



Oriental
University City
東方大學城

FIRST QUARTERLY REPORT
2022

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

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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 GEM 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.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Tung Wing Yee Winnie

COMPLIANCE OFFICER

Mr. Liu Ying Chun

AUTHORISED REPRESENTATIVES

Ms. Tung Wing Yee Winnie
Mr. Liu Ying Chun

AUDIT COMMITTEE

Mr. Lam Bing Lun, Philip (*Chairman*)
Mr. Tan Yeow Hiang, Kenneth
Mr. Guo Shaozeng

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Guo Shaozeng (*Chairman*)
Mr. Chew Hua Seng
Mr. Lam Bing Lun, Philip
Mr. Wilson Teh Boon Piaw

RISK MANAGEMENT COMMITTEE

Mr. Tan Yeow Hiang, Kenneth (*Chairman*)
Mr. Liu Ying Chun
Mr. Wilson Teh Boon Piaw

LISTING INFORMATION

Place of Listing

GEM of the Stock Exchange

Stock Code

8067

Board Lot

1,000 shares

COMPANY'S WEBSITE

www.oriental-university-city.com

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

CORPORATE INFORMATION

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 & Technological Development Zone
Hebei Province
The PRC 065001

SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
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)

LEGAL ADVISOR

As to PRC law
Hebei Ruoshi Law Firm

FINANCIAL HIGHLIGHTS

- The Group recorded revenue of RMB10.8 million for the three months ended September 30, 2021, representing a decrease of 21.0% as compared with three months ended September 30, 2020.
- Loss attributable to the owners of the Company for the three months ended September 30, 2021 amounted to RMB1.4 million, compared with profit attributable to the owners of the Company of RMB3.5 million for the three months ended September 30, 2020.
- Basic loss per share for the three months ended September 30, 2021 amounted to RMB0.01, compared to basic earnings per share for the three months ended September 30, 2020 of RMB0.02.

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, 2021 (the “Period”), together with the relevant unaudited comparative figures for the corresponding period in 2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	Notes	September 30, 2021 <i>Unaudited</i> RMB'000	September 30, 2020 <i>Unaudited</i> RMB'000	Change + / (-) %
Revenue	3	10,753	13,613	(21.0)
Government grant		—	200	NM
Employee costs		(1,633)	(1,690)	(3.4)
Depreciation of property, plant and equipment		(96)	(89)	7.9
Business taxes and surcharges		(49)	(67)	(26.9)
Property taxes and land use taxes		(2,851)	(2,757)	3.4
Property management fee		(1,159)	(1,095)	5.8
Repairs and maintenance fees		(42)	(31)	35.5
Legal and consulting fees		(1,041)	(628)	65.8
Other gains/(losses), net	4	126	(1,294)	NM
Other expenses		(685)	(608)	12.7
Share of results of associates		525	(405)	NM
Operating profit		3,848	5,149	(25.3)
Interest income		23	15	53.3
Interest expenses		(5,231)	(1,617)	223.5
(Loss)/Profit before income tax		(1,360)	3,547	NM
Income tax	5	(39)	(41)	(4.9)
(Loss)/Profit for the period		(1,399)	3,506	NM
Earnings before interest expenses, tax, depreciation & amortization (“EBITDA”)		3,967	5,253	(24.5)
Other comprehensive income				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences from translation of foreign operations		154	(1,806)	NM
Share of other comprehensive income of associates		(348)	(2,049)	(83.0)
Other comprehensive income for the period		(194)	(3,855)	(95.0)
Total comprehensive income for the period		(1,593)	(349)	356.4

NM — Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	Note	September 30, 2021 Unaudited RMB'000	September 30, 2020 Unaudited RMB'000	Change + / (-) %
(Loss)/Profit attributable to				
– Owners of the Company		(1,384)	3,451	NM
– Non-controlling interests		(15)	55	NM
		<u>(1,399)</u>	<u>3,506</u>	<u>NM</u>
Total comprehensive income				
attributable to				
– Owners of the Company		(1,578)	(404)	290.6
– Non-controlling interests		(15)	55	NM
		<u>(1,593)</u>	<u>(349)</u>	<u>356.4</u>
(Loss)/Earnings per share for (loss)/profit				
attributable to the owners of				
the Company during the period				
– Basic (RMB per share)	6	<u>(0.01)</u>	<u>0.02</u>	<u>NM</u>
– Diluted (RMB per share)	6	<u>(0.01)</u>	<u>0.01</u>	<u>NM</u>

