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## INTERIM RESULTS

The board of directors (the “Board”) of Oriental Explorer Holdings Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2020, together with the comparative figures as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

	Notes	For the six months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>REVENUE</b>	3	(123,613)	44,744
Cost of sales		<u>(536)</u>	<u>(593)</u>
Gross (loss)/profit		(124,149)	44,151
Other income and gains	3	303	95
Operating and administrative expenses		(4,044)	(4,080)
Finance costs	5	<u>(425)</u>	<u>(1,608)</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>	4	(128,315)	38,558
Income tax expense	6	<u>–</u>	<u>–</u>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<u>(128,315)</u>	<u>38,558</u>
<b>(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the Company		<u>(128,315)</u>	<u>38,558</u>
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	8	<u>HK(4.75) cents</u>	<u>HK1.43 cents</u>

Details of interim dividend are disclosed in note 7.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<b>(128,315)</b>	<b>38,558</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b><u>(128,315)</u></b>	<b><u>38,558</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	As at 30 June 2020 HK\$'000 (Unaudited)	As at 31 December 2019 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		33	33
Right-of-use assets		362	366
Investment properties		282,780	282,780
Investment in an associate		2,066	2,066
Club debenture		330	670
Equity investments at fair value through other comprehensive income		706,028	706,028
<b>Total non-current assets</b>		<b>991,599</b>	<b>991,943</b>
<b>CURRENT ASSETS</b>			
Trade Receivables	9	17	–
Prepayments, deposits and other receivables		788	951
Equity investments at fair value through profit or loss		434,244	561,180
Cash and cash equivalents	10	152,057	200,981
<b>Total current assets</b>		<b>587,106</b>	<b>763,112</b>
<b>TOTAL ASSETS</b>		<b>1,578,705</b>	<b>1,755,055</b>
<b>CURRENT LIABILITIES</b>			
Amount due to a director	11	93,860	–
Amount due to a fellow subsidiary	12	150,000	–
Other payables and accruals		6,192	6,679
Other borrowings		–	291,408
Tax payable		3,818	3,818
<b>Total current liabilities</b>		<b>253,870</b>	<b>301,905</b>
<b>NET CURRENT ASSETS</b>		<b>333,236</b>	<b>461,207</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,324,835</b>	<b>1,453,150</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		3,844	3,844
<b>Total non-current liabilities</b>		<b>3,844</b>	<b>3,844</b>
<b>Net assets</b>		<b>1,320,991</b>	<b>1,449,306</b>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Issued capital	13	27,000	27,000
Reserves		1,293,991	1,422,306
<b>Total equity</b>		<b>1,320,991</b>	<b>1,449,306</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Attributable to owners of the Company						Total equity HK\$'000 (Unaudited)
	Issued capital HK\$'000 (Unaudited) (Note 13)	Share premium account HK\$'000 (Unaudited)	Capital redemption reserve HK\$'000 (Unaudited)	Fair value reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	
At 1 January 2019	27,000	498,761	546	523,499	(598)	334,237	1,383,445
Profit for the period	-	-	-	-	-	38,558	38,558
Other comprehensive income for the period	-	-	-	-	-	-	-
At 30 June 2019	<u>27,000</u>	<u>498,761</u>	<u>546</u>	<u>523,499</u>	<u>(598)</u>	<u>372,795</u>	<u>1,422,003</u>
At 1 January 2020	<b>27,000</b>	<b>498,761</b>	<b>546</b>	<b>537,315</b>	<b>(598)</b>	<b>386,282</b>	<b>1,449,306</b>
Loss for the period	-	-	-	-	-	(128,315)	(128,315)
Other comprehensive income for the period	-	-	-	-	-	-	-
At 30 June 2020	<u><b>27,000</b></u>	<u><b>498,761</b></u>	<u><b>546</b></u>	<u><b>537,315</b></u>	<u><b>(598)</b></u>	<u><b>257,967</b></u>	<u><b>1,320,991</b></u>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	<i>Notes</i>	For the six months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>		<b>(1,127)</b>	<b>6,483</b>
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>		<b>215</b>	<b>85</b>
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<b>(48,012)</b>	<b>(107,231)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(48,924)</b>	<b>(100,663)</b>
Cash and cash equivalents at beginning of the period		<u>200,981</u>	<u>202,263</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b><u>152,057</u></b>	<b><u>101,600</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	10	<u>2,057</u>	1,600
Non-pledged deposits with original maturity of less than three months when acquired	10	<u>150,000</u>	<u>100,000</u>
		<b><u>152,057</u></b>	<b><u>101,600</u></b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2019 except as noted below.

