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ORIENTAL EXPLORER HOLDINGS LIMITED

東方興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 430)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
REVENUE	3	23,437	24,612
Cost of sales		<u>(5,196)</u>	<u>(4,652)</u>
Gross profit		18,241	19,960
Other income and gains	3	1,244	1,909
Fair value changes on equity investments at fair value through profit or loss, net		(19)	(34)
Foreign exchange differences, net		(2)	(83)
Fair value changes on investment properties, net		(44,600)	1,500
Operating and administrative expenses		(5,305)	(5,143)
Finance costs	5	<u>(7,627)</u>	<u>(3,400)</u>
(LOSS)/PROFIT BEFORE TAX	4	(38,068)	14,709
Income tax expense	6	<u>(2,748)</u>	<u>(2,525)</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(40,816)</u>	<u>12,184</u>
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(40,816)</u>	<u>12,184</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>HK(10.51) cents</u>	<u>HK3.14 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(LOSS)/PROFIT FOR THE YEAR	(40,816)	12,184
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>63</u>	<u>437</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(40,753)</u>	<u>12,621</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		51	46
Right-of-use assets		331	339
Investment properties		1,653,820	1,698,420
Club debenture		330	330
		<hr/>	<hr/>
Total non-current assets		1,654,532	1,699,135
		<hr/>	<hr/>
CURRENT ASSETS			
Trade receivables	9	224	1,525
Prepayments, deposits and other receivables		1,506	1,335
Equity investments at fair value through profit or loss		53	72
Cash and cash equivalents		158,992	173,781
		<hr/>	<hr/>
Total current assets		160,775	176,713
		<hr/>	<hr/>
CURRENT LIABILITIES			
Other payables and accruals		16,528	16,014
Interest-bearing bank borrowings		144,000	147,000
Amount due to a director		–	1,591
Amounts due to fellow subsidiaries		150,701	159,269
Tax payable		5,488	5,501
		<hr/>	<hr/>
Total current liabilities		316,717	329,375
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(155,942)	(152,662)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,498,590	1,546,473
		<hr/>	<hr/>

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>26,879</u>	<u>26,246</u>
Total non-current liabilities	<u>26,879</u>	<u>26,246</u>
Net assets	<u><u>1,471,711</u></u>	<u><u>1,520,227</u></u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	38,818	38,818
Reserves	<u>1,432,893</u>	<u>1,481,409</u>
Total equity	<u><u>1,471,711</u></u>	<u><u>1,520,227</u></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 equity investments, 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.

During the year ended 31 December 2023, the Group incurred a loss for the year of approximately HK\$40,816,000 (2022: profit of approximately HK\$12,184,000), and as of that date the Group had net current liabilities of approximately HK\$155,942,000 as at 31 December 2023 (2022: HK\$152,662,000). It indicates the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of its business.

Having regard to the continuing financial support received from fellow subsidiaries of the Group, the directors are of the opinion that the Group is able to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

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 2023. A subsidiary is an 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).

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 in the accounting policy for subsidiaries below. 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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	<i>Insurance Contracts</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>

Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR

In June 2022, the HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which will be effective from 1 May 2025 (the “**Transition Date**”). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme (“**MPF Benefits**”) of an entity would no longer be eligible to offset against its obligations on long service payment (“**LSP**”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 January 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the “**Practical Expedient**”) to account for the offsettable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “**Guidance**”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a “simple type of contributory plans” to which the Practical Expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical Expedient and reattribute the deemed employee contributions on a straightline basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 December 2022 or for the year ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

Except for disclosed above, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback²</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)²</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants²</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements²</i>
Amendments to HKAS 21	<i>Lack of Exchangeability³</i>

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2024

³ Effective for annual periods beginning on or after 1 January 2025

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one (2022: one) reportable operating segment which is the property investment segment that mainly comprises rental income from investment properties and therefore no further discrete financial information nor analysis of this single segment is presented.

Geographical information

(a) Revenue from external customers

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	23,390	24,503
Mainland China	47	109
	<u>23,437</u>	<u>24,612</u>

The revenue information of operations above is based on the locations of the customers. No single external customer accounted for 10% or more of the total revenue for the years ended 31 December 2023 and 2022.