NM — Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	Reserves					Equity attributable to owners of the Company	Non- controlling interests	Total
	Share capital	Other reserves	Statutory surplus reserves	Retained profits	Exchange reserves			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at June 30, 2020 and July 1, 2020 (Audited)	290,136	(71,025)	939	977,435	6,076	1,203,561	10,381	1,213,942
Profit for the period	—	—	—	3,451	—	3,451	55	3,506
Exchange differences from translation of foreign operations	—	—	—	—	(1,806)	(1,806)	—	(1,806)
Share of other comprehensive income of associates	—	—	—	—	(2,049)	(2,049)	—	(2,049)
Total comprehensive income	—	—	—	3,451	(3,855)	(404)	55	(349)
Balance at September 30, 2020 (Unaudited)	290,136	(71,025)	939	980,886	2,221	1,203,157	10,436	1,213,593
Balance at June 30, 2021 and July 1, 2021 (Audited)	290,136	(71,025)	1,418	1,011,847	(897)	1,231,479	10,836	1,242,315
Loss for the period	—	—	—	(1,384)	—	(1,384)	(15)	(1,399)
Exchange differences from translation of foreign operations	—	—	—	—	154	154	—	154
Share of other comprehensive income of associates	—	—	—	—	(348)	(348)	—	(348)
Total comprehensive income	—	—	—	(1,384)	(194)	(1,578)	(15)	(1,593)
Balance at September 30, 2021 (Unaudited)	290,136	(71,025)	1,418	1,010,463	(1,091)	1,229,901	10,821	1,240,722

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 ordinary shares (the “Shares”) in issue were listed on GEM since January 16, 2015. The address of the Company’s registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong and principal place of business is Levels 1 and 2, No. 100 Zhangheng Road, Oriental University City, Langfang Economic & Technological Development Zone, Hebei Province, the PRC 065001. The Company acts as an investment holding company and its subsidiaries are engaged in the provision of education facilities leasing services in the PRC, Malaysia and the Republic of Indonesia (“Indonesia”).

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

The Group’s unaudited condensed consolidated results for the Period (the “First Quarterly Results”) are presented in Renminbi (“RMB”) unless otherwise stated.

2 BASIS OF PREPARATION

The First Quarterly Results have been prepared in accordance with Chapter 18 of the GEM Listing Rules, and the Hong Kong Financial Reporting Standards (the “HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong.

The accounting policies and methods of computation used in preparing the First Quarterly Results are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the year ended June 30, 2021 (the “2021 Financial Statements”). The independent auditor’s report for the 2021 Financial Statements 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. The financial information relating to the 2021 Financial Statements is included in this First Quarterly Results as comparative information only and does not constitute the statutory annual consolidated financial statements of the Group for that year.

The First Quarterly Results are unaudited but have been reviewed by the audit committee of the Board (the “Audit Committee”).

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 less than 10% of the total revenue during the three months ended September 30, 2021 and 2020, business segment information is not considered necessary.

Further, as the executive Directors consider that most of the Group's revenue 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 three months ended September 30, 2021 and 2020 is as follows:

	3 months ended September 30, 2021 Unaudited RMB'000	3 months ended September 30, 2020 Unaudited RMB'000	Change + / (-) %
Education facilities leasing	9,704	12,442	(22.0)
Commercial leasing for supporting facilities	1,049	1,171	(10.4)
	10,753	13,613	(21.0)

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

4 OTHER GAINS/(LOSSES), NET

Analysis of the other gains/(losses), net, for the three months ended September 30, 2021 and 2020 is as follows:

	3 months ended September 30, 2021 Unaudited RMB'000	3 months ended September 30, 2020 Unaudited RMB'000	Change + / (-) %
Net foreign exchange gains/(losses)	62	(1,410)	NM
Director fee income	64	66	(3.0)
Income from sale of scraps	—	39	NM
Income from tax rebate	—	11	NM
	126	(1,294)	NM

NM — Not meaningful

5 INCOME TAX

Analysis of the income tax for the three months ended September 30, 2021 and 2020 is as follows:

	3 months ended September 30, 2021 Unaudited RMB'000	3 months ended September 30, 2020 Unaudited RMB'000	Change + / (-) %
Current income tax			
— Malaysian income tax	39	41	(4.9)

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

5 INCOME TAX – *Continued*

PRC corporate income tax

The corporate income tax rate applicable to the Group's entity located in the PRC is 25% pursuant to the Corporate Income Tax Law of the PRC (the "PRC CIT Law").

