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

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

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

ANNUAL RESULTS

The board of Directors (the “**Board**”) presents the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended June 30, 2024 (the “**FY2023/24**” or the “**Reporting Period**”) together with the comparative audited figures for the year ended June 30, 2023 (the “**FY2022/23**”), as follows:

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

FOR THE YEAR ENDED JUNE 30, 2024

	Notes	FY2023/24 RMB'000	FY2022/23 RMB'000	Change +/(-) %
Revenue	3.4 & 4.1	55,969	61,680	(9.3)
Employee costs	4.2	(5,455)	(4,923)	10.8
Depreciation of property, plant and equipment		(379)	(372)	1.9
Business taxes and surcharges		(945)	(920)	2.7
Property taxes and land use taxes	4.3	(10,503)	(12,145)	(13.5)
Property management fees	4.4	(3,087)	(4,598)	(32.9)
Repairs and maintenance fees		(1,331)	(1,379)	(3.5)
Legal and consulting fees	4.5	(5,839)	(2,413)	(142.0)
Impairment loss on trade receivables		(590)	—	NM
Other income, other gains/(losses), net	3.5 & 4.6	5,313	(13,648)	NM
Other expenses		(3,325)	(3,347)	(0.7)
Share of results of associates	4.7	(3,130)	(2,846)	10.0
Operating profit before impairment and fair value changes		26,698	15,089	76.9
Reversal of impairment loss on an associate		—	2,652	NM
Fair value losses on investment properties	4.8	(93,813)	(16,838)	457.2
Operating (loss)/profit		(67,115)	903	NM
Interest expenses on bank borrowings	4.9	(16,428)	(14,905)	10.2
Interest income		15	78	(80.8)

	<i>Notes</i>	FY2023/24 RMB'000	FY2022/23 RMB'000	Change + / (-) %
Loss before income tax	3.6	(83,528)	(13,924)	499.9
Income tax:				
<i>Current tax</i>	3.7 & 4.10	(4,856)	(12,619)	(61.5)
<i>Deferred tax</i>	3.7 & 4.11	13,808	3,164	336.4
Loss for the year	4.12	<u>(74,576)</u>	<u>(23,379)</u>	<u>219.0</u>
EBITDA	4.13	<u>27,092</u>	<u>18,191</u>	<u>48.9</u>
Other comprehensive income				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences from translation of foreign operations		(3,650)	115	NM
Share of other comprehensive income of associates		(665)	8,965	NM
Release of exchange reserve upon deemed disposal of an associate		<u>(9,048)</u>	<u>—</u>	<u>NM</u>
Other comprehensive income for the year		<u>(13,363)</u>	<u>9,080</u>	<u>NM</u>
Total comprehensive income for the year		<u>(87,939)</u>	<u>(14,299)</u>	<u>515.0</u>

		FY2023/24	FY2022/23	Change
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>+ / (-) %</i>
Loss attributable to				
— Owners of the Company		(73,861)	(23,017)	220.9
— Non-controlling interests		(715)	(362)	97.5
		<u>(74,576)</u>	<u>(23,379)</u>	<u>219.0</u>
Total comprehensive income				
attributable to				
— Owners of the Company		(87,224)	(13,937)	525.8
— Non-controlling interests		(715)	(362)	97.5
		<u>(87,939)</u>	<u>(14,299)</u>	<u>515.0</u>
Loss per share for loss attributable				
to the owners of the Company				
during the year				
— Basic (<i>RMB per share</i>)	3.8	<u>(0.41)</u>	<u>(0.13)</u>	<u>215.4</u>
— Diluted (<i>RMB per share</i>)	3.8	<u>(0.41)</u>	<u>(0.13)</u>	<u>215.4</u>

Abbreviations:

NM Not meaningful

EBITDA Earnings before interest expenses, tax, depreciation and amortization

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	<i>Notes</i>	As at June 30, 2024 <i>RMB'000</i>	As at June 30, 2023 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		4,388	4,707
Investment properties	<i>3.9</i>	1,533,592	1,458,878
Interests in associates	<i>3.10</i>	12,160	46,643
Other receivables	<i>3.12</i>	1,595	—
Prepayments	<i>3.11</i>	37,471	72,336
Pledged bank deposit	<i>9</i>	7,973	—
Total non-current assets		<u>1,597,179</u>	<u>1,582,564</u>
Current assets			
Trade and other receivables	<i>3.12</i>	23,950	12,004
Amount due from an associate		—	33,406
Tax recoverable		—	31
Cash and cash equivalents	<i>4.16</i>	69,664	63,752
		93,614	109,193
Assets classified as held for sale		<u>110,000</u>	<u>—</u>
Total current assets		<u>203,614</u>	<u>109,193</u>
Current liabilities			
Trade and other payables and accruals	<i>3.13</i>	129,032	12,335
Advances from customers		6,102	6,054
Bank borrowings, secured	<i>3.14</i>	71,135	68,323
Current tax liabilities		4,241	2,314
Total current liabilities		<u>210,510</u>	<u>89,026</u>
Net current (liabilities)/assets	<i>4.14</i>	<u>(6,896)</u>	<u>20,167</u>
Total assets less current liabilities		<u>1,590,283</u>	<u>1,602,731</u>

		As at June 30, 2024	As at June 30, 2023
	<i>Notes</i>	RMB'000	RMB'000
Non-current liabilities			
Amount due to RE Group	3.13	52,574	—
Bank borrowings, secured	3.14	219,138	193,142
Deferred tax liabilities		173,064	176,143
		<u>444,776</u>	<u>369,285</u>
Total non-current liabilities		444,776	369,285
NET ASSETS		1,145,507	1,233,446
Capital and reserves attributable to owners of the Company			
Share capital		290,136	290,136
Reserves		845,472	932,696
		<u>1,135,608</u>	1,222,832
Non-controlling interests		9,899	10,614
		<u>1,145,507</u>	1,233,446
TOTAL EQUITY		1,145,507	1,233,446

3. NOTES TO THE CONDENSED CONSOLIDATED RESULTS

3.1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its ordinary shares (the “**Shares**”) in issue have been listed on GEM since January 16, 2015. The address of the Company’s registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong and the principal place of business is Levels 1 and 2, No. 100 Zhangheng Road, Oriental University City, Langfang Economic and Technological Development Zone, Hebei Province, the People’s Republic of China (the “**PRC**”). The Company acts as an investment holding company and its subsidiaries are primarily engaged in the provision of education facilities leasing services in the PRC, Malaysia and the Republic of Indonesia (“**Indonesia**”). In addition, the Group is engaged in leasing and managing of hotel properties in Switzerland.