In the current period, the Group has applied, for the first time, the following amendments issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2020.

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>

Except as described below, the adoption of the new amendments had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

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

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>2</sup></i>
HKFRS 17	<i>Insurance Contracts<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>2</sup> No mandatory effective date yet determined but available for adoption



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. OPERATING SEGMENT INFORMATION

The analyses of the principal activities of the operations of the Group are as follows:

	Property investment		Trading and investments		Total	
	For the six months ended 30 June					
	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment revenue:</b>						
Revenue from external customers	<u>2,568</u>	<u>2,497</u>	<u>(126,181)</u>	<u>42,247</u>	<u>(123,613)</u>	<u>44,744</u>
<b>Segment results</b>	<u>1,787</u>	<u>1,662</u>	<u>(127,239)</u>	<u>41,314</u>	<u>(125,452)</u>	<u>42,976</u>
<i>Reconciliation:</i>						
Unallocated corporate expenses					(2,741)	(2,905)
Interest income on bank deposits					84	90
Other gains					219	5
Finance costs					<u>(425)</u>	<u>(1,608)</u>
(Loss)/profit before tax					<u>(128,315)</u>	<u>38,558</u>

### Geographical information

Revenue from external customers are all generated from Hong Kong. No single external customer accounted for 10% or more of the total revenue for the periods ended 30 June 2020 and 2019.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Rental income from property letting under fixed lease payments	2,568	2,497
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	(126,936)	33,751
Dividend income from listed investments	755	8,496
	<u>(123,613)</u>	<u>44,744</u>
<u>Other income and gains</u>		
Interest income on bank deposits	84	90
Others	219	5
	<u>303</u>	<u>95</u>

### 4. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	–	9
Depreciation of right-of-use assets	4	4
	<u>4</u>	<u>13</u>
Employee benefits expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	2,504	2,563
Pension scheme contributions (defined contribution scheme)	58	62
	<u>2,562</u>	<u>2,625</u>
Total staff costs	<u>2,562</u>	<u>2,625</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Interest on other loans	<u>425</u>	<u>1,608</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 period except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/19. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The share of tax attributable to an associate is included in “Share of profits of an associate” in the condensed consolidated statement of profit or loss.

## 7. INTERIM DIVIDEND PER SHARE

The directors do not recommend the declaration of an interim dividend in respect of the six months ended 30 June 2020 (2019: Nil).

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

The calculation of basic (loss)/earnings per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company of approximately HK\$128,315,000 (2019: profit for the period of approximately HK\$38,558,000), and the weighted average number of ordinary shares of 2,700,000,000 (2019: 2,700,000,000) in issue during the period.

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there is no potential dilutive ordinary shares in issue during the periods ended 30 June 2020 and 2019.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. TRADE RECEIVABLES

	As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
Trade receivables	17	–
	17	–

Trade receivables mainly consist of receivables from property rental business, 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 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:

	As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
Within 1 month	17	–
	17	–

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 10. CASH AND CASH EQUIVALENTS

	As at 30 June 2020 HK\$'000 (Unaudited)	As at 31 December 2019 HK\$'000 (Audited)
Cash and bank balances	2,057	981
Time deposits with original of maturity less than three months	<u>150,000</u>	<u>200,000</u>
Cash and cash equivalents	<u><u>152,057</u></u>	<u><u>200,981</u></u>

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates.

