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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 2009

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 2009 (the “Period”), together with the unaudited comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

		2009	2008
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>
REVENUE	3	28,552	(25,384)
Cost of sales		<u>(294)</u>	<u>(1,340)</u>
Gross profit/(loss)		28,258	(26,724)
Other income and gains	3	117	2,803
Selling and distribution costs		(111)	(104)
Operating and administrative expenses		(4,732)	(8,727)
Finance costs	5	(134)	(400)
Share of profits and losses of associates		<u>1,644</u>	<u>2,009</u>
PROFIT/ (LOSS) BEFORE TAX	4	25,042	(31,143)
Tax	6	<u>—</u>	<u>—</u>
PROFIT/ (LOSS) FOR THE PERIOD		<u>25,042</u>	<u>(31,143)</u>
OTHER COMPREHENSIVE INCOME			
Exchange difference arising from translation of foreign operations		—	2
Change in fair value of available-for-sale investments		3,684	—
Impairment of available-for-sale investments		<u>613</u>	<u>—</u>
Total comprehensive income for the period		<u>29,339</u>	<u>(31,141)</u>
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the Company		25,042	(31,143)
Minority interests		<u>—</u>	<u>—</u>
		<u>25,042</u>	<u>(31,143)</u>
INTERIM DIVIDEND PER SHARE	7	<u>NIL</u>	<u>NIL</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	8	<u>1.39 cents</u>	<u>(1.73) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2009 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2008 <i>HK\$'000</i> <i>(Audited)</i>
NON-CURRENT ASSETS		
Property, plant and equipment	3,108	3,670
Prepaid land lease payments	455	459
Investment properties	7,000	7,000
Interests in associates	82,498	80,854
Available-for-sale investments	70,353	75,416
Loans to investee companies	3,330	330
	166,744	167,729
Total non-current assets		
CURRENT ASSETS		
Inventories	320	595
Trade receivables	37	459
Prepayments, deposits and other receivables	1,935	854
Equity investments at fair value through profit or loss	87,803	52,401
Pledged deposits	4,586	51,725
Cash and cash equivalents	78,949	95,982
	173,630	202,016
Total current assets		
TOTAL ASSETS	340,374	369,745
CURRENT LIABILITIES		
Trade payables	–	89
Other payables and accruals	8,663	9,304
Derivative financial instruments	4,984	21,222
Interest-bearing borrowings	2,777	27,879
Tax payable	5,338	5,338
	21,762	63,832
Total current liabilities		
NET CURRENT ASSETS	151,868	138,184
TOTAL ASSETS LESS CURRENT LIABILITIES	318,612	305,913
NON-CURRENT LIABILITIES		
Interest-bearing borrowings	3,515	3,690
Due to a director	–	16,465
	3,515	20,155
Total non-current liabilities		
Net assets	315,097	285,758
CAPITAL AND RESERVES		
Equity attributable to equity holders of the Company		
Issued capital	18,000	18,000
Reserves	297,097	267,758
	315,097	285,758
Total equity	315,097	285,758

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are 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 (the “Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “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 2008.

In the current period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of these new or revised standards, amendments and interpretations 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 early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009.

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for transfers on or after 1 July 2009.

The interim results are unaudited, but have been reviewed by the Audit Committee which is of the opinion that such financial statements complied with the applicable accounting standards, and that adequate disclosures have been made.

2. SEGMENT INFORMATION

An analysis of the business segments and geographical segments of the operation of the Group during the period is as follows:

(a) Business segments

	Property investment		Trading and investments		Electronic products		Corporate and others		Consolidated	
	For the six months ended 30 June									
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited and Restated)	(Unaudited)	(Unaudited and Restated)	(Unaudited)	(Unaudited and Restated)	(Unaudited)	(Unaudited and Restated)	(Unaudited)	(Unaudited and Restated)
Segment revenue										
Sales to external customers	<u>135</u>	<u>18</u>	<u>25,203</u>	<u>(28,868)</u>	<u>214</u>	<u>3,466</u>	<u>3,000</u>	<u>-</u>	<u>28,552</u>	<u>(25,384)</u>
Segment results	<u>132</u>	<u>15</u>	<u>24,203</u>	<u>(33,158)</u>	<u>(2,117)</u>	<u>(467)</u>	<u>1,197</u>	<u>(1,945)</u>	<u>23,415</u>	<u>(35,555)</u>
Other income and gains									117	2,803
Finance costs									(134)	(400)
Share of profits and losses of associates									<u>1,644</u>	<u>2,009</u>
Profit/(loss) before tax									<u>25,042</u>	<u>(31,143)</u>
Tax									<u>-</u>	<u>-</u>
Profit/(loss) for the period									<u><u>25,042</u></u>	<u><u>(31,143)</u></u>

2. SEGMENT INFORMATION *(continued)*

(b) Geographical segments

	Hong Kong		Consolidated	
	For the six months ended 30 June			
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>
Segment revenue				
Sales to external customers	<u>28,552</u>	<u>(25,384)</u>	<u>28,552</u>	<u>(25,384)</u>
Segment results	<u>23,415</u>	<u>(35,555)</u>	<u>23,415</u>	<u>(35,555)</u>

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>
Revenue		
Sales of goods	214	3,466
Rental income from property letting	135	18
Interest income from available-for-sale investments	1,436	–
Dividend income from listed investments	1,454	2,645
Dividend income from unlisted investments	3,000	–
Gain on disposal of equity investments at fair value through profit or loss	2,540	100
Fair value gains/(losses), net		
Equity investments at fair value through profit or loss	3,535	(30,675)
Equity-linked notes	–	(938)
Derivative financial instruments	<u>16,238</u>	<u>–</u>
	<u>28,552</u>	<u>(25,384)</u>
Other income and gains		
Interest income from loans and receivables	107	2,779
Others	<u>10</u>	<u>24</u>
	<u>117</u>	<u>2,803</u>
	<u>28,669</u>	<u>(22,581)</u>

4. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited and Restated)
Cost of inventories sold	294	1,340
Depreciation of owned assets	562	738
Minimum lease payments under operating leases for land and buildings	4	4
Impairment on available-for-sale investments	–	1,128
Foreign exchange differences, net	7	–
	<u>2,284</u>	<u>–</u>
Employee benefits expense, including directors' remuneration:		
Salaries, wages and other benefits	2,263	2,754
Pension scheme contributions (defined contribution scheme)	21	29
	<u>2,284</u>	<u>2,783</u>

5. FINANCE COSTS

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited and Restated)
Interest on bank loans, overdrafts and other loans wholly repayable within five years	115	400
Interest on bank loans not wholly repayable within five years	19	–
	<u>134</u>	<u>400</u>

6. TAX

No provision for Hong Kong profits tax and overseas income tax has been made as the Group did not generate any assessable profits during the period (2008: Nil).

The share of tax attributable to associates is included in "Share of profits and losses of associates" on the face of the condensed consolidated statement of comprehensive income.

7. INTERIM DIVIDEND PER SHARE

The Directors of the Company do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2009 (2008: Nil).

8. EARNINGS/(LOSS) PRE SHARE

The calculation of basic earnings per share is based on the net profit for the period attributable to ordinary equity holders of the Company of approximately HK\$25,042,000 (2008: Net loss of HK\$31,143,000) and the weighted average number of 1,800,000,000 (2008: 1,800,000,000) ordinary shares in issue during the period.

Diluted earnings per share, reflecting the exercise of subscription rights under the share options granted pursuant to the Company's share option scheme, have not been presented because the share options had no dilutive effects for both the six months ended 30 June 2009 and 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

For the six months ended 30 June 2009, the Group recorded a net profit attributable to equity holders of the Company of approximately HK\$25 million (2008: Net loss of approximately HK\$31 million).

PROPERTY INVESTMENT

During the period under review, the Group's investment properties in Hong Kong were fully occupied.

TRADING AND INVESTMENTS

The performance of trading and investments segment improved significantly as a result of the strong backing of the various local governments in financial markets. Indeed, in terms of market capitalization, the Hang Seng Index have risen around 60% from the trough in October 2008. As a result, the Group's portfolio investment recorded a net fair value gains of HK\$20 million when marking the portfolio investment to market as at 30 June 2009.

ELECTRONICS

The electronics division reported a net loss of approximately HK\$2 million based on a turnover of HK\$0.2 million.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by principal bankers in Hong Kong. As at 30 June 2009, the Group had total outstanding bank loans of approximately HK\$6 million which were secured by legal charges on certain investment properties, cash deposits and securities investment. As at 30 June 2009, about HK\$3 million out of HK\$6 million is repayable within one year. Based on the total bank loans of HK\$6 million and the aggregate of the shareholder fund, minority interest and total bank loans of approximately HK\$321 million, the Group's gearing ratio as at 30 June 2009 is 1.87%.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2009, the Group had approximately 25 employees in Hong Kong and China. Remuneration policy of the Group for rewarding its employees is based on their performance, qualifications and competency displayed. In addition to the basic salaries, the Group also provides other staff benefits including discretionary bonus, provident fund schemes, medical insurance and training subsidies to the competent employees.

OUTLOOK

With the strong backing of the various local governments, the global economy started to show signs of stabilization in the second quarter of 2009 although the remainder of the year is expected to continue to be challenging.

In the Mainland, the Central Government's fiscal stimulus and monetary easing boost abundant liquidity in the economic system. According to the National Bureau of Statistics of China, China's gross domestic product (GDP) amounted to RMB13,986.2 billion in the first half of 2009, representing a year-on-year increase of 7.1% based on comparable price level. The growth rates in the first quarter and second quarter were 6.1% and 7.9% respectively. In view of these policies, China is well placed to recover at a faster pace than other countries. Being stimulated by positive policies, the property market is on track to achieve an impressive recovery in the first half of 2009.

Hong Kong's economy is poised to benefit from the Mainland's supportive policies including the Individual Visit Scheme and further economic integration with the Pearl River Delta. The Group is positive about the Hong Kong property market because of the low interest environment and the relatively lack of supply of land and buildings.

Nevertheless, the directors and management will adhere to the prudent financial policy and maintain high liquidity and low gearing. The Group will continue to monitor market conditions and capture attractive investment opportunities. We strongly believe that we can maximize our shareholders' wealth through our proven expertise and the necessary skills.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, there were no purchase, sale or redemption of the Company's listed securities by the Company or by any of its subsidiaries.

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 Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company, save as disclosed below, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (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 Period.

- (a) Under code provisions of A.4.1 and A.4.2, (i) non-executive directors should be appointed for a specific term and subject to re-election; and (ii) all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject 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.

- (b) Under code provision of A.2, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

The Company does not at present have any officer with the title of "chief executive officer". Mr. Lau Chi Yung, Kenneth is the chairman and managing director of the Company. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to respond promptly and efficiently.

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 the directors of the Company, the directors of the Company have complied with the required standard as set out in the Model Code for the Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement of the Company is 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). The interim report of the Company for 2009 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

BOARD OF DIRECTORS

As 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 are Mr. Choy Tak Ho, Mr. Lee Siu Man, Ervin, Mr. Lo Yick Wing and Mr. Wong Yim Sum.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 18 September 2009