



Oriental
University City
東方大學城

FIRST QUARTERLY REPORT
2018

第一季度業績報告



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)
(於香港註冊成立之有限公司)
Stock code (股票代號) : 8067

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND THE “GEM”, RESPECTIVELY)

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.

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

This report, 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 report 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 report misleading.

CONTENTS

	Page
Corporate Information	2
Financial Highlights	4
First Quarterly Condensed Consolidated Income Statement	5
First Quarterly Condensed Consolidated Statement of Comprehensive Income	6
First Quarterly Condensed Consolidated Statement of Changes in Equity	7
Notes to the First Quarterly Condensed Consolidated Results	8
Management Discussion and Analysis	14
Corporate Governance and Other Information	16

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chew Hua Seng (*Chairman*)
Mr. Liu Ying Chun (*Chief Executive Officer*)

Non-executive Director

Mr. He Jun

Independent Non-executive Directors

Mr. Lam Bing Lun, Philip
Mr. Tan Yeow Hiang, Kenneth
Mr. Wilson Teh Boon Piaw

COMPANY SECRETARY

Mr. Kwok Siu Man, *FCS*

COMPLIANCE OFFICER

Mr. Liu Ying Chun

AUTHORISED REPRESENTATIVES

Mr. Chew Hua Seng
Mr. Liu Ying Chun

AUDIT COMMITTEE

Mr. Lam Bing Lun, Philip (*Chairman*)
Mr. Tan Yeow Hiang, Kenneth
Mr. Wilson Teh Boon Piaw

REMUNERATION COMMITTEE

Mr. Wilson Teh Boon Piaw (*Chairman*)
Mr. Chew Hua Seng
Mr. Tan Yeow Hiang, Kenneth

NOMINATION COMMITTEE

Mr. Tan Yeow Hiang, Kenneth (*Chairman*)
Mr. Chew Hua Seng
Mr. Lam Bing Lun, Philip
Mr. Wilson Teh Boon Piaw

RISK MANAGEMENT COMMITTEE

Mr. He Jun (*Chairman*)
Mr. Lam Bing Lun, Philip
Mr. Wilson Teh Boon Piaw

STOCK CODE/BOARD LOTS

8067/1,000

COMPANY'S WEBSITE

www.oriental-university-city.com

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants

REGISTERED OFFICE

31st Floor
148 Electric Road
North Point
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Levels 1 and 2
100 Zhangheng Road
Oriental University City
Langfang Economic & Technical Development Zone
Hebei Province 065001, the PRC

CORPORATE INFORMATION

SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
31st Floor
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKERS

United Overseas Bank Limited (Hong Kong Branch)
Bank of Langfang (Development Zone Sub-branch)
Industrial and Commercial Bank of China
(Langfang Chaoyang Sub-branch)
Langfang City Suburban Rural Credit Cooperatives
(Tongbai Credit Union)
Woori Bank Hong Kong Branch

LEGAL ADVISOR

As to PRC law
Hebei Ruoshi Law Firm

FINANCIAL HIGHLIGHTS

- The Group recorded revenue of approximately RMB18.4 million for the three months ended September 30, 2017, representing a decrease of 1% as compared with the corresponding period in 2016.
- Profit attributable to the owners of the Company for the three months ended September 30, 2017 amounted to approximately RMB9.4 million, representing a decrease of 15% as compared with the corresponding period in 2016.
- Basic earnings per share for the three months ended September 30, 2017 amounted to RMB0.05 (2016: RMB0.06).

The board of Directors (the “Board”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended September 30, 2017 (the “Period”), together with the unaudited comparative figures for the corresponding period in 2016, as follows:

FIRST QUARTERLY CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Notes	September 30, 2017 Unaudited RMB' 000	September 30, 2016 Unaudited RMB' 000
Revenue	3	18,365	18,574
Employee costs		(395)	(398)
Depreciation of property, plant and equipment		(89)	(86)
Business taxes and surcharges		(79)	(800)
Property taxes and land use taxes		(2,985)	(2,825)
Property management fee		(1,621)	(1,561)
Repairs and maintenance		(315)	(1,970)
Legal and consulting fees		(576)	(540)
Other (losses)/gains, net	4	(405)	2,543
Other expenses	5	(727)	(912)
Share of results of an associate		(146)	(120)
Operating profit		11,027	11,905
Interest income	6	3	4
Interest expenses		(537)	—
Profit before income tax		10,493	11,909
Income tax	7	(1,000)	(720)
Profit for the period		9,493	11,189
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Available-for-sale financial asset		—	—
Other comprehensive income for the period		—	—
Total comprehensive income for the period		9,493	11,189
Profit attributable to			
– Owners of the Company		9,385	11,076
– Non-controlling interests		108	113
		9,493	11,189

