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, 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE (THE "GEM").

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the 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 the 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 the 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**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended June 30, 2017 (the "**Year**") together with the comparative audited figures in 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2017

	Notes	**2017** *RMB'000*	2016 *RMB'000*
Revenue	4	**60,336**	68,619
Government grants (reversed)/recognised, net	5	**(21,015)**	5,000
Employee costs		**(2,304)**	(2,537)
Depreciation of property, plant and equipment		**(350)**	(344)
Fair value gains on investment properties	8	**22,996**	28,867
Business taxes and surcharges		**(289)**	(3,286)
Property taxes and land use taxes		**(11,453)**	(12,633)
Property management fee		**(6,311)**	(6,172)
Repairs and maintenance		**(2,899)**	(1,775)
Legal and consulting fees		**(4,601)**	(3,585)
Other (losses)/gains, net		**(1,641)**	2,117
Other expenses		**(861)**	(2,259)
Impairment loss on trade receivables		**(491)**	—
Share of results of an associate		**5,072**	920
Loss on de-recognition of an available-for-sale financial asset	10	**—**	(1,887)
Operating profit		**36,189**	71,045
Interest expense on bank borrowings		**(879)**	—
Interest income		**38**	737
Profit before income tax	5	**35,348**	71,782
Income tax	6	**7,253**	(18,301)
Profit for the year		**42,601**	53,481

	Note	2017 RMB'000	2016 RMB'000
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences from translation of foreign operations		**(1)**	—
Share of other comprehensive income of an associate		**1,985**	1,390
Fair value gains/(losses) on available-for-sale financial assets, net		**1,217**	(977)
Reclassification adjustments on de-recognition of an available-for-sale financial asset		**—**	1,887
Other comprehensive income for the year		**3,201**	2,300
Total comprehensive income for the year		**45,802**	55,781
Profit for the year attributable to:			
Owners of the Company		**42,193**	52,913
Non-controlling interests		**408**	568
		42,601	53,481
Total comprehensive income attributable to:			
Owners of the Company		**45,394**	55,213
Non-controlling interests		**408**	568
		45,802	55,781
Earnings per share for profit attributable to the owners of the Company during the year	7		
– Basic (RMB per share)		**0.23**	0.29
– Diluted (RMB per share)		**0.23**	0.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2017

	Notes	**2017** *RMB'000*	2016 *RMB'000*
Non-current assets			
Property, plant and equipment		**5,560**	5,705
Investment properties	8	**981,516**	892,183
Interest in an associate	9	**30,862**	23,805
Available-for-sale financial asset	10	**18,869**	17,652
Prepayments for purchase of property, plant and equipment, investment properties and other investment	11	**51,636**	80,000
Total non-current assets		**1,088,443**	1,019,345
Current assets			
Trade and other receivables and prepayments	12	**8,888**	38,843
Pledged bank deposit		**20,000**	—
Cash and cash equivalents		**14,278**	4,866
Total current assets		**43,166**	43,709
Current liabilities			
Trade and other payables and accruals	13	**15,529**	18,912
Advances from customers		**1,973**	1,265
Bank borrowings, secured		**19,316**	—
Current tax liabilities		**674**	21,597
Total current liabilities		**37,492**	41,774
Net current assets		**5,674**	1,935
Total assets less current liabilities		**1,094,117**	1,021,280
Non-current liabilities			
Bank borrowings, secured		**29,670**	—
Deferred tax liabilities		**60,907**	50,863
Total non-current liabilities		**90,577**	50,863
NET ASSETS		**1,003,540**	970,417

	Note	2017 RMB'000	2016 RMB'000
Capital and reserves attributable to owners of the Company			
Share capital	14	**411,936**	411,936
Reserves		**583,580**	550,865
		995,516	962,801
Non-controlling interests		**8,024**	7,616
Total equity		**1,003,540**	970,417

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its shares were listed on the GEM on January 16, 2015 (the "**Listing Date**"). The addresses of the Company's registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong and principal place of business is Levels 1 and 2, No. 100 Zhangheng Road, Oriental University City, Langfang Economic & Technical Development Zone, Heibei Province, the People's Republic of China (the "**PRC**"). The Group, comprising the Company and its subsidiaries, is mainly engaged in the provision of education facilities leasing services in the PRC and Malaysia.