## 11. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, non-interest bearing and has no fixed term of repayment.

## 12. AMOUNT DUE TO A FELLOW SUBSIDIARY

The amount due to a fellow subsidiary is non-trade in nature, unsecured, non-interest bearing and has no fixed term of repayment.

## 13. SHARE CAPITAL

Shares	Number of shares		Value	
	As at 30 June 2020	As at 31 December 2019	As at 30 June 2020 HK\$'000 (Unaudited)	As at 31 December 2019 HK\$'000 (Audited)
Authorised:				
Ordinary shares of HK\$0.01 each	<u>20,000,000,000</u>	<u>20,000,000,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	<u>2,700,000,000</u>	<u>2,700,000,000</u>	<u>27,000</u>	<u>27,000</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. SHARE OPTION SCHEME

The Group's share option scheme (the "2013 Scheme") was adopted pursuant to a resolution passed on 30 May 2013 for the primary purpose of providing incentives to eligible participants.

### The 2013 Scheme

The Company operates the 2013 Scheme for the purpose of, among others, is to recognise and motivate the contribution of eligible participants to the Group and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company. Eligible participants of the 2013 Scheme include any (full-time or part-time) employee, including, without limitation, any executive and non-executive director or proposed executive and non-executive director of the Group, and any adviser, consultant, agent, contractor, client, customer or supplier or any member of the Group. The 2013 Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from 30 May 2013.

The total number of securities available for issue under the 2013 Scheme is 180,000,000, which is equivalent to 10% of the issued share capital of the Company at the date of adoption of the 2013 Scheme. The maximum number of shares issuable under share options to each eligible participant in the 2013 Scheme within any 12-month period, is limited to 1% of the shares of the Company for the time being in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 5 business days from the date of the offer upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the directors, which is not later than 10 years from the date of offer of the share options or the expiry date of the 2013 Scheme, if earlier.

The exercise price of the share options is determined by the board of directors, but may be not less than the higher of (i) the nominal value of the shares; (ii) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options under the 2013 Scheme have been granted, exercised, lapsed or cancelled since the establishment of the 2013 Scheme.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 15. CORPORATE GUARANTEES

As at 30 June 2020, the Company has given corporate guarantees in favour of banks for banking facilities granted to its fellow subsidiaries to the extent of approximately HK\$216,000,000 (as at 31 December 2019: HK\$216,000,000), of which approximately HK\$216,000,000 (as at 31 December 2019: HK\$216,000,000) was utilised.

In the opinion of the directors, no material liabilities will arise from the above corporate guarantees which arose in the ordinary course of business of the Group and the fair values of the corporate guarantees granted by the Company are immaterial.

## 16. LEASE

### (a) The Group as a lessor

The Group leases its investment properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the period was HK\$2,568,000, details of which are included in note 3 to the unaudited condensed consolidated financial statements.

At 30 June 2020, the undiscounted lease payments receivable by the Group in the future periods under non-cancellable operating leases with its tenants are as follows:

	As at 30 June 2020 HK\$'000 (Unaudited)
Within one year	3,643

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 16. LEASE *(continued)*

### (b) The Group as a lessee

The amounts recognised in profit or loss in relation to leases are as follows:

	As at 30 June 2020 HK\$'000 <i>(Unaudited)</i>
Depreciation charge of right-of-use assets	4
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 30 June 2020	300
Total amount recognised in profit or loss	304

The Group regularly entered into short-term leases for office premise. The Group does not recognise right-of-use assets and lease liabilities in regard of these short-term leases. The Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease terms. There is no renewal options and variable lease payments included in the lease agreement.

For the period ended 30 June 2020, total cash outflow for leases amounts to approximately HK\$300,000.

## 17. RELATED PARTY TRANSACTIONS

### (a) Transactions

On 11 June 2020, the Company entered into the Master Agreement (as defined in note 19) with Multifield International Holdings Limited (“Multifield”), a controlling shareholder of the Company, in respect of the group reorganisation plan between the Group and Multifield. Further details on the transactions under the Master Agreement are disclosed in the section headed “Completion of Group Reorganisation Plan” in note 19.