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

3.2 BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement and going concern basis

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and assets classified as held for sale, which are measured at fair values as explained in the accounting policies set out in the notes to the consolidated financial statements.

During the FY2023/24, the Group incurred a loss of RMB74,576,000 which is included fair value losses on investment properties of RMB93,813,000; and at the end of the Reporting Period, the Group had net current liabilities of RMB6,896,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and the Directors have assessed the situation and taken the following measures to improve the financial position and liquidity of the Group:

- (a) The current liabilities included (i) the deposits received from the purchaser of property held for sale of RMB110,000,000. The Directors considered that the completion of the disposal of property will be completed in the first quarter of the financial year ending June 30, 2025; and (ii) advances from customers of RMB6,102,000, which will be recognised as revenue with the passage of time in accordance with the terms of the rental agreements.
- (b) Subsequent to the Reporting Period, the Group obtained a new bank loan of RMB16,644,000, this bank loan will be repaid by 60 monthly instalments till August 2029.

The Directors are of the opinion that as a result of the above considerations, the Group will have sufficient working capital to meet its cash flows requirements in the next twelve months from the end of the Reporting Period. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

(c) **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured in the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company.

3.3 ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs — effective July 1, 2023

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
HKFRS 17	Insurance Contracts

Except for the below, the application of the new and amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Disclosure of Accounting Policies — Amendments to HKAS 1 and HKFRS Practice Statement 2

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s consolidated financial statements.

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

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

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) (“ 2022 Amendments ”) ^{1,3}
Amendments to HKAS 1	Non-current Liabilities with Covenants (“ 2022 Amendments ”) ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 18	Presentation and Disclosure in Financial Statements ⁶
HKFRS 19	Subsidiaries without Public Accountability Disclosures ⁶
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ⁵

¹ *Effective for annual periods beginning on or after January 1, 2024*

² *Effective for annual periods beginning on or after January 1, 2025*

³ *As a consequence of the 2020 Amendments and 2022 Amendments, HK Int 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion*

⁴ *No mandatory effective date yet determined but available for adoption*

⁵ *Effective for annual periods beginning on or after January 1, 2026*

⁶ *Effective for annual periods beginning on or after January 1, 2027*

The Directors are currently assessing the impact of the application of HKFRS 18 and HKFRS 19 on the Group's consolidated financial statements. Save for these new standards, the Directors do not anticipate that the other application of the amendments and revision in the future will have an impact on the consolidated financial statements.

3.4 REVENUE AND SEGMENT INFORMATION

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

Management regularly reviews the operating results from a service category perspective. During the FY2023/24, the Group commenced the business engaging in hotel leasing in Switzerland along with the acquisition of 75.39% of the equity interest in 4 Vallees Pte Ltd. (“**4 Vallees**”) and it is considered as a new operating and reportable segment by the CODM. The Group currently has two reportable segments: (i) education facilities leasing services in the PRC, Malaysia and Indonesia, and (ii) leasing and managing of hotel properties in Switzerland. Prior year segment disclosures have been represented to conform with the current year’s presentation.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar transaction.

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

	FY2023/24	FY2022/23	Change
	RMB’000	RMB’000	+ / (-) %
Revenue arising from leases within scope of HKFRS 16:			
Education facilities leasing	49,293	58,154	(15.2)
Commercial leasing for supporting facilities	2,779	3,526	(21.2)
	52,072	61,680	(15.6)
Hotel properties			
— Fixed lease payments	2,940	—	NM
— Variable lease payments that do not depend on an index or a rate	957	—	NM
	3,897	—	NM
	55,969	61,680	(9.3)

NM Not meaningful

An analysis of profit or loss by category for the years is as follows:

For the year ended June 30, 2024

	Education facilities leasing service RMB'000	Hotel leasing RMB'000	Unallocated RMB'000	Total RMB'000
Revenue from external customers	52,072	3,897	–	55,969
Interest income	14	–	1	15
Fair value losses on investment properties	(90,646)	(3,167)	–	(93,813)
Interest expenses on bank borrowings	(15,536)	(892)	–	(16,428)
Employee costs	(4,185)	(736)	(534)	(5,455)
Depreciation of property, plant and equipment	(379)	–	–	(379)
Business taxes and surcharges	(442)	(503)	–	(945)
Property taxes and land use taxes	(10,242)	(261)	–	(10,503)
Property management fees	(2,880)	(207)	–	(3,087)
Repairs and maintenance fees	(1,216)	(115)	–	(1,331)
Legal and consulting fees	(4,088)	(850)	(901)	(5,839)
Impairment loss on trade receivables	(590)	–	–	(590)
Other income, other gains/ (losses), net	2,634	2,679	–	5,313
Other expenses	(2,447)	(185)	(693)	(3,325)
Share of results of associates	–	–	(3,130)	(3,130)
Loss before income tax	<u>(77,931)</u>	<u>(340)</u>	<u>(5,257)</u>	<u>(83,528)</u>
		Education facilities leasing service RMB'000	Hotel leasing RMB'000	Total RMB'000
Other information:				
Additions to property, plant and equipment		104	–	104
Additions to investment properties		8,342	–	8,342
Segment assets		1,499,852	288,504	1,788,356
Segment liabilities		<u>(484,297)</u>	<u>(170,103)</u>	<u>(654,400)</u>