The Directors consider that the Company's ultimate parent is Raffles Education Corporation Limited ("**REC**"), a company incorporated in Singapore, whose shares are listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations (collectively the "**HKFRSs**") and the provisions of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "**Companies Ordinance**"), which govern the preparation of financial statements. In addition, the financial statements include applicable disclosures required by the GEM Listing Rules.

(b) Basis of measurement

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

(c) Functional and presentation currency

The financial statements are presented in Renminbi ("**RMB**") which is the same as the functional currency of the Company.

3 ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs – effective July 1, 2016

HKFRSs (Amendments)	Annual Improvement 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

Included in the clarifications is that an entity's share of other comprehensive income from equity accounted interests in associates and joint ventures is split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

The adoption of the amendments has no impact on these financial statements.

Amendments to HKAS 16 and HKAS 38 — Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendments are applied prospectively.

The adoption of the amendments has no impact on these financial statements as the Group has not previously used revenue-based depreciation methods.

Amendments to HKAS 16 and HKAS 41 —Agriculture: Bearer Plants

The amendments define bearer plants and require biological assets that meet the definition to be accounted for as property, plant and equipment in accordance with HKAS 16. The agricultural produce of bearer plants remains within the scope of HKAS 41. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group has no bearer plants.

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements. The amendments are applied retrospectively in accordance with HKAS 8.

The adoption of the amendments has no impact on these financial statements as the Company has not elected to apply the equity method in its separate financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 – Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a subsidiary of an investment entity (including investment entities that account for their subsidiaries at fair value rather than consolidating them). An investment entity parent will consolidate a subsidiary only when the subsidiary is not itself an investment entity and the subsidiary's main purpose is to provide services that relate to the investment entity's investment activities. A non-investment entity applying the equity method to an associate or joint venture that is an investment entity may retain the fair value measurements that associate or joint venture used for its subsidiaries. An investment entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss should provide the disclosures related to investment entities as required by HKFRS 12. The amendments are applied prospectively.

The adoption of the amendments has no impact on these financial statements as the Company is neither an intermediate parent entity nor an investment entity.

Amendments to HKFRS 11- Accounting for Acquisitions of Interests in Joint Operations

The amendments require an entity to apply the relevant principles of HKFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined in that standard. The principles of HKFRS 3 are also applied upon the formation of a joint operation if an existing business as defined in that standard is contributed by at least one of the parties. The amendments are applied prospectively.

The adoption of the amendments has no impact on these financial statements as the Group has not acquired or formed a joint operation.

(b) New/revised HKFRSs that have been issued but are not yet effective

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

Amendments to HKAS 7	Disclosure Initative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
HKFRS 1 and HKAS 28	Annual Improvements 2014-2016 Cycle[2]
HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendment to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[2]
Amendments to HKAS 40	Transfers of Investment Property[2]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[2]
HKFRS 16	Leases[3]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after January 1, 2017
2 Effective for annual periods beginning on or after January 1, 2018
3 Effective for annual periods beginning on or after January 1, 2019
4 No mandatory effective date yet determined but is available for early adoption

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured at fair value.

Annual Improvements 2014 – 2016 Cycle

The amendments to HKFRS 1 delete the short-term exemptions for first-time adopters that are already out-of-date.

The amendments to HKAS 28 clarify that:

- a venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint ventures at fair value through profit or loss on an investment-by-investment basis; and
- a non-investment entity investor may elect to retain the fair value accounting applied by its investment entity associate or joint venture and this election can be made separately for each investment entity associate or joint venture.

HKFRS 9 - Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("**FVTOCI**") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("**FVTPL**").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in the financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 - Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 include clarifications on identification of performance obligations; application of principal versus agent; licences of intellectual property; and transition requirements.

