諮詢有限公司 (Langfang Development Zone Oriental University City Education Consultancy Co., Ltd.) with salient details as follows:—

No.	Certificate No.	Date of issue	Land use	Expiry date of land use term	Site area (sq.m.)
1	(2021) 0001772	27 May 2021	Education	13 July 2053	47,291.90
2	(2012) 134	8 August 2012	Education	27 March 2050	15,372.40
3	(2012) 136	8 August 2012	Education	27 March 2050	3,537.50
4	(2023) 0004005	25 June 2023	Education	20 October 2049	83,714.14
<b>Total:</b>					<b><u>149,916.48</u></b>

As advised by the Group, only a portion of the land of 1,372.13 sq.m. in the parcel of land with certificate no. (2023) 0004005 is involved in the Property. Therefore, the Property has a total site area of 67,573.93 sq.m.

- (2) According to eleven Building Ownership Certificates, the building ownership of the Property with a total gross floor area of approximately 52,618.62 sq.m. has been vested in 廊坊開發區東方大學城教育諮詢有限公司 (Langfang Development Zone Oriental University City Education Consultancy Co., Ltd.) with salient details as follows:–

No.	Certificate No.	The building erected on the land with State-owned Land		Gross floor area (sq.m.)	
		Use Rights Certificate No.	Use		
1	H5454	(2021) 0001772	Power station	233.03	
2	H5452	(2021) 0001772	Canteen 1	3,981.31	
3	H5453	(2021) 0001772	Canteen 2	3,697.83	
4	H5448	(2021) 0001772	Teaching building 1	10,828.31	
5	H5449	(2021) 0001772	Teaching building 2	3,486.54	
6	H5450	(2021) 0001772	Teaching building 3	3,482.04	
7	H5451	(2021) 0001772	Teaching building 4	8,712.63	
8	H5466	(2012) 134	Dormitories 1	5,922.35	
9	H5467	(2012) 134	Dormitories 2	3,490.29	
10	H5468	(2012) 136	Dormitories 3	2,869.36	
11	H5469	(2012) 136	Dormitories 4	5,914.93	
<b>Total:</b>					<b><u>52,618.62</u></b>

- (3) According to a legal charge contract dated 19 June 2023 provided by the Company, the Property is subject to a legal charge in favour of 廊坊銀行股份有限公司 (Bank of Langfang Company Limited) at a consideration of RMB70 million.
- (4) According to Business License dated 18 December 2015, 廊坊開發區東方大學城教育諮詢有限公司 (Langfang Development Zone Oriental University City Education Consultancy Co., Ltd.) was established on 14 November 2007 with a registered capital of RMB263,500,000 and an operating period from 14 November 2007 to 29 January 2038.

(5) We have been provided with a legal opinion issued by the Group's PRC legal adviser, which contains, inter alia, the following information:

- (a) The State-owned Land Use Rights Certificates and Building Ownership Certificates of the Property are valid, legal and enforceable under the PRC laws;
- (b) 廊坊開發區東方大學城教育諮詢有限公司 (Langfang Development Zone Oriental University City Education Consultancy Co., Ltd.) is the legal land user of the Property and has obtained State-owned Land Use Rights Certificates and Building Ownership Certificates of the Property; and
- (c) 廊坊開發區東方大學城教育諮詢有限公司 (Langfang Development Zone Oriental University City Education Consultancy Co., Ltd.) has the right to freely use, lease, transfer and dispose of the land use rights and building ownership of the Property.

(6) The status of title and grant of major approvals and licences in accordance with the information provided to us by the Group are as follows: -

State-owned Land Use Rights Certificates	Yes
Building Ownership Certificates	Yes
Business License	Yes

(7) Our major parameters adopted in our method of valuation are as follows: -

We have valued the Property by using the income capitalization method on the basis of capitalization of rental derived from the rental potential of the Property.

The legal use of the Property is for education use. However, transactions of education use in the property market are limited.

Therefore, we have made reference to various recent lettings of some office properties within the same district. The monthly rental levels of those office lettings range from approximately RMB24 per sq.m. to RMB42 per sq.m.

The details of the exhaustive list of the rental evidence of three office properties gathered are tabulated below for reference.

Comparable no.	Comparable no. 1	Comparable no. 2	Comparable no. 3
Name of development	清華科技園 (Qinghua Science Park)	會展中心 (Exhibition Centre)	榮盛發展大廈 (Rongsheng Development Building)
District in Langfang	Langfang Economic and Technology Development Zone	Langfang Economic and Technology Development Zone	Langfang Economic and Technology Development Zone
Address	梨園路 (Liyuan Road)	會展大道 (Exhibition Avenue)	藝術大道 (Art Avenue)
Type of property	Office	Office	Office
Date of asking	9 April 2024	9 April 2024	9 April 2024
Asking monthly rent	RMB42,000	RMB4,200	RMB2,304
Gross floor area	1,000 sq.m.	130 sq.m.	96 sq.m.
Unit average monthly rent	RMB42 per sq.m.	RMB32 per sq.m.	RMB24 per sq.m.

As the above comparables are for office use and the Property is restricted for education use, we have made downward adjustments to reflect this factor and also the difference of building quality between the Property and the comparables. In undertaking our valuation, we have adopted an average unit market rent of approximately RMB18.97 per sq.m. per month for the Property.

We have gathered and analyzed various recent sales transactions of commercial premises and noted that the capitalization rates implied in those transactions were generally within the range from 4% to 6% for commercial premises. The restrictive education use renders the Property less fluid in marketability, thus a higher capitalization rate of 8% is adopted. By capitalizing the market rent of the Property at capitalization rate of 8% for the remaining unexpired land use terms, we have arrived at the final opinion of the market value of the Property.

**1. FINANCIAL INFORMATION OF THE GROUP**

Financial information of the Group for the three years ended 30 June 2023 and the six months ended 31 December 2023 are disclosed in the following documents which are published on the website of the Stock Exchange at *www.hkexnews.hk* and the website of the Company at *www.oriental-university-city.com*.

- (a) Annual report of the Company for FY20/21  
<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0924/2021092400465.pdf>  
which shall be read together with the clarification announcement for annual report for FY20/21 dated 1 December 2021  
<https://www1.hkexnews.hk/listedco/listconews/gem/2021/1201/2021120102438.pdf>
- (b) Annual report of the Company for FY21/22  
<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0916/2022091600672.pdf>
- (c) Annual report of the Company for FY22/23  
<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0918/2023091800732.pdf>
- (d) Interim report of the Company for H1FY23/24  
<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0223/2024022300577.pdf>

**2. STATEMENT OF INDEBTEDNESS****Borrowings**

At the close of business on 29 February 2024, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the publication of this circular, the total indebtedness of the Group was as follows:

- Bank borrowings included term loans of approximately RMB294.21 million, which were secured by certain investment properties of the Group amounted to approximately RMB1,135.63 million and corporate guarantee of the Company.

The Group did not have any guarantees or other material contingent liabilities as at the close of business on 29 February 2024.

Save as aforesaid and apart from the intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 29 February 2024, any debt securities issued and outstanding, and authorised or otherwise created but unissued; other outstanding borrowings, mortgages, charges, debentures, loan capital or overdraft or other similar indebtedness, lease liabilities or hire-purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the presently available resources, the banking facilities available to the Group, the internally generated funds as well as the proceeds from the Disposal, the Group will have sufficient working capital to satisfy its requirements for at least next 12 months following the Latest Practicable Date. The Company has obtained the relevant confirmation as required under Rule 19.66(13) of the GEM Listing Rules.

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the leasing of education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and the Republic of 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.

