

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



ORIENTAL EXPLORER HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 430)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i> (Restated)
CONTINUING OPERATIONS			
REVENUE	3	14,748	5,080
Cost of sales		<u>(2,482)</u>	<u>(1,149)</u>
Gross profit		12,266	3,931
Other income and gains	3	609	245
Foreign exchange differences, net		6	(3)
Fair value gains on investment properties, net		2,500	15,470
Operating and administrative expenses		(8,059)	(7,561)
Finance costs	5	–	–
Share of losses of an associate		<u>–*</u>	<u>(1)</u>
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	4	7,322	12,081
Income tax expense	6	<u>(2,211)</u>	<u>(425)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		<u>5,111</u>	<u>11,656</u>
DISCONTINUED OPERATION			
(Loss)/profit for the year from a discontinued operation	7	<u>(120,515)</u>	<u>40,389</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(115,404)</u>	<u>52,045</u>
Attributable to:			
Owners of the Company		<u>(115,404)</u>	<u>52,045</u>
(LOSS)/EARNINGS PER SHARE			
Basic and diluted			
– For (loss)/profit for the year	9	HK(3.61) cents	HK1.93 cents
– For profit from continuing operations	9	<u>HK0.16 cents</u>	<u>HK0.43 cents</u>

* The amount is less than HK\$1,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i> (Restated)
(LOSS)/PROFIT FOR THE YEAR	<u>(115,404)</u>	<u>52,045</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(321)</u>	<u>–</u>
Net other comprehensive expense that may be reclassified to profit or loss in subsequent periods	<u>(321)</u>	<u>–</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investments at fair value through other comprehensive income: Changes in fair value	<u>85,691</u>	<u>13,816</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>85,691</u>	<u>13,816</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>85,370</u>	<u>13,816</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u><u>(30,034)</u></u>	<u><u>65,861</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		38	33
Right-of-use assets		357	366
Investment properties		1,691,820	282,780
Investment in an associate		–	2,066
Club debenture		330	670
Equity investments at fair value through other comprehensive income		–	706,028
Total non-current assets		1,692,545	991,943
CURRENT ASSETS			
Trade receivables	10	600	–
Prepayments, deposits and other receivables		1,472	951
Equity investments at fair value through profit or loss		98	561,180
Cash and cash equivalents		161,116	200,981
Total current assets		163,286	763,112
TOTAL ASSETS		1,855,831	1,755,055
CURRENT LIABILITIES			
Other payables and accruals		15,919	6,679
Other borrowings		–	291,408
Promissory note	11	148,639	–
Amounts due to fellow subsidiaries		150,149	–
Tax payable		5,378	3,818
Total current liabilities		320,085	301,905
NET CURRENT (LIABILITIES)/ASSETS		(156,799)	461,207
TOTAL ASSETS LESS CURRENT LIABILITIES		1,535,746	1,453,150

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>24,291</u>	<u>3,844</u>
Total non-current liabilities	<u>24,291</u>	<u>3,844</u>
Net assets	<u>1,511,455</u>	<u>1,449,306</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	38,818	27,000
Reserves	<u>1,472,637</u>	<u>1,422,306</u>
Total equity	<u>1,511,455</u>	<u>1,449,306</u>

NOTES TO FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments, which have been measured at fair value.

These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of Oriental Explorer Holdings Limited (“the Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

Conceptual Framework for Financial Reporting 2018 (the "Conceptual Framework")

The conceptual Framework sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework does not have any significant impact on the financial position and performance of the Group.

Amendments to HKFRS 3

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i> ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform - Phase 2</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁵
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions</i> ⁴
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKFRS 17	<i>Insurance Contracts</i> ^{3, 7}
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> ^{3, 6}
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i> ²
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i> ²
Annual Improvements to HKFRSs 2018 – 2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41 ²

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

⁴ Effective for annual periods beginning on or after 1 June 2020

⁵ No mandatory effective date yet determined but available for adoption

⁶ As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

⁷ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one (2019: two) reportable operating segments as follows:

Continuing operations:

- the property investment segment mainly comprises rental income from investment properties; and

Discontinued operation:

- the trading and investments segment includes the trading of securities and investment income from securities investment and investment holding.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss/gain before tax except that unallocated corporate expenses, interest income on bank deposits, fair value losses/gains on investment properties, share of losses of an associate, non-lease-related finance costs and other gains are excluded from such measurement.

During the year ended 31 December 2020, the Group has a reorganisation plan by transferring all its equity interest to other members of the Group. Further details on the disposal are included in Note 7. Subsequent to the reorganisation, the Group has decided to focus its resources on its property investments business. As the Group's trading and investment business after the disposal has decreased substantially, management no longer independently review this line of business. As such, result from trading and investment business is now included in "Unallocated" for current year's presentation.