Amendments to HKAS 40 – Transfers of Investment Property

The amendments provides guidance on deciding when there is a change in use to transfer a property to or from investment property. The amendments clarify that a change in use occurs when the property meets or ceases to meet the definition of investment property and there is evidence of the change in use.

The amendments also re-characterise the list of evidence provided in the standard as a non-exhaustive list of examples, i.e. other forms of evidence may support a transfer.

HK(IFRIC) – Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on how to determine "the date of the transaction" when applying HKAS 21, The effects of changes in foreign exchange rates to situations where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability.

The Interpretation clarifies that "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity should determine the date of the transaction for each payment or receipt.

HKFRS 16 - Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HK(IFRIC) – Int 23 – Uncertainty over Income Tax Treatments

This Interpretation provides guidance on how to apply HKAS 12, Income taxes when there is uncertainty over whether a tax treatment will be accepted by the tax authority.

Under the Interpretation, the key test is whether it is probable that the tax authority will accept the entity's tax treatment. If it is probable, then the entity should measure current and deferred tax consistently with the tax treatment in its tax return. If it is not probable, then the entity should reflect the effect of uncertainty in its accounting for income tax by using the "**expected value**" approach or the "the most likely amount" approach – whichever better predicts the resolution of the uncertainty and in that case the tax amounts in the financial statements will not be the same as the amounts in the tax return.

Amendments to HKFRS 10 and HKAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments introduce new requirements on loss of control over assets in a transaction with an associate or joint venture. These requirements require the full gain to be recognised when the assets transferred meet the definition of a "business" under HKFRS 3 Business Combination.

The amendments as originally issued had an effective date of annual periods beginning on or after January 1, 2016. In December 2015, the International Accounting Standards Board (the "**IASB**") decided to remove the effective date of the equivalent amendments to IFRS 10 and IAS 28 and indicated that the effective date will be determined when its research project on equity accounting is completed. The Hong Kong Institute of Certified Public Accountants followed the IASB's decision and indefinitely deferred the effective date of the amendments to HKFRS 10 and HKAS 28 accordingly.

The Group is in the process of making an assessment of the potential impact of these new pronouncements. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

4 SEGMENT REPORTING AND REVENUE

The executive Directors, who are the chief operating decision maker of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive Directors that are used to make strategic decisions.

Management regularly reviews the operating results from a service category perspective. The reportable operating segments derive their revenue primarily from education facilities leasing. As the revenue from the commercial leasing for supporting facilities was below 10% of the total revenue during the Year, business segment information is not considered necessary.

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

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

	2017	2016
	RMB'000	*RMB'000*
Revenue:		
– Education facilities leasing	**57,013**	65,371
– Commercial leasing for supporting facilities	**3,323**	3,248
	60,336	68,619

Information about major customers

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

	2017	2016
	RMB'000	*RMB'000*
College A	**39,453**	41,131
College B	**7,545**	15,008
College C*	**—**	7,583
	46,998	63,722

* The revenue from this customer in the year ended 30 June 2017 accounted for less than 10% of the Group's reveune for the Year.

5 PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting):

	2017	2016
	RMB'000	*RMB'000*
Auditor's remuneration	**725**	580
Direct operating expenses arising from investment properties that generated rental income during the year	**16,761**	21,715
Direct operating expenses arising from investment properties that did not generate rental income during the year	**4,704**	4,391
Government grants reversed/(recognised) (Note)	**21,015**	(5,000)

Note: During the year ended June 30, 2016, the Group successfully applied for listing reward (the "**Reward**") of RMB5,000,000 in aggregate, set up by the Local Financial Bureau, Langfang Economic & Technical Development Zone, Heibei Province, the PRC. The purpose of the Reward is to encourage listing of local entities to capital markets, both local and overseas, by rewarding entities who have successfully listed on the capital markets.

During the Year, government subsidy receivables of RMB21,015,000 have been reversed.

