



Oriental Explorer Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 0430)

Interim Report

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INTERIM RESULTS

The Board of Directors (the “Board”) of Oriental Explorer Holdings Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 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

	Notes	For the six months ended 30 June	
		2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited and Restated)
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		25,042	(31,143)
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/(loss) for the period		29,339	(31,141)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the Company		25,042	(31,143)
Minority interests		<u>–</u>	<u>–</u>
		25,042	(31,143)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the Company		29,339	(31,141)
Minority interests		<u>–</u>	<u>–</u>
		29,339	(31,141)
INTERIM DIVIDEND PER SHARE	7	NIL	NIL
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	8	1.39 cents	(1.73) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	<i>Notes</i>	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
		<u>166,744</u>	<u>167,729</u>
Total non-current assets			
CURRENT ASSETS			
Inventories		320	595
Trade receivables	9	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	10	4,586	51,725
Cash and cash equivalents	10	78,949	95,982
		<u>173,630</u>	<u>202,016</u>
Total current assets			
TOTAL ASSETS		<u>340,374</u>	<u>369,745</u>
CURRENT LIABILITIES			
Trade payables	11	–	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
		<u>21,762</u>	<u>63,832</u>
Total current liabilities			
NET CURRENT ASSETS		<u>151,868</u>	<u>138,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>318,612</u>	<u>305,913</u>
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		3,515	3,690
Due to a director		–	16,465
		<u>3,515</u>	<u>20,155</u>
Total non-current liabilities			
Net assets		<u>315,097</u>	<u>285,758</u>
CAPITAL AND RESERVES			
Equity attributable to equity holders of the Company			
Issued capital	12	18,000	18,000
Reserves		297,097	267,758
		<u>315,097</u>	<u>285,758</u>
Total equity			

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to equity holders of the Company						Total equity HK\$'000 (Unaudited)
	Issued capital HK\$'000 (Unaudited)	Share premium account HK\$'000 (Unaudited)	Capital redemption reserve HK\$'000 (Unaudited)	Available-for-sale investment revaluation reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	
At 1 January 2008	18,000	418,511	546	(667)	16,121	(72,059)	380,452
Exchange realignment – associates	–	–	–	–	2	–	2
Total income and expense for the period recognised directly in equity	–	–	–	–	2	–	2
Loss for the period	–	–	–	–	–	(31,143)	(31,143)
Total income and expense for the period	–	–	–	–	2	(31,143)	(31,141)
At 30 June 2008	<u>18,000</u>	<u>418,511</u>	<u>546</u>	<u>(667)</u>	<u>16,123</u>	<u>(103,202)</u>	<u>349,311</u>
At 1 January 2009	18,000	418,511	546	(5,671)	21,298	(166,926)	285,758
Changes in fair value of available-for-sale investments	–	–	–	3,684	–	–	3,684
Impairment of available-for-sale investments	–	–	–	613	–	–	613
Total income and expense for the period recognised directly in equity	–	–	–	4,297	–	–	4,297
Profit for the period	–	–	–	–	–	25,042	25,042
Total income and expense for the period	–	–	–	4,297	–	25,042	29,339
At 30 June 2009	<u>18,000</u>	<u>418,511</u>	<u>546</u>	<u>(1,374)</u>	<u>21,298</u>	<u>(141,884)</u>	<u>315,097</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(49,666)	(53,697)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	58,041	(41,491)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	(25,408)	34,023
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,033)	(61,165)
Cash and cash equivalents at beginning of period	<u>95,982</u>	<u>118,971</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>78,949</u>	<u>57,806</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>78,949</u>	<u>57,806</u>

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.

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

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.

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	135	18	25,203	(28,868)	214	3,466	3,000	–	28,552	(25,384)
Segment results	132	15	24,203	(33,158)	(2,117)	(467)	1,197	(1,945)	23,415	(35,555)
Other income and gains									117	2,803
Finance costs									(134)	(400)
Share of profits and losses of associates									1,644	2,009
Profit/(loss) before tax									25,042	(31,143)
Tax									–	–
Profit/(loss) for the period									25,042	(31,143)

2. SEGMENT INFORMATION *(continued)*

(b) Geographical segments

	Hong Kong		Consolidated	
	For the six months ended 30 June			
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<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
	HK\$'000	HK\$'000
	<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 HK\$'000 (Unaudited)	2008 HK\$'000 (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> </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> </u>	<u> </u>
	<u>2,284</u>	<u>2,783</u>

5. FINANCE COSTS

	For the six months ended 30 June	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (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> </u>	<u> </u>
	<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) PER 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.

9. TRADE RECEIVABLES

An aged analysis of trade receivables as at the balance sheet date, based on invoice date, is as follows:

	As at 30 June 2009 HK\$'000 (Unaudited)	As at 31 December 2008 HK\$'000 (Audited)
Aged:		
Within 1 month	8	132
1 to 2 months	13	190
2 to 3 months	7	128
Over 3 months	9	9
	37	459

For the Group's 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 two months' rentals in order to secure any default in their rental payments.