FIRST QUARTERLY CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Note	September 30, 2017 Unaudited RMB' 000	September 30, 2016 Unaudited RMB' 000
Total comprehensive income attributable to			
– Owners of the Company		9,385	11,076
– Non-controlling interests		108	113
		<u>9,493</u>	<u>11,189</u>
Earnings per share for profit attributable to the owners of the Company during the period			
	10		
– Basic (RMB per share)		<u>0.05</u>	<u>0.06</u>
– Diluted (RMB per share)		<u>0.05</u>	<u>0.06</u>

FIRST QUARTERLY CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Reserves									Total RMB' 000
	Share capital RMB' 000	Share premium RMB' 000	Other reserves RMB' 000	Available- for-sale financial asset reserve RMB' 000	Retained profits RMB' 000	Exchange reserve RMB' 000	Proposed interim dividend RMB' 000	Equity attributable to owners of the Company RMB' 000	Non- controlling interests RMB' 000	
Balance at July 1, 2016	411,936	—	(71,025)	911	619,589	1,390	—	962,801	7,616	970,417
Profit/(loss) for the period	—	—	—	—	11,076	—	—	11,076	113	11,189
Share of other comprehensive income of an associate	—	—	—	—	—	(3,738)	—	(3,738)	—	(3,738)
Balance at September 30, 2016	411,936	—	(71,025)	911	630,665	(2,348)	—	970,139	7,729	977,868
Balance at June 30, 2017 and July 1, 2017	411,936	—	(71,025)	2,128	642,825	3,374	6,278	995,516	8,024	1,003,540
Profit for the period	—	—	—	—	9,385	—	—	9,385	108	9,493
Share of other comprehensive income of an associate	—	—	—	—	—	(33)	—	(33)	—	(33)
Fair value loss on available-for-sale financial asset	—	—	—	(471)	—	—	—	(471)	—	(471)
Balance at September 30, 2017	411,936	—	(71,025)	1,657	652,210	3,341	6,278	1,004,397	8,132	1,012,529

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its issued shares have been listed on the GEM since January 16, 2015. The address of the Company's registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong. The Group, comprising the Company and its subsidiaries, is 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 issued shares are listed on Singapore Exchange Securities Trading Limited (the "SGX-ST").

These first quarterly results is presented in Renminbi ("RMB") unless otherwise stated.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated results for the Period have been prepared in accordance with Chapter 18 of the GEM Listing Rules, and the Hong Kong Financial Reporting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong. Except as described below, the accounting policies and methods of computation used in preparing these quarterly results are the same as those followed in the preparation of the Group's audited financial statements for the year ended June 30, 2017 (the "Year 2017").

The first quarterly results are unaudited but have been reviewed by the audit committee of the Board (the "Audit Committee").

The financial information relating to the Year 2017 that is included in these unaudited condensed consolidated financial statements for the Period as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "Companies Ordinance") is as follows:

The Company has delivered the consolidated financial statements for the Year 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

3 SEGMENT INFORMATION

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

Management regularly reviews the operating results from a service category perspective. The reportable operating segments derive their revenue primarily from education facilities leasing. As the revenue from the commercial leasing for supporting facilities was below 10% of the total revenue during the three months ended September 30, 2017 and 2016, business segment information is not considered necessary.

As (a) the executive Directors consider that the Group's revenue and results are all derived from education facilities leasing and commercial leasing for supporting facilities in the PRC and Malaysia; and (b) the leasing revenue from Malaysia was only included in Year 2017 and the revenue is not significant compared to that from the PRC, geographical segment information is not considered necessary.

An analysis of revenue by category for the three months ended September 30, 2017 and 2016 is as follows:

	Three months ended September 30, 2017 Unaudited RMB' 000	Three months ended September 30, 2016 Unaudited RMB' 000
Revenue		
– Education facilities leasing	16,590	16,817
– Commercial leasing for supporting facilities	1,775	1,757
	<u>18,365</u>	<u>18,574</u>

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

4 OTHER (LOSSES)/GAINS – NET

	September 30, 2017 Unaudited RMB' 000	September 30, 2016 Unaudited RMB' 000
Gains on disposal of property, plant and equipment	—	170
Net foreign exchange (losses)	(405)	(38)
Others	—	2,411
	<u>(405)</u>	<u>2,543</u>

