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Oriental University City Holdings (H.K.) Limited
東方大學城控股（香港）有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 8067)

ANNOUNCEMENT

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE SUBSCRIPTION OF SHARES IN 4 VALLEES PTE. LTD.

THE SUBSCRIPTION

The Board is pleased to announce that on 30 June 2017 (after trading hours), the Company entered into the Subscription Agreement with 4 Vallees, pursuant to which the Company shall conditionally subscribe for and 4 Vallees shall conditionally allot and issue the Subscription Shares representing approximately 13.58% of the issued share capital of 4 Vallees on an enlarged basis at the total Subscription Price of SGD5,421,000 (equivalent to approximately HKD30,000,000).

IMPLICATION OF THE SHARE SUBSCRIPTION

Pursuant to Rule 19.22 of the GEM Listing Rules, the Previous Subscription and the Subscription shall be aggregated as a series of transactions.

Since the relevant applicable percentage ratio calculated in respect of the Subscription, when calculated on an aggregated basis with the Previous Subscription, is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company and are therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, 4 Vallees is owned as to approximately 87.23% by REC and approximately 12.77% by the Company. As REC is the Controlling Shareholder and 4 Vallees is a subsidiary of REC, 4 Vallees is an associate of REC and therefore a connected person under the GEM Listing Rules. As such, the Subscription also constitutes a connected transaction of the Company and is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Mr. Chew and his associates are required to abstain from voting in respect of the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder at the GM. Save for the aforesaid and to the best knowledge, information and belief of the Company, as at the date of this announcement, no other Shareholder has a material interest in the Subscription Agreement and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder at the GM.

GENERAL

A circular containing inter alia, (i) further details of the Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter from an independent financial advisor to both the Independent Board Committee and the Independent Shareholders; and (iv) the notice of GM, will be despatched to the Shareholders on or before 31 July 2017 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

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THE SUBSCRIPTION AGREEMENT

The principal terms and conditions of the Subscription Agreement are as follows:

Date: 30 June 2017 (after trading hours)

Parties: (1) the Company (as the subscriber);

(2) 4 Vallees Pte. Ltd. (as the issuer); and

(3) Raffles Education Corporation Limited (as the covenantor)

As at the date of this announcement, 4 Vallees is owned as to approximately 87.23% by REC and approximately 12.77% by the Company. As REC is the Controlling Shareholder and 4 Vallees is a subsidiary of REC, 4 Vallees is an associate of REC and therefore a connected person under the GEM Listing Rules.

Assets to be acquired

Pursuant to the Subscription Agreement, the Company shall conditionally subscribe for and 4 Vallees shall conditionally allot and issue the Subscription Shares representing approximately 13.58% of the issued share capital of 4 Vallees on an enlarged basis.

Ranking of the Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves, and with the other shares of 4 Vallees in issue as at the date of allotment and issue of the Subscription Shares, including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of the Completion.

Subscription Price

The total Subscription Price amounts to SGD5,421,000 (equivalent to approximately HKD30,000,000), which shall be satisfied in cash by the internal resources of the Group and injected by the Company to 4 Vallees in the following manner:

- (i) the sum of SGD1,500,000 (equivalent to approximately HKD8,301,000) to be injected into the 4 Vallees in cash upon signing of the Subscription Agreement, which shall be treated as a refundable deposit and as part payment towards the total Subscription Price (the “**Deposit**”); and

(ii) the remaining balance of SGD3,921,000 (equivalent to approximately HKD21,699,000) to be settled in cash upon Completion.

Pursuant to the Subscription Agreement, 4 Vallees shall not capitalise, use, spend, distribute, transfer or otherwise dispose of the Deposit until the Completion takes place. In the event that the Subscription Agreement lapses or terminates in accordance with its terms, 4 Vallees shall refund the Deposit in full without any deduction within three Business Days from the date of such lapse or termination.

The Subscription Price was determined after arm's length negotiations between the Company, 4 Vallees and REC with reference to (i) the preliminary valuation of 13.58% shareholding interest of 4 Vallees of approximately CHF3,847,410 (equivalent to approximately HKD30,694,637) as at 28 June 2017, assessed by an independent valuer engaged by the Company; (ii) the historical performance of 4 Vallees; and (iii) other reasons as set out in the paragraph "Reasons for and benefits of the Subscription" below.

