



Oriental
University *City*
東方大學城

INTERIM REPORT
2022

中期業績報告



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 (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.

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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. Tan Yeow Hiang, Kenneth
Mr. Wilson Teh Boon Piaw
Mr. Guo Shaozeng
Mr. Lam Bing Lun, Philip
(Resigned on January 1, 2022)

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. Tan Yeow Hiang, Kenneth (*Chairman*)
(Appointed on January 1, 2022)
Mr. Guo Shaozeng
Mr. Wilson Teh Boon Piaw
(Appointed on January 1, 2022)
Mr. Lam Bing Lun, Philip (*Chairman*)
(Resigned on January 1, 2022)

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. Wilson Teh Boon Piaw
Mr. Lam Bing Lun, Philip
(Resigned on January 1, 2022)

RISK MANAGEMENT COMMITTEE

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

LISTING INFORMATION

Place

GEM of the Stock Exchange

Stock Code

8067

Board Lot

1,000 shares

COMPANY'S WEBSITE

www.oriental-university-city.com

CORPORATE INFORMATION

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

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 RMB26.2 million for the six months ended December 31, 2021, representing a decrease of 15.7% as compared with that of the corresponding period in 2020.
- Profit attributable to the owners of the Company for the six months ended December 31, 2021 amounted to RMB1.15 million, representing a decrease of 97.5% as compared with that of the corresponding period in 2020.
- Basic earnings per share for the six months ended December 31, 2021 amounted to RMB0.01, compared to basic earnings per share for the six months period ended December 31, 2020 of RMB0.25.

The board of Directors (the “Board”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended December 31, 2021 (the “Period”), together with the relevant comparative figures for the corresponding periods in 2020, as follows:

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

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

	Notes	For the 3 months ended		For the 6 months ended		Change +/(-)%
		December 31, 2021 Unaudited RMB'000	December 31, 2020 Unaudited RMB'000	December 31, 2021 Unaudited RMB'000	December 31, 2020 Unaudited RMB'000	
Revenue	5.4 & 6.1	15,426	17,451	26,180	31,064	(15.7)
Government grants		—	—	—	200	NM
Employee costs		(1,525)	(1,558)	(3,159)	(3,249)	(2.8)
Depreciation of property, plant and equipment		(94)	(88)	(190)	(176)	8.0
Business taxes and surcharges		(71)	(81)	(121)	(148)	(18.2)
Property taxes and land use taxes		(2,933)	(2,891)	(5,784)	(5,648)	2.4
Property management fee		(1,128)	(1,242)	(2,287)	(2,337)	(2.1)
Repairs and maintenance fees	6.2	(494)	(125)	(535)	(156)	242.9
Legal and consulting fees	6.3	(2,041)	(1,152)	(3,082)	(1,779)	73.2
Other losses, net	5.5 & 6.4	(1,241)	(618)	(1,115)	(1,913)	(41.7)
Other expenses	6.5	(2,294)	(1,193)	(2,980)	(1,801)	65.5
Share of results of associates	6.6	4,171	4,352	4,696	3,946	19.0
Operating profit before fair value changes	6.7	7,776	12,855	11,623	18,003	(35.4)
Fair value gains on investment properties		—	43,425	—	43,425	NM
Fair value gain on convertible note		—	2,360	—	2,360	NM
Operating profit	6.8	7,776	58,640	11,623	63,788	(81.8)
Interest income		17	12	40	27	48.1
Interest expenses	6.9	(5,202)	(1,514)	(10,433)	(3,131)	233.2
Profit before income tax		2,591	57,138	1,230	60,684	(98.0)
Income tax						
Current income tax expense	5.6 & 6.10	(37)	(531)	(76)	(572)	(86.7)
Deferred tax expense		—	(14,133)	—	(14,133)	NM
Profit for the period	6.11	2,554	42,474	1,154	45,979	(97.5)
EBITDA	6.12	7,887	12,955	11,853	18,206	(34.9)

Notes:

NM Not meaningful

EBITDA Earnings before interest expenses, tax, depreciation & amortization and adjustment (exclude non-routine expenses for meaningful comparison purposes)