6 INCOME TAX

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

	2017	2016
	RMB'000	*RMB'000*
Current tax		
– Corporate income tax for the year	**4,301**	3,423
– Over-provision in respect of prior years	**(583)**	(214)
– Reversal of provision on tax liabilities arising from restructuring and preparation for the listing previously recognised	**(21,015)**	—
	(17,297)	3,209
Deferred tax	**10,044**	15,092
Income tax	**(7,253)**	18,301

7 EARNINGS PER SHARE

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

	2017	2016
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic earnings per share	**42,193**	52,913
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**180,000,000**	180,000,000

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

8 INVESTMENT PROPERTIES

	2017	2016
	RMB'000	*RMB'000*
Fair value		
At beginning of year	**892,183**	860,436
Additions	**67,796**	2,880
Exchange realignment	**(1,459)**	—
Change in fair value	**22,996**	28,867
At end of year	**981,516**	892,183

As at June 30, 2016 and 2017, all investment properties were completed.

(a) Valuation

Independent valuations of the Group's investment properties were performed by DTZ Cushman & Wakefield Limited ("**DTZ**"), an independent firm of professionally qualified valuers, to determine the fair value of the Group's investment properties as at June 30, 2017, by valuation method using significant unobservable inputs (Level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the years ended June 30, 2016 and 2017.

Valuation basis

The Group obtains independent valuations from DTZ 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 approach.

Income capitalisation approach (term and reversionary method) largely uses observable inputs (e.g. market rent, yield, etc.) and is taking into account the significant adjustment on term yield to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

9 INTEREST IN AN ASSOCIATE

	2017	2016
	RMB'000	*RMB'000*
Share of net assets other than goodwill	**28,210**	21,153
Goodwill	**2,652**	2,652
	30,862	23,805

10 AVAILABLE-FOR-SALE FINANCIAL ASSET

During the prior year, the Group acquired additional 5% equity interest in Axiom Properties Limited ("**Axiom**"), a company whose shares are listed on the Australian Stock Exchange at a cash consideration of approximately RMB5,766,000, in addition to a 14.9% equity interest in Axiom held by the Group in prior thereto. The equity interest in Axiom held by the Group had been accounted for as associate of the Group since prior year, details of which are set out in Note 9 above. Upon the de-recognition of the Group's equity interest in Axiom as available-for-sale financial asset, the related accumulated fair value changes in available-for-sale financial asset reserve of RMB1,887,000 was charged to the profit or loss in prior year.

During the prior year, the Group acquired a 12.77% equity interest in 4 Vallees Pte. Ltd. ("**4 Vallees**"), a private company incorporated in Singapore with limited liability and the then wholly-owned subsidiary of REC, at a cash consideration of approximately RMB16,741,000, by subscription of ordinary shares of 4 Vallees.

The increase in fair value of the Group's available-for-sale financial asset of RMB1,217,000 (2016: RMB911,000) was recognised in other comprehensive income for the Year, resulting in the carrying value of RMB18,869,000 (2016: RMB17,652,000) as at June 30, 2017.

11 PREPAYMENTS FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND OTHER INVESTMENT

As at June 30, 2017, included in the balances was an amount of RMB26,636,000 paid for purchase of additional 13.58% equity interest in 4 Vallees by subscription of additional ordinary shares of 4 Vallees. The remaining balance was an amount of RMB25,000,000 paid for purchase of construction materials for the construction of dormitories.

As at June 30, 2016, included in the balances was an amount of RMB64,000,000 paid for purchase of investment properties from (i) Ms. Doris Chung Gim Lian ("**Ms. Chung**"), the wife of Mr. Chew Hua Seng, the chairman of the Board (the "**Chairman**") and an executive Director, who is also a director of REC; and (ii) an entity controlled by Ms. Chung. The acquisition has been completed during the Year resulting in additions of investment properties in the amount of RMB64,800,000.

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2017	2016
	RMB'000	*RMB'000*
Trade receivables (Note (a))	**2,839**	2,036
Other receivables (Note (b))	**6,049**	27,007
Prepayments	**—**	9,800
	8,888	38,843

Notes:

(a) Included in trade receivables as at June 30, 2017 was an amount due from a fellow subsidiary of RMB1,309,000, which is unsecured, interest-free and repayable on demand.