5 OTHER EXPENSES

	September 30, 2017 Unaudited RMB' 000	September 30, 2016 Unaudited RMB' 000
Utilities	—	26
Stamp duties	16	15
Others	711	871
	<u>727</u>	<u>912</u>

6 FINANCE INCOME

	September 30, 2017 Unaudited RMB' 000	September 30, 2016 Unaudited RMB' 000
Finance income		
– Interest income on bank deposits	3	4
	<u>3</u>	<u>4</u>

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

7 INCOME TAX EXPENSES

	September 30, 2017 Unaudited RMB' 000	September 30, 2016 Unaudited RMB' 000
Current income tax		
– PRC corporate income tax	<u>1,000</u>	<u>720</u>

PRC corporate income tax

The corporate income tax rate applicable to the Group's entity located in the PRC (the "PRC Subsidiary") is 25% pursuant to the Corporate Income Tax Law of the PRC (the "PRC CIT Law"). Since January 1, 2015, the corporate income tax of the PRC Subsidiary has been levied according to accounting book under the PRC CIT Law.

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 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil the 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 the condensed consolidated first quarterly financial information as the Company and the Group did not have assessable profit in Hong Kong during the three months ended September 30, 2017 and 2016.

8 CONTINGENCIES

The Group had no significant contingent liabilities as at September 30, 2017 (September 30, 2016: nil).

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

9 ONE-OFF CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

A general meeting of the Company was held on July 7, 2016 at which the resolutions regarding (a) the acquisition agreements entered into between Diamond Nest Sdn. Bhd. (now known as OUC Malaysia Sdn. Bhd. (“**OUC Malaysia**”)), a wholly-owned subsidiary of the Company, and Ms. Doris Chung Gim Lian (“**Ms. Chung**”), the wife of Mr. Chew Hua Seng (“**Mr. Chew**”) (the chairman of the Board (the “**Chairman**”) and an executive Director), 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 acquisitions of certain lands and properties in Malaysia (the “**Acquisition**”); and (b) 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 which is the immediate holding company of the Company, as tenant for the lease of the above properties (the “**Tenancy Agreements**”) were passed by the shareholders of the Company (the “**Shareholders**”). For further information, please refer to the Company’s announcements dated May 30, 2016, June 5, 2016 and July 7, 2016 and circular dated June 20, 2016.

OUC Malaysia became the landlord of the above properties immediately after the completion of the Acquisition.

The Tenancy Agreements are considered to be continuing connected transactions under the GEM Listing Rules.

On June 30, 2017, the Company (as the subscriber) entered into a subscription agreement with 4 Vallees Pte. Ltd. (“**4 Vallees**”) (as the issuer) and REC (as the covenanter) (the “**Subscription Agreement**”), 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% 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) (the “**Subscription**”). The Company, REC and 4 Vallees executed a side letter on August 31, 2017 to extend the Long Stop Date (as defined in the Subscription Agreement) to October 21, 2017.

As (a) 4 Vallees is owned as to approximately 87.23% by REC; and (b) REC is the controlling shareholder (as defined in the GEM Listing Rules) of the Company and therefore a connected person of the Company under the GEM Listing Rules, 4 Vallees is also a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules. For further information, please refer to the Company’s announcements dated June 30, 2017, July 31, 2017, August 15, 2017, August 31, 2017 and September 15, 2017.

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

10 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Company by the weighted number of ordinary shares in issue during the Period.

	September 30, 2017 Unaudited	September 30, 2016 Unaudited
Profit attributable to the owners of the Company (RMB' 000)	9,385	11,076
Weighted average number of ordinary shares in issue	<u>180,000,000</u>	<u>180,000,000</u>
Basic earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	<u>0.05</u>	<u>0.06</u>

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

11 DIVIDEND

The Board does not declare the payment of any interim dividend for the Period (2016: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our leasing revenue decreased by 1% to RMB18.4 million for the Period compared to RMB18.6 million for the same period in 2016. This decrease was mainly attributable to the decrease of enrollment students of the colleges, universities, schools, education training centre and corporate entities that lease education facilities for the Group (the “Contract Colleges”) and the change of business tax to value-added tax.

Operating profit

Our operating profit for the Period was RMB11.0 million compared to RMB11.9 million for the same period in 2016, mainly due to the following reasons:

1) *Employee costs*

Employee cost is RMB0.4 million for the Period, there is no change compared to RMB0.4 million for the same period in 2016.

2) *Business Taxes*

Business Taxes decreased by 88% to RMB0.1 million for the Period, compared to RMB0.8 million for the same period in 2016 due to the change of business tax to value-added tax.