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

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

	Notes	For the 3 months ended		For the 6 months ended		Change +/(-)%
		December 31, 2021 Unaudited RMB'000	December 31, 2020 Unaudited RMB'000	December 31, 2021 Unaudited RMB'000	December 31, 2020 Unaudited RMB'000	
Other comprehensive income	6.13					
Items that may be subsequently reclassified to profit or loss:						
Exchange differences from translation of foreign operations		(1,513)	(521)	(1,359)	(2,327)	(41.6)
Share of other comprehensive income of associates		(1,056)	161	(1,404)	(1,888)	(25.6)
Other comprehensive income for the period		(2,569)	(360)	(2,763)	(4,215)	(34.4)
Total comprehensive income for the period		(15)	42,114	(1,609)	41,764	NM
Profit attributable to						
– Owners of the Company		2,536	41,993	1,151	45,444	(97.5)
– Non-controlling interests		18	481	3	535	(99.4)
		2,554	42,474	1,154	45,979	(97.5)
Total comprehensive income attributable to						
– Owners of the Company		(33)	41,633	(1,612)	41,229	NM
– Non-controlling interests		18	481	3	535	(99.4)
		(15)	42,114	(1,609)	41,764	NM
Earnings per share for profit attributable to the owners of the Company during the period	5.7					
– Basic (RMB per share)		0.01	0.23	0.01	0.25	(96.0)
– Diluted (RMB per share)		0.01	0.15	0.01	0.16	(93.8)

NM – Not meaningful

2. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	<i>Notes</i>	December 31, 2021 <i>Unaudited</i> RMB'000	June 30, 2021 <i>Audited</i> RMB'000
Non-current assets			
Property, plant and equipment	5.8	4,059	4,826
Investment properties	5.8	1,550,409	1,547,773
Interests in associates	5.9	66,630	78,889
Prepayment for acquisition of investment properties	5.10	18,009	14,738
Total non-current assets		1,639,107	1,646,226
Current assets			
Trade and other receivables	5.11	14,475	19,059
Restricted cash		3,521	4,525
Cash and cash equivalents		32,061	28,095
Total current assets		50,057	51,679
Current liabilities			
Trade and other payables and accruals	5.12	10,518	10,742
Advances from customers	5.13	13,702	3,882
Bank borrowings, secured	5.14	60,092	62,545
Current tax liabilities		18	15
Total current liabilities		84,330	77,184
Net current liabilities	6.14	(34,273)	(25,505)
Total assets less current liabilities		1,604,834	1,620,721

2. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2021

		December 31, 2021 <i>Unaudited</i> RMB'000	June 30, 2021 <i>Audited</i> <i>RMB'000</i>
	<i>Notes</i>		
Non-current liabilities			
Trade and other payables and accruals	5.12	76	235
Bank borrowings, secured	5.14	205,264	219,383
Deferred tax liabilities		158,788	158,788
		<hr/>	<hr/>
Total non-current liabilities		364,128	378,406
		<hr/>	<hr/>
NET ASSETS		1,240,706	1,242,315
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves attributable to owners of the Company			
Share capital	5.15	290,136	290,136
Reserves		939,731	941,343
		<hr/>	<hr/>
		1,229,867	1,231,479
		<hr/>	<hr/>
Non-controlling interests		10,839	10,836
		<hr/>	<hr/>
TOTAL EQUITY		1,240,706	1,242,315
		<hr/> <hr/>	<hr/> <hr/>

3. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

	Reserves				Equity			Total
	Share capital	Other reserves	Statutory surplus reserves	Retained profits	Exchange reserves	attributable to owners of the Company	Non-controlling Interests	
	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	—	—	—	45,444	—	45,444	535	45,979
Exchange differences from translation of foreign operations	—	—	—	—	(2,327)	(2,327)	—	(2,327)
Share of other comprehensive income of associates	—	—	—	—	(1,888)	(1,888)	—	(1,888)
Total comprehensive income	—	—	—	45,444	(4,215)	41,229	535	41,764
Balance at December 31, 2020 (Unaudited)	290,136	(71,025)	939	1,022,879	1,861	1,244,790	10,916	1,255,706
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
Profit for the period	—	—	—	1,151	—	1,151	3	1,154
Exchange differences from translation of foreign operations	—	—	—	—	(1,359)	(1,359)	—	(1,359)
Share of other comprehensive income of associates	—	—	—	—	(1,404)	(1,404)	—	(1,404)
Total comprehensive income	—	—	—	1,151	(2,763)	(1,612)	3	(1,609)
Balance at December 31, 2021 (Unaudited)	290,136	(71,025)	1,418	1,012,998	(3,660)	1,229,867	10,839	1,240,706

4. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

	December 31, 2021 Unaudited RMB'000	December 31, 2020 Unaudited RMB'000
Operating activities		
Profit before income tax	1,230	60,684
Adjustments for:		
Interest income	(40)	(27)
Depreciation of property, plant and equipment	190	176
Interest paid	10,487	3,131
Fair value gain on investment properties	—	(43,425)
Fair value gain on convertible note	—	(2,360)
Unrealised net foreign exchange	(1,251)	1,576
Share of results of associates	(4,696)	(3,946)
	<hr/>	<hr/>
Operating cash flows before working capital changes	5,920	15,809
Change in trade and other receivables	4,584	(1,726)
Change in trade and other payables and accruals	1,436	(1,113)
Change in advance from customers	9,820	15,118
	<hr/>	<hr/>
Cash generated from operations	21,760	28,088
Income tax paid	(73)	(1,206)
	<hr/>	<hr/>
Net cash generated from operating activities	21,687	26,882
	<hr/>	<hr/>

4. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

	December 31, 2021 <i>Unaudited</i> <i>RMB'000</i>	December 31, 2020 <i>Unaudited</i> <i>RMB'000</i>
Cash flow from investing activities		
Interest received	40	27
Decrease in restricted cash	1,268	—
Payments to acquire property, plant and equipment	(660)	(708)
Payments to increase investment properties	(2,815)	(513)
Increase in prepayment for investment properties	(3,271)	(3,271)
Return of capital from associate	14,891	—
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	9,453	(4,465)
	<hr/>	<hr/>
Cash flow from financing activities		
Proceeds from loan from parent company	—	35,000
Repayment of bank borrowings	(16,673)	(473)
Repayment of loan from parent company	—	(35,000)
Interest payment on bank borrowings	(10,487)	(3,131)
Interest payment of convertible note	—	(2,167)
	<hr/>	<hr/>
Net cash used in financing activities	(27,160)	(5,771)
	<hr/>	<hr/>
Net increase in cash and cash equivalent	3,980	16,646
Cash and cash equivalents at beginning of the period	28,095	2,211
Effect of foreign exchange rate changes, net	(14)	—
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	32,061	18,857
	<hr/> <hr/>	<hr/> <hr/>

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong on June 11, 2012. Its ordinary shares (the “Shares”) in issue have been listed on GEM since January 16, 2015. The address of the Company’s registered office is 31st Floor, 148 Electric Road, North Point, Hong Kong, and principal place of business is Levels 1 and 2, No. 100 Zhangheng Road, Oriental University City, Langfang Economic and Technological Development Zone, Hebei Province, the 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 issued shares are listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”).

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

5.2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Interim 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 the (“HKICPA”), and accounting principles generally accepted in Hong Kong. Except as described below, the accounting policies and methods of computation used in preparing in this Interim Results are the same as those followed in the preparation of the Group’s audited financial statements for the year ended June 30, 2021 (the “Year 2021”).

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial information for the current accounting period:

- Amendments to HKFRS 16, Covid-19-related rent concessions
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies for the current and prior periods have been prepared or presented.

The Interim Results are unaudited but have been reviewed by the audit committee ("Audit Committee") of the Board.

The financial information relating to the Year 2021 that is included in these Interim Results 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 2021 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; did 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.

5.3 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 six months ended December 31, 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 leasing of education facilities and commercial supporting facilities in the PRC, and no significant assets of the Group are located outside the PRC, geographical segment information is not considered necessary.

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.4 REVENUE

Details of revenue by category for the 3 months and 6 months ended December 31, 2021 and 2020 are as follows:

	For the 3 months ended		For the 6 months ended		Change +/(-)%
	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	
Revenue					
Education facilities leasing	14,499	16,384	24,203	28,825	(16.0)
Commercial supporting facilities leasing	927	1,067	1,977	2,239	(11.7)
	<u>15,426</u>	<u>17,451</u>	<u>26,180</u>	<u>31,064</u>	<u>(15.7)</u>

Information on major customers

The Group's revenues were derived from the following external customers that individually contributed more than 10% of the Group's revenues for the 3 months and 6 months ended December 31, 2021 and 2020:

	For the 3 months ended		For the 6 months ended		Change +/(-)%
	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	
Customers					
Customer A	3,927	8,339	7,854	16,679	(52.9)
Customer B	3,864	2,676	3,864	3,830	0.9
Customer C	1,323	—	2,647	—	NM
	<u>9,114</u>	<u>11,015</u>	<u>14,365</u>	<u>20,509</u>	<u>(30.0)</u>

