



**Oriental**  
University City  
東方大學城

FIRST QUARTERLY REPORT  
2023/2024

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

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

*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 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

Corporate Information	2
Financial Highlights	4
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
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	21

## 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. Liu Guilin  
(appointed on July 25, 2023)

### 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*)  
Mr. Wilson Teh Boon Piaw  
Mr. Liu Guilin  
(appointed on July 25, 2023)

### REMUNERATION COMMITTEE

Mr. Liu Guilin (*Chairman*)  
(appointed on July 25, 2023)  
Mr. Chew Hua Seng  
Mr. Tan Yeow Hiang, Kenneth  
Mr. Wilson Teh Boon Piaw (*Chairman*)  
(resigned on July 25, 2023)

### NOMINATION COMMITTEE

Mr. Wilson Teh Boon Piaw (*Chairman*)  
(appointed on July 25, 2023)  
Mr. Chew Hua Seng  
Mr. Liu Guilin  
(appointed on July 25, 2023)

### 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](http://www.oriental-university-city.com)

## CORPORATE INFORMATION

### INDEPENDENT AUDITOR

BDO Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor

### LEGAL ADVISOR

*As to PRC law*  
Hebei Ruoshi Law Firm

### 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 Co., Ltd.  
(Development Zone Sub-branch)  
Industrial and Commercial Bank of China Limited  
(Langfang Chaoyang Sub-branch)  
Langfang City Suburban Rural Credit Cooperatives  
(Tongbai Credit Union)

## 1. FINANCIAL HIGHLIGHTS

- The Group recorded revenue of RMB13.27 million for the 3 months ended September 30, 2023, representing an increase of 17.6% as compared with RMB11.28 million for the 3 months ended September 30, 2022.
- Profit attributable to the owners of the Company for the 3 months ended September 30, 2023 amounted to RMB2.28 million, representing a decrease of 9.1% as compared with RMB2.51 million for the 3 months ended September 30, 2022.
- Basic earnings per share for the 3 months ended September 30, 2023 amounted to RMB0.01, similar to the 3 months ended September 30, 2022.

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, 2023 (the “Period”), together with the relevant unaudited comparative figures for the corresponding period in 2022 (“Q1FY2023”), as follows:

## 2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Notes	September 30, 2023 Unaudited RMB'000	September 30, 2022 Unaudited RMB'000	Change + / (-) %
Revenue	4.3 & 5.1	13,265	11,276	17.6
Employee costs		(1,162)	(1,267)	(8.3)
Depreciation of property, plant and equipment		(96)	(87)	10.3
Business taxes and surcharges		(66)	(217)	(69.6)
Property taxes and land use taxes	5.2	(2,537)	(2,666)	(4.8)
Property management fees	5.3	(642)	(1,150)	(44.2)
Repairs and maintenance fees		(129)	(127)	1.6
Legal and consulting fees	5.4	(929)	(563)	65.0
Other income, other (losses)/gains, net	4.4 & 5.5	(1,185)	2,105	NM
Other expenses	5.6	(492)	(628)	(21.7)
Share of results of associates	5.7	617	(302)	NM
Operating profit		6,644	6,374	4.2
Interest income		9	6	50.0
Interest expenses	5.8	(4,082)	(3,825)	6.7
Profit before income tax		2,571	2,555	0.6
Income tax	4.5 & 5.9	(269)	(39)	589.7
Profit for the period	5.10	2,302	2,516	(8.5)
<b>Earnings before interest expenses, tax, depreciation &amp; amortization (“EBITDA”)</b>	5.11	6,749	6,467	4.4
<b>Other comprehensive income</b>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences from translation of foreign operations		31	702	(95.6)
Share of other comprehensive income of associates		2,113	(278)	NM
<b>Other comprehensive income for the period</b>		2,144	424	405.7
<b>Total comprehensive income for the period</b>		4,446	2,940	51.2

NM — Not Meaningful

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Notes	September 30, 2023 Unaudited RMB'000	September 30, 2022 Unaudited RMB'000	Change + / (-) %
<b>Profit attributable to</b>				
— Owners of the Company		2,278	2,507	(9.1)
— Non-controlling interests		24	9	166.7
		<u>2,302</u>	<u>2,516</u>	<u>(8.5)</u>
<b>Total comprehensive income attributable to</b>				
— Owners of the Company		4,422	2,931	50.9
— Non-controlling interests		24	9	166.7
		<u>4,446</u>	<u>2,940</u>	<u>51.2</u>
<b>Earnings per share for profit attributable to the owners of the Company during the period</b>				
— Basic (RMB per share)	4.6	<u>0.01</u>	<u>0.01</u>	—
— Diluted (RMB per share)	4.6	<u>0.01</u>	<u>0.01</u>	—