The Directors (excluding the independent non-executive Directors whose views will be included in the circular of the Company to be published in relation to the Subscription after being advised by the independent financial adviser to be appointed) consider that the total Subscription Price to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole

Conditions precedent

The completion of the Subscription is conditional upon fulfilment (or waiver) of the following conditions:

- (a) approval of the shareholders of 4 Vallees being obtained at its extraordinary general meeting to be convened for the purposes of approving the allotment and issue of the Subscription Shares to the Company pursuant to Section 161 of the Companies Act (Chapter 50 of Singapore Laws);
- (b) completion of financial and legal due diligence on 4 Vallees and the results thereof being satisfactory to the Company in its sole and absolute discretion;
- (c) (if required) approval by the shareholders of the REC in respect of the transactions contemplated thereunder and such approval not having been withdrawn or revoked;

- (d) approval of the Independent Shareholders being obtained at an extraordinary general meeting of the Company to be convened for the purposes of approving the Subscription Agreement and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares to the Company;
- (e) all other consents and approvals required under any and all applicable laws for the subscription of the Subscription Shares and to give effect to the transactions contemplated thereunder being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Company in its sole and absolute discretion; and
- (f) the obtaining by the Company of a valuation report (in the form and substance satisfactory to the Company) issued by an independent valuer appointed by the Company showing that the market valuation of 13.58% shareholding interest in 4 Vallees is not less than CHF3,847,410 (equivalent to approximately SGD5,543,480).

Neither party may waive conditions (d) and (f). The Subscriber has no current intention to waive any of the above conditions as at the date of this announcement.

In the event that any of the above conditions not being fulfilled or waived in full by on or before 31 August 2017 (or such other date as the the Company, REC and 4 Vallees shall mutually agree in writing), the Subscription Agreement shall cease and determine and 4 Vallees shall refund the Deposit to the Company as mentioned above and thereafter neither party shall have any obligations and liabilities thereunder save for any antecedent breaches of the provisions thereof.

Covenantor

The Covenantor, REC, is the major shareholder of 4 Vallees. Pursuant to the Subscription Agreement, REC shall indemnify and keep indemnified the Company and 4 Vallees against any losses, liabilities and damages suffered by either of them or any depletion in or reduction in value of its or their respective assets or increase in its or their respective liabilities in relation to the tax matters of 4 Vallees.

Completion

Completion shall take place on 30 September 2017.

Upon Completion, the Company will own in aggregate 8,172,151 shares in 4 Vallees, representing approximately 24.61% of the entire issued share capital of 4 Vallees as enlarged by the allotment and issue of the Subscription Shares (assuming no further change in the share capital structure of 4 Vallees from the date of this announcement and up to the Completion).

INFORMATION ON THE COMPANY

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of education facilities rental services in the PRC.

INFORMATION ON REC

REC is a company incorporated in Singapore with limited liability, whose issued shares are listed on Singapore Exchange Securities Trading Limited. It is an investment company with subsidiaries which are private education provider, owner and manager of education assets and facilities, and education-linked real estate investor and developer.

As at the date of this announcement, REC owns 135,000,000 Shares (representing 75% of the issued share capital of the Company) and is the Controlling Shareholder. Mr. Chew, who is an executive Director, owns approximately 36.88% shareholding interest in REC.

INFORMATION ON 4 VALLES

4 Vallees is a company incorporated in Singapore with limited liability and is principally engaged in the ownership and leasing of hospitality assets and commercial real estate in Switzerland.

Financial information

Based on the audited financial information of the 4 Vallees for the year ended 30 June 2016 and the unaudited financial information of the 4 Vallees for the nine months ended 31 March 2016 and 31 March 2017 are as follow:

	From the year ended 30 June 2015 CHF <i>(audited)</i> <i>(approximately)</i>	For the year ended 30 June 2016 CHF <i>(audited)</i> <i>(approximately)</i>	For the nine months ended 31 March 2016 CHF <i>(unaudited)</i> <i>(approximately)</i>	For the nine months ended 31 March 2017 CHF <i>(unaudited)</i> <i>(approximately)</i>
Revenue	187,599 (equivalent to approximately HKD1,496,665)	681,592 (equivalent to approximately HKD5,437,747)	497,158 (equivalent to approximately HKD3,966,326)	529,682 (equivalent to approximately HKD4,225,809)
Net profit before tax	126,524 (equivalent to approximately HKD1,009,408)	5,113,874 (equivalent to approximately HKD40,798,487)	250,730 (equivalent to approximately HKD2,000,324)	271,975 (equivalent to approximately HKD2,169,817)
Net profit after tax	126,524 (equivalent to approximately HKD1,009,408)	3,962,035 (equivalent to approximately HKD31,609,118)	250,730 (equivalent to approximately HKD2,000,324)	223,319 (equivalent to approximately HKD1,781,639)
Net asset value	126,524 (equivalent to approximately HKD1,009,408)	24,269,165 (equivalent to approximately HKD193,619,405)	20,557,860.73 (equivalent to approximately HKD164,010,613)	24,492,484 (equivalent to approximately HKD195,401,042)

The net profit before tax for the year ended 30 June 2016 amounted to approximately HKD40 million while that for the nine months ended 31 March 2016 amounted to approximately HKD2 million only. Such massive increase in net profit before tax for the three months ended 30 June 2016 was mainly due to valuation gain on the investment property.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in the provision of education facilities rental services in the PRC.