PRC withholding income tax

A withholding tax of 10% is levied on the Company, in accordance with the PRC CIT Law, for dividend declared out of profit of its subsidiary in the PRC.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the First Quarterly Results as the Company and the Group did not have assessable profit in Hong Kong during the three months ended September 30, 2021 and 2020.

Malaysian income tax

The Malaysian income tax rate applicable to the Group's entity located in Malaysia is 24%.

Indonesian income tax

The Indonesian income tax rate applicable to the Group's entity located in Indonesia is 25%.

NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

6 (LOSS)/EARNINGS PER SHARE

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

	3 months ended September 30, 2021 Unaudited RMB'000	3 months ended September 30, 2020 Unaudited RMB'000
(Loss)/Earnings:		
(Loss)/Earnings for the purpose of calculating basic and diluted (loss)/earnings per share	<u>(1,384)</u>	<u>3,451</u>
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	<u>180,000,000</u>	180,000,000
Effects of dilutive potential ordinary shares:		
Convertible note issued by the Company	<u>—</u>	<u>87,121,731</u>
Weighted average number of ordinary shares for the purposes of calculating diluted (loss)/earnings per share	<u>180,000,000</u>	<u>267,121,731</u>
Basic (loss)/earnings per share	<u>(0.01)</u>	<u>0.02</u>
Diluted (loss)/earnings per share	<u>(0.01)</u>	<u>0.01</u>

7 DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (September 30, 2020: HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue decreased by 21.0% to RMB10.8 million for the Period compared to RMB13.6 million for the corresponding period in 2020, mainly due to the reduced leasing space of education facilities taken up by a few education institutions in Langfang City, the PRC.

Legal and consulting fees

Legal and consulting fees increased by 65.8% to RMB1.0 million for the Period compared to RMB0.6 million for the same period in 2020 as more professional fees were incurred in conjunction with the Company's application for transfer of listing of its Shares from GEM to the Main Board of the Stock Exchange (the "Application"). As announced by the Company on August 11, 2021, the Application has since lapsed.

Other gains/(losses), net

Other gains of RMB0.1 million was recorded for the Period compared to other losses of RMB1.3 million for the same period in 2020, mainly due to unrealised foreign exchange gains resulted from the foreign operations.

Other expenses

Other expenses increased by 12.7% to RMB0.7 million for the Period from RMB0.6 million for the same period in 2020, mainly due to replenishment in office supplies and increase in business entertainment charges.

Share of results of associates

Gain on share of results of associates of RMB0.5 million was recorded for the Period compared to a loss of RMB0.4 million for the same period in 2020, mainly due to net profit of the Company's associate, Axiom Properties Limited ("Axiom").

Operating profit

Operating profit decreased by 25.3% to RMB3.8 million for the Period compared to RMB5.1 million for the same period in 2020, in line with the overall decline in revenue for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Interest expenses

Interest expenses increased by 223.5% to RMB5.2 million for the Period from RMB1.6 million for the same period in 2020, mainly due to interest payment for the bank borrowings in the PRC that was drawdown in January 2021.

(Loss)/Profit for the Period

A loss of RMB1.4 million was recorded for the Period compared to a profit of RMB3.5 million recorded for the same period in 2020, mainly due to factors set out in the notes above.

EBITDA

EBITDA decreased by 24.5% to RMB4.0 million for the Period compared to RMB5.3 million for the same period in 2020, in line with the overall decline in revenue for the Period.

Other comprehensive income

Loss in other comprehensive income decreased by 95.0% to RMB0.2 million for the Period compared to a loss of RMB3.9 million for the same period in 2020, mainly due to moderation in unrealised foreign exchange losses arising from the associates balance.