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are not significant to the Group.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

Save as disclosed above and elsewhere in this interim report, the Group had no material transactions with related parties during the six months ended 30 June 2020.

### (b) Balances

Details of the outstanding balance between the Group and other related parties during the period are disclosed in notes 11 and 12.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the board of directors on 27 August 2020.

## 19. EVENTS AFTER THE REPORTING PERIOD

### Completion of Group Reorganisation Plan

The Company and Multifield entered into a Master Agreement (the “Master Agreement”) on 11 June 2020, transactions under which include (i) the acquisition by the Company from Multifield for a consideration of HK\$1,381,502,456 (subject to adjustment) of the entire issued share capital in Reach Profit Investments Limited (the “Multifield Disposal Company”) and the outstanding amount due to Multifield by the Multifield Disposal Company at completion, and (ii) the acquisition by Multifield from the Company for a consideration of HK\$1,146,746,283 (subject to adjustment) of the entire issued share capital in Linkful Strategic Investment Limited (the “OE Disposal Company”) and the outstanding amount due to the Company by the OE Disposal Company at completion.

The completion of the transactions under the Master Agreement took place on 31 July 2020. To settle the shortfall in consideration, the Company issued an interest-free promissory note of HK\$147,773,043.11 to Multifield on the completion date, and, also on the same day, allotted and issued 1,181,836,004 consideration shares (representing approximately 30.4% of the enlarged issued shares of the Company) at issue price HK\$0.0736 each 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 and public shareholders’ interests in the Company have been changed from approximately 64.1% to 75% and from 35.9% to 25% respectively.

Before the completion, the OE Disposal Company and the Multifield Disposal Company were wholly owned subsidiaries of the Company and Multifield respectively. Upon completion, the OE Disposal Company has ceased to be a subsidiary of the Company, and has become a subsidiary of Multifield; on the other hand, the Multifield Disposal Company has become a subsidiary of the Company and thus it is still a subsidiary of Multifield (through its 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 under it.

### Change of Company Chinese Name

On 23 June 2020 the Board announced that it proposed to adopt and register the Chinese name “東方興業控股有限公司” as the secondary name of the Company in Chinese replacing the existing name of the Company in Chinese “東方網庫控股有限公司” which is for identification purpose only. The English name of the Company, “Oriental Explorer Holdings Limited” remains unchanged.

The special resolution for approving the change of the Company’s Chinese name was passed in the special general meeting of the Company held on 23 July 2020. “東方興業控股有限公司” was registered as the secondary name of the Company in Chinese on 28 July 2020 pursuant to the Certificate of Secondary Name issued by the Registrar of Companies in Bermuda to the Company on 6 August 2020. As at the date of approval of these unaudited condensed consolidated financial statements, the Company was still in the course of carrying out the necessary filing procedures with the Companies Registry in Hong Kong.

The details are set out in (i) the announcement of the Company dated 23 June 2020 in relation to the change of the Company’s Chinese name, (ii) the circular of the Company dated 30 June 2020, and (iii) the poll results announcement of the Company dated 23 July 2020.

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the board of directors (the “Board”) of Oriental Explorer Holdings Limited (the “Company”), I am pleased to present the interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2020.

## REVIEW OF OPERATION

During the period under reporting, the Group recorded a loss of approximately HK\$128 million (2019: profit of HK\$39 million). This is mainly due to the loss brought by the fair value losses in equity investments (stocks) held by the Group.

The investments in equities held by the Group recorded a fair value loss of approximately HK\$127 million (2019: gain of HK\$34 million). The Group's rental income in Hong Kong recorded a slight increase of approximately 3%. Equities investments recorded dividend income of approximately HK\$0.8 million (2019: HK\$8 million).

Taking into account the Company's profitability, debt obligations and cash flows, capital required for future development, etc., the Board does not recommend the payment of interim dividend for the current year.