NM — Not meaningful

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.5 OTHER LOSSES, NET

Details of the other losses, net, for the 3 months and 6 months ended December 31, 2021 and 2020 are as follows:

	For the 3 months ended		For the 6 months ended		Change +/(-)%
	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	
Gain on disposal of plant and equipment	5	—	5	—	NM
Net foreign exchange losses	(1,312)	(796)	(1,251)	(2,423)	(48.4)
Others	66	178	131	510	(74.3)
	(1,241)	(618)	(1,115)	(1,913)	(41.7)

NM — Not meaningful

5.6 INCOME TAX

Details of the income tax for the 3 months and 6 months ended December 31, 2021 and 2020 are as follows:

	For the 3 months ended		For the 6 months ended		Change +/(-)%
	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	
Current corporate income tax					
— PRC	—	493	—	493	NM
— Malaysia	37	38	76	79	(3.8)
	37	531	76	572	(86.7)
Deferred tax	—	14,133	—	14,133	NM
Income tax	37	14,664	76	14,705	(99.5)

NM — Not meaningful

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.6 INCOME TAX *(Continued)*

Corporate income tax

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 Interim Results as the Company and the Group did not have assessable profit in Hong Kong during the six months ended December 31, 2021 and 2020.

Malaysian income tax

The Malaysian income tax rate applicable to the Group 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%.

Deferred tax

Deferred tax liabilities charged for the period ended December 31, 2020 due to change in fair value of investment properties of the Group for the same period.

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.7 EARNINGS PER SHARE

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

	For the 3 months ended		For the 6 months ended		Change + / (-) %
	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	December 31, 2021 <i>Unaudited</i> RMB'000	December 31, 2020 <i>Unaudited</i> RMB'000	
Earnings:					
Earnings for the purposes of basic earnings per share	2,536	41,993	1,151	45,444	(97.5)
Effect of dilutive potential ordinary shares:					
Fair value gain on convertible note	—	(2,360)	—	(2,360)	NM
Earnings for the purpose of diluted earnings per share	<u>2,536</u>	<u>39,633</u>	<u>1,151</u>	<u>43,084</u>	<u>(97.3)</u>
Number of shares:	<i>Number'000</i>	<i>Number'000</i>	<i>Number'000</i>	<i>Number'000</i>	
Weighted average number of ordinary shares for the purposes of basic earnings per share	180,000	180,000	180,000	180,000	—
Effects of potential dilutive number of ordinary shares of convertible note issued	—	87,122	—	87,122	NM
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	<u>180,000</u>	<u>267,122</u>	<u>180,000</u>	<u>267,122</u>	<u>(32.6)</u>
Basic earnings per share (RMB per share)	<u>0.01</u>	<u>0.23</u>	<u>0.01</u>	<u>0.25</u>	<u>(96.0)</u>
Diluted earnings per share (RMB per share)	<u>0.01</u>	<u>0.15</u>	<u>0.01</u>	<u>0.16</u>	<u>(93.8)</u>

NM — Not meaningful

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.8 PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTIES

A reconciliation of the opening and closing balances during the Period and prior year is as follows:

	Property Plant & Equipment <i>RMB'000</i>	Investment Properties <i>RMB'000</i>
At June 30, 2020 and July 1, 2020 (audited)	4,891	1,506,198
Additions	501	5,235
Disposal	(141)	(3,636)
Depreciation charges	(428)	—
Exchange realignment	3	(11,445)
Change in fair value	—	51,421
	<hr/>	<hr/>
At June 30, 2021 and July 1, 2021 (audited)	4,826	1,547,773
Additions	660	2,815
Depreciation charges	(190)	—
Exchange realignment	(1,237)	(179)
	<hr/>	<hr/>
At December 31, 2021 (unaudited)	4,059	1,550,409
	<hr/> <hr/>	<hr/> <hr/>

5.9 INTERESTS IN ASSOCIATES

	As at December 31, 2021 <i>RMB'000</i> <i>Unaudited</i>	As at June 30, 2021 <i>RMB'000</i> <i>Audited</i>
Share of net assets other than goodwill <i>(note)</i>	66,630	78,889
Goodwill	2,652	2,652
Less: impairment loss	(2,652)	(2,652)
	<hr/>	<hr/>
	66,630	78,889
	<hr/> <hr/>	<hr/> <hr/>

Note: During the Period, a return of capital of RMB14,891,000 was received from an associate.