### 3. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	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 July 1, 2022 (Audited)	290,136	(71,025)	1,418	1,017,658	(1,418)	1,236,769	10,976	1,247,745
Profit for the period	-	-	-	2,507	-	2,507	9	2,516
Exchange differences from translation of foreign operations	-	-	-	-	702	702	-	702
Share of other comprehensive income of associates	-	-	-	-	(278)	(278)	-	(278)
Total comprehensive income	-	-	-	2,507	424	2,931	9	2,940
Balance at September 30, 2022 (Unaudited)	290,136	(71,025)	1,418	1,020,165	(994)	1,239,700	10,985	1,250,685
<b>Balance at June 30, 2023 and July 1, 2023 (Audited)</b>	<b>290,136</b>	<b>(71,025)</b>	<b>1,510</b>	<b>994,549</b>	<b>7,662</b>	<b>1,222,832</b>	<b>10,614</b>	<b>1,233,446</b>
Profit for the period	-	-	-	2,278	-	2,278	24	2,302
Exchange differences from translation of foreign operations	-	-	-	-	31	31	-	31
Share of other comprehensive income of associates	-	-	-	-	2,113	2,113	-	2,113
Total comprehensive income	-	-	-	2,278	2,144	4,422	24	4,446
<b>Balance at September 30, 2023 (Unaudited)</b>	<b>290,136</b>	<b>(71,025)</b>	<b>1,510</b>	<b>996,827</b>	<b>9,806</b>	<b>1,227,254</b>	<b>10,638</b>	<b>1,237,892</b>

## 4. NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

### 4.1 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 and Technological Development Zone, Hebei Province, the PRC. 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 Limited (“RE”), a company incorporated in the Republic of Singapore (“Singapore”), whose shares are listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”). The subsidiaries of RE excluding the Group, collectively referred to RE Group.

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

### 4.2 BASIS OF PREPARATION

The First Quarterly Results have been prepared in accordance with applicable disclosures required by the GEM Listing Rules, the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the “Companies Ordinance”), which concern the preparation of financial statements.

Except as described below, the accounting policies and methods of computation used in preparing the First Quarterly Results are consistent as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended June 30, 2023 (the “2022/2023 Financial Statements”).

## 4. NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

### 4.2 BASIS OF PREPARATION *(Continued)*

The Group has applied the following amendments to HKFRSs to this unaudited first quarterly financial information for the current accounting period:

HKFRS 17	Insurance contracts
Amendment to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	Income taxes: International tax reform - Pillar Two Model Rules

None of these amendments have had a material effect on how the Group's results for the current or prior periods have been prepared or presented in the First Quarterly Results.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

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 2022/2023 Financial Statements that is included in these First Quarterly 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 is as follows:

The Company has delivered the 2022/2023 Financial Statements to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The independent auditor's report on the 2022/2023 Financial Statements 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.

## 4. NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

### 4.3 SEGMENT INFORMATION AND REVENUE

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

Management regularly reviews the operating results from a service category perspective. The Group is principally engaged in leasing services in the PRC, Malaysia and Indonesia and the CODM assesses the performance of the business based on a measure of operating results and considers the business as a single operating segment. Information reported to the CODM for the purposes of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated, hence segment assets and liabilities have not been presented.

Analysis of revenue by category for the three months ended September 30, 2023 and 2022 is as follows:

	<b>3 months ended September 30, 2023 Unaudited RMB’000</b>	3 months ended September 30, 2022 Unaudited RMB’000	Change +/(-)%
<b>Revenue within the scope of HKFRS 16</b>			
Education facilities leasing	<b>12,701</b>	10,447	21.6
Commercial leasing for supporting facilities	<b>564</b>	829	(32.0)
	<b>13,265</b>	11,276	17.6

## 4. NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

### 4.3 SEGMENT INFORMATION AND REVENUE (Continued)

Analysis of revenue by countries for the three months ended September 30, 2023 and 2022 is as follows:

	<b>3 months ended September 30, 2023 Unaudited RMB'000</b>	3 months ended September 30, 2022 Unaudited RMB'000	Change +/(-)%
<b>Revenue within the scope of HKFRS 16</b>			
PRC	11,834	9,686	22.2
Non-PRC (Malaysia and Indonesia)	1,431	1,590	(10.0)
	<b>13,265</b>	<b>11,276</b>	<b>17.6</b>

Management considered most of the education facilities leasing and commercial leasing for supporting facilities are located in the PRC and no significant consolidated assets of the Group are located outside the PRC, geographical segment information is not considered necessary.