3) *Repairs and maintenance fees*

Repairs and maintenance fees decreased by 85% to RMB0.3 million for the Period, compared to RMB2.0 million for the same period in 2016 as the improvement of facilities in our campus was completed in 2016.

4) *Other (losses)/gains – net*

We made a net other losses of RMB0.4 million for the Period compared to a gain of RMB2.5 million for the same period in 2016 due to the write-back of provision of tax.

5) *Other expenses*

Other expenses decreased to RMB0.7 million for the Period, compared to RMB0.9 million for the same period in 2016 due to the decrease of travel expense during the Period.

Income tax expenses

Income tax expenses increased by 43% to RMB1.0 million for the Period, compared to RMB0.7 million for the same period in 2016.

Net profit

Due to the foregoing factors, our net profit for the Period was RMB9.5 million compared to RMB11.2 million for the same period in 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION OF SUBSIDIARY

On June 30, 2017, the Company (as the subscriber) entered into the Subscription Agreement with 4 Vallees (as the issuer) and REC (as the covenanter), 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% 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). On August 31, 2017, the Company, REC and 4 Vallees executed a side letter to extend the Long Stop Date (as defined in the Subscription Agreement) to October 21, 2017.

As (a) 4 Vallees is owned as to approximately 87.23% by REC; and (b) REC is the controlling shareholder (as defined in the GEM Listing Rules) of the Company and therefore a connected person of the Company under the GEM Listing Rules, 4 Vallees is also a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. For further information, please refer to the Company's announcements dated June 30, 2017, July 31, 2017, August 15, 2017, August 31, 2017 and September 15, 2017.

BUSINESS REVIEW AND OUTLOOK

We own and lease education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC and Malaysia. All of our 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, our business, to a much lesser extent, includes commercial leasing. We lease buildings and premises to tenants operating a range of supporting facilities, including grocery stores, laundry shops, internet cafes and canteens.

In general, we expect the resident student population of the Contract Colleges and the revenue to be generated from them to remain relatively stable in the current financial year.

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 owned as to 36.88% by Mr. Chew, the Chairman and an executive Director, for listing expenses as set out in the prospectus of the Company dated December 31, 2014 (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 and Technology Development Zone in Langfang city, Hebei Province, the PRC (the "Campus Site").

As at September 30, 2017, preparation works 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPETING INTERESTS

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

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 September 30, 2017, 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 our Group) which, directly or indirectly, competed or might compete with the Group's business.

CORPORATE GOVERNANCE

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

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

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 such Shares during the Period.

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 Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at September 30, 2017, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) which were required: (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

<u>Name of Director</u>	<u>Capacity/ Nature of interest</u>	<u>Number of issued Shares held</u>	<u>Approximate percentage of shareholding</u> <small>(Note 2)</small>
Mr. Chew	Interest of a controlled corporation <small>(Note 1)</small>	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 September 30, 2017 (i.e. 180,000,000 Shares).

CORPORATE GOVERNANCE AND OTHER INFORMATION

(b) Shares in associated corporation of the Company

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Nature of interests</u>	<u>Number of issued shares held</u>	<u>Approximate percentage of shareholding</u>
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 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 in REC; and (b) the 10.91% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at September 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 the GEM Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at September 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 or persons (other than a Director or the chief executive of the Company) which/who had 5% or more interests in the Shares and the underlying Shares as recorded in the register to be kept under section 336 of the SFO were as follows:

Long positions in the Shares

<u>Name of Shareholders</u>	<u>Capacity/Nature of interest</u>	<u>Number of issued Shares held</u>	<u>Approximate percentage of shareholding</u> <small>(Note 2)</small>
REC	Beneficial owner ^(Note 1)	135,000,000	75%
Ms. Chung	Interest of spouse ^(Note 1)	135,000,000	75%

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 in the Shares in which Mr. Chew is interested and deemed to be interested.
- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at September 30, 2017 (i.e. 180,000,000 Shares).

Save as disclosed above, as at September 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 Period.

REVIEW BY AUDIT COMMITTEE

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 unaudited condensed consolidated results of the Group for the Period, 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.

By order of the Board

Oriental University City Holdings (H.K.) Limited
Chew Hua Seng
Chairman and Executive Director

Hong Kong, October 19, 2017

FIRST QUARTERLY REPORT

2018



Oriental
UniversityCity
东方大学城

Oriental University City Holdings (H.K.) Limited

東方大學城控股（香港）有限公司

Tel:+86 0316 6056302 Fax:+86 0316 6056611

www.oriental-university-city.com