## PROPERTY INVESTMENT

The Group's investment properties in Hong Kong mainly comprise of office, industrial and residential units. The Group's investment property portfolio contributed stable rental revenue of approximately HK\$3 million for the six months ended 30 June 2020 (2019: HK\$2 million).

## FINANCIAL INVESTMENTS

During the period under reporting, equity investment (stocks) held by the Group recorded net fair value losses.

As of 30 June 2020, the Group held approximately HK\$434 million (as of 31 December 2019: HK\$561 million) of highly liquid equity investments, which mainly consisted of blue chips stocks and Exchange Traded Funds listed in Hong Kong. The equity investments were held by the Group in long-term for investment purpose and receiving dividend income.

The Group's equity investments recorded a net fair value loss of approximately HK\$127 million (2019: gain of HK\$34 million) when marking the investment portfolios to market valuation as of 30 June 2020, along with dividend income of approximately HK\$0.8 million (2019: HK\$8 million).

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

The equity investments held by the Group as at 30 June 2020 were as follows:

Stock Code	Company Name	Principal Business	Number of shares held as at 30 June 2020 '000	Percentage of shareholding as at 30 June 2020 %	Investment Cost HK\$'000	Realised Gain on change in fair value for the period ended 30 June 2020 HK\$'000	Unrealised (Loss)/ Gain on change in fair value for the period ended 30 June 2020 HK\$'000	Dividend income for the period ended 30 June 2020 HK\$'000	Fair value/ carrying amount as at 30 June 2020 HK\$'000	Percentage to the company's total asset as at 30 June 2020 %
2800	Tracker Fund of Hong Kong	Collective investment fund, structured as a unit trust established under Hong Kong law, provide investment results that closely correspond to the performance of the Hang Seng Index.	5,850	0.17	146,367	-	(20,768)	527	145,665	9.23
5	HSBC Holdings plc	Banking and financial services, manages its products and services through four businesses: Retail Banking and Wealth Management (RBWM), Commercial Banking (CMB), Global Banking and Markets (GB&M), and Global Private Banking (GPB).	3,040	0.01	207,496	-	(74,945)	-	110,062	6.97
2828	Hang Seng China Enterprises Index ETF	Sub-fund of the Hang Seng Investment Index Funds Series, a unit trust established as an umbrella fund under the laws of Hong Kong, which aims to match, before expenses, as closely as practicable the performance of the Hang Seng China Enterprises Index.	1,332	0.60	168,677	-	(19,127)	-	131,921	8.36
3988	Bank of China Limited	Banking and financial services, a China-based company principally engage in the provision of banking and related financial services.	9,800	0.01	30,198	-	(4,508)	-	28,126	1.78
857	PetroChina Co. Ltd.	Petroleum and gases, a China-based company principally engage in the production and distribution of oil and gas.	2,378	0.01	24,819	-	(3,186)	-	6,111	0.39
941	China Mobile Ltd.	Telecommunication and Services, a China-based company principally engage in telecommunication and related businesses including mobile businesses, wireline Broadband businesses and Internet of Things (IoT) businesses.	100	0.00	9,654	-	(1,320)	172	5,230	0.33

## CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Stock Code	Company Name	Principal Business	Number of shares held as at 30 June 2020 '000	Percentage of shareholding as at 30 June 2020 %	Investment Cost HK\$'000	Realised	Unrealised	Dividend income for the period ended 30 June 2020 HK\$'000	Fair value/ carrying amount as at 30 June 2020 HK\$'000	Percentage to the company's total asset as at 30 June 2020 %
						Gain on change in fair value for the period ended 30 June 2020 HK\$'000	(Loss)/ Gain on change in fair value for the period ended 30 June 2020 HK\$'000			
2628	China Life Insurance Co. Ltd.	Life insurance, a China-based company principally engage provides a range of insurance products, including individual and group life insurance, health insurance and accident insurance products.	300	0.00	9,459	-	(1,815)	-	4,680	0.30
	Other listed securities <sup>#</sup>				28,828	-	(1,267)	56	2,449	0.15
						-	(126,936)	755	434,244	27.51

<sup>#</sup> Other listed securities mainly represented the Group's investment in 11 companies whose shares are mainly listed on the Main Board of The Stock Exchange of Hong Kong Limited. The carrying value of each of these investments represented less than 1% of the total assets of the Group as at 30 June 2020.