### 4.4 OTHER INCOME, OTHER (LOSSES)/GAINS, NET

Analysis of the other income, other (losses)/gains, net, for the three months ended September 30, 2023 and 2022 is as follows:

	<b>3 months ended September 30, 2023 Unaudited RMB'000</b>	3 months ended September 30, 2022 Unaudited RMB'000	Change +/(-)%
Net foreign exchange (losses)/gains	(1,354)	1,798	NM
Government grant	–	200	NM
Others	169	107	57.9
	<b>(1,185)</b>	<b>2,105</b>	<b>NM</b>

NM – Not meaningful

## 4. NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

### 4.5 INCOME TAX

Analysis of the income tax for the three months ended September 30, 2023 and 2022 is as follows:

	<b>3 months ended September 30, 2023 Unaudited RMB'000</b>	3 months ended September 30, 2022 Unaudited RMB'000	Change +/(-)%
Current income tax			
– PRC corporate tax	162	–	NM
– Malaysian corporate tax	107	39	174.4
	<b>269</b>	39	589.7

NM – Not meaningful

#### 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.

#### 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, 2023 and 2022.

#### Malaysian income tax

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

#### Indonesian income tax

No provision for Indonesian income tax has been made in the First Quarterly Results as the Company and the Group did not have assessable income in Indonesia during the three months ended September 30, 2023 and 2022.

## 4. NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED RESULTS

### 4.6 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 periods.

	<b>3 months ended September 30, 2023 Unaudited</b>	3 months ended September 30, 2022 Unaudited	Change +/-%
<b>Earnings:</b>			
Earnings for the purposes of basic earnings per share (RMB'000)	<u><u>2,278</u></u>	<u><u>2,507</u></u>	<u><u>(9.1)</u></u>
<b>Number of shares:</b>			
Weighted average number of ordinary shares for the purposes of basic earnings per share (thousands)	<u><u>180,000</u></u>	<u><u>180,000</u></u>	<u><u>–</u></u>
Basic earnings per share (RMB)	<u><u>0.01</u></u>	<u><u>0.01</u></u>	<u><u>–</u></u>
Diluted earnings per share (RMB)	<u><u>0.01</u></u>	<u><u>0.01</u></u>	<u><u>–</u></u>

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company did not have any potential ordinary shares outstanding during the period ended September 30, 2023 and September 30, 2022. Diluted earnings per share are equal to basic earnings per share.

### 4.7 DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (Q1FY2023: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### 5. FINANCIAL REVIEW

#### 5.1 Revenue

Our leasing revenue increased by 17.6% to RMB13.27 million for the Period compared to RMB11.28 million recorded for Q1FY2023, mainly due to revenue recognition of a few Education Institutions (hereinafter collectively referred to “colleges, education institutions, training centres and educational corporate entities”), which had signed-up long-term lease agreements with annual step-up rental per unit features for leasing of education facilities in the Oriental University City campus in Langfang City, the PRC (“OUC Campus”).

#### 5.2 Property taxes and land use taxes

Property taxes and land use taxes decreased by 4.8% to RMB2.54 million, compared to RMB2.67 million in Q1FY2023, mainly due to less property tax and land use taxes payable subsequent to the disposal of 4 plots of land located in the OUC Campus with an aggregate land area of approximate 62,000 square metres and an aggregate construction area of approximately 52,000 square metres as well as the buildings and ancillary facilities erected thereon (“Property Disposal”), as announced on March 21, 2023, in the fourth quarter of the financial year ended June 30, 2023 (“FY2023”).

#### 5.3 Property management fees

Property management fees decreased by 44.2% to RMB0.64 million for the Period compared to RMB1.15 million in Q1FY2023, mainly due to reduced contracted services for cleaning and greenery upkeep as there were fewer areas to service subsequent to the Property Disposal in the fourth quarter of FY2023.