For the year ended June 30, 2023 (Represented)

	Education facilities leasing service <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	61,680	–	61,680
Interest income	76	2	78
Fair value losses on investment properties	(16,838)	–	(16,838)
Interest expenses on bank borrowings	(14,905)	–	(14,905)
Employee costs	(4,408)	(515)	(4,923)
Depreciation of property, plant and equipment	(372)	–	(372)
Business taxes and surcharges	(920)	–	(920)
Property taxes and land use taxes	(12,145)	–	(12,145)
Property management fees	(4,598)	–	(4,598)
Repairs and maintenance fees	(1,379)	–	(1,379)
Legal and consulting fees	(1,613)	(800)	(2,413)
Other income, other (losses)/gains, net	(17,268)	3,620	(13,648)
Other expenses	(3,347)	–	(3,347)
Share of results of associates	–	(2,846)	(2,846)
Reversal of impairment loss on an associate	–	2,652	2,652
	<u> </u>	<u> </u>	<u> </u>
Loss before income tax	<u>(16,037)</u>	<u>2,113</u>	<u>(13,924)</u>
			Education facilities leasing service <i>RMB'000</i>
Other information:			
Additions to property, plant and equipment			263
Additions to investment properties			17,197
Segment assets			1,611,064
Segment liabilities			<u>(456,067)</u>

Reconciliations of reportable segment assets and liabilities to the total assets and total liabilities in the consolidated statement of financial position.

	As at June 30, 2024 <i>RMB'000</i>	As at June 30, 2023 <i>RMB'000</i> (Represented)
Assets		
Total assets for reportable segments	1,788,356	1,611,064
Investments in associates	12,160	46,643
Unallocated assets	277	34,050
	<hr/>	<hr/>
Consolidated total assets	<u>1,800,793</u>	<u>1,691,757</u>
Liabilities		
Total liabilities for reportable segments	(654,400)	(456,067)
Unallocated liabilities	(886)	(2,244)
	<hr/>	<hr/>
Consolidated total liabilities	<u>(655,286)</u>	<u>(458,311)</u>

Information about geographical areas

An analysis of revenue by geographical locations for the years is as follows:

	FY2023/24	FY2022/23	Change
	RMB'000	RMB'000	+ / (-) %
Revenue within scope of HKFRS 16:			
The PRC	46,519	55,277	(15.9)
Non-PRC (Malaysia, Indonesia and Switzerland)	9,450	6,403	47.6
	55,969	61,680	(9.3)

An analysis of non-current assets by geographical locations as at June 30, 2024 and 2023 is as follows:

	As at	As at
	June 30,	June 30,
	2024	2023
	RMB'000	RMB'000
The PRC	1,158,000	1,386,950
Switzerland	283,055	–
Southeast Asia (Malaysia and Indonesia)	115,534	122,027
Others	40,590	73,587
	1,597,179	1,582,564

Information about major customers

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

Revenue	FY2023/24	FY2022/23	Change
	RMB'000	RMB'000	+ / (-) %
College A	17,521	17,778	(1.4)
College B	10,631	10,067	5.6
College C	N/A	6,775	NM
College D	N/A	6,487	NM
RE Group	N/A	6,403	NM

N/A Not applicable as the corresponding revenue did not contribute more than 10% of the total revenue of the Group for the year.

NM Not meaningful

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

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

	FY2023/24	FY2022/23	Change
	RMB'000	RMB'000	+ / (-) %
Net foreign exchange gains	2,672	3,620	(26.2)
Gain from a bargain purchase	2,352	—	NM
Loss on disposal of investment properties	—	(18,234)	NM
Others	289	566	(48.9)
Government grants ^(Note)	—	400	NM
	<u>5,313</u>	<u>(13,648)</u>	<u>NM</u>

*Note: For the FY2022/23, government grants had been received from Langfang Economics and Technological Development Zone Management Committee (“廊坊經濟技術開發區管理委員會”) (English name is for identification purpose only) in relation to the outstanding performance of the Group’s entity located in the PRC (the “**PRC Subsidiary**”). There were no unfulfilled conditions or contingencies relating to these grants.*

NM Not meaningful

3.6 LOSS BEFORE INCOME TAX

This is arrived at after charging:

	FY2023/24	FY2022/23	Change
	RMB'000	RMB'000	+ / (-) %
Auditor’s remuneration	901	1,200	(24.9)
Direct operating expenses arising from investment properties that generated rental income during the year	14,289	12,368	15.5
Direct operating expenses arising from investment properties that did not generate rental income during the year	<u>6,498</u>	<u>8,136</u>	<u>(20.1)</u>

3.7 INCOME TAX

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

	FY2023/24	FY2022/23	Change
	RMB'000	RMB'000	+ / (-) %
Current tax			
— PRC corporate income tax	394	2,239	(82.4)
— Others	275	238	15.5
— Withholding income tax on dividend income	884	—	NM
— Land appreciation tax	—	10,142	NM
	1,553	12,619	(87.7)
Under provision in respect of prior years	3,303	—	NM
	4,856	12,619	(61.5)
Deferred tax	(13,808)	(3,164)	336.4
Income tax	(8,952)	9,455	NM

NM Not meaningful

PRC corporate income tax

The corporate income tax rate applicable to the PRC Subsidiary is 25% pursuant to the Corporate Income Tax Law of the PRC (the “**PRC CIT Law**”).

PRC land appreciation tax

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

PRC withholding income tax

According to the PRC CIT Law, starting from January 1, 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC Subsidiaries declare dividend out of profits earned after January 1, 2008. A lower withholding tax rate of 5% may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil requirements under the tax treaty arrangements between the PRC and Hong Kong.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Group did not have assessable profit in Hong Kong during the FY2023/24 and FY2022/23.

Others

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Deferred tax

Deferred tax credited for the year mainly from the derecognition of deferred tax liabilities arising from disposal of investment properties.