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.10 PREPAYMENT FOR ACQUISITION OF INVESTMENT PROPERTIES

As at December 31, 2021, the Company has prepaid RMB18,009,000 (At June 30, 2021: RMB14,738,000) for the acquisition of investment properties in Mongolia at a total purchase consideration of RMB32,712,000.

5.11 TRADE AND OTHER RECEIVABLES

	As at December 31, 2021 <i>RMB'000</i> <i>Unaudited</i>	As at June 30, 2021 <i>RMB'000</i> <i>Audited</i>
Trade receivables	6,383	10,647
Other receivables ^(Note)	8,092	8,412
	<hr/>	<hr/>
	14,475	19,059
	<hr/> <hr/>	<hr/> <hr/>

Note: Included in the balance as at December 31, 2021 was an amount due from an associate of RMB62,000 (June 30, 2021: RMB67,000), which was unsecured, interest-free, repayable on demand and non-trade in nature.

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

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

	As at December 31, 2021 <i>RMB'000</i> <i>Unaudited</i>	As at June 30, 2021 <i>RMB'000</i> <i>Audited</i>
Within 3 months	—	35
Over 3 months to 6 months	6,144	1,620
Over 6 months to 12 months	—	8,992
Over 1 year	239	—
	<hr/>	<hr/>
	6,383	10,647
	<hr/> <hr/>	<hr/> <hr/>

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.12 TRADE AND OTHER PAYABLES AND ACCRUALS

	As at December 31, 2021 <i>RMB'000</i> <i>Unaudited</i>	As at June 30, 2021 <i>RMB'000</i> <i>Audited</i>
Trade payables	973	1,620
Other payables and accruals ^(Note)	9,621	9,357
	<hr/>	<hr/>
	10,594	10,977
	<hr/> <hr/>	<hr/> <hr/>

Note: Included in the balance as at December 31, 2021 was an amount due to REC group of RMB76,000 (June 30, 2021: RMB Nil), which was unsecured, interest-free, repayable on demand and non-trade in nature.

Reconciliation of trade payables and other payables and accruals:

	As at December 31, 2021 <i>RMB'000</i> <i>Unaudited</i>	As at June 30, 2021 <i>RMB'000</i> <i>Audited</i>
Current	10,518	10,742
Non-current	76	235
	<hr/>	<hr/>
	10,594	10,977
	<hr/> <hr/>	<hr/> <hr/>

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.12 TRADE AND OTHER PAYABLES AND ACCRUALS *(Continued)*

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:

	As at December 31, 2021 RMB'000 Unaudited	As at June 30, 2021 RMB'000 Audited
Within 3 months	973	457
Over 3 months to 6 months	—	861
Over 6 months to 12 months	—	—
Over 1 year	—	302
	<hr/> 973 <hr/>	<hr/> 1,620 <hr/>

5.13 ADVANCES FROM CUSTOMERS

As at December 31, 2021, rental advances from customers was RMB13,702,000 (June 30, 2021: RMB3,882,000). The advances from customers will be recognised as revenue over the term of lease.

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED RESULTS

5.14 BANK BORROWINGS, SECURED

	As at December 31, 2021 RMB'000 Unaudited	As at June 30, 2021 RMB'000 Audited
Bank borrowings due for repayment:		
— Within one year ^(Note)	60,092	62,545
— After one year but within two years	38,380	33,606
— After two years but within five years	134,652	153,485
— After five years	32,232	32,292
	205,264	219,383
Total	265,356	281,928

Note: Included in the balance as at December 31, 2021 were bank overdraft (non-revolving) and term loans amounting to RMB27,910,000 (June 30, 2021: RMB28,534,000) and RMB32,182,000 (June 30, 2021: RMB34,011,000), respectively.

Bank borrowings are interest-bearing at fixed and floating rates. The interest rates of the Group's bank borrowings as at December 31, 2021 granted under banking facilities ranged from 5.00% to 8.16% (June 30, 2021: 4.60% to 8.50%) per annum. As at December 31, 2021, the bank facilities were secured by certain investment properties of the Group, amounted to RMB354,653,000 (June 30, 2021: RMB356,233,000) and corporate guarantee of the Company.