#### 5.4 Legal and consulting fees

Legal and consulting fees increased by 65.0% to RMB0.93 million for the Period compared to RMB0.56 million in Q1FY2023 as more professional fees were incurred in relation to the acquisition of remaining 75.39% of the issued share capital of the Company’s associate, 4 Vallees Pte Ltd (“4 Vallees”), at a purchase consideration of Swiss Franc (“CHF”) 11.48 million (approximately RMB96.40 million). Please refer to the announcements of the Company dated July 4, 2023, July 24, 2023 and September 29, 2023, for further details of the acquisition of remaining shares of 4 Vallees.

#### 5.5 Other income, other (losses)/gains, net

Other losses, net, of RMB1.19 million was recorded for the Period compared to other income and other gains, net, of RMB2.11 million in Q1FY2023 mainly due to foreign exchange losses resulted from the translation of weaker foreign currency balances against RMB.



## MANAGEMENT DISCUSSION AND ANALYSIS

### 5.6 Other expenses

Other expenses decreased by 21.7% to RMB0.49 million for the Period, compared to RMB0.63 million for the Q1FY2023, mainly due to lower utilities usage, reduced entertainment expenses and less discretionary expenses incurred.

### 5.7 Share of results of associates

Gain on share of results of associates of RMB0.62 million was recorded for the Period, compared to a loss on share of results of associates of RMB0.30 million for Q1FY2023, mainly due to net profit recorded by Axiom Properties Limited, an associate of the Company.

### 5.8 Interest expenses

Interest expenses increased by 6.7% to RMB4.08 million for the Period from RMB3.83 million for Q1FY2023, mainly due to increase in the interest rates for the loans serviced by the subsidiaries in Malaysia and Indonesia.

### 5.9 Income tax

Income tax for the Period was RMB0.27 million, 589.7% higher than RMB0.04 million for Q1FY2023, mainly due to both PRC and Malaysian subsidiaries having higher assessable incomes.

### 5.10 Profit for the Period

Due to the foregoing factors set out in Notes 5.1 to 5.9 above, net profit of RMB2.30 million was recorded for the Period, 8.5% lower than the net profit of RMB2.52 million recorded for Q1FY2023.

### 5.11 EBITDA

EBITDA for the Period was RM6.75 million, a slight increase of 4.4% compared to RMB6.47 million for Q1FY2023, in line with the slight increase of 4.2% in operating profit for the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 6. 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 the OUC Campus; Kuala Lumpur, Malaysia; and Jakarta, Indonesia. In addition, the Group also leases commercial properties in the OUC Campus to commercial tenants operating a range of supporting facilities, including a shopping centre, supermarket, cafe and cafeterias, bank, telecommunication companies, dental and polyclinic, amongst others, to serve the needs of students in the campus and the residents of adjacent housing estates.

The recovery momentum in the last quarter of FY2023 continued into the first quarter of the financial year ending June 30, 2024 ("FY2024"). The business environment in Langfang City, where our major operation is based, has largely recovered following the post-novel coronavirus disease 2019 (COVID-19) normalisation. Revenue for the Period was RMB13.27 million, a 17.6% year-on-year improvement from RMB11.28 million for Q1FY2023. While better revenue was achieved, net profit for the Period recorded was RMB2.30 million, a 8.5% decrease from RMB2.52 million recorded for Q1FY2023, as an improved operating profit was offset by higher bank borrowing' interest expenses and higher income tax.

With the focus on upgrading selected investment properties in the OUC Campus to enhance the yield of its investment properties, the Group aims to complete the construction of a canteen and a theatre by the second half of the FY2024. Additional lease revenue would be generated upon completion and handover of these education facilities to an existing Education Institution.

Based on signed-up leases in hand of both Education Institutions and commercial tenants, and the potential take-up of existing vacant spaces, the Group is confident that better revenue figures for the FY2024 could be achieved. The Group, nonetheless, would prudently manage its operational costs and cashflow, while dedicating more business development efforts to secure more lease take-up.

The Board views that the student enrolment of the Education Institutions that lease the education facilities from the Group, would see a stable to moderate growth in line with the growth trend of tertiary student populations, particularly, in the PRC and Indonesia. As a provider of education facilities in these countries, the Group is well-poised to benefit from this growth trend.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 7. SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENTS

Save as disclosed below, as at September 30, 2023, the Group did not have any other significant investment and future plan for material investments and capital commitments.