3.8 LOSS PER SHARE

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

	FY2023/24	FY2022/23
Loss attributable to owners of the Company (<i>RMB'000</i>)	<u>(73,861)</u>	<u>(23,017)</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>180,000</u>	<u>180,000</u>
Basic loss per share (<i>RMB per share</i>)	<u>(0.41)</u>	<u>(0.13)</u>
Diluted loss per share (<i>RMB per share</i>)	<u>(0.41)</u>	<u>(0.13)</u>

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company did not have any potential ordinary shares outstanding during the years ended June 30, 2024 and 2023. Diluted loss per share is equal to basic loss per share.

3.9 INVESTMENT PROPERTIES

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

Fair value	FY2023/24 RMB'000	FY2022/23 RMB'000
At beginning of year	1,458,878	1,563,593
Additions	8,342	17,197
Acquisition of a subsidiary	284,938	—
Disposal	—	(111,960)
Reclassified to assets held for sale	(110,000)	—
Exchange realignment	(14,753)	6,886
Change in fair value	(93,813)	(16,838)
At end of year	<u>1,533,592</u>	<u>1,458,878</u>

Independent valuations of the Group's investment properties were performed by external independent firms of professionally qualified valuers, to determine the fair value of the Group's investment properties, adopting a valuation method using significant unobservable inputs (Level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the FY2023/24 and FY2022/23.

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

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

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

Valuation techniques

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

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

Market comparison method refers to the comparable market transactions as available. The market comparison method is based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.

3.10 INTERESTS IN ASSOCIATES

	As at June 30, 2024 RMB'000	As at June 30, 2023 RMB'000
Share of net assets other than goodwill	9,508	43,991
Goodwill	2,652	2,652
Share of net assets	<u>12,160</u>	<u>46,643</u>

On July 4, 2023, the Company, as the purchaser and RE, as the seller entered into the sales and purchase agreement pursuant to which the Company has conditionally agreed to acquire, and RE has conditionally agreed to sell 75.39% of the issued share capital of 4 Vallees, the then associate of the Company, at the initial consideration of Swiss Franc (“CHF”) 11,479,000, subject to adjustment (the “**4Vallees Acquisition**”). The 4Vallees Acquisition was completed in the third quarter of FY2023/24 and the final consideration was adjusted to CHF11,366,623 (equivalent to approximately RMB93,337,000). After completion of the 4Vallees Acquisition, 4 Vallees became a wholly-owned subsidiary of the Company. The principal activities of 4 Vallees are leasing and managing of hotel properties in Switzerland.

3.11 PREPAYMENTS

As at June 30, 2024, included in the balances were: —

- (i) progressive payments of RMB28,430,000 (At June 30, 2023: RMB26,943,000) made in accordance with the construction progress stage of investment properties in Mongolia, of a total purchase consideration of RMB32,712,000; and
- (ii) progressive payments of RMB9,041,000 (At June 30, 2023: RMB45,393,000) made for various refurbishment and construction works of investment properties in the Oriental University City campus in Langfang City, the PRC (the “OUC Campus”), of total contract sums of RMB94,354,000. Subsequent to the Reporting Period, the Group and the construction company, which is responsible for one of the refurbishment and construction works of investment properties in Langfang, mutually agreed for the refund of the prepayment made for refurbishment and construction works of RMB8,706,000 (2023: prepayment of RMB44,454,000 was refunded after FY2023 reporting date) by the construction company to the Group.

3.12 TRADE AND OTHER RECEIVABLES

	As at June 30, 2024 RMB'000	As at June 30, 2023 RMB'000
Trade receivables	17,687	7,689
Other receivables and prepayments ^(Note)	4,692	624
Other tax recoverable	3,166	3,691
	<u>25,545</u>	<u>12,004</u>

Note: Included in the balance as at June 30, 2024 were

- (i) amount due from an associate of RMB65,000 (At June 30, 2023: RMB66,000); and
- (ii) amount due from RE Group of RMB2,300,000 (At June 30, 2023: Nil), which was unsecured, interest-free, repayable on demand and non-trade in nature.

Analysis of trade and others receivables for reporting purpose:

	As at June 30, 2024 RMB'000	As at June 30, 2023 RMB'000
Current	23,950	12,004
Non-current	1,595	—
	<u>25,545</u>	<u>12,004</u>

The carrying amounts of the Group's trade and other receivables approximated their fair values.

The majority of the Group’s revenue is required to be paid in advance. Revenue from education facilities leasing and commercial leasing for supporting facilities is settled by instalments in accordance with the payment schedules specified in the agreements. Generally, the Education Institutions (hereinafter collectively referred to “colleges, education institutions, training centres and educational corporate entities”) are required to pay the majority of the annual rent before the end of October of each year, with the remaining payable by the end of the same calendar year. In relation to commercial leasing for support facilities, most of the Group’s tenants are required to pay the annual rent in advance unless stated otherwise in their respective tenancy agreements. In relation to hotel property leasing, the fixed portion of the rent is required to be paid annually in advance by the end of December of each year, whereas the variable portion of the rent is required to be paid no later than the end of June. The aging analysis of trade receivables (net of impairment) by the contract terms is as follows:

	As at June 30, 2024 RMB’000	As at June 30, 2023 RMB’000
Within 3 months	13,821	5,499
Over 3 months to 6 months	3,469	1,282
Over 6 months to 12 months	367	—
Over 1 year	30	908
	<u>17,687</u>	<u>7,689</u>

3.13 TRADE AND OTHER PAYABLES AND ACCRUALS

	<i>Notes</i>	As at June 30, 2024 RMB’000	As at June 30, 2023 RMB’000
Trade payables		3,064	2,641
Other payables and accruals	<i>(i)</i>	15,968	9,694
Deposit received	<i>(ii)</i>	110,000	—
Amount due to RE Group	<i>(iii)</i>	52,574	—
		<u>181,606</u>	<u>12,335</u>

- Notes: (i) included in other payables and accruals as at June 30, 2024 were rental deposits received from customers and RE Group of RMB3,967,000 and RMB636,000 respectively (2023: RMB4,107,000 and RMB648,000, respectively) and other tax payable of RMB4,517,000 (2023: RMB1,842,000);
- (ii) deposit received from an independent purchaser of RMB110,000,000 in relation to the disposal of certain investment properties (2023: Nil); and
- (iii) amount due to RE Group of RMB52,574,000 (2023: Nil), which was unsecured, interest-free, with repayment term not payable before July 1, 2025 and non-trade in nature.