As disclosed in the section headed “REASONS FOR AND BENEFITS OF THE DISPOSAL” in the Letter from the Board, the Board considers that the Disposal provides an optimum opportunity for the Company to realise its investment in the Property, having considered (1) the high vacancy rate of the Property; (2) the larger capital reinvestment required to refurbish the Property in order to generate better yield; and (3) a limited pool of potential buyers. The Disposal not only enables the Group to reduce its capital commitment, but also strengthen its liquidity.

The Company believes that the Disposal represents a valuable opportunity to enable the Group to be in a better financial position to pursue its business plan, in particular, in enhancing its education facilities. The Group will continue to look for opportunities to obtain premium land sites for provision of education facilities; and consider expanding its business by way of investment in property as and when opportunities arise.

The Board views that the student enrollment of the education institutions that lease the education facilities from the Group, would see a stable to moderate growth in line with the growth trend of tertiary student populations in the PRC, Malaysia and Indonesia. As a provider of education facilities in these countries, the Group is well-poised to benefit from this growth trend.



## 5. MANAGEMENT DISCUSSION AND ANALYSIS

**Liquidity, Financial Resources and Capital Structure**

The Group had cash and cash equivalents as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023 as follows:

	<b>As at 31 December 2023 Unaudited RMB'000</b>	<b>As at 30 June 2023 Audited RMB'000</b>	<b>As at 30 June 2022 Audited RMB'000</b>	<b>As at 30 June 2021 Audited RMB'000</b>
Cash and cash equivalents	<u>2,103</u>	<u>63,752</u>	<u>4,713</u>	<u>28,095</u>

Assuming the Disposal was completed on the last day of FY20/21, FY21/22, FY22/23 and H1FY23/24, the cash and cash equivalents would be RMB119,485,000, RMB96,643,000, RMB155,682,000 and RMB93,493,000 respectively, mainly due to the infusion of net proceeds of RMB91.39 million from the Disposal. The cash infusion from the Disposal in FY20/21, FY21/22 and FY22/23 would be applied for the general working capital purposes.

The Remaining Group places a high emphasis on risk management, safety and liquidity. Cash in excess of daily operational requirement are placed in fixed deposits. The Remaining Group currently does not invest in bonds, bills, structured products or any other financial instruments. Most of the Remaining Group's bank deposits and cash were denominated in Renminbi.

The Group had total current assets, current liabilities and current ratio (calculated by dividing the total current assets over the total current liabilities) as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023 as follows:

	<b>As at 31 December 2023 Unaudited RMB'000</b>	<b>As at 30 June 2023 Audited RMB'000</b>	<b>As at 30 June 2022 Audited RMB'000</b>	<b>As at 30 June 2021 Audited RMB'000</b>
Total current assets	49,746	109,193	26,090	51,679
Total current liabilities	63,835	89,026	61,275	77,184
Current ratio	0.78 times	1.23 times	0.43 times	0.67 times

**APPENDIX II****FINANCIAL INFORMATION OF THE GROUP**

Assuming the Disposal was completed on the last day of FY20/21, FY21/22, FY22/23 and H1FY23/24, the total current assets of the Remaining Group would be RMB143,069,000, RMB117,480,000, RMB200,583,000 and RMB141,136,000, respectively, mainly due to the infusion of net proceeds of RMB91.39 million from the Disposal. Accordingly, the current ratios of the Remaining Group for FY20/21, FY21/22, FY22/23 and H1FY23/24, would be 1.85, 1.92, 2.25 and 2.21 times, respectively.

The Remaining Group had interest-bearing bank borrowings as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023 as follows:

	<b>As at 31 December 2023 Unaudited RMB'000</b>	<b>As at 30 June 2023 Unaudited RMB'000</b>	<b>As at 30 June 2022 Unaudited RMB'000</b>	<b>As at 30 June 2021 Unaudited RMB'000</b>
Interest-bearing bank borrowings	<u>236,361</u>	<u>261,465</u>	<u>230,418</u>	<u>281,928</u>

Most of the Remaining Group's interest-bearing bank borrowings were denominated in Renminbi. The amounts payable based on the maturity terms of the borrowings and ignoring the effect of any repayment on demand clause were as follows:

	<b>As at 31 December 2023 Unaudited RMB'000</b>	<b>As at 30 June 2023 Unaudited RMB'000</b>	<b>As at 30 June 2022 Unaudited RMB'000</b>	<b>As at 30 June 2021 Unaudited RMB'000</b>
Bank borrowings due for repayment:				
– Within one year	<u>42,164</u>	<u>68,323</u>	<u>40,552</u>	<u>62,545</u>
– After one year but within two years	69,372	60,615	47,997	33,606
– After two years but within five years	80,243	91,416	125,569	153,485
– After five years	<u>44,582</u>	<u>41,111</u>	<u>16,300</u>	<u>32,292</u>
	<u>194,197</u>	<u>193,142</u>	<u>189,866</u>	<u>219,383</u>
Total	<u>236,361</u>	<u>261,465</u>	<u>230,418</u>	<u>281,928</u>

Bank borrowings are interest-bearing at fixed and floating rates. The interest rates per annum of the Remaining Group's bank borrowings as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023 granted under banking facilities ranged as follows:

	<b>As at 31 December 2023 Unaudited</b>	<b>As at 30 June 2023 Unaudited</b>	<b>As at 30 June 2022 Unaudited</b>	<b>As at 30 June 2021 Unaudited</b>
Bank borrowings interest rates ( <i>per annum</i> )	<u>6.30%-8.95%</u>	<u>4.48%-8.55%</u>	<u>4.63%-8.16%</u>	<u>4.60%-8.50%</u>

Assuming the Disposal was completed on the last day of FY20/21, FY21/22, FY22/23 and H1FY23/24, the total equity of the Remaining Group would be RMB1,184,077,000, RMB1,185,539,000, RMB1,167,994,000 and RMB1,171,808,000, respectively. The Remaining Group's gearing ratio, calculated by the interest-bearing bank borrowings divided by the total equity and then multiplied by 100% as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023 were as follows:

	<b>As at 31 December 2023 Unaudited</b>	<b>As a 30 June 2023 Unaudited</b>	<b>As at 30 June 2022 Unaudited</b>	<b>As at 30 June 2021 Unaudited</b>
Gearing ratio	<u>20.2%</u>	<u>22.4%</u>	<u>19.4%</u>	<u>23.8%</u>

**Charge on Assets**

The Property formed part of the charge to secure borrowings of the Group. Assuming other investment properties of equivalent value of the Property is charged instead to replace the Property, the investment properties of the Remaining Group charged for bank facilities were as follows:

	<b>As at 31 December 2023 Unaudited RMB'000</b>	<b>As at 30 June 2023 Unaudited RMB'000</b>	<b>As at 30 June 2022 Unaudited RMB'000</b>	<b>As at 30 June 2021 Unaudited RMB'000</b>
Investment properties charged for bank facilities	<u>859,869</u>	<u>863,298</u>	<u>353,333</u>	<u>356,233</u>

**Treasury Policies**

As for the treasury policies, the objectives of the Remaining Group when managing capital are to safeguard the ability of the Remaining Group to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Remaining Group generally finances its operations with internally generated resources and borrowings provided by banks. The Remaining Group endeavours to monitor its cash flow position, and to improve the cost-efficiency of funding initiatives by its treasury function.

**Foreign currency risk**

The Remaining Group's policy is to allow members of the Remaining Group to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where members of the Remaining Group have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will be transferred from other members within the Remaining Group.