BUSINESS REVIEW AND OUTLOOK

The Group owns and leases education facilities, comprising primarily teaching buildings and dormitories to colleges, education institutions, training centres and educational corporate entities (“**Education Institutions**”) in the PRC, Malaysia and Indonesia.

The Group’s education facilities are located in Langfang City in Hebei Province of the PRC, Kuala Lumpur in Malaysia, and Jakarta in Indonesia. In addition, the Group also leases commercial properties in Oriental University City, in Langfang City, the PRC, to commercial tenants operating a range of supporting facilities, including a shopping mall, supermarket, cafe and cafeterias, bank, telecommunication companies, amongst others, to serve the living needs of students of the campus and residents of adjacent housing estates.

Business environment is expected to be challenging in the immediate short term, due to unpredictable novel coronavirus disease 2019 pandemic flare-ups that may occur intermittently, and the continuity of preventive measures imposed by authorities against such flare-ups. Some Education Institutions and commercial tenants, had re-orientated their business strategies, including reduction of leasing commitments to mitigate the perceived business impacts. Moving forward, operational costs will be prudently managed to mitigate the revenue pressures. Discretionary capital expenditures would be appropriately deferred to ensure sufficient funds for working capital and financing activities of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The newly completed dormitories with a gross floor area of 10,567 square metres have been certified fit for occupation and has been leased out to existing and new tenants from September 2021 onwards. It is estimated to contribute RMB1.98 million in the financial year ending June 30, 2022. In addition, aggressive marketing and business development efforts is being undertaken to secure new tenants for the existing and recently vacant education facilities.

The Board views that the education industry in the PRC is resilient and would enjoy moderate growth in line with student population growth. The Group, as a provider of education facilities in strategic locations, is well-poised to ride the moderate growth trend in the medium to long term.

EVENTS AFTER THE REPORTING PERIOD

Proposed Return of Capital by Axiom

Axiom, whose shares are traded on the Australian Securities Exchange, has announced on October 12, 2021, a return of capital of Australian Dollar (“AUD”) 0.04 per ordinary share, which would be paid on December 15, 2021. The return of capital is subject to the approval of shareholders of Axiom in its annual general meeting to be held on November 17, 2021.

Assuming that the return of capital is approved by Axiom’s shareholders on November 17, 2021, and there is no change to the Company’s shareholding in Axiom of 82,250,000 shares, as at the date of this report, by record date, December 8, 2021, the Company would be entitled to receive AUD3.29 million (approximately equivalent to RMB15.75 million) pursuant to the aforesaid proposed return of capital.

Investigation on REC

REC, the controlling shareholder of the Company, had on October 19, 2021 received an order jointly issued by the Monetary Authority of Singapore and the Commercial Affairs Department of Singapore (“Investigating Authorities”) requiring REC to provide certain documents relating to the loan facilities extended by Affin Bank Berhad to Raffles K12 Sdn Bhd and Raffles Iskandar Sdn Bhd in Malaysia (“Loan Facilities”), in connection with an investigation into a potential offence under the Singapore’s Securities and Futures Act (“SSFA”) (Chapter 289 of Singapore) (“Investigations”). The shares of REC listed on the SGX-ST were put on trading halt on the same day and the trading halt was subsequently lifted on October 22, 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Certain current directors of REC, including Mr. Chew Hua Seng (who is the chairman of the Board (the “Chairman”) and an executive Director) (“Mr. Chew”), had attended interviews with the Investigating Authorities in relation to the Investigations on October 19, 2021. In connection with the ongoing Investigations, Mr. Chew was notified that a possible offence under section 203 of the SSFA may have been committed, and as part of the usual procedure, he has surrendered his passport to the Investigating Authorities. As at the date of this report, based on the Company’s best knowledge, information and belief, no further conditions or restrictions are imposed on Mr. Chew and Mr. Chew has not been placed on bail, arrested or charged with any offence.

As the Group is not involved in the Investigations and the Loan Facilities are not related to the Group, the Board considers that the Investigations do not and would not have any material adverse impact on the operation of the Group.

Please refer to the announcements of the Company dated October 21, 2021 and October 24, 2021, for further details of the aforementioned matter.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENTS

On March 6, 2020, the Company entered into a sale and purchase agreement with an independent vendor for the purchase of investment properties in Ulaanbaatar, Mongolia, for a purchase consideration of RMB32.71 million. As at September 30, 2021, the Company has paid RMB14.74 million of the purchase consideration and the remaining balance of RMB17.97 million will be paid in instalments according to the various stages of completion as set out in the sale and purchase agreement. Please refer to the announcement of the Company dated March 8, 2020 for details of the acquisition of investment properties in Mongolia.