#### 7.1 Purchase of investment properties in Mongolia

On March 6, 2020, the Company entered into a sale and purchase agreement with an independent vendor for the purchase of investment properties in Ulaanbaatar, Mongolia, for a purchase consideration of RMB32.71 million. As at September 30, 2023, the Company has paid RMB28.43 million of the purchase consideration and the remaining balance of RMB4.28 million will be settled based on the terms (and variation terms mutually agreed) 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 construction of the investment properties is expected to be completed by the second quarter of the FY2024.

#### 7.2 Upgrading of investment properties in the OUC Campus

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

##### *7.2.1 Renovation/refurbishment of two blocks of dormitories in Langfang City*

On June 16, 2022, the Company had entered into a construction project contract with an independent contractor for the renovation/refurbishment of two blocks of dormitories, No. 23 and No. 24, located at the OUC Campus for a contract sum of RMB10.18 million. As at September 30, 2023, the Group has paid RMB7.51 million of the contract sum and the remaining balance of RMB2.67 million will be paid in instalments in accordance with the agreed terms. The renovation/refurbishment work had been completed and the two blocks of dormitories had been handed over and occupied by an Education Institution in the FY2023.

##### *7.2.2 Construction of a canteen and a theatre in the OUC Campus*

On January 30, 2023, the Company had entered into a construction project contract with an independent contractor for the construction of a canteen and a theatre, located at the OUC Campus for a contract sum of RMB13.40 million. As at September 30, 2023, the Group has paid RMB10.44 million of the contract sum and the remaining balance of RMB2.96 million will be paid in instalments in accordance with the agreed terms. The construction work is expected to be completed by the first half of the FY2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 7.3 Acquisition of remaining shares in 4 Vallees

On July 4, 2023, the Company (as the purchaser), RE (as the seller) and 4 Vallees (as the target company) had entered into a sale and purchase agreement (the “4 Vallees SPA”), pursuant to which, the Company agreed to acquire the remaining 75.39% of the issued share capital of 4 Vallees, which it did not own, from RE, at a purchase consideration of CHF11.48 million (approximately RMB96.40 million) (the “4 Vallees Acquisition”). Upon completion of the 4 Vallees Acquisition, 4 Vallees will become a wholly-owned subsidiary of the Company. The purchase consideration shall be adjusted at completion date, subject to a cap of CHF11.48 million, pursuant to the terms and conditions set out in the 4 Vallees SPA.

An extraordinary general meeting is expected to be convened to obtain the approval of the Company’s shareholders (“Shareholders”) for the 4 Vallees Acquisition, details of which will be announced in due course. Please refer to the announcements of the Company dated July 4, 2023, July 24, 2023 and September 29, 2023 for further details of the 4 Vallees Acquisition.

## 8. CONTINUING CONNECTED TRANSACTION

Save as disclosed below, the Group does not have any other continuing connected transaction, as at September 30, 2023.

### 8.1 Tenancy Agreement of Properties in Malaysia

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### 8.2 Tenancy Agreement of Properties in Indonesia

PT OUC Thamrin Indo, a wholly-owned subsidiary of the Company, as landlord, had, on June 13, 2023, entered into a tenancy agreement with PT. Raffles Institute of Higher Education, a wholly-owned subsidiary of RE, as tenant, for the lease of a gross floor area of 1,600 square metres on the two floors of Lippo Thamrin office in Jakarta, Indonesia, for a term of three years commencing on July 1, 2023 and expiring on June 30, 2026. The tenancy was executed on arm's length terms and the annual rental payable under the tenancy agreement amounts to Indonesian Rupiah 5,472.00 million (approximately RMB2.46 million). According to Rule 20.04 of the GEM Listing Rules, the transaction value of the tenancy agreement was a de minimis transaction and was fully exempted from the requirements of announcement and approval of the Shareholders.

### 9. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at September 30, 2023 (September 30, 2022: nil).

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

Save for the 4 Vallees Acquisition as set out in Section 7.3 of this report, the Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures, during the Period.

### 11. EVENT AFTER THE REPORTING PERIOD

There is no other significant event after the reporting period up to the date of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 12. USE OF PROCEEDS FROM THE DISPOSAL

The Property Disposal of certain of investment properties in OUC Campus for RMB100.00 million as set out in Section 5.2 of this report was completed in June 2023.