The Remaining Group did not have a foreign currency hedging policy but management continuously monitors foreign exchange exposure and may, depending on the circumstances and trend of foreign currency, consider adopting a significant foreign currency hedging policy in the future, if necessary.

**Business Review**

During the FY20/21, FY21/22, FY22/23 and H1FY23/24, the Group owned and leased 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 in Langfang City of Hebei Province of the PRC; in Kuala Lumpur, Malaysia; and in Jakarta, Indonesia. In addition, the Group also leased 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. Upon Completion, the gross floor area owned by the Group for the usage of teaching buildings, student and staff dormitories, retail and ancillary facilities in the OUC Campus would be reduced by approximately 16%. Businesses of the Remaining Group would remain the same, i.e. leasing of education facilities and commercial leasing in OUC Campus in Langfang City, PRC; in Kuala Lumpur, Malaysia; and in Jakarta, Indonesia, should the Property be excluded from the Group during the period under review. Apart from these ordinary businesses of the Group, the Group entered the European market by acquiring 75.39% of the issued shares in 4 Vallees, which became a wholly owned subsidiary of the Company thereafter. Reference is made to the announcement and circular of the Company dated 4 July 2023 and 27 December 2023 respectively. The assets of 4 Vallees consist of a hotel and seven commercial units in Nendaz, Switzerland, which would enable the Group to introduce outbound educational trips to the students of the education institutional clients of the Group.

Revenues and net profits/(loss) of the Group for FY20/21, FY21/22, FY22/23 and H1FY23/24 were as follows:

	<b>H1FY23/24</b> <b>Unaudited</b> <i>RMB'000</i>	<b>FY22/23</b> <b>Audited</b> <i>RMB'000</i>	<b>FY21/22</b> <b>Audited</b> <i>RMB'000</i>	<b>FY20/21</b> <b>Audited</b> <i>RMB'000</i>
<b><i>The Group</i></b>				
Revenue	26,817	61,680	54,168	65,775
Net Profit/(Loss) (after tax)	3,187	(23,379)	5,951	35,473

Assuming the Disposal was completed on the first day of FY20/21, FY21/22, FY22/23 and H1FY23/24, the revenues and the net losses of the Remaining Group would be as follows:

	<b>H1FY23/24</b> <b>Unaudited</b> <i>RMB'000</i>	<b>FY22/23</b> <b>Unaudited</b> <i>RMB'000</i>	<b>FY21/22</b> <b>Unaudited</b> <i>RMB'000</i>	<b>FY20/21</b> <b>Unaudited</b> <i>RMB'000</i>
<b><i>The Remaining Group</i></b>				
Revenue	24,464	54,852	42,343	52,391
Net Loss (after tax)	(62,105)	(93,129)	(65,398)	(33,390)

Revenue and earnings for FY20/21 were impacted by the business uncertainty caused by the COVID-19, which resulted in reduced leasing space and period taken up by education institutions in the OUC Campus.

FY21/22 proved to be a challenging year brought about by the reemergence of the COVID-19 outbreak, the month-long lockdown and the endurance of strict zero COVID-19 policy measures, which included 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, revenue decreased substantially, compared to previous financial year, as the affected education institutions and commercial tenants reduced their leasing requirement or chose not to renew their tenancies upon expiry of contracts. Earnings inevitably dropped compared to the previous financial year, mainly due to the drop in revenue and the higher interest expenses on bank borrowings.

Business environment continued to be challenging during FY22/23. The enhancement of strict zero COVID-19 policy measures in Langfang City in October 2022 resulted in citywide lockdown from October to November 2022. Subsequently, the swift uplifting of the zero COVID-19 policy measures in December 2022 resulted in widespread COVID-19 infections in the Langfang City. A small number of education institutions and commercial tenants in 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 unit rental features for leasing of education facilities in the OUC Campus. The long-term leases resulted in increased revenue compared to previous year. Nonetheless, net loss was recorded in FY22/23, mainly due to the loss on disposal of certain investment properties and fair value losses on investment properties.

The financial performance of the Group during H1FY23/24 improved as a result of the recovery momentum following the post-COVID-19 normalization. In view of the existing long-term lease agreements and anticipated yearly renewal of subsisting lease agreements, the Group is confident that the improved financial performance for FY23/24 could be sustained. Further, an additional lease revenue would be generated upon completion of the construction of a canteen and a theatre and handover of these education facilities to an existing education institution by the second half of FY23/24.

**Segmental Information**

Revenues of the Group by category for FY20/21, FY21/22, FY22/23 and H1FY23/24 were as follows:

	<b>H1FY23/24</b> <b>Unaudited</b> <i>RMB'000</i>	<b>FY22/23</b> <b>Audited</b> <i>RMB'000</i>	<b>FY21/22</b> <b>Audited</b> <i>RMB'000</i>	<b>FY20/21</b> <b>Audited</b> <i>RMB'000</i>
Revenue within scope of HKFRS16:				
– Education facilities leasing	25,360	58,154	50,061	62,768
– Commercial leasing for supporting facilities	<u>1,457</u>	<u>3,526</u>	<u>4,107</u>	<u>3,007</u>
	<u><u>26,817</u></u>	<u><u>61,680</u></u>	<u><u>54,168</u></u>	<u><u>65,775</u></u>

Assuming the Disposal was completed on the first day of FY20/21, FY21/22, FY22/23 and H1FY23/24, the revenue segment of the Education facilities leasing of the Remaining Group, would be RMB49,384,000, RMB38,236,000, RMB51,326,000 and RMB23,007,000 respectively, due to exclusion leasing revenue attributable to the Property.

Generally, the continued impact of COVID-19 on the businesses of education institutions and commercial tenants in OUC Campus, had caused reduction of leasing space required. This, in turn, resulted in overall decline in both revenue segments of education facilities leasing and commercial leasing for supporting facilities over FY20/21-H1FY22/23. The trend improved and recovered following the post-COVID-19 normalization in the second half of FY22/23 and thereafter.

Revenues of the Group by geographical regions for FY20/21, FY21/22, FY22/23 and H1FY23/24 were as follows:

	<b>H1FY23/24</b> <b>Unaudited</b> <i>RMB'000</i>	<b>FY22/23</b> <b>Audited</b> <i>RMB'000</i>	<b>FY21/22</b> <b>Audited</b> <i>RMB'000</i>	<b>FY20/21</b> <b>Audited</b> <i>RMB'000</i>
Revenue within scope of HKFRS16:				
– PRC	23,998	55,277	48,039	60,070
– Non-PRC (Malaysia and Indonesia)	<u>2,819</u>	<u>6,403</u>	<u>6,129</u>	<u>5,705</u>
	<u><u>26,817</u></u>	<u><u>61,680</u></u>	<u><u>54,168</u></u>	<u><u>65,775</u></u>

Assuming the Disposal was completed on the first day of FY20/21, FY21/22, FY22/23 and H1FY23/24, the revenue contributed by PRC for the Remaining Group, would be RMB46,686,000, RMB36,214,000, RMB48,449,000 and RMB21,645,000, respectively, due to exclusion leasing revenue attributable to the Property.

By geographical regions, revenue in PRC, declined over FY20/21-FY21/22, due to the impact of COVID-19 on the tenants in OUC Campus. Revenue for the FY22/23 improved, having secured a few long-term leases with annual incremental unit rental feature. Meanwhile, revenue in non-PRC countries, were not affected by the business impact of COVID-19 and improved over FY20/21-FY22/23, due to increase in unit rental price and stronger foreign currency against the RMB.

### **Significant Investments and Future Plans for Material Investments and Capital Commitments**

Save as disclosed below, the Remaining Group did not have any other significant investment or future plan for material investments and capital commitments for FY20/21-FY22/23 and H1FY23/24.