Reconciliation of trade payables and other payables and accruals:

	As at June 30, 2024 RMB'000	As at June 30, 2023 RMB'000
Current	129,032	12,335
Non-current	52,574	—
	<u>181,606</u>	<u>12,335</u>

Trade payables are generated by the daily maintenance costs for the investment properties. The aging analysis of the trade payables based on invoice date is as follows:

	As at June 30, 2024 RMB'000	As at June 30, 2023 RMB'000
Within 3 months	481	829
Over 3 months to 6 months	334	880
Over 6 months to 12 months	1,331	—
Over 1 year	918	932
	<u>3,064</u>	<u>2,641</u>

3.14 BANK BORROWINGS, SECURED

	As at June 30, 2024 RMB'000	As at June 30, 2023 RMB'000
Bank borrowings due for repayment:		
— Within one year ^(Note)	<u>71,135</u>	<u>68,323</u>
— After one year but within two years	73,923	60,615
— After two years but within five years	53,453	91,416
— After five years	<u>91,762</u>	<u>41,111</u>
	<u>219,138</u>	<u>193,142</u>
Total	<u><u>290,273</u></u>	<u><u>261,465</u></u>

Note: Included in the balance as at June 30, 2024 were nil bank overdraft (At June 30, 2023: RMB1,540,000) and term loans amounting to RMB71,135,000 (At June 30, 2023: 66,783,000).

Bank borrowings are interest-bearing at fixed and floating rates. The interest rates of the Group's bank borrowings as at June 30, 2024 ranged from 3.04% to 8.95% (At June 30, 2023: 4.48% to 8.55%) per annum. As at June 30, 2024, the bank borrowings were secured by certain investment properties of the Group amounted to RMB1,109,543,000 (At June 30, 2023: RMB863,298,000), corporate guarantee of the Company, non-controlling shareholder of PRC subsidiary and ultimate parent company, respectively, and the share capital of a PRC subsidiary.

3.15 DIVIDENDS

The Board has resolved not to recommend the payment of any final dividend for the FY2023/24 (FY2022/23: Nil).

4. FINANCIAL REVIEW FOR THE YEAR ENDED JUNE 30, 2024

4.1 Revenue

Revenue decreased by 9.3% to RMB55.97 million from RMB61.68 million for the FY2022/23, mainly due to reduced leasing caused by non-renewal of lease by a few Education Institutions and commercial tenants in the OUC Campus, which were affected by the economy slowdown.

4.2 Employee costs

Employee costs increased by 10.8% to RMB5.46 million from RMB4.92 million recorded for the FY2022/23, mainly due to increase in staff force in the second half of FY2023/24 following the completion of the 4Vallees Acquisition.

4.3 Property taxes and land use taxes

Property taxes and land use taxes decreased by 13.5% to RMB10.5 million, from RMB12.15 million for the FY2022/23, mainly due to disposal of 4 plots of land located in the OUC Campus, with an aggregate land area of 62,000 square meters and buildings and ancillary facilities erected thereon with an aggregate built-up area of 51,789 square meters (“**2023 Property Disposal**”), as announced on 21 March 2023. Please refer to the Company’s announcements or circular, as the case may be, dated March 21, 2023, April 14, 2023, May 12, 2023 and May 29, 2023 for further details of the 2023 Property Disposal.

4.4 Property management fees

Property management fees decreased by 32.9% to RMB3.09 million, from RMB4.60 million for the FY2022/23, mainly due to reduced areas for cleaning and greenery upkeep following the 2023 Property Disposal.

4.5 Legal and consulting fees

Legal and consulting fees increased by 142.0% to RMB5.84 million, compared to RMB2.41 million for the FY2022/23, as more professional fees were incurred for corporate exercises undertaken in FY2023/24.

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

Other gains, net, of RMB5.31 million was achieved for the FY2023/24, mainly due to foreign exchange gains derived from the 4Vallees Acquisition. In comparison, other loss, net, of RMB13.65 million was recorded for the FY2022/23, which resulted from a loss on disposal of investment properties of RMB18.23 million that arose from the 2023 Property Disposal.

4.7 Share of results of associates

Loss on share of results of associates were RMB3.13 million, 10.0% higher than RMB2.85 million for the FY2022/23, mainly due to higher net loss recorded by its associate, Axiom Properties Limited.

4.8 Fair value losses on investment properties

Fair value losses on investment properties of RMB93.81 million was recorded for FY2023/24, compared to RMB16.84 million for the FY2022/23. The fair value losses for FY2023/24 were primarily attributed to the lower fair value of the assets classified as held for sale, comprising 4 plots of land located in the OUC Campus with an aggregate land area of approximately 67,574 square meters and buildings and ancillary facilities erected thereon with an aggregate build-up area of approximately 52,618 square meters (“**2024 Property Disposal**”). The 2024 Property Disposal has been approved by the shareholders of the Company (the “**Shareholders**”) in the extraordinary general meeting held on May 14, 2024 and is expected to be completed in the first quarter of the financial year ending June 30, 2025 (the “**FY2024/25**”). Please refer to the Company’s announcements or circular, as the case may be, dated March 15, 2024, April 10, 2024, April 23, 2024 and May 14, 2024 for further details of the 2024 Property Disposal.

4.9 Interest expenses on bank borrowings

Interest expenses increased by 10.2% to RMB16.43 million from RMB14.91 million for the FY2022/23, mainly due to increase in interest rates on bank borrowings.