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

The utilisation of the net proceeds from the Property Disposal are set out as follows:–

Planned use of net proceeds	Proposed use of net proceeds <i>RMB million</i>	Net proceeds utilised during the Period <i>RMB million</i>	Net proceeds	Unutilised	Estimated date for complete utilisation of net proceeds
			utilised up to September 30, 2023 <i>RMB million</i>	net proceeds as at September 30, 2023 <i>RMB million</i>	
Repayment of borrowings	39.00	39.00	39.00	–	Completed
Construction and renovation of education facilities	20.00	–	20.00	–	Completed
General working capital	24.60	5.96	16.47	8.13	Up to June 30, 2024
	<u>83.60</u>	<u>44.96</u>	<u>75.47</u>	<u>8.13</u>	

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 13. COMPETING INTERESTS

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

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

The Directors have confirmed that save as disclosed above, as at September 30, 2023, none of the Directors, controlling Shareholder or substantial Shareholders (as defined in the GEM Listing Rules), 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.

### 14. CORPORATE GOVERNANCE

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

The Company has complied with the code provisions as set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the Period.

### 15. 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.

### 16. 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

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

As at September 30, 2023, 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 <sup>(2)</sup>
Mr. Chew Hua Seng ("Mr. Chew") <sup>(1)</sup>	Interest of a controlled corporation/Corporate interest	135,000,000	75%

#### Notes:

- (1) Details of the interest in the Company held by Mr. Chew, the chairman of the Board (the "Chairman") and an executive Director, through RE are set out in the section headed "Substantial Shareholders' and Other Persons' Interests 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, 2023 (i.e. 180,000,000 Shares).



## CORPORATE GOVERNANCE AND OTHER INFORMATION

(b) *Shares in associated corporation of the Company*

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued shares held	Approximate percentage of shareholding
Mr. Chew	RE <sup>(1)</sup>	Beneficial owner and interest of spouse/Personal interest and family interest	490,349,264 <sup>(3)</sup>	35.52% <sup>(2)(3)</sup>

*Notes:*

- (1) *RE is the immediate holding company of the Company.*
- (2) *Comprised of (a) 23.12% direct interest of Mr. Chew; (b) 2.47% interest of Ms. Doris Chung Gim Lian (“Ms. Chung”), the spouse of Mr. Chew; and (c) 9.93% joint interest of Mr. Chew and Ms. Chung, as at September 30, 2023.*
- (3) *As at the date of this report, the number of issued shares held by Mr. Chew and his shareholding percentage in RE have been increased to 504,202,264 and 36.39%, respectively, comprised of (a) 24.05% direct interest of Mr. Chew; (b) 2.46% interest of Ms. Chung; and (c) 9.88% joint interest of Mr. Chew and Ms. Chung.*

Save as disclosed above, as at September 30, 2023, 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at September 30, 2023, 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 <sup>(3)</sup>
RE <sup>(1)(2)</sup>	Beneficial owner/Personal interest	135,000,000	75%
Ms. Chung <sup>(1)(2)</sup>	Interest of spouse/Family interest	135,000,000	75%

#### Notes:

- (1) As at September 30, 2023, RE was owned as to (a) 23.12% 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 RE is interested, and Ms. Chung is deemed to be interested in the Shares in which Mr. Chew is interested and deemed to be interested. In addition, Mr. Chew is a director of RE.
- (2) As at the date of this report, RE is owned as to (a) 24.05% by Mr. Chew; (b) 9.88% jointly by Mr. Chew and Ms. Chung; and (c) 2.46% by Ms. Chung. Under the SFO, Mr. Chew is deemed to be interested in the Shares in which RE is interested, and Ms. Chung is deemed to be interested in the Shares in which Mr. Chew is interested and deemed to be interested. In addition, Mr. Chew is a director of RE.
- (3) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at September 30, 2023 (i.e. 180,000,000 Shares).

Save as disclosed above, as at September 30, 2023, 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 19. 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.

### 20. REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Tan Yeow Hiang, Kenneth, Mr. Wilson Teh Boon Piaw and Mr. Liu Guilin with Mr. Tan Yeow Hiang, Kenneth serving as the chairman.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the First Quarterly Results and this report, is of the opinion that such results had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures had been made.

By order of the Board

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

Singapore, October 20, 2023

# FIRST QUARTERLY REPORT

2023/2024



**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](http://www.oriental-university-city.com)