(b) Included in other receivables as at June 30, 2016 were government subsidy receivables of RMB21,015,000, which have been fully reversed during the Year, as further detailed in Note 5.

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

The majority of the Group's revenue is received in advance. Revenue from education facilities leasing and commercial leasing for supporting facilities is settled by installments in accordance with the payment schedules specified in the agreements. The aging analysis of the trade receivables by revenue recognition date is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**1,662**	63
Over 3 months to 6 months	**777**	200
Over 6 months to 12 months	**—**	1,373
Over 1 year	**400**	400
	2,839	2,036

13 TRADE AND OTHER PAYABLES AND ACCRUALS

	2017	2016
	RMB'000	*RMB'000*
Trade payables	**6,015**	5,799
Other payables and accruals	**9,514**	13,113
	15,529	18,912

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

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**3,344**	1,380
Over 3 months to 6 months	**1,411**	1,375
Over 6 months to 12 months	**1,231**	2,552
Over 1 year	**29**	492
	6,015	5,799

14 SHARE CAPITAL

The share capital as at June 30, 2016 and 2017 represented the issued share capital of the Company as follows:

	Number of ordinary shares	**Share capital**	**Share capital**
	Shares	*HK$*	*RMB*
Issued and fully paid	180,000,000	516,320,500	411,936,000

Note: No movement was noted for the share capital during the years ended June 30, 2016 and 2017.

15 DIVIDENDS

	2017	2016
	RMB'000	*RMB'000*
Proposed 2017 final dividend – HK4.0 cents (equivalent to approximately RMB3.5 cents) per share	**6,278**	—
Declared 2017 interim dividend – HK4.0 cents (equivalent to approximately RMB3.5 cents) per share	**6,381**	—
Proposed 2016 final dividend – HK4.0 cents (equivalent to approximately RMB3.4 cents) per share	**—**	6,166
Declared 2016 interim dividend – HK4.0 cents (equivalent to approximately RMB3.3 cents) per share	**—**	6,027

The proposed final dividend is subject to the approval of the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting of the Company (the "**2017 AGM**").

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our leasing revenue decreased by 12% to RMB60.3 million for the Year compared to RMB68.6 million in 2016. This decrease was mainly attributable to the decrease of enrollment student of the colleges, universities, schools, education training centres and corporate entities that lease education facilities from the Group (the "**Contract Colleges**"), and the change of business tax to value-added tax. From 1 July 2016, the revenue of the Company will be net of value-added tax due to change of tax system in China.

Operating profit

Our operating profit for the Year was RMB36.2 million compared to RMB71.0 million in 2016, mainly due to the following reasons:

1) Government grant

Government grant decreased RMB26.0 million for the Year mainly due to a reversion of RMB21.0 million of government grant during the year.

2) Employee costs

Employee costs decreased by 8% to RMB2.3 million for the Year compared to RMB2.5 million in 2016 mainly because of manpower turnover.

3) Repair and maintenance fees

Repairs and maintenance fees increased by 61% to RMB2.9 million for the Year compared to RMB1.8 million in 2016 mainly due to the improvement of facilities in our campus.

4) Legal and consulting fees

Legal and consulting fees increased by 27.8% to RMB4.6 million for the Year compared to RMB3.6 million in 2016 mainly due to an increase in legal fee and professional fee for the overseas property acquisition opportunity.

5) Other (losses)/gains, net

We recorded a net foreign exchange loss of RMB2.1 million for the Year, primarily due to inter-company transactions of OUC Malaysia Sdn. Bhd., a wholly-owned subsidiary of the Company ("**OUC Malaysia**") and the Company.

Income tax expenses

Since January 1, 2015 (PRC tax assessment year 2015) onwards, the corporate income tax of the Group's entity located in the PRC has been levied according to accounting book under the Corporate Income Tax Law of the PRC. We incurred RMB4.3 million corporate income tax expenses for the Year.

Net Profit

Due to the foregoing factors, our net profit for the Year was RMB42.6 million compared to RMB53.5 million in 2016.