As at 30 June 2020, the equity investments mainly represented listed securities in Hong Kong. The Board acknowledges that the performance of the equity investments may mainly be affected by worldwide economy, volatility in the Chinese and Hong Kong stock markets, and susceptible to other external factors that may affect their values. In order to mitigate possible financial risk related to the equity investments, the management will closely monitor the performance of respective equity investments and the changes of market condition. The Company will adjust the Company's portfolio of investments as the Board considers appropriate.

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

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

Save as disclosed in note 19 “Events After the Reporting Period” to the unaudited condensed consolidated financial statements, the Group did not have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the six months ended 30 June 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 30 June 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. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments of approximately HK\$434 million (as of 31 December 2019: HK\$561 million) as of 30 June 2020. The Group's cash and cash equivalents as of 30 June 2020 amounted to approximately HK\$152 million (as of 31 December 2019: HK\$201 million).

As of 30 June 2020, the Group had no other borrowings which were secured by legal charges on the Group's certain equity investments (as of 31 December 2019: HK\$291 million). Instead, the Group had amount due to a director of approximately HK\$94 million (as of 31 December 2019: Nil) and amount due to a fellow subsidiary of approximately HK\$150 million (as of 31 December 2019: Nil), which is unsecured, interest free and has no fixed terms of repayment.

Taking into account the total liquid assets of approximately HK\$587 million and the total liabilities of approximately HK\$258 million, the Group was debt-free as at 30 June 2020.

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

## CONTINGENT LIABILITY

As of 30 June 2020, the Group had no material contingent liability.

## EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 19 to the unaudited condensed consolidated financial statements.

## EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2020, the Group had approximately 10 employees in Hong Kong. During the period, the staff costs (including directors' emoluments) amounted to approximately HK\$3 million (2019: HK\$3 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 completion of the group reorganisation plan between the Group and Multifield International Holdings Limited took place on 31 July 2020. Since the completion date, the Group's investment properties portfolio has been strengthened significantly, whereas the scale of the Group's equity investments has been greatly reduced. The management of the Group is of the view that the group reorganisation plan will not only eliminate the Group's exposure to the risks of stock market volatility, but will also bring more stable income stream and cashflow to the Group. It is estimated that the relevant positive impact will gradually be reflected in the results of the Group from the second half of 2020 onwards.

However, the persistence of the COVID-19 pandemic in Hong Kong and many other countries, coupled with the recent rapid deterioration of China-US relations, the short-to-medium term prospects for local property leasing business are full of uncertainties. In view of the aforesaid, the management of the Group will adopt a prudent investment and financial management strategy which aims not only to maintain a sound financial position during the pandemic crisis, but also to ensure that the Group possesses sufficient resources to grasp potential investment opportunities for its long-term development.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of 30 June 2020, the interests and short positions of the directors and the chief executive of the Company and each of their respective associates, in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

#### Long position in ordinary shares or underlying shares of the Company

Name of director	Capacity and nature of interest	Number of shares held	Approximate percentage of the total number of issued shares of the Company %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	2,911,377,003*	107.83

\* 1,729,540,999 out of the above shares are issued ordinary shares of the Company, and the remaining 1,181,836,004 shares represent the consideration shares to be issued and allotted by the Company to Multifield International Holdings Limited or its nominee pursuant to the Master Agreement (as defined in note 19 to the unaudited condensed consolidated financial statements), which were allotted and issued to Limitless Investment Limited on 31 July 2020. All of the above shares are ultimately controlled by Power Resources Holdings Limited which acts as the trustee under the Power Resources Discretionary Trust, a family discretionary trust, the discretionary objects of which include Mr. Lau Chi Yung, Kenneth and his family.