4.10 Current tax

Current tax expense was RMB4.86 million, 61.5% lower than RMB12.62 million for the FY2022/23, as occurrence of land appreciation tax related to the 2023 Property Disposal occurred in the FY2022/23, whereas there was none for the FY2023/24.

4.11 Deferred tax

Deferred tax credit was RMB13.81 million, 336.4% higher than RMB3.16 million for the FY2022/23, due to higher reversal of deferred tax, mainly attributed by the fair value loss of the assets classified as held for sale subject to the 2024 Property Disposal.

4.12 Loss for the Year

Due to the foregoing factors set out in Notes 4.1 to 4.11 above, loss for the year was RMB74.58 million, 219.0% higher than RMB23.38 million for the FY2022/23. The net loss for the FY2023/24 was mainly attributed to fair value loss attributed to the assets classified as held for sale subject to the 2024 Property Disposal.

4.13 EBITDA

Earnings before interest expenses, tax, depreciation and amortization, was RMB27.09 million, 48.9% higher than RMB18.19 million recorded for the FY2022/23.

4.14 Liquidity and Financial Resources

As at June 30, 2024, the Group has a net current liabilities of RMB6.90 million (At June 30, 2023: net current assets of RMB20.17 million). The net current liabilities are mitigated by the factors as set out in the aforementioned points (a) and (b) of Note 3.2 (b) on page 8 of this announcement.

As at June 30, 2024, the Group had total assets of approximately RMB1,800.79 million (At June 30, 2023: RMB1,691.76 million), which were financed by total liabilities and equity of approximately RMB655.29 million (At June 30, 2023: RMB458.31 million) and RMB1,145.51 million (At June 30, 2023: RMB1,233.45 million), respectively.

4.15 Gearing Ratio

The Group's gearing ratio as at June 30, 2024 is 25.34% (At June 30, 2023: 21.20%), which is calculated based on the total borrowings of RMB290.27 million (At June 30, 2023: RMB261.47 million) divided by total equity of RMB1,145.51 million (At June 30, 2023: RMB1,233.45 million) and then multiplied by 100%.

4.16 Cash and Cash Equivalents

The Group places a high emphasis on risk management, both credit risk and liquidity risk. Cash in excess of daily operational requirement are placed in fixed deposits. The Group currently does not invest in bonds, bills, structured products or any other financial instruments. As at June 30, 2024, the Group had cash and cash equivalents balance of approximately RMB69.66 million (At June 30, 2023: approximately RMB63.75 million). The cash and cash equivalents were mainly denominated in RMB.

4.17 Foreign Exchange Hedging

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

5. BUSINESS REVIEW AND OUTLOOK

The Group primarily owns and leases education facilities, comprising teaching buildings and dormitories to Education Institutions in the PRC, Malaysia and Indonesia. In addition, the Group also owns, leases and manages hotel properties in Switzerland. The Group's education facilities are located in the OUC Campus; Kuala Lumpur, Malaysia; and Jakarta, Indonesia. 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.

For the FY2023/24, the financial performance of the Group experienced a drop in revenue due to reduced leasing spaces and non-renewal of lease upon expiry by a few Education Institutions and commercial tenants in the OUC Campus affected by the economy slowdown. Revenue for the FY2023/24 was RMB55.97 million, a 9.3% decrease from RMB61.68 million recorded for FY2022/23. Loss for the FY2023/24 widened to RMB74.58 million from RMB23.38 million, mainly due to fair value loss of the assets classified as held for sale, which is being subject to disposal.

To broaden its revenue base and enhancing its education facilities' offering, the Group had made an acquisition of the remaining 75.39% of the issued share capital of 4 Vallees Pte Ltd, that the Company did not own, from RE, for a cash consideration of CHF11.479 million (approximately RMB95.47 million). This acquisition was completed in the third quarter of FY2023/24 and the final consideration was adjusted to CHF11,366,623 (approximately RMB94.22 million). After completion of this acquisition, 4 Vallees became a wholly-owned subsidiary of the Company.

To improve the overall return of its investment properties, the Group is rationalising the usage of its assets, by disposing of idle and low-yield investment properties, and upgrading selected investment properties in the OUC Campus. In this regard, the Group had entered into a sale of 4 plots of land located in the OUC Campus with an aggregate land area of approximately 67,574 square meters and buildings and ancillary facilities erected thereon with an aggregate build-up area of approximately 52,618 square meters. The disposal is expected to be completed in the first quarter of FY2024/25 and the cash infusion from this disposal would enable the Group to reduce its borrowings, sustain general working capital requirements and plan for strategic acquisition when opportunities arise.

In view of the existing long-term lease agreements, the Group is confident that the financial performance for the FY2024/25 could be sustained. Furthermore, the newly completed canteen and a theatre had been handed over to an existing Education Institution in the first quarter of the FY2024/25, for which a long term lease was signed, which would generate additional recurring lease revenue to the Group.

The Group is mindful of the challenges and risks posed by the economic slowdown in the PRC that can affect its revenue and would prudently manage its operational costs and cashflow. The Group will continue to evaluate business opportunities, both in the PRC and international markets, while continuing its business development efforts to improve the yield of its investment properties.

The Board views that there would be a steady increase in the demand of education facilities as student enrolment for Education Institutions in the OUC Campus continues to rise. The demand for the Group's education facilities in Malaysia and Indonesia and occupancy of its hotel properties in Switzerland are expected to record a stable to moderate growth. As a provider of education facilities and hotel properties in these countries, the Group is well-poised to benefit from this stable to growth trend.

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

Save as disclosed below, as at June 30, 2024, the Group did not have any other significant investment and future plan for material investments and capital commitments.

6.1 Purchase of investment properties in Mongolia

On March 6, 2020, the Company entered into a sale and purchase agreement with an independent vendor for the purchase of investment properties in Ulaanbaatar, Mongolia, for a purchase consideration of RMB32.71 million. As at June 30, 2024, the Company has paid RMB28.43 million of the purchase consideration in accordance to the construction progress stage. Please refer to the announcement of the Company dated March 8, 2020 for details of the acquisition of investment properties in Mongolia.