#### **(I) Acquisition of Zhuyun Properties**

On 29 August 2018, the Company, as the purchaser, 廊坊開發區東方大學城教育諮詢有限公司 (Langfang Development Zone Oriental University City Education Consulting Co., Ltd.\*) (a subsidiary of the Company), 廊坊通慧教育諮詢有限公司 (Langfang Tonghui Education Consulting Co., Ltd.\*) (a subsidiary of RE) and RE (the “**Seller**”) had entered into a sale and purchase agreement, pursuant to which the Seller had conditionally agreed to sell and the Company had conditionally agreed to acquire the properties situated at Oriental University City, Langfang Economy and Technology Development Zone, Langfang City, Hebei Province, the PRC (the “**Zhuyun Properties**”) at a purchase consideration of RMB252,370,000 (the “**Consideration**”).



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

As at 30 September 2019, the Company had paid RMB75,711,000, representing 30% of the Consideration, as the deposit to the Seller. On 19 November 2019, the Company had issued a convertible note in the principal amount of approximately HK\$200,380,000 with a conversion price of HK\$2.30 per ordinary share of the Company, which will be matured on 29 August 2028 to the Seller as settlement of the remaining 70% of the Consideration. The convertible note was subsequently redeemed by the Company on 16 February 2021.

**(2) *Purchase of Investment Properties in Mongolia***

On 6 March 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 31 December 2023, the Company had paid RMB28.43 million of the purchase consideration in accordance to the construction progress stage. Please refer to the announcement of the Company dated 8 March 2020 for details of the acquisition of investment properties in Mongolia.

**(3) *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:

**(3.1) *Renovation/refurbishment of two blocks of dormitories in the OUC Campus, Langfang City***

On 16 June 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 31 December 2023, the Group has paid RMB7.51 million of the contract sum and the remaining balance of RMB2.67 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 FY22/23.

**(3.2) *Construction of a canteen and a theatre in the OUC Campus***

On 30 January 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 31 December 2023, the Group has paid RMB10.48 million of the contract sum and the remaining balance of RMB2.92 million will be paid in instalments in accordance with the agreed terms. The construction work is expected to be completed by the second half of the FY23/24.

**(4) Acquisition of remaining shares in 4 Vallees**

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, 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 (the “4 Vallees Acquisition”). The purchase consideration was adjusted to CHF11.367 million pursuant to the term of the sale and purchase agreement and the 4 Vallees Acquisition was completed in the third quarter of FY23/24. Please refer to the announcement of the Company dated 4 July 2023 and the circular to Shareholders dated 27 December 2023 for details of the 4 Vallees Acquisition.

**Material Acquisition or Disposal of Subsidiaries, Associates and Joint Venture**

Save for Acquisition of Zhuyun Properties and 4 Vallees Acquisition as disclosed above in the section headed “**Significant Investments and Future Plans for Material Investments and Capital Commitments**”, the Remaining Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during FY20/21-FY22/23 and H1FY23/24.

**Contingent Liabilities**

The Remaining Group did not have any contingent liabilities as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023.

**Human Resources and Remuneration Policy**

As the Property, together with the business and operation of the Remaining Group, were collectively managed by human resources of the Group, no matter the Property was sold during FY20/21-FY22/23 and H1FY23/24, the number and remuneration of the employees of the Group and the Remaining Group would be the same. As at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023, the Remaining Group had a total of 49, 29, 26 and 27 fulltime employees in the PRC respectively, most of them were located in Langfang City, Hebei Province. The Remaining Group’s total employee costs for the three years ended 30 June 2023 and six months ended 31 December 2023 were as follows:

	<b>H1FY23/24</b>	<b>FY22/23</b>	<b>FY21/22</b>	<b>FY20/21</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Total employee costs	<u>2,315</u>	<u>4,923</u>	<u>5,824</u>	<u>6,929</u>

The employees’ remuneration is determined by reference to the market salary of their respective experience and performance.

The Remaining Group provides training to its employees to improve and upgrade their management and professional skills.

As required by the social security regulations, the Remaining Group makes contributions to mandatory social security funds for its employees to provide for their retirement and provides medical, unemployment, work-related injury and maternity benefits. The Remaining Group has adopted a share option scheme (the “**Share Option Scheme**”) to provide an incentive to the Directors and eligible participants. No options were granted since 16 January 2015, the effective date of the Share Option Scheme and the date on which the Shares be listed on the GEM. Therefore, no options were exercised or cancelled or lapsed during FY20/21-FY22/23 and H1FY23/24 and there were no outstanding options under the Share Option Scheme as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023.

**APPENDIX III****FINANCIAL INFORMATION OF THE PROPERTY****UNAUDITED STATEMENTS OF PROFIT OR LOSS ON THE IDENTIFIABLE NET INCOME STREAM OF THE PROPERTY**

In accordance with paragraph 19.68(2)(b)(i) of the GEM Listing Rules, the Company is required to include in this Circular a profit and loss statement for the three preceding financial years on the identifiable net income stream in relation to such assets which must be reviewed by the reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

The profit and loss statement for the 3 preceding financial years of the Group have been reviewed by the Reporting Accountants which confirms that the information provided therein has been properly compiled and derived from the underlying books and records. The unaudited statements of profit or loss on the identifiable net income stream of the Property for FY20/21, FY21/22, FY22/23, H1FY22/23 and H1FY23/24 are set out below:

	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>	<b>H1FY22/23</b>	<b>H1FY23/24</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	<u>13,384</u>	<u>11,825</u>	<u>6,828</u>	<u>3,117</u>	<u>2,353</u>
Business taxes and surcharges	(80)	(79)	(49)	(22)	(17)
Property taxes and land use taxes	(1,834)	(1,942)	(1,867)	(935)	(858)
Property management fee	(845)	(662)	(565)	(283)	(134)
Repairs and maintenance	<u>–</u>	<u>–</u>	<u>(49)</u>	<u>–</u>	<u>(115)</u>
Operating profit before impairment and fair value changes	10,625	9,142	4,298	1,877	1,229
Fair value gains on investment properties	<u>9,191</u>	<u>7,305</u>	<u>5,992</u>	<u>–</u>	<u>–</u>
Profit before income tax	19,816	16,447	10,290	1,877	1,229
Income tax	<u>(3,476)</u>	<u>(3,337)</u>	<u>(2,746)</u>	<u>(851)</u>	<u>(850)</u>
Profit for the year/ period	<u><u>16,340</u></u>	<u><u>13,110</u></u>	<u><u>7,544</u></u>	<u><u>1,026</u></u>	<u><u>379</u></u>

Pursuant to Rule 19.68(2)(b)(i) of the GEM Listing Rules, the Directors engaged WM CPA Limited, the Reporting Accountants, to perform certain agreed-upon procedures on the compilation of the unaudited statement of profit or loss on identifiable net income stream of the Property as shown above in accordance with Hong Kong Standard on Related Services 4400 (Revised) “Agreed-Upon Procedures Engagements” issued by the HKICPA. The Reporting Accountants have agreed the unaudited statements of profit or loss on the identifiable net income stream of the Property to the relevant accounting records of the Group, including general ledger and reconciliation schedules (the “**Schedules**”) prepared by the management, traced the unadjusted amounts in the Schedules to the relevant accounting records of the Group and found the amounts to be in agreement.

The above agreed-upon procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, the auditor of the Company does not express any assurance on the unaudited statements of profit or loss on the identifiable net income stream of the Property.

The finding on the agreed-upon procedures were reported solely for the information of the Directors and should not be used or relied upon by any other parties for any other purposes.