The Group also undertakes renovation/refurbishment of investment properties in Langfang City, estimated at approximately RMB240 million, on progressive basis based on its funding capability.

Save for the above, the Group did not have any other significant investment and future plan for material investments and capital commitments as at September 30, 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINUING CONNECTED TRANSACTIONS

Save as disclosed below, the Group does not have any other continuing connected transaction, as at September 30, 2021.

Tenancy Agreement of Properties in Malaysia

OUC Malaysia Sdn Bhd, a direct wholly-owned subsidiary of the Company, had on December 18, 2018, as landlord, entered into a tenancy agreement with Raffles College of Higher Education Sdn Bhd (a 70%-owned subsidiary of REC), as tenant, for the lease of the properties for a lease term of 3 years commencing on January 1, 2019 and expiring on December 31, 2021. The tenancy was executed on arm's length with an annual revenue amounting to MYR1.9 million (approximately RMB3.1 million).

Tenancy Agreement of Properties in Indonesia

PT. OUC Thamrin Indo, a direct wholly-owned subsidiary of the Company, had on June 17, 2020, as landlord, entered into a tenancy agreement with PT. Raffles Institute of Higher Education (a wholly-owned subsidiary of REC), as tenant, for the tenancy of the whole premises of 2 floors of Lippo Thamrin office tower in Jakarta, Indonesia, for a lease term of 3 years commencing on July 1, 2020 and expiring on June 30, 2023. The tenancy was executed on arm's length with an annual revenue amounting to IDR7,154.6 million (approximately RMB3.2 million).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at September 30, 2021 (September 30, 2020: RMBNil).

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during the Period.

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 of the Company dated December 31, 2014 (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 save as disclosed above, as at September 30, 2021, none of the Directors, controlling shareholder or substantial shareholders (as defined in the GEM Listing Rules) of the Company, directors of any of the Company's subsidiaries or any of their respective close associates (as defined in the GEM Listing Rules) had interest in any business (other than the Group) which, directly or indirectly, competed or might compete with the Group's business.

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 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, 2021, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) entered in the register as referred to therein pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions

(a) Shares in the Company

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

Notes:

- Details of the interest in the Company held by Mr. Chew, the Chairman and an executive Director, through REC are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below.
- The percentage of shareholding was calculated based on the Company's total number of issued Shares as at September 30, 2021 (i.e. 180,000,000 Shares).

(b) Shares in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued shares held	Approximate percentage of shareholding
Mr. Chew	REC ^(Note 1)	Beneficial owner and interest of spouse/ personal interest and family interest	462,907,764	33.58% ^(Note 2)

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2.47% interest of Ms. Doris Chung Gim Lian (“Ms. Chung”), the spouse of Mr. Chew in REC; and (b) the 9.93% joint interest of Mr. Chew and Ms. Chung.

Save as disclosed above, as at September 30, 2021, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) entered in the register referred to therein pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at September 30, 2021, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations which or persons (other than a Director or the chief executive of the Company) who had 5% or more interests or short position in the Shares and the underlying Shares as recorded in the register to be kept under section 336 of the SFO were as follows:

Long positions in the Shares

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

Notes:

- 1 REC is owned as to (a) 21.17% by Mr. Chew, the Chairman and an executive Director; (b) 9.93% jointly by Mr. Chew and Ms. Chung, the spouse of Mr. Chew; and (c) 2.47% by Ms. Chung. Under the SFO, Mr. Chew is deemed to be interested in the Shares in which 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. In addition, Mr. Chew is a director of REC.
- 2 The percentage of shareholding was calculated based on the Company's total number of issued Shares as at September 30, 2021 (i.e. 180,000,000 Shares).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at September 30, 2021, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations which or persons (other than a Director or the chief executive of the Company) who had 5% or more interests or short positions in the Shares and the underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

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. Guo Shaozeng 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 First Quarterly Results and this report, 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 29, 2021

FIRST QUARTERLY REPORT

2022



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