



Oriental Explorer Holdings Limited
東方興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0430)

Interim Report
2024



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Chi Yung, Kenneth (*Chairman*)
Mr. Lau Michael Kei Chi
(*Vice-Chairman and Managing Director*)

Independent Non-executive Directors

Mr. Tsui Ka Wah
Mr. Lo Kam Cheung, Patrick
Mr. Lo Mun Lam, Raymond

AUDIT COMMITTEE

Mr. Lo Kam Cheung, Patrick (*Chairman*)
Mr. Lo Mun Lam, Raymond
Mr. Tsui Ka Wah

REMUNERATION COMMITTEE

Mr. Tsui Ka Wah (*Chairman*)
Mr. Lau Chi Yung, Kenneth
Mr. Lau Michael Kei Chi
Mr. Lo Kam Cheung, Patrick
Mr. Lo Mun Lam, Raymond

NOMINATION COMMITTEE

Mr. Lau Chi Yung, Kenneth (*Chairman*)
Mr. Lau Michael Kei Chi
Mr. Tsui Ka Wah
Mr. Lo Kam Cheung, Patrick
Mr. Lo Mun Lam, Raymond

COMPANY SECRETARY

Ms. Tang Cheung Kai, Kinnie

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited
Bank J. Safra Sarasin Ltd, Hong Kong Branch
Bank of China Limited

SOLICITORS

Ng and Fang Solicitors & Notaries
Wong & Tang Solicitors

AUDITORS

Elite Partners CPA Limited
Certified Public Accountants
and Registered Public Interest Entity Auditor
23/F, YF Life Tower
33 Lockhart Road
Wan Chai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Units 22-28, 25/F
Tower A, Southmark
11 Yip Hing Street
Wong Chuk Hang
Hong Kong

PRINCIPAL SHARE REGISTRAR & TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR & TRANSFER OFFICE

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

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 2024, together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
REVENUE	3	12,458	11,287
Cost of sales		<u>(2,767)</u>	<u>(2,804)</u>
Gross profit		9,691	8,483
Other income and gains	3	297	822
Fair value changes on equity investments at fair value through profit or loss, net		(12)	(9)
Foreign exchange differences, net		(28)	–
Operating and administrative expenses		(2,989)	(2,700)
Finance costs	5	<u>(3,693)</u>	<u>(3,301)</u>
PROFIT BEFORE TAX	4	3,266	3,295
Income tax expense	6	<u>(486)</u>	<u>(1,018)</u>
PROFIT FOR THE PERIOD		<u>2,780</u>	<u>2,277</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		<u>2,780</u>	<u>2,277</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>HK0.72 cents</u>	<u>HK0.59 cents</u>

Details of interim dividend are disclosed in Note 7.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	2,780	2,277
OTHER COMPREHENSIVE EXPENSE		
<i>Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(186)</u>	<u>–</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>2,594</u>	<u>2,277</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
NON-CURRENT ASSETS			
Property, plant and equipment		48	51
Investment properties		1,653,820	1,653,820
Right-of-use assets		326	331
Club debenture		330	330
Total non-current assets		<u>1,654,524</u>	<u>1,654,532</u>
CURRENT ASSETS			
Trade receivables	9	182	224
Prepayments, deposits and other receivables		6,023	1,506
Equity investments at fair value through profit or loss		41	53
Cash and cash equivalents	10	7,995	158,992
Total current assets		<u>14,241</u>	<u>160,775</u>
CURRENT LIABILITIES			
Other payables and accruals		14,668	16,528
Interest-bearing bank borrowings	11	–	144,000
Amounts due to fellow subsidiaries	12	5,217	150,701
Loan from a fellow subsidiary	13	146,643	–
Tax payable		5,711	5,488
Total current liabilities		<u>172,239</u>	<u>316,717</u>
NET CURRENT LIABILITIES		<u>(157,998)</u>	<u>(155,942)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,496,526</u>	<u>1,498,590</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		26,879	26,879
Total non-current liabilities		<u>26,879</u>	<u>26,879</u>
Net assets		<u>1,469,647</u>	<u>1,471,711</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	38,818	38,818
Reserves		1,430,829	1,432,893
Total equity		<u>1,469,647</u>	<u>1,471,711</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company					
	Share capital HK\$'000 (Unaudited) (Note 14)	Share premium account HK\$'000 (Unaudited)	Capital redemption reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
At 1 January 2023	38,818	579,126	546	47	901,690	1,520,227
Profit for the period	–	–	–	–	2,277	2,277
Other comprehensive income for the period	–	–	–	–	–	–
Final 2022 dividend paid	–	–	–	–	(4,658)	(4,658)
At 30 June 2023	<u>38,818</u>	<u>579,126</u>	<u>546</u>	<u>47</u>	<u>899,309</u>	<u>1,517,846</u>
At 1 January 2024	38,818	579,126	546	110	853,111	1,471,711
Profit for the period	–	–	–	–	2,780	2,780
Other comprehensive expense for the period: Exchange differences on translation of foreign operations	–	–	–	(186)	–	(186)
Final 2023 dividend paid	–	–	–	–	(4,658)	(4,658)
At 30 June 2024	<u>38,818</u>	<u>579,126</u>	<u>546</u>	<u>(76)</u>	<u>851,233</u>	<u>1,469,647</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(138,683)	17,521
NET CASH INFLOW FROM INVESTING ACTIVITIES	98	710
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(12,226)	(9,356)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(150,811)	8,875
Cash and cash equivalents at beginning of the period	158,992	173,781
Effect of foreign exchange rate change, net	(186)	–
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,995	182,656
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<i>10</i> 7,995	9,691
Non-pledged deposits with original maturity of less than three months when acquired	<i>10</i> –	172,965
Cash and cash equivalents	7,995	182,656

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated 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 2023 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 2024.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2. 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

Revenue from external customers:

	For the six months ended 30 June	
	2024	2023
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Hong Kong	12,458	11,240
Mainland China	–	47
	<u>12,458</u>	<u>11,287</u>

The revenue information of operations above is based on the locations of the customers. No single external customer accounted for 10% or more of the total revenue for the six months ended 30 June 2024 and 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE, OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	12,458	11,287
<i>Other income and gains</i>		
Interest income on bank deposits	98	720
Others	199	102
	297	822

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Depreciation of property, plant and equipment	3	2
Depreciation of right-of-use assets	4	4
Employee benefits expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	1,034	1,081
Pension scheme contributions (defined contribution scheme)	40	46
Total staff costs	1,074	1,127

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest on bank loans	1,050	3,301
Interest on loan from a fellow subsidiary	2,643	–
	<u>3,693</u>	<u>3,301</u>

6. INCOME TAX

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2023: 16.5%). Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China, in which the Group operates.

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

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current – Hong Kong		
Charge for the period	515	520
Over-provision in prior years	(34)	–
	<u>481</u>	520
Current – Mainland China		
Charge for the period	5	498
Total tax charge for the period	<u>486</u>	<u>1,018</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. DIVIDENDS

(a) Dividends recognised as distribution during the period:

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Final dividend for 2023 paid – HK1.2 cents (2023: 2022 final dividend of HK1.2 cents) per ordinary share	4,658	4,658

(b) Dividend declared after the end of the reporting period:

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interim dividend declared – HK0.8 cent (2023: HK0.8 cent) per ordinary share	3,105	3,105

The Board declared an interim dividend of HK0.8 cent per share at the meeting held on 28 August 2024. Dividend warrants will be posted on or about 24 October 2024 to shareholders whose names appear on the register of members of the Company on 27 September 2024.

The above interim dividend was declared after the interim reporting dates and has not been recognised as liabilities at the end of the respective reporting periods.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company of approximately HK\$2,780,000 (2023: HK\$2,277,000), and the weighted average number of ordinary shares of 388,183,600 (2023: 388,183,600 shares).

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2024 and 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. TRADE RECEIVABLES

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Trade receivables	<u>182</u>	<u>224</u>

Trade receivables mainly consist of receivables from rental receivables, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments. The Group does not hold any 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:

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Within 1 month	160	202
1 to 2 months	17	18
2 to 3 months	4	–
3 to 12 months	–	3
Over 1 year	<u>1</u>	<u>1</u>
	<u>182</u>	<u>224</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. CASH AND CASH EQUIVALENTS

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Cash and bank balances	7,995	8,017
Time deposits with original maturity of less than three months	–	150,975
Cash and cash equivalents	7,995	158,992

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. INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2024			As at 31 December 2023		
	Contractual interest rate (%)	Maturity	<i>HK\$'000</i> <i>(Unaudited)</i>	Contractual interest rate (%)	Maturity	<i>HK\$'000</i> <i>(Audited)</i>
Current liabilities						
Secured bank loans						
denominated in Hong Kong dollars	–	–	–	HIBOR +0.95%	2026 or on demand	144,000

The scheduled principal repayment dates of the Group with reference to the loan agreements and ignore the effect of any repayment on-demand clause are as follows:

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Analysed into:		
Bank loans repayable:		
Within one year	–	3,000
In the second year	–	3,000
In the third to fifth years, inclusive	–	138,000
	–	144,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. INTEREST-BEARING BANK BORROWINGS *(continued)*

The Group's bank loans are secured by:

- (i) mortgages over the Group's certain investment properties situated in Hong Kong, which had an aggregate carrying value of approximately HK\$598,000,000 as at 31 December 2023; and
- (ii) the Company has guaranteed the Group's bank loans up to HK\$280,000,000 as at 31 December 2023.

12. AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts are unsecured, interest-free and repayable on demand.

13. LOAN FROM A FELLOW SUBSIDIARY

	As at 30 June 2024 HK\$'000 <i>(Unaudited)</i>	As at 31 December 2023 HK\$'000 <i>(Audited)</i>
Loan from a fellow subsidiary <i>(Note)</i>	144,000	–
Interest payable	2,643	–
	146,643	–

Note: As at 30 June 2024, loan from a fellow subsidiary, Ever Ford Development Limited of approximately HK\$144,000,000 (31 December 2023: Nil) were outstanding. The balances are unsecured, interest-bearing at Hong Kong Interbank Offered Rate plus 1.05% per annum and repayable within one year.

14. SHARE CAPITAL

Shares

	As at 30 June 2024 HK\$'000 <i>(Unaudited)</i>	As at 31 December 2023 HK\$'000 <i>(Audited)</i>
Authorised: 2,000,000,000 ordinary shares of par value HK\$0.1 each	200,000	200,000
Issued and fully paid: 388,183,600 ordinary shares of par value HK\$0.1 each	38,818	38,818

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in Note 15 to the unaudited condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 25 May 2023 as to provide incentives and rewards to eligible participants who contribute to the success of the business of the Group.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, shareholders, advisers, consultants or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution to the development and growth of the Group.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. 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, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue must be approved by the Company's shareholders at the general meeting of the Company, with such participant and his/her close associates abstaining from voting.

The exercise period of the share options granted is determinable by the directors, commences after a certain vesting period and ends on a date which is not later than 10 years from the date of grant of the option.

The subscription price shall be a price determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average closing prices of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of ten years commencing on 25 May 2023 subject to early termination provisions contained in the Scheme.

No share options were granted since the adoption of the Scheme and there were no share option outstanding as at 30 June 2024 (31 December 2023: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. CORPORATE GUARANTEES

At 31 December 2023, the Company has given corporate guarantees in favour of banks for banking facilities granted to its subsidiary to the extent of approximately HK\$280,000,000, of which approximately HK\$150,000,000 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.

17. 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\$12,458,000 (2023: HK\$11,287,000), details of which are included in Note 3 to the unaudited condensed consolidated financial statements.

At 30 June 2024 and 31 December 2023, 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 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
Within one year	19,769	20,598
In the second year	8,206	9,558
In the third year	1,370	1,673
	<u>29,345</u>	<u>31,829</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. LEASE (continued)

(b) The Group as a lessee

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

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets	4	4
Expense relating to short-term leases	450	450
Total amount recognised in profit or loss	454	454

The Group regularly entered into short-term leases for office premises. 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 these 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 2024, total cash outflow for leases amounts to approximately HK\$450,000 (30 June 2023: HK\$450,000).

18. RELATED PARTY TRANSACTIONS

A summary of related party transactions is set out below:

Name of related party	Relationship with the Group
Silver Properties Limited (“Silver Properties”)	Controlled by Mr. Lau Chi Yung, Kenneth, an executive director
Marriott Logistics Limited (“Marriott Logistics”)	Controlled by Mr. Lau Chi Yung, Kenneth, an executive director
Ever Ford Development Limited (“Ever Ford”)	Fellow subsidiary
Multifield Property Management Limited (“MPML”)	Fellow subsidiary
Chater Land Limited (“Chater Land”)	Fellow subsidiary

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS *(continued)*

(a) Transactions with related parties

	For the six months ended 30 June	
	2024 HK\$'000 <i>(Unaudited)</i>	2023 HK\$'000 <i>(Unaudited)</i>
Silver Properties		
– Management fee income	60	–
Marriott Logistics		
– Management fee income	60	–
Ever Ford		
– Interest expenses on loan from a fellow subsidiary	2,643	–
MPML		
– Management fee expenses	42	42
Chater Land		
– Rental expenses	<u>450</u>	<u>450</u>

The above transactions with related parties were calculated in the ordinary course of business of the Group based on the terms mutually agreed between the relevant parties.

(b) Outstanding balances with related parties

- (i) As at 30 June 2024, the Group has outstanding balance due to its fellow subsidiaries of approximately HK\$5,217,000 (31 December 2023: HK\$150,701,000). This balance is unsecured, interest-free and repayable on demand.
- (ii) As at 30 June 2024, details of the Group's loan from a fellow subsidiary are included in Note 13 to the unaudited condensed consolidated financial statements.

(c) Key management compensation

During the period ended 30 June 2024, no transactions (30 June 2023: Nil) have been entered with the directors of the Company (being the key management personnel) other than the emoluments paid or accrued to them (being 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 2024.

19. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 28 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

Property investment

The Group's investment properties mainly comprise offices, industrial and residential units in Hong Kong. These investment properties contributed rental revenue of approximately HK\$12.5 million for the six months ended 30 June 2024 (2023: HK\$11.3 million). The increase in rental revenue was mainly attributable to the increase in overall portfolio occupancy rates.

FINANCIAL REVIEW

During the six months ended 30 June 2024, the Group recorded an increase in profit of approximately HK\$0.5 million or 22% to approximately HK\$2.8 million (2023: HK\$2.3 million). The rise in profit was mainly due to the increase in rental revenue of approximately HK\$1.2 million or 10% to HK\$12.5 million during the period under reporting (2023: HK\$11.3 million).

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

The Group did not have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the six months ended 30 June 2024.

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 currency exposure should the need arises.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 June 2024 amounted to approximately HK\$8.0 million (31 December 2023: HK\$159.0 million).

As of 30 June 2024, total borrowings of the Group amounted to approximately HK\$151.8 million (31 December 2023: HK\$294.7 million), comprised amounts due to fellow subsidiaries of approximately HK\$5.2 million (31 December 2023: HK\$150.7 million), and loan from a fellow subsidiary of approximately HK\$146.6 million (31 December 2023: Nil).

The Group's gearing ratio was approximately 10.33% (calculated based on total borrowings divided by total equity) as at 30 June 2024 (31 December 2023: 20.02%).

CHARGES ON GROUP ASSETS

Details of the charges on the Group's assets are set out in Note 11 to the unaudited condensed consolidated financial statements.

CONTINGENT LIABILITY

As of 30 June 2024, the Group had no material contingent liability.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events which may materially affect the Group's operations and financial performance subsequent to 30 June 2024 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2024, the Group had 8 employees in Hong Kong. During the period, the staff costs (including directors' emoluments) amounted to approximately HK\$1.1 million (2023: HK\$1.1 million).

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

PROSPECT

The global economy will continue to be challenging in the latter half of 2024 due to sustained economic slowdown, ongoing geo-political conflicts and high interest rate environment. These challenges bring low investment sentiment and uncertainty to global markets.

Demand for Hong Kong office leasing remains subdued due to weak business sentiment. However, the residential leasing market remains robust due to sustained demand from potential buyers switching to the leasing market.

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

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 2024, 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 of the Company

Name of director	Capacity and nature of interest	Number of shares held	Approximate percentage of the total issued share capital of the Company %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	291,137,700*	75.00

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 issued share capital of associated corporation %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	559,411,142*	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 15 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 Company's subsidiaries during the six months ended 30 June 2024.

Save as disclosed above, as of 30 June 2024, 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 15 to the unaudited condensed consolidated financial statements, at no time during the six months ended 30 June 2024 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 2024, the following interests of 5% or more in the 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 of the Company

Name of shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of the total issued share capital of the Company %
Limitless Investment Limited	Directly beneficially owned	291,137,700 [#]	75.00
Multifield International Holdings (B.V.I.) Limited	Interest of controlled corporation	291,137,700 [#]	75.00
Multifield International Holdings Limited	Interest of controlled corporation	291,137,700 [#]	75.00
Lucky Speculator Limited	Interest of controlled corporation	291,137,700 [#]	75.00
Desert Prince Limited	Interest of controlled corporation	291,137,700 [#]	75.00
Power Resources Holdings Limited	Interest of controlled corporation	291,137,700 [#]	75.00

[#] *Power Resources Holdings Limited was deemed to have a beneficial interest in 291,137,700 ordinary shares of the Company 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 2024, so far as was known to the directors of the Company, no person, other than a director, whose interests are set out in the section “Directors’ and chief executive’s interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations” 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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 25 September 2024 to Friday, 27 September 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 24 September 2024. The interim dividend will be paid to shareholders whose names appear on the register of members on Friday, 27 September 2024 and the payment date will be on or about Thursday, 24 October 2024.

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 2024.

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 2024.

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 (the "Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 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 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. 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 C3 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 2024.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for 2024 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) and Hong Kong Exchanges and Clearing Limited (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. Lo Mun Lam, Raymond, Mr. Lo Kam Cheung, Patrick and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
 Chairman

Hong Kong, 28 August 2024