(b)

	Hong Kong		Mainland China		Total	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets	<u>1,631,871</u>	<u>1,676,065</u>	<u>22,331</u>	<u>22,740</u>	<u>1,654,202</u>	<u>1,698,805</u>

The non-current assets information above is based on the locations of assets and excludes club debenture.

3. REVENUE, OTHER INCOME AND GAINS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>Revenue from other sources:</i>		
Rental income from property letting under fixed lease payments	<u>23,437</u>	<u>24,612</u>
Other income and gains		
Interest income on bank deposits	981	1,660
Government grants (<i>Note</i>)	–	157
Others	<u>263</u>	<u>92</u>
	<u>1,244</u>	<u>1,909</u>

Note: During the year ended 31 December 2022, the Group recognised government grants of approximately HK\$157,000 in respect of Covid-19-related subsidies, of which all relates to Employment Support Scheme provided by the Hong Kong government.

4. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration – audit services	380	393
Depreciation of property, plant and equipment	5	5
Depreciation of right-of-use assets	8	9
Expense relating to short-term leases not included in the measurement of lease liabilities	900	867
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	5,196	4,652
Foreign exchange differences, net	<u>2</u>	<u>83</u>
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	2,476	2,279
Pension scheme contributions (defined contribution scheme) (<i>Note i</i>)	<u>99</u>	<u>93</u>
Total staff costs	<u>2,575</u>	<u>2,372</u>

Note:

- (i) At 31 December 2023, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2022: Nil).

5. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on bank loans	<u>7,627</u>	<u>3,400</u>

6. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2022: 16.5%). Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China, in which the Group operates. Pursuant to the relevant PRC tax laws and regulations, a non-resident enterprise is generally subject to a 10% Enterprise Income Tax on PRC-sourced income if such non-resident enterprise does not have an establishment or place in the PRC. The Group's subsidiaries incorporated in Hong Kong and engaged in the property investment in the PRC do not have an establishment or place in the PRC. As a result, those subsidiaries are subject to a 10% Enterprise Income Tax on PRC-sourced income.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax – Hong Kong Charge for the year	1,538	1,397
Current tax – Mainland China Charge for the year	504	–
Deferred tax	<u>706</u>	<u>1,128</u>
Total tax charge for the year	<u>2,748</u>	<u>2,525</u>

7. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interim dividend – HK0.8 cent per ordinary share of par value HK\$0.1 each (2022: HK0.8 cent per ordinary share of par value HK\$0.1 each)	3,105	3,105
Proposed final dividend – HK1.2 cents per ordinary share of par value HK\$0.1 each (2022: HK1.2 cents per ordinary share of par value HK\$0.1 each)	4,658	4,658
	7,763	7,763

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 30 May 2024, dividend warrants will be posted on or about 25 June 2024 to shareholders whose names appear on the register of members of the Company on 7 June 2024.

8. (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\$40,816,000 (2022: profit of approximately HK\$12,184,000), and the weighted average number of ordinary shares of 388,183,600 (2022: 388,183,600 shares) 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 ordinary shares in issue during the years ended 31 December 2023 and 2022.

9. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	224	1,525

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.

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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	202	776
1 to 2 months	18	117
2 to 3 months	–	–
3 to 12 months	3	631
Over 1 year	1	1
	<hr/> 224 <hr/>	<hr/> 1,525 <hr/>

CLOSURE OF REGISTER OF MEMBERS

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

- (i) from Monday, 27 May 2024 to Thursday, 30 May 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 24 May 2024.
- (ii) from Wednesday, 5 June 2024 to Friday, 7 June 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 4 June 2024.

REVIEW OF OPERATION

Property investment

The Group's investment properties mainly comprise offices, industrial and residential units in Hong Kong. These investment properties contributed rental revenue of approximately HK\$23.4 million (2022: HK\$24.6 million) for the year ended 31 December 2023. The decrease in rental revenue was caused by weakened demand in Hong Kong office spaces.

FINANCIAL REVIEW

During the year ended 31 December 2023, the Group recorded a loss of approximately HK\$40.8 million (2022: profit of HK\$12.2 million), mainly caused by (i) the decrease in rental revenue of approximately HK\$1.2 million or 5% to approximately HK\$23.4 million (2022: HK\$24.6 million) during the year; (ii) the rise in finance costs of over 2 times to approximately HK\$7.6 million (2022: HK\$3.4 million); and (iii) fair value loss of investment properties of approximately HK\$44.6 million (2022: fair value gain of HK\$1.5 million).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2023.