Segment assets exclude cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings (other than lease liabilities), tax payable, deferred tax liabilities and unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

There are no sales or other transactions between the operating segments during the year (2019: Nil).

Years ended 31 December 2020 and 2019

	Continuing operations		Discontinued operations		Total	
	Property investment	Trading and investment				
	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(Restated)		(Restated)
Segment revenue (Note 3)						
Revenue from external customers	<u>14,709</u>	<u>5,116</u>	<u>(119,813)</u>	<u>43,768</u>	<u>(105,104)</u>	<u>48,884</u>
Segment results	<u>13,459</u>	<u>3,335</u>	<u>(120,093)</u>	<u>43,380</u>	<u>(106,634)</u>	<u>46,715</u>
<i>Reconciliation:</i>						
Unallocated revenue					39	(36)
Unallocated corporate expenses					(9,285)	(6,932)
Interest income on bank deposits					103	245
Other gains					509	25
Fair value gains on investment properties, net	2,500	15,470	-	-	2,500	15,470
Finance costs (other than on lease liabilities)					(425)	(3,016)
Share of losses of an associate	-*	(1)	-	-	-*	(1)
(Loss)/profit before tax					<u>(113,193)</u>	<u>52,470</u>
Segment assets	1,701,268	282,901	-	1,267,148	1,701,268	1,550,049
<i>Reconciliation:</i>						
Unallocated assets					154,563	202,940
Investment in an associate					-	2,066
Total assets					<u>1,855,831</u>	<u>1,755,055</u>
Segment liabilities	10,392	1,316	-	39	10,392	1,355
<i>Reconciliation:</i>						
Unallocated liabilities					333,984	304,394
Total liabilities					<u>344,376</u>	<u>305,749</u>

* The amount is less than HK\$1,000

	Continuing operations Property investment		Discontinued operation Trading and investment		Unallocated		Total	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000
Other segment information:								
Depreciation and amortisation	1	1	-	-	11	17	12	18
Fair value gains on investment properties, net	2,500	15,470	-	-	-	-	2,500	15,470
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	-	-	(124,677)	17,274	39	(36)	(124,638)	17,238

Geographical information

(a) Revenue from external customers

	Continuing operations		Discontinued operation		Total	
	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000 (Restated)
Hong Kong	14,649	5,080	(119,813)	43,768	(105,164)	48,848
Mainland China	99	-	-	-	99	-
	<u>14,748</u>	<u>5,080</u>	<u>(119,813)</u>	<u>43,768</u>	<u>(105,065)</u>	<u>48,848</u>

The revenue information of operations above is based on the locations of the customers.

(b)	Hong Kong		Mainland China		Total	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Non-current assets	<u>1,669,558</u>	<u>282,813</u>	<u>22,657</u>	<u>366</u>	<u>1,692,215</u>	<u>283,179</u>

The non-current asset information above is based on the locations of assets and excludes financial instruments, investment in an associate and club debenture.

Information about a major customer

Revenue from continuing operations of approximately HK\$3,432,000 (2019: approximately HK\$3,317,000) was derived from lease rental by the property investment segment to a single customer, including lease to a group of entities which are known to be under common control with that customer.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i> (Restated)
Continuing operations:		
Rental income from property letting under fixed lease payments	14,709	5,116
Fair value gains/(losses) on equity investments at fair value through profit or loss, net	<u>39</u>	<u>(36)</u>
	<u>14,748</u>	<u>5,080</u>
Discontinued operation:		
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	(124,677)	17,274
Dividend income from listed investments	<u>4,864</u>	<u>26,494</u>
	<u>(119,813)</u>	<u>43,768</u>
Other income and gains		
Continuing operations:		
Interest income on bank deposits	103	245
Government grants (<i>Note</i>)	452	–
Others	<u>54</u>	<u>–</u>
	<u>609</u>	<u>245</u>
Discontinued operation:		
Others	<u>3</u>	<u>25</u>
	<u>3</u>	<u>25</u>

Note: During the current year, the Group recognised government grants of approximately HK\$452,000 in respect of Covid-19-related subsidies, of which all relates to Employment Support Scheme provided by the Hong Kong government.

4. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/
(crediting):

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Depreciation of property, plant and equipment	3	9
Depreciation of right-of-use assets	9	9
Impairment of club debenture (<i>Note (i)</i>)	340	–
Expense relating to short term leases not included in the measurement of lease liabilities	725	600
Auditors' remuneration – audit services	450	310
Auditors' remuneration – non-audit services	150	–
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	2,415	1,149
Foreign exchange differences, net	(6)	3
	<u> </u>	<u> </u>
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	4,115	5,369
Pension scheme contributions (defined contribution scheme) (<i>Note (ii)</i>)	111	120
	<u> </u>	<u> </u>
Total staff costs	4,226	5,489
	<u> </u>	<u> </u>

Notes:

- (i) The directors of the Company consider HK\$340,000 (2019: Nil) impairment identified with reference to the second hand market price of the club debenture as at 31 December 2020.
- (ii) At 31 December 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2019: Nil).

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Discontinued operation:		
Interest on other loans	425	3,016
	<u> </u>	<u> </u>

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China, in which the Group operates.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	1,094	–
Deferred tax	1,117	425
	<hr/>	<hr/>
Total tax charges for the year from continuing operations	2,211	425
Total tax charges for the year from a discontinued operation	–	–
	<hr/>	<hr/>
	2,211	425
	<hr/> <hr/>	<hr/> <hr/>

7. DISCONTINUED OPERATION

On 31 July 2020, the Company disposed a 100% interest in Linkful Strategic Investment Limited (the “Linkful Strategic”) to immediate holding of the Company. Linkful Strategic and its subsidiaries is engaged in investment holding. After disposal of Linkful Strategic, the Group has decided to cease its trading and investments business because it plans to focus its resources on its properties investments business. The disposal of Linkful Strategic is completed on 31 July 2020.

The results of Linkful Strategic as below:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	(119,813)	43,768
Cost of sales	–	–
	<hr/>	<hr/>
Gross (loss)/profit	(119,813)	43,768
Other income and gains	3	25
Operating and administrative expenses	(280)	(388)
Finance costs	(425)	(3,016)
	<hr/>	<hr/>
(Loss)/profit before tax from a discontinued operation	(120,515)	40,389
Income tax expense	–	–
	<hr/>	<hr/>
(Loss)/profit for the year from a discontinued operation	(120,515)	40,389
	<hr/> <hr/>	<hr/> <hr/>
Earnings per share:		
Basic and diluted, from the discontinued operation	HK(3.77) cents	HK1.50 cents
	<hr/> <hr/>	<hr/> <hr/>

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss)/profit attributable to Owners of the Company	<u>(120,515)</u>	<u>40,389</u>
	Number of shares	
	2020 <i>'000</i>	2019 <i>'000</i>
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation (<i>Note 9</i>)	<u>3,194,046</u>	<u>2,700,000</u>

8. DIVIDENDS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Proposed final dividend – HK0.2 cents (2019: Nil) per ordinary share	<u>7,764</u>	<u>–</u>
	<u>7,764</u>	<u>–</u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 27 May 2021, dividend warrants will be posted on or about 24 June 2021 to shareholders whose names appear on the register of members of the Company on 4 June 2021.

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company of approximately HK\$115,404,000 (2019: profit for the year of approximately HK\$52,045,000), and the weighted average number of ordinary shares of 3,194,046,198 (2019: 2,700,000,000) in issue during the year.

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there is no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

The calculations of basic and diluted earnings per share are based on:

	2020	2019
	HK\$'000	HK\$'000
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation:		
From continuing operations	5,111	11,656
From a discontinued operation	(120,515)	40,389
	<u> </u>	<u> </u>
(Loss)/profit attributable to ordinary equity holders of the Company	(115,404)	52,045
	<u> </u>	<u> </u>
Attributable to:		
Continuing operations	5,111	11,656
Discontinued operation	(120,515)	40,389
	<u> </u>	<u> </u>
	(115,404)	52,045
	<u> </u>	<u> </u>
	Number of shares	
	2020	2019
	'000	'000
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	3,194,046	2,700,000
	<u> </u>	<u> </u>

10. TRADE RECEIVABLES

	2020	2019
	HK\$'000	HK\$'000
Trade receivables	600	–
Less: Loss allowance	–	–
	<u> </u>	<u> </u>
	600	–
	<u> </u>	<u> </u>

Trade receivables mainly consist of receivables from rental receivables, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments. The Group does not hold any other collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 1 month	130	–
1 to 2 months	15	–
2 to 3 months	–	–
Over 3 months	455	–
	<hr/> 600 <hr/>	<hr/> – <hr/>

11. PROMISSORY NOTE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Promissory note	148,639	–
	<hr/> 148,639 <hr/>	<hr/> – <hr/>

On 31 July 2020 and 30 September 2020, the Company issued promissory note with a principal amount of approximately HK\$147,773,000 and HK\$866,000, respectively, as part of the consideration to acquire a 100% interest in Reach Profit Investments Limited.