6.2 Upgrading of investment properties in the OUC Campus

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

6.2.1 Renovation and refurbishment of two blocks of dormitories

On June 16, 2022, the Company had entered into a construction project contract with an independent contractor for the renovation and refurbishment of two blocks of dormitories, No. 23 and No. 24, located at the OUC Campus for a contract sum of RMB10.18 million. As at June 30, 2024, the Group has paid RMB7.50 million of the contract sum and the remaining balance of RMB2.68 million will be paid in instalments in accordance with the agreed terms. The renovation and refurbishment work had been completed and the two blocks of dormitories had been handed over and occupied by an Education Institution in the FY2022/23.

6.2.2 Construction of canteen and theatre

On January 30, 2023, the Company had entered into a construction project contract with an independent contractor for the construction of a canteen and a theatre, located at the OUC Campus for a contract sum of RMB13.40 million. As at June 30, 2024, the Group has paid RMB9.43 million of the contract sum and the remaining balance of RMB3.97 million will be paid in instalments in accordance with the agreed terms. The construction work had been completed and the canteen and theatre have been leased on a long-term basis to an Education Institution beginning first quarter of FY2024/25.

6.2.3 Renovation and refurbishment of other investment properties

On March 18, 2023, the Company had entered into the renovation and refurbishment contract for selected investment properties in the OUC Campus for RMB80.95 million. As at June 30, 2024, the Group had paid RMB8.71 million of the contract sum and the remaining balance of RMB72.24 million will be paid by instalments in accordance with the agreed terms.

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

Save for the 4Vallees Acquisition, the Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during FY2023/24.

8. CONTINUING CONNECTED TRANSACTION

Save as disclosed below, as at 30 June 2024, the Group does not have any other connected transaction and continuing connected transaction.

8.1 Tenancy Agreement of Properties in Malaysia

OUC Malaysia Sdn Bhd, a direct wholly-owned subsidiary of the Company, as landlord, had entered into a tenancy agreement with Raffles College of Higher Education Sdn Bhd, of which 70% of its equity interest is owned by RE, as tenant, on December 10, 2021 for the lease of the properties for a term of three years commencing on January 1, 2022 and expiring on December 31, 2024. The tenancy term was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to Malaysian Ringgit 2.01 million (approximately RMB3.15 million). Please refer to the announcement of the Company dated December 10, 2021, for further details of the tenancy agreement.

8.2 Tenancy Agreement of Properties in Indonesia

PT OUC Thamrin Indo, a wholly-owned subsidiary of the Company, as landlord, had entered into a tenancy agreement with PT. Raffles Institute of Higher Education, a wholly-owned subsidiary of RE, as tenant, for the lease of gross floor area of 1,600 square metres on two floors of Lippo Thamrin office in Jakarta, Indonesia, for a term of three years commencing on July 1, 2023 and expiring on June 30, 2026. The tenancy was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to Indonesian Rupiah 5,472.00 million (approximately RMB2.46 million). According to Rule 20.04 of the GEM Listing Rules, the transaction value of the tenancy agreement was a de minimis transaction and was fully exempted from the requirements of announcement and approval of the Shareholders.

9. CHARGE ON THE GROUP'S ASSETS

As at June 30, 2024, investment properties of RMB1,109,543,000 (At June 30, 2023: RMB863,298,000) were charged to banks to secure banking facilities granted to the Group. In addition, bank deposit of RMB7,973,000 and rental income from the Swiss properties were pledged to a bank to secure for a bank borrowing.

10. CAPITAL STRUCTURE

There was no change in the capital structure of the Group as at June 30, 2024 as compared with that as at June 30, 2023.

11. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at June 30, 2024 (At June 30, 2023: Nil).

12. USE OF PROCEEDS FROM THE 2023 PROPERTY DISPOSAL

The 2023 Property Disposal was completed in June 2023. Please refer to the Company's announcement dated March 21, 2023, and the circular to the Shareholders dated May 12, 2023, for details of the 2023 Property Disposal.

The net proceeds from the 2023 Property Disposal was RMB83.60 million after deducting the relevant professional expenses of RMB0.71 million, value-added tax and tax surcharges of RMB5.55 million and land appreciation tax of RMB10.14 million.

The utilisation of the net proceeds from the 2023 Property Disposal is set out as follows: —

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

As at June 30, 2024, all the net proceeds from the 2023 Property Disposal have been fully used up as planned.

13. EVENT AFTER THE REPORTING PERIOD

There is no other significant event after the Reporting Period up to the date of this announcement.

14. EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2024, the Group had a total of 37 full-time employees in the PRC, all of which were located in Langfang City, Hebei Province (At June 30, 2023: 26). For FY2023/24, the Group's total employee costs were approximately RMB5.46 million (FY2022/23: approximately RMB4.92 million). The employees' remuneration is determined by reference to the market salary of their respective experience and performance. The Company provides training to its employees to improve and upgrade their management and professional skills. As required by the PRC social security regulations, the Company makes contributions to mandatory social security funds for its employees to provide for their retirement and provides medical, unemployment, work-related injury and maternity benefits. On January 16, 2015, the Company has adopted a share option scheme to provide an incentive to the Directors and eligible employees (the "**Share Option Scheme**"). No options were granted since the listing date of the Company's shares. Therefore, no options were exercised, cancelled or lapsed during the FY2023/24 and there were no outstanding options under the Share Option Scheme as at June 30, 2024.

15. FINAL DIVIDEND

The Board has resolved not to recommend payment of any dividend for the FY2023/24 (FY2022/23: Nil).

