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## **ORIENTAL EXPLORER HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 430)**

### **PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE**

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value HK\$0.10 each.

#### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 2,000 Existing Shares each. The Board proposes to change the board lot size for trading in the Shares on the Stock Exchange from 2,000 Existing Shares to 4,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective.

#### **GENERAL**

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Change in Board Lot Size. A circular containing, among other things, details of the Share Consolidation and the Change in Board Lot Size, together with the notice of the AGM and form of proxy, is expected to be despatched to the Shareholders on or before Thursday, 22 April 2021.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraphs headed “Conditions for the proposed Share Consolidation” in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposed to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.10 each.

### **Conditions for the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the AGM;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the laws of Bermuda (where applicable) and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of all the above conditions, it is expected that the Share Consolidation will become effective on the Effective Date.

### **Effects of the proposed Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 3,881,836,004 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and assuming that there are no changes to the authorised share capital of the Company and no Existing Shares will be issued or repurchased from the date of this announcement until the Effective Date, the authorised share capital of the Company will become HK\$200,000,000 divided into 2,000,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 388,183,600 Consolidated Shares will be in issue as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the shareholdings, proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders would otherwise be entitled.

## **Listing application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

## **Matching services for odd lot holdings**

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company.

Shareholders holding odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Monday, 31 May 2021, being the second Business Day immediately after the date of the AGM, the Shareholders may on or after Monday, 31 May 2021 and until Thursday, 8 July 2021 (both days inclusive), submit existing share certificates for the Existing Shares (in the colour of light green grey) to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, during business hours to exchange for new share certificates for the Consolidated Shares (in the colour of light yellow) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled or issued is higher.

Subject to and upon the Share Consolidation becoming effective, after 4:10 p.m. on Tuesday, 6 July 2021, trading will only be in Consolidated Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading, settlement and registration purposes.

### **Adjustments in relation to other securities of the Company**

The Company has no outstanding derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. The Board proposed to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 4,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.078 per Existing Share (equivalent to the theoretical closing price of HK\$0.78 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$156; (ii) the value of each board lot of 2,000 Consolidated Shares would be HK\$1,560 on the assumption that the Share Consolidation becomes effective; and (iii) the estimated value per board lot of 4,000 Consolidated Shares would be HK\$3,120 on the assumption that the Change in Board Lot Size had also become effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

## **REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

According to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

The Existing Shares has been trading not exceeding HK\$0.10 and a board lot of the Existing Shares has been traded below HK\$2,000 for all times during the past 12 months. The Board considers that the proposed Share Consolidation and Change in Board Lot Size, resulting in a theoretical HK\$0.78 per Consolidated Share and HK\$3,120 per board lot of 4,000 Consolidated Shares (based on the closing price of HK\$0.078 per Existing Share as at the date of this announcement), would enable the Company to avoid the occurrence of non-compliance with the trading requirements under the Listing Rules. Further, the Share Consolidation and the Change in Board Lot Size and would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction fee for each securities trade. It is also hoped that the Share Consolidation and the Change in Board Lot Size will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company.

In view of the above reasons, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole, notwithstanding the potential costs and the impact arising from the creation of odd lots to the Shareholders.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months.

## EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is as follows:

**2021**

Despatch date of circular with notice of the AGM  
and form of proxy . . . . . On or before Thursday, 22 April

Latest date and time for lodging transfer  
documents in order to qualify for  
attending and voting at the AGM . . . . . 4:30 p.m. on Friday, 21 May

Closure of the register of members of the  
Company to determine the entitlement to  
attend and vote at the AGM (both days inclusive) . . . . . Monday, 24 May to  
Thursday, 27 May

Latest date and time for lodging the proxy forms  
for the AGM . . . . . 3:30 p.m. on Tuesday, 25 May

Expected date and time of the AGM . . . . . 3:30 p.m. on Thursday, 27 May

Publication of announcement of voting results of  
the AGM . . . . . Thursday, 27 May

### **The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation:**

Effective date of the Share Consolidation . . . . . Monday, 31 May

First day of free exchange of existing share  
certificates for new share certificates for  
the Consolidated Shares . . . . . Monday, 31 May

Dealing in the Consolidated  
Shares commences . . . . . 9:00 a.m. on Monday, 31 May

Original counter for trading in the Existing Shares  
in board lots of 2,000 Existing Shares  
temporarily closes . . . . . 9:00 a.m. on Monday, 31 May

Temporary counter for trading in the  
Consolidated Shares in board lots of  
200 Consolidated Shares (in the form of  
existing share certificates) opens . . . . . 9:00 a.m. on Monday, 31 May

Original counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . . 9:00 a.m. on Tuesday, 15 June

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences . . . . . 9:00 a.m. on Tuesday, 15 June

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . . 9:00 a.m. on Tuesday, 15 June

Temporary counter for trading in the Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) closes. . . . . 4:10 p.m. on Tuesday, 6 July

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends . . . . . 4:10 p.m. on Tuesday, 6 July

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares. . . . . 4:00 p.m. on Tuesday, 6 July

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares. . . . . 4:30 p.m. on Thursday, 8 July

*The expected timetable set out above is subject to, among other things, the results of relevant resolutions of the AGM and is therefore indicative only and may be subject to change. All times and dates in this announcement refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.*

## GENERAL

The proposed final dividend in the total amount of approximately HK\$7,764,000 recommended by the Directors at a Board meeting held on 25 March 2021 and announced in the Company's announcement dated 25 March 2021 is subject to the approval of the Shareholders at the AGM. The amount of the proposed final dividend per Existing Share will be determined and resolved at the AGM based on the number of issued Existing Shares of HK\$0.01 each in the share capital of the Company as at the date of AGM without taking into account the Share Consolidation. Subject to obtaining the approval of the Shareholders at the AGM and upon the Share Consolidation becoming effective on 31 May 2021, the proposed final dividend per Existing Share will be adjusted to become ten times such amount per Consolidated Share. If the approval of the proposed final dividend by the Shareholders at the AGM is obtained but the Share Consolidation fails to become effective, the proposed final dividend per Existing Share will remain unchanged. The dates of closure of register of members of the Company for determination of the identity of holders of the Shares entitled to receive the final dividend, the record date and the date of payment of the final dividend are set out in the announcement of the Company dated 25 March 2021.

A circular containing, among other things, details of the Share Consolidation and the Change in Board Lot Size, together with the notice of the AGM and form of proxy, is expected to be despatched to the Shareholders on or before Thursday, 22 April 2021. To the best of Director's knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions proposed to consider and approve the Share Consolidation at the AGM.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraphs headed "Conditions for the proposed Share Consolidation" in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"AGM"	the annual general meeting of the Company to be held at Units 22-28, 25/F., Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong at 3:30 p.m. on Thursday, 27 May 2021;
"Board"	the board of Directors;

“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours;
“CCASS”	the Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system, which is established and operated by the HKSCC;
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time;
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Existing Shares to 4,000 Consolidated Shares;
“Company”	Oriental Explorer Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 430);
“Consolidated Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation becoming effective;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the date on which the Share Consolidation shall become effective, being the second Business Day immediately after the date of the AGM at which the ordinary resolution approving the Share Consolidation was passed;
“Existing Shares”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective;

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case maybe;
“Shareholders”	holder(s) of the issued Shares;
“Share Consolidation”	the share consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 26 March 2021

*As at the date of this announcement, 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.*