The promissory note was unsecured and interest free. The promissory note will be matured within one year from the date of issue, being 31 July 2021 and 30 September 2021.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 24 May 2021 to Thursday, 27 May 2021, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 21 May 2021.
- (ii) from Wednesday, 2 June 2021 to Friday, 4 June 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 1 June 2021.

REVIEW OF OPERATION

During the year under review, the Group recorded a net loss of approximately HK\$115 million (2019: profit of HK\$52 million). This was mainly due to the loss brought by discontinued operation for the year ended 31 December 2020.

Group Reorganisation

Upon completion of the transactions under the master agreement dated 11 June 2020 (the "**Master Agreement**") entered by the Company and Multifield International Holdings Limited (a controlling shareholder of the Company, hereinafter "**Multifield**") (the "**Group Reorganisation**") on 31 July 2020 (the "**Completion Date**"), the Group has ceased engaging in trading of securities as one of its principal activities, whereas the scale of the Group's investment property business has expanded substantially.

Change of company Chinese name

Subsequent to the passing of the special resolution approving the change of the Company's Chinese name at the special general meeting of the Company held on 23 July 2020, “東方興業控股有限公司” was adopted and registered as the secondary name of the Company in Chinese on 28 July 2020 pursuant to the Certificate of Secondary Name issued by Registrar of Companies in Bermuda on 6 August 2020, replacing the name of the Company in Chinese which was previously only used for identification purpose “東方網庫控股有限公司”. The English name of the Company, “Oriental Explorer Holdings Limited”, remains unchanged. A Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 8 September 2020 confirming the registration of the Company's new Chinese name in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Chinese stock short name has been changed from “東方網庫” to “東方興業控股” for trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), with effect from 9:00 a.m. on 29 September 2020. The English stock short name of the shares of the Company “ORIENTAL EXPL” and the stock code of the Company on the Stock Exchange “430” remain unchanged.

Continuing operations

Property Investment

The Group's investment properties mainly comprise office, industrial and residential units in Hong Kong. As a result of the Group Reorganisation, the fair value of the Group's investment property portfolio expanded substantially to approximately HK\$1,692 million as at 31 December 2020 (2019: HK\$283 million), and rental revenue contributed by investment properties increased by approximately HK\$10 million or 188% to approximately HK\$15 million in 2020 (2019: HK\$5 million).

Discontinued operation

Financial investment

In 2020, the Group recorded net fair value loss of approximately HK\$125 million (2019: gain of HK\$17 million) and dividend income of approximately HK\$5 million (2019: HK\$26 million) on its listed securities portfolio.

Most of the Group's investment in listed securities were disposed of as a result of the completion of the Group Reorganisation. As at 31 December 2020, the fair value of listed securities held by the Group was approximately HK\$98,000 (2019: HK\$561 million), or less than 0.01% (2019: 31.97%) of the total assets of the Group.

The management considered that the cessation of the Group's securities trading business has effectively reduced the market risk associated with holding a listed securities portfolio of significant value.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Group Reorganisation

According to the Master Agreement entered by the Company and Multifield on 11 June 2020, (i) the Company acquired from Multifield for the entire issued share capital in Reach Profit Investments Limited (the “**Reach Profit**”) and the outstanding amount due to Multifield by the Reach Profit on the Completion Date at a consideration of HK\$1,379,916,452 (after adjustment), and (ii) Multifield acquired from the Company for the entire issued share capital in Linkful Strategic and the outstanding amount due to the Company by the Linkful Strategic on the Completion Date at a consideration of HK\$1,139,094,234 (after adjustment).

The completion of the transactions under the Master Agreement took place on 31 July 2020. To settle the consideration shortfall, Company issued interest-free promissory notes of an aggregate amount of HK\$148,639,010 to Multifield and allotted and issued 1,181,836,004 consideration shares (representing approximately 30.4% of the enlarged issued shares of the Company) to a nominee of Multifield under specific mandate. Accordingly, the number of issued shares of the Company has been increased from 2,700,000,000 to 3,881,836,004 and the controlling shareholder’s and public shareholders’ interests in the Company have been changed from approximately 64.1% to 75% and from approximately 35.9% to 25% respectively.

Before the completion of the Group Reorganisation, the Linkful Strategic and the Reach Profit were wholly owned subsidiaries of the Company and Multifield respectively. Upon completion of the Group Reorganisation, the Linkful Strategic has ceased to be a subsidiary of the Company, and has become a wholly owned subsidiary of Multifield; on the other hand, the Reach Profit has become a wholly owned subsidiary of the Company and thus it is still a subsidiary of Multifield (through Multifield’s shareholdings in the Company).