Liquidity and Financial Resources

On February 23, 2017, Affin Bank Berhad granted a term loan facility of Ringgit Malaysia Twenty Million (RM20.0 million) to OUC Malaysia to refinance the acquisition of the properties in Malaysia. The tenure of the facility is 20 years and the interest rate ranged from 5.80% to 5.96% per annum. The term loan was denominated in Ringgit Malaysia.

On March 9, 2017, the Company applied for a term loan amount (lending against Mainland Bank guarantee) of HKD20.0 million (equivalent to RMB17.7 million) with Woori Bank, Hong Kong Branch for one year for working capital and the interest rate is 2.19% per annum. The term loan was denominated in Hong Kong dollars.

Cash and Cash Equivalents

The Group places a high emphasis on risk management, safety and liquidity. Cash in excess of daily operational requirement are placed in fixed deposits. The Group currently does not invest in bonds, bills, structured products or any other financial instruments. As at June 30, 2017, the Group had cash and cash equivalent balance of approximately RMB14.3 million (June 30, 2016: RMB4.9 million). The cash and cash equivalent were mainly denominated in RMB.

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 conduct 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.

BUSINESS REVIEW AND OUTLOOK

The Group owns and leases education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC and Malaysia. All of the Group's existing education facilities are located in Oriental University City, Langfang city, Hebei Province, the PRC and Kuala Lumpur, Malaysia.

Apart from education facilities leasing, in order to serve the daily needs of students and staff, the Group's business, to a much lesser extent, includes commercial leasing. The Group leases buildings and premises to tenants operating a range of supporting facilities, including grocery stores, laundry shops, internet cafes and canteens.

In general, the Group expects the resident student population of the Contract Colleges and the revenue to be generated from them to remain relatively stable in the near future.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENT

Saved as disclosed in the prospectus of the Company dated December 31, 2014 (the "**Prospectus**") and the section headed "Material acquisition or disposal of subsidiaries and affiliated companies" below, as at June 30, 2017, the Group did not hold any significant investment, had no material capital commitments and no future plans for material investments or purchase of capital assets.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

(i) A general meeting of the Company was held on July 7, 2016 at which the resolutions regarding (i) the acquisition agreements entered into between Diamond Nest Sdn. Bhd., a wholly-owned subsidiary of the Company, and Ms. Chung, and Evergreen Plus Sdn. Bhd. ("**Evergreen Plus**") which is owned as to 99% by Ms. Chung and as to 1% by Madam Yeo Geok Siew (the mother-in-law of Mr. Chew) in relation to the Group's acquisitions of lands and properties in Malaysia; and (ii) the tenancy agreements entered into between Ms. Chung and Evergreen Plus, respectively as landlord, and Raffles College of Higher Education Sdn. Bhd., a company owned as to 49% by REC, as tenant for the lease of the above properties were passed by the Shareholders. For further information, please refer to the Company's announcements dated June 5, 2016 and July 7, 2016 and circular dated June 20, 2016.

(ii) On June 30, 2017, the Company entered into a subscription agreement with 4 Vallees, pursuant to which the Company shall conditionally subscribe for and 4 Vallees shall conditionally allot and issue a total of 4,508,151 new shares in the share capital of 4 Vallees representing approximately 13.58% shares of the issued share capital of 4 Vallees on an enlarged basis at the total subscription price of SGD5,421,000 (equivalent to approximately HKD30,000,000). Upon completion, the Company will own in aggregate 8,172,151 shares in 4 Vallees, representing approximately 24.61% of the entire issued share capital of 4 Vallees. For further information, please refer to the Company's announcements dated June 30, 2017 and July 31, 2017.

CHARGE ON GROUP ASSETS

As at June 30, 2017, pledged bank deposit of RMB20,000,000 (2016: RMB Nil) and investment properties of RMB49,181,000 (2016: RMB Nil) were pledged to secure banking facilities granted to the Group.

CAPITAL STRUCTURE

There was no change in the capital structure of the Group as at June 30, 2017 as compared with that as at June 30, 2016.