## OTHER INFORMATION

### Long position in ordinary shares of associated corporation – Multifield International Holdings Limited, an intermediate holding company of the Company

Name of Director	Capacity and nature of interest	Number of shares held	Approximate percentage of the total number of issued shares of associated corporation %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	2,797,055,712**	66.91

\*\* *The above shares are ultimately controlled by Power Resources Holdings Limited which acts as the trustee under the Power Resources Discretionary Trust, a family discretionary trust, the discretionary objects of which include Mr. Lau Chi Yung, Kenneth and his family.*

The interests of the directors in the share option scheme of the Company are disclosed in note 14 to the unaudited condensed consolidated financial statements.

Other than certain nominee shares in subsidiaries held by a director in trust for the companies in the Group, no director held an interest in the share capital of the subsidiaries of the Company during the six months ended 30 June 2020.

Save as disclosed above, as of 30 June 2020, none of the directors and chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.



## OTHER INFORMATION

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading “Directors’ and chief executive’s interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations” above and in the share option scheme disclosures in note 14 to the unaudited condensed consolidated financial statements, at no time during the six months ended 30 June 2020 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES

So far as was known to the directors of the Company, as of 30 June 2020, the following interests of 5% or more of the total number of issued shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

#### Long positions in ordinary shares or underlying shares of the Company

Name of Shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of the total number of issued shares of the Company %
Limitless Investment Limited	Directly beneficially owned	2,911,377,003 <sup>#</sup>	107.83
Multifield International Holdings (B.V.I.) Limited	Interest of controlled corporation	2,911,377,003 <sup>#</sup>	107.83
Multifield International Holdings Limited	Interest of controlled corporation	2,911,377,003 <sup>#</sup>	107.83
Lucky Speculator Limited	Interest of controlled corporation	2,911,377,003 <sup>#</sup>	107.83
Desert Prince Limited	Interest of controlled corporation	2,911,377,003 <sup>#</sup>	107.83
Power Resources Holdings Limited	Interest of controlled corporation	2,911,377,003 <sup>#</sup>	107.83

<sup>#</sup> *Power Resources Holdings Limited was deemed to have a beneficial interest in 2,911,377,003 shares of the Company (which are comprised of 1,729,540,999 issued ordinary shares and 1,181,836,004 consideration shares to be issued and allotted by the Company to Multifield International Holdings Limited or its nominee pursuant to the Master Agreement) by virtue of its indirect interests in Lucky Speculator Limited, Desert Prince Limited, Multifield International Holdings Limited, Multifield International Holdings (B.V.I.) Limited and Limitless Investment Limited.*

Save as disclosed above, as of 30 June 2020, so far as was known to the directors of the Company, no person, other than the directors of the Company, whose interests are set out in the sections “Directors’ and chief executive’s interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations” and “Directors’ rights to acquire shares or debentures” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

## OTHER INFORMATION

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2020.

### **REVIEW BY AUDIT COMMITTEE**

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2020.

### **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

In the opinion of the directors of the Company, 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 six months ended 30 June 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, subjected to re-election; and (ii) all directors appointed to fill a casual vacancy should be subjected to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subjected 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.

### **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 of the Listing Rules as its own code of conduct regarding directors' securities transactions. Based on specific enquiry of all directors of the Company, all directors of the Company confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2020.

## OTHER INFORMATION

### PUBLICATION OF INTERIM REPORT

The interim report of the Company for 2020 containing all the information required by the Listing Rules has been published on the websites of the Company ([www.irasia.com/listco/hk/orientalexplorer/index.htm](http://www.irasia.com/listco/hk/orientalexplorer/index.htm)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

### BOARD OF DIRECTORS

As of the date of this report, the executive directors of the Company are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive directors of the Company 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, 27 August 2020