Further details are set out in (i) the joint announcement of the Company and Multifield dated 11 June 2020, (ii) the circular of the Company dated 30 June 2020, (iii) the poll results announcement of the Company dated 23 July 2020, and (iv) the joint announcement of the Company and Multifield dated 31 July 2020 in relation to (among others) the Master Agreement and the transactions thereunder.

Save as disclosed above, the Group did not have any other material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2020.

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi, Hong Kong dollar and the United States dollar. The Group is exposed to foreign exchange risk with respect mainly to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group and when appropriate hedge its currency risk.

As of 31 December 2020, the Group has not entered into any financial instrument for foreign currency hedging purpose.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities provided by principal bankers in Hong Kong. The Group held highly liquid equity investments of approximately HK\$98,000 (2019: HK\$561 million) as of 31 December 2020. The Group's cash and cash equivalents as of 31 December 2020 amounted to approximately HK\$161 million (2019: HK\$201 million).

As of 31 December 2020, total borrowings of the Group amounted to approximately HK\$299 million (2019: HK\$291 million), comprised promissory note issued by the Company amounted to approximately HK\$149 million (2019: Nil) and amounts due to fellow subsidiaries of approximately HK\$150 million (2019: Nil), with no outstanding bank and other borrowings (2019: bank and other borrowings secured by legal charges on the Group's certain equity investments amounted to approximately HK\$291 million).

As at 31 December 2020, the Group's gearing ratio was approximately 0.0% (2019: 20.11%), which was calculated as the Group's total bank and other borrowings divided by total equity of the Group.

CONTINGENT LIABILITY

As of 31 December 2020, the Group had no material contingent liability (2019: Nil).

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, the Group has no material events after reporting period which are required to be disclosed.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2020, the Group had approximately 10 employees in Hong Kong. During the year, the staff costs (including directors' emoluments) amounted to approximately HK\$4 million (2019: HK\$5 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including directors and senior management), their performance, experience and the prevailing market condition are mainly considered. In addition to salaries, provident fund scheme, discretionary bonuses and tuition/training subsidies are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his own remuneration.

PROSPECT

Entering 2021, the COVID-19 pandemic situation in various regions across the globe, including Hong Kong, continues to fluctuate. Despite COVID-19 vaccines are rolling out, it seems there is still some distance from the end of the pandemic. The management believes that unless the global pandemic being stabilised and that restrictions on cross-border traveling being gradually lifted, Hong Kong's economy will continue to face great challenges in 2021. As various industries have been hard hit by the pandemic and the local unemployment rate has continued to deteriorate, it is expected that rental income and vacancy rate of the Group's investment properties portfolio may continue to face substantial pressure in 2021.

The management believes that it is still not practical to make an accurate prediction about the timing and magnitude of the forthcoming economic recovery. Despite the current uncertain economic outlook, income from the Group's principal business activities in future is expected to be more stable than before as a result of the completion of the Group Reorganisation. The Group will continue to implement a prudent business approach amid the current unprecedented economic environment, with priorities on maintaining a sound financial position and creating value for shareholders of the Company.

CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company (the “Director(s)”), the Company has applied the principles and complied with code provisions of the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2020, save as disclosed below.

Under code provisions A.4.1 and A.4.2, (i) non-executive directors should be appointed for a specific term, subject to re-election; and (ii) all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Non-executive directors do not have a specific term of appointment and under the bye-laws of the Company, at each general meeting, one-third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation save any director holding office as chairman and managing director. The Company intends to propose any amendment of relevant bye-laws of the Company, if necessary, in order to ensure compliance with the Code.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules. The audit committee’s terms of reference includes those specific duties as set out in the code provision C.3.3 of the Code.

As of the date of this announcement, the audit committee comprises three independent non-executive Directors, namely, Mr. Wong Yim Sum, Mr. Lee Siu Man, Ervin and Mr. Tsui Ka Wah. The chairman of the audit committee, Mr. Wong Yim Sum, has extensive experience in the finance and auditing fields.

SCOPE OF WORK OF AUDITORS

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, to the amounts set out in the Group’s draft audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Based on specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code for the year ended 31 December 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of listed securities of the Company during the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement of the Company is published on the websites of the Company (www.irasia.com/listco/hk/orientalexplorer/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for 2020 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

BOARD OF DIRECTORS

As of the date of this announcement, the executive Directors are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive Directors are Mr. Wong Yim Sum, Mr. Lee Siu Man, Ervin and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 25 March, 2021