5.15 SHARE CAPITAL

The share capital as at June 30, 2021 and December 31, 2021 represented the issued share capital of the Company as follows:

	Number of Shares	Share capital HK\$	Share capital RMB
Issued and fully paid			
As at June 30, 2021 and at December 31, 2021	180,000,000	366,320,500	290,136,000

MANAGEMENT DISCUSSION AND ANALYSIS

6. FINANCIAL REVIEW

6.1 Revenue

Revenue decreased by 15.7% to RMB26.18 million for the Period compared to RMB31.06 million for the same period in 2020. The decrease was mainly attributable to the reduced leasing space and leasing period for education facilities leased out to colleges, education institutions, training centres and educational corporate entities (the “Education Institutions”) in Langfang City, the PRC.

6.2 Repairs and maintenance fees

Repairs and maintenance fees increased by 242.9% to RMB0.54 million for the Period compared to RMB0.16 million for the same period in 2020 as water-proofing works for the teaching building and air-conditioning repair works at student dormitories were carried out.

6.3 Legal and consulting fees

Legal and consulting fees increased by 73.2% to RMB3.08 million for the Period compared to RMB1.78 million for the same period in 2020 due to incurrence of additional professional fees 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 “Transfer Application”). As announced by the Company on August 11, 2021, the Transfer Application has since lapsed.

6.4 Other losses, net

Other losses decreased by 41.7% to RMB1.12 million for the Period compared to RMB1.91 million for the same period in 2020 mainly due to lower net foreign exchange losses, resulted from the translation of foreign currency balances against RMB.

6.5 Other expenses

Other expenses increased by 65.5% to RMB2.98 million for the Period from RMB1.80 million for the same period in 2020, mainly due to office supplies replenishment, higher business entertainment charges to build rapport with customers in order to canvass for more businesses, and charity donation for public health cause.

6.6 Share of results of associates

Gain on share of results of associates increased by 19.0% to RMB4.70 million for the Period compared to RMB3.95 million for same period in 2020 largely due to increase in net profit of the associate, Axiom Properties Limited (“Axiom”).

MANAGEMENT DISCUSSION AND ANALYSIS

6.7 Operating profit before fair value changes

Operating profit before fair value changes for the Period decreased by 35.4% to RMB11.62 million for the Period compared to RMB18.00 million for the same period in 2020, in line with overall decline in revenue.

6.8 Operating profit

Operating profit for the Period decreased by 81.8% to RMB11.62 million for the Period compared to RMB63.79 million for the same period in 2020. The higher operating profit for the same period in 2020 was largely attributed to the fair value gains arising from revaluation of investment properties and convertible note in conjunction with the Transfer Application.

6.9 Interest expenses

Interest expenses increased by 233.2% to RMB10.43 million for the Period from RMB3.13 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.

6.10 Current income tax

Current income tax decreased by 86.7% to RMB0.08 million for the Period compared to RMB0.58 million for the same period in 2020, mainly due to the subsidiary in the PRC having no assessable income tax due to decline in revenue.

6.11 Profit for the Period

Profit for the Period decreased by 97.5% to RMB1.16 million compared to RMB45.98 million for the same period in 2020, mainly due to the foregoing factors set out in Notes 6.1 to 6.10 above.

6.12 EBITDA

EBITDA decreased by 34.9% to RMB11.85 million for the Period compared to RMB18.21 million for the same period in 2020, in line with the overall decline in revenue for the Period.

6.13 Other comprehensive income

Loss in other comprehensive income decreased by 34.4% to RMB2.76 million for the Period compared to a loss of RMB4.22 million for the same period in 2020, mainly due to moderation in unrealised foreign exchange losses arising from foreign operations and associate's balance.

MANAGEMENT DISCUSSION AND ANALYSIS

6.14 Liquidity and Financial Resources

As at December 31, 2021, the Group had a net current liabilities of RMB34.27 million (June 30, 2021: RMB25.51 million). Included in the current liabilities are:—

- (i) advance from customers of RMB13.70 million (June 30, 2021: RMB3.88 million), which will be recognised as revenue with the passage of time in accordance with the terms of the rental agreements.
- (ii) bank borrowings of RMB60.09 million (June 30, 2021: RMB62.55 million) that were secured by certain investment properties of the Group, comprising:—
 - (a) term loans of RMB32.18 million (June 30, 2021: RMB34.01 million) that will be repaid when due; and
 - (b) overdraft loan of RMB27.91 million (June 30, 2021: RMB28.53 million) that the Company is confident will continue to be extended by the bank.