The Group targets to diversify the business of 4 Vallees by engaging in the provision of educational activities to students and, in the long run, considers building student accommodation and training facilities in view of the rising demand.

IMPLICATION OF THE SUBSCRIPTION UNDER THE GEM LISTING RULES

Reference is made to the Previous Announcements.

Pursuant to Rule 19.22 of the GEM Listing Rules, the Previous Subscription and the Subscription shall be aggregated as a series of transactions.

Since the relevant applicable percentage ratio calculated in respect of the Subscription, when calculated on an aggregated basis with the Previous Subscription, is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company and are therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, 4 Vallees is owned as to approximately 87.23% by REC and approximately 12.77% by the Company. As REC is the Controlling Shareholder and 4 Vallees is a subsidiary of REC, 4 Vallees is an associate of REC and therefore a connected person under the GEM Listing Rules. As such, the Subscription also constitutes a connected transaction of the Company and is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Mr. Chew and his associates are required to abstain from voting in respect of the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder at the GM. Save for the aforesaid and to the best knowledge, information and belief of the Company, as at the date of this announcement, no other Shareholder has a material interest in the Subscription Agreement and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder at the GM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piau, has been established to advise the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing inter alia, (i) further details of the Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter from an independent financial advisor to both the Independent Board Committee and the Independent Shareholders; and (iv) the notice of GM, will be despatched to the Shareholders on or before 31 July 2017 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

In this announcement, the following expressions have the respective meanings set out below unless the context requires otherwise:

“4 Vallees”	4 Vallees Pte. Ltd., a company incorporated in Singapore with limited liability and is owned as to approximately 87.23% by REC and approximately 12.77% by the Company as at the date of this announcement;
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	Oriental University City Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, whose issued Shares are listed and traded on the GEM (Stock Code: 8067);
“Completion”	the completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement;
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules;
“Controlling Shareholder”	has the meaning ascribed to it in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM as amended, supplemented or otherwise modified from time to time;
“GM”	the general meeting of the Company to be convened and held to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw, established to advise the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder;
“Independent Shareholder(s)”	the Shareholder(s) other than Mr. Chew and his associates and all other Shareholders who have a material interest in the Subscription Agreement and the transactions contemplated thereunder;
“Mr. Chew”	Mr. Chew Hua Seng, an executive Director, the chairman of the Company and the Controlling Shareholder;
“percentage ratios”	the percentage ratios set out in Rule 19.08 to be applied for determining the classification of a transaction under the GEM Listing Rules;
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Previous Announcements”	the announcements of the Company dated 28 March 2016 and 14 April 2016 in relation to the Previous Subscription;

“Previous Subscription”	the subscription of new shares in 4 Vallees by the Company as disclosed in the Previous Announcements;
“REC” or “Covenantor”	Raffles Education Corporation Limited, a company incorporated in Singapore with limited liability and is the Controlling Shareholder;
“Share(s)”	the ordinary share(s) of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated 30 June 2017 entered into between the Company, 4 Vallees and the Covenantor in relation to the Subscription;
“Subscription Price”	subscription price of SG5,421,000 in total for the Subscription Shares;
“Subscription Shares”	A total of 4,508,151 new shares in the share capital of 4 Vallees, for which the Company will subscribe and 4 Vallees will allot and issue upon the terms and subject to the conditions to the Subscription Agreement;
“CHF”	Switzerland Franc, the lawful currency of Switzerland;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“SGD”	Singapore dollars, the lawful currency of Singapore; and
“%”	per cent.

In this announcement, amounts in SGD are translated into HKD on the basis of SGD1 = HKD5.534; amounts in CHF are translated into HKD on the basis of CHF1 = HKD7.978; The conversion rates are for illustration purpose only and should not be taken as a representation that SGD or CHF could actually be converted into HKD at such rate or at all.

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

Hong Kong, 30 June 2017

As at the date of this announcement, the executive Directors are Mr. Chew Hua Seng (Chairman) and Mr. Liu Ying Chun (Chief Executive Officer); the non-executive Director is Mr. He Jun; and the independent non-executive Directors are Mr. Lam Bing Lun, Philip, Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the GEM of the Stock Exchange at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and will remain on the website of the Company at www.oriental-university-city.com.