**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities and unaudited pro forma consolidated statement of profit or loss and other comprehensive income of Oriental University City Holdings (H.K.) Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) (the “**Unaudited Pro Forma Financial Information**”) prepared in accordance with Rules 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants, for the purpose of illustrating the financial impact of the proposed disposal of property in Langfang (the “**Property**”) (the “**Proposed Disposal**”) on (a) the assets and liabilities of the Group and (b) the results of the Group as if the Proposed Disposal had been completed on 31 December 2023 and 1 July 2022 respectively.

The Unaudited Pro Forma Financial Information has been prepared using accounting policies materially consistent with that of the Group and based on the interim condensed consolidated statement of financial position of the Group at 31 December 2023 and the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023 as extracted from the Group’s condensed consolidated financial statements for the six months ended 31 December 2023 as set out in the published interim report of the Group for the six months ended 31 December 2023 and the published annual report of the Group for the year ended 30 June 2023 as mentioned in the “Financial Information of the Group” in Appendix II to this circular respectively, after making certain pro forma adjustments as described below. A narrative description of the pro forma adjustments of the Proposed Disposal that are (i) directly attributable to the Proposed Disposal concerned and not relating to future events or decisions; and (ii) factually supportable, is summarised in the notes below.

This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group as at 31 December 2023 or at any future date had the Proposed Disposal been completed on 31 December 2023 or the financial performance of the Group for the year ended 30 June 2023 or any future period had the Proposed Disposal been completed on 1 July 2022.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND  
LIABILITIES OF THE GROUP AS AT 31 DECEMBER 2023

	Unadjusted unaudited consolidated statement of assets and liabilities as at 31 December 2023	Pro forma adjustments		Unaudited pro forma adjusted consolidated statement of assets and liabilities as at 31 December 2023
		<i>RMB'000</i> <i>Note 1</i>	<i>RMB'000</i> <i>Note 2(a)</i>	
<b>Non-current assets</b>				
Property, plant and equipment	4,233			4,233
Investment properties	1,460,249	(184,727)		1,275,522
Interests in associates	47,103			47,103
Prepayments	108,571			108,571
<b>Total non-current assets</b>	<b>1,620,156</b>			<b>1,435,429</b>
<b>Current assets</b>				
Trade and other receivables	13,207			13,207
Amount due from an associate	34,436			34,436
Cash and cash equivalents	2,103		91,390	93,493
<b>Total current assets</b>	<b>49,746</b>			<b>141,136</b>
<b>Current liabilities</b>				
Trade and other payables and accruals	13,710			13,710
Advances from customers	5,327			5,327
Bank borrowings, secured	42,164			42,164
Current tax liabilities	2,634			2,634
<b>Total current liabilities</b>	<b>63,835</b>			<b>63,835</b>

**APPENDIX IV**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Unadjusted unaudited consolidated statement of assets and liabilities as at 31 December 2023	Pro forma adjustments		Unaudited pro forma adjusted consolidated statement of assets and liabilities as at 31 December 2023
		<i>RMB'000</i> <i>Note 1</i>	<i>RMB'000</i> <i>Note 2(a)</i>	
<b>Net current (liabilities)/ assets</b>	<u>(14,089)</u>			<u>77,301</u>
<b>Total assets less current liabilities</b>	<u>1,606,067</u>			<u>1,512,730</u>
<b>Non-current liabilities</b>				
Trade and other payables and accruals	3,924			3,924
Bank borrowings, secured	194,197			194,197
Deferred tax liabilities	<u>171,537</u>	(28,736)		<u>142,801</u>
<b>Total non-current liabilities</b>	<u><u>369,658</u></u>			<u><u>340,922</u></u>
<b>Net assets</b>	<u><u>1,236,409</u></u>			<u><u>1,171,808</u></u>



UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME OF THE GROUP FOR THE YEAR ENDED 30 JUNE  
2023

	Unadjusted audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023	Pro forma adjustments				Unaudited pro forma adjusted consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023
		RMB'000 Note 1	RMB'000 Note 3(a)	RMB'000 Note 3(b)	RMB'000 Note 3(c)	
Revenue	61,680	(6,828)			54,852	
Employee costs	(4,923)				(4,923)	
Depreciation of property, plant and equipment	(372)				(372)	
Business taxes and surcharges	(920)	49			(871)	
Property taxes and land use taxes	(12,145)	1,867			(10,278)	
Property management fee	(4,598)	565			(4,033)	
Repairs and maintenance	(1,379)	49			(1,330)	
Legal and consulting fees	(2,413)				(2,413)	
Other income, other (losses)/gains, net	(13,648)		(75,708)		(89,356)	
Other expenses	(3,347)				(3,347)	
Share of results of associates	(2,846)				(2,846)	

**APPENDIX IV**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Unadjusted audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023	Pro forma adjustments			Unaudited pro forma adjusted consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023
		RMB'000 <i>Note 1</i>	RMB'000 <i>Note 3(a)</i>	RMB'000 <i>Note 3(b)</i>	
Operating profit/(loss) before impairment and fair value changes	15,089				(64,917)
Reversal of impairment loss on associate	2,652				2,652
Fair value losses on investment properties	<u>(16,838)</u>	(5,992)			<u>(22,830)</u>
Operating profit	903				(85,095)
Interest expense on bank borrowings	(14,905)				(14,905)
Interest income	<u>78</u>				<u>78</u>
<b>Loss before income tax</b>	<b>(13,924)</b>				<b>(99,922)</b>
Income tax:					
Current tax	(12,619)	2,746		13,502	3,629
Deferred tax	<u>3,164</u>				<u>3,164</u>
<b>Loss for the year</b>	<b><u>(23,379)</u></b>				<b><u>(93,129)</u></b>

**APPENDIX IV**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Unadjusted audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023	Pro forma adjustments				Unaudited pro forma adjusted consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023
		RMB'000 <i>Note 1</i>	RMB'000 <i>Note 3(a)</i>	RMB'000 <i>Note 3(b)</i>	RMB'000 <i>Note 3(c)</i>	
<b>Other comprehensive income</b>						
<i>Items that may be subsequently reclassified to profit or loss:</i>						
Exchange difference from translation of foreign operations	115					115
Share of other comprehensive income of associates	8,965					8,965
Other comprehensive income for the year	9,080					9,080
<b>Total comprehensive income for the year</b>	<b>(14,299)</b>					<b>(84,049)</b>

**APPENDIX IV**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Unadjusted audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023	Pro forma adjustments				Unaudited pro forma adjusted consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2023
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
		<i>Note 1</i>	<i>Note 3(a)</i>	<i>Note 3(b)</i>	<i>Note 3(c)</i>	
<b>Loss attributable to</b>						
– Owners of the Company	(23,017)				(92,069)	
– Non-controlling interests	<u>(362)</u>				<u>(1,060)</u>	
	<u><u>(23,379)</u></u>				<u><u>(93,129)</u></u>	
<b>Total comprehensive income attributable to</b>						
– Owners of the Company	(13,937)				(82,989)	
– Non-controlling interests	<u>(362)</u>				<u>(1,060)</u>	
	<u><u>(14,299)</u></u>				<u><u>(84,049)</u></u>	

Notes to the Unaudited Pro Forma Financial Information:

1. The unadjusted unaudited consolidated statement of financial position of the Group as at 31 December 2023 is extracted from the published interim report of the Company for the six months ended 31 December 2023. The unadjusted audited consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023 is extracted from the published annual report of the Company for the year ended 30 June 2023.
2. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of assets and liabilities, assuming the Proposed Disposal had taken place on 31 December 2023:
  - (a) The adjustment represents the de-recognition of the carrying amount of Property and the corresponding deferred tax liabilities as at 31 December 2023.
  - (b) The adjustment represents the net consideration received for the Proposed Disposal.