As at December 31, 2021, the Group had total equity of approximately RMB1,240.71 million (June 30, 2021: RMB1,242.32 million), while its total borrowings stood at RMB265.36 million (June 30, 2021: RMB281.93 million). This represents a reduced gearing ratio (total borrowings/total equity) of 21.4% compared to 22.7% at June 30, 2021.

In view of its low gearing, the Group has explored and is confident of financing availability in the PRC that could be deployed, where appropriate, to rebalance its loans portfolio and/or refinance its current bank borrowings into longer term bank borrowings.

7. EVENT AFTER THE REPORTING PERIOD

The Company had announced on December 31, 2021, the resignation of Mr. Lam Bing Lun, Philip (“Mr. Lam”), as an independent non-executive Director (the “INED”) with effect from January 1, 2022, to devote more time on his personal matters.

In view of Mr. Lam’s resignation, the Board further announced on December 31, 2021, the change in composition of the Board committees of which Mr. Tan Yeow Hiang, Kenneth (“Mr. Tan”), be appointed as the chairman of the Audit Committee and Mr. Wilson Teh Boon Biaw (“Mr. Teh”), be appointed as a member of the Audit Committee. Both Mr. Tan and Mr. Teh are the current INEDs.

Please refer to the announcements of the Company dated December 31, 2021 and January 5, 2022 for further details of the aforementioned matters.

Mr. Tan has been in the Audit Committee since the Company’s listing on GEM in 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Mr. Tan was with United Overseas Bank Limited (“UOB”) in Singapore, from September 2008 to May 2015, as head of UOB’s international banking businesses, which include corporate banking, financial institutions and consumer banking. The business of UOB, which is an international (AA-rated) bank, with location in close to 19 countries in the world, is providing corporate loans and other banking services to both listed and unlisted companies around the world. Providing such financial services requires the detailed review of the financial statements of multinationals, banks and private companies, including Hong Kong companies, before corporate loans or any other financial services are provided by UOB. UOB has a Hong Kong branch, which had in the past, come under Mr. Tan’s supervisory and business purview, of which Mr. Tan would have had to approve before agreeing to onboard these Hong Kong-based companies as UOB customers. One of the requirements of onboarding is the review of these companies’ financial statements which is part of a more complicated and detailed onboarding process.

Mr. Tan, had also previously worked at the Singapore Economic Development Board (“EDB”) from October 2001 to September 2008. As assistant managing director of EDB, Mr. Tan was part of the five-man senior leadership team, responsible for ensuring that the EDB approves and delivers fixed asset investments in Singapore that were regularly in excess of SGD 10 billion a year. EDB is well known around the world as one of the most successful government investment attraction organisations globally, and one of the requirements of having to bring in investments into Singapore would require a detailed understanding of financial statements and the value of not only these investments, but the backers of these companies, which inevitably are some of the largest multinationals and/or local corporate companies in the world.

Mr. Tan is a former banker, investment specialist and a business leader. He is not formerly a chief financial officer, auditor or accountant, whose job is to prepare financial statements, though, one of reviewing the work of such professionals is a norm in his 33 years of leadership experience.

Mr. Tan is currently an executive director of Quintegra Ventures Inc., an investment holding company. Being involved in private equity investments (including mergers and acquisitions) would require a sound understanding of the implications of financial statements before investments can be made.

8. BUSINESS REVIEW AND OUTLOOK

The Group owns and leases education facilities, comprising primarily teaching buildings and dormitories to Education Institutions in the PRC, Malaysia and Indonesia.

The Group’s education facilities are located in 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, clinic, café and cafeterias, bank, telecommunication companies, amongst others, to serve the living needs of students of the campus and residents of adjacent housing estates.

MANAGEMENT DISCUSSION AND ANALYSIS

Business environment is expected to be challenging in the immediate term, due to unpredictable novel coronavirus disease 2019 pandemic (“COVID-19”) flare-ups that continues to occur intermittently, and the continuity of contagion preventive measures imposed by authorities against such flare-ups. Travel restrictions, personnel quarantines and impromptu city/district lockdown imposed by local authorities (collectively “COVID-19 Impact”) have, to a certain extent, affected the business and profitability of the Education Institutions and commercial tenants, and they had re-orientated their business strategies, including reduction of leasing commitments to mitigate the business impacts. Operationally, the Company expects minimal operational downtime and increased administrative cost to comply with policies issued by the authorities caused by COVID-19 Impact.