CONTINGENT LIABILITIES

As at June 30, 2017, the Group and the Company did not have any significant contingent liabilities (June 30, 2016: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2017, the Group had a total of 17 full-time employees in the PRC, all of which were located in Langfang city, Hebei Province (June 30, 2016: 17). The Group's total employee costs were approximately RMB2.3 million for the Year (June 30, 2016: RMB2.5 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.

USE OF PROCEEDS FROM THE COMPANY'S PLACING

The net proceeds received by the Company from the listing by way of a placing of 45,000,000 ordinary shares of the Company (the "**Shares**") at a price of HK$2.64 each on January 16, 2015 (the "**Placing**"), after deducting the amounts due to REC, the controlling shareholder (as defined in the GEM Listing Rules) of the Company and a company 36.88% owned by Mr. Chew, the Chairman and an executive Director, for listing expenses as set out in the Prospectus and the total underwriting commission, fees and expenses relating to the Placing paid by the Company, amounted to approximately HK$75.3 million.

The Directors intend to apply all the above net proceeds for constructing new dormitories on the campus site owned by the Group, housing the Contract Colleges located in Oriental University City in Langfang Economic & Technology Development Zone in Langfang city, Heibei Province, the PRC (the "**Campus Site**").

As at June 30, 2017, preparation work for the construction of new dormitories on the Campus Site was still on-going. The Group has spent approximately HK$29.7 million in purchasing construction materials, conducting soil testing for the selected sites on the Campus Site and carrying out architectural work for the new dormitories.

After soil testing had been conducted on the selected sites, the architecture firm was of the view that the original architectural design of the new dormitories should be revised and optimized. Thus, the architecture firm took additional 6 months to analyse the soil testing results, the construction methods, additional costing and building dormitories. On September 22, 2016, the architecture firm obtained the approval of building plans from Langfang government. The Company is applying for the construction licence and selecting the contractor. Due to the air pollution in North region of the PRC, the local government has issued order (Lang Kai Zhu Jian [2017] 13) to suspend all construction activities till further notice. The Company will monitor the situation and re-commerce the construction of new dormitories once the local government lifts the suspension.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the implementation plans as set out in the Prospectus with the Group's actual plans for the Year is set out below:

Timetable	Implementation Plans in Prospectus	Actual Plans
June 30, 2017	– Final settlement of the construction costs under the relevant construction contracts	– Apply for the construction licence. Due to the air pollution in North region of the PRC, the local government has issued order (Lang Kai Zhu Jian [2017] 13) to suspend all construction activities till further notice. The Company will monitor the situation and re-commerce the construction of new dormitories once the local government lifts the suspension.
To be confirmed	– Not applicable	– Complete the construction of the new dormitories; and – Commence and complete the interior decoration of the new dormitories.
To be confirmed	– Not applicable	– Complete the final inspection and obtain the relevant government permit for commencement of use of the new dormitories; – Commence the use of the new dormitories for the 2017 to 2018 academic year; and – Make the final settlement of the construction costs under the relevant construction contracts.

COMPETING INTERESTS

REC 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).

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

The Directors have confirmed that saved as disclosed above, as at June 30, 2017, none of the Directors, controlling shareholders (as defined in the GEM Listing Rules) 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.

FINAL DIVIDEND

The Board has resolved to recommend for the Shareholders' approval at the forthcoming 2017 AGM the payment of a final dividend of HK4.0 cents (equivalent to approximately RMB3.5 cents) (2016: HK4.0 cents) per Share for the Year to the Shareholders. The relevant dividend warrants are expected to be despatched on or before Friday, November 10, 2017.

ANNUAL GENERAL MEETING

The 2017 AGM will be held in Hong Kong on Thursday, October 19, 2017 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.