Net Consideration	<i>Notes</i>	<i>RMB'000</i>
Consideration of the Proposed Disposal	<i>i</i>	110,000
Less:		
Transaction costs and related taxes	<i>ii</i>	(5,972)
Professional fees	<i>iii</i>	(1,000)
Land appreciation tax	<i>iv</i>	<u>(11,638)</u>
		<u>91,390</u>

*Note i:*

Pursuant to the Agreement (as defined in the circular), the consideration of Proposed Disposal is RMB110,000,000.

*Note ii:*

The amount represents estimated transaction costs in relation to the Proposed Disposal which is directly attributable expenses estimated by the directors of the Company, which included value-added tax and other tax surcharges of approximately RMB5,972,000.

*Note iii:*

The amount represents estimated professional fees of approximately RMB1,000,000 in connection with the Proposed Disposal, which included the legal fee and other professional fees.

*Note iv:*

The directors of the Company estimated land appreciation tax of approximately RMB11,638,000 based on the cost and market benchmark of the Property and related tax rules and regulations.

The actual financial effects of the land appreciation tax may be different from the amount described above and would be subject to change upon the tax finalisation from the PRC tax authority.

3. The following pro forma adjustments have been made to the unaudited pro forma adjusted consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023, assuming the Proposed Disposal had taken place on 1 July 2022 and the relevant lease agreement with existing tenant had been terminated on the same date:

- (a) The adjustment represent the exclusion of operating results of the Property, assuming the Proposed Disposal had taken place on 1 July 2022 and the relevant lease agreement with existing tenant had been terminated on the same date. The operating results directly attributable from the Property are extracted from the unaudited statements of profit or loss as set out in Appendix III to this circular.
- (b) The adjustment represents the estimated loss on the Proposed Disposal. The adjustment is not expected to have a continuing effect on the Group's consolidated statement of profit or loss and other comprehensive income.

Net Consideration	Notes	RMB'000
Consideration of the Proposed Disposal	2(b)(i)	110,000
Transaction costs and related taxes	2(b)(ii)	(5,972)
Professional fees	2(b)(iii)	<u>(1,000)</u>
		103,028
Less: carrying amount of the Property as at 1 July 2022		<u>(178,736)</u>
		<u><u>(75,708)</u></u>

- (c) The adjustment represents the estimated income tax expense, based on the estimated land appreciation tax of RMB11,638,000, as calculated based on the cost and market benchmark of the Property and offsetted by the de-recognition of the corresponding deferred tax liabilities of RMB25,140,000 as at the same date. The adjustment is not expected to have a continuing effect on the Group's consolidated statement of profit or loss and other comprehensive income.

The actual financial effects of the income tax may be different from the amount described above and would be subject to change upon the tax finalisation from the PRC tax authority.

4. No adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 1 July 2022 for the preparation of the Unaudited Pro Forma Financial Information.

**B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

*The following is the text of a report received from WM CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.*

**To the directors of Oriental University City Holdings (H.K.) Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Oriental University City Holdings (H.K.) Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2023, unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages IV-1 to IV-12 in Appendix IV of the circular dated 23 April 2024 (the “**Circular**”) issued by the Company, in connection with the proposed disposal of the property in Langfang (the “**Proposed Disposal**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro forma Financial Information are described in section headed “Introduction” in Section A of Appendix IV to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Proposed Disposal on the Group’s financial position as at 31 December 2023 and the Group’s financial performance for the year ended 30 June 2023 as if the Proposed Disposal had been taken place as at 31 December 2023 and 1 July 2022 respectively. As part of this process, information about the Company’s consolidated financial position and financial performance have been extracted by the directors of the Company from the Company’s financial information for the six months ended 31 December 2023, on which no audit or review report has been published; and the Company’s consolidated financial statements for the year ended 30 June 2023, on which an audit report has been published.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal at 31 December 2023 and 1 July 2022 would have been as presented.



A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

**WM CPA Limited***Certified Public Accountants*

Hong Kong

23 April 2024

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept by the Company pursuant to section 352 of the SFO; or (iii) 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 Shares	Approximate percentage of issued share capital of the Company <sup>(2)</sup>
Mr. Chew <sup>(1)</sup>	Interest in a controlled corporation/Corporate Interest	135,000,000 (L)	75%

#### Notes:

- (1) Details of the interest in the Company held by Mr. Chew, the Chairman and an executive Director, through RE are set out in "3. SUBSTANTIAL SHAREHOLDERS' INTEREST IN SECURITIES" below.
- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at the Latest Practicable Date (i.e. 180,000,000 Shares).

Abbreviation "L" stands for long position.

*(b) Shares in associated corporation of the Company*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of Interest</b>	<b>Number of issued shares held</b>	<b>Approximate percentage of shareholding</b>
Mr. Chew	RE <sup>(1)</sup>	Beneficial owner and interest of spouse/ Personal interest and family interest	504,202,264 (L)	36.39% <sup>(2)</sup>

*Notes:*

- (1) RE is the immediate holding company of the Company.
- (2) Comprised of (a) the 24.05% direct interest of Mr. Chew; (b) the 2.46% interest of Ms. Chung, Mr. Chew's wife; and (c) the 9.88% joint interest of Mr. Chew and Ms. Chung.

Abbreviation "L" stands for long position.

*(c) Debentures in associated corporation of the Company*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interests</b>	<b>Number of convertible bonds held</b>
Mr. Chew	RE <sup>(1)</sup>	Beneficial owner and interest of spouse/ personal interest and family interest	35,030,306 <sup>(2)</sup>

*Notes:*

- (1) RE is the immediate holding company of the Company.
- (2) Comprised of 34,383,487 convertible bonds directly held by Mr. Chew and 646,819 convertible bonds held by Ms. Chung.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS' INTEREST IN SECURITIES

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more or had short position in the Shares and 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 Shares	Approximate percentage of issued share capital of the Company <sup>(2)</sup>
RE <sup>(1)</sup>	Beneficial interest/ Personal interest	135,000,000 (L)	75%
Ms. Chung(1)	Interest of a spouse/ Family Interest	135,000,000 (L)	75%

#### Notes:

- (1) RE is owned as to (a) 24.05% by Mr. Chew, the Chairman and an executive Director; (b) 9.88% jointly by Mr. Chew and Ms. Chung, the wife of Mr. Chew; and (c) 2.46% 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 and the Shares in which Mr. Chew is interested and is 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 the Latest Practicable Date (i.e. 180,000,000 Shares).

Abbreviation "L" stands for long position.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, there was no other person, other than the Directors or chief executive of the Company and (in the case of the other members of the Group) other than the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more or had short position in the Shares and underlying Shares as recorded in the register to be kept under section 336 of the SFO.

#### 4. LITIGATION

Save as disclosed below, as at the Latest Practicable Date, no member of the Group was involved in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

4 Vallees had issued a notice to the lessee of the hotel portion of the Property (“**Hotel Lessee**”), on 11 July 2022, pursuant to the term of the lease agreement dated 21 September 2011 and supplemental agreement dated 28 May 2014 to terminate the lease agreement upon expiry on 19 December 2023.

Subsequently, a legal suit was initiated against 4 Vallees by the Hotel Lessee at the conciliation commission in Sion, Valais, Switzerland on 2 August 2022, to contest the termination of lease agreement, and to extend the lease agreement by 4 more years. The Court has yet to set the date for a potential hearing. Pending outcome of the court’s decision, the lease continues to subsist upon expiry on 19 December 2023.