The financial performance of the Company, in the past six months was impacted in terms of reduced leasing space taken up by the affected Education Institutions and commercial tenants. Marketing efforts to canvass for prospective customers has been stepped up, and the Company is pleased that the efforts paid off, as new long-term customers have signed up to take up the recently vacated education facilities and will contribute to revenue in the second half of the financial year.

Moving forward, to mitigate the revenue pressures, operational costs will be prudently managed and discretionary capital expenditures and investments would be appropriately deferred to ensure sufficient funds for working capital and financing activities. The return of capital from the associate, Axiom, of RMB14.89 million, was received in December 2021, and a substantial portion will be deployed to reduce the bank borrowings with higher interest rate in order to generate interest savings.

In view of the Group’s low gearing, there is flexibility in optimising leverage. The Group has explored and is confident of accessing financing options with competitive interest rate, in the PRC, to cater for future needs. The financing options would be deployed, where appropriate, to refinance the Group’s loan portfolio, and/or to ease working capital requirements.

The Board views that the education industry in the PRC is resilient and would continue to enjoy moderate growth in line with the growth of student population. The Group, as provider of education facilities in strategic locations, will benefit from this growth trend, barring COVID-19 Impact causing a long-term structural change in the education industry.

MANAGEMENT DISCUSSION AND ANALYSIS

9. 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 December 31, 2021, the Company has paid RMB18.01 million of the purchase consideration and the remaining balance of RMB14.70 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 dated March 8, 2020 for details of the acquisition of investment properties in Mongolia.

The Group would also undertake 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 of future plan for material investments and capital commitments, as at December 31, 2021.

10. 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, as at December 31, 2021.

11. CONTINUING CONNECTED TRANSACTIONS

Tenancy Agreement of Properties in Malaysia

OUC Malaysia Sdn Bhd (“OUCMY”), a direct wholly-owned subsidiary of the Company, as landlord, had entered into a tenancy agreement with Raffles College of Higher Education Sdn Bhd (“RCHE”), of which 70% of its equity interest is owned by REC, as tenant, on December 18, 2018 for the lease of the properties for a term of three years commencing on January 1, 2019 and expired on December 31, 2021. A new tenancy agreement was executed on December 10, 2021, for the renewal of lease of the properties between OUCMY and RCHE, for a term of three years commencing on January 1, 2022 and expiring on December 31, 2024. The new tenancy term was executed on arm’s length terms and the annual rental payable under the new tenancy agreement amounts to MYR2,008,440 (approximately RMB3,060,000). Please refer to the to the announcements dated December 10, 2021, for further details of the new tenancy agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

Tenancy Agreement of Properties in Indonesia

PT OUC Thamrin Indo, a direct wholly-owned subsidiary of the Company, as landlord, has entered into a tenancy agreement with PT. Raffles Institute of Higher Education, a wholly-owned subsidiary of REC, as tenant, for the tenancy of two floors of Lippo Thamrin office tower in Jakarta, Indonesia, for a term of three years commencing on July 1, 2020 and expiring on June 30, 2023. The tenancy was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to IDR7,154,640,000 (approximately RMB3,182,000).

12. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at December 31, 2021 (December 31, 2020: Nil).

13. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the Period (December 31, 2020: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

14. 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 December 31, 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 our Group) which, directly or indirectly, competed or might compete with the Group's business.

15. 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 Part 2 of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the Period.

16. 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.

17. 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

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

As at December 31, 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 ⁽²⁾
Mr. Chew Hua Seng ("Mr. Chew") ⁽¹⁾	Interest of a controlled corporation/ Corporate interest	135,000,000	75%

Notes:

- (1) Details of the interest in the Company held by Mr. Chew, the chairman of the Board (the "Chairman") and an executive Director, through 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 December 31, 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 ⁽¹⁾	Beneficial owner and interest of spouse/ personal interest and family interest	462,907,764	33.58% ⁽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 December 31, 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.

19. SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 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 ⁽²⁾
REC ⁽¹⁾	Beneficial owner/ Personal interest	135,000,000	75%
Ms. Chung ⁽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 December 31, 2021 (i.e. 180,000,000 Shares).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at December 31, 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.

20. 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.

21. REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three INEDs, namely Mr. Tan, Mr. Guo Shaozeng and Mr. Teh with Mr. Tan serving as the chairman.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the Interim 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, January 21, 2022

INTERIM REPORT

2022



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