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 at 31 December 2023, the Group had no 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's cash and cash equivalents as of 31 December 2023 amounted to approximately HK\$159.0 million (31 December 2022: HK\$173.8 million).

As at 31 December 2023, total borrowings of the Group amounted to approximately HK\$294.7 million (2022: HK\$307.9 million), comprised amounts due to fellow subsidiaries of approximately HK\$150.7 million (2022: HK\$159.3 million), amount due to a director of nil (2022: approximately HK\$1.6 million) which were unsecured, interest-free and repayable on demand and interest-bearing bank borrowings of approximately HK\$144.0 million (2022: HK\$147.0 million) which were secured by legal charges on the Group's certain investment properties in Hong Kong. The Group's bank borrowings were mainly arranged on a floating rate basis.

The maturity of bank borrowings of the Group as at 31 December 2023 is as follows:

	<i>HK\$'000</i>
Within one year	3,000
In the second year	3,000
In the third to fifth years, inclusive	<u>138,000</u>
Total	<u><u>144,000</u></u>

As at 31 December 2023, the Group's gearing ratio, being total borrowings divided by total equity, was approximately 20.02% (31 December 2022: 20.25%).

CONTINGENT LIABILITY

As of 31 December 2023, the Group had no material contingent liability.

EVENTS AFTER THE REPORTING PERIOD

On 8 March 2024, Rich Return Development Sdn. Bhd. (“Rich Return”) (an indirect wholly-owned subsidiary of the Company) entered into a share subscription, share sale and shareholders’ agreement (the “Agreement”) with Securidon Sdn. Bhd. (“Securidon”), Temokin Development Sdn. Bhd. (“Temokin”) and Torus Development Sdn. Bhd. (the “JV Company”) in respect of formation of a joint venture (the “Joint Venture”) for engaging in the acquisition and development of the land. The total maximum capital commitment of Rich Return in the JV Company is RM65,000,000 (equivalent to approximately HK\$106,022,000).

Upon completion of the transactions, the JV Company will be owned as to 49% by Rich Return, 30% by Securidon and 21% by Temokin respectively. The JV Company will not be a subsidiary of the Company, and its financial results will not be consolidated into the consolidated financial statements of the Company.

For details, please refer to the announcement of the Company dated 8 March 2024.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2023, the Group had approximately 6 employees in Hong Kong. During the year, the staff costs (including directors’ emoluments) amounted to approximately HK\$2.6 million (2022: HK\$2.4 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

The global business environment in 2023 has been challenging due to geopolitical conflicts. Furthermore, global inflation and high interest rates in particular has heavily impacted the economic growth in Hong Kong and China. This impact has altogether resulted in weakened business sentiment and slowed down post-Covid economic recovery in the region.

The Hong Kong government has relaxed property stamp duty requirements in the first quarter of 2024, which has led to a marked improvement in the Hong Kong real estate market sentiment in recent months. However due to significant impact from geopolitical tensions and a prolonged high-interest rate environment, we expect that the Hong Kong economy and property markets will continue to be slow in the first half of 2024.

In Malaysia, the relaxation of visa regime for Chinese travelers and wider favorable investment policies have attracted many international and Chinese manufacturing corporations to set up businesses in the country in recent years. Therefore, it is expected that tourism and business investment to Malaysia will lead to wider economic growth for the country and benefit the property sector. The Group is investing in Malaysia in a mission to further diversify the Group's property investment and development portfolio. The Group is actively seeking opportunities to acquire high quality properties and land banks to expand our business.

CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company (the "Director(s)"), the Company applied the principles and complied with code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 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 2023, save as disclosed below.

Under code provision B.2.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

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 D.3.3 of the Code.

As of the date of this announcement, the audit committee comprises three independent non-executive Directors, namely, Mr. Lo Kam Cheung, Patrick, Mr. Lo Mun Lam, Raymond and Mr. Tsui Ka Wah. The chairman of the audit committee, Mr. Lo Kam Cheung, Patrick, has extensive experience in the finance and auditing fields.

REVIEW OF ANNUAL RESULTS

The annual results for the year ended 31 December 2023 contained in this announcement have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by Elite Partners CPA 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 Elite Partners CPA 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 C3 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 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement 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 2023 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. Lo Kam Cheung, Patrick, Mr. Lo Mun Lam, Raymond and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 25 March, 2024