#### 5. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2023, being the date to which the latest published audited financial statements of the Group were made up.

#### 6. SERVICE CONTRACTS

Mr. Chew has entered into a service contract as the chairman of the Board and an executive Director with the Company for an initial term of three years commencing on 24 December 2014, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Mr. Liu Ying Chun has entered into a service contract as an executive Director with the Company for an initial term of three years commencing on 16 January 2014, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Each of Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw has entered into a letter of appointment with the Company for an initial term of three years commencing on 23 December 2014, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

Mr. Liu Guilin has entered into a letter of appointment with the Company for an initial term of three years commencing on 25 July 2023, which automatically continues thereafter until terminated by either party giving not less than three months’ notice in writing to the other.

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## 7. MATERIAL CONTRACTS

### **Renovation/Refurbishment of two blocks of dormitories in the OUC Campus**

On 16 June 2022, the Company 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 31 December 2023, the Company has paid RMB7.51 million of the contract sum and the remaining balance of RMB2.67 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 has been rented and occupied by an education institution in the FY22/23.

### **Disposal of properties in the OUC Campus**

Reference are made to the announcement, circular and poll results announcement of the Company dated 21 March 2023, 12 May 2023 and 29 May 2023 respectively. On 21 March 2023, the Company entered into a sale and purchase agreement with the Purchaser, pursuant to which the Purchaser agreed to purchase and the Company agreed to dispose of the properties located in OUC Campus at a total consideration of RMB100 million. The disposal was completed in the fourth quarter of FY22/23.

### **Construction of canteen and theatre in the OUC Campus**

On 30 January 2023, the Company 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 31 December 2023, the Company has paid RMB10.48 million of the contract sum and the remaining balance of RMB2.92 million will be paid in instalments in accordance with the agreed terms. The construction work is expected to be completed by the second half of the FY23/24.

### **Acquisition of 4 Vallees**

Reference are made to the announcement and circular of the Company dated 4 July 2023 and 27 December 2023 respectively. On 4 July 2023, the Company entered into a sale and purchase agreement with RE and 4 Vallees for the acquisition of 8,682,164 ordinary shares of 4 Vallees, representing 75.39% of the then issued share capital of 4 Vallees, for a cash consideration of CHF11.479 million. The purchase consideration was adjusted to CHF11.367 million pursuant to the term of the sale and purchase agreement and the acquisition was completed in the third quarter of FY23/24. Since then, 4 Valles has become a wholly-owned subsidiary of the Company.

Save as disclosed above, no member of the Group has entered into any contracts, not being contracts entered into in the ordinary course of business, within the two years immediately preceding the date of this circular, and are or may be material.

## 8. EXPERT AND CONSENT

The following expert has been named in this circular or has given opinion or advice which are contained in this circular.

<b>Name</b>	<b>Qualification</b>
WM CPA Limited	Certified Public Accountants
Cushman & Wakefield Limited	Independent property valuer

As at the Latest Practicable Date, each of the above experts:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report (as the case may be) and references to its names, in the form and context in which they respectively appear;
- (b) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives, which carry voting rights in any member of the Group; or
- (c) did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 30 June 2023), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 9. COMPETING BUSINESS

RE, the controlling shareholder 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 31 December 2014 (the "**Prospectus**")).

On 22 December 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.

RE has made an annual written declaration as to the compliance with the non-competition undertakings in the Deed of Non-Compete (the "**Undertakings**"). The INEDs reviewed the same as part of the annual review process for FY22/23 and noted that: (a) RE declared that it had fully complied with the Undertakings for the FY22/23; (b) no new competing business was reported by RE

during the FY22/23; and (c) there was no particular situation rendering the full compliance of the Undertakings being questionable. In view of the above, the INEDs confirmed that all of the Undertakings were complied with by RE for the FY22/23.

Save as disclosed herein, the Directors have confirmed that, since the date to which the latest published audited financial statements of the Company were made up (i.e. 30 June 2023), none of the Directors, controlling shareholders or substantial shareholders of the Company, directors of the Company's subsidiaries or any of their respective close associates has interest in any business (other than the Group) which, directly or indirectly, competed or might compete with the Group's business.

#### **10. DIRECTORS' INTERESTS**

As at the Latest Practicable Date, save as disclosed herein, there had been no transactions, arrangements and contracts of significance since 30 June 2023 (being the date to which the latest published audited financial statements of the Group were made up) in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director or his or her connected entities had a material interest, whether directly or indirectly.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had since 30 June 2023 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

#### **11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.oriental-university-city.com](http://www.oriental-university-city.com)) for a period of 14 days from the date of this circular:

- (a) the Agreement;
- (b) the valuation report from Cushman & Wakefield Limited, the text of which is set out in Appendix I to this circular;
- (c) the assurance report from the Reporting Accountants on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix IV to this circular;
- (d) the letters of consent from the experts referred to in paragraph 8 in this appendix; and
- (e) this circular.



**12. MISCELLANEOUS**

- (a) The registered office of the Company is situated at 31st Floor, 148 Electric Road, North Point, Hong Kong.
- (b) The principal place of business of the Company in the PRC Levels 1 and 2, 100 Zhangheng Road, Oriental University City, Langfang Economic & Technological Development Zone, Hebei Province, the PRC 065001.
- (c) The share registrar and transfer office of the Company is Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong.
- (d) The secretary of the Company is Ms. Tung Wing Yee Winnie.

**Ms. Tung Wing Yee Winnie**

Ms. Tung Wing Yee Winnie (董穎怡) was appointed as the company secretary of the Company on 22 January 2021. She is a fellow member of The Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of the CPA Australia.

- (e) The compliance officer of the Company is Mr. Liu Ying Chun, who is also an executive Director.

**Mr. Liu Ying Chun**

Mr. Liu Ying Chun (劉迎春) is registered as a valuer with the China Appraisal Society\* (中國資產評估協會). He is a qualified auditor accredited by the National Audit Office of the PRC\* (中國審計署), and is also an engineer in the PRC.

- (e) The compliance officer of the Company is Mr. Liu Ying Chun, who is also an executive Director.
- (f) The Company established the Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review, in draft form, the Company's annual report and accounts, half-year report, quarterly report and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process, risk management and internal control of the Group. The Audit Committee comprises Mr. Tan Yeow Hiang, Kenneth (Chairman), Mr. Wilson Teh Boon Piau and Mr. Liu Guilin, all of whom are INEDs. Further details of them are as follows:

**Mr. Tan Yeow Hiang, Kenneth (Chairman of the Audit Committee)**

Mr. Tan Yeow Hiang, Kenneth (陳耀鄉), aged 57, was appointed as an INED on 23 December 2014. He is also the chairman of the Risk Management Committee and a member of the Remuneration Committee.

Mr. Tan is currently an executive director of Quintegra Ventures Inc., an investment holding company. He worked at United Overseas Bank Limited in Singapore from September 2008 to May 2015 as its managing director heading various businesses such as the bank's corporate banking franchise in its overseas branches and its overseas financial institutions group.

Mr. Tan previously worked at the Singapore Economic Development Board (the "EDB") from October 2001 to September 2008, during which period he worked as director of the Services Cluster from 2003 to 2006, and subsequently as the assistant managing director of EDB from December 2007 to September 2008. As director of the Services Cluster, Mr. Tan had worked on a number of EDB's education related projects such as the German Institute of Science and Technology, Singapore – MIT alliance and the Institute of Environmental Sciences and Engineering (Pte) Ltd.