The Group's trading terms with customers are mainly on credit. Invoices are normally payable within two months of issuance, except for certain well established customers, where the terms are extended to three to six months in some cases, subject to the approval of senior management. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management. Trade receivables are non-interest-bearing.

10. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2009 HK\$'000 (Unaudited)	As at 31 December 2008 HK\$'000 (Audited)
Cash and bank balances	4,016	43,053
Time deposits	<u>79,519</u>	<u>104,654</u>
	83,535	147,707
Less: Pledged deposits	<u>(4,586)</u>	<u>(51,725)</u>
Cash and cash equivalents	<u><u>78,949</u></u>	<u><u>95,982</u></u>

The deposits of approximately HK\$4,586,000 (2008: HK\$51,725,000) were pledged as security for banking facilities granted.

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$137,000 (2008: HK\$35,069,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at bank 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. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

11. TRADE PAYABLES

An aged analysis of trade payables as at the balance sheet date, based on invoice date, is as follows:

	As at 30 June 2009 HK\$'000 (Unaudited)	As at 31 December 2008 HK\$'000 (Audited)
Aged:		
Within 1 month	–	53
1 to 2 months	<u>–</u>	<u>36</u>
	<u><u>–</u></u>	<u><u>89</u></u>

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

12. SHARE CAPITAL

	As at 30 June 2009 HK\$'000 (Unaudited)	As at 31 December 2008 HK\$'000 (Audited)
Authorised:		
20,000,000,000 (2008: 20,000,000,000) ordinary shares of HK\$0.01 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:		
1,800,000,000 (2008: 1,800,000,000) ordinary shares of HK\$0.01 each	<u>18,000</u>	<u>18,000</u>

13. SHARE OPTION SCHEMES

The 2003 Scheme

On 27 June 2003, a new share option scheme (the “2003 Scheme”), in compliance with the requirements of Chapter 17 of the Listing Rules, was adopted by the Company for a period of 10 years, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the 2003 Scheme include any employee (including any executive and non-executive director), adviser, consultant, agent, contractor, client or customer, or supplier of any member of the Group.

The maximum number of unexercised share options currently permitted to be granted under the 2003 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 2003 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 to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 5 days from the date of the offer upon payment of a nominal consideration by the grantee. 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 is determined by the directors, but in any event may not be less than the higher of (i) the closing price of the shares on the date of grant, which must be a trading date; (ii) the average closing price of the shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of share.

No share options were granted, exercised, cancelled or lapsed during the period under the 2003 Scheme.

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

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the period, a subsidiary sold finished goods of HK\$197,000 (2008: HK\$2,064,000) to a related company of Alpha Japan Limited, the minority shareholder of a subsidiary of the Group. These transactions were based on published prices and conditions normally offered by the Group to third party customers in the ordinary course of business of the Group.

15. CORPORATE GUARANTEES

As at 30 June 2009, the Company has given corporate guarantees in favour of banks for banking facilities granted to its subsidiaries and associates to the extent of approximately HK\$100,000,000 of which around HK\$13,500,000 was utilised.

16. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were approved and authorised for issue by the Board of Directors on 18 September 2009.

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.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2009, the interests of the directors of the Company (the "Director(s)") in the share capital and underlying shares of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of the Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
Lau Chi Yung, Kenneth	Through a controlled corporation	1,082,326,999 [#]	60.13

Long position in shares of associated corporation

Name of Director	Name of associated corporation	Relationship with the Company	Shares	Number of shares held	Capacity and nature of interest	Percentage of associated corporation's issued share capital
Lau Chi Yung, Kenneth	Multifield International Holdings Limited	Company's intermediate holding company	Ordinary shares	2,797,055,712 [#]	Through a controlled corporation	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 options of the Company are separately disclosed in note 13 to the condensed interim 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 Period.

Save as disclosed above, as at 30 June 2009, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation that was required to be recorded pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option schemes disclosures in note 13 to the condensed interim financial statements, at no time during the Period 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 body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2009, the following interests of 5% or more of the issued share capital 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

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
Limitless Investment Limited*	Directly beneficially owned	1,082,326,999	60.13
Multifield International Holdings (B.V.I.) Limited*	Through a controlled corporation	1,082,326,999	60.13
Multifield International Holdings Limited*	Through a controlled corporation	1,082,326,999	60.13
Lucky Speculator Limited*	Through a controlled corporation	1,082,326,999	60.13
Desert Prince Limited*	Through a controlled corporation	1,082,326,999	60.13
Power Resources Holdings Limited*	Through a controlled corporation	1,082,326,999	60.13

* Power Resources Holdings Limited was deemed to have beneficial interest in 1,082,326,999 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 at 30 June 2009, no person, other than the Directors, whose interests are set out in the section "Directors' interests in shares of the Company and its associated corporation" 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.

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 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 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