BOOK CLOSE DATES

For the purpose of ascertaining the entitlements to attend and vote at the 2017 AGM and to qualify for the proposed final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

For ascertaining Shareholders' entitlement to attend and vote at the 2017 AGM

Latest time to lodge transfer documents	4:30 p.m. on October 13, 2017 (Friday)
Closure of register of members	October 16, 2017 (Monday) to October 19, 2017 (Thursday) (both days inclusive)
Record date	October 19, 2017 (Thursday)

For ascertaining Shareholders' entitlement to the proposed final dividend

Latest time to lodge transfers documents	4:30 p.m. on October 24, 2017 (Tuesday)
Closure of register of members	October 25, 2017 (Wednesday) to October 30, 2017 (Monday) (both days inclusive)
Record date	October 30, 2017 (Monday)

During the above closure periods, no transfer of Shares will be registered. To be entitled to attend and vote at the 2017 AGM and to qualify for the proposed final dividend, all completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Boardroom Share Registrars (HK) Limited of 31/F., 148 Electric Road, North Point, Hong Kong before the above latest time.

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 had complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the Year.

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

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

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 confirmed his compliance with the Required Standard of Dealings during the Year.

INTERESTS OF THE COMPLIANCE ADVISER

As at June 30, 2017, as notified by the Company's compliance adviser, BNP Paribas Securities (Asia) Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement dated August 29, 2014 entered into between the Company and the Compliance Adviser and becoming effective on the Listing Date, neither the Compliance Adviser nor its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in relation to the Company or any member of the Group (including interest in the securities of the Company or any member of the Group, and options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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

As at June 30, 2017, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "**SFO**")), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register as 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 were as follows:-

Long positions

(a) Shares in the Company

Name of Director	Capacity/ Nature of interest	Number of issued Shares held	Appropriate percentage of shareholding(Note 2)
Mr. Chew	Interest of a controlled corporation(Note 1)	135,000,000	75%

Notes:

(1) Details of the interest in the Company held by Mr. Chew through REC are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below.

(2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at June 30, 2017 (i.e. 180,000,000 Shares).

(b) Shares in associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interests	Number of shares	Appropriate percentage of shareholding
Mr. Chew	REC(Note 1)	Beneficial owner and interest of spouse	356,082,899	36.88%(Note 2)

Notes:

(1) REC, a company incorporated in Singapore with its issued shares listed on the SGX-ST, is the immediate holding company of the Company.

(2) It includes (a) the 2.71% interest of Ms. Chung, the wife of Mr. Chew; and (b) the 10.91% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at June 30, 2017, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at June 30, 2017, 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 who (other than a Director or the chief executive of the Company) had 5% or more interests 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	Appropriate percentage of shareholding
REC	Beneficial owner(Note 1)	135,000,000	75%(Note 2)
Ms. Chung	Interest of spouse(Note 1)	135,000,000	75%(Note 2)

Notes:

1. REC is owned as to (a) 23.26% by Mr. Chew, the Chairman and an executive Director; (b) 10.91% jointly by Mr. Chew and Ms. Chung, the wife of Mr. Chew; and (c) 2.71% by Ms. Chung. Under the SFO, Mr. Chew is deemed to be interested in the Shares in which REC is interested and Ms. Chung is deemed to be interested and the Shares in which Mr. Chew is interested.

2. The percentage of shareholding was calculated based on the Company's total number of issued Shares as at June 30, 2017 (i.e. 180,000,000 Shares).

Save as disclosed above, as at June 30, 2017, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations or persons (other than a Director or the chief executive of the Company) had interest 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.

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 any of its subsidiaries was a party during the Year.

DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the years ended June 30, 2017 and 2016 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 the year ended June 30, 2016 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 Year in due course.

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.

REVIEW BY AUDIT COMMITTEE AND INDEPENDENT AUDITOR

The audit committee of the Company (the "**Audit Committee**") currently comprises three independent non-executive Directors, namely Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw with Mr. Lam Bing Lun, Philip serving as the chairman.

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

The figures in respect of this preliminary announcement of the Group's results for the Year have been agreed by the Group's independent auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the 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 assurance has been expressed by BDO Limited on this preliminary announcement.

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

Malaysia, August 15, 2017

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 Mr. He Jun; and the independent non-executive Directors are Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw.

This announcement will remain on the "Latest Company Announcements" 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 on the website of the Company at www.oriental-university-city.com.