Prior to working at EDB, Mr. Tan worked as a banker with a commercial bank in Singapore from February 1999 to April 2001 where his focus areas were in private equity and corporate development. Mr. Tan also served in the Singapore Armed Forces from December 1985 to February 1999.

Mr. Tan obtained a master's degree in business administration from the National University of Singapore in August 1995, and a Bachelor of Arts in philosophy, politics and economics from the University of Oxford in June 1989. He was awarded the Singapore Armed Forces Overseas Training Award by the Government of Singapore in 1986.

#### **Mr. Wilson Teh Boon Piaw**

Mr. Wilson Teh Boon Piaw (鄭文鏢), aged 69, was appointed as an INED on 23 December 2014. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and the Risk Management Committee.

Mr. Teh has been acting as the chief executive officer and chairman of Chef At Work Pte. Ltd. in Singapore as from 1 October 2015. Chef At Work is a one-stop food and beverage solutions provider with inter-disciplinary expertise. Mr. Teh served as the chairman and chief executive director of TMX International Limited, a new startup company and distributor of kitchen appliances from May 2013 until November 2014. From August 2007 to October 2012, Mr. Teh served as director of Huhu Studio Ltd., a computer animation studio based in New Zealand, and had served as a director of its investment holding company, Huhu Holdings Pte Ltd., from July 2007 to December 2021.

Mr. Teh previously worked at JOST World Group, a manufacturer of components for commercial vehicles, from May 1991 to September 2009, where he served as managing director of JOST Far East Pte Ltd. from May 1991 to September 2008 and was responsible for developing markets and for all sales matters in the Southeast Asia, Taiwan and Hong Kong, as well as setting up a regional logistic hub in Singapore. He served as president, Asia of JOST Asia (Shanghai) Auto Component Co. Ltd. from September 2001 to September 2008 and subsequently as consultant from October 2008 to September 2009, where he led and managed three companies in Asia, and developed and executed their strategy and long term business plan.

Mr. Teh obtained a master's degree in business administration from the University of Dubuque in Iowa, the United States of America in January 1996, a diploma in management study from the Singapore Institute of Management in Singapore in March 1992, and a diploma in shipbuilding and repair technology from Ngee Ann Technical College (now known as Ngee Ann Polytechnic) in Singapore in association with The Polytechnic of Central London in the UK in July 1980.

**Mr. Liu Guilin**

Mr. Liu Guilin (劉桂林), aged 44, was appointed as an INED on 25 July 2023. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

Mr. Liu has extensive experience in financial management, enterprise tax planning and industrial park operation. From 2004 to 2017, Mr. Liu was the chief financial officer of Langsen Automotive Industrial Park Development Co., Ltd\* (the “**Langsen Group**”, 朗森汽車產業園開發有限公司) and was mainly responsible for the investment and financing business of the Langsen Group. He has also involved in certain corporate transactions of the Langsen Group, among others, participated in the establishment of Beijing Life Insurance Limited\* (北京人壽保險股份有限公司), acquisitions of Tianjin Yuhanyao Graphene Store Energy Material Technology Co., Ltd\* (天津玉漢堯石墨烯儲能材料股份有限公司) and Langfang Xinhe Software Investment Co. Limited\* (the “**Xinhe Software**”, 廊坊信和軟體投資有限公司). From 2017 to 2018, Mr. Liu served as the general manager and an executive director of Xinhe Software which was mainly engaged in the operation and development of high-tech industrial park, and Mr. Liu was responsible for the development of the education technology sector of the industrial park. Since 2018, Mr. Liu serves as an executive director of Langfang Yuhe Park Construction Co., Ltd.\* (the “**Yuhe Park**”, 廊坊裕和園區建設有限公司) which mainly engages in the development of high-tech incubation business. Mr. Liu is responsible for the development and operation of the incubation park.

Mr. Liu graduated from Hebei University of Economics and Business (河北經貿大學) in 2001 with a diploma of accounting and has been conferred as a qualified accountant by Ministry of Finance of the PRC since 2005.

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## NOTICE OF EGM

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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)**

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “EGM”) of Oriental University City Holdings (H.K.) Limited (the “Company”) will be held at Conference Room, Level 2, 100 Zhangheng Road, Oriental University City, Langfang Economic and Technological Development Zone, Langfang City, Hebei Province, the People’s Republic of China (the “PRC”) 065001 on Tuesday, 14 May 2024 at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

Words and expressions that are not expressly defined in this notice shall bear the same meaning as that defined in the circular dated 23 April 2024 of the Company relating to the Disposal.

1. **“THAT:**

- (i) the sale and purchase agreement dated 15 March 2024 entered into between Langfang Development Zone Oriental University City Education Consulting Co., Ltd.\* (廊坊開發區東方大學城教育諮詢有限公司) as vendor and Hebei Oriental College\* (河北東方學院) as purchaser relating to the sale and purchase of the property which consists of the land use right in relation to 4 plots of land located in Oriental University City, Langfang Development Zone, Hebei, the PRC with an estimated aggregate land area of approximate 67,574 sq.m. and an aggregate construction area of approximately 52,618 sq.m. as well as the buildings and ancillary facilities erected thereon (the “Agreement”) be and are hereby ratified, confirmed and approved; and

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## NOTICE OF EGM

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- (ii) the directors of the Company be and are hereby authorised for and on behalf of the Company to sign, execute, perfect, perform and deliver all such other agreements, instruments, deeds and documents and do all such acts or things and take all such steps as they may in their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement or give effect to or otherwise in connection with or incidental to the Agreement referred to in paragraph (i) above and all the transactions contemplated thereunder and to agree to such variations, amendments or waivers as are, in the opinion of the directors of the Company, in the interests of the Company and its shareholders.”

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

Hong Kong, 23 April 2024

*Registered office:*

31st Floor  
148 Electric Road  
North Point  
Hong Kong

*Head Office and Principal Place of Business in the PRC:*

Levels 1 and 2  
100 Zhangheng Road  
Oriental University City  
Langfang Economic and Technological Development Zone  
Hebei Province  
The PRC 065001

*Notes:*

1. Any member of the Company (the “**Member**” or “**Shareholder**”) entitled to attend and vote at the EGM or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provision of the articles of association of the Company. A proxy need not be a Member but must be present in person at the EGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of shares of the Company in respect of which such proxy is so appointed.
2. In order to be valid, the duly completed and signed form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event, not later than 48 hours before the time appointed for holding the EGM or its adjourned meeting (as the case may be) (excluding any public holiday in Hong Kong). Completion and return of a form of proxy will not preclude a Member from attending and voting in person at the EGM or its adjourned meeting should he/she so wish. In such event, the form of proxy shall be deemed to be revoked.
3. For determining the entitlement of the Shareholders to attend and vote at the EGM, the register of Members will be closed from Thursday, 9 May 2024 to Tuesday, 14 May 2024 (both days inclusive), during which period no transfer of Shares will be registered. To qualify for attending the EGM, the non-registered Shareholders must lodge all transfer documents, accompanied by the relevant share certificates with the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 8 May 2024.

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## NOTICE OF EGM

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4. In compliance with Rule 17.47(4) of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited, voting on all proposed resolutions set out in this notice will be decided by way of a poll except where the chairman of the EGM (the “**Chairman**”), in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

*As at the date of this notice, the executive Directors are Mr. Chew Hua Seng (Chairman) and Mr. Liu Ying Chun (Chief Executive Officer); the independent non-executive Directors are Mr. Tan Yeow Hiang, Kenneth, Mr. Wilson Teh Boon Piaw and Mr. Liu Guilin.*

*This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 notice 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 notice misleading.*

*This notice will remain on the website of the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its publication. This notice 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).*