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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 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
REVENUE	5	25,383	23,437
Cost of services provided		<u>(6,003)</u>	<u>(5,196)</u>
Gross profit		19,380	18,241
Other income and gains	5	816	1,244
Fair value changes on equity investments at fair value through profit or loss, net		(18)	(19)
Fair value changes on investment properties, net		(42,610)	(44,600)
Operating and administrative expenses		(5,394)	(5,307)
Finance costs	7	(7,403)	(7,627)
Share of result of investment accounted for using the equity method		<u>(210)</u>	<u>–</u>
LOSS BEFORE TAX	6	(35,439)	(38,068)
Income tax expense	8	<u>(2,480)</u>	<u>(2,748)</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(37,919)</u>	<u>(40,816)</u>
LOSS PER SHARE			
Basic and diluted	10	<u>HK(9.77) cents</u>	<u>HK(10.51) cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
LOSS FOR THE YEAR	(37,919)	(40,816)
OTHER COMPREHENSIVE (LOSS)/INCOME		
<i>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(10)</u>	<u>63</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(37,929)</u>	<u>(40,753)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		45	51
Investment properties	<i>11</i>	1,611,210	1,653,820
Right-of-use assets		322	331
Club debenture		330	330
Investment accounted for using the equity method		—*	—
		<hr/>	<hr/>
Total non-current assets		1,611,907	1,654,532
		<hr/>	<hr/>
CURRENT ASSETS			
Amount due from investment accounted for using the equity method		14,350	—
Trade receivables	<i>12</i>	371	224
Prepayments, deposits and other receivables		1,436	1,506
Equity investments at fair value through profit or loss		35	53
Cash and cash equivalents		8,167	158,992
		<hr/>	<hr/>
Total current assets		24,359	160,775
		<hr/>	<hr/>
CURRENT LIABILITIES			
Other payables and accruals		15,252	16,528
Interest-bearing bank borrowings		—	144,000
Amounts due to fellow subsidiaries		164,844	150,701
Tax payable		2,314	5,488
		<hr/>	<hr/>
Total current liabilities		182,410	316,717
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(158,051)	(155,942)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,453,856	1,498,590
		<hr/>	<hr/>

* Less than HK\$1,000

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>27,837</u>	<u>26,879</u>
Total non-current liabilities	<u>27,837</u>	<u>26,879</u>
Net assets	<u>1,426,019</u>	<u>1,471,711</u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	38,818	38,818
Reserves	<u>1,387,201</u>	<u>1,432,893</u>
Total equity	<u>1,426,019</u>	<u>1,471,711</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Oriental Explorer Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company is located at Units 22-28, 25/F., Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong. The shares of the Company are listed on Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- property investment; and
- investment holding.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated. The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the board of directors on 27 March 2025.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These consolidated 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”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements.

(b) Basis of preparation

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for investment properties and certain financial assets which are measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Going concern basis

During the year ended 31 December 2024, the Group incurred a loss for the year of approximately HK\$37,919,000 (2023: HK\$40,816,000), and as of that date, the Group had net current liabilities of approximately HK\$158,051,000 (2023: HK\$155,942,000). In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern. Having regard to the continuing financial support received from an intermediate holding company 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.

3. ADOPTION OF NEW OR AMENDED HKFRSs AND CHANGES IN OTHER ACCOUNTING POLICIES

(i) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these consolidated financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants
- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements
- Hong Kong Interpretation 5 (Revised), Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The adoption of new or amended HKFRSs did not have material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability	1 January 2025
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
HKFRS 19, Subsidiaries without public accountability: Disclosures	1 January 2027
Amendments to HK-Int 5, Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Group are in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one (2023: 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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	25,383	23,390
Mainland China	–	47
	25,383	23,437

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 2024 and 2023.

(b)

	Hong Kong		Mainland China		Total	
	2024	2023	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	1,589,154	1,631,871	22,423	22,331	1,611,577	1,654,202

The non-current assets information above is based on the locations of assets and excludes club debenture and investment accounted for using the equity method.

5. REVENUE, OTHER INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	25,383	23,437
Other income and gains		
Interest income on bank deposits	109	981
Interest income from amount due from investment accounted for using the equity method	379	–
Others	328	263
	816	1,244

6. LOSS BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration – audit services	380	380
Depreciation of property, plant and equipment	6	5
Depreciation of right-of-use assets	9	8
Expense relating to short-term leases not included in the measurement of lease liabilities	900	900
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	6,003	5,196
Foreign exchange differences, net	(392)	2
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	2,405	2,476
Pension scheme contributions (defined contribution scheme) (<i>Note (i)</i>)	100	99
Total staff costs	2,505	2,575

Note:

- (i) At 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2023: Nil).

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank loans	1,050	7,627
Interest on loan from a fellow subsidiary	6,353	–
	<u>7,403</u>	<u>7,627</u>

8. INCOME TAX EXPENSE

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%) in 2024.

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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – Hong Kong		
Charge for the year	1,978	1,538
Over-provision in prior year	(601)	–
	<u>1,377</u>	<u>1,538</u>
Current tax – Mainland China		
Charge for the year	–	504
Deferred tax	1,103	706
Total tax charge for the year	<u>2,480</u>	<u>2,748</u>

9. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend – HK0.8 cent per ordinary share of par value HK\$0.1 each (2023: HK0.8 cent per ordinary share of par value HK\$0.1 each)	3,105	3,105
Proposed final dividend – HK0.6 cent per ordinary share of par value HK\$0.1 each (2023: HK1.2 cents per ordinary share of par value HK\$0.1 each)	<u>2,329</u>	<u>4,658</u>
	<u><u>5,434</u></u>	<u><u>7,763</u></u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 28 May 2025, dividend warrants will be posted on or about 26 June 2025 to shareholders whose names appear on the register of members of the Company on 5 June 2025.

10. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company of approximately HK\$37,919,000 (2023: HK\$40,816,000), and the weighted average number of ordinary shares of 388,183,600 (2023: 388,183,600 shares) in issue for the year.

The diluted loss per share is equal to the basic loss per share as there is no potentially dilutive ordinary shares in issue for the years ended 31 December 2024 and 2023.

11. INVESTMENT PROPERTIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Carrying amount at 1 January	1,653,820	1,698,420
Net loss from fair value adjustments	<u>(42,610)</u>	<u>(44,600)</u>
Carrying amount at 31 December	<u><u>1,611,210</u></u>	<u><u>1,653,820</u></u>

12. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	<u>371</u>	<u>224</u>

Trade receivables mainly consist of 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 dates and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	290	202
1 to 2 months	37	18
2 to 3 months	–	–
3 to 12 months	44	3
Over 1 year	–	1
	<u>371</u>	<u>224</u>

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification was considered to provide a more appropriate presentation of the state of affairs of the Group.

CLOSURE OF REGISTER OF MEMBERS

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

- (i) from Friday, 23 May 2025 to Wednesday, 28 May 2025, 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 Thursday, 22 May 2025.
- (ii) from Tuesday, 3 June 2025 to Thursday, 5 June 2025, 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 Monday, 2 June 2025.

REVIEW OF OPERATIONS

Property investment

The Group's investment properties mainly comprise commercial, industrial, residential units and car parks in Hong Kong. These investment properties contributed rental revenue of approximately HK\$25.4 million (2023: HK\$23.4 million) for the year ended 31 December 2024. The increase in rental revenue was mainly attributable to the increase in overall portfolio occupancy rates.

FINANCIAL REVIEW

During the year ended 31 December 2024, the Group recorded a loss of approximately HK\$37.9 million (2023: HK\$40.8 million), mainly caused by finance costs of approximately HK\$7.4 million (2023: HK\$7.6 million) and fair value loss of investment properties of approximately HK\$42.6 million (2023: HK\$44.6 million).

FOREIGN CURRENCY EXPOSURE

The Group is currently not exposed to any material foreign exchange risks as most of the monetary assets and liabilities are denominated in Hong Kong dollars. The management will consider suitable hedging instruments against significant foreign currency exposure should the need arises.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and loan from a fellow subsidiary. The Group's cash and cash equivalents as of 31 December 2024 amounted to approximately HK\$8.2 million (2023: HK\$159.0 million).

As at 31 December 2024, total borrowings of the Group amounted to approximately HK\$164.9 million (2023: HK\$294.7 million), comprised amounts due to fellow subsidiaries of approximately HK\$164.9 million (2023: HK\$150.7 million), and interest-bearing bank borrowings of nil (2023: approximately HK\$144.0 million).

The Group's gearing ratio was approximately 11.56% (2023: 20.02%) calculated based on total borrowings divided by total equity as at 31 December 2024.

CONTINGENT LIABILITY

As of 31 December 2024, the Group had no material contingent liability.

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 2024, the Group had approximately 8 employees in Hong Kong. During the year, the staff costs (including directors' emoluments) amounted to approximately HK\$2.5 million (2023: HK\$2.6 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

Prolonged geopolitical tensions, high interest rates, and the potential escalation of trade conflicts have created significant uncertainty in the global economy. These impacts have altogether resulted in weakened business sentiment and slowed down the economic growth of both Mainland China and Hong Kong.

The residential leasing market remains slightly robust, supported by demand from talent schemes and high-income groups. However, the office and retail markets in Hong Kong are expected to face a complex landscape of challenges in 2025 due to influences from ongoing economic and political instability. Key factors include downward shifts in corporate demand, consumer demand and increased market supply.

The Group will closely monitor these market dynamics to respond effectively to the evolving environment. To strategically position ourselves, we have established a joint business initiative aimed at expanding our operations and investing in property development in Malaysia. The Group is actively pursuing opportunities to acquire high-quality properties and land banks to ensure sustained and steady long-term growth.

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 (the “Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2024, 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 board of directors of the Company (the “Board”) considers that the exemption of both the chairman and the managing director of the Company from such retirement by rotation provisions would provide the Group with strong and consistent leadership, efficient use of resources, effective planning, formulation and implementation of long-term strategies and business plans. The Board believes that it would be in the best interest of the Company for such directors to continue to be exempted from retirement by rotation provisions.

AUDIT COMMITTEE

The annual results of the Company for the year ended 31 December 2024 have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF AUDITOR

The 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 2024 as set out in this announcement have been agreed by the Group’s auditor, Beijing Xinghua Caplegend CPA Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Beijing Xinghua Caplegend CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by Beijing Xinghua Caplegend 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 2024.

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/orientalexplorerer/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for 2024 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, Mr. Lau Michael Kei Chi and Ms. Leung Wei San Saskia and the independent non-executive Directors are Mr. Lo Kam Cheung, Patrick, Mr. Lo Mun Lam, Raymond, Mr. Tsui Ka Wah and Mr. Ng Sing Yip.

By Order of the Board
Oriental Explorer Holdings Limited
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 27 March 2025