16. COMPETING INTERESTS

RE, the controlling shareholder (as defined in the GEM Listing Rules) of the Company, has confirmed that save for its shareholding in the Company, it is neither engaged nor interested in any business which, directly or indirectly, competes or may compete with the Group's business (save as disclosed under the heading "**Excluded Businesses**" in the section headed "**History and Development — Post-Reorganization**" of the prospectus of the Company dated December 31, 2014 (the "**Prospectus**")).

On December 22, 2014, RE entered into a deed of non-competition and call option in favour of the Company, pursuant to which it has undertaken not to compete with the business of the Company. For further details, please refer to the sub-section headed "Deed of Non-compete" in the section headed "Relationship with the Controlling Shareholder" of the Prospectus.

The Directors have confirmed that save as disclosed above, as at June 30, 2024, none of the Directors, controlling shareholder or substantial shareholders (as defined in the GEM Listing Rules) of the Company, directors of any of the Company's subsidiaries or any of their respective close associates (as defined in the GEM Listing Rules) had interest in any business (other than the Group) which, directly or indirectly, competed or might compete with the Group's business.

17. ANNUAL GENERAL MEETING (THE "2024 AGM")

The 2024 AGM will be held on Friday, October 25, 2024 and the relevant notice and documents will be despatched to the Shareholders and published on the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Company (www.oriental-university-city.com) in due course in the manner as required by the GEM Listing Rules.

18. BOOK CLOSE DATES

For the purpose of ascertaining the entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed. Details of such closure is set out below:

Latest time to lodge transfer documents	4:30 p.m. on October 21, 2024 (Monday)
Closure of register of members	October 22, 2024 (Tuesday) to October 25, 2024 (Friday) (both days inclusive)
Record date	October 25, 2024 (Friday)

During the above closure period, no transfer of Shares will be registered. To be entitled to attend and vote at the 2024 AGM, the non-registered Shareholders must lodge all completed and stamped transfer documents accompanied by the relevant share certificates for registration with the Company's share registrar, Boardroom Share Registrars (HK) Limited of Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong before the above latest time.

19. CORPORATE GOVERNANCE

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

The Company has complied with the code provisions as set out in the section headed "Part 2 - Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules during the FY2023/24.

20. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares during the FY2023/24.

21. SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transaction by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its own code of conduct for dealings in the Company’s securities by the Directors. The Company had made specific enquiries with all Directors and each of them has confirmed his compliance with the Required Standard of Dealings during the FY2023/24.

22. DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SECURITIES

As at June 30, 2024, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “**SFO**”), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Stock Exchange and the Securities and Futures Commission (“**SFC**”) under the Required Standard of Dealings, were as follows:

Long positions

(a) *Shares in the Company*

Name of Director	Capacity/ Nature of interest	Number of issued Shares held	Percentage of shareholding ⁽²⁾
Mr. Chew Hua Seng (“ Mr. Chew ”) ⁽¹⁾	Interest of a controlled corporation/Corporate interest	135,000,000	75%

Notes:

(1) *Details of the interest in the Company held by Mr. Chew, the chairman of the Board (the “**Chairman**”) and an executive Director, through RE are set out in the section headed “Substantial Shareholders’ and Other Persons’ Interests in Securities” below.*

(2) *The percentage of shareholding was calculated based on the Company’s total number of issued Shares as at June 30, 2024 (i.e. 180,000,000 Shares).*

(b) Shares in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued shares held	Approximate percentage of shareholding
Mr. Chew	RE ⁽¹⁾	Beneficial owner and interest of spouse/personal interest and family interest	518,078,264	37.34% ⁽²⁾

Notes:

- (1) RE is the immediate holding company of the Company.
- (2) Comprised of the 25.01% direct interest of Mr. Chew, the 2.46% interest of Ms. Doris Chung Gim Lian (“**Ms. Chung**”, the spouse of Mr. Chew) and the 9.87% joint interest of Mr. Chew and Ms. Chung.

(c) Debentures in associated corporation of the Company

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

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.
- (3) Subsequent to June 30, 2024, Mr. Chew had on July 24, 2024, subscribed to SGD10,000,000 in principal amount of unlisted, non-convertible bonds issued by RE.

Save as disclosed above, as at June 30, 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Stock Exchange and the SFC under the Required Standard of Dealings.

23. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

As at June 30, 2024, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations which or persons (other than a Director or the chief executive of the Company) who had 5% or more interests or short position in the Shares and the underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in the Shares

Name of Shareholders	Capacity/ Nature of interest	Number of issued Shares held	Percentage of shareholding ⁽²⁾
RE ⁽¹⁾	Beneficial owner/ Personal interest	135,000,000	75%
Ms. Chung ⁽¹⁾	Interest of spouse/ Family interest	135,000,000	75%

Notes:

(1) RE is owned as to (a) 25.01% by Mr. Chew, the Chairman and an executive Director; (b) 9.87% jointly by Mr. Chew and Ms. Chung, the spouse 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 in the Shares in which Mr. Chew is interested and deemed to be interested. In addition, Mr. Chew is a director of RE.

(2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at June 30, 2024 (i.e. 180,000,000 Shares).

Save as disclosed above, as at June 30, 2024, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations which or persons (other than a Director or the chief executive of the Company) who had 5% or more interests or short positions in the Shares and the underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

24. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as otherwise disclosed, no Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party during the FY2023/24.

25. DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the FY2023/24 and FY2022/23 included in this preliminary announcement of results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for FY2022/23 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the FY2023/24 in due course in the manner required by the Companies Ordinance.

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

26. REVIEW BY AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the Board currently comprises three independent non-executive Directors, namely Mr. Tan Yeow Hiang, Kenneth, Ms. Geng Yu and Mr. Liu Guilin with Mr. Tan Yeow Hiang, Kenneth serving as the chairman.

The Audit Committee having reviewed the accounting principles and practices adopted by the Group and the audited annual results of the Group for the FY2023/24, is of the opinion that such results had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures had been made.

27. SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2023/24 as set out in this announcement have been agreed by the Company’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for this year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this announcement.

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

Singapore, August 16, 2024

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

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