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ORIENTAL EXPLORER HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 430)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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)
REVENUE	3	(123,613)	44,744
Cost of sales		(536)	(593)
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	(425)	(1,608)
(LOSS)/PROFIT BEFORE TAX	4	(128,315)	38,558
Income tax expense	6	-	-
(LOSS)/PROFIT FOR THE PERIOD		(128,315)	38,558
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(128,315)	38,558
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	HK(4.75) cents	HK1.43 cents

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)
(LOSS)/PROFIT FOR THE PERIOD	(128,315)	38,558
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	—	—
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(128,315)</u>	<u>38,558</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	<i>Notes</i>	As at 30 June 2020 HK\$'000 (Unaudited)	As at 31 December 2019 HK\$'000 (Audited)
NON-CURRENT ASSETS			
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		<u>706,028</u>	<u>706,028</u>
Total non-current assets		<u>991,599</u>	<u>991,943</u>
CURRENT ASSETS			
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		<u>152,057</u>	<u>200,981</u>
Total current assets		<u>587,106</u>	<u>763,112</u>
TOTAL ASSETS		<u>1,578,705</u>	<u>1,755,055</u>
CURRENT LIABILITIES			
Amount due to a director		93,860	–
Amount due to a fellow subsidiary		150,000	–
Other payables and accruals		6,192	6,679
Other borrowings		–	291,408
Tax payable		<u>3,818</u>	<u>3,818</u>
Total current liabilities		<u>253,870</u>	<u>301,905</u>
NET CURRENT ASSETS		<u>333,236</u>	<u>461,207</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,324,835</u>	<u>1,453,150</u>

	As at 30 June 2020 HK\$'000 (Unaudited)	As at 31 December 2019 HK\$'000 (Audited)
NON-CURRENT LIABILITIES		
Deferred tax liabilities	<u>3,844</u>	<u>3,844</u>
Total non-current liabilities	<u>3,844</u>	<u>3,844</u>
Net assets	<u>1,320,991</u>	<u>1,449,306</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	27,000	27,000
Reserves	<u>1,293,991</u>	<u>1,422,306</u>
Total equity	<u>1,320,991</u>	<u>1,449,306</u>

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 Venture²</i>
HKFRS 17	<i>Insurance Contracts¹</i>

¹ Effective for annual periods beginning on or after 1 January 2021

² No mandatory effective date yet determined but available for adoption

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)
Segment revenue:						
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>
Segment results	<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.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(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
	(123,613)	44,744
<u>Other income and gains</u>		
Interest income on bank deposits	84	90
Others	219	5
	303	95

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	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	–	9
Depreciation of right-of-use assets	<u>4</u>	<u>4</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)	<u>58</u>	<u>62</u>
Total staff costs	<u>2,562</u>	<u>2,625</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(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 year, 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.

9. TRADE RECEIVABLES

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

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

10. EVENTS AFTER THE REPORTING PERIOD

Completion of Group Reorganisation Plan

The Company and Multifield International Holdings Limited (“Multifield”) entered into the 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 considerations, 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. The Company is 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).

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	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			
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

Stock Code	Company Name	Principal Business	Number of shares held as at 30 June 2020	Percentage of shareholding as at 30 June 2020	Investment Cost	Realised	Unrealised	Dividend income for the period ended 30 June 2020	Fair value/ carrying amount as at 30 June 2020	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	(Loss)/Gain on change in fair value for the period ended 30 June 2020			
					HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
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
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 [#]				28,828	-	(1,267)	56	2,449	0.15
						-	(126,936)	755	434,244	27.51

[#] 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.

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

Save as disclosed in Note 10 “Events After the Reporting Period” to the condensed consolidated interim 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 approximately HK\$94 million (as of 31 December 2019: nil) and amount due to a fellow subsidiary 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 approximately HK\$258 million, the Group was debt-free as at 30 June 2020.

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 10.

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 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.

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.

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.

BOARD OF DIRECTORS

As